

2 Operations and Governance

- 2.1 About WNC
- 2.2 Business Performance
- 2.3 Corporate Governance
- 2.4 Ethical Management
- 2.5 Risk Control
- 2.6 Business Continuity Management

2025 performance

Corporate governance

- Selected as a constituent of the Dow Jones Best-in-Class Emerging Markets Index (DJBCI), the TIP Taiwan Listed and OTC Technology High Dividend Growth Index, the TWSE RAFI Taiwan High Compensation 100 Index and the Taiwan Pristine Stock Index
- Among the nine directors, independent directors account for four members of the Board of Directors, with three female directors



Ethical management

Zero cases of regulatory violations or major lawsuits



Risk management

- Adopted the Risk Management Policy and Procedures and established the Risk Management Team
- Launched a project to implement the ISO 22301 Business Continuity Management system to optimize business impact analysis



Material topics and related management

Five focuses	Material topic	Key performance indicator	2025 results		Future goals			Corresponding SDGs
			Goals	Results	Short-term (2026)	Mid-term (2028)	Long-term (2030)	
Growth 	Business performance	Corporate governance evaluation	6–20% higher than listed companies	6-20%	6–20% higher than listed companies		Top 5%	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances.
		Continuous term of independent directors	No more than three consecutive terms	Less than three consecutive terms	No more than three consecutive terms	No more than three consecutive terms	No more than three consecutive terms	
		Average attendance rate of Board of Directors' meetings	≥ 90%	100%	≥ 90%	≥ 90%	≥ 90%	
		Number of hours of continuing education for each board member	≥ 6 hours	7.66 hours	≥ 6 hours	≥ 6 hours	≥ 6 hours	
Trust 	Ethical management and regulatory compliance	No major regulatory violations	0	0	0	0	0	16.5 Substantially reduce corruption and bribery in all their forms. Call upon governments, businesses, and all sectors of society to jointly build a governance environment based on integrity, transparency, and accountability.

2.1 About WNC

2.1.1 Company Overview

WNC Corporation (hereinafter referred to as WNC) specializes in the design, development, and manufacturing of communications products. We provide comprehensive technical support for RF antenna design, software and hardware design, mechanical design, system integration, interface development, product testing and certification. WNC provides whole-range communications solutions covering consumer, enterprise-level, industrial-grade, and automotive products. For years the company has been a market leader in network communications, network infrastructure, smart home, and advanced driver-assistance systems (ADAS).

Headquarters **Hsinchu, Taiwan**

Established **December 7, 1996**

Number of
production
sites **7**

Capital **NT\$4.84 billion**

2025 Revenue **NT\$110.3 billion**

Total
production
site area **404,033** square meters

Public listing:
September
22, 2003 Stock code:
6285

Employees
worldwide **15,324**

Chairman
Haydn Hsieh

President
& CEO
Jeffrey Gau



Vision

Become a trustworthy communications solutions partner creating positive connections and interactions between the environment and humankind.



Goals

Achieve customer satisfaction with our service quality and achieve shareholder satisfaction with our overall operating performance.



Corporate
culture

Fundamentals Advocacy, Team Cohesion, Customer Trust, and Value Creation are the core values that guide WNC's corporate culture, reminding all employees to understand customer needs and to pursue lifelong learning.



Worldwide locations

With 21 locations worldwide WNC provides comprehensive solutions and local support for its customers wherever they may be. WNC's global headquarters is in the Hsinchu Science Park providing R&D, sales, logistics, and after-sales services. Operations include coordinating customer needs and resource logistics for our global sites. In addition, there is an R&D and sales service center in Neihsu, Taipei. We have also established subsidiaries for business promotion, technical support, and R&D in the U.S., the U.K., Germany, Japan, China, and India.

WNC's manufacturing sites comprise S1 (located in the Hsinchu Science Park), S3 (located in the Southern Taiwan Science Park), WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan) in China, NeWeb Vietnam Co., Ltd. in Ninh Binh Province, Vietnam, and W-NeWeb Mexico, S. de R.L. de C.V. in Juárez, Mexico.

Please refer to [WNC's website](#) for detailed information on our worldwide locations.



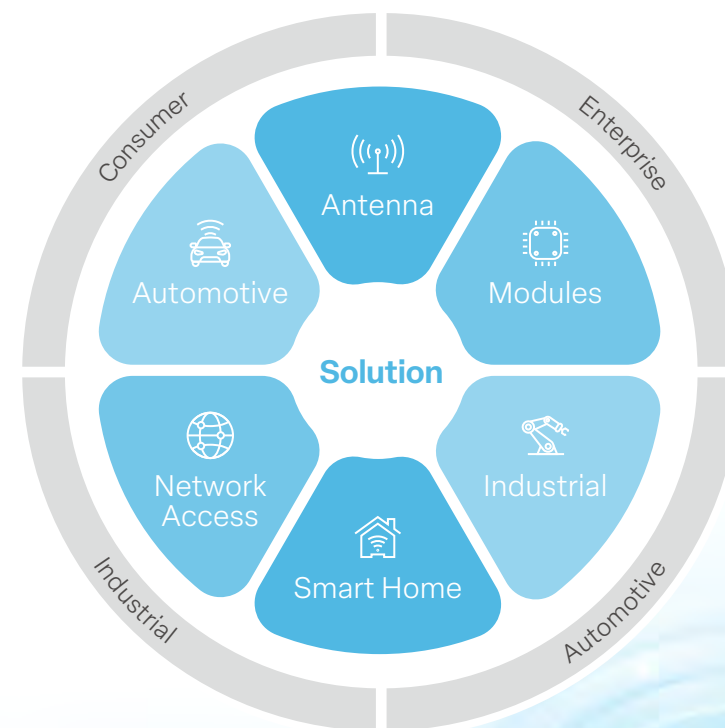
Product scope and categories

WNC's core business comprises the design, research and development, and manufacturing of communications products. Positioned in the midstream of the industry supply chain, our upstream consists of raw materials and component suppliers, while the downstream includes customers across a range of sectors.

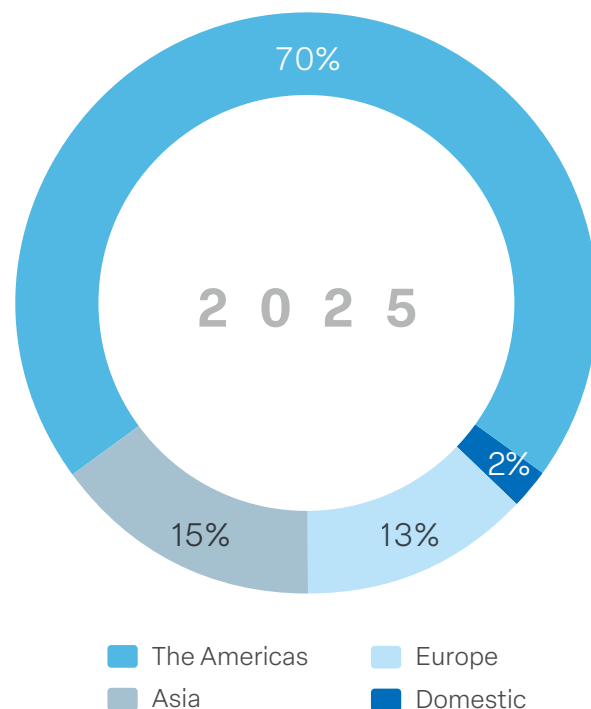


WNC provides Wi-Fi, 5G, LEO satellite broadband, fixed broadband, high-speed switches, optical transceiver terminal equipment, edge infrastructure, IoT and automotive technologies (including infotainment, telematics, ADAS, and digital keys for fleet management). Our products are used in diverse applications and product types including antenna, modules, network access, smart home, industrial, and automotive solutions. We provide consumer, enterprise-level, industrial-grade and vehicular products.

Our customers include telecommunication system service operators, system integration vendors, IT brand-name companies, consumer electronics companies, automotive manufacturers, and car audio manufacturers.



Proportions of product sales areas (unit: %)



WNC provides products and services that meet both customer needs and international environmental and safety-related regulations. To reduce health and safety concerns in the use of its products, WNC has formulated a set of Product Safety Assurance Measures. All products undergo testing and certification to safety standards based on customer requirements. These include the UL and FCC certifications of the United States, the CE certification of the EU, the GS certification of Germany, the PSE certification of Japan, the BSMI and NCC certifications of Taiwan, the CCC certification of China, and labeling of batteries and waste batteries according to regulations of different countries. In 2025, there were no violations of relevant health and safety laws and regulations concerning our products and services.

We strive to lessen the environmental impact of our manufacturing operations. We work actively with customers and suppliers to promote green products and green production, reduce resource consumption, and minimize environmental pollution. WNC's manufacturing sites in Taiwan, China, and Vietnam are certified under IECQ QC 080000 standards, and internal auditing and third-party verification is conducted at fixed intervals to ensure that hazardous substances management is properly conducted. In addition, WNC's product marketing is handled by customers and product labeling is also based on customer requirements. Product labels and information are produced and affixed in compliance with local regulations and verification standards. In 2025, there were no violations of laws and regulations relating to product labeling and information concerning our products and services, and there were also no violations of regulations relating to marketing and communications.



2.1.2 Industry Association Memberships and Initiatives

WNC's technology and product scope is broad and the company is active in participating in related industry associations and their activities to acquire the most up-to-date industry and technology-related information, maintain good relations with corporations and organizations in related fields, and together promote the sustainable development of the industry.

