

# 啓碁科技永續報告書



Wistron NeWeb Corporation  
Sustainability Report 2021

WNC

# Table of Contents

|                             |   |
|-----------------------------|---|
| Table of Contents           | 2 |
| A Message from the Chairman | 3 |
| A Message from the CSO      | 5 |
| Sustainability Results      | 6 |
| COVID-19 Countermeasures    | 8 |

## 1

### About WNC

|                             |    |
|-----------------------------|----|
| 1.1 Company Overview        | 11 |
| 1.2 Operational Performance | 15 |
| 1.3 Products and Services   | 16 |
| 1.4 Intellectual Property   | 18 |

## 4

### Friendly Workplace and Social Care

|                                    |    |
|------------------------------------|----|
| 4.1 Respect for Human Rights       | 56 |
| 4.2 Talent Recruitment             | 61 |
| 4.3 Remuneration                   | 68 |
| 4.4 Talent Cultivation             | 72 |
| 4.5 Occupational Safety and Health | 78 |
| 4.6 Employee Care                  | 86 |
| 4.7 Social Participation           | 93 |

## 2

### Sustainable Management

|                              |    |
|------------------------------|----|
| 2.1 Policy and Organization  | 20 |
| 2.2 Material Topics Analysis | 25 |
| 2.3 Response to Stakeholders | 30 |

## 5

### Climate Change and Environmental Protection

|                               |     |
|-------------------------------|-----|
| 5.1 Climate Change Management | 100 |
| 5.2 Green Product Design      | 106 |
| 5.3 Environmental Protection  | 110 |

## 3

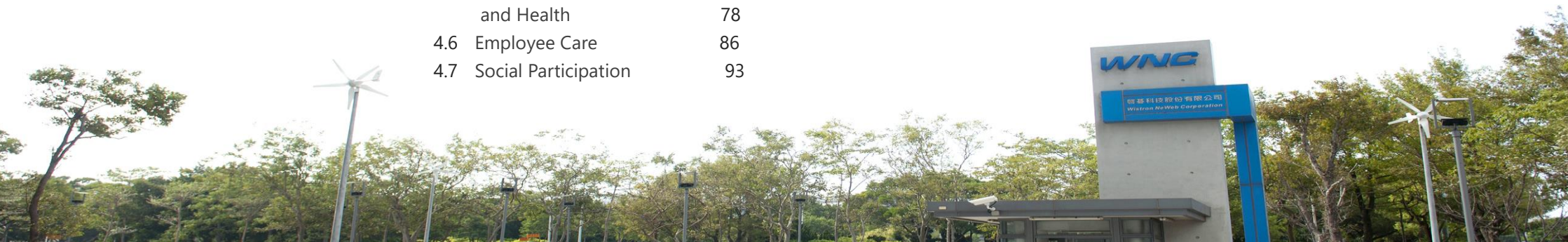
### Corporate Governance and Value Chain

|                          |    |
|--------------------------|----|
| 3.1 Corporate Governance | 34 |
| 3.2 Integrity Management | 36 |
| 3.3 Risk Management      | 39 |
| 3.4 Customer Partnership | 46 |
| 3.5 Supplier Management  | 48 |

## 6

### Appendix

|                                    |     |
|------------------------------------|-----|
| 6.1 About the Report               | 120 |
| 6.2 Verification Statement         | 121 |
| 6.3 GRI Standards Comparison Table | 122 |
| 6.4 SASB Standards Index           | 129 |
| 6.5 ESG Performance Indicators     | 131 |





## A Message from the Chairman

Looking back at 2021, the ongoing COVID-19 pandemic, material, labor and electricity shortages, inflation, reconstruction of supply chains, natural disasters caused by climate change, economic barriers and military conflicts caused by geopolitics have all impacted global economic performance. I would like to thank all of WNC's employees, customers, suppliers, investors and partners for their continuing trust, support and efforts and for cooperating with the related response measures that we have adopted to ensure the continuity of our operations. Thanks to all of your support, WNC has maintained reasonable growth in 2021, achieving revenue of NT\$67.2 billion (US\$2.43 billion). In addition to the establishment of a German subsidiary, NeWeb GmbH, our new plant in Hanam Province, Vietnam, commenced mass production in the fourth quarter. In the first quarter of 2022 consolidation of our old Vietnam plant with the new one has been completed, while our new plant in the Southern Science Park, Tainan, is expected to begin operations in the third quarter of this year and ramp up to mass production in the fourth quarter.

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. In order to ensure consistency in our long-term operational strategies, we have transformed our original corporate responsibility policy into a sustainable development policy. We aim to continue to meet stakeholder expectations, while following the principle of materiality, via short-, medium- and long-term goals and action plans. To this end we established a Sustainable Development Steering Committee, a Sustainable Development Committee and the position of Chief Sustainability Officer (CSO) in 2022 to improve our corporate sustainability governance structure.

Under the impact of geopolitics and global protectionism, reorganization and relocation of global supply chains is already happening. Aggressive carbon net zero targets for tech powerhouse nations and leading companies are already pushing global manufacturers to change their environmental sustainability practices and investment strategies. As a leading telecommunications manufacturer WNC is accelerating the pace of its digital, HR and low carbon transformation while expanding its global production capacity. Via flexible responsiveness and raised perceptiveness the customer and product mix will be adjusted according to evolving external situations, lessening the impact of external factors and continually optimizing operational quality. Next-generation communications technologies and applications are being developed rapidly in response to the need for remote communication in a post-pandemic era. WNC and its strategic partners are working together to develop products and technologies related to 5G, Cloud, AI and Big Data. In the 5G field we have developed a number of 5G O-RAN products and end-to-end solutions with our strategic partners. Not only have these products passed O-RAN PlugFest, NDC and Chunghwa Telecom testing and verification, they are already being adopted in enterprise private networks of smart factories. Our medical-grade product line has passed ISO 13485 certification, while in terms of software added value services we have developed Wi-Fi 6E Mesh software, an AI imaging algorithm for automotive use, a forward collision warning sensor algorithm for Advanced Driver Assistance Systems (ADAS), WFH router firmware and QoS software. Going forward, WNC will rely on existing resources and business to continue to develop communications applications for use in wireless communications, broadband networks, Internet of Vehicles, Internet of Things, smart home/factory/city, etc.



Chairman

Haydn Hsieh

A handwritten signature in black ink, reading '謝宏波' (Hsieh Haydn).

With the huge impact of the Pandemic worldwide, everybody is having to adjust and adapt to new lifestyles and work patterns. Meanwhile, the climate emergency we concurrently face, means it is even more necessary for businesses to face up to the impact of climate change and to implement climate mitigation measures. WNC will give full play to its expertise in communications technology to grasp the growth momentum of the market in the next few years, drawing on its commitment to sustainable development to join hands with co-workers, customers, suppliers and all partners to create maximum benefits for all stakeholders, and jointly create a more harmonious future for the environment, society and humankind. We continue to welcome to any suggestions and feedback from stakeholders that would help to expand our positive influence.

### Vision

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

### Strategy

Incorporate environmental protection, social responsibility and corporate governance in company operations and business strategies while continuing to strive for sustainable competitiveness.



#### Environmental protection

- ✓ Low carbon transition
- ✓ Promote circular economies
- ✓ Provide sustainable product solutions



#### Social Responsibilities

- ✓ Optimal workplace environment
- ✓ Support education of the young
- ✓ Support social innovation and cultural development



#### Corporate Governance

- ✓ Build a complete corporate governance system and financial structure
- ✓ Promote a sustainable value chain of mutual trust, mutual assistance, and mutual prosperity



### 2030 Goals

- ✓ Reduce (Scope 1&2) GHG emission intensity by 50% (base year: 2019)
- ✓ Ratio of renewable energy use to account for 30% of total energy use



## A Message from the CSO

It is WNC's 26th year and the first year of WNC's new commitment to sustainable development. In addition to repositioning our sustainable development policy and goals, WNC has also set up a Sustainable Development Steering Committee, a Sustainable Development Committee and the position of Chief Sustainability Officer (CSO), to lead the company to follow international standards, integrate internal and external resources, and to promote ESG actions.

WNC is very honored to have been included in the S&P Global 2022 Sustainability Yearbook this year. We are the only Taiwanese network communications company to have achieved this. We are also honored to once again have won "Overall Most Outstanding Company in Taiwan" in Asiamoney's Outstanding Companies Poll, "Most Outstanding Company in Taiwan – Technology Hardware & Equipment Sector" and "Most Outstanding Company in Taiwan – Small/Mid Caps Sector" category. We also won a Bronze Medal at the 2021 Taiwan Corporate Sustainability Awards, a Bronze Award in the Buying Power: Social Innovation Products and Services Procurement Reward Program of the Ministry of Economic Affairs, and were ranked in the top 20% of listed companies in Taiwan for corporate governance. Our 5G ODU and 5G Network Infrastructure Acceleration Card was also recognized in the CES 2022 Innovation Awards and in the Hsinchu Science Park Innovative Product Awards.

Low carbon transition is a key strategy in improving climate resilience and sustainable development. Therefore, in addition to setting aggressive carbon reduction targets and promoting energy saving and carbon and waste reduction measures we have also, in accordance with the recommendations of the TCFD, identified and disclosed the risks and opportunities brought about by climate change, and have executed a carbon inventory of the current status of sustainable product design as a reference for optimizing sustainable product design planning in the future. In 2021 energy savings at major production sites totalled 1,948 metric tons of CO<sub>2</sub>e, 2.13 GWh of electricity was generated from solar power plants and waste recycling exceeded 85%.

In terms of social participation WNC's focus is on youth education. In addition to continuing support for special education resources for remote schools via the Taiwan Children and Families Fund - Hsinchu & Miaoli, we have also continued to run industry-academia exchanges and activity sponsorships with a number of key colleges and universities. In 2021 a total of 410 employees volunteered to support 106 students with special talents from remote schools in the Hsinchu/Miaoli area. The 2021 summer English guidance program for students from remote areas (run with the Boyo Social Welfare Foundation) as well as WNC's own telecommunications classroom were cancelled due to Covid. In 2022 we plan to host an elective program in coordination with the government's epidemic policy.

Looking to the future, we will continue to take WNC's core values as a foundation, and work together with all employees around the world to devote ourselves to the common good of all people and of our planet as we implement our commitment to the sustainability of our operations.



Chief Sustainability Officer

Molly Lin

林夢如

# Sustainability Results

## Achievements

### Sustainability Yearbook Member 2022

**S&P Global**

S&P Global 2022

Included in the Sustainability  
Yearbook 2022



Annual audit result in CSR by  
EcoVadis  
Platinum Medal



Asiamoney  
Outstanding Companies Poll



Taiwan Corporate Sustainability Awards  
Corporate Sustainability Report  
Awards - Bronze Medal



Buying Power  
Social Innovation Products and Services  
Procurement Reward Program

TOP  
20%

Taiwan Stock Exchange  
Corporate Governance  
Evaluation



CES Innovation Award  
Smart Home Category - 5G ODU



Hsinchu Science Park Innovative  
Product Award  
5G Network Infrastructure  
Acceleration Card

## Sustainability Execution Results

| Aspect      | Classification         | Execution Results in 2021  |
|-------------|------------------------|--|
| Governance  | Corporate Governance   | <ul style="list-style-type: none"> <li>■ Top 20% among all companies in the eighth Corporate Governance Evaluation</li> <li>■ Independent board members do not serve for more than three terms.</li> <li>■ Four BOD members are independent directors, with one female director</li> </ul>   |
|             | Ethics and Integrity   | <ul style="list-style-type: none"> <li>■ Managers and employees who are more at risk of integrity lapses<sup>Note 1</sup> answered the annual self-evaluation questionnaire on the Code of Ethical Conduct</li> </ul>  |
|             | Risk Management        | <ul style="list-style-type: none"> <li>■ Zero cases of regulatory violations and major lawsuits</li> </ul>   |
|             | Innovation and R&D     | <ul style="list-style-type: none"> <li>■ A total of 2,077 patents were obtained in the United States, Taiwan, China, and other regions</li> </ul>  |
|             | Value chain management | <ul style="list-style-type: none"> <li>■ Scored 95 points in our internal customer satisfaction survey</li> <li>■ 57 new suppliers completed the Supplier CSR Investigation.</li> <li>■ 49 suppliers have completed the WNC Supplier CSR Audit</li> </ul>  |
| Environment | Renewable Energy       | <ul style="list-style-type: none"> <li>■ Solar power generation totaled 2.1 GWh. The carbon emissions reduction in annual power generation is equal to the annual carbon emissions of 108 Taiwanese people.</li> </ul>   |
|             | Greenhouse Gases       | <ul style="list-style-type: none"> <li>■ GHG emissions intensity decreased by 15% compared to 2019.</li> </ul>   |
|             | Green Product Design   | <ul style="list-style-type: none"> <li>■ Amount of recyclable materials procured accounts for 81% of total packaging material procurement</li> <li>■ Adoption of PCR recyclable plastics leading to a reduction in use of new plastics of 183 tons.</li> </ul>   |
|             | Waste                  | <ul style="list-style-type: none"> <li>■ Achieved a waste recycling rate of 84%.</li> </ul>  |
| Society     | Happy Workplace        | <ul style="list-style-type: none"> <li>■ Promoted the “A Workplace You Can Feel Safe In” initiative, based on the five elements of workplace well-being: the common good, safety and health, healthcare, consultation and assistance, and diversity and equality.</li> <li>■ Achieved zero major occupational accidents.</li> </ul>                                      |
|             | Talent Cultivation     | <ul style="list-style-type: none"> <li>■ Worked with Chung Hua University to provide students with on-the-job training opportunities. A total of 190 students recruited as of 2021.</li> </ul>   |
|             | Social Welfare         | <ul style="list-style-type: none"> <li>■ A total of 410 employees sponsored 106 school children with special talents in rural areas of Hsinchu and Miaoli.</li> </ul>  |
|             | Rural area education   | <ul style="list-style-type: none"> <li>■ From supporting special talents to supporting academic development, WNC has partnered with the Boyo Social Welfare Foundation from 2020 to implement a 3-year after-school English tutoring program. Donations in the second year totaled NT\$840,000 and a total of 50 school children benefitted from the program.</li> </ul> |

Note 1: Includes senior managers, sales, product management, procurement, supplier quality management, all general affairs and plant employees, and legal affairs, information management, and R&D department supervisors.



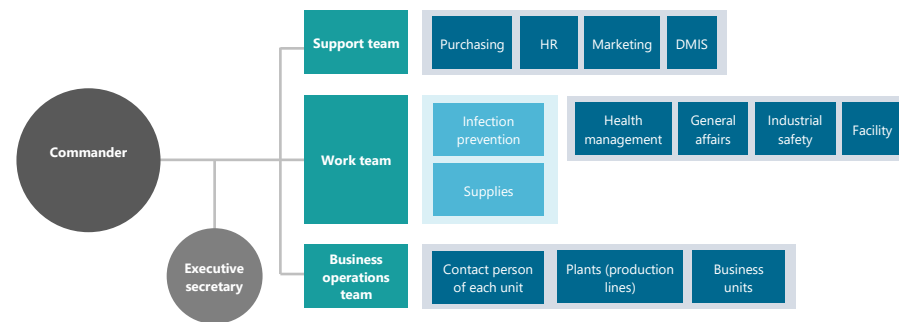
# COVID-19 Countermeasures

## Epidemic Prevention Management

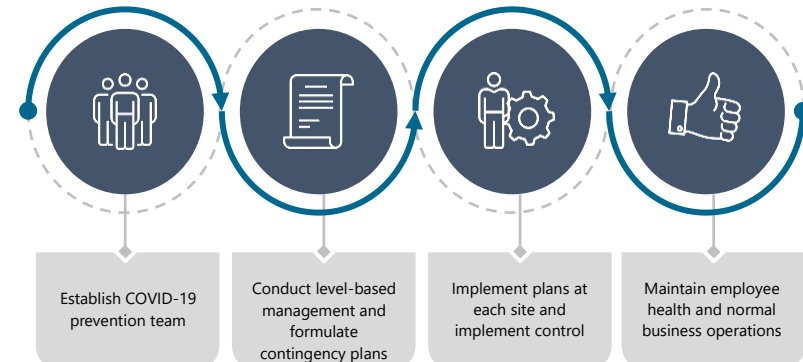
From 2020 the COVID-19 outbreak has constituted a huge threat to the global economy, society and the physical and mental health of mankind. Taking employee health and safety as our first priority, WNC established a COVID-19 prevention team headed by the CEO in February, 2020, to fully cooperate with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

WNC has implemented level-based management, formulated pandemic prevention procedures and contingency plans, and executed 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. In response to changes in the overall situation, rolling adjustments have been implemented, including the provision of flexible family care leave, epidemic prevention care leave, and work from home measures. Free at-home testing kits were provided to production line employees prior to the Lunar New Year holiday. Employees were asked to use the test kits and report the results the day before returning to work, in order to ensure the health and safety of all employees.

WTQ COVID-19 Prevention Team



WNC COVID-19 Prevention and Control Flow



WNC Key COVID-19 Prevention Measures



## Continuity of Operations

To reduce the impact of COVID-19 on business operations, WNC has not only adjusted its production plans based on severity of the pandemic at different production sites, but has also put in place backup measures for supply chains, including focusing on pandemic status in supply chains at different locations, tracking the supply status of key materials, reviewing material shortage conditions, introducing substitute materials and second source suppliers, and adjusting global material planning during extension periods of work orders.

In May 2021, in response to the Centers for Disease Control raising the epidemic prevention level to Level 3, a work from home system and segregated onsite operations were implemented across WNC's Taiwan sites. For those who are able to work from home, different work-from-home groups were implemented. Production units also split employees into different work groups/areas. Apart from preparing response plans and a reporting mechanism for suspected or confirmed cases, cleaning and disinfection of facilities was executed. Employees who may be affected were surveyed and HR backup plans were implemented. At the same time government policies and competent authority requirements were complied with, in order to strengthen epidemic prevention management of foreign workers. At the end of July, the epidemic prevention level was lowered and all employees resumed their normal work modes. Related epidemic prevention measures were adjusted according to the pandemic status.

At our production site in Bac Ninh Industrial Park, Vietnam, we complied with local epidemic prevention policies and focused on protecting the health and safety of our employees. We arranged for production staff to live on-site in June and the plant purchased and administered COVID-19 vaccines for all employees. In July, as the pandemic situation improved, normal production modes were gradually phased back in. After October, the two plants of NeWeb Vietnam complied with the Temporary Regulations for Safe Adaptation, Flexible and Effective Control of the COVID-19 Pandemic of the Vietnamese government and adopted corresponding limitations on worker movement () to continue implementing epidemic prevention control measures as well as related testing and reporting matters.

## Strengthened Communications

To better keep track of employees' health status, we activated an epidemic prevention monitoring mechanism at the height of the pandemic by selecting a monitor from every 100 employees in each unit to assist in tasks such as epidemic prevention promotion, follow-up of health status, attendance abnormality investigation, and replacement of disinfection alcohol. Employees can also use the epidemic prevention section on the Company's Intranet Portal to learn about the company's epidemic prevention policies, work from home information, vaccine appointment and administration information, health education and related application forms, or use the WNC COVID-19 Reporting Platform to report travel history, contact history, and health abnormalities. These measures allow WNC to assess whether any employee needs to conduct self-health management, home quarantine, or contact testing, and follow up on the health status of employees.

While workers were living at the Vietnam site, an Employee Feedback Channel and Ministry of Health of Vietnam Epidemic Reporting Channel QR codes were established to help employees adapt to government epidemic prevention policies, living in the factory, and push for improvement of environmental and facility issues in a timely manner. Employees were able to report or provide feedback in real time.



WNC Taiwan COVID-19 prevention promotion



NeWeb Vietnam COVID-19 prevention promotion

# 01 About WNC

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Company Overview

Operational Performance

Products and Services

Intellectual Property

A photograph of a modern, white building with large glass windows. The WNC logo is prominently displayed on the building's facade. Below the logo, the company name is written in Chinese and English. A large potted plant is visible in the foreground on the right side.

**WNC**  
啓碁科技股份有限公司  
Wistron NeWeb Corporation



# 1.1 Company Overview

Wistron NeWeb Corporation (hereinafter referred to as WNC) specializes in the design, R&D and manufacture of communications 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-, mid- and long-range communications and provide consumer, enterprise-level, industrial-grade and vehicular products. We've been a market leader in network communications, network infrastructure, smart home, and advanced driver-assistance systems (ADAS) 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 achieve shareholder satisfaction with our overall operating performance.

## Corporate culture

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

Chairman  
Haydn Hsieh



President & CEO  
Jeffrey Gau



Headquarters:  
**Hsinchu, Taiwan**



Established:  
**1996**



Capital:

NT\$ **3.976** billion



2021 Revenue:

NT\$ **67.23** billion



Public Listing:

Sept. 22, 2003

(stock code: **6285**)

2021

Employees Worldwide:

**10,736**



## 1.1.1 Worldwide Locations

With 16 worldwide locations, WNC provides comprehensive solutions and local support for its customers worldwide. WNC's global headquarters are located in the Hsinchu Science Park providing R&D, sales, logistics, and after-sales services. Headquarters' operations 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., Germany, Japan, and the cities of Nanjing and Kunshan in China.




WNC's manufacturing sites comprise S1 (located in the Hsinchu Science Park), S2 (located in the Southern Taiwan Science Park), WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan), and NeWeb Vietnam Co., Ltd. (VN) in Vietnam. The S3 plant, also located in the Southern Taiwan Science Park, is expected to commence operations in Q3 and mass production in Q4 of 2022.

Please refer to WNC's website [www.wnc.com.tw](http://www.wnc.com.tw) for detailed information on our worldwide locations.



## 1.1.2 Management Systems

To enhance operational efficiency and improve customer satisfaction, WNC has established management systems at all of its sites in accordance with its operational & business development needs and international standards. 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 |    |    |                |                         |                  |                |                |
|---|-----------------------|---------------------------|----|----|----------------|-------------------------|------------------|----------------|----------------|
| Aspect  | Management Systems    | Taiwan                    |    |    | China          |                         |                  |                | Vietnam        |
|   |                       | HQ                        | S1 | S2 | WNC (Kunshan)  | Wistron NeWeb (Kunshan) | WebCom (Kunshan) | NeWeb Service  | WNC Vietnam    |
| <br><b>Governance/Economic</b> | ISO 9001              | ●                         | ●  | ●  | ●              | ●                       | ●                | ●              | ●              |
|   | TL 9000               | ●                         | ●  | ●  |                |                         |                  |                |                |
|   | IATF 16949            | ●                         | ●  |    | ●              |                         |                  | ●              |                |
|   | ISO 13485             | ●                         |    | ●  |                |                         |                  |                |                |
|   | ANSI/ESD S20.20       | not applicable            | ●  | ●  | ●              | ●                       | ●                | not applicable | ●              |
|   | ISO/IEC 17025         | ●                         |    |    |                |                         |                  |                |                |
|   | ISO/IEC 27001         |                           | ●  | ●  | ●              | ●                       | ●                | ●              |                |
| <br><b>Environmental</b>     | ISO 14001             | ●                         | ●  | ●  | ●              | ●                       | ●                | ●              | ●              |
|   | ISO 50001             | ●                         | ●  | ●  | ●              | ●                       | ●                | ●              |                |
|   | ISO 14064-1           | ●                         | ●  | ●  | ●              | ●                       | ●                | ●              |                |
|   | IECQ QC 080000        | ●                         | ●  |    | ●              | ●                       | ●                | ●              |                |
|   | FSC™ Chain-of-Custody | ●                         |    |    |                |                         |                  |                |                |
| <br><b>Social</b>            | ISO 45001             | ●                         | ●  | ●  | ●              | ●                       | ●                | ●              | ●              |
|   | CNS 45001             | ●                         | ●  | ●  | not applicable | not applicable          | not applicable   | not applicable | not applicable |



## 1.1.3 Industry Association Memberships



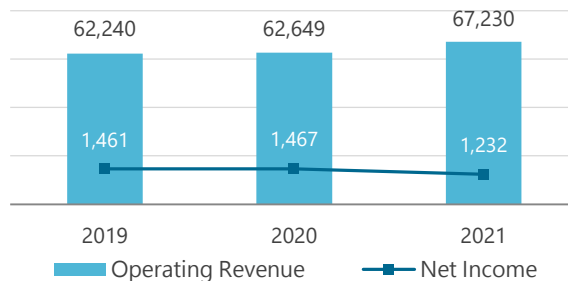
WNC's technology and product scope is broad. Therefore we actively participate in related industry associations and their activities to acquire the most up-to-date industry and technology-related information and maintain good relations with corporations and organizations in related fields. The external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

- 5G Industrial Innovation and Development Alliance
- 5G Smart Pole Standard Promotion Alliance
- MIH Consortium (Mobility In Harmony)
- Taiwan Electrical and Electronic Manufacturers Association
- Taipei Computer Association and Taiwan Internet of Things Alliance, and Taiwan 5G Verticals Alliance
- The Allied Association for Science Park Industries
- Taiwan Thermal Management Association
- Taiwan Association of Information and Communication Standards
- Taiwan Low Earth Orbit (LEO) Satellites Industry Association
- Social Innovation and Innovation Entrepreneur CSR Sodality
- Digital Intelligence Service Alliance (DISA)
- Bluetooth SIG
- Global Certification Forum (GCF)
- Global Mobile Suppliers Association (GSA)
- Global TD-LTE Initiative (GTI)
- HDMI Licensing
- Intel® Network Builders
- IMT-2020 (5G) C-V2X
- MoCA Alliance
- O-RAN Alliance
- Open Compute Project (OCP)
- prpl Foundation
- Reference Design Kit (RDKit)
- FiRa Consortium
- Telecom Infra Project (TIP)
- Wi-Fi Alliance (WEA)
- zigbee Alliance

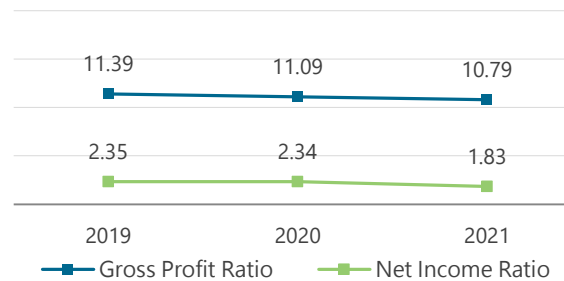
## 1.2 Operational Performance

The following consolidated financial data charts present WNC's operating results in the last three years. The IFRS system has been adopted since 2018. Detailed financial figures can be found in [WNC's 2021 Annual Report](#). In April 2022, at book closure date, 9.63% 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 more information.

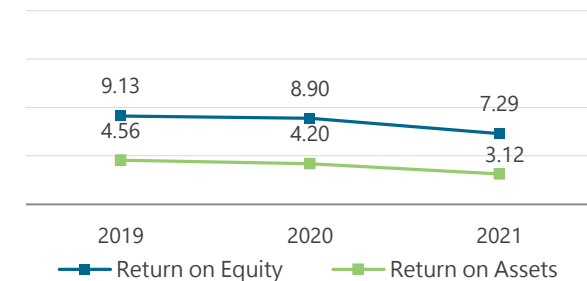
Operating Revenue and Net Income  
(NT\$ million)



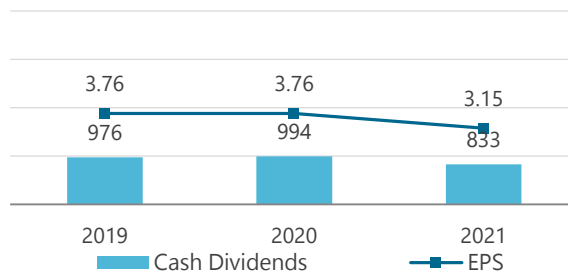
Gross Profit Ratio and Net Income Ratio  
(%)



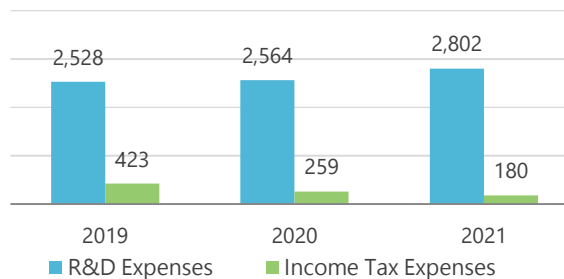
Return on Assets and Return on Equity  
(%)



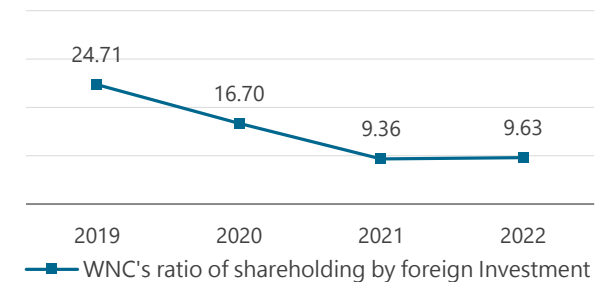
Cash/Stock Dividends (NT\$ million) and EPS (NT\$)



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 content and the format of product labels fully comply with the requirements of each certification before they are affixed to products.

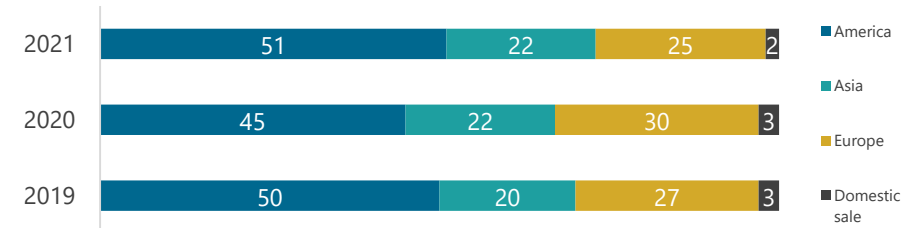
We strive to lessen the environmental impact of our manufacturing operations. We work actively with customers and suppliers to promote green products and green production, reduce resource consumption, and minimize environmental pollution. We seek to create economic and social value through diverse products and outstanding services. WNC's headquarters, S1 site, and 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 2021, there were no convictions under, or violations of, relevant laws and regulations concerning our products and services.

#### Product 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 telecommunication system service operators, system integration vendors, IT brand-name companies, consumer electronics companies, automotive manufacturers, and car audio manufacturers. We sell our products worldwide, and our major region by sales in 2021 was the Americas (around 51% 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 Scope





## 1.3.2 Manufacturing and Quality Service

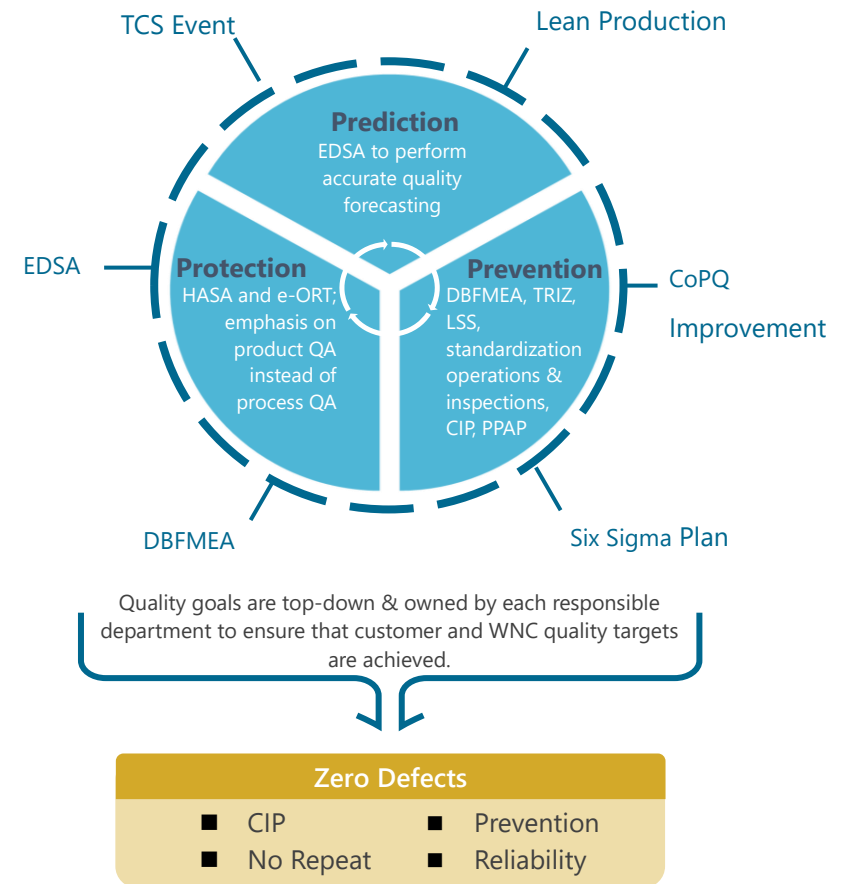
### WNC quality policy

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, product 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, TL 9000 and ISO 13485 quality management systems. Quality goals are top-down and owned by each responsible department. In the spirit of "Prediction, Prevention, and Protection (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. The QE lab in 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.



### 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 a wide range of production lines, WNC has divided production lines into multiple standardized modules that can be quickly assembled into different configurations to manufacture different 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/handbooks](#), [annual shareholders' meeting minutes](#), [sustainability report](#) and designated sections such as [Press Room](#), [Investor Relations](#) and [ESG](#) to provide updates on WNC, material information, and information related to WNC's financial situation and ESG efforts. The website also has a [business contact information](#) section.



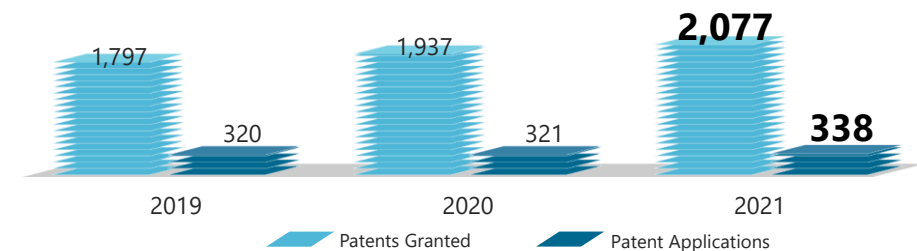
## 1.4 Intellectual Property

WNC strives to enhance its competitiveness in the communications 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 2021, two sessions were held with a total of 178 attendees. In addition, we also held a patent premiums course for PMs, sales and PCC personnel, which explained how to implement the obligations of patent licensing contracts and related guidelines; a total of 84 employees participated in the course.

In order to maintain the competitiveness of our technological innovation 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 the WNC Group Product Development Documents, Projects and Patents Reward Measures, and has stipulated other management procedures and regulations to safeguard trade secrets and confidential business information as well as policies on intellectual property rights management and utilization. We encourage employees to actively engage in innovation and research and development, and continue to accumulate intellectual property in the form of patents, copyrights, trademarks, trade secrets, and other intellectual assets.

As of the end of 2021, WNC held 2,077 patents: 555 in the U.S., 850 in Taiwan, 593 in China, and 79 in other countries. WNC continues to hold the number one ranking for patents granted to network communications companies, as listed by Taiwan Intellectual Property Office in their Top 100 Domestic Patent Applicants rankings list, and has also received international awards such as the CES Innovation Award, the Hsinchu Science Park R&D Accomplishment Award, and the Hsinchu Science Park Innovative Product Award numerous times.

Numbers of Patents Granted and Patent Applications in the Last Three Years



# 02 Sustainable Management

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Policy and Organization

Material Topics Analysis

Response to Stakeholders



## 2.1 Policy and Organization

### 2.1.1 Sustainable Management Policy

#### Vision

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

#### Strategy

Incorporate environmental protection, social responsibility and corporate governance in company operations and business strategies while continuing to strive for sustainable competitiveness.



#### Environmental protection

- ✓ Low carbon transition
- ✓ Promote circular economies
- ✓ Provide sustainable product solutions



#### Social Responsibility

- ✓ Optimal workplace environment
- ✓ Support education of the young
- ✓ Support social innovation and cultural development



#### Corporate Governance

- ✓ Build a complete corporate governance system and financial structure
- ✓ Promote a sustainable value chain of mutual trust, mutual assistance, and mutual prosperity

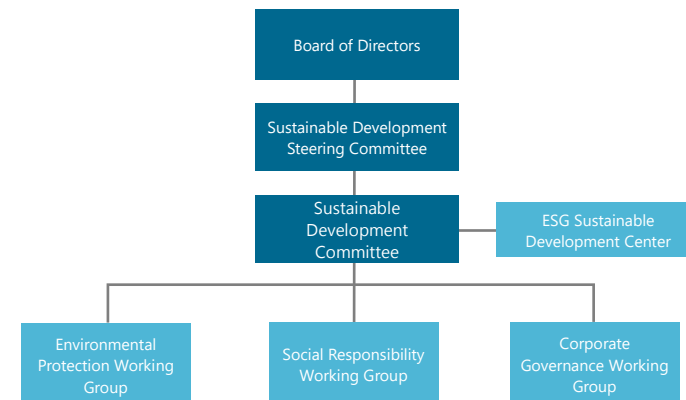
In 2021, the Company changed its Corporate Social Responsibility Policy to a Sustainable Development Policy in accordance with international sustainability trends and business development policies. The change was reported to the Board of Directors and then announced. WNC has also established Sustainable Development Best Practice Principles, Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, and a Code of Ethical Conduct. These are updated in line with international trends, recommendations of the Taiwan Stock Exchange, and the on-the-ground situation.

### 2.1.2 Sustainable Management Organization

#### Sustainable Development Committee

In April 2022, a Sustainable Development Steering Committee and Sustainable Development Committee were established after resolution of the Board of Directors, in order to create an interdepartmental communication and collaboration platform to promote vertical and horizontal cooperation in the implementation of ESG strategies. In addition, WNC established the position of Chief Sustainability Officer in May 2022 and appointed the head of its Marketing and Corporate Communication Division to the position to improve WNC's corporate sustainability governance structure. The Sustainable Development Steering Committee is composed of the President, CEO, and the top executives of each unit. It is the highest decision-making body for corporate sustainable development issues, and is responsible for reviewing sustainable development policies, management policy and mid- to long-term goals, as well as the results of sustainable development implementations. The Committee provides ESG project development suggestions and guidance according to management policy, business development strategies, and customer requirements. The Sustainable Development Committee provides a platform for interdepartmental collaboration related to the Company's sustainable development issues. The Committee formulates short-, mid-, and long-term goals, promotes ESG projects, and discloses sustainability information according to the sustainable development policies in response to customer expectations and requirements. 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, plans WNC has put in place regarding sustainable development, as well as progress made in this area. Starting in 2022, reports will be made by the Chairperson of the Sustainable Development Committee to the Board of Directors.

#### WNC Sustainable Governance Organizational

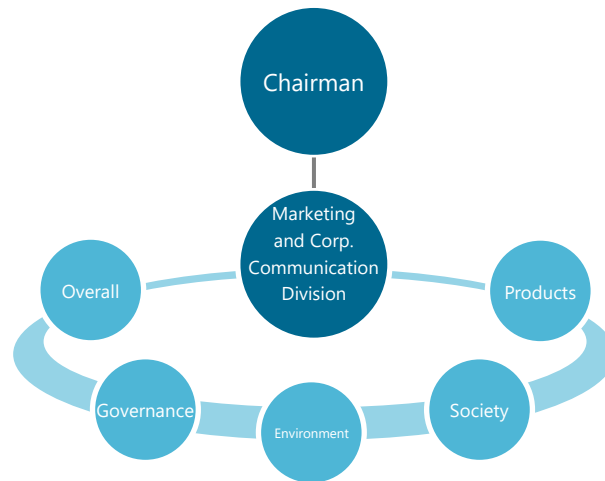




## Sustainability Report Organization Team

WNC's Sustainability 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 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 previous year in the Report and submits it to the Chairman for final approval. After regular external verification in Q2 it publishes the Report for the previous year in June.

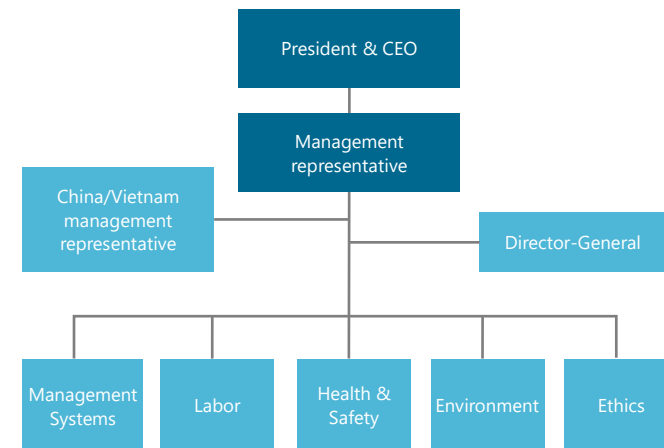
WNC Sustainability Report Organization Team



of each group, and the members 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 2021, a total of 78 employees from Taiwan locations participated in the internal auditor training. 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, in order to ensure the effectiveness and integrity of the 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.

WNC RBA Management Committee



## 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, affiliated enterprises, and suppliers to follow. An RBA Management Committee is established both at WNC (Taiwan) and at major manufacturing sites in China and Vietnam. 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.





