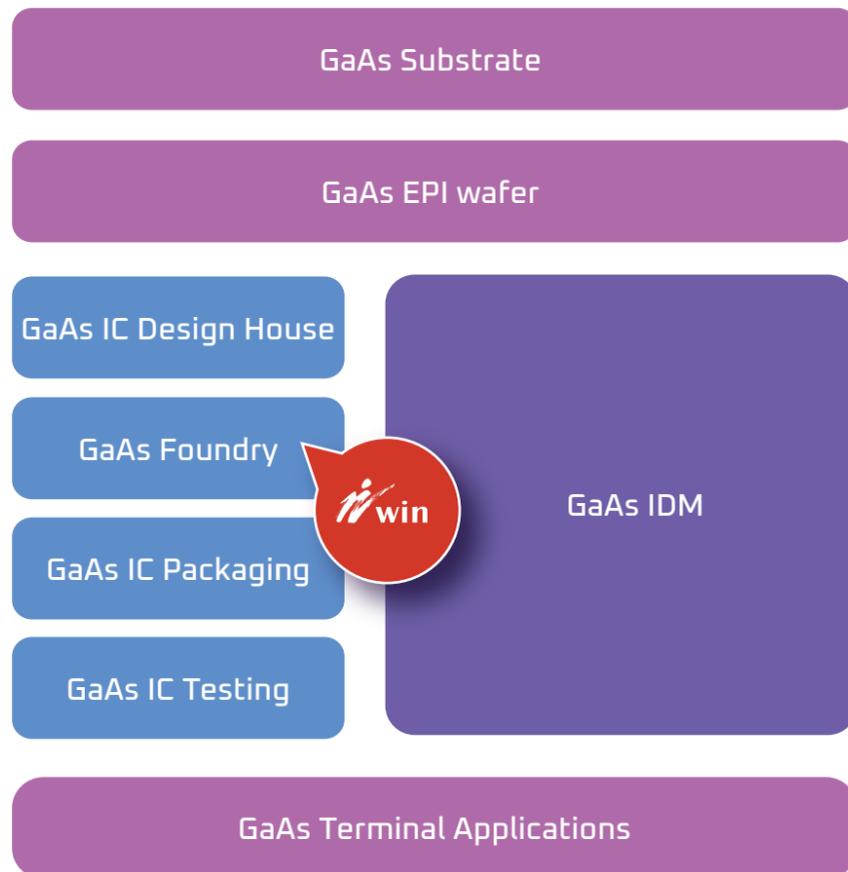


Supply Chain Accountability

WIN Supply Chains

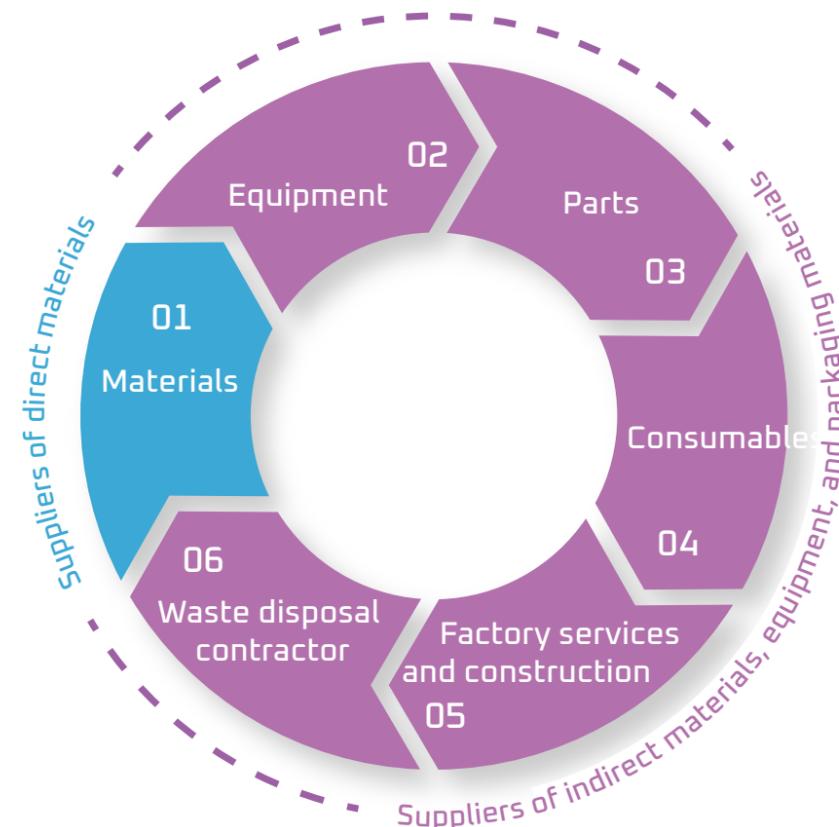
In WIN's supply chain organization for the GaAs industry, substrate production is the first upstream activity of the supply chain, followed by key materials and GaAs EPI wafers, including MOCVD (Metal Organic Chemical-Vapor Deposition) and MBE (Molecular Beam Epitaxy) technologies of GaAs EPI. For the mid-stream, the supply chain includes wafer fabrication, packaging, and testing. Regarding the industry as a whole, apart from wafer fabrication, the design and advanced technologies in the industry are still dominated by international IDM companies. Downstream vendors comprise mobile phone and WLAN manufacturers as well as radio frequency system developers.