The external organizations and initiatives in which WNC participated in 2025 include

Industry development

- [Taiwan Electrical and Electronic Manufacturers Association](#)
- [Taipei Computer Association and Taiwan Internet of Things Alliance, and Taiwan 5G Verticals Alliance](#)
- [The Allied Association for Science Park Industries](#)
- [Taiwan Thermal Management Association](#)
- [Taiwan Low Earth Orbit \(LEO\) Satellites Industry Association](#)
- [5G Industrial Innovation and Development Alliance](#)
- [SEMI Silicon Photonics Industry Consortium](#)
- [Taiwan Cloud IoT Industry Association](#)
- [Taiwan NextGen Communications Alliance](#)
- [Taiwan Optoelectronics and Compound Semiconductor Industry Association](#)
- [450 MHz Alliance](#)
- [Global Certification Forum \(GCF\)](#)
- [Global Mobile Suppliers Association \(GSA\)](#)
- [Global TD-LTE Initiative \(GTI\)](#)
- [Intel® Network Builders](#)
- [Japan AHPC](#)
- [Japan Wi-Biz](#)
- [MIH Consortium \(Mobility In Harmony\)](#)
- [NXP Legal Program Partner](#)
- [Open RAN Policy Coalition](#)
- [UK5G](#)

Technological innovation

- [Taiwan Association of Information and Communication Standards](#)
- [25GS-PON MSA Group](#)
- [Bluetooth SIG](#)
- [Broadband Forum](#)
- [Car Connectivity Consortium](#)
- [Connectivity Standards Alliance](#)
- [European Telecommunications Standards Institute \(ETSI\)](#)
- [FiRA Consortium](#)
- [Frog by Wyplay](#)
- [HDMI Licensing](#)
- [IMT-202 \(5G\) C-V2X](#)
- [MoCA Alliance](#)
- [O-RAN ALLIANCE](#)
- [Open Compute Project \(OCP\)](#)
- [PCI-SIG](#)
- [Plume OpenSync](#)
- [prpl Foundation](#)
- [Reference Design Kit \(RDK\)](#)
- [Thread Group](#)
- [Wi-Fi Alliance](#)

Sustainable development

- [RE100](#)
- [Science Based Targets initiative \(SBTi\)](#)
- [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#)
- [Taiwan Nature Positive Initiative \(TNPI\)](#)
- [Responsible Business Alliance \(RBA\)](#)
- [Independent Director Association Taiwan](#)
- [CommonWealth Sustainability League](#)
- [Social Innovation Partner Group](#)
- [Taiwan Investor Relations Institute](#)
- [Asia Clean Energy Coalition \(ACEC\)](#)
- [Net Zero Green Living Alliance](#)

Expenditure on industry associations

In 2025, WNC's total expenditure on participation in external organizations amounted to approximately NT\$10.46 million. The top four associations by amount of expenditure were, in descending order: Reference Design Kit (RDK), the Responsible Business Alliance (RBA), the O-RAN Alliance, and the Wi-Fi Alliance.

	Actions	Annual expenditure (thousand NT\$)
Reference Design Kit (RDK)	By leveraging RDK's shared reference implementations and ecosystem resources, WNC is able to rapidly launch network products that are interoperable and which meet operators' requirements. The company is also able to reduce technology development risks and find more business opportunities through collaboration with the RDK community.	2,358
Responsible Business Alliance (RBA)	As an RBA member, WNC supports the RBA's vision and objectives and complies with the RBA Code of Conduct. WNC adopts RBA methodologies and tools to establish annual targets, and it is helping its tier-1 and key suppliers in setting the same targets, enabling them to work alongside WNC to reach sustainability goals in the industry.	1,110
O-RAN Alliance	Participation in the O-RAN Alliance demonstrates WNC's commitment to open architecture standards and gaining a good understanding of key technical interfaces. By taking part in the development of specifications and obtaining international certification from an Open Testing and Integration Centre, WNC is helping to accelerate the deployment of network products, allowing it to obtain more business opportunities in the global telecommunications ecosystem.	786
Wi-Fi Alliance	By obtaining Wi-Fi CERTIFIED™ international certification, thereby ensuring that its products carry a globally recognized mark of quality, WNC demonstrates its commitment to product interoperability and cybersecurity. By participating in the development of next-generation technical specifications, WNC can stay abreast of industry trends, shorten development cycles, and accelerate the global market deployment of its products, thereby maintaining its competitive advantage in the network communications industry.	786

WNC's public initiatives

Sustainable development

WNC believes that long-term growth depends on responsible operations in environmental, social, and governance aspects (ESG). The company is committed to integrating sustainability principles into decision-making processes relating to product development, daily operations, and the supply chain, with the aim of creating long-term value together with employees, customers, shareholders, and society as a whole.

- Joined RE100; adopted low-carbon designs in its products
- Incorporated biodiversity risks into environmental assessments and management and implemented relevant measures to mitigate negative impact and facilitate conservation
- Complies with the RBA Code of Conduct for suppliers, conducts regular audits, and implements improvement plans
- Maintains proactive and transparent communication with investors, disclosing sustainability performance and risk management practices
- Strengthened directors' capabilities in formulating sustainability strategies and conducting independent oversight; improved its own capabilities in making operations more sustainable

Annual expenditure (thousand NT\$): 1,769

Certification and application of communications products

- Promotes standardization of global communications technologies and alignment with emerging technologies
- Improved the integration and security of mobile communications network technologies
- Integrated the 5G and Artificial Intelligence of Things (AIoT) ecosystems to accelerate the use of said technologies in industry applications

Annual expenditure (thousand NT\$): 3,962

2.1.3 Engagement in Climate-Related Policies

In response to the Paris Agreement and the goal of limiting global warming to 1.5 °C above pre-industrial levels, WNC adopted the SBTi methodology in 2023 to set science-based carbon reduction targets. WNC also joined RE100 in 2023,

committing to using 100% renewable energy by 2040. To accelerate nature-related risk assessment and disclosure, WNC applied to join the TNFD Forum in 2024 and became a TNFD Adopter, and the company published its first TNFD report in 2025.

SBTi

2023

- Submitted a net-zero commitment letter to SBTi, committing to 1.5 °C-aligned targets
- Set short- and long-term emissions reduction and net-zero targets for all sites in accordance with SBTi criteria: a 42% reduction in Scope 1 and Scope 2 emissions by 2030 (base year: 2022); achieve net-zero Scope 1 and Scope 2 emissions by 2040; and achieve net-zero Scope 3 emissions by 2050

2024

- Set a Scope 3 emissions reduction target in accordance with SBTi criteria: achieve a 25% reduction in Scope 3 emissions by 2030 (base year: 2023)
- Submitted net-zero targets to SBTi for validation

2025

- Net-zero targets passed SBTi validation

RE100

2023

- Became the first network communications company in Taiwan to join RE100
- Pledged to achieve 60% renewable energy usage across all sites by 2030 and 100% usage by 2040

2024

- Attended the consultation meeting in March and the annual members' meeting in December, advocating for the establishment of a dedicated platform for green electricity purchasing in Taiwan to improve procurement efficiency; supported the unbundling of surplus green electricity from renewable energy certificates (RECs) to increase flexibility when purchasing green electricity; recommended that green electricity purchasing be aligned with stakeholder needs and international initiatives such as SBTi to improve related mechanisms and offerings.
- The ratio of renewable energy use to total energy consumption at WNC was 21.06% in 2024, meeting its goal for the year

2025

- The ratio of renewable energy use to total energy consumption at WNC was 34.47% in 2025, meeting its goal for the year

Task Force on Climate-Related Financial Disclosures (TCFD)

2022

- Added our signature to the TCFD official website to support the TCFD initiative
- Implemented the TCFD framework, committing to implementing measures that help reduce the impact of climate change in accordance with the TCFD recommended disclosures

2023

- Assessed the impact of climate change on our financial performance to draw up a climate risk and opportunity matrix with corresponding financial risks
- Issued first TCFD report

2024

- Issued second TCFD report; the report passed third-party evaluation and obtained a Pioneer level rating in SGS Taiwan's TCFD Performance Assessment

2025

- Published first TCFD & TNFD Report through integrating the TNFD framework

Taskforce on Nature-related Financial Disclosures (TNFD)

2023

- Joined the Taiwan Nature Positive Initiative (TNPI)
- Referenced TNFD guidelines and used the WWF biodiversity risk filter to evaluate nature-related dependencies, impacts, risks and opportunities

2024

- Became a TNFD Forum member
- Became a TNFD Adopter
- Pledged to issue a TNFD report in 2025

2025

- Published the 2024 TCFD & TNFD Report through integrating the TCFD framework

Carbon Disclosure Project (CDP)

WNC has participated in CDP assessments since 2018 to review its environmental practices and performance and in turn assess potential risks and opportunities related to climate change and water resources. The company has also used questionnaires to review relevant internal policies and formulate improvement measures. In 2025, WNC earned A ratings in the climate change and water security questionnaires conducted by CDP, and the company also received an A rating in CDP's supplier engagement assessment, the second straight year the company received an A rating for supplier engagement.

Asia Clean Energy Coalition (ACEC)

In 2025, WNC joined the Asia Clean Energy Coalition (ACEC) to support the promotion of clean energy procurement policies and market reforms in Vietnam. WNC's goal is to reinforce energy transition efforts and achieve carbon reduction targets in Vietnam as well as contribute to SDG 17: Partnerships for the Goals.

Through participating in the Taiwan Nature Positive Initiative (TNPI), WNC is able to engage with international organizations and institutions, thereby gaining access to the latest global sustainability information and ensuring alignment with international trends. In addition, by participating in the Chief Sustainability Officer Lunar New Year Tea Reception organized by TNPI, company representatives were able to engage in in-depth exchanges with domestic authorities responsible for nature conservation to jointly explore pathways toward becoming nature positive. WNC will continue to use domestic and international platforms, forums, and seminars to learn more about sustainability best practices and integrate them into its governance and operational strategies, with the aim of promoting collaboration between the public and private sectors and implementing action items related to sustainability.

In February 2025, WNC joined a forum hosted by the Business Council for Sustainable Development, exchanging ideas with the Forestry and Nature Conservation Agency, the Ocean Conservation Administration, the National Park Service and a number of companies on how companies can work

with the government to address nature and climate risks. The discussion explored collaborative models for protecting biodiversity mitigating negative environmental impacts. In May of the same year, WNC participated in a forum organized by the Taiwan Climate Action Association in collaboration with the Forestry and Nature Conservation Agency, exchanging strategies with other participants on how to address challenges related to natural capital while undergoing a sustainability transition. In July of the same year, at the invitation of the National Taiwan University Experimental Forest Management Office, the company participated in a symposium on biodiversity credits and innovation in environmental sustainability, engaging in discussion with experts from eight Asian countries as well as representatives from Taiwan's industry, government, and academia on the latest developments in nature-based solutions, net-zero strategies, and biodiversity governance.

Public Policy Engagement

In 2026, WNC established the Public Engagement Management Guidelines, setting forth four core

principles: transparency and disclosure, legal compliance, conflict-of-interest avoidance, and shared social benefit. All policy engagement activities are reviewed by the Sustainability Development Center. Direct and indirect lobbying, in particular, must undergo internal assessment and receive approval at the appropriate management level prior to commencement, with regular reporting to the Sustainability Development Committee.

The Company is committed to ensuring that every public policy and industry association it engages with is aligned with the Paris Agreement, endeavoring to limit global warming to 1.5°C. Bribery, improper political contributions, and any other illegal means to influence policy-making are strictly prohibited for all employees and agents. WNC further declines to participate in any policy advocacy or organization that could undermine human rights, environmental protection, or social equity.