The WNC RBA Management Committee consists of Environmental, Health and Safety, Labor, Ethics, and Management Systems groups. Each function unit (i.e. 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) assigns representatives to serve as members

So that all WNC employees better understand the meaning of RBA, WNC provides RBA online courses 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.

## 2.1.3 Responding to United Nations Sustainable Development Goals (SDGs)

The eight goals of the 17 SDGs corresponding to environmental protection, social responsibility, and corporate governance strategies and mid- to long-term goals of WNC are listed below.

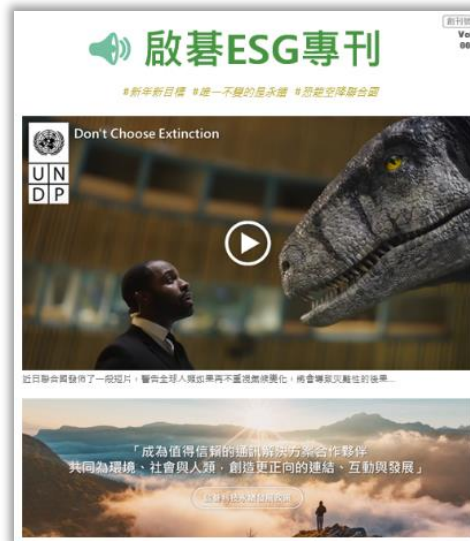
| Response to SDGs  | Management Approach and Mid- to Long-Term Goals  | Execution Results in 2021   | Chapter   |
|---|--|---|---|
|  <p><b>Goal 4: Quality education</b></p>             | <p>■ Management Approach:</p> <ol style="list-style-type: none"> <li>1. WNC attaches great importance to employee training and growth, and arranges training courses for employees.</li> <li>2. WNC understands the importance of education, and is committed to sponsoring Siang Bi Elementary School, Tunan Elementary School, and Meiyuan Elementary School.</li> </ol> | <ul style="list-style-type: none"> <li>■ WNC colleges held a total of 544 courses, and there were a total of 213,812 participants.</li> <li>■ WNC employees underwent an average of 29.7 hours of training, with expenses related to employee training amounting to NT\$10.40 million. The training courses received an overall satisfaction score of 4.5 (maximum of 5) from employees.</li> <li>■ WNC and WNC employees donated a total of NT\$570,000 to assist Tunan Elementary School in Hsinchu County and Siang Bi Elementary School in Miaoli County to sponsor the development of specialized education programs.</li> <li>■ Worked with the Taiwan Fund for Families and Children and solicited 410 employees to sponsor students in remote areas in Miaoli to donate a total of NT\$1.23 million. 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\$840,000 invested.</li> </ul> | <p>4.4 Talent Cultivation</p> <p>4.7 Social Participation</p>     |
|  <p><b>Goal 5: Gender equality</b></p>               | <p>■ Management Approach:</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"> <li>■ Rates of male and female employees retained after parental leave were 100% and 70% respectively.</li> <li>■ Rates of male and female employees accepting WNC career development planning were 20.5% and 19.2% respectively.</li> </ul>   | <p>4.1 Respect for Human Rights</p> <p>4.4 Talent Cultivation</p> |
|  <p><b>Goal 6: Clean water and sanitation</b></p>   | <p>■ Management Approach:</p> <ol style="list-style-type: none"> <li>1. Provide safe drinking water and nutritious group meals for employees.</li> <li>2. Improve process wastewater treatment efficiency to reduce pollution.</li> </ol> <p>■ Goal:</p> <p>Water usage intensity in 2025 shall decrease by 10% compared to 2020.</p>                                      | <ul style="list-style-type: none"> <li>■ Conducted bi-monthly water quality tests of water dispensers and announced the results. The test results comply with all relevant standards.</li> <li>■ Implemented water conservation and recycling programs. The saved and recycled water made up approximately 18.7% of the total water withdrawn by WNC, which saved about NT\$5.08 million in water withdrawal costs.</li> <li>■ Water usage intensity in 2021 decreased by 6% compared to 2020.</li> </ul>   | <p>5.3 Environmental Protection</p>                               |
|  <p><b>Goal 7: Affordable and clean energy</b></p> | <p>■ Management Approach:</p> <ol style="list-style-type: none"> <li>1. Adopt clean energy to increase diversity of resource usage.</li> </ol> <p>■ Goal:</p> <p>Ratio of renewable energy use to account for 30% of total energy use by 2030.</p>   | <ul style="list-style-type: none"> <li>■ Power generation from solar farms totaled 2.1 GWh, accounting for 2.07% of total energy use. The carbon reduction is equal to the annual carbon emissions of 108 Taiwanese people.</li> </ul>  | <p>5.1 Climate Change Management</p>                              |

| Response to SDGs   | Management Approach and Mid- to Long-Term Goals  | Execution Results in 2021  | Chapter   |
|--|--|--|---|
|  <p><b>Goal 8: Decent work and economic growth</b></p>                          | <p>■ Management Approach:</p> <ol style="list-style-type: none"> <li>1. Recruit talent through internal and external recruitment channels; pay attention to employee career development and work-life balance to retain outstanding employees.</li> <li>2. The WNC Industry-Academia Partnership Project cultivates engineering and technology talent through industry-academia collaboration, providing employment opportunities for professionals and alleviating the shortage of skilled workers at WNC.</li> <li>3. Suppliers are required to meet WNC's CSR requirements and expectations to build a green supply chain.</li> </ol>                     | <p>■ WNC participated in the National Tsing Hua University Enterprise Talent Development Program and the National Cheng Kung University Career Coaching Program and Talent Competition. These programs improve students' understanding of and interest in the communications industry and WNC through interactions between Company managers, employees and students.</p> <p>■ The 5th Industry-Academia Partnership Project recruited a total of 49 students. The student retention rate was 83.7%.</p> <p>■ 49 suppliers completed the WNC Supplier CSR audit in 2020, making 509 suppliers in total.</p> | <p>4.2 Talent Recruitment</p> <p>3.5 Supplier Management</p>        |
|  <p><b>Goal 9: Promote sustainable industrialization and infrastructure</b></p> | <p>■ Management Approach:</p> <p>Continue to invest in research and development so as to maintain our leading position in key technologies.</p>  | <p>■ As of the end of 2021, WNC has acquired 2,077 patents.</p>  | <p>1.4 Intellectual Property</p>                                    |
|  <p><b>Goal 12: Responsible consumption and production</b></p>                  | <p>■ Management Approach:</p> <ol style="list-style-type: none"> <li>1. WNC has established Green Product Restricted Substances Management Procedures and a Standard for Restricted Usage of Environmentally Hazardous Substances, and has applied the aforementioned standards to create a control list of hazardous substances for suppliers to comply with.</li> <li>2. Implementation of waste recycling and reuse programs to improve waste recycling rate.</li> <li>3. Purchasing of products with green product labelling to do more for environmental sustainability</li> </ol> <p>■ Goal:</p> <p>Achieve a waste recycling rate of 90% by 2025.</p> | <p>■ Received a total of 611 requests for green products from customers, which were completed in Q1 2022. No shipped products violated any green product directives.</p> <p>■ Seven recycling projects were implemented, resulting in savings of NT\$34.83 million.</p> <p>■ Achieved a waste recycling rate of 84% in 2021.</p>   | <p>5.2 Green Product Design</p> <p>5.3 Environmental Protection</p> |
|  <p><b>Goal 13: Climate action</b></p>  | <p>■ Management methods:</p> <p>Implementation of measures in work environment to conserve energy and reduce carbon footprint to ensure the effective use and management of limited resources; help raise environmental protection awareness by organizing related activities.</p> <p>■ Goals:</p> <p>GHG emissions intensity decrease of 50% by 2030 (base year: 2019).</p>   | <p>■ Sign to support the TCFD initiative and introduce the TCFD framework to identify climate risks and opportunities and boost climate adaptation ability.</p> <p>■ Implemented ISO 50001 energy management system, reducing emissions by 1,948 tonnes CO<sub>2</sub>e, leading to energy savings of around NT\$ 9.58 million.</p> <p>■ GHG emissions intensity decreased by 15% in 2021 (base year: 2019).</p>   | <p>3.3 Risk Management</p> <p>5.1 Climate Change Management</p>     |

Note: According to the [Environmental Protection Administration 2021 Greenhouse Gas Emissions List](#), the average annual carbon dioxide emission per person was 10.96 tCO<sub>2</sub>e/person in 2019.

## 2.1.4 Promotion of Sustainable Activities

In order to help employees learn about international sustainable development trends and information, and implement sustainable practices in everyday life, the Marketing and Corp. Communication Division compiles information on foreign and domestic sustainability issues, news, and the actions of benchmark corporations. In 2022, the Division has combined ESG issues with current events and will regularly publish internal ESG articles.





## 2.2 Material Topics Analysis

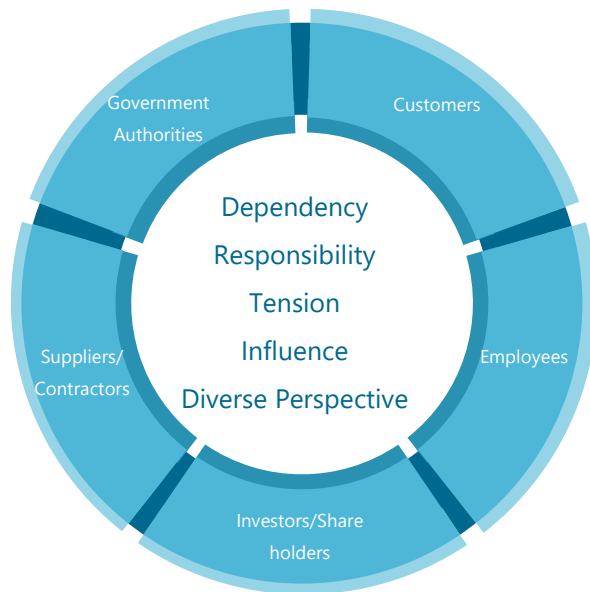
Communicating with stakeholders in a timely and appropriate manner is a basic responsibility of a corporate citizen. WNC strives for pragmatic operations and stable development. Considering business modes and customer requirements, WNC adopts a conservative and low-profile position in any form of advertising or promotion, while trying to maintain smooth communications and mutual trust with its stakeholders.



## 2.2.1 Identification of Key Stakeholders and Material Topics

### Key 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.



### Identification of Material Topics

We interact with stakeholders during 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 27 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, sustainable development 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 \(RBA\)](#), [S&P Global CSA](#), third-party corporate social responsibility 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](#), Sustainability Accounting Standards Board ([SASB](#)), Task Force on Climate-related Financial Disclosures ([TCFD](#)), and [The Global Risks Report](#) published by the World Economic Forum.

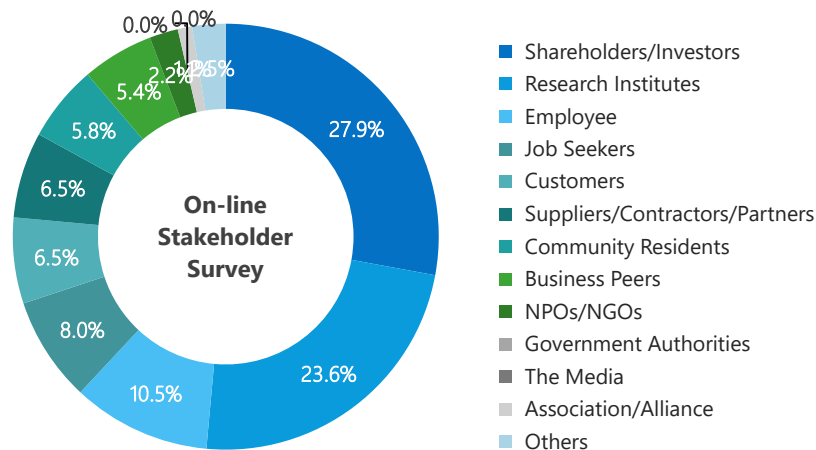
## 2.2.2 Identification of Material Topics

### Internal questionnaires

To identify key stakeholders of WNC and material 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 communications, CRM administrators, human resources administration, employee relations, digital management information systems, global supply chain management, supplier quality management, and the RBA committee. We conducted a survey of material topics to gather feedback from selected employees of each unit and stakeholders (internal survey) and analyzed and sorted 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 2021, a total of 53 internal questionnaires were collected.

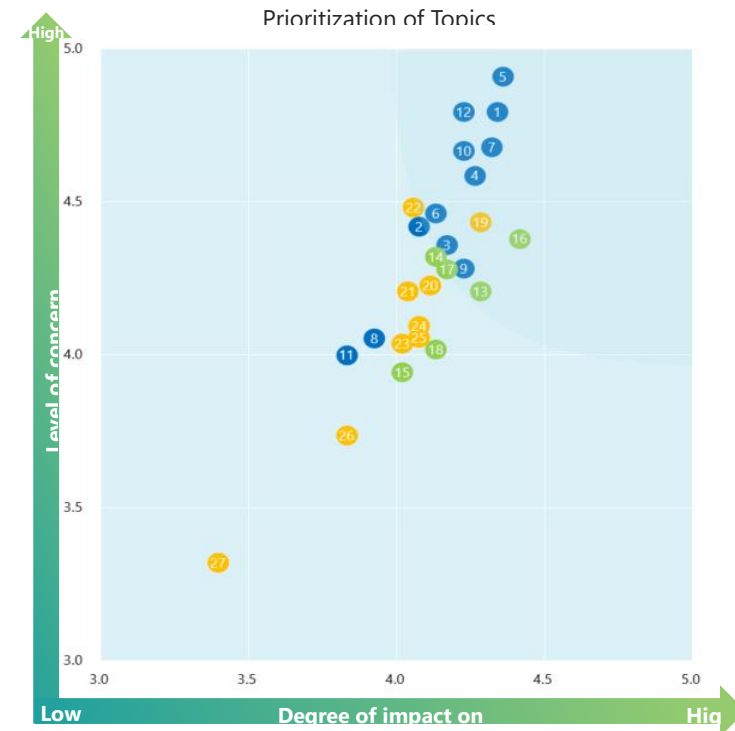
### External questionnaires

To collect feedback from stakeholders, we post an online stakeholder questionnaire (an external survey) in the [Stakeholder Section on WNC's ESG website](#) for our stakeholders to provide their feedback. We received 276 surveys in 2021 and approximately 51.4% of them were filled out by stakeholders in the five identified significant stakeholder categories.



### Decide on material topics

Based on a materiality analysis process, the assigned employees rated the "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 of the level of concern and level of impact 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. Issues with an average score of 16 or higher and that are ranked in the top 20 aspects in "level of concern of stakeholders on the particular aspect" and "level of impact of the aspect on WNC's operations" are considered major issues of interest. According to the GRI standards, there are 16 material topics.



| Governance |  | Environment |  | Society |                                |
|------------|--|-------------|--|---------|--------------------------------|
| 1          | Economic Performance                         | 13          | Energy Management                      | 19      | Employment                     |
| 2          | Economic Impact                              | 14          | Green Product Management               | 20      | Labor/Management Relations     |
| 3          | Sustainable Governance                       | 15          | Water Resource Management              | 21      | Occupational Safety and Health |
| 4          | Risk Management                              | 16          | Climate Change and Carbon Management   | 22      | Talent Development             |
| 5          | Ethical Management                           | 17          | Emissions and Air Pollution Management | 23      | Diversity & Equal Opportunity  |
| 6          | Grievance Mechanisms                         | 18          | Effluent and Waste Management          | 24      | Human Rights Issues            |
| 7          | Legal Compliance                             |             |  | 25      | Child Labor                    |
| 8          | Local Purchasing and Supply Chain Management |             |  | 26      | Conflict Minerals              |
| 9          | Sustainable Operations                       |             |  | 27      | Public Policy Participation    |
| 10         | Technology R&D/Quality Service               |             |  |         |                                |
| 11         | Marketing and Labeling                       |             |  |         |                                |
| 12         | COVID-19 Response                            |             |  |         |                                |

With regards to the 16 material topics identified, we assembled the employees assigned by supervisors of the respective responsible units, and through 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 [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."

Material sustainability issues for WNC in 2021 and corresponding material topics

| Aspect     | Material Sustainability Issues | Importance of Operations   | Material Topics (Corresponding GRI Standards)   | Within the Organization |            | Outside of the Organization |           |             | Chapter                          |
|------------|--------------------------------|--|---|-------------------------|------------|-----------------------------|-----------|-------------|----------------------------------|
|            |                                |  |   | WNC                     | Subsidiary | Customers                   | Suppliers | Contractors |                                  |
| Governance | Economic Performance           | Use company profits to give back to shareholders, the government, and employees thus creating a virtuous circle.   | 201 Economic Performance  | ●                       | ●          | ●                           |           |             | 1.2 Operational Performance      |
|            | Economic Impact                |  |   | ●                       | ●          | ●                           |           |             |                                  |
|            | Sustainable Governance         | The Company has stipulated sustainable development strategies to ensure the implementation of various sustainable solutions.   | 102 General disclosures (strategy)  | ●                       | ●          | ●                           | ●         | ●           | 2.0 Sustainable Management       |
|            | Risk Management                | The company should identify the potential risks within their operations and adopt appropriate controls.  | 102 General disclosures (strategy)  | ●                       | ●          | ●                           |           |             | 3.3 Risk Management              |
|            | Integrity Management           | 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. | 102 General disclosures (ethics and integrity)<br>205 Anti-corruption<br>206 Anti-competitive practices<br>418 Customer privacy | ●                       | ●          | ●                           | ●         |             | 3.2 Integrity Management         |
|            | Grievance Mechanisms           | Grievance mechanisms can strengthen communication with employees and address any unfair or non-compliance incidents arising during operations.   | Self-defined topics   | ●                       | ●          | ●                           | ●         | ●           | 3.2 Integrity Management         |
|            | Legal Compliance               | Ensure compliance of company operations to lessen the risk of fines and suspension of business.  | 307 Regulatory compliance related to environmental protection<br>419 Social and economic regulatory compliance                  | ●                       | ●          | ●                           | ●         | ●           | 3.2 Integrity Management         |
|            | Continuity of Operations       | Standardized response measures shall be implemented for the Company when facing different operational risks, in order to reduce the impact on operations.  | Self-defined topics   | ●                       | ●          | ●                           |           |             | 3.3 Risk Management              |
|            | Technology R&D/Quality Service | Maintaining technological advantages and quality control can establish an excellent brand image and win customer trust.  | Self-defined topics   | ●                       | ●          | ●                           |           |             | 1.3 Products and Services        |
|            | COVID-19 response              | By timely response to the global pandemic, we reduced the operational impact of employees being infected with the virus.   | Self-defined topics   | ●                       | ●          | ●                           | ●         | ●           | COVID-19 response and management |



## Material sustainability issues for WNC in 2021 and corresponding material topics (continued)

| Aspect      | Material Sustainability Issues         | Importance of Operations   | Material Topics<br>(Corresponding GRI Standards) | Within the Organization |            | Outside of the Organization |           |             | Chapter                            |
|-------------|--|--|--|-------------------------|------------|-----------------------------|-----------|-------------|------------------------------------|
|             |  |  |  | WNC                     | Subsidiary | Customers                   | Suppliers | Contractors |                                    |
| Environment | Energy Management                      | Improve energy usage efficiency and develop green products to improve operational efficiency.  | 302 Energy                                       | ●                       | ●          |                             |           |             | 5.1 Climate Change Management      |
|             | Green Product Management               | Develop new green products to improve product competitiveness.   | 416 Customer Health and Safety                   | ●                       | ●          | ●                           | ●         |             | 5.2 Green Product Design           |
|             | Climate Change and Carbon Management   | Implement carbon management to improve the company's capabilities in handling risks related to climate change.                                       | 305 Emissions<br>302 Energy                      | ●                       | ●          |                             |           |             | 5.1 Climate Change Management      |
|             | Emissions and Air Pollution management | Manage emissions arising from operations and establish a safe and healthy work environment.  | 305 Emissions                                    | ●                       | ●          |                             |           |             | 5.3 Environmental Protection       |
|             | Effluent and Waste Management          | Promote waste reduction in the company and increase recycling rate to avoid wasting resources and reduce environmental pollution.                    | 306 Waste<br>303 Water and Effluent              | ●                       | ●          |                             |           | ●           | 5.3 Environmental Protection       |
| Society     | Employment                             | Create a friendly work environment to raise employee morale and foster a sense of togetherness.  | 401 Labor relations                              | ●                       | ●          |                             |           |             | 4.2 Talent Recruitment             |
|             | Labor/Management Relations             | Provide employees with unimpeded communication channels and be open-minded toward different viewpoints to create a harmonious work environment.      | 402 Labor relations                              | ●                       | ●          |                             | ●         |             | 4.1 Respect for Human Rights       |
|             | Occupational Safety & Health           | Protect the safety and health of employees to ensure production efficiency and quality.  | 403 Occupational Safety and Health               | ●                       | ●          |                             | ●         | ●           | 4.5 Occupational Safety and Health |
|             | Talent Development                     | Talented employees are important assets for a company. Foster the creative capabilities of employees to enhance the growth potential of the company. | 404 Training and Education                       | ●                       | ●          |                             |           |             | 4.4 Talent Cultivation             |
|             | Human Rights Issues                    | Protect basic human rights and provide a good work environment and working conditions to maintain the reputation of the company.                     | 409 Forced and Compulsory Labor                  | ●                       | ●          |                             | ●         | ●           | 4.1 Respect for Human Rights       |

## 2.3 Response to Stakeholders

To address issues of stakeholder concern, responsible units or project teams are assigned. WNC hopes to understand stakeholder expectations through different public communication channels and to pass these expectations on to the relevant personnel or upper management to serve as an important reference in planning operation strategies and preparing CSR activities. Based on the information obtained, we may review the CSR report of the previous year to examine if the report fully presents WNC's achievements in corporate social responsibility and may serve as the reference standard for the CSR report of the following year.

The general communication channels we use are the WNC [website](#), [WNC ESG website](#), [the Market Observation Post System](#), public e-mail (please visit the [Contact Us page in About Us on the Company website](#)), the [WNC Annual Report](#), and the [WNC Sustainability 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 Sustainability 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 may submit questions, suggestions, or complaints related to sustainable development through the "stakeholder mailbox". [public@wnc.com.tw](mailto:public@wnc.com.tw). In 2021, there were no complaints regarding the environment, labor rights, human rights, social impact, or ethical management.

Communication with stakeholders in 2021

| Stakeholder | Significance  | Issue   | Responsible Unit  | Chapter                         | Communication Mechanism                       | Communication Frequency    | Communication Results in 2021  |
|-------------|---|---|---|---------------------------------|---|----------------------------|--|
| 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.   | Products and services   | Business Group/Unit   | 1.3                             | Customer satisfaction survey                  | Once a year                | <ul style="list-style-type: none"> <li>Received a total of 611 requests for green products from customers, and all requests were honored by Q1 2022.</li> <li>We earned a score of 95 points for customer satisfaction and exceeded our goal (90 points).</li> </ul>   |
|             |   | Supplier Management   | QA Div.   | 4.2                             | Customer questionnaire or on-site audit       | Upon request               |  |
|             |   | Human rights  | HR Adm. Div.  | 5.1                             | Project review meeting                        | Upon request               |  |
|             |   | Energy resource & waste management  | Facility Center   | 3.1                             | Customer complaints management                | Upon request               |  |
|             |   | ESH management  | Industrial Safety Dept.   | 4.4                             |   |                            |  |
|             |   | Risk Management   | Dept.   | 3.5                             |   |                            |  |
|             |   |   | RBA Committee   | 2.3                             | 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. | Human rights<br>Labor/Management<br>Relations<br>Remuneration<br>Training & education<br>ESH management | HR Adm. Div.<br>Industrial Safety<br>Dept.<br>Employee Welfare<br>Committee | 3.1<br>3.2<br>3.3<br>3.4<br>3.5 | Employer-employee meeting                     | Quarterly                  | <ul style="list-style-type: none"> <li>We responded to 100% of the questions submitted through the various communication channels.</li> <li>The rates of male and female employees accepting WNC career development planning were 20.5% and 19.2% respectively.</li> <li>WNC signed special agreements with 26 daycare centers in Hsinchu City, Hsinchu County, Taoyuan City, Miaoli County, Tainan City and Kaohsiung City.</li> <li>Nine freshman seminars were held with 149 participants.</li> <li>Two CEO seminars were held with 96 participants.</li> </ul> |
|             |   |   |   |                                 | 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              |  |

## Communication with stakeholders in 2021 (continued)

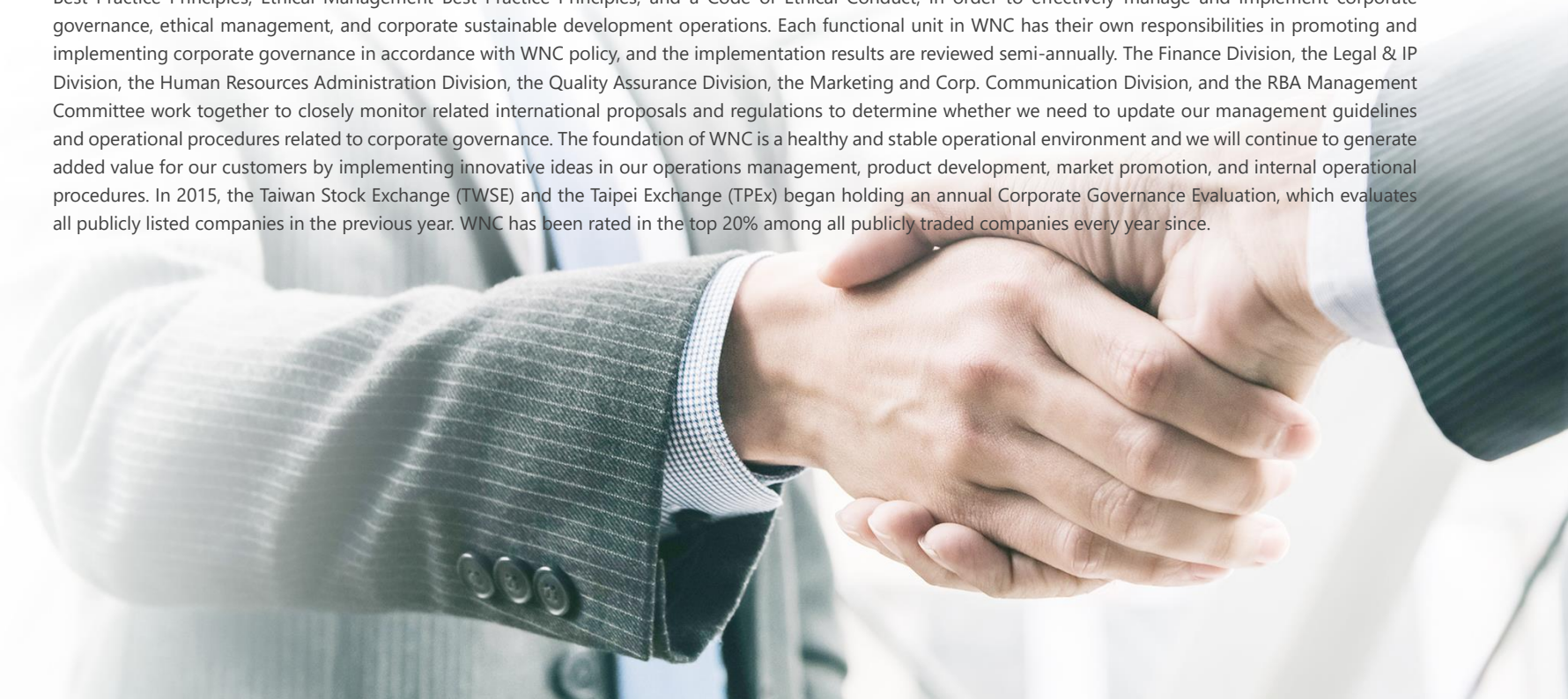
| Stakeholder                | Significance  | Issue  | Responsible Unit   | Chapter                    | Communication Mechanism  | Communication Frequency       | Communication Results in 2021  |  |
|----------------------------|---|--|--|----------------------------|--|-------------------------------|--|--|
| Investors/<br>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.                                  | Corporate Governance<br>Economic performance<br>Stockholders' equity<br>Products and services    | Board of Directors<br>Investor Relations Dept.<br>Business Group/Unit                            | 2.1<br>1.2<br>1.3          | Shareholders' meeting  | Once a year                   | <ul style="list-style-type: none"><li>WNC was ranked in the top 20% among all companies in the eighth Corporate Governance Evaluation.</li><li>Held 121 investor conferences, and held face-to-face meetings with 218 domestic and international legal entities.</li></ul>   |  |
|                            |   |  |  |                            | Investor conference  | Semi-annually                 |  |  |
|                            |   |  |  |                            | Investor query   | Approx. 180 meetings per year |  |  |
|                            |   |  |  |                            |  |                               |  |  |
| Suppliers/<br>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. | Products and services<br>Supplier Management<br>Contractor management                            | Business Group/Unit<br>QA Div.<br>Industrial Safety Dept.<br>Global Supply Chain Management Div. | 1.3<br>5.2<br>5.3          | SMS portal   | Updated upon request          | <ul style="list-style-type: none"><li>49 suppliers have completed the WNC Supplier CSR audit.</li><li>A total of 91 WNC suppliers participated in the Wistron Group Vendor Conference.</li></ul>   |  |
|                            |   |  |  |                            | Supplier performance evaluation                                  | Quarterly                     |  |  |
|                            |   |  |  |                            | Supplier audit/contractor evaluation                             | Once a year                   |  |  |
|                            |   |  |  |                            | Supplier conference  | Once a year                   |  |  |
| Government<br>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.   | Legal Compliance<br>ESH management<br>Energy resource & waste management<br>Grievance Mechanisms | Finance Div.<br>Legal & IP Div.<br>HR Adm. Div.<br>Facility Center<br>Industrial Safety Dept.    | 2.2.3<br>3.5<br>4.4<br>2.2 | Official documents/<br>questionnaires                            | Aperiodic                     | <ul style="list-style-type: none"><li>Awarded the 2021 Hsinchu Science Park Innovative Product Award.</li><li>Awarded third prize in Buying Power: Social Innovation Products and Services Procurement Reward Program of the Ministry of Economic Affairs</li><li>Zero cases of regulatory violations and major lawsuits (referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading)</li></ul> |  |
|                            |   |  |  |                            | Awards   | Aperiodic                     |  |  |
|                            |   |  |  |                            | Regulatory seminars/<br>forums/industry-<br>association activity | Aperiodic                     |  |  |
|                            |   |  |  |                            |  |                               |  |  |

# 03 Corporate Governance and Value Chain

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Corporate  
Governance  
Integrity  
Management  
Risk  
Management  
Customer  
Partnership  
Supplier  
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, enhance stakeholder communications and promote relevant systems and measures in accordance with regulatory and customer requirements. Apart from complying with the basic requirements of the RBA standards, the Company has stipulated Sustainable Development Best Practice Principles, Corporate Governance Best Practice Principles, Ethical Management Best Practice Principles, and a Code of Ethical Conduct, in order to effectively manage and implement corporate governance, ethical management, and corporate sustainable development operations. 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.





# Annual Performance



## Corporate Governance

- **Top 20%** among all companies in the eighth Corporate Governance Evaluation.
- Among the nine directors, **independent directors account for four members** of the Board of Directors, with **one** female director.
- Independent board members do not serve for more than three terms.



## Legal Compliance

**Zero** cases of regulatory violations and major lawsuits.



## Technological Patents

The number of patents granted around the world: **2,077**.



## Ethics and Integrity

**All** managers and employees who are at comparatively higher risk completed the annual self-evaluation questionnaire on the Code of Ethical Conduct.



## Value Chain Management

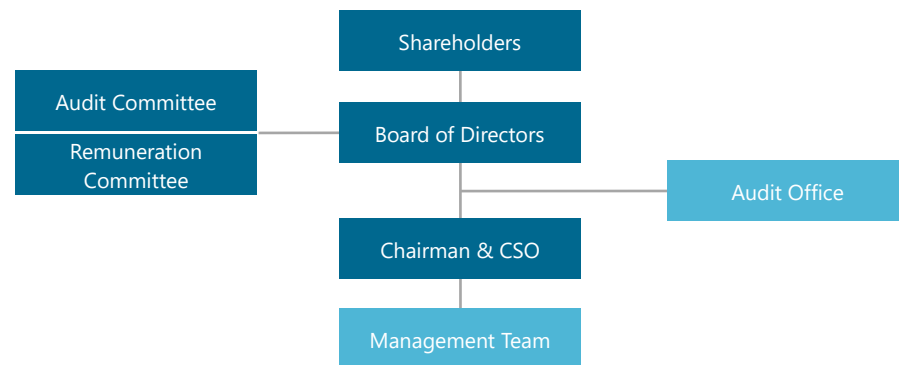
- We earned a score of **95 points** for customer satisfaction and exceeded our goal (90 points)
- **57** new suppliers completed the Supplier CSR Investigation.
- **49** suppliers completed the WNC Supplier CSR audit, totaling **509 suppliers**.

# Material Topics and Goal Management

| Material Topics   | Management Strategy  | Short-term Objectives  | Mid- to Long-term Objectives   | Goal Attainment in 2021  |
|---|--|--|--|--|
| <ul style="list-style-type: none"> <li>■ Economic Performance</li> <li>■ Anti-corruption</li> <li>■ Anti-competitive Behavior</li> <li>■ Customer privacy</li> <li>■ Social and Economic Regulatory Compliance</li> </ul> | <ul style="list-style-type: none"> <li>■ Strengthen corporate governance and financial systems</li> <li>■ Promote a sustainable value chain with mutual trust and co-prosperity</li> </ul> | <p>Complied with the suggestions and requirements of TWSE's Corporate Governance 3.0—Sustainable Development Roadmap, including:</p> <ul style="list-style-type: none"> <li>■ Introduced TCFD and SASB disclosure standards in the Sustainability Report</li> <li>■ Introduced corporate risk management mechanisms</li> <li>■ Established a Nominating Committee</li> </ul> | <p>Rose from the top 20% among all companies to the top 5% in the Corporate Governance Evaluation.</p> | <ul style="list-style-type: none"> <li>■ Top 20% among all companies in the eighth Corporate Governance Evaluation.</li> <li>■ The 2021 Sustainability Report adopts the TCFD and SASB dual framework to disclose sustainability information.</li> </ul> |

## 3.1 Corporate Governance

### 3.1.1 Organization Chart



### 3.1.2 Board of Directors

According to the Articles of Incorporation, WNC appoints seven to nine directors, who serve a term of three years. The directors may be reelected for consecutive terms. The 10th Board of Directors was elected at the 2020 Shareholders' Meeting. There are nine directors in total, consisting of one female director and the rest are male. All directors are over 50 years old, and have extensive experience and qualifications in business, legal affairs, finance, accounting or corporate business. Four of the nine directors are independent directors, each of whom provides objective opinions on their professional fields and assists the Board of Directors in making decisions that are most beneficial to the Company and shareholders. Every year, the Group organizes continuing education for directors. In recent years, corporate governance-related topics have also been included in the courses. To improve monitoring and strengthen management functions, an Audit Committee and a Remuneration Committee have been established under the Board of Directors.

The responsibilities of the Board of Directors include supervising the lawful operations and financial transparency of the company, approving the appointment, dismissal and remuneration of senior managers, providing strategic guidance to the management team related to the Company's operations, evaluating the Company's performance on economic, environmental and social issues, and approving corporate sustainable development related matters proposed by the RBA Committee or functional units. The management team must also report on the Company's operations status or other important issues to the Board of Directors, and provide reference information and opinions for decision-making of the Board of Directors.

Board of Directors Information

| Name           | Title  | Gender | Areas of Proficiency    |         |     |
|----------------|--|--------|-------------------------|---------|-----|
|                |  |        | Industry/<br>Technology | Finance | Law |
| Haydn Hsieh    | Chairman & CSO   | Male   | ●                       |         |     |
| Jeffrey Gau    | Director, President & CEO  | Male   | ●                       |         |     |
| Frank F.C. Lin | Director and representative of Wistron Corporation                                   | Male   | ●                       | ●       |     |
| Donald Hwang   | Director and representative of Wistron Corporation                                   | Male   | ●                       |         |     |
| Philip Peng    | Director   | Male   | ●                       | ●       |     |
| Karen Hsin     | Independent director, Audit Committee member, and Remuneration Committee member      | Female | ●                       | ●       | ●   |
| Neng-Pai Lin   | Independent director, Audit Committee member, and Remuneration Committee chairperson | Male   | ●                       | ●       |     |
| Michael Tsai   | Independent director, Audit Committee member, and Remuneration Committee chairperson | Male   | ●                       |         |     |
| T. Y. Lay      | Independent director, Audit Committee member, and Remuneration Committee member      | Male   | ●                       |         |     |

#### Board Performance Evaluation

In order to implement corporate governance and optimize the operating efficiency of the Board of Directors, WNC has stipulated Measures of Performance Assessment for the Board of Directors. The Company conducts performance assessments each year, which cover the overall Board of Directors, functional committees, and individual directors. The assessment period is from January 1 to December 31 of the current year. The performance assessment results are reported to the Board of Directors in the first quarter of the following year, and are disclosed in the Company's Annual Report. The performance of the Board of Directors and Functional Committees were rated as "exceptional" in the 2021 evaluation.

Remuneration of directors is determined based on WNC's overall operational performance, operational risks and development trends of the industry, and the degree of their engagement and

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

#### Content of the Board Performance Evaluation

|                                    |   |
|------------------------------------|---|
| Overall Board<br>of Directors<br>↓ | 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<br>Board Members<br>↓   | 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<br>Disclosure           | <ul style="list-style-type: none"> <li>■ Evaluation results of the Board are reported to the Board in the first quarter.</li> <li>■ 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.</li> </ul>   |

### 3.1.3 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 assist the Board of Directors in the execution of its supervisory capacity, raising WNC's financial standing and credibility. All members of the Audit Committee are independent directors, and at least one has accounting or finance expertise. The term for the independent directors on the Committee is three years. Directors may be reelected for consecutive terms. Currently, there are four committee members. The Audit Committee shall meet at least once every quarter. Five meetings were convened in 2021.

### 3.1.4 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, there are four committee members, who are all independent directors.

The Remuneration Committee shall meet at least twice a year. Meetings may be convened when necessary. Committee members must invite the Board Chairman or CEO to attend the meetings. The members of the remuneration committee shall 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. Three meetings were convened in 2021.

For more information on the Board of Directors, Audit Committee, and Remuneration Committee, please refer to "3. Corporate Governance Report" in the WNC 2021 Annual Report.

### 3.1.5 Audit Office

WNC has established, in accordance with the law, an Audit Office, responsible for supervising internal control procedures, annual audits and review of improvement effectiveness of WNC and its subsidiaries. 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 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 to ensure that self-assessment items cover all main operational procedures and can be modified in response to organizational restructuring. The Audit Office ensures that a risk assessment mechanism and review by managers of different levels is implemented.

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 existing deficiencies or potential risks to the relevant manager, reports major issues to the Board of Directors regularly, and to the Chairman and audit committee at any time when necessary.

## 3.2 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 has a zero-tolerance attitude towards corruption, and has formulated internal rules and regulations such as the Code of Ethical Conduct, Ethical Management Best Practice Principles and WNC Whistleblowing and Handling Measures. The rules and regulations clearly disclose the Company's ethical management policy and require the Company and its subsidiaries to comply with regulations related to their overall operations, including the US Federal "Foreign Corrupt Practices Act" (FCPA), "The UK Bribery Act of 2010", and other anti-corruption regulations. The Company and its subsidiaries are committed to abiding by high ethical standards, avoiding engaging in unfair competition, fulfilling tax obligations, preventing bribery and corruption, and establishing appropriate management systems to create a level playing field. All WNC directors and top-tier managers signed the Declaration of Ethical Management. WNC has also established an Integrity Investigation Office while the Legal & IP Division is charged with enhancing integrity management operations, which are ultimately determined by the Chairman. The top manager of the Legal & IP Division reports the execution status 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, making a commitment not to offer or accept any bribes or illegal profits in any other forms. We also 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 annually answer a self-evaluation questionnaire on compliance with the Code of Ethical Conduct. In 2021, 2,925 WNC employees completed the survey and filled out the questionnaire, with a completion rate of 100%. The RBA Committee conducts labor and ethical risk assessments at all major manufacturing locations every year.

### Training and Promotion

To boost employees' understanding and implementation of ethics and integrity issues, online and physical courses are held from time to time, and the most updated promotional resources are provided on our internal website. The Company holds WNC Ethics and Anti-Corruption Code of Conduct online training every year, which is included in the compulsory courses for new employees to help employees understand the actions they should adopt when company rules conflict with social mores, corporate interests, and private interests or when they find any wrongdoings. In 2021, the completion rate of the WNC Ethics and Anti-Corruption Code of Conduct online course was 100%.

### 3.2.1 Grievance Mechanisms

WNC has established a public stakeholder e-mail address and whistleblower e-mail address for stakeholders to raise questions and make suggestions about the Company's sustainable development, or to submit complaints and incident reports.



Stakeholder e-mail address:  
public@wnc.com.tw

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

For stakeholders to raise related questions and make suggestions related to corporate sustainable development policies and implementation thereof.

