

2025

TCFD & TNFD REPORT

WNC



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About this Report

In response to the growing concerns of all stakeholders regarding climate and nature issues, WNC Corporation (hereinafter referred to as WNC) has adopted the Task Force on Climate-related Financial Disclosure (TCFD) framework to disclose climate information across four core dimensions: "Governance," "Strategy," "Risk Management," and "Indicators and Objectives." In addition, it has referenced the Task Force on Nature-related Financial Disclosure (TNFD) framework and integrated it with issues related to nature and biodiversity to release a combined TCFD & TNFD Report (hereinafter referred to as this Report). For more information on environmental, social, and governance aspects, please refer to WNC's Sustainability Report.

This report is produced in both Chinese and English, and is posted on WNC's ESG website. We hope to maintain smooth and transparent channels of communication with all stakeholders of WNC.

Reporting Period

January 1, 2025 to December 31, 2025.

Scope

The report covers information regarding operations at WNC's headquarters (HQ) in the Hsinchu Science Park, the S1 site located on Lihsin Rd., and the S3 Plant located in the Tainan Science Park, WNC (Kunshan) Corporation, Wistron NeWeb (Kunshan) Corporation, NeWeb Service (Kunshan) Corporation, WebCom Communication (Kunshan) Corporation - Kunshan Plant, WebCom Communication (Kunshan) Corporation - Nanjing Branch, and Neweb Vietnam Co., Ltd. Depending on information availability and significance, some of the content covers our R&D center in Taipei's Neihu district, our US subsidiaries (Branchburg, U.S.A., Tustin, U.S.A., WNC USA Corporation and W-NeWeb Co. (US), WNC UK Limited., NeWeb GmbH (Germany), WNC Japan Inc., W-NeWeb Mexico, and other service centers, as remarked in the Report.

External Assurance

This Report has been verified by SGS Taiwan Ltd., an independent third-party organization, in June 2026, and WNC received a TCFD Performance Assessment Statement (see [Appendix 6.5](#)). The data in this Report are consistent with those in WNC's 2025 Sustainability Report.

Contact Information

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A Message from the Chairman

If one were to summarize the current global situation in a single word, "uncertainty" would undoubtedly be the most representative term. From the international politico-economic situation to the business environment, and not forgetting climate change and changes in natural systems, a range of risks are intertwined and are amplifying each other. The World Economic Forum (WEF) Global Risks Report 2026 points out that the world is entering an "age of competition," with geo-economic confrontation, misinformation and disinformation, and social extremism being the most pressing short-term risks. Over the next decade, extreme weather, biodiversity loss and ecosystem collapse are the critical challenges we will face. Climate change and the loss of natural capital are no longer just environmental issues, but are key factors directly affecting business operations and long-term value creation.

WNC in 2025 passed an SBTi review, defining a net-zero path for 2030 and 2050, and implementing a carbon reduction strategy covering the company and its supply chain. In response to rapidly evolving carbon pricing mechanisms, we have incorporated carbon emissions into our cost and investment decisions, optimized our green R&D and product portfolio, and upgraded our waste management from traditional energy recycling to a more circular resource regeneration model. This boosts energy efficiency

and low-carbon innovation, thereby strengthening our operational resilience and sustainable impact. Currently, WNC's production sites in Taiwan, Vietnam, and China have all obtained UL 2799 Zero Waste to Landfill Platinum certification, the highest level. We will continue to optimize our processes and waste reduction mechanisms to ensure a steady improvement in resource utilization and environmental performance.

For natural capital management, WNC has incorporated the TCFD and TNFD frameworks into the company's governance and operational processes. The LEAP (Locate, Evaluate, Assess, Prepare) methodology has been implemented to systematically identify the overall value chain's dependence on and impact on natural resources, thereby allowing us to measure related risks and opportunities. We also reference the AR3T (Avoid, Reduce, Restore & Regenerate, Transform) action framework of the SBTN initiative to establish priorities and quantitative indicators, reduce potential negative environmental impacts, and understand the possibilities brought about by nature-positive transformation. Our planning also includes the implementation of IFRS S1 and S2 guidelines to improve climate-related financial impact assessments, and the results will be incorporated into disclosure systems to enhance information transparency

The Chairman

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and consistency, thus meeting the expectations of all stakeholders. By aligning with international standards and participating in initiatives, WNC will continue to engage in cross-sector dialogues to enhance its resilience in the face of natural hazards.

In addition, WNC is involved in diverse environmental projects, including industry-academia collaborations in afforestation and ecological monitoring (using the Shannon Biodiversity Index to track restoration effectiveness), thus simultaneously enhancing carbon management and ecological benefits; and has introduced an internal carbon pricing mechanism to prioritize low-energy and high-efficiency solutions in investment and procurement decisions. In terms of governance, WNC incorporates climate and water resource management performance into its compensation mechanism for senior executives and builds in capabilities such as life cycle assessment (LCA), carbon inventories and supply chain carbon audits. At the same time, it sets company-level ESG performance indicators to ensure that sustainability strategies are implemented by all units.

WNC is committed to integrated climate and nature governance, and will improve data analysis and cross-departmental collaboration to promote the synergistic development of carbon reduction, forest restoration, biodiversity conservation and sustainable supply chains, moving from risk response to value creation. We firmly believe that a dynamic balance should be achieved between corporate development and environmental protection, so that they can occur side by side. WNC hopes to join hands with all stakeholders to make sustainability concepts a part of daily practices, and to build a sustainable future.

A Message from the Chief Sustainability Officer

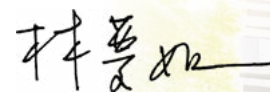
Climate change is having a profound impact on the global economy and society, with loss of natural capital and decline of biodiversity gradually becoming systemic risks. Against this backdrop, the role of enterprises has shifted from being isolated economic entities to being key actors highly dependent on the natural environment. Only by identifying natural capital dependence and potential risks early on and incorporating them into capital allocation, risk management, and operational decisions can enterprises balance stable profits and value creation, and further turn challenges into opportunities for innovation.

With the vision of "coexisting in harmony with nature", WNC has responded to the United Nations Sustainable Development Goals and the Convention on Biological Diversity by adopting the TNFD framework and setting itself the goals of net positive environmental and ecological impact, net zero loss and no deforestation by 2050. Since the adoption of the TCFD framework in 2021, we have improved our climate governance and cross-departmental collaboration mechanisms, incorporated climate and nature risks into our decision-making systems, and moved from a carbon reduction approach to integrated governance of climate and nature. Currently, we are planning to implement ISO 22301 Business

Continuity Management Systems, ISO 20400 Sustainable Procurement -Guidance, and ISO 59004 Circular Economy, to strengthen operational resilience and resource recycling efficiency, and accumulate sustainable business capabilities.

To systematically understand the interaction between enterprises and nature, we follow the LEAP (Locate, Evaluate, Assess, Prepare) method. This helps identify the dependence and impact of the value chain on nature, and based on this, we create risk assessment mechanisms, management objectives and action plans. In 2023, WNC signed the WNC Biodiversity and No Gross Deforestation Commitment, extending the scope of its natural capital management to products, services and supply chains, fulfilling its responsibility as an industry leader, and promoting supplier education, training and management status surveys. The results show that more than 70% of suppliers have taken action on climate and nature-related issues, demonstrating that handling of nature issues has moved from awareness to practical implementation and has become one of the driving forces for supply chain transformation. We have also followed the classification system of the International Union for Conservation of Nature (IUCN) to complete biodiversity and species inventories of our global

The Chief Sustainability Officer

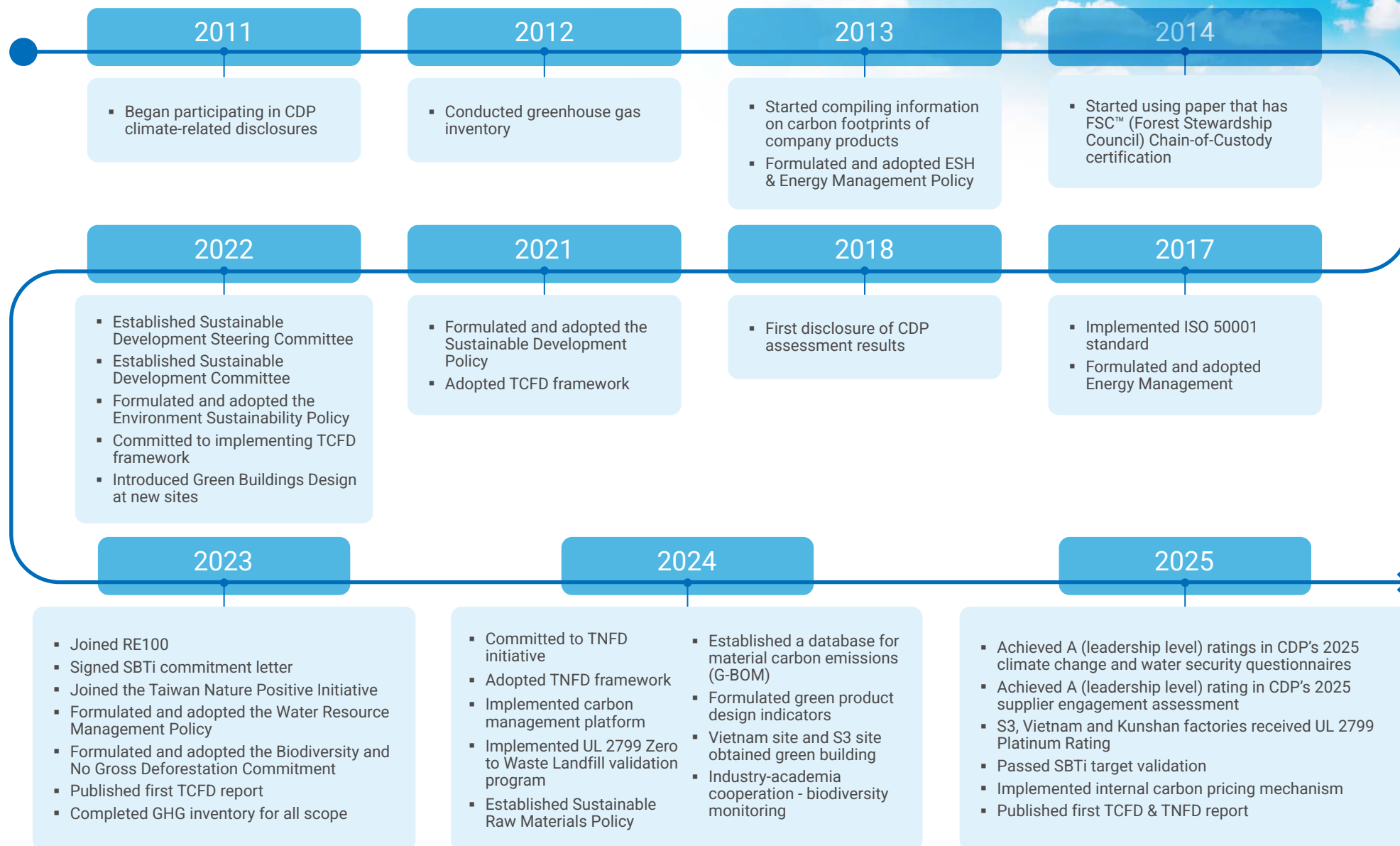


sites, in order to formulate differentiated conservation strategies. In 2025, WNC released its first TCFD+TNFD report, marking another step forward in information transparency and governance consistency.

We have re-committed ourselves to local habitat preservation movements. In partnership with the NTU Experimental Forest management office, WNC planted one hectare of native Taiwan tree species in the WNC Forest Park in Xitou. The carbon sink of the forest has been assessed. By 2025, it had accumulated 1,198.1 kg of CO₂e, with an annual carbon sequestration increase of 967.1 kg CO₂e per hectare. The site also serves as an observation base, with a biological database established to monitor changes in mammalian, amphibian, and reptile species. This commitment to protecting nature extends to the company culture, with employees successfully establishing friendly habitats for collared scops owls in Hsinchu, Beipu, and other areas, demonstrating a bottom-up approach to sustainability.

WNC will continue to improve the integration of natural capital management mechanisms with climate strategies. At the same time we will expand the influence of our value chain, implementing a transformation from "mitigating impact" to "creating a positive impact". We hope to play a leading role in the industry in achieving a sustainable future in which nature coexists with prosperity.

Milestones



1 Governance

1.1 Climate and Natural Ecosystems Vision

1.2 Governance Structure and Mechanism

1.3 Human Rights Engagement

1.1 Climate and Natural Ecosystems Vision

In line with the goals of the Paris Agreement, WNC has formulated an Environmental Sustainability Policy, with climate change mitigation and adaptation, gradual improvement of energy efficiency and renewable energy use ratio, resource recycling and ecological conservation as development axes. This policy helps the company set environmental performance indicators and implement environmental protection concepts such as carbon reduction, energy and resource conservation, waste reduction, and pollution prevention in each operating location.

In 2023, in addition to joining the RE100 initiative and pledging to use only renewable power by 2040, WNC submitted a carbon reduction commitment to the Science Based Targets initiative (SBTi).

In 2024, after completing third-party verification of a full-scope greenhouse gas inventory for all its sites, the company submitted the following science-based carbon reduction targets to SBTi: Reduce Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030 compared to a 2022 baseline, reduce Scope 3 greenhouse gas emissions by 25% compared to a 2023 baseline, and achieve net zero by 2050.

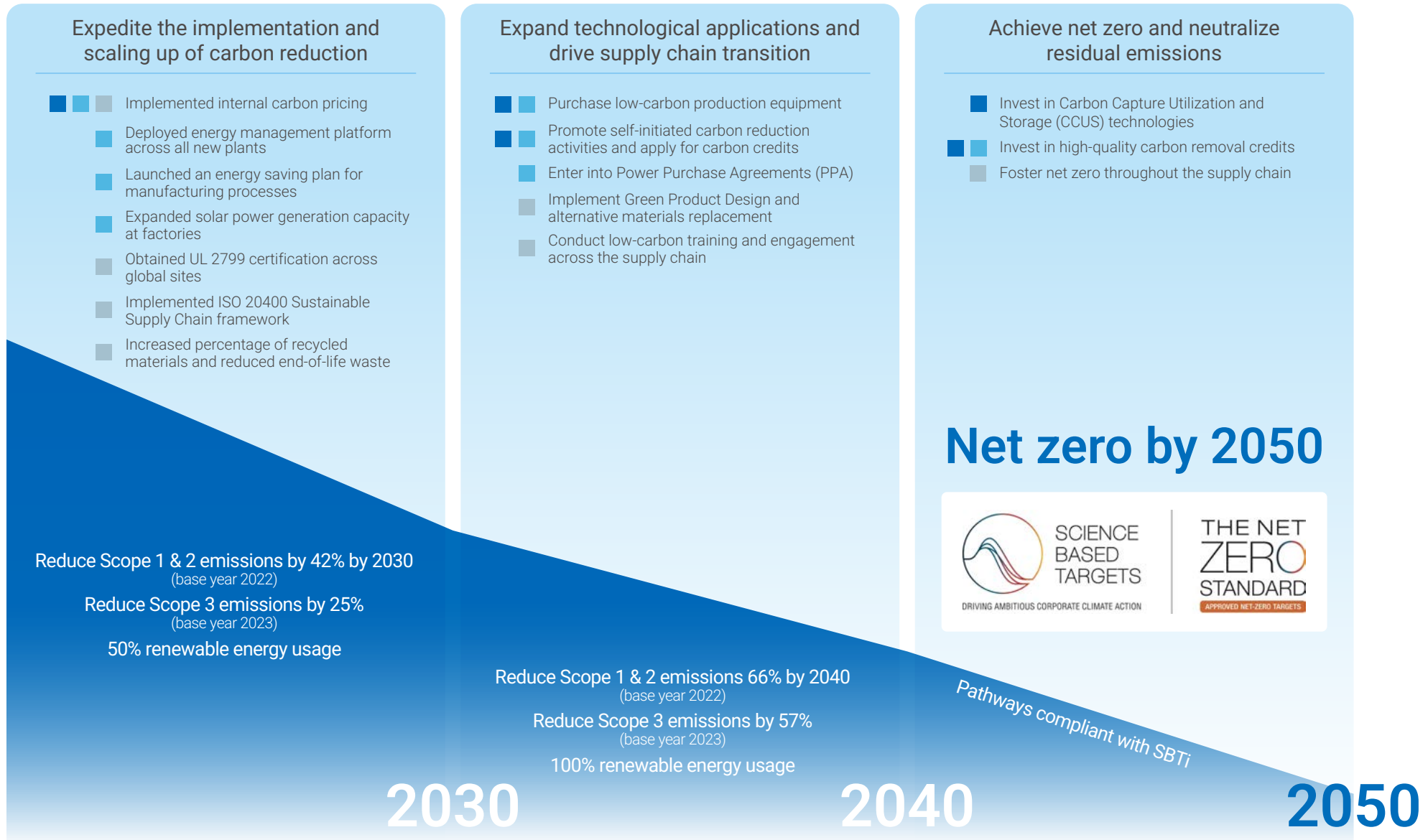
In February 2025, SBTi validated WNC's science-based targets. To respond to international climate initiatives and fine-tune its decarbonization pathway and management strategies, in 2026 WNC began integrating relevant strategies and plans to move up its Scope 1 and Scope 2 GHG emissions net-zero target to 2040. The company expects to submit an application for this target revision to SBTi in 2028.

In 2023, WNC's President and CEO signed a Biodiversity and No Gross Deforestation Commitment. The commitment clearly expresses WNC's position on protecting the environment, and commits the company to continuously improving its operations, products and services. In addition, it calls on suppliers and partners in the value chain to join in responding to the UN's SDGs and the Convention on Biological Diversity. In response to the Kunming-Montreal Global Biodiversity Framework (K-M GBF), we are committed to introducing a mitigation hierarchy and adopting the strategic approach of "avoidance, mitigation, restoration and offset" to achieve the goals of Net Positive Impact, No Net Loss and No Gross Deforestation by 2050.



WNC's net-zero emissions pathway and blueprint

■ Direct emissions from production ■ emissions Indirect emissions from ■ Indirect emissions from value chain

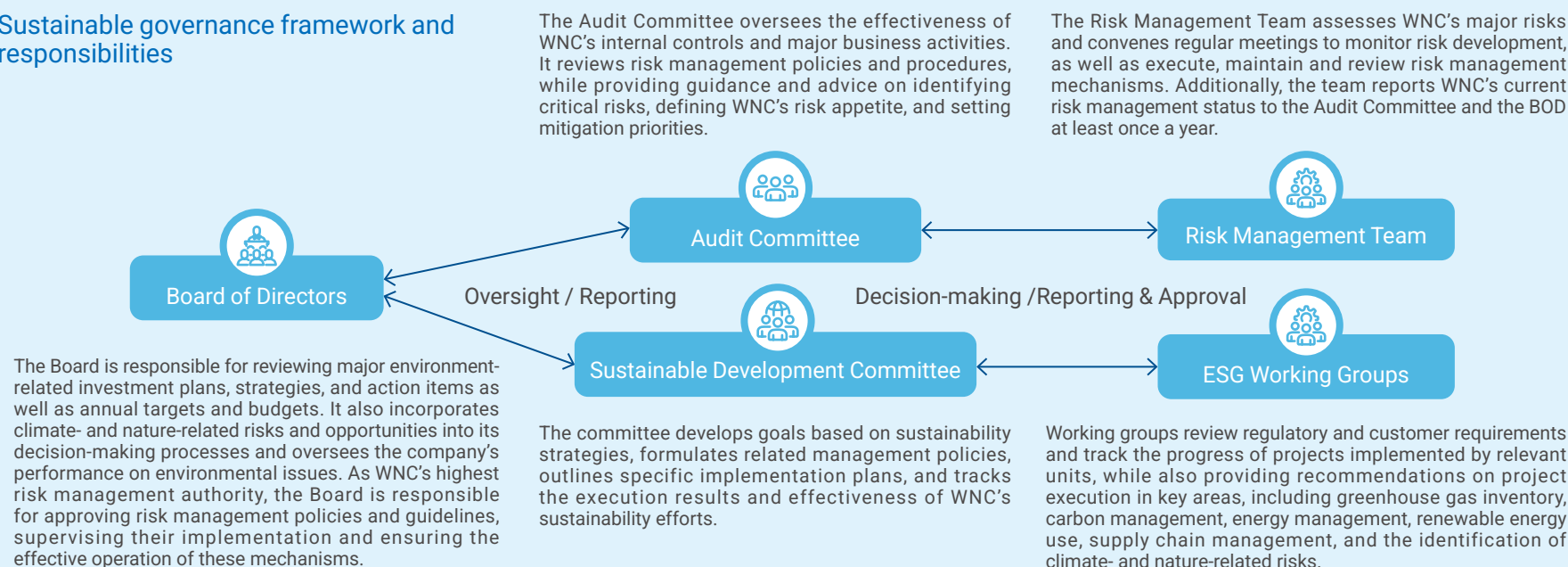


1.2 Governance Structure and Mechanism

To optimize its sustainable governance structure and clearly define senior management's responsibilities, WNC has designated the Board of Directors as the highest governing body for sustainability, overseeing all related policies, strategies, and goals. In 2024, to enhance the company's climate and nature governance, WNC adjusted its organizational structure and elevated the Sustainable Development Committee to the Board level. The Sustainable Development Committee reports on the progress of sustainability related initiatives to the Board of Directors on a regular basis. In addition, the committee compiles overall sustainability strategies and supervises senior managers' governance status and their performance in terms of key indicators. The Environmental Protection, Social Responsibility, and Corporate Governance working groups under the Sustainable Development Committee review the status of each ESG project every quarter, develop goals in accordance with WNC's sustainable development directions and strategies, and establish related management guidelines and specific action plans. WNC's Board approved a Risk Management

Policy and Procedures in 2025. Designed to foster a risk-aware corporate culture, these procedures are integrated into organizational management mechanisms and internal control systems across all levels, ensuring a top-down approach to risk management under Board-level supervision. This framework enables WNC to respond to ever-changing internal and external environments and business uncertainties, thereby strengthening corporate governance resilience. Starting in April 2026, the risk management team has been convening bimonthly meetings to review risk assessments as well as discuss matters related to the establishment, implementation, maintenance, and review of risk management mechanisms. In addition, the team reports to the Audit Committee and the Board of Directors on WNC's risk management status at least once a year to strengthen the overall risk management framework.

Sustainable governance framework and responsibilities



Implement climate and nature governance

To ensure alignment in top-down management and facilitate the consolidation of internal and external resources, WNC has incorporated the Sustainable Development Committee into the Board’s governance structure, establishing a Sustainable Development Center to convene regular meetings and ensure alignment between decision-making and execution. Under the Committee, Environmental Protection, Social Responsibility, and Corporate Governance working groups were established. As cross-departmental collaboration platforms, these groups develop goals aligned with WNC’s sustainability strategies, formulating related management guidelines and specific action plans. They also track project progress every quarter to ensure on-schedule execution. To strengthen project management and facilitate cross-domain collaboration, WNC has also established cross-unit project teams, such as a TCFD project team, TNFD project team, green design working group, and ESG digital transformation project team. In addition, to implement a disclosure framework compliant with IFRS Sustainability Disclosure Standards, a dedicated task force will be formed in accordance with the competent authority’s schedule and industry-specific guidelines. The task force will coordinate related projects to address stakeholders’ demands for transparency and ensure regulatory compliance.

Monitoring and guiding unit

Board of Directors

Composition and operations

WNC’s Chairperson serves as the Chair of the Board of Directors. The current Board comprises nine directors. Among them, four are independent directors who play a key role in overseeing WNC’s sustainability management strategies

Communication frequency

At least once a quarter

Major report items and strategic decisions in 2025

The Board reviews and approves WNC’s material sustainability topics, sustainability management targets, and annual sustainability reports. It also reviews the assessment outcomes of major climate- and nature-related risks and opportunities, as well as WNC’s risk management policies and procedures.

Monitoring and guiding unit

Sustainable Development Committee

Composition and operations

WNC’s Chairperson serves as the Chair of the Board of Directors. The current Board comprises nine directors. Among them, four are independent directors who play a key role in overseeing WNC’s sustainability management strategies

Communication frequency

At least once a quarter

Major report items and strategic decisions in 2025

- The Committee reviews and approves the communication results with stakeholders, ESG project progress, international sustainability awards, as well as the latest domestic and overseas sustainability trends and regulations.
- The Committee discusses and determines the evaluation methodologies and results for WNC’s 14 material sustainability topics, establishing corresponding management targets for each topic. It also approves the structure and schedule for the 2024 Sustainability Report. In addition, the Committee also evaluates major climate- and nature-related risks and opportunities for financial disclosure in accordance with the TCFD and TNFD frameworks.

Monitoring and guiding unit

Audit Committee

Composition and operations

The Committee comprises four independent directors, monitoring the company’s overall business risks.

Communication frequency

At least once a quarter

Major report items and strategic decisions in 2025

(The first risk management meeting convened in April 2026.)

Management and execution unit	Composition and operations	Communication frequency	Work item in 2025
Risk Management Team	The Risk Management Team consists of top-tier managers from each unit, led by the President appointed by WNC’s Chairperson. The Team is responsible for assessing material risks.	At least once a year	The team approves WNC’s risk management policies, which are disclosed on our official website. Additionally, this team is currently planning to establish functional units under its purview to plan for future risk identification and risk training programs.
ESG Working Groups	The Chief Sustainability Officer serves as the convener of the working groups, and the Sustainable Development Center oversees related matters. Working group members are the company’s top-tier managers, and review the implementation status of ESG projects regularly	Once a quarter	The working groups track and review key indicators and target achievements for material ESG topics. They also establish corporate-level ESG KPIs to ensure the effective execution of sustainability strategies and objectives.

