

The background of the cover features a stylized illustration. Two hands, outlined in blue, are shown in a firm handshake. Below the hands is a light blue and green watercolor-style globe. A bright sunburst with radiating lines is positioned on the left side of the globe, partially behind the handshake. The overall color palette is soft, with blues, greens, and yellows.

啓碁科技

Wistron NeWeb Corporation

企業社會責任報告書

Corporate Social Responsibility
Report *2020*

Contents	1
A message from the Chairman	2
Sustainable Management	4
COVID-19 Countermeasures	6
Sustainability Results	8
Communication with Stakeholders	13

1.1	Company Overview	21
1.2	Operational Performance	25
1.3	Products and Services	26
1.4	Intellectual Property	29

2.1.	Corporate Governance	31
2.2.	Integrity Management	33
2.3.	Risk Management	36

3.1	Respect for Human Rights	42
3.2	Recruitment and Employment	47
3.3	Overall Remuneration	53
3.4	Training and Development	56
3.5	Employee Care	60

4.1	Environmental Management	73
4.2	Green Products	77
4.3	Carbon Emissions Management	79
4.4	Energy and Resource Management	81

5.1	Customer Relations	91
5.2	Supplier Management	93
5.3	Contractor Management	98
5.4	Participation in Society	99

6.1	About this report	104
6.2	Assurance Statement	105
6.3	GRI Standards Index	106

A Message from the Chairman

With the world engulfed by the Covid-19 pandemic 2020 was a tough year for everyone. WNC is deeply grateful to all of its employees, customers, suppliers, partners and investors for their trust, support and hard work that has enabled us to face this challenge with all the esprit de corps required and to still achieve a degree of revenue growth, reaching NTD62.6 billion (USD2.1 billion). We also began construction of our new V2 plant in Vietnam and S3 plant in the Southern Taiwan Science Park, scheduled to go online in 3Q21 and 3Q22 respectively.

With continuing global warming and climate change and an attendant increase in natural disasters, as well as COVID-19 accelerating at an unimaginable pace, global ecosystems, the international politico-economic situation, lifestyles and commercial activity, even individual physical and mental health has been impacted to a degree never before seen. WNC, in addition to protecting the health of employees through a range of measures, faced down issues arising from labor shortages, imbalances in supply and demand of raw materials and exchange rate shocks. Through close cooperation and co-working of our Taiwan, China and Vietnam production sites and all functional units, we optimized allocation of production capacity and executed appropriate response measures. In this way the risk of production disruption was minimized and digital transformation projects could continue apace.

Energy resources and waste reduction management are a key component of WNC's corporate social responsibilities. In 2020 our production facilities managed a total carbon emissions reduction of 555 tonnes CO₂e, solar power stations generated 2.1 GWh, and our new V2 and S3 facilities have undergone renewable energy evaluation and planning. All of our facilities continue to promote waste recycling initiatives and our recycling rate has now surpassed 80%. In terms of social participation, in addition to continued industry-academia exchanges with a number of leading tertiary institutions WNC also continues to support the education of under-privileged students from remote areas in Hsinchu as well as being involved in a long-term sponsorship program with the Taiwan Fund for Children and Families in Miaoli and Hsinchu. In 2020 a total of 284 employees signed up to sponsor 79 gifted students from remote areas. At the same time, in order to narrow the urban-rural divide in educational resources WNC has entered into a cooperative program with the Boyo Social Welfare Foundation, offering free tutoring services for English classes for disadvantaged kids. Upper management of WNC have provided funding to the tune of NTD860,000 to cover the costs of course and teachers fees and WNC employees have helped in the planning, design, and production of a complete set of basic communications teaching materials. This should be up and running in 2021 with volunteers engaged in teaching activities with schools in remote areas.

In 2020, in addition to once again winning the Hsinchu Science Park R&D Accomplishment Award, WNC was also recognized in Asiamoney's 2020 Outstanding Companies Poll as Overall Most Outstanding Company in Taiwan and Most Outstanding Company in Taiwan – Technology Hardware & Equipment Sector. We also placed in the Top 50 in the Large Enterprises Group for Excellence in CSR of CommonWealth Magazine and won a Platinum Medal at the 2020 Taiwan Corporate Sustainability Awards. Moreover, in the Corporate Governance Evaluation WNC was ranked in the top 20% amongst all companies. Finally, we won a People Development Excellence award in the 2020 SGS CSR Awards.



Chairman

In step with a rapid expansion in global sales and number of operational sites, as well as the uncertainties created by political, economic and environmental factors, we understand that stakeholders have ever-increasing expectations with regards to a company's performance in environmental protection, social participation, and corporate governance aspects. In order to ensure consistency in our long-term operational strategies we will utilize internal resources of the company to meet stakeholder expectations, while following the principle of materiality. We will continue to discharge our corporate social responsibilities as a corporate citizen in the pursuit of the following long-term goals:

- Creating an outstanding work environment and corporate governance mechanism
- Consolidating core competitive strengths so as to generate balanced value for all stakeholders
- Building green manufacturing facilities and increasing adoption of renewable energies in order to reduce greenhouse gases
- Establishing a sustainable value chain with customers and suppliers
- Supporting the education of disadvantaged students in order to expand their learning and development opportunities

In 2021 COVID-19 is showing no real signs of abating and we are seeing the continuing spread of international trade wars, increasing geopolitical economic barriers, and large-scale natural disasters. This has led to a restructuring of supply chains and a resulting serious impact across all sectors. However, we have also seen a number of opportunities arising and not just due to the demand for remote learning and work-from-home solutions, virtualization, and self-media. Many governments are now advocating for clean networks and the open source communications networks that can achieve this, likewise the push for net zero emissions is driving demand for renewable energy transportation solutions and low orbit satellite networks to achieve global coverage. Next generation technologies such as 5G and Wi-Fi 6/6E will lead to a wave of post-pandemic communications transformations. In 2020 WNC participated in a number of industry-academia research projects, while in the fields of broadband access, smart home, industry supply chain networks, and smart transportation we provided technical services to customers with the aim of becoming an indispensable global partner.

2020 was a tough year and a critical year. It also gave the planet a chance to draw breath as human activity slowed down considerably. For businesses and individuals it was a chance to reflect and to refocus. Looking to the future, as WNC enters its 25th year in business, we will focus on next generation communications technologies and optimized integration of customers and products to respond to the changed market conditions in the post-pandemic era. We will seek to secure the maximum benefit for all of our stakeholders as we enter the next exciting quarter of a century of our existence. We also look forward to receiving advice and suggestions from our stakeholders so that we may together be a positive force in economic, environmental and social aspects.



Sustainable Management

WNC has established Corporate Social Responsibility Best-Practice Principles, Corporate Governance Best-Practice Principles, Ethical Corporate Management Best-Practice Principles, and a Code of Ethical Conduct. These documents are updated in line with international trends, recommendations of the Taiwan Stock Exchange, and on-the-ground realities. WNC's Marketing and Corp. Communication Division and RBA Management Committee direct implementation efforts regarding sustainable development. Such efforts include the stipulation of policies and management regulations related to sustainable development, disclosure of progress and achievements in sustainable development, and assisting WNC's function units in implementing items related to sustainable development. Operations related to sustainable development are conducted by various function units in accordance with their job duties, and comply with related WNC policies. Personnel in function units also pay close attention to related international initiatives and regulations to judge if management regulations and operational procedures for implementing sustainable development need to be updated. Starting in 2019, the President & CEO of WNC regularly (once a year) reports to the Board of Directors regarding communication with stakeholders on sustainable development, the plans WNC has regarding sustainable development, as well as progress made in this area.

CSR Report Organization

WNC's Corporate Social Responsibility Report is produced by a team formed by the Marketing and Corp. Communication Division and related units. The Marketing and Corp. Communication Division is in charge of coordination, information gathering, editing, design, layout arrangement and verification. It invites the top managers of related units to appoint representatives to serve as members of the report team. The Marketing Division holds a project kick-off meeting for report organization at the end of the year to explain and discuss the work plan. Members of the team and the responsible representative of the Marketing and Corp. Communication Division assume the responsibility for gathering, discussing and reviewing sustainability topics based on their day-to-day interaction with stakeholders. The report team summarizes the outcome of its work for the year in the CSR report and submits it to the Chairman for final approval. After regular external verification in Q2 it publishes the CSR report for the previous year in June.

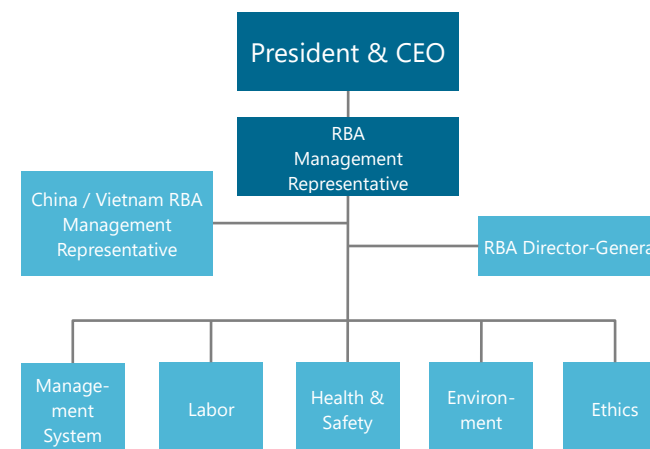
RBA Management Committee

WNC voluntarily abides by the Responsible Business Alliance (RBA) Code of Conduct and has adopted its own Code of Conduct for all WNC employees, subsidiaries, and suppliers to follow. An RBA Management Committee is established both at WNC (Taiwan) and at major manufacturing sites in China and Vietnam. The committee directs WNC's CSR and RBA implementation efforts. The President & CEO serves as the highest-level manager receiving reports on issues. Major issues are submitted to the Board of Directors for examination and resolution.

WNC CSR Report Organization Team



WNC RBA Management Committee



The WNC RBA Management Committee consists of the Environmental Group, Health and Safety Group, Labor Group, Ethics Group, and Management System Group. Each function unit (including the Global Supply Chain Management Division, Industrial Safety Dept., Facility Center, Quality Assurance Division, Finance Division, Human Resources Administration Division, Digital Management Information Systems Division, Marketing and Corp. Communication Division, and Legal & IP Division) assign representatives to serve as the officers for each group, and the officers convene management review meetings every year to discuss corporate social responsibility and RBA-related issues, assess risk in the RBA management system and set key performance indicators (KPIs).

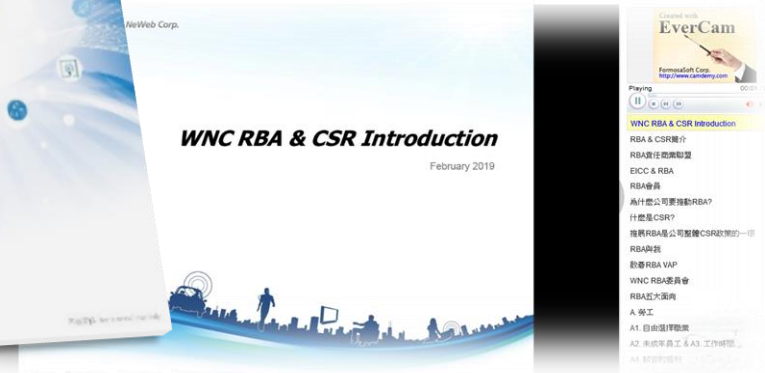
In addition to the semi-annual performance examination, RBA internal auditor training courses and internal audits are held every year to ensure the effectiveness and completeness of the management system. In 2020, a total of 46 employees in Taiwan participated in RBA internal auditor training courses and in Q3 completed RBA internal audits. To conform to industry standards and respond to customer requirements, the RBA Validated Audit Program (VAP) is also conducted regularly across WNC's major sites. These audits are carried out in order to assess the WNC RBA management system in a fair and objective manner. Based on the results of the VAP audit, the daily work necessary for enhancing environmental protection, health and safety are implemented to improve the RBA management system. For specific customer needs, interim meetings are also convened. With regard to issues related to each group, relevant function units are responsible for the items' discussion and resolution as well as the execution and review of the resolution items.

For all WNC employees to better understand the meaning of corporate social responsibility, WNC provides CSR/RBA online courses in Taiwan and China during the orientation of new employees. On-line and live classroom course updates are also provided if necessitated by regulatory requirements, policy implementation, or customer requirements. The Marketing and Corp. Communication Division has collaborated with the WNC RBA Management Committee in compiling a WNC CSR Employee Handbook. The handbook is published in the CSR KM section on WNC's internal website. WNC also provides CSR training for employees of catering companies that provide services to WNC's sites in China. In 2020, a total of 27 employees of catering companies completed training.



All employees • WNC CSR Employee Handbook

New employees • CSR/RBA on-line and live classroom course



RBA internal auditors • RBA internal auditor training courses



COVID-19 Countermeasures

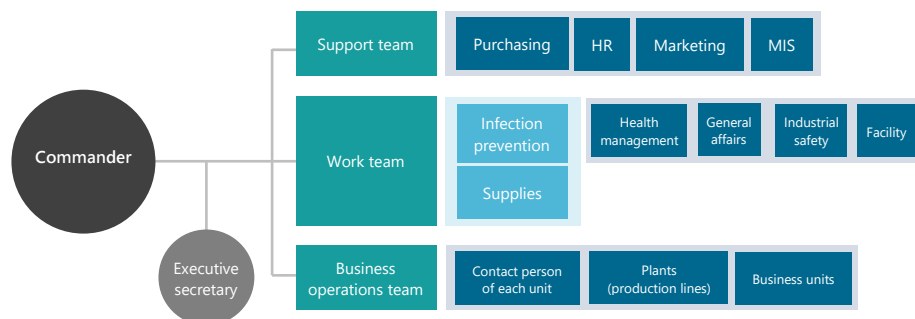
Pandemic Prevention Measures and Control

The COVID-19 outbreak has brought about a huge threat to the global economy, society and physical and mental health. Taking employee health and safety as our first priority, WNC established a COVID-19 prevention team headed up by the CEO in February, 2020, to fully cooperate with the government to fight the pandemic.

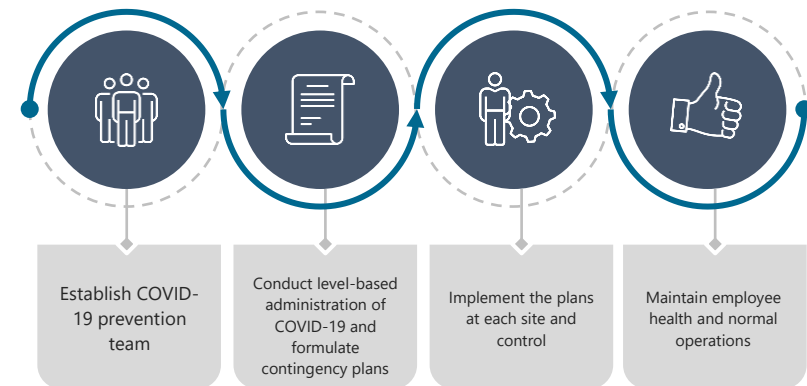
WNC has implemented level-based administration, formulated pandemic prevention flows and contingency plans, and executes pandemic prevention measures at each site in accordance with the *Preparedness and Contingency Planning in Response to COVID-19 Epidemic* guidelines released by the Centers for Disease Control.

To reduce the impact of Covid-19 on business operations, WNC has not only adjusted its production plans in Taiwan, Vietnam, and China sites based on severity of the pandemic, but has also activated backup plans for the supply chain, including investigation and analysis of global supply chains' work resumption rates, follow-up on supply status of crucial materials, review of material shortage conditions, import of substitute materials and reserve suppliers, and adjustment of global material planning during extension periods of work orders.

WTQ COVID-19 Prevention Team



WNC COVID-19 Prevention and Control Flow



WNC Key COVID-19 Prevention Measures



Promotion Methods for Pandemic Prevention

To grasp employees' health status in real time, WTQ established a pandemic prevention monitor mechanism by selecting one monitor from every 100 employees in each unit to assist in tasks such as pandemic prevention promotion, follow-up of health status, attendance abnormality investigation, and supplement of sanitation alcohol.

Also, WNC has established a real-time reporting platform that collects travel histories, contact histories, and abnormal health conditions of employees and visitors via an online form. Using this platform, high risk personnel can be quarantined in the first instance, whose subsequent health conditions will also be traced continuously. Employees may also obtain pandemic prevention knowledge and related information through WNC portal, bulletin boards, e-mails, and online courses at all times.

WNC Pandemic Prevention Promotion Poster



WNC Pandemic Prevention Promotion Videos



Portal防疫專區



公佈欄

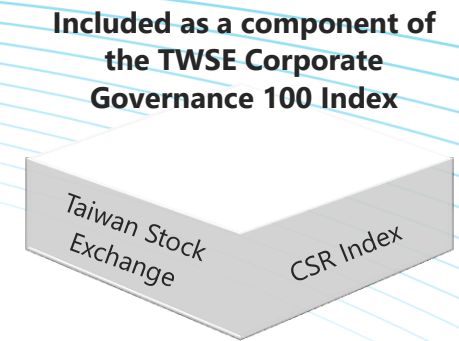
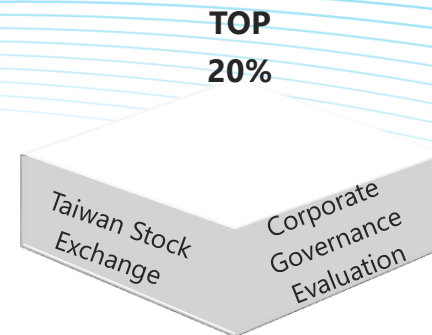
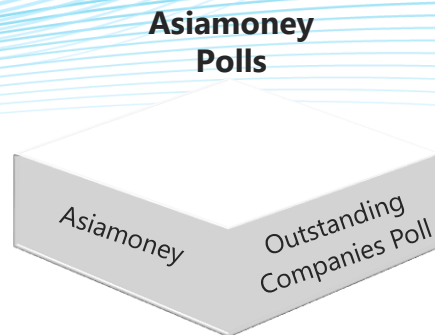


email



Sustainability Results

Achievements



Sustainable Goals and Results

Long-term goals	Short-term Goals		Execution Results in 2020
Create high quality workplaces and corporate governance systems	Corporate governance	<ul style="list-style-type: none"> Implement a diversification policy for the composition of the Board of Directors 	<ul style="list-style-type: none"> Independent board members increased by one. Out of nine BOD members four are independent directors. Independent board members do not serve for more than three terms. At least one board member is female.
	Integrity management	<ul style="list-style-type: none"> Have zero cases of regulatory violations and major lawsuits (referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading) 	<ul style="list-style-type: none"> Achieved the goal of zero cases of regulatory violations and major lawsuits. All managers and employees who are prone to integrity lapses answered the annual self-evaluation questionnaire on the Code of Ethical Conduct.
	Employee care	<ul style="list-style-type: none"> Achieve zero major occupational accidents. 	<ul style="list-style-type: none"> Achieved the goal of zero major occupational accidents.
	Talent Cultivation	<ul style="list-style-type: none"> Enroll 60 more students for the WNC Industry-Academia Partnership Project in 2021. 	<ul style="list-style-type: none"> Worked with Chung Hua University to provide students with on-the-job training opportunities. A total of 141 students recruited as of 2020.
Build green factories, achieve our goal of reducing greenhouse gas emissions, and expand the use of renewable energy	Renewable energy	<ul style="list-style-type: none"> Generate 5.0 GWh of solar power from 2019 to 2022. 	<ul style="list-style-type: none"> A total of 2.1 GWh of electricity was generated from solar power in 2020, or approximately 1,121 tonnes of CO₂e was reduced. The annual power generation equates to a carbon absorption capacity of approximately 2.9 times that of Daan Forest Park.
	Greenhouse gases	<ul style="list-style-type: none"> Reduce total Scope 2 GHG emissions of each unit (tonnes of CO₂e/revenues in millions of NT\$) by 5% in 2022 (base year: 2019). 	<ul style="list-style-type: none"> Total Scope 2 GHG emission intensity for 2020 decreased by 7.3% compared to 2019.
	Waste	<ul style="list-style-type: none"> Achieve waste recycling rate of 83% in 2021. 	<ul style="list-style-type: none"> Achieved a waste recycling rate of over 80%.
Create sustainable operations and value chains with our customers and suppliers	<ul style="list-style-type: none"> Complete a CSR audit of 50 suppliers in 2021. 		<ul style="list-style-type: none"> 66 new suppliers responded to the "Supplier CSR Investigation Plan." 47 suppliers have completed the WNC Supplier CSR audit.
	<ul style="list-style-type: none"> Obtain a customer satisfaction score of 90. 		<ul style="list-style-type: none"> Obtained a customer satisfaction score of 94.
Support the education of disadvantaged children and expand their study and development opportunities	<ul style="list-style-type: none"> Internal: Continue with and expand existing projects by encouraging WNC employees and their dependents to care for and participate in charity activities. External: Cooperate with other companies to organize charity activities. 		<ul style="list-style-type: none"> Expand support scope for students in remote and rural areas: Worked with the Taiwan Fund for Families and Children in Miaoli and Hsinchu and solicited 284 employees to sponsor students in remote areas, donating a total of NT\$852,000. From developing "specialized talents" to supporting "subject" development: Starting from Tunan Elementary School, working with Boyo Social Welfare Foundation to implement an after-school English tutoring scheme in remote and rural areas for three years with 42 top-tier managers participating and a total of NT\$860,000 invested. Promote WNC Classroom charity scheme in combination with our business scope: Invited 5 interns from National Tsing Hua University to participate in compilation of wireless communications teaching materials; trained 10 interns in summer vacation to work as volunteer teachers in remote and rural areas.

Long-term Objectives

WNC Corporate Responsibility Policy



Consolidate core competitiveness and create balanced value for all interested parties

We are committed to sustainable development. Our business strategies are required to include comprehensive consideration of economic, environmental, and social aspects to reach an optimal balance and achieve continuous improvement.



Create sustainable operations and value chains with our customers and suppliers

We only work with suppliers that comply with our CSR policies. Suppliers are required to strictly follow the laws and regulations that WNC and its customers comply with.
We achieve high customer satisfaction with high quality and efficiency and maintain long-term partnerships with our customers.



Build green factories, achieving our goal of reducing greenhouse gas emissions, and expanding the use of renewable energy

We design and produce products and services that enhance convenience in daily life while minimizing impact on the environment.



Support the education of disadvantaged children and expand their study and development opportunities

We respect the community and society we live in and execute our duties as a corporate citizen to help out where we can.



Create high quality workplaces and corporate governance systems





We provide employees with fair and reasonable remuneration according to average levels in the industry and offer training programs to develop employees' competence and expertise.


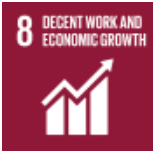


We provide a healthy and safe workplace and implement environmental safety management measures, doing our best to prevent environmental pollution and occupational injuries.

We maintain healthy corporate governance, financial structures, and forward-looking business plans to provide our investors with appropriate returns.

Responding to United Nations Sustainable Development Goals (SDGs)

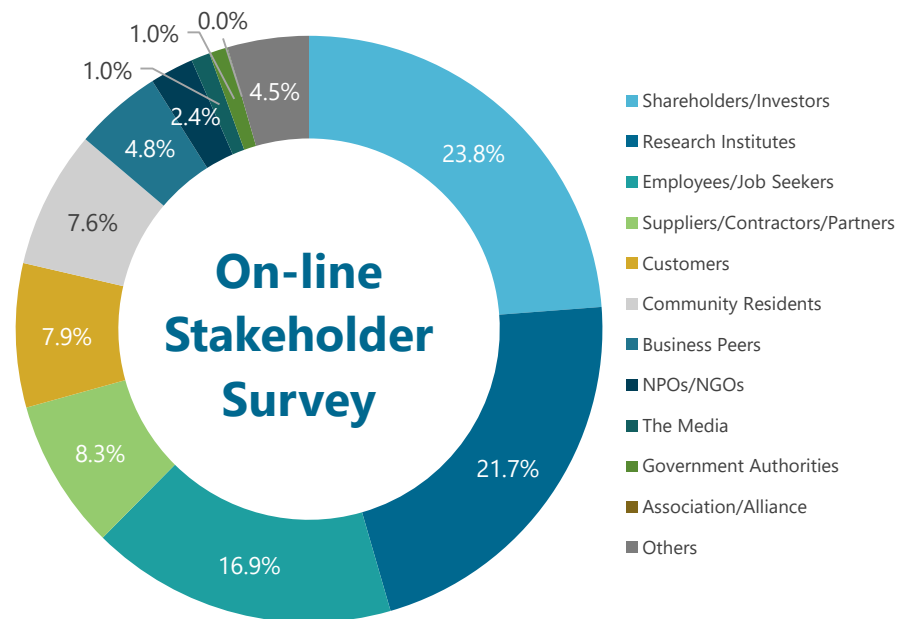
WNC's sustainable behavior in terms of eight of the 17 SDGs (United Nations Sustainable Development Goals) is summarized below:

	Action Plans	Execution Results in 2020	Chapter
 <p>Target 3: Good health and well-being</p>	<p>Promote a number of healthy workplace initiatives and offer the WNC Employee Assistance Program which provides employees with consultation services for vocational, familial, interpersonal, physical and emotional as well as mental illness issues.</p>	<ul style="list-style-type: none"> Organized a free quadrivalent influenza vaccination event, in which 1,888 WNC employees and personnel stationed at WNC sites were vaccinated. Introduced the Employee Assistance Program (EAP). 316 employees used the consultation service. Completed trace and management of 411 potential COVID-19 case contacts and maintained a record of no confirmed cases in our plants. Provided organic vegetables for group meals, with the amount of purchases amounting to NT\$8.65 million. 	<p>3.5.3 3.5.5</p>
 <p>Target 4: Quality education</p>	<ul style="list-style-type: none"> WNC attaches great importance to employee training and growth, and arranges training courses for employees. WNC understands the importance of education, and is committed to sponsoring Siang Bi Elementary School, Tunan Elementary School, and Meiyuan Elementary School. 	<ul style="list-style-type: none"> WNC colleges held a total of 459 courses, and there were a total of 168,429 participants. WNC employees underwent an average of 22.2 hours of training, with expenses related to employee training amounting to NT\$ 9.01 million. The training courses received an overall satisfaction score of 4.5 (maximum of 5) from employees. WNC and WNC employees donated a total of NT\$610,000 to assist Tunan Elementary School in Hsinchu County and Siang Bi Elementary School in Miaoli County to sponsor the development of their featured education. Worked with the Taiwan Fund for Families and Children and solicited 284 employees to sponsor students in remote areas in Miaoli to donate a total of NT\$852,000. Cooperated with the Boyo Social Welfare Foundation to implement an after-school English tutoring scheme in remote and rural areas for three years with a total of NT\$860,000 invested. 	<p>3.4.3 3.4.4 5.4.2</p>
 <p>Target 5: Gender equality</p>	<p>Adhere to principles of respect for human rights to employ appropriate talent for corresponding positions. Do not consider gender as an advantage or disadvantage during evaluation. Provide employees with fair and reasonable remuneration according to average levels in the industry.</p>	<ul style="list-style-type: none"> Rates of male and female employees retained after parental leave were 100% and 80% respectively. Rates of male and female employees accepting WNC career development planning were 17.2% and 15.3% respectively. 	<p>3.1.4 3.3.2</p>
 <p>Target 6: Clean water and sanitation</p>	<ul style="list-style-type: none"> Provide safe and nutritious water and group meals for employees. Improve process wastewater treatment efficiency to reduce pollution. 	<ul style="list-style-type: none"> Conducted bi-monthly water quality tests of water dispensers and announced the results. The test results comply with all relevant standards. S1 site purchased wastewater treatment equipment. Implemented water conservation and recycling programs. The saved and recycled water made up approximately 12.6% of the total water withdrawn by WNC, which saved about NT\$ 4.19 million in water withdrawal costs. 	<p>3.5.2 4.4.2</p>

Action Plans		Execution Results in 2020	Chapter
 <p>Target 7: Affordable and clean energy</p>	<p>Adopt clean energy to increase diversity of resource usage.</p>	<p>A total of 2.1 GWh of electricity was generated from solar power in 2020, or approximately 1,121 tonnes of CO₂e was reduced. The annual power generation equates to a carbon absorption capacity of approximately 2.9 times that of Daan Forest Park.</p>	4.4.1
 <p>Target 8: Decent work and economic growth</p>	<ul style="list-style-type: none"> Recruit talent through internal and external recruitment channels; pay attention to employee career development and work-life balance to retain outstanding employees. The WNC Industry-Academia Partnership Project cultivates engineering and technology talent through industry-academia collaboration and alleviates the shortage of skilled workers at WNC. 	<ul style="list-style-type: none"> The number of worldwide employees at WNC increased by 6.9%, an addition of 769 new jobs. The 4th Industry-Academia Partnership Project recruited a total of 37 students, and the student retention rate over the years has been 86.0%. 	3.2 3.2.3
 <p>Target 12: Responsible consumption and production</p>	<ul style="list-style-type: none"> WNC has established a set of Green Product Restricted Substances Management Procedures and a Standard for Restricted Usage of Environmentally Hazardous Substances, and has used the aforementioned standards to create a control list of hazardous substances that all of its suppliers must comply with. Suppliers are required to meet WNC's CSR requirements and expectations to build a green supply chain. Implementation of waste recycling and reuse programs to improve waste recycling rate. Purchasing of products with green product labelling. 	<ul style="list-style-type: none"> Received and fulfilled a total of 587 requests for green products from customers. In 2020, WNC's products did not violate any green product directives. 47 suppliers completed the WNC Supplier CSR audit in 2020, making 460 suppliers in total. Seven recycling projects were implemented, resulting in savings of NT\$ 26.52 million. WNC sites in Taiwan purchase office supplies, such as computers, and paper towels that have green product labeling. The supplies purchased amounted to NT\$ 28.13 million. 	4.2.1 5.2.3 4.1.2 4.1.4
 <p>Target 13: Climate action</p>	<p>Implementation of measures in work environments to conserve energy and reduce our carbon footprint to ensure the effective use and management of limited resources; help raise environmental protection awareness by organizing related activities with the aim to reduce carbon emissions.</p>	<ul style="list-style-type: none"> Total Scope 2 GHG emission intensity decreased by 7.3% in 2020 (base year: 2019). Implemented the ISO 50001 energy management system, reducing emissions by 450 tonnes CO₂e and leading to energy savings of around NT\$ 2.21 million. Held four environmental protection activities, including a beach cleanup activity, turning off lights competition, environment protection quiz, and handicrafts exhibition. A total of 955 employees participated in these activities. 	4.3 4.4.1 4.1.4

Communication with Stakeholders

Communicating with stakeholders in a timely and appropriate manner is a basic responsibility of a corporate citizen. WNC strives for pragmatic operations and steady development. Considering business modes and customer requirements, WNC adopts a conservative and low-profile attitude in any form of advertisement or promotion, while still trying to maintain smooth communications and mutual trust with its stakeholders through diverse means. To identify key stakeholders of WNC and substantive issues so as to determine this report's main objectives and contents, we assembled sales managers and corresponding employee representatives from the following stakeholder-related segments of WNC: finance, investor relations, marketing and corporate communication, CRM administrators, human resources administration, employee relations, digital management information systems, global supply chain management, supplier quality management, and the RBA committee. We conducted survey of material topics to collect feedback from selected employees of each unit and stakeholders (internal survey) to analyze and sort the results based on respective business scope and related interested parties, interested parties' degrees of concern with these issues, and their impact on WNC's operations. In 2020, a total of 39 internal surveys were collected.



Identification of Stakeholders

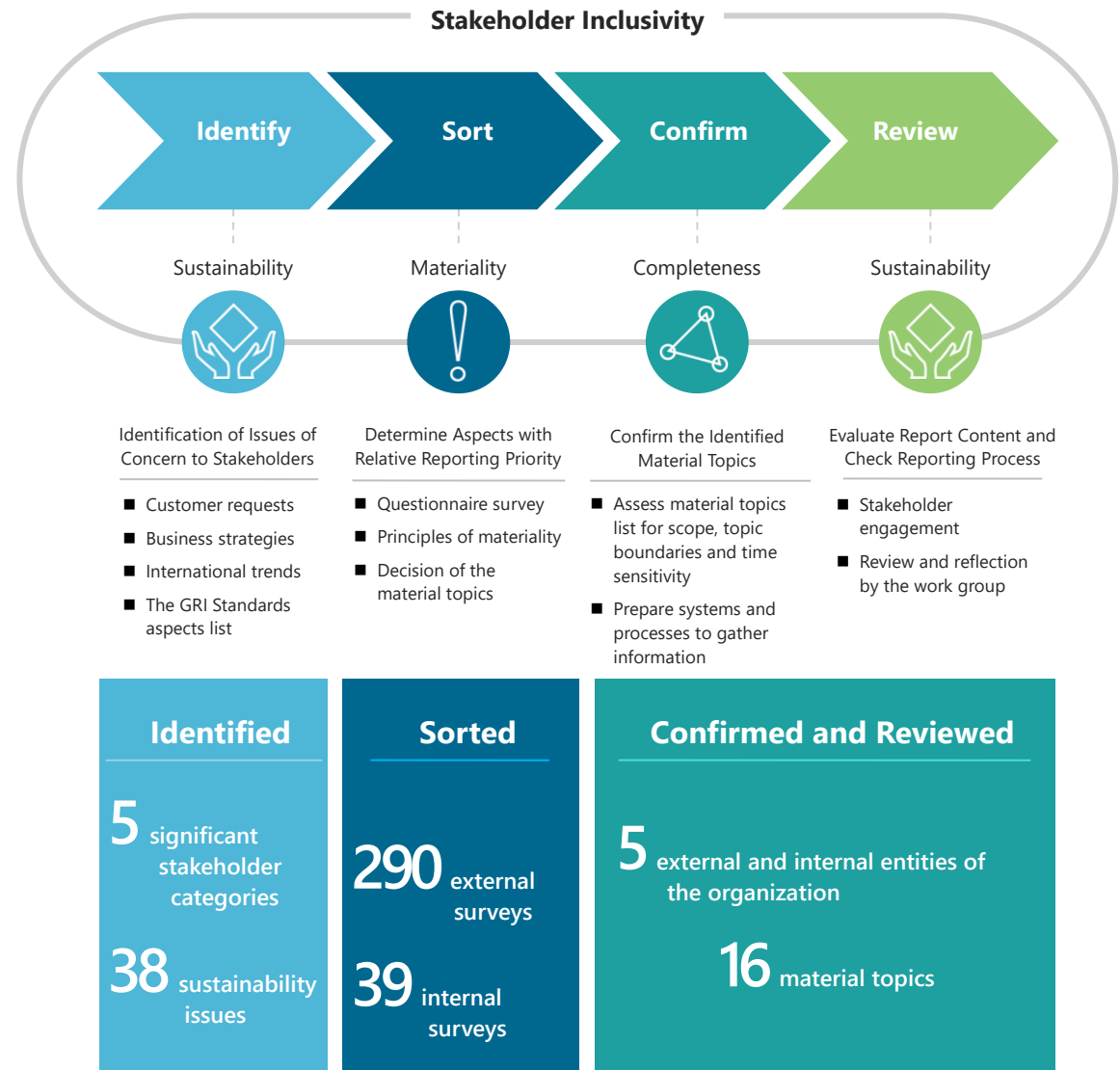
WNC has adopted the five factors specified by the AA1000 Stakeholder Engagement Standard 2015. According to these: dependence, responsibility, tension, influence, and multiple perspectives of stakeholders of WNC, we have identified five significant stakeholder categories including customers, employees, investors/shareholders, suppliers and government/authorities. To collect feedback from stakeholders, we post an online stakeholder questionnaire (an external survey) in the Stakeholder Section on WNC's website for our stakeholders to provide their feedback. We received 290 surveys in 2020 and approximately 58% of them were filled out by stakeholders in the five identified significant stakeholder categories.



Identification of Material Topics

We interact with stakeholders throughout our day-to-day operations. We compile reports on international trends related to corporate social responsibility, issues raised by customers, and subjects that are the focus of the industry and third-party evaluation organizations. We collect the issues that concern stakeholders through the following internal and external inputs, and with reference to the definitions and classifications in the GRI Standards published by the Global Reporting Initiative (GRI). We have collected a total of 38 sustainability issues which are categorized into overall, economic-, environmental-, social-, and product-responsibility categories.