This email address 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 2021, no complaints related to personal integrity were reported. Other cases related to the management of each department were transferred to the respective departments for handling as none involved illegal matters.

## 3.2.2 Respecting Market Mechanisms

We believe healthy market competition enhances the quality and efficiency of WNC's operations, ensure consumer rights and achieve economic stability and prosperity. Therefore, we abide by related government and industry laws. To help maintain a healthy market mechanism and structure, we refuse to adopt unfair, anti-competitive market behavior. In 2021, there were no lawsuits against WNC related to anticompetitive 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 electioneering or making any political contributions. In 2021, WNC did not make any political donations.

## 3.2.3 Legal Compliance

Since WNC's founding, it has formulated internal regulations in accordance with applicable national laws of each operational location in order to guide its employees, managers, and the Board of Directors. WNC is also mindful of directives from the competent authorities, relevant international or domestic laws, and trends in invested industries and modifies its policies 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.

In order to increase the service quality of the value chain and fulfill social responsibilities, WNC requires suppliers to comply with international and local laws when hiring employees. WNC complies with the ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health System standards, and other international standards to create a sound work environment, in order to minimize risk of injuries faced by employees during manufacturing, operations, and waste processing.

In 2021, WNC had zero cases of local regulatory violations and major lawsuits (referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading).

### Legal Compliance System for Laws and Regulations

In 2021, WNC introduced a Legal Compliance System. The Company tracks changes to laws and regulations applicable to every aspect of WNC's operations through a laws and regulations database, conducting compliance reviews according to the most complete and updated information. The identified results and improvement progress are shown on a dashboard to help managers understand the latest changes to laws and regulations.



## 3.2.4 Financial Support

WNC actively invests in R&D in alignment to government policies of facilitating industry innovation, improving the industry environment and increasing industry competitiveness. Government subsidies received by each site in 2021 are shown in the following table:

| Financial support record for 2021 |  |   |  |                        |
|-----------------------------------|--|---|--|------------------------|
| Country                           | Item                                   | Unit of provision   | Reason   | Amount (thousand NT\$) |
| China                             | Investment deduction <sup>Note 1</sup> | Industrial Development Bureau, Ministry of Economic Affairs | Industrial Innovation Statute  | 40,000                 |
|                                   | Incentive                              | Kunshan Bureau of Commerce                                  | Foreign Company Expansion Support Fund   | 2,529                  |
|                                   |  | Kunshan City Taiwan Affairs Office                          | Kunshan Combined Development Excellence Award  |                        |
|                                   | Grant                                  | Kunshan Industrial and Informatization Bureau               | Industrial technology transformation comprehensive fund and automation equipment grant | 15,460                 |
|                                   |  | Kunshan City Financial Bureau                               | Grant for stable employment  |                        |
|                                   |  | Electric Power Company, State Grid                          | Grant for solar power generation   |                        |
|                                   |  | Kunshan Social Security Fund Management Center              | Kunshan Expert Retention Subsidy   |                        |
|                                   |  | Kunshan Social Security Fund Management Center              | Pre-employment Training Subsidy  |                        |
|                                   | Taxable allowance                      | Kunshan City Tax Bureau                                     | Return of withholding tax  | 337                    |
| Total                             |  |   |  | 58,325                 |

Note 1: The amount of investment tax deduction of the Statute for Industrial Innovation is an estimated value, and the actual amount is the amount approved by the National Taxation Bureau according to the application form for the tax reduction and exemption plan submitted by WNC.

## 3.3 Risk Management

WNC controls risks related to business operations through its existing administrative organization and internal control mechanisms. Business groups and functional units 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 operations-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 operating procedures. Furthermore, after careful evaluation of all aspects, if the risk item poses potentially significant threats to WNC's operations, it will be designated as a material risk. Material risks may change with the times or due to changes in internal and external environment.

In addition to implementing risk control measures proposed by different functional unit 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. WNC's methods are briefly described according to operational risks and items with a high degree of relevance to business related projects, such as extreme weather, response to climate change actions, major natural disasters, water shortage crises, large-scale cyberattacks, etc., listed in the [World Economic Forum](#) 2021 [Global Risk Report](#).

### 3.3.1 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 risk assessment while closely monitoring changes in bank lending rates on a regular basis. Approximately 98% of WNC's revenue in 2021 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 through our frequent purchase and selling. 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:

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

For financial performance related content, please refer to "[1.2 Operational Performance](#)".

### 3.3.2 Business Risk Management

WNC complies with government decrees and regulations and adjusts its internal policies in accordance with changes in laws, thus ensuring the lawfulness of WNC's operations. Regarding the Company's operating status, in addition to regularly holding shareholders' meetings and institutional investor conferences, the Company produces financial reports and sustainability reports to increase the transparency of company information, and actively invests in green product design and participates in social welfare activities, in order to meet its social responsibilities. To better secure customer and shareholders' rights and react in a timely manner to the rapidly-changing communications industry, WNC, while targeting overall sustainable development, performs risk and efficiency assessments when introducing new materials, new technologies, and new equipment so as to enhance total value of products through the most competitive quality, development speed, and cost. With strict control of expenses, operational costs and risk can also be well managed.

#### Market Trends

In response to changes in the politico-economic environment in Europe and the United States, as well as changes in the industry's value chains and corresponding fluctuations in markets, WNC continues to monitor 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 on a regular basis 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 timely respond to changes and alleviate the impact of such changes on the role WNC plays in the market.

### 3.3.3 Climate Change Risk Management

Unusual climate trends, including rising global temperatures, storms and drought, are caused by climate change. They bring a range of challenges to corporate sustainability by affecting business operations and production activities, causing property losses and threatening the health and safety of employees. Enterprises around the globe as well as their supply chains need to confront these challenges and enhance their ability to respond quickly to climate change and resolve related issues.

In 2021, according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Marketing and Corp. Communication Division of WNC coordinated various units with related duties to form a task force. The task force collects and discusses information about energy resources, administration and assets, markets and business, products and technology, and supply chain management in groups, in order to identify potential climate risks and opportunities related to each topic and their materiality. Furthermore, the group formulates management strategies for major climate risks and opportunities through scenario analysis, quantifying the financial impact to the company of these risks and opportunities. The group plans and prepares relevant response measures as early as possible, so as to boost the Company's ability to adapt to climate change. Following the introduction of TCFD in 2021, in January 2022, WNC added its signature to the TCFD official website to support the TCFD initiative. In addition to urging the industry, companies, and the public to focus on climate change issues, WNC is also committed to the continued improvement of the quality of information disclosure on the handling of climate-related issues by the Company.



TCFD workshop

#### Governance

##### Board of Directors

The responsibilities of the Board of Directors include conducting business performance and work planning related to sustainable development, and approving sustainable development-related proposals submitted by various functional units and committees. From 2019, the Marketing and Corp. Communication Division has reported sustainable development-related business execution results and work plans of the previous year, including the effectiveness of stakeholder communication, carbon management, energy and resource management and other major issues, to the Board of Directors in the first quarter.

##### Sustainable Development Committee

WNC established the Sustainable Development Committee in 2022, consisting of top-tier managers from each functional unit. The position of Chief Sustainability Officer, held by the most senior director of the Marketing and Corp. Communication Division, was also set up. The Committee will hold regular meetings to review compliance with regulations and customer requirements, progress of ESG projects and planning of new operations.

##### ESG Sustainable Development Center

The issue of climate change has become a risk item that companies must pay attention to and actively attempt to control. In 2021, according to TCFD recommendations, the ESG Sustainable Development Center under the Marketing and Corp. Communication Division coordinated the establishment of a TCFD Work Group. It identifies climate-related risks and opportunities, evaluates potential financial impacts, and formulates corresponding management policies and action plans for major risks and opportunities, in order to strengthen the Company's ability to adapt to climate change.

## Strategy

According to the above process, WNC divides the different stages into short term (1-2 years), medium term (3-5 years) and long term (6-10 years). The TCFD Work Group provides climate related risk and opportunity information based on the members' duties, expertise and experiences and identifies the main risks and opportunities. Brief descriptions of the response measures are as follows:

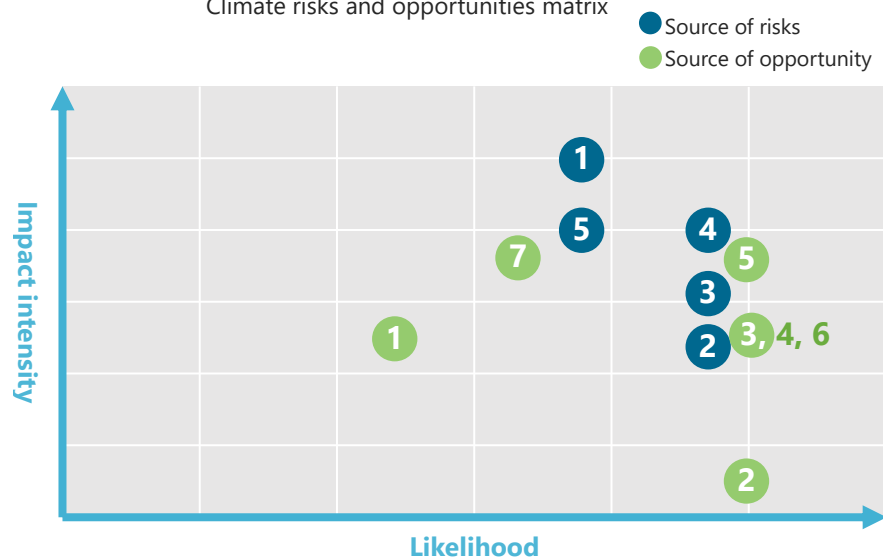
| Item               | Source                     | Description of management  |
|--------------------|----------------------------|--|
| Main risks         | Regulations                | Continue to pay attention to international trends and regulatory trends to ensure full compliance with laws and regulations related to climate change in each operating location.  |
|                    | Market and reputation      | Develop communications products and low-carbon production capabilities with sustainable design concepts, and optimize the use of energy resources in factories and renewable energy through projects related to low-carbon transformation, in order to reduce overall carbon emissions and related costs, as well as enhance product and market competitiveness.                         |
|                    | Physical Risk              | Ensure safety protection mechanisms are in place for all factories and offices to minimize the possible impact of various natural and man-made disasters on personal safety, property safety and continuity of production. At the same time, through diversified education and training, enhance climate change awareness and safety protection knowledge among employees and suppliers. |
| Main opportunities | Energy Resource Management | Reduce water consumption and achieve cost savings through energy-saving measures and continue to expand the installation of solar panels to enhance energy independence, in order to meet future energy transformation trends.   |
|                    | Products and markets       | Continue to invest R&D resources in communication products and technologies, and incorporate green product design into design considerations, in order to create market opportunities and continue to enhance product competitiveness.   |

## Risk Management Procedures

### WNC climate-related risks and opportunities identification process



Climate risks and opportunities matrix



| Serial number | Risk Type       | Source of risk                        | Serial number | Opportunity Type              | Source of opportunity              |
|---------------|-----------------|---------------------------------------|---------------|-------------------------------|------------------------------------|
| 1             | Transition Risk | Renewable energy laws and regulations | 1             | Climate related opportunities | Water usage                        |
| 2             | Transition Risk | Customer behavior changes             | 2             | Climate related opportunities | Adoption of new technologies       |
| 3             | Transition Risk | Uncertainty of market information     | 3             | Climate related opportunities | Low-carbon products or services    |
| 4             | Transition Risk | Customer preference changes           | 4             | Climate related opportunities | Adaptation and solutions           |
| 5             | Physical Risk   | Average rainfall changes              | 5             | Climate related opportunities | R&D and innovation                 |
|               |                 |                                       | 6             | Climate related opportunities | Diversification of operations      |
|               |                 |                                       | 7             | Climate related opportunities | Seeking new business opportunities |

## Indicators and Goals

In order to avoid potential risks caused by the inability to effectively control greenhouse gas emissions, including failure to meet customers' expectations for a low-carbon supply chain, the need to pay carbon taxes regulated by governments, and damage to the Company's brand value, WNC has adopted the concepts of "energy conservation in factories" and "green product design" as the two main development directions, in order to set carbon reduction indicators and goals:



### Factory Energy Conservation

Including implementation of greenhouse gas inventories, active energy conservation and carbon reduction, and improved renewable energy consumption. Please refer to 5.3 Carbon Emissions Management for more details.



### Green Product Design

Including energy saving designs for products, adoption of recyclable materials, and use of environmentally friendly packaging. Please refer to 5.2 Green Product Design for more details.



| Climate Change Risks |             |                                       |  |  |
|----------------------|-------------|---------------------------------------|--|--|
| Risk Type            | Aspect      | Source                                | Potential Financial Impact   | Management Method  |
| Transition Risk      | Regulations | Renewable energy laws and regulations | Companies are required to use a specified percentage of renewable energy according to government renewable energy policies in Taiwan.  | <ul style="list-style-type: none"> <li>Regularly perform variability audits and comprehensively review the applicability of regulations at the end of the year or when new locations are established to ensure that legal compliance is maintained.</li> <li>Rooftop solar panels are required to be installed at each location, and green power certification procurement will be evaluated in the future.</li> </ul>   |
|                      | Market      | Customer behavior changes             | As the world sets aggressive carbon reduction targets and favors greener products and packaging, customer requirements for products and services are bound to change.  | Dedicated units and working groups are formed to understand international trends, customer goals, requirements placed on suppliers, and methods adopted by peers in the industry. Responsible units and working groups formulate or adjust WNC's responses to climate change, as well as other strategies and methods related to sustainability issues.  |
|                      | Market      | Uncertainty of market information     |  |  |
|                      | Reputation  | Customer preference changes           |  |  |
| Physical Risk        | Long-term   | Average rainfall changes              | <ul style="list-style-type: none"> <li>Increase in the frequency of rainstorms will cause the turbidity of raw water to increase, which may lead to an increase in the cost of water purification and lowered water pressure.</li> <li>Continued droughts may cause water shortages and increase in water bills, which will affect water consumption and production costs in plants, and even lead to operational disruptions.</li> <li>Severe floods may affect the production or transportation of suppliers, resulting in supply delays, which may cause an inability to deliver goods to customers on time, resulting in a loss of revenue.</li> </ul> | <ul style="list-style-type: none"> <li>In order to respond to the risk of drought, the plant management unit has established water monitoring mechanisms to control the stability of the water supply for the plants.</li> <li>Improve suppliers' climate change awareness (questionnaire, e-learning, and vendor conference), plan to use promotional videos or questionnaires to be filled in when suppliers join the WNC supplier management platform.</li> </ul> |

| Opportunity Type              | Aspect                | Climate Change Opportunities       |   |   |
|-------------------------------|-----------------------|------------------------------------|---|---|
|                               |                       | Source                             | Potential Financial Impact  | Management Method   |
| Climate related opportunities | Resource efficiency   | Water usage                        | Water supplies have become more expensive in recent years. If we can reduce water consumption, we can reduce water costs.   | Utilize reverse osmosis waste water from drinking fountains, air conditioning condensation, and production process waste water in toilets and plant watering, reducing dependence on and consumption of raw water.  |
|                               | Energy source         | Adoption of new technologies       | Install solar panels on roofs to reduce carbon emissions, comply with laws and regulations, and respond to customer requirements. By producing our own energy, we can improve our energy independence.  | The solar equipment installed at each site currently produces 1.7 MW of power. More solar equipment will be installed on the rooftops of newly constructed plants.  |
|                               | Products and services | Low-carbon products or services    | The Company's main business is network communications products. Our products can reduce the need for urban mobility (reducing carbon emissions from commuting), complying with global carbon reduction trends.  | Continue to invest R&D resources in communications products and technologies, while implementing green product design to improve the competitiveness of WNC products.   |
|                               | Products and services | Adaptation and solutions           |   |   |
|                               | Products and services | R&D and innovation                 | <ul style="list-style-type: none"> <li>■ Develop low-energy consumption technologies or systems to reduce production costs.</li> <li>■ Innovative efficient transportation services can create new business opportunities.</li> </ul>   | <ul style="list-style-type: none"> <li>■ Develop low-energy consumption technologies or systems, such as adopting low temperature reflow solder paste (reducing energy consumption) or FOTA remote update software.</li> <li>■ Participate in services that improve transportation efficiency, such as mobility as a service.</li> </ul>  |
|                               | Products and services | Diversification of operations      | In response to climate change and the post-pandemic era, working from home and learning from home have become the latest trend, and the demand for corporate and home network communication products has increased significantly. If WNC is able to provide more energy-efficient corporate and home network communications products, its competitiveness will be further enhanced. | <ul style="list-style-type: none"> <li>■ Dedicated units and working groups are formed to understand international trends, customer goals, requirements placed on suppliers, and methods adopted by peers in the industry. Responsible units and working groups formulate or adjust WNC's responses to climate change, as well as other strategies and methods related to sustainability issues.</li> </ul> |
|                               | Market                | Seeking new business opportunities | Integrate different market resources and product development experiences of our business groups to create synergies, in order to develop new markets and product applications (new types of remote/cloud applications).   | <ul style="list-style-type: none"> <li>■ Fully disclose WNC's sustainable development policies, goals, methods, and capabilities to stakeholders.</li> <li>■ Establish a sustainable materials/design database to ensure a steady supply of low-carbon materials and low-carbon product design capabilities.</li> </ul>   |

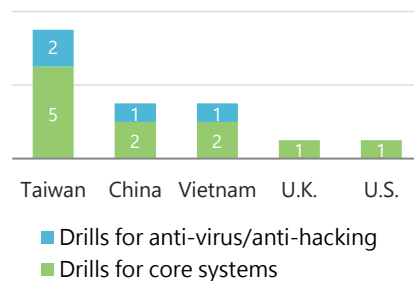
### 3.3.4 Continuous Operations Management

WNC seeks to ensure quick recovery of operations through rapid response to incidents. This is essential to ensure employee safety, prevent disruption to 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 and 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 2021, no casualties or property losses caused by natural disasters or man-made disasters (including terrorist attack or labor disputes, etc.) occurred at WNC headquarters and other sites. The following is a brief description of the relevant COVID-19 pandemic issues that were of concern to stakeholders in 2021.

#### Information Security

In order to enhance the information security awareness of colleagues and strengthen the company's overall information security management system to ensure the security of the Company (personal data and privacy rights) and customer confidential information (including business secrets and intellectual property rights, etc.), our practices include: (a) Formulate and promote an [Information Security Policy](#) and operating procedures; (b) introduce ISO/IEC 27001 Information Security Management System (ISMS) at headquarters, S1, S2, the Vietnam factory, China locations and US and UK subsidiaries and completion of certification; (c) conduct ISO/IEC 27001 ISMS internal and external audits, risk assessments and operational impact analyses every year; (d) conduct annual information system disaster recovery drills, of which, a total of 15 drills were completed in 2021; (e) encryption, storage and control of R&D data on the internal cloud R&D platform; (f) improve internal and external control mechanisms in accordance with customer requirements; and (g) require suppliers to sign confidentiality agreements. We will review and improve relevant plans with suppliers, in order to strengthen overall supply chain information security.

2021 BCP Information Security Drills



#### Supply Chain Disruption

To avoid supply chain disruptions, the Global Supply Chain Management Division prepares materials strategically based on a Purchase 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. For the key work items and content of human capital management, please refer to the chapter [4. Friendly Workplace and Social Welfare](#).

In response to possible labor shortage problems caused by the COVID-19 pandemic in 2021, WNC has formulated contingency plans such as remote work, short-term recruitment and dispatch/employment/part-time work or outsourced labor.

#### Infectious Disease

The COVID-19 pandemic has forced the world to focus more on the potential impact of emerging infectious diseases on humans. WNC makes the protection of health and safety of its employees a priority. The pandemic prevention team coordinates pandemic prevention affairs, complies with policies of the competent authorities, formulates contingency plans, and strengthens health education for colleagues related to pandemic prevention through various channels. In addition, WNC has introduced substitute materials and second source suppliers, daily tracking of material conditions, and real time adjustments of response measures, in order to prevent the possible impact of COVID-19 on the supply chain. For more information on COVID-19 response measures, please refer to [COVID-19 Response Measures](#).

## 3.4 Customer Partnership

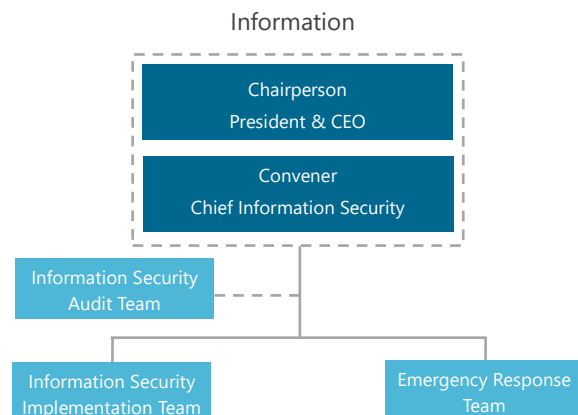
### 3.4.1 Confidential Information Protection

WNC strictly complies with the content and confidentiality commitment of customer contracts. In order to implement the management of confidential information, WNC has established an [Information Security Policy](#) and an ISO/IEC 27001 information security management system to ensure the confidentiality, integrity and availability of all information. In 2021, in response to the TWSE's "Regulations Governing Information to be Published in Annual Reports of Public Companies", WNC has amended the "Information Security Incident Reporting Procedures", in order to strengthen the collection of and responses to threat information, as well as the risk identification and assessment for IT suppliers. In 2021, there were no records of any lawsuits related to violations of confidential customer information, and no complaints were received.

#### Information Security Committee

WNC established the Information Security Committee in 2014, which is composed of top-tier supervisors of each unit, chaired by the President and CEO, and convened by the Chief Information Security Officer (the top-tier supervisor of the Digital Information Management Division). A management review meeting is held every six months. The Committee is responsible for formulating and promoting information protection measures. The functional teams under the Committee include the Information Security Implementation Team, Emergency Response Team and Information Security Audit Team. The teams are led by the Chief Information Security Officer.

In 2022, a System and Product Information Security Committee will be established to expand information security and risk management requirements to include security issues related to the R&D, development, and production of related products, in order to strengthen the resilience of product information security management. We aim to avoid potential weaknesses and loopholes in products delivered to customers, which could affect the Company's reputation and decrease customer satisfaction.



#### Information Security Education and Training

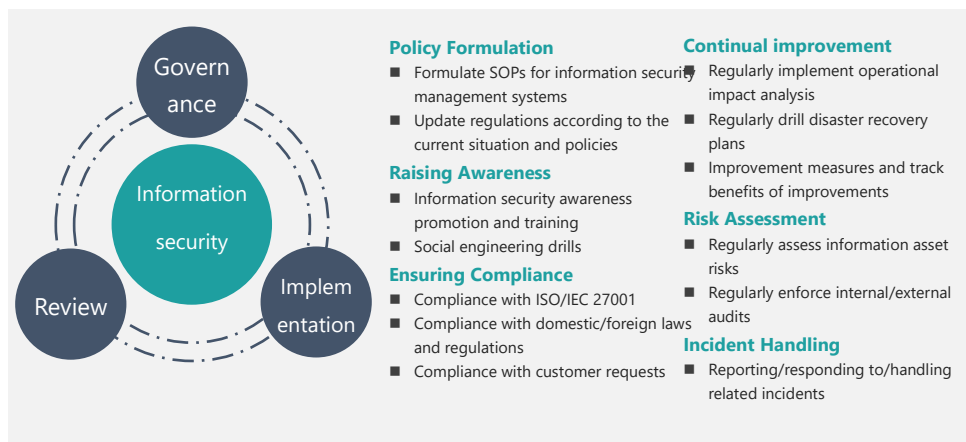
|                    |               |   |
|--------------------|---------------|---|
| Awareness Programs | New employees | Non-disclosure agreements must be signed.   |
|                    | All employees | Information security related information can be found in the information security promotion section of the Company's internal website.            |
| Training Courses   | New employees | Information security courses are completed as part of orientation. The content includes information security policies, regulations, and examples. |
|                    | All employees | Employees must complete information security courses every year.  |

### 3.4.2 Information Security Management System

In order to ensure the confidentiality, integrity, and availability of all information, WNC complies with the ISO/IEC 27001:2013 standard when establishing and managing documents. The Company surveys and updates the information asset list each year and implements risk assessments, operational impact analyses, disaster recovery drills, user account permission reviews, firewall rules reviews, information security promotion and training, vulnerability scanning, penetration testing, management meetings, and social engineering drills.

#### Information Security Management Mechanism

WNC's information security management measures can be divided into external security management and internal security management. Externally, firewalls and threat defense systems have been implemented, in order to prevent viruses and external hackers from accessing networks. Internally, the use of communication software and external devices is prohibited to avoid leaks of sensitive information. We aim to strengthen mobile user data protection and reduce the risk of data leaks.



According to the customer satisfaction survey results, overall customer satisfaction is “satisfying”, even though each business division has different evaluation results due to various products and services provided by each division. In 2021, business divisions of WNC received positive feedback and encouragement from customers. The customer satisfaction survey results reached 95.07 points (out of 100 points). Among which, “after-sales service” and “order/sales personnel services” received the highest scores. Regarding suggestions proposed by customers and below satisfactory level items in the satisfaction survey results, business divisions have communicated with customers and confirmed and proposed improvement strategies, in order to improve customer satisfaction.

Customer satisfaction survey in the most recent 5 years

| Year                                | 2017 | 2018 | 2019 | 2020  | 2021  |
|-------------------------------------|------|------|------|-------|-------|
| Average customer satisfaction score | 94.4 | 95.2 | 94.4 | 94.27 | 95.07 |

### 3.4.3 Customer Satisfaction Performance

“Customer First” is WNC’s core value. After-sales service for customers is handled by the Customer Service Department under the Quality Assurance Division. The services include replacement of new products (DOA), return of materials authorization (RMA), sales of maintenance parts, customer complaint handling and reporting, and the annual customer satisfaction survey. We are dedicated to providing the highest quality of technologies and after-sales services to customers.

The business divisions and units related to quality assurance, research and development, material management, and production have established respective contact channels for different customers. Regular meetings are held with customers every week, month, or quarter according to project requirements to review product development progress and goal achievement. Each business division also designates representatives to participate in quarterly supplier review meetings with customers.

WNC’s Customer Service Department conducts global customer satisfaction surveys in the fourth quarter of each year. The survey response rate for the key customers of each business division must be over 70%, in order to understand whether customer requirements have been satisfied in a timely manner. The content and goals of the customer satisfaction survey are stipulated in the quality management system review meeting each year. In 2021, the WNC customer satisfaction goal was 90 points.



## 3.5 Supplier Management

### Global Supply-Chain Management Policy

#### Policy

WNC and our suppliers work hand in hand to maintain a sustainable supply chain through continuous optimization of supplier-management strategies and of operations efficiency. This facilitates achieving a balance between: developing operational profit, protecting the environment, and fulfilling social responsibilities; while realizing an 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 our suppliers, supply chain jointly managed by WNC and our suppliers.

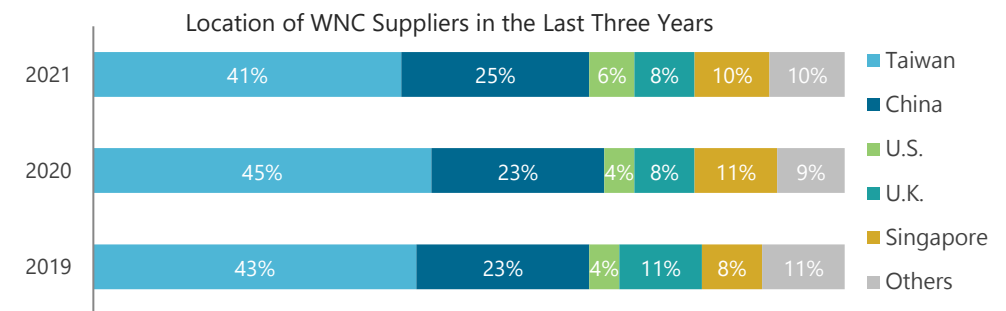
Raw materials and components purchased by WNC mainly consist of integrated circuits, circuit boards, display panels, electromechanical components, mechanical components and packaging materials. Production consumables mainly include materials such as solder paste and solder wire. The China-US trade war has led to an increase in the demand for manufacturing using the contract manufacturing (CM) model. In addition, our Vietnam plant began to introduce local suppliers. In 2021, suppliers of raw materials, components, and manufacturing consumables to WNC's sites increased from 1,075 companies in 2020 to 1,112.

WNC regards supplier management as one of the key actions to fulfill social responsibility. The Company conducts supplier CSR audits and hopes to work with suppliers to pay attention to and improve the performance of product and service quality, labor rights, occupational safety and health, and green products. WNC also introduced sustainable procurement courses for employees in the Global Supply Chain Management Division. Through sharing of the trends in sustainable procurement and case studies, WNC hopes to implement sustainable procurement in material procurement and the screening and management of suppliers.

### 3.5.1 Purchasing Strategy

#### Local Purchasing

Based on the amount of raw materials, components and production consumables purchased by WNC, WNC's suppliers are mainly in Taiwan, which accounted for 41% of all suppliers in 2021, followed by suppliers in China, which accounted for about 25%, and the remaining suppliers are distributed in Asia, Europe and the United States.



Local purchasing can reduce transportation costs and carbon emissions, so WNC has established dedicated purchasing units in different countries and regions, responsible for the selection and management of local suppliers. According to procurement amount, the proportion of local purchasing by WNC's headquarters in Taiwan was 47% in 2021, and the proportion of local purchasing by WNC's sites in China was 42%. The raw materials required for production in the Vietnam plants are still sourced in Taiwan and China. Purchasing from local suppliers mainly focuses on production consumables, accounting for only 3% of purchasing. Due to the obvious increase of production demand in Vietnam, assessment and planning of the establishment of a local supply chain will continue to be conducted.

## Green Purchasing

In order to build a green supply chain and respond to international trends and customer needs, WNC actively promotes green products and green production. The Company is also committed to the promotion of green purchasing concepts and actions in the supply chain and the incorporation of green management principles into the supplier management mechanism, in order to implement source management for the manufacturing process, green product design and hazardous substances of suppliers. WNC began asking suppliers to sign a "Supplier Quality Contract" from 2006, and each location in China has followed suit from 2007. WNC strictly requires suppliers to follow the "Environmentally Hazardous Substances Standard Guidelines" formulated by WNC, and submit third party testing reports when necessary. WNC also requires suppliers to sign a "Supplier Environmental Hazardous Substances Compliance Statement" to ensure that products and parts (including accessories, packaging materials and other materials delivered with the product) are in compliance with the Environmentally Hazardous Substances Standard Guidelines and to ensure that products comply with RoHS, WEEE, REACH, ErP and Batteries regulations, as well as international regulations related to the non-use of conflict minerals and WNC's banning of substances that are harmful to the environment.

In addition to signing of environmental protection statements, WNC also incorporates the control of hazardous substances into the incoming inspection process. For raw materials that violate regulations on controlled substances, suppliers are required to immediately take corrective and preventive measures to avoid recurrence. The Production Part Approval Process (PPAP) recognizes key components, formulates checklists and regulations, and inspects the source to avoid subsequent production waste and social costs caused by production quality problems.

In 2021, 76 new suppliers of raw materials, components and production consumables signed the "Supplier Quality Contract". In the future, we will continue to require all supplier to sign quality contract guarantees to ensure that the products designed and manufactured by WNC can meet the requirements of international regulations related to substances banned and restricted by customers, and achieve the goal of establishing a green supply chain.

## Key Materials Management

WNC has divided materials into four categories according to purchasing value and market supply risks of different material types. The categories are important materials, general materials, strategic materials, and bottleneck materials. WNC has formulated purchasing strategies and policies, purchasing management measures, and material production capacity planning and management for suppliers.

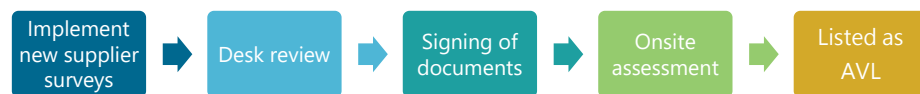
| Type                       | Important materials   | Regular materials   | Strategic materials   | Bottleneck materials  |
|----------------------------|---|---|---|---|
| <b>Purchasing value</b>    | High value  | Low value   | High value  | Low value   |
| <b>Supply risks</b>        | Low risk  | Low risk  | High risk   | High risk   |
| <b>Management measures</b> | Regular partnership:<br>■ Supplier selection<br>■ Establish purchasing advantages<br>■ Target price management<br>■ Optimization of batch purchasing<br>■ Minimum inventory | Regular trading relationships:<br>■ Product standardization<br>■ Optimization of batch purchasing<br>■ Inventory optimization<br>■ Operational efficiency | Strategic partnership & long-term cooperation:<br>■ Detailed market investigation and prediction<br>■ Rigorous inventory management<br>■ Rigorous material management<br>■ Prepared for emergencies | Long-term stable partnership:<br>■ Detailed market data and long-term supply trend information<br>■ Look for substitute solutions<br>■ Backup plans<br>■ Supply quantiles and timing controls |

## 3.5.2 Supplier Selection and Evaluation

### New Supplier Survey

The Global Purchasing Center of the Global Supply Chain Management Division is responsible for proposing new supplier survey requirements based on material purchasing requirements, and establishing a survey team to conduct desk review or on-site evaluations of candidate suppliers. Members of the survey team include representatives from the Global Supply Chain Management Division, Supplier Quality Management Center, R&D units and other relevant departments. The survey team reviews the candidate suppliers' operational services, quality systems, R&D capabilities, manufacturing and other aspects. At the same time, suppliers are required to meet the [WNC Supplier Code of Conduct](#), and the results of the survey and audits must meet relevant standards. Only when these conditions are met can the supplier be listed on the Approved Vendor List (AVL) of WNC. In the case of special circumstances, the conditional approval process must be carried out separately. In 2021, 101 new suppliers completed evaluation according to the "Supplier Evaluation Management Guidelines" and were selected as qualified suppliers of WNC (AVL). Among which, 57 suppliers completed the new supplier CSR survey, accounting for 56.4% of qualified suppliers (AVL).

New supplier survey procedure for WNC



WNC requires general material suppliers to obtain ISO 9001 Quality Management System certification, and automotive parts suppliers to obtain IATF 16949 Global Automotive Industry Quality Management System certification. The Company encourages all suppliers to obtain TL 9000 Telecommunications Industry Quality Management System, ISO14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management System certifications. In addition to signing documents related to intellectual property protection such as the WNC Security NDA and the Restricted Project Acknowledgement (RPA), WNC has implemented a supplier intellectual property protection management process since 2016, which requires new suppliers to meet confidentiality requirements proposed by customers, in order to protect the intellectual property of WNC and customers. In response to the ongoing trade conflict between China and the United States, starting from 2020, WNC is also requiring new suppliers to sign a "Letter of Commitment to Legal Compliance", so that suppliers promise to abide by all applicable export control laws and regulations.

### Supplier Performance Evaluation

**Quarterly reviews:** WNC established a "Supplier Performance Review Committee" with personnel from the Global Supply Chain Center, Supplier Quality Management Center, and R&D Projects unit. Comprehensive performance evaluations are conducted based on supply chain performance indicators on a quarterly basis, in order to ensure the overall performance of suppliers in terms of quality, delivery, service, price competitiveness and RBA compliance through visit and guidance. The aim of the reviews is to continuously improve the competitiveness of the WNC value chain. After completing the quarterly Vender Performance Evaluation (VPE), the Global Supply Chain Center will, based on the VPE results and strategic considerations, work with the Supplier Quality Management Center, R&D project and institutional design units to reach a consensus during the recommended supplier meeting each quarter, in order to compile a Recommended Vender List (RVL) for the selection of new partners and purchasing targets. As of the end of 2021, a total of 1,112 suppliers have completed VPE according to the new supplier management measures.

**Annual audits and guidance:** On-site audits on products and safe production are conducted for key suppliers every year. Suppliers are required to adopt continuous improvement measures. For suppliers whose audit results do not meet the required standards, specialists are assigned to review and formulate improvement plans together with the suppliers, while providing appropriate assistance, guidance and education. In 2021, a total of 490 on-site audits and counseling sessions for suppliers were held in Taiwan, China and Vietnam.

### Digitized Management System

In response to digital transformation trends and the Company's global deployment, WNC began to plan and integrate a Digital Supply Chain Portal (DSCP) for cooperation with suppliers in 2020, and successfully launched it in mid-April 2021. The system provides a single portal that covers the three major application areas of materials, regulatory bodies, and quality assurance. It also supports information, documents, and data exchange functions. After completing new supplier registration, suppliers can upload a Corporate Social Responsibility Statement, Corporate Social Responsibility Questionnaire, Integrity Commitment Letter, and Legal Compliance Commitment Letter, in order to start doing business, strengthen supply chain collaboration and improve efficiency.

WNC completed the DCSP at the end of April 2022, and through this system, the Company has launched anti-corruption education in the supply chain and the promotion of corporate social responsibilities.

## Ban on Conflict Minerals

WNC does not directly purchase metal raw materials, and adopts the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI) to conduct conflict mineral investigations to avoid the use of illegal minerals from conflict areas.

### Prohibition of Conflict Minerals Policy

- No product shall use ores from the DRC and illegal mines in the surrounding area as well as those mined in poor working conditions.
- Require suppliers to ban the use of conflict minerals and disclose their sources for Tin (Sn), Tungsten (W), Tantalum (Ta), and Gold (Au) ore.
- Suppliers are asked to convey this policy to their own upstream suppliers and supply chain.

WNC conducts supplier conflict mineral surveys to find out whether the smelters used by suppliers are participants of the Responsible Minerals Assurance Process (RMAP). Furthermore, WNC requires suppliers to promise that the products they provide to WNC do not contain conflict minerals that directly or indirectly finance or benefit the Democratic Republic of Congo (DRC) and any armed groups in neighboring countries as defined in Section 1502 of the U.S. Dodd-Frank Act through the signing of the supplier quality contract. Suppliers are also required to comply with other international conflict minerals laws and regulations. According to survey results in 2021, there are a total of 228 smelters used by WNC, of which 219 are RMAP-compliant smelters, 6 are participating in the RMAP program, and three are non-compliant smelters. Two smelters among the non-compliant smelters were originally compliant smelters until the end of September 2021, and then became non-compliant smelters. WNC will continue to monitor the status of these three smelters and require suppliers to implement improvements to meet conflict minerals requirements for products they ship to customers.

WNC Supply Chain Smelter Distribution

| Region        | Gold | Tantalum | Tin | Tungsten | Total |
|---------------|------|----------|-----|----------|-------|
| Asia          | 61   | 21       | 27  | 30       | 139   |
| Europe        | 28   | 4        | 3   | 3        | 38    |
| North America | 11   | 7        | 3   | 4        | 25    |
| South America | 4    | 3        | 11  | 2        | 20    |
| Africa        | 4    | 0        | 1   | 0        | 5     |
| Australia     | 1    | 0        | 0   | 0        | 1     |
| Total         | 109  | 35       | 45  | 39       | 228   |

## Corporate Social Responsibility Audit

WNC has formulated a Supplier Code of Conduct, which requires all suppliers to sign a Supplier Corporate Social Responsibility Statement and Supplier Integrity Commitment Letter, declaring that they have fulfilled their social responsibilities, and are committed to prohibiting the use of child labor, forced labor, and implementing occupational safety and health management, anti-bribery and anti-corruption, fair trade, supporting the freedom of association for workers and labor-management agreement rights, etc. Suppliers are asked to complete the Supplier CSR Questionnaire so WNC can understand suppliers' implementation of labor, health and safety, environmental, ethics, and management systems. As of the end of 2021, 529 suppliers have signed the Supplier CSR Statement, 496 suppliers have responded to the Supplier CSR Questionnaire, and 225 suppliers have completed on-site CSR audits, accounting for 47.57%, 44.6%, and 20.23% of suppliers with purchase transaction records in 2021, respectively.

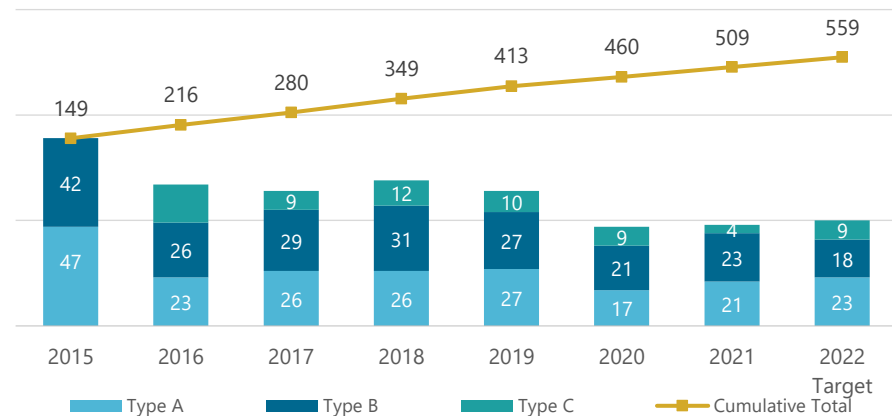
WNC divides different types of major suppliers into A (high risk: printed circuit board, spray painting, injection molded plastics, electroless plating, and stamped product suppliers), B (medium risk: antennas, packaging materials, wiring, converters, connectors, and passive component suppliers) and C (low risk: Other electronics part suppliers) according to the risk level of labor, ethics, health and safety, environmental and management system. Every year, suppliers that require CSR audits are selected and included in the CSR audit plan for the current year according to "top 10 suppliers providing the most materials in the previous year and that have not been audited in the past year", "suppliers that must meet customer CSR requirements", and "whether there are priority issues in the previous year's audit". Except for Category C, which is ranked as low risk and for which only desk reviews are conducted (with some exceptions for suppliers designated by customers), the other two categories follow the following four steps, as well as labor, health and safety, environment, ethics and management system stipulated by RBA, to conduct supplier CSR audits.