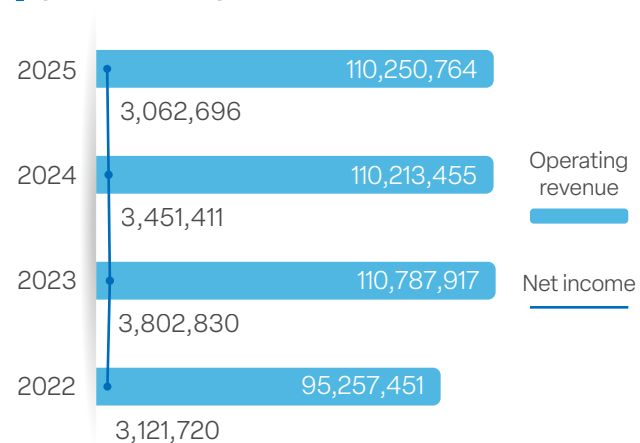
WNC continuously tracks policy developments at home and abroad and actively participates in policy seminars hosted by industry associations, fostering industrial innovation and sustainable transformation through constructive dialogue.

2.2 Business Performance

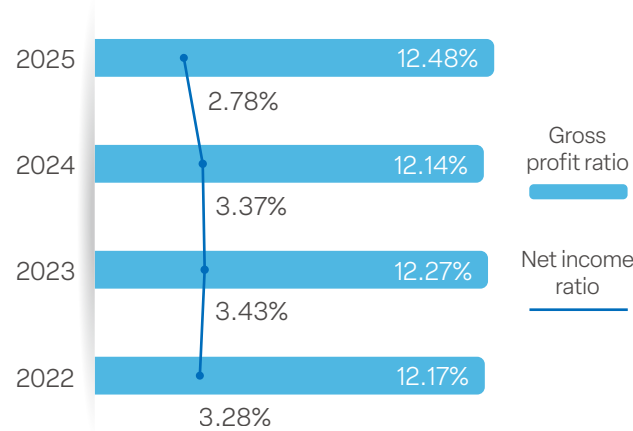
2.2.1 Business Performance for the Year

In 2025 WNC's consolidated revenue was NT\$110.3 billion, with after-tax net profit of NT\$3.06 billion. Please refer to [WNC's 2025 Annual Report](#) for detailed information on our financial performance. WNC aims to achieve steady business and profit growth while moving toward the goal of sustainable development. Every year, a business operations plan is formulated and submitted to the board of directors for approval, and the President & CEO submits regular reports to the board of directors on the company's growth objectives and operational status. WNC conducts weekly management meetings to discuss and resolve key matters. In addition, monthly financial management meetings are held to review the company's financial performance to help optimize overall operational performance. For more information, refer to the ESG Performance Indicators section in this report. For related details, refer to the [financial information section](#) of WNC's website.

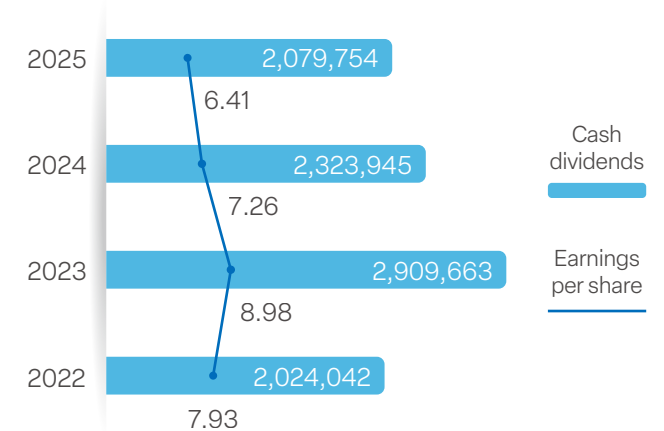
Operating revenue and net income Amount (thousand NT\$)



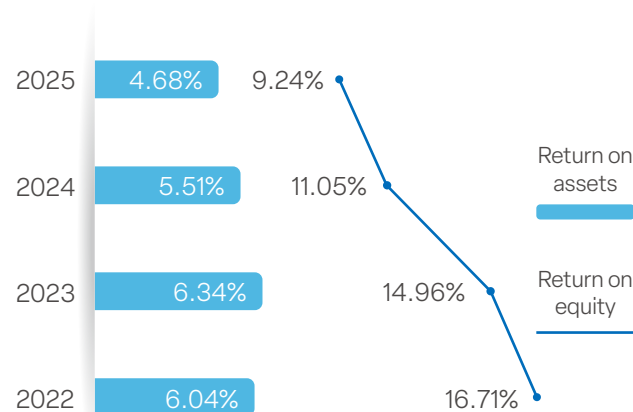
Gross profit ratio and net income ratio (%)



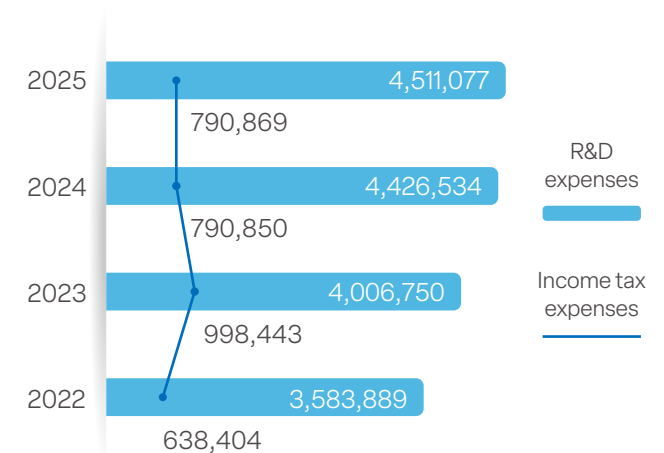
Cash/Stock dividends (million NT\$) and EPS (NT\$)



Return on assets and return on equity (%)



R&D expenses and income tax expenses (million NT\$)



2.2.2 Tax Governance

WNC supports policies that contribute to corporate innovation and promote economic growth and is committed to promoting information transparency. In line with international trends in tax governance, WNC has established tax policies and management measures approved by the BOD that adhere to its core values and comply with relevant tax laws and regulations in the countries where it operates. WNC also exercises its corporate responsibilities in local communities by paying taxes in accordance with applicable laws without engaging in aggressive tax planning in major countries where it operates. Important corporate decisions are made based on its overall business model, supplemented by tax impact analysis. WNC also prudently assesses tax-related risks by utilizing management mechanisms

in response to changes in the operating environment and tax regulations. The day-to-day tax administration and management of WNC is carried out by the finance department, and tax filing is done after appropriate approval processes. Given the complex nature of taxation and WNC's operations across different countries, WNC continuously monitors and assesses updates of relevant tax regulations, providing training to ensure that finance personnel have the required tax skills and knowledge. Furthermore, WNC operates its tax management mechanisms by seeking advice from external tax consultants to fully identify potential tax risks for both WNC and its subsidiaries. In 2025, WNC paid a total of NT\$543,993,000 in corporate income tax; this number accounted for approximately 0.49% of WNC's 2025 revenue.

Information on income tax paid by WNC in the past two years (unit: thousand NT\$)

Item		2025	2024
Income before income tax		3,853,565	4,242,261
Income tax expenses		790,869	790,850
Income tax paid		543,993	1,585,273
Effective tax rate		20.52%	18.64%
Cash tax rate		14.12%	37.37%
Total		543,993	1,585,273
Income taxes paid	Asia	80%	95%
	The Americas	20%	5%
	Europe	0%	0%



2.2.3 Financial Support

WNC actively invests in R&D in alignment with government policies of facilitating industry innovation, improving the industry environment and increasing industry competitiveness. In 2025, WNC sites received NT\$27,995 thousand in government subsidies. Relevant details are shown in the following table:

Financial support record for 2025 ^{Note 1}

Financial support record for 2025				Amount (thousand NT\$)
Area	Item	Unit of provision	Reason	
Taiwan	Investment deduction	Industrial Development Administration, Ministry of Economic Affairs	Industrial Innovation Statute ^{Note 2}	120
	Incentive	Hsinchu Science Park Bureau, National Science and Technology Council	Hsinchu Science Park Innovative Product Award	360
	Grant	Ministry of Labor	Employer subsidy for pregnancy checkup leave, pregnancy checkup accompaniment leave and paternity leave	490
China	Incentive	Kunshan Comprehensive Protective Tariff Zone Administration	Enterprise High-quality Development Incentive	7,118
		Bureau of Science and Technology, Kunshan Economic and Technological Development Zone	Incentive for recognized and registered technology contracts	
		Kunshan Municipal Bureau of Human Resources and Social Security	Reward for training highly skilled workers	
	Grant	Kunshan Human Resources Management Service Center	Employment subsidy for new graduates	19,907
		Kunshan City Social Insurance Fund Management Center	Employment subsidy for new graduates, Employment subsidy	
		Kunshan City Tax Bureau	Value-added tax and local tax grants for the poor	
		Kunshan Municipal Bureau of Human Resources and Social Security	Social security subsidy	
		Kunshan Bureau of Commerce	Grant for helping foreign trade enterprises	
		Safety Supervision and Environmental Protection Administration	Subsidy for enterprise liability insurance, Subsidy for Level 2 and Level 3 standardization assessment	
		Electric Power Company, State Grid	Grant for solar power generation	
			Total	27,995

Note 1: WNC sites in Vietnam and Mexico did not receive any government subsidies in 2025

Note 2: The amount of investment tax deduction of the Statute for Industrial Innovation is an estimated value, and the actual amount is the amount approved by the National Taxation Bureau according to the application form for the tax reduction and exemption plan submitted by WNC.

2.2.4 Regulatory Compliance

Since WNC's founding, it has formulated internal regulations in accordance with applicable national laws of each operational location in order to guide its employees, managers, and the Board of Directors. WNC is also mindful of directives from the competent authorities, relevant international or domestic laws, and trends in invested industries and modifies its policies in related areas accordingly. WNC has introduced a Legal Compliance System that tracks changes to laws and regulations applicable to every aspect of WNC's operations through a laws and regulations database, conducting compliance reviews according to the most complete and updated information. The identified results and improvement progress are shown on a dashboard to help managers understand the latest changes to laws and regulations. To enhance service quality across the value chain and fulfill its social responsibilities, WNC also requires its suppliers to employ workers in compliance with international and local laws and regulations. In addition, suppliers are expected to follow international standards such as the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System, and to foster a healthy and positive working environment. In 2025, WNC had zero cases of major local regulatory violations. ^{Note 3}

In 2025, WNC recorded a total of five penalty cases, with cumulative fines amounting to NT\$323,200. The cases involved improper chemical storage and safety management, discrepancies between customs declarations and cargo quantities. In 2024, WNC also recorded five penalty cases, with cumulative fines totaling approximately NT\$2,334,000. The cases involved failure to file required notifications and permit applications for organic solvent operations, errors in customs classification or declared quantities, and instances of overtime work exceeding legal limits. All of the aforementioned cases were administrative penalties and did not have a material impact on operations. The responsible units took immediate corrective actions or promptly implemented improvement measures and recurrence prevention mechanisms.