Supply Chain Overview

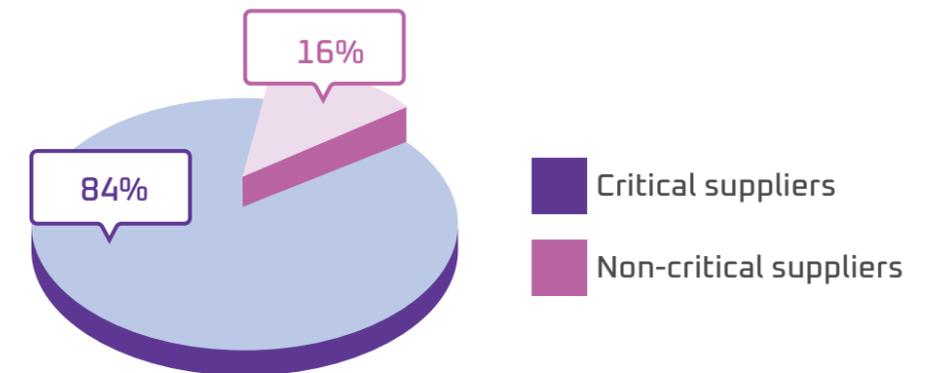
WIN's IC wafer production sites are in Taiwan. We work with over a thousand suppliers worldwide. Our supply chain categories mainly include raw materials, equipment, components, consumables, factory services/construction contractor, and waste disposal. They are divided into two categories including suppliers of materials directly related to production and suppliers of indirect materials, equipment and packaging materials.

Supply Chain Categories and Attributes



To effectively manage the supply chain and resource allocation, we established thresholds for annual procurement projects and included critical suppliers (Note 1) that require management and control. Critical suppliers account for approximately 84% of suppliers, and we shall implement management for critical suppliers with regular cooperation.

The Proportion of Critical and Non-critical Suppliers by Annual Procurement Amount



Note 1: Critical suppliers refer to:

- (1) Direct materials suppliers with a procurement amount ranked among the top 85%.
- (2) Suppliers of indirect materials, equipment, and packaging materials not directly related to production with a procurement amount of more than NT\$10 million.
- (3) Single source of materials or irreplaceable suppliers.

In 2023, WIN maintained stable partnerships with approximately 894 suppliers. Compared to 2022, the number of suppliers decreased by 9%, and the procurement amount decreased by 37%. The main reasons for this were adjustments in order and product structures and increased material inventory during the pandemic. Suppliers are important partners to WIN's sustainable development. To strengthen our partnership with suppliers, improve their quality, reduce the supply risk of our supply chain, and reduce unnecessary supply costs, we actively support and work together with local suppliers and improving their development abilities, which lowers carbon emissions and creates local employment opportunities.

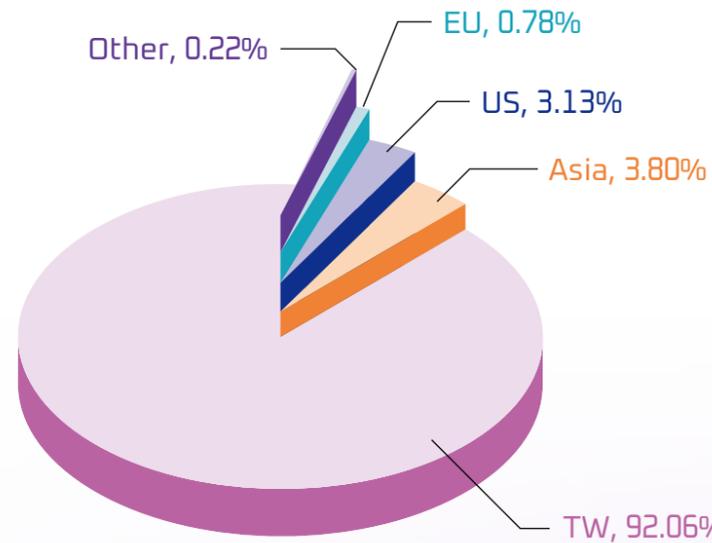
Local companies (Note 2) accounted for 92.06% of companies that WIN purchased from in 2023, and the number of companies in the Asia Pacific region (Note 3) and Taiwan reached 95.75%. The proportion of local procurement amounted to 73.33%, which has gradually increased over the past four years. Considering the procurement and outsourcing policies of WIN, local procurement and outsourcing are prioritized, with an emphasis on local procurement. Ratio of raw materials purchased locally was 56.54%, meeting the goal for 2023.