In 2021, CSR on-site audits were originally scheduled for 50 suppliers. Due to the impact of the COVID-19 pandemic, 49 audits were completed, including 21 category A suppliers, 24 category B suppliers and four category C suppliers. The non-compliant items in the audit results are mostly labor-oriented and occupational safety-oriented. The supplier's non-compliant items and corresponding improvement plans are tracked by the Supplier Quality Management Center. The suppliers work with the Global Supply Chain Management Division to follow the Supplier Evaluation Management Guidelines to supervise suppliers' implementation of RBA specifications and continuous improvement. In 2021, no supplier relationships were terminated because the supplier's CSR audit results or improvements did not meet the standards. In 2022, a total of 50 suppliers are scheduled to undergo WNC on-site CSR audit.

## Corporate social responsibility audit method for WNC suppliers



WNC Supplier CSR Audit in Past Years and 2022 Target (Unit: Number of Suppliers)



## 3.5.3 Supplier partnerships

WNC values interactions and learning between suppliers. Apart from hosting routine operational review meetings, WNC commends suppliers who have performed outstandingly or made special contributions during the annual Wistron Group Vendor Conference, in order to express our support and gratitude to our suppliers. In 2021, due to the COVID-19 pandemic, the Vendor Conference was an outdoor event with a banquet. A total of 91 WNC suppliers attended the event.





# 04 Friendly Workplace and Social Care

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Respect for  
Human Rights  
Talent  
Recruitment  
Overall  
Remuneration  
Talent  
Cultivation

Occupation Safety  
and Health  
Employee Care  
  
Participation in  
Society

WNC respects human rights and values talent. Apart from providing employees with reasonable remuneration and benefits and stipulating reward structures to encourage employees and units with excellent performance, we are focused on elevating the professionalism and general knowledge of our employees. In order to implement the ideal of “the right person at the right place”, WNC implemented a three-year human resource digital transformation plan in 2021, to optimize existing human resource management procedures and introduce human resource capital management systems. We aim to optimize employee allocation and establish talent development plans that are in line with WNC’s operating strategies. WNC is dedicated to providing a healthy, safe, equal and tolerant work environment, and introduced the “A Workplace You Can Feel Safe In” initiative at its Taiwan sites in 2021. We are working with all our employees to create a workplace that supports, emphasizes, guarantees, and protects the physical and mental safety of WNC employees. In addition to caring for our employees, we have extended this care to external communities. WNC continues to support children and teenagers, and support social innovation and arts and cultural development through our actions. We invite our employees, customers, and suppliers to support our initiatives and create more positive connections, interactions, and development.



# Annual Performance



## Salary and Benefits

- The minimum salary standard for WNC employees is superior to the legal minimum wage, which is about 1.00 to **1.63 times** the minimum wage.
- As of the end of 2021, a total of **1,074** employees joined the employee stock ownership trust (ESOT), which was an increase of **29%** compared to 2020.
- Rates of male and female employees returned after unpaid parental leave were **100%** and **70%** respectively.

## Talent Cultivation



- The average employee education and training hours per person was **29.7** hours. Related expenditures totaled **NT\$10.4million**.
- WNC continued to develop industry-academia cooperation projects with key colleges in the neighborhood, with a total of **242** students participating.
- Worked with Chung Hua University to provide students with on-the-job training opportunities. A total of 190 students recruited as of 2021.

## Employee Communication



Received 2,150 employee proposals and consultation cases, with a response rate of **100%**



## Friendly Workplace

- A total of **259** employees used the WNC Employee Assistance Program free consultation service, and **28** employees used the individual interview service.
- Introduced the Five Elements of Workplace Well-Being: "The Common Good", "Safety & Health", "Healthcare", "Consultation & Assistance", and "Diversity and Equality".
- Zero major occupational accidents in 2021

## Rural Area Education



- A total of **410** employees participated, sponsoring **106** talented school children in rural areas in Hsinchu and Miaoli. The total amount of sponsorships reached **NT\$1.23 million**.
- Worked with Boyo Social Welfare Foundation to provide after-school English tutoring to disadvantaged schoolchildren in remote areas. Donations made by WNC senior executives totaled **NT\$840,000**. A total of **50** schoolchildren and benefited from the program.

## Social Welfare



- Social donations totaled **NT\$1.12 million**.
- Organic vegetables purchases totaled **NT\$8.92 million**.
- Charity sales in the plants organized by social welfare, community development, and social enterprise groups raised **NT\$130,000**.

# Material Topics and Goal Management

| Material Topics  | Management Strategy   | Short-term Objectives  | Mid- to Long-term Objectives  | Goal Attainment in 2021   |
|--|---|--|---|---|
| <ul style="list-style-type: none"> <li>■ Employment</li> <li>■ Labor/Management Relations</li> <li>■ Occupational Safety &amp; Health</li> <li>■ Training &amp; Education</li> <li>■ Forced or Compulsory Labor</li> </ul> | <ul style="list-style-type: none"> <li>■ Optimize the Safe Workplace project</li> <li>■ Support education for children and teenagers</li> <li>■ Support social innovations and the development of arts and culture</li> </ul> | <ul style="list-style-type: none"> <li>■ Employee care               <ul style="list-style-type: none"> <li>– Zero major occupational accidents</li> <li>– Implement the “A Workplace You Can Feel Safe In” initiative</li> </ul> </li> <li>■ Support and implement diverse education resources for rural areas               <ul style="list-style-type: none"> <li>– Restarted the WNC Classroom</li> <li>– Restarted the Boyo English Volunteer Camp</li> </ul> </li> <li>– Established the Taiwan Fund for Children and Families Adoption Project in Tainan</li> <li>■ Support social innovations and the development of arts and culture               <ul style="list-style-type: none"> <li>– Established the local art and culture group cooperation project</li> <li>– Added environmental education cooperation projects</li> </ul> </li> <li>■ Continued the social enterprise procurement project</li> </ul> | <p>Continued to develop Friendly Workplace and Social Care projects according to the management strategies.</p> | <ul style="list-style-type: none"> <li>■ Zero major occupational accidents in 2021</li> <li>■ Introduced the Five Elements of Workplace Well-Being: “The Common Good”, “Safety &amp; Health”, “Healthcare”, “Consultation &amp; Assistance”, and “Diversity and Equality” as well as related projects.</li> <li>■ WNC Classroom: Six employee volunteers and ten university student volunteers organized the volunteer teacher training and pre-trip meeting.</li> <li>■ Boyo English Volunteer Camp: WNC held a fundraiser at this camp and raised a total of NT\$840,000.</li> <li>■ Received a bronze award in the Buying Power: social innovation products and services procurement reward program of the Ministry of Economic Affairs</li> </ul> |

## 4.1 Respect for Human Rights

WNC complies with international regulations and local laws. We are committed to “respecting human rights”, and we do not discriminate against our employees based on their gender, age, race, nationality, religion, marital status, or political views. In order to implement labor rights, apart from promoting human rights concepts and related regulations during new and existing employee training, we have established diverse, open, and transparent proposal and communication channels. We also irregularly review the prevention of child labor and minor worker, forced labor, sexual harassment, implementation of labor-management communications, and freedom of expression.

### 4.1.1 Abolition of Child Labor

WNC does not employ workers younger than the minimum employment age as stipulated in the law. All WNC global locations do not employ workers under the age of 16. The “WNC Responsible Business Alliance (RBA) Code of Conduct Handbook” clearly prohibits the use of child labor, and the “Administrative Measures for the Appointment of New Personnel” and “Administrative Measures for the Employment of Minor Workers” stipulate that new personnel shall present their ID during orientation to ensure that no employees under the age of 16 are employed. In 2021, no child labor was employed in WNC’s sites.

### 4.1.2 Protection of Juvenile Workers

In accordance with “The Act of the Cooperative Education Implementation in Senior High Schools and the Protection of Student Participants’ Right” stipulated by the central competent authority, when employing technicians over the age of 16 but under the age of 18, vocational training shall be provided to assist them in acquiring work skills, but they shall not be forced to engage in heavy and hazardous work. They may not work at night and on holidays, and the company must comply with the regulations on working hours. At the same time, the Company shall cooperate with the partner schools to strengthen the discipline management of minor workers to ensure their physical and mental development and labor rights.

In order to support the technical and vocational education system and shorten the gap between academic and practical work needs, WNC and the Soochow High School Information and Data Processing Science and Education Cooperation Class signed a long-term education cooperation plan in 2002, arranging for students to go to WNC to learn practical operations and related professional skills. In 2021, a total of 337 Soochow High School Education Partnership students joined the WNC

production line for internships, including 285 underage workers over the age of 16 but under the age of 18.

### 4.1.3 Elimination of Forced Labor

WNC follows international social standards and local regulations, including the US “California Transparency in Supply Chains Act of 2010” and the “UK Modern Slavery Act 2015”, providing employees with good working conditions and reasonable working hours. WNC does not require employees to hand over ID cards, passports or work permits. The content of the work respects the wishes of employees, and all employees have the right to leave their jobs freely in accordance with the law. The “WNC Supplier Code of Conduct” clearly prohibits forced labor, and this code shall continue to be implemented for 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.

### 4.1.4 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 2021, a total of 25 people from WNC Taiwan sites applied for unpaid parental leave, among which, 5 were male and 20 were female.

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

| Item   | Male   | Female |
|--|--------|--------|
| No. of people who are eligible to apply for parental leave in 2021 (A) <sup>Note</sup> | 70     | 48     |
| No. of people who applied for parental leave in 2021 (B)                               | 5      | 20     |
| Application rate for parental leave in 2021 (B/A)                                      | 7.1%   | 41.7%  |
| No. of people expected to be reinstated from parental leave in 2021 (C)                | 3      | 13     |
| No. of people who have been reinstated from parental leave in 2021 (D)                 | 2      | 8      |
| Reinstatement rate from parental leave in 2021 (D/C)                                   | 66.7%  | 61.5%  |
| No. of people who have been reinstated from parental leave in 2020 (E)                 | 1      | 20     |
| No. of people who have been reinstated for one year in 2020 (F)                        | 1      | 14     |
| Retention rate after parental leave in 2021 (F/E)                                      | 100.0% | 70.0%  |

Note: Number of employees who have applied for maternity or parental leave between 2019 and 2021

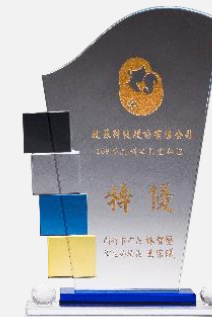
In accordance with the local "Special Regulations on Labor Protection for Female Employees", WNC's sites in China provide paid pregnancy leave, maternity leave, abortion leave and nursing time to maintain the balance between work and family life for female employees. If Women's Day on March 8th is a weekday, female employees are given 4 hours of compensatory leave. Employees shall receive 4 hours of overtime pay if it is on a weekend. Starting from 2022, new parental leave will be implemented according to the latest announcement of "Jiangsu Province's Notice on the Implementation Plan for Optimizing the Birth Policy to Promote Long-term Balanced Development of the Population". Both spouses are entitled to 10 days of parental leave each year before their children reaches the age of 3.

There is currently no law or regulation related to parental leave in Vietnam. According to the local Labor Act, the company assists employees in applying for social insurance, and provides paid pregnancy leave, maternity leave, abortion leave, postpartum/abortion rehabilitation leave. Paid menstruation rest (30 minutes of rest per day) is provided in accordance with the local "Social Insurance Act". Female employees who are more than 7 months pregnant or whose children are less than 1 year old are allowed to leave work 1 hour earlier.

For pregnancy, nursing, and childcare needs of employees, apart from complying with the legal requirements, WNC also offers the following friendly solutions:

## WNC Pregnancy, Nursing, and Childcare Plan

- 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.
- WNC Baby Good Pregnancy Giftbag project: When an employee or their spouse is pregnant, they may use the expecting mother handbook to apply for a giftbag from the Company. The contents include a Good Pregnancy Handbook, mother's bag, and a gift for the new born. In 2021, the Good Pregnancy Handbook was revised according to the latest amendments to the law in July. An online version of the handbook is provided for employees to check the latest maternity subsidy policies and company welfare information. In 2021, the Company sent out 107 Good Pregnancy Giftbags
- WNC Headquarters and S1's Breastfeeding Rooms have obtained the "Hsinchu County Workplace Friendly Breastfeeding Room Certification" and "Hsinchu City Friendly Breastfeeding Room Premium Certification", respectively.
- WNC signed special agreements with 26 daycare centers in Hsinchu City, Hsinchu County, Taoyuan City, Miaoli County, Tainan City and Kaohsiung City, allowing employees to enjoy discounts for daycare services. In 2021, 26 day care centers were contracted.



## Taiwan

## China

## Vietnam



## 4.1.5 Communication Channels

### 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.

The main communication channels at Taiwan sites include the employee proposal platform, labor-management conference, welfare committee, safety committee, and the physical suggestion box set up on production lines. In 2021, communication channel platforms collected a total of 809 employee proposals, and the employee proposal platform was the main source. A total of 588 proposals were received, including 425 proposals for repairs, 8 proposals from the Welfare Committee, and 155 unclassified proposals, which have been transferred to each dedicated unit for tracking and processing according to the proposal category. Among them, unclassified proposals were discussed and tracked by the labor-management meeting, including labor proposals, employee meals, benefits and activities, public facilities and environment, systems/network telecommunications, etc. As of the end of 2021, the closure rate is about 95%, and larger-scale improvement plans, such as rectification of public facilities, are expected to be completed in the second quarter of 2022. In 2021, the result of the questionnaire survey for the labor-management meeting of the Taiwan operating location was 4.5 points (out of 5 points).



Method of submitting proposals on the employee proposal platform in WNC (Taiwan)

The main communication channels at WNC's sites in China are employee representative symposiums, the 8585 employee care hotline and the WeChat public platform. The main communication channels at the Vietnam site are trade unions and physical suggestion boxes. In 2021, WNC's sites in China received a total of 1,178 proposals, which covered company systems, work adaptation and life services. All cases have been closed and returned to the proposers. The Vietnam plant has not received any proposals.

### 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. During 2021, 19 cases of unlawful infringement complaints in the workplace were received. All cases have been closed after investigation by the Human Resources Management Office, the strengthening of education, training and advocacy, and internal punishments were implemented.

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 2021, neither China nor Vietnam received any complaints.



## Communication channels and proposal acceptance record of Taiwan sites in 2021

| Subject                  | 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.  | 163          | 163                  | 154                 |
| DL employees             | Plant Manager's Forum                                     | In addition to sending representatives to participate in the quarterly labor-management meetings, the production line also holds a "Plant Manager's Forum" and "DL Supervisors' Forum" on a quarterly basis to meet the different needs of DL employees. Both are chaired by the managers of each factory area, and the content includes company policy promotion, communication of opinions and sharing of project improvement cases, proposals and opinions are publicly solicited from employees before the meeting. If there are no proposals or matters to be discussed, it will be postponed to the next session. | 23           | 23                   | 23                  |
|                          | Supervisor's Forum  |   | 69           | 69                   | 69                  |
|                          | Foreign Employees Forum                                   | Through the "Foreign Employees Forum", the company's policies and related precautions will be explained to foreign migrant workers in the factory area. In 2021, a total of 4 foreign employee symposiums were held.  | 1            | 1                    | 1                   |
|                          | Suggestion box  | 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.   | 14           | 14                   | 14                  |
| New employees            | New Recruits' Seminar and A Talk with the CEO             | We hold a new recruits seminar at the end of employees' first three months of service, and guide new employees to experience WNC's 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.   | 37           | 37                   | 36                  |
| All 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.  | 77           | 77                   | 77                  |
| All WNC employees        | WNC Employee Proposal Platform                            | In September 2020, the "WNC Employee Proposal Platform" was launched. Employees can log in to this platform to make proposals through the company's internal website or directly by scanning the QR code with their mobile phones. The proposals are then directed to responsible units 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.   | 588          | 588                  | 566                 |
| Subtotal                 |   |   | 809          | 809                  | 786                 |

Note 1: Since some of the proposals involve the large scale rectification of public facilities, the employee proposal platform can only close these cases in the following year. In order to implement the RBA standard, proposals involving employees' personal information or inappropriate comments will also be processed and included in the quarterly proposal tracking, but the content of the proposal will not be disclosed.

Note 2: The employee proposal platform involves a wide range of aspects, so the cases that can be improved after evaluation will be included in the labor-management meeting for discussion. Proposals that do not comply with regulations, company policies, and with low feasibility or improvement benefits will be responded to according to the content of the proposal and will not be included in the statistics of closed cases.



New Recruits' Afternoon Tea



New Recruits' Seminar and A Talk with the CEO: Group Activity



New Recruits' Seminar and A Talk with the CEO: Sharing on stage

## Communication channels and proposal acceptance records of China and Vietnam sites in 2021

| Subject  | Communication Channel    | Description                   | No. of Cases | No. of Cases Handled | No. of Cases Closed |
|----------|--------------------------|-------------------------------|--------------|----------------------|---------------------|
| China    | Employee representatives | Trade Union Committee         | 0            | 0                    | 0                   |
|          | Employee representatives | Employee Representative Forum | 20           | 20                   | 20                  |
|          | All WNC employees        | Suggestion box                | 3            | 3                    | 3                   |
|          |                          | Letter to the Plant Manager   | 0            | 0                    | 0                   |
|          |                          | 8585 Employee Care Hotline    | 715          | 715                  | 715                 |
|          |                          | WeChat Platform               | 440          | 440                  | 440                 |
| Subtotal |                          |                               | 1,178        | 1,178                | 1,178               |
| Vietnam  | Employee representatives | Trade Union Committee         | 0            | 0                    | 0                   |
|          | IDL employees            | Plant Manager's Forum         | 0            | 0                    | 0                   |
|          | New employees            | New Recruits' Seminar         | 0            | 0                    | 0                   |
|          | Management               | Management and Employee Forum | 0            | 0                    | 0                   |
|          | All WNC employees        | Suggestion box                | 0            | 0                    | 0                   |
|          | Subtotal                 |                               |              | 0                    | 0                   |

## 4.2 Talent Recruitment

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.

### 4.2.1 Human Resource Structure

As of the end of December 2021, WNC had a total of 10,755 employees worldwide, representing a decrease of 10.1% from 2020. Among which, 10,736 and 19 employees were full-time and part-time employees, respectively. Due to short-term manpower needs, WNC (Taiwan) hired a total of 371 dispatch employees.

There were 5,261 full-time employees in Taiwan, an increase of 10% compared to 2020, and 43% of all employees had worked for WNC for three years or more. There were 5,283 full-time employees in China, a decrease of 2.1% compared to 2020. The total number of full-time employees in Vietnam was 125, representing a decrease of 92.7% compared to 2020 due to factory relocation.

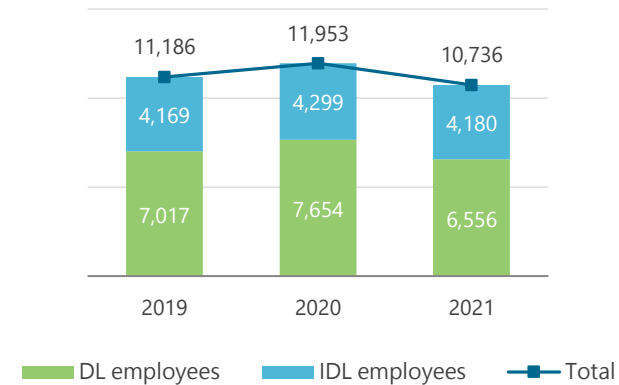
Total number of WNC employees worldwide in 2021<sup>Note 1</sup>

| Country                  | Full-time employees |            |               | Part-time employees |           |           | Total         |
|--------------------------|---------------------|------------|---------------|---------------------|-----------|-----------|---------------|
|                          | Permanent           | Contract   | Subtotal      | Permanent           | Contract  | Subtotal  |               |
| Taiwan                   | 5,143               | 118        | 5,261         | 0                   | 19        | 19        | 5,280         |
| China                    | 5,283               | 0          | 5,283         | 0                   | 0         | 0         | 5,283         |
| Vietnam                  | 0                   | 125        | 125           | 0                   | 0         | 0         | 125           |
| Others <sup>Note 2</sup> | 67                  | 0          | 67            | 0                   | 0         | 0         | 67            |
| <b>Total</b>             | <b>10,618</b>       | <b>118</b> | <b>10,736</b> | <b>0</b>            | <b>19</b> | <b>19</b> | <b>10,755</b> |

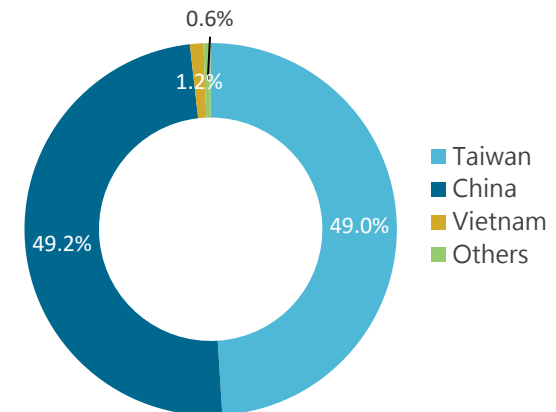
Note 1: Full-time refers to non-fixed-term contract personnel, and fixed-term contract personnel. Contract employees at WNC's sites in Taiwan include cooperative-education students, interns, and general contract employees; At WNC (Vietnam), the norm is a fixed-term labor contract. After two fixed term 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.

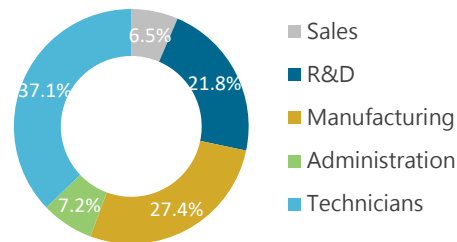
Total number of WNC global full-time employees in the last 3 years  
(Unit: persons)



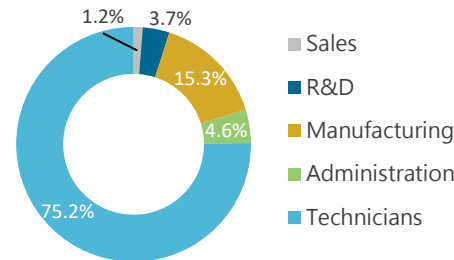
Categories of Full-Time Employees at WNC Worldwide



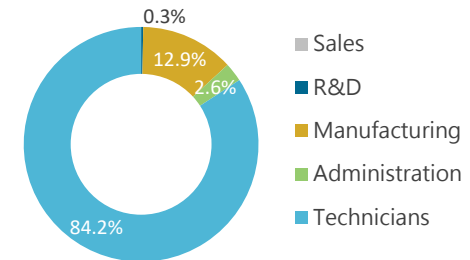
Categories of Full-Time Employees in Taiwan



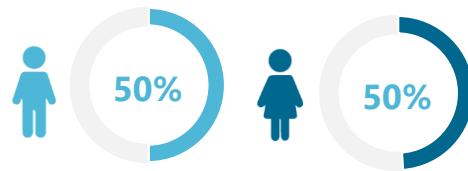
Categories of Full-Time Employees in China



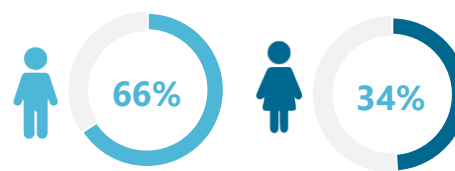
Categories of Full-Time Employees in Vietnam



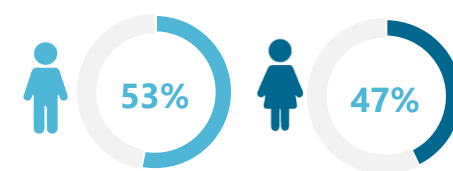
Full-Time Employee Gender Ratio in Taiwan



Full-Time Employee Gender Ratio in China



Full-Time Employee Gender Ratio in Vietnam



WNC's global full-time employee structure in 2021

| Type     |               |                             | Taiwan |        |          |       | China |        |          |       | Vietnam |        |          |       | Others |        |          |       |
|----------|---------------|-----------------------------|--------|--------|----------|-------|-------|--------|----------|-------|---------|--------|----------|-------|--------|--------|----------|-------|
|          |               |                             | Male   | Female | Subtotal | Total | Male  | Female | Subtotal | Total | Male    | Female | Subtotal | Total | Male   | Female | Subtotal | Total |
| Function | DL employees  | Taiwanese employees         | 718    | 908    | 1,626    |       | 2,654 | 1,317  | 3,971    |       | 35      | 17     | 52       |       | 0      | 0      | 0        |       |
|          |               | Foreign employees           | 12     | 803    | 815      | 2,533 | 0     | 0      | 0        | 3,971 | 0       | 0      | 0        | 52    | 0      | 0      | 0        | 0     |
|          |               | Vocational students/interns | 69     | 23     | 92       |       | 0     | 0      | 0        |       | 0       | 0      | 0        |       | 0      | 0      | 0        |       |
|          | IDL employees | Managers                    | 463    | 122    | 585      |       | 284   | 126    | 410      |       | 7       | 3      | 10       |       | 12     | 1      | 13       |       |
|          |               | Specialist staff<br>Note    | 1,364  | 779    | 2,143    | 2,728 | 538   | 364    | 902      | 1,312 | 24      | 39     | 63       | 73    | 39     | 15     | 54       | 67    |
| Age      | DL employees  | Age 30 and below            | 407    | 723    | 1,130    |       | 2,135 | 939    | 3,074    |       | 24      | 7      | 31       |       | 0      | 0      | 0        |       |
|          |               | 31-49 years old             | 371    | 925    | 1,296    | 2,533 | 508   | 372    | 880      | 3,971 | 11      | 9      | 20       | 52    | 0      | 0      | 0        | 0     |
|          |               | 50 and above                | 21     | 86     | 107      |       | 11    | 6      | 17       |       | 0       | 1      | 1        |       | 0      | 0      | 0        |       |
|          | IDL employees | Age 30 and below            | 361    | 183    | 544      |       | 177   | 106    | 283      |       | 17      | 24     | 41       |       | 0      | 0      | 0        |       |
|          |               | 31-49 years old             | 1,262  | 653    | 1,915    | 2,728 | 640   | 374    | 1,014    | 1,312 | 13      | 15     | 28       | 73    | 48     | 16     | 64       | 67    |
|          |               | 50 and above                | 204    | 65     | 269      |       | 5     | 10     | 15       |       | 1       | 3      | 4        |       | 3      | 0      | 3        |       |
| Total:   |               |                             | 2,626  | 2,635  | 5,261    |       | 3,476 | 1,807  | 5,283    |       | 66      | 59     | 125      |       | 51     | 16     | 67       |       |

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



## 4.2.2 Recruitment and Retention

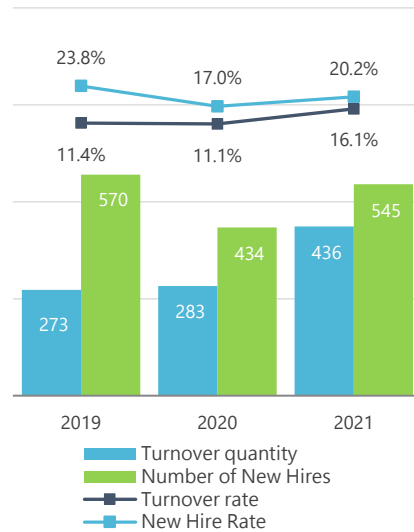
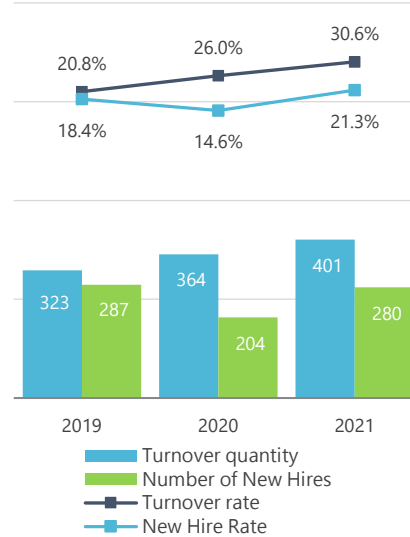
The Human Resources Administration Divisions across all WNC sites work closely with hiring business units to locate outstanding talent. For colleagues with different qualifications at different levels of the organization, we offer orientation, bonuses for long service and outstanding performance, internal transfers, promotions, salary-structure adjustments, and other incentive measures in order to create a sound work environment.

In 2021, Taiwan locations employed a total of 1,240 new employees, and the indirect and direct labor new hire rates were 20.17% and 28.47%, respectively. China locations employed a total of 19,672 new employees, and the indirect and direct labor new hire rates were 21.3% and 488.3%, 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.

Recruitment rate and resignation rate of full-time employees in WNC in 2021<sup>Note</sup>

| Type    | Total                         | IDL employees |                     |        |                  |       |        |          | DL employees        |         |                  |         |       |       |
|---------|-------------------------------|---------------|---------------------|--------|------------------|-------|--------|----------|---------------------|---------|------------------|---------|-------|-------|
|         |                               | Subtotal      | According to gender |        | According to age |       |        | Subtotal | According to gender |         | According to age |         |       |       |
|         |                               |               | Male                | Female | <=30             | 31-49 | >=50   |          | Male                | Female  | <=30             | 31-49   | >=50  |       |
| Taiwan  | Number of New Hires           | 1,240         | 545                 | 187    | 358              | 221   | 314    | 10       | 695                 | 305     | 390              | 343     | 341   | 11    |
|         | New Hire Rate (%)             | 24.11         | 20.17               | 10.35  | 39.96            | 42.66 | 16.40  | 3.72     | 28.47               | 41.78   | 22.79            | 33.04   | 26.31 | 10.28 |
|         | Number of people who resigned | 1,187         | 436                 | 302    | 134              | 111   | 303    | 22       | 751                 | 307     | 444              | 303     | 439   | 9     |
|         | Turnover rate (%)             | 23.08         | 16.14               | 16.72  | 14.96            | 21.43 | 15.82  | 8.18     | 30.77               | 42.05   | 25.95            | 29.19   | 33.87 | 8.41  |
| China   | Number of New Hires           | 19,672        | 280                 | 185    | 95               | 127   | 151    | 2        | 19,392              | 14,479  | 4,913            | 15,329  | 4,063 | 0     |
|         | New Hire Rate (%)             | 372.4         | 21.3                | 22.5   | 19.4             | 44.9  | 14.9   | 13.3     | 488.3               | 545.6   | 373.0            | 498.7   | 461.7 | 0     |
|         | Number of people who resigned | 19,530        | 401                 | 274    | 127              | 149   | 249    | 3        | 19,129              | 14,149  | 4,980            | 15,070  | 4,058 | 1     |
|         | Turnover rate (%)             | 369.7         | 30.6                | 33.3   | 25.9             | 52.7  | 24.6   | 20.0     | 481.7               | 533.1   | 378.1            | 490.2   | 461.1 | 5.9   |
| Vietnam | Number of New Hires           | 9             | 7                   | 0      | 7                | 3     | 2      | 2        | 2                   | 2       | 0                | 2       | 0     | 0     |
|         | New Hire Rate (%)             | 7.20%         | 9.59                | 0      | 16.67            | 7.32  | 7.14   | 50       | 3.85                | 5.71    | 0                | 6.45    | 0     | 0     |
|         | Number of people who resigned | 1,413         | 90                  | 53     | 37               | 24    | 65     | 1        | 1,323               | 697     | 626              | 1,039   | 279   | 7     |
|         | Turnover rate (%)             | 1130.4        | 123.29              | 170.97 | 88.1             | 58.54 | 232.14 | 25       | 2544.23             | 1991.43 | 3682.35          | 3351.61 | 1395  | 700   |

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

New Hire and Turnover Rates for IDL Employees  
at Taiwan Sites in the Last Three Years <sup>Note</sup>New Hire and Turnover Rates for IDL Employees  
at China Sites in the Last Three Years <sup>Note</sup>

## 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 43%, respectively.

| Recruitment of Local Management Talent in 2021 |   |                  |
|--|---|------------------|
| Country  | Local hires serving as managers <sup>Note</sup> |                  |
|  | Number hired                                    | Recruitment rate |
| Taiwan   | 585   | 99%              |
| China  | 410   | 92%              |
| Vietnam  | 10  | 43%              |

**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.

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. WNC actively encourages the hiring of persons with disabilities. At the end of 2021, there were 47 employees with disabilities (assessed using a weighted scale) working at WNC Taiwan sites, comprising 0.89% of Taiwan employees. 21 have mild or moderate disabilities and 13 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. 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 employment rates of ethnic minorities in Taiwan, China, and Vietnam were 0.74%, 0.53%, and 16%, respectively.

Employment of diverse talent in WNC's sites in 2021

| Country | Minorities <sup>Note</sup> |             | Employees with Disabilities |             |
|---------|----------------------------|-------------|-----------------------------|-------------|
|         | Number hired               | Recruitment | Number hired                | Recruitment |
| Taiwan  | 39                         | 0.74%       | 47                          | 0.89%       |
| China   | 28                         | 0.53%       | 5                           | 0.09%       |
| Vietnam | 20                         | 16%         | 0                           | 0.00%       |

**Note:** Ethnic minorities in Taiwan refers to aborigines and new immigrants; the term refers to non-Han ethnic

## Talent Recruitment and Industry-Academia Cooperation

In order to attract outstanding talent, WNC openly recruits talents through internal and external recruitment channels, and cooperates closely with many colleges and universities to organize activities such as campus talent recruitment, teacher and student visits, corporate mentors, technical lectures, and book and newspaper discussions. WNC also actively participates in and promotes government-industry-academia cooperation programs, assists young students to understand the industrial structure in advance, and employs talents from all walks of life and fresh graduates with development potential to prepare key technical talents at home and abroad.

## WNC's Participation in Talent Development Industry-Academia Collaboration Programs

| Type                            | Program  | Co-organizer  | Plan content   | Results   |
|---------------------------------|--|---|--|---|
| Industry-Academia Collaboration | Youth Employment Voyage Program (Ministry of Labor)                | Undergraduate students from the Department of Industrial Management of Chung Hua University   | In order to provide students in Hsinchu and neighboring counties and cities with job opportunities for both further studies and employment, while cultivating engineering professionals, since 2017, WNC has cooperated with the Department of Industrial Management of Chung-Hwa University to launch the "Industry-Academic Class of the Department of Industrial Management of Chung-Hwa University", providing dormitory and transportation vehicles, in-house employees will serve as lecturers for design special courses, and provide tuition and miscellaneous expenses subsidies for students who pass the semester, and the school will send dedicated dormitory teachers to assist in daily care. | In 2021, a total of 49 undergraduate students were retained out of the 63 admitted students. Since its inception, 227 students have been recruited for five consecutive years, and 165 students are still employed, with a retention rate of 73.0%. |
|                                 | 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 2021, a total of 14 students are still interning.  |
|                                 | Overseas Manufacturing Engineering Talent Cultivation Program      | Graduate students from the Minghsin University of Science and Technology  | A 4-year academia-industry class for foreign students is being held to guide students to combine their thesis research with practical projects.  | In 2021, a total of 11 Vietnamese post-grad students participated.  |
|                                 | International industry-academic cooperation project                | Undergraduate students, Minghsin University of Science and Technology   | In 2021, WNC took the initiative to submit a proposal to Minghsin University of Science and Technology, to provide internship credits and invite foreign students from relevant departments to take up factory internships, so that students can understand the industrial operation ecology in advance, and give them the opportunity to stay at the end of their internships.  | In 2021, a total of 14 students participated.   |
| Internships                     | 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.   | In 2021, a total of 18 undergraduate and post-graduate domestic and foreign students participated in the WNC summer internship program, and 10 of them received pre-appointment letters due to their outstanding performance during the internship. |
|                                 | 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.   | In 2021, a total of 9 college students participated.  |
|                                 | Semester/School year internship                                    | Undergraduate students of Cheng Shiu University, National Kaohsiung University of Science and Technology, Kun Shan University, National Yunlin University of Science and Technology, National Chin-Yi University of Technology, Chia Nan University of Pharmacy and Science | Carry out industry-academia cooperation with key science and technology universities around S2, recommend students who are interested in the communications industry to serve as training engineers or basic technical interns, and give outstanding students the opportunity to stay after the internship period.   | In 2021, a total of 26 students participated, and a total of 16 remained at WNC after the internship.   |
|                                 | International Industry-Academia Alliance of NTUT                   | Graduate students from the Department of Industrial Engineering of National Taipei University of Technology   | Supervising professors and WNC managers worked together to instruct the students and implement theories on production lines.   | In 2021, a total of five master students from the Institute of Industrial Engineering participated.   |

## WNC Talent Cultivation Industry-Academia Cooperation Program (Cont.)

| Type    | Program                                | Co-organizer   | Plan content   | Results   |
|---------|--|--|--|---|
| Project | Leadership Talent Development Program  | Tsinghua University Students   | Conduct a 7-month corporate cross-sector training course, with mentors leading students to understand career paths and cultivating students' soft power.   | In 2021, 10 elite students were selected and a total of 6 training courses were held, leading students to jointly develop ideas related to "Imagination" and "Enlightenment". A project to optimize the process of borrowing and returning books was implemented with excellent reviews from students.  |
|         | Career Coaching Program                | National Cheng Kung University Students  | Courses are planned according to the career interests of students, and then middle and senior managers of the Company serve as career coaches to guide students to understand the practical aspects of the industry and provide necessary employment preparation information.  | A total of 5 coaching courses were held in 2021. WNC assigned managers of business units, human resources, information, and marketing departments to serve as coaches to share practical experience in different aspects. At the same time, students were provided with the opportunity to conduct one-on-one in-depth interviews with the head of human resources. Students actively asked questions related to resume reviews, career sharing, interview skills and corporate selection criteria. |
|         | 5G+ industry star plan                 | Organizer: Industrial Development Bureau, Ministry of Economic Affairs<br>Executing unit: Institute for Information Industry | With a focus on the development of 5G products and innovative business models, we cultivate and discover 5G technical talents through the industry-academia cooperation model, in order to promote the development, upgrading and transformation of Taiwan's 5G industry.  | Invite students to participate in the company's practical research, and cooperated with two students in 2021: Small cell: / Wireless access: millisecond delay level gNB LBO project.   |
|         | Mobileheroes Communication Competition | Organizer: Industrial Development Bureau, Ministry of Economic Affairs   | WNC has sponsored National Sun Yat-sen University to hold an annual network communications competition since 2019. We also dispatched staff to guide Kaohsiung University of Science and Technology students to carry out projects related to participation in the annual communications competition to strengthen the connection between academia and industry. | Worked with two students from Kaohsiung University of Science and Technology: <a href="#">5G high-gain conformal phased array antenna and cone effect correction</a> , which won the 2021 Themed Innovation Matching Award.   |

## Retention Rate of WNC's Industry-Academia Partnership Project

| Item                         | 2017 (1st year) | 2018 (2nd year) | 2019 (3rd year) | 2020 (4th year) | 2021 (5th year) | Total |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------|
| Number of students recruited | 21              | 47              | 54              | 42              | 63              | 227   |
| Number of students retained  | 19              | 39              | 46              | 37              | 49              | 190   |
| Student retention rate       | 90.5%           | 83.0%           | 85.2%           | 88.1%           | 77.8%           | 83.7% |

Looking back on my original motivation to sign up, during the discussion of the topics, I accumulated a lot of experience in cross-discipline cooperation, whether in terms of coming up with topics, to propose improvement plans for problems, or to integrate the contents of the topic. We had the leadership of the team leader throughout every step, and everyone brainstormed and exchanged ideas with each other to create a complete improvement plan. I am very happy everyone approved of the topic I came up with, which was "Imagination and Enlightenment: Optimizing the Book Borrowing and Returning Process - Using Tsinghua University Library as an Example".

Finally, I would like to thank Yi-Na and the teaching assistants from the different corporate groups. It was because of your dedication and hard work in preparation that the corporate pilot event was held successfully. Thank you for creating such a great environment for everyone to focus on learning as much as they can!

Lee Mu-Hsuan 6/3/2021

Tsinghua University Pilot Project: Student Experience Sharing





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



Group photo of the organizers of the 2021 Network Communications Competition and supporting industries



Opening Ceremony of the National Cheng Kung University Career Training Program



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

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- ➔ 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**

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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**

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## 4.3 Overall Remuneration

### 4.3.1 Remuneration Structure

WNC regularly adjusts employees' salaries to ensure reasonable compensation for employees 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. In 2021, WNC conducted structural salary adjustments for all full-time employees in Taiwan in advance in February, and increased the company's surplus allocation ratio, as well as increased monthly work bonuses for direct employees. In response to the increase in the basic salary required by Vietnamese law, salary adjustments were carried out in January, and structural salary adjustments were made in April, in order to create a more friendly environment for talent retention.