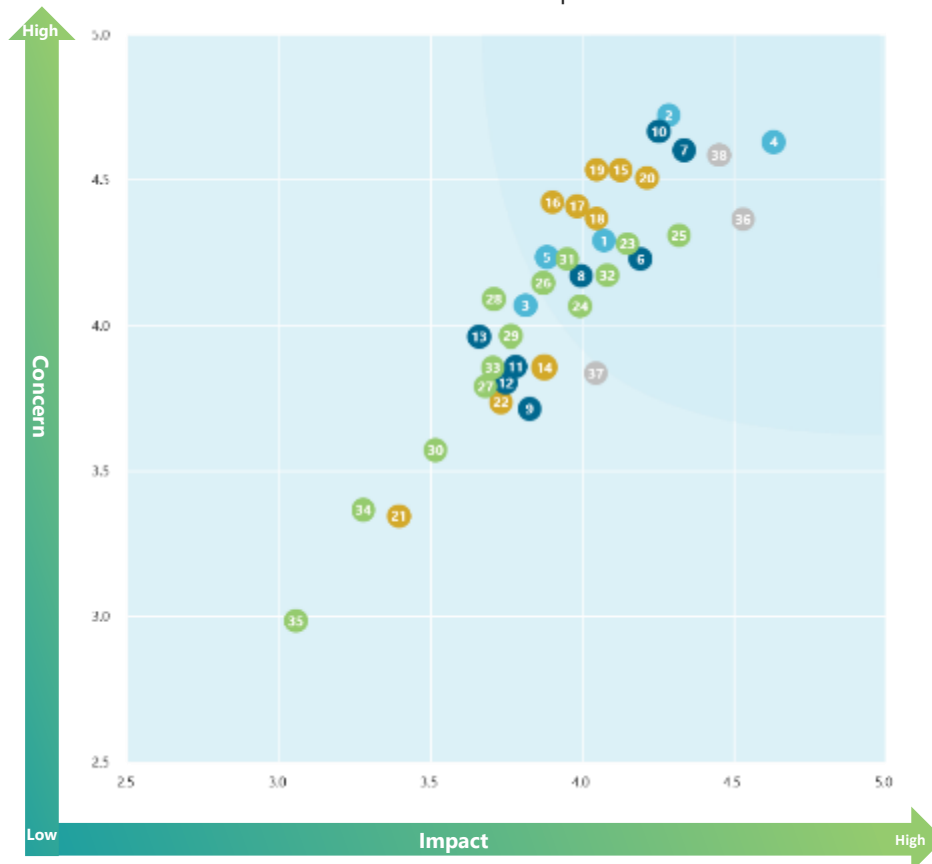
- Internal: Corporate culture, business philosophy, job function and plans of each unit, corporate social responsibility best-practice principles, communication channels for employees, and the results of external and internal surveys.
- External: International trends and regulations, customer requirements, practices of our business peers, [Responsible Business Alliance \(RBA\)](#), third-party evaluation organization ([EcoVadis](#)), the [Telecommunications Industry Association](#), evaluation items of the [TCSA \(Taiwan Corporate Sustainability Awards\)/Excellence in Corporate Social Responsibility Award from CommonWealth Magazine](#), the [Sustainability Topics for Sectors](#) published by the [GRI](#), and the [The Global Risks Report 2020](#) published by the World Economic Forum.



Based on a substantive analysis process, the assigned employees rated "level of concern of stakeholders to the particular aspect" and "level of impact of the aspect on WNC's operations" using a scale of one to five ("1" being the lowest and "5" being the highest). The level of impact takes into account six operational impact factors including revenue, cost, customer satisfaction, employee recognition, reputation, and compliance/risk. As for the level of concern, the results of the internal survey are integrated with those of external stakeholders, then we weight the score of the question "first to fifth, sixth to tenth and eleventh to fifteenth issues that concern stakeholders the most" by 10%, 8% and 5% respectively. The score for this question is calculated based on statistical results from the external survey. The average scores are plotted on a Cartesian plane to enable the identification of aspects that are both of higher interest to stakeholders and have a

higher impact on WNC's operations. Aspects with an average score of 4.0 or higher on "level of concern of stakeholders to the particular aspect" and "level of impact of the aspect on WNC's operations" are considered major aspects of interest; there are a total of 22 such material issues. Four of the issues have been consolidated in accordance with the GRI standards. These issues cover four items of general disclosures and 16 issues relating to material topics.

Prioritization of Topics



Overall	Environmental
1 Sustainable Management	20 Effluent and Waste
2 Risk Management	21 Biodiversity
3 Grievance Mechanisms	22 Use of Packaging Materials
4 Compliance with Regulations	
5 Supplier Management	
Economic	Social
6 Corporate Governance	23 Employment
7 Technology R&D/Quality Service	24 Labor/Management Relations
8 Anti-corruption	25 Occupational Safety & Health
9 Anti-competitive Behavior	26 Training & Education
10 Economic Performance	27 Diversity & Equal Opportunity
11 Local Employment	28 Human Rights Assessment
12 Economic Impact	29 Anti-discrimination
13 Local Procurement	30 Freedom of Association & Collective Bargaining
Environmental	31 Child Labor
14 Materials	32 Forced or Compulsory Labor
15 Energy Management/Conservation	33 Conflict Minerals
16 Green Product Management	34 Local Communities
17 Water Resource Management	35 Public Policy Participation
18 Carbon Emission Management	
19 Emissions and Air Pollution	
	Product Responsibility
	36 Customer Health & Safety
	37 Marketing and Labeling
	38 Customer Privacy

GRI Material Issues for WNC in 2020									
Aspect	Material Issues	Operational Impact						GRI Standards	
		Revenue	Cost	Customer Satisfaction	Employee Recognition	Reputation	Compliance/Risk	Title	Disclosure Number
Overall	Sustainable Management			●	●	●	●	General Disclosures	102-14
	Risk Management			●	●	●	●		102-15
	Compliance with Regulations			●		●	●	Environmental/Socio-economic Compliance	307-1, 419-1
	Supplier Management			●		●	●	Supplier Environmental/Social Assessment	308-1, 308-2, 414-1, 414-2
Economic	Corporate Governance	●		●	●	●	●	General Disclosures	102-18
	Technology R&D/Quality Service	●	●	●					102-2
	Anti-corruption			●	●	●	●	Anti-corruption	205-1, 205-2, 205-3
	Economic Performance	●	●		●			Economic Performance	201-1, 201-2, 201-3, 201-4
Environmental	Energy Management/Conservation		●	●			●	Energy	302-1, 302-3, 302-4, 302-5
	Green Product Management		●	●					
	Water Resource Management		●	●			●	Water and Effluent	303-1, 303-2, 303-3, 303-4, 303-5
	Carbon Emission Management		●	●			●	Emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-7
	Emissions and Air Pollution Management		●	●			●		
	Effluent and Waste			●		●	●	Effluent and Waste	306-1, 306-2, 306-3
Social	Employment		●		●		●	Employment	401-1, 401-2, 401-3
	Labor/Management Relations				●		●	Labor/Management Relations	402-1
	Occupational Safety & Health				●	●	●	Occupational Health and Safety	403-1 to 403-10
	Training & Education			●	●	●	●	Training & Education	404-1, 404-2, 404-3
	Child Labor			●		●	●	Child Labor	408-1
	Forced or Compulsory Labor			●		●	●	Forced or Compulsory Labor	409-1
Product Responsibility	Customer Health & Safety	●		●			●	Customer Health & Safety	416-1, 416-2
	Customer Privacy	●		●		●	●	Customer Privacy	418-1

In view of the 16 material topics identified, we assembled the employees assigned by their respective unit supervisors, and through their actual day-to-day operations, we confirmed the issues related to each topic and determined the significance on operations and which branch of WNC might be impacted, such as WNC Taiwan (including headquarters, S1, and S2), branches in Kunshan, China (including WNC (Kunshan),

Wistron NeWeb (Kunshan), and WebCom (Kunshan)), branches in Vietnam (WNC Vietnam), as well as which customers, suppliers and contractors outside of WNC. Please refer to [Chapter 6.3 GRI Standards Index](#) for the actual disclosure and corresponding chapters. The aspects of major importance to WNC but not included in the GRI standards indexes are categorized as "others."

GRI Material Topics for WNC in 2020

● Material, disclosed in report ○ Material

Aspect	GRI Material Topics	Significance on Operation	Relevant Chapter	Within the Organization		Outside of the Organization		
				WNC	Branches	Customer	Supplier	WNC
Overall	Environmental/Socio-economic Compliance	Ensure compliance of company operations to avoid the risk of fines and suspension of business.	4.1.2, 2.2.3, 1.3.1	●	●	●	●	●
	Supplier Environmental/Social Assessment	Establish strategic partnerships with suppliers to enhance the integration of the value chain.	5.2	●	●		●	
Economic	Anti-corruption	Integrity management is the foundation of corporate sustainability. Implementing risk management, fulfilling duty to investigate, and creating a culture of accountability are key for integrity management.	2.2	●	●	○	●	
	Economic Performance	Use company profits to give back to shareholders, the government, and employees to create a virtuous circle.	1.2, 2.2.1, 2.3.3, 3.3	●	●			
Environmental	Energy	Improve energy usage efficiency and develop green products to improve company operational efficiency.	4.4.1	●	●			
	Water and Effluent	Recycle and reuse water and implement effective water resource management to reduce the impact of water consumption on company operations.	4.4.1	●	●			
	Emissions	Implement carbon management to improve the company's capabilities in handling risks related to climate change.	4.3, 4.1.1	●	●			
	Effluent and Waste	Promote waste reduction in the company and increase recycling rate to avoid wasting resources and reduce environmental pollution.	4.1.2, 4.4.2	●	●			●
Social	Employment	Create a friendly work environment to raise employee morale and foster a sense of togetherness.	3.1.4, 3.2.2, 3.3	●	●			
	Labor/Management Relations	Provide employees with unimpeded communications channels and be open-minded toward various viewpoints to create a harmonious work environment.	3.1.5	●	●		●	
	Occupational Safety & Health	Protect the safety and health of employees to ensure good production efficiency and quality.	3.5.1	●	●		●	●
	Training & Education	Talented employees are important assets for a company. Foster the creative capabilities of employees to enhance the growth potential of the company.	3.4	●	●			
	Child Labor	Protect basic human rights and provide good work environments and conditions to maintain the reputation of the company.	3.1.1	●	●		●	●
	Forced or Compulsory Labor		3.1.3	●	●		●	●
Product Responsibility	Customer Health & Safety	Develop new green products to improve product competitiveness.	1.3.1, 4.2	●	●	○	●	
	Customer Privacy	Enhance customer satisfaction and cooperation to improve the company's competitive advantages.	5.1	●	●		●	

The general communication channels we use are the [WNC website](#), the [Market Observation Post System](#), public e-mail (please log on to the [WNC website \(About WNC Contact Us\)](#), the [WNC Annual Report](#), and the [WNC CSR Report](#). Stakeholders are encouraged to obtain the latest news from the WNC website and the Market Observation Post System or e-mail related departments. Our Annual Report and CSR Report also cover details of WNC's financial and non-financial performance. Other issues and communication channels are listed in the following table. Please refer to each relevant chapter for the corresponding issue's detailed description. Stakeholders can send inquiries and suggestions related to corporate social responsibility to: public@wnc.com.tw. In 2020, there were no complaints regarding work environment, labor practices, human rights practices, or social impact.



Stakeholder	Significance	Issue	Responsible Unit	Chapter	Communication Mechanism	Communication Frequency	Communication Result in 2020
Customers	Customers are the key source of revenue and the most important growth engine for the company. A company must provide high-quality products and professional services that meet the needs of the market and customers to continue growing.	<ul style="list-style-type: none">■ Products and services■ Supplier management■ Human rights■ Energy resource & waste management■ ESH management■ Risk management	<ul style="list-style-type: none">■ Business Group/Unit■ QA Div.■ HR Adm. Div.■ Facility Center■ Industrial Safety Dept.■ RBA Committee	<ul style="list-style-type: none">1.34.25.13.14.43.5	Customer satisfaction survey	Once a year	<ul style="list-style-type: none">■ Received a total of 587 requests for green products from customers, and all requests were honored by Q1 2021.■ We earned a score of 94 for customer satisfaction and exceeded our goal (90 points).
					Customer questionnaire or on-site audit	Upon request	
					Project review meeting	Upon request	
					Customer-complaint management	Upon request	
					Global Service Center and after-sales service	Upon request	
Employees	Employees are part of the company and a foundation for sustainable development. A company must provide a high-quality work environment and remuneration to cultivate employees that are willing to utilize their talents and are passionate about delivering performance and value for the company.	<ul style="list-style-type: none">■ Human rights■ Labor/Management relations■ Remuneration■ Training & education■ ESH management	<ul style="list-style-type: none">■ HR Adm. Div.■ Industrial Safety Dept.■ Employee Welfare Committee	<ul style="list-style-type: none">3.13.23.33.43.5	Employee Representative Committee	Quarterly	<ul style="list-style-type: none">■ We responded to 100% of the questions submitted through the various communication channels.■ The number of employees worldwide at WNC increased by 6.9%, an addition of 769 new jobs.■ The rates of male and female employees accepting WNC career development planning were 17.2% and 15.3% respectively.■ WNC signed special agreements with 41 daycare centers in Hsinchu City, Hsinchu County, Taoyuan City, Miaoli County, Tainan City and Kaohsiung City.
					Occupational Safety and Health meeting	Quarterly	
					Employee Welfare Committee	Quarterly	
					Employee questionnaire	Upon request	
					Company Portal	Updated upon request	
					Freshman seminar	Monthly	
					CEO seminar	At least once each quarter	
Performance interview and appraisal	Semi-annually						
Investors/Shareholders	Investors and shareholders fund the company through investments. A company must provide transparent, accurate, and real-time operating information to win the trust of investors and demonstrate the company's market value.	<ul style="list-style-type: none">■ Corporate governance■ Economic performance■ Stockholders' equity■ Products and services	<ul style="list-style-type: none">■ Board of Directors■ Investor Relations Dept.■ Business Group/Unit	<ul style="list-style-type: none">2.11.21.3	Shareholders' meeting	Once a year	<ul style="list-style-type: none">■ WNC was rated in the top 20 % among all companies in the seventh Corporate Governance Evaluation.■ Participated in 131 investor conferences, and held face-to-face meetings with 242 domestic and international legal entities.
					Investor conference	Semi-annually	
					Investor query	Approx. 180 meetings per year	
Suppliers/Contractors	Suppliers and contractors are an important part in a company's delivery of professional products and services. A company must establish an effective and smooth supplier management and communication mechanism to create a win-win situation for each other.	<ul style="list-style-type: none">■ Products and services■ Supplier management■ Contractor management	<ul style="list-style-type: none">■ Business Group/Unit■ QA Div.■ Industrial Safety Dept.■ Global Supply Chain Management Div.	<ul style="list-style-type: none">1.35.25.3	SMS portal	Updated upon request	<ul style="list-style-type: none">■ A total of 47 suppliers have undergone the on-site CSR audit.■ A total of 68 WNC suppliers participated in the Wistron Group Vendor Conference.
					Supplier performance evaluation	Quarterly	
					Supplier audit/contractor evaluation	Once a year	
					Supplier conference	Once a year	
Government Authorities	The government and the competent authorities are key to a company's development. As a responsible corporate citizen, a company must comply with government regulations and policies to win trust and support from the government and competent authorities.	<ul style="list-style-type: none">■ Compliance with regulations■ ESH management■ Energy resource & waste management■ Grievance mechanisms	<ul style="list-style-type: none">■ Finance Div.■ Legal & IP Div.■ HR Adm. Div.■ Facility Center■ Industrial Safety Dept.	<ul style="list-style-type: none">2.2.33.54.42.2	Official documents/questionnaires	Aperiodic	<ul style="list-style-type: none">■ WNC won the 2020 Hsinchu Science Park R&D Accomplishment Award■ Zero cases of regulatory violations and major lawsuits (referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading)
					Awards	Aperiodic	
					Regulatory seminars/ forums/ industry-association activity	Aperiodic	

01

About WNC

Company Overview

Operational Performance

Products and Services

Intellectual Property



1.1 Company Overview

WNC specializes in the design, R&D and manufacture of communication products. We provide complete technical support for RF antenna design, software and hardware design, mechanism design, system integration, interface development, product testing and certification. We offer technical services for short-, medium- and long-distance communications and provide consumer, enterprise-level, industrial-grade and vehicular products. We've been a market leader in network communications, digital home, satellite broadcasting and smart driving assistance for many years.

Vision

WNC's vision is to become a global leader in wireless technology and network technology integration, providing customers with complete wireless communication solutions and professional communication technology.

Goal

Our goal is to achieve customer satisfaction with our service quality and shareholder satisfaction with our overall operating performance, assisted by a team that efficiently executes our high value-added business model.

Culture

Fundamentals Advocacy, Team Cohesion, Customer Trust, and Value Creation are the core values that guide WNC's corporate culture, reminding all employees to whole-heartedly understand customer needs and to pursue lifelong learning in order to perform to their utmost and to be a credit to their employer.

Wistron NeWeb Corporation

Chairman
Haydn Hsieh



President & CEO
Jeffrey Gau



Headquarters:
Hsinchu, Taiwan

Established: 1996/12/07



2020 Capital:
NT\$3.976 billion



2020 Revenue:
NT\$62.65 billion
(consolidated)



Public Listing:
Sept. 22, 2003
(stock code: 6285)

2020 Global
Employees:
11,961



1.1.1 Worldwide Locations

With 15 locations in 6 countries, WNC provides comprehensive solutions and local support for its customers worldwide. WNC's headquarters are located in the Hsinchu Science Park. They provide a combination of R&D, sales, logistics, and after-sales services. Operations of headquarters are responsible for coordinating customer needs and resource logistics for our global sites. In addition, there is an R&D and sales service center in Neihu, Taipei. We have also established subsidiaries for business promotion, technical support, and R&D in the U.S., the U.K., Japan, and the cities of Nanjing and Kunshan in China.

WNC's manufacturing sites comprise S1 (located in Hsinchu Science Park), S2 (located in Tainan Science Park), WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan), and WNC Vietnam Co., Ltd. (V1) in Vietnam. Due to future business needs, WNC began construction of its new V2 and S3 plants in Vietnam and Tainan Science Park, Tainan, respectively in 2020.

Please refer to WNC's website www.wnc.com.tw for detailed information on our worldwide locations.

Worldwide Locations



1.1.2 Management Systems

WNC has established management systems at all of its sites to control, according to international standards, quality, green production, information security, industry-specific operations, environmental impact, and health and safety. WNC has further set up a committee to be responsible for verification/certification policy, operational execution,

and improvements. After each management system is certified by an independent third party, it is continuously updated to ensure performance according to target standards and regulations. Management system related certifications obtained by WNC sites are listed in the following table:

Management Systems of WNC (Taiwan) and Subsidiaries

Aspect	Management Systems	Taiwan			China				Vietnam
		HQ	S1	S2	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom (Kunshan)	NeWeb Service	WNC Vietnam
 Economic	ISO 9001	●	●	●	●	●	●	●	●
	TL 9000	●	●	●	●				
	IATF 16949	●	●		●				
	ANSI/ESD S20.20	●	●	●	●	●	●		●
	ISO/IEC 17025	●							
 Environmental	ISO 14001	●	●	●	●	●	●		●
	ISO 50001	●	●	●	●	●	●		
	ISO 14064-1	●	●	●	●	●	●		●
	IECQ QC 080000	●	●		●	●	●		
	FSC™ Chain-of-Custody	●							
 Social	ISO 45001	●	●	●	●	●	●		●
	CNS 45001	●	●	●					
	ISO/IEC 27001	●	●	●	●	●	●	●	●

1.1.3 Industry Association Memberships



WNC's technology and product scope is broad. Therefore we actively participate in related industry associations and their activities to acquire the most up-to-date industry and technology-related information and maintain good relations with corporations and organizations in related fields. The external organizations in which WNC participated in 2019 include:

- 5G Industrial Innovation and Development Alliance
- Taiwan Electrical and Electronic Manufacturers Association
- FBBLife under CIA
- 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 Association of Information and Communication Standards
- Social Innovation and Innovation Entrepreneur CSR Sodality
- Digital Intelligence Service Alliance (DISA)
- CAICV, China Industry Innovation Alliance for the Intelligent and Connected Vehicles
- CITS, The Linux Foundation China ITS Industry Alliance
- 5G Automotive Association (5GAA)
- Bluetooth SIG
- Global Certification Forum (GCF)
- Global TD-LTE Initiative (GTI)
- HDMI Licensing
- IoT Security Foundation
- Intel® Network Builders
- IMT-2020 (5G) C-V2X
- MoCA Alliance
- ORAN Alliance
- Open Compute Project (OCP)
- Prpl Foundation
- Reference Design Kit (RDK)
- Telecom Infra Project (TIP)
- Wi-Fi Alliance (WFA)
- zigbee Alliance

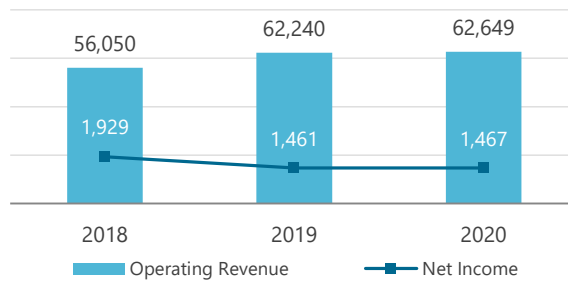
1.2 Operational Performance

The following consolidated financial data charts present WNC's operating results for the previous four years. The IFRS system was adopted for these figures. Detailed financial figures can be found in [WNC's 2020 Annual Report](#).

In April 2021, at book closure date, 9.36% of WNC's shareholders were foreign investors. We will continue to optimize WNC's overall operational performance. Please refer to the [Investor Relations](#) section of WNC's website for related investor information.

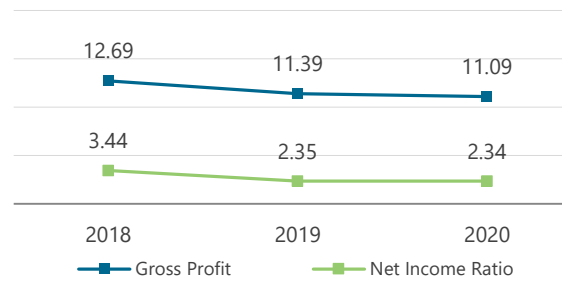
Operating Revenue and Net Income

(NT\$ million)



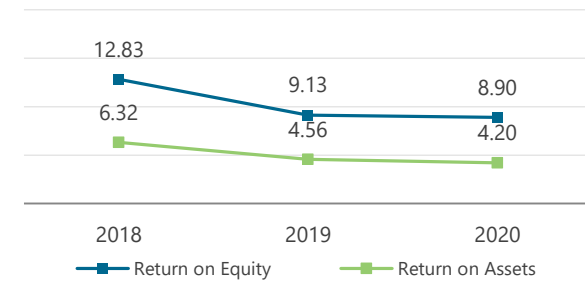
Gross Profit and Net Income Ratio

(%)

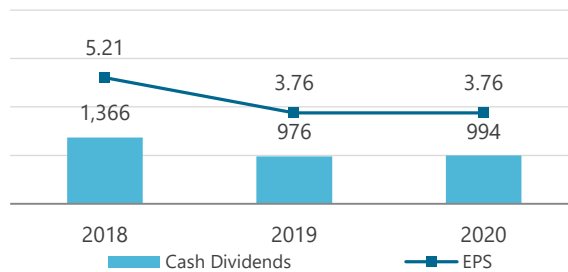


Return on Assets and Return on Equity

(%)

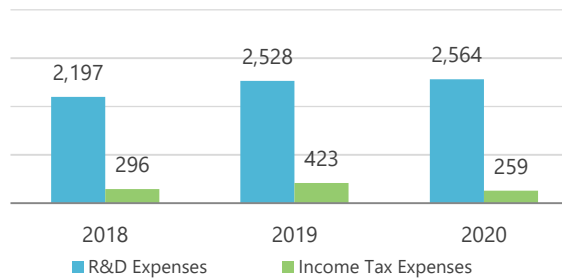


Cash/Stock dividends (NT\$ million) and EPS (NT\$)



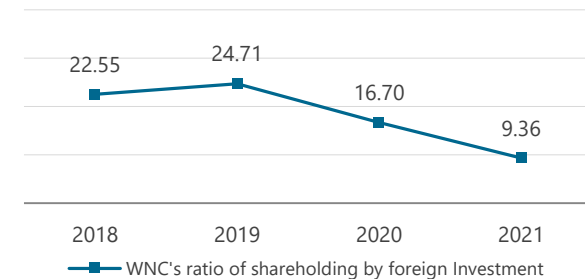
R&D Expenses and Income Tax Expenses

(NT\$ million)



Shareholding Ratios by Foreign Investment

(%)



1.3 Products and Services

1.3.1 Product Scope

WNC is focused on developing wireless technologies in different frequency bands. 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. The contents and the format of product labels fully comply with the requirements of each certification before they are affixed to the product.

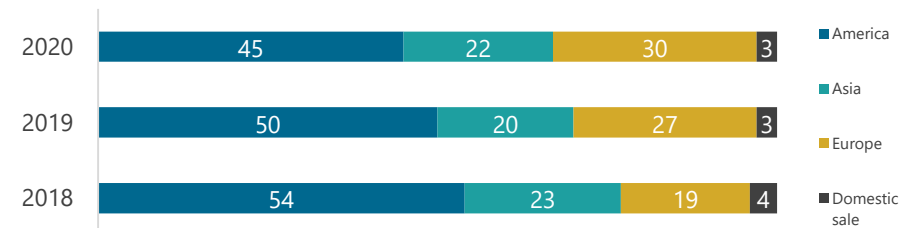
We strive to lessen the environmental impact of our manufacturing operations. We work actively with customers and suppliers to promote green products and green production, reduce resource consumption, and minimize environmental pollution. We seek to create economic and social value through diverse products and outstanding services. WNC (Taiwan) and WNC's major manufacturing sites in China are certified under IECQ QC 080000 standards and have undergone third party internal auditing at fixed intervals with regards to hazardous substances management. In 2020, there were no convictions under, or violations of, relevant laws and regulations concerning our products and services.

Production Categories

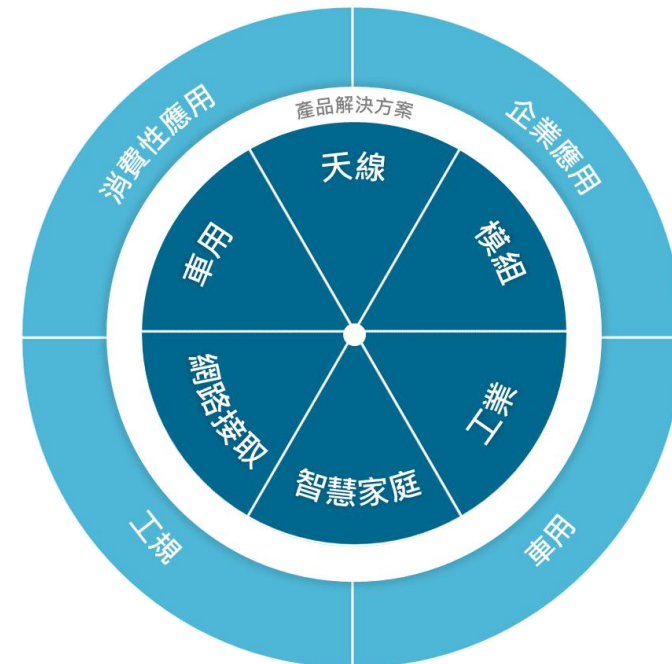
WNC integrates broadband, multimedia and wireless communication technologies. Our products are used in diverse applications and product types including antenna, modules, network access, smart home, industrial, and automotive solutions. We provide consumer, enterprise-level, industrial-grade and vehicular products.

Our many customers include satellite broadcasting service operators, telecommunication-system service operators, system integration vendors, IT brand-name companies, consumer-product branded companies, automotive manufacturers, and car-audio manufacturers. We sell our products worldwide, and our major region by sales in 2020 was the Americas (around 45% of sales). Refer to [WNC's annual reports](#) and [WNC's official website](#) for our detailed products and sales information.

Proportions of product sales areas (unit: %)



WNC product solutions and application scopes



1.3.2 Manufacturing and Quality Service

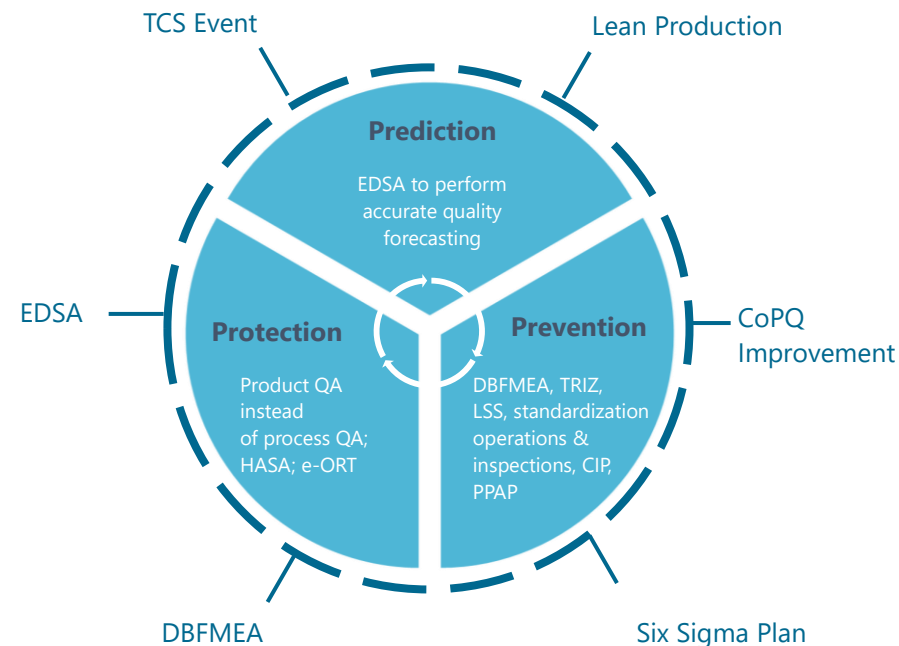
WNC Quality Policy

On-time delivery of zero-defect competitive products & services to our customers

WNC has a "zero defects" long-term quality management objective. We expect to meet and exceed customer expectations in terms of design quality, production quality, and service quality and to become a reliable partner for all our customers.

During our day-to-day quality operations, we set or adjust quality goals which include product quality, service, and delivery based on the ISO 9001, IATF 16949, and TL 9000 quality management systems based on product categories. Quality goals are top-down and owned by each responsible department. In the spirit of "Protection, Prevention, and Prediction (3P)", different quality approaches, tools, and systems are introduced for integration with the product development process and are realized in daily operations. All of WNC's production sites adopt the same manufacturing system and quality management standards, including SFCS (Shop-Floor Control System), e-JIT (Just-in-Time), and SMS (Supplier Management System). Each production site pursues improvement through continuous improvement plans such as BPI (Business Process Improvement), TCS (Total Customer Satisfaction), CIP (Continuous Improvement Program), Six Sigma, and DFSS (Design for Six Sigma). We then analyze and investigate to prevent the reoccurrence of issues, helping us further predict potential risk and formulate preventive mechanisms.

WNC (Taiwan) and WNC's sites in China and Vietnam have all obtained ANSI/ESD S20.20 Electronic Discharge Control Program certifications to ensure that complete electrostatic protection measures are in place throughout the entire manufacturing process. WNC headquarters has also obtained ISO/IEC 17025 (general requirements for the competence of testing and calibration laboratories) certification. This ensures that WNC's own laboratories adopt robust testing techniques and management capabilities to provide customers with high-quality product testing environments.



Quality goals are top-down & owned by each responsible department to ensure that customer and WNC quality targets are achieved.

Zero Defects

- CIP
- No Repeat Errors
- Prevention
- Reliability

Production Automation

To develop production automation, automated production capability should be taken into account during the product design stage. After many years of experience operating production lines, WNC has divided automated production lines into multiple standardized modules that can be quickly assembled into different configurations to manufacture a range of products. This enables us to avoid investments in equipment that do not provide a good return. WNC's in-house automation center oversees WNC's internal automated production operations.

1.3.3 Marketing Communications

WNC's product marketing is handled by our customers and product labeling is also based on customer requirements. Product labels and information are produced and affixed in compliance with local laws and regulations. WNC has established Management Measures on Information Disclosure and External Verbal Communications to govern the scope of verbal communications and manage the process for representing and reviewing disclosure of relevant information about WNC, the market, products and services, customers, and suppliers. These measures help ensure the accuracy, timeliness, and consistency of publicly disclosed information.

The WNC website has WNC's [annual reports](#), [annual shareholders' meeting agendas](#), [annual shareholders' meeting minutes](#), [CSR reports](#), and designated sections such as [Press Room](#), [Investor Relations](#), and [CSR](#) to provide updates on WNC, material information, and information related to WNC's financial situation and CSR efforts.

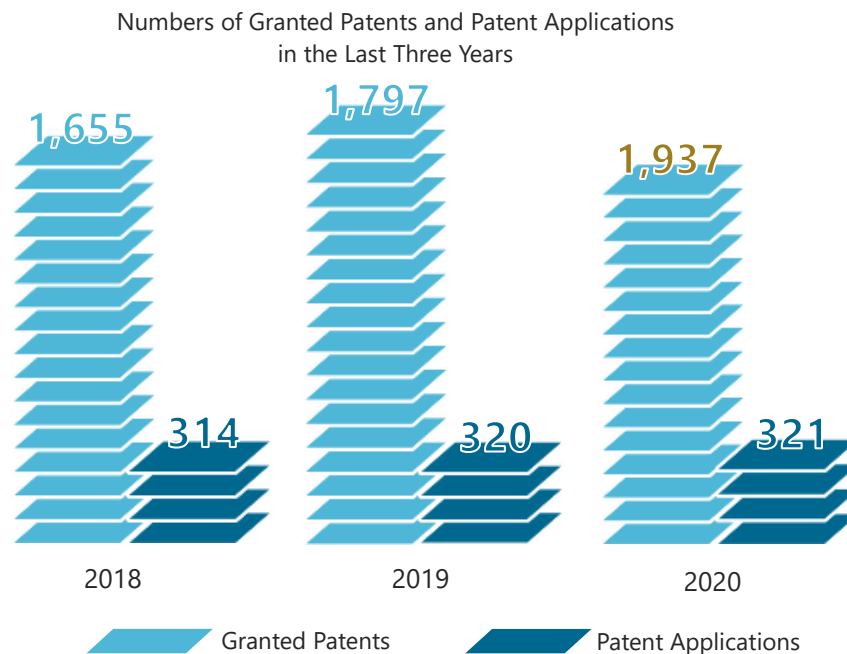


1.4 Intellectual Property

WNC strives to enhance its competitiveness in the communication industry. We develop products based on evolving communications technologies and increasing market demand. To boost research and design efforts, the Legal unit and the Human Resources Administration unit hold patent courses semi-annually. The courses are required for new R&D employees and aim to introduce the patent system and raise awareness of patent infringement issues, as well as to encourage R&D personnel to submit patent application proposals. In 2020, two sessions were held with a total of 101 attendees. In addition, we also held a course on SULA & HDMI premium for Sales, PM and PCC personnel, which aimed to explain how to implement the obligations of patent licensing contracts and related guidelines; a total of 74 employees participated in the course.

To maintain corporate innovation, competitiveness, and protect stakeholders' interests, WNC has stipulated Management Measures on the Control of Information Equipment and Protection of Documents, WNC Intellectual Property Rights Management Measures, and WNC Group Product Development Documents, Projects and Patents Reward Measures to clearly state procedures and measures to safeguard corporate trade secrets and business-related confidential information. In addition, through our management and application policies for intellectual property, we encourage employees to engage in innovation, research and development, and thus continue to accumulate intellectual property in the form of patents, copyrights, trademarks, trade secrets, and other intellectual assets.

WNC has not only been listed among the Approved Patent Applicants of Top 100 Taiwanese Enterprises by Taiwan's Intellectual Property Office but has also received International Awards such as the CES Innovation Award and national awards such as the National Invention & Creation Awards, the Hsinchu Science Park R&D Accomplishment Award, and the Hsinchu Science Park Innovative Product Award numerous times. We hope to maintain steady growth in the number and quality of our patent applications. As of the end of 2020, we held 1,937 patents: 515 in the U.S., 799 in Taiwan, 556 in China, and 67 in other countries. Currently, we also have more than 320 patent applications being processed.



02

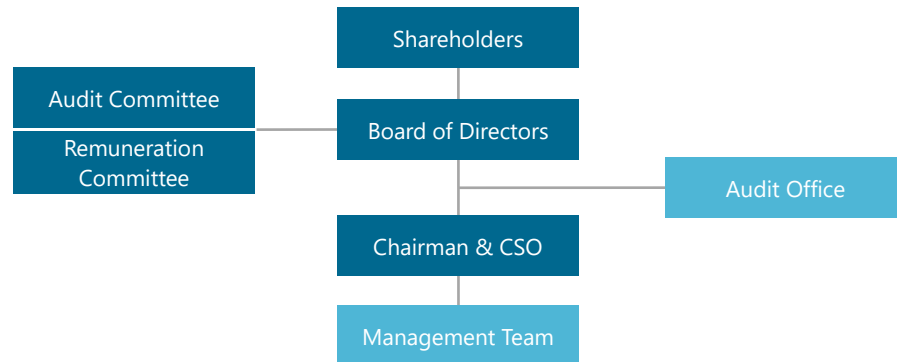
Perfecting Corporate Governance

Corporate Governance
Integrity Management
Risk Management

WNC values the legitimacy and transparency of its corporate operations. Therefore, we seek to perfect our corporate governance system so as to protect shareholders' interests and enhance stakeholder communications. In addition to complying with RBA regulations, we have also formulated Corporate Social Responsibility Best-Practice Principles, Corporate Governance Best-Practice Principles, Ethical Corporate Management Best-Practice Principles, and a Code of Ethical Conduct. Each functional unit in WNC has their own responsibilities in promoting and implementing corporate governance in accordance with WNC policy, and the implementation results are reviewed semi-annually. The Finance Division, the Legal & IP Division, the Human Resources Administration Division, the Quality Assurance Division, the Marketing and Corp. Communication Division, and the RBA Management Committee work together to closely monitor related international proposals and regulations to determine whether we need to update our management guidelines and operational procedures related to corporate governance. The foundation of WNC is a healthy and stable operational environment and we will continue to generate added value for our customers by implementing innovative ideas in our operations management, product development, market promotion, and internal operational procedures. 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.