Note 3: Major illegal incidents means incidents due to which the company suffers losses or damages amounting to: Employee-related incidents giving rise to NT\$1,000,000 in losses, shareholder/ securities-related incidents or environmental incidents giving rise to NT\$1,000,000 in losses.



2.3 Corporate Governance

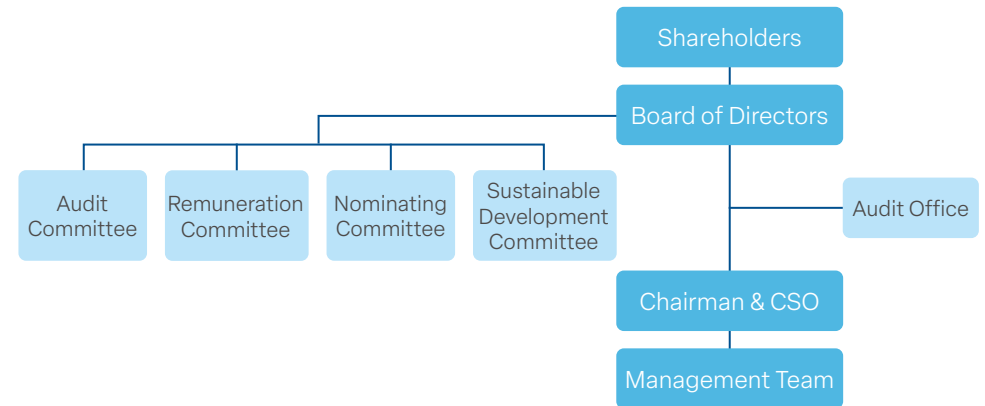
2.3.1 Corporate Governance Policy and Organization

Management Policy

WNC values the legitimacy and transparency of its corporate operations and seek to perfect its corporate governance system to protect shareholders' interests, enhance stakeholder communications and promote relevant systems and measures in accordance with regulatory and customer requirements. The company has stipulated the [Sustainable Development Best Practice Principles](#), [Corporate Governance Best Practice Principles](#), [Ethical Management Best Practice Principles](#), and a [Code of Ethical Conduct](#), and each functional unit in WNC has their own responsibilities in promoting and implementing corporate governance in accordance with WNC policy, and implementation results are reviewed semi-annually. The Finance Division, the Legal & IP Division, the Human Resources Administration Division, the Quality Assurance Division and the Sustainable Development & Marketing Division work together to closely monitor related international proposals and regulations to determine whether the company needs to update its management guidelines and operational procedures related to corporate governance.

Sustainable Governance Organization

As WNC's highest governance body, the Board of Directors is expected, pursuant to the company's Corporate Governance Best Practice Principles, to maintain an average attendance rate of at least 90% for all directors. In 2025, the attendance rate at Board meetings reached 100%. The Board's responsibilities include supervising the lawful operations and financial transparency of the company, approving the appointment, dismissal and remuneration of senior managers, and providing strategic guidance to the management team related to the company's operations. The management team must also report on the company's operational status and other important issues, and provide reference information and opinions for decision-making of the Board of Directors. To assist the Board in its operations and functions, four functional committees: The Audit Committee, the Remuneration Committee, the Nominating Committee, and the Sustainable Development Committee have been established. For more information about the Board of Directors, please refer to [WNC's 2025 Annual Report](#). In 2015, the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEX) began holding an annual Corporate Governance Evaluation, which evaluates all publicly listed companies in the previous year. WNC has been rated in the top 20% among all publicly traded companies



every year since. In 2025, WNC was selected as a constituent of the Dow Jones Best-in-Class Emerging Markets Index (DJBCI), the TIP Taiwan Listed and OTC Technology High Dividend Growth Index, the [TWSE RAFI Taiwan High Compensation 100 Index](#), and the [Taiwan Pristine Stock Index](#).

2.3.2 Board Operations

According to the Articles of Incorporation, WNC appoints seven to nine directors, who are elected by the shareholders' meeting from the list of director candidates in accordance with the candidate nomination system. The directors serve a term of three years and may be reelected for consecutive terms. To ensure that independent directors carry out their duties in an objective manner and prevent long tenures from compromising their independence, none of WNC's independent directors have served for more than nine years consecutively. The 11th Board of Directors was elected at the 2023 Shareholders' Meeting. There are nine directors in total, including three female directors. Two directors hold employee status and four of the nine directors are independent directors. The average tenure of the directors is 12.67 years. To improve decision-making efficiency and carry out the resolutions of the Board of Directors, WNC's Chairman is also serving as the company's Chief Strategy Officer. All directors have extensive experience and qualifications in business, legal affairs, finance, accounting, risk management or corporate business. Each director provides objective opinions on their professional fields and assists the Board in making decisions that are most beneficial to the company and shareholders.

Board Members

Name	Title	Gender	Employee status	Continuous term of independent directors			Age		Areas of proficiency			
				3 years or less	4-6 years	6-9 years	61-70	71-80	Industry/Technology	Finance	Law	Risk Management
Haydn Hsieh	Chairman & CSO, Nominating Committee chairperson and Sustainable Development Committee chairperson	Male	●					●	●			●
Jeffrey Gau	President & CEO, director and Sustainable Development Committee member	Male	●				●		●			●
Frank F.C. Lin	Non-executive director, representative of Wistron Corporation and Nominating Committee member	Male						●	●	●		●
Donald Hwang	Non-executive director and representative of Wistron Corporation	Male					●		●			●
Philip Peng	Non-executive director	Male						●	●	●		●
Karen Hsin	Independent director, Audit Committee member, Remuneration Committee member and Nominating Committee member	Female				●	●		●	●	●	●
T. Y. Lay	Independent director, Audit Committee member, Remuneration Committee chairperson and Nominating Committee member	Male			●			●	●			●
Lillian Chao	Independent director, Audit Committee chairperson, Remuneration Committee member and Nominating Committee member	Female		●			●		●			●
Rosie Yu	Independent director, Audit Committee member, Remuneration Committee member, and Sustainable Development Committee member	Female		●			●		●	●		●

Note 4: WNC completed its board election on May 28, 2026. For information on board members and related details, please refer to the Market Observation Post System or the Board of Directors page on [WNC's official website](#).

Diversification of board of directors

WNC has established, in Article 20 of the [WNC Corporate Governance Best Practice Principles](#), and implemented, a diversification policy for the composition of the Board based on its own operations, operations type and development needs. Suitable directors are nominated and selected by evaluating the aspects of basic conditions and values (such as gender, age, etc.), professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience. The composition of the current Board of Directors of WNC has achieved the management goal of diversification:

The number of directors who concurrently serve as executive officers in WNC does not exceed one-third of the total number of directors. ✓

At least one-third of board members are female. ✓

Independent board members do not serve for more than three terms. ✓

There are board members with inter-disciplinary expertise. ✓

The number of independent board members exceeds the number stipulated by law. ✓

Board training courses and performance evaluation

To ensure that the directors are well-versed in the latest trends in corporate governance, sustainable development and risk management, all directors of WNC are required to complete annual training in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. The total number of training courses WNC directors participated in in 2025 was 20. On average, each director spent 7.66 hours on sustainability-related courses, including topics such as cybersecurity governance and management in the context of geopolitics, the current global economic outlook and the effects of Trump's new policies, as well as the Cathay Sustainable Finance and Climate Change Summit Forum. For detailed information on their training, please refer to the Market Observation Post System or the [2025 WNC Annual Report](#).

To implement corporate governance and optimize the operating efficiency of the Board of Directors, WNC has stipulated [Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees](#). The company conducts performance assessments

each year, which cover the overall Board of Directors, functional committees, and individual directors. In addition, WNC commissions an independent, professional external agency or a group composed of external experts/scholars at least once every three years to conduct a performance evaluation on the Board of Directors. The assessment period is from January 1 to December 31 of each year. The performance assessment results are reported to the Board of Directors in the first quarter of the following year, and are disclosed in the company's Annual Report. The results of internal performance evaluations for the Board of Directors and functional committees in 2025 were "exceeds standards". The results from these evaluations were submitted to the Board on March 11, 2026. An external independent institution will be engaged to conduct a board performance evaluation by the end of 2026. For details on the performance evaluations for the Board of Directors and functional committees, please refer to the [2025 WNC Annual Report](#) and WNC's website. The results of these evaluations will serve as a reference for the Board's continuous improvement of its functions, remuneration setting for the Board and the functional committees, and nomination for directors to serve the next term.

Audit Committee

All members of the Audit Committee are independent directors, and at least one has accounting or finance expertise. The term for the independent directors on the Committee is three years. Directors may be reelected for consecutive terms. Currently, there are four committee members.

Responsibilities

An audit committee meets prior to the Board of Directors meeting every quarter to monitor the execution of WNC's internal controls and important financial and sales behavior and to communicate and interact with CPAs to effectively supervise company operations and risk management. The audit committee's specialized division of duties and independent positions assist the Board of Directors in the execution of its supervisory capacity, raising WNC's financial standing and credibility.

Implementation status in 2025

The Audit Committee meets at least once every quarter. Four meetings were convened in 2025, with an attendance rate of 100% for all committee members.

Remuneration Committee

Currently there are four committee members, all of whom are independent directors. The committee invites the Board Chairman or CEO to attend. The members of the remuneration committee recuse themselves from meetings if issues to be discussed involve any personal interests of the members. The committee may also request directors, internal auditors, external accountants, external legal consultants, and other personnel to attend meetings and to provide them with relevant information.

Responsibilities

A remuneration committee is responsible for establishing and periodically reviewing the compensation policies, systems, standards, and structure of WNC's director's and management's compensation; as well as evaluating and deciding compensation terms.

Implementation status in 2025

The Remuneration Committee meets at least twice a year. Meetings may be convened when necessary. Three meetings were convened in 2025, with all committee members in attendance.

Nominating Committee

The Nominating Committee is composed of five directors, over half of whom are independent directors. The committee is chaired by WNC Chairman Haydn Hsieh, and all committee members have extensive industry experience and are well-connected in the industry.

Responsibilities

The primary duties of the committee include selecting and assessing candidates for board members, executive officers, and members of committees under the Board of Directors, formulating and reviewing regulations relating to the establishment, duties and operations of committees under the Board of Directors, and formulating and implementing continuous learning plans for directors.

