

2022
啓碁科技永續報告書
Wistron NeWeb Corporation
Sustainability Report

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About this Report

Since 2011, Wistron NeWeb Corporation (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

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[ESG Report Download](#)

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 2022. The report covers information regarding operations at WNC's headquarters in the Hsinchu Science Park, Taiwan, S1 site located on Lihsin Rd.,

and S2 site located in the Tainan Science Park, and includes selected information from its major factories in China and Vietnam (listed below). The contents of this report do not cover our R&D center in Taipei's Neihu district, subsidiaries or branches in Europe, the United States, Japan, and other corporate entities that do not have direct control over WNC's operations.

- WNC (Kunshan) Corporation, 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)"
- Neweb Vietnam Co., Ltd., referred to as "(the Vietnam site)"

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 is in the Appendix of this report.

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 4.4200 between the Chinese Yuan (RMB) and New Taiwan Dollar, and 0.0013 between the Vietnamese Dong and New Taiwan Dollar as of the end of 2022 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.

Sustainability Report Management

WNC's Sustainability Report is produced by a team formed by the Sustainable Development & Marketing Division and related units. Inviting the top managers of related units to appoint representatives to serve as members of the report team, the Sustainable Development & Marketing Division oversees coordination, and work with related units in information gathering, editing, design, layout arrangement and verification. It. A project kick-off meeting for report organization is held at the end of the year to explain and discuss the work plan. Members of the team and the Sustainable Development & Marketing 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 external verification in Q2 it publishes the Report for the previous year in June.

A Message from the Chairman



Chairman
Haydn Hsieh

謝宏波

For WNC employees and stakeholders, ESG represents an opportunity to boost our resilience to changes in the environment and the market rather than a mere exercise of corporate social responsibilities or a commitment to environmental protection. Even with economic and political turmoil around the globe and drastic changes in the industry in 2022, WNC has remained committed to its ESG practices while continuing to bolster competitive advantages by optimizing financial and management structures. Shortages in materials and labor, electricity restrictions, inflation and high inventory levels are common issues faced by the industry. Trade barriers resulting from geopolitical tensions and military conflict show no signs of abating, which affects global economic performance. I want to thank all WNC's employees, customers, suppliers, investors and partners for your trust, support and efforts. You enabled WNC to achieve record YoY revenue growth of 42% to NT\$95.2 billion in 2022, a 166% surge in profit before tax. WNC's Vietnam plant began mass production in the fourth quarter of 2021 and completed integration with the previous facility in the first quarter of 2022. Site preparation for the second phase of Vietnam factory construction has been completed and the factory is expected to commence mass production in 2024. Despite the impact of materials and labor shortages, our new site in the Tainan Science Park began operations in the first quarter of this year and is ramping up to mass production in the current quarter.

Spiraling inflation has cast a shadow over the outlook for 2023. Major economies have been reserved about GDP growth and impact on consumption seems inevitable. In addition, tensions between the US and China, the Russo-Ukrainian War and fluctuating exchange rates are bringing about challenges. The network communications sector is unlikely to be immune to this impact. Fortunately, new products and new customers of WNC saw considerable growth in the fourth quarter of 2022, a stabilizing force for the Company. Regardless of the challenges ahead, we are confident that we can overcome these obstacles. We are cautiously optimistic about the future as the coming three to five years show considerable growth potential. Our three major product lines are projected to achieve double-digit growth while the total revenue of the Company may see 10% growth or higher this year, which would translate into NT\$100 billion in total annual revenue in 2023.

WNC's well-earned reputation plays a key role in the establishing of partnerships in upstream and downstream segments. With rapid growth in international business and an increasing global presence, WNC is fully aware structural reorganization necessitates increased operational flexibility. Apart from paying attention to trends in major economies such as Europe, Japan, China, and the US, WNC is also keenly expanding business in emerging markets. Moving forward, the Company will invest more than 20 to 25% of its resources in exploring new product applications so as to sustain its competitive advantages. In the past few years, the world has weathered the COVID-19 pandemic, political and economic uncertainties and the impact of extreme weather conditions. In the wake of these challenges, WNC has found that stakeholders are placing greater emphasis on ESG issues. We aim therefore to implement measures to meet stakeholders' demand for qualitative and quantitative indicators regarding sustainability and to gradually transform these measures into a core competitive edge. To ensure that the Company's long-term operational strategies align with this goal, WNC established a Sustainable Development Steering Committee and Sustainable Development Committee in 2022. Starting the third quarter of 2022, meetings of the Sustainable Development Committee have been regularly convened and top tier managers are invited to formulate and review short-, mid-, and long-term goals and action plans.