2.1 Corporate Governance

2.1.1 Organization Chart



2.1.2 Board of Directors

In accordance with its Articles of Incorporation, WNC elects seven to nine directors for three-year renewable terms. A total of nine members of the tenth board of directors were elected at the 2020 Shareholders' Meeting; of the nine members one is female. All members are above the age of 50 and have the required business, legal, finance or accounting qualifications and significant working experience. Four board members are independent directors. To improve monitoring and strengthen management functions, an Audit Committee and a Remuneration Committee have been established under the Board of Directors.

The Board of Directors' responsibilities include overseeing the legitimacy of WNC's operations and ensuring financial transparency, approving the appointment, dismissal and remuneration of upper management, providing guidance to the management team on operational strategies, assessing the performance of the company as it pertains to issues such as the economy, the environmental, and corporate social issues, and approving CSR-related issues reported by the RBA Management Committee or related functional units. The management team also reports on the status of company operations or other significant issues to the Board in order to provide information for reference in decision making.

Board of Directors Information

Name	Title	Gender	Areas of Proficiency		
			Industry/ Technology	Finance	Law
Haydn Hsieh	Chairman & CSO	Male	●		
Jeffrey Gau	Director, President & CEO	Male	●		
Frank F.C. Lin	Director, Wistron Co. Representative	Male	●	●	
Donald Hwang	Director, Wistron Co. Representative	Male	●		
Philip Peng	Director	Male	●	●	
Karen Hsin	Independent Director, Audit Committee Member, Remuneration Committee Member	Female	●	●	●
Neng-Pai Lin	Independent Director, Audit Committee Member, Remuneration Committee Member	Male	●	●	
Michael Tsai	Independent Director, Audit Committee Member, Remuneration Committee Member	Male	●		
T. Y. Lay	Independent Director, Audit Committee Member, Remuneration Committee Member	Male	●		

Board Performance Evaluation

To implement corporate governance and enhance operational efficiency, the Board of Directors passed Regulations Governing the Board Performance Evaluation on March 14, 2018 to establish performance evaluations which are conducted at fixed annual intervals for the overall board of directors, functional committees and individual directors, with an evaluation period lasting from Jan. 1 to Dec. 31 of the same year. Evaluation results are reported to the Board of Directors in a Board of Directors meeting convened in the first quarter of the succeeding year and are disclosed in WNC's annual reports. The 2020 performance evaluation results for the board of directors and the functional committees were "exceeded the stated standard".

The directors' reasonable remunerations shall be determined based on WNC's overall operational performance, operational risks and development trends of the industry in the future, and the degree of their engagement and their contributions to corporate operations. The related performance evaluation and rationalization of the remunerations shall be audited by the Remuneration Committee and the Board of Directors and may at any time be reviewed based on practical operation conditions and the related laws and regulations in order to seek balance in continuous operations and risk control.

Overall Board of Directors ↓	The administrative unit of the Board conducts performance evaluations of the Board (including the functional committees) based on assessment item scores: degree of involvement in corporate operations, quality of decisions, perception of responsibilities, governance structure of the Board (including functional committees), engagement in continuing advanced study, and internal controls.
Individual Board Members ↓	Members of the Board of Directors conduct self-evaluations based on the overall evaluation, such as degree of mastery in advancing corporate goals and accomplishing tasks, perception of responsibilities, engagement in corporate operations, internal relationships management and communications, professional degrees and engagement in continuing advanced studies, and internal controls.
Report and Disclosure	<ul style="list-style-type: none"> ■ Evaluation results of the Board are reported to the Board in the first quarter. ■ The evaluation methods, their implementation, and the previous year's results for the Board (including functional committees) will be disclosed in WNC's annual reports.

2.1.3 Audit Committee

WNC has established an audit committee that 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 in order to effectively supervise company operations and risk management. The audit committee's specialized division of duties and independent positions assists the Board of Directors in the execution of its supervisory capacity, raising WNC's financial standing and credibility. The audit committee is composed of all of the independent directors with at least one member having a specialization in accounting or finance. Terms of office are three years and are renewable. Currently, the committee has four members. Audit committee meetings are held at least once every quarter. In 2020, the committee met four times.

2.1.4 Remuneration Committee

WNC has established a remuneration committee, 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. The compensation for WNC's directors is set according to the Articles of Incorporation (no more than 1% of the year's profits) and is paid in cash. The compensation package for each upper manager includes a fixed component of salary, bonuses, and benefits and a variable component of bonuses, dividends (cash/stock),

stock (restricted stock/treasury shares) and stock options. 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. Currently, the remuneration committee has four members; all are independent directors.

The remuneration committee meets at least twice a year. However, meetings can also be convened upon request. Committee members must invite the Board Chairman or CEO to attend the meetings. 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, accountants, legal consultants, and other personnel to attend meetings and to provide them with pertinent and necessary information. In 2020, the committee met four times.

For more information concerning the Board of Directors, and the audit committee and remuneration committee, please refer to Chapter 3. Operational Highlights in the WNC 2020 Annual Report.

2.1.5 Audit Office

WNC has established, in accordance with the law, an Audit Office for internal controls, responsible for supervising internal control handling procedures, annual audits and review of improvement effectiveness. This independent unit reports directly to the Board of Directors and its authority extends to all operations of WNC and its subsidiaries.

The Audit Office coordinates the self-evaluation of internal controls based on the Regulations Governing the Establishment of Internal Control Systems by Public Companies. Furthermore, it regularly evaluates the applicability of self-assessment surveys, and ensures that self-assessment items cover all main operation procedures and can be adjusted in response to organizational restructuring. The Audit Office ensures that managers of different levels review and evaluate risks. In 2018, WNC adopted online self-assessment of internal controls.

Audits are conducted in accordance with a Board-approved audit plan based on identified risks; extraordinary audits may also be conducted when necessary. The supervisor of the audit office reports immediately existing deficiencies or potential risks to the relevant management, reports major issues to the Board of Directors regularly, or to the Chairman and audit committee at any time when necessary.

2.2 Integrity Management



Zero cases of regulatory violations and major lawsuits
(referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading)

WNC adopts a "zero tolerance" attitude towards corruption. The company's Code of Ethical Conduct, Ethical Corporate Management Best-Practice Principles, and WNC Reporting and Handling Procedure clearly state WNC's policies for upholding integrity. All WNC subsidiaries and affiliates are required to uphold high ethical standards and follow the same corporate compliance guidelines, including anti-corruption legislation from around the world such as the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act of 2010. To create a fair competitive environment, the company and its subsidiaries meet their tax obligations and establish appropriate management systems; employees are required to avoid any behavior that creates unfair competition, and refuse to accept bribes. All WNC directors and top-tier managers abide by the ethical corporate management best-practice policy. WNC has also established an Integrity Office, charged by the Legal & IP Division to enhance integrity management operations ultimately determined by the Chairman. The top manager of the Legal & IP Division reports to the Board of Directors on a regular basis (at least once a year).

Due diligence

WNC also requires all new employees and major suppliers to sign the company's Code of Ethical Conduct committing to not offer or accept any bribes or illegal profits in any other form. We also annually require employees who directly deal with or exert substantial influence over customers, suppliers, and contractors (including high-level executives, sales personnel, PMs, and all employees of the purchasing unit, supplier quality management unit, general affairs unit and the facility unit, and department-level managers and above in the legal, MIS, and R&D units) to answer a self-evaluation questionnaire on compliance with the code of ethical conduct. In 2020, a total of 4287 employees answered the questionnaire, for a completion rate of 100%. Each year the RBA Management Committee conducts risk assessment on labor and ethical risks across all major production sites.

Training and promotion

To boost employees' understanding and implementation of ethics and integrity issues, online and physical classroom courses are held from time to time, and updated promotional resources of our internal website are provided. In 2017, we began running the WNC Ethics and Anti-Corruption Code of Conduct online training course in Taiwan. This enables employees to understand how to make the right choices when company regulations conflict with social norms, enterprise interests, or personal interests, as well as what to do on discovering illegal activities. In 2019, we arranged all employees at China and Vietnam sites participated in training on WNC Ethics and Anti-Corruption Code of Conduct and included it in compulsory training courses for new employees. By the end of 2020, a total of 7393 employees had completed the WNC Ethics and Anti-Corruption Code of Conduct online course.

2.2.1 Grievance Mechanism

The public email for interaction on corporate social responsibility and reporting violations are provided for all stakeholders to raise issues or provide suggestions with regard to WNC's corporate social responsibility policies and practices and for employees and all pertinent parties to file complaints and report violations.



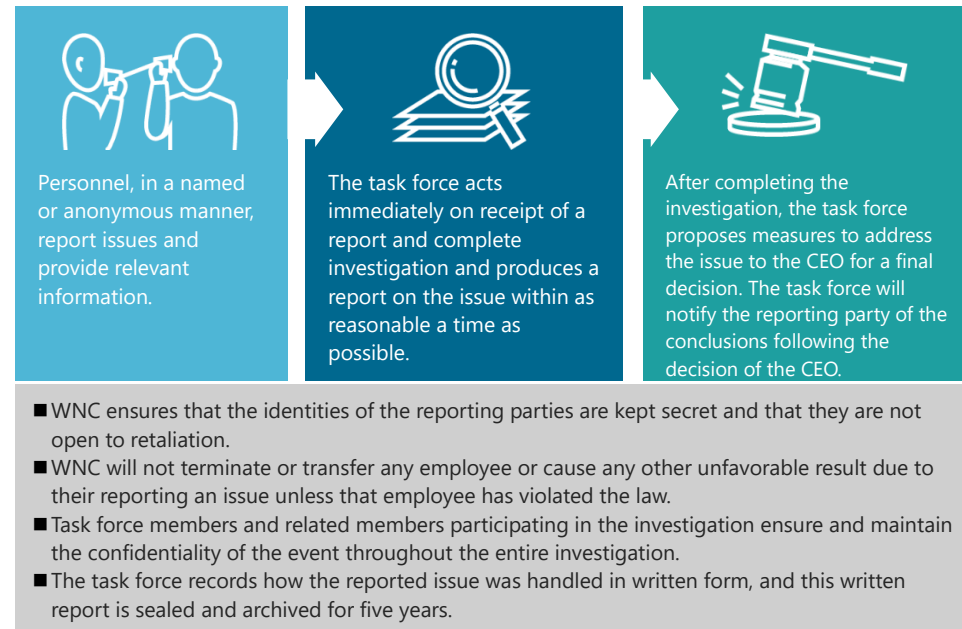
Email for interaction on
corporate social responsibility
public@wnc.com.tw

E-mail for reporting violations
wnc.integrity@wnc.com.tw

This email is provided for all stakeholders to raise issues or provide suggestions with regard to WNC's corporate social responsibility policies and practices.

This email is provided for employees and all pertinent parties to file complaints and report violations in a named or anonymous manner.

The WNC Reporting and Handling Procedure stipulates handling procedures and operations to address violations. The Integrity Office is tasked with establishing a task force to handle reports and perform investigations. The reporting procedures are described briefly as follows:



In 2020, the mailbox for reporting violations received five complaints related to individual ethics and integrity, all of which were investigated, settled and closed by the Integrity Office. There was no solid evidence for two of them. The other three cases have been confirmed and employees in violation of WNC's ethical corporate management stipulations have been handled based on the related disciplinary rules. Other cases related to the management of each department were transferred to the respective departments for handling as none involved illegal matters.

Number of Reported Cases in 2020

Type	Reported	Confirmed ^{Note}	Closed	Under investigation
Conflicts of interest	2	2	2	0
Improper gift giving, receiving, and	0	0	0	0
Abuse of power for personal profits	3	3	3	0

Note: The reporting party provides relevant information regarding the reported case before the case is confirmed.

2.2.2 Respecting Market Mechanisms

We believe healthy market competition enhances the quality and efficiency of the corporation as well as ensures consumer rights. Therefore, we abide by related government and industry laws. To help maintain a healthy market mechanism and structure, we will never adopt unfair, anti-competitive behaviors. Mainly targeting sales and PM personnel of each BG/division, we arranged training courses to introduce anti-monopoly laws, disputed cases and related issues in July 2020 with a total of 344 employees attending. In 2020, there were no lawsuits against WNC related to anti-competitive or anti-trust behavior.

WNC remains politically neutral. Employees are encouraged to fulfill their civic duty, but refrain from doing the following in the name of WNC: participating in political electioneering or making any political contributions. No political contributions were made by WNC in 2020.

2.2.3 Regulatory Compliance

Since WNC's founding, it has implemented 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 the relevant authorities, relevant international or domestic laws, and trends in investment and business scope and modifies its policies concerning environmental protection, occupational safety and health, anti-bribery/corruption, anti-harassment/discrimination, fair competition, import and export, internal control, information security, intellectual property, and welfare assistance accordingly.

To enhance service quality of value chains and execute social responsibilities, WNC also requires that suppliers hire employees in accordance with international and local regulations, follow the ISO 14001 Environmental Management System and the ISO 45001 Occupational Safety and Health Management System, and actively build a healthy work environment to minimize hazards to safety and health in production, operations, and disposal processes.

In 2020, WNC did not violate any local regulations, and did not have any major recorded lawsuits (referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading).

2.2.4 Financial Support

WNC actively invests in R&D in adherence to government policies of facilitation of industry innovation, improvement of the industry environment and increase in industry competitiveness. Items financially supported by the government in 2020 at each site are listed below:

Financial Support Record for 2020				
Country	Item	Unit of provision	Reason	Amount (Thousand NT\$)
Taiwan	Investment tax credit	Industrial Development Bureau, Ministry of Economic Affairs	Statute for Industrial Innovation promoted ^{Note}	40,000
China	Incentive	Kunshan City Financial Bureau	Grant for high-quality development advanced enterprises, and smart workshops	9,134
		Kunshan Bureau of Commerce	Special funds to promote high-quality development of comprehensive bonded zone and optimize structure of processing trade	
		Kunshan Municipal Human Resources and Social Security Bureau	Bonus for skilled-talent cultivation advanced units	
	Grant	Kunshan Municipal Commission of Economy and Informatization	Corporate subsidies and training grant for epidemic prevention	22,639
		Kunshan Municipal Commission of Economy and Informatization	Industrial technology transformation comprehensive fund and automation equipment grant	
		Kunshan City Employment Promotion Center	Grant for stable employment and returning to work	
		Nanjing Municipal Social Insurance Management Center	Grant for stable employment	
		Electric Power Company, State Grid	Grant for solar power generation	
		Safety and environmental protection Bureau	Third-level standardized appraisal grant	
	Taxable allowance	Kunshan City Tax Bureau	Return of withholding tax	7,818
		Kunshan Bureau of Commerce	Local tax returned for added-value tax and export tax credit repaid	
Total				79,591

Note: The amount of the investment tax credit under the Statute for Industrial Innovation is an estimated value; the actual amount is the amount approved by the National Taxation Bureau according to the application of the tax-credit plan submitted by WNC.

2.3 Risk Management

WNC controls risks related to business operations through its existing administrative organization and internal control mechanisms. Business groups and function teams perform risk assessment in the execution of their duties and develop management strategies and reaction plans to prevent, lower, or transfer risks. Managers from each team meet weekly to review potential internal and external operational-related variables and analyze the threats and opportunities they present. These variables include the overall economy, industry and technology, customers and markets, supply chains and internal personnel, and issues related to operational procedure. Furthermore, after careful evaluation of all aspects, if the item is a potential threat to WNC's operations, it will be designated as a significant risk. Adjustments will be made for items with significant risks throughout any period of change in the internal and external environment.

In addition to implementing risk control measures proposed by different function team managers and department heads, strengthening internal risk control mechanisms continuously, and improving emergency response and recovery capabilities, we also seek to learn and cooperate with our suppliers to assist each other in enhancing our resilience to various types of risks and respond to the ever-changing business environment. The following are WNC's response measures to business-related operational risks as identified in the [2020 Global Risk Report](#) published by the [World Economic Forum](#), including extreme weather events, actions taken in response to climate change, major natural catastrophes, water crises, and large-scale cyber attacks. WNC's response measures to the aforementioned risks are described as follows:

2.3.1 Financial Risk Management

WNC's business focuses on R&D, manufacturing, and product sales. The company does not engage in high-risk or highly leveraged investment activities. WNC invests funds after considerable evaluation of the risks involved while closely watching changes in bank lending rates on a regular basis. Approximately 97.29% of WNC's revenue in 2019 was from export sales, 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. In addition, WNC adopts regular hedging activities to manage foreign exchange risk under proper risk-management guidelines. For remaining situations involving foreign currency operating exposure, the foreign currency is converted to NT dollars depending on funding needs

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

- Further mutual offset of foreign assets and liabilities to avert risk;
- Making plans and arrangements in advance for fund yields and borrowing costs in light of WNC's anticipated business and funds requirements; and
- Using auxiliary tools (such as derivative financial products) to reduce risk under proper risk guidelines.

Please refer to Chapter [1.2 Operational Performance](#) for financial performance.

2.3.2 Business Risk Management

WNC complies with government decrees and regulations and adjusts its internal policies to cope with changes to laws to ensure the lawful operations of WNC. Shareholder meetings, financial reports, and CSR reports are held or published regularly to disclose WNC's operational status and information. As a corporate citizen, WNC has long devoted resources to developing green products and taking part in activities to improve social welfare. To better secure customer and shareholders' rights and react in a timely manner to the rapidly-changing communications industry, WNC performs overall risk and efficiency assessments when introducing new materials, new technologies, and new equipment and aims for sustainable development to enhance total value of products through competitive quality, development speed, and cost. With strict control of expenses, operational costs and risks can also be well managed.

Market Trends

In response to changes in the politico-economic climate in Europe and the United States, as well as changes in the industry's value chains and fluctuations in corresponding markets, WNC continues to observe and respond to market trends. The Marketing and Corporate Communication Division observes and analyzes global politico-economic changes as well as industry trends. The Legal & IP Division is responsible for tracking changes in related laws and regulations at fixed intervals and arranging response measures accordingly. Business units get a clear understanding from upstream and downstream suppliers, and carry out real time analysis and formulate countermeasures based on their understanding of changes in industry value chains. They respond to changes in time and alleviate the impact of sharp changes in the role WNC plays in the market.

2.3.3 Climate Change Risk Management

Unusual climate trends, including rising global temperatures, are caused by climate change. They bring a range of challenges to the sustainability of corporations by affecting normal business operations and production activities, causing property losses and threatening the health and safety of employees. Global corporations as well as their entire supply chains will need to confront these challenges and improve their ability to respond quickly to climate change and resolve related issues. WNC discloses the risks and opportunities brought on by climate change based on the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines and evaluates possible impact for WNC and financial effect so as to implement related countermeasures thus enhancing WNC's

adaptive capacity. WNC has implemented a climate change response through greenhouse gas inventories and a number of energy conservation and carbon reduction measures. (For details, please refer to Chapter [4 Cherishing Natural Resources](#) of this Report.). Management methods and costs in 2020 are listed in the table below:

Project	Climate Change Adaptation	
	Management Methods	Management Costs in 2020 (Thousand NT\$)
Environmentally-friendly products	■ Introduction of hazardous substance management standards	IECQ QC080000 certification fee 351
	■ Development of energy-efficient and low-pollution products	Green product testing fee 1,078
		IQC incoming plasticizer inspection fee 1,818
	■ Use of forest-friendly packaging materials	FSC™ CoC certification fee 77
Analysis of energy efficiency	■ Introduction of energy management system	ISO 50001 certification fee 428
		Energy supervision system establishment and maintenance fee 1,512
	■ Introduction of energy supervision system	Energy conservation project 3,016
	■ Promotion of energy-efficient programs	Purchase of products with green marks 28,138
Greenhouse gas emissions reduction	■ Introduction of greenhouse gas inventory management system	ISO 14064-1 certification fee 328
	■ Adoption of renewable energy	Solar energy system construction and maintenance fee 0
Implementation of waste reduction	■ Treatment of discharged water	Construction and maintenance fee of waste water treatment equipment 15,819
	■ Recycle and re-use of waste	Waste disposal fee 7,455

Climate Change Risks

Risk Type	Aspect	Potential Impact	Potential Financial Effect
Transition Risk	Regulations	Enterprises are required to adopt national GHG emission control goals and take responsibility for carbon reduction.	Cost of compliance increases and has a direct impact on financial costs.
	Technology	WNC actively develops green technology and low-carbon products to take the lead in the market and maintain a competitive advantage.	Supply chains adjusted, and production method equipment, and processes modified leading to increased operating costs.
	Market	<ul style="list-style-type: none"> ■ Governments foster the development of green industry, seek a business model for coexistence of economic development and environmental protection, and stipulate the product specifications of material and energy consumption, which have become stricter. ■ Market demand is unclear. 	<ul style="list-style-type: none"> ■ The production costs including the material/part costs, and design/certification costs increased. ■ The existing need for some products and services decreased due to shifting customer demands.
	Goodwill	Enterprises fail to respond to the expectations and requirements of stakeholders on climate change issues.	Investors are less likely to participate in public investment. Enterprises will lose customers or orders will be withdrawn.
Physical Risk	Immediate	Typhoons, droughts, floods, tsunamis and occurring due to extreme climate change as well as collateral infectious diseases reduces or interrupts productivity.	Physical disasters leading to loss of life and property.
	Long-term	Global warming, sea level rises and unstable rainfalls cause food crises and interruption of ecological balance.	Imbalance of supply and demand for energy and resources causes increase in production costs.

Climate Change Opportunities

Opportunity Type	Potential Opportunity	Potential Financial Effect
Resource efficiency	Carbon and waste reduction measures can be implemented, such as process optimization and energy conservation, and enhancement of waste reclamation and wastewater recycling.	Energy conservation and carbon reductions are implemented continuously. Efficiency of energy and resource use is increased.
Energy source	Innovative processes and superior technologies can be invested in. Highly efficient and low pollution equipment can be adopted to build green factories.	Automation and AI are implemented in production. Product yield and production efficiency is enhanced. Operating costs are reduced.
Product and service	Eco-friendly products have become the market trend. Green design can be implemented to reinforce product advantages. Innovative products or applications can be extended.	Customer trust is gained. Green or low-carbon products are developed. Long-term strategic partnerships are built.
Market	The Executive Yuan, R.O.C. has implemented a Green Finance Action Plan to promote the financial markets to support enterprises adopting low-carbon and sustainability policies.	Investors among the public are more willing to invest in enterprises nominated for the CSR Index. Therefore, capital acquisition costs are decreased for these enterprises.
Durability	<ul style="list-style-type: none"> ■ Enterprises should use renewable energy and seek alternative energy solutions. ■ Enterprises should reinforce disaster recovery, including remote backup and emergency response measures, to enhance their durability to climate 	<ul style="list-style-type: none"> ■ The use of energy and resources is diversified to enhance the operational continuity of the enterprise. ■ The stability of the supply chain and operating ability under different conditions are enhanced.

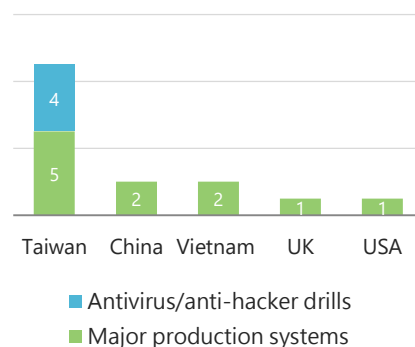
2.3.4 Continuous Operations Management

WNC seeks to ensure quick recovery of operations through rapid response to incidents. This is essential to ensure employee safety, prevent disruption of business operations, and to reduce the impact and loss that these incidents may cause to the environment, to WNC, or to our customers. WNC has therefore established a Significant Environmental Aspect Identification Management Procedure, a Hazard Identification and Risk Assessment Management Procedure, a Contingency Plan Control Procedure, and a Business Continuity Plan based on major disaster scenarios. In 2020, WNC did not suffer any injuries or property damage caused by natural or man-made disasters. The following are a brief description of issues of concern to our stakeholders due to the COVID-19 outbreak.

Information Security

To enhance security awareness, strengthen WNC's overall information security management system, ensure security of company employees (personal materials and right of privacy) and confidential information of customers (including trade secrets and intellectual property rights), WNC (a) has instituted and promoted an [Information Security Policy](#) and SOP; (b) has introduced ISO/IEC 27001 (Information Security Management System, ISMS) certifications for all WNC sites; (c) conducts ISO/IEC 27001 ISMS internal and external audits, risk assessment, and business impact analysis annually; (d) conducts annual IT system recovery drills with 15 drills completed in 2020; (e) has developed a specialized R&D Cloud for encrypted storage and control of WNC's R&D data; (f) enhances internal and external control mechanism; (g) requires suppliers to sign a confidentiality agreement and co-works with suppliers to review and improve related plans to enhance information security of the whole supply chain.

2020 Information Security
Continuous Operation Plan



Supply Chain Disruption

To avoid supply chain disruptions, the Global Supply Chain Management Division prepares materials strategically based on a Procurement Management Procedure, the external environment, and actual production and raw material requirements, and adopts second source or dual source strategies.

Labor

To address the labor shortage that WNC faces, we have implemented industry-academia partnership programs with universities and colleges. For employees, we provide on-the-job training and incentives to encourage employees to pursue further studies. Please refer to [Chapter 3 Developing Human Capital](#).

To solve possible labor shortage problems brought about by the outbreak of COVID-19, WNC has stipulated contingency plans such as remote work, short-term recruitment of dispatched workers staff/staff employed by contract/work-study students, and labor outsourcing.

Infectious Disease

Our priority is to protect the health and safety of our employees. As a result, as COVID-19 became an issue, we established an epidemic prevention command team over the 2020 Chinese New Year to comply with government policies, formulate contingency plans, and communicate with employees across multiple channels. In addition, to minimize the impact of COVID-19 on our operations and production, WNC has implemented material supply chain real time updates, and adjusts contingency measures as needed. Refer to ["COVID-19 contingency measures"](#) for more information.

03

Developing Human Capital

Respect for Human Rights

Recruitment and Employment

Overall Remuneration

Training and Development

Employee Care

WNC promises to comply with international human rights standards such as the UN Universal Declaration of Human Rights, the Ten Principles of The UN Global Compact, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the RBA Code of Conduct; abide by labor laws and national Acts such as the Act of Gender Equality in Employment; and adhere to principles of respect for human rights to employ appropriate talent for corresponding positions. We will not consider an individual's gender, age, ethnic background, nationality, religion, marital status or political affiliation as an advantage or disadvantage during evaluation. We check, adjust, and formulate a reward distribution system that is competitive across the industry, and commit to establishing a credible, healthy, and safe working environment by performing internal ISO 45001 audits and verification by a third party annually to ensure workplace safety and health conditions meet international standards. In addition to promoting human rights and related regulations in new and current employee training courses, we also investigate actual working conditions to ascertain any issues relating to child labor, underage labor, forced labor, sexual harassment, labor relations, and prohibitions on expressions of free will according to our customers' requests. WNC did not receive any complaints regarding violations of human rights or discrimination in 2020.

Achievements in 2020



Salary and Benefits

- The ratio of minimum WNC employee salary to minimum legal salary ranges from 1:1 to **1.59:1**.
- As of the end of 2020, a total of **834** employees have participated in the Employee Stock Ownership Trust.
- The ratio of male and female employees reinstated from parental leave in 2020 were **100%** and **80%**, respectively.



Talent Cultivation

- In 2020, WNC employees underwent an average of **22.2** hours of training, and expenses related to employee training amounted to **NT\$ 9.01 million**.
- WNC worked with National Tsing Hua University, National Taipei University of Technology, Minghsin University of Science and Technology, Chung Hua University, Yuan Ze University, National Kaohsiung University of Science and Technology, and Southern Taiwan University of Science and Technology to organize industry-academia collaboration programs. A total of **206** students participated in these programs in 2020.



Employee Communication

- WNC received a total of **1,344** proposals and discussion items from employees in 2020, all of which were resolved and reported to the proposing parties.



Employment Promotion

- As of the end of December 2020, there were **11,961** employees worldwide at WNC, a **6.9%** increase from 2019.



Healthy Workplace

- In 2020, **1,888** WNC employees and personnel stationed at WNC sites received free quadrivalent influenza vaccinations for an inoculation rate of **39.6%**. Expenses related to vaccination work amounted to **NT\$1.21 million**.
- **283** employees called the free Employee Assistance Program hotline for consultation, and **33** used the face-to-face professional consultation service.
- **NT\$8.65 million** of organic vegetables for canteen meals were purchased.



Happy Workplace

- **23** arts-and-crafts DIY classes were held, and **1,065** employees participated in the classes.
- Aerobics, muscle strength training, yoga, and other exercise courses were held at WNC in 2020. A total of **570** people participated in these courses.



3.1 Respect for Human Rights

3.1.1 Abolition of Child Labor

In accordance with regulations, WNC does not hire workers below the legal working age, and WNC (Taiwan) and WNC's sites in China do not hire workers below the age of 16. The WNC RBA Code of Conduct Manual prohibits the hiring of child workers, and WNC's Management Measures on Hiring New Employees and Operational Guidelines for the Recruitment of Underage Workers stipulate that when new employees report to work, they should present identification documents to WNC for review to ensure that they are at least 16 years of age. No child workers were employed at any WNC sites in 2020.

3.1.2 Protection of Juvenile Workers

In accordance with The Act of Cooperative Education Implementation in Senior High Schools and the Protection of Student Participants' Rights, workers 16 to 18 years of age may be placed if they are technical students receiving vocational training. However, they are not allowed to engage in heavy work or in any work of a dangerous nature. These interns may not work at night and on holidays, and working hours must comply with relevant regulations. WNC also strengthens some aspects of workplace discipline for the underage participants of the cooperative education program to guarantee their physical and mental development and labor rights.



142
students

WNC supports the effort of the vocational education system in bridging the gap between theoretical and practical needs of job operations. Since 2002, WNC (Taiwan) has cooperated with the Department of Computer Science and Data Processing of Dong Wu Senior Industrial Home Economics Vocational High School in a long-term cooperative education program, which provides students with the chance to experience working on production lines to learn related skills. In 2020, a total of 142 students from Dong Wu Vocational High School participated in co-operative education programs on WNC production lines, including 67 students aged 16–18 (as at year end).

3.1.3 Elimination of Forced Labor

All WNC sites comply with international standards and local acts, including the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act 2015. WNC provides good working conditions and establishes reasonable working hours. WNC has no right to request employees hand over their ID cards, passports, or work permits to WNC. All duties are set with respect to employees. All employees are employed out of their own free will and have the right to leave. The WNC Supplier Code of Conduct forbids forced labor, and we will continue to apply this code of conduct to all suppliers. Every year WNC issues a WNC Modern Slavery Statement to represent that WNC and its suppliers do not have policies, management practices or related measures that involve slavery or human trafficking.

The "working-hour alarm system" and "seven straight working days notification system" automatically notifies employees and their supervisors if they work overtime or work for seven days straight. WNC also provides a monthly report on unusual working hours to the supervisor at the beginning of the month to convey overtime issues and to remind supervisors to pay attention to the working conditions of subordinates. Regulations regarding overtime hours were communicated at the quarterly meetings with shift leaders and as well as at labor-management meetings.

3.1.4 Gender Equality

According to the Labor Standards Act and the Gender Equality in Employment Act, in order to promote gender equality, and to avoid gender and pregnancy discrimination, WNC Taiwan's female employees can apply for menstrual leave, pregnancy checkup leave, maternity leave, miscarriage leave, and additional breastfeeding breaks. Male employees may apply for paternity leave according to personal needs. All employees who need to care for infants can apply for unpaid paternal or maternal leave (parental leave). WNC will inquire as to the employee's intention to return to work one month before the end of parental leave and assist in their return. In 2020, 32 employees in Taiwan applied for unpaid parental leave, 29 of whom were female.

In addition to complying with regulatory requirements, we also have the following measures in place to cater to the needs of pregnant and breastfeeding employees as well as those who need daycare services.

WNC's measures for pregnancy and breastfeeding employees as well as those who need daycare service

Taiwan	<ul style="list-style-type: none"> ■ Maternity Care project: Facility nurses care for pregnant and breastfeeding employees and work with on-site physicians, nurses, industrial safety personnel and female employees' managers to assess their work situation during pregnancy and after giving birth to ensure that the physical and mental state of employees concerned are not affected. ■ Goodie bag for WNC Moms project: An employee during their pregnancy or an employee with a pregnant wife is eligible to apply for a pregnancy guidebook, a free diaper bag, and a gift box of goods for the newborn. WNC gave out 94 goodie bags in 2020. ■ The breastfeeding room at WNC headquarters was recognized in the Excellent Breastfeeding Room Certification Campaign organized by the Hsinchu County Government in August 2016. The breastfeeding room at S1 obtained Distinguished Breastfeeding Room accreditation from the Hsinchu City Government in 2017 and 2020. ■ In 2020, WNC signed special agreements with 41 daycare centers in Hsinchu City, Hsinchu County, Taoyuan City, Miaoli County, Tainan City and Kaohsiung City to provide discounts to WNC employees. 	
China	<ul style="list-style-type: none"> ■ In accordance with the population planning and fertility policy of Jiangsu Province, female employees who have IUD procedures may apply for two days rest leave; those who undergo tubectomy or tubal reversal surgery may apply for 21 days of rest leave. Male employees who undergo vasectomy and recanalization surgery may apply for seven days and 14 days of rest leave respectively. ■ Comfortable and spacious breastfeeding rooms are provided in WNC's sites in Kunshan. In 2018, the breastfeeding room received certification for breastfeeding rooms from the Kunshan City Government. 	
Vietnam	<ul style="list-style-type: none"> ■ A breastfeeding room is provided. ■ In compliance with the local Labor Code regulations, employees with children under 6 years of age may receive a subsidy, and the amount is set by the company. The monthly subsidy per employee is VND 30,000 at WNC Vietnam sites and has been paid to a total of 67 employees. 	

Number of WNC employees in WNC (Taiwan) applying for parental leave

Item	Male	Female
Number of employees entitled to unpaid parental leave in 2020 ^{Note}	84	59
Number of unpaid parental leave applicants in 2020 (B)	3	29
Rate of unpaid parental leave applicants in 2020 (B/A)	3.6%	49.2%
Expected number of employees reinstated from parental leave in	1	25
Actual number of employees reinstated from parental leave in 2020	1	18
Rate of employees reinstated from parental leave in 2020 (D/C)	100%	72%
Actual number of employees reinstated from parental leave in 2019	1	20
Number of employees working for one year since returning from	1	16
Retention rate in 2020 (F/E)	100%	80%

Note: Number of employees applying for maternity leave or paternity leave during 2018–2020

Currently, parental leave is not regulated in China and Vietnam. All plants in China comply with the Special Rules on the Labor Protection of Female Employees in providing paid pregnancy checkup leave, maternity leave, miscarriage leave, and additional breastfeeding breaks to help female employees maintain a balance between work and family. If Women's Day (March 8) falls on a weekday, female employees may have a 4-hour compensatory leave, or may apply for a 4-hour overtime pay if it falls on a holiday. At Vietnam sites, the company assists employees with applications for social insurance, provides paid maternity leave and miscarriage leave in accordance with the local Labor Code. In compliance with the Law on Social Insurance, paid menstrual leave is provided (a 30-minute break daily), and female employees in their third trimester or with children under one year old may leave work one hour early.

3.1.5 Communication Mechanisms

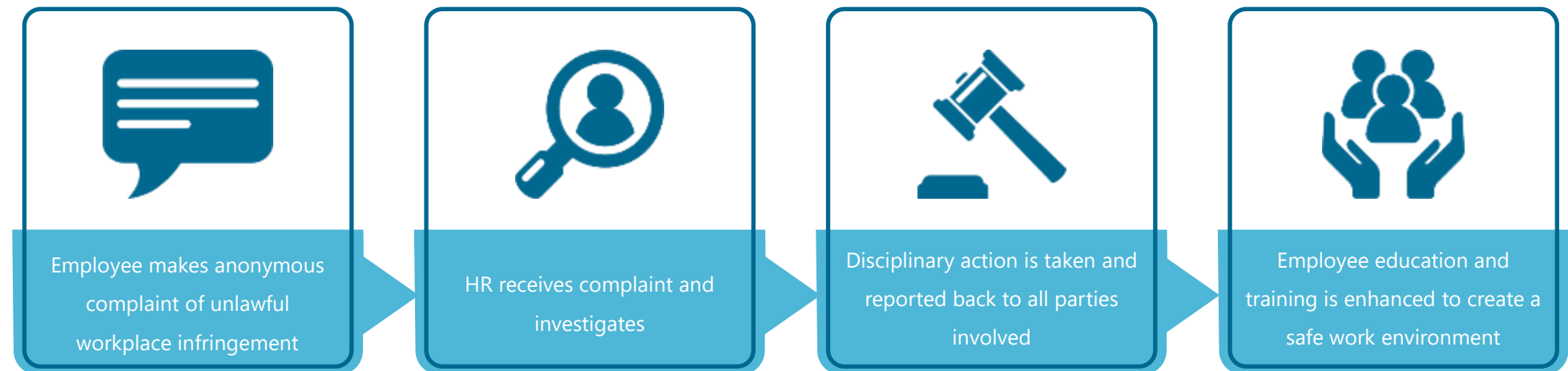
Proposal and Communication Mechanism

WNC provides open and transparent suggestion and communication channels for employees. Timely communications with employees are enhanced via various committees, forums, events, as well as physical and electronic mail, hotlines, and system platforms. In Taiwan, the main communication channels are the Labor-Management Committee, Employee Welfare Committee, and suggestion box on production lines. In 2020, the Labor-Management Committee and Employee Welfare Committee received a total of 168 proposals regarding employee meals and benefits, company environment, computer information, maintenance, etc. All cases were closed by 1Q 2021. A total of 26 proposals and opinions were received via suggestion boxes. In 2020, the Labor-Management Committee survey in Taiwan showed a satisfaction rate of over 4.5 (out of 5). In China, the main communication channel is the Employee Representative Forum, the 8585 employee care hotline, and a WeChat platform. In Vietnam, the main communication channels are unions and suggestion boxes. In 2020, a total of 1,133 and 22 proposals were received in China and Vietnam respectively regarding company systems, wellness at work, and daily life services. All cases were closed and results were reported back to the proposal makers.