1.2.1 Building Environmental Competency Through Training

To ensure that directors are well-versed in the latest trends in corporate governance and to boost the board’s sustainable governance capabilities, all directors of WNC are required to complete annual training on ESG related issues in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. WNC arranges a continuing education program for its board of directors. By sharing information on economic, environmental and social issues related to company operations from time to time or planning external courses, we help directors keep up with the latest trends and best practices thereby ensuring that they can effectively respond to risks and challenges in the face of climate change and nature and biodiversity-related issues. These training programs cover areas such as corporate governance, environmental sustainability, climate change, and risk management. In 2025, WNC’s directors participated in 20 training sessions, totaling 69 hours, with 26% of those hours dedicated to environmental training courses. For detailed information on their training, please refer to the Market Observation Post System or the Corporate Governance section in the 2025 WNC Annual Report.

Additionally, WNC is dedicated to providing employees with a comprehensive learning environment focused on climate-related issues. We enhance employee knowledge through courses led by internal experts, while partnering with renowned academic institutions, industry leaders, and government agencies to offer a wide range of advanced courses, seminars, and practical workshops. These initiatives help WNC nurture world-class sustainability talent with a global perspective. WNC also holds supplier conferences for supply chain partners. Besides sharing WNC’s sustainable development strategies and supplier carbon management requirements, the events also featured industry experts delivering training sessions on global sustainability trends, carbon inventory, biodiversity and sustainable materials to enhance supply chain resilience.

1.2.2 Compensation Linked to Sustainability Performance Indicators

Sustainability performance indicators are key criteria in determining short-term performance bonuses and long-term incentive plans (e.g. equity) for WNC’s President & CEO, as well as senior managers. This policy strengthens the alignment between senior management and the company’s sustainability responsibilities, driving the execution and continuous improvement of our sustainability strategies, while supporting the achievement of strategic goals. WNC’s objectives include both financial and non-financial indicators, while individual annual goals encompass operational goals and ESG indicators. The achievement of ESG performance indicators will directly impact bonus allocation, with the bonus amount potentially increasing or decreasing by up to 10%.

Aspect	Indicator	Weighting
Financial performance	Achievement of company performance indicators and individual performance indicators	100%
Sustainability performance	Sustainability performance indicators (including the achievement rate of SBTi GHG reduction targets and the proportion of renewable energy usage)	±10%



1.3 Human Rights Engagement

To improve its human rights management, in 2025 WNC incorporated respect for human rights into its corporate governance as well as operational and value chain management in alignment with international regulations, local statutory requirements and international human rights guidelines. These include the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Responsible Business Alliance Code of Conduct. The company has also established human rights policies covering anti-discrimination, freedom of association, collective bargaining, the prohibition of child labor, and the protection of labor rights. For details, refer to [WNC's Human Rights Policies](#).



Human rights management policies

Due diligence

WNC conducts human rights due diligence annually to assess human rights risks and potential impacts. The Board of Directors regularly oversees and reviews human rights risk management results.

Training and communication

WNC raises employees' awareness of human rights regulations through onboarding training and ongoing training programs. The company also integrates human rights requirements into its Supplier Code of Conduct and includes human rights risks in its annual supplier audit criteria. For high-risk suppliers, WNC conducts more frequent audits, provides guidance and tracks remediation progress.

Grievance channels

WNC has established multiple reporting and grievance channels and conducts investigations in accordance with established procedures. If complaints are substantiated, necessary remediation measures will be taken and publicly disclosed.

Remediation measures

If a human rights violation attributable to WNC is confirmed, the company will implement internal remediation measures. If necessary, the company will collaborate with stakeholders to prevent recurrence.

2 Climate Change

2.1 Risk Identification and Management

2.2 Major Risks and Opportunities

2.3 Scenario Analysis of Transition Risks

2.4 Scenario Analysis of Physical Risks

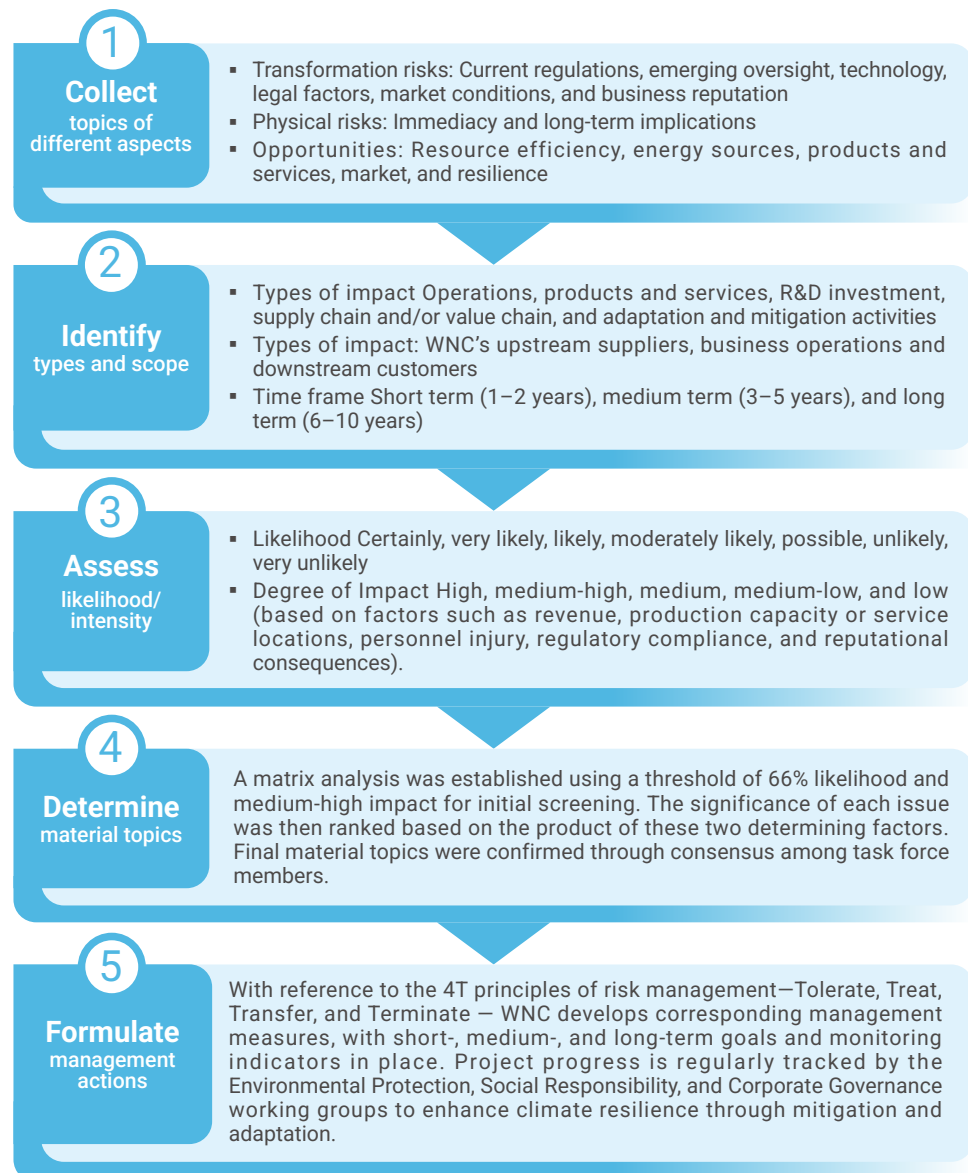
2.1 Risk Identification and Management

To establish a risk-aware corporate culture, WNC's Board approved Risk Management Policy and Procedures in 2025. This policy integrates risk management into organizational governance and internal controls through Board-level oversight and a top-down implementation mechanism. It refines risk identification, assessment, and mitigation to address internal and external uncertainties, while strengthening corporate governance and operational resilience through regular reviews, training, performance management, early warning systems, and transparency – ensuring sustainable operations and safeguarding the interests of shareholders and stakeholders. In response to the global climate crisis and low-carbon transition imperatives, WNC references the TCFD framework and takes into account stakeholder concerns and customer requirements to review internal and external variables affecting operations. The company develops management strategies and response measures for the prevention, mitigation, or transfer of material risks.

In accordance with internal TCFD project protocols, WNC performs a comprehensive assessment every three years and reviews risk management and control performance on an annual basis. The team also considers emerging domestic and international industry issues and global trends to ensure the relevance and comprehensiveness of the risk assessment. The Sustainable Development Center works with external experts to consider eight risk categories and the value chain scope across upstream, midstream, and downstream operations, mapping potential risk occurrence by short-, medium-, and long-term horizons to establish a preliminary climate-related issue inventory. It also designs an internal risk identification questionnaire, convening relevant units to conduct workshops based on their roles, expertise, and experience across five dimensions: energy and resource management, products and technology, business and market, supply chain management, and assets and administration.

Time period	Definition	Link to strategic decisions
Short term	1-2 year	Establish governance and data baselines, and allocate budgetary funds toward energy management systems and initial energy-saving retrofit projects.
Mid-term	3-5 year	Shift toward "systematic decarbonization and supply chain diffusion," using data and internal carbon pricing to drive major decarbonization projects and procurement decisions (PPAs, low-carbon equipment, supply chain management).
Long-term	6-10 year	Progressively implement key policies and technological deployment to achieve RE100/net-zero pathways (including CCUS or high-quality carbon removal strategies).

Climate-related risks and opportunities identification process



2.2 Major Risks and Opportunities

Carbon-related risks

Degree of Impact	Market signal uncertainty	- Requirements for low-carbon products and services - Changes in customer behavior - Investment in new technology	- Changes in energy prices - Voluntary participation in climate agreements
	Trigger changes in natural resources	- Average temperature change - Extreme rainfall and drought	Changes in customer preferences
	- International conventions or agreements - Lack of legal provisions or compliance - Uncertainty associated with new laws	- Low-carbon technological transformation - Carbon tax - General environmental regulations - Cap-and-trade system - Product labeling regulations and standards - Product efficiency regulations and standards	Air pollution controls
Rate			

Risk type	Topic	Materiality ranking
Transformation, regulations	Changes in energy prices	1
Transformation, regulations	Voluntary participation in climate agreements	2
Transformation, technology	Requirements for low-carbon products and services	3
Transformation, technology	Investment in new technology	4
Transformation, technology	Low-carbon technological transformation	5
Transformation, market trends	Changes in customer behavior	6
Transformation, business reputation	Changes in customer preferences	7
Physical, long-term	Average temperature change	8
Physical risk - immediate	Extreme rainfall and drought	9

Carbon-related opportunities

Degree of Impact	Explore new business opportunities	Operations diversification	Changes in customer behavior
	Alternative or diversified resources	Production processes	- Recycled materials - Green buildings
		- R&D innovation - Expand sources of funds	- Low-carbon products and services - Enhanced energy efficiency - Low-carbon energy - Adaptation and solutions
Rate			

Opportunity type	Topic	Materiality ranking
Products and services	Changes in customer behavior	1
Resource use efficiency	Recycled materials	2
Products and services	Operations diversification	3
Resource use efficiency	Green buildings	4
Resource use efficiency	Production processes	5

Major climate-related risks and opportunities

	Transformation risks - regulations	Transformation risks - regulations	Opportunities - products and services	Physical, long-term risks	Physical, immediate risks
	Changes in energy prices	Voluntary participation in climate agreements	Changes in customer behavior	Average temperature change	Extreme rainfall and drought
Risk description	With rising electricity and fuel prices, if WNC is unable to optimize energy management in the short term, it will face cost escalation risks.	If the decarbonization performance of the value chain fails to meet WNC's sustainability commitments, the company's corporate reputation may be adversely affected.	In response to international customers' growing emphasis on sustainability, WNC focuses on developing innovative low-carbon products and environmentally-friendly material technologies to enhance market appeal and strengthen brand competitiveness.	Rising global temperatures will pose challenges in terms of energy consumption, and management of heat hazards need to be improved to safeguard the health of employees doing outdoor work and to maintain their productivity.	Prolonged dry seasons and disasters caused by heavy rainfall will increase water resource costs and impact production consistency, posing challenges to supply chain management and operational efficiency.
Expected time frame of occurrence	Short-term	Mid-term	Short-term	Mid-term	Short-term
Value chain affected	WNC's business operations	WNC's upstream suppliers and business operations	WNC's business operations	WNC's upstream suppliers and business operations	WNC's upstream suppliers and business operations
Potential financial impact	Higher energy costs may result in NT\$134 million in indirect costs	Potential loss of customer orders may result in NT\$5.73 billion in lost operating revenue	Innovative products and services may generate NT\$4.41 billion in operating revenue	To adapt to rising average temperatures, WNC spent roughly NT\$4 million in indirect costs on additional electricity to keep offices and manufacturing plants at stable temperatures.	As a result of disasters requiring emergency repairs and operational suspensions at the facilities, operating revenue may be affected by NT\$3.16 billion.
Strategies and actions	- Introduce energy management platform - Replace equipment and optimize energy-saving systems in needed areas	- Increase renewable energy ratio - Implement a supplier carbon management platform, with planned activities including sustainability risk assessments, supplier summits, on-site audits, and coaching support	- Establish green product indicators - Implement product lifecycle management	- Optimize temperature control and energy-saving equipment - Implement management measures for high-temperature work in plants	- Formulate measures to mitigate the impact of floods and droughts - Improve property protection and incident response measures
Implementation progress	Completed the installation of exhaust scheduling and control systems at S3 in 2025. In 2026, outdated equipment at S1 will be gradually replaced, which is estimated to save approximately 1.5 million kWh of electricity. HQ is also evaluating plans to replace aging equipment.	In 2025, HQ completed phase II of its solar installation, which began generating electricity in July with an estimated annual output of approximately 430,000 kWh. China sites invested in photovoltaic equipment in 2025. The Vietnam site procured green energy certificates to increase its renewable energy share and reduce Scope 2 greenhouse gas emissions. WNC also regularly publishes sustainability reports disclosing carbon emission data and reduction progress, maintaining transparent communication with stakeholders. WNC has also conducted sustainability risk assessments, supplier conferences, on site audits, and provided guidance to suppliers to enhance the overall effectiveness of carbon emission reductions across the supply chain.	In 2025 WNC continued to focus on product life cycle management, including submitting products for third party verification, calculating and disclosing product carbon footprints, and strengthening our LCA analysis capabilities. It has also put a lot of effort into participating in international green product awards. In addition, the company has set a goal of increasing the proportion of recycled materials in its products. In 2025, WNC's routers reached a recycled plastic by weight ratio of 40%, exceeding the year's target of 35%.	Following the ISO 50001 energy management system, WNC adopts energy-saving configurations for office and general affairs equipment. We have also introduced temperature and humidity monitoring and air conditioning management in server rooms, with plans to replace existing servers with low-energy models and migrate systems to the cloud to reduce direct energy demand. At the same time, we increased UPS redundancy to strengthen the resilience of the company's power supply.	Each site has developed localized response measures for extreme rainfall and drought to mitigate business interruption risks. These include pre-arranging water tankers, installing pumps, and preparing sandbags and flood boards, along with emergency procedures for rapid containment and evacuation. Meanwhile, insurance coverage has been obtained for equipment potentially affected by natural disasters, so as to transfer a portion of the financial risk.
Current period management costs (including capital expenditures and expenses)	Approximately NT\$2.6 million	Approximately NT\$39 million	Approximately NT\$210 million	Approximately NT\$32 million	Approximately NT\$14 million

Note: Although assessed physical risks have not yet reached WNC's materiality threshold, we still include them in our annual risk tracking in light of the increasing frequency of extreme climate events. We will continue to review their potential impact on operations and the supply chain, and make rolling adjustments to response measures as necessary.

Opportunity type	Topic	Materiality ranking
Water resources use efficiency	Reduce costs	1
Water resources use efficiency	Recycled water	2
Market	Emerging business opportunities	3

Water resources risks and opportunities

	Physical, long-term risks Highly reliant on hydroelectric power	Opportunities, water resources use efficiency Reduce costs
Risk description	The Vietnam plant depends on hydropower for 40% of its electricity supply. In the event of power rationing, production could be disrupted, thereby affecting product delivery.	Reduce dependence on and consumption of raw water through water-saving programs and water recycling measures.
Expected time frame of occurrence	Short-term	Short-term
Value chain affected	WNC's upstream suppliers and business operations	WNC's business operations
Potential financial impact	Operational instability among suppliers and factories could reduce operating revenue by NT\$2.02 billion.	Reducing dependence on raw water could lower indirect costs by NT\$3 million.
Strategies and actions	▪ Purchase back-up power generator ▪ WNC applies TCFD and ERM risk management concepts and has implemented the ISO 22301 Business Continuity Management System.	▪ Purchase high water-efficiency equipment ▪ Adopt high-efficiency water treatment technologies
Implementation progress	In response to the risk of unstable electricity supply and operational disruptions arising from water shortages in Vietnam, we have transferred three emergency generators from our China sites to the Vietnam site as a short-term backup power source, mitigating risks to production and operations from unexpected power outages. At the same time, WNC applies TCFD and ERM risk management concepts to identify and assess climate-related risks (including water scarcity), and has implemented the ISO 22301 Business Continuity Management System to enhance response efficiency under various scenarios, including water shortages, reducing the financial impact of operational and production disruptions.	The cooling towers at S1 have been converted to reclaimed water supply, and wastewater recycling has been completed for five water-rinse lines. As planned, four additional production line water recycling systems will be added in 2026. The S3 site has also upgraded its rainwater harvesting equipment. Overall annual water savings are estimated to reach 84,750 tonnes.
Current period management costs (including capital expenditure and expenses)	Approximately NT\$1.5 million	Approximately NT\$18.32 million



Impact of significant risks and opportunities on financial position, financial performance, and cash flows

▪ Describe the financial impact of transformative actions

As global attention to climate change intensifies, the pursuit of energy conservation and carbon reduction targets alongside customer requirements for low-carbon products will generate multiple short-term impacts on WNC's financial position, financial performance, and cash flows, including: Investment in energy-saving and low-carbon production equipment increases equipment assets and affects WNC's financial position; procurement of renewable energy and materials and investment in low-carbon product R&D increases related operating costs and R&D expenses, affecting financial performance; and the aforementioned equipment investment increases cash outflows from investing activities, while the procurement of renewable energy and materials and investment in low-carbon product R&D increases cash outflows from operating activities.

In the face of transition risks, the energy structure and cost expenditures of "gray electricity" are particularly affected, with such risks further exacerbated by regulatory requirements, electricity price volatility, social responsibility pressures, and supply chain vulnerabilities. Therefore, an early shift to renewable energy is required to enhance resilience, reduce future transition costs, and safeguard long-term financial stability. WNC has implemented an energy management system. By monitoring energy usage, we track the effectiveness of our energy reduction efforts. In terms of manufacturing process electricity usage, we integrate production data to generate daily unit energy consumption reports for each product. This allows us to identify exemplary machines with high output and low energy consumption. Additionally, we evaluate the replacement of aging equipment with low output and high energy consumption. We also actively advance the transition to renewable energy and the implementation of energy management systems, gradually increasing the share of renewable energy consumed at our facilities.

▪ Financial impact of extreme weather events

Prolonged dry seasons will increase water resource costs and cause production instability, posing challenges to WNC's supply chain management and operational efficiency. WNC's Vietnam site relies on hydropower for 40% of its electricity. Thus, if there's drought, production could be impacted, affecting product delivery.

If similar extreme climate events occur in the short term, WNC's financial status, financial performance, and cash flow could be impacted in multiple ways. Production delays may reduce revenue together with additional operating costs from emergency purchases of high cost electricity or the activation of backup generators will lower gross and net margins, in turn impacting income. In addition, penalties or claims

arising from shipment delays would further erode company profits. Cash outlays for temporary contingency measures will accelerate cash outflow; if order losses or customer order transfers occur at the same time, cash inflow will slow, placing short term pressure on operating cash flow and potentially affecting short term solvency.

To mitigate the impact of physical risks, WNC has installed smart water meters to regularly review water usage, identify improvement hotspots, and promote water conservation and recycling measures, optimizing water efficiency and reducing reliance on water resources. We have also obtained natural disaster insurance for inventory, property, plant and equipment located in Taiwan that are subject to physical risks from extreme rainfall, in order to transfer a portion of the financial risk. WNC is working with suppliers to ensure compliant and efficient water resource management across the supply chain, and it is working with suppliers to minimize the risk of drought impacting its material sources. The company also incorporates risk analysis results in supplier engagement, and suppliers are encouraged to strengthen their disaster response measures. In terms of water resource management, WNC has established water intensity indicators and targets to regularly track and manage effectiveness. Additionally, we have developed a Business Continuity Plan (BCP) that includes emergency response measures and disaster recovery actions. The BCP clearly defines response measures and the allocation of responsibilities in the event of water shortages or power outages, and drills are conducted regularly to ensure employees are familiar with the response procedures.



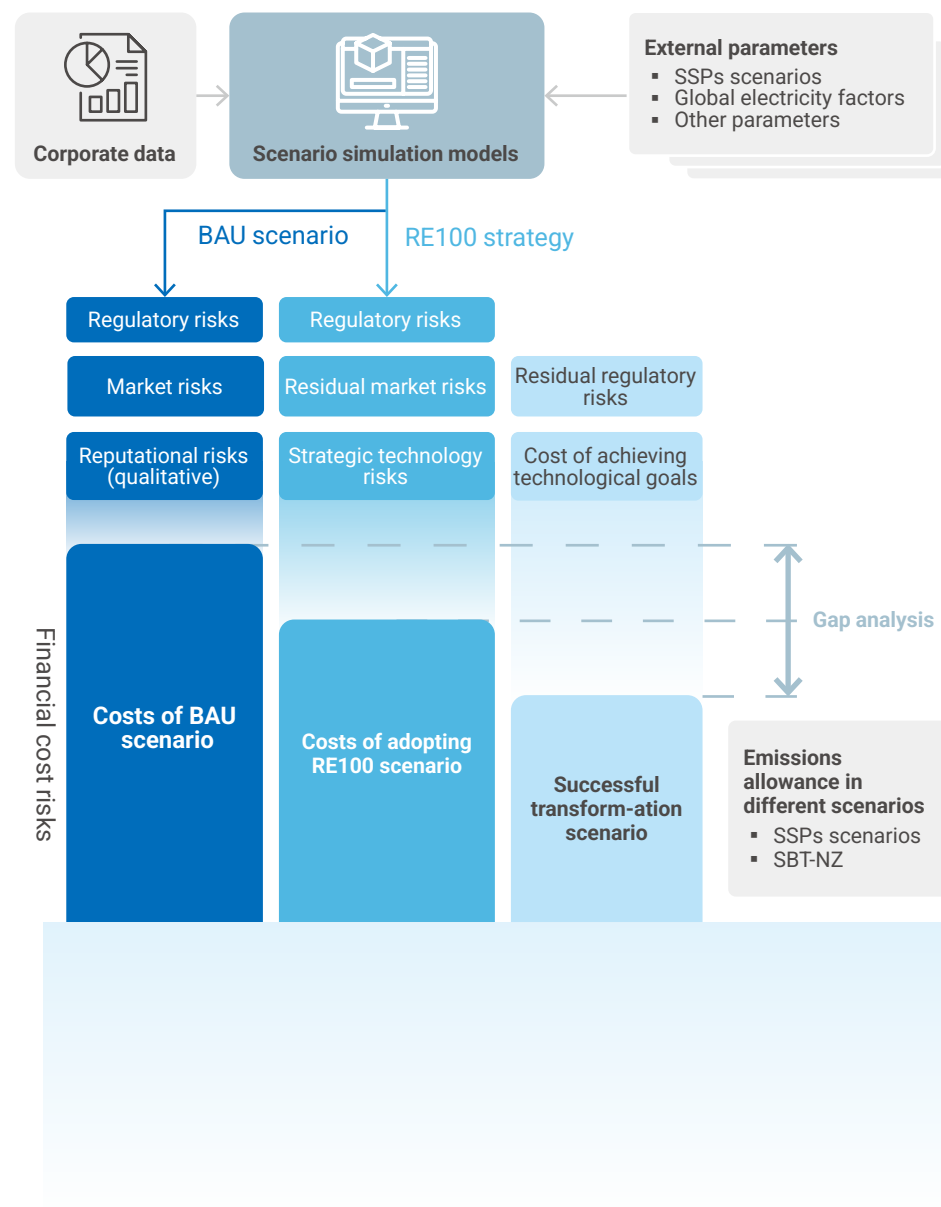
2.3 Scenario Analysis of Transition Risks

This analysis primarily examines financial impact and management cost assessment under climate change transition risks, recognizing that different risk pressures may lead to varying financial effects. The following assessment is based on the transition scenario requirements outlined in IFRS S2 “Climate-related Disclosures,” issued by the International Sustainability Standards Board (ISSB). It evaluates low-carbon transition scenarios aimed at limiting the global average temperature rise to 2°C or even 1.5°C, while also incorporating national climate policy transition scenarios into the analysis. Since our different sites around the globe have different climate conditions, regulations and resources, the analysis focused on key sites including in Taiwan, China, and Vietnam.