The Procurement Center of the Head Office shall remain committed to advancing local supply chains in accordance with WIN's business motto and it shall actively strengthen relations with the supply chain. We shall develop new products and materials for local production and certification. It would reduce the risks of supplies and improve the competitiveness of joint product development with industries in Taiwan and create many job opportunities. WIN shall continue to promote and execute related procurement strategies. In addition, procurement-related operations are conducted through the WIN Supplier Platform to facilitate electronic transactions, establish a harmonious transaction relationship between the two parties, and achieve the goal of an open, fair and just procurement and contracting mechanism. Through the sound cooperative manufacturer management mechanism, unsatisfactory manufacturers are replaced and long-term excellent manufacturers are cultivated.

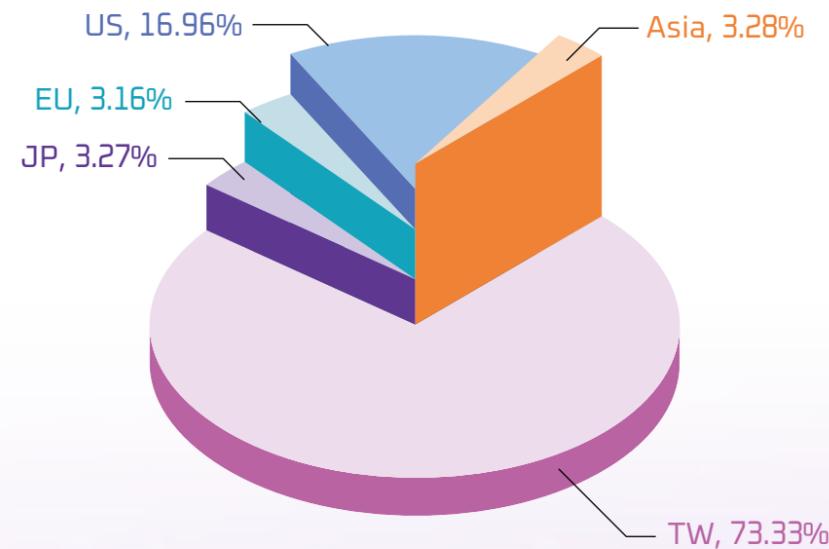
Purchased Locally by Annual Procurement Amount



Regional Distribution of Suppliers by Number of Suppliers



Regional Distribution of Suppliers by Annual Procurement Amount



Note 2: Local suppliers refer to suppliers whose production plants are in the same country as WIN's production sites. For instance, if the supplier's production plant is in Taiwan, it is a local supplier for WIN's production sites.

Note 3: The Asia-Pacific includes Japan, Korea, Malaysia, China, Hong Kong, and Singapore.



Supply Chain Management

► Management Approach

Strategy	Increase the level of detail and make supply chain management smarter.
Control	After analyzing the impact of supply chain risks, design enhanced control points for risks with relatively high impact. Periodically audit and investigate suppliers to ensure that company operations are not exposed to risks.
Efficiency	Whether bottlenecks can be eliminated in processes and the level of implementation, use analytic methods to sort out problems and carry out optimization. After verifying the direction and strengthening control, it is necessary to improve operational efficiency for supply chains to become sustainable.

► Strategy

- 1 Value: Obtain overall competitive value of the supply chain.
- 2 Diversify supplies: Maintain at least two raw materials suppliers for the same materials to ensure a continuous and stable supply of materials.
- 3 Quality foremost: Obtain products and services of the best quality provided by suppliers.
- 4 Sustainable procurement: Improve the economic, environmental, and social sustainability performance of suppliers.
- 5 Responsible minerals purchasing: Ensure products provided by suppliers are produced with metals mined from reliable non-conflict zones. (Do not support or use metals from armed conflict or illegal mining, i.e., conflict minerals)
- 6 Contractor management: Prioritize work safety management and advance both the system and execution to achieve the goals of zero hazards and zero incidents.

WIN is committed to its responsibility for environmental and social aspects. WIN expects its supply chain to develop sustainably and move towards a friendly environment and a safe workplace, and follow ethical standards. WIN conducts due diligence on upstream supplier-related risks and promotes the sustainable development of upstream and downstream suppliers through the four aspects of the supplier management process: formulate standards, risk assessment, supplier evaluation, and continuous improvement.