Prevention of Workplace Harassment

To create a safe and harmonious workplace and protect employees from workplace harassment, WNC (Taiwan) established Measures for the Reporting and Handling of Workplace Harassment. The Human Resources Administration Division is responsible for the prevention, correction, complaint handling, and punishment of harassment in the workplace. In 2020, three complaints regarding workplace harassment were received, all of which were investigated, settled and closed with disciplinary measures implemented by the Human Resources Administration Division.

In view of the differing cultural and administrative requirements, WNC's sites in China and Vietnam implemented Regulations on Filing and Handling of Internal Complaints. Employees may file complaints and reports regarding various issues, such as sexual harassment, with the Human Resources Unit. The Human Resources Unit is responsible for receiving, investigating, handling, reporting, and offering feedback on all complaints from all employees and pertinent parties, and is responsible for the management of the daily operations of the reporting mechanisms. Employee representatives and the employees union are responsible for monitoring the methods that WNC use to handle such complaints and reports. In 2020, no complaints were received by Human Resources Units at the China and Vietnam sites.



Cases Received through Various Communication Channels in WNC (Taiwan) in 2020

Audience	Communication Channel	Description	No. of cases	No. of Cases Handled	No. of Cases Closed
Employee representatives	Labor-Management Committee and Employee Welfare Committee	The members of this committee, elected regularly from all employees, function as a feedback channel for colleagues to raise workplace-related issues. They deliver opinions to the management team and reply to employees' concerns and suggestions after thorough consideration. Committee meetings are held quarterly.	168	168	168
DL employees	Plant Manager's Forum	Given their different working hours and duties, production line employees of Taiwan sites send representatives to participate in the Labor-management Committee Meeting each quarter and convene the quarterly Plant Manager's Forum and Supervisor's Forum to address the different requirements of DL employees and supervisors. The meetings were chaired by the Plant Managers in Hsinchu and Tainan for promoting company policies, facilitating communications, and sharing successful project improvements. Comments and issues for discussion are solicited in an open manner prior to the meetings. If there are no issues to be discussed for a given meeting, it will be postponed.	0	0	0
	Supervisor's Forum		4	4	4
	Foreign employees seminar	Explain WNC's policies to migrant workers through Foreign Employees Seminar. Fourteen seminars were held in 2020 and no proposals were received.	0	0	0
	Suggestion boxes	Suggestion boxes are installed for production line employees to directly report issues or suggestions to the plant manager related to work and quality of life. The plant manager will perform investigations and/or make improvements in response to the reported issues and announce the handling status and results on the production-line bulletin board. The identities of the reporting parties and any party being investigated are kept secret.	26	26	26
New employees	New recruits' afternoon tea	To answer questions from new employees who have been employed for one month and to assist them to acclimatize to the workplace environment and build mutual communication with their colleagues.	--	--	--
New employees	New recruits' seminar	Hold a new recruits seminar at the end of employees' first three months of service, and guide new employees to experience our corporate culture through group contests. WNC's CEO responds in person to any concerns of new employees. This seminar helps new employees quickly become familiar with company policies and strategic direction.	--	--	--
WNC employees	A Talk with the CEO forum	Hosted quarterly. Employees who have performed outstandingly are invited to meet with the President & CEO to ask questions or raise proposals.	--	--	--
WNC employees	Employee suggestion platform	The employee suggestion platform was launched in Sept. 2020, allowing employees to submit proposals by scanning a QR code with their mobile phones. The proposals are then directed to responsible entities such as the labor-management meeting, the employee welfare committee, and the occupational safety and health committee, which will have discussions or formulate measures in response. Proposal handling progress can be tracked on the platform.	--	--	--
Total			198	198	198

員工提案平台 操作說明



Employee suggestions platform



New recruits afternoon tea



Teambuilding exercise at the Talk with the CEO forum

Cases Received through Communication Channels at WNC sites in China and Vietnam in 2020

Subject		Communication Channel	Brief description	No. of cases	No. of Cases Handled	No. of Cases Closed
China	Employee representatives	Trade Union Committee	WNC’s sites in China established trade unions according to the "Trade Union Law of the People’s Republic of China." The representatives are elected by employees from all WNC’s sites in China and serve a 3-year term. They convene meetings and participate in conferences, training, and activities held by the government depending on actual needs.	0	0	0
	Employee representatives	Employee Representative Forum	Each department also has employee representatives that are selected by department managers. The employee representatives meet at least once a year during the Employee Representatives Forum, where employee representatives from each department engage in face-to-face communications with WNC’s high-level management, enabling employee representatives to reflect upon issues or provide suggestions about wages and life’s basic necessities.	17	17	17
	WNC employees	Suggestion Box	At WNC (Kunshan) in China, a dedicated plant manager email is available besides suggestion boxes at the production lines and office area. The HR department compiles questions and suggestions received and assists responsible units in processing and responding.	0	0	0
		Letter to the Plant Manager		0	0	0
		8585 Employee Care Hotline	Employees may call the employee care hotline via cell phone or work phone (company number ext. 8585). The hotline is handled by HR, who also assists responsible units in processing and responding questions and suggestions received.	684	684	684
		WeChat platform	WNC (Kunshan) has also established a communication mechanism on the WeChat messaging platform which enables automatic announcement of activities related to WNC and on-line consulting. This provides both internal and external stakeholders in China with a fast and convenient communication channel.	432	432	432
			Total	1,133		
Vietnam	Employee representatives	Labor Union Committee	A labor union was set up according to the Vietnam Trade Union Charter. Union representatives are selected by employees at each site for a term of 3 years. Suggestions are compiled and a quarterly meeting is called to resolve employees’ issues.	11	11	11
	DL employees	Plant Manager’s Forum	Chaired by the WNC (Vietnam) senior plant manager to promote company polices, facilitate communication, and share experiences on improvement projects.	4	4	4
	New recruits	New Recruit Forum	Helps new recruits adjust to the work environment and answers their questions.	7	7	7
	Management	Management and Employee Forum	Chaired by the plant manager and held twice weekly to share work experiences and facilitate communication with management staff.	--	--	--
	All employees	Suggestion Box	Suggestion boxes are set up at the production line rest area and cafeteria. Proposals are turned over to the union for discussion, and the company responds at the union meeting.	--	--	--
				Total	22	22

3.2 Recruitment and Employment

WNC follows the recruitment principles of "respect for human rights" and "employing people according to their abilities." WNC's entire recruitment process conforms to the Labor Standards Act, Employment Service Act and the Gender Equality in Employment Act. Professional ability is the key factor in our recruitment processes. All participants have an equal opportunity to display their capabilities in an open and transparent recruitment process. Personnel from the recruitment affairs unit also regularly participate in diverse training programs on interview skills and the use of specialized evaluation tools for fair and effective recruitment.

3.2.1 Human Resource Structure

As of the end of December 2020, the total number of employees worldwide was 11,961, a 6.9% increase compared to 2019. This include 11,953 full-time employees and 8 part-time employees. Due to short-term request for manpower, WNC (Taiwan) hired a total of 302 dispatch employees.

There were 4,780 full-time employees in Taiwan, an increase of 2.2% compared to 2019, and 45% of all employees had worked for WNC for three years or more. There were 5,398 full-time employees in China, a decrease of 8.2% compared to 2019. There were 1,723 full-time employees in Vietnam.

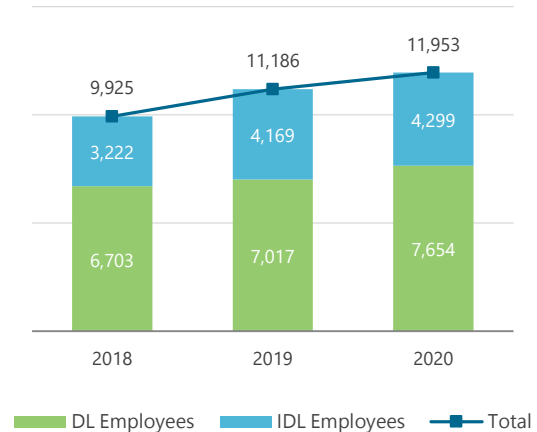
WNC Employee Totals Worldwide in 2020 ^{Note1}

Country	Full-time employees			Part-time employees			Total
	Permanent	Contract	Subtotal	Permanent	Contract	Subtotal	
Taiwan	4,677	103	4,780	0	8	8	4,788
China	5,398	0	5,398	0	0	0	5,398
Vietnam	0	1,723	1,723	0	0	0	1,723
Other Areas ^{Note2}	48	4	52	0	0	0	52
Total	10,123	1,830	11,953	0	8	8	11,961

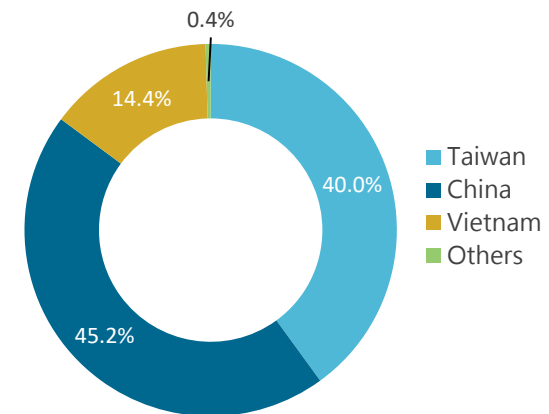
Note1 : Contract employees at WNC's sites in Taiwan include cooperative-education students, interns, and general contract employees ; At WNC (Vietnam), the norm is a fixed-term labor contract. After two fixed-term labor contracts (the first for one year and the second for two years), the contract switches to a non-fixed-term labor contract.

Note 2: "Other Areas" includes branches in the United States, the United Kingdom, and Japan.

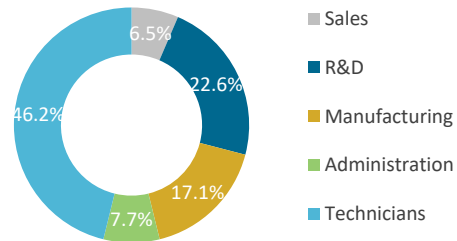
Number of WNC's full-time employees
in the last three years
(Unit: Person)



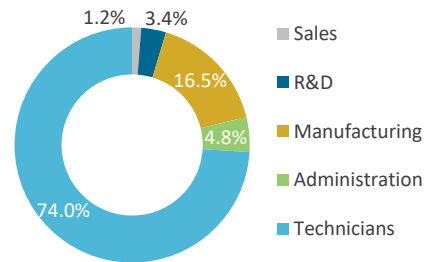
Categories of Full-Time Employees at WNC Worldwide



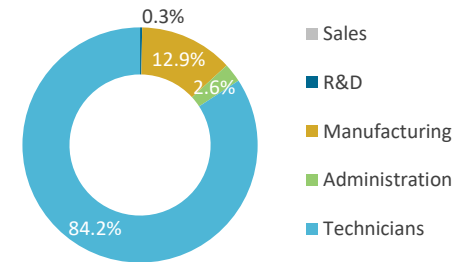
Categories of Full-Time Employees in Taiwan



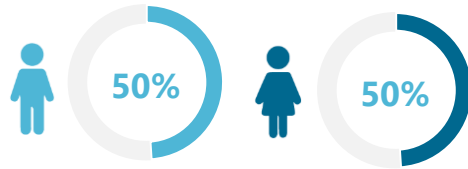
Categories of Full-Time Employees in China



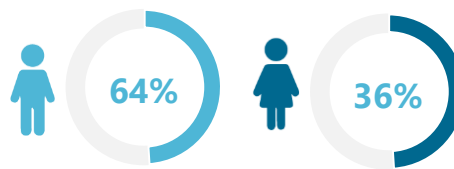
Categories of Full-Time Employees in Vietnam



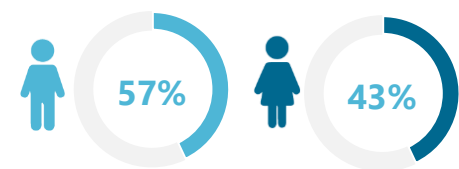
Full-Time Employee Gender Ratio in Taiwan



Full-Time Employee Gender Ratio in China



Full-Time Employee Gender Ratio in Vietnam



Human Resources Structure for WNC Full-time Employees Worldwide in 2020

Category			Taiwan				China				Vietnam				Other Areas			
			Male	Female	Subtotal	Total	Male	Female	Subtotal	Total	Male	Female	Subtotal	Total	Male	Female	Subtotal	Total
Work Category	DL Employees	Regular employees	548	755	1,303	2,206	2,540	1,457	3,997	3,997	814	637	1,451	1,451	0	0	0	0
		Foreign migrant workers	0	825	825		0	0	0		0	0	0		0	0	0	
		Vocational students/interns	67	11	78		0	0	0		0	0	0		0	0	0	
	IDL Employees	Managers	462	100	562	2,574	300	130	430	1,401	20	5	25	272	8	1	9	52
		Specialist staff ^{Note}	1,298	714	2,012		596	375	971		154	93	247		31	12	43	
	Total		2,375	2,405	4,780		3,436	1,962	5,398		988	735	1,723		39	13	52	
Age	DL Employees	30 y/o and below	317	741	1,058	2,206	2,136	1,122	3,258	3,997	707	519	1,226	1,451	0	0	0	0
		31–49 y/o	289	789	1,078		396	331	727		107	117	224		0	0	0	
		50 y/o and above	9	61	70		8	4	12		0	1	1		0	0	0	
	IDL Employees	30 y/o and below	316	164	480	2,574	247	120	367	1,401	101	58	159	272	2	2	4	52
		31–49 y/o	1,269	611	1,880		646	380	1,026		72	35	107		15	3	18	
		50 y/o and above	175	39	214		3	5	8		1	5	6		22	8	23	

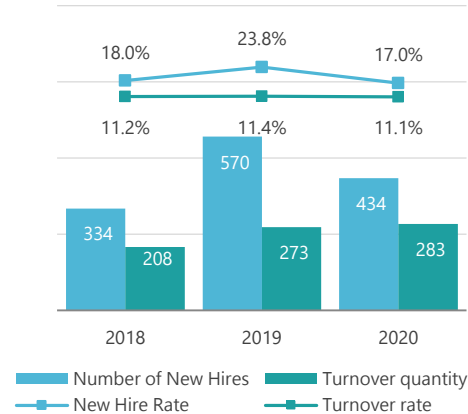
Note: Managerial positions are defined as employees with management responsibilities. Specialist staff refer to non-managerial positions.

3.2.2 Recruitment and Retention

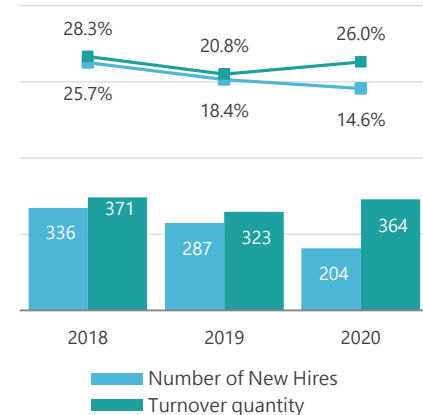
The Human Resources Administration Divisions across all WNC sites work closely with hiring business units to locate outstanding talent. For colleagues with different qualifications at different levels of the organization, we offer orientation, bonuses for long service and outstanding performance, internal transfers, promotions, salary-structure adjustments, and other incentive measures in order to create a sound work environment. In 2020, 928 new employees were hired at WNC's Taiwan sites. The new hire rate for IDL employees and DL employees was 17.0% and 23.2%, respectively. 17,752 new employees were hired at subsidiaries in China. The new hire rate for IDL employees and DL employees was 14.6% and 439.0%, respectively.

The economy of China has transformed from a manufacturing-centric economy to one that focuses on the service industry. The increase in the number of people employed in the service industry as a result of this transformation has led to a shortage of line personnel in manufacturing industries. This shortage, along with young adults' preference for short term benefits, has led to high turnover rates for DL personnel.

New Hire and Turnover Rates^{Note} for IDL Employees at Taiwan Sites in the Last Three Years



New Hire and Turnover Rates^{Note} for IDL Employees at China Sites in the Last Three Years



WNC's Permanent Employees New Hire and Turnover Rates^{Note} in 2020

Category	Total	IDL							DL					
		Subtotal	Gender		Age			Subtotal	Gender		Age			
			Male	Female	<=30	31-49	>=50		Male	Female	<=30	31-49	>=50	
Taiwan	Number of New Hires	928	434	305	129	180	245	9	494	183	311	289	205	0
	New Hire Rate (%)	19.8	17.0	17.5	16.0	37.5	13.0	4.2	23.2	33.4	19.7	29.5	19.0	0.0
	Turnover quantity	836	283	190	93	61	193	29	553	211	342	220	331	2
	Turnover rate (%)	17.9	11.1	10.9	11.6	12.7	10.3	13.6	26.0	38.5	21.7	22.5	30.7	2.9
China	Number of New Hires	17,752	204	137	67	111	93	0	17,548	13,572	3,976	14,197	3,351	0
	New Hire Rate (%)	328.9	14.6	15.3	13.3	30.3	9.1	0.0	439.0	534.3	272.9	435.8	460.9	0.0
	Turnover quantity	18,416	364	253	111	185	173	6	18,052	14,148	3,904	14,236	3,811	5
	Turnover rate (%)	341.2	26.0	28.2	22.0	50.4	16.9	75.0	451.6	557.0	268.0	437.0	524.2	41.7

Note: New Hire Rate = Number of DL (IDL) New Hires in the Category Concerned/Total Number of DL (IDL) Permanent Employees at the End of the Year; Turnover Rate = Turnover Quantity of DL (IDL) Permanent Employees in the Category Concerned/Total Number of DL (IDL) Permanent Employees at the End of the Year

Recruitment of Local Management Talent

The percentage of managerial positions taken by Taiwanese employees is 99%. As for subsidiaries in China and Vietnam, we have actively trained local employees to help them attain management-level positions. The percentage of managers in China and Vietnam promoted from locals is 92% and 33%, respectively.

Recruitment of Local Management Talent in 2020		
Country	Local Hires as Managers ^{Note}	
	Number hired	Recruitment rate
Taiwan	557	99%
China	430	92%
Vietnam	25	33%

Note: Locals as managers include personnel on overseas assignment at each of WNC's sites.

Talent from Diverse Backgrounds

In response to the rapid development of technology and life applications, our aim is to offer products and services that make life more convenient. This is achieved through a professional team from diverse backgrounds that provide different perspectives. In addition to hiring talent according to functional requirements, the recruitment rate of different nationalities and different ethnic groups has gradually increased. In 2020, WNC recruited many foreign employees from all over the world including from the United States, China, Nepal, Vietnam, the Philippines, Malaysia, Australia, New Zealand, Indonesia and India to promote internationalization and facilitate contact with our international customers and suppliers.

WNC actively encourages the hiring of persons with disabilities. At the end of 2020, there were 42 employees with disabilities (assessed using a weighted scale) working at WNC Taiwan sites, comprising 0.88% of Taiwan employees, which is slightly lower than in 2019. Fourteen have mild or moderate disabilities and 14 have severe disabilities. Their positions include masseurs, production-line operators, engineers, and personnel on overseas assignment. After arranging a suitable working environment, colleagues with disabilities are able to enjoy roles in which they can develop their skill sets. With regard to the current shortfall in the ratio of employees with disabilities with respect to government regulations, WNC intends to evaluate further suitable positions and continues to place an emphasis on this. An accessible restroom was built at WNC headquarters and S2 for employees and visitors with physical disabilities. In WNC's China

sites, the recruitment rate of employees with disabilities was 0.09%. In Vietnam sites no personnel with disabilities have been hired yet. The recruitment rate for ethnic minorities in Taiwan, China, and Vietnam sites are 0.77%, 0.48%, and 61.69% respectively.

Country	WNC Recruitment of Talent from Diverse Backgrounds			
	Ethnic Minorities ^{Note}		Employees with Disabilities	
	Number hired	Recruitment rate	Number hired	Recruitment rate
Taiwan	37	0.77%	42	0.88%
China	26	0.48%	5	0.09%
Vietnam	1,063	61.69%	0	0.00%

Note: Ethnic minorities in Taiwan refers to aborigines and new immigrants; the term refers to non-Han ethnic groups in China and non-Kinh ethnic groups in Vietnam.

Campus Recruitment

Besides using internal and external channels to recruit talent, WNC collaborates closely with academia through campus development programs, provides internships during summer vacation, and offers R&D substitute national service. We help students learn industry requirements in advance of graduation and employ new graduates that have different specialties and show promise. A total of 512 students were added to the talent database from the on-campus job fairs WNC attended in 2020.

The poster features the WNC logo at the top left. The main title '開啓通訊 新契基' (Opening Communication, New Foundation) is written in large, bold Chinese characters. Below the title, a paragraph describes WNC's focus on communication system design, R&D, and manufacturing, highlighting its role in smart homes, enterprise networks, and smart cities. It mentions achievements like being a top provider of communication equipment and a key supplier for global automotive electronics. A green box titled '熱門職缺' (Popular Job Vacancies) lists various engineering roles: 硬體工程師 (Hardware Engineer), 軟體工程師 (Software Engineer), 天線工程師 (Antenna Engineer), RF工程師 (RF Engineer), 熱流工程師 (Thermal Flow Engineer), 機構工程師 (Mechanical Engineer), 資訊工程師 (Information Engineer), 自動化工程師 (Automation Engineer), 系統工程師 (System Engineer), 產品工程師 (Product Engineer), 工業工程師 (Industrial Engineer), and 品保工程師 (Quality Assurance Engineer). At the bottom, there are two QR codes labeled '104職缺' and 'WNC官網', and a small copyright notice: '©Wistron NetWeb Corp. All Rights Reserved. Content is subject to change without notice. 108-06-01-20001'.

3.2.3 Industry-academia Collaboration

To foster talent with outstanding technical skills, WNC has worked with many universities in organizing on-campus job fairs, teacher-student tours, enterprise mentorships, technical seminars, book clubs and other activities. WNC also actively participates in industry-academia partnership programs implemented by the government.

WNC's Participation in Talent Development Industry-Academia Collaboration Programs in 2020				
Type	Program	Subjects	Content	Results
Industry-Academia Collaboration	Youth Employment Voyage Program (Ministry of Labor)	Undergraduate students from the Department of Industrial Management of Chung Hua University	The aim of the program is to cultivate professional engineering and technology talent, boost the shortage of skilled workers in WNC, and provide students with opportunities that help with both academic studies and future job prospects. The prospective number of students to be recruited in 2021 is 60.	In 2020 37 undergraduate students were placed in the program. WNC recruited the first intake of students from Chung Hwa University, and recruitment has entered its fourth year as of 2020, with a total of 164 students recruited. Currently 141 students are employed, with a retention rate of 86.0%.
	Industry-Academia Cooperative Training Program (Ministry of Labor)	Undergraduate students from the Department of Mechatronic Engineering and Department of Electronic Engineering of National Taipei University of Technology	WNC worked with the Department of Mechatronic Engineering and Department of Electronic Engineering at the National Taipei University of Technology to organize a two-year internship program. During the internship, WNC provided courses integrating the skills and knowledge needed by the industry.	In 2020, ten students were undergoing internships in WNC (8 between 2019 and 2020, 2 between 2020 and 2021).
	Overseas Manufacturing Engineering Talent Cultivation Program	Graduate students from the Minghsin University of Science and Technology	WNC has organized a four-year industry-academia cooperation program for overseas students, providing guidance to these students to help them implement theories from their theses into actual projects as well as conduct advanced verification and continuous optimization of said theories.	A total of six Vietnamese master's students participated in this program from 2019 to 2022.
Internship	WNC Summer Internship Program	Undergraduate / graduate students from colleges and universities in Taiwan and abroad	Students can work at various WNC units during summer vacation. During the internship, cross-unit experience sharing, learning result report sessions, and career development seminars are held to integrate theory and practice and allow the students to meet and network with peers.	A total of 19 undergraduate and graduate students from colleges and universities in Taiwan and abroad participated in the WNC Summer Internship Program, 13 of whom were hired for their outstanding performance during their internships.
	Industry-Academia Internship	Juniors and above from National Taipei University of Technology, Yuan Ze University, National Kaohsiung University of Science and Technology, and Southern Taiwan University of Science and Technology	To foster engineering talent, WNC recruits undergraduate juniors or above as engineers or assistant engineers in a semester-long internship. Internship credits are earned after the internship review is completed.	A total of 15 undergraduate students participated in the internship, after which four students were recruited by WNC.
	International Industry-Academia Alliance of NTUT	Graduate students from the Department of Industrial Engineering of National Taipei University of Technology	Graduate students from NTUT were provided with internship opportunities at WNC. Supervising professors and WNC managers worked together to instruct the students and implement theories on production lines.	In 2020, five students from the M.S. program of the Department of Industrial Engineering participated in internships at WNC.
	Leadership Talent Development Program	Undergraduate students from NTHU	A seven-month cross-domain training program at WNC, where the mentors talked about career exploration and planning.	In 2020, ten elite candidates were chosen from a pool of 67 NTHU students to participate in this program.

Retention Rate of WNC's Industry-Academia Partnership Project

Item	2017 (1 st year)	2018 (2 nd year)	2019 (3 rd year)	2020 (4 th year)	Total
Number of students recruited	21	47	54	42	164
Number of students retained	19	39	46	37	141
Student retention rate	90.5%	83.0%	85.2%	88.1%	86.0%



Undergraduate / graduate students in Taiwan and abroad participated in the WNC Summer Internship Program



Summer interns taking group interviews and online tests



Interns are taught by their advisors and WNC managers



Visit by NTHU students

WNC

啓基科技產學專班

啓基與中華大學合作科技人才養成計畫

加入啓基行列—穩定職涯 夢想起飛

- 免住宿費、水電費、交通費
- 每學期補助學費10,000元 (成績合格)
- 保障年薪14個月

薪資福利

年薪：保障月薪12個月+三節獎金(2個月)

月薪：NT\$23,000元

調薪：每年7月調薪

績效獎金：依個人績效表現及公司營運狀況發放

學生宿舍、學校全職駐廠輔導老師

課程特色

跨領域整合工管、機械、電機、電子、資訊等專業課程

大學畢業成績優異且工作表現良好，銜接碩士班最快**2**年取得碩士學位，學校將給予專案獎助金！

☎ 啓基同仁親友推薦專線：03-6667799 #5565

☎ 學校報名諮詢專線：037-663687
0980-000239
0988-872629

Designed by the Marketing Division

3.3 Overall Remuneration

3.3.1 Remuneration Structure

WNC regularly adjusts employees' salaries to ensure reasonable compensation for colleagues as well as to attract and retain talent. Taking into consideration other factors including stockholder rights and interests, employee quality of life, and sustainable development of WNC, employee wages are also regularly adjusted according to current price levels, market supply/demand, average salary levels in the industry, and local laws/regulations. With annual salary adjustment and promotion systems in place, permanent employees and departments with good performance are eligible for various bonuses and rewards regardless of gender, age, ethnic background, nationality, religion, or political affiliation. The rewards and bonuses include performance bonuses, employees' profit-sharing bonuses, project bonuses, and restricted stock awards, as well as a senior employee award, excellent team award, and patent award.

To help employees formulate long-term savings and retirement fund strategies, an Employee Stock Ownership Trust (ESOT) program has been set up so that employees can obtain and manage company stock, share in the company's financial performance, and create profits. As of the end of 2020, a total of 834 employees have participated in the ESOT program. The participants make up around 34% of total eligible employees.

Refer to the [2020 WNC Annual Report](#) for detailed information on remuneration and benefits.

Salary Statistics for Full-time, Non-managerial Employees at WNC's Taiwan Sites^{Note}

Item		Amount of change from 2019 to 2020	2020	2019
Full-time, non- managerial employees	Number of employees	10.5 %	4,266	3,862
	Total combined salary (unit: thousand NT\$)	5.0 %	3,898,361	3,712,560
	Average salary (unit: thousand NT\$)	-4.9 %	914	961
	Median salary (unit: thousand NT\$)	-4.3 %	682	713

Note: Full-time, non-managerial employees are calculated according to declaration instructions published by the Taiwan Stock Exchange. Employees who are on payroll less than six months (new recruits, resigned employees, employees on unpaid leave, etc.) are excluded from the calculation.

Ratio of Minimum WNC Employee Salary to Minimum Legal Salary

Country	Category	Male	Female
Taiwan	DL Employees	1.00	1.00
	IDL Employees	1.22	1.22
China	DL Employees	1.14	1.14
	IDL Employees	1.14	1.14
Vietnam	DL Employees	1.17	1.17
	IDL Employees	1.59	1.59

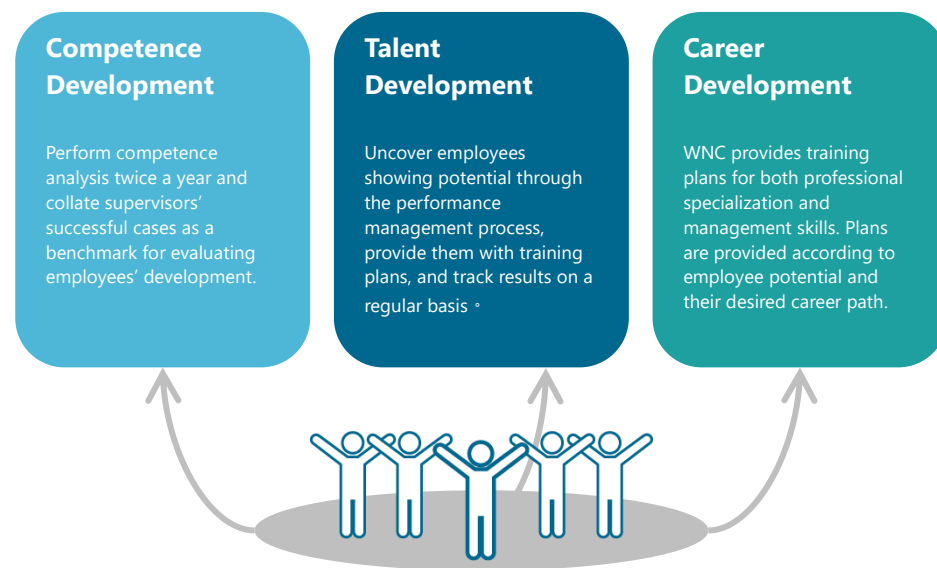
Ratio of WNC Employees' Average Remuneration^{Note 1}

Country	Category	Male ^{Note 2}	Female
Taiwan	DL Employees	1	0.87
	IDL Employees	Managers	0.85
		Specialist staff	0.82
China	DL Employees	1	0.98
	IDL Employees	Managers	0.91
		Specialist staff	0.87
Vietnam	DL Employees	1	0.92
	IDL Employees	Managers	0.77
		Specialist staff	0.73

Note 1: Average Remuneration=Average remuneration of all permanent employees for the year, including basic salaries, allowances, and bonuses.

Note 2: Given that the majority of R&D employees are male, their share of total company employee salaries is slightly higher than that of female employees.

3.3.2 Performance Management



Career Development

In accordance with management guidelines for employee promotion, IDL employees who have been in their positions for a requisite number of years, and who are regarded as capable of taking on greater responsibilities, are eligible for promotions in job position or level based on their performance, professional skills demonstrated and competency, as recognized by their supervisors.

- Promotion Management Planning: Adopt a dual-track system of both specialized and management positions to provide appropriate planning for WNC's employees.
- Assessment of candidates for promotion: Refer to candidates' past experience and performance in their position, in order to assess their readiness for post-promotion responsibilities. The Personnel Review Committee performs assessment after the unit supervisor's nomination.

Regarding promotions for DL employees, after production line supervisors have considered work performance and taken organizational needs into consideration, DL employees may be promoted to production line leaders and be given a raise after they pass evaluation. Alternatively, they may be transferred to positions with specialized work duties and be given work allowances. In addition, in accordance with hiring procedures

for IDL employees, DL employees with distinguished performance may become IDL employees and serve as assistant engineers, engineers, or function team directors. In 2020, the ratio of male and female employees receiving career development reviews were 17.2% and 15.3%, respectively.

Percentage of WNC Employees Receiving Career Development Review^{Note 1}

Country	Position	Persons		Ratio ^{Note2}	
		Male	Female	Male	Female
Taiwan	DL Employees	127	194	23.2	12.3
	Managers	44	17	9.5	17.0
	IDL Employees	188	99	14.7	14.0
	Subtotal	359	310	15.7	13.0
China	DL Employees	434	261	17.1	17.9
	Managers	52	18	17.3	13.8
	IDL Employees	83	57	13.9	15.2
	Subtotal	569	336	16.6	17.1
Vietnam	DL Employees	53	23	6.5	3.6
	Managers	8	0	40.0	0.0
	IDL Employees	5	0	3.2	0.0
	Subtotal	66	23	6.7	3.1
Total		994	669	17.2	15.3

Note 1: Does not include the Chairman and the President & CEO.

Note 2: The denominator is the number of employees in each category at the end of the year.

Performance Appraisal

WNC's performance appraisal system was developed by considering both operational efficiency and the development of individual competencies. Performance is evaluated based on two parameters: Management by Behavior (MBB) and Management by Objective (MBO). Periodically, performance in terms of both quality and quantity is simultaneously examined, and the results are compiled semi-annually with one-on-one interviews to evaluate the performance of employees, strengthen communication, adjust roles and responsibilities, foster career development, and serve as a basis for giving appropriate rewards or promotions to employees. WNC employees, excluding the Chairman and the CEO, who pass probation and who have been in service for one month or longer must participate in WNC's performance appraisal system.

3.3.3 Employee Insurance

WNC participates in Taiwan's Labor Insurance (which covers injury and sickness benefits, disability benefits, maternity benefits, and death benefits) and National Health Insurance and contributes to pension accounts according to Articles 55 and 56 of the Labor Standards Act. The company contributes labor pension funds to a designated statutory account every month. Based on the original or newly-enacted regulations, employers are required to deposit 2% or 6% (respectively) of their employees' monthly salary into pension accounts. All employees, except for vocational students and overseas employees, in compliance with the regulations of the Labor Pension Act, participate in this retirement scheme, with only eight employees following the old labor pension fund scheme. All employees are enrolled in a group insurance plan (which includes life insurance, accident insurance, hospitalization insurance, cancer insurance, and occupational accident insurance) on the first day they report to work. Employees may also purchase insurance for family members. Employees stationed overseas long-term are entitled to healthcare upgrades, and family members who relocate with them (spouse and children) are also provided casualty insurance.

Employees in China are enrolled in social insurance and a housing providence fund as required by the Labor Law of the People's Republic of China (five types of insurance and a mutual housing fund). The social insurance includes endowment insurance, medical insurance, employment injury insurance, unemployment insurance and maternity insurance. Employers are required to deposit 16% of an employee's monthly salary based on individual payment baselines as an endowment insurance pension. All employees participate in this insurance scheme. Employees in Vietnam are enrolled in social insurance, medical insurance, occupational injury insurance, and unemployment insurance according to the Regulation on Payment of Social Insurance and Unemployment Insurance (including pension and death insurance). The Law on Social Insurance requires labor pension contributions to be made into a designated account. All employees participate in the pension plan.

3.3.4 Employee Leave

All WNC sites provide leave for permanent and contract employees in accordance with local laws. WNC in Taiwan stipulates a leave system that surpasses the statutory leave provisions: Five annual leave days for new employees starting the day they report to work; paid personal and sick leave days for employees above a certain job level; and additional types of leave including parental leave, family leave, menstrual leave, and

paternity leave. WNC's China sites provide its employees who have been working for one year with 5 days of annual leave, 15 days of paternity leave, 13 days of marriage leave and 128 days of maternity leave in accordance with local regulations. In cases of dystocia (difficult delivery), maternity leave will be extended by 15 days. According to labor regulations in Vietnam, new employees in the first year are entitled to 12 days of paid leave, 3 days of marriage leave, 6 months of maternity leave or paternity leave (5 days for natural birth and 7 day for C-section), as well as parental leave (20 days for children under 3 and 15 days for 3-7 year olds).