Assessment framework and source of parameters

In line with TCFD recommendations, WNC adopts well-established and credible international climate scenarios as tools for forward-looking simulation and estimation. Using these scenario parameters, we analyze projected emissions under different scenarios, potential financial impacts on existing strategies, and the management costs required to address external pressures, while also assessing the potential financial impact of strategies already implemented or planned. These findings further serve as a reference for carbon reduction target management, renewable energy strategy planning, and climate risk response, enhancing operational resilience and supporting medium- to long-term net-zero transition decisions. The sources of parameters referenced include:

- The Shared Socioeconomic Pathways (SSPs) scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)
- Internationally credible reports, including those from the International Renewable Energy Agency (IRENA), the International Energy Agency (IEA), and others
- Energy parameters from the Taiwan Bureau of Energy and Taiwan Power Company
- Climate policies publicly available from governments
- Parameters provided by companies: Basic emissions parameters, existing and long-term mitigation and transition strategies



WNC's strategy selection and future data estimation

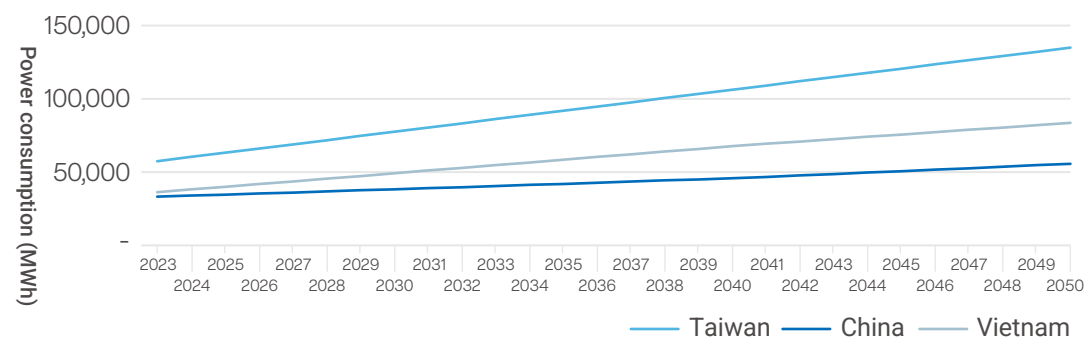
WNC's strategic options fall into two main approaches. The first is the BAU (Business As Usual) scenario under the existing plan, in which only already-scheduled initiatives are carried out with no further intervention, and future long-term strategies are excluded from consideration. The second is the long-term strategy targeting the renewable energy share that WNC aims to achieve going forward.

Estimated future power consumption and emissions

Power consumption

- **Taiwan sites:** Using the base year as a fixed reference point, estimates are made based on a fixed linear growth model.
- **China:** Calculated using YoY compound growth based on the SSP2-4.5 global scenario.
- **Vietnam:** Calculated using YoY compound growth based on the SSP5-8.5 global scenario

Estimated power consumption for each site

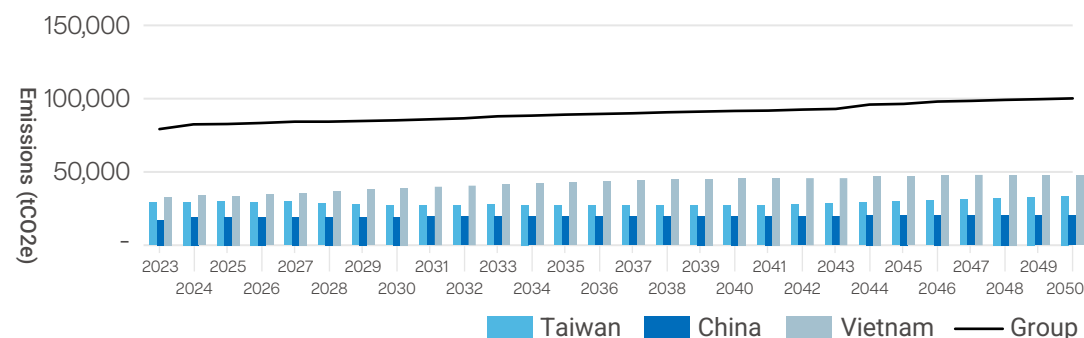


Emissions

Assuming Scope 1 emissions remain constant each year Future emissions are estimated based on projected electricity consumption growth, without accounting for any corporate actions – only considering changes in carbon emissions resulting from variations in external electricity emission factors.

- **Taiwan sites:** Based on the Taipower electricity emission factor and projected energy mix under the government's net-zero and nuclear-free homeland policy, the market-based carbon intensity of Taiwan's electricity is projected to decrease gradually from 0.4950 kgCO₂e/kWh in 2022 to 0.243 kgCO₂e/kWh in 2050.
- **China:** Using the 2022 market-based emission factor of 0.58 kgCO₂e/kWh, with reductions projected along the SSP1-2.6 pathway.
- **Vietnam:** Calculated using WNC's parameter of 0.9 tCO₂e/MWh, with reductions following the SSP1-2.6 pathway.

Emissions estimation for the entire WNC group and individual sites



Assumptions for external scenarios and financial consideration factors

External scenario	Scenario description	Financial impact factors included	Parameter for management costs																																	
Scenario where the local government authorities strive for transformation	▪ Taiwan sites: Based on the Taiwan government’s net-zero pathway: Reduce emissions by 20% by 2030, and achieve net zero by 2050 using 2005 emission levels as the baseline. ▪ China:Carbon emissions are projected to peak in 2030 and achieve carbon neutrality by 2060. ▪ Vietnam: Referenced the emission pathway of IPCC’s SSP2-4.5 scenario.	The focus is on regulatory costs, estimating only price changes for carbon fees/taxes — referred to as “carbon fee” under the Taiwan government scenario and “carbon tax” in other regions and SBT scenarios — across different transition scenarios. ▪ Taiwan sites:Estimated at US\$10 per ton of CO₂e. ▪ China: Estimated carbon tax values under SSP1-2.6. ▪ Vietnam: Estimated carbon tax values under SSP2-4.5.	Management costs refer to the expenses required to implement mitigation transitions, including costs of existing strategies and additional costs for procuring renewable electricity to align with external scenarios. Renewable energy The assumed parameters for procurement costs are as follows: Reference price (unit: USD/kWh) <table><tr><th>Item</th><th>Taiwan Bureau of Energy</th><th>International Renewable Energy Agency (IRENA)</th></tr><tr><td>Renewable energy (average)</td><td>0.124214809</td><td>0.064714286</td></tr><tr><td>Solar photovoltaic (PV)</td><td>0.128465</td><td>0.048000</td></tr><tr><td>Offshore wind energy</td><td>0.139183</td><td>0.075000</td></tr><tr><td>Onshore wind energy</td><td>0.146978</td><td>0.033000</td></tr><tr><td>Concentrated solar power (CSP)</td><td>0.114000</td><td>0.114000</td></tr><tr><td>Biomass energy</td><td>0.123699</td><td>0.067000</td></tr><tr><td>Geothermal energy</td><td>0.169179</td><td>0.068000</td></tr><tr><td>Hydropower</td><td>0.048000</td><td>0.048000</td></tr><tr><td>Renewable Energy Certificate (surcharge)</td><td>0.167970</td><td>0.050000</td></tr><tr><td>Renewable energy (unspecified)</td><td>0.169179</td><td>0.062875</td></tr></table>	Item	Taiwan Bureau of Energy	International Renewable Energy Agency (IRENA)	Renewable energy (average)	0.124214809	0.064714286	Solar photovoltaic (PV)	0.128465	0.048000	Offshore wind energy	0.139183	0.075000	Onshore wind energy	0.146978	0.033000	Concentrated solar power (CSP)	0.114000	0.114000	Biomass energy	0.123699	0.067000	Geothermal energy	0.169179	0.068000	Hydropower	0.048000	0.048000	Renewable Energy Certificate (surcharge)	0.167970	0.050000	Renewable energy (unspecified)	0.169179	0.062875
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SBT-NZ scenario	Under the 1.5°C low-carbon transition scenario, the long-term target is to reduce carbon emissions by 90% by 2050, ultimately achieving net-zero through Beyond Value Chain Mitigation (BVCM).	Estimated based on the carbon prices from IPCC AR6 SSP1-1.9 scenario.	▪ In addition to the costs mentioned above, the SBT-NZ scenario also includes carbon removal costs. This analysis uses direct air capture technology, based on the following three assumptions: ▪ Technology at an immature stage: US\$340/tCO₂e ▪ Average market price: US\$235/tCO₂e ▪ Technology at a mature stage: US\$130/tCO₂e																																	

Impact of WNC's existing strategies under different external scenarios

▪ Scenario Where Local Government Authorities Strive for Transformation

Overall, among the three areas, Taiwan requires the highest additional renewable electricity purchases after meeting local regulations, mainly due to its more ambitious net-zero targets (as shown in chart a on the right). The following provides an estimated financial impact of the local government transition scenarios for Taiwan, China, and Vietnam:

Taiwan sites

The Taiwan government has set an annual carbon emissions quota of 25,000 tonnes; companies whose annual emissions are below this do not have to pay a carbon fee. As the annual carbon emissions of WNC headquarters, the S1 site, and the S3 site are all below 25,000 tonnes, WNC does not have to pay any carbon fees. All financial impact to the company comes from costs associated with BAU strategies and the purchase of renewable electricity to meet emissions targets. We expect to spend approximately US\$4.88 million in 2040 to purchase renewable electricity (amounting to about 43 million kWh); this expenditure is expected to reach approximately US\$12 million in 2050 (amounting to about 110 million kWh in purchased power).

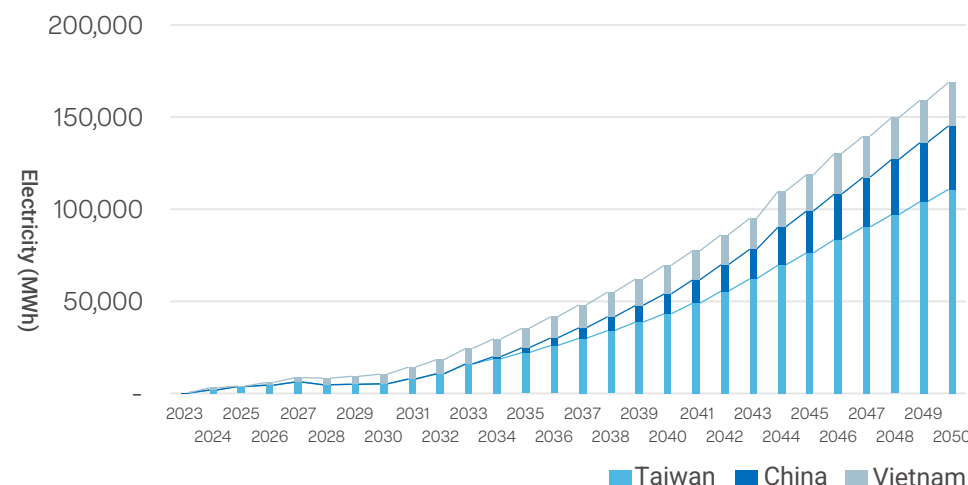
China sites

The Kunshan site's carbon emissions are expected to meet China's current emissions standards through 2033. However, starting in 2034 emissions are expected to exceed said standards, and the amount of carbon tax that will need to be paid is projected to reach around US\$1.2 million in 2050. In addition, to comply with relevant local emissions regulations, the Kunshan site will need to spend approximately US\$240,000 in 2040 to purchase renewable electricity (amounting to about 11 million kWh); this expenditure is expected to reach approximately US\$800,000 in 2050 (amounting to about 35 million kWh in purchased power).

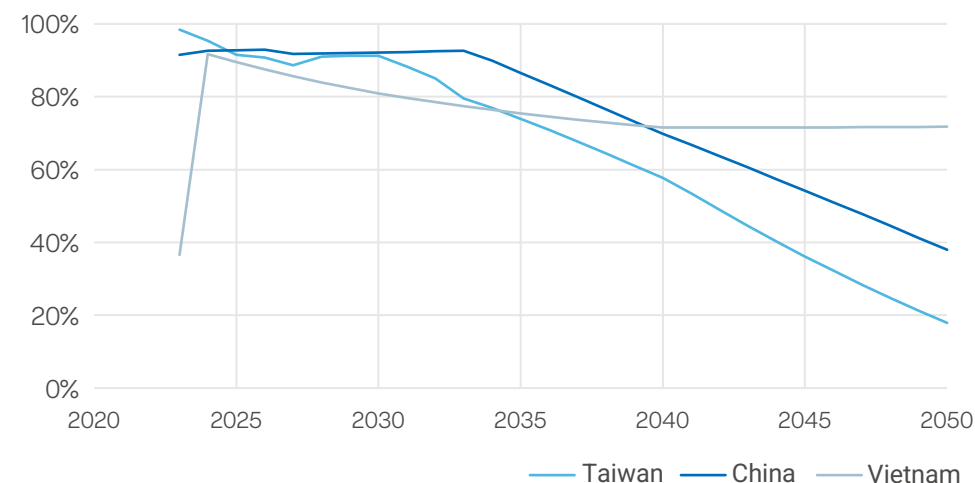
Vietnam site

The Vietnam site purchased a large amount of renewable energy certificates in 2023, lowering the site's overall emissions. In the future, taking into account the rapid growth of the site's electricity needs and the comparatively slower reduction of the emission factor for the market, overall carbon emissions for the site are projected to exceed the transition target (based on the SSP2-4.5 scenario). As a result, the amount of carbon tax that will need to be paid is projected to reach around US\$160,000 in 2050. In addition, to comply with relevant local emissions regulations, the Vietnam site will need to spend approximately US\$450,000 in 2040 to purchase renewable electricity (amounting to about 15 million kWh); this expenditure is expected to reach approximately US\$700,000 in 2050 (amounting to about 23 million kWh in purchased power).

Additional purchase of carbon-free electricity after meeting local regulations



Ratio of gray electricityNote at each site



Note: Gray power refers to electricity generated from fossil fuels, whose production emits large amounts of carbon dioxide and other greenhouse gases that seriously pollute the environment.

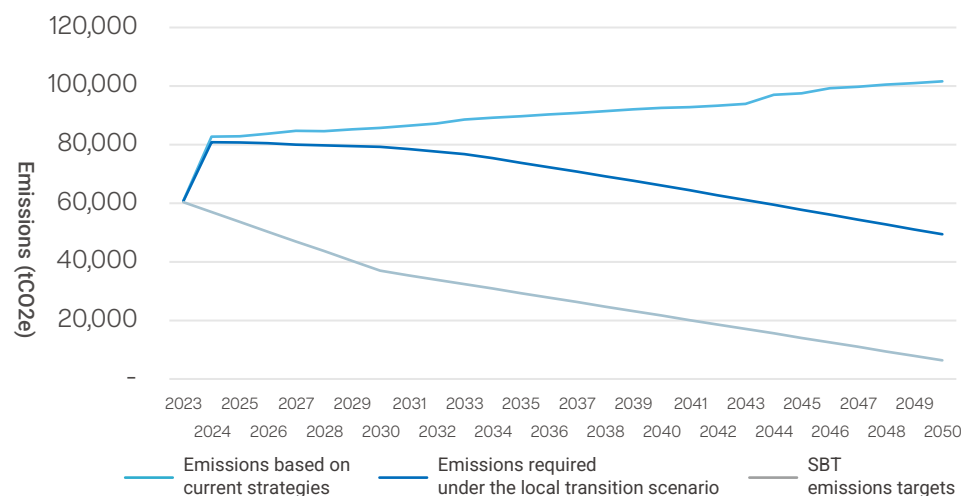
SBT-NZ scenario

Under the SBT-Net Zero scenario, WNC uses the most stringent 1.5°C transition pathway as an analytical basis, assuming a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions from the base year by 2030, and a 90% reduction across all scopes by 2050. This scenario corresponds to higher carbon tax / carbon fee costs and stricter requirements for decarbonization pathways. Even if the 90% reduction target required by SBT is achieved, residual emissions may still need to be neutralized through Beyond Value Chain Mitigation (BVCM) to advance toward net-zero emissions.

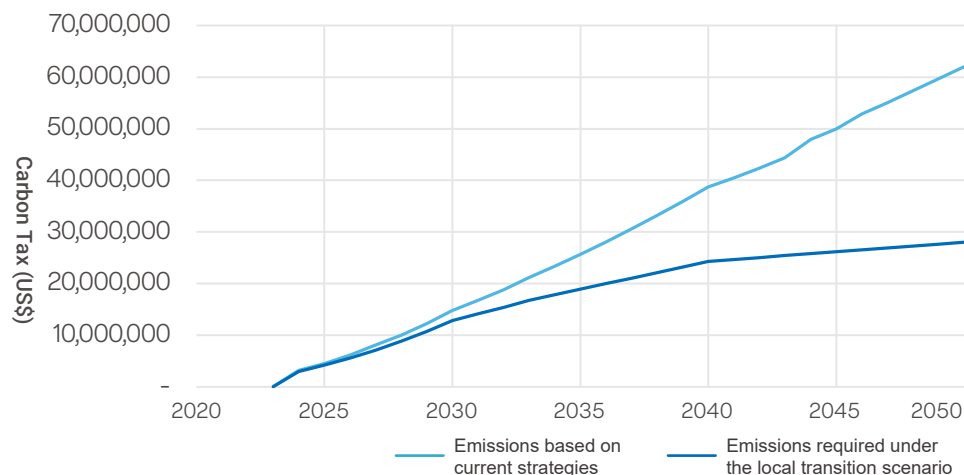
As the SBT-NZ scenario is evaluated across all WNC sites, emission targets are not further broken down by individual site. Instead, the gap between WNC's emissions under both the existing strategy scenario and the locally aligned transition scenario, as compared against the SBT targets, is estimated using carbon tax parameters from the SSP1-1.9 scenario. The assessment results indicate that WNC will still be unable to meet the SBT targets if it relies solely on the current local transition scenarios. Therefore, going forward, WNC must further strengthen renewable electricity procurement and carbon reduction measures across its operating sites to bridge the emissions reduction gap. Additionally, based on estimates, carbon tax-related costs in 2050 are projected to range between approximately US\$30 million and US\$60 million.



Difference between the SBT target and two scenarios



Carbon tax under the SBT-NZ scenario



To simulate WNC's transition from meeting local government transition scenarios to achieving SBT-NZ targets, this scenario assumes that the Vietnam site will receive highest priority in terms of reaching 100% renewable electricity usage. This is because Vietnam has the highest electricity emission factor, maximizing the effectiveness of renewable electricity purchases. Sites in China will come next, followed by sites in Taiwan, as the cost of renewable electricity in Taiwan is higher than in China.

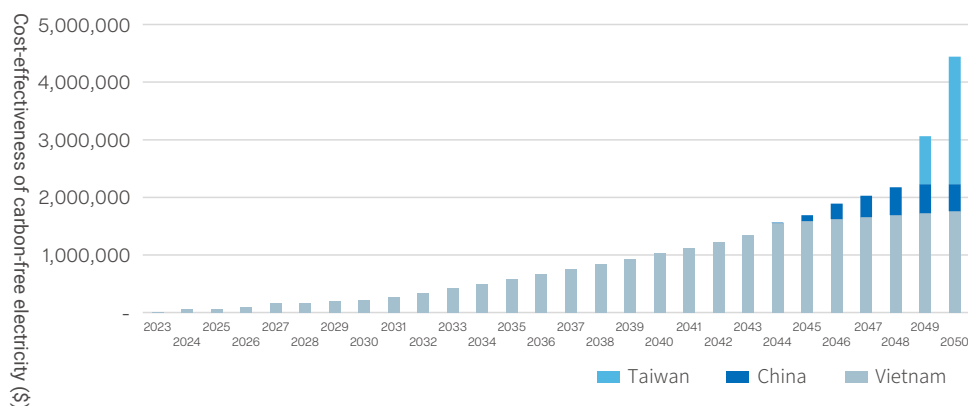
After integrating the local government transition scenario with the SBT-NZ scenario, we found that meeting the local government targets in Vietnam does not require a significant purchase of renewable electricity. However, to meet the SBT-NZ scenario requirements, nearly 60 million kWh of additional renewable electricity needs to be purchased. In China, priority must be given to meeting local government targets. Purchase of renewable electricity will become necessary starting around 2033. To meet SBT-NZ scenario requirements, an additional 20 million kWh of renewable electricity needs to be purchased in 2044. The Taiwan government's net-zero target is more stringent than those set by China and Vietnam, necessitating the purchase of renewable electricity at an early stage. As a result, not a lot of additional renewable electricity needs to be purchased to achieve SBT-NZ; only an extra 20 million kWh of renewable electricity needs to be purchased starting in 2049.

Note: The greatest uncertainty in this assessment stems from the estimation of the electricity emission factor. It is assumed that the Taiwan government will achieve its goal of eliminating the use of nuclear power, and will rely on renewable energy and natural gas as the two main methods of power generation. If the Taiwan government is unable to ensure stable power generation from these two main sources in the future, the electricity emission factor will increase. As a result, a greater reduction in gray electricity will be required to achieve SBT-NZ and government net-zero targets and keep emissions within the limits of the transition goals.

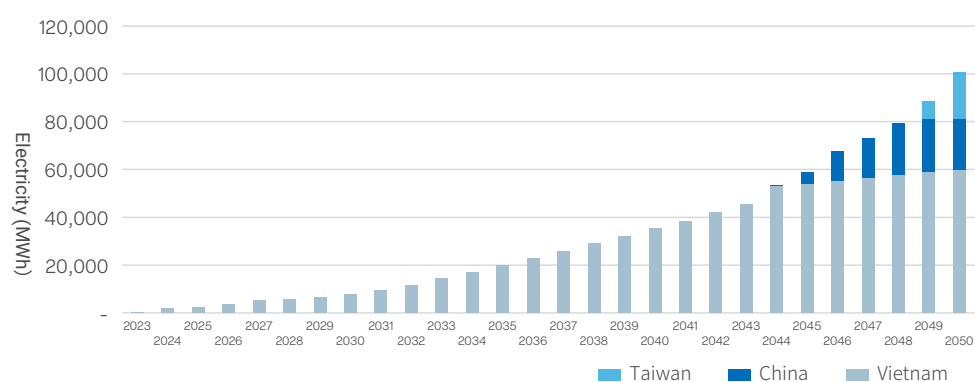
Secondly, since future emission estimates are primarily based on Scope 2 emissions, the regulatory risk in this area also depends on whether the Taiwan government's policies on carbon charges and the methodologies used to calculate Scope 2 emissions are standardized. Currently, the calculation methods adopted by government agencies for Scope 2 emissions are not aligned with the internationally recognized GHG Protocol. There are no clear regulations regarding region- or market-specific calculation methods, which results in discrepancies between the government's net-zero pathway and the SBT-NZ scenario for Scope 2 emissions, thereby introducing uncertainty into the final financial impact calculations.

In addition, Taipower is planning to sell low-carbon electricity products. This will cause changes in the market-based emission factors used for conventional (gray) electricity, as these low-carbon electricity products would be decoupled from the Taipower grid, thus creating a new residual mix. This will lead to a high degree of uncertainty when estimating demand for renewable electricity and the financial implications of carbon fees and carbon taxes.

Additional carbon-free electricity demand required to meet SBTs



Cost-effectiveness of additional carbon-free electricity procurement to achieve SBTs

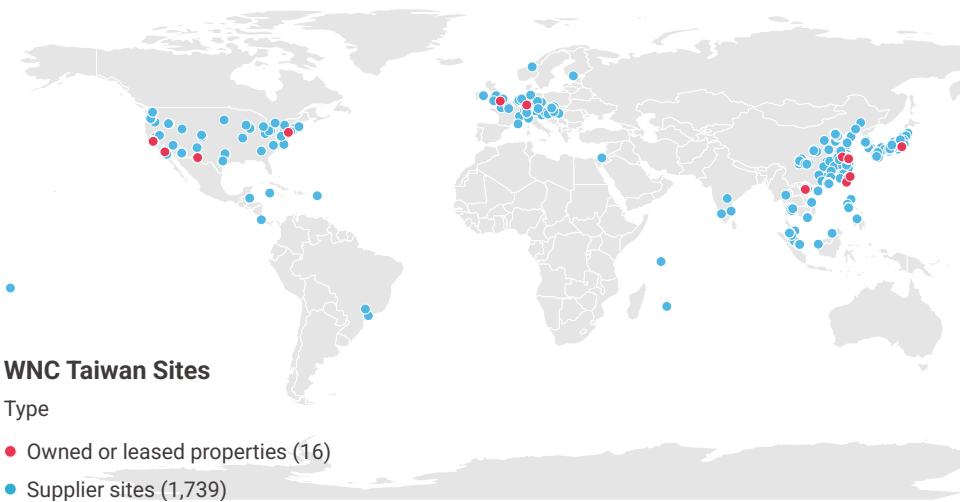


2.4 Scenario Analysis of Physical Risks

According to the Climate Change in Taiwan: National Scientific Report 2024, since 1850, human activities have led to a significant increase in greenhouse gas emissions, causing global surface temperatures to rise steadily. In recent years, the pace of global warming has increased dramatically. As a result, weather events such as heatwaves, torrential rainfall, and droughts will very likely become more frequent and severe.

We have adopted Aqueduct 4.0, a tool launched in 2023 by the World Resources Institute (WRI), to analyze water risk. The tool integrates climate models from international organizations (such as CMIP6), hydrological models (such as PCR-GLOBWB, HYPE), and surface and groundwater data, transforming complex hydrological data into intuitive water-related risk indicators.