Implementation status in 2025

The Nominating Committee convenes meetings when necessary. Two meetings were convened in 2025, with all committee members in attendance.

Sustainable Development Committee

The Sustainable Development Committee is composed of seven members, including two directors, two independent directors, and three non-director members. The Chairman of WNC, Haydn Hsieh, was elected as the committee's chairperson.

Responsibilities

The committee develops goals based on corporate sustainability directions and strategies, formulates related management policies, outlines specific implementation plans, and tracks the execution results and effectiveness of WNC's sustainability-related efforts.

Implementation status in 2025

The committee meets at least twice a year. Meetings may be convened when necessary. Two meetings were convened in 2025, with all committee members in attendance.

2.3.3 International Financial Reporting Standard (IFRS) Implementation Plan

WNC has established an internal mechanism for inventory of IFRS sustainability-related information, worked closely with external consultants, and actively participated in relevant training programs organized by external institutions to deepen its understanding of key requirements and keep pace with the latest regulatory developments. In line with the implementation timetable prescribed by the competent authority, WNC will form a cross-functional project team to coordinate relevant plans, regulatory requirements, and industry classification guidance, and will progressively implement a framework that complies with the IFRS Sustainability Disclosure Standards, thereby addressing the diverse needs of stakeholders.

2.3.4 Remuneration Policy for Senior Executives

Remuneration of directors is determined in accordance with the Articles of Incorporation, as approved by the shareholders' meeting. It is set at no more than 1% of the year's profits (profit here indicates pretax profit without deducting profit-sharing bonuses for employees and directors), and is paid in cash. Director remuneration is determined with reference to WNC's overall operating performance, the industry's future business risks and development trends, and each director's degree of participation in and contribution

to the company's operations. The related performance evaluation and rationalization of the remuneration is audited by the Remuneration Committee and the Board of Directors and may be reviewed at any time based on practical operational conditions and related laws and regulations to achieve a balance between continuity of operations and risk control.

The compensation package for each senior manager includes a fixed component of salary, bonuses, and benefits and a variable component of bonuses, dividends (cash/stock), stock (restricted stock / employee stock ownership trust) and stock options. The variable component of compensation is determined based on WNC's operational performance in the current year. To enhance senior management's responsibility and commitment to WNC's sustainability and overall performance, starting in 2025 WNC has incorporated sustainability-related performance indicators into the performance evaluations of senior executives.

WNC integrates sustainability performance indicators as a key determinant of short-term performance bonuses and long-term incentive mechanisms (including equity) for the General Manager and Chief Executive Officer, Chief Sustainability Officer, business group heads, and senior managers. This linkage binds senior leadership to the responsibility and accountability for the Company's sustainable development, driving the implementation of sustainability strategies and continuous improvement to achieve the strategic objective of sustainable operations.

To embed sustainability objectives within corporate

culture, WNC establishes annual ESG Key Performance Indicators (KPIs) for all employees, encompassing climate change management goals such as greenhouse gas emission reductions and energy efficiency improvements. Progress against these targets is regularly monitored through quarterly Environmental Task Force meetings. In addition, the Company holds the "ESG Good Ideas" competition, inviting employees to apply their creativity and propose impactful sustainability solutions. Employees whose proposals deliver tangible environmental or social benefits are recognized with cash awards and medals, inspiring all staff to actively engage in sustainability innovation.

The compensation structure for senior managers has a certain degree of flexibility to dynamically balance the long-term interests of employees, shareholders, and WNC. The fixed items aim to maintain the competitiveness of the company in the industry, and the variable terms are considered based on WNC's and the individual's performance. At the beginning of each year, the Remuneration Committee sets the assessment items, goals, and weightings, taking internal and external development into consideration. The compensation for managers is assessed based on personal performance and prevailing salary levels in the industry. The terms are evaluated by the Remuneration Committee and are reported to the Board of Directors for approval. Additionally, external consultants are engaged to ensure alignment of the compensation policy with market trends, environmental factors, and compensation competitiveness.

Aspect	Accounting metric	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%

2.4 Ethical Management

2.4.1 Ethical Corporate Management

Ethical management policy

WNC has a zero-tolerance attitude towards corruption, and has formulated internal rules and regulations such as the [Code of Ethical Conduct](#), [Ethical Management Best Practice Principles](#) and [WNC Whistleblowing and Handling Measures](#). The rules and regulations clearly disclose the company's ethical management policy and require the company and its subsidiaries to comply with regulations related to their overall operations. The company and its subsidiaries are committed to abiding by high ethical standards, avoiding engaging in unfair competition, fulfilling tax obligations, preventing bribery and corruption, and establishing appropriate management systems to create a level playing field.

WNC's Legal & IP Division is charged with enhancing integrity management operations. In addition to revising relevant policies and regulations, conducting training sessions, and regularly reminding stakeholders of risk-related matters, the unit also helped establish an Integrity Investigation Office to conduct due diligence investigations, organize relevant training courses and investigate reported cases, with the Chairman having final decision-making authority. The Chief Legal Officer reports on the execution status to the Board of Directors on a regular basis (at least once a year). WNC conducts annual labor and ethics risk assessments at its major production sites in Taiwan, China, Vietnam, and Mexico, covering 100% of all production sites. In 2025, the assessment results identified no high-risk items related to ethics issues. The high-risk item related to labor issues was working hours. For details, please refer to [5.1.2 Human Rights Management](#).

Ethical management and due diligence

**Sign the company's
Declaration of Ethical
Management**

Subject
WNC directors and top-tier
managers

2025 results
100%

**Sign the company's Code of
Ethical Conduct**

Subject
New employees and suppliers

2025 results
100%

**Answer an annual self-
evaluation questionnaire on
compliance with the company's
Code of Ethical Conduct**

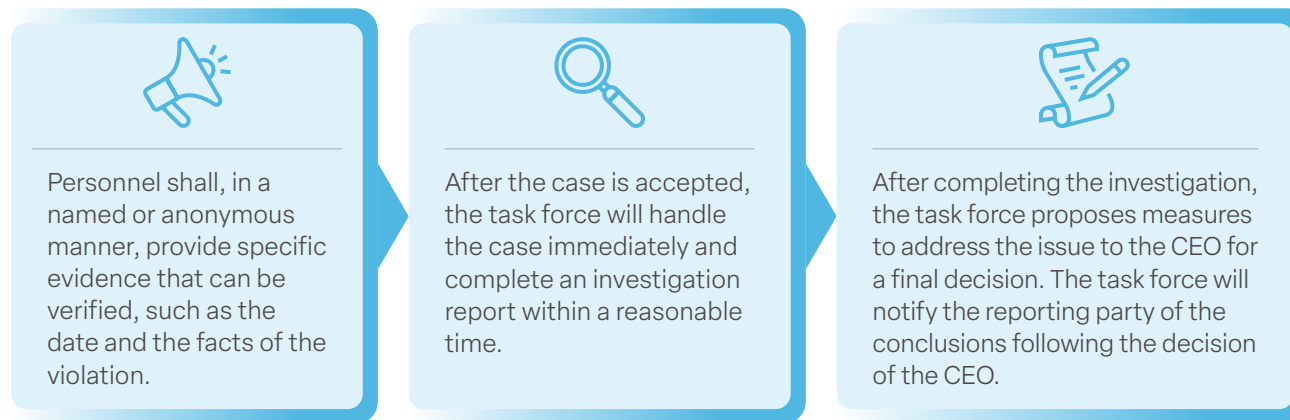
Subject
Employees who directly deal with
or exert substantial influence
over customers, suppliers, and
contractors

2025 results
100%

WNC requires that all directors and senior management (top-tier managers) sign statements affirming compliance with its Integrity Management Policy, achieving a 100% signing rate. WNC also requires all new employees across all sites and new suppliers to sign a commitment to its code of ethics. All new employees hired in 2025 completed the signing process, committing not to offer or accept bribes or any other forms of improper benefits. For supplier-related evaluation and management procedures, please refer to Section [3.4 Sustainable Suppliers](#) of this report. Each year, WNC distributes a self-assessment questionnaire on integrity to relevant personnel at its production sites in Taiwan, China, Vietnam, and Mexico. This includes senior executives, sales, product management, procurement, supplier quality management, general affairs, and facility management—particularly those who have direct contact with and substantial influence over customers, suppliers, and contractors. The purpose of the questionnaire is to identify potential risk factors through self-evaluation. The questionnaire covers topics such as soliciting, receiving, or offering bribes or improper benefits, conflict of interest, and reporting of misconduct. Employees are also required to disclose any stakeholders who work for the company's suppliers or customers, or who serve as government officials. In 2025, 2,721 WNC employees completed the survey and filled out the questionnaire, with a completion rate of 100% and no abnormal responses.

Grievance and consultation mechanisms

WNC has established a whistleblower e-mail address (wnc.integrity@wnc.com.tw), public@wnc.com.tw, and for reporting workplace and sexual harassment 8585@wnc.com.tw), providing all internal and external stakeholders with a channel for anonymously or openly reporting and filing complaints concerning WNC employees' violations of applicable laws and regulations. During annual ethics and anti-corruption training sessions, employees are informed of the available complaint and reporting channels. The training also covers the relevant provisions of the Reporting and Handling Procedure, including the procedures for handling reports of unlawful conduct, the confidentiality obligations of personnel in the responsible receiving and investigating units, the option to submit reports anonymously, and the prohibition of any unfavorable treatment or retaliation against whistleblowers in order to safeguard their rights and interests. The reporting procedures are described briefly as follows:



- WNC ensures that the identities of the reporting parties are kept secret and that they are not at risk of retaliation
- WNC will not terminate or transfer any employee or cause any other unfavorable result to occur due to their reporting an issue unless that employee has violated the law
- Task force members and related members participating in the investigation ensure and maintain the confidentiality of the incident throughout the entire investigation
- The task force records how the reported issue was handled in written form, and this written report is sealed and archived for five years
- If the reported issue(s) involves WNC directors or high-level managers, the task force should report the investigation results to the independent directors
- Starting from the second quarter of 2025, complaint cases will be submitted to the independent directors for quarterly review, who will oversee the investigation and handling of whistleblowing cases

In 2025, WNC's Integrity Office received eight complaints concerning personal integrity. Of these, six cases were closed due to a lack of substantiating evidence. The remaining two substantiated cases involved an employee's unauthorized modification of machine data and an employee's excessively close interactions with a supplier, respectively. Appropriate disciplinary actions were imposed in accordance with the company's management regulations, and department heads strengthened employee education, training, and awareness efforts. Other complaints not related to integrity were referred to the respective responsible units for handling. In 2025, WNC neither received any reports nor identified any incidents related to conflicts of interest, money laundering, or insider trading. Furthermore, there were no cases in which the company was penalized or convicted for involvement in corruption or bribery. When WNC employees have concerns regarding the Standards of Ethical and Honest Conduct, they may report them to their direct supervisors, seek advice from the Legal and Intellectual Property Division, or communicate through channels such as committees, discussion forums, the internal proposal platform, hotline services, and email. For further information on employee communication channels, please refer to Section 5.1.4, Communication Channels of this Report.