Monthly Contributions to Employee Pensions for Employees at WNC's Taiwan Sites

Category	Source	Ratio
The Labor Standards Act (old scheme)	Contributed by employers	2%
The Labor Pension Act (new scheme)	Contributed by employers	6%
	Contributed by employees	Maximum of 6%

Allocation of the Five Types of Insurance and Mutual Housing Fund for Employees at WNC's China Sites

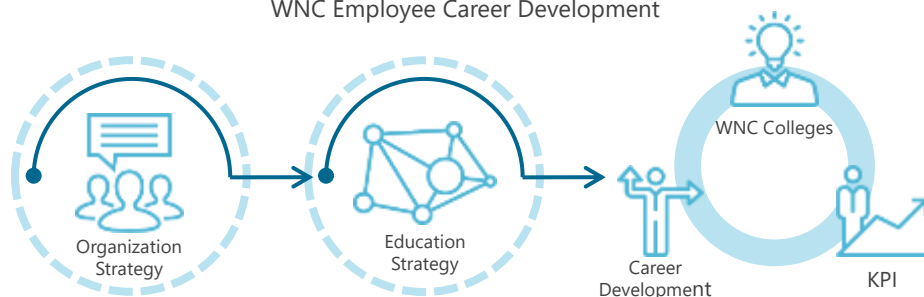
Item		Contribution Source / Ratio	
		Employer	Employee
Regulation on the Collection and Payment of Social Insurance Premiums in Jiangsu Province	Endowment Insurance	16.00%	8.00%
	Medical Insurance	7.00%	2.00%
	Employment Injury insurance	0.55%	NA
	Unemployment Insurance	0.50%	0.50%
	Maternity Insurance	0.80%	NA
Management Regulations for the Suzhou Housing Provident Fund	Housing Provident Fund	8.00%	8.00%

Allocation of Social Insurance for Employees at WNC's Vietnam Sites

Item		Contribution Source / Ratio	
		Employer	Employee
Regulation on Payment of Social Insurance and Unemployment Insurance	Social Insurance	17.50%	8.00%
	Medical Insurance	3.00%	1.50%
	Employment Injury insurance	0.50%	NA
	Unemployment Insurance	1.00%	1.00%

3.4 Training and Development

WNC Employee Career Development



3.4.1 Dynamic Talent Management

WNC attaches great importance to recruiting talented people and improving their skills and general knowledge. Based on this concept and the principles of growth, innovation, and cooperation, employees are provided with job function enhancement training programs, key competencies enhancement programs, and supervisory and leadership training. Recruitment activities in compliance with local laws and regulations are held. WNC employees are provided with healthy and safe working conditions and complete occupational training.

Cultivation of Outstanding Employees

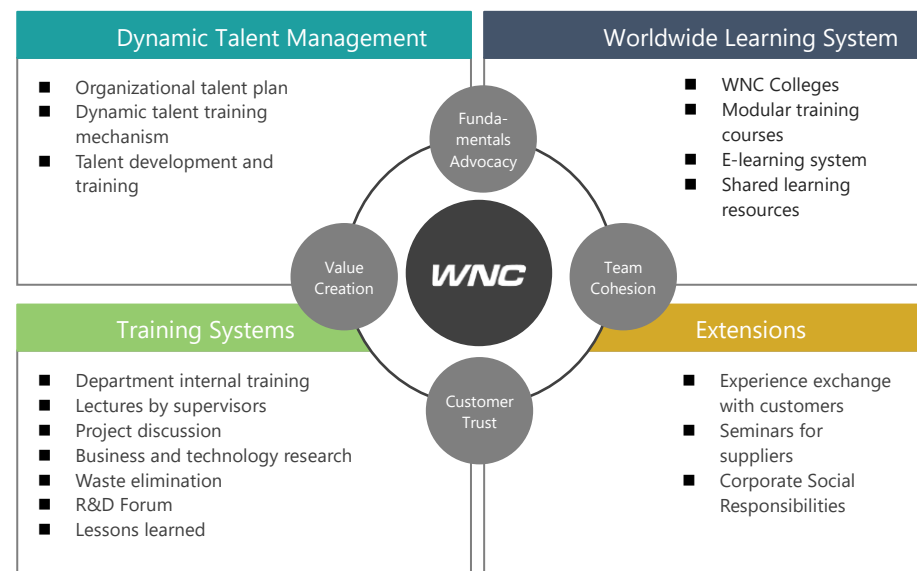
WNC offers performance evaluation and personal development plans for outstanding employees who demonstrate high growth prospects. The development plan incorporates organizational development objectives and features diverse contents and learning approaches, including course training, on-the-job learning, job rotation, project assignments, challenging task execution, and one-on-one coaching in order to stimulate and strengthen the employees' abilities in different aspects, enrich practical experience, and afford more opportunities for career development. WNC performs organizational talent review annually to select outstanding employees who have demonstrated high potential, pinpoint gaps in organizational talent development, and plan for organizational learning development.

Cultivation of Management Capability

The Human Resources Administration Division plans progressive talent cultivation courses according to the different levels and positions of employees. The courses feature

a systematic training and development structure to promote learning and development through multiple learning channels and talent-development plans to assist employees in enhancing their capabilities in all aspects, including professional skills, communication skills, and management practices.

WNC Employee Training



3.4.2 Training Systems

Encouraging Participation in Internal and External Training

Apart from the six Colleges, WNC also encourages employees to participate in both internal and external training including seminars, lectures, specialized training, and on-the-job refresher courses. With the approval of the employee's department manager, WNC provides full subsidies for the external courses taken. For English courses, each WNC employee may receive up to NT\$10,000 in subsidies per year to take these courses. In addition, departments are encouraged to host reading clubs to share insights gained through books. In order to ensure the quality of course content, participants are surveyed after courses conclude to determine the participants' retention, the teaching skills of the instructors, and recommendations for course improvement.

Developing a Learning Organization

Supervisors of all levels are encouraged to teach at least one two-hour class to share their management practices, professional knowledge/skill, lessons learned, new trends/technologies, and project experience each year. At the same time, WNC has instituted an internal instructor certification system to train instructors according to the training and development objectives of the year. Top-tier managers from different units in WNC's sites in Taiwan and China recommend candidates for the instructors. The candidates must attend the instructor-training courses organized by the Human Resources Administration Division, conduct demonstration lectures, and be assessed based on their performance in the demonstration. Qualified employees can then become certified internal instructors. All instructors will be recognized on Teacher's Day every year. Also, activities are organized during the Teacher's Day celebration for employees to show appreciation for their instructors. As of the end of 2020, 287 instructors were trained across all WNC's sites, and the training of internal instructors will continue.

Project Discussion

Regular project meetings enable employees to check progress and discuss product-related issues with other team members. Through asking questions, engaging in discussions, sharing practical examples and lessons learned, as well as preparing material and response measures in advance, employees can avoid potential issues in project management. In addition, through participating in the quarterly business review and technical exchange meetings, different units may learn skills related to organizational management, product development, and business expansion from one another, putting the tangible and intangible assets and resources of WNC to effective use.

3.4.3 Worldwide Learning System

E-learning System

WNC's LMS system is an on-line learning and performance-management resource sharing platform. It has the following features: providing on-line government regulations and corporate policy promotion, management system promotion, new-employee courses, and general knowledge courses related to employees' job functions. Employees may also manage their personal or organizational training records through the system and perform functions such as applying to host internal training courses or



applying for internal or external training. The system will send notification reminders and allow employees to submit their after-course reports and post-class satisfaction surveys.

Modular Training Courses

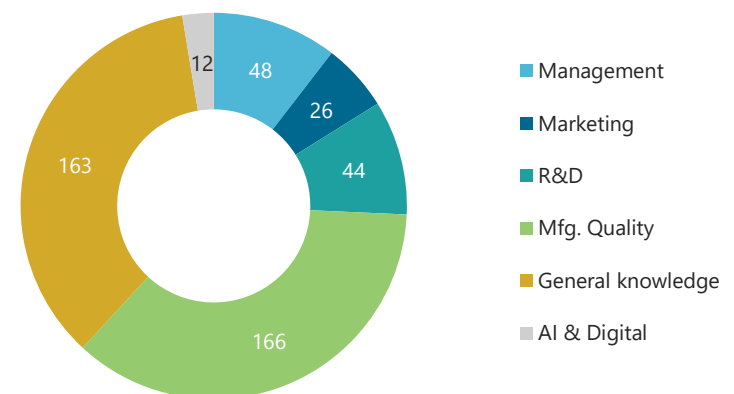
WNC also formulates modular courses to meet the needs of employees of different competencies and management levels. Corresponding training courses are provided in accordance with promotions and the resulting requirements of competency for the promoted position. This includes the new recruits course series, Six Sigma courses, targeted selection course series, new management training course series, basic management courses for general managerial positions, and advanced management courses such as performance management, strategic planning, and organizational development courses for middle-and upper-level supervisors.







WNC Colleges

In 2010, the WNC Colleges were established, composed of a Management College, Marketing College, R&D College, Manufacturing Quality College, General Knowledge College, and AI & Digital College. Respective colleges are led by top managers of related units, with organizational topics, future vision, and strategy adopted as points of departure for the construction of a successful template for a talent development system.

To respond to the rapid development of AI and the requirements of digital transformation, WNC established the AI & Digital College in December 2019. In 2020, WNC colleges hosted a total of 459 courses, and there were a total of 168,429 participants.

Number of Courses Organized by WNC Colleges



	Principal	Participant	Purpose	Description
 Management College	CEO	Top-tier managers/ external consultants	Focused on developing the management skills of supervisors, courses are designed according to the requirements of each management level, including management-skills training in leadership, motivation, and the self-growth of newly appointed supervisors and strategic-planning development for middle- and upper-level supervisors.	In addition to organizing courses based on different levels of management ability, we also conducted a human-resources inventory to develop training courses for handpicked personnel.
 Marketing College	President	Product managers/ sales supervisors	In addition to implementation of project management and the application of individual skills and specialized knowledge, topics covered include new industry knowledge, presentation skills, conference planning, international trade, and customer management and service capabilities.	We will continue to arrange for senior supervisors to share experiences of successful customer interactions through case studies and exchange of opinions with participants.
 R&D College	CTO	Product R&D center/WNC RD Forum (WRDF) Chairman	We established the WNC Research & Development Forums (WRDF) to promote R&D innovation and enrich the basic skills of R&D personnel. The WRDF enables participating employees to learn cross-field techniques and develop more holistic perspectives.	The chairman of each forum participates in course planning, and through industry-academia cooperation, outside experts are invited to serve as instructors and to help continuously build employees' technological knowledge and expertise.
 Manufacturing Quality College	General Plant Manager	CQO, Manufacturing/QA center manager	The aim of this curriculum is to implement WNC's quality strategy of zero defects in competitive goods and services. Courses offered include: Six Sigma, manufacturing, green-product design, quality systems, equipment, and failure analysis as well as IATF 16949 and IECQ QC080000 quality-awareness training and application.	Regular training for internal auditors of various quality certification systems are held each year.
 General Knowledge College	CHO	Functional unit supervisors	New hires, from their reporting date until the end of their probationary period, are required to complete 25 e-learning courses on company culture, the workplace environment, and system operations. Competency and skill-related courses are planned to raise employees' effectiveness and self-management ability and to follow government regulations and company policies.	These cover on-board training, fire drills, emergency response drills, responsibility classes, management courses, presentation design courses, and internal instructor training courses. Courses are also provided to mentors of new employees to enable the mentors to better understand how to help new employees adapt to a new environment and become a part of the WNC family.
 AI & Digital College	Head of DMIS Div.	Automation unit/ Information unit/R&D unit supervisors	The AI & Digital College provides courses on project review/recommendation as well as related professional knowledge and skills. The College integrates and shares information from internal and external resources to facilitate the incorporation of AI and digital learning into everyday work.	The AI & Digital College provides online and offline resources to guide employees on acquiring AI knowledge. The College also integrates internal and external learning resources to share AI projects, and inspire flexible application by all units.

3.4.4 Training Participation

In 2020, WNC employees underwent an average of 22.2 hours of training, with expenses related to employee training amounting to NT\$ 9.01 million. The training courses received an average satisfaction score of 4.5 (out of 5) from employees.

Training hours per
employee



Training-related
expenses (NT\$)



Satisfaction score
(out of 5)



Training Hours per IDL Employee Categorized by Job Level in 2020
(Unit: Hours)



Training Hours in 2020 by Job Level and Gender

Country	Category	Male			Female			Total		
		Hours (A)	Number of employees ^{Note 1} (B)	Hours per employee ^{Note 2} (A/B)	Hours (C)	Number of employees ^{Note 1} (D)	Hours per employee ^{Note 2} (C/D)	Hours (E)	Number of employees ^{Note 1} (F)	Hours per employee ^{Note 2} (E/F)
Taiwan	DL	5,956	615	9.7	14,873	1,591	9.3	20,829	2,206	9.4
	IDL									
	Managers	18,230	462	39.5	3,993	100	39.9	22,223	562	39.5
	Specialist staff	26,042	1,298	20.1	11,392	714	16.0	37,434	2,012	18.6
China	DL	70,356	2,540	27.7	49,321	1,457	33.9	119,677	3,997	29.9
	IDL									
	Managers	13,898	300	46.3	6,225	130	47.9	20,124	430	46.8
	Specialist staff	26,571	596	44.6	14,546	375	38.8	41,117	971	42.3
Vietnam	DL	1,451	814	1.8	1,049	637	1.6	2,500	1,451	1.7
	IDL									
	Managers	54	20	2.7	10	5	2.0	64	25	2.5
	Specialist staff	239	154	1.6	124	93	1.3	363	247	1.5
Total		162,797	6,799	23.9	101,533	5,102	19.9	264,329	11,901	22.2

Note 1: Number of training hours of full-time employees were calculated as at the end of the year.

Note 2: Hours Per Employee = Hours/Number of Employees

3.5 Employee Care

3.5.1 Occupational Safety and Health Management



Occupational Safety and Health Management System

WNC established an occupational safety and health management system in accordance with the ISO 45001 standard, and regularly reviews the operations of the occupational safety and health system to prevent occupational disease and injury and to protect the physical and mental health of staff. In 2020, WNC achieved its goal of zero major occupational accidents.

ESH & Energy Management

- In compliance with government policy and in coordination with ESH & Energy management system directives, promote environmental protection and the prevention of occupational diseases so as to provide employees with a safe and healthy work environment.
- All employees must work together to design and manufacture green products of superior quality and minimize the impact and damage these products cause to the environment so as to fulfill stakeholder demands, help protect the environment and use energy effectively.
- Continue to strengthen mechanisms for the prevention of environmental pollution, increase energy usage efficiency, implement appropriate control and reduction measures, and support purchases of products that improve energy performance to lessen impact on the environment.
- Continue to implement the workplace health management system and educate employees on how to prevent occupation-related injuries and illness. Adopt a “zero tolerance” principle toward unlawful conduct in the workplace to maintain the physical and mental health of employees.
- Reinforce all employees’ ESH & Energy performance awareness and accountability, and provide appropriate communication and consultation channels and participation mechanisms to ensure the effective operation of the ESH & Energy Management system.

Occupational Safety and Health Committee

An Occupational Safety and Health Committee has also been established for Taiwan sites and committee meetings are held quarterly in accordance with the Occupational Safety and Health Act to review the implementation results with worker representatives. The committee members serve a two-year term. Fifteen of the members are drawn from worker representatives, representing over 1/3 of the committee members. These members work as a safety and health

communication platform between WNC and employees to maintain and improve the organization’s safety and health management. WNC holds an annual organization consultation meeting to communicate and promote occupational accident prevention to construction contractors. In 2020, a total of 248 construction contractors attended the meeting.

Production safety committees established for China sites hold quarterly production safety management meetings. Department-level managers from various units attend the meetings to discuss occupational safety and health management issues. In addition, each unit assigns an employee to serve as its security officer, and these employees participate in externally approved security officer training courses and acquire security officer certification. This ensures that security officers have the required skills and knowledge in occupational safety and health.

A Labor Health and Safety Committee is set up at WNC’s Vietnam sites, and a labor safety and health meeting is convened quarterly and attended by 20 labor representatives from each unit, including 5 union committee members. Union committee representatives are responsible for reporting on occupational safety and health administrative matters to company management at union meetings.

Occupational Safety and Health Training

Pursuant to various occupational safety and health measures, WNC holds various educational and training courses to enhance employees’ awareness and skills related to occupational safety and health.

2020 Occupational Safety and Health Training Courses

Course	Course Objective	Course Content	Trainer
Basic Safety Training for All Employees	To enhance necessary safety knowledge and skills for employees and reduce the occurrence of incidents	Production line basic safety training and laboratory safety and health regulations	Industrial safety unit
Electricity Safety	To boost electricity use safety and abnormality investigation skills for production line planners, equipment operators, and supervisors.	Infrared thermographic camera operation and reading	External technical consultant
Mechanical Equipment Safety Circuit	To enhance smart factory safety design awareness and mechanical safety protections practices.	International safety regulations, risk assessment, and safety circuit practice training	Safety design trainer from a renowned Japanese automation equipment manufacturer
Accident Investigation	To enhance accident investigator's skills and to plan improvement measures to prevent accident reoccurrence.	Accident investigation experience sharing, accident investigation methods and improvement measures. Group exercise.	Former Labor Inspection Office Director

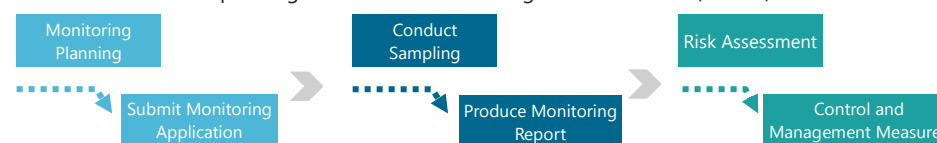
Risk Assessment

In order to continuously address the impact on WNC due to safety and health risks, departments of different functions perform risk identification and assessment, and adopt corresponding control measures according to risk assessment results, to prevent accidents from occurring.

Operational Safety and Health

In Taiwan, the company evaluates workplace conditions semi-annually in accordance with the Labor Operational Environment Measurement Regulations (including those related to dust, organic solvents, noise, carbon dioxide, and lighting) to ensure workplace safety. In July 2020, the company implemented a respiratory protection plan in accordance with regulatory requirements and now provides suitable protective gear to employees. If a non-conforming item is found, WNC executes corrective measures accordingly. In addition, a carbon dioxide monitoring system is installed extensively throughout office areas, in order to ensure that the work environment maintains good air quality.

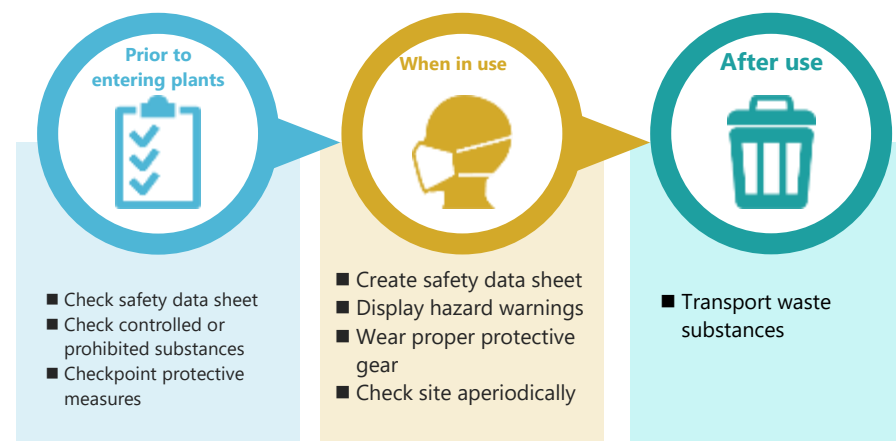
Operating Environment Monitoring Process in WNC (Tawian)



Worker safety at WNC sites in China comply with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Law of the People's Republic of China on Air Pollution Prevention and Control. Environmental and hazardous-substance monitoring is carried out in the workplace once a year. In Vietnam, labor safety related maintenance is conducted in accordance with regulations including the Labor Health and Safety Law. Workplace hazardous substances and environment monitoring is conducted twice yearly.

To prevent the misuse of regulated or prohibited chemical substances, and to effectively use and manage chemical substances. In Taiwan, a new chemical substances online review system was developed in 2020. The system can conduct quick review of new chemical substance hazards and classify chemical substances based on hazard level and submit them for approval. The system is linked to procurement and part number systems for better sourcing control and employee health protection. The system will be implemented in 2021.

Chemical Substances Management Process



Accident Investigation

In Taiwan, to fully understand the process by which near misses, abnormalities, injuries, and major accidents occur and to prevent their reoccurrence, the company performs accident investigation and analysis in accordance with the Accident Investigation Management Procedure and has formulated measures to prevent the re-occurrence of incidents. Inspection is conducted across all sites and prevention measures are implemented.

Occupational Accident/Near-miss Investigation Process



Occupational Injury Statistics

In 2020, there were 19 incidents of personal injury in Taiwan and one service staff suffered disabling injuries. These injuries were primarily due to routine work and accidents in public areas. Pinches, falls, contusions and cuts accounted for the largest number of injuries. Accident investigations and cause analysis have been conducted, and the responsible units have been asked to plan appropriate corrective measures to prevent re-occurrences in connection with environmental changes, thereby decreasing the operational risks to in-plant staff and workers.

In China, there were 8 incidents of personal injury and no service personnel suffered disabling injuries. These injuries included traffic accidents, hand contusion and accidents in public areas. In Vietnam, there were 2 incidents of personal injury and no service personnel suffered disabling injuries. These injuries included traffic accidents and foot injuries. WNC has investigated and analyzed the causes of these injuries and requested the responsible units to formulate improvement measures to lower the operation risks for employees in the factory. In 2020, no employees or personnel working at WNC's sites in Taiwan or China suffered permanent disabilities or deaths from occupational injuries.

2020 Occupational Injury Statistics ^{Note 1}

Item	Taiwan ^{Note 2}		China		Vietnam	
	Male	Female	Male	Female	Male	Female
Number of Disabling Injuries	8	11	5	3	0	2
Working Days Lost Due to Injury	137	10	2	83	0	6
Injury Rate (F.R.) ^{Note 3}	1.70	2.31	0.72	0.76	0.00	1.12
Lost Day Rate (S.R.) ^{Note 4}	29.19	2.10	0.24	20.94	0.00	3.37
Occupational Diseases Rate	0	0	0	0	0	0

Note 1: Total work hours= Number of employees in the category at year end × total number of working days × work hours per day

Note 2: Occupational injury records only include injuries sustained while carrying out work duties at WNC's sites in Taiwan; traffic accidents that occur during commutes are not included.

Note 3: Injury Rate (I.R.) = Number of Disabling Injuries / Total Working Hours × 1,000,000

Note 4: Lost Day Rate (L.D.R.) = Working Days Lost Due to Injury / Total Working Hours × 1,000,000

Note 5: Occupational Diseases Rate (O.D.R.) = Number of Occupational Diseases Cases / Total Working Hours × 1,000,000

2020 Occupational Injury Statistics for Personnel Working at WNC Sites

Subject	Item	Taiwan		China		Vietnam	
		Male	Female	Male	Female	Male	Female
Contractors (construction)	Number of Disabling Injuries	0	0	0	0	0	0
	Injury Rate (F.R.) ^{Note 3}	0	0	0	0	0	0
	Lost Day Rate (S.R.) ^{Note 4}	0	0	0	0	0	0
Contractors (security, cleaning, catering)	Number of Disabling Injuries	0	0	0	0	0	0
	Injury Rate (F.R.) ^{Note 3}	0	0	0	0	0	0
	Lost Day Rate (S.R.) ^{Note 4}	0	0	0	0	0	0
Dispatch employees	Number of Disabling Injuries	0	1	0	0	0	0
	Injury Rate (F.R.) ^{Note 3}	0	4.4	0	0	0	0
	Lost Day Rate (S.R.) ^{Note 4}	0	0	0	0	0	0

Emergency Response Drills

To improve employees' ability to respond to emergencies, emergency response teams have been established and a plant-wide evacuation drill is held every year. In 2020, drills for Taiwan sites enhanced complex scenario simulations and integrated disaster early stage response measures, including drills for on-site search and rescue, initial disaster handling, regional evacuation, evacuated personnel headcount, etc. The drills are videotaped and reviewed afterwards to identify needed improvements. Plant-wide evacuation drills for WNC headquarters and the S1 plant have been postponed due to the pandemic. S2 held a plant-wide evacuation drill, making a total of two plant-wide evacuation drills for day and night shift employees.

All WNC plants in Kunshan have established firefighting teams which hold monthly firefighting drills and disaster prevention exercises. In 2020, Wistron NeWeb (Kunshan), WNC (Kunshan), and WebCom (Kunshan) each held two plant-wide firefighting and evacuation drills, making for a total of twelve firefighting and evacuation drills for both day and night shift employees. Dormitory areas hold an evacuation drill once every half-year. WebCom (Nanjing) held a plant-wide firefighting and evacuation drill in 2020. In 2020, V1 held two plant-wide evacuation drills for both day and night shift employees.

2020 In-Plant Disaster Reduction Plan

Improve emergency response capabilities	Onsite search <small>Note 1</small> <p>An onsite irregularity reporting and verification mechanism has been implemented at plants worldwide. Employees can report immediately in case of accident. A response unit will be activated promptly to handle first-degree disasters and reduce damage.</p>
	Sign display and locking of equipment <p>During equipment shutdown for maintenance and troubleshooting, signage should be displayed, and equipment should be locked to alert personnel and prevent accidental activation or power release.</p>
Enhance work safety	Warning notices <p>During wiring, maintenance, construction, or troubleshooting, signage should be displayed to prevent accidental intrusion or activation by other personnel.</p>
	Management of high-risk operations <p>For high-risk operations in the plant, operators must be qualified (education and training, skills evaluation, or skill card) before they are allowed to start working.</p>
Early prevention	High-temperature equipment safety check <p>A high-temperature equipment safety check system has been implemented in Taiwan and China.</p>
	Potential Risk Reporting <p>A potential risk reporting platform has been implemented in Taiwan. Employees can report immediately if they find any potential risk in the plant so that improvement measures may be taken promptly. Competitions and awards have also been set up to encourage to take part in maintaining plant safety.</p>
	Safety performance competition <p>Establish a safety culture at the plant, promote participation in safety activities, and encourage volunteer disaster reduction proposals and irregularities improvements.</p>

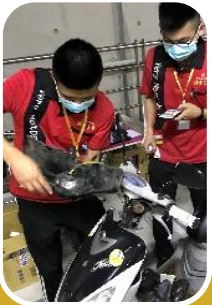
Note 1: Onsite operators identify irregularities in the area immediately.

Traffic Accident Reduction Activities in 2020

Defensive Driving



- **Simulation of common traffic accidents** to instill the importance of defensive driving skills.
- **Road hazards map:** marking road sections prone to accidents to remind drivers to drive carefully.
- **Traffic safety seed personnel training:** Employees received training at the Hsinchu Motor Vehicles Office and promote the knowledge and defensive driving skills acquired to their fellow WNC employees.



Scooter Maintenance and Check-up



- **Protective gear exhibition sales:** Promote the importance of protective gear and offer employees a selection of suitable gear
- Professional mechanics were invited to check the condition of scooters for WNC employees on items including tires, brakes, headlights, and taillights.

Right-of-way Activity



WNC, Hsinchu Safe Driving Education Center, and Hsinchu Motor Vehicles Office have jointly launched a "Right of Way Park" campaign to advocate safe scooter riding skills and promote awareness for right of way and defensive driving.



Traffic Safety Quiz Competition

- Promote the importance of safe driving.
- S2 employees participated in traffic safety related activities held by the Motor Vehicles Office. The special police brigade was also invited to promote traffic safety.

3.5.2 Food Safety



Provide employees with a safe, hygienic, and healthy food and dining environment

Management

- Formulation of kitchen safety and health management measures to specify management responsibilities and measures for comprehensive control of food ingredients, food processing, tableware safety, food service vendor management, and environment cleanliness and equipment maintenance.
- Rigorous selection of certified meal service vendors and daily inspection to ensure that vendors follow all government regulations and food safety laws.
- All meal service personnel are required to take periodic health examinations, and those with specified infectious diseases including tuberculosis, hepatitis, sexually transmitted diseases, suppurative skin disease or typhoid carriers are not allowed to provide meal services or work in kitchens.
- Ingredients of the meals provided in the staff canteen are adjusted to reduce the proportion of fried foods and use organic vegetables and olive oil. On-site food-service vendors are advised to use healthier cooking techniques.
- Standards have been implemented for the selection of meal service vendors, including HACCP and ISO2200 standards, so that stringent quality controls can be executed regarding food safety.
- Pandemic prevention measures: to avoid infection concerns during meal times, canteen seating has been reduced, partitions installed, and cleaning is conducted more frequently.

Monitoring

- The Industrial Safety Dept. conducts a safety and hygiene examination of the company kitchen and announces the results each month.
- Compilation of an ingredients vendor list. On-site food service vendors are prohibited from using food from unknown sources. Food must be verified to conform to safety and health rules. WNC performs inspections from time to time.
- WNC performed inspection of the food ingredients in the plant according to the list of unqualified food items published by the MOHW and pulled suspicious products from shelves in response to Taiwan's country-wide food safety incidents in recent years. Food items may be re-shelved only after they pass relevant safety inspections.
- Bi-monthly water quality tests of water dispensers and results announcements

3.5.3 Healthy Workplace

To create a healthy workplace, WNC promotes numerous health care measures and health promotion activities.



Employee Medical Examinations

WNC's sites in Taiwan collaborate with the Hsinchu branches of Mackay Memorial Hospital and National Taiwan University Hospital, Hsinchu Science Park Clinic, Sin-Lau Christian Hospital in Tainan's Madou District, and Tainan Science Park Clinic to process new employee pre-employment medical examinations, in-service periodic medical examinations and medical specialist on-site health services. The average examination participation rate has reached 99%.

All colleagues of WNC's sites in China are required to undergo general health examinations on joining the company. In addition, based on the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, employees in China performing special tasks with potential risk of occupational disease are required to undergo extra related examinations when undertaking those tasks. In Vietnam, all employees receive a general health examination once annually. Employees who conduct specific tasks with potential occupational disease risk factors are also offered specific

occupational health examinations every six month in accordance with regulations of the Labor Code and Law on Occupational Safety and Health.

Professional health-care services

WNC's sites employ nurses with past clinical experience in internal medicine, surgery, obstetrics and gynecology, pediatrics, and intensive care medicine. The facility nurses compile analyses of employees' health issues, perform personal health hierarchical management, and plan annual health care and promotion activities accordingly to assist staff in enhancing their health awareness, and fully implement healthy living.

2020 WNC's medical personnel

Medical personnel	Taiwan	China	Vietnam
Facility doctor	2	0	0
Facility nurse	5	1	2
Total	7	1	2

WNC's sites in Taiwan purchased the "Health Management System" to record and manage the health records of employees: hierarchical health management is divided into five levels from Level A to Level E according to the results of examination items. A higher level means a higher health risk. Different management measures are provided for each level, including regular follow-ups, facility nurse health education, facility doctor consultations, and outpatient clinic and emergency follow-up consultations. In 2020, there were 451 facility doctor consultations, and the follow-up rate of the highest health risk level—Level E—was 100%.

Health Promotion Activities

WNC sites in Taiwan implement one health promotion project every year. Starting from 2018, a health club has helped employees maintain a healthy physique, avoid high blood pressure, high blood lipids, and high blood sugar, and prevent metabolic syndrome over the course of three years.

In line with post-COVID 19 lifestyle activities, the club incorporated the online exercise app "Walkii". This enables employees to stay fit while social distancing. 375 employees participated in the activity and participants lost a combined 751 kgs during the course of three months.

In addition, a total of 4,334 people participated in health promotion activities and

lectures in 2020, including those related to sugar intake reduction, cardiovascular diseases, and eye care, with a satisfaction level of 4.7 (out of 5) for these activities.

Mental Health Resources

On top of caring for employees' physical conditions, WNC provides employees with required health education, care, and report mechanisms for injuries or sicknesses resulting from official duties or personal issues, including injury and illness follow-ups, recommendations for a reasonable number of rest days, evaluations for resumption of work or suitable work, and assistance for the resumption of work. WNC's Taiwan sites launched a WNC Employee Assistance Program with an external consultation company which provides WNC employees with consultation services for vocational, familial, interpersonal, physical and emotional financial, legal, and managerial issues. Employees may call a free hotline during the business hours of the consultation company for consultation. If employees require individual face-to-face consultation, a psychiatrist will refer employees to a professional consultant. Each employee is eligible for two free face-to-face professional consultations each year.

To help employees understand the WNC Employee Assistance Program, WNC gave each employee an EAP leaflet. As of the end of 2020, 283 employees have called the free hotline for consultation (stage one consultation), and 33 have used the face-to-face professional consultation service (stage two consultation). Out of the 33 cases that the stage two consultation service handled, 17 were for legal issues, three were for familial issues, four were for interpersonal/workplace issues, three were for career issues, two were for leadership/management issues, two were for stress-related issues, one was for mental illness issues, and one was for financial issues.



Preventive Care Services

Maternity protection

WNC has established Maternity Health Protection Guidelines, and works together with industrial safety organizations to implement work environment inspections and facility doctor consultations for pregnant or postpartum staff. WNC also provides related health education regarding the early, mid, and late stages of pregnancy.

Infectious disease prevention

Every year, employees can receive free influenza vaccinations. Dependents of staff can also enjoy a special discount and guaranteed vaccine availability. In 2020 a total of 1,888 vaccinations were administered, the total inoculation rate was 39.6%, and the related epidemic prevention work cost a total of NT\$1,210,000.

In response to the COVID-19 pandemic, WNC implemented pandemic alert levels and prevention measures to avoid cluster infections in plants. WNC also immediately filters out high-risk individuals (personnel with travel histories in infected areas or suspected contact histories) and request that they implement self quarantine at home. High-risk cases are 100% traced and monitored to follow up on their health condition. In 2020, tracing of a total of 411 case contacts was completed, and there were zero infections at WNC plants. To provide employees with a safe working environment, thermometers, rubbing alcohol and medical masks are supplied.

Occupational disease prevention

Eye care and musculoskeletal disorder prevention lectures are held from time to time, and hearing protection courses are periodically held in collaboration with industrial safety units. WNC also coordinates with industrial safety units, facility doctors, and unit executives to inspect work environments. In July 2020, the Occupational Safety and Health Act Respiratory Protection Program was implemented. WNC worked with the Industrial Safety Unit and completed facility doctor consultation and physical assessment processes for 47 employees who wear respiratory protective gear.

Emergency Care System

WNC established a 24-hour facility nurse on duty hotline, periodically reviews emergency care personnel deployment and training, implements evacuation drills and training for sites, and audits and supplements the medical supplies at each unit. WNC headquarters has signed an emergency ambulance contract with the employee clinic, so that emergency services can be provided immediately when necessary

3.5.4 Recreational and Exercise Equipment

WNC (Taiwan) offers employees gymnasiums with a range of exercise facilities including aerobics rooms and reading rooms. The gymnasiums have a variety of exercise and fitness equipment. Employees are encouraged to use the gyms during their lunch breaks and after work-hours. Showers and changing rooms are available for employees to freshen up in. The aerobics rooms are used for both aerobics classes and department group activities. Twelve visually impaired massage therapists are on the payroll to provide free massage services. A complete and multi-functional living center “Qi Yuan” is provided at employee dormitories in China. In addition to catering services and a

supermarket, there are other recreational facilities. A badminton court, basketball court, table tennis room, and snooker parlor are also offered onsite in China. To provide employees with more options for after-work activities and encourage interaction, a new entertainment venue was built in Qi Yuan in January 2019. The venue accommodates up to 150 people and is furnished with sofas, TVs, projectors, a stage, and KTV equipment. The dormitory area in V1 offers catering services and sports equipment (table tennis room and treadmills).



WNC Headquarters Gymnasium



WNC Headquarters Lounge



Supermarket at one of WNC's sites in China



S1 Gymnasium



WNC Headquarters Aerobics Room



Badminton Courts beside the employee dormitories at one of WNC's sites in China

3.5.5 Employee Activities and Welfare

Apart from health care enhancement measures and sports equipment, WNC develops employee activity plans centering on two themes: health care and quality-of-life improvement. Employee activities in 2020 are summarized below:

Company-wide events

In 2020, due to the impact of the pandemic, WNC Taiwan headquarters held quizzes online and concerts and group games on-site for Mid-Autumn Festival. For the year-end party, online lucky draws and awards ceremonies were held so that employees could interact with each other while respecting social distancing restrictions.



Online lucky draws and award ceremonies



WNC 2020 Year-end Party—online activities



Christmas decorations



Mid-autumn Festival event

Employee Welfare Committee

In Taiwan, the company has established an Employee Welfare Committee in compliance with the Employee Welfare Fund Act to assist all employees. The annual employee welfare budget is derived from company revenue and employee welfare funds. Employee representatives elected by the employees themselves and the management team coordinate to allocate employee welfare funds to further improve management/employee relations. An example of fund allocation is the provision of electronic gift certificates to employees. In addition, due to site expansion and a rise in the number of employees, gifts given to employees for Chinese New Year, Labor Day, and Mid-Autumn Festival are selected via popular vote. These measures meet employee needs while avoiding unnecessary waste and respecting the environment.

WNC respects employees' freedom of association and encourages employees to develop their personal interests and talents in club activities. Employee clubs meet regularly and organize various club events.