In recent years, WNC has been reaping the fruits of its digital initiatives, talent nurturing and low-carbon transformation. Through this, the Company will become stronger and more resilient. Instead of simply focusing on sales growth, WNC places great emphasis on deepening its relationships with strategic partners and assisting customers in adjusting product portfolios in response to changes in the market. In the post-pandemic era, the strong demand for remote communications has become a driving force for the development of next-generation communications technologies. WNC is focused on the facilitation of cross-department cooperation, and the integration and sharing of resources. The Company will continue to develop midstream end user and edge system products while integrating antennas, connectivity, and computing modules in the upstream segment to expand automotive and consumer markets. A new smart applications business unit has been established to design products that utilize WNC's communications technologies, IoT sensors (including RFID), and AI applications.

Over the past few years, WNC has been working to pursue the utmost benefits for stakeholders despite the negative impact of the pandemic, changes in lifestyles and consumer behavior and supply chain disruptions due to geopolitical tensions. Moving forward, WNC will continue to leverage its expertise in communications technologies and take advantage of market momentum to achieve sustainability in its technologies, human resources, management practices and ESG measures. WNC will gradually transform these measures into a core competitive edge and help create a friendlier future for coming generations.



A Message from the CSO

2022 was the first year of WNC's renewed commitment to sustainable development. Via the establishment of a Sustainable Development Steering Committee and a Sustainable Development Committee we will ensure that, as we pursue sustainable development strategies and corresponding objectives, we also monitor that every department achieves corresponding KPIs while adjusting qualitative and quantitative goals in accordance with changes in the external environment. We regularly report to the Board of Directors regarding sustainability performance and progress on related initiatives.

WNC was greatly honored to once again be recognized as Most Outstanding Company in Taiwan – Technology Hardware & Equipment Sector and Most Outstanding Company in Taiwan – Small/Mid Caps Sector in Asiamoney's Outstanding Companies Poll, as well as winning a Silver Medal at the 2022 Taiwan Corporate Sustainability Awards and being ranked in the top 20% of listed companies in Taiwan for corporate governance. In terms of environmental sustainability, we were also honored to be included in Business Weekly's Carbon Competitiveness Top 100. Our S2 plant was recognized as an Outstanding Energy Efficient Manufacturer by the STSP. Meanwhile WNC's emphasis on the health of its employees was recognized by its inclusion in the first batch of the Green Dining Action initiative and won an Employee Care Award in the Ministry of Labor's 2022 Work-Life Balance Awards.

In recent years WNC has set improving climate resilience and sustainable development as the pillars of its strategic planning. To this end in 2022 we promoted low carbon transition and digital transformation as key policies. In addition to the Sustainable Development Committee continuing to track energy saving and waste reduction efforts we have also boosted the use ratio of renewable energy sources, achieving a figure of 6.75% across all sites. Currently all our production facilities have installed solar panels and in terms of 2022 power generation 2,564,027 kWh of solar power was generated across all worldwide production facilities. We estimate this figure will increase to 6,433,500 kWh in 2023. Meanwhile we have introduced energy management systems to achieve energy conservation, energy creation and carbon reduction targets. Our overall objective is to achieve 100% use of renewable energy sources by 2050 whilst also meeting our SBTi carbon reduction commitment. 2022 also saw us kick off a carbon footprint initiative for all our products. We should have completed carbon footprints for all products by the end of this year. We look forward to utilizing carbon footprint methodologies to create a carbon emissions database for all products and components. The overall objective being the ability to immediately look up the carbon content of 100% of products. This will assist us in green product design initiatives as well as the introduction of Science Based Targets in our carbon reduction strategies. Turning to social participation WNC focuses on three main areas of land conservation, care for children and help for small farms. Through the concerted efforts of industry, the government and academia we participated in an afforestation project on the banks of the Zhuoshui River to address sedimentation issues and ameliorate the effects of the sand blown by the north-east monsoon winds every year. It is hoped that reforestation with native Taiwan trees will boost habitat restoration and help improve biodiversity in the area. In terms of care for children we have continued to focus on education resources for children in remote communities with the Taiwan Children and Families Fund – Hsinchu & Miaoli and the Miaoli Family Support Center. At the same time, we have continued to run industry-academia exchanges and activity sponsorships with a number of key colleges and universities. In 2022 a total of 540 employees volunteered to support 435 students from remote schools in the Hsinchu/Miaoli area. The summer English guidance program for students from remote areas (run with the Boyo Social Welfare Foundation) was delayed due to Covid in 2022 but will be completed in 2023. Going forward we will invest resources in rural education and seek to not only expand the horizons and boost the self-confidence of indigenous children but also construct a support network to help these children pursue their dreams. For small farms we hope to use our resources to support farmers that are willing to work in an eco-friendly way. Via social enterprise e-commerce platforms, we will set up sales channels for small farms to boost their revenue. In addition, we will purchase organic vegetables from them for our employee canteens. Looking to the future we will continue to base ourselves within the company's values and focus on land conservation, care for children, and help for small farms to create a virtuous circle to put into practice WNC's commitment to sustainable operations.