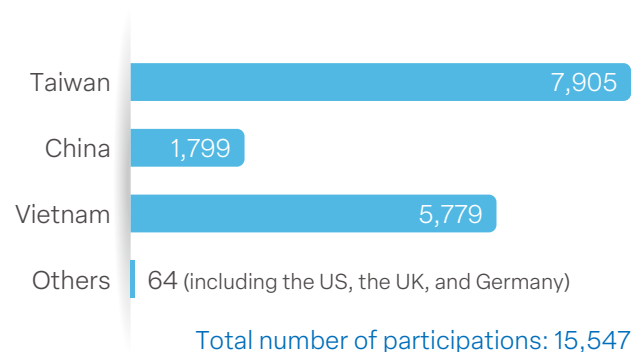
2025 complaint case statistics

Type	No. of substantiated cases
Corruption or bribery	0
Customer privacy data leakage	0
Conflicts of interest	1
Money laundering or insider trading	0
Violation of company policies	1

Training and awareness

To boost employees' understanding and implementation of ethics and integrity issues, the most updated promotional resources are provided on our internal website, and the Legal & IP Division holds Ethics and Anti-Corruption Code of Conduct online training for current employees every year, and said training is included in compulsory courses for new employees. The aforementioned resources and training will help employees understand the actions they should adopt when company rules conflict with social mores, corporate interests, and private interests or when they find any wrongdoings. In 2025, WNC launched the online course "Introduction to WNC and the RBA," covering topics such as ethical conduct and anti-corruption standards. The course has recorded 15,547 participations and a completion rate of 100%. This course has been launched in Taiwan, China, Vietnam, and other overseas sites. In 2026, it is expected to be introduced at the Mexico site in response to local regulations and needs, thereby expanding the course to all global sites.

WNC RBA introduction online course statistics



2.4.2 Respecting Market Mechanisms

Anti-trust

We believe healthy market competition enhances the quality and efficiency of WNC's operations, ensures consumer rights and achieves economic stability and prosperity. Therefore, we abide by related government and industry laws. To help maintain a healthy market mechanism and structure, we refuse to adopt unfair, anti-competitive market tactics. In 2025, there were no lawsuits against WNC related to anti-competitive or anti-trust behavior.

Conflicts of interest management

Directors, in relation to agenda items in which they or their represented legal entities have vested interests, adhere to Article 15 of the [Rules and Procedures of the Board of Directors Meeting](#) to avoid conflicts of interests. They disclose significant details of their vested interests during the Board of Directors Meeting. If there is a risk of harm to WNC's interests, they are excluded from taking part in the discussion and voting and are not allowed to act as proxies for others. If a director's spouse, immediate family members, or companies with a controlling-subordinate relationship to the director have vested interests in the agenda items, it is considered that the director has a personal vested interest in that matter.

For information regarding board members' positions on other companies' boards, cross-shareholdings with suppliers or other stakeholders, the existence of controlling shareholders, and related parties along with their relationships, transactions, and outstanding balances, please refer to [WNC's 2025 Annual Report](#).

Political neutrality

WNC maintains political neutrality and encourages employees to fulfill their civic duties. In the Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct WNC publishes, relevant regulations for the lawful provision of political donations are provided. In 2025, WNC did not make any political donations.

2.4.3 Internal Control and Audits

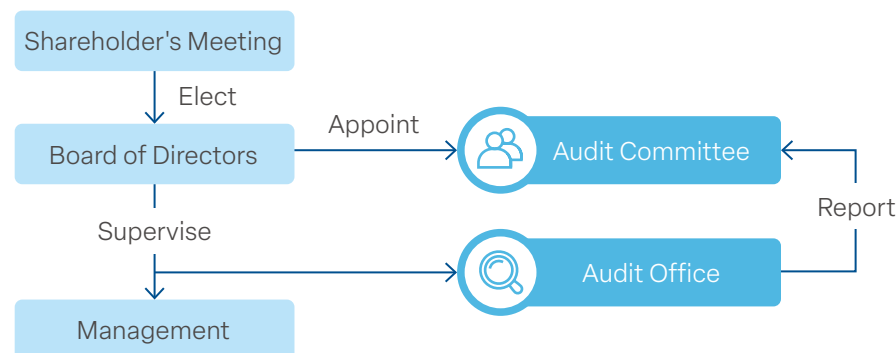
Internal control systems

In accordance with Regulations Governing the Establishment of Internal Control Systems by Public Companies, as well as regulations relevant to the operations and industries of the company and its subsidiaries, WNC has established and maintains effective internal control systems. The company regularly reviews and, when necessary, updates the design and execution of its internal controls to adapt to changes in internal and external environments. This ensures the systems remain effective in achieving our risk management and compliance goals.

The purpose of the internal control systems is to ensure the company's operational continuity. Through regular reviews of business and management processes, designated personnel identify deviations from company policies, standard procedures or expected goals, and report these findings to the appropriate managers. Managers take necessary corrective or improvement measures in accordance with the feedback to ensure that the company's operations remain aligned with its strategic goals. In addition, WNC's internal control and audit mechanisms effectively mitigate operational risks and prevent potential misconduct. These systems also enhance procedure transparency and ensure clear accountability.

Internal audit organizations

WNC has established an independent Audit Office in accordance with applicable regulations. To ensure the complete independence and objectivity of audits, the Office reports directly to the BOD and operates under the supervision of the Audit Committee. The Audit Office comprises a dedicated audit manager and audit personnel. The team reviews internal control systems across WNC and its subsidiaries, evaluates risks, formulates and executes annual audit plans, and tracks the implementation and effectiveness of corrective actions. The Office reports its auditing activities to the Audit Committee on a regular basis and the audit manager attends board meetings to present on key matters. In the event of substantial or immediate risks, the manager can report directly to the Chairperson, Audit Committee or independent directors at any time. This ensures that critical audit findings are swiftly escalated, addressed and monitored.



Note 4: WNC's audit function is structured to ensure independence and professionalism of audits; the staffing level is regularly reviewed based on operational scale and risk.



Operations of internal audits

WNC's internal audits are conducted using a risk-based approach under the supervision of the BOD and the Audit Committee. The objective is to ensure the effective execution of audit plans to disclose risk, monitor improvements, and support corporate governance goals. Key operations include:

Make annual audit plans

- At the end of each year, the Audit Office conducts a risk assessment based on changes in the overall business environment, the regional characteristics of each subsidiary, the company's business strategies, and past audit findings. The assessment results form the basis for determining key audit areas and formulating the audit plan for the upcoming year.
- The annual audit plan is submitted to the Audit Committee for review, and is implemented upon approval by the BOD. When necessary, the Office may conduct ad hoc audits or adjust the plan to address emerging risks or significant changes.

Conduct audits

- The Audit Office conducts audits in accordance with the approved plan and submits written reports of the monthly audit results to the Audit Committee by the end of the following month. Should any concerns arise, the Office initiates further communications via email or phone.
- Each quarter, the Office consolidates key audit areas and major findings and presents them to senior management. It also reports significant audit matters along with follow-up progress to the BOD. If circumstances change during the execution of audit plans, adjustments may be made upon approval by the BOD.

Report findings and regular tracking

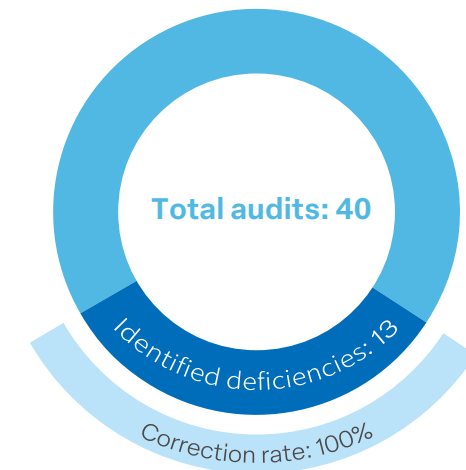
- The audit manager promptly reports major deficiencies or potential risks to senior management, and regularly presents key audit findings to the BOD and the Audit Committee. For identified internal control deficiencies and exceptions, the Office has established a tracking mechanism. It ensures that responsible units implement corrective actions on schedule and submits follow-up reports to the BOD and independent directors for review.
- The approved audit report and follow-up results are submitted to the independent directors for review by the end of the following month after completion of the audit items.

Coordinate self-assessment questionnaires

- The Audit Office coordinates internal control evaluations and regularly reviews the applicability of self-evaluation questionnaires. This ensures that self-evaluation items cover key workflows and remain adaptable to organizational or business changes.
- The Office oversees the regular evaluation of internal control systems across all units and subsidiaries. It reviews and consolidates these submissions and audit findings, providing the BOD and the President with the basis to assess the effectiveness of overall internal control systems and issue an internal control statement.

Internal audit items in 2025

A total of 40 audits were conducted in 2025. During the process, 13 deficiencies were identified and fully remediated. The correction rate was 100%.