Cycling club



Golf club



Tennis club



Softball club

Organic canteen meals

Stemming from a desire to care for employees, vegetables that catering companies use are all organic produce provided by suppliers, including leafy vegetables, melons, and gourds. In addition, healthy meals, which feature reduced seasoning, are provided in the staff canteen on Tuesday and Thursday, offering employees a healthier choice of meals.

In 2020, the amount of organic produce purchases WNC made through on-site food-service vendors amounted to NT\$8,655,856 including NT\$4,453,564 paid by WNC and NT\$4,202,292 paid by the Employee Welfare Committee.

Art events

WNC held an online literature award in 2020, receiving submissions from 18 employees in the modern poetry, essay, and prose categories. 230 readers cast their votes for their favorite works. Also, 23 arts-and-crafts DIY classes were held, and 1,065 employees participated in the classes.

Exercise courses

Aerobics, strength training, Yoga, and rhythmic balance courses are open each quarter in WNC's sites in Taiwan; in 2020, sports facilities and exercise classes were suspended after the COVID-19 alert level was elevated to Level 1. Therefore only two rounds of exercise courses were offered in 2020, with a total of 570 people participating in these activities.

04

Cherishing Natural Resources

Environmental Management

Green Products

Carbon Emissions Management

Energy and Resources Management

WNC's Global Manufacturing Headquarters works in coordination with the Industrial Safety Dept., Facility Center, and Digital Management Information Systems Division to implement energy conservation/carbon reduction measures in factories, production lines, equipment, and product manufacturing processes. Actions taken include the construction of solar power stations and Supervisory Control and Data Acquisition (SCADA) systems, and the establishment of an Energy Management System Committee to implement the ISO 50001 energy management system. These efforts, along with a better understanding of environmental protection by WNC employees, will effectively reduce carbon emissions and mark a step in the right direction toward our goal of becoming a green manufacturer.

WNC's Environmental Goals

Renewable Energy



Generate **5.0 GWh** of solar power from 2020 to 2022.

GHG Emissions

Reduce Scope 2 GHG emission intensity by **5.0%** in 2022 (base year: 2019).



Waste

Goal for waste recycling rate in 2021: **83%**



Electricity

Sites in Taiwan: Reduce electricity consumption per million NT of business revenue (unit: GJ / million NT\$) by **2%** in 2021 (base year: 2020).

Sites in China: Reduce electricity consumption by **2%** in 2021 (base year: 2020).



Water

- Sites in Taiwan: Reduce water withdrawal per million NT of business revenue (unit: cubic meters / million NT\$) by **5%** in 2021 (base year: 2019).
- Sites in China: Reduce water withdrawal by **2%** in 2021 (base year: 2020).

Environmental Protection Achievements in 2020



Renewable Energy

- A total of **2.1 GWh** of electricity was generated from solar power in 2020. The annual power generation equates to a carbon absorption capacity of approximately 2.9 times that of Taipei's DaAn Forest Park.



Water Resources

- In 2020, saved and recycled water made up approximately **12.6%** of the total water withdrawn in WNC, which saved **NT\$4.19 million** in water withdrawal costs.



Green Products

- In 2020, we received a total of **587** requests for green products from customers, and we fulfilled all these requests by Q1 2021.
- During the design stage of our high-power 5G CPE, a function was implemented to control the electrical current powering the LEDs, which reduced the energy consumption of the product when in use. Our tests reveal that this design reduces energy consumption by about **2.0%**.



Waste

- Waste recycling rate exceeded **80%** in 2020.
- Seven recycling projects were implemented in 2020, including recycling of solder waste, used pallets, and used plastic barrels, resulting in savings of **NT\$26.52 million**.



Energy Management

- Implemented the ISO 50001 energy management system, reducing emissions by **555 tonnes CO₂e**, achieving energy savings of around **NT\$2.72 million**.



Green Living

- WNC sites in Taiwan purchase office supplies, such as computers and paper towels, that have green product labeling. Supplies purchased in 2020 amounted to **NT\$ 28.13 million**.
- WNC sites in Taiwan held **four** environmental protection activities in 2020, including a beach cleanup activity, a turn off the lights competition, a test your green knowledge event, and a DIY crafts class. A total of **955** employees participated in these activities.

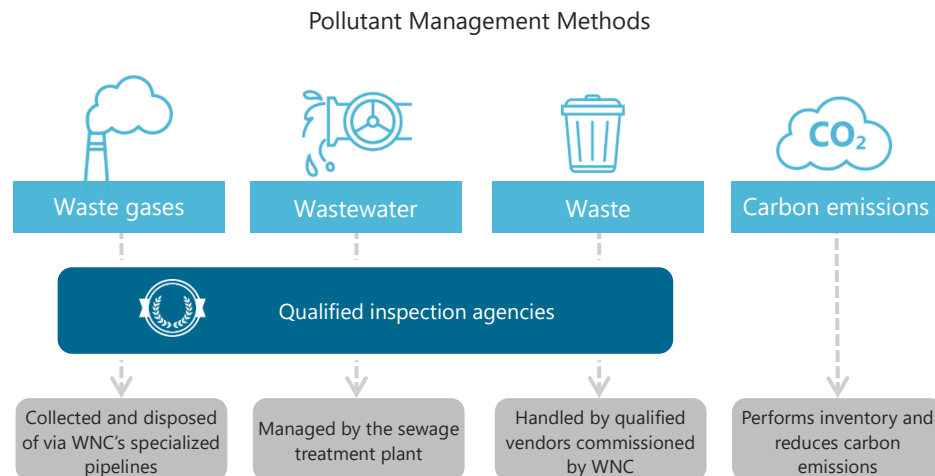


4.1 Environmental Management

WNC pays close attention to global environmental protection issues and trends. Apart from observing local regulations at our operation sites and establishing environmental and green-product management systems with suppliers based on customer requirements, we have also implemented measures in our work environments to conserve energy and reduce our carbon footprint in order to ensure the effective use and management of limited resources. In addition, we have also formulated the Environmental Safety, Health & Energy Management Policy described in chapter 3.5.1 (Occupational Safety and Health Management) to implement measures and carry out internal and third-party audits at fixed intervals to ensure that we comply with ISO 14001, ISO 14064, ISO 50001, IECO QC 080000, FSC™ Chain-of-Custody (FSC™ CoC) and other related regulations.

4.1.1 Pollutant Management

WNC belongs to a technology-intensive, R&D focused industry. Since our manufacturing processes only comprise SMT (Surface Mount Technology), precision assembly, and testing, pollutants from operations such as waste gases, wastewater, and waste were all properly collected and processed. Besides CO₂, which was the result of electricity consumption, there were no other air pollutants generated (such as NO_x and SO_x).



4.1.2 Waste Management

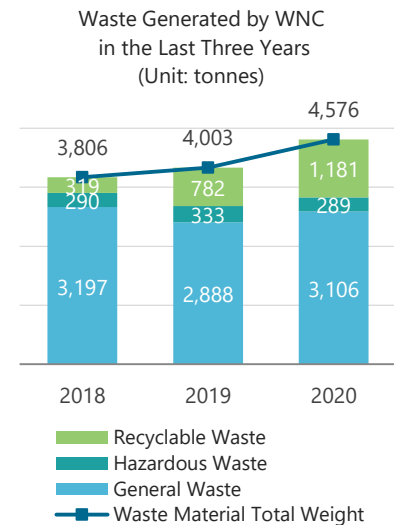


Waste recycling rate of 83%

Because capacity demand increased, the total weight of waste produced in 2020 by WNC significantly increased compared to 2019. In order to continuously improve our waste recycling rate, waste recycling and reuse programs have been implemented. In 2020, the waste recycling rate exceeded 80% at all WNC sites, meeting our goal for the year.

Program to raise waste recycling rate

Waste from WNC mainly comes from production processes. WNC has implemented factory waste sorting optimization projects, which led to an increase in total waste sorting categories. In addition reference photos are being placed beside waste sorting bins to improve the accuracy of waste sorting and in turn raise the recycling rate. To reduce the amount of waste from single-use items, WNC has also requested suppliers to recycle and reuse packaging materials, including plastic trays used in manufacturing processes and cardboard boxes.



Besides continuing to provide solder waste and PCB trim scraps to recycling companies for metal recycling, WNC has also implemented several other recycling projects in 2020. Details on these projects are in the table below:

WNC Waste Recycling Results in 2020

Type	Measures	Recycled (tonnes)	Recycling benefits (10,000 NT\$)
Solder waste	Recycle solder waste generated during production processes for recycling vendors to turn into electroplated plates	33	1,970
PCB trim scraps	Provide PCB trim scraps generated during production processes to recycling vendors for them to recycle heavy metal (such as copper and gold)	192	634
Used pallets	Provide unusable pallets to recycling vendors to remanufacture into fuel balls. These are used by cogeneration plants as combustion aids.	190	0
Used plastic containers	Provide empty plastic containers to recycling vendors for washing and processing. The barrels are then broken up into plastic pellets which can be remanufactured into other plastic items.	9	11
Paper waste	Internal documents shredded by WNC are sent to Zhenglong Co., Ltd. for recycling into Dandelion Eco-friendly paper, which is manufactured from 100% recycled pulp and does not use forest resources.	5	0
Plastic trays	Scrap plastic trays from production lines are sent to recycling vendors for sorting and recycling.	18	22
Styrofoam	Scrap Styrofoam packing material is sent to recycling vendors and turned into Styrofoam balls for reuse.	38	15
Total		485	2,652

Management of waste-cleanup vendors

When cleaning up waste, WNC conducts waste sorting and reduction operations and has established qualified waste-storage areas. Waste is also handled by authorized waste-cleanup vendors. In accordance with regulations WNC files reports online on the waste it generates. WNC conducts annual inspections on its waste-cleanup vendors. The areas inspected include vehicles used for transporting waste, storage facilities, waste handling methods, document verification, and tracking the processing and transport of waste. WNC also implemented a vendor pre-review system in 2020, and only vendors who pass

the pre-review can sign a contract with WNC. In 2020, personnel at WNC's Taiwan sites completed reviews on 14 waste-cleanup vendors. This is to ensure that these vendors conduct waste inspection, cleanup, and handling in accordance with the law. Vendors are ranked based on the results and WNC communicates with the vendors based on the results and requires that the vendors propose improvement measures accordingly. In 2020, WNC conducted waste processing and recycling according to local regulations. No significant pollution incidents occurred, and no WNC sites received any penalties or fines for violations of environmental protection regulations. The declared weights for 2020 of various types of waste at WNC are listed in the table below.

Waste Generated by WNC in 2020

(Unit: tonnes)

Waste Category ^{Note 1}	Taiwan				China				Vietnam				Total			
	Total	Re-use/ Re-cycled	Incineration	Chemical processing	Total	Re-use/ Re-cycled	Incineration	Chemical processing	Total	Re-use/ Re-cycled	Incineration	Chemical processing	Total	Re-use/ Re-cycled	Incineration	Chemical processing
General Waste	524	258	266	0	1,780	1,535	245	0	802	699	103	0	3,106	2,492	614	0
Hazardous Waste	139	98	35	6	127	116	11	0	22	18	2	2	289	232	48	9
Recyclable Waste ^{Note 2}	1,181	1,181	0	0	0	0	0	0	0	0	0	0	1,181	1,181	0	0
Total Waste	1,844	1,537	301	6.1	1,907	1,651	256	0	824	717	105	2	4,576	3,905	662	9

Note 1: Waste is categorized based on the waste disposal regulations at each WNC site and the processing mode of the particular waste. The waste recycling rate is calculated by dividing the amount of waste recycled by the total amount of waste.

Note 2: WNC (Taiwan) disposes of recyclable waste according to regulations specified by the Recycling Fund Management Board. No such category exists for WNC's sites in China and Vietnam.

4.1.3 Packaging Materials Management

WNC makes every effort to develop and manufacture green products that comply with environmentally-friendly requirements of low toxicity, low pollution, energy efficiency, low resource consumption, and easy recyclability. Packaging materials used during the packaging and delivery stage, including corrugated fiberboard, EPE foam, plastic bags, labels, brochures, paper pulp boxes, and bubble wrap, are all made from recyclable materials and comply with the control measures for certain hazardous substances (Pb, Cd, Hg, and Cr(VI)) listed in the EU's Directive on Packaging and Packaging Waste (Directive 94/62/EC). In addition, WNC strives to reduce packaging volumes to improve space utilization, increase the amount of containers that can be loaded in a shipment, reduce the energy consumption and pollution produced during transportation, and reduce unnecessary transportation costs and carbon emissions.

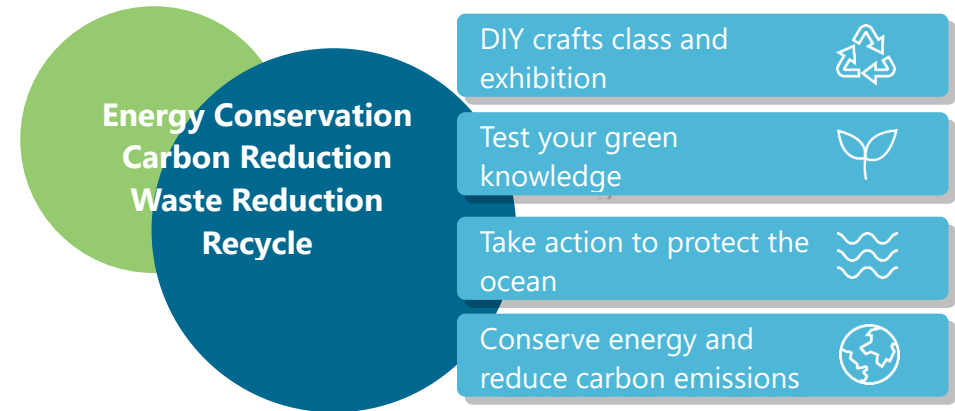
To respond to customer requirements and promote sustainable forest management, in 2014, WNC began using paper products with the FSC™ Chain-of-Custody certification issued by the Forest Stewardship Council (FSC). After obtaining FSC™ CoC certification in 2015, WNC has regularly conducted internal audits and undergone third-party verification. WNC hopes to utilize systematic forest management and supply chain monitoring to help ensure that the paper products it uses to make package boxes, paper bags, labels, and other printing materials are all made from wood from certified planted forests, which in turn will ensure that more forests are properly protected and managed. In February 2021, WNC completed third-party verification and audit processes for FSC™ CoC Accreditation.



4.1.4 Green Life

Environmental Protection Activities

WNC is continually looking to implement energy/water conservation, waste reduction, and plastic-use reduction measures. It organizes several environmental protection activities each year, inviting colleagues to work together to protect the environment. In 2020, WNC organized green activities using the themes of energy conservation, carbon reduction, and waste reduction/reuse so as to encourage employees to take action to protect the Earth by doing things such as turning off unused lights.



WNC (Taiwan) Environmental Protection Activities in 2020

Activities	Description	Results
Test your green knowledge	Online quiz event on green knowledge	No. of participants: 409
Conserve energy and reduce carbon emissions	A turn off the lights competition was held at HQ, and green action photo contests were held at S1 and S2 to encourage employees to conserve energy.	Reduced carbon emissions by around 2,149kg CO ₂ e
Take action to protect the ocean	Organized a beach cleaning event for employees and their families.	No. of participants: 115 Amount of waste collected: 238.5 kg
DIY crafts class	Organized a handicrafts class where employees learned how to turn plastic bottles into night lamps.	A total of 67 lamps were made.
Green activities event	WNC worked with the Bureau of Environmental Protection to promote waste sorting and organized a green activities event.	431 people participated in the green activities.

Environmental Expenditure

Besides obtaining environmental management system certifications, WNC has also implemented many environmental protection measures. In 2020, WNC spent a total of NT\$71.13 million on this, of which 2.2% was spent on management system certification, 4.8% was spent on environmental and green product testing, 10.5% was spent on waste handling, 36.3% was spent on prevention of air/soil/water pollution, 46.0% percent was spent on energy conservation investments, and 0.2% percent was spent on other items.

WNC Environmental Expenditures in 2020

Item		Amount (ten thousand NT\$)	Percentage of total
Certification fee	ISO 14001, ISO 14064-1, ISO 50001, IECQ QC080000, FSC™ CoC	154.9	2.2%
Environment and product testing	Waste gas/water, general waste, noise level verification, and soil measurement/testing fees	51.9	4.8%
	Green product and plasticizer (in incoming materials) testing fees	289.7	
Waste handling	Fees for cleanup and inspection of solid/liquid waste	745.5	10.5%
Pollution prevention	Air Replacement of activated carbon	181.6	36.3%
	Air Scrubber tower maintenance cost	69.0	
	Air Air pollution fees	60.3	
	Soil Soil pollution fees	0.2	
	Water Refurbishment of rainwater and sewage drainage pipes	73.6	
	Water Wastewater treatment equipment	1,582.0	
Energy conservation investments	Sewage treatment fee	621.8	46.3%
	Solar panel installation and maintenance fee	0.0	
	SCADA installation and maintenance fee	151.0	
	Investment in energy conservation projects	301.6	
Others	Purchase of products with green product labels ^{Note 1}	2,813.8	0.2%
	Consultation and training fees	16.6	
Total		7,113	100.0%

Note 1: WNC purchases office supplies, such as computers, and paper towels that have green product labeling.

4.2 Green Products

4.2.1 Green Product Management

WNC's Green Products Section is tasked with coordinating all internal and external matters relating to green products and to work with operations, purchasing, R&D, and manufacturing units to effectively monitor the management process for environmental product development during the product design, production, and shipment stages. The section's responsibilities include evaluation and execution of compliance with international laws, regulations, and customer environmental protection directives, evaluation of green label compliance, promotion of green product continual improvement initiatives, control of hazardous substances, auditing of green products, and management of suppliers to ensure the effectiveness of WNC's green policy implementation. In 2020, we received a total of 587 requests for green products from customers, and we had fulfilled all the requests by Q1 2021.

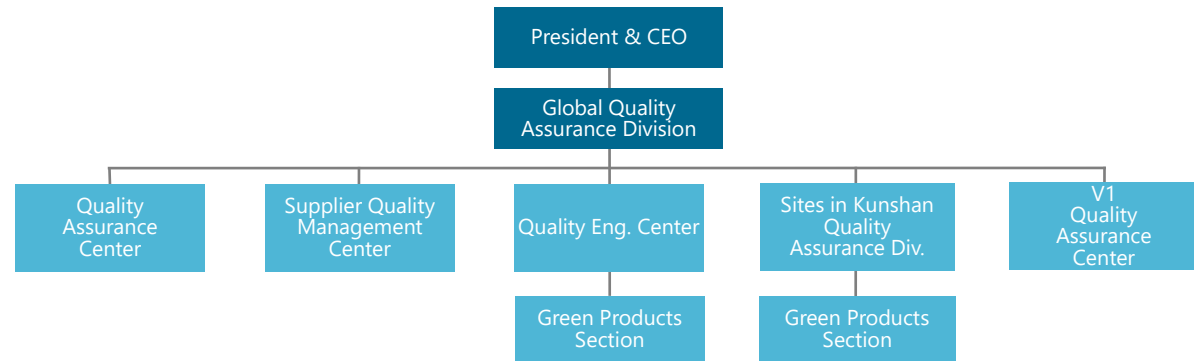
4.2.2 Hazardous Substances Management

WNC has implemented lead-free processes and enforced halogen-free standards in production processes to reduce the environmental impact of said processes. WNC also utilizes XRF equipment to perform reliable and rigorous measurement and monitoring of prohibited and restricted substances in raw materials and products that are hazardous to the environment.

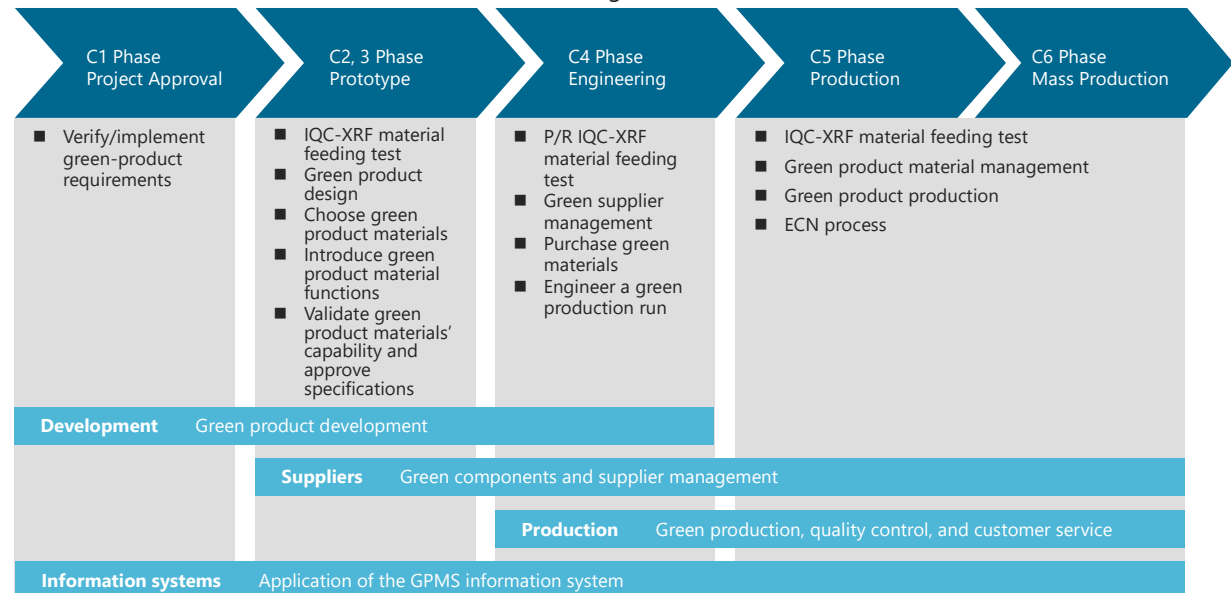
Suppliers use WNC's Green Product Management System to upload their product ingredient analysis reports, inspection results, warranty cards, and related

documents. This enables WNC's purchasing units and quality management units to check in a timely manner if materials comply with a customer's requirements regarding prohibited and restricted substances. Project managers can also acquire the product material information from this management system and ensure the performance of the green supply chain.

WNC Green Product Management Organization



Green Product Management Process Flow



We are also using green purchasing and communications to work with our suppliers on meeting international environmental standards. Every effort is made to provide customers with design and manufacturing services that are energy-saving, toxin-free (or of low-toxicity), low-polluting, and that use recyclable materials, as well as provide green products that have lower impact on the environment.

WNC Green Product Directives Development

WNC has established a set of Green Product Restricted Substances Management Procedures and a Standard for Restricted Usage of Environmentally Hazardous Substances, and has used the aforementioned standards to create a control list of hazardous substances that all of its suppliers must comply with. The suppliers are also required to sign the Supplier Statement on Non-Use of Environmentally Hazardous Substances to ensure that products and parts supplied (including bundled accessories, packaging, and other materials) to WNC comply with relevant international directives such as RoHS 2.0, WEEE, REACH, ErP, and the European Battery Directive, international regulations related to the non-use of conflict minerals, and WNC's prohibition of substances harmful to the environment.

WNC complies with the above-mentioned Green Product Restricted Substances Management Procedures in the product development phase to ensure that they meet the EU RoHS (2011/65/EU) regulation, the REACH SVHC (Substances of Very High Concern) regulation, the EU Battery Directive (2006/66/EC), the EU Directive of Packaging and Packaging Waste (94/62/EC), the EU PFOS Directive (2006/122/EC) and the restrictions and limitations on the use of hazardous substances as required by customers. In 2020, WNC's products did not violate any green product directives.

IECQ QC 080000 Certification

WNC (Taiwan) and WNC's sites in China have earned IECQ

QC 080000 certification, which is developed according to the electronic component evaluation system of the International Electrotechnical Commission (IEC). It is established based on ISO 9001, TL 9000, and IATF 16949 management systems, and incorporates a process-orientated method to reduce or eliminate hazardous substances in products and to further systemize hazardous substances management. It is capable of meeting RoHS, WEEE, and special customer requirements.



SONY's Green Partner Certification

WNC (Taiwan), Wistron NeWeb (Kunshan), and WebCom (Kunshan) have been honored with Sony's Green Partner certification starting from 2007 and have, to date, passed all subsequent annual inspections. This validates WNC's efforts on hazardous substances management.

4.2.3 Eco-Design

The EU Energy-related Products directive (ErP, 2009/125/EC) is an eco-design regulatory framework for all energy-related products entering the EU market. Its scope encompasses a product's complete lifetime, including design, production, packaging, transportation, use, and disposal. Its purpose is to raise the energy and resource efficiency of products as well as reduce pollution. Utilizing product LCA (life-cycle assessment)

principles, WNC analyzes a product's chemical composition, energy efficiency, and recyclability to evaluate its potential impact on the environment. WNC also implements eco-management processes in accordance with customer requirements, making the pursuit of eco-design a fundamental concern during the early stages of product design. This enables WNC to incorporate factors such as hazardous-substance restrictions, energy efficiency, recycling and reuse, environmental information disclosure, and other eco-design parameters into product design. At the same time, WNC raises supplier-side design requirements to ensure that components meet the eco-design requirements of energy-using products as specified by WNC.

Product Energy-Saving Plan

In 2020, during the design stage of a 5G high-power CPE (Customer Premise Equipment) product, a function was implemented to control the electrical current powering the LEDs, which reduced the energy consumption of the product when in use. Our tests reveal that this design reduces energy consumption by about 2.0%.

Reducing Product Packaging Materials

The outer packaging design for an LTE router product was modified so that less cutting was required, leading to a 23.9% reduction in scrap packaging.

4.3 Carbon Emissions Management

Greenhouse Gas Emissions Inventory Boundary

Since 2012, WNC (Taiwan) has defined organizational boundaries in accordance with the operational control approach and by referencing ISO 14064-1 and the GHG Protocol standards, and in turn calculated its GHG emissions with 2020 set as the base year. The major greenhouse gases emitted include carbon dioxide (CO₂), methane (CH₄), and hydrofluorocarbons (HFCs). At the end of 2020, WNC implemented the [UL Turbo Carbon](#) online carbon management platform, and HQ personnel have started collecting GHG emissions data and certification standards for all WNC sites. We expect to complete GHG data collection at all sites by May 2021 and obtain ISO 14064-1: 2018 certification. The GHG inventory results in the last three years are presented in the table below.

CDP

In 2020, WNC participated in surveys concerning climate change and water security as part of the CDP supply chain program. The results of the surveys were graded a B- and C, respectively. The results of the survey for supplier engagement were graded a B-. WNC has reviewed the results and formulated a list of work items requiring improvement based on CDP feedback.



		WNC GHG Inventory Results in the Last Three Years ^{Note 1}								(Unit: tonnes CO ₂ e)			
		2018				2019				2020			
Site		Scope 1	Scope 2	Scope 3	Total Emissions	Scope 1	Scope 2	Scope 3	Total Emissions	Scope 1	Scope 2	Scope 3	Total Emissions
Taiwan	HQ	811	4,155	--	4,966	355	4,137	--	4,492	214	4,003	1	4,218
	S1	94	12,643	--	12,737	240	15,849	--	16,089	201	15,983	34	16,218
	S2	--	--	--	--	4	4,325	--	4,329	64	4,831	8	4,903
	Subtotal	905	16,798	--	17,703	599	24,311	--	24,910	479	24,817	43	25,339
China	WNC (Kunshan)	813	13,377	--	14,190	753	13,274	--	14,027	176	9,785	22	9,983
	Wistron NeWeb	900	22,452	--	23,352	867	18,632	--	19,499	285	12,634	14	12,933
	WebCom (Kunshan)	1,625	5,077	--	6,702	1,610	3,459	--	5,069	124	2,901	2	3,027
	Subtotal	3,338	40,906	--	44,244	3,230	35,365	--	38,595	585	25,320	38	25,943
Vietnam	V1	--	--	--	--	--	--	--	--	369	5,545	2	5,916
	Subtotal	--	--	--	--	--	--	--	--	369	5,545	2	5,916
Total		4,243	57,704	--	61,947	3,829	59,676	--	63,505	1,433	55,682	83	57,198



Note 1: The emission factors for WNC's sites are calculated based on UL Turbo Carbon; the GWP at WNC sites are calculated using the 100-Year GWP value in the IPCC Fifth Assessment Report (IPCC 2014 AR5).

Reduction of GHG Emissions

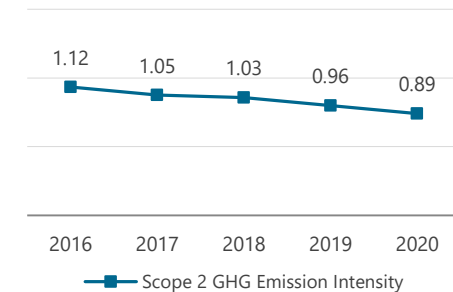
WNC has been gradually expanding its business development and production lines, and thus electricity consumption has gradually increased each year. The main source of greenhouse gas emissions is externally purchased electricity, and Scope 2 greenhouse gas emissions account for more than 90% of the total greenhouse gases. To truthfully reflect the impact of changing production capacity on GHG emissions and reduction targets, emission intensity will also be presented to illustrate the relationship between production capacity and emissions. Given the establishment of the S2 and V1 sites, a new GHG emission target has been set: reducing the total Scope 2 greenhouse gas emission intensity (scope 2 GHG emissions / consolidated revenue in millions of NT\$) by 5% in 2022 (using 2019 as the base year).

Goals and Results

Goal	2020 results
Reduce Scope 2 GHG emission intensity by 5% in 2022 (base year: 2019)	Achieved 7.3% reduction

Scope	Type of Emission Sources	Corresponding Activities/Equipment
Scope 1: Direct Emissions 	Stationary combustion	Diesel fuel used in emergency generators or for winter heating
	Mobile combustion	Gasoline used by company vehicles
	Fugitive emissions	<ul style="list-style-type: none"> Emissions from septic tanks Emissions from the refrigerant used in air conditioners/refrigerators, SMT cooling devices, and company vehicles Emissions from carbon dioxide fire extinguishers
Scope 2: Energy indirect emissions 	GHG emissions from the generation of purchased electricity, heat, steam, or other fossil fuels consumed by WNC	Electricity purchased from utilities companies <ul style="list-style-type: none"> Taiwan: Taipower China: Huazhi Sell Electricity Vietnam: Electricity of Vietnam-Northern Power Corporation (EVN NPC)
Scope 3: Indirect emissions	Indirect emissions from sources not owned or controlled by WNC, such as rental services, outsourced operations,	<ul style="list-style-type: none"> Emissions produced during business operations

WNC Scope 2 GHG Emissions Intensity
(Total emission unit: tonne CO₂e;
Emission intensity unit: tonnes CO₂e / million NT\$)



4.4 Energy and Resources Management

4.4.1 Energy Usage

Goals and Results ^{Note 1}

Items		Goals	2020 results
Renewable energy	All sites	Generate 5.0 GWh of solar power from 2020 to 2022	2.1 GWh of solar power was generated
Electricity	Taiwan	Reduce electricity consumption per million NTD revenue (GJ / million NTD) by 2% in 2020 (compared to 2019).	Consumption increased by 7.0%
	China	Reduce electricity consumption by 2% in 2020 (compared to 2019).	Consumption decreased by 6.2%
Water	Taiwan	Reduce water withdrawal per million NTD revenue (cubic meters / million NTD) by 5% in 2021 (compared to 2019).	Withdrawal increased by 10.3%
	China	Reduce water withdrawal by 2% in 2020 (compared to 2019).	Withdrawal decreased by 11.8%

Note 1: Since the Vietnam site is new, goals will be set after the site's production capacity stabilizes.

Renewable Energy

A total of 2,125 MWh of electricity was generated from WNC's solar power plants in 2020, and approximately 1,121 tonnes of CO₂e was reduced. The annual power generation equates to a carbon absorption capacity of approximately 2.9 times that of Taipei's DaAn Forest Park.

Note 2: According to the information released by the Energy Bureau of the Ministry of Economic Affairs in 2020, the Grid Emission Factor in Taiwan is 0.509 t-CO₂e/MWh. According to the [information released by the International Energy Agency \(IEA\)](#), the Grid Emission Factors for WNC's China and Vietnam sites are 0.616 t-CO₂e/MWh and 0.458 t-CO₂e/MWh, respectively

Benefits Brought About by Solar Power Stations in 2020

	HQ	S1	S2	Wistron NeWeb (Kunshan)	Total
Solar power station capacity (MW)	0.37	0.50	0.50	0.33	1.70
Energy generation (MWh)	443	617	696	369	2,125
Carbon emissions reduction (tonnes CO ₂ e) ^{Note2}	225	314	355	227	1,121



Solar panels on the roof of the parking structure of WNC headquarters



Solar panels on the roof of S1



Solar panels on the roof of S2



Solar panels on the roof of Wistron NeWeb (Kunshan)

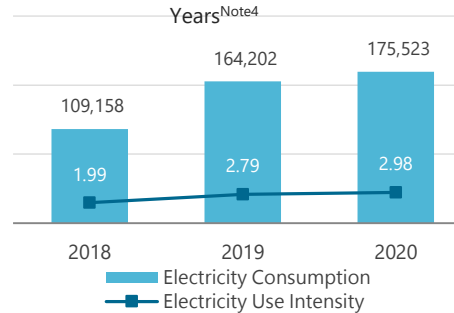
Energy Usage

The primary source of energy for WNC's sites is electricity. At sites in Taiwan and Vietnam, a small amount

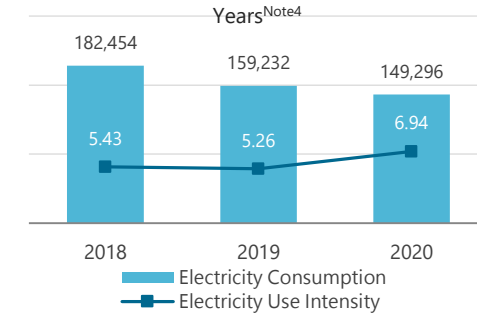
of diesel fuel is used to power emergency generators during power outages. At sites in China, due to low

winter temperatures, diesel fuel is used for heating. In 2020, due to production capacity expansion at the S1, S2, and V1 sites, WNC's total electricity consumption increased by 10.6% compared to 2019. Energy consumption at WNC's sites in the last three years is shown in the following table.

Electricity Consumption and Electricity Use Intensity in WNC (Taiwan) in the Last Three Years^{Note 4}



Electricity Consumption and Electricity Use Intensity in WNC's sites in China in the Last Three Years^{Note 4}



Energy Consumption Statistics at WNC in the Last Three Years

(Unit: GJ)

Site		Electricity ^{Note 1}			Diesel ^{Note 2}			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
Taiwan	HQ	27,000	27,941	28,313	20	39	20	27,020	27,980	28,333
	S1	82,158	107,047	113,043	137	97	77	82,295	107,144	113,120
	S2	0	29,214	34,167	0	23	46	0	29,237	34,213
	Subtotal	109,158	164,202	175,523	157	159	143	109,315	164,361	175,666
China	WNC (Kunshan) ^{Note 3}	59,363	59,392	57,186	962	760	204	60,325	60,152	57,390
	Wistron NeWeb (Kunshan)	99,640	83,365	73,832	479	0	623	100,119	83,365	74,455
	WebCom (Kunshan)	22,531	15,475	16,956	692	753	332	23,223	16,228	17,288
	WebCom (Nanjing)	920	1,000	1,321	0	0	0	920	1,000	1,321
	Subtotal	182,454	159,232	149,295	2,133	1,513	1,159	184,587	160,745	150,454
Vietnam	V1	103	9,880	43,890	0	0	14	103	9,880	43,904
	Subtotal	103	9,880	43,890	0	0	14	103	9,880	43,904
Total		291,715	333,314	368,708	2,287	1,672	1,316	294,005	334,986	370,024

Note 1: Electricity statistics for WNC (Taiwan) are compiled based on the utility billing cycle.

Note 2: According to the heat content of energy sources and the energy unit conversion table in the [Energy Statistics Handbook 2019](#), one liter of diesel equals 0.0352 GJ.

Note 3: WNC (Kunshan)'s data includes power consumption at NeWeb Service.