Chief Sustainability Officer

Molly Lin

林夢如

Sustainability Results

S&P Global
CSA 2022

Third highest score in
the Communications
Equipment Industry
category



2022 Sustainability Rating
Gold (top 5%)

FTSE
Russell

Top 15%
in Telecommunications
Equipment Industry by FTSE



2022 CDP Climate Change
B (Management)
2022 CDP Water Security
B (Management)



Southern Taiwan Science Park
2022 Outstanding
Enterprise
in Saving Energy



2022 Taiwan Corporate
Sustainability Awards
Corporate Sustainability
Report Awards - Silver
Medal



Ministry of Labor
2022 Work-Life
Balance Awards
Employee Care Award



Asiamoney
Asia's Outstanding
Companies Poll 2022
Most Outstanding
Company in Taiwan

About WNC

Company Overview

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

Vision

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

Goals

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

Corporate Culture

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

Chairman
Haydn Hsieh



President & CEO
Jeffrey Gau

Headquarters
**Hsinchu,
Taiwan**



Established:
Dec. 7, 1996

Number of
production sites
6



Capital
NT\$ **3.958** billion



2022 Revenue:
NT\$ **95.2** billion



Total production site area:
3,251,562 ft²



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

2022
Employees Worldwide
11,656



Worldwide Locations

With 15 worldwide locations, WNC provides comprehensive solutions and local support for its customers wherever they may be. WNC's global headquarters are in the Hsinchu Science Park providing R&D, sales, logistics, and after-sales services. Operations include coordinating customer needs and resource logistics for our global sites. In addition, there is an R&D and sales service center in 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. in Ha Nam Province, Vietnam. The S3 plant, also located in the Southern Taiwan Science Park, is expected to commence operations in Q3 of 2023. Please refer to Section 8.1 Summary of Affiliated Companies of [WNC's 2022 Annual Report](#) for detailed information on our worldwide locations.



Product Scope and Categories

WNC integrates broadband, multimedia and wireless communications 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.

Revenue Distribution of Products in 2022

Item	Production Volume (thousand units)	Sales Volume (thousand units)	Sales Amount (thousand NT\$)	Revenue Distribution (%)
Wireless Communications Products	328,298	258,946	92,148,178	96.74%
Others	-	-	3,109,273	3.26%

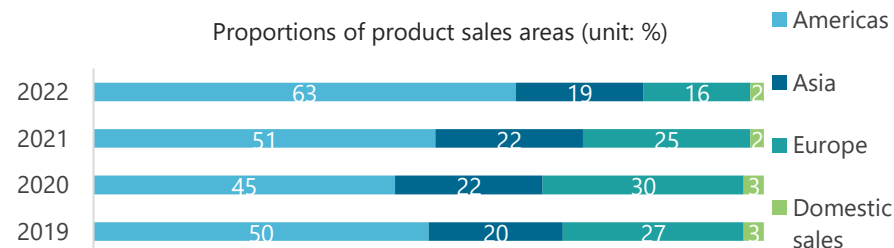
Our customers include telecommunication system service operators, system integration vendors, IT brand-name companies, consumer electronics companies, automotive manufacturers, and car audio manufacturers. We sell our products worldwide, and our major region by sales in 2022 was the Americas (around 63% of sales). Refer to [WNC's annual report](#) and [WNC's official website](#) for detailed products and sales information.