- We request suppliers to comply with related regulations in the WIN Supplier Code of Conduct.
- Management approach: New suppliers and key suppliers are required to sign the commitment form for the WIN Supplier Code of Conduct and manage their upstream suppliers according to the code of conduct.



- Assessment of sustainability risks based on the supplier rating table and the sustainability self-assessment questionnaire.
- Management approach: New suppliers must respond to the self-assessment table to implement the review.
 Risk assessment phase 1: Active investigation.
 Risk assessment phase 2: Supplier self-assessment questionnaire/identify sustainability risks of supplier compliance evaluations of phase 1 based on the sustainability self-assessment questionnaire.
 Risk assessment phase 3: Track high-risk suppliers/on-site inspections.



- Conduct supplier performance evaluation each year.
- Management approach: Evaluate suppliers of direct material transactions exceeding NT\$10 million.



- Request continuous improvement from suppliers based on the results of performance assessments.
- Management approach: Monitor the weaknesses shown in the evaluation results, give them advice, help them make improvements, and arrange for re-evaluation to confirm that they have met the standards. If improvements cannot be made, we will reduce the percentage of purchases.

Establish Regulations

In addition to requiring new suppliers to sign the WIN Supplier Code of Conduct commitment form, we also require them to guarantee to not using hazardous substances. Suppliers must confirm that the raw materials (including recycled raw materials) and packaging materials they provide do not contain hazardous substances, and must sign documents or provide a declaration for no use of hazardous substances during the annual supplier evaluation and verification procedures of new materials/supplier.

WIN's requirements and policy for supplier management include a guarantee to not use hazardous substances and a Declaration for No Use of Conflict Minerals, which are disclosed on the company website, which is a critical issue for the electronics industry supply chain. We lead our supply chain in jointly developing capabilities for sustainable development. We are focused on making responsible procurements and developing technical capabilities for R&D, so that we can continue to provide high quality, environmentally-responsible services to customers.

Supplier Code of Conduct

WIN firmly believes that a sustainable supply chain is the key to the Company's success in long-term operations. To ensure suppliers understand and establish sustainable operations, we referenced information published by the Responsible Business Alliance (RBA) and related international regulations to establish the WIN Supplier Code of Conduct, requiring suppliers to comply with the code in their business conduct in labor, health and safety, environment, corporate ethics, and management systems and fully comply with the laws and regulations of the countries/regions of their operations. All suppliers are required to sign the "WIN Supplier Code of Conduct" before receiving an order or contract from WIN. We also require suppliers to communicate these requirements to their suppliers and supervise the implementation status of the next level of suppliers. We encourage all existing suppliers and new suppliers to obtain related international certification standards such as ISO 9001, IATF 16949, ISO 14001, ISO 14064, and OHSAS 18001/ISO 45001:2018.

- A

Labor

Suppliers shall commit to protecting human rights of laborers in accordance with international standards and they may not use child labor, discriminate, harass, or require excessively long work hours for laborers.
- B

Health and Safety

Suppliers shall do their best to reduce the occurrence of work-related injuries and diseases and they should recognize that a safe and healthy workplace environment helps improve product and service quality, stability in production, and laborer loyalty and morale. Suppliers must also understand that employee feedback and education are of the utmost importance for resolving health and safety issues in the workplace.
- C

Environment

Suppliers recognize environmental protection responsibilities as indispensable criteria for producing world-class products. The suppliers shall minimize negative impact on communities, the environment, and natural resources in the production process and protect the health and safety of the public.
- D

Corporate Ethics

To perform social responsibilities and succeed on the market, suppliers and their agents shall abide by the highest moral standards including: Ethical management, anti-corruption, information disclosure, intellectual property rights, fair trade and privacy policy.
- E

Management System

Suppliers shall establish management systems in accordance with the contents of the Code of Conduct. The following items shall be ensured in the design of management systems: (a) Compliance with laws and regulations related to supplier operations and products and customer requirements; (b) Compliance with the Code of Conduct; and (c) identification and reduction of management risks related to the Code of Conduct.

In 2023, among our 894 suppliers, 100% of suppliers of direct materials and suppliers of indirect materials, equipment, and packaging materials not directly related to production have signed the Supplier Code of Conduct. WIN shall use the annual onsite audit plans to review the implementation status in the supply chain and promote the Company's policy goals.