Note 4: Electricity consumption unit: GJ; Electricity use intensity unit: GJ / million NT\$

Energy Management

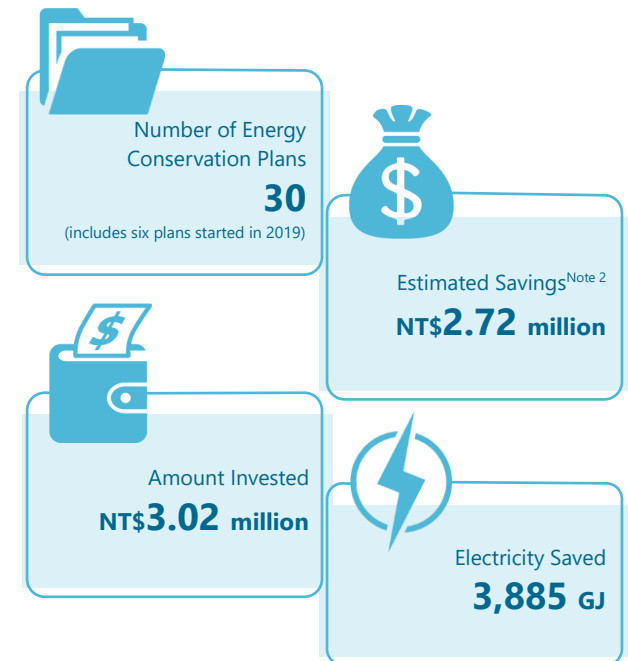
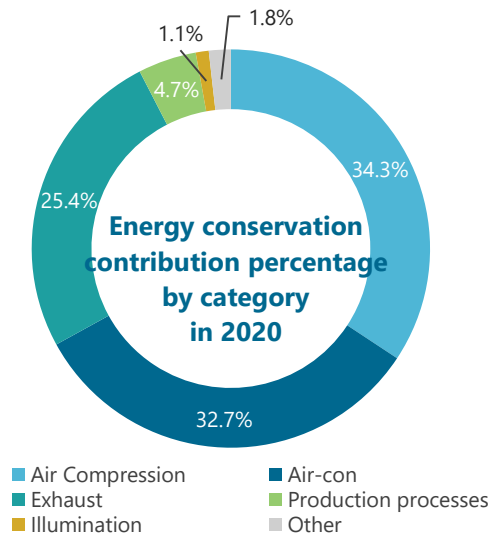
In addition to enhancing the resource efficiency of our product design as well as R&D and production processes, we have also implemented energy conservation and carbon reduction measures at our sites. These measures include recording and analyzing daily energy consumption, improving electricity usage efficiency, improving piping and electrical wiring, improving and/or replacing old facility equipment, and implementing various energy conservation programs. WNC has implemented the ISO 50001 energy management system and formulated specific improvement plans for its illumination systems, exhaust systems, air-conditioning systems and air compression systems. The effects of these energy conservation measures are presented in the table below.

Energy Conservation Results in 2020 ^{Note 1}

System	Item	Taiwan	China	Total
Illumination	Number of Energy Conservation Plans	8	1	9
	Electricity Saved (GJ)	37	4	41
	Amount invested (unit: ten thousand NT\$)	10	1	11
Exhaust	Number of Energy Conservation Plans	6	0	6
	Electricity Saved (GJ)	988	0	988
	Amount invested (unit: ten thousand NT\$)	55	0	55
Air-conditioning	Number of Energy Conservation Plans	2	1	3
	Electricity Saved (GJ)	1,204	67	1,271
	Amount invested (unit: ten thousand NT\$)	0	2	2
Air compression	Number of Energy Conservation Plans	2	2	4
	Electricity Saved (GJ)	1,219	113	1,332
	Amount invested (unit: ten thousand NT\$)	232	1	233
Production processes	Number of Energy Conservation Plans	4	0	4
	Electricity Saved (GJ)	184	0	184
	Amount invested (unit: ten thousand NT\$)	0	0	0
Other	Number of Energy Conservation Plans	4	0	4
	Electricity Saved (GJ)	69	0	69
	Amount invested (unit: ten thousand NT\$)	1	0	1
Total	Number of Energy Conservation Plans	26	4	30
	Electricity Saved (GJ)	3,701	184	3,885
	Amount invested (unit: ten thousand NT\$)	298	4	302

Note 1: The amount of energy saved is calculated by comparing the power consumption before and after the improvements are made to the system, then estimating the amount of energy saved.

Note 2: For WNC (Taiwan), the amounts of electricity saved were calculated using NT\$2.5 per kilowatt hour. For WNC's sites in China, the amounts of electricity saved were calculated using NT\$3.0 per kilowatt hour.



4.4.2 Water

WNC operates in an R&D- and technology-intensive industry and only tap water is used at WNC sites in Taiwan and China. WNC's Vietnam site uses underground water. Compared to 2019, total water withdrawal, discharge and consumption at WNC (Taiwan) all increased due to the establishment of the S2 site and production capacity expansion. The total water withdrawal, discharge and consumption at WNC (Taiwan) and WNC's sites in China in the last three years is shown in the table below.

Site\Item ^{Note 1}			Breakdown of Water Usage at WNC in the Last Three Years									(Unit: megaliters)		
			Total Water Withdrawal			Total Water Discharge			Total Water Consumption					
			2018	2019	2020	2018	2019	2020	2018	2019	2020			
Taiwan	Hsinchu	WNC Headquarters	32.510	40.391	42.974	14.180	21.909	21.755	18.330	18.482	21.219			
		S1	87.532	118.817	122.818	17.578	15.201	21.660	69.954	103.616	101.158			
	Tainan	S2	0	45.159	59.382	0	15.460	20.911	0	29.699	38.471			
	Subtotal			204.367	225.174	31.758	52.570	64.326	88.284	151.797	160.848			
China	Kunshan	WNC (Kunshan) ^{Note 2}	53.760	51.568	53.226	26.880	25.784	26.613	26,880	25.784	26.613			
		Wistron NeWeb (Kunshan)	166.500	147.790	118.743	83.250	73.895	59.372	83,250	73.895	59.371			
		WebCom (Kunshan)	23.505	16.621	18.570	11.753	8.311	9.285	11,753	8.311	9.285			
	Nanjing	WebCom (Nanjing)	4.035	2.863	2.463	1.832	1.923	2.259	2.203	940	0.204			
	Subtotal			218.842	193.002	123.715	109.913	97.529	124.086	108.930	95.473			
Vietnam	Bắc Ninh	V1	0.152	9.933	34.432	0.122	7.946	27.545	0.300	1.987	6.887			
	Subtotal			9.933	34.432	0.122	7.946	27.545	0.300	1.987	6.887			
Total				433.142	452.608	155.595	170.429	189.400	212.400	262.714	263.208			

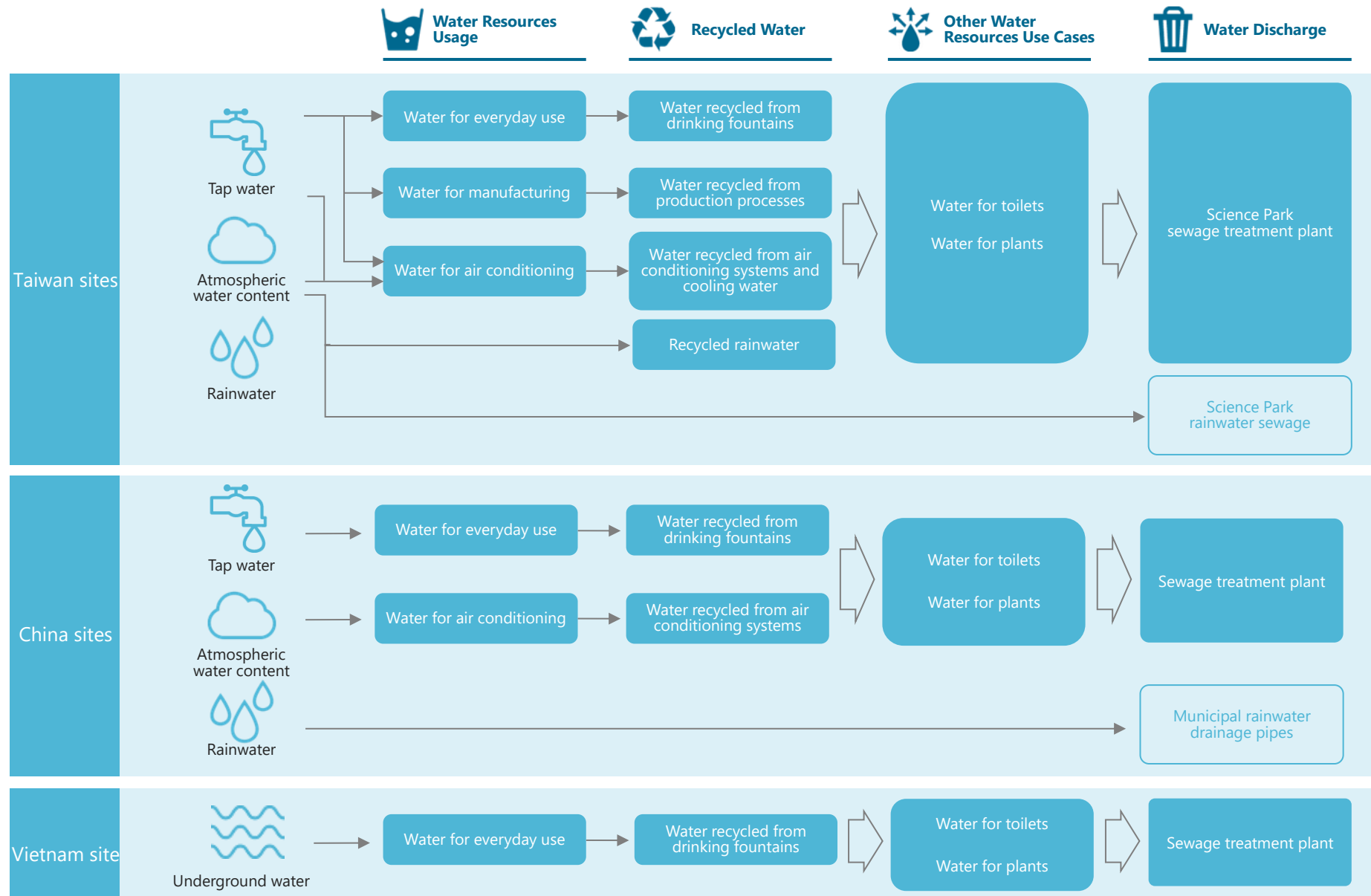
Note 1: The amount of water withdrawn and discharged for the plants in Taiwan and Nanjing is based on meter readings; the amount of water withdrawn for the plants in Kunshan is based on meter readings, with water discharge comprising half of the water withdrawn; the amount of water withdrawn in Vietnam is based on meter readings, with water discharge comprising 80% of the water withdrawn.

Note 2: WNC (Kunshan)'s data includes water withdrawal and consumption at NeWeb Service.

For water discharge, besides the water used in washing processes at S1, the rest is all wastewater from everyday use, which is planned discharge. WNC (Taiwan) complies with the Regulations for the Use and Management of Wastewater Treatment and Sewage Systems in Science-based Parks. Before discharging wastewater into the Hsinchu Science Park sewage system and to the sewage treatment plant, WNC determines whether the water quality meets wastewater discharge quality standards of the Park and uses a dedicated pipeline to treat the wastewater until it meets national effluent standards and the values stated in Hsinchu Science Park environmental evaluations. In 2020, wastewater treatment equipment was installed at S1 to ensure that the quality of wastewater meets standards before it goes to the wastewater treatment plant. The plants located in Kunshan discharge wastewater to the Kunshan sewage treatment plant in accordance

with the Wastewater Quality Standards for Discharge to Municipal Sewers; the plants located in Nanjing discharge wastewater to the sewage treatment plant at the Nanjing Jiangning Economic and Technological Development Zone in accordance with the Nanjing City Water Drainage Management Regulations; plants in Vietnam discharge wastewater to the sewage treatment plant at Kinh Bac City Development Share Holding Corporation in accordance with the National Technical Regulation on Industrial Wastewater Regulations. Water withdrawal and discharge by WNC sites have not had any significant impact on water sources.

Water Balance in Taiwan Sites



In 2020, water drawn at WNC's sites in Hsinchu, Tainan, Kunshan, and Nanjing were all far less than 1% of their respective area's total water supply output.

2020 Water Usage at WNC

Area		Water Supply Output of the Area		Impact degree	Water Risk Level ^{Note 2}	Sewage Treatment Plant	Discharge Destination
		Main Source of Water	Annual Water Supply Output (megaliters) ^{Note 1}				
Taiwan	Hsinchu	Touqian River, Baoshan Reservoir and Baoshan Second Reservoir	174,887	0.0948%	1-2	Hsinchu Science Park sewage treatment plant	Koya River
	Tainan	Zengwen River, Zengwen Reservoir, and Nanhua Reservoir	329,271	0.0180%	1-2	Tainan Science Park sewage treatment plant	Yanshui River
China	Kunshan	Yangtze River and Kuilei Lake	402,266	0.0537%	3-4	Kunshan Economic and Technological Development Zone sewage treatment plant	Wusong River
	Nanjing	Yangtze River	953,380	0.0003%	2-3	Nanjing Jiangning Economic and Technological Development Zone sewage treatment plant	Yangtze River
Vietnam	Bắc Ninh	Underground water	No official data available	NA	4-5	Kinh Bac City Development Share Holding Corporation sewage treatment plant	Cau River

In 2020, saved and recycled water made up approximately 12.6% of the total water withdrawn by WNC, which saved about NT\$4.19 million in water withdrawal costs. The water conservation results for the year are listed below.

Water Conservation Results in 2020





Country	Source	Item ^{Note 1}	Amount of Saved Water (megaliters)	Conservation Benefits ^{Note 2} (ten thousand NT\$)	Ratio to Total Water Withdrawal (%)
Taiwan	Tap water	Water-saving mist faucets	0.936	8	10.1%
		Water recycled from drinking fountains	1.116	9	
		Water recycled from production processes	10.771	90	
	Tap water, rainwater, and atmospheric water content	Water recycled from cooling water	10.200	86	
	Atmospheric water content	Water recycled from air conditioning systems	20.089	168	
	Rainwater	Rainwater	2.775	23	
	Subtotal		45.887	384	
China	Tap water	Water recycled from drinking fountains	4.770	15	2.1%
	Atmospheric water content	Water recycled from air conditioning systems	4.536	15	
	Subtotal		9.306	30	
Vietnam	Underground water	Water-saving mist faucets	1.166	3	0.4%
		Water recycled from drinking fountains	657	2	
	Subtotal		1.823	5	
	Total		57.016	419	12.6%



Note 1:

- Water recycled from drinking fountains: The total number of employees is used to calculate the total amount of drinking water dispensed by drinking fountains, which is then used to calculate the amount of water recycled during the year.
- Water-saving mist faucets: The amount of water saved was calculated using data on the number of hand-washing faucets converted to mist faucets, the number of people who used the faucets, and the amount of time the faucets were in use.
- Water recycled from cooling water and water recycled from production processes: The amount of recycled water during the year is estimated using water meter readings.
- Water recycled from air conditioning systems: At WNC headquarters, the estimated amount of water recycled is calculated using the six-month period from May to October (when temperatures are higher than average) and based on 22 workdays per month and 10 work hours per day. The air volume, density and humidity ratio of each air conditioner is also taken into account. At S1, the amount of water recycled during the year is estimated using water meter readings. The estimated amount of water recycled at WNC sites in China is calculated using the time period from April to October and based on 26 working days per month and 24 hours per day. The air volume, density and humidity ratio of each air conditioner is also taken into account.
- The amount of rainwater recycled during the year is estimated using the volume of water in the rainwater tank and the daily precipitation data compiled by the Central Weather Bureau.

Note 2: In accordance with local water rates and wastewater processing fees, the water conservation benefits for WNC (Taiwan) are calculated using a rate of NT\$83.7 per tonne, while NT\$32.4 per tonne is used for WNC's sites in China and NT\$25.6 per tonne is used for WNC's site in Vietnam.

Daily Energy-Saving Measures in 2020

Energy-Saving Measures at All Sites		Taiwan sites	China sites	Vietnam site
 Lighting Design	<ul style="list-style-type: none">■ Lighting is only used in active sections of the production line	<ul style="list-style-type: none">■ The headquarters was designed to make maximum use of natural sunlight. Made of 8+12A+8 mm LOW-E glass, the exterior glass curtain walls achieve energy-saving effects.■ Pull cord light switches are installed in office areas so employees can turn the lights above their desks on/off as needed.■ Parking lot/stairs lighting is managed with time switching or induction lighting.■ Lighting designs meet CNS standards and adjust according to light attenuation values to avoid over-illumination.	<ul style="list-style-type: none">■ Adopted occupancy-based lighting with automatic brightness adjustment for aisles and server rooms in the plants.	<ul style="list-style-type: none">■ Pull cord light switches are installed in office areas so employees can turn the lights above their desks on/off as needed.■ Parking lot/stairs lighting is managed with time switching or induction lighting.
 Air-Conditioning Control	<ul style="list-style-type: none">■ Maintain air-conditioning temperatures at 26 °C ± 2 °C in the summer■ Make-up air unit (MAU) air-conditioning used during winter to reduce indoor temperatures.■ Cooling towers and fans are installed with temperature-control and frequency-conversion features.	<ul style="list-style-type: none">■ Uses a heat recycling system in its main cooling unit.■ Uses tunneling to reduce external air input temperatures and lessen air-conditioning loads.■ Increased output water temperature from the air-conditioning chiller to lower power consumption. The starting and stopping of the chillers and feeders are also based on indoor loads.■ Thermostat-controlled air-conditioning; air-conditioning is also controlled by zone and time to avoid wasting power due to over-cooling.■ Purchased air conditioners with green product labels.	<ul style="list-style-type: none">■ Adopted a central air-conditioning cooling system to raise the operational power of SMT reflow ovens and save power■ Variable frequency operations are adopted in air conditioning units to reduce energy consumption.	<ul style="list-style-type: none">■ The air conditioning units used in production line areas are capable of variable frequency operation, which helps reduce power consumption.
 Exhaust Adjustment	<ul style="list-style-type: none">■ Manufacturing process exhaust systems are automatically adjusted using variable frequencies	<ul style="list-style-type: none">■ Manufacturing process exhaust fans are installed with PID controllers, enabling automatic adjustment using variable frequencies.■ Air compressors use load balancing between variable-frequency and full-frequency units to reduce power consumption.	<ul style="list-style-type: none">■ Added insulating cotton for SMT process exhaust ducts to reduce electricity consumption in the summer■ Introduced heat recovery systems, enabling dehumidification in the summer and eliminating the need for purchasing diesel fuel in the winter	<ul style="list-style-type: none">■ Introduced heat recovery systems, enabling dehumidification in the summer.
 Enhancing Electricity Usage Efficiency	<ul style="list-style-type: none">■ Water dispensers are time-controlled	<ul style="list-style-type: none">■ Employees are encouraged to use the stairs instead of elevators.■ Implemented floor-access controls for the elevators.		

Energy-Saving Measures at All Sites		Taiwan sites	China sites	Vietnam site
 <p>Enhancing Electricity Usage Efficiency</p>	<ul style="list-style-type: none"> ■ Energy conservation and waste reduction slogans and posters posted in the public areas. ■ Health and lifestyle seminars, Earth Week activities held to promote environmental protection awareness. ■ Promotion of programs for a paper-free office and encouragement of employees to recycle resources and reduce waste ■ Disposable eating utensils or paper cups are not provided. ■ Canteens only use reusable eating utensils. 	<ul style="list-style-type: none"> ■ Dissolvable, short-fiber toilet paper used to reduce garbage. ■ Steel pallets used in the production line and wooden pallets are reused 		
	 <p>Water Conservation Measures</p>	<ul style="list-style-type: none"> ■ Used induction mist faucets in restrooms and setting water taps in tea rooms to suitable water dispensing levels. ■ Implemented water conservation projects 	<ul style="list-style-type: none"> ■ Used water-permeable ground to plant plants and grass; use of planting bricks to replace normal bricks on the U-turn floor for cars and parking; these measures increase greening and enhance surface drainage. ■ Reduced usage of irrigation water ■ Recycle wastewater from the ultra-pure water purification equipment at S1 	

05

Strengthening the Value Chain & Our Relationships with Society

Customer Relations

Supplier Management

Contractor Management

Participation in Society

2020 Annual Performance



Customer Satisfaction

- Average customer satisfaction score was **94**.
- Received **10** customer requests related to information security. No litigation record for breach of customers' confidential information and no cases on appeal



Sustainable Supply Chain

- **506** suppliers have signed the Supplier CSR Declaration
- **473** suppliers have signed the Supplier CSR Questionnaire
- **208** suppliers have completed the CSR audit



Rural Education

- Employees supported the social care donation plan for disadvantaged children in remote areas to the tune of **NT\$850,000**.
- WNC worked with the Boyo Foundation to provide free after-school English classes for schoolchildren in remote areas. Donations from WNC executives totaled **NT\$860,000**.



Charity Fundraising

- WNC and WNC employees sponsored remote elementary school education and university service clubs donating total funds of **NT\$1.41 million**, with employees contributing **NT\$840,700**.



Charity Sales Events

- Invited charity organizations to participate in the WNC Charity Sale and had combined sales revenue of **NT\$ 270,355**.



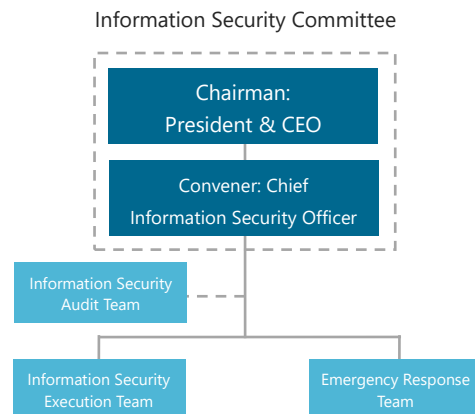
5.1 Customer Relations

5.1.1 Protection of Confidential Information

WNC strictly complies with the stipulations of customer contracts as well as non-disclosure agreements. To control confidential information, WNC has formulated an [Information Security Policy](#) and established the ISO/IEC 27001 Information Security Management System (ISMS). In 2020, WNC received 10 customer questionnaires on information security audits, and had no litigation record for breach of any customer's confidential information and no cases on appeal.

Information Security Committee

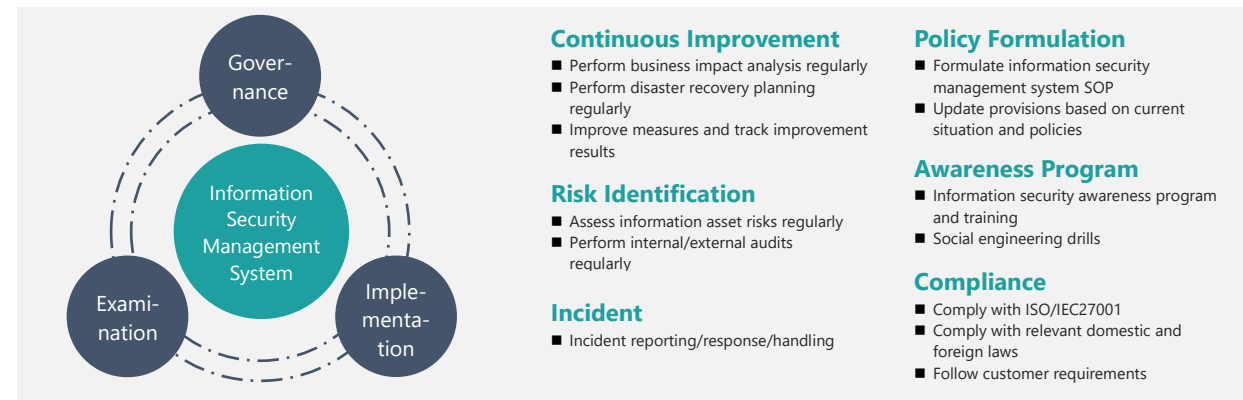
In 2014 an Information Security Committee was established comprising top-tier managers of each business unit. The President and CEO serves as the chairman and the convener is the Chief Information Security Officer (top-tier manager of the DMIS Div.). The committee holds audit meetings semi-annually and is in charge of formulating and implementing information



control measures. The committee includes an Information Security Team, an Emergency Response Team, and an Information Security Audit Team, all headed by the Chief Information Security Officer.

Information Security Management System

To ensure the confidentiality, completeness, and usability of all data, the company has drafted management documents in accordance with ISO/IEC 27001: 2013 standards. Each year an inventory is taken and the information assets list is updated. Risk assessment, business impact analysis, disaster recovery drills, user account reviews and firewall rules reviews are performed, and information security awareness programs and training courses, vulnerability scanning, penetration testing, management review meetings, and social engineering drills are executed.



Information Security Control Mechanism

WNC has external and internal information security control measures in place. External measures include building firewalls and intrusion prevention systems to prevent virus and hacker attacks. Internal measures include prohibiting the use of communications software and plug-in devices to prevent leakage of sensitive data.

Information Security Training Courses

Awareness Programs	New employees	New employees must sign a confidentiality agreement.
	All employees	Information security related information can be accessed through WNC's intranet.
Training Courses	New employees	New employees must complete information security courses, including on information security policies, provisions, and case studies.
	All employees	All employees must complete information security courses each year.

5.1.2 Customer Satisfaction Performance

Being customer-focused is a core value of WNC. WNC's Customer Service Dept. is managed by the Quality Assurance Division and is responsible for customer service, which includes Dead on Arrival (DOA) actions for new products, Return of Materials Authorization (RMA), sales of parts for use in maintenance, customer complaint handling and reporting, as well as an annual customer satisfaction survey.

Business units, the quality assurance unit, R&D, supply chain management units, and manufacturing units are respectively designated as points-of-contact for different customer needs. According to project needs, customers and point(s)-of-contact participate in weekly, monthly, and quarterly meetings to review product development and each item's achievement rate. Each business unit also appoints representatives to join a quarterly supplier business review meeting with their respective customers to enhance communication and build trust.

WNC's Customer Service Dept. performs customer satisfaction surveys in Q4 each year, in which the survey collection rate for key customer groups of each business unit must reach 70% to ensure that customer requests have been handled promptly and appropriately. The content and targets of each year's customer satisfaction survey are established in the quality management system review meeting. In 2020, the target customer satisfaction score was 90.

Despite the fact that different products and services offered by different business groups/units lead to different satisfaction scores, overall customer satisfaction remains high. In 2020, WNC's business groups/units received positive feedback and encouragement from customers, with a mean satisfaction score of 94.3 (out of 100), with "after-sales service" and "sales representatives service" garnering the highest scores. For suggestions raised by customers and the items that have not been achieved according to the year's survey, responsible business unit will communicate with customers and offer corresponding improvement measures.

Results of Customer Satisfaction Surveys in the Last Five Years

Year	2016	2017	2018	2019	2020
Average Customer Satisfaction Score	93.9	94.4	95.2	94.4	94.3

5.2 Supplier Management

Global Supply Chain Management Policy

Policy

WNC and our suppliers work hand-in-hand to maintain a sustainable supply chain through optimization of supplier-management strategies and operations efficiency. This facilitates balanced growth of operating profits, while protecting the environment and fulfilling social responsibilities, in order to realize increased value for all stakeholders.

Mission Statement

Based on the principles of supporting business development and improving competitiveness, WNC will continue to effectively manage and enhance our suppliers' performance in: quality, price, lead-time, services, environmental protection, and fulfillment of their social responsibilities. This enables us to develop an optimal supplier portfolio and purchasing guidelines, contributing to a responsible supply chain jointly managed by WNC and suppliers.

The raw materials and components that WNC purchases include integrated circuits, circuit boards, display panels, electromechanical components, mechanical parts, and packaging materials. For production consumables, WNC purchases solder paste and solder wire. As a consequence of the US-China trade war and the introduction of local suppliers in V1, there has been a surge in the number of customer-assigned vendors. Therefore, in 2020, the number of suppliers for raw materials, components, production materials, and production consumables that have purchasing transaction records with WNC increased to 1,075, from 1,005 in 2019.

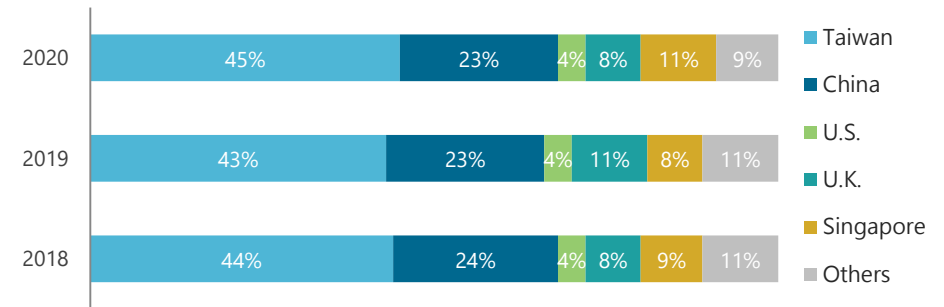
WNC considers supplier management to be one of its most effective tools for promoting social responsibility and conducts corporate social responsibilities audits of all suppliers. Together with our suppliers, we strive to enhance our performance in product and service quality, labor rights, occupational safety and health, and green production.

In 2019, WNC held a training course for employees of the Global Supply Chain Management Division and supplier management. The course focused on sustainable purchasing management and practice, and share trends in sustainable purchasing. The aim was to help these employees practice sustainable purchasing in supplier selection and management. In 2020, sustainable purchasing management and practice courses were conducted online due to the COVID-19 pandemic. A total of 72 employees in WNC's Taiwan and China sites completed the course in 2020, for a course completion rate of 100%.

5.2.1 Local Procurement

Based on the amount of raw materials, components, and production consumables purchased from different regions, WNC's main suppliers are from Taiwan, 45% of all suppliers in 2020, followed by suppliers from mainland China (23%). Other suppliers were from Europe, America, and other parts of Asia.

Locations of WNC's Suppliers in the Last Three Years



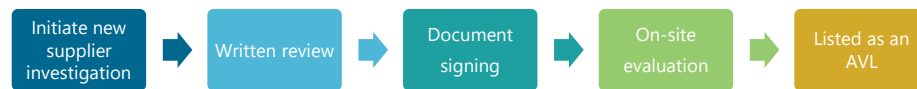
To reduce energy consumption and environmental pollution caused during the transport of raw materials and products, WNC enhances utilization rates of packaging materials and space, uses recyclable packaging materials, encourages localized purchasing, and minimizes unnecessary transportation costs and carbon emissions. WNC has established local purchasing centers in different countries and regions to be in charge of local supplier selection and management. In 2020, percentage of local purchasing was 49% in Taiwan and 40% at China sites. The raw materials required for V1's production were mainly provided by suppliers in Taiwan and China, resulting in a local purchasing rate of a mere 3%. Given the significant increase in production requirements in Vietnam, WNC will continue to evaluate and plan for the buildup of a local supply chain.

5.2.2 Supplier Selection and Assessment

New Supplier Investigation

The purchasing centers of each site are responsible for requesting investigation of new suppliers based on materials procurement requests and setting up an investigation team to conduct an audit in written form or a field assessment for supplier candidates. The investigation team comprises representatives from the Global Supply Chain Management Division, the Supplier Quality Management Center, and R&D units. The team conducts investigations regarding candidates' services, quality systems, R&D capabilities, and manufacturing processes. At the same time, we request that suppliers comply with the ["WNC Supplier Code of Conduct."](#) Suppliers who meet the standards set by WNC in the supplier investigation and audits will be included in an AVL (Approved Vendor List). In exceptional circumstances, these suppliers will be subject to conditional approval processes. In 2020, a total of 114 new suppliers were assessed according to the Supplier Evaluation and Management SOP and were included in WNC's AVL. Among them, 66 suppliers completed the new supplier CSR investigation plan, accounting for 57.9% of WNC's AVL.

WNC's New Supplier Investigation Process



WNC requires that suppliers of general parts obtain ISO 9001 verification, and for automotive component suppliers, IATF 16949 verification is a must. WNC also encourages all its suppliers to obtain the TL 9000 QMS, ISO 14001, and ISO 45001 management systems certifications. Besides requesting our suppliers to sign relevant documents for protection of intellectual property such as a WNC Security NDA and/or Restricted Project Acknowledgement (RPA), starting from 2016, WNC has introduced a supplier intellectual property protection and management process, whereby new suppliers are requested to comply with protection guidelines and sign documents for the protection of intellectual property rights. Due to the ongoing China-U.S. trade war, starting in 2020, WNC requested that new suppliers sign the WNC Supplier Legal Compliance Statement to ensure their compliance with all applicable export control regulations.

Supplier Performance Evaluation

Quarterly evaluation: WNC assembles representatives from the Global Purchasing Centers, Supplier Quality Management Center, and R&D units to form a Vendor Performance Evaluation Committee (VPEC) that meets quarterly to perform an overall evaluation based on supplier performance indicators. Through visits and guidance, the committee helps ensure that vendors comply with WNC's overall performance requirements on quality, delivery, service, price competitiveness, and RBA conformity and that WNC's value-chain competitiveness is enhanced. After the quarterly Vendor Performance Evaluation (VPE) is completed, the Global Purchasing Centers, along with the Supplier Quality Management Center, R&D units, and mechanical design units reach a consensus and issue a recommended vendor list (RVL). The list serves as a reference for future projects and order placement. As of the end of 2020, a total of 1,075 suppliers have completed VPE in accordance with the latest version of the supplier management methods.

Annual Audit and Guidance: WNC performs annual on-site audits of its key suppliers on products and safety of production sites and requires suppliers to continuously improve. For suppliers who fail the audits, WNC assigns review personnel and proposes improvement measures and offers necessary assistance and guidance. In 2020, a total of 507 supplier on-site audits and counseling sessions were held at WNC's sites in Taiwan, China, and Vietnam.

Electronic Management System

The Global Supply Chain Management Division collects and organizes information such as supplier activities, RVLs, product strategies, and customer/supplier audits through the Supplier Relationship Management (SRM) system, enabling effective processing or recording of information related to supplier management. A CSR section was added to the SRM System for new suppliers to access the Corporate Social Responsibility Declaration, Corporate Social Responsibility Questionnaire, Supplier's Commitment to the Code of Ethics, and WNC Supplier Legal Compliance Statement.

In response to digital transformation trends, beginning in 2020, the Global Supply Chain Management Div. and the Supplier Quality Management Center began planning for the establishment of a new online platform that integrates material purchasing and supplier management. The system should go online in 2021.

5.2.3 Green Procurement

To build a green supply chain and meet international trends and customer demands, WNC has been actively promoting green products, green production, and green procurement concepts and actions to all its suppliers. WNC requires that suppliers include green management principles in their supplier management system and performs source management in manufacturing processes. Beginning in 2006, WNC required suppliers to sign a Supplier Quality Agreement, and sites in China followed suit in 2007. This agreement requires that suppliers observe WNC's Regulations on the Restricted Usage of Environmentally Hazardous Substances and, when required, submit inspection reports from a third-party verification body. WNC also requires that suppliers sign the Supplier Statement on the Non-Use of Environmentally Hazardous Substances. Suppliers in turn must guarantee that products and parts they provide to WNC (including bundled accessories, packaging and other materials) comply with the regulations stated in the Restricted Usage of Environmentally Hazardous Substances and that products meet all relevant directives such as RoHS, WEEE, REACH, ErP and the European Battery Directive. Suppliers also must not use conflict minerals, and observe WNC's restriction on the use of prohibited substances harmful to the environment.

In addition to signing environmental protection declarations, WNC has incorporated hazardous substance controls into its incoming materials inspection procedures. For raw materials that breach the controlled substance regulations, offending suppliers are requested to immediately submit countermeasures for improvement and prevention. In addition, the parts certification process of the Production Part Approval Process (PPAP) has been optimized with clear inspection checklists and regulations in place. This process establishes controls at the source to prevent quality issues with production specifications leading to unnecessary waste and future social costs.

In 2020, 109 more suppliers of raw materials, components and production consumables signed WNC's Supplier Quality Agreement. Going forward, we will continue to have all our suppliers sign the agreement to ensure that all products designed and manufactured by WNC meet customer requirements and comply with international hazardous substance regulations, thus realizing a green supply chain.

Prohibition of Conflict Minerals

WNC does not directly purchase raw metal materials, and has a declared policy to ban the use of conflict minerals. WNC supports the Responsible Minerals Initiative (RMI) that was jointly initiated by the RBA and the Global e-Sustainability Initiative (GeSI), adopts

the Conflict Minerals Reporting Template (CMRT) stipulated to conduct conflict minerals investigations for suppliers every year since 2010, and identifies supplier risk levels based on the investigation results in accordance with WNC's conflict minerals management procedure. To better collate supplier documents, WNC added relevant terms to the Supplier Quality Agreement in 2018, requesting that suppliers abide by the RBA CoC, do not use conflict minerals, and submit relevant reports on conflict minerals.

Prohibition of Conflict Minerals Policy

- No product may use ore from the DRC and illegal mines in the surrounding areas as well as ore mined in sub-optimal working conditions.
- Require suppliers to ban the use of conflict minerals and disclose their sources for tin, tungsten, tantalum, and gold ore.
- Suppliers are asked to convey this policy to their own upstream suppliers and supply chain.

WNC conducts annual surveys on use of conflict minerals to conform whether the smelters associated with our suppliers participate in the Responsible Minerals Assurance Process (RMAP). WNC's suppliers are required to pledge that materials or products provided to WNC do not contain conflict minerals that directly or indirectly finance or benefit any armed groups in the Democratic Republic of Congo (DRC) and its adjoining countries as defined in Section 1502 of the U.S. Dodd-Frank Act, and that they will comply with other international conflict minerals laws and regulations. WNC encourages suppliers to assist smelters that have not participated in RMAP to do so and to strive to be qualified smelters in accordance with the RMAP stipulations.