We analyzed water risk at a total of 1,755 sites worldwide, 16 of which are our sites (owned or leased) and 1,739 of which are supplier sites. Our sites are located in China, Japan, Taiwan, Vietnam, the United Kingdom, Germany, Mexico, and the United States. Supplier sites are primarily located in Asia, with some in Europe, the Americas, Africa, and Oceania. We utilized international databases and assessment tools to analyze the natural disaster risks faced by our sites under different climate scenarios to help us understand the actual impact of physical risks on WNC's assets and operations.



Global baseline overall water risk

physical risk quantity indicators (baseline water stress, baseline water depletion, interannual variability, seasonal variability, groundwater table decline, riverine flood risk, coastal flood risk, drought risk), physical risk quality indicators (untreated connected wastewater, coastal eutrophication potential) and regulatory and reputational risk indicators (unimproved/no drinking water, unimproved/no sanitation, peak RepRisk country ESG risk index). It is primarily used to evaluate water resource risks of different areas during the baseline period.

Analysis of global baseline overall water risk at WNC/supplier sites

Level	Site type	Amount	Site location
Extremely high	WNC site	0	-
	Supplier site	114	China, India, the Philippines, Thailand, Vietnam, Mexico, the US
High	WNC site	5	China, Vietnam, the US
	Supplier site	414	China, India, Indonesia, Israel, the Philippines, Thailand, Vietnam, the US
Medium-high	WNC site	2	Mexico, the US
	Supplier site	321	China, Hong Kong, Thailand, Brazil, Canada, the US
Medium-low	WNC site	9	China, Japan, Taiwan, the UK, Germany, the US
	Supplier site	814	China, Japan, South Korea, Malaysia, Taiwan, Czechia, the UK, France, Germany, Hungary, Italy, Ireland, the Netherlands, Slovakia, Belize, Brazil, British Virgin Islands, Costa Rica, the US
Low	WNC site	0	-
	Supplier site	67	Japan, South Korea, Singapore, Austria, the UK, Finland, Germany, Hungary, the Netherlands, Norway, Switzerland, the US

Global baseline water stress analysis

Baseline water stress Baseline water stress is a key indicator for measuring the ratio between water withdrawal and available freshwater supply, reflecting the degree of competition for water resources. This indicator calculates the ratio between total water withdrawals (including water for domestic, industrial, agricultural (irrigation), and animal husbandry use) and the available renewable freshwater supply from both surface water and groundwater, taking into account upstream usage and the impact of dams.

Analysis of baseline water stress at WNC/supplier sites

Level	Site type	Amount	Site location
Extremely high	WNC site	5	China, Mexico, the US
	Supplier site	367	China, India, Israel, the Philippines, Thailand, Mexico, the US
High	WNC site	3	The UK, Germany, the US
	Supplier site	68	China, South Korea, Thailand, France, Germany, the Netherlands, Canada, the US
Medium-high	WNC site	1	Japan
	Supplier site	157	China, India, Japan, South Korea, the Philippines, Vietnam, Czechia, France, Brazil, the US
Medium-low	WNC site	6	Taiwan, Vietnam, the US
	Supplier site	905	China, Hong Kong, Japan, Taiwan, Vietnam, the UK, Finland, France, Germany, Italy, Ireland, Slovakia, Costa Rica, the US
Low	WNC site	1	China
	Supplier site	234	China, Indonesia, Japan, South Korea, Malaysia, Singapore, Austria, the UK, Germany, Hungary, the Netherlands, Norway, Switzerland, Belize, Brazil, British Virgin Islands, Cayman Islands, the US

Level of water stress during different time periods under different climate scenarios

Through the WRI Aqueduct tool, WNC can assess changes in water stress under three climate change scenarios — Business as Usual (BAU), Optimistic (OPT), and Pessimistic (PES) — across short-, medium-, and long-term time horizons, generating a total of nine water stress assessment results. These results enable WNC to identify high-risk areas, understand potential water resource challenges under different climate change pathways, and use the findings as a reference for developing water resource management strategies. Such strategies include promoting water conservation, improving water-use efficiency, and strengthening operational resilience, thereby supporting near-term policy adjustments as well as medium- and long-term adaptation planning.

Level of water stress during different time periods under different climate scenarios (WNC sites)

	Baseline	BAU			OPT			PES		
		Short-term	Mid-term	Long-term	Short-term	Mid-term	Mid-term	Short-term	Mid-term	Mid-term
Extremely high	5	2	3	5	6	4	4	3	4	4
High	3	6	5	3	2	4	4	5	4	4
Medium-high	1	1	1	1	2	2	2	2	2	2
Medium-low	6	6	6	6	5	5	5	5	5	5
Low	1	1	1	1	1	1	1	1	1	1

Level of water stress during different time periods under different climate scenarios (supplier sites)

	Baseline	BAU			OPT			PES		
		Short-term	Mid-term	Long-term	Short-term	Mid-term	Mid-term	Short-term	Mid-term	Mid-term
Extremely high	367	126	118	371	369	134	134	129	129	129
High	68	348	360	99	69	317	319	343	350	358
Medium-high	157	157	117	110	205	176	144	189	152	108
Medium-low	905	926	960	916	911	873	897	895	924	974
Low	234	179	181	240	182	236	242	180	181	167

Time period definitions: Short-term: 2015–2045; medium-term: 2035–2065; long-term: 2065–2085

Climate change scenario definitions: BAU (Business As Usual): Corresponds to the SSP3-RCP7.0 scenario, which assumes insufficient climate policy intervention and represents a medium-to-high forcing pathway; OPT (Optimistic): Corresponds to the SSP1-RCP2.6 scenario, an optimistic scenario where global warming is limited to 2°C or less by the year 2100, representing a low forcing pathway; PES (Pessimistic): Corresponds to the SSP5-RCP8.5 scenario, a pessimistic scenario characterized by continued heavy reliance on fossil fuels, representing a high forcing pathway.

Drought risk analysis for regions in Taiwan

After going over the locations of its owned or rented sites and the sites of its tier 1 suppliers in Taiwan as well as the water reservoirs that supply the aforementioned sites, WNC has divided Taiwan into 11 regions for drought risk analysis. The historical water shortage frequency and the estimated water shortage frequency for these reservoirs under different climate change scenarios were assessed. A water shortage event is defined as a situation where a reservoir, due to a lack of stored water, is unable to maintain normal water supply. This typically occurs when the reservoir's

water level or storage volume falls below the operational threshold, triggering water supply restrictions. The likelihood of a water shortage under different climate change scenarios is assessed using the Standardized Precipitation Index (SPI). Based on the reservoirs' historical water shortage frequency and the estimated likelihood of water shortage under different climate change scenarios, WNC uses a water shortage risk matrix to determine the water shortage risk level for each climate change scenario in different timeframes.

Region	Source of water	Historical water shortage frequency Note ¹	Estimated likelihood of water shortage (SPI-3<-1) in the futureNote ²											
			SSP1-2.6			SSP2-4.5			SSP3-7.0			SSP5-8.5		
			Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term
Keelung	Xinshan Reservoir and Xishi Reservoir	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium-high	Medium-high	Medium	Medium	Medium-high
Taipei City and New Taipei City	Nanshi River and Feicui Reservoir	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium-high	Medium-high	Medium	Medium	Medium-high
Taoyuan	Shimen Reservoir	High	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	High	Medium-high	Medium-high	Medium-high	High
Hsinchu	Baoshan Reservoir, Baoshan No. 2 Reservoir, Yongheshan Reservoir	Low	Medium	Medium	Medium	Medium	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium	Medium-high	Medium-high
Miaoli	Yongheshan Reservoir, Liyutan Reservoir, Mingde Reservoir	High	Medium	Medium	Medium	Medium	Medium	Medium-high	Medium-high	Medium-high	Medium-high	Medium	Medium-high	Medium-high
Taichung	Liyutan Reservoir and Techí Reservoir	Low	Medium	Medium	Medium	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium	Medium-high
Changhua	Groundwater, Hushan Reservoir, Techí Reservoir	Low	Medium-high	Medium-high	Medium	Medium-high	Medium-high	Medium-high	Medium-high	High	High	Medium-high	Medium-high	Medium-high
Nantou	Surface water and groundwater	Medium	Medium-high	Medium-high	Medium	Medium-high	Medium-high	Medium-high	Medium-high	High	Medium-high	Medium-high	Medium-high	Medium-high
Chiayi	Lantan/Renyitan Reservoir, Zengwen Reservoir, Wushantou Reservoir	Low	Medium-high	Medium-high	Medium	Medium-high	Medium-high	Medium	Medium-high	High	Medium-high	Medium-high	Medium-high	Medium-high
Tainan	Zengwen/Wushantou Reservoir, Nanhua Reservoir	Medium	Medium-high	Medium-high	Medium	Medium-high	Medium-high	Medium-high	Medium-high	High	Medium-high	Medium-high	Medium-high	Medium-high
Kaohsiung	Gaoping River Weir (incl. water from hyporheic flows) and Fengshan Reservoir	High	Medium-high	Medium-high	Medium	Medium-high	Medium-high	Medium-high	Medium-high	High	Medium-high	Medium-high	Medium-high	Medium-high

Note 1: The historical water shortage frequency is based on the number of times the relevant reservoirs' water levels have fallen below the low water line. Data from 2004 to 2022 was used.

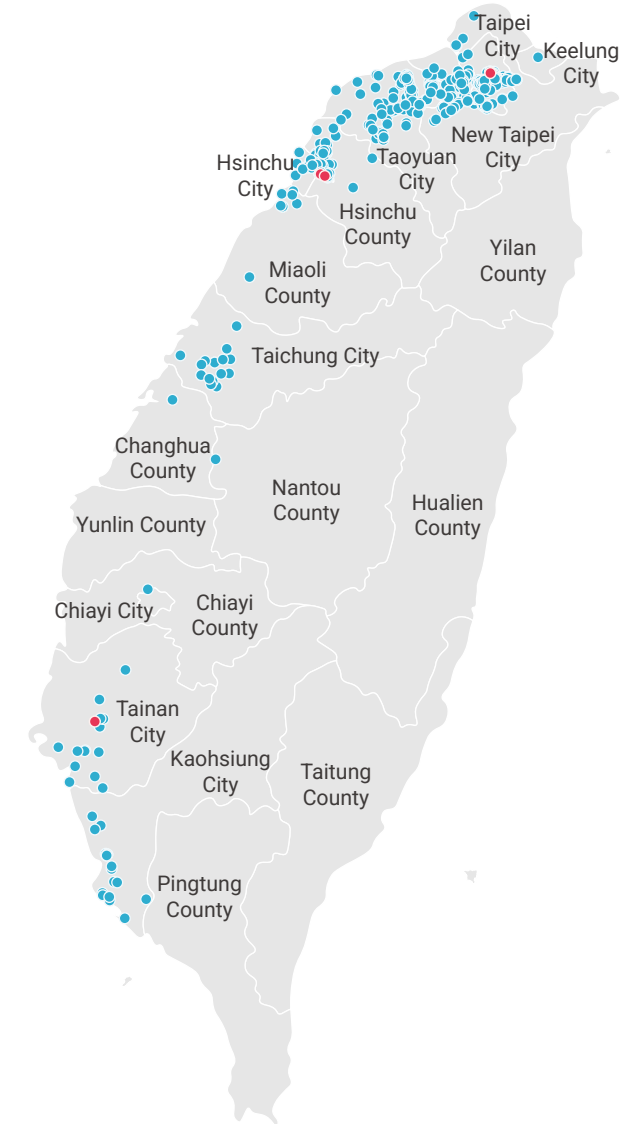
Note 2: Short-term: 2021–2040; mid-term: 2041–2060; long-term: 2061–2080

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Extreme rainfall risk analysis in Taiwan

Climate risk level is assessed by quantifying and categorizing three factors: Hazard, Exposure, and Vulnerability. We define extreme rainfall as the hazard, while the flooding, landslides, and debris flows caused by such rainfall represent vulnerability, and the locations of sites represent exposure. Based on these parameters, we conducted a physical risk analysis of each site under different climate change scenarios.

We referenced the IPCC Sixth Assessment Report and adopted multiple Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) to estimate the hazard levels of extreme rainfall under four scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5) across short-, medium-, and long-term timeframes. For vulnerability, we assessed disaster scope and severity using disaster-related map data published by government agencies in Taiwan. Exposure analysis was based on the locations of WNC's four owned or leased sites in Taiwan and 549 supplier sites, totaling 553 locations.



WNC Taiwan Sites

Type

- Owned or leased properties (4)
- Supplier sites (549)

According to our analysis, WNC's four owned or rented sites in Taiwan show no potential for encountering flooding, landslides, or debris flows under any of the climate change scenarios. Among 549 supplier sites, 413 were identified as having no risk of encountering flooding, landslides, or debris flows and are classified as having no risk. The remaining 136 supplier sites were identified as having varying levels of flood risk. Across different climate scenarios and timeframes, between 79 to 108 of these sites fall under low risk, between 22 to 50 fall under medium risk, and between five to seven are categorized as high risk. High risk sites are primarily located in Hsinchu, Taichung, and Tainan. WNC implements tiered management measures according to different risk levels. These measures include formulation of emergency response procedures, evacuation plans, and emergency supply preparation. We also closely monitor changes in hazard potential and conduct regular risk reviews to mitigate future risks and potential losses.

Disaster risk levels of WNC sites during different time periods under different climate scenarios

	SSP1-2.6			SSP2-4.5			SSP3-7.0			SSP5-8.5		
	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term
High risk	0	0	0	0	0	0	0	0	0	0	0	0
Medium risk	0	0	0	0	0	0	0	0	0	0	0	0
Low risk	0	0	0	0	0	0	0	0	0	0	0	0
No risk	4	4	4	4	4	4	4	4	4	4	4	4

Disaster risk levels of supplier sites during different time periods under different climate scenarios

	SSP1-2.6			SSP2-4.5			SSP3-7.0			SSP5-8.5		
	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term
High risk	5	6	6	6	5	7	6	6	5	6	6	5
Medium risk	40	41	25	53	39	36	40	35	48	38	42	35
Low risk	91	89	105	77	92	93	90	95	83	92	88	96
No risk	413	413	413	413	413	413	413	413	413	413	413	413

Short-term: 2021–2040; medium-term: 2041–2060; long-term: 2061–2080

Risk classification management: For high risk sites, emergency response plans and risk management measures should be activated and disaster mitigation action items implemented. For medium risk sites, closely monitor changes in disaster potential, and emergency plans and risk management strategies should be developed. For low risk or no risk sites, the focus is on maintaining normal site operations while continuing to monitor disaster potential and periodically reviewing risk status.

Physical risk adaptation strategies

Amid frequent extreme weather events and increasingly complex supply chain risks, risk of business interruption has become a critical issue that companies must address carefully. WNC has formulated short-, medium-, and long-term adaptation strategies, and has also established management systems such as the "Business Continuity Management and Disaster Recovery Operating Guidelines" and the "Emergency Response Plan Control Procedures." In addition, WNC has developed Business Continuity Plans (BCPs) for different major disaster scenarios. Meanwhile, in response to stakeholders' concerns regarding operational stability and supply resilience, WNC initiated the implementation of the ISO 22301 Business Continuity Management System in 2025. We conduct business impact analyses and risk assessments to ensure the appropriateness of manpower, resource allocation, and response arrangements. We have also incorporated risk assessment results into our supplier engagement processes. We provide higher levels of risk management and monitoring for suppliers with high risk levels and provide support or guidance when necessary.

Short-term (1–2 years)

- **Build internal risk identification and emergency response capabilities:**

Conduct annual disaster risk assessments, establish a disaster risk database, and develop comprehensive emergency response SOPs that cover details on items such as personnel evacuation, protection of supplies, emergency contacts, and use of emergency equipment. Regular drills are conducted to ensure that employees are familiar with emergency response procedures.

- **Assess physical risks to suppliers:**

Perform regular risk assessments on suppliers to understand their level of risk from natural disasters. Utilize data analytics and monitoring tools to continuously track and evaluate the risk levels of suppliers.

Mid-term (3–5 years)

- **Enhance site resilience and operational stability:**

Conduct geographic and hydrological analyses on sites identified to have high flooding potential and build flood prevention facilities such as drainage channels, levees, and underground water storage facilities. Reinforce foundations, improve water resistance of walls, and implement permeation prevention technologies to increase the ability of said buildings to withstand extreme weather events.

- **Strengthen suppliers' climate resilience:**

Provide disaster response and risk management training to suppliers to enhance their response capability. Encourage suppliers to formulate disaster response plans tailored toward different types of disasters.

Long-term (> 5 years)

- **Reconstruction or relocation of high-risk sites:**

For sites located in high-risk areas, conduct comprehensive assessments based on actual requirements and formulate plans for site reconstruction or relocation in order to minimize related risks. For suppliers, WNC encourages them to implement relocation or reconstruction plans. Alternatively, we may consider adjusting cooperation models to reduce dependency or seek alternative suppliers to diversify supply chain risks.

Emergency response plan for climate-related disasters

Average temperature change - high temperature

Rising average temperatures may place multiple pressures on each of WNC's sites. To address high-temperature risks, WNC responds through three key dimensions: employee health protection, energy consumption management, and operational resilience. First, in terms of workplace safety and labor protection, under extreme high-temperature scenarios, WNC complies with local regulatory requirements by suspending outdoor operations during designated periods to reduce employees' risk of heat-related hazards, while providing financial compensation. Second, WNC implements energy-saving and load-reduction measures to alleviate air-conditioning loads and electricity demand pressure. Third, with regard to business continuity and power supply risk management, in response to increased air-conditioning loads and the potential for power restrictions in regions with relatively weaker power supply capacity, such as Vietnam, WNC has established emergency response procedures for unexpected power outages and conducts annual inspections of high- and low-voltage power systems. These measures strengthen production continuity and rapid risk response capabilities, thereby enhancing site resilience against high-temperature events.



Extreme rainfall

WNC has established localized flood prevention and emergency response systems across its sites in Taiwan, China, and Vietnam to minimize operational disruptions and asset losses caused by extreme rainfall. Short-term measures focus on prevention and rapid response: Each site is equipped with sandbags, flood barriers, and water pumps to protect basement areas, and has established typhoon response teams to carry out inspections and reinforcement checks for exterior walls and glass. Production and emergency response staffing schedules, routine site inspection and reporting procedures, and preliminary damage assessment processes have also been put in place. In addition, the Vietnam site has established clear emergency evacuation and rapid containment procedures. In the medium to long term, we will continue to strengthen resource allocation and drill frequency based on risk assessment results. We will also review the feasibility and reinforcement options for existing passive protection measures (such as sandbags) in response to inland flooding and prolonged flood-peak scenarios, so as to reduce residual risk and safeguard employee safety and supply chain stability.



Drought

Under the Business Continuity Planning (BCP) framework, an Emergency Water Supply Dispatch Plan has been incorporated. When a Taiwan site faces drought conditions or unexpected water supply interruptions, external water tanker dispatch will be activated to maintain the minimum water supply required for production. During periods of water shortage, the risk of production disruption will be reduced through measures such as purchasing municipal water vouchers, adjusting inlet valves, shutting off water supply to non-essential equipment, increasing the concentration cycle of cooling towers, and having the incident commander monitor and direct water usage in real time. Once normal water supply is restored, restrictions will be gradually lifted — including restoring inlet valve and cooling tower water supply, refilling water reservoirs, and resuming irrigation and cleaning water use — and the site and all relevant systems will be notified to resume normal water usage.



3 Nature and Biodiversity

3.1 Introduction of LEAP Methodology

3.2 Locate

3.3 Evaluate

3.4 Assess

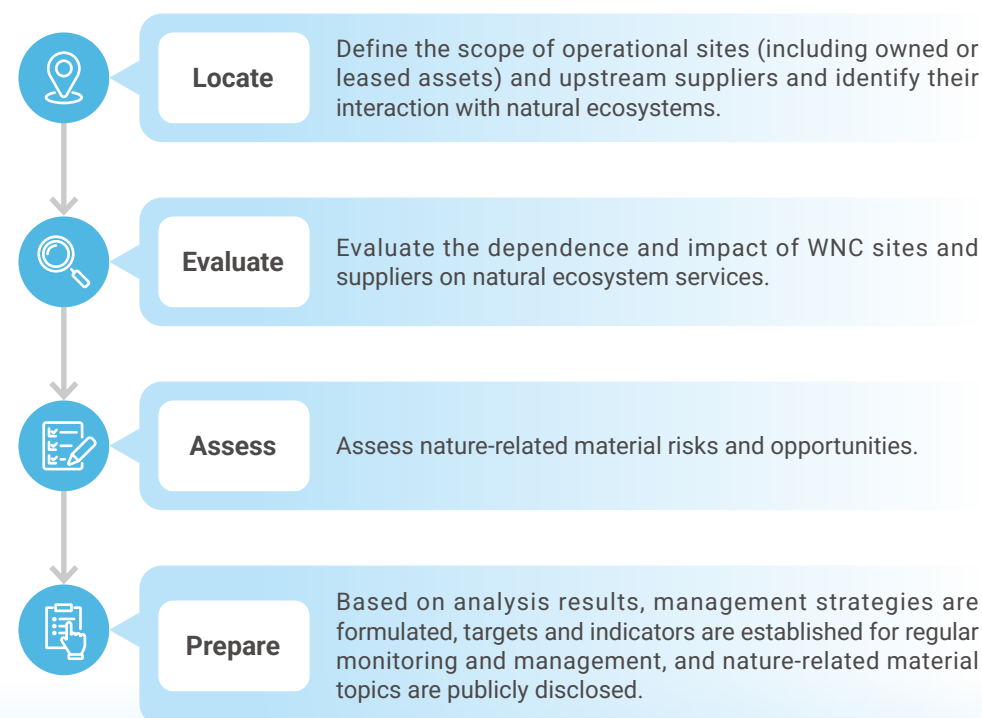
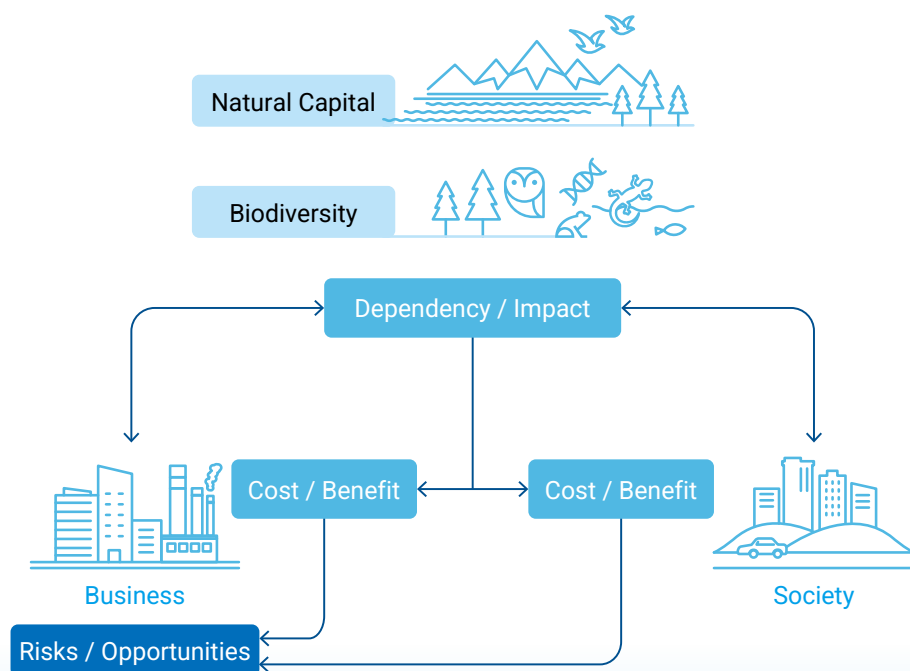
3.5 Prepare



3.1 Introduction of LEAP Methodology

Business operations rely on the ecosystem services provided by nature, but at the same time, business activities or other external factors may also generate driving forces that alter the natural environment, thereby impacting the normal functioning of ecosystems and giving rise to risks and opportunities for businesses. To assess stocks and flows of natural capital, including the ecosystem and abiotic services provided by nature as well as the value these services create for businesses and society, from 2023, WNC has implemented the LEAP (locate, evaluate, assess, and prepare) assessment process by referencing definitions provided by the TNFD framework. We regularly investigate the interactions between business operations

within the value chain and the natural environment, and analyze the corresponding nature-related risks and opportunities based on dependency and impact assessment results. WNC also identifies priority risks and opportunities through materiality analysis, then proposes management actions, sets monitoring indicators, and defines management targets to reduce its negative impact on biodiversity and enhance the scope of its positive influence, which will move the company closer towards the goal of creating a “Nature Positive” future.