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 standard 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. 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 2022, there were no convictions under, or violations of, relevant laws and regulations concerning our products and services.

Proportions of product sales areas (unit: %)



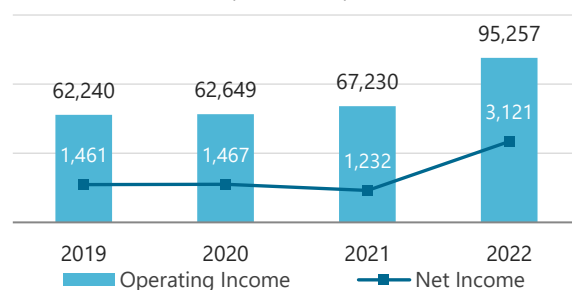
WNC Product Solutions and Application Scope



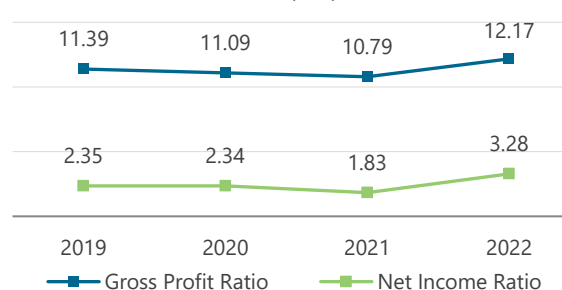
Operational Performance

In 2022, WNC's consolidated revenue was NT\$95.2 billion, operating net profit was NT\$3.7601 billion, and after-tax net profit was NT\$3.1217 billion. Both revenue and profitability grew compared to 2021. Detailed financial figures can be found in [WNC's 2022 Annual Report](#). In April 2022, at book closure date, 9.63% of WNC's shareholders were foreign investors. Please refer to the [Investor Relations](#) section of WNC's website for more information.

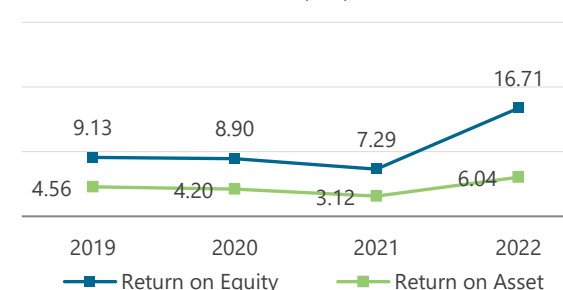
Operating Revenue and Net Income
(NT\$ million)



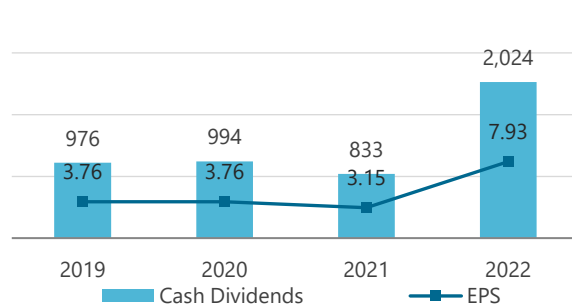
Gross Profit Ratio and Net Income Ratio
(%)



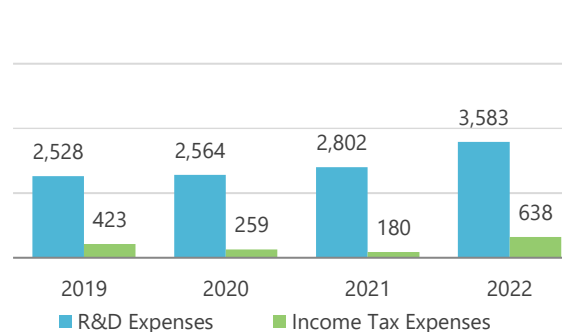
Gross Profit Ratio and Net Income Ratio
(%)