🔍 Suppliers that Have Completed the Survey and Signed the "WIN Supplier Code of Conduct" in 2023

Location		Unite state	Europe	Taiwan	Asia Pacific	Others	Total
Direct raw material supplier	Number of companies surveyed	12	3	89	13	0	117
	Response rate	100%	100%	100%	100%	-	100%
Indirect materials, equipment, and packaging materials not directly related to production	Number of companies surveyed	16	4	734	20	3	777
	Response rate	100%	100%	100%	100%	100%	100%
Critical suppliers	Number of companies surveyed	14	3	61	16	0	94
	Response rate	100%	100%	100%	100%	-	100%

Supply Chain Management Risk Assessment

WIN manages sustainability risks of the supply chain to learn about the sustainable development status of the supply chain. WIN's management approach is as follows:

- 1 Risk Identification** : We categorize, analyze, and further identify potential risks faced by the Company or supply chain.
- 2 Risk assessment** : Use analysis methods to determine the probability and losses of specific risks.
- 3 Risk control** : WIN selects suitable management tools based on the management goals to reduce risk.

We survey and assess the sustainability risks of suppliers through a three-stage process every year.

Risk assessment phase 1: Active investigation

Conduct a preliminary assessment and analysis of potential risks for all suppliers, taking into account not only procurement amounts and production processes, but also evaluating country-specific, sector-specific, and commodity-specific risks. This includes assessing the political stability of supplier countries and potential labor issues associated with specific commodities, among other factors.

Risk assessment phase 2: Supplier self-assessment questionnaire

To learn more about risk assessments of suppliers, the Company conducts investigations on critical material suppliers and identify suppliers' risks levels based on investigation items that include the financial capabilities, information security management, records in the industry, past business reputation status, logistics and support capacity, environmental protection management, and supply controls in order to identify, manage, and evaluate suppliers' supply capacity and risks.

- Target: Critical material suppliers
- Supplier Risk Assessment Questionnaire
- Supplier RBA Questionnaire

Risk assessment phase 3: High-risk assessment/onsite inspection of suppliers

The Company identifies high-risk critical material suppliers based on the supplier risk assessment table and conducts onsite inspections to require improvements for deficiencies. We implement varying levels of requirements for critical material suppliers to gradually reduce existing sustainability risks, improve the sustainability performance in the supply chain, and contribute to a stronger supply chain management system.

🔍 Questionnaire Items for Critical Material Suppliers

Supplier Risk Assessment Questionnaire	Supplier RBA Questionnaire
<ol style="list-style-type: none"> Occupational health and safety management system Emergency response procedures Information Security Management Management of Conflict Minerals Supply Chain Management Identification of financial risks Materials risk control and management Control and management of production 	<ol style="list-style-type: none"> Labor management system Labor rights Human Rights Management Code of Ethics Environmental Management Systems Health and safety management system

Supplier Evaluation

WIN regularly assesses suppliers' compliance with the risk management items and choose partnerships based on supplier compliance and continuous performance. WIN requires suppliers to make improvements to their weaknesses during annual supplier evaluations, and also communicates company policy. We periodically examine the status of the supply chain, and implement systematic management to update supply chain status at any time, formulate response strategies, and lower the impact of risks.

Category	Risk Item	Risk Assessment
Economic governance	Quality	<ul style="list-style-type: none"> Product quality stability Capacity for ongoing improvements for irregularities
	Technology	<ul style="list-style-type: none"> Stable product technology Development capabilities
	Delivery	<ul style="list-style-type: none"> Timely delivery
	Price	<ul style="list-style-type: none"> Overall competitive value in the supply chain
	Service	<ul style="list-style-type: none"> Quick response Level of cooperation Active care Problem-solving ability
Environment	Environmental health and safety	<ul style="list-style-type: none"> Green environment - Environmental protection regulations Management systems: ISO 14001, Sony GP, and ISO 14064
Society	Environmental health and safety	<ul style="list-style-type: none"> Social responsibility - Use hazardous substance free (HSF) components, do not use metals mined from conflict zones, and meet WIN Supplier Code of Conduct Management systems: ISO 45001 and IECQ QC080000

Sustainable Supply Chain Evaluation Results

(1) Existing Supplier Evaluation

With regard to raw materials supply chain evaluation and management, WIN rates its suppliers according to their performance in the previous year regarding quality, technology, delivery dates (including premium freight), price, service (including customer notifications of special circumstances and customer interruption), and environmental safety and health practices. Materials suppliers are graded according to their evaluation scores, and those with low scores are requested to propose improvement strategies. WIN organizes onsite audit plans based on annual evaluation results. We also audit main material suppliers at least once every three years. We used different audit methods due to the pandemic, including documentary audit, remote audit, and RBA questionnaire.

In 2023, A-level raw materials suppliers accounted for 51% of the total, while B-level suppliers accounted for 41%, with an increase in A-level compared to last year.