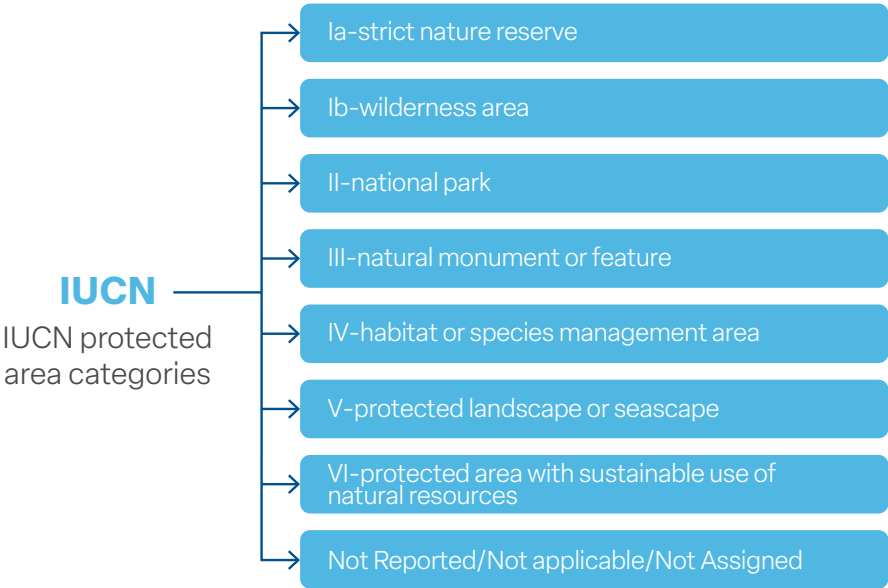


3.2 Locate

WNC has conducted biodiversity impact assessments for 1,755 sites around the globe (including 16 WNC owned sites and 1,739 supplier sites). Assessment subjects were categorized and analyzed based on two geographical scopes: Taiwan and the rest of the world. With reference to the DJSI indexes, our analysis methodology designates a zone with a two-kilometer radius around each operational site as the area of potential impact. These zones are overlaid with local protected area maps to further analyze potential impact of business operations on biodiversity.

Analysis of WNC sites located in IUCN protected areas

The IUCN World Database on Protected Areas (WDPA) is the most extensive and comprehensive database of protected areas worldwide, covering a vast number of terrestrial and marine sites. By referencing this database, we adopt the IUCN’s protected area categories, which include category Ia - strict nature reserve, Ib - wilderness area, II - national park, III - natural monument or feature, IV - habitat or species management area, V - protected landscape or seascape, VI - protected area with sustainable use of natural resources, and not reported or not assigned. These categories reflect different protection goals and management strategies.



Analysis results

Analysis shows that there are three sites owned or leased by WNC and 337 sites belonging to WNC suppliers that fall within the boundaries of IUCN protected areas. WNC’s owned or leased sites are situated in the UK, Germany, and the US, respectively, and are all office spaces. The primary operational activities at these sites include employee commuting, office electricity consumption, domestic water use, and general waste disposal. As activities involving manufacturing or large-scale resource development are not conducted at these sites, the risk of significant negative impacts on biodiversity and the environment is relatively low.

To reduce the potential impact of site development and operational activities on biodiversity and ecosystems, WNC takes aspects such as land use, building facilities, energy consumption, and waste management into consideration when establishing new production or office sites. WNC also avoids establishing sites in biodiversity-sensitive areas, critical habitats, and protected natural areas, and has adopted practices that help minimize the impact of the company’s operations on ecosystems. Looking ahead, WNC will continue to monitor related risks and balance operational development with ecological conservation through actions such as improving energy efficiency, promoting waste reduction, and implementing paperless management.

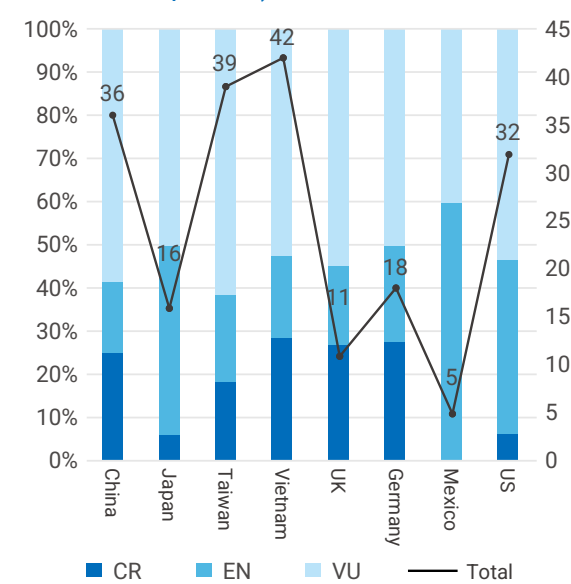
Global sites located within IUCN protected areas

	Countries	Owned or leased	Supplier
Asia	China, Hong Kong, Japan, South Korea, the Philippines, Taiwan	0	263
Europe	Austria, Czechia, the UK, Germany, Hungary, Ireland, the Netherlands, Switzerland	2	24
The Americas	Belize, Brazil, British Virgin Islands, Costa Rica, Cayman Islands, the US	1	43
Africa	Republic of Seychelles	0	2
Oceania	Samoa	0	5

Analysis of endangered species within worldwide locations

In 1964, the IUCN published its first Red List of Threatened Species, which is an assessment tool for global biodiversity conservation. It provides standardized categories for evaluating the conservation status of species worldwide. Currently, the IUCN Red List covers more than 150,000 species, including animals, plants, fungi and microorganisms. Species are classified into different conservation statuses based on their population size and trends, geographic distribution, population structure, habitat requirements and specific threats. Conservation statuses include extinct (EX), extinct in the wild (EW), critically endangered (CR), endangered (EN), vulnerable (VU), near threatened (NT), least concern (LC) or data deficient (DD). Such classifications reflect the risk level and degree of threat each species faces. The number of species classified as CR, EN, and VU is commonly used as an indicator of threatened species.

Percentage of Affected Categories (Owned or Leased Properties)

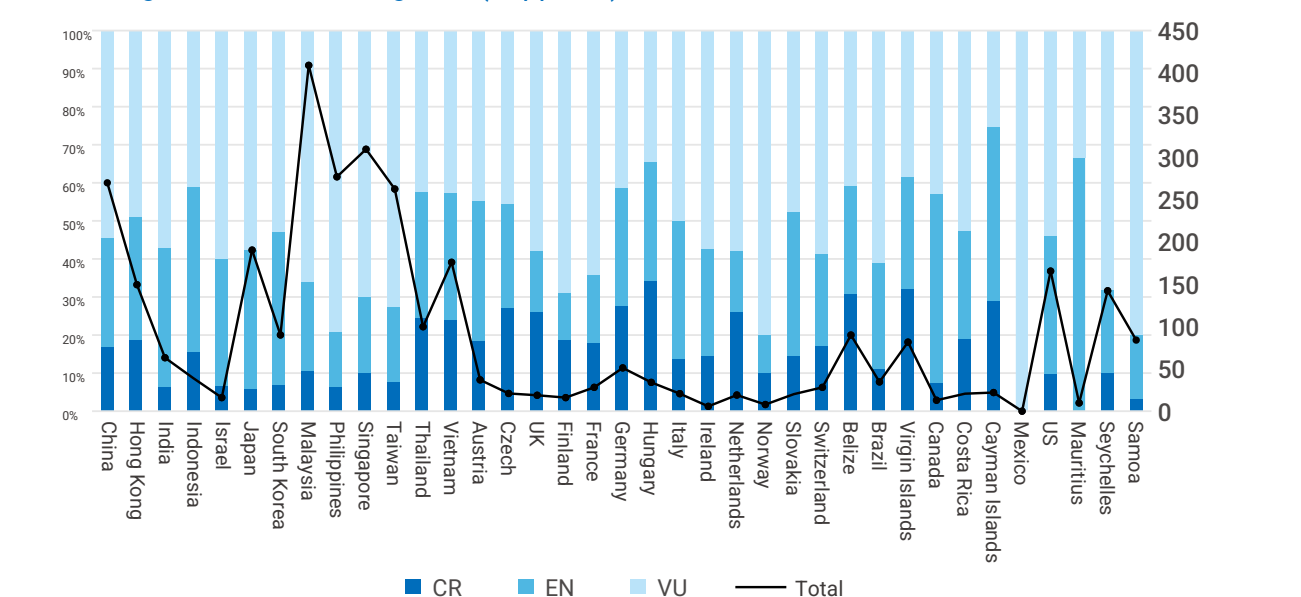


Analysis results

WNC conducted an inventory of the overlap between its sites and the distribution of species listed on the IUCN Red List. The results show that 1,755 sites worldwide (16 of which are owned or leased by WNC and 1,739 of which are supplier sites) partially overlap with the distribution of relevant species in the Red List, indicating potential biodiversity impact risks associated with operational activities. Among the 16 sites owned or leased by WNC, the Vietnam site recorded the highest aggregate threatened-species indicator across all categories, as well as the highest number of Critically Endangered (CR) species. This reflects the higher need for conservation for habitats surrounding the site. In general, human activities have a complex impact on biodiversity. Going forward, WNC will tailor relevant management and conservation strategies to the specific characteristics of different species and habitats to reduce potential impact on ecosystems.

Furthermore, according to species analysis at supplier sites, the potential impact encompasses a wide range of species, including mammals, amphibians, reptiles, fish, marine organisms, plants, and freshwater organisms. The conservation status also varies significantly across species. Supplier sites in Malaysia have the highest total number of threatened species across all categories, and the sites in Hungary have the highest percentage of CR species. This indicates that certain supplier sites may face relatively higher ecological sensitivity and conservation risks. In response to the aforementioned risks, WNC requests its suppliers to fill out questionnaires to understand their awareness of, and response measures for, nature and biodiversity-related issues. The results serve as a basis for subsequent risk assessment and management planning. Going forward, WNC will continue to review the potential impacts that the operations at its own sites as well as supplier sites may have on surrounding ecosystems and develop conservation and management measures.

Percentage of Affected Categories (Suppliers)



Number of species by conservation status as defined in the Red List

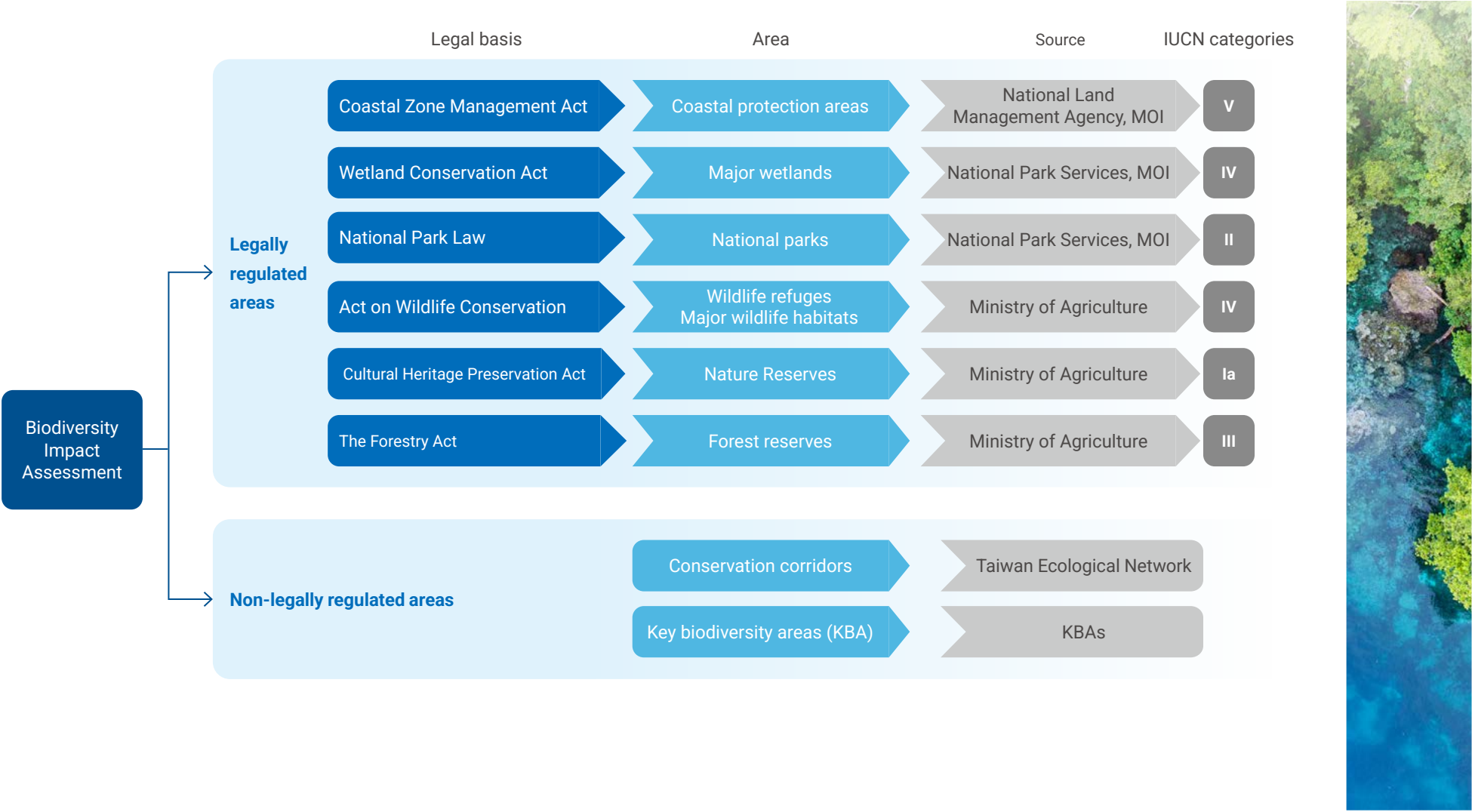
Conservation status	Description	Asia	Europe	The Americas	Africa	Oceania
EX Extinct	Species are labeled as extinct (EX) when they can no longer be found in the wild and all individuals in captivity have also died.	▪ 1	▪ 0	▪ 3	▪ 0	▪ 0
		▪ 4	▪ 1	▪ 7	▪ 8	▪ 0
EW Extinct in the Wild	Animals are considered extinct in the wild (EW) when they only survive in cultivation, in captivity or as a naturalized population outside their historic range. This status indicates that the species' natural populations can no longer be sustained and can only be preserved through artificial means.	▪ 1	▪ 1	▪ 0	▪ 0	▪ 0
		▪ 1	▪ 1	▪ 1	▪ 0	▪ 0
CR Critically Endangered	Species that face an extremely high risk of extinction, with a continuing and rapid population decline. This status may be caused by habitat destruction, disease, climate change or other threats.	▪ 29	▪ 8	▪ 2	▪ 0	▪ 0
		▪ 281	▪ 70	▪ 87	▪ 14	▪ 3
EN Endangered	Species that face a very high risk of becoming extinct, with a continuing and obvious population decline. Such species may become extinct in the near future due to various threats.	▪ 29	▪ 6	▪ 16	▪ 0	▪ 0
		▪ 618	▪ 86	▪ 143	▪ 41	▪ 16
VU Vulnerable	Species that face some risk of extinction. Population size relatively large but still considered threatened. Appropriate conservation measures must be adopted to prevent them from becoming endangered.	▪ 75	▪ 15	▪ 19	▪ 0	▪ 0
		▪ 1,455	▪ 161	▪ 204	▪ 101	▪ 67
NT Near Threatened	Species that do not qualify for critically endangered, endangered, or vulnerable status but still face some threats. Without appropriate measures, they are likely to qualify for endangered or vulnerable status in the near future.	▪ 62	▪ 31	▪ 30	▪ 0	▪ 0
		▪ 1,312	▪ 254	▪ 202	▪ 109	▪ 78
LC Least Concern	Least concern species that do not currently face severe threats and have a relatively stable population size.	▪ 2,367	▪ 1,161	▪ 1,087	▪ 0	▪ 0
		▪ 16,919	▪ 8,000	▪ 5,455	▪ 770	▪ 649

▪ **Owned or leased properties**
▪ **Supplier**

Analysis of IUCN protected areas at Taiwan sites

Analyses were conducted at Taiwan sites for both legally regulated and non-legally regulated protected areas. In addition to identifying protected species that may be influenced by business activities at our Taiwan sites, WNC was also able to evaluate all related regulations. After reviewing relevant ecological conservation regulations in Taiwan and protected areas designated by NGOs, a total of nine types of protected areas were compiled. To align with analysis results from other international organizations, WNC conducted analyses of the causes and protected subjects of each protected area and matched them with the IUCN’s protected area categories. The diagram below summarizes protected areas under different statutory regulations, the IUCN categories and the data sources.

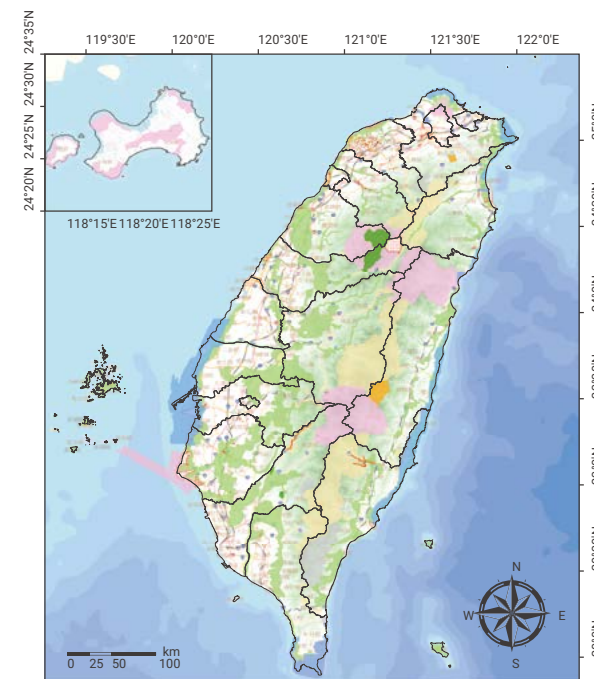
Data sources for biodiversity impact assessments



Analysis results

None of the properties owned or leased by WNC are located within legally-regulated protected areas. Only one site overlaps with a conservation corridor that is not legally regulated and its potential impact is relatively low. With regard to supplier sites, 160 sites are located within legally-regulated protected areas and 224 are in conservation corridors that are not legally regulated. Areas impacted by each site are listed in the table below:

Area	Protected areas that overlaps with WNC's sites
Coastal protection areas	General protected areas along the northern coast, general protected areas at the Tamsui estuary and the Tamsui River Mangrove Nature Reserve
National parks	Taijiang National Park and Yangmingshan National Park
Wildlife refuges	Taipei City Waterbird Refuge, Taoyuan Guan-Xin Algal Reefs Ecosystem Wildlife Refuge, Tainan City Sicao Wildlife Refuge, Hsinchu City Coastal Wildlife Refuge, and Taoyuan Gaorong Wildlife Refuge
Major wildlife habitats	Taipei City Zhongxing and Yongfu Bridges Waterbird Major Wildlife Habitat, Taoyuan Guan-Xin Algal Reefs Ecosystem Wildlife Refuge, Tainan City Sicao Wildlife Refuge, Keya River Mouth and Sianshan Wetland Major Wildlife Habitat, and Taoyuan Gaorong Wildlife Refuge
Major wetlands	Nangang 202 Arsenal and surrounding important wetlands, important wetlands in the Tamsui River watershed, important wetlands of Taoyuan's reservoirs and canals, Xucuogang Important Wetland, Niasong Important Wetland, Sihcao Important Wetland, important wetlands surrounding Jiianan's reservoirs and canals, Siangshan Important Wetland, Sinfong Important Wetland, Banping Lake Important Wetland, and Ecological Park of Toucian River
Nature Reserves	Danshui River Mangrove Nature Reserve, and Hokutolite Nature Reserve
Forest reserves	n/a
Conservation corridors	Grassland conservation corridor in the southern Jianan Plain, conservation corridor in Zengwen River basin, conversation corridor in Fongshan River and Toucian River basins, low mountain conservation corridor in western Taichung, low mountain conservation corridor in Mount Dadu, Wu River Basin (mid- and downstream areas and Fazi river area) conservation corridors, Taoyuan ponds and plains wetlands conservation corridor, downstream Gaoping river conservation corridor, coastal wetland conservation corridors in Taoyuan, Hsinchu, and Miaoli, farmland conservation corridor in the northern Chianan Plain, coastal wetland conservation corridor in the Chianan area, North Coast low mountain conservation corridor, wetland conservation corridor in the southern Chianan plain, low mountain conservation corridor in Baguashan Mountain, and hilly conservation corridor in southern Miaoli.
Conservation corridors	Taipei City Waterbird Refuge, Gaoping River, Dapingding and Xucuogang IBA, Tainan City Sicao Wildlife Refuge, Yangmingshan National Park, Hulupi Nature Park, coastal regions in Hsinchu, Guandu, and Wazihwei Nature Reserve



Legend

- (Coastal Zone Management Act) Coastal protection areas
- (The Forestry Act) Forest reserves
- (Wetland Conservation Act) Major wetlands
- (National Park Law) National parks
- (Act on Wildlife Conservation) Wildlife refuges
- (Act on Wildlife Conservation) Major wildlife habitats
- (Cultural Heritage Preservation Act) Nature reserves
- (Non-legally regulated areas) Conservation corridors

Analysis of protected cultural and natural areas

Protected cultural and natural areas embody both ecological and cultural value, and are essential to maintaining global biodiversity, protecting cultural heritage, and helping humankind coexist in harmony with nature. From an ecological perspective, these areas provide habitats for a wide variety of species, help mitigate the impacts of climate change, and help stabilize global ecosystems. From a cultural perspective, protected areas preserve the historical vestiges and traditional wisdom of human civilization, reflecting the cultural characteristics of different periods and regions and offering irreplaceable educational and inspirational significance. Protecting these areas not only helps ensure the sustainable development of natural environments, but also preserves valuable heritage for future generations. WNC has also set a two-kilometer radius buffer zone around the 16 sites it owns or leases to assess whether operational activities at these sites impact protected cultural/natural areas. Assessment results are compiled based on the attributes of each protected area.

▪ Key biodiversity

Key Biodiversity Areas (KBAs) identify areas of global importance to biodiversity based on scientific criteria such as ecosystem integrity, species rarity, and the degree of threats facing biodiversity. The aim of establishing KBAs is to prevent human activities from causing negative impacts on biodiversity hotspots and to ensure that habitats of key species are not damaged. Key conservation points for KBAs include prohibiting overdevelopment, controlling sources of pollution, curbing illegal hunting, and strengthening regional ecological monitoring. Based on an overlay analysis of WNC's owned sites and data on 16,510 KBAs worldwide (as of 2024), none of WNC's owned or leased sites overlap with protected area boundaries.

▪ Ramsar Convention

The Ramsar Convention is the world's first international agreement dedicated to wetland conservation. Wetlands are among the most productive environments in global ecosystems. They not only provide habitats for numerous species, but also play important roles in regulating water resources, mitigating floods, and serving as carbon sinks. However, wetland areas are rapidly shrinking due to urbanization, agricultural expansion, and pollution. The Ramsar Convention therefore aims to protect the integrity and functionality of wetlands, particularly by safeguarding the habitat of waterfowl and wetland-specific species. The convention emphasizes protecting the hydrological functions of wetlands and seeks to prevent ecological damage caused by excessive water withdrawal and drainage. Based on an overlay analysis of WNC's owned sites and data on 2,524 KBAs worldwide (as of 2024), none of WNC's owned or leased sites overlap with protected wetland boundaries.

▪ World heritage sites

World heritage sites were established under the Convention Concerning the Protection of the World Cultural and Natural Heritage, adopted by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 1972. Many heritage sites are facing threats from climate change, urbanization, and tourism. Therefore, they have been designated world heritage sites to protect cultural and natural heritage of outstanding universal value and to prevent damage to heritage sites caused by urban development or infrastructure construction. For natural heritage sites, attention must also be given to ecosystem conservation, including preventing illegal logging, habitat destruction, and species extinction. Based on an overlay analysis of WNC's owned sites and data on 1,223 world heritage sites worldwide (as of 2024), none of WNC's owned or leased assets overlap with world heritage site boundaries.

▪ Man and the biosphere

The Man and the Biosphere Programme (MAB) is an interdisciplinary program launched by UNESCO in 1971. It aims to balance biodiversity conservation with the development needs of society and to promote harmonious coexistence between humans and nature. The establishment of biosphere reserves is the core concept of the MAB program. Biosphere reserves are divided into three zones: core areas, buffer zones, and transition areas to help with achieving both conservation and development goals. The conservation priorities of the MAB programme include maintaining the original ecological environment of core areas to ensure that important species and ecosystems are not disturbed by human activities; promoting the organization of eco-friendly activities in buffer zones, such as environmental education and ecotourism; and guiding sustainable development in transition areas to reduce excessive dependence on natural resources. Based on an overlay analysis of WNC's owned sites and data on 759 areas under the MAB programme worldwide (as of 2024), none of WNC's owned or leased assets overlap with the boundaries of MAB areas.

3.3 Evaluate

Following the analysis of locations, WNC then examined the dependency of business activities within our value chains on specific ecosystem services, as well as their impact on the natural environment. The analysis covers resource consumption, ecological degradation, pollutant emissions and impacts on biodiversity. After referencing the ecosystem services categories specified in the System of Environmental Economic Accounting (SEEA), and the five main drivers of nature change defined by the TNFD: climate change; land, freshwater, and sea use changes; resource exploitation and recovery; pollution and pollution removal; and invasive alien species and their removal, WNC conducted a questionnaire survey across its supply chain and operations to assess dependencies and impacts. A total of 235 valid questionnaires were collected. In the assessment, WNC identified significant nature-related issues based on their level of concern and degree of impact. For the top five dependency and impact issues, the company disclosed the potential risks, opportunities, relevant metrics and management measures:

Level of concern

The number of responding stakeholders or suppliers facing this environmental dependency or impact issue.

- The greater the number of respondents facing this issue, the higher the level of concern.
- If the issue attracts a higher level of concern among stakeholders or suppliers, this issue is more likely to be an overall key issue.

Level of dependency

Degree of impact on business operations when a disaster or shortage occurs. It may range from the most severe scenario, such as plant closure, to very minor, such as impact on the employee environment. If contingency measures are in place, the impact can be mitigated.