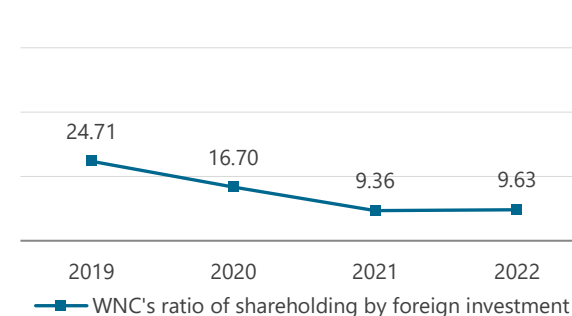
Cash/Stock Dividends (NT\$ million) and EPS
(NT\$)



R&D Expenses and Income Tax Expenses
(NT\$ million)



Shareholding Ratios by Foreign Investment
(%)



Tax Governance

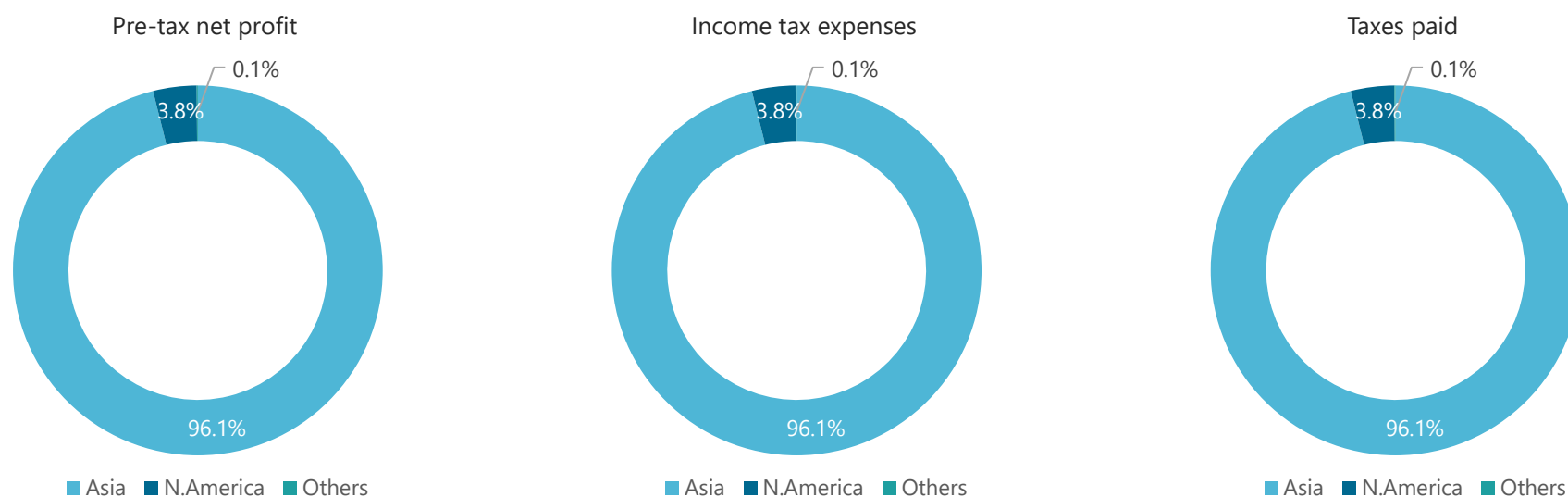
WNC supports policies that contribute to corporate innovation and promote economic growth and is committed to promoting information transparency. In line with international trends in tax governance, WNC has established tax policies that adhere to its core values and comply with relevant tax laws and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

The day-to-day tax administration and management of WNC is carried out by the finance department, and tax filing is done after appropriate approval processes. Given the complex nature of taxation and WNC's operations across different countries, WNC continuously monitors and assesses updates of relevant tax regulations, providing training to ensure that finance personnel have the required tax skills and knowledge. Furthermore, WNC operates its tax management mechanisms by seeking advice from external tax consultants to fully identify potential tax risks for both WNC and its subsidiaries.