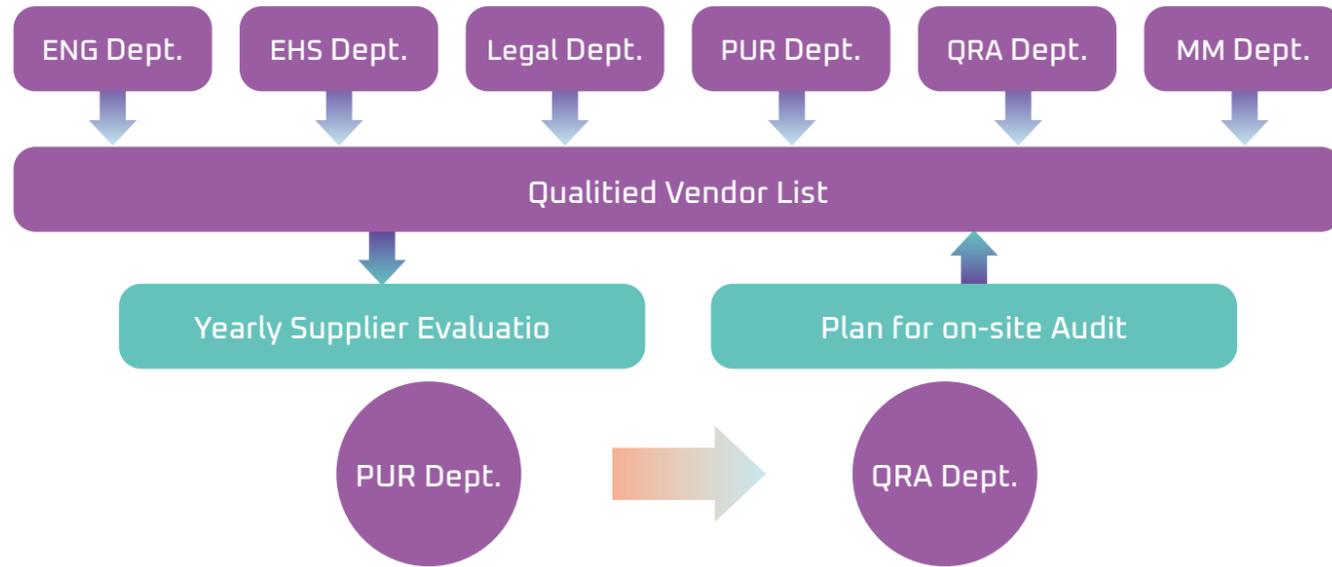
Results of Comparison of Raw Materials Suppliers (Unit: supplier quantity)

Level	2019	%	2020	%	2021	%	2022	%	2023	%
A	23	51%	25	53%	22	50%	16	37%	25	51%
B	20	45%	18	38%	20	45%	25	58%	20	41%
C	2	4%	4	9%	2	5%	2	5%	4	8%
Total	45	100%	47	100%	44	100%	43	100%	49	100%

(2) Evaluation of New Suppliers

WIN's review and approval of all new raw materials are carried out as follows: first they are tested by the engineering department, and if found to have complied with the standards, the vendor of the materials is evaluated by other relevant auditing departments, such as EHS, legal affairs, procurement, quality assurance, and material management for supply risk and to ensure subsequent security in the supply of materials. Once the vendor has passed all evaluations, it will become WIN's qualified supplier and will then undergo WIN's annual performance assessment. The Company's audit team will subsequently arrange on-site audits based on the annual assessment results. The Company established Procurement Management Procedures, Supplier/Contractor Evaluation Management Procedures, etc., evaluates the effect of transactions with a supplier on quality on the environment, and verifies the actual situation.

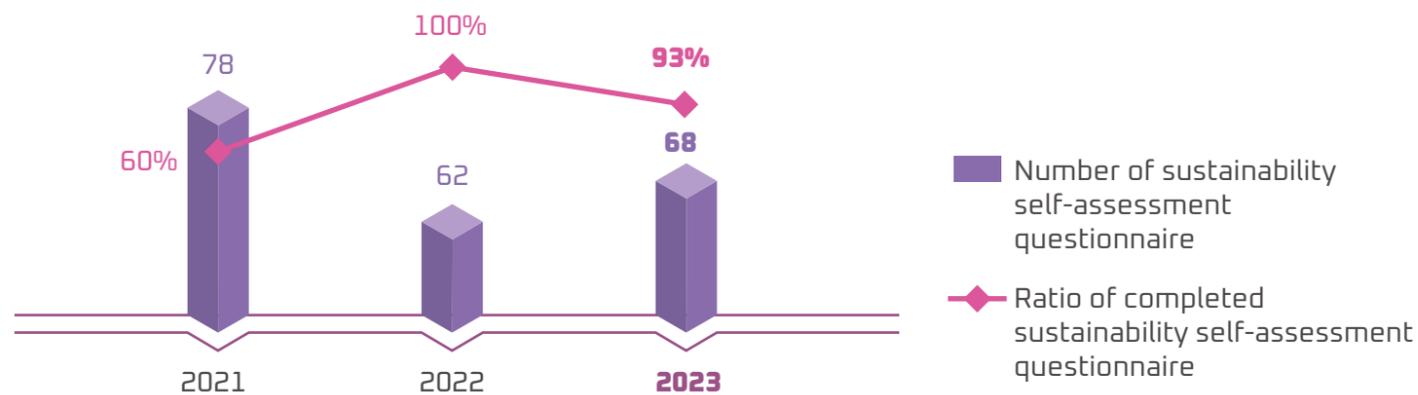
New material/new supplier execution audit