Degree of impact

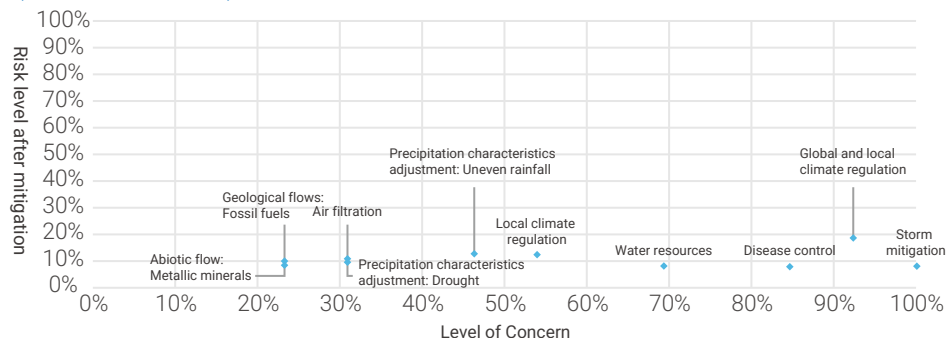
This category indicates that a company engages in business activities involving pollutant emissions or change to local ecosystems. Thus, in the absence of management measures, these activities are assumed to carry the highest level of risk (100%). However, the risk can be mitigated through either of the following two measures, with the lowest risk level reduced to 10%.

- Management measures: Are basic management measures in place (max. reduction: 45%)
- Mitigation targets: Are targets set for reducing relevant activities and is progress being tracked (max. reduction: 45%)

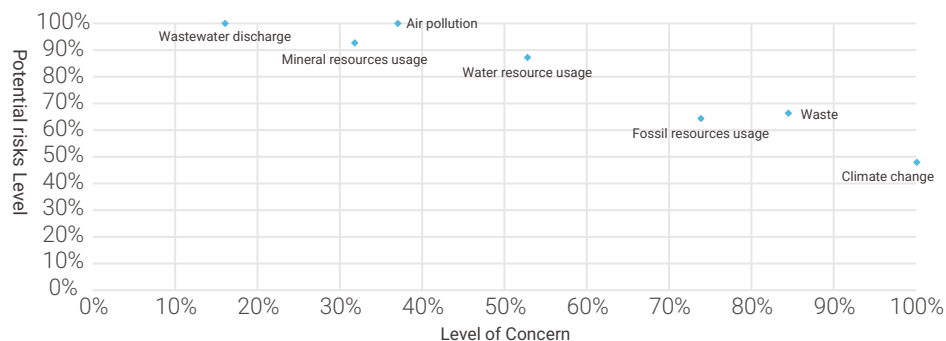
Dependency and impact analysis of business operations

According to the analysis results, WNC primarily relies on three ecosystem services: global and local climate regulation, storm mitigation, and disease control. The corresponding natural disasters are extreme heat, more severe wind disasters, and outbreaks of large-scale epidemics respectively. These three types of disasters would have a greater impact on WNC before mitigation measures are implemented. Regarding the impact of WNC's own operations, the greatest environmental effects come from climate change, waste, and use of fossil resources. The company has also taken into consideration existing management actions and goals at each site and have assessed the extent to which risks can be mitigated. Overall, all disaster risks are on a downward trend.

Organizational Operations: Materiality Matrix of Nature Dependencies (After Mitigation)



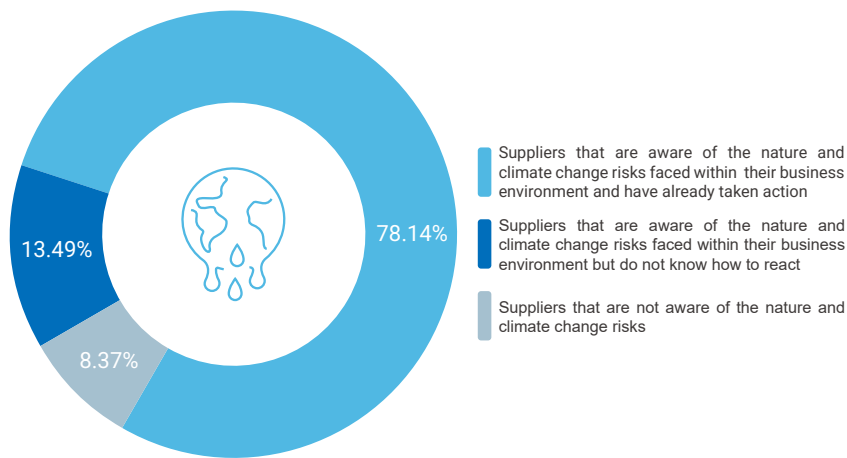
Organizational Operations: Materiality Matrix of Operational Impacts



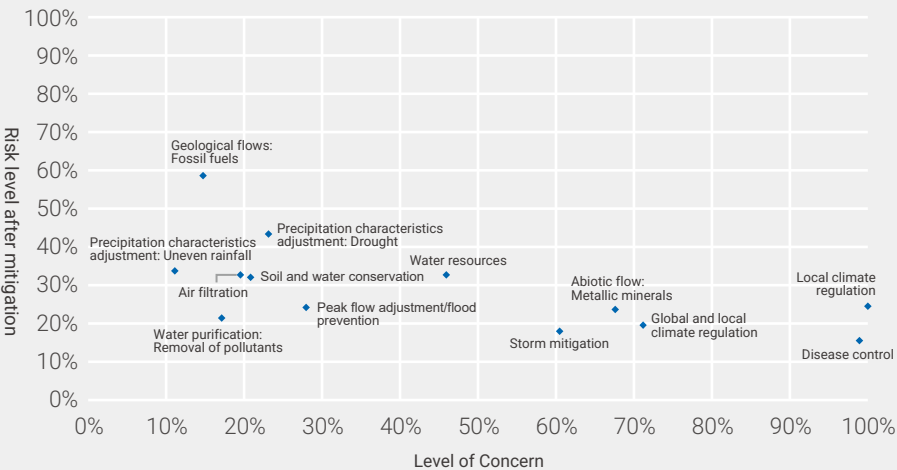
Dependency and impact analysis of supply chain

Based on the results of the supplier nature dependency and impact matrix analysis, the supply chain’s dependencies on nature are mainly concentrated in climate regulation, disease control, and resource provision, while its impacts on nature primarily arise from waste generation, climate change, resource use, and pollutant emissions. Overall, the supply chain is highly interconnected with the natural environment. In order to track suppliers’ management practices in areas such as resource use, pollution management, and climate risk response, reduce potential environmental impacts, and strengthen supply chain resilience and sustainable management performance, WNC has asked its suppliers to fill out a TNFD questionnaire. Based on the results of the questionnaire, over 70% of tier-1 suppliers are aware of the relevant nature-related risks and have initiated management measures, indicating that they have put a certain level of emphasis on addressing issues related to the natural environment. However, some suppliers have yet to take action or still lack the necessary knowledge to conduct risk assessments. To enhance overall supply chain resilience, WNC has improved suppliers’ awareness of nature- and climate-related risks and built up their response capabilities through sustainable supply chain conferences and dedicated training resources. The company also uses the Sustainability and Greenhouse Gas Inventory Information Questionnaire to better understand suppliers’ response capabilities regarding nature- and climate-related risks. Going forward, WNC will continue to work with its suppliers to promote more sustainable practices and contribute to addressing climate change and ecological challenges.

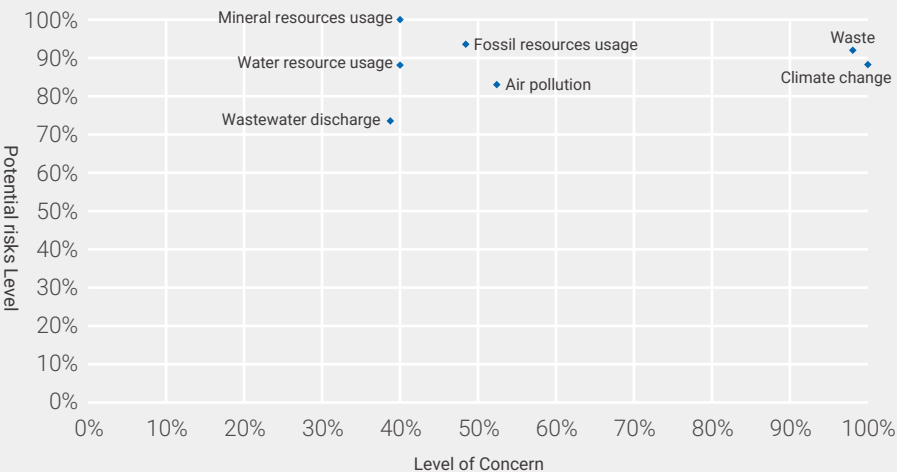
Survey on supply chain’s awareness of nature and biodiversity



Supply Chain: Materiality Matrix of Nature Dependencies (After Mitigation)



Supply Chain: Materiality Matrix by Impact Categories



3.4 Assess

After completing its analysis of impacts and dependencies on nature, WNC further assessed and determined nature-related risks and opportunities and their potential financial impacts in accordance with the TNFD framework. Through this process, WNC ensures that relevant issues are incorporated into existing risk management and decision-making processes. This also enables WNC to review current risk management processes to ensure that corresponding mitigation or early-warning measures are in place for these issues. The assessment results are integrated into this report for annual disclosure and to show to external parties how WNC achieves nature-related risk management and value creation by mitigating negative impacts and enhancing positive impacts.

Nature-related dependencies

Sub-category	Corresponding natural disaster risks	Dependency pathway	Potential financial impact
Water supply (abiotic)	D1 Water scarcity / insufficient water supply	WNC sites rely on the local ecosystem's ability to regulate surface runoff and retain/capture water for their water supply. The sites use water in manufacturing processes for cooling and cleaning equipment, creating liquid formulas, and ensuring the smooth operation of machinery. If water availability in upstream watersheds declines due to drought, extraction by other organizations, or deteriorating water quality, the water supply may become insufficient, which may lead to the need for water rationing, or temporary water restrictions, which could further lead to production line shutdowns, reduced production capacity, delivery delays, and additional costs due to having to use alternative water sources.	Decrease in revenue Increase in indirect operating costs
Global and local climate regulation	D2 Extreme heat	WNC sites rely on natural vegetation, green spaces, water bodies, natural shade and other natural ecosystem services to regulate the surrounding microclimate, reduce peak temperatures during the day, slow down heat loss at night, and ease demand for cooling. Degradation of these climate regulation services may significantly increase the cooling demand from production lines and the energy consumption of air-conditioning systems, resulting in higher operating costs and greater equipment failure risk.	Decrease in revenue Increase in indirect operating costs
Storm mitigation	D3 Storm events (e.g., typhoons, hurricanes, sandstorms)	WNC sites rely on ecosystems such as coastal wetlands, watershed vegetation, forests, and natural embankments to serve as buffers to attenuate floods/waves and reduce wind speeds, helping protect infrastructure at the sites. More frequent and severe storms during typhoon season may increase the risk of flooding, structural damage, and worker injury at WNC sites, leading to operational disruptions, higher capital expenditure for repairs and replacing equipment, and rising insurance premiums.	Increase in capital expenditures Increase in indirect operating costs
Biological control services: disease control services	D4 Large-scale infectious disease outbreaks	Natural ecosystem regulation of infectious disease outbreaks have a significant impact on operations at WNC sites. Climate change and regional air quality deterioration may increase the frequency of large-scale outbreaks, causing labor shortages, impacting worker attendance, and disrupting production or services, while also leading to increased company spending on screening, protective equipment, and site disinfection.	Increase in indirect operating costs
Local climate regulation	D5 Flooding or disasters caused by extreme rainfall	WNC sites rely on surface runoff regulation to reduce waterlogging and flood risk and in turn enable the continued operation of production lines and supply chains. If these regulation services deteriorate, extreme rainfall may increase the likelihood of flooding, erosion, and utility disruptions, potentially causing production interruptions, infrastructure damage, and higher repair costs.	Increase in indirect operating costs

Operational impact

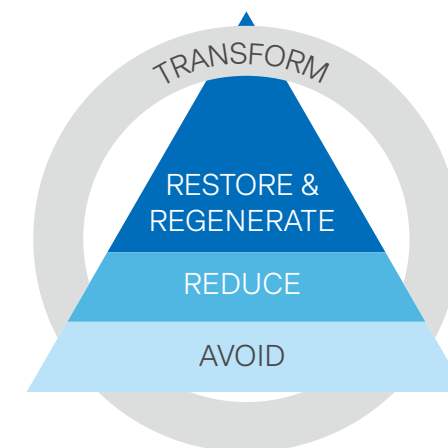
Sub-category	Corresponding natural disaster risks	Impact pathway	Potential financial impact
Resource depletion	I1 Use of fossil fuels and electricity	Electricity is the primary energy source used in WNC's operations, with diesel, gasoline, and natural gas used as supplementary energy sources in specific cases, such as emergency power generation, boiler heating, fuel for company vehicles, and dormitory water heating. This direct consumption of fossil fuels and increased use of electricity contributes indirectly to ecological damage associated with fossil fuel extraction and transportation, in turn weakening critical ecosystem services. Ultimately, the company's operations and business model may be impacted via regulatory restrictions and rising carbon costs.	Increase in indirect operating costs
	I2 Use of freshwater resources (e.g., rivers, lakes, groundwater, tap water)	WNC sites use freshwater in production processes and for domestic use. If water withdrawals exceed natural replenishment rates or the capacity of the watershed, the water level of rivers, lakes and groundwater may decline, resulting in dry river sections, wetland degradation, increased concentrations of substances in water, and reduced ecosystem services related to hydrological regulation. This may lead to increased drought risk, additional restrictions on factory water use, increased water withdrawal costs, or even plant shutdowns during dry seasons.	Increase in indirect operating costs
Pollution	I3 Greenhouse gas emissions	Direct, indirect, and value-chain greenhouse gas emissions are generated during the operations of WNC sites, increasing the concentration of greenhouse gases in the atmosphere and in turn intensifying the greenhouse effect and driving climate change. This may further alter regional temperatures, precipitation patterns, and sea levels as well as increase the frequency and severity of extreme heat, droughts, heavy rainfall, and storms, potentially causing operational disruptions and increased costs for the company.	Increase in indirect operating costs
	I4 Waste	Industrial and domestic waste is generated during operations of WNC sites and disposed of through landfill, incineration, recycling, or outsourced processing. If third-party contractors are improperly managed, or if disposal technologies and monitoring are inadequate, issues such as waste leakage, incomplete incineration, or improper storage may occur, which can lead to the release of harmful substances into the soil, groundwater, and the atmosphere. This may harm the health and living environment of people living in nearby communities, leading to possible inspections and fines for the company.	Increase in indirect operating costs
	I5 General air pollution	The manufacturing processes and backup generators used at WNC sites emit VOCs and NOx. If such emissions are not effectively controlled, local air quality may deteriorate due to increased ozone and secondary particulate matter, thereby affecting surrounding vegetation and ecosystems and impacting ecosystem services such as air purification and biodiversity. This may ultimately expose the company to regulatory risks, including fines and stricter emissions requirements.	Increase in indirect operating costs

3.5 Prepare

AR3T ecological action framework

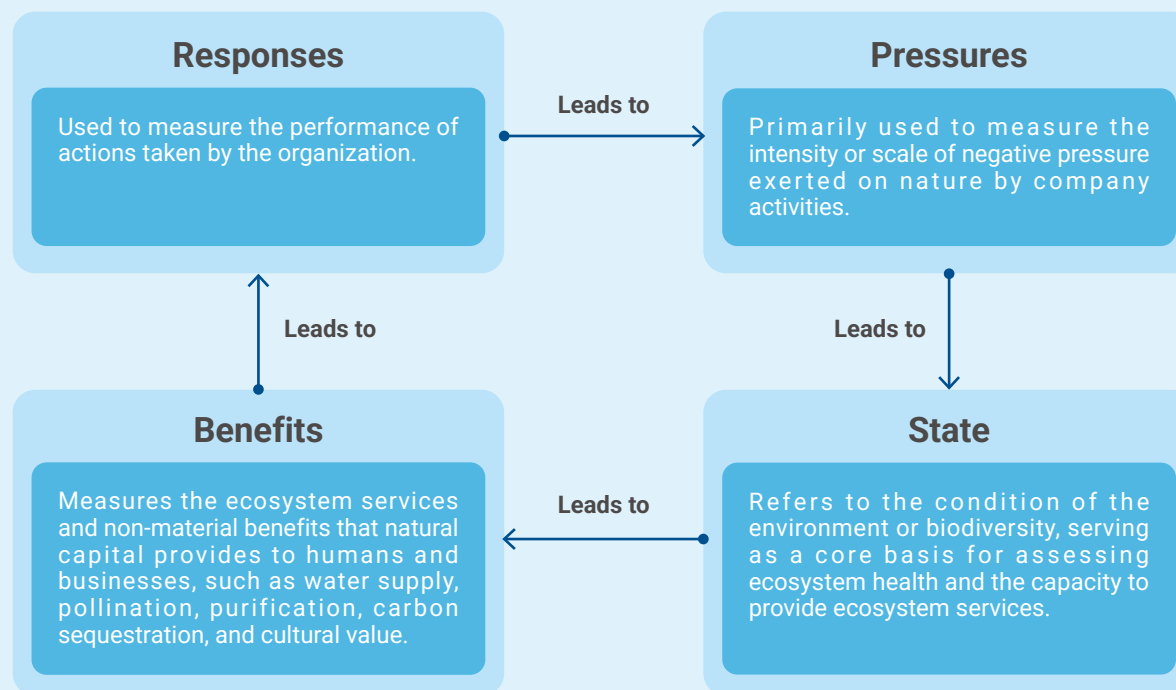
To establish a more comprehensive environmental management system, strengthen its ability to respond to nature-related risks, and enhance its operational resilience, WNC references SBTN's Avoid, Reduce, Restore & Regenerate, Transform (AR3T) action framework to decide the priority of management actions and help with decision making. This approach aims to address the drivers of nature loss and facilitate the gradual transition from risk minimization to creating a positive impact.

- (1) Avoid: Prioritize the prevention of negative impacts in sensitive locations or on core ecosystems.
- (2) Reduce: For impacts that already exist or are difficult to fully avoid, minimize the extent of such impacts
- (3) Restore & Regenerate: Restore degraded ecosystems to a healthy and functional state
- (4) Transform: Implement systemic change through innovative approaches to address the root causes of nature loss.



Net Positive Initiative (NPI) measurement goals

To convert complex ecological information into metrics that can be compared, monitored, and incorporated into corporate decision-making and performance evaluation, WNC refers to the guidelines for Planning and Monitoring Corporate Biodiversity Performance published by the IUCN in 2021. WNC adopts indicators such as "Pressures," "State," "Responses," and "Benefits" to measure its relationship with, and changes in, nature and biodiversity.



Management actions for nature-related risk issues

AR3T action framework item	Corresponding risks	Management actions	Management indicators	Unit
Avoid	D2/I1	Build solar power generation systems to increase the proportion of self-generated electricity used at company sites and implement energy-saving measures to reduce peak-hour electricity consumption. Introduce other renewable electricity sources and transaction mechanisms, such as I-REC and PPA, to increase the share of renewable electricity use.	Renewable energies use ratio	%
	I5	Adopt new manufacturing processes that use no chemical solvents or which use low-VOC solvents. Regularly monitor concentrations of solvent vapors and conduct regular maintenance and performance verification of activated carbon treatment facilities to detect and prevent abnormalities at an early stage.	Air pollutants	Tonnes
	I4	Manage waste effectively and obtain green certifications. At the source, prioritize the use of alternative chemicals in low concentrations to reduce the generation of waste liquids that contain high concentrations of chemicals. Work with circular material suppliers to promote paper reuse and plastic recycling and reduce the need for incineration. Regularly conduct on-site audits of waste treatment vendors to review their qualifications and compliance, ensuring that the waste management process is transparent and traceable.	Waste generation intensity Waste recycling rate	Tonnes/NT\$ million %
Reduce	D2/I1	Implement the ISO 50001 standard to establish systematic management frameworks and baselines for energy management. Through energy audits and key performance indicators, optimize the energy usage efficiency of equipment and processes. Improve building insulation design to reduce heat load and lower air-conditioning demand.	Power usage intensity	MWh/NT\$ million
	D1/I2	Establish systems to recycle water used in manufacturing processes. Optimize and improve manufacturing processes (such as cleaning processes that don't use water) to reduce or replace traditional processes that require water. Make improvements to dust control equipment and process management to reduce cleaning frequency and water consumption, and continuously monitor and improve relevant processes to improve water usage efficiency.	Water usage intensity	Cubic meters/NT\$ million
	D3/D5	Implement the ISO 22301 standard and incorporate responses for natural disasters (such as floods) into the company's business continuity plan. Strengthen wind-resistant anchoring and protection for outdoor equipment. Install flood barriers and automated pumping systems at key entrances and exits, and regularly inspect and clean drainage channels to ensure unobstructed drainage. Regularly trim and maintain trees on company premises to minimize storm damage on said trees.	Water level changes	Water level monitoring signal
	D4	Encourage employees to receive vaccinations against infectious diseases and provide necessary vaccination subsidies. Continue to monitor data on global and local epidemics and adjust internal response plans in accordance with the epidemic levels and prevention measures used by the World Health Organization and local governments. The aforementioned plans should include cross-departmental notification mechanisms, priority setting for critical operations, and alternative operating procedures. Implement strict workplace cleaning and disinfection procedures to reduce disease transmission risks.	Vaccination coverage rate	%
Restore & Regenerate	D2/I3	Promote afforestation programs and expand efforts on restoring green spaces and forests to improve carbon sink and long-term carbon sequestration capacity.	Carbon sink capacity	Tonnes CO ₂ e
Transformation	D4	Focus on obtaining UL 2799 Zero Waste to Landfill certification and transition toward zero waste to landfills through source reduction, recycling, and reuse.	Waste conversion rate	%
	D2/I3	Introduce an internal carbon pricing mechanism and carbon emissions management system. Work with supply chain partners to compile carbon footprint inventories and implement carbon reduction measures to reduce carbon emissions coming from business operations and the supply chain.	Annual absolute reduction for Scope 1, 2, and 3 emissions compared	Tonnes CO ₂ e

4 Strategies and Actions

4.1 Net Zero Transformation

4.2 Green Products

4.3 Sustainable Supply Chain

4.4 Environmental Protection

4.1 Net Zero Transformation

“Become a trustworthy communications solutions partner creating positive connections and interactions between the environment and humankind” is our sustainability vision, and we will follow this vision to instill sustainability concepts into daily decision-making processes and participate in international climate-related initiatives. The four aspects of our environmental protection strategy are: green product design, renewable energy strategies, joining the Science Based Targets initiative (SBTi), and promotion of low carbon transformation. We will use the assessment results for climate-related risks and opportunities to continue developing our environmental protection strategy and work with partners in the value chain to establish a green supply chain.



Compliance Short term (2020-2023)

Business operations

- Fully implemented ISO14064-1 GHG inventory
- Completed solar panel installation at plants
- Introduced external Renewable Energy Certificates (RECs)
- Introduced energy management platform
- Published independent TCFD report
- Signed SBTi commitment letter, joined RE100

Products

- Inventory sustainable products design
- Sustainable products training

Supply chain

- Established Supplier Code of Conduct
- Developed supplier carbon reduction mechanisms

Low-carbon digital transformation Medium term (2024-2026)

Business operations

- Passed SBTi target validation
- Implemented internal carbon pricing
- Established carbon data integration database
- Increased renewable energy use and diversification
- Upgraded WNC energy management platform
- Green Building Label for new sites
- Completed TCFD verification
- Adopted the LEAP approach, released an integrated TCFD/TNFD Report, and completed TCFD verification

Products

- Introduce a product carbon footprint platform and e-processes
- Established green product design DFG indicators and targets
- Established a Materials Carbon Footprint Database

Supply chain

- Established a supplier carbon management system (inventory, reduction, and audit)
- Organized vendor conferences on a regular basis to conduct consultations

Value chain collaboration for mutual benefit Mid- and long-term (2027-2030)

Business operations

- Integrate ESG information platform
- Introduce internal carbon pricing
- Upgrade WNC energy management platform
- Introduce carbon credit mechanisms
- Achieve Net Zero (by 2050)

Products

- Enhance carbon emissions reduction effectiveness
- Increase the proportion of sustainable products

Supply chain

- Promote supplier carbon inventory and reduction capabilities
- Drive for carbon reduction among suppliers

Internal carbon pricing

Internal carbon pricing (ICP) is a management strategy by which companies translate external environmental costs caused by carbon emissions into internal financial costs. The purpose of this strategy is to incorporate the impact of GHG emissions into business decision-making by establishing a carbon price, thereby incentivizing the organization to prioritize low-carbon options in investment, procurement, and production processes. In addition to quantifying climate-related financial risks, this creates a virtuous cycle for energy management, thereby facilitating the adoption of low-carbon technologies, enhancing energy efficiency, and boosting corporate competitiveness during the low-carbon transition.

Pricing strategy

WNC established its ICP mechanism in 2025, adopting shadow pricing as an internal decision-making reference. To establish its carbon prices, WNC has conducted a comprehensive review of recommendations from the World Bank, the International Energy Agency (IEA), and the IPCC, as well as scenario simulation analyses by governments and financial institutions. In addition, WNC has benchmarked the practices of industry leaders, major customers, and large suppliers who have implemented ICP, while comparing the differences between international and local carbon pricing. Based on the results, WNC integrated the internal and external carbon cost components of its global manufacturing sites, including government levies, investments and depreciation of renewable energy equipment, procurement of RECs, and procurement of energy-saving equipment and related investments. This integration enables trial calculations and verification to ensure the pricing reflects the actual costs and the company's strategic objectives.