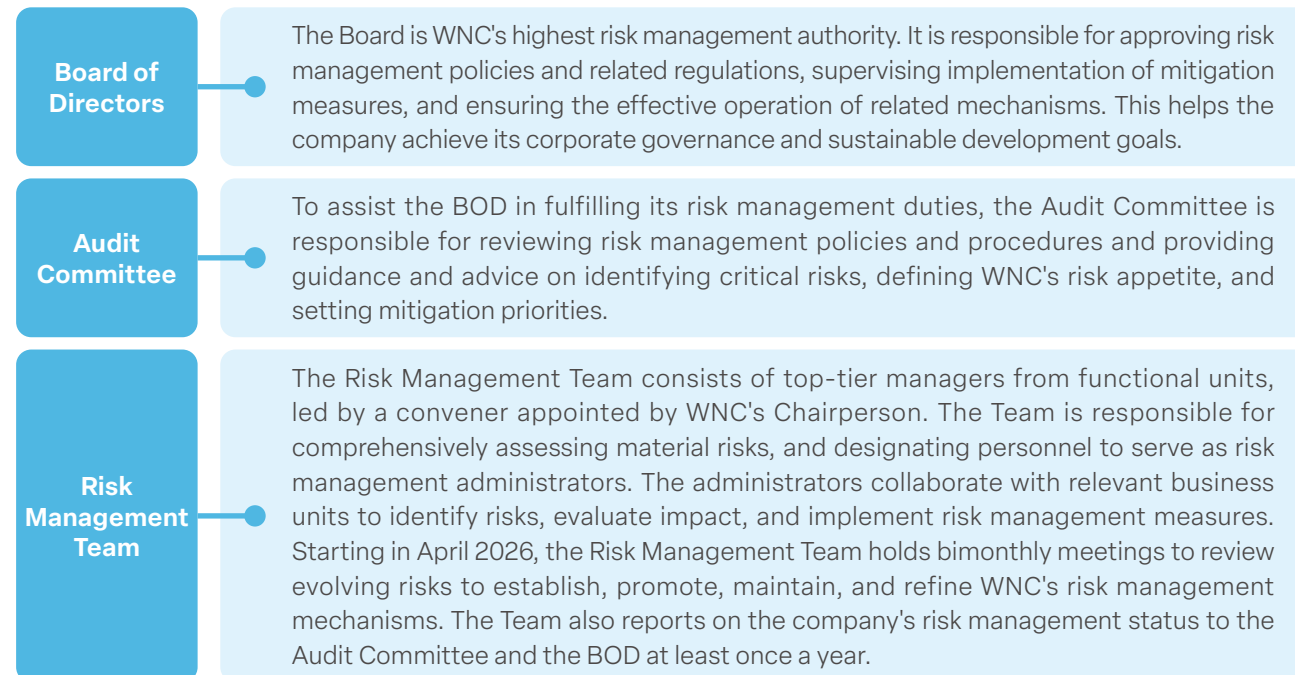


2.5 Risk Control

2.5.1 Risk Policies and Management

To pursue sustainable corporate development and robust corporate governance, WNC's BOD approved the 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 at all levels, ensuring a top-down approach to risk management under Board-level supervision. In addition, through regular reviews, continuous improvement, employee training, performance management, risk evaluation, early warning systems and information disclosure, WNC cultivates a forward-looking and sustainable risk management culture. This allows the company to adapt to external shifts and operational uncertainties. By strengthening corporate governance and business resilience, WNC remains committed to ensuring stable operations, driving sustainable growth, and protecting the rights of stakeholders.

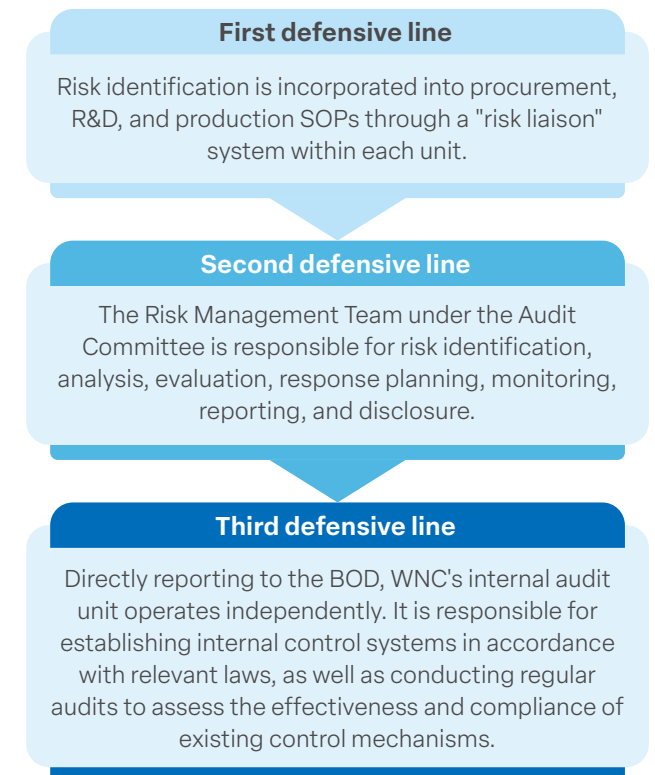
Risk governance framework



2.5.2 Risk Management Defense

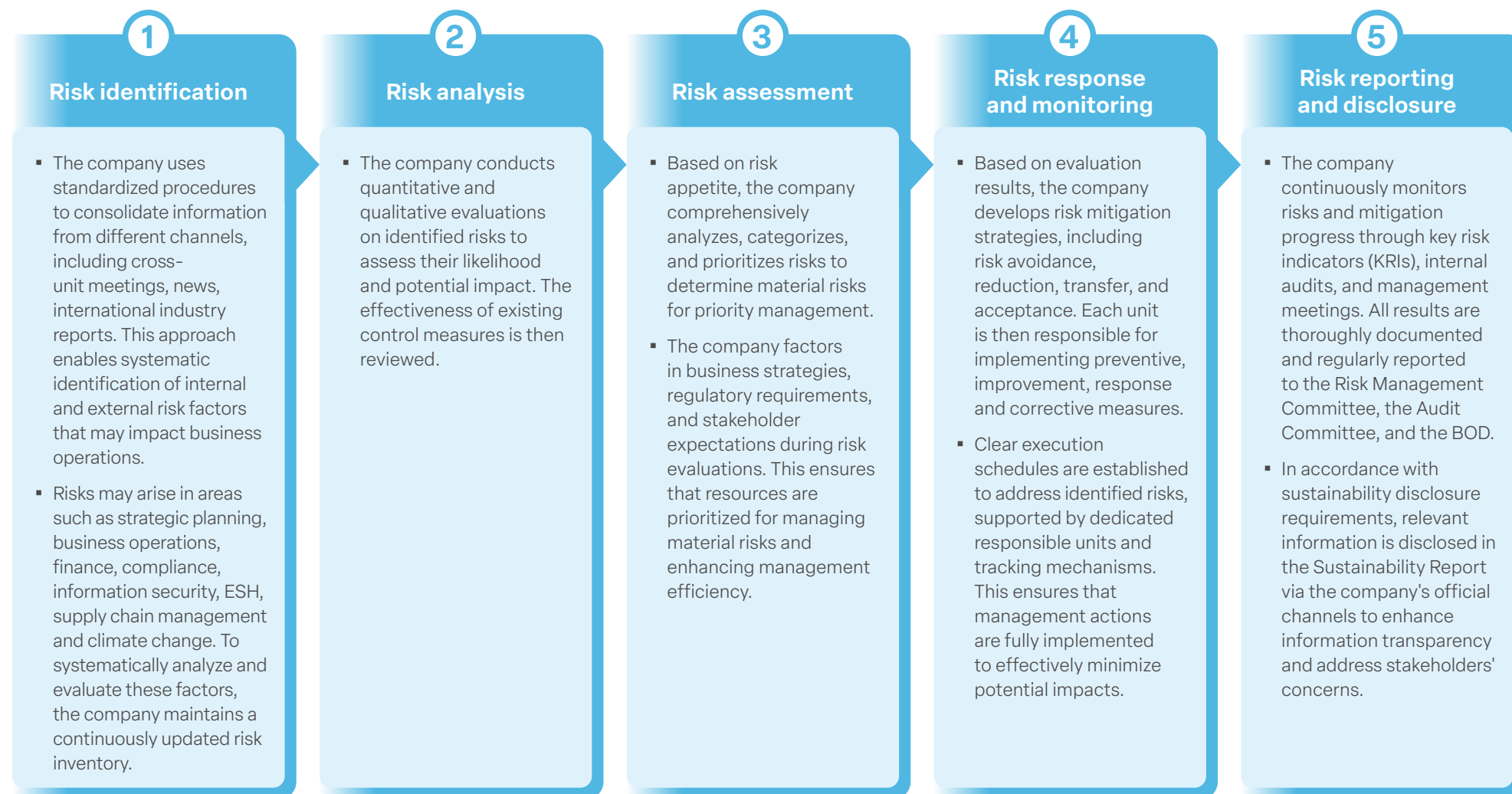
WNC manages operational risks and strengthens internal control and corporate governance through its established administrative organization, internal control mechanisms, as well as a clear division of responsibilities.

Three defensive lines



2.5.3 Risk Management Procedures

WNC has established a comprehensive risk management system that covers risk identification, analysis, evaluation, response and monitoring, reporting and disclosure. This framework addresses all types of risks to ensure the company's sustainable development and efficient use of resources.



2.5.4 Risk Response Measures

In addition to implementing risk control measures proposed by different functional unit managers and department heads, strengthening internal risk control mechanisms, and improving emergency response and recovery capabilities, WNC seeks to learn and cooperate with its suppliers to assist each other in enhancing resilience to different types of risks and respond to the ever-changing business environment. To strengthen risk management awareness among all employees,

WNC is launching an online course on risk management in 2026. The course will help employees understand risk identification, assessment, and response mechanisms, further enhancing the overall resilience of the company. WNC's methods are briefly described according to financial risk, operational risk, and market risk. WNC also considers climate risks as a significant management area. For WNC's management measures, please refer to the 2025 TCFD & TNFD Report.

Risk items and response measures

Financial risk management

WNC focuses its core business on R&D, manufacturing, and product sales, and does not engage in any high-risk, highly-leveraged investments or similar activities. It has not loaned funds, endorsed, or entered into guarantees for any parties other than the subsidiaries wholly owned by itself, and no losses have been incurred. 98.33% of WNC's revenue was from export sales in 2025, and most of the export sales amounts are quoted in U.S. dollars. Most of the material purchasing amounts are also quoted in U.S. dollars. Therefore, the majority of our foreign currency operating exposure can be offset through our frequent purchasing and selling. For other situations involving foreign currency operating exposure, the foreign currency is converted into NTD depending on liquidity needs and market conditions.

Response measure

Looking ahead, WNC will adhere to its existing principles and will not make high-risk and highly-leveraged investments. We will only loan to other parties or endorse and enter into guarantees for other parties under our applicable regulations.

WNC's action plans to cope with the impact of changes in interest rates, exchange rates, and inflation are:

- Strengthen the natural hedging effect of foreign currency equity and debt offsetting
- Make plans and arrangements regarding capital income and borrowing costs in advance based on our predictions about future operational and capital requirements of the company
- Use auxiliary tools (such as financial derivatives) to reduce risk under proper risk guidelines

Business risk management

With labor costs rising due to regulatory changes, and increased raw material and transportation expenses, the manufacturing industry faces significant cost pressures. In addition, as the global economy remains affected by geopolitical risks and other uncertainties, the company's overall business performance and profitability are directly and indirectly impacted by these factors.