(3) Supplier Sustainability Evaluation

To lower potential risks in the supply chain, raw materials suppliers with transaction amount reaching NT\$3 million and above are required to complete the supplier sustainability self-evaluation questionnaire. In 2023, the questionnaire was sent to 68 suppliers, with around 93% completing the questionnaire. The procurement unit assesses and confirms the ESG compliance of suppliers. Oversight is conducted by the highest-ranking manager of the procurement unit and Chairperson of the ESG Committee, President Steve Chen of the Administration Division. Upon identifying deficiencies, improvement suggestions are provided, and these factors are considered in procurement decisions. Suppliers with better ESG performance are prioritized. Furthermore, suppliers are expected to meet minimum ESG requirements within two years; failure to do so will result in exclusion from contracting. We also offer capacity-building programs aimed at systematically improving supplier practices on specific ESG topics, which include auditing their own suppliers to enhance compliance throughout the supply chain. Moving forward, we will continue sustainability assessments to monitor the supply chain and ensure that suppliers adhere to the Supplier Code of Conduct and meet the ESG standards.

Completion Status of Sustainability Self-Assessment Questionnaire



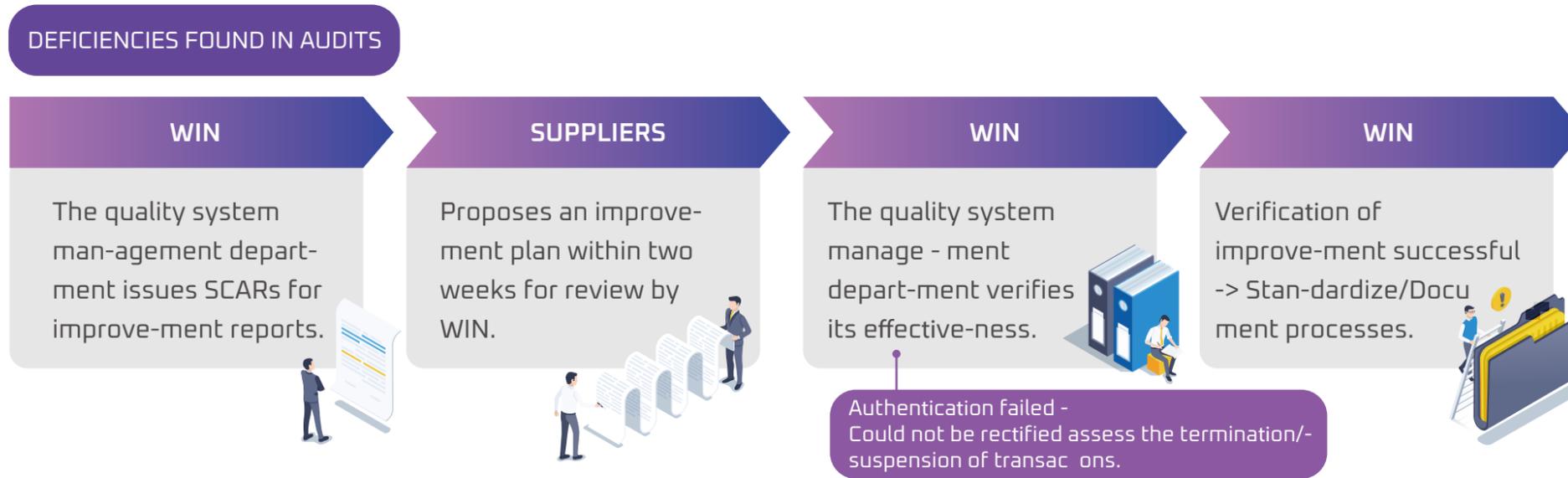
Supplier Sustainability Audits and Self-Assessment Statistics