In the first year of implementation, WNC set its ICP at USD30 per metric ton. From the second year onward, this price will be adjusted according to changes in WNC's actual carbon costs per unit and the latest recommendations from international organizations, with an ultimate target of USD80 to 120 per metric ton. This pricing pathway: (1) achieves the goal of aligning WNC's ICP with international standards, ensuring that the company remains competitive during the internalization of carbon costs; (2) supports WNC's commitment to climate targets and helps limit global warming to 1.5°C as defined in the Paris Agreement; (3) incentivizes each unit and site to adopt more aggressive carbon reduction measures and optimize capital expenditure; and (4) serves as a basis for aligning with IFRS S2 and other climate-related disclosures to strengthen climate-related financial risk management and information transparency.



Applications of ICP management

ICP will serve as a key reference for WNC's investment evaluations, procurement decisions, expenditure prioritization, and operational efficiency improvements. A regular review mechanism will also be established to respond to changes in policies, market trends, and technologies, ensuring the effectiveness of the system. WNC launched a pilot project at its S3 Plant in the first year of implementation.

Key focus areas include:

- Incorporate shadow carbon pricing into cost-benefit evaluation procedures for equipment procurement, and the ISO 50001 energy management procedure. By factoring in carbon costs during the procurement phase, WNC avoids purchasing equipment that may have a significant negative impact on the environment.
- Establish energy-saving baselines in alignment with the company's targets. If actual emissions exceed the baseline, internal carbon fees will be levied on the excess emissions to serve as an improvement fund

During the pilot phase, carbon fees are not actually levied. Instead, carbon fee calculation and tracking are performed to evaluate each unit's risk exposure and the feasibility of the system. Moving forward, WNC will implement a phased roll-out of the carbon fee levy based on pilot results. The collected fees will only be used to support carbon reduction investment, such as equipment replacement and energy efficiency optimization. This will establish an internal carbon reduction incentive mechanism, fostering continuous improvement in overall energy and carbon emission management.



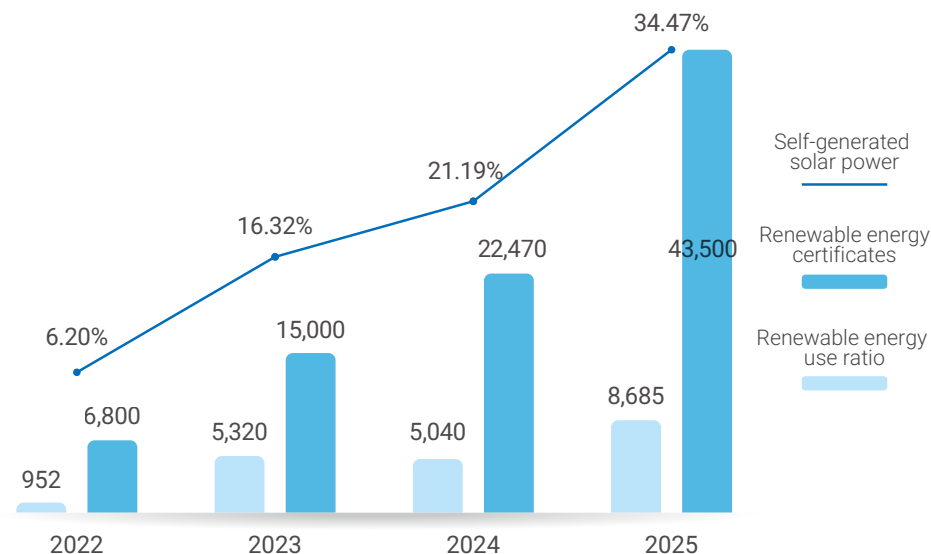
Renewable energy transition

To strengthen climate resilience, WNC announced in 2023 its commitment to joining the global renewable energy initiative RE100, pledging to achieve 100% renewable energy usage across all sites by 2040. To achieve this, we are progressively increasing the proportion of renewable energy use through measures such as installing self-generated solar power systems, purchasing International Renewable Energy Certificates (I-REC), and planning energy-saving initiatives.

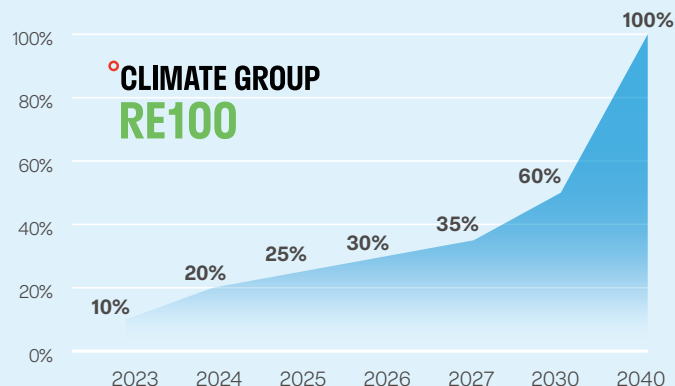
With regard to the installation of solar panels, in recent years, WNC has continuously expanded rooftop solar installations at its major production sites worldwide. In Taiwan, Kunshan, and Vietnam, in addition to existing solar power systems, WNC has assessed further expansion opportunities. Since 2022, WNC has progressively completed expansion projects for solar power generation for self-consumption at multiple locations. In 2025, WNC expanded the solar panel installation at its Taiwan headquarters, including both canopy-type and scale-type systems. The installation is expected to contribute 532,380 kWh of annual power generation. Also, with business growth driving higher electricity demand, WNC responded to its RE100 commitment and carbon reduction targets by increasing self-generated electricity for self-consumption through the termination of solar feed-in arrangements and the optimization of rooftop layouts to support additional solar panel installations.

As of 2025, the total installed capacity of solar power systems across WNC's sites reached 11.5 MW. Self-generated electricity for self-consumption amounted to 8,684.97 MWh. Supplemented by the procurement of renewable energy certificates, WNC's renewable energy ratio reached 34.47% in 2025, surpassing the annual target of 25%.

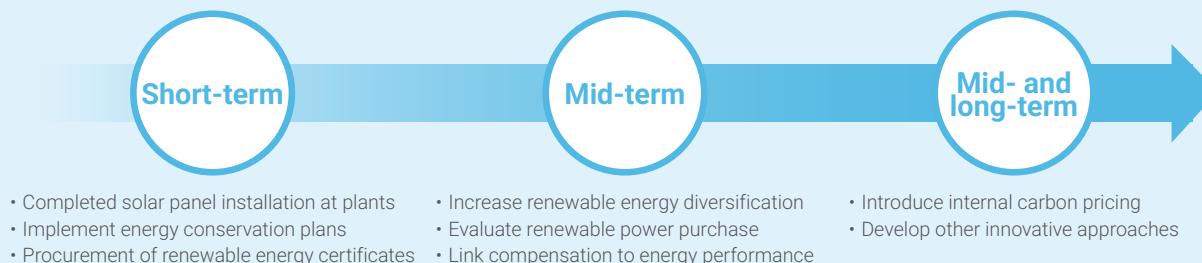
WNC's renewable energy usage in the most recent four years



RE100 pathway



Renewable energy development strategies



Energy conservation and carbon reduction actions

Through cross-departmental collaboration and discussions, we establish clear improvement plans for lighting power, ventilation, air conditioning, and air compression systems. We also conduct regular internal energy management reviews to evaluate the effectiveness of implementation, continuously refining our management procedures and improvement measures for the next fiscal year. In 2025, WNC implemented 66 energy-saving initiatives, spanning manufacturing processes, lighting, ventilation, air conditioning and air compression systems. These projects achieve an estimated annual saving of 10,207.50 MWh of electricity, equivalent to 6,030 tonnes of CO₂e. Additionally, we conduct annual energy-saving education at each site. At the same time, we promote energy conservation and carbon reduction in our daily operations, encouraging the use of online meetings instead of physical ones and opting for low-carbon transportation methods for commuting or business trips. These initiatives aim to continuously educate our employees on energy-saving concepts, contributing to the sustainable development of the company.

2025 carbon reduction effectiveness from energy conservation plans ^{Note1}

System	Carbon reduction scope	No.of plans	Electricity saved (MWh)	Carbon reduction(CO ₂ e)
Manu-facturing process	Scope 2 emissions	21	739.08	392.15
Lighting		3	39.82	18.88
Venti-lation		21	6,282.50	3,738.53
Air conditioning		11	1,949.19	1,164.64
Air compression		6	1,155.94	696.07
Other ^{Note 2}		4	40.98	19.42
Annual total		66	10,207.50	6,029.69

Note1:The amount of electricity saved is estimated based on the running hours of the equipment as well as the difference in power usage before and after improvements were made to the equipment. The amount of reduced carbon emissions is calculated annually using the latest carbon emission factors. Additionally, different electricity carbon emission factors (kgCO₂e/kWh) are adopted for this calculation based on the implementation region of the energy-saving program; 2025 carbon emissions factors: 0.4740 kgCO₂e/kWh for Taiwan, 0.5306 kgCO₂e/kWh for China, and 0.6592 kgCO₂e/kWh for Vietnam.

Note2: Other energy-saving measures mainly include replacing old equipment with energy-efficient models and virtualizing machinery.

Energy conservation actions at manufacturing sites

Vietnam site

We implemented energy-saving measures during expansion construction, including shutting down non-essential fans and air compressors over weekends. In addition, we optimized air conditioning frequency based on production needs, and adjusted exhaust fan speeds. These initiatives save 125,000 kWh of electricity, and NT\$ 2.87 million in electricity costs annually. The phase III facility is designed and constructed as a green building, with green building certification expected in Q4 of 2026.

China sites

We implemented a range of energy-saving initiatives in 2025. By replacing legacy equipment with energy-efficient models, integrating cross-building systems, and optimizing space utilization on production lines, we saved 840,000 kWh of electricity annually, reducing carbon emissions by 480.83 tonnes of CO₂e. Our key achievements include:

1. Upgrading HVAC water pumps to energy-saving models

We have identified inefficient pumps that have been in operation for over 20 years with six pumps slated for replacement. The first upgrade to an 18.5 kW energy-efficient permanent magnet pump was completed in October 2025. Actual measurements show that the operating current has decreased significantly by 40%. The remaining five pumps were also upgraded in Q1 2026, thereby improving overall operational efficiency.

2. Cross-building system integration for QA labs

In response to lab layout adjustments, we integrated systems to prevent energy waste caused by low-load inefficiency, specifically, idling chillers and process water systems operating independently in vacated lab spaces. In March 2026, we rerouted the air conditioning and cooling water pipelines to Building C, and decommissioned the cooling tower in Building D. This initiative achieved centralized utility supply across multiple buildings.

3.Space consolidation for DIP production lines and automated warehouses

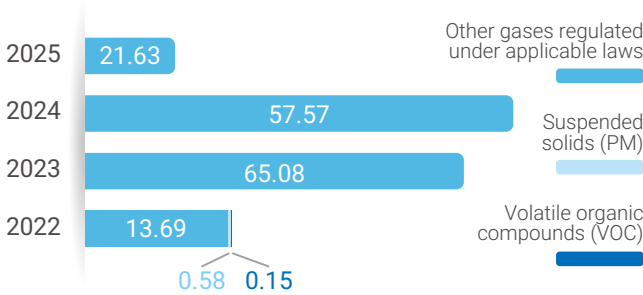
Through space optimization strategies, we consolidated the DIP production lines and automated warehouses that were previously located on different floors. Following this consolidation, we shut down auxiliary utilities, including three waste gas treatment facilities and one air handling unit (AHU). These measures significantly reduced idle energy consumption from constant temperature and humidity control as well as dehumidifiers. This initiative is estimated to save 350,000 kWh of electricity annually.

Environmental protection and management

Air pollution control

Currently, the main emission sources of air pollutants are volatile organic compounds (VOCs), such as flux and cleaning agents, used in production processes. From 2021 to 2023, although WNC was not subject to air pollution control regulations, the company voluntarily disclosed emissions from stationary sources subject to regulatory oversight, based on regular testing results and by referencing the air pollution fee calculation method. In 2024, due to increased production capacity at the S1 site, the company installed air pollution control equipment in accordance with relevant regulations. This measure enabled us to manage VOCs generated during production processes and secure a Stationary Pollution Source Operating Permit in the same year. In 2025, the company continued to reduce the use of VOCs at the source to mitigate the environmental impact of our production processes.

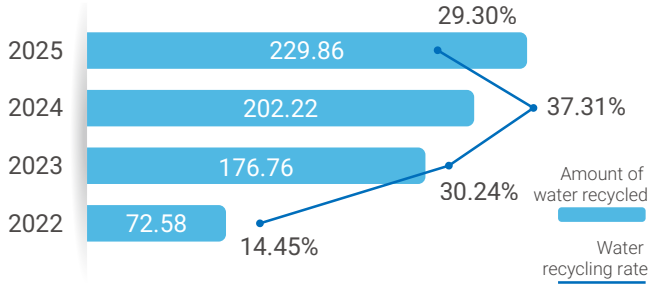
VOC emissions in the most recent four years (Unit: tonnes)



Water conservation projects and water pollution prevention

In terms of water resource management, WNC maps water balance diagrams and conducts comprehensive water inventories. Furthermore, we regularly monitor and identify usage patterns, while promoting water efficiency projects. In 2025, WNC's global sites achieved a total annual reclaimed water volume of 229.86 million liters through the optimization of smart monitoring and recycling systems. Regarding wastewater management, WNC's S1 and Vietnam sites generate process wastewater from washing procedures, while other sites primarily discharge wastewater from daily operations. To ensure compliance, effluent monitoring systems are installed across all sites. Furthermore, we commission certified testing organizations to conduct water quality sampling semi-annually, ensuring that effluent meets local regulatory requirements and science park specifications. We also conduct regular training to enhance responsible personnel's water management capabilities.

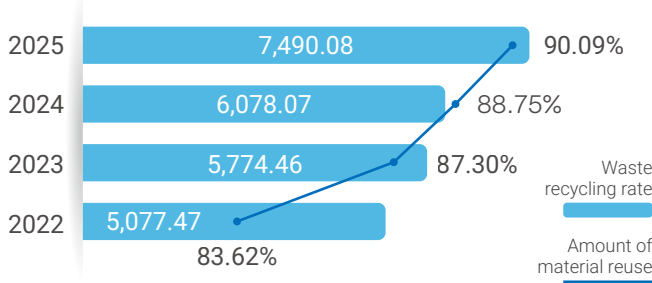
Amount of Water Recycled at WNC in the Most Recent Four Years (Unit: megaliters)



Zero waste to landfill

In 2025, the total amount of waste recycled reached 7,490.08 tonnes, with the recycling rate rising to 90%, surpassing the annual target. In addition, WNC tracks and manages the waste output structure and improves waste raw material removal methods to promote resource recycling. In 2025, the total recycling volume for resource circulation projects was 5,059.02 tonnes, which is estimated to reduce emissions by 1,821.25 tonnes of CO₂e across the value chain. To mitigate the environmental impact of waste incineration and landfilling, WNC's S3, Kunshan and Vietnam facilities implemented the UL 2799 Zero Waste to Landfill standard and achieved platinum certification. Through this initiative, these plants successfully reduced waste and waste disposal costs, with a 100% waste diversion rate. In January 2026, WNC's S1 site also obtained UL 2799 certification, signifying that WNC has established a comprehensive, cross-regional network of green facilities.

Waste recycling volume for the most recent four years (Unit: tonnes)

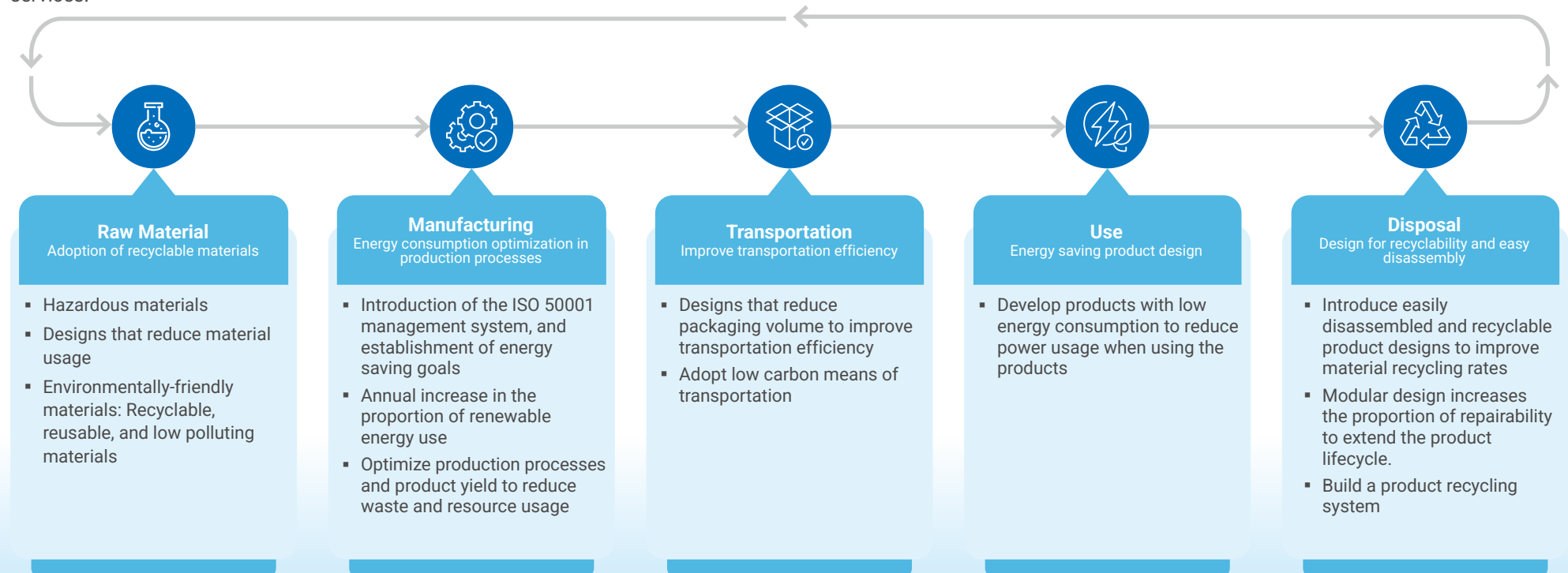


4.2 Green Products

WNC is dedicated to the development of communications technologies and green products. We define green products as those that meet the two major requirements of being safe and having low carbon emissions. In terms of safety, we require our products to be free from environmentally harmful substances, complying with regulations on prohibited and restricted substances management, ensuring they are harmless to human health and the environment. As for carbon reduction, we are committed to reducing carbon emissions throughout the five major stages of the product lifecycle: from raw material procurement, manufacturing, transportation, consumption, to waste disposal and recycling, thereby reducing our impact on climate change. By adopting environmentally-friendly materials for packaging, optimizing low-carbon manufacturing processes, developing energy conservation technologies for products, and designing products for easy disassembly and recycling, we aim to reduce the negative environmental impact of products during each stage of their lifecycle, providing customers with energy efficient products and manufacturing services.

Design for Green (DFG)

To achieve environmentally-friendly product design, WNC adopts the PESTEL analysis approach, incorporating “meeting customer needs,” “complying with international regulations,” “reducing environmental impact,” and “promoting business growth” as key strategic directions. Through materiality surveys, WNC prioritizes relevant indicators to ensure that all factors relating to environmental impact and market demands are taken into account in the product design process. WNC has established a detailed checklist as green design indicators in the following five categories: circular design, energy conservation, material usage, waste reduction, and green manufacturing. Through data management platforms, all relevant units can monitor and track product compliance in real time. Moving forward, WNC will continue advancing toward its sustainability goal of 100% green products through cross-functional collaboration.



4.3 Sustainable Supply Chain

Project objectives and background

WNC promotes climate- and environment-related initiatives in its supply chain management, aiming to enhance supply chain sustainability and reduce negative environmental impacts. With growing global emphasis on environmental protection, companies are facing increasing demand in supply chain management, particularly in responsible sourcing and resource management. Therefore, WNC has strengthened its environmental management of suppliers, aiming to achieve the following goals:

- ✓

Supply chain transparency improvement
Through the implementation of the CMRT (Conflict Minerals Reporting Template) and associated evaluations, we aim to gain clear insights into the sources of minerals within our supply chain and ensure their adherence to environmental and social responsibility criteria.
- ✓

Reduce environmental impact
Reduce the environmental burden of the supply chain, particularly by minimizing the impact on ecosystems during the procurement and use of raw materials.
- ✓

Partnering with the supply chain to drive green influence
We aim to play an active role in addressing climate and environmental issues by leading our supply chain toward sustainable development and jointly building a low-carbon supply chain.

Management actions

WNC's ESG commitment and requirements	WNC requires all suppliers to sign a Supplier Commitment to Sustainability Declaration and Supplier Integrity Commitment Letter, affirming their compliance with the Supplier Code of Conduct. As of the end of 2025, the response rate among WNC's first-tier suppliers for the Supplier Commitment to Sustainability Declaration reached 98.4%. In addition, the company asks new suppliers to complete and return a Supplier ESG Questionnaire so we can understand their implementation of labor, health and safety, environmental, ethics, and management systems.
Supplier sustainability risk assessment	Since 2023, WNC has utilized EcoVadis scores as its primary benchmark for assessing supplier sustainability risks. If an EcoVadis score is unavailable, RBA, S&P Global CSA, or Sustainalytics results are also considered. This comprehensive approach ensures a thorough evaluation of our suppliers' environmental, social, and governance performance. The external assessment results are converted into WNC's internal ESG score, on a scale of zero to five, and incorporated into its VPE. In 2025, 499 tier-1 suppliers participated in the EcoVadis sustainability risk assessment. Among them, 408 completed the evaluation and received an ESG score, representing a 94.6% completion rate.
Key materials management	In response to the growing global emphasis on sustainable materials, WNC released a WNC Sustainable Raw Materials Policy in June 2024, following approval and signing by the President & CEO. This policy further strengthens our commitment and actions in material management. Through this policy framework, we aim to minimize the sustainability-related impact of raw materials and to set an example for other businesses in their sustainable development commitments.
Responsible mineral sourcing	WNC has formulated a Responsible Minerals Policy Statement, committed to banning the use of conflict minerals that contribute to significant human rights violations such as armed conflict and forced labor in conflict-affected and high-risk areas (CAHRAs). Suppliers are required to avoid using conflict minerals, disclose the sources of tin (Sn), tungsten (W), tantalum (Ta), gold (Au), cobalt (Cu), and mica they use, and communicate this policy to their upstream suppliers to achieve alignment throughout the supply chain.
Partnership	In 2025, WNC hosted four supplier conferences, including two convened in Vietnam to communicate our sustainable supplier strategies and requirements. In these events, we also provided carbon management training to bolster local suppliers' carbon reduction expertise. For the other two conferences, WNC invited a total of 66 suppliers with potentially high carbon emissions. In addition to sharing WNC's sustainability roadmap and carbon management requirements for suppliers, we also invited industry experts to deliver training sessions on carbon inventory practices, information security, sustainable materials, and human rights.

4.4 Environmental Protection

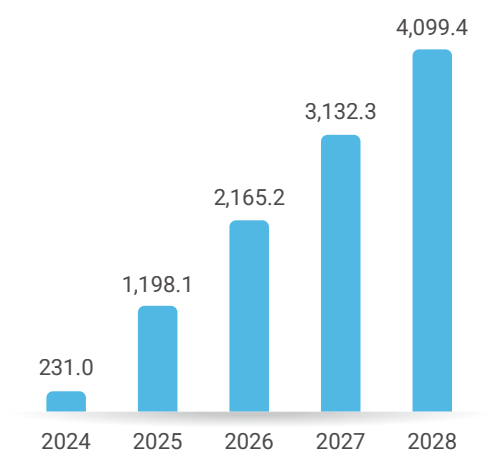
In alignment with the United Nations’ Convention on Biological Diversity (CBD), WNC launched afforestation projects in Xitou, Nantou County, and Silou, Yunlin County. These initiatives are driven by employee engagement and cross-sector collaborations spanning industry, government, academia and research institutions. In 2023, we embarked on a six-year collaborative project with the NTU Experimental Forest management office in Xitou. Focusing on mid- and long-term goals, this project adopts scientific approaches to restore native Taiwanese tree species and promotes reforestation to enrich local biodiversity. In addition, we have developed methodologies for forest carbon sink management and biodiversity credits, enabling the quantifiable measurement of ecological restoration, carbon sequestration, and biological assets. We aim to establish a measurable, sustainable governance model for conservation and climate action, bolstering the ecological, environmental, and social value of the WNC Forest Park to generate long-term benefits for all stakeholders.

Carbon Sink and Accumulated Carbon Sequestration

Our afforestation project primarily features native Taiwan trees, such as the Taiwan red cypress, Cyclobalanopsis glauca, and incense cedar. In addition, we perform weeding and forest tending four times annually to ensure that seedlings have sufficient growing space, sunlight, and nutrients to thrive. Through these management actions, the sapling survival rate has consistently maintained at an average of 85% for the past few years. In parallel, we regularly calculate the carbon storage capacity and carbon stock within designated survey plots. As of 2025, WNC’s reforestation project in Xitou has accumulated 1,198.1 kgCO2 in carbon storage.