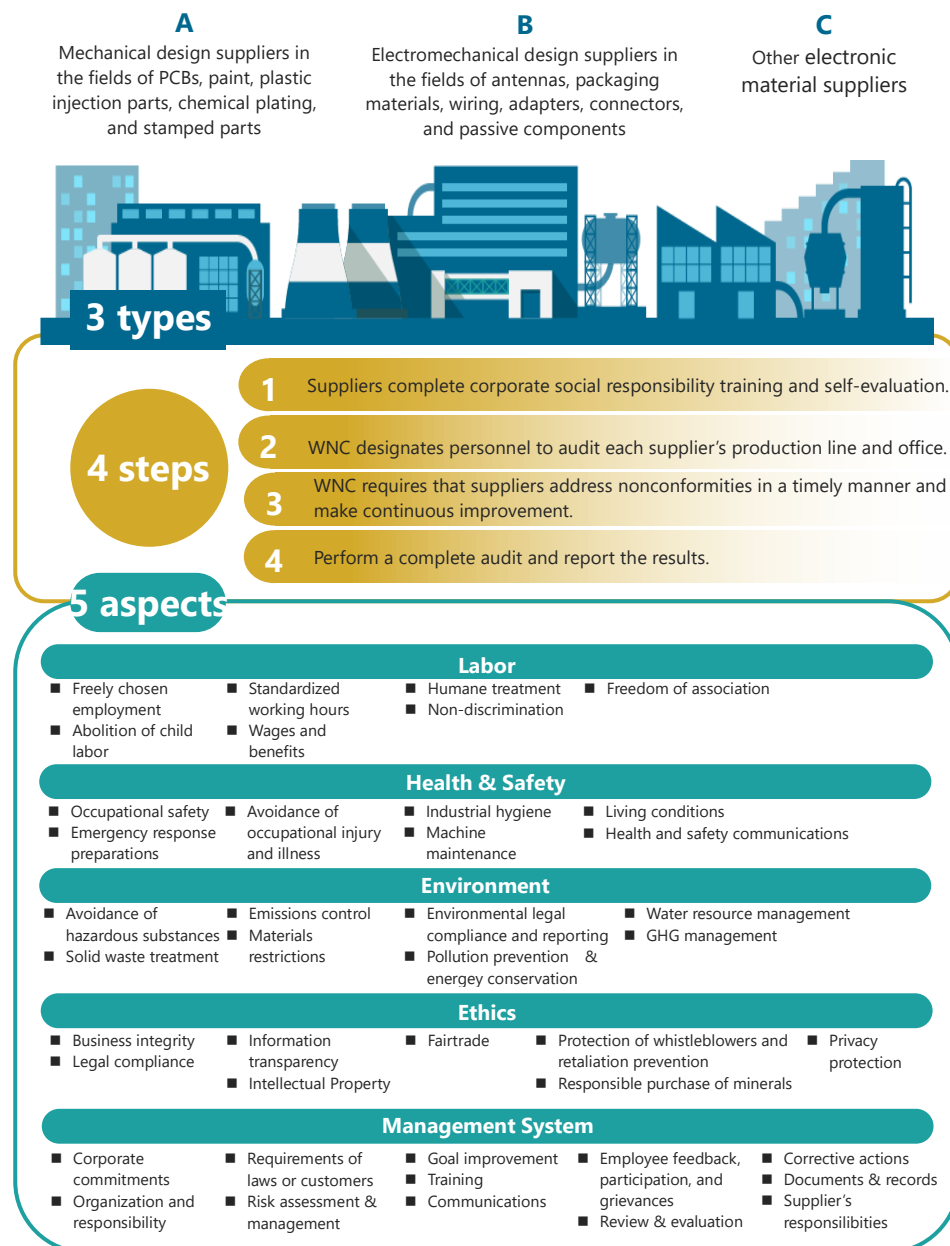
CSR Audits

WNC has formulated a [WNC Supplier Code of Conduct](#) and requires that all suppliers sign the Supplier CSR Declaration and the Supplier's Commitment to the Code of Ethics, in which they declare their commitment to fulfilling social responsibilities, promise to ban child labor and forced labor, implement occupational safety and health management, fight against bribery and corruption, promote fair trade, and support employees' freedom of association and bargaining rights with management. WNC also requests that suppliers fill out the WNC Supplier CSR Questionnaire to state their implementation results in the areas of labor, health and safety, environmental protection, business ethics, and management systems. As of the end of 2020, 506 suppliers have signed the Supplier CSR Declaration; 473 suppliers have signed the Supplier CSR Questionnaire, and 208 suppliers have completed the CSR audit, accounting for 47.1%, 44.0% and 19.4% of suppliers respectively having transaction records with WNC in 2020.

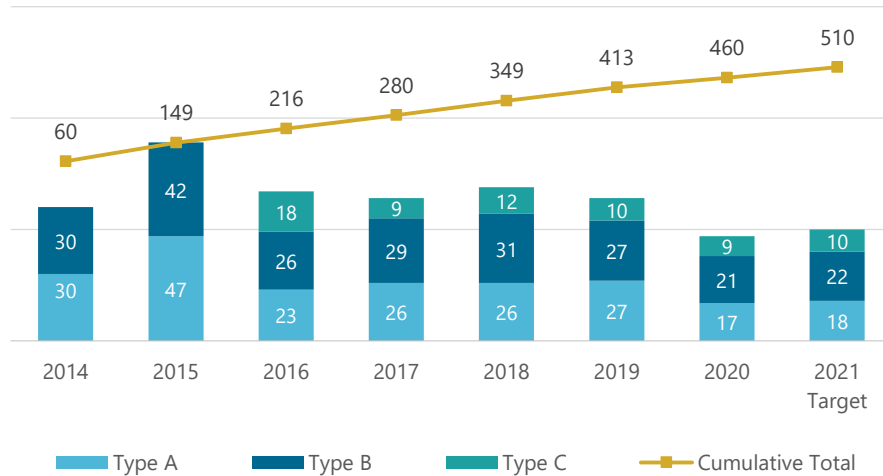
WNC's major suppliers are divided into A (high risk: suppliers of printed circuit boards, paint, plastic injection parts, chemical plating, and stamped parts), B (moderate risk: suppliers of antennas, packing materials, wiring, adapters, connectors, and passive elements) and C (low risk: suppliers of other electronic materials) according to the level of risk they exhibit in aspects of labor, ethics, health and safety, and environment and management systems. Further, WNC requests that selected suppliers conduct a CSR audit based on conditions including "Top 10 suppliers in terms of incoming quantities in the previous year which were not audited in the past year;" "complying with customers' CSR requests;" and "Had priority deficiencies in the previous year's audit," and includes them in the annual CSR audit scheme. With the exception of specific suppliers designated by customers, Group C suppliers are only subject to document review given the low level of risk they exhibit, while the other two groups of suppliers must undergo supplier CSR audits according to the following five aspects of labor, ethics, health and safety, environment, ethics and management systems of the RBA Code of Conduct.

In 2020, 50 supplier CSR audits were scheduled but three were cancelled due to COVID-19. Therefore a total of 47 suppliers completed the CSR audit, including 17 suppliers from Group A, 21 suppliers from Group B, and nine suppliers from Group C. In 2020, the results of the audit indicate that the majority of the non-compliance was related to labor and occupational safety. Suppliers' measures to address nonconformities and corresponding improvement plans are tracked by the Supplier Quality Management Center, who will also work with the Global Supply Chain Management Division to guide suppliers in implementation of RBA regulations and continuous improvement pursuant to the Supplier Evaluation & Management SOP. In 2020, no partnerships with suppliers were terminated because of CSR audit results or due to improvements failing to meet the required standards. In 2021, the target number of suppliers for audit is 50.

WNC Suppliers CSR Audit Measures



WNC Supplier CSR Audit in Past Years and 2021 Target
(Unit: Number of Suppliers)



5.2.4 Supplier Relations

WNC values the interaction and mutual learning it engages in with its suppliers. In addition to regular business review meetings, WNC expresses its gratitude to suppliers for their outstanding performance and special contributions at the annual Wistron Group Vendor Conference. In 2020, due to COVID-19, the event took the form of an outdoor activity and banquet, with participation from 68 vendors.



5.3 Contractor Management

WNC has drawn up a Contractor ESH Management Procedure to ensure the safety of both contractors and WNC employees, maintain facility safety, and observe related ESH regulations. This document clearly demarcates the powers and responsibilities of company units and contractors and describes ESH issues requiring attention. Contractors are required to sign a Commitment to Work Safety for Contractors in WNC Plants before applying to conduct in-plant operations, and are required to participate in the notification of in-plant hazards and educational training for safety and health organized by the Industrial Safety Dept. After in-plant operations are approved, employees of contractors must participate in a tool-kit meeting to understand the hazards that personnel should pay attention to in the plant along with relevant safety procedures, and conduct in-plant operations after confirming operation details with the responsible managers under supervision and assessment of the ESH management units.

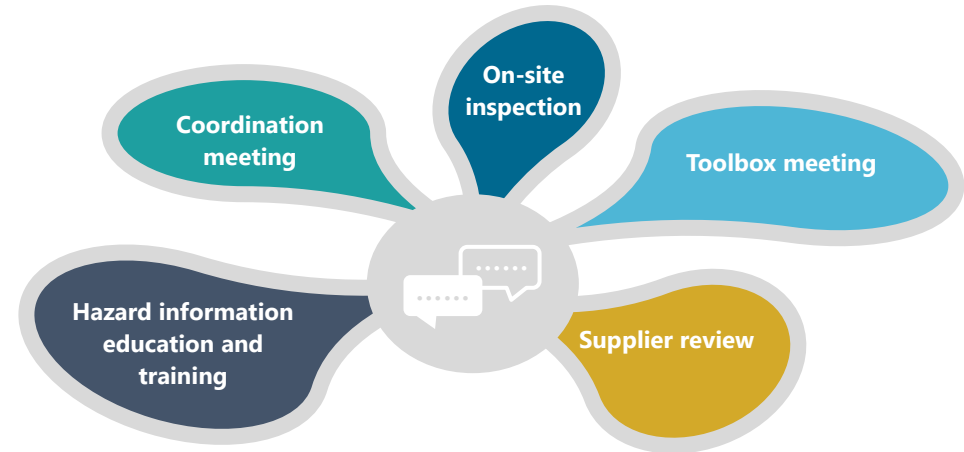
WNC conducts contractor reviews annually to evaluate contractors' safety and health management capabilities. Guidance or replacement of contractors is executed according to review results. In 2020, occasional engineering reviews were implemented for new contractors.

WNC Contractor Review

Subject	Category	Item	
Current contractors	Annual review	■ Education and training records	■ In-plant violations
		■ Operation protective measures	■ Certification requirements
New contractors	Occasional engineering review	■ Automatic checks	
		■ Disclosure of major occupational injuries	
		■ Certification requirements	
		■ Work inspection mechanism	

To maintain good communications with contractors, WNC provides multiple communication channels. Besides the designated contact person, Contractors can also discuss with WNC contact persons regarding matters such as work safety and health management, on-site operations coordination to ensure operational safety via coordination meetings, toolbox meetings, hazard information education and training, vendor review, on-site inspection, etc.

Contractor Communication Channels



In order to bolster execution by contractors (including security guards, on-site food-service vendors, and cleaning staff) with respect to labor rights, non-discrimination, ethics, anti-corruption, violation reporting, and occupational safety and health, starting from 2016, all contractor contracts state that contractors must meet the requirements in the WNC Supplier Code of Conduct and sign the Supplier's Commitment to the Code of Ethics, the Supplier CSR Questionnaire, and the Supplier CSR Declaration before the contracts take effect.

5.4 Participation in Society

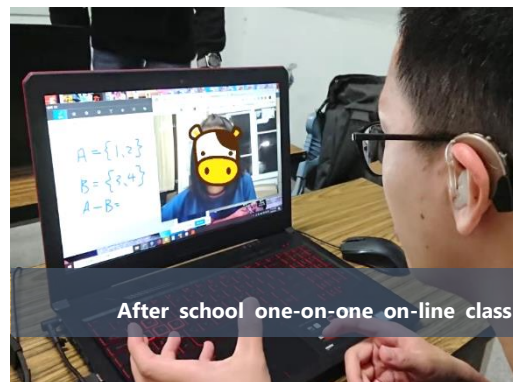
WNC organizes social welfare projects and activities to provide opportunities for education and to assist disadvantaged groups. WNC employees, customers, and suppliers are invited to take part in these.

5.4.1 Assisting University Service Clubs

To encourage college students to care for people, serve as volunteers, and further uphold the values of caring for society, WNC provides long-term subsidies for student clubs at National Tsing Hua University (NTHU) and National Cheng Kung University (NCKU). Through its cooperation with the NTHU Indigenous Culture Club, the NTHU Science Promotion Club, the NTHU WHYOU Club, the NCKU Social Service Team, the NCKU Philanthropy Club, and the NCKU Students Service Club, WNC helps college students promote after-school assistance and science education for disadvantaged children from remote areas in Taiwan or from disadvantaged groups. These clubs also offer services for socio-economically disadvantaged elderly, children, and disabled persons. WNC requires club members to submit proposals at the beginning of the semester and submit results reports at the end of the semester. This boosts club members' planning, execution, and presentation skills and helps them lay a solid foundation for performance in their future careers. In 2020, WNC and its employees contributed a total of NT\$800,000 to these six student service clubs. To continue the services during the COVID-19 period, the college students have changed their physical classes to on-line remote classes.



Game-based learning



After school one-on-one on-line class



Cultivate children's interest in reading using social media and multimedia materials

【2020成大慈幼社】茄拔國小樂讀營-高年級課程影片



College students assisting children's learning

5.4.2 Rural Education Development

WNC is concerned for Taiwan's disadvantaged children and understands the importance of developing rural education. Since 2013, WNC has assisted Tunan Elementary School in remote Jianshih township in Hsinchu County on aspects of indigenous culture, including developing their talents in Judo, choir singing, and archery. In 2020, WNC and WNC employees donated NT\$410,000 to sponsor the facilities, equipment, coach/teachers, and contest costs for the school.

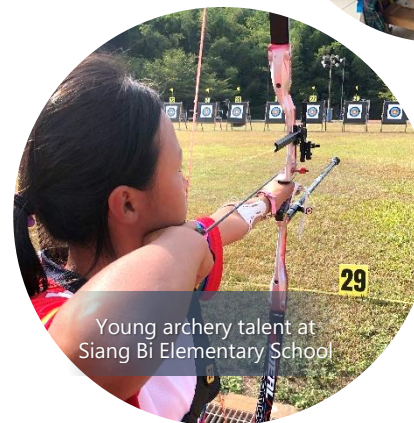
Since June 2017, WNC's social care program has provided support to Siang Bi Elementary School in Miaoli County to help enable traditional Atayal hunting and archery culture to be passed on to future generations and facilitate the cultivation of young archery talent. In 2020, WNC employees donated NT\$200,000 to help the school purchase archery equipment and participate in regional archery competitions. The students performed exceptionally well in the competitions.

Social Care Donation Plan for Disadvantaged Children in Remote Areas

In June 2019, WNC began working with the Miaoli Chunan Family Support Center on a sponsorship plan for schoolchildren in rural areas. In 2020, WNC successfully duplicated this success to the Hsinchu Family Support Center to show support for heritage education in rural primary schools. The scope of support also increased from the original Atayal and Saisiyat tribes to include Bunun and Paiwan. A total of 284 employees participated in the sponsorship program in June and December 2020, with 79 schoolchildren sponsored. A majority of employees demonstrated their generosity by continuing their support for the sponsorship program.

Sponsorship Plan for Schoolchildren in Rural Areas

Time	Cooperation	Schoolchildren supported (persons)	Employees involved (persons)	Funds raised (ten thousand NT\$)
June 2020	Miaoli Site	29	100	30.0
December 2020	Miaoli Site	29	100	30.0
	Hsinchu Site	21	84	25.2
Total		79	284	85.2



WNC Offers English Lessons with Love

WNC understands children in remote areas are in need of better education in various subjects. In 2020, WNC and the Boyo Foundation began working together to launch a three-year “Differentiated English Teaching Program” to provide free after-school English classes for Tunan Elementary School students in Jianshi Township, Hsinchu County. The classes will help the children to advance to junior high school courses. The program was launched in September 2020 and received support from many WNC executives. Their donations amounted to NT\$860,000 and will fund expenses for the English classes, including teacher recruitment, class materials, English camps, and field trips. A total of 50 children attended and benefited from the program from September to December 2020.

WNC Classroom

Leveraging its industry knowledge, WNC designed a series of basic communications and science teaching materials in 2020. These are provided to elementary schools in remote areas as supplementary materials for science and technology classes to bridge the rural-urban divide in educational resources. WNC also invited Tsing Hua University student interns to participate in the WNC Classroom course planning and writing. The game-based course contents are designed for grade one through grade six to make exploring technological trends and applications more fun. WNC also organized the “Tsing Hua University Pilot Plan” to encourage college students to participate in charity initiatives. As of the end of December 2020, a total of 10 college students volunteered to be teachers and attended teaching training. They are scheduled to begin their first class in May 2021 at Tunan Elementary School in Jianshi Township, Hsinchu County.



Tsing Hua University student interns participated in the design of teaching materials



Teaching training for volunteer teachers

5.4.3 Assisting Social Welfare Groups

WNC kicked off its social care program with a Social Care Assistance Platform set up on the intranet with the purpose of providing a convenient channel for employees to obtain social care information, to make donations, and offer assistance on-line. Through this platform, employees can get fund-raising information and the results of social care activities anytime. It is hoped that WNC employees can continue to engage in social care with the company.

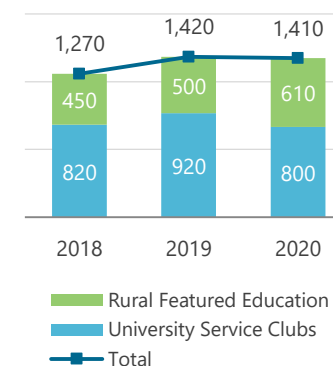
Charity Fundraising

WNC takes an active part in fundraising events, including organizing internal donation campaigns and encouraging employee donations in response to major disasters or the special needs of colleagues and the community. Care, financial assistance, legal consultation, and/or funeral assistance are also provided for injured/seriously ill employees or for family members of employees who pass away.

In 2020, WNC's Employee Welfare Committee (EWC) provided the family members of one employee who passed away due to a non-work related accident with NT\$30,000, and the EWC also provided NT\$100,000 in emergency relief funding to two employees.

WNC also encourages employees to help those in need and to donate to charity. For example, instead of choosing to receive company gift certificates or gifts to commemorate Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, employees may choose to donate an amount equal to the value of the aforementioned company gift certificates or gifts to charity. The money thus donated is given to NTHU and NCKU university service clubs, as well Tunan Elementary School and Siang Bi Elementary School. In 2020, WNC and WNC employees donated a combined NT\$1,410,000, with employees contributing NT\$840,700.

Funds Raised for Public Welfare in WNC's Sites in Taiwan in the Last Three Years
(unit: Thousand NT\$)



Charity Sales Events

WNC has designated the fifth of each month to hold a WNC Charity Day Sale. On this day, a charity organization invited by the Employee Relations Department holds a charity sale at WNC's Taiwan sites, and employees are encouraged to shop at the sale to support charity. In 2020, 23 charity organizations, including social welfare organizations, community development organizations and social enterprises, participated in the WNC Charity Sale and generated a combined sales revenue of NT\$270,355.

Charity Sales for Peaches and Orchids

WNC invited employees to participate in the charity sale to directly help disadvantaged farmers and their families as well as providing encouragement to those who work for social welfare organizations.

WNC's Charity Sales Events



Children Are Us Foundation



A florist at the WNC Charity Day Sale



Charity sale for peaches



WNC Charity Day Sale

WNC Goods Sharing Platform

The WNC Goods Sharing Platform, which was launched in 2017, gives WNC employees opportunities to help protect the environment, promote upcycling, and donate second-hand goods to those in need. In 2020, WNC headquarters donated idle equipment at the employee gymnasium to the Maliguang Church in Hsinchu County's Jianshi Township through the Tsing Hua University Indigenous Cultures Club. The donations include an exercise machine, three ping pong tables, and two foosball tables, and will be available for use for people in the community.



Donation made through NTHU Indigenous Cultures Club

China Sites

In 2014, WNC employees voluntarily established the Mercy Club, which has 16 members to date. In addition, WNC assists employees experiencing financial difficulties or misfortune in applying for funds from trade unions. In 2020, WNC helped three employees apply for a grant of RMB 2,000 each in an activity organized by the Comprehensive Bonded Zone. In July 2020, WNC subsidiaries in China worked with hospitals and local government agencies to encourage employees to donate blood. A total of 32 employees took part in the activity.

06

Appendix

About this Report

Assurance Statement

GRI Standards Index

6.1 About this Report

Since 2011, WNC has published a Corporate Social Responsibility Report annually to present non-financial performance and achievements of the company's operations, its efforts with regards to environmental health and safety, and the exercise of its social responsibilities towards all stakeholders. This report is produced in both Chinese and English, and is posted on WNC's website: <http://www.wnc.com.tw>.

Publication

This CSR Report is published on an annual basis.

- Current version: Published in June 2021
- Previous version: Published in June 2020
- Next version: To be published in June 2022

Contact Information

Please feel free to contact us with any questions or comments you might have:

Wistron NeWeb Corporation Marketing and Corp.
Communication Division

Address: 20 Park Avenue II, Hsinchu Science Park,
Hsinchu 308, Taiwan, R.O.C.

Tel.: +886-3-666-7799

Fax: +886-3-666-7711

Website: www.wnc.com.tw

E-mail: public@wnc.com.tw

Report Aspects

The scope of the information disclosed in this report covers WNC's comprehensive performance and achievements in aspects relating to corporate social responsibility from January to December 2020. The report covers information regarding operations at WNC's headquarters in the Hsinchu Science Park, Taiwan, S1 site located on Lihsin Rd., and S2 site located in the Tainan Science Park, and includes selected information from its major factories in China and Vietnam (listed below). The contents of this report do not cover our R&D center in Taipei's Neihu district, subsidiaries or branches in Europe, the United States, Japan, and other corporate entities that do not have direct control over WNC's operations.

- WNC (Kunshan) Corporation, herein referred to as "WNC (Kunshan)"
- Wistron NeWeb (Kunshan) Corporation, herein referred to as "Wistron NeWeb (Kunshan)"
- NeWeb Service (Kunshan) Corporation, herein referred to as "NeWeb Service"
- WebCom Communication (Kunshan) Corporation—Kunshan Plant, herein referred to as "WebCom (Kunshan)"
- WebCom Communication (Kunshan) Corporation—Nanjing Branch, herein referred to as "WebCom (Nanjing)"
- WNC Vietnam Co., Ltd, herein referred to as "V1"

Report Methodology and Guidelines

The report has been compiled in accordance with the GRI Standards published by the Global Reporting Initiative (GRI) while referencing the contents issued in 2016. The contents updated in 2018 were used as a reference when compiling GRI 303 and GRI 403. The report has been inspected by an independent third party, namely SGS Taiwan Limited, and has been verified to meet the

requirements of GRI Standards Core option and AA1000 Assurance Standard type 1, moderate level. The Assurance Statement is enclosed in the appendix for reference.

This report covers the same organizational boundaries and uses the same calculation methods as the previous year's report. The International Generic Indicators are adopted to present the performance data of corporate social responsibility. Additional information will be provided for any estimation. Financial figures in this report are expressed in New Taiwan dollars (NT\$) unless otherwise specified, and an exchange rate of 4.3691 between the Chinese Yuan (RMB) and New Taiwan Dollar, and 0.0012 between the Vietnamese Dong and New Taiwan Dollar as of the end of 2020 are used. All figures disclosed in Operational Performance, Product Shipment Information, Information Regarding the Board of Directors/Audit Committee/Remuneration Committee and Remuneration System are available in WNC's annual report, which has been audited by KPMG.

Verification and issuance of ISO 9001, ISO 14001, ISO 50001, IATF 16949, ISO 45001, IECQ QC 080000, ANSI/ESD S20.20, TL 9000, FSC™ Chain-of-Custody and CNS 45001 certificates were performed by TÜV Rheinland; ISO/IEC 17025 by the Taiwan Accreditation Foundation; ISO/IEC 27001 by SGS Taiwan Ltd.; and ISO 14064-1 Greenhouse Gas Inventory by the Underwriters Laboratories Inc.

(In case of any discrepancies between the Chinese version and its English translation, the Chinese version shall prevail.)

6.3 GRI Standards Index

General Disclosures

Topic	Disclosure		Chapter	Page
Organizational Profile	102-1	Report the name of the organization.	1.1	21
	102-2	Report the organization's activities, the primary brands, products, and services.	1.3	26
	102-3	Report the location of the organization's headquarters.	1.1.1	22
	102-4	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	1.1.1	22
	102-5	Report the nature of ownership and legal form.	1.1	21
	102-6	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	1.3	26
	102-7	Report the scale of the organization, including total number of employees, total number of operations, net sales, total capitalization broken down in terms of debt and equity, and quantity of products or services provided	1.1, 1.2, 1.3.1	21, 25
	102-8	Report on the total number of employees categorized according to gender, employee type (direct labor/indirect labor), contract type, and work area. (Report compiled to indicate any major changes to the number of employees)	3.2.1	47-48
	102-9	Describe the organization's supply chain.	5.2	93
	102-10	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	1.1.1, 6.1	22, 104
	102-11	Report whether and how the precautionary approach or principle is addressed by the organization.	2.3	36-39
	102-12	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Sustainable Management	4-5
	102-13	List memberships of associations (such as industry associations) and national or international advocacy organizations.	1.1.3	24
Strategy	102-14	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	A message from the Chairman	2-3
	102-15	Provide a description of key impacts, risks, and opportunities.	2.3	36-39
Ethics and Integrity	102-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1.1, 2.2	21, 33
	102-17	Describe the organization's internal and external mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity and reporting concerns about unethical or unlawful behavior, and organizational integrity.	2.2	33-34
Governance	102-18	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	2.1	31-32
Stakeholder Engagement	102-40	Provide a list of stakeholder groups engaged by the organization.	Identification of Stakeholders	13
	102-41	Report the percentage of total employees covered by collective bargaining agreements.	No unions have been established in Taiwan, whereas in China and Vietnam, all employees are union members.	
	102-42	Report the name of the organization.	Identification of Stakeholders	13

	102-43	Report the organization's activities, the primary brands, products, and services.	Response to Stakeholders	18-19
	102-44	Report the location of the organization's headquarters.	Response to Stakeholders	18-19
Reporting Practice	102-45	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	6.1	104
	102-46	a. Explain the process for defining the report content and the topic Boundaries. b. Explain how the organization has implemented the Reporting Principles for defining report content.	Communication with Stakeholders	13-19
	102-47	List all the material topics identified in the process for defining report content.	Communication with Stakeholders	13-19
	102-48	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Did not rearrange the information in previous reports	
	102-49	Report significant changes from previous reporting periods in the list of material topics and topic Boundaries.	No major changes	
	102-50	Reporting period (such as fiscal or calendar year) for information provided.	6.1	104
	102-51	Date of most recent previous report (if any).	6.1	104
	102-52	Reporting cycle (such as annual, biennial).	6.1	104
	102-53	Provide the contact point for questions regarding the report or its contents.	6.1	104
	102-54	Report if it has prepared a report in accordance with the GRI Standards	6.1	104
	102-55	Report the GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.	6.3	106-112
	102-56	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Sustainable Management	4

Specific Standard Disclosures

ECONOMIC					
Topic	DMA & Disclosure			Chapter	Page
Economic Performance	DMA	103-1	Explanation of the material topic and its Boundary	2	30
		103-2	The management approach and its components	2	30
		103-3	Evaluation of the management approach	2	30
	Disclosure	201-1	Direct economic value generated and distributed	1.2	25
		201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2.3.3	37-38
		201-3	Coverage of the organization's defined benefit plan obligations	3.3	53, 55
		201-4	Financial assistance received from government	2.2.4	35
Market Presence	DMA	103-1	Explanation of the material topic and its Boundary	3.3.1	53
		103-2	The management approach and its components	3.3.1	53
		103-3	Evaluation of the management approach	3.3.1	53

	Disclosure	202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	3.3.1	53
		202-2	Proportion of senior management hired from the local community at significant locations of operation	3.2.2	50
Indirect Economic Impacts	DMA	103-1	Explanation of the material topic and its Boundary	5.4	90-102
		103-2	The management approach and its components	5.4	90-102
		103-3	Evaluation of the management approach	5.4	90-102
	Disclosure	203-1	Development and impact of Infrastructure investments and services supported	5.4	90-102
Procurement Practices	DMA	103-1	Explanation of the material topic and its Boundary	5.2	93
		103-2	The management approach and its components	5.2	93
		103-3	Evaluation of the management approach	5.2	93
	Disclosure	204-1	Proportion of spending on local suppliers at significant locations of operation	5.2.1	93
Anti-corruption	DMA	103-1	Explanation of the material topic and its Boundary	2.2	33-34
		103-2	The management approach and its components	2.2	33-34
		103-3	Evaluation of the management approach	2.2	33-34
	Disclosure	205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	2.2	33-34
		205-2	Communication and training on anti-corruption policies and procedures	2.2	33-34
		205-3	Confirmed incidents of corruption and actions taken	2.2	33-34
Anti-competitive Behavior	DMA	103-1	Explanation of the material topic and its Boundary	2.2	33-34
		103-2	The management approach and its components	2.2	33-34
		103-3	Evaluation of the management approach	2.2	33-34
	Disclosure	206-1	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	2.2.2	34
ENVIRONMENTAL					
Topic	DMA & Disclosure			Chapter	Page
Energy	DMA	103-1	Explanation of the material topic and its Boundary	4	70
		103-2	The management approach and its components	4	70
		103-3	Evaluation of the management approach	4	70
	Disclosure	302-1	Energy consumption within the organization	4.4.1	82
		302-3	Energy intensity	4.4.1	82
		302-4	Reduction of energy consumption	4.4.1	83
		302-5	Reductions in energy requirements of products and services	4.2.3	78

Water and Effluents	DMA	303-1	Interactions with water as a shared resource	4.4.2	84-86
		303-2	Management of water discharge-related impacts	4.4.2	84-86
	Disclosure	303-3	Water withdrawal	4.4.2	84
		303-4	Water discharge	4.4.2	84
		303-5	Water consumption	4.4.2	84
Emissions	DMA	103-1	Explanation of the material topic and its Boundary	4.1.1, 4.3	73, 79-80
		103-2	The management approach and its components	4.1.1, 4.3	73, 79-80
		103-3	Evaluation of the management approach	4.1.1, 4.3	73, 79-80
	Disclosure	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	4.3	79
		305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	4.3	79
		305-4	Greenhouse gas (GHG) emissions intensity	4.3	80
		305-5	Reduction of greenhouse gas (GHG) emissions	4.3	80
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.1.1	73		
Effluents and Waste	DMA	103-1	Explanation of the material topic and its Boundary	4.1, 4.4.2	73-74, 84
		103-2	The management approach and its components	4.1, 4.4.2	73-74, 84
		103-3	Evaluation of the management approach	4.1, 4.4.2	73-74, 84
	Disclosure	306-1	Total water discharge by quality and destination	4.4.2	84
		306-2	Total weight of waste by type and disposal method	4.1.2	70-71
		306-3	Significant spills	4.1.2	74
Environmental Compliance	DMA	103-1	Explanation of the material topic and its Boundary	4.1	73
		103-2	The management approach and its components	4.1	73
		103-3	Evaluation of the management approach	4.1	73
	Disclosure	307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.1.2	74
Supplier Environmental Assessment	DMA	103-1	Explanation of the material topic and its Boundary	5.2	93
		103-2	The management approach and its components	5.2	93
		103-3	Evaluation of the management approach	5.2	93
	Disclosure	308-1	Percentage of new suppliers that were screened using environmental criteria	5.2.2	94
		308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	5.2.3	95-96
SOCIAL					

Topic	DMA & Disclosure			Chapter	Page
Employment	DMA	103-1	Explanation of the material topic and its Boundary	3.2	47
		103-2	The management approach and its components	3.2	47
		103-3	Evaluation of the management approach	3.2	47
	Disclosure	401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	3.2.2	49
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	3.3	53-55
		401-3	Return to work and retention rates after parental leave, by gender	3.1.4	42-43
Labor/ Management Relations	DMA	103-1	Explanation of the material topic and its Boundary	3.1.5	44-46
		103-2	The management approach and its components	3.1.5	44-46
		103-3	Evaluation of the management approach	3.1.5	44-46
	Disclosure	402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	WNC Employment Regulations in accordance with local laws stipulate the time periods for providing	
Occupational Health and Safety	DMA	403-1	Occupational health and safety management system	3.5.1	60
		403-2	Hazard identification, risk assessment, and incident investigation	3.5.1	61-62
		403-3	Occupational health services	3.5.3	65-66
		403-4	Worker participation, consultation, and communication on occupational health and safety	3.5.1	60
		403-5	Worker training on occupational health and safety	3.5.1	60-61
		403-6	Promotion of worker health	3.5.3	65-66
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.5.1	60-64
	Disclosure	403-8	Workers covered by an occupational health and safety management system	3.5.1	60-62
		403-9	Work-related injuries	3.5.1	62
		403-10	Work-related ill health	3.5.1	62
Training and Education	DMA	103-1	Explanation of the material topic and its Boundary	3.4	56-59
		103-2	The management approach and its components	3.4	56-59
		103-3	Evaluation of the management approach	3.4	56-59
	Disclosure	404-1	Average hours of training per year per employee by gender, and by employee category	3.4.4	59
		404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	3.4	56-59
		404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	3.3.2	54
	DMA	103-1	Explanation of the material topic and its Boundary	3.2	47

Diversity and Equal Opportunity		103-2	The management approach and its components	3.2	47
		103-3	Evaluation of the management approach	3.2	47
	Disclosure	405-1	Diversity of governance bodies and employees	2.1.2, 3.2	31, 47-50
		405-2	Ratio of basic salary and remuneration of women to men	3.3.1	53
Non-discrimination	DMA	103-1	Explanation of the material topic and its Boundary	3	40
		103-2	The management approach and its components	3	40
		103-3	Evaluation of the management approach	3	40
	Disclosure	406-1	Total number of incidents of discrimination and corrective actions taken	3.1	42-46
Child Labor	DMA	103-1	Explanation of the material topic and its Boundary	3.1.1	42
		103-2	The management approach and its components	3.1.1	42
		103-3	Evaluation of the management approach	3.1.1	42
	Disclosure	408-1	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	3.1.1, 5.2.3	42, 96
Forced or Compulsory Labor	DMA	103-1	Explanation of the material topic and its Boundary	3.1.3	42
		103-2	The management approach and its components	3.1.3	42
		103-3	Evaluation of the management approach	3.1.3	42
	Disclosure	409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	3.1.3, 5.2.3	42, 96
Human Rights Assessment	DMA	103-1	Explanation of the material topic and its Boundary	3	40
		103-2	The management approach and its components	3	40
		103-3	Evaluation of the management approach	3	40
	Disclosure	412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainable Management	4
		412-2	Employee training on human rights policies or procedures	Sustainable Management	4
Supplier Social Assessment	DMA	103-1	Explanation of the material topic and its Boundary	5.2	93
		103-2	The management approach and its components	5.2	93
		103-3	Evaluation of the management approach	5.2	93
	Disclosure	414-1	Percentage of new suppliers that were screened using social criteria	5.2.2	94
		414-2	Negative social impacts in the supply chain and actions taken	5.2.3	95-96
Public Policy	DMA	103-1	Explanation of the material topic and its Boundary	2	30
		103-2	The management approach and its components	2	30
		103-3	Evaluation of the management approach	2	30

	Disclosure	415-1	Total value of political contributions by country and recipient/beneficiary	No political contributions	
Customer Health & Safety	DMA	103-1	Explanation of the material topic and its Boundary	1.3.1	26
		103-2	The management approach and its components	1.3.1	26
		103-3	Evaluation of the management approach	1.3.1	26
	Disclosure	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	1.3.1, 4.2	26, 77-78
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.3.1, 4.2.2	26, 78
Marketing and Labeling	DMA	103-1	Explanation of the material topic and its Boundary	1.3.1, 1.3.3	25, 27
		103-2	The management approach and its components	1.3.1, 1.3.3	25, 27
		103-3	Evaluation of the management approach	1.3.1, 1.3.3	25, 27
	Disclosure	417-1	Requirements for product and service information and labeling	1.3.1	25
		417-2	Incidents of non-compliance concerning product and service information and labeling	1.3.1	25
		417-3	Incidents of non-compliance concerning marketing communications	1.3.3	27
Customer Privacy	DMA	103-1	Explanation of the material topic and its Boundary	5.1.1	91
		103-2	The management approach and its components	5.1.1	91
		103-3	Evaluation of the management approach	5.1.1	91
	Disclosure	418-1	Total number of substantiated complaints regarding breach of customer privacy and loss of customer data	5.1.1	91
Socioeconomic Compliance	DMA	103-1	Explanation of the material topic and its Boundary	2.2	33-34
		103-2	The management approach and its components	2.2	33-34
		103-3	Evaluation of the management approach	2.2	33-34
	Disclosure	419-1	Non-compliance with laws and regulations in the social and economic area	2.2	33-34
OTHER					
Topic	DMA & Disclosure			Chapter	Page
Conflict Minerals	DMA	103-1	Explanation of the material topic and its Boundary	5.2.3	95
		103-2	The management approach and its components	5.2.3	95
		103-3	Evaluation of the management approach	5.2.3	95
	Disclosure	--	Conduct responsible investigation with relevant suppliers and ensure minerals are "conflict-free" minerals.	5.2.3	95



WNC

www.wnc.com.tw

Wistron NeWeb Corporation

20 Park Ave. II, Hsinchu Science Park,
Hsinchu 308, Taiwan
Fax: +886 3 666 7711