Category	Findings	Corrective Action
Labor	Work hours not fully compliant with the law	Require work hours to become fully compliant with the law
Ethics	Identity protection and prevention of retaliation – Did not establish an anonymous reporting mechanism	Establish anonymous reporting channels and grievance channels
Health and Safety	Information on evacuation routes is incomplete	Revise and periodically review the evacuation routes of fabs
Environment	Manual on operating procedures not updated in a timely manner	Establish regulations/update related documents, on-site audits
Management system	The management plan is incomplete and cannot respond to different situations in the supply chain	Establish a business continuity plan
	Did not establish risk assessment mechanisms	Include related regulations in to the risk assessment mechanism and conduct periodic reviews
	Did not establish labor management system	It is recommended to start with the company's existing system infrastructure
Quality	Did not audit the next level of suppliers according to the RBA	Identify major suppliers and establish risk assessment procedures and audit system
	Insufficient control over the quality of raw materials	Manage the quality of raw materials to ensure stable quality

Education and Training of Procurement Personnel on Sustainable Supply Chain Management

Purpose	The purpose of this initiative is to train procurement in effectively responding to sustainable supply chain management policies. The goal is to ensure that they possess sufficient management concepts and utilize correct management methods to promote a stable supply chain and achieve sustainable development goals.
Action/Strategy	<ol style="list-style-type: none"> 1. Regularly conduct internal education and training sessions on sustainable supplier management. 2. Promote and implement RBA policies and management within the procurement process. 3. Set ESG KPIs and management goals, and track progress regularly. 4. Align with DJSI (Dow Jones Sustainability Index) to ensure compliance with ESG policy management. 5. Manage conflict minerals and metals. 6. Continuously monitor and manage risks within the supply chain. 7. Conduct sustainable supplier audit.

Management of Ongoing Improvements in the Supply Chain



supplier cannot meet and implement requirements in the conflict mineral management mechanisms of WIN and provide correct information, the supplier cannot be a qualified supplier for WIN. The Company employs supply chain investigations to ensure that suppliers remain 100% compliant to WIN's management requirements for zero conflict minerals, implement responsible procurement strategy, and do not use conflict minerals. Moreover, WIN does not use any cobalt or mica, so we do not need to conduct any investigations using the Cobalt Reporting Template (CRT), Mica Reporting Template (MRT), and Extended Minerals Reporting Template (EMRT).

In order to prevent the risks of supply disruptions or discontinuations, which are often unavoidable, WIN performs ongoing risk assessments and audits of major raw material suppliers. The Company also established contingency plans with respect to the geographic locations of suppliers' production facilities. In the event of a major supply disruption incident, WIN will be able to respond promptly to minimize the impact. The Company also updates and reviews suppliers' inventory levels and production scheduling plans on a monthly basis and integrates the information management approaches of the supply chain's upstream and downstream players in order to minimize the anticipated risks.

WIN assists and guides suppliers and contractors into improving the work environment to improve safety and health concepts and sustainability management awareness. We organize labor safety education and training session for suppliers and contractors once every month. Contents include: WIN's sustainability management mechanisms and goals, safety and health regulation promotion, and increasing the awareness of legal liabilities for occupational hazards. We use seminars to communicate future management requirements and key items.

Management of Conflict Minerals

WIN complies with the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas published by the Organisation for Economic Co-operation and Development (OECD) and responsible minerals sourcing of the Responsible Business Alliance (RBA) for the establishment of management mechanisms for conflict minerals. We are committed not to use conflict minerals from areas affected by conflicts or high-risk mines. The Company requires all suppliers of the 3TG (gold (Au), tantalum (Ta), tin (Sn), and tungsten (W)) to use the Responsible Minerals Assurance Process (RMAP) developed by the Responsible Minerals Initiative (RMI) to ensure that conflict minerals WIN purchased were legally mined.

All WIN's 3TG suppliers have adopted the latest version of the Conflict Minerals Reporting Template (CMRT) announced by RMAP for 3TG minerals supplied to WIN to disclose the origins of their minerals and to provide a list of smelters and miners they work with and which are involved in the processing of these 3TG minerals, so as to ensure that these smelters and miners are internationally recognized as non-conflict smelters and miners. This list is updated periodically. If a

Declaration of Metal Conflict-Free

WIN Semiconductors Corp. hereby declares the metal Conflict-Free on products supplied to customers.

WIN Semiconductors Corp. establishes Conflict Minerals management procedure consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and exercise due diligence within our supply chain to assure that the metals of gold(Au), tantalum(Ta), tungsten(W), tin(Sn) and cobalt(Co) are not derived from or sourced from smelter/refiner in conflict-affected and high-risk areas, or illegally taxed on trade routes, either of which are controlled by non-governmental military groups, or unlawful military factions. Our material declaration process would enable us to better understand the applications of many different types of metals, including metals associated with the conflict-affected.

If WIN Semiconductors Corp. identifies any metal sold to us as being sourced from Conflict Areas we will work with our metal suppliers to rectify it immediately and comply with Metal Conflict-Free policy.