WNC stipulates various reward systems to encourage full-time employees and units with excellent performance, such as performance bonuses, employee compensation, project bonuses, restricted stock and other equity incentive plans, as well as annual long-term employee awards, outstanding team awards, outstanding employee awards and patent awards. WNC is committed to not discriminating against employees and providing differential treatment based on gender, age, race, nationality, religion, marital status, or political views.

To help employees formulate long-term savings and retirement fund strategies, an Employee Stock Ownership Trust (ESOT) program has been set up. In order to encourage more employees to participate in the shareholding trust, the Articles of Incorporation were revised in November 2021 to relax the qualifications for membership and the number of years needed before having access to funds. As of the end of 2021, a total of 1,074 employees joined the employee shareholding trust, which was an increase of 29% compared to 2020.

For details of the remuneration system, please refer to [WNC Annual Report](#).

Remuneration for full-time employees who are not in supervisory positions in WNC Taiwan locations<sup>Note</sup>

| Item   | Difference from the previous year | 2021      | 2020      |
|--|-----------------------------------|-----------|-----------|
| <b>Number of employees</b>                         | 6.6%                              | 4,548     | 3,862     |
| <b>Total combined salary unit: (thousand NT\$)</b> | 14.8%                             | 4,475,438 | 3,712,560 |
| <b>Average salary (unit: thousand NT\$)</b>        | 7.7%                              | 984       | 961       |
| <b>Median salary (unit: thousand NT\$)</b>         | 7.9%                              | 736       | 713       |

Note: The number of full-time employees who are not in supervisory positions is based on the exemption and exclusion items described in the "Description of Reporting Operations" published by the Taiwan Stock Exchange, deducting factors such as new entry, exit, suspension of pay, and the employee's salary period is less than 6 month.

The minimum salary standard for WNC employees was superior to the legal minimum wage in 2021.

| Country | Type          | Male | Female |
|---------|---------------|------|--------|
| Taiwan  | DL employees  | 1.00 | 1.00   |
|         | IDL employees | 1.25 | 1.25   |
| China   | DL employees  | 1.14 | 1.14   |
|         | IDL employees | 1.14 | 1.14   |
| Vietnam | DL employees  | 1.21 | 1.21   |
|         | IDL employees | 1.63 | 1.63   |

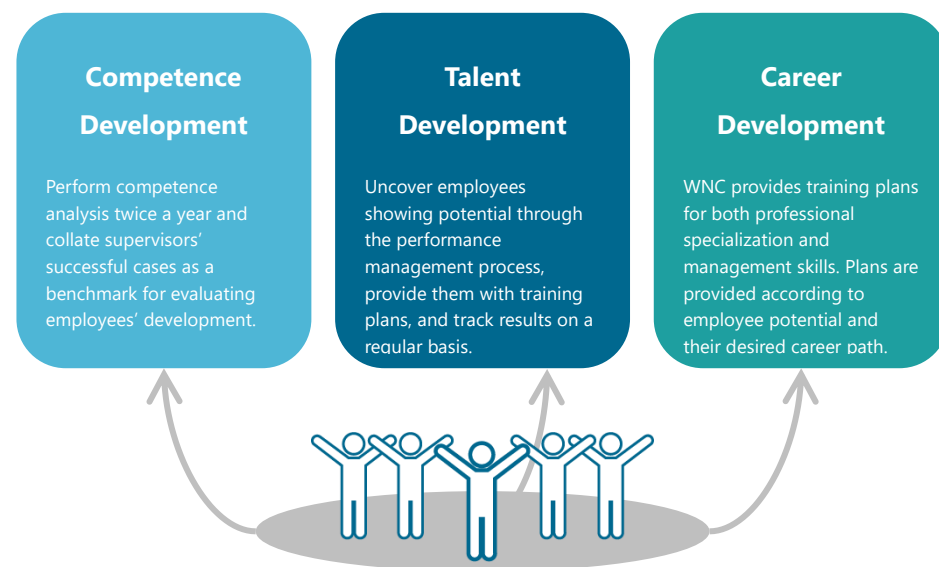
WNC's average salary ratio<sup>Note 1</sup>

| Country | Type                         | Male <sup>Note 2</sup> | Female       |
|---------|------------------------------|------------------------|--------------|
| Taiwan  | DL employees                 | 1                      | 0.97         |
|         | IDL employees                |                        |              |
|         | Managers<br>Specialist staff | 1<br>1                 | 0.85<br>0.83 |
| China   | DL employees                 | 1                      | 0.94         |
|         | IDL employees                |                        |              |
|         | Managers<br>Specialist staff | 1<br>1                 | 0.90<br>0.85 |
| Vietnam | DL employees                 | 1                      | 0.92         |
|         | IDL employees                |                        |              |
|         | Managers<br>Specialist staff | 1<br>1                 | 0.96<br>0.84 |

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.

## 4.3.2 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 2021, rates of male and female employees accepting WNC career planning were 20.5% and 19.2% respectively.

Percentage of WNC employees accepting career planning<sup>Note 1</sup>

| Country | Position         | Number hired |        | Percentage (%) <sup>Note 2</sup> |        |
|---------|------------------|--------------|--------|----------------------------------|--------|
|         |                  | Male         | Female | Male                             | Female |
| Taiwan  | DL employees     | 83           | 103    | 11.4                             | 6.0    |
|         | IDL employees    |              |        |                                  |        |
|         | Managers         | 75           | 26     | 16.2                             | 21.3   |
|         | Specialist staff | 180          | 112    | 13.4                             | 14.5   |
|         | Subtotal         | 338          | 241    | 13.3                             | 9.1    |
| China   | DL employees     | 745          | 511    | 28.1                             | 38.8   |
|         | IDL employees    |              |        |                                  |        |
|         | Managers         | 72           | 32     | 25.4                             | 25.4   |
|         | Specialist staff | 82           | 58     | 15.2                             | 15.9   |
|         | Subtotal         | 899          | 90     | 25.9                             | 33.3   |
| Vietnam | DL employees     | 8            | 7      | 22.9                             | 41.2   |
|         | IDL employees    |              |        |                                  |        |
|         | Managers         | 0            | 0      | 0                                | 0.0    |
|         | Specialist staff | 0            | 1      | 0.0                              | 2.6    |
|         | Subtotal         | 8            | 8      | 12.1                             | 13.6   |
| Total   |                  | 1245         | 850    | 20.5                             | 19.2   |

Note 1: Does not include the Chairman or 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.

### 4.3.3 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 six 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.

### 4.3.4 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.
- Parental leave, family care leave, menstruation leave for female employees, paternity leave for male employees and other leave according to the physical condition and family care needs of employees, and employees can arrange vacations flexibly according to actual needs.
- To encourage employees to get vaccinated against COVID-19, WNC provides 2 days of paid vaccine leave for each dose starting in 2021.
- In response to suggestions of employees through the employee suggestion platform and help employees avoid traffic jams and take into account the needs of employees to pick up and drop off children, WNC has relaxed the flexible commuting time from January 1, 2022, and will plan for other options in the future. Flexible attendance plans provide employees with more diverse work models.

According to local laws and regulations, employees in China can enjoy 5 days of special leave, 13 days of marriage leave, 128 days of maternity leave, 15 days of paternity leave, and 15 days of difficult labor leave after working for one year. They may also apply for rest and recuperation leave according to different needs. From 2022, according to the "Jiangsu Province's Notice on the Implementation Plan for Optimizing the Fertility Policy to Promote Long-term Balanced Development of the Population", a new system of parental leave will be implemented. Maternity leave for female employees will be extended to 158 days, and male employees can enjoy 15 days of nursing leave after their wives give birth. Before the child turns 3, both the husband and wife are entitled to 10 days of parental leave each year. If an employee is the only child in the family, when their parents reach the age of 60 and become ill and hospitalized, the only-child employee can enjoy 5 days of paid nursing leave per year.

According to local laws and regulations, new employees in Vietnam are entitled to 12 days of special leave, 3 days of marriage leave, 6 months of maternity leave or paternity leave (5 days for natural birth, 7 days for caesarean section), and family care leave (20 days for those over 3 years old; 15 days for children over 3 years old but under 7 years old).

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

| Category                         | Source                   | Ratio         |
|----------------------------------|--------------------------|---------------|
| Labor Standards Act (old scheme) | Contributed by employers | 2%            |
| 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 |                          |
|--|-----------------------------|-----------------------------|--------------------------|
|  |                             | Contributed by employers    | Contributed by employees |
| Regulations 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 | 0.70%                       | N/A                      |
|  | Unemployment Insurance      | 0.50%                       | 0.50%                    |
|  | Maternity Insurance         | 0.80%                       | N/A                      |
| 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 |                          |
|---|-----------------------------|-----------------------------|--------------------------|
|   |                             | Contributed by employers    | Contributed by employees |
| Regulations on Payment of Social Insurance and Unemployment Insurance | Social Insurance            | 17.00%                      | 8.00%                    |
|   | Medical Insurance           | 3.00%                       | 1.50%                    |
|   | Employment Injury insurance | 0.50%                       | N/A                      |
|   | Unemployment Insurance      | 1.00%                       | 1.00%                    |

## 4.4 Talent Cultivation

WNC Employee Career Development



### 4.4.1 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.

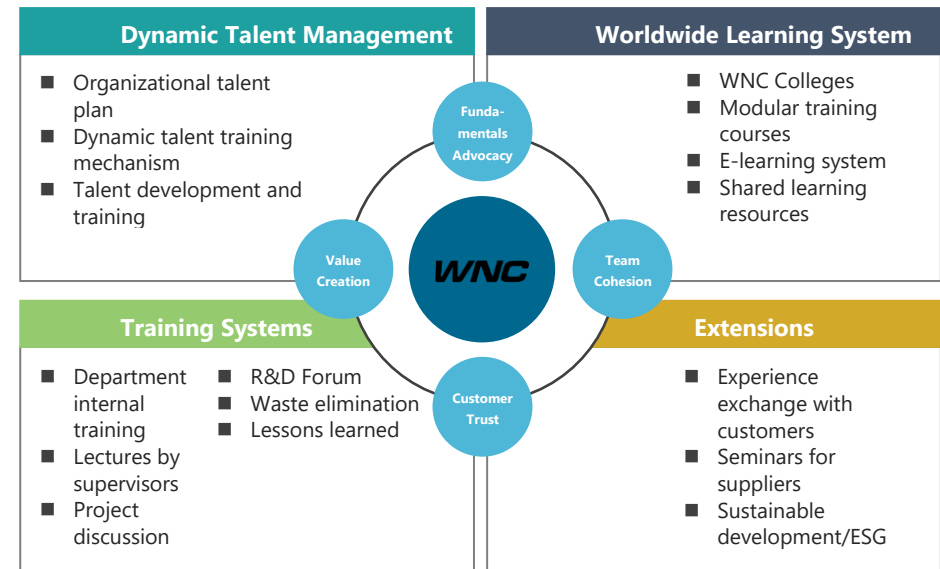
#### Cultivation of Outstanding Employees

For high-potential, high-performance talents, ability evaluations and personal development planning are provided to combine organizational development goals, and use multiple learning contents and methods, including curriculum training, action learning, job rotation, project assignment, challenging task execution and one-on-one Coaching to motivate and strengthen the abilities of employees, enhance practical experience and gain 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 Capabilities

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





## 4.4.2 Training Systems

### Encouraging Participation in Internal and External Training

In addition to the five college courses, WNC also encourages employees to participate in other internal and external training to increase the breadth and depth of their personal competency training. The external training courses include various seminars, lectures, professional training and on-the-job training. The external training courses can be fully subsidized with the approval of the supervisor of the affiliated unit. The English language training courses can be subsidized up to NT\$10,000 per person per year. 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 2021, WNC's sites have trained a total of 349 internally certified lecturers, and continue to promote related skills.

### 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.

## 4.4.3 Worldwide Learning System

### E-learning System

WNC LMS (learning management system) human resource development system is a resource sharing platform for education, training and performance management. You can also manage organizational and personal learning records through this system, such as applying for internal training, or applying for internal and external training. The system will automatically issue course notifications, submit after-class study reports, post-lesson satisfaction surveys and other reminder messages.



### i-Learning Self-Learning Website

Due to the impact of the pandemic and a rapidly changing knowledge environment, the i-Learning self-learning website was launched on the Company's internal website in June 2021. By linking internal and external resources, the website provides an annual course structure chart of the college is provided, and a digital course list is updated in real time, providing multiple learning channels, helping employees and organizations to establish self-learning environments and habits.

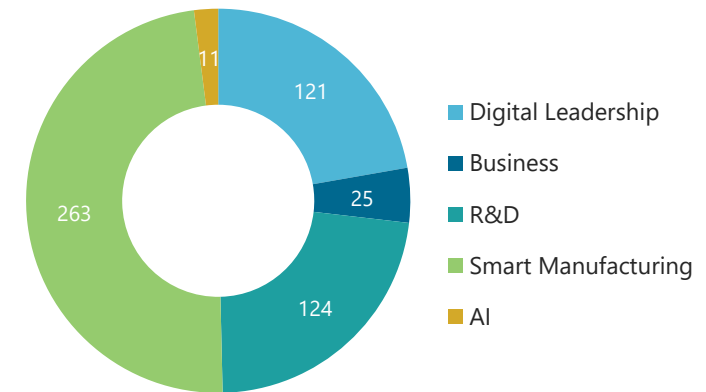
### Modularized Courses

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. In 2021, WNC Colleges held a total of 544 courses, and there were a total of 213,812 participants.

Number of Courses Organized by WNC Colleges



## WNC Colleges

| College name   | Principal                                   | Participant  | Purpose  | Description   |
|--|---|--|--|---|
|  <b>Digital Leadership College</b>    | CHO   | Functional unit supervisors                              | <ul style="list-style-type: none"> <li>■ 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.</li> <li>■ Help new employees understand the corporate culture, work environment, and system operations. At the same time, in accordance with government laws and company policies, a number of functional and skill-related courses are planned to enhance the work efficiency and self-management capabilities of all employees.</li> </ul> | <ul style="list-style-type: none"> <li>■ 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.</li> <li>■ Including newcomer training, fire drills, emergency response drills, responsibility, upward management, presentation production and skills, internal lecturer skills training and other courses; additionally, training for newcomer counselors, so that counselors understand newcomer characteristics, improve counseling skills, and provide successful guidance, in order to help new employees shorten the adaptation period and smoothly integrate into the WNC family.</li> </ul> |
|  <b>Business College</b>              | 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.  |
|  <b>R&amp;D College</b>               | CTO   | Product R&D Center/RD Forum Chairperson                  | Following the company's research and development focus, the establishment of the RD Forum and the introduction of R&D innovation methods will enrich the research and development staff's own skills and further cultivate new research and development knowledge. Through the RD Forum, R&D employees can conduct cross-domain technical exchanges, so that R&D employees specializing in different fields can have more comprehensive vision and thinking.   | Each moderator of the RD Forum participates in the planning of the R&D Academy courses, and improves the technical knowledge of R&D employees through industry-university cooperation and external experts.   |
|  <b>Smart Manufacturing College</b> | General Plant Manager/CQO/QA center manager | Manufacturing/Quality Assurance/Materials Center Manager | 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.   |
|  <b>AI &amp; Digital College</b>    | 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, based on the principles of "learning, inspiration, and implementation", teaches AI knowledge to employees through integrated online and offline resources. It effectively integrates and shares internal and external learning resources. AI projects are shared to inspire flexible applications in the various units and promote the implementation of WNC AI and digitization courses.   |

## 4.4.4 Training Participation

There are no differences based on gender in the planning and organization of education and training for employees of WNC. In 2021, the average education and training hours per WNC employee was 29.7 hours (most of the key supervisors were transferred to the new Vietnam factory, resulting in lower average training hours for supervisors in the original Vietnam site), and the related expenses totaled NT\$10.4 million. The satisfaction survey result was 4.5 points (out of 5 points).



Hours of education and training courses by job level and gender in 2021

| Country | Group            | Male               |   |  | Female             |   |  | Total              |   |  |
|---------|------------------|--------------------|---|--|--------------------|---|--|--------------------|---|--|
|         |                  | Training hours (A) | Number of employees <sup>Note 1</sup> (B) | Average hours per person <sup>Note 2</sup> (A/B) | Training hours (C) | Number of employees <sup>Note 1</sup> (D) | Average hours per person <sup>Note 2</sup> (C/D) | Training hours (E) | Number of employees <sup>Note 1</sup> (F) | Average hours per person <sup>Note 2</sup> (E/F) |
| Taiwan  | DL employees     | 7,820              | 799                                       | 9.8  | 16,488             | 1,734                                     | 9.5  | 24,308             | 2,533                                     | 9.6  |
|         | Managers         | 24,696             | 463                                       | 53.3   | 5,399              | 122                                       | 44.3   | 30,095             | 585                                       | 51.4   |
|         | IDL employees    |                    |   |  |                    |   |  |                    |   |  |
|         | Specialist staff | 33,992             | 1,364                                     | 24.9   | 16,286             | 779                                       | 20.9   | 50,278             | 2,143                                     | 23.5   |
| China   | DL employees     | 95,699             | 2,654                                     | 36.1   | 47,266             | 1,317                                     | 35.9   | 142,965            | 3,971                                     | 36.0   |
|         | Managers         | 12,591             | 284                                       | 44.3   | 5,976              | 126                                       | 47.4   | 18,568             | 410                                       | 45.3   |
|         | IDL employees    |                    |   |  |                    |   |  |                    |   |  |
|         | Specialist staff | 26,239             | 538                                       | 48.8   | 15,847             | 364                                       | 43.5   | 42,085             | 902                                       | 46.7   |
| Vietnam | DL employees     | 7,380              | 35  | 210.9  | 93                 | 17  | 5.5  | 7,473              | 52  | 143.7  |
|         | Managers         | 8                  | 7   | 1.1  | 32                 | 3   | 10.7   | 40                 | 10  | 4.0  |
|         | IDL employees    |                    |   |  |                    |   |  |                    |   |  |
|         | Specialist staff | 1,235              | 24  | 51.5   | 216                | 39  | 5.5  | 1,451              | 63  | 23.0   |
| Total   |                  | 209,660            | 6,168                                     | 34.0   | 107,603            | 4,501                                     | 23.9   | 317,263            | 10,669                                    | 29.7   |

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

### Employee transition assistance

When a supervisor finds that the work performance of an employee is not as expected, in addition to actively caring for the physical and mental condition of the employee, it is necessary to clarify whether there are other internal and external factors. If necessary, the supervisor will cooperate with the Human Resources Department to initiate a Performance Improvement Plan (PIP). Regular performance reviews and coaching interviews will be conducted within the period to provide employees with immediate guidance and feedback, help improve their functions and work performance, and reduce the impact on organizational performance. In order to assist managers in dealing with and improving the competency of failing employees in a timely and effective manner, a course on "Handling of Under-performing Employees" is held every year for newly appointed supervisors.



## 4.5 Occupational Safety and Health

### 4.5.1 Occupational Safety and Health Management

#### Occupational Safety and Health Management System



**Zero major  
occupational  
accidents**

WNC has 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. No major occupational accidents occurred at any locations in 2021.

#### 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. In 2021, the election of labor representatives was held in December. 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 2021, a total of 211 contractors participated.

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 7 union committee members. Union committee representatives are responsible for reporting on occupational safety and health administrative matters to company management at union meetings.

#### Risk identification

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.

#### Occupational Safety and Health Training

Pursuant to occupational safety and health measures, WNC holds educational and training courses to enhance employees' awareness and skills related to occupational safety and health and boost their ability to predict hazards.

## WNC occupational safety and health education and training courses in 2021

| Course  | Course Objective   | Course Content  | Trainer                                     |
|---|--|---|---|
| <b>Basic Safety Training for All Employees</b>  | 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                      |
| <b>Electricity Safety</b>   | During equipment introduction, wiring and operation stages, electrical load is managed to avoid power outages that affect production and to ensure electrical safety.                            | Infrared thermal imager operation training  | External technical consultant               |
| <b>Mechanical Equipment Safety Circuit</b>  | Understand international safety standards, improve equipment safety and reliability through risk assessment and safety circuits and component design, while reducing hidden costs in the future. | International safety regulations, risk assessment, and safety circuit practice.   | External technical consultant               |
| <b>Accident Investigation</b>   | Enhance the investigator's ability to discover the truth, and formulate effective accident prevention and recurrence prevention capabilities.  | Share case studies and explain accident investigations, information collection, and improvements. Conduct group drills. | Former Labor Inspection Office Director     |
| <b>Safe driving training</b>  | Improve the safe driving abilities of employees to reduce the occurrence of traffic accidents.   | Case sharing and accident handling analysis   | Hsinchu City Traffic Police Brigade Captain |
| <b>Discussion on abnormalities and personal injury accidents in plants around the world</b> | Through accident research, we propose preventive and improvement countermeasures to reduce abnormal events and accidents in our plants around the world.   | Case sharing to discuss prevention and improvement strategies   | Industrial safety                           |

## Work environment monitoring

In accordance with the "Implementation Measures for Labor Working Environment Monitoring", Taiwan sites implement working environment monitoring every six months, and in response to new regulations, promote a respiratory protection plan and fit test of respiratory protective equipment. If a non-conforming item is found, WNC executes corrective measures accordingly. In addition, carbon dioxide monitoring systems are also installed in offices to ensure that the working environment maintains good air quality. S1 established a wastewater plant in 2021 and added a new production area on the first floor of the plant building. The concentration of chemicals is lower than the allowable exposure standard to maintain the health of workers.

## 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.

## Chemical Management

In order to avoid misuse of listed or banned chemical substances, and to effectively use and manage chemicals, Taiwan sites have introduced an "Online Review System for New Chemicals". The hazard classification is used for the approval of products, and the serial procurement and part number system are integrated to strengthen source control. The system will be implemented in 2022.

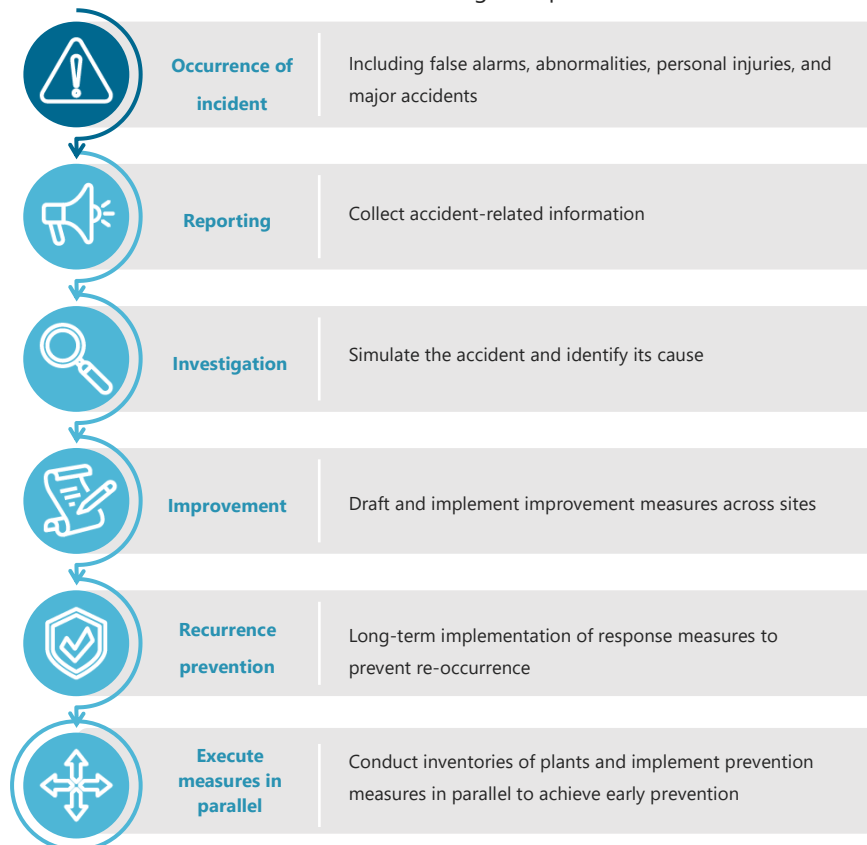
## Chemical Substances Management Process



## 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. At the same time, FMEA (Failure Mode and Effect Analysis) and domino analysis methods are also used to conduct a more in-depth review and discussion of the real causes of accidents and improve processes and improve safety standards and standardize specifications, as well as strengthen fool-proofing mechanisms.

WNC accident investigation process



## Occupational Injury Statistics

In 2021, there were 18 cases of disabling injury of employees in Taiwan, and 2 cases of disabling injury of non-WNC employees. The types of injuries were mainly cuts, falls, sprains, and crushing type injuries. All incidents have been investigated and accident causes have been analyzed. Responsible units are requested to formulate appropriate improvement and prevention measures.

In China, there were 21 cases of disabling injury and no non-WNC personnel suffered any injuries. These injuries included traffic accidents, hand contusion and accidents in public areas; there were no injuries whatsoever in Vietnam. Each accident has been investigated and the cause has been analyzed, and the responsible unit has been requested to formulate improvement measures to reduce the risk to employees in the plants. No employees or non-WNC personnel working at WNC sites in Taiwan or China suffered permanent disabilities or death from occupational injuries.

Occupational injury statistics of WNC employees in 2021 <sup>Note 1</sup>

| Item   | Taiwan <sup>Note 2</sup> |        | China |        | Vietnam |        |
|--|--------------------------|--------|-------|--------|---------|--------|
|  | Male                     | Female | Male  | Female | Male    | Female |
| Number of serious occupational injuries                          | 0                        | 0      | 0     | 0      | 0       | 0      |
| Number of recordable occupational injuries                       | 8                        | 10     | 13    | 8      | 0       | 0      |
| Percentage of serious occupational injuries <sup>Note 3</sup>    | 0                        | 0      | 0     | 0      | 0       | 0      |
| Percentage of recordable occupational injuries <sup>Note 4</sup> | 0.31                     | 0.39   | 0.37  | 0.44   | 0       | 0      |
| Occupational disease rate (ODR) <sup>Note 5</sup>                | 0                        | 0      | 0     | 0      | 0       | 0      |
| Occurrence rate of near misses <sup>Note 6</sup>                 | 1.410                    |        | 0.019 |        | 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:** Rate of serious occupational injury = number of serious occupational injuries (excluding fatalities)/hours worked × 200,000

**Note 4:** Recordable occupational injury rate = number of recordable occupational injuries/working hours × 200,000

**Note 5:** Occupational Disease Rate (O.D.R.) = Number of Occupational Disease Cases / Total Working Hours × 200,000

**Note 6:** Near misses accident rate = number of false alarm accidents / total working hours × 200,000

## 2021 occupational injury statistics

| Subject   | Item   | Taiwan |        | China |        | Vietnam |        |
|---|--|--------|--------|-------|--------|---------|--------|
|   |  | Male   | Female | Male  | Female | Male    | Female |
| Contractors<br>(construction)                       | Number of serious occupational injuries                          | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Number of recordable occupational injuries                       | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Percentage of serious occupational injuries <sup>Note 3</sup>    | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Percentage of recordable occupational injuries <sup>Note 4</sup> | 0      | 0      | 0     | 0      | 0       | 0      |
| Contractors<br>(security,<br>cleaning,<br>catering) | Number of serious occupational injuries                          | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Number of recordable occupational injuries                       | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Percentage of serious occupational injuries <sup>Note 3</sup>    | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Percentage of recordable occupational injuries <sup>Note 4</sup> | 0      | 0      | 0     | 0      | 0       | 0      |
| Dispatch<br>employees                               | Number of serious occupational injuries                          | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Number of recordable occupational injuries                       | 2      | 0      | 0     | 0      | 0       | 0      |
|   | Percentage of serious occupational injuries <sup>Note 3</sup>    | 0      | 0      | 0     | 0      | 0       | 0      |
|   | Percentage of recordable occupational injuries <sup>Note 4</sup> | 2.4    | 0      | 0     | 0      | 0       | 0      |
| Occurrence rate of near misses <sup>Note 6</sup>    |  | 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 2021, the training plan for Taiwan sites adopted complex scenario simulations, integrated early stage response measures, including drills for on-site search and rescue, initial disaster handling, regional evacuation, evacuated personnel headcount, etc. Practices have been adjusted to be more responsive in the event of an emergency. A total of 15 plant-wide evacuation drills were held during day and night shifts of Taiwan sites.

In addition to holding firefighters' firefighting skills and disaster prevention safety drills on a monthly basis in Kunshan, China, in 2021, Wistron NeWeb (Kunshan), WNC Kunshan and WebCom (Kunshan) held a total of 12 fire evacuation drills for the whole factory for day shifts and night shifts. A full-staff evacuation drill is held every six months. WebCom (Nanjing) held one fire-fighting evacuation drill for the entire plant. The Vietnam sites held a total of four plant-wide evacuation drills for day shifts and night shifts.



Chemical disaster drill: Leak handling



Evacuation drill: Roll call



Evacuation drill: Firefighting

## 2021 In-Plant Disaster Reduction Plan

| Classification                          | Item                                    | Description   |
|---|---|---|
| Improve emergency response capabilities | Onsite inspection <sup>Note</sup>       | An onsite irregularity reporting and verification mechanism has been implemented at plants worldwide. Employees can file reports immediately in case of accident. A response unit will be activated promptly to handle first-degree disasters and reduce damage.  |
|   | Evacuation drill                        | <ul style="list-style-type: none"> <li>■ In addition to the monthly regular high-temperature/high-hazard machine no-warning drills, area drills are also performed monthly for high-risk areas of the plant. In 2021, in order to take into account epidemic prevention issues, epidemic prevention reminders were announced before the drills. During drills, social distancing is increased at evacuation assembly points, and each unit will return to work after the roll call is completed, so as to implement epidemic prevention measures and curb the spread of the virus.</li> <li>■ At the end of the year, Headquarters simulated an "earthquake-induced power outage and chemical disaster" scenario, and held personnel evacuation drills and leakage treatment.</li> <li>■ At the end of the year, S1 simulated a "fire on the burn-in trolley", and held fire response and personnel evacuation drills. A total of 4 sessions were held for day and night shifts.</li> </ul> |
| Enhance work safety                     | Burn-in Room Enhancing safety           | <ul style="list-style-type: none"> <li>■ Formulate safety specifications to improve the safety of test boards/fixture boards used in burn-in rooms.</li> <li>■ Standards formulation and notices for prohibited items such as paper, foam and plastic to reduce fire risk.</li> <li>■ Trolleys are inspected before being put into use, and safety of trolleys is regularly checked; at the same time, wireless smoke detectors are incorporated into the SCADA monitoring system, safety design guidelines for the burn-in room are formulated, and standards for prohibited items are strengthened.</li> </ul>  |
|   | Production line noise improvement       | <ul style="list-style-type: none"> <li>■ Investigate and introduce noise reduction technology, and discuss and verify the results with the responsible units.</li> </ul>  |
|   | Enhancing pedestrian safety             | <ul style="list-style-type: none"> <li>■ Strengthen the safety concept of employees with actual cases through multiple channels, including publicity of personal injury incidents in the factory, overseas video of a death from falling downstairs, Line group of the foreign laborer dormitory manager and verbal guidance from shift leader.</li> <li>■ Add safety signs, including adding walking safety announcements or slogans in the stairwell to remind employees to pay attention to safety when going up and down stairs.</li> <li>■ Regular inspections and audits of internal implementation.</li> </ul>   |
|   | Sign display and locking of equipment   | When a machine is shut down for maintenance or troubleshooting, it must be tagged and locked to warn others and prevent the equipment from being turned on by mistake and from power leakage.   |
|   | Warning notices                         | During wiring, maintenance, construction or troubleshooting, maintenance notices must be set up to avoid accidental access or accidental contact by non-operators.  |
|   | Hazardous Post Safety Management System | For high-risk operations in the factory, operators must have operational qualifications or standards, including adequate education and training, professional skills assessment or certification, before they can operate on a production line.   |
| Early prevention                        | Equipment safety inspection             | Taiwan and China sites promote a safety inspection system for high-temperature equipment, and use infrared thermal imaging cameras to detect temperature rises in equipment electrical panels and wiring to facilitate early assessment of equipment safety and reduce fire risks.  |
|   | Potential Risk Reporting                | To improve plant safety Hsinchu sites have established a hidden danger reporting platform and set up competitions to encourage employees to actively look for potential risks, actively manage operations, and prevent environmental hazards. If employees find safety hazards in the facility, they can report them in real time through the online platform to speed up the elimination of hidden dangers and improve workplace safety.   |
|   | Abnormality report                      | In 2021, S1 introduced high-temperature and high-risk abnormality reports, analyzed past alarms, and worked with relevant units to formulate improvement and optimization plans to reduce the frequency of false alarms.  |

Note: On-site operators find abnormalities in the area immediately after occurrence



## Traffic Incident Reduction Program

In addition to paying attention to the safety of employees in the workplace, WNC also seeks to reduce the safety risks of employees during their commutes. WNC has implemented the following projects in 2021:

- Diversified traffic safety publicity channels: Defensive driving courses have been added to training courses for newcomers, and multiple publicity methods such as website announcements, electronic billboards, bulletin boards are used to help employees better understand safe driving concepts;
- Traffic safety seeds: Regularly train traffic safety seed personnel of various units/regions to assist the company to strengthen the breadth and depth of publicity.
- Traffic safety competitions: Through simple question and answer activities, the participation of employees in traffic safety publicity will be enhanced, and the safety driving skills and defensive driving concepts of employees will be strengthened at the same time.
- Safe driving promotion: Invite Hsinchu City traffic police unit to promote defensive driving concepts to higher-risk groups (production interns and employees who have had accidents).



Traffic police invited to promote traffic safety in WNC



Traffic safety seed personnel training



Traffic safety Q&A with prizes



Traffic safety posters

## 4.5.2 Contractor Management

WNC has drawn up a Contractor ESH Management Procedure to ensure the safety of both contractors and 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.

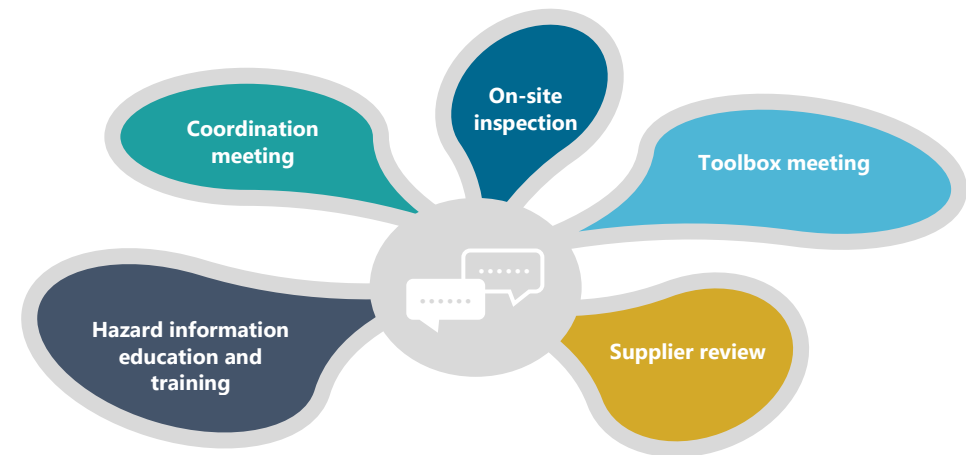
WNC conducts contractor review annually to evaluate contractors' safety and health management capabilities. Guidance or replacement of contractors is executed according to review results. Starting from 2020, construction evaluations will be added for new contractors, and the contractor evaluation items, scoring standards and calculation formulas will be more clearly and specifically defined to ensure the standardization of evaluations and reduce manual calculations errors. In addition, in order to strengthen the management of hazardous operations of contractors, a checklist has been drawn up for higher-risk operations including hot work, roofing, hanging, and restricted operations, to ensure that contractors follow the safety standards before, during, and after operations. In 2021, a total of 4 new suppliers in the factory construction category were evaluated, and 1 supplier was replaced.

WNC Contractor Review

| Subject              | Category                                   | Item   |  |
|----------------------|--|--|--|
| Existing contractors | Annual evaluation                          | <ul style="list-style-type: none"> <li>Education and training records</li> <li>Operation protective measures</li> <li>Automatic checks</li> </ul>                  | <ul style="list-style-type: none"> <li>In-plant violations</li> <li>Certification requirements</li> </ul>                            |
|                      |  | <ul style="list-style-type: none"> <li>Disclosure of major occupational injuries</li> <li>Certification requirements</li> <li>Work inspection mechanism</li> </ul> | <ul style="list-style-type: none"> <li>Management system for onsite construction</li> <li>Sub-contractor review mechanism</li> </ul> |
| New contractors      | Evaluation of new construction contractors |  |  |

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



For contractors (including security, group meals and cleaning staff) who perform daily operations on WNC sites, in order to improve implementation of labor rights, non-discrimination, integrity, anti-corruption, illegal reporting and occupational safety and health, etc. since 2016, it is stipulated in the general contractor contract that all contractors should comply with the relevant provisions of the "WNC Supplier Code of Conduct", and complete the "Supplier Integrity Commitment" and "Supplier CSR Questionnaire" before the effective date of the contract.

## 4.5.3 Food Safety



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

|            |   |
|------------|---|
| Management | <ul style="list-style-type: none"> <li>■ 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.</li> <li>■ Rigorous selection of certified meal service vendors and daily inspection to ensure that vendors follow all government regulations and food safety laws.</li> <li>■ 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.</li> <li>■ Formulate the selection criteria for group catering manufacturers, list food safety-related certifications (HACCP, ISO 22000) as necessary conditions, and strictly control food safety for employees.</li> <li>■ Pandemic prevention measures: to avoid infection concerns during meal times, canteen seating has been reduced, partitions installed, and cleaning is conducted more frequently.</li> </ul> |
| Monitoring | <ul style="list-style-type: none"> <li>■ The Industrial Safety Dept. conducts a safety and hygiene examination of the company kitchen and announces the results each month.</li> <li>■ 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.</li> <li>■ 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.</li> <li>■ Bi-monthly water quality tests of water dispensers and results announcements.</li> </ul>  |

## 4.6 Employee Care

### 4.6.1 Healthy Workplace

In order to create a friendly and healthy workplace, WNC continues to promote a series of health care measures and health promotion activities.



#### Employee Medical Examinations

WNC Taiwan cooperates with Hsinchu Mackay Memorial Hospital, National Taiwan University Hospital Hsinchu Branch, Hsinchu Science Park Clinic, Tainan/Madou Sin-Lau Hospital and Southern Taiwan Science Park Clinic every year to conduct general/special new medical examinations, general/special on-the-job health examinations and occupational medicine specialists' on-site health service. The annual health check-up rate is as high as 99%.

All new employees in WNC's sites in China are required to undergo general health

examinations. In addition, according to the "Occupational Disease Prevention Law of the People's Republic of China", employees with potential occupational disease hazards will also be provided with new, in-service and pre-employment occupational health examinations for special projects; All employees in the Vietnam operating location are required to undergo general health examinations on a regular basis every year. In addition, according to the "Labor Law" and "Occupational Health and Safety Law", employees with potential occupational disease hazards are also provided half-yearly occupational health examinations for special projects.

#### Professional Medical 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.

Statistics of full-time medical staff in WNC's sites in 2021

| Medical personnel | Taiwan   | China    | Vietnam  |
|-------------------|----------|----------|----------|
| Facility doctor   | 2        | 0        | 0        |
| Facility nurse    | 6        | 1        | 1        |
| <b>Total</b>      | <b>8</b> | <b>1</b> | <b>1</b> |

WNC Taiwan has purchased a "Health Management System" to facilitate the recording and management of employees' health histories. Health grading management is divided into 5 grades from A to E according to the results of the inspection items. The higher the grade, the higher the health risk. Different management measures are provided at different levels, including regular tracking, security guard education, plant doctor consultation or outpatient and emergency re-examination. In 2021, 500 plant-medical consultations were conducted, and the tracking rate of E-levels with the highest health risk reached 100%.

## Health Promotion Activities

WNC sites in Taiwan implement one health promotion project every year. In response to the rapidly changing epidemic situation and in line with "A Workplace You Can Feel Safe In", "Common Good", "Health Care" and "Consultation and Assistance" activities will be launched digitally, so as to continue to take care of the physical and mental health of employees. When the pandemic situation stabilized, WNC organized a spring hiking event and encouraged employees and their family members to participate.

As the pandemic situation worsened in May 2021, WNC designated a person in each unit to communicate WNC's epidemic prevention policy and provide help when needed. In addition, the Employee Health Monitoring Platform was established to help prevent infection and protect employees' health.

## 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 can call the free dedicated line for consultation during the consultation and consultant service hours. If further individual interviews need to be arranged, the counselor will refer them to professional consultants for consultation. Each employee can enjoy 2 free individual interviews per year.

In order to help employees to understand the "WNC Employee Assistance Service Plan", we also produced and distributed EAP personal cards. By the end of 2021, a total of 259 people have used the first-stage free consultation hotline, and a total of 28 people have used the second-stage individual interview service, of which the second-stage service categories include 14 legal issues, 2 family parent-child cases, 7 interpersonal/workplace relationship cases, 2 career and work cases, 1 leadership management case, 1 case related to stress, and 1 case related to financial issues.