WNC's 2022 tax governance data (unit: thousand NT\$)

Pre-tax net profits	Income tax	Taxes paid
3,760,124	638,404	307,231

WNC's pre-tax net profit, income tax expenses, and taxes paid in 2022 by region



Financial Support

WNC actively invests in R&D in alignment with government policies of facilitating industry innovation, improving the industry environment and increasing industry competitiveness. Government subsidies received by each site in 2022 are shown in the following table:

Financial support record for 2022




Country	Item	Unit of provision	Reason	Amount (thousand NT\$)
Taiwan	Investment deduction ^{Note 1}	Industrial Development Bureau, Ministry of Economic Affairs	Industrial Innovation Statute	60,000
China	Incentive	Kunshan Bureau of Commerce	Funds for the growth and strengthening of large-scale foreign trade enterprises	1,312
		Kunshan Bureau of Commerce	Funds for stable growth and quality improvement	
		Kunshan Bureau of Commerce	Funds for promoting the high-quality development of comprehensive bonded zones	
		Kunshan Municipal Bureau of Human Resources and Social Security	Bonus for advanced units in skilled talent development	
	Grant	Kunshan Industrial and Informatization Bureau	Vehicle dispatch subsidy during Covid-19	1,409
		Kunshan Employment Promotion Center	Grant for stable employment	
		Kunshan Human Resources Management Service Center	Subsidy for expanding employment opportunities for fresh graduates	
		Electric Power Company, State Grid	Grant for solar power generation	
		Kunshan Social Security Fund Management Center	Vocational skill level certification	
		Kunshan Social Security Fund Management Center	Pre-employment Training Subsidy	
		Nanjing City Social Insurance Administration Center	Subsidy for stable employment positions	
	Taxable allowance	Kunshan Bureau of Commerce	Refund of local taxes for the additional payment of value-added tax and the non-deductible amount of export tax rebates	9,465
		Kunshan City Tax Bureau	Return of withholding tax	
Total				72,186

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.

Management Systems

To enhance operational efficiency and improve customer satisfaction, WNC has established management systems at all of its sites in line with its operational and business development needs and international standards. WNC has further set up a committee 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. Verification and issuance of ISO 9001, ISO 14001, ISO 50001, IATF 16949, ISO 45001, IECQ QC 080000, ANSI/ESD S20.20, TL 9000, CNS 4500 and ISO/SAE 21434 certificates is performed by TÜV Rheinland. ISO 13485 by BSI Taiwan; FSCTM 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.

Management Systems of WNC

Aspect	Mgmt. Systems	Taiwan			China					Vietnam	U.S.	U.K.
		HQ	S1	S2	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom (Kunshan)	WebCom (Nanjing)	NeWeb Service	Neweb Vietnam	W-NeWeb	WNC UK
 Governance/Economic	ISO 9001	●	●	●	●	●	●		●	●		
	TL 9000	●		●						●		
	IATF 16949	●	●		●		●	●				
	ISO 13485	●		●								
	ANSI/ESD S20.20		●	●	●	●	●			●		
	ISO/IEC 17025	●										
	ISO/SAE 21434	●	●									
	ISO/IEC 27001	●	●	●	●	●	●	●	●	●	●	●
 Environmental	ISO 14001	●	●	●	●	●	●			●		
	ISO 50001	●	●	●	●	●	●			●		
	ISO 14064-1	●	●	●	●	●	●			●		
	IECQ QC 080000	●	●		●	●	●					
	FSC™ Chain-of-Custody									●		
 Social	ISO 45001	●	●	●	●	●	●			●		
	CNS 45001	●	●	●								

Information Disclosure

WNC's product marketing is handled by customers and product labeling is also based on customer requirements. Product labels and information are produced and affixed in compliance with local 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. WNC's website has [annual reports](#), [annual shareholders' meeting agendas/handbooks](#), [annual shareholders' meeting minutes](#), [sustainability reports](#) and designated sections such as [Press Room](#), [Investor Relations](#) and [ESG](#) to provide updates on material information, and information related to WNC's financial situation and ESG efforts. The website also has a [business contact information](#) section.