Survey plot	Tree count	Survival rate (%)	Diameter at breast height (DBH)(cm)	Tree height (m)	Volume (m3ha-1)	Carbon storage (kgCO ₂ ha-1)
1	61	81	1.53	1.47	0.583	797.7
2	58	77	1.73	1.88	0.865	1,157.1
3	66	88	1.70	1.79	0.941	1,240.6
4	70	93	1.82	1.96	1.231	1,614.8
Average	64	85	1.70	1.78	0.905	1,198.1

Estimated cumulative carbon sinks and sequestration (Unit: kgCO₂ ha-1)



Establishment of a Taiwan Native Species Natural Database

We have established baseline methodologies for biodiversity surveys and conducted assessments covering five species, including amphibians, reptiles, and birds. In principle, we implement on-site surveys every three months and adjust the frequency and timing to suit different species. We have also established a database that records species names, habitat types, population counts, life forms and behavioral patterns. In addition, we are advancing research into biodiversity credit methodologies. By converting our field monitoring data into quantifiable diversity metrics, such as the Shannon Diversity Index, we can evaluate species richness and distribution evenness across our newly reforested areas.



Project Spotlight: Building Homes for Owls – Employees join hands to create an eco-friendly environment and protect biodiversity

Owls, as indicator species at the top of the food chain, reflect habitat health and the integrity of biodiversity through their population changes. However, urban development and forest fragmentation have led to a significant reduction in natural tree cavities, severely impacting the habitat and reproduction of the spotted owls that rely on these cavities for breeding. To support conservation efforts and respond to global biodiversity issues, employees at WNC's Mechanical and Industrial Design Div. have voluntarily spearheaded the Creating Homes for Owls ESG campaign for two consecutive years since 2024. Leveraging the division's professional expertise combined with local ecological actions, employees and their families worked together to build alternative artificial habitats. Centered on local ecology and environmental education, the event featured an ecological lecture on owls, and a nest box workshop. Through these experiences, participants gained a deeper understanding of the behavior of wild animals and the threats they face.

In 2025, WNC donated artificial nest boxes and monitoring cameras to schools and conservation groups across Hsinchu, partnering with external experts to install them on school campuses. In total, 12 recipient organizations completed nest box installations, with 11 equipped with cameras to continuously collect images and data. Monitoring results to date: Seven nest boxes have recorded Mountain Scops Owls or Collared Scops Owls entering and utilizing them as nesting sites. At one location, egg-incubation and chick-rearing behaviors were observed, culminating in the successful hatching of three owlets. Several recipient schools have integrated nest box monitoring into their curricula and environmental education programs. These schools have independently developed lesson plans and partnered with local communities, conservation groups, and academic institutions to incorporate real-time camera footage into teaching and ongoing ecological observations.

This initiative not only internalizes biodiversity conservation within our corporate culture but also amplifies our positive social impact and the efficacy of our environmental education efforts. We aim to raise ecological awareness through campus-based nest box programs, and guide students to engage with critical issues like habitat destruction and environmental pollution. Ultimately, this cultivates environmental literacy and a sense of shared responsibility.



Nest Box Donation Recipients in 2024

1. Taiping Elementary School in Guanxi Township
2. Pinglin Elementary School in Guanxi Township
3. Dadu Elementary School in Hengshan Township
4. Xinfeng Junior High School in Xinfeng Township
5. Tree Food Space ecological park
6. The Society of Wilderness

Nest Box Donation Recipients in 2025

1. Mabuville
2. National Experimental High School at Hsinchu Science Park - Junior High
3. Baoshan Elementary School in Baoshan Township
4. Dung Hai Elementary School in Zhubei City
5. Da-Tong Elementary School in Zhudong
6. Tunan Elementary School in Jianshi Township
7. Jiadong Primary School in Xiangshan District
8. Tien Liao Elementary School in Hengshan Township
9. Hukou Junior High School in Hukou Township
10. Department of Civil Engineering and Environmental Informatics, Minghsin University of Science and Technology
11. Jinghua Junior High School in Xinfeng Township
12. Po-Ai Junior High School in Zhubei City

5 Metrics and Targets

5.1 Environmental Management Performance Goals

5.2 Organizational GHG Emissions

5.1 Environmental Management Performance Goals

In this Report, WNC discloses the environmental management performance indicators it has identified, and the company sets key short-, medium-, and long-term climate and environmental targets based on international initiatives, ISO standards, market regulations, and customer requirements. WNC's greenhouse gas reduction targets are set in accordance with the SBTi 1.5 °C decarbonization pathway, while its electricity and renewable energy targets align with the standards of the RE100 initiative. The company's waste management targets follow the requirements of UL 2799 Zero Waste certification, and water resource management is conducted in accordance with ISO 14001 standards. Targets related to green products and sustainable materials are managed according to customer specifications and market expectations. Through the aforementioned target setting and performance tracking, WNC demonstrates that its climate-related management actions meet expected requirements and market regulations.

Topic	Performance metric ^{Note 3}	Progress			Future goals		
		2025 goals	Results	Goal achievement status	Short term (2026)	Medium term (2028)	Long term (2030)
Climate and energy management	Absolute GHG emissions reduction (Scope 1 + Scope 2) (Base year: 2022)	-15.75%	-19.01%	✓	-21.00%	-31.50%	-42.00%
	Absolute emissions reduction in significant Scope 3 categories (Base year: 2023)	-7.14%	-7.69%	✓	-10.71%	-17.85%	-25.00%
	Renewable energy use ratio (%)	25%	34.47%	✓	30%	40%	60%
	Cumulative electricity savings rate (%) ^{Note 2}	New target	New target	-	12%	14%	16%
Green products	100% compliance with green products hazardous materials control and customer specifications	100%	100%	✓	100%	100%	100%
Water resource management ^{Note 3}	Water withdrawal intensity reduction (Base year: 2020)	-13%	-22.71%	✓	-13%	-13%	-18%
Waste management ^{Note 4}	Waste conversion rate (%)	New target	New target	-	93%	94%	95%
	Ratio of waste intensity reduction (Base year: 2021)	-50%	-56.57%	✓	-50%	-53%	-56%
Sustainable materials	Percentage by weight of recycled plastics used in routers	35%	39.4%	✓	40%	50%	60%

Note1: The former Carbon Sink and Carbon Sequestration Accumulation and Taiwan Native Species Database management targets fall under biodiversity sustainability topics and were not included as WNC's material topics; they have therefore been converted into internal management targets. Due to internal requirements, "low carbon materials selection mechanisms" have been integrated into internal action items.

Note2: In consideration of production capacity fluctuations and energy management optimization, the original target of "reducing electricity intensity compared to the previous year" has been revised to "cumulative electricity-saving rate (%)" to better reflect actual performance. The scope of the cumulative electricity-saving rate, water resource, and waste management targets covers major production sites in Taiwan, China, and Vietnam. The Mexico site is still in the build-up phase and will be gradually incorporated into the management scope.

Note3: Water withdrawal intensity is calculated based on numbers from major production sites, and does not include the Mexico site and on-site dormitories. The formula is: Water withdrawal volume (cubic meters) / revenue (NT\$ million).

Note4: As major production sites in Taiwan, China, and Vietnam have adopted the standards in the UL 2799 Zero Waste to Landfill certification, the original "waste recycling rate" target has been revised to "waste conversion rate" to align more precisely with international standards.



5.2 GHG Emissions Intensity

WNC has referenced ISO 14064-1: 2018 and the GHG Protocol to set organizational boundariesNote 1 according to operational control laws. We established 2022 as the base year to calculate our greenhouse gas emissions and for verification purposes. In 2023, the company formulated goals superior to those initiated by the Financial Supervisory Commission in the TWSE Listed and TPEX Listed Companies Sustainable Development Roadmap. In 2025, the company added the Mexico site into the inventory boundary, completing greenhouse gas inventory and verification for all of its sites in alignment with the boundary of its financial statements, showing that the company's GHG emissions coverage is at 100%. Third-party certification has also been obtained for the aforementioned GHG inventory.

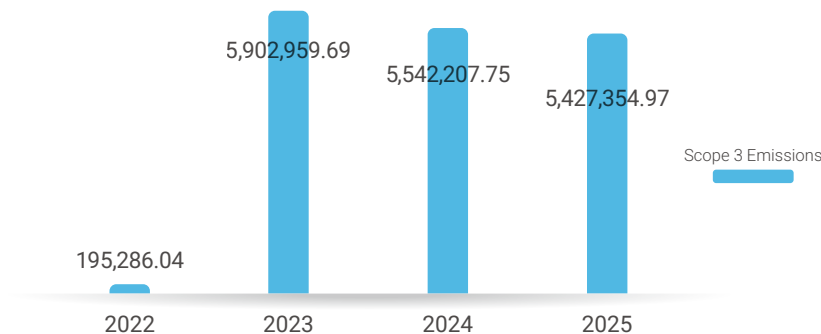
Description of operational and value chain emissions

In 2025, WNC's total GHG emissions amounted to 5,478,954.22 tonnes CO₂e, representing a 2.12% decrease compared to 2024. Scope 1, 2, and 3 emissions accounted for 0.04%, 0.9%, and 99.06% of emissions, respectively.

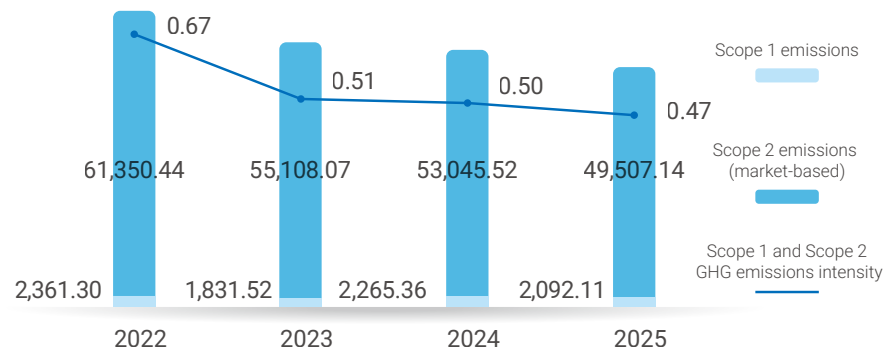
In 2025, WNC's Scope 1 and 2 (market-based) emissions amounted to 51,599.25 tonnes CO₂e, representing a cumulative reduction of 19.01% when compared to the base year of 2022 and exceeding the company's target of 15.75% for the year. In 2025, the company's Scope 3 GHG emissions amounted to 5,427,354.97 tonnes CO₂e. In terms of value chain decarbonization performance, WNC has designated Scope 3 categories representing more than 97% of its total Scope 3 emissions as significant Scope 3 categories and focused its decarbonization efforts on these categories. These significant Scope 3 categories cover the following categories in the Greenhouse Gas Protocol: Category 1: Purchased Goods and Services, Category 3: Fuel- and Energy-related Activities, and Category 11: Use of Sold Products. In 2025, WNC's emissions in significant Scope 3 categories amounted to 5,279,905.96 tonnes, representing a 7.69% decrease compared to 2023. WNC was able to accomplish this due to its focus on green product design, which aims to increase the use of low-carbon materials and reduce carbon emissions throughout the product lifecycle. In addition, changes in the product mix of sold products and downward revisions to the carbon emission factors of countries where products are expected to be used were also factors contributing to the absolute reduction. Going forward, WNC will continue to progress toward its SBTi carbon reduction targets and advance the net-zero transformation of its value chain through low-carbon product design and supply chain collaboration on decarbonization.

Note: For 2025, the emission factors for Scope 1 were sourced from the Greenhouse Gas Emission Factor Management Table (Version 6.0.4) published by the Ministry of Environment. The global warming potential (GWP) values for all greenhouse gases were based on the latest 2021 AR6 values. For Scope 2, electricity emission factors were based on the latest values published by the relevant local authorities.

WNC's Scope 3 greenhouse gas emissions for the most recent four years (unit: tonnes CO₂e)



WNC's Scope 1 and Scope 2 greenhouse gas emissions for the most recent four years (unit: tonnes CO₂e)



6 Appendix

6.1 Environment Performance Indicators

6.2 TCFD Recommended Disclosures

6.3 IFRS S2 Seven Cross-Industry Metrics

6.4 TNFD Recommended Disclosures

6.5 Third Party Performance Evaluation Declaration

6.1 Environmental Performance Indicators

Item	Metric	Unit	2022	2023	2024	2025
Non-renewable energy	Non-renewable electricity (purchased non-renewable electricity – purchased renewable electricity)	MWh	109,001.23	105,000.90	101,250.64	98,661.88
	Diesel (electricity)	MWh	1,559.19	871.00	1,089.04	567.32
	Diesel (heat)	MWh	0.0036	54.62	77.87	75.79
	Natural gas	MWh	338.93	374.98	387.17	2,209.72
	Gasoline	MWh	198.00	291.48	308.54	279.24
	Total non-renewable energy consumption (non-renewable electricity + fossil fuels)	MWh	111,097.36	106,538.98	103,113.27	101,793.95
Renewable energy	Solar power generation	MWh	2,575.84	7,073.91	8,124.33	11,496.22
	Solar power generation/Total electricity consumption	%	2.18	5.61	6.26	7.59
	Self-consumption of renewable energy	MWh	952.12	5,320.04	5,039.89	8,684.97
	Purchased renewable electricity (I-REC)	MWh	6,800.00	15,000.00	22,470.00	43,500.00
	RE ratio (renewable energies use ratio)	%	6.55	16.11	21.19	34.47
	Total renewable energy consumption (renewable energy used + self-consumption of renewable energy)	MWh	7,752.12	20,320.04	27,509.89	52,184.97
	Power usage intensity	MWh/NT\$ million	1.24	1.14	1.18	1.37

Item	Metric	Unit	2022	2023	2024	2025
Water resources	Water withdrawal	Cubic meters	502,103	584,443	542,048.06	784,579.43
	Water discharge	Cubic meters	410,660	477,377	442,135	641,833.89
	Water consumption	Cubic meters	91,443	107,066	99,913	142,745.54
	Water usage intensity (excluding recycled water)	Cubic meters/NT\$ million	5.27	5.28	4.92	5.58
Greenhouse gases	Scope 1 + Scope 2 GHG emissions (market-based)	tonnes CO ₂ e	63,711.74	56,939.59	55,310.88	51,599.25
	Scope 1 emissions	tonnes CO ₂ e	2,361.30	1,831.52	2,265.36	2,092.11
	Scope 2 emissions (market-based)	tonnes CO ₂ e	61,350.44	55,108.07	53,045.52	49,507.14
	Scope 2 GHG emissions (location-based)	tonnes CO ₂ e	65,301.24	65,257.07	67,857.75	78,182.34
	Scope 3 GHG emissions	tonnes CO ₂ e	195,385.10	5,902,959.69	5,542,207.75	5,427,354.97
	Scope 1 + Scope 2 GHG emissions intensity (market-based)	tonnes CO ₂ e/NT\$ million	0.67	0.51	0.50	0.47
	Emissions intensity from significant SBTi Scope 3 categories	tonnes CO ₂ e/NT\$ million	N/A	51.63	48.90	47.89
Waste	Waste yield	Tonnes (t)	6,072.01	6,614.81	6,848.43	8,314.34
	Waste recycling rate	%	83.62	87.30	88.75	90.09
	Waste output intensity	Tonnes/NT\$ million	0.010	0.008	0.007	0.006

Overview of Scope 3 GHG emissions in 2025 (unit: tonnes CO₂e)

GHG Protocol	Data source	Emissions
Upstream transportation and distribution	Ecoinvent 3.10	5,270.67
Downstream transportation and distribution	Ecoinvent 3.10	52,326.09
Business travel	Taiwan Ministry of Environment Product Carbon Footprint Information Platform, Ecoinvent 3.10	2,200.58
Employee commuting	Taiwan Ministry of Environment Product Carbon Footprint Information Platform, Ecoinvent 3.10	14,298.59
Purchased goods and services	Ecoinvent 3.10, EF database, Taiwan Water Corporation	3,623,170.04
Capital goods	EF database	55,957.76
Fuel- and energy-related activities (not included in Scope 1 and Scope 2)	Taiwan Ministry of Environment Product Carbon Footprint Information Platform, on-site electricity emission factor	13,657.25
Waste generated during operations	U.S. Environmental Protection Agency (U.S. EPA), Ministry of Environment Product Carbon Footprint Label, and Ecoinvent 3.10	1,560.09
Upstream lease assets	Taiwan electricity emission factor, on-site electricity emission factor	645.60
Processing of sold products	Ecoinvent 3.10	10,069.79
Use of sold products	On-site electricity emission factor	1,643,078.67
End-of-life treatment of sold products	Taiwan Ministry of Environment Product Carbon Footprint Information website, USEPA	3,269.71
Downstream lease assets	Taiwan Power Company	1,229.54
Franchise operations	-	-
Investment franchise	On-site electricity emission factor	620.57

Total Scope 3 emissions **5,427,354.97**

Note: In 2021, only Categories 3, 5, and 6 were included in the inventory. In 2022, Scope 3 Categories 1, 2, 4, 7, and 8 were additionally incorporated into the greenhouse gas inventory. Since 2023, emissions from all Scope 3 categories have been calculated on an annual basis. For Scope 3 Category 1 and Category 11 emissions in 2023, following the approval of WNC's SBTi targets in February 2025, and to ensure consistency between emissions disclosures and the committed SBTi reduction pathway, emissions for these two categories were estimated using an extrapolation method based on actual operating activities. The updated figures are presented in the chart. In 2025, data from the Mexico site was incorporated, resulting in 100% coverage.

6.2 TCFD Recommended Disclosures

	Recommended disclosures	Chapter	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	1.2 Governance Structure and Mechanism	p.10-12
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	1.2 Governance Structure and Mechanism	p.10-12
Strategy	a) Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	2.2 Major Risks and Opportunities	p.16-20
	b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	2.2 Major Risks and Opportunities	p.16-20
	c) Describe the resilience of the company's climate strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	2.3 Scenario Analysis of Transformation Risks 2.4 Scenario Analysis of Physical Risks	p.21-33
Risk management	a) Describe the company's processes for identifying and assessing climate-related risks.	2.1 Risk Identification and Management	p.15
	b) Describe the company's processes for managing climate-related risks.	2.1 Risk Identification and Management	p.15
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	2.1 Risk Identification and Management	p.15
Metrics and targets	a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its climate strategy and risk management process.	5.1 Environmental Management Performance Goals	p.59
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	5.2 Organizational GHG Emissions	p.60
	c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	5.1 Environmental Management Performance Goals 6.1 Environment Performance Indicators	p.59 p.62-64

6.3 IFRS S2 Seven Cross-Industry Metrics

Metrics and targets	Description	Chapter	Page
GHG emissions intensity	The entity shall disclose its Scope 1, Scope 2, and Scope 3 greenhouse gas emissions generated during the reporting period.	5.2 Organizational GHG Emissions	p.60-61
	The entity discloses its total absolute emissions (in tonnes of CO2e) and its approaches for measuring its greenhouse gas emissions.	5.2 Organizational GHG Emissions	p.60-61
Climate-related transformation risks	The amount and percentage of assets or business activities vulnerable to climate-related transformation risks.	2.2 Major Risks and Opportunities	p.16-20
Climate-related physical risks	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	2.2 Major Risks and Opportunities	p.16-20
Climate-related opportunities	The amount and percentage of assets or business activities aligned with climate-related opportunities.	2.2 Major Risks and Opportunities	p.16-20
Capital allocation	The amount of capital expenditure, financing, or investment allocated to climate-related risks and opportunities.	2.2 Major Risks and Opportunities	p.16-20
Internal carbon pricing	The entity shall disclose: a description of whether and how the entity applies carbon pricing when making decisions on topics such as investments, transfer pricing, and scenario analysis, and shall also disclose the price per tonne of GHG emissions that it uses to assess the cost of its greenhouse gas emissions.	4.1 Net Zero Transformation	p.49-53
Remuneration	The entity shall disclose: a description of whether and how climate-related considerations are incorporated into the remuneration for senior managers; and the percentage of remuneration for senior managers during the current period that is linked to climate-related considerations.	1.2 Governance Structure and Mechanism	p.10-12

6.4 TNFD Recommended Disclosures

	Recommended disclosures	Chapter	Page
Governance	a) Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	1.2 Governance Structure and Mechanism	p.10-12
	b) Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	1.2 Governance Structure and Mechanism	p.10-12
	c) Describe the organization's human rights policies and engagement activities, as well as how the board's oversight and management respect indigenous peoples, local communities, and other stakeholders by incorporating them into the existing organizational assessment of nature-related dependencies, impacts, risks, and opportunities.	1.3 Human Rights Engagement	p.13
Strategy	a) Describe the nature-related dependencies, impacts, risks and opportunities the company has identified over the short, medium, and long term.	3.3 Evaluate 3.4 Assess	p.42-45
	b) Describe the impact of nature-related risks and opportunities on the company's businesses, strategy, and financial planning.	3.4 Assess	p.44-45
	c) Describe the resilience of the company's climate strategy, taking into consideration different scenarios.	3.2 Locate	p.36-41
	d) Disclose the locations of assets and/or activities in the company's direct operations, and, where possible, disclose the value chain locations that meet priority standards.	3.2 Locate	p.36-41
Risk management	a) Describe the processes by which the company identifies and assesses nature-related dependencies, impacts, risks, and opportunities within its direct operations and across its upstream and downstream value chain.	3.3 Evaluate 3.4 Assess	p.42-45
	b) Describe the processes and action plans the company uses to manage nature-related dependencies, impacts, risks, and opportunities.	3.5 Prepare	p.46-47
	c) Describe how processes for identifying, assessing, and managing nature-related risks are integrated into the company's overall risk management.	3.1 Introduction of LEAP Methodology	p.35
Metrics and targets	a) Disclose the metrics used by the company to assess nature-related risks and opportunities in line with its climate strategy and risk management processes.	3.5 Prepare	p.46-47
	b) Disclose the metrics used by the company to assess and manage its dependencies and impacts on nature.	3.5 Prepare	p.46-47
	c) Describe the targets used by the company to manage nature-related dependencies, impacts, risks, and opportunities and its performance results.	5.1 Environmental Management Performance Goals 6.1 Environment Performance Indicators	p.59 p.63-64

6.5 Third-Party Performance Evaluation Declaration



TCFD Performance Assessment Statement

The process and procedures of

WNC Corporation

NO. 20, PARK AVENUE II, HSINCHU SCIENCE PARK, HSINCHU 300, TAIWAN

have been assessed from 15 May 2026 to 15 June 2026 and demonstrated the implementation status against the

Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (29 June 2017)

The organization has incorporated climate-related governance organization
The actual and potential impacts of climate-related risks and opportunities has been considered and identified over the relevant short-, medium-, and long-term time horizons
The resilience of the organization's strategy were taking into consideration with different climate-related scenarios including NDCs, IPCC's SSPs, SBT-NZ 1.5°C, WRI Aqueduct BAU, OPT, PES scenarios
The methodology of organization's climate-related risk management process has been adequately implement as well as integrated into organization's overall risk management.
The scope1 and scope 2 greenhouses gas (GHG) emissions inventory has been conducted and verified annually in Taiwan, the metrics and targets have been used by the organization to manage climate-related risks and opportunities and performance against targets.

For the following activities

Governance, Strategy, Risk Management, Metrics and Targets

And cover the following operational locations:

Headquarter of WNC Corporation
WNC meets SGS TCFD performance assessment at management level of "Pioneer"

Authorised by



Stephen Pau
Knowledge Deputy General Manager
Issue Date: 24 July 2026
Valid Date: 23 July 2027

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Disclaimer
The findings recorded herein demonstrated a level of performance against the
Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures
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Page 1 of 2



NATURE AND SCOPE OF THE ASSESSMENT

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by WNC Corporation (hereinafter referred to as WNC) to conduct an independent performance assessment of the Task Force on Climate-related Financial Disclosures, (hereinafter referred to as TCFD).

The information in the WNC's TCFD disclosure framework and its presentation are the responsibility of the management of WNC. SGS has not been involved in the preparation of any of the material included in WNC's TCFD disclosure framework.

Our responsibility is to express an opinion on the report content within the scope of performance assessment with the intention to inform all WNC's stakeholders.

The SGS protocols are based upon the Fundamental Principles for Effective Disclosure contained within the TCFD and SGS Management System Manual and Global System procedures.

The performance assessment comprised a combination of pre-assessment research, interviews with relevant employees, superintendents, CSR committee members and the senior management in WNC's Headquarter; documentation and record review and validation with external bodies and/or stakeholders where relevant.

SCOPE OF PERFORMANCE ASSESSMENT AND DISCLOSURE CRITERIA

The scope of the performance assessment included evaluation of quality, reliability of TCFD disclosure and performance information as detailed below and evaluation of adherence to the four core elements for the management process as well as seven principle for effective disclosures for the information to be disclosed.

PERFORMANCE ASSESSMENT METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees via Teams and in-person; documentation and record review and validation with external bodies and/or stakeholders where relevant.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from WNC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assessment team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, SRA, EMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the TCFD performance assessment service provisions.

ASSESSMENT OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the management process and information demonstrated by WNC within the TCFD performance assessment evaluated is reasonable, reliable and provides a sufficient and balanced representation of WNC climate related risks and opportunities management activities and meets SGS TCFD performance assessment at management level of "Pioneer".

Disclaimer
The findings recorded herein demonstrated a level of performance against the
Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures
(15 June 2017) and are only valid at the time of the intervention and only as stated
above. This document is not intended to be used for certification purposes or regulatory or
contractual use and does not relieve the Client from compliance with any bylaws, federal,
national or regional acts and regulations issued pursuant to TCFD.
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