## Preventive Care Services

### Maternity protection

WNC has formulated the "Maternal Health Protection Standards", visited the working environment of employees during pregnancy or after childbirth, and consulted plant doctors, and provided relevant health education before, during and after pregnancy.

### Infectious disease prevention

The "Free Quadrivalent Influenza Vaccine" campaign is held every year for all factory employees (including those stationed in the factory). In 2021, employees and resident staff received a total of 1,606 doses of influenza vaccine, with a vaccination rate of 27.9%, and related expenditures totaling NT\$1.04 million for epidemic prevention work.

In response to the COVID-19 pandemic, WNC refers to the relevant information of the CDC to formulate epidemic classification and epidemic prevention measures, and actively prevent cluster infections in plants. In addition to promoting epidemic prevention concepts to employees, WNC also screens and isolates high-risk cases in the first instance, and 100% tracks and manages the follow-up health of high-risk cases. In 2021, a total of 263 cases were tracked, while maintaining zero confirmed cases. In order to provide a relatively safe working environment for employees, anti-epidemic materials such as ear (forehead) thermometers, 75% sanitizing alcohol, and medical masks, to effectively stop the epidemic.

### Occupational disease prevention

We hold lectures on vision care and musculoskeletal injury prevention from time to time, and hold hearing protection courses on a regular basis. Factory nurses, industrial safety personnel, factory doctors, and unit supervisors conduct work environment visits and help implement improvements to work procedures/environments. In response to the addition of a respiratory protection plan to the Occupational Safety and Health Act in 2020, 16 employees were arranged to wear respiratory protection in 2021 and have completed the physical assessment by the plant doctor.

## Emergency Care System

WNC has 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 restocks the medical supplies of each unit. WNC headquarters has signed an emergency ambulance contract with the Hsinchu Science Park Clinic, so that emergency services can be provided immediately when necessary.



## A Workplace You Can Feel Safe In

WNC introduced the “A Workplace You Can Feel Safe In” initiative at its Taiwan sites in 2021. The goal of this initiative is to create a work place that ensures and protects the physical and mental wellbeing of WNC employees. Through the “Five Elements of Workplace Well-Being” listed here, the initiative encourages all WNC employees to work together and create a safe workplace.



### ■ The Common Good: implement measures to prevent workplace harassment and provide easy-to-use communication channels for employees.

The series of activities relating to the common good of WNC employees were enthusiastically kicked off by our top tier managers in 2021. In the “Enthusiasm Relay” activity, 45 employees uploaded photos to show their support for turning the workplace at WNC into a friendly environment for all. Since the Employee Suggestions Platform launched in September 2020, an updated video introduction for the platform was added in 2021, and a Q&A activity was held alongside the video release to give employees an opportunity to better understand the platform and how to use it.

### ■ Safety & Health: ensure food safety, environmental sanitation, and occupational safety and health.

In August 2021, the “Protecting Your Safety & Health” and “Safe and Healthy Food” videos were released to give an overview of the measures WNC has implemented to ensure work safety and a safe and sanitary work environment. A Q&A activity was held alongside the release of the videos to let employees know that their work environment is safe and sanitary.

### ■ Healthcare: protect employees' health by providing occupational injury and maternity care services and conducting follow-up health checks.

Staffed with healthcare personnel with clinical and workplace experience and on-site doctors as health consultants, WNC's health center not only provides physical examinations, health promotion activities (lectures), prevention of infectious diseases, and treatment of illness and injuries, but also provides interpretation of physical examination results and health consultation services. An on-site doctor health consultation reservation platform was made available starting 2021. A total of 13 people made online appointments and received consultation in 2021.

### ■ Consultation & Assistance: provide consultation and resource sharing services to help solve employees' problems

In December 2021, word regarding the Employee Assistance Platform and WNC New Parents Support Network was spread via announcements and promotional posters to remind employees that they can use these services to share their worries and help solve their problems.

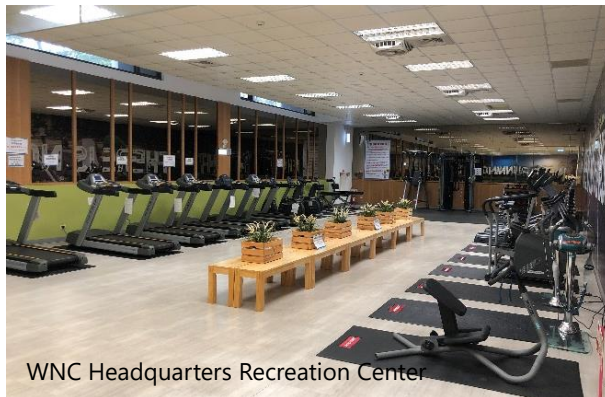
### ■ Diversity and Equality: embrace diversity and uphold equality.

WNC is committed to creating a diverse and inclusive work environment where all employees can thrive and succeed regardless of their gender, marital status, ethnicity, political affiliation, or religion. WNC launched its “Diversity and Equality Signature Campaign” and organized the Foreign Culture Week in December 2021 to help employees from different backgrounds to feel a sense of belonging at WNC.

## 4.6.2 Recreational and Exercise Equipment

Recreational facilities at WNC sites in Taiwan include recreation centers, aerobics rooms and reading rooms. The recreation centers have a variety of exercise and fitness equipment. Employees are encouraged to use these centers 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 service during evenings every Monday to Thursday evenings to help employees relieve stress and reduce pain. The spacious reading rooms provide a wealth of magazines, books and newspapers for employees to enjoy. The Sunshine Corridor on the 1st floor of WNC Headquarters, the Arts and Cultural Center on the B1 floor of the S1 site, and the Art Corridor on the 4th floor of the S2 site display photos taken at WNC's internal events. A complete and multi-

functional living center named "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. In order to enrich employees' off-duty life and promote interaction and communication among employees, the Kunshan operating location in China has set up a leisure and entertainment space for employees to use in "Qi Yuan", which is equipped with sofas, TVs, projectors, stages, KTV and other equipment can accommodate 150 people at the same time. The dormitory area in V1 offers catering services and sports equipment (table tennis room and treadmills).



WNC Headquarters Recreation Center



WNC Headquarters Recreation Center



Grocery store at one of WNC's sites in China



S1 site Recreation Center



WNC Headquarters Aerobics Room



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



## 4.6.3 Activities and Welfare

In addition to measures related to health care and leisure sports, WNC also focuses on "caring for the body and mind of employees" and "improving the quality of life of employees" to formulate annual employee activities and welfare plans. The content and results of activities in 2021 are summarized as follows.

### WNC's 25th Anniversary Celebration:

In order to celebrate WNC's 25th anniversary in 2021, a series of activities such as the "WNC Core Value Cultural Wall", "Core Values ICON Design Contest", singing contest, individual/team competitions and other fun contests were held. WNC employees from all over the world participated in these activities to set the stage for the next 25 years of WNC.

WNC employees voted on the final design for the WNC 25th anniversary commemorative jacket. It is made from 100% PETSPUN® fiber and features a customized design made by local tailors. The jacket is not only a gift to employees commemorating WNC's 25th anniversary, but is also a symbol of WNC's commitment to environmental sustainability.



Merit award winners of the core value  
icon design contest



Live Broadcast of WNC's 25th Anniversary Celebration



Artist Performance at WNC's 25th Anniversary Celebration



WNC 25th Anniversary Celebration: Bowling Activity



WNC 25th Anniversary Celebration: Mini Golf Activity

## Employee Welfare Committee

WNC has established Employee Welfare Committees at its Taiwan sites 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 work with management teams to allocate employee welfare funds to further improve management/employee relations. Gift certificates given to employees for Chinese New Year, Labor Day, and Mid-Autumn Festival electronic are now provided in electronic form. In addition, gifts given to employees for the aforementioned holidays are selected via employee vote. These measures meet employee needs while avoiding unnecessary waste and being more environmentally-friendly.

WNC respects employees' freedom of association and encourages employees to develop their personal interests and talents in club activities. Employee clubs hold regular meetings and organize a variety of events.



Darts club members



Golf club members



Tennis club members



Softball club members

## Food Safety

To ensure the safety and health of employees, all food ingredients used in meals served in WNC sites need to pass strict quality inspections. The staff cafeterias in Taiwan sites use organic leaf vegetables and fruits in meals, and the meat and seasonings they use comply with HACCP, CAS, ISO 22000 and other food safety-related certifications, ensuring that every WNC employee can eat to their heart's content with no food safety worries.

### Food Safety at WNC

#### Healthy Organic Vegetables

WNC group meal manufacturers all use organic leaf vegetables and fruits. The amount of organic vegetables purchased in 2021 reached NT\$8,923,314, including NT\$4,461,657 paid by the company and NT\$4,461,657 paid by the Welfare Committee.

Every Tuesday and Thursday, healthy meals featuring healthy ingredients and reduced amounts of processing and seasoning are provided during the lunch period, providing employees with healthier lunch options; each site also provides organic vegetables ordering service for employees.

#### Red Light, Green Light: A Guide on Healthy Eating

In order to promote healthy diet concepts to employees, before the annual employee physical examination, WNC compiled the "Red Light, Green Light: A Guide on Healthy Eating" food guide for healthy eating based on the principles of the traffic light. The meals provided by the staff cafeterias in Taiwan sites now have a green, yellow, or red light label next to their names on the menu to help employees better understand which meals are healthier.

#### Diverse Meal Selection

#### Foods From Around Taiwan

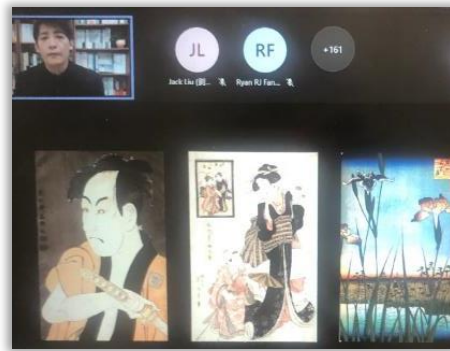
Starting April 2021, every Wednesday the staff cafeterias at WNC's Taiwan sites would provide specialty meals featuring Taiwanese cuisine. Examples include Yilan garlic pork soup, Changhua meatballs and Tainan rice pudding. These meals enable employees to enjoy delicacies from around Taiwan in the staff cafeterias.



## WNC Culture and Life during the Pandemic

As the pandemic situation worsened in May 2021, split-group work mode was implemented at WNC, and WFH became a normal part of daily life. To help employees adjust to the change in work mode and reduce any anxiety such changes may bring, we launched the "WNC Culture and Life during the Pandemic" program. Besides providing art-related podcasts and newsletters to employees, the program also provided information on art-related literature and events to spice up employees' lives when working from home.

The program also set up a section in their newsletter to publish messages of encouragement from employees. A total of 107 employees submitted messages of thankfulness and encouragement as well as how they felt after listening to the program's podcasts. The warmth and gratitude expressed in these messages provided a much needed dose of encouragement and positivity to employees during the WFH period.



## Arts and Culture for the Five Senses

In late 2021, the long-term art program "Arts and Culture for the Five Senses" was launched. A series of activities were organized through this program to give WNC employees an opportunity to recalibrate their desensitized senses. The aim of these activities is to help employees relax and give them an opportunity to recalibrate and reawaken their senses to the beauty of the world.

In fall 2021, we launched the "WNC Salon Podcast" series. The first episode was an exclusive interview with Chairman Haydn Hsieh. Through this podcast, WNC employees can learn about many interesting stories and occurrences at WNC. At the end of 2021, WNC organized an online version of the WNC Book Festival. The festival's activities, which included online book exhibitions, lectures and musicals, provided WNC employees with plenty of quality art content to enjoy as 2021 drew to a close. The goal

of the WNC Book Festival's activities was to encourage WNC employees to read more. A total of 59 books were purchased during the week the festival was held. Some online lectures were also held during the festival. One of the lecturers was the famous historical author Hsieh Che-ching, who shared his travel experiences in the post-epidemic era during his lecture. A total of 199 employees signed up for the lecture, and the event was widely praised by the participants. Online musicals were held during the WNC Book Festival to help support local arts and culture. WNC worked with the Corny Chicken Theatre, a local theatre group in Hsinchu, to provide musical comedies for employees to watch online. WNC also provided this content to disadvantaged schoolchildren in rural areas to support local artists as well as engage in social welfare.

## Arts and Craft DIY Classes

WNC provides free DIY classes every month, enabling staff members to learn how to complete a project displaying unique characteristics, value, and creativity during their after-work hours. 14 DIY classes were held in 2021, covering projects relating to Gundam models, keychains, potpourri, notebooks, cakes and bouquets. A total of 729 people participated in the DIY classes.



Arts and Craft DIY Activities

## Exercise Courses

Aerobics, muscle strength, yoga, rhythm balance and other exercise courses are offered at WNC's Taiwan sites every quarter. In response to the COVID-19 infection prevention measures, only three exercise courses were held in 2021, with a total of 394 participants.



## 4.7 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 activities.

### 4.7.1 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, and also helps them in caring for people belonging to disadvantaged groups. 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 2021, WNC and its employees provided a total of NT\$545,000 to the above-mentioned six university service clubs as club funds to serve remote villages and disadvantaged groups. In response to the COVID-19 pandemic, university club activities were held in accordance with the government's epidemic prevention policy. Large-scale camp activities have been suspended. After-school tutoring is now conducted online, ensuring that schoolchildren can still receive support even during the pandemic.



NTHU Indigenous Culture Club



Activity conducted by the NCKU Social Service Team



Activity conducted by the NTHU WHYOU Club



Activity conducted by the NCKU Philanthropy Club

## 4.7.2 Rural Education Development

WNC cares about helping disadvantaged schoolchildren in Taiwan and understands the importance of developing rural education. WNC has provided sponsorships to Tunan Elementary School in Jianshi Township, Hsinchu County since 2013, assisting the school in organizing special education courses on judo, chorus and archery to help students develop a wide range of skills. In 2021, WNC and employees donated a total of NT\$370,000 to Tunan Elementary School to cover expenses relating to facilities, equipment, coach/teachers, and contest participation.

Since June 2017, WNC's social care program has provided support to Siang Bi Elementary School in Miaoli County to help their students train for Olympic archery, help enable traditional Atayal hunting and archery culture to be passed on to future generations and facilitate the cultivation of young archery talent. In 2021, WNC employees donated NT\$200,000 to help Siang Bi Elementary School purchase archery equipment and participate in regional archery competitions. The school's archery team performed exceptionally well in the competitions.

### Sponsorship Program for Rural Schoolchildren

In June 2019, WNC began working with the Miaoli Chunan Family Support Center on a sponsorship plan for schoolchildren in rural areas. This plan also provides support to the families of school children in remote areas. In 2020, WNC successfully duplicated this success to a joint program with the Hsinchu Family Support Center that focused on supporting 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 410 employees participated in the sponsorship program in June and December 2021, with 106 schoolchildren sponsored. A majority of employees demonstrated their generosity by continuing their support for the sponsorship program.

Sponsorship Program for Rural Schoolchildren

| Date          | Co-organizer                        | No. of schoolchildren sponsored (persons) | Encouraging employees (persons) | Sponsorship amount (Unit: ten thousand NTD) |
|---------------|-------------------------------------|---|---------------------------------|---|
| June 2021     | Miaoli Chunan Family Support Center | 34  | 122                             | 36.6  |
|               | Hsinchu Family Support Center       | 21  | 92                              | 27.6  |
| December 2021 | Miaoli Chunan Family Support Center | 31  | 108                             | 32.4  |
|               | Hsinchu Family Support Center       | 20  | 88                              | 26.4  |
| Total         |                                     | 106                                       | 410                             | 123   |



Tunan Elementary School Dance Class



Students from Tunan Elementary School performing a traditional dance



Students from Siang Bi Elementary School participating in archery competition



Students from Siang Bi Elementary School practicing archery



Thank-you letters from students who received help from WNC sponsorship programs



## WNC Offers English Lessons

WNC understands children in remote areas are in need of better education in various subjects. Therefore, 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 aim of this program is to supplement the English learning resources in remote villages, and assist elementary school children to seamlessly move on to the middle school curriculum. This program uses specially-designed English teaching materials and utilizes small-class teaching and individual guidance to cater to the needs of students with different levels of English proficiency and in turn improve learning effectiveness. Courses relating to the humanities, character education, and counseling are also provided. In addition, after the pandemic situation worsened, online learning kits along with related communication software and hardware were provided to these schoolchildren to ensure uninterrupted learning.

This program was launched in September 2020 and has received support from many senior executives in WNC. In 2021, WNC launched a second round of charity fundraising for the program, raising a total of NT\$840,000. The money has been donated to Tunan Elementary School and will fund expenses for English classes, including teacher recruitment, class materials, English camps, and field trips. Between September and December 2021, a total of 50 schoolchildren benefited from this project.

## 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 actively called on college students to respond to charity initiatives through the “Tsing Hua University Pilot Program”. Between March and May 2021, 6 WNC employees and 10 university student volunteers organized the volunteer teacher training and pre-trip meeting for WNC Classroom. The first class of WNC Classroom was originally scheduled to start in May 2021. However, in May 2021, the pandemic situation in Taiwan worsened. In response to the government's epidemic prevention policy, which included suspension of physical classes, WNC Classroom was postponed.



Photos of students in English classes organized by WNC

## 4.7.3 Assisting Social Welfare Groups

WNC has always been active in social work, and its internal Social Care Assistance Platform provides a convenient channel for employees to obtain social care information, to make donations, and offer assistance on-line. Through this platform, employees can obtain information on fund-raising and the results of social care activities at any time. We hope that this platform can encourage WNC employees to engage in long-term social care.

### Charity Fundraising

WNC is proactive in conducting charity fundraising, and has organized internal donation campaigns and encouraged 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 2021, the Employee Welfare Committee provided NT\$60,000 in survivor's benefits to the families of two employees who died in accidents.

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 2021, WNC and WNC employee donations totaled NT\$1.115 million, of which NT\$762,000 was raised by employees.

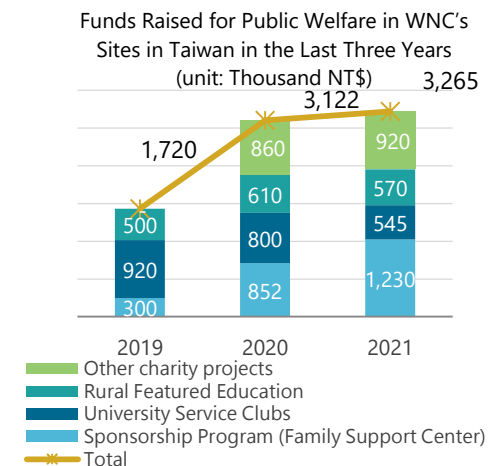
### Charity Sales Events

The 5th of each month is designated "WNC Charity Day", and employees are encouraged to show their support for charity by purchasing items from charity organizations. Each month, WNC's Employee Relations Department invites a charitable organization to set up a stand and sell products at WNC Taiwan sites. In 2021, in response to the government's epidemic prevention policy, WNC invited 16 charity organizations (including social welfare organizations, social development organizations, and social enterprises) to hold online sales for WNC employees. Revenue from the online sales totaled NT\$134,000.



### WNC Pandemic Relief Charity Activity

The COVID-19 epidemic has impacted people from all walks of life. To help people affected by COVID-19, WNC organized a charity activity in August 2021 where donations from employees were used to purchase daily necessities and food from sheltered workshops, then WNC donates these purchased supplies to social welfare organizations and hospitals. In one day, WNC employees donated enough money to purchase 100 boxes of supplies. Goods purchased from sheltered workshops included soaps, drip coffee bags, rice, and assorted snacks. The donated goods were purchased from the following sheltered workshops: AGAPE sheltered workshop, Down Syndrome Foundation - ABRAZO Sheltered Workshop, Love Nature Sheltered Workshop, and Synlu Social Welfare Foundation Hsinchu Branch. WNC worked with iGoods, a social enterprise, to send the purchased supplies to social welfare organizations and hospitals. The 100 boxes of supplies were sent to ECPAT Taiwan, iPOWER Alliance, the Luzhou Teenage Welfare Service Center, the Yunghe Branch of Cardinal Tien Hospital, and the Songde Branch of Taipei City Hospital.



Note: Other charity projects in 2021 include the "Differentiated English Teaching Program" organized jointly with the Boyo Foundation and the WNC Pandemic Relief Charity Activity.

### China Sites

WNC employees in Kunshan established the Mercy Foundation Club, which currently has 16 members. In addition, WNC subsidiaries in China assists employees experiencing financial difficulties or misfortune in applying for funds from trade unions. In 2020, WNC helped front-line workers responsible for conducting hot work to apply for RMB 16,000 in supplies in an activity organized by the Comprehensive Bonded Zone. WNC subsidiaries in China also organized a winter charity program, helping 2 employees to each receive RMB 1,500 as well as some supplies (food and blankets).



# 05 Climate Change and Environmental Protection

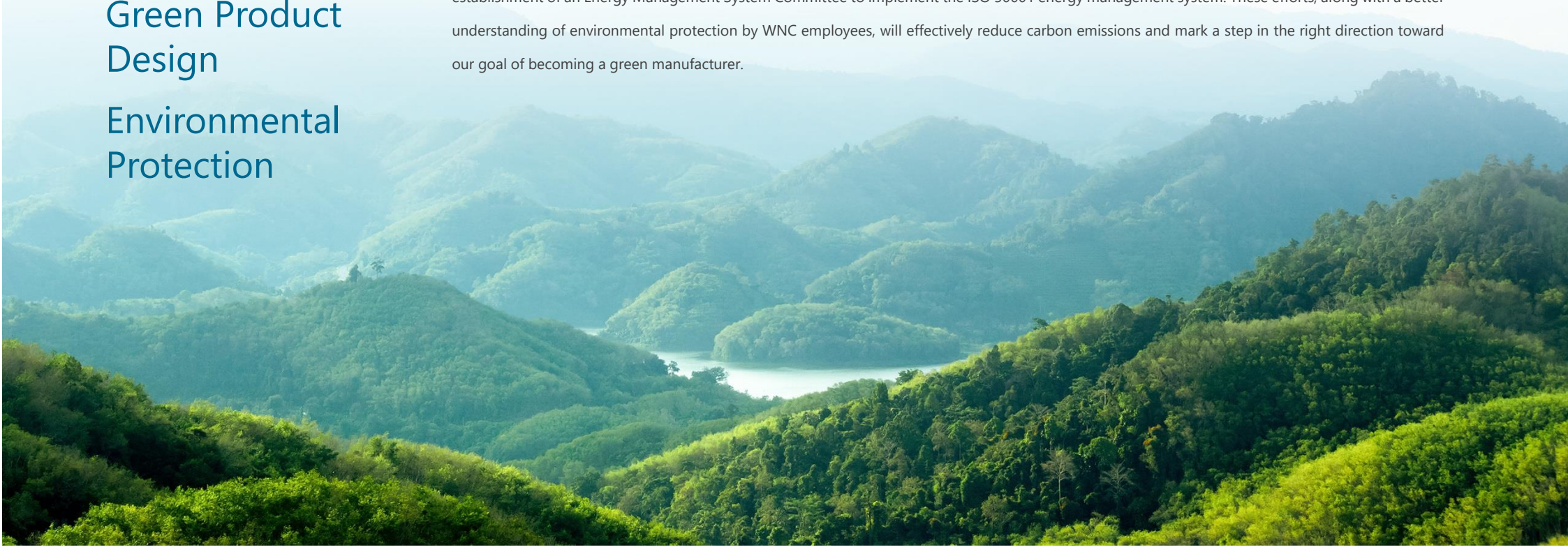
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## Climate Change Management

## Green Product Design

## Environmental Protection

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.





# Annual Performance

## Greenhouse Gases



Scope 1 and Scope 2 GHG emissions intensity in 2021 decreased by **15%** compared to 2019.

## Energy Management



Implemented ISO 50001 energy management system, reducing emissions by **1,948 tons CO<sub>2</sub>e** and leading to energy savings of **NT\$9.58 million**.

## Renewable Energy



Power generation from solar farms totaled **2.1GWh**, accounting for **2.07%** of total energy use. The carbon reduction is equal to the annual carbon emissions of 108 Taiwanese people<sup>Note</sup>

Note: According to the [Environmental Protection Administration 2021 Greenhouse Gas Emissions List](#), the average carbon dioxide emission per person was 10.96 tCO<sub>2</sub>e/person in 2019.

## Water



Water from water conservation and water recycling programs made up approximately **18.7%** of the total water used by WNC, which saved **NT\$5.08 million** in water withdrawal costs.

## Green Product Design



- Received a total of **611** requests for green products from customers, and all requests were honored by Q1 2022.
- In 2021, recyclable packaging materials accounted for **81%** of total packaging purchasing.
- In 2021, products using PCR recyclable plastics reduced the use of new plastics by **183 tons**.

## Waste



- Waste recycling and reuse rate reached **84%**.
- Plants implemented solder dross, wood pallet, and plastic bucket recycling projects. **7** recycling projects were implemented, resulting in savings of **NT\$34.83 million**.

# Material Topics and Goal Management

| Material Topics   | Management Strategy  | Goal items                             | Short-term objectives  | Mid- to long-term objectives   | Goal Attainment in 2021   |
|---|--|--|--|--|---|
| <ul style="list-style-type: none"> <li>■ Energy</li> <li>■ Water and Effluent</li> <li>■ Emissions</li> <li>■ Waste</li> <li>■ Compliance with environmental protection laws and regulations</li> <li>■ Customer Health &amp; Safety</li> </ul> | <ul style="list-style-type: none"> <li>■ Low-carbon transformation</li> <li>■ Promote a circular economy</li> <li>■ Provide sustainable product solutions</li> </ul> | Greenhouse gases (Scope 1 and Scope 2) | GHG emission intensity in 2022 to decrease by 10% compared to 2019.    | <ul style="list-style-type: none"> <li>■ GHG emission intensity in 2025 to decrease by 27% compared to 2019.</li> <li>■ GHG emission intensity in 2030 to decrease by 50% compared to 2019.</li> </ul> | GHG emission intensity in 2021 decreased by 15% compared to 2019. |
|   |  | Renewable energy                       | Generate 5.0 GWh of solar power from 2020 to 2022.                     | --   | 4.3 GWh of solar power was generated from 2020 to 2021.           |
|   |  |  | Ratio of renewable energy use is ≥6% in 2022.                          | <ul style="list-style-type: none"> <li>■ Ratio of renewable energy use is ≥15% in 2025.</li> <li>■ Ratio of renewable energy use is ≥30% in 2030.</li> </ul>   | (Goals added in 2022)   |
|   |  | Waste                                  | Waste production intensity in 2022 to decrease by 3% compared to 2021. | Waste production intensity in 2025 to decrease by 10% compared to 2021.  | (Goals added in 2022)   |
|   |  |  | Waste recycling and reuse rate to reach 83% in 2022.                   | Waste recycling and reuse rate to reach 90% in 2025.   | Waste recycling and reuse rate reached 84% in 2021.               |
|   |  | Water                                  | Water usage intensity in 2022 to decrease by 5% compared to 2020.      | Water usage intensity in 2025 to decrease by 10% compared to 2020.   | Water usage intensity in 2021 decreased by 6% compared to 2020.   |

## 5.1 Climate Change Management

With climate issues worsening, their impact on the global environment and resources as well as human life is becoming more significant and direct. Climate related risks and opportunities are necessary and important topics for discussion when it comes to corporate operations. Therefore, WNC has set greenhouse gas reduction, waste reduction and recycling, and water usage goals. Some specific initiatives include installing renewable energy generation equipment, implementing energy and water conservation and reduction projects, developing energy saving products, transforming facilities into green buildings, and promoting environmentally friendly thinking and actions among employees.

### 5.1.1 Carbon Emission Management

#### Greenhouse Gas Emissions Inventory Boundary



Starting in 2012, WNC has referenced ISO 14064-1 and the GHG Protocol to set organizational boundaries according to operational control laws. We have established 2020 as the base year to calculate our greenhouse gas emissions and for verification purposes. The main greenhouse gases we emit are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and hydrofluorocarbons (HFCs). At the end of 2020, WNC introduced the carbon management online platform, UL Turbo Carbon. Our headquarters was responsible for coordinating the inventory data and verification standards of each operational location. In 2021, our Scope 1 direct greenhouse gas emissions were 2,668 tons CO<sub>2</sub>e and our Scope 2 indirect greenhouse gas emissions were 55,704 tons CO<sub>2</sub>e. Greenhouse gas emissions inventory results for the most recent three years are compiled in the table below.

| Locations    |                         | GHG emissions inventory results of WNC in the most recent 3 years <sup>Note 1</sup> |               |           |                 |              |               |           |                 | (Unit: MTCO <sub>2</sub> e) |               |              |                 |
|--------------|-------------------------|---|---------------|-----------|-----------------|--------------|---------------|-----------|-----------------|-----------------------------|---------------|--------------|-----------------|
|              |                         | 2019  |               |           |                 | 2020         |               |           |                 | 2021                        |               |              |                 |
|              |                         | 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                      | 355   | 4,137         | --        | <b>4,492</b>    | 214          | 4,003         | 1         | <b>4,218</b>    | 385                         | 3,975         | 167          | <b>4,527</b>    |
|              | S1                      | 240   | 15,849        | --        | <b>16,089</b>   | 201          | 15,983        | 34        | <b>16,218</b>   | 205                         | 16,703        | 694          | <b>17,602</b>   |
|              | S2                      | 4   | 4,325         | --        | <b>4,329</b>    | 64           | 4,831         | 8         | <b>4,903</b>    | 486                         | 5,357         | 222          | <b>6,065</b>    |
|              | <b>Subtotal</b>         | <b>599</b>  | <b>24,311</b> | <b>--</b> | <b>24,910</b>   | <b>479</b>   | <b>24,817</b> | <b>43</b> | <b>25,339</b>   | <b>1,076</b>                | <b>26,035</b> | <b>1,084</b> | <b>28,195</b>   |
| China        | WNC (Kunshan)           | 753   | 13,274        | --        | <b>14,027</b>   | 176          | 9,785         | 22        | <b>9,983</b>    | 598                         | 10,454        | 544          | <b>11,597</b>   |
|              | Wistron NeWeb (Kunshan) | 867   | 18,632        | --        | <b>19,499</b>   | 285          | 12,634        | 14        | <b>12,933</b>   | 660                         | 11,660        | 602          | <b>12,921</b>   |
|              | WebCom (Kunshan)        | 1,610   | 3,459         | --        | <b>5,069</b>    | 124          | 2,901         | 2         | <b>3,027</b>    | 142                         | 2,648         | 138          | <b>2,929</b>    |
|              | <b>Subtotal</b>         | <b>3,230</b>  | <b>35,365</b> | <b>--</b> | <b>38,595</b>   | <b>585</b>   | <b>25,320</b> | <b>38</b> | <b>25,943</b>   | <b>1,401</b>                | <b>24,762</b> | <b>1,284</b> | <b>27,447</b>   |
| Vietnam      | V1                      | --  | --            | --        | --              | 369          | 5,545         | 2         | <b>5,916</b>    | 192                         | 4,907         | 310          | <b>5,409</b>    |
|              | <b>Subtotal</b>         | --  | --            | --        | --              | <b>369</b>   | <b>5,545</b>  | <b>2</b>  | <b>5,916</b>    | <b>192</b>                  | <b>4,907</b>  | <b>310</b>   | <b>5,409</b>    |
| <b>Total</b> |                         | <b>3,829</b>  | <b>59,676</b> | <b>--</b> | <b>63,505</b>   | <b>1,433</b> | <b>55,682</b> | <b>83</b> | <b>57,198</b>   | <b>2,668</b>                | <b>55,704</b> | <b>2,679</b> | <b>61,051</b>   |

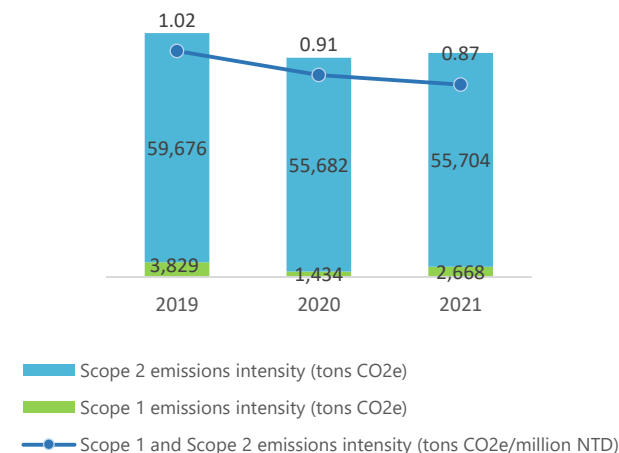
Note 1: The emissions coefficient used by the Taiwan locations was announced by the Bureau of Energy, Ministry of Economic Affairs. The China and Vietnam locations referred to the announcement by the [International Energy Agency \(IEA\)](#). The GWP year was "IPCC 2014 AR5".

## Reduction of GHG

According to the greenhouse gas emissions inventory results, the main source of WNC's greenhouse gas emissions is externally purchased power, which is listed in Scope 2 emissions and accounts for over 90% of WNC's total greenhouse gas emissions. Therefore, the main measures to reduce GHG emissions are improving energy usage efficiency and establishing renewable energy. Please refer to 5.1.2 Energy Management in the Report for details. Due to operational growth and production line expansion, WNC's energy usage has been increasing year by year. In order to accurately reflect how changes in production capacity have impacted greenhouse gas emissions and reduction target attainment, emissions intensity is used to show the relationship between production capacity and emissions. WNC's GHG emissions intensity has been decreasing in the most recent four years. In 2021, Scope 2 emissions intensity was 0.83 tons CO<sub>2</sub>e/million NTD, which represents a decrease of 14% compared to the base year of 2019 and shows that we have already reached our target of reducing Scope 2 GHG emissions intensity by 5% in 2022. Therefore, we have established additional short-, mid-, and long-term GHG reduction goals, and added reduction goals relating to Scope 1 emissions.

| Scope  | Type of Emission Sources  | Corresponding Activities/Equipment   |
|--|---|--|
| <b>Scope 1: Direct Emissions</b><br>          | Stationary combustion   | Diesel fuel used in emergency generators or for winter heating   |
|  | Mobile combustion   | Gasoline used by company-owned vehicles  |
|  | Fugitive emissions  | <ul style="list-style-type: none"> <li>Emissions from septic tanks</li> <li>Evaporation of refrigerants in air conditioning/refrigerators, SMT cooling machines, and company-owned vehicles</li> <li>Emissions from carbon dioxide fire extinguishers</li> </ul> |
|  |   |  |
| <b>Scope 2: Indirect energy emissions</b><br> | 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"> <li>Taiwan: Taiwan Power Company</li> <li>China: Huazhi Sell Electricity</li> <li>Vietnam: Vietnam-Northern Power Corporation (EVN NPC)</li> </ul>                             |
| <b>Scope 3: Indirect emissions</b>   | Indirect emissions from sources not owned or controlled by WNC, such as Waste generated in operations, Business travel, Fuel- and energy related activities(not included in scope 1 or scope 2) | <ul style="list-style-type: none"> <li>Waste generated in operations</li> <li>Transportation of employees for business-related activities</li> <li>Transmission and distribution (T&amp;D) losses</li> </ul>   |

WNC's greenhouse gas emissions for the most recent three years



Note: The scope of the GHG emissions calculations cover WNC headquarters, S1, S2, WNC Kunshan, Wistron NeWeb (Kunshan), WebCom (Kunshan), and the Vietnam plant. The Vietnam plant has been included in the calculation scope from 2020.

## Climate Information Disclosure

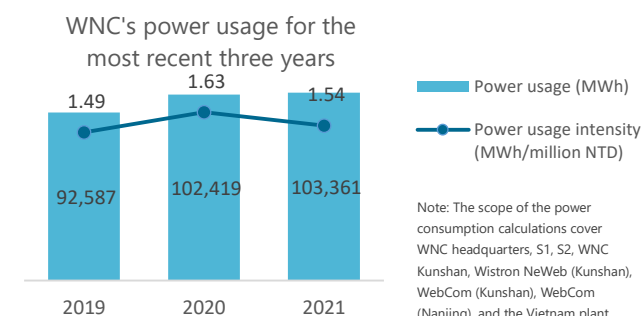
WNC implemented the Taskforce on Climate-related Financial Disclosures (TCFD) framework in 2021 to identify climate related risks and opportunities and stipulate management strategies. We analyzed the impact of climate change on company operations and formulated future response strategies. For details, please refer to 3.3.3 Climate Change Risk Management in the Report. Furthermore, WNC continues to participate in CDP supply chain programs. In 2021, we scored a C and B- rating in the questionnaires for "climate change" and "water security", respectively. We scored a C- rating in the "value chain integration" questionnaire. WNC reviewed the items that needed improvement according to CDP feedback and formulated improvement measures.



## 5.1.2 Energy Management

### Energy Usage

The primary source of energy for WNC's sites is electricity, accounting for 97.5% of energy use. Diesel accounts for about 2.5%. 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 2021, the power usage intensity at WNC's Taiwan sites was reduced by 7.3% compared to 2020, reaching the goal of a 2% reduction set in 2020. Power usage at the China sites was reduced by 1.8% compared to 2020, failing to reach the 2% reduction goal set in 2020. The main reason for this failure is the expansion of production capacity at China sites in 2021, resulting in power usage increases that could not be mitigated by energy conservation measures.



Energy Consumption Statistics at WNC in the Last Three Years

(Unit: Gigajoule)

| Locations    |                               | Power consumption <sup>Note 1</sup> |                |                | Diesel <sup>Note 2</sup> |              |              | Total          |                |                |
|--------------|-------------------------------|-------------------------------------|----------------|----------------|--------------------------|--------------|--------------|----------------|----------------|----------------|
|              |                               | 2019                                | 2020           | 2021           | 2019                     | 2020         | 2021         | 2019           | 2020           | 2021           |
| Taiwan       | HQ                            | 27,941                              | 28,313         | 28,506         | 39                       | 20           | 20           | 27,980         | 28,333         | 28,526         |
|              | S1                            | 107,047                             | 113,043        | 119,784        | 97                       | 77           | 77           | 107,144        | 113,120        | 119,861        |
|              | S2                            | 29,214                              | 34,167         | 38,417         | 23                       | 46           | 26           | 29,237         | 34,213         | 38,443         |
|              | <b>Subtotal</b>               | <b>164,202</b>                      | <b>175,523</b> | <b>186,707</b> | <b>159</b>               | <b>143</b>   | <b>123</b>   | <b>164,361</b> | <b>175,666</b> | <b>186,830</b> |
| China        | WNC Kunshan <sup>Note 3</sup> | 59,392                              | 57,186         | 61,095         | 760                      | 204          | 4,097        | 60,152         | 57,390         | 65,192         |
|              | Wistron NeWeb (Kunshan)       | 83,365                              | 73,832         | 68,141         | 0                        | 623          | 4,604        | 83,365         | 74,455         | 72,745         |
|              | WebCom (Kunshan)              | 15,475                              | 16,956         | 15,476         | 753                      | 332          | 836          | 16,228         | 17,288         | 16,312         |
|              | WebCom (Nanjing)              | 1,000                               | 1,321          | 1,837          | 0                        | 0            | 0            | 1,000          | 1,321          | 1,837          |
|              | <b>Subtotal</b>               | <b>159,232</b>                      | <b>149,295</b> | <b>146,549</b> | <b>1,513</b>             | <b>1,159</b> | <b>9,537</b> | <b>160,745</b> | <b>150,454</b> | <b>156,086</b> |
| Vietnam      | V1                            | 9,880                               | 43,890         | 38,844         | 0                        | 14           | 53           | 9,880          | 43,904         | 38,897         |
|              | <b>Subtotal</b>               | <b>9,880</b>                        | <b>43,890</b>  | <b>38,844</b>  | <b>0</b>                 | <b>14</b>    | <b>53</b>    | <b>9,880</b>   | <b>43,904</b>  | <b>38,897</b>  |
| <b>Total</b> |                               | <b>333,314</b>                      | <b>368,708</b> | <b>372,100</b> | <b>1,672</b>             | <b>1,316</b> | <b>9,713</b> | <b>334,986</b> | <b>370,024</b> | <b>381,813</b> |

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

Note 2: The calculations were made according to the energy product unit heat values table and common energy unit conversion table in the ["Bureau of Energy 2020 Energy Statistics Handbook"](#). Each liter of diesel equals 0.0352 gigajoules.

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



## Renewable Energy

The power generation capacity of the solar power plants in WNC's sites is 1.7 MW. In 2021, these power plants generated 2,134 MWh of power, which helped reduced carbon emissions by an estimated 1,190 tons CO<sub>2</sub>e, which is roughly equal to the annual emissions of 108 Taiwanese people<sup>Note 1</sup>.