Response measure

In addition to optimizing global production capacity allocation to support future business growth, WNC will manage costs and employ flexible marketing strategies. Leveraging its rapid product integration and development capability, the company matches the right products to the right niche markets. These measures enable WNC to expand the scope of operations, and enhance its cost competitiveness. To reduce purchasing costs, some operators are gradually shifting their equipment purchases from branded suppliers to unbranded OEMs. This trend creates substantial new opportunities for WNC, given its established, strong relationships with many global operators.

Market risks

According to the IMF's forecasts, the global economic growth rate is projected to reach 3.2% in 2025 and 3.1% in 2026, remaining below the pre-pandemic average of 3.7%. This indicates that global economic and political uncertainties are likely to suppress consumer spending and corporate investment while rising protectionism may impose pressure on investments, supply chains, and productivity.

Response measure

In response to an unstable global environment and dispersed supply chains, WNC has prepared its Vietnam, S3 and Mexico sites to offer customers greater manufacturing flexibility. The company is also accelerating the optimization of its global production capacity allocation and the establishment of supply chains to maximize utilization rates and improve its profit structure.

2.5.5 Emerging Risks

WNC continuously monitors external trends and their potential impact on business operations and value chain. By identifying material topics, the company reexamines the items with significant impact in the previous year's report to determine their current relevance. The Chief Sustainability Officer then submits these updated items to the Sustainable Development Committee for confirmation, followed by final review and approval by the BOD. Among potential negative ESG impacts, WNC has identified two primary emerging risks: technological shifts driven by the rapid adoption of AI and the depletion of rare resources exacerbated by extreme weather. The potential impacts on WNC and the company's mitigation and response measures are detailed below:

Emerging risk list



Technological shift risks (quantum computer risks)

Type: Technology risk

Potential impacts

As quantum computers are being gradually commercialized, their strong computational power poses serious threats to existing networks and information security, increasing the risk of confidential data leakage. Therefore, companies need to adjust their information security strategies to keep pace with this emerging technology.

Mitigation and response measure

The company has established a technical team dedicated to post-quantum cryptography (PQC) to conduct in-depth research on technical validation and regulations. This enables the company to keep track of market trends and collaborate with third-party tech teams. Through strategic alliances, the company can rapidly integrate PQC technology into its products to comply with global standards and prevent cybersecurity vulnerabilities.



Risk of rare resource depletion

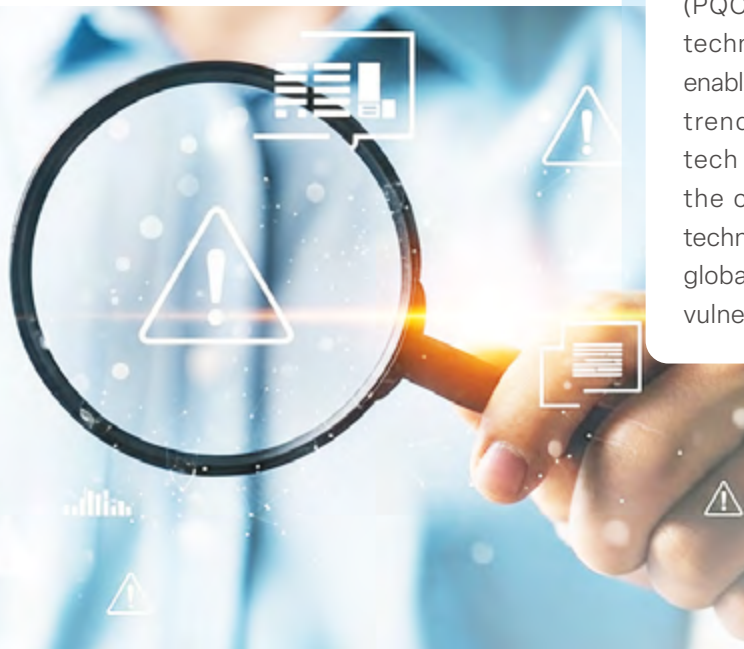
Type: Environmental and economic risks

Potential impacts

As global demand for technology products continues to rise, the need for rare minerals is also expected to increase, which in turn heightens the risk of resource depletion. This trend will drive up procurement costs, thereby impacting product price competitiveness and operational stability.

Mitigation and response measure

- The company regularly assesses the interactions between its value chain operations and natural ecosystems, and analyzes corresponding nature-related risks and opportunities based on dependencies and impact pathways.
- In accordance with WNC's [Sustainable Raw Materials Policy](#), WNC has incorporated the risk of resource depletion into its strategic planning to ensure the functionality and quality of alternative or recycled materials.
- WNC is implementing the ISO 20400 sustainable procurement guidelines in 2026 to reduce its reliance on single sources or suppliers, thereby mitigating the risk of resource shortage.
- The company will continue to evaluate the feasibility of integrating circular economy principles into its products by increasing the proportion of recycled and reused materials during the design phase and reducing the need for virgin resources.



2.5.6 Develop a Risk-aware Culture

WNC is committed to raising risk awareness among employees and deepening its risk management culture. The company plans to launch enterprise risk training programs in the second half of 2026 and will incorporate risk management into 2027 performance evaluation metrics. The goal is to make risk-based thinking a vital foundation for business operations. Through the following two pathways, WNC further ensures that risk awareness is internalized and transformed into guidelines for daily operations and decision-making processes.

Company-wide risk awareness training

- Risk management training for board members: To strengthen the Board's governance capabilities and enhance organizational resilience and sustainability competitiveness, all board members participated in courses covering policy, geopolitical, climate, and technological risk management in 2025, accumulating a total of 45 training hours.
- Case study workshop for risk management: The company regularly hosts workshops for the risk management team and provides training in quantitative evaluation tools for key positions. This helps expand risk management techniques from experts to all business managers. In addition, regular ethical management promotion and cybersecurity defense drills are conducted to ensure that employees have the ability to identify potential risks and report them immediately.
- Company-wide risk training: The company plans to roll out corporate risk training in the second half of 2026 to strengthen risk awareness among all employees.

Risk-based performance indicators

To ensure the solid implementation of a risk culture, the company will link KRIs to the KPIs of managers at all levels in 2027. To recognize the effective execution of major risk early warnings and the implementation of control measures, specific incentive mechanisms will be established. By driving behavior through performance metrics, the company encourages employees to identify and report risks to build a positive and transparent risk communication mechanism.

Incorporate risk management mechanisms into product and service development processes

WNC has systematically incorporated risk management mechanisms into each phase of operations, from product development to mass production. By leveraging consistent and structured approaches, the company evaluates the impact of potential risks on product quality, compliance, and sustainable operations to ensure that all relevant risks are identified and effectively managed. At the initial phase of product development, the company uses Failure Mode and Effects Analysis (FMEA) and a lessons-learned database to systematically identify and evaluate potential risks. During the design phase, personnel from different units and manufacturing sites collaborate to ensure that product designs comply with Design for X (DFX) principles, encompassing cost, manufacturing, automation, environmental protection, and quality. During the production phase, root-cause analysis is performed on defective products to drive continuous improvement and reduce production and quality risks. During the validation phase, functional, compatibility and reliability tests are conducted to ensure that products comply with relevant global standards and environmental protection requirements. Through these established processes, WNC continues to enhance its risk governance capabilities, improving product quality and operational resilience, and supporting the company's long-term sustainable development goals.



2.6 Business Continuity Management

2.6.1 Implementation of Business Continuity Management

Amid rising uncertainty in the global business environment, 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 established comprehensive management procedures, including the Business Continuity Management and Disaster Recovery Operation Standard and the Contingency Plan Control Procedure. The company has also formulated Business Continuity Plans (BCPs) for major disasters and drills are conducted at least once a year to enhance its ability to respond to emergencies. In 2025, WNC conducted drills covering diverse business scenarios and major risks tailored to the characteristics of its headquarters and each manufacturing site. IT-related scenarios encompassed service interruptions to key systems, core equipment anomalies, and cybersecurity events. Other scenarios included chemical leaks, earthquakes, fire evacuations, power outages or rationing, key equipment malfunctions, supply chain or logistics interruptions, rapid shifts in production capacity, workforce shortages and pandemics. While fire evacuation drills require the participation of all employees at every site, other drills selectively involve personnel from responsible units based on the specific risk scenario to ensure the exercises meet practical needs.

In 2025, no major occupational accidents resulting from natural or man-made disasters, including terrorist attacks, information security incidents, and labor disputes, occurred at any sites^{Note 5}. To address stakeholder concerns over business stability and supply chain resilience, WNC launched a project in 2025 to implement the ISO 22301 Business Continuity Management system. This initiative enhances the consistency of WNC's established management mechanisms by systematically optimizing existing Business Impact Analysis (BIA), Risk Assessment (RA), BCP, and scenario drills. By engaging cross-functional teams across HQ and overseas sites, spanning manufacturing, IT, supply chain, QA, HR, finance, legal compliance, crisis communications, and BUs, the company ensures proper allocation of human and other resources and the appropriateness of all contingency plans. Moving forward, the company will drive the operations of management systems through document control, professional training, scenario drills and internal audits. WNC will also continuously review and adjust relevant practices in response to internal and external environmental changes, customer audit feedback, and practical needs for improved business resilience.

Note 5: Major occupational accidents refer to reportable events as defined in each site's local occupational safety and health regulations, and conditions specified in GRI 403-9.

2.6.2 Information Security BCP

WNC continues to enhance its BCP management mechanisms for information security. By integrating the information security management system ISO/IEC 27001:2022 with BCP, the company has established a resilient risk response and recovery framework. In addition to raising employee awareness of information security and optimizing related policies and procedures, the company places much emphasis on safeguarding personal data, privacy, and customer confidential information (including business secrets and intellectual property rights, etc.). These measures mitigate the impact of business interruption on key operations.

With regard to management systems, WNC conducts inventory and updates information asset lists on a semi-annual basis to identify potential threats and vulnerabilities. In addition, the company performs an annual business impact analysis (BIA) to define critical operations, recovery time objectives (RTO), and recovery point objectives (RPO). These metrics serve as the foundation for developing business continuity strategies and allocating resources. Based on risk evaluation results and trends in internal and external threats, WNC has established simulation models for diverse scenarios. It has formulated drill plans for disaster recovery (DR) and business continuity to validate the effectiveness of its response measures.

In 2025, 18 information security and business continuity drills were executed, with a 100% completion rate. These drills covered core system recovery, anti-virus protocols, and information security incident response. The company also conducted joint company-level BCP drills involving personnel across different sites and BGs in accordance with customer requirements. Through continuous drills, reviews, and improvements, WNC enhances its organizational capacity to respond to emergencies and its overall operational resilience.

Number of information security BCP drills conducted in 2025