2021 solar power generation benefits for WNC

|   | HQ   | S1   | S2   | Wistron NeWeb<br>(Kunshan) | Total |
|---|------|------|------|----------------------------|-------|
| <b>Solar power station capacity (MW)</b>                      | 0.37 | 0.50 | 0.50 | 0.33                       | 1.70  |
| <b>Energy generation (MWh)</b>                                | 453  | 628  | 661  | 392                        | 2,134 |
| <b>Carbon reductions<sup>Note 2</sup> (MTCO<sub>2</sub>e)</b> | 227  | 315  | 332  | 316                        | 1,190 |

Note1: With reference to the 2021 Environmental Protection Administration Greenhouse Gas Emissions Report. The average carbon dioxide emissions per person in 2019 was 10.96 tons CO<sub>2</sub>e/person.

Note 2: The carbon reductions in Taiwan locations were calculated using the power carbon emissions coefficient of 0.502 tons CO<sub>2</sub>e/MWh announced by the Bureau of Energy, Ministry of Economic Affairs, in 2021. The China and Vietnam locations used the power coefficients of 0.616 and 0.4548 tons CO<sub>2</sub>e/MWh, respectively, announced by the [International Energy Agency \(IEA\)](#) to calculate carbon reductions.



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



Solar power generation on the rooftop of S1



Solar panels on the roof of S2



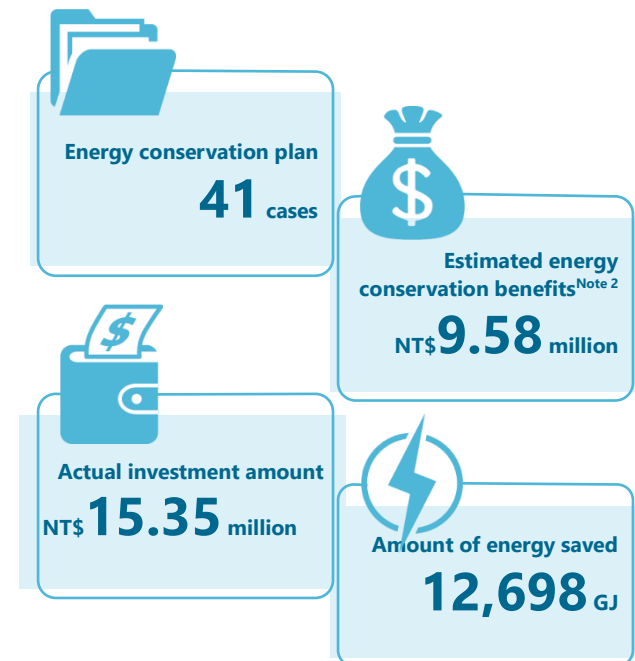
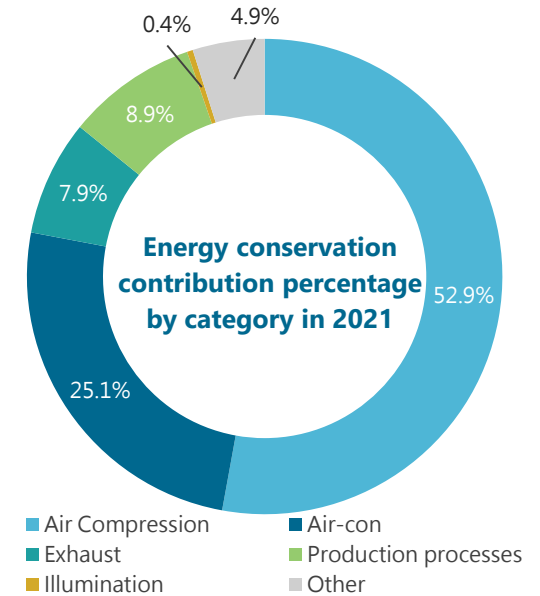
Solar panels on the roof of Wistron NeWeb (Kunshan) Corporation

## Energy Management

In addition to enhancing the energy resource use efficiency of our product design, 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 energy conservation programs. WNC has implemented the ISO 50001 energy management system to establish clear improvement plans for lighting power, ventilation, air conditioning, and air compression systems. The energy conservation results are as follows.

2021 energy conservation results of WNC<sup>Note 1</sup>

| System               | Item                                      | Taiwan | China | Subtotal |
|----------------------|---|--------|-------|----------|
| Illumination         | Number of Energy Conservation Plans       | 0      | 3     | 3        |
|                      | Electricity Saved (GJ)                    | 0      | 51    | 51       |
|                      | Amount invested (unit: ten thousand NT\$) | 0      | 0     | 0        |
| Exhaust              | Number of Energy Conservation Plans       | 10     | 2     | 12       |
|                      | Electricity Saved (GJ)                    | 954    | 44    | 998      |
|                      | Amount invested (unit: ten thousand NT\$) | 237    | 35    | 272      |
| Air conditioning     | Number of Energy Conservation Plans       | 6      | 5     | 11       |
|                      | Electricity Saved (GJ)                    | 2,378  | 810   | 3,188    |
|                      | Amount invested (unit: ten thousand NT\$) | 435    | 84    | 519      |
| Air compression      | Number of Energy Conservation Plans       | 3      | 6     | 9        |
|                      | Electricity Saved (GJ)                    | 3,768  | 2,945 | 6,713    |
|                      | Amount invested (unit: ten thousand NT\$) | 244    | 500   | 744      |
| Production processes | Number of Energy Conservation Plans       | 0      | 3     | 3        |
|                      | Electricity Saved (GJ)                    | 0      | 1,127 | 1,127    |
|                      | Amount invested (unit: ten thousand NT\$) | 0      | 0     | 0        |
| Others               | Number of Energy Conservation Plans       | 0      | 3     | 3        |
|                      | Electricity Saved (GJ)                    | 0      | 621   | 621      |
|                      | Amount invested (unit: ten thousand NT\$) | 0      | 0     | 0        |
| Total                | Number of Energy Conservation Plans       | 19     | 22    | 41       |
|                      | Electricity Saved (GJ)                    | 7,100  | 5,598 | 12,698   |
|                      | Amount invested (unit: ten thousand NT\$) | 917    | 618   | 1,535    |







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: The energy conservation results for Taiwan sites were calculated using a rate of NT\$2.5/kWh. The energy conservation results for the China locations were calculated using a rate of NT\$3.0/kWh.

## Green Buildings

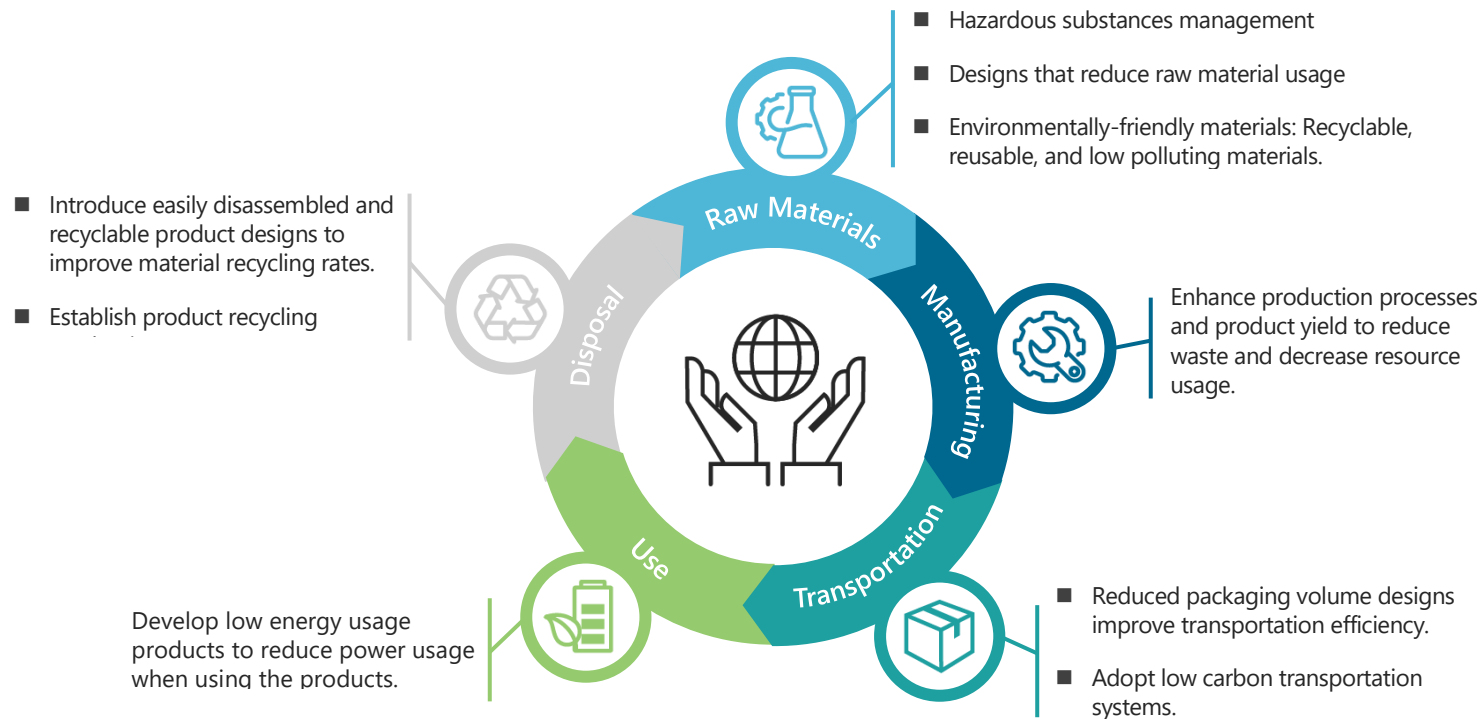
Starting in 2021, WNC has included green building design in the construction of new plants. We hope to reduce resource usage and minimize the negative impact on the environment through green construction, energy saving designs, and material selection. The new WNC S3 plant, which is expected to be completed in mid-2022, has obtained Green Building Candidate certification, and we will continue our efforts in obtaining Green Building Label certification. Existing sites will continue to implement energy saving, water saving, and waste reduction projects.

Daily energy saving measures in 2021

| Energy-Saving Measures at All Sites  |  | Taiwan Sites   | China Sites   | Vietnam Sites  |
|--|--|--|---|--|
| <div></div> <div>Lighting Design</div>                          | <ul style="list-style-type: none"><li>■ Lighting is only used in active sections of the production line</li></ul>  | <ul style="list-style-type: none"><li>■ Office floors have adopted open plan designs with natural lighting on all sides. The glass on the outer walls of the building use 8+12A+8mm multi-layer, micro-reflection LOW-E glass, which provides energy-saving effects.</li><li>■ Pull cord light switches are installed in office areas so employees can turn the lights above their desks on/off as needed.</li><li>■ Parking lot/stair lighting is managed with time switching or induction lighting.</li><li>■ The light source design complies with the CNS illuminance standard and has been adjusted to account for the light attenuation value, in order to avoid power wastage caused by excessive lighting.</li></ul> | <ul style="list-style-type: none"><li>■ Adopted occupancy-based lighting with automatic brightness adjustment for aisles and server rooms in the plants.</li></ul>  | <ul style="list-style-type: none"><li>■ Pull cord light switches are installed in office areas so employees can turn the lights above their desks on/off as needed.</li><li>■ Parking lot/stair lighting is managed with time switching or induction lighting.</li></ul> |
| <div></div> <div>Air conditioning controls</div>                | <ul style="list-style-type: none"><li>■ Maintain air-conditioning temperatures at 26 °C ± 2 °C in the summer</li><li>■ Make-up air unit (MAU) air-conditioning used during winter to reduce indoor temperatures.</li><li>■ Cooling towers and fans are installed with temperature-control and frequency-conversion features.</li></ul> | <ul style="list-style-type: none"><li>■ A heat recycling system is used in the main chiller unit.</li><li>■ Earth pipe cooling is used to lower inlet air temperatures and reduce loading on air-conditioning systems.</li><li>■ Increased output water temperature from the air-conditioning chiller to lower power consumption. The chillers and air blowers are activated/deactivated based on indoor loads.</li><li>■ Thermostat-controlled air-conditioning is used. Air-conditioning can also be periodically deactivated in certain zones and/or time periods to avoid wasting power due to over-cooling.</li><li>■ Purchased air conditioners with green product labels.</li></ul>                                   | <ul style="list-style-type: none"><li>■ In order to improve SMT reflow furnace operating power, central air-conditioning cooling is adopted to achieve energy conservation benefits.</li><li>■ Variable frequency operation is adopted in air conditioning units to reduce energy consumption.</li></ul>    | <ul style="list-style-type: none"><li>■ The air conditioning units used in production line areas are capable of variable frequency operation, which helps reduce power consumption.</li></ul>  |
| <div></div> <div>Exhaust Adjustment</div>                     | <ul style="list-style-type: none"><li>■ Manufacturing process exhaust systems are automatically adjusted using variable frequencies</li></ul>  | <ul style="list-style-type: none"><li>■ Exhaust fans in production areas are equipped with PID controllers to automatically regulate fan operation and achieve energy conservation.</li><li>■ Air compressors use load balancing between variable-frequency and full-frequency units to reduce power consumption.</li></ul>  | <ul style="list-style-type: none"><li>■ Thermal insulation installed in SMT production exhaust ducts to reduce power consumption in summer.</li><li>■ Introduced heat recovery systems, enabling dehumidification in the summer and eliminating the need for purchasing diesel fuel in the winter</li></ul> | <ul style="list-style-type: none"><li>■ Introduced heat recovery systems, enabling dehumidification in the summer.</li></ul>   |
| <div></div> <div>Enhancing Electricity Usage Efficiency</div> | <ul style="list-style-type: none"><li>■ Water dispensers are time-controlled</li></ul>   | <ul style="list-style-type: none"><li>■ Employees encouraged to take the stairs.</li><li>■ Implemented floor-access controls for elevators.</li></ul>  |   |  |

## 5.2 Green Product Design

WNC is dedicated to the development and commoditization of communication technologies and products. We aim to use the management of prohibited and restricted substances, adoption of recyclable, eco-friendly materials, development of energy conservation technologies for products, and the introduction of easily disassembled and recyclable designs with reduced packaging to effectively reduce the negative environmental impact of products during each stage of their lifecycle, providing customers with non-toxic, low polluting, recyclable, and energy efficient product designs and manufacturing services.



## 5.2.1 Sustainable Product Design

### Eco-design

WNC has established "Regulations for Eco-design Requirements of Energy-using Products," enabling it to use Life cycle assessment (LCA) to evaluate the environmental impact of products from three major aspects: chemical substances contained in products, energy efficiency, and recycling. We introduced eco-product management processes in accordance with customer needs and turned eco-design requirements into a basic aspect of early product design in order to incorporate environmental considerations into the product design stage. The aforementioned considerations include hazardous substance restrictions, energy usage efficiency, recycling and reuse, and environmental information disclosure. Furthermore, we have requested our suppliers to provide components that meet the standards in our "Regulations for Eco-design Requirements of Energy-using Products."

### Packaging Materials Management

WNC is dedicated to the development and production of green products, ensuring that we produce low toxicity, low polluting, energy saving, resource saving, and easily recycled eco-friendly products. The packaging materials used to ship products, including corrugated cardboard, EPE, plastic bags, labels and stickers, manuals, pulp boxes, and blister shells, are all recyclable and environmentally friendly materials which comply with the restrictions on the four hazardous materials of lead (Pb), cadmium (Cd), mercury (Hg), and chromium (Cr6+) in the European Union's Directive of Packaging and Packaging Waste (PPWD) 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.

In response to customer needs and the sustainable forest initiative, WNC started using paper materials certified by the Forest Stewardship Council (FSC) Chain of Custody Standards (hereinafter referred to as FSC™ CoC) in 2014 and received FSC™ CoC certification in 2015. We regularly conduct internal audits and third-party verification to ensure that the packaging boxes, corrugated paper bags, adhesive labels, and paper materials for printing that we use are made from trees grown in certified forests through systematic forest management and supply chain management, enabling us to provide better protection and management for forests. In February 2022, we completed the FSC™ CoC third-party audit.

WNC has introduced Cradle to Cradle (C2C) certified packaging materials, using non-toxic materials, clean energy, and water saving processes to replace environmentally harmful materials and production processes that consume large amounts of energy. We have also established measures for recycling packaging. The C2C certified products currently used by WNC include reinforced craft paper tape for sealing product boxes and vegetable oil based inks for printing color boxes; these products do not contain volatile organic solvents. These materials are environmentally friendly and can ensure the safety and health of employees.



Replaced plastic straps with paper straps.



Adopted FSC™ certified packaging materials.

Water Activated Tape



C2C certified reinforced craft paper tape.



hubergroup Eco-Offset Ink Premium  
HUBERGROUP DEUTSCHLAND GMBH



C2C certified hubergroup Eco-Offset Ink.



## Examples of WNC applying sustainable product designs in product lifecycles

| Raw materials   | Manufacturing   | Transportation   | Use   | Disposal   |
|---|---|--|---|--|
| <b>Adoption of recyclable materials</b>   | <b>Energy consumption optimization in production processes</b>  | <b>Improve transportation efficiency</b>   | <b>Energy saving product design</b>   | <b>Product design for recyclability and easy disassembly</b>   |
| <ul style="list-style-type: none"> <li>■ Usage of PCR recyclable plastics in product design reduced the amount of virgin plastic used in 2021 by 183 tons. Products incorporating PCR plastics accounted for 8% of shipped home network devices.</li> <li>■ In 2021, packaging made from recycled materials accounted for 57% of total packaging materials purchased.</li> <li>■ In 2021, recyclable packaging materials accounted for 81% of total packaging materials purchased.</li> </ul> | <ul style="list-style-type: none"> <li>■ Usage of hot melt adhesive can be reduced through adjusting product design and assembly.</li> <li>■ During product development, minimize usage of mold tooling to reduce the amount of waste materials and pollution generated.</li> </ul> | <ul style="list-style-type: none"> <li>■ Research new packaging designs to reduce packaging volume and improve transportation efficiency.</li> <li>■ Case study: Helped a customer improve its packaging design, increasing the number of boxes that can be loaded onto a single pallet from 30 to 40, thereby increasing carrying capacity by 33%.</li> </ul> | <ul style="list-style-type: none"> <li>■ Improve the energy usage efficiency of products to reduce carbon emissions during use.</li> <li>■ Case study: Implemented smart fan control in product cooling solutions, enabling automatic adjustment of fan speed according to ambient temperature, thereby reducing energy consumption while maintaining thermal performance.</li> </ul> | Continue to implement recyclability and easy disassembly designs in products to improve the recycling rate of scrap electronics products and materials and comply with related environmental protection requirements such as the WEEE Directive. |

## 5.2.2 Management of Prohibited and Restricted Substances

WNC has introduced lead-free production processes and enforced halogen-free standards in material specifications and production processes of products in order to reduce the environmental impact of said items. WNC also utilizes XRF equipment in its plants 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 composition 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 ascertain the performance of the green supply chain. We also request our suppliers meet our green purchasing standards, which will enable all parties to meet 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, WEEE, REACH, the

European Battery Directive, and WNC's prohibition of substances harmful to the environment.

WNC complies with the aforementioned "Green Product Restricted Substances Management Procedures" in the product development phase to ensure that its products 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 2021, WNC's products did not violate any green product directives.

### **IECQ QC080000 Certification**

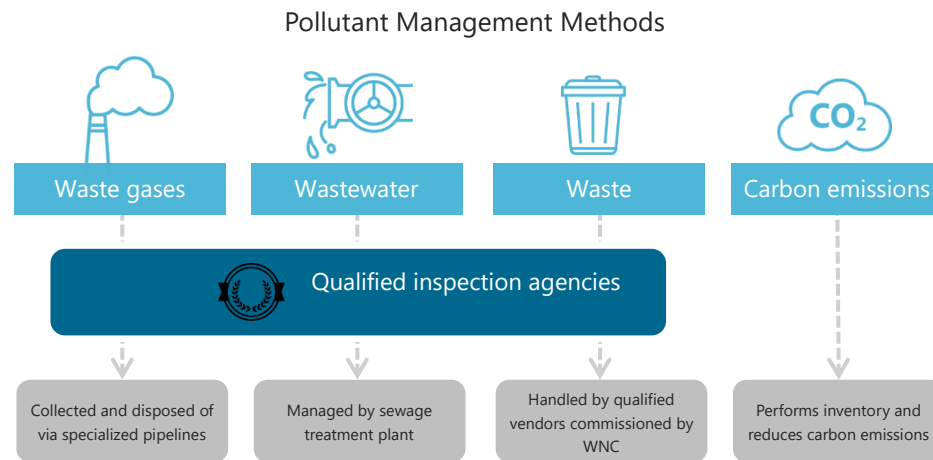
Through the QC080000 hazardous materials management system, WNC ensures that products comply with the restricted materials for electronic products listed by the European Union. IECQ QC080000 certification, which is developed according to the electronic component evaluation system of the International Electrotechnical Commission (IEC), is based on ISO 9001, TL 9000, and IATF 16949 management systems. The certification 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, REACH, and special customer requirements.

### **SONY Green Partner Certification**

Starting in 2007, WNC, Wistron NeWeb (Kunshan), and WebCom (Kunshan) began acquiring green partner certification of Sony and other leading brands, and they have also passed annual recertification since then. This shows that WNC's efforts in hazardous substances management has been recognized.

## 5.3 Environmental Protection

WNC is situated in a R&D and technology intensive industry. Since our manufacturing processes only comprise SMT (Surface Mount Technology), precision assembly, testing and R&D, pollutants from operations such as waste gases, wastewater, and waste were all properly collected and processed. We continue to implement waste recycling and reuse, energy and resource management, and green product design, in order to reduce our impact on the environment.



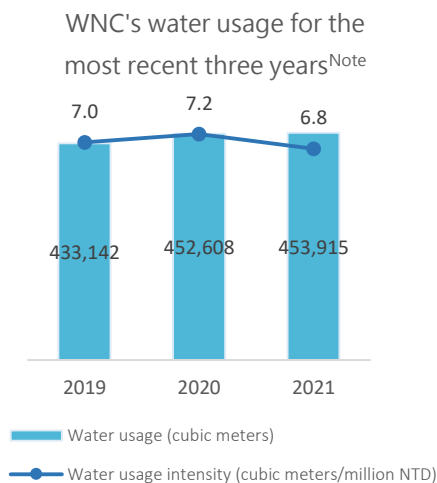
### 5.3.1 Environmental Management System

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. We have established an Environmental Safety and Health and Energy Management Policy to implement related measures and conduct internal audits and third-party verification every year to ensure compliance with ISO 14001, ISO 14064, ISO 50001, IECQ QC080000, FSC™ CoC, and other related environmental regulations. In order to manage risks relating to regulatory compliance, we have introduced a cloud-based regulatory management system. We have digitized legal and regulatory identification operations in order to reduce the risk of omissions or human errors.

WNC faced no major fines or non-monetary penalties for violating environmental laws or regulations in 2021. For more information on the aforementioned major fines, refer to the content in Article 4 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities."

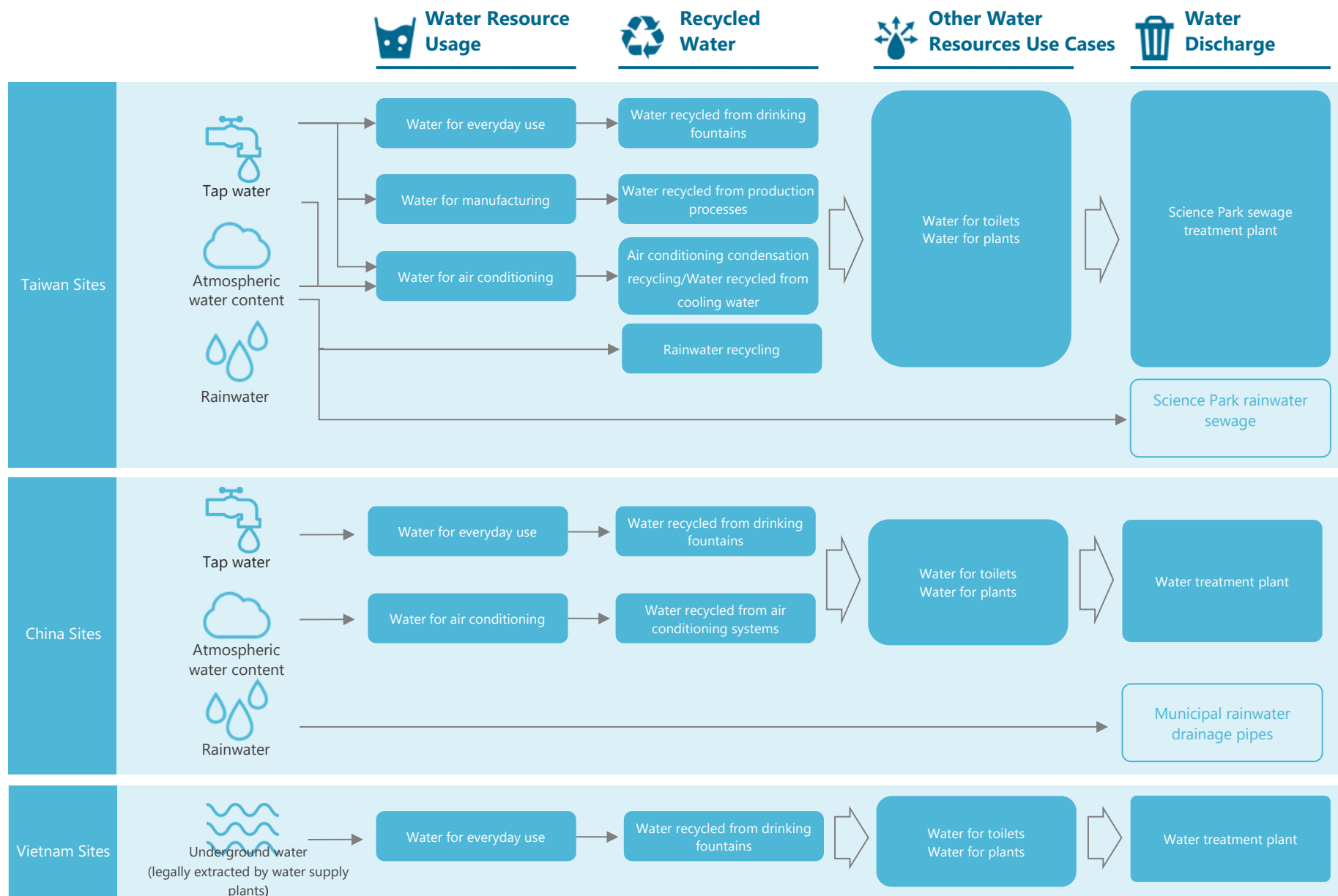
### 5.3.2 Water Resource Management

WNC is situated in an R&D and technology intensive industry. Water for everyday use comprises the majority of water usage, with a small part comprising of water used by factory equipment. WNC sites in Taiwan and China use tap water, while WNC's Vietnam site uses underground water. Through monitoring water usage and implementing water conservation measures, WNC reduced water usage at its Taiwan sites by 10.9% in 2021 compared to 2019, reaching our goal of reducing water usage by 5%. Water usage at WNC's China sites increased by 3.2% in 2021 compared to 2020, failing to reach the goal of reducing usage by 2%. The main reason for failing to reach the reduction goal was due to the need for humidity control in workshops during winter, which led to a significant increase in water usage.



Note: The scope of the water usage calculations cover WNC headquarters, S1, S2, WNC Kunshan, Wistron NeWeb (Kunshan), WebCom (Kunshan), WebCom (Nanjing), and the Vietnam plant.

Water Balance in Taiwan Sites



Breakdown of Water Usage at WNC in the Last Three Years

(Unit: Million liters)

| Location\Item <sup>Note 1</sup> |          |                               | breakdown of water usage at WVE in the last three years (Unit: million liter) |         |         |                 |         |         |                   |         |         |
|---------------------------------|----------|-------------------------------|---|---------|---------|-----------------|---------|---------|-------------------|---------|---------|
|                                 |          |                               | Water usage   |         |         | Water discharge |         |         | Water consumption |         |         |
|                                 |          |                               | 2019  | 2020    | 2021    | 2019            | 2020    | 2021    | 2019              | 2020    | 2021    |
| Taiwan                          | Hsinchu  | HQ                            | 40.391  | 42.974  | 40.395  | 21.909          | 21.755  | 20.926  | 18.482            | 21.219  | 19.443  |
|                                 |          | S1                            | 118.817   | 122.818 | 120.124 | 15.201          | 21.660  | 30.105  | 103.616           | 101.158 | 90.019  |
|                                 | Tainan   | S2                            | 45.159  | 59.382  | 61.968  | 15.460          | 20.911  | 26.188  | 29.699            | 38.471  | 35.780  |
|                                 | Subtotal |                               | 204.367   | 225.174 | 222.487 | 52.570          | 64.326  | 77.255  | 151.797           | 160.848 | 145.232 |
| China                           | Kunshan  | WNC Kunshan <sup>Note 2</sup> | 51.568  | 53.226  | 51.780  | 25.784          | 26.613  | 25.890  | 25.784            | 26.613  | 25.890  |
|                                 |          | Wistron NeWeb (Kunshan)       | 147.790   | 118.743 | 120.183 | 73.895          | 59.372  | 60.092  | 73.895            | 59.371  | 60.091  |
|                                 |          | WebCom (Kunshan)              | 16.621  | 18.570  | 24.280  | 8.311           | 9.285   | 12.140  | 8.311             | 9.285   | 12.140  |
|                                 | Nanjing  | WebCom (Nanjing)              | 2.863   | 2.463   | 3.012   | 1.923           | 2.259   | 1.506   | 940               | 0.204   | 1.506   |
|                                 |          | Subtotal                      |   | 218.842 | 193.002 | 199.255         | 109.913 | 97.529  | 99.628            | 108.930 | 95.473  |
|                                 | Vietnam  | Bắc Ninh                      | V1  | 9.933   | 34.432  | 32.173          | 7.946   | 27.545  | 25.738            | 1.987   | 6.887   |
| Subtotal                        |          |                               | 9.933   | 34.432  | 32.173  | 7.946           | 27.545  | 25.738  | 1.987             | 6.887   | 6.435   |
| Total                           |          |                               | 433.142   | 452.608 | 453.915 | 170.429         | 189.400 | 202.621 | 262.714           | 263.208 | 251.294 |

Note 1: The water usage and discharge amounts of locations in Taiwan and Nanjing, China, were based on water meters. The water usage in the Kunshan location in China was provided by the water supply company and the discharge amount was assumed to be half of the water usage according to experience. The water usage in the Vietnam locations was based on water meters and the discharge amount was set as 80% of water usage according to the value announced by the local government.

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

## Waste Water Management

The S1 plant is the only plant with water washing processes that generate wastewater. Therefore, waste water treatment equipment was installed at S1 in 2020, and wastewater processing permits were obtained in 2021 in order to handle the increased amount of generated wastewater due to plant expansion. Water discharge monitoring instruments were installed in the plant to ensure that the waste water complies with the water quality management regulations of the Hsinchu Science Park's sewage system. The Hsinchu Science Park Administration randomly tests the water discharged by WNC every month, and WNC has passed all tests. Every six months, WNC contracts an inspection agency approved by the Environmental Inspection Institute of the Environmental Protection Administration to test the water discharged by WNC to ensure that said discharge meets wastewater discharge standards.

Wastewater from sites other than S1 is mainly 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. 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 Stress Assessment

In order to further understand water stress and water usage risks at all production sites, WNC used the Water Risk Atlas and water supply data provided by the [World Resources Institute \(WRI\)](#) to identify potential water-related impacts and risks at all of its production sites to facilitate the formulation of water risk management strategies. In 2021, 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.

Impact of WNC water usage in 2021

| Area    |          | Water Supply Output of the Area                               |  | Impact degree | Water stress risk level <sup>Note 2</sup> | Water treatment plant  | Discharge Destination |
|---------|----------|---|--|---------------|---|--|-----------------------|
|         |          | Main Source of Water Destination                              | Annual water supply (million liters) <sup>Note 1</sup> |               |   |  |                       |
| Taiwan  | Hsinchu  | Touqian River, Baoshan Reservoir and Baoshan Second Reservoir | 159,549  | 0.1006%       | Low (<10%)                                | Hsinchu Science Park sewage treatment plant  | Koya River            |
|         | Tainan   | Zengwen River, Zengwen Reservoir, and Nanhua Reservoir        | 325,391  | 0.0190%       | Low (<10%)                                | Tainan Science Park sewage treatment plant   | Yanshui River         |
| China   | Kunshan  | Yangtze River and Kuilei Lake                                 | 402,266  | 0.0488%       | High (40-80%)                             | Kunshan Economic and Technological Development Zone sewage treatment plant           | Wusong River          |
|         | Nanjing  | Yangtze River   | 1,081,130  | 0.0003%       | Low (<10%)                                | Nanjing Jiangning Economic and Technological Development Zone sewage treatment plant | Yangtze River         |
| Vietnam | Bắc Ninh | Underground water   | No official data available                             | NA            | Low (<10%)                                | Kinh Bac City Development Share Holding Corporation sewage treatment plant           | Cau River             |

Note 1: The water supply figures in Taiwan are based on the amounts reported in the [Taiwan Water Corporation Annual Statistics Report](#). The water supplies in Kunshan and Nanjing, China, are based on the annual water supplies calculated from the daily water supplies announced by [Kunshan Water](#) and [Nanjing Water Group](#), respectively.

Note 2: According to the global water stress data published by the [World Resource Institute \(WRI\)](#) in Q1 2022, water stress risk levels are classified as Low (<10%), Low-Medium (10-20%), Medium-High (20-40%), High (40-80%), and Extremely High (>80%).

## Water Conservation Measures

In 2021, saved and recycled water made up approximately 18.7% of the total water withdrawn by WNC, which saved about NT\$ 5.08 million in water withdrawal costs. The water conservation results for the year are listed below.

| 2021 water conservation results of WNC |   |  |  |  |                                     |
|--|---|--|--|--|-------------------------------------|
| Country                                | Source  | Item <sup>Note 1</sup>                       | Amount of water conserved (million liters) | Water conservation benefits <sup>Note 2</sup> (NTD ten thousand) | Ratio to Total Water Withdrawal (%) |
| Taiwan                                 | Tap water   | Drinking fountain RO waste water recycling   | 1.346                                      | 9  | 16.2%                               |
|  |   | Water recycled from production processes     | 22.329                                     | 144  |                                     |
|  | Tap water, rainwater, and atmospheric water content | Water recycled from cooling water            | 23.469                                     | 151  |                                     |
|  |   | Water recycled from air conditioning systems | 20.168                                     | 130  |                                     |
|  | Rainwater   | Rainwater recycling                          | 6.109                                      | 39   |                                     |
|  | Subtotal  |  | 73.421                                     | 473  |                                     |
| China                                  | Tap water   | Drinking fountain RO waste water recycling   | 4.770                                      | 16   | 2.0%                                |
|  | Atmospheric water content                           | Water recycled from air conditioning systems | 4.536                                      | 15   |                                     |
|  | Subtotal  |  | 9.306                                      | 30   |                                     |
| Vietnam                                | Underground water                                   | Water-saving mist faucets                    | 1.54                                       | 3  | 0.5%                                |
|  |   | Drinking fountain RO waste water recycling   | 0.62                                       | 1  |                                     |
|  | Subtotal  |  | 2.16                                       | 4  |                                     |
| Total                                  |   |  | 84.887                                     | 508  | 18.7%                               |

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\$64.5 per tonne, while NT\$32.5 per tonne is used for WNC's sites in China and NT\$18.6 per tonne is used for WNC's site in Vietnam.

Gas emissions in 2021 (unit: metric tons)

| Locations |                         | Volatile Organic Compounds (VOC) <sup>Note 1</sup> | Nitrogen oxides (NO <sub>x</sub> ) <sup>Note 2</sup> | Sulfur oxides (SO <sub>x</sub> ) <sup>Note 3</sup> |
|-----------|-------------------------|--|--|--|
| Taiwan    | S1                      | 14.51  | -  | -  |
|           | S2                      | 9.29   | -  | -  |
| China     | WNC (Kunshan)           | 1.63   | 1.33   | 0.01   |
|           | Wistron NeWeb (Kunshan) | 3.27   | 2.30   | 0.01   |
|           | WebCom                  | 0.18   | 0.27   | -  |
|           | Total                   | 28.87  | 3.90   | 0.02   |

Note 1: VOCs are calculated according to the air pollution fee calculation method or the results of regular testing.

Note 2: NO<sub>x</sub> is calculated based on the results of regular testing.

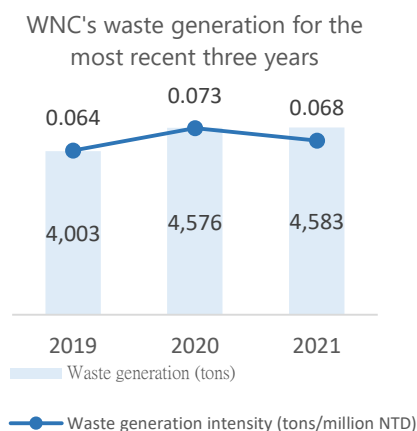
Note 3: SO<sub>x</sub> is calculated based on the results of regular testing.

## 5.3.3 Gas Emissions Management

Gas emissions of WNC mainly consist of carbon dioxide emitted during power generation. Other controlled gases include volatile organic compounds (mainly from the evaporation of organic solutions such as flux and cleaning agents, used in production processes) as well as nitrogen oxides (NO<sub>x</sub>) and sulfur oxides (SO<sub>x</sub>) generated from the use of emergency generators and boilers in plants. According to estimates calculated via test results and air pollution fees, only small amounts of the aforementioned controlled gases were emitted by WNC in 2021.

## 5.3.4 Waste Management

The main raw materials used in production by WNC are electronic parts, mechanical parts, and packaging materials. The waste generated is mainly from packaging materials and pallets used by suppliers during deliveries and production and storage processes. These include waste paper, waste plastic, and waste wood. In order to reduce our impact on the environment, we continue to implement green product designs, waste recycling projects, and waste management. We aim to reduce raw materials usage starting from the beginning of production processes and use reusable materials (including recycling and reuse by suppliers). WNC contracts waste handling companies to convert its waste into resource products. Materials that cannot be recycled or reused are incinerated or disposed of in a landfill. Waste storage areas that meet regulations have been established in plants, and waste is sorted into different categories. The aforementioned waste handling companies weigh the different types of waste before removing it from plants. WNC reports the waste it generates online and makes sure that relevant waste handling forms are filled in correctly. We conduct annual evaluations of cleaning companies and potential partners to ensure that they comply with WNC requirements. In 2021, around 4,583 tons of waste from operations was produced. The different locations have conducted waste processing and recycling according to the local regulations. There were no major pollution incidents or violations of environmental protection practices and related penalties.



Note: The scope of the waste generation calculations cover WNC headquarters, S1, S2, WNC Kunshan, Wistron NeWeb (Kunshan), WebCom (Kunshan), and the Vietnam plant. The Vietnam plant has been included in the calculation scope from 2020.

Waste generated in 2021 (unit: metric tons)

| Locations | Classification             | Assembly                            | Production volume | Recycling process   | Handling process                    |  |          |        |
|-----------|----------------------------|-------------------------------------|-------------------|---------------------|-------------------------------------|--|----------|--------|
|           |                            |                                     |                   | Recycling and reuse | Incineration (with energy recovery) | Incineration (without energy recovery) | Landfill | Others |
| Taiwan    | General business Waste     | Paper waste                         | 901               | 859                 |                                     | 42                                     |          |        |
|           |                            | Waste plastic                       | 425               | 289                 |                                     | 136                                    |          |        |
|           |                            | Waste wood                          | 247               | 60                  | 145                                 | 42                                     |          |        |
|           |                            | Production line waste               | 72                | 1                   |                                     | 72                                     |          |        |
|           |                            | Waste mixed metals                  | 54                | 54                  |                                     |  |          |        |
|           |                            | Sludge                              | 38                | 12                  |                                     |  | 26       |        |
|           |                            | Waste tin                           | 25                | 25                  |                                     |  |          |        |
|           |                            | Other recyclables                   | 88                | 88                  |                                     |  |          |        |
|           |                            | Other general waste from operations | 79                | 43                  |                                     |  |          |        |
|           | Hazardous operations Waste | Waste mixed metals                  | 116               | 116                 |                                     |  |          |        |
|           |                            | Waste rags                          | 22                |                     |                                     | 22                                     |          |        |
|           |                            | Waste solvent                       | 18                |                     |                                     | 18                                     |          |        |
|           |                            | Waste alkali solution               | 6                 |                     |                                     |  |          | 6      |
|           |                            | Waste liquid barrels                | 6                 | 3                   |                                     | 3                                      |          |        |
| China     | General business Waste     | Paper waste                         | 993               | 993                 |                                     |  |          |        |
|           |                            | Waste plastic                       | 492               | 492                 |                                     |  |          |        |
|           |                            | Production line waste               | 232               |                     |                                     | 232                                    |          |        |
|           |                            | Waste tin                           | 13                | 13                  |                                     |  |          |        |
|           |                            | Others                              | 2                 | 2                   |                                     |  |          |        |
|           | Hazardous operations Waste | Waste mixed metals                  | 98                | 98                  |                                     |  |          |        |
|           |                            | Waste rags                          | 4                 |                     |                                     | 4                                      |          |        |
|           |                            | Waste activated carbon              | 23                | 23                  |                                     |  |          |        |
|           |                            | Waste solvent                       | 21                |                     |                                     | 21                                     |          |        |
|           |                            | Waste liquid barrels                | 5                 | 5                   |                                     |  |          |        |
|           |                            | Others                              | 5                 | 4                   |                                     | 1                                      |          |        |

Waste generated in 2021 (cont.) (unit: metric tons)

| Locations |                            | Classification        | Assembly | Production volume | Recycling process   | Handling process                  |                                      |          |        |
|-----------|----------------------------|-----------------------|----------|-------------------|---------------------|-----------------------------------|--------------------------------------|----------|--------|
|           |                            |                       |          |                   | Recycling and reuse | Incinerate (with energy recovery) | Incinerate (without energy recovery) | Landfill | Others |
| Vietnam   | General business Waste     | Paper waste           | 339      | 339               |                     |                                   |                                      |          |        |
|           |                            | Waste plastic         | 46       | 46                |                     |                                   |                                      |          |        |
|           |                            | Waste wood            | 136      | 136               |                     |                                   |                                      |          |        |
|           |                            | Production line waste | 45       |                   |                     | 45                                |                                      |          |        |
|           |                            | Waste tin             | 4        | 4                 |                     |                                   |                                      |          |        |
|           |                            | Sludge                | 38       | 12                |                     |                                   |                                      | 26       |        |
|           | Hazardous operations Waste | Waste mixed metals    | 22       |                   |                     | 22                                |                                      |          |        |
|           |                            | Waste rags            | 0        |                   |                     | 0                                 |                                      |          |        |
|           |                            | Waste solvent         | 3        |                   |                     | 3                                 |                                      |          |        |
|           |                            | Waste liquid barrels  | 1        |                   |                     | 1                                 |                                      |          |        |
|           |                            | Others                | 1        | 0                 |                     | 1                                 |                                      |          |        |
| Total     |                            | 4,583                 | 3,706    | 145               | 700                 | 26                                | 6                                    |          |        |

Note 1: Does not include daily waste generated by employees.

Note 2: WNC waste is processed offsite.

Note 3: Other handling measures include chemical treatment.

Waste recycling and processing in 2021 (unit: metric tons)

| Type              |                                      | General Waste | Hazardous waste from operations | Total |
|-------------------|--------------------------------------|---------------|---------------------------------|-------|
| Recycling process | Recycling and reuse                  | 3,457         | 249                             | 3,706 |
| Handling process  | Landfill                             | 26            |                                 | 26    |
|                   | Incinerate (without energy recovery) | 605           | 95                              | 700   |
|                   | Incinerate (with energy recovery)    | 145           |                                 | 145   |
|                   | Other measures                       |               | 6                               | 6     |
| Total             |                                      | 4,233         | 350                             | 4,583 |

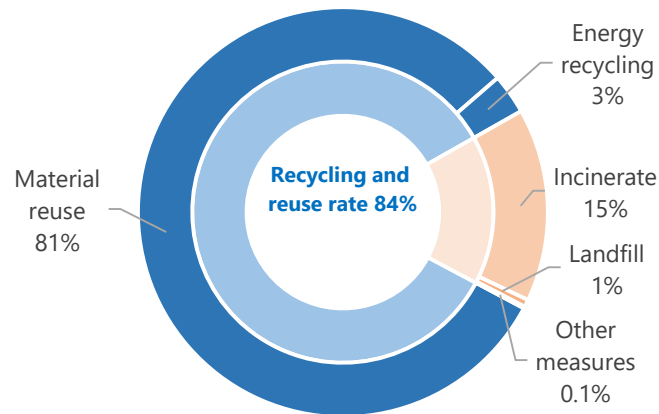
## Program to Raise Waste Recycling Rate

Apart from the material reuse of recycled waste, WNC also uses waste as an auxiliary fuel for energy recycling. In 2021, WNC's waste recycling rate reached 84%, exceeding the goal of 83%. Apart from recycling solder dross and metal scraps from printed circuit boards and providing them to suppliers for metal recycling, WNC has fully implemented recycling and reuse projects. We also require suppliers to recycle and reuse packaging materials, including the plastic trays used in production and the cardboard boxes used in shipments. In 2021, gains from recycling totaled NT\$34.83 million.

WNC waste recycling benefits in 2021

| Type                    | Measures   | Amount of recycling (metric tons) | Recycling benefits (NTD ten thousand) |
|-------------------------|--|-----------------------------------|---------------------------------------|
| 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. | 4                                 | 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.          | 80                                | 25                                    |
| Plastic trays           | Scrap plastic trays from production lines are sent to recycling vendors for sorting and recycling.   | 19                                | 17                                    |
| Used pallets            | Provide unusable pallets to recycling vendors to remanufacture into fuel balls. These are used by cogeneration plants as combustion aids.  | 340                               | 26                                    |
| Solder waste            | Recycle solder waste generated during production processes for recycling vendors to turn into electroplated plates   | 27                                | 2,226                                 |
| 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)   | 205                               | 1,189                                 |
| Styrofoam               | Scrap styrofoam packing material is sent to recycling vendors and turned into styrofoam balls for reuse.   | 33                                | 0                                     |

Waste recycling and reuse rate in 2021



### Waste contractor management

In order to fulfill our responsibilities in entrusting the removal and management of our waste, WNC conducts annual evaluations of waste removal, processing, and recycling companies. In 2021, 11 companies completed the waste contractor onsite or written evaluations. The evaluations tracked the removal vehicle operations, waste storage facilities, onsite safety management, and sales of recycled products, in order to ensure the legal inspection, removal, and processing of waste by contractors. The evaluation results were used to conduct hierarchical management of contractors and to communicate corresponding requirements. In 2020, a new supplier pre-evaluation system was introduced. Contracts may only be signed after suppliers are deemed to be qualified by WNC.

#### Evaluation standards for waste contractors of Taiwan locations:

- Level A ( $\geq 80$ ): Maintain the status quo and list the supplier as a preferred supplier in the next year.
- Level B (65-79 points): Include the supplier on the watchlist, notify the supplier of improvement items, and increase the audit frequency.

## 5.3.5 Green Living

### 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 2021, Taiwan locations organized an environmental protection seminar, "Environment, Life, and Health". Lecturers from the Environmental Education Association were invited to share new carbon reduction concepts. The topic of environment and health, life and health, and health begins with self-management was discussed to improve awareness of the importance of healthy living and the environment among employees. Employees were encouraged to implement environmental education in their own lives to improve the health of themselves and their families.

In response to the COVID-19 pandemic, several events were suspended or delayed in 2021, in order to reduce public gatherings and protect employee health. WNC will continue to implement green culture, raising environmental protection awareness among employees and introducing concepts related to waste pollution and recycling through "Energy Conservation, Carbon Reduction, and Waste Reduction and Recycling" events.





## Environmental Expenditure




Apart from obtaining management system certification related to the environment, WNC has also adopted various environmental protection measures. In 2021, WNC's environmental protection expenditure reached NT\$71.89 million, with management system certification accounting for 2.9%, environmental and green product inspections accounting for 3.6%, waste processing accounting for 17.2%, air/land/water pollution prevention and control accounting for 20.4%, energy conservation investments accounting for 55.5%, and the cloud management platform for laws and regulations accounting for 0.3% of the total.

WNC environmental protection expenditure in 2021

| Item                            |   | Amount<br>(NTD ten thousand)                         | Percentage<br>of total<br>expenditure<br>(%) |
|---------------------------------|---|--|--|
| Certification fee               | ISO 14001, ISO 14064-1, ISO 50001, IECQ QC080000, FSC™ CoC              | 209.9  | 2.9%   |
| Environment and product testing | Waste gas, waste water, waste, and ambient noise                        | 84.8   | 3.6%   |
|                                 | Green product and plasticizer (in incoming materials) testing fees      | 174.2  |  |
| Waste handling                  | Fees for cleanup and inspection of solid/liquid waste                   | 1,238.6  | 17.2%  |
| Pollution control               | Air   | Replacement of activated carbon                      | 20.4%  |
|                                 |   | Scrubber tower maintenance cost                      |  |
|                                 |   | Air pollution fees                                   |  |
|                                 | Soil  | Soil pollution fees                                  |  |
|                                 | Water   | Refurbishment of rainwater and sewage drainage pipes |  |
|                                 |   | Wastewater treatment equipment                       |  |
| Energy conservation investments | Sewage treatment fee  |  | 487.5  |
|                                 | Solar panel installation and maintenance fee                            |  | 2972.0                                       |
|                                 | SCADA installation and maintenance fee                                  |  | 50.0   |
|                                 | Investment in energy conservation projects                              |  | 807.4  |
| Others                          | Purchased products with environmental protection labels <sup>Note</sup> |  | 163.9  |
|                                 | Legal Compliance System for Laws and Regulations                        |  | 19.7   |
| Total                           |   | 7,189  | 100.0%                                       |

Note: Purchased refrigerators with environmental protection labels and trucks that comply with the Environmental Protection Administration fifth phase vehicles.

### Daily conservation activities of WNC

|  |  |
|--|--|
|  <p><b>Enhancing Electricity Usage Efficiency</b></p> | <ul style="list-style-type: none"> <li>Water dispensers are time-controlled</li> <li>Employees encouraged to take the stairs.</li> <li>Implemented floor-access controls for elevators.</li> </ul>   |
|  <p><b>Enhancing Electricity Usage Efficiency</b></p> | <ul style="list-style-type: none"> <li>Energy conservation and waste reduction slogans and posters posted in the public areas.</li> <li>Health and lifestyle seminars, Earth Week activities held to promote environmental protection awareness.</li> <li>Promotion of programs for a paper-free office and encouragement of employees to recycle resources and reduce waste</li> <li>Canteens only use reusable eating utensils.</li> </ul>   |
|  <p><b>Water Conservation Measures</b></p>            | <ul style="list-style-type: none"> <li>Used induction mist faucets in restrooms and setting water taps in tea rooms to suitable water dispensing levels.</li> <li>Implemented water conservation projects</li> <li>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.</li> <li>Reduced usage of irrigation water</li> </ul> |

# 06 Appendix

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About this Report

Assurance Statement

GRI Standards Index

SASB Standards Index

ESG Performance Indicators

## 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, now known as our Sustainability Report, is produced in both Chinese and English, and is posted on WNC's ESG website: <https://csr.wnc.com.tw/>

### Publication

Our Sustainability Report will be published on an annual basis.

- Current version: Published in June 2022
- Previous version (CSR report): Published in June 2021
- Next version: To be published in June 2023

### Contact Information

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

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Communication Division

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### Report Aspects

The scope of the information disclosed in this report covers WNC's measures taken and achievements in aspects relating to corporate social responsibility from January to December 2021. 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 Neihsu 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, referred to as "WNC (Kunshan)"
- Wistron NeWeb (Kunshan) Corporation, referred to as "Wistron NeWeb (Kunshan)"
- NeWeb Service (Kunshan) Corporation, referred to as "NeWeb Service"
- WebCom Communication (Kunshan) Corporation—Kunshan Plant, referred to as "WebCom (Kunshan)"
- WebCom Communication (Kunshan) Corporation—Nanjing Branch, referred to as "WebCom (Nanjing)"
- In accordance with our operational strategy, the facilities of WNC Vietnam Co., Ltd. (WNC Vietnam) were gradually relocated to our new plant NeWeb Vietnam Co., Ltd. (the VN site) during 2021. Since the new plant began operations and mass production at the end of 2021, it is not included in the scope of information disclosure in this report. Relevant information about the new plant will be disclosed in our 2022 Sustainability Report.

### Report Methodology and Guidelines

The report has been compiled in accordance with the GRI Standards published by the Global Reporting Initiative and the industry standards (The industry standards that WNC follows are: Electronic Manufacturing Services and Original Design Manufacturing.) of the Sustainability Accounting Standards Board (SASB). We have adopted the latest version of the standards within the time specified by GRI and SASB. The report has been inspected by an independent third party, namely BSI Taiwan, and has been verified to meet the requirements of the SASB industry standards, GRI Standards Core

option, and AA1000 Assurance Standard type 1, moderate level. The Assurance Statement follows below.

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 4.3483 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 2021 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.

### Management System Operations and Maintenance

Verification and issuance of ISO 9001, ISO 14001, ISO 50001, IATF 16949, ISO 45001, IECQ QC 080000, ANSI/ESD S20.20, TL 9000 and CNS 45001 certificates were performed by TÜV Rheinland. ISO 13485 by BSI Taiwan; FSC™ Chain-of-Custody by DNV-GL; 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.)

## 6.2 Assurance Statement



### INDEPENDENT ASSURANCE OPINION STATEMENT

#### Wistron NeWeb Corporation 2021 Sustainability Report

The British Standards Institution is independent of Wistron NeWeb Corporation (hereafter referred to as WNC in this statement) and has no financial interest in the operation of WNC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of WNC only for the purposes of assuring its statements relating to its sustainability, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by WNC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to WNC only.

#### Scope

The scope of engagement agreed upon with WNC includes the followings:

1. The assurance scope is consistent with the description of Wistron NeWeb Corporation 2021 Sustainability Report.
2. The evaluation of the nature and extent of the WNC's adherence to AA1000 AccountAbility Principles (2018) and assessment of sustainability disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Wistron NeWeb Corporation 2021 Sustainability Report provides a fair view of the WNC sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the WNC and the sample taken. We believe that the 2021 Environment, Social and Governance (ESG) performance information are fairly represented. The sustainability performance information disclosed in the report demonstrate WNC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that WNC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option and SASB Standard(Electronic Manufacturing Services & Original Design Manufacturing Sustainability Accounting Standard) were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to WNC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 22 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard to assess and manage topic-related risks and opportunities.

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018), GRI Standards and SASB Standard is set out below:

#### Inclusivity

This report has reflected a fact that WNC has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for Environment, Social and Governance (ESG) information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the WNC's inclusivity issues.

#### Materiality

WNC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of WNC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the WNC's management and performance. In our professional opinion the report covers the WNC's material issues.

#### Responsiveness

WNC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for WNC is developed and continually provides the opportunity to further enhance WNC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the WNC's responsiveness issues.

#### Impact

WNC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. WNC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the WNC's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

WNC provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the WNC's social responsibility and sustainability topics.

#### SASB Standards

WNC provided us with their self-declaration of in accordance with SASB Standard (Electronic Manufacturing Services & Original Design Manufacturing Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard (Electronic Manufacturing Services & Original Design Manufacturing Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The sustainability report is the responsibility of the WNC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14004 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

  
Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2021028  
2022-05-17

Taiwan Headquarter: 2nd Floor, No. 37, Ji-Hua Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.  
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## 6.3 GRI Standards Index

### General Disclosures

| Topic                               | Disclosure |  | Chapter   | Page     |
|-------------------------------------|------------|--|---|----------|
| Organizational<br>Profile<br>: 2016 | 102-1      | Report the name of the organization.   | 1.1   | 11       |
|                                     | 102-2      | Report the organization's activities, the primary brands, products, and services.  | 1.3   | 16       |
|                                     | 102-3      | Report the location of the organization's headquarters.  | 1.1.1   | 12       |
|                                     | 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   | 12       |
|                                     | 102-5      | Report the nature of ownership and legal form.   | 1.1   | 11       |
|                                     | 102-6      | Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).  | 1.3   | 16       |
|                                     | 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                                       | 11,15-16 |
|                                     | 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)                           | 4.2.1   | 61-62    |
|                                     | 102-9      | Describe the organization's supply chain.  | 3.5   | 48       |
|                                     | 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  | 12,120   |
|                                     | 102-11     | Report whether and how the precautionary approach or principle is addressed by the organization.   | 3.3   | 39-45    |
|                                     | 102-12     | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.   | 2.1.2, 3.3.3  | 21,40    |
|                                     | 102-13     | List memberships of associations (such as industry associations) and national or international advocacy organizations.   | 1.1.3   | 14       |
| Strategy<br>: 2016                  | 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<br>A Message from the CSO | 3-5      |
|                                     | 102-15     | Provide a description of key impacts, risks, and opportunities.  | 3.3   | 39-45    |
| Ethics and<br>Integrity<br>: 2016   | 102-16     | Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.  | 1.1, 3.2  | 11,36    |
|                                     | 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.               | 3.2   | 36       |



|                      |        |  |     |       |
|----------------------|--------|--|-----|-------|
| Governance<br>: 2016 | 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. | 3.1 | 34-35 |
|----------------------|--------|--|-----|-------|

|                               |        |   |  |    |
|-------------------------------|--------|---|--|----|
| Stakeholder Engagement : 2016 | 102-40 | Provide a list of stakeholder groups engaged by the organization.   | 2.2.1  | 26 |
|                               | 102-41 | Report the percentage of total employees covered by collective bargaining agreements.   | 1. No unions have been established in Taiwan.<br>2. Unions (100% coverage) have been established at Kunshan sites, representatives of WNC signing a collective contract with the government.<br>3. Unions (100% coverage) have been established at Vietnam sites, employees signing documents signifying voluntary joining of the union. |    |
|                               | 102-42 | Explain methods of identification and selection for stakeholders to be engaged with.  | 2.2.1  |    |
|                               | 102-43 | Explain communication methods with stakeholders, including the communication frequency by different stakeholder groups and forms, and report whether any communication procedures were carried out specifically for the preparation of this report.                   | 2.3  |    |
|                               | 102-44 | Explain key issues and concerns raised through stakeholder communications and how the organization respond, including reporting the stakeholder groups that raised each key issue and concern through reports.  | 2.3  |    |
| Reporting Practice : 2016     | 102-45 | a. List all entities included in the organization's consolidated financial statements or equivalent documents.<br>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. | 6.1  |    |
|                               | 102-46 | a. Explain the process for defining the report content and the topic Boundaries.<br>b. Explain how the organization has implemented the Reporting Principles for defining report content.   | 2.2  |    |
|                               | 102-47 | List all the material topics identified in the process for defining report content.   | 2.2  |    |
|                               | 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  |    |
|                               | 102-51 | Date of most recent previous report (if any).   | 6.1  |    |
|                               | 102-52 | Reporting cycle (such as annual, biennial).   | 6.1  |    |
|                               | 102-53 | Provide the contact point for questions regarding the report or its contents.   | 6.1  |    |
|                               | 102-54 | Report if it has prepared a report in accordance with the GRI Standards   | 6.1  |    |
|                               | 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  |    |
|                               | 102-56 | Report the organization's policy and current practice with regard to seeking external assurance for the report.   | 2.1  |    |

## Specific Standard Disclosures

\*refers to material topics of the year

| ECONOMIC                      |                  |       |  |         |      |
|-------------------------------|------------------|-------|--|---------|------|
| Topic                         | DMA & Disclosure |       |  | Chapter | Page |
| Economic Performance * : 2016 | DMA              | 103-1 | Explanation of the material topic and its Boundary | 3       | 32   |
|                               |                  | 103-2 | The management approach and its components         | 3       | 32   |
|                               |                  | 103-3 | Evaluation of the management approach              | 3       | 32   |

|  |            |       |   |       |       |
|--|------------|-------|---|-------|-------|
|  | Disclosure | 201-1 | Direct economic value generated and distributed   | 1.2   | 15    |
|  |            | 201-2 | Financial implications and other risks and opportunities for the organization's activities due to climate change        | 3.3.3 | 40-44 |
|  |            | 201-3 | Coverage of the organization's defined benefit plan obligations   | 4.3   | 68,70 |
|  |            | 201-4 | Financial assistance received from government   | 3.2.4 | 38    |
| Market Presence<br>: 2016                | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 4.3.1 | 68    |
|  |            | 103-2 | The management approach and its components  | 4.3.1 | 68    |
|  |            | 103-3 | Evaluation of the management approach   | 4.3.1 | 68    |
|  | Disclosure | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation      | 4.3.1 | 68    |
|  |            | 202-2 | Proportion of senior management hired from the local community at significant locations of operation                    | 4.2.2 | 64    |
| Indirect Economic<br>Impacts<br>: 2016   | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 4.7   | 93-96 |
|  |            | 103-2 | The management approach and its components  | 4.7   | 93-96 |
|  |            | 103-3 | Evaluation of the management approach   | 4.7   | 93-96 |
|  | Disclosure | 203-1 | Development and impact of Infrastructure investments and services supported   | 4.7   | 93-96 |
| Procurement<br>Practices<br>: 2016       | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 3.5   | 48    |
|  |            | 103-2 | The management approach and its components  | 3.5   | 48    |
|  |            | 103-3 | Evaluation of the management approach   | 3.5   | 48    |
|  | Disclosure | 204-1 | Proportion of spending on local suppliers at significant locations of operation   | 3.5.1 | 48    |
| Anti-corruption*<br>: 2016               | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 3.2   | 36-37 |
|  |            | 103-2 | The management approach and its components  | 3.2   | 36-37 |
|  |            | 103-3 | Evaluation of the management approach   | 3.2   | 36-37 |
|  | Disclosure | 205-1 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | 3.2   | 36-37 |
|  |            | 205-2 | Communication and training on anti-corruption policies and procedures   | 3.2   | 36-37 |
|  |            | 205-3 | Confirmed incidents of corruption and actions taken   | 3.2   | 36-37 |
| Anti-competitive<br>Behavior *<br>: 2016 | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 3.2   | 36-37 |
|  |            | 103-2 | The management approach and its components  | 3.2   | 36-37 |
|  |            | 103-3 | Evaluation of the management approach   | 3.2   | 36-37 |
|  | Disclosure | 206-1 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes      | 3.2.2 | 37    |

| ENVIRONMENTAL                          |                  |       |   |              |         |
|--|------------------|-------|---|--------------|---------|
| Topic                                  | DMA & Disclosure |       |   | Chapter      | Page    |
| Energy *<br>: 2016                     | DMA              | 103-1 | Explanation of the material topic and its Boundary  | 5            | 97      |
|  |                  | 103-2 | The management approach and its components  | 5            | 97      |
|  |                  | 103-3 | Evaluation of the management approach   | 5            | 97      |
|  | Disclosure       | 302-1 | Energy consumption within the organization  | 5.1.2        | 102     |
|  |                  | 302-3 | Energy intensity  | 5.1.2        | 102     |
|  |                  | 302-4 | Reduction of energy consumption   | 5.1.2        | 104     |
| Water and<br>Effluents*<br>: 2018      | DMA              | 303-1 | Interactions with water as a shared resource  | 5.3.2        | 110-114 |
|  |                  | 303-2 | Management of water discharge-related impacts   | 5.3.2        | 110-114 |
|  | Disclosure       | 303-3 | Water withdrawal  | 5.3.2        | 112     |
|  |                  | 303-4 | Water discharge   | 5.3.2        | 112     |
|  |                  | 303-5 | Water consumption   | 5.3.2        | 112     |
| Emissions*<br>: 2016                   | DMA              | 103-1 | Explanation of the material topic and its Boundary  | 5.1.1, 5.3.3 | 100,114 |
|  |                  | 103-2 | The management approach and its components  | 5.1.1, 5.3.3 | 100,114 |
|  |                  | 103-3 | Evaluation of the management approach   | 5.1.1, 5.3.3 | 100,114 |
|  | Disclosure       | 305-1 | Direct greenhouse gas (GHG) emissions (Scope 1)   | 5.1.1        | 100     |
|  |                  | 305-2 | Energy indirect greenhouse gas (GHG) emissions (Scope 2)  | 5.1.1        | 100     |
|  |                  | 305-4 | Greenhouse gas (GHG) emissions intensity  | 5.1.1        | 101     |
|  |                  | 305-5 | Reduction of greenhouse gas (GHG) emissions   | 5.1.1        | 101     |
| Waste*<br>: 2020                       | DMA              | 306-1 | Waste generation and significant waste-related impacts  | 5.3.4        | 115-117 |
|  |                  | 306-2 | Management of significant waste-related impacts   | 5.3.4        | 115-117 |
|  | Disclosure       | 306-3 | Waste generation  | 5.3.4        | 115-116 |
|  |                  | 306-4 | Disposal and transfer of waste  | 5.3.4        | 115-116 |
|  |                  | 306-5 | Direct disposal of waste  | 5.3.4        | 115-116 |
| Environmental<br>Compliance*<br>: 2016 | DMA              | 103-1 | Explanation of the material topic and its Boundary  | 5.3.1        | 110     |
|  |                  | 103-2 | The management approach and its components  | 5.3.1        | 110     |
|  |                  | 103-3 | Evaluation of the management approach   | 5.3.1        | 110     |
|  | Disclosure       | 307-1 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | 3.2.3        | 110     |

| Supplier Environmental Assessment : 2016 | DMA              | 103-1  | Explanation of the material topic and its Boundary  | 3.5   | 48    |
|--|------------------|--------|---|---|-------|
|  |                  | 103-2  | The management approach and its components  | 3.5   | 48    |
|  |                  | 103-3  | Evaluation of the management approach   | 3.5   | 48    |
|  | Disclosure       | 308-1  | Percentage of new suppliers that were screened using environmental criteria   | 3.5.2   | 50    |
|  |                  | 308-2  | Significant actual and potential negative environmental impacts in the supply chain and actions taken                                     | 3.5.2   | 50-52 |
| SOCIAL                                   |                  |        |   |   |       |
| Topic                                    | DMA & Disclosure |        |   | Chapter   | Page  |
| Employment* : 2016                       | DMA              | 103-1  | Explanation of the material topic and its Boundary  | 4.2   | 61    |
|  |                  | 103-2  | The management approach and its components  | 4.2   | 61    |
|  |                  | 103-3  | Evaluation of the management approach   | 4.2   | 61    |
|  | Disclosure       | 401-1  | Total number and rates of new employee hires and employee turnover by age group, gender, and region                                       | 4.2.2   | 63    |
|  |                  | 401-2  | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 4.3   | 68-71 |
|  |                  | 401-3  | Return to work and retention rates after parental leave, by gender  | 4.1.4   | 57    |
| Labor/ Management Relations* : 2016      | DMA              | 103-1  | Explanation of the material topic and its Boundary  | 4.1.5   | 58-60 |
|  |                  | 103-2  | The management approach and its components  | 4.1.5   | 58-60 |
|  |                  | 103-3  | Evaluation of the management approach   | 4.1.5   | 58-60 |
|  | 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* : 2018   | DMA              | 403-1  | Occupational health and safety management system  | 4.5.1   | 78    |
|  |                  | 403-2  | Hazard identification, risk assessment, and incident investigation  | 4.5.1   | 78    |
|  |                  | 403-3  | Occupational health services  | 4.6.1   | 86-88 |
|  |                  | 403-4  | Worker participation, consultation, and communication on occupational health and safety   | 4.5.1   | 78    |
|  |                  | 403-5  | Worker training on occupational health and safety   | 4.5.1   | 78-79 |
|  |                  | 403-6  | Promotion of worker health  | 4.6.1   | 86-88 |
|  |                  | 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships                             | 4.5.1   | 78-80 |
|  | Disclosure       | 403-8  | Workers covered by an occupational health and safety management system  | 4.5.1   | 78-81 |
|  |                  | 403-9  | Work-related injuries   | 4.5.1   | 80-81 |
|  |                  | 403-10 | Work-related ill health   | 4.5.1   | 80-81 |
| Training and Education* : 2016           | DMA              | 103-1  | Explanation of the material topic and its Boundary  | 4.4   | 72-77 |
|  |                  | 103-2  | The management approach and its components  | 4.4   | 72-77 |



|  |            |       |  |              |           |
|--|------------|-------|--|--------------|-----------|
|  |            | 103-3 | Evaluation of the management approach  | 4.4          | 72-77     |
|  | Disclosure | 404-1 | Average hours of training per year per employee by gender, and by employee category  | 4.4.4        | 76        |
|  |            | 404-2 | Enhancement of staff functions and transition assistance programs  | 4.4          | 77        |
|  |            | 404-3 | Percentage of employees receiving regular performance and career development reviews   | 4.3.2        | 69        |
| Diversity and Equal Opportunity : 2016 | DMA        | 103-1 | Explanation of the material topic and its Boundary   | 4.2          | 61        |
|  |            | 103-2 | The management approach and its components   | 4.2          | 61        |
|  |            | 103-3 | Evaluation of the management approach  | 4.2          | 61        |
|  | Disclosure | 405-1 | Diversity of governance bodies and employees   | 3.1.2, 4.2   | 34, 61-64 |
|  |            | 405-2 | Ratio of basic salary and remuneration of women to men   | 4.3.1        | 68        |
| Non-Discrimination : 2016              | DMA        | 103-1 | Explanation of the material topic and its Boundary   | 4.1          | 56        |
|  |            | 103-2 | The management approach and its components   | 4.1          | 56        |
|  |            | 103-3 | Evaluation of the management approach  | 4.1          | 56        |
|  | Disclosure | 406-1 | Total number of incidents of discrimination and corrective actions taken   | 4.1          | 56-60     |
| Child Labor : 2016                     | DMA        | 103-1 | Explanation of the material topic and its Boundary   | 4.1.1        | 56        |
|  |            | 103-2 | The management approach and its components   | 4.1.1        | 56        |
|  |            | 103-3 | Evaluation of the management approach  | 4.1.1        | 56        |
|  | 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                              | 4.1.1, 3.5.2 | 56, 51    |
| Forced or Compulsory Labor* : 2016     | DMA        | 103-1 | Explanation of the material topic and its Boundary   | 4.1.3        | 56        |
|  |            | 103-2 | The management approach and its components   | 4.1.3        | 56        |
|  |            | 103-3 | Evaluation of the management approach  | 4.1.3        | 56        |
|  | 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 | 4.1.3, 3.5.2 | 56, 51    |
| Human Rights Assessment : 2016         | DMA        | 103-1 | Explanation of the material topic and its Boundary   | 4.1          | 56        |
|  |            | 103-2 | The management approach and its components   | 4.1          | 56        |
|  |            | 103-3 | Evaluation of the management approach  | 4.1          | 56        |
|  | Disclosure | 412-1 | Operations that have been subject to human rights reviews or impact assessments  | 2.1          | 21        |
|  |            | 412-2 | Employee training on human rights policies or procedures   | 2.1          | 21        |
| Supplier Social Assessment : 2016      | DMA        | 103-1 | Explanation of the material topic and its Boundary   | 3.5          | 48        |
|  |            | 103-2 | The management approach and its components   | 3.5          | 48        |
|  |            | 103-3 | Evaluation of the management approach  | 3.5          | 48        |

|  |            |       |   |                            |         |
|--|------------|-------|---|----------------------------|---------|
|  | Disclosure | 414-1 | Percentage of new suppliers that were screened using social criteria                                    | 3.5.2                      | 50      |
|  |            | 414-2 | Negative social impacts in the supply chain and actions taken   | 3.5.2                      | 50-52   |
| Public Policy<br>: 2016                | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 3                          | 32      |
|  |            | 103-2 | The management approach and its components  | 3                          | 32      |
|  |            | 103-3 | Evaluation of the management approach   | 3                          | 32      |
|  | Disclosure | 415-1 | Total value of political contributions by country and recipient/beneficiary                             | No political contributions |         |
| Customer Health<br>& Safety*<br>: 2016 | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 1.3.1                      | 16      |
|  |            | 103-2 | The management approach and its components  | 1.3.1                      | 16      |
|  |            | 103-3 | Evaluation of the management approach   | 1.3.1                      | 16      |
|  | Disclosure | 416-1 | Assess the impact of product and service categories on health and safety                                | 1.3.1, 5.2.2               | 16, 108 |
|  |            | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services           | 1.3.1, 5.2.2               | 16, 108 |
| Marketing and<br>Labeling<br>: 2016    | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 1.3.1, 1.3.3               | 16, 18  |
|  |            | 103-2 | The management approach and its components  | 1.3.1, 1.3.3               | 16, 18  |
|  |            | 103-3 | Evaluation of the management approach   | 1.3.1, 1.3.3               | 16, 18  |
|  | Disclosure | 417-1 | Requirements for product and service information and labeling   | 1.3.1                      | 16,     |
|  |            | 417-2 | Incidents of non-compliance concerning product and service information and labeling                     | 1.3.1                      | 16,     |
|  |            | 417-3 | Incidents of non-compliance concerning marketing communications   | 1.3.3                      | 18      |
| Customer<br>Privacy*<br>: 2016         | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 3.4.1                      | 46      |
|  |            | 103-2 | The management approach and its components  | 3.4.1                      | 46      |
|  |            | 103-3 | Evaluation of the management approach   | 3.4.1                      | 46      |
|  | Disclosure | 418-1 | Total number of substantiated complaints regarding breach of customer privacy and loss of customer data | 3.4.1                      | 46      |
| Socioeconomic<br>Compliance*<br>: 2016 | DMA        | 103-1 | Explanation of the material topic and its Boundary  | 3.2                        | 36      |
|  |            | 103-2 | The management approach and its components  | 3.2                        | 36      |
|  |            | 103-3 | Evaluation of the management approach   | 3.2                        | 36      |
|  | Disclosure | 419-1 | Non-compliance with laws and regulations in the social and economic area                                | 3.2                        | 36      |

## 6.4 SASB Standards Index: Electronic manufacturing services and original design manufacturing

**Table 1 Sustainability Disclosure Topics**

| CODE         | TOPIC                        | ACCOUNTING METRIC  | UNIT OF MEASURE                    | RESPONSE  |                                 |                 |                 |
|--------------|------------------------------|--|------------------------------------|---|---------------------------------|-----------------|-----------------|
| TC-ES-140a.1 | Water Management             | (1) Total water withdrawn<br>(2) Total water consumed<br>(3) Percentage of each in regions with High or Extremely High Baseline Water Stress   | Cubic meter (m³)<br>Percentage (%) | (1) Total water withdrawn: 453,915 m³<br>(2) Total water consumed: 251,294 m³<br>(3) Please refer to Chapter: 5.3.2 Water Resource Management       |                                 |                 |                 |
| TC-ES-150a.1 | Waste Management             | Amount of hazardous waste from manufacturing, percentage recycled  | Tonne (t)<br>Percentage (%)        | (1) Amount of hazardous waste from manufacturing: 350 tonnes<br>(2) Percentage recycled: 71%<br>(3) Please refer to Chapter: 5.3.4 Waste Management |                                 |                 |                 |
| TC-ES-310a.1 | Labor Practices              | (1) Number of work stoppages and (2) total days idle   | Number,<br>Days idle               | No work stoppages or strikes in 2021  |                                 |                 |                 |
| TC-ES-320a.1 | Labor Conditions             | (1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees  | Rate                               | Please refer to Chapter 4.5.1 Occupational Safety and Health  |                                 |                 |                 |
| TC-ES-320a.2 | Labor Conditions             | Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities  | Percentage (%)                     | Item  | WNC                             | Tier 1 supplier |                 |
|              |                              |  |                                    | Percentage of facilities audited in the RBA Validated Audit Process (VAP) or equivalent,  | 17%                             | 4%              |                 |
|              |                              |  |                                    | Percentage of high-risk facilities audited in the RBA Validated Audit Process (VAP) or equivalent,  | 0%<br>(No high-risk facilities) | 21%             |                 |
| TC-ES-320a.3 | Labour Conditions            | (1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities | Rate                               | Item  |                                 | WNC             | Tier 1 supplier |
|              |                              |  |                                    | Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent   | Priority non-conformances       | 100%            | 37%             |
|              |                              |  |                                    |   | Other non-conformances          | 100%            | 80%             |
|              |                              |  |                                    | Associated corrective action rate with the RBA Validated Audit Process (VAP) or equivalent  | Priority non-conformances       | 0%              | 78%             |
|              |                              |  |                                    |   | Other non-conformances          | 0%              | 62%             |
| TC-ES-410a.1 | Product Lifecycle Management | Weight of end-of-life products and e-waste recovered, percentage recycled  | Tonne (t),<br>Percentage (%)       | WNC's business model is a B2B model, which is not applicable to this accounting metric collection   |                                 |                 |                 |
| TC-ES-440a.1 | Materials Sourcing           | Description of the management of risks associated with the use of critical materials   | --                                 | Please refer to Chapter: 3.5.1 Local Sourcing and Procurement Strategy, 5.2.2 Restricted Substances Management                                      |                                 |                 |                 |

**Table 2 Activity Metrics**

| CODE        | TOPIC                              | UNIT OF MEASURE                | RESPONSE   |
|-------------|------------------------------------|--------------------------------|--|
| TC-ES-000.A | Number of manufacturing facilities | Number                         | Six production sites, including S1 and S2 in Taiwan, WNC (Kunshan), Wistron NeWeb (Kunshan) and WebCom (Kunshan) in China, WNC Vietnam in Vietnam. |
| TC-ES-000.B | Area of manufacturing facilities   | Square feet (ft <sup>2</sup> ) | The total floor area of the above six manufacturing sites is 3,251,589 square feet.  |
| TC-ES-000.C | Number of employees                | Number                         | As of the end of December 2021, the total number of employees worldwide was 10,736.  |

## 6.5 ESG Performance Indicators

| Aspect                  | Index  | Unit                                   | 2018          | 2019          | 2020           | 2021           |
|-------------------------|--|--|---------------|---------------|----------------|----------------|
| Economic/<br>Governance | Operating Revenue  | NT\$ million                           | 56,049.68     | 62,239.58     | 62,648.73      | 67,230         |
|                         | Net Income after Tax   | NT\$ million                           | 1,929.35      | 1,461.17      | 1,466.92       | 1,232          |
|                         | Income Tax Expenses  | NT\$ million                           | 296.24        | 422.55        | 258.83         | 180            |
|                         | R&D Expenses   | NT\$ million                           | 2,196.51      | 2,527.77      | 2,563.77       | 2,802          |
|                         | Basic EPS  | NT\$                                   | 5.21          | 3.76          | 3.76           | 3.15           |
|                         | Ratio of Independent Directors to Board Seats                      | %                                      | 33.33         | 33.33         | 44.44          | 44.44          |
|                         | Shareholding Ratios by Foreign Investment                          | %                                      | 22.55         | 24.71         | 16.70          | 9.36           |
|                         | Granted Patents  | Number                                 | 1,655         | 1,797         | 1,937          | 2,077          |
| Environmental           | GHG Emissions ( Scope 1 + Scope 2 )                                | Tonnes CO <sub>2</sub> e               | 61,947.48     | 63,505.12     | 57,115.54      | 58,372.15      |
|                         | GHG Emissions ( Scope 1 )  | Tonnes CO <sub>2</sub> e               | 4,243.36      | 3,829.26      | 1,433.82       | 2,668.02       |
|                         | GHG Emissions ( Scope 2 )  | Tonnes CO <sub>2</sub> e               | 57,704.12     | 59,675.86     | 55,681.72      | 55,704.14      |
|                         | Total Emissions Intensity ( Scope 1 + Scope 2 )                    | Tonnes CO <sub>2</sub> e/ NT\$ million | 1.11          | 1.02          | 0.91           | 0.87           |
|                         | Total Electricity Consumption                                      | KWh                                    | 81,032,337.00 | 92,587,195.00 | 102,418,722.17 | 103,360,664.99 |
|                         | Electricity Use Intensity  | KWh / NT\$ million                     | 1,445.72      | 1,487.59      | 1,634.81       | 1,537.43       |
|                         | Electricity Generated from Renewable Energy                        | KWh                                    | 910,138       | 1,860,011     | 2,125,420      | 2,134,483      |
|                         | Solar Power Generation/Total Electricity Consumption               | %                                      | 1.12%         | 2.01%         | 2.08%          | 2.07%          |
|                         | Total Amount of Water  | Cubic meters                           | 367,994.00    | 433,142.00    | 452,608.06     | 453,915.00     |
|                         | Total Amount of Water Discharge                                    | Cubic meters                           | 155,594.50    | 170,428.50    | 189,400.00     | 202,621.00     |
|                         | Water Withdrawal Intensity   | Cubic meter/ NT\$ million              | 6.57          | 6.96          | 7.22           | 6.75           |
|                         | Waste Yield  | Tonnes                                 | 3,806.50      | 4,003.08      | 4,575.42       | 4,583.20       |
|                         | Waste Recycling Rate   | %                                      |               |               | 85.34          | 84.02          |
|                         | Waste Output Intensity   | Tonnes/ NT\$ million                   | 0.07          | 0.06          | 0.07           | 0.07           |
|                         | Number of Environmentally Related Violations (over NT\$ 1 million) | Number                                 | 0             | 0             | 0              | 0              |



| Aspect | Index  | Unit               | 2018   | 2019   | 2020   | 2021   |
|--------|--|--------------------|--------|--------|--------|--------|
| Social | Number of Full-time Employees<br>(Dispatch Employees Excluded) | Number             | 9,925  | 11,186 | 11,953 | 10,736 |
|        | Female Ratio   | %                  | 41.20% | 40.91% | 42.79% | 42.07% |
|        | Female Manager Ratio   | %                  | 25.03% | 23.99% | 23.00% | 24.75% |
|        | Number of New Hires for IDL                                    | Number             | 22,208 | 20,437 | 21,187 | 20,921 |
|        | New Hire Rate for IDL Employees                                | %                  | 224.70 | 194.30 | 209.30 | 194.87 |
|        | Turnover Rate for IDL Employees                                | Number             | 21,004 | 19,858 | 20,629 | 22,130 |
|        | Turnover Rate for IDL Employees                                | %                  | 212.5  | 188.8  | 203.8  | 206    |
|        | Training hours per employee                                    | Hours per employee | 21.70  | 24.70  | 22.20  | 29.74  |
|        | Number of Disabling Injuries                                   | Number             | 34     | 33     | 29     | 39     |



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