Industry Association Memberships

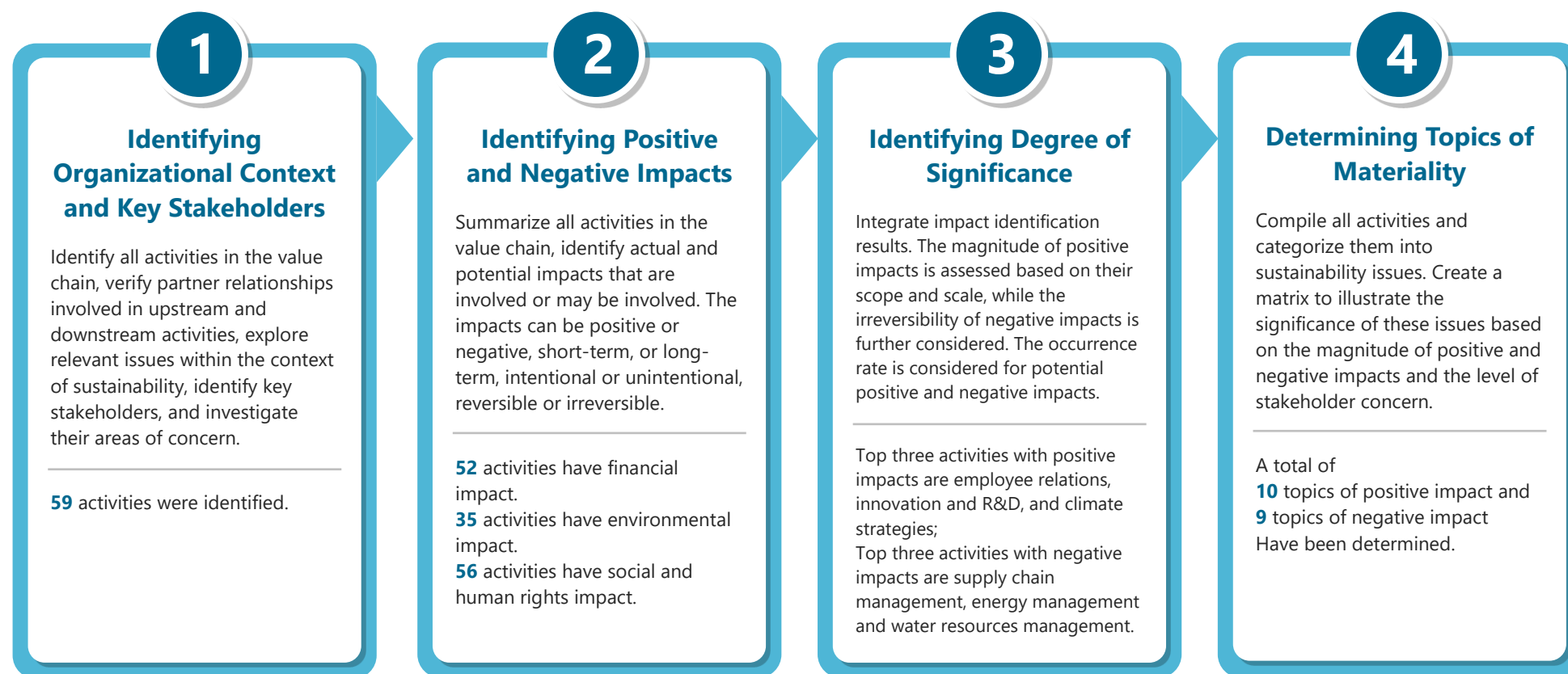
WNC's technology and product scope is broad. We actively participate in related industry associations and their activities to acquire the most up-to-date industry and technology-related information, maintain good relations with corporations and organizations in related fields, and together promote the sustainable development of the industry. The external organizations in which WNC participated in 2022 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)
- Advanced Anodization Technology and Manufacturing Alliance
- 25GS-PON MSA Group
- Bluetooth SIG
- Broadband Forum
- Car Connectivity Consortium
- Connectivity Standards Alliance
- FiRa Consortium
- 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
- NXP Legal Program Partner
- O-RAN ALLIANCE
- Open Compute Project (OCP)
- Prpl Foundation
- Reference Design Kit (RDK)
- Telecom Infra Project (TIP)
- UK5G
- Wi-Fi Alliance (WFA)

Stakeholder Engagement

Materiality assessment is the fundamental and most important process for both risk identification and the quality of sustainability reporting. Focusing on its core business WNC aligns its business model with customer needs and maintains open communication and trust with stakeholders through diverse channels. In 2022, following the requirements of the GRI General Standard GRI 3 for identifying materiality topics and the recommendations for assessing and disclosing material topics in sustainability reports, we conducted the following four key steps to identify and define topics of materiality related to our operational strategies and ensure their full disclosure in the sustainability report.

Materiality Analysis



Step 1: Identifying Organizational Context and Key Stakeholders

WNC tasks all departments involved in ESG work to identify activities related to the entire lifecycle of the company's operations. Following the five key principles of the AA1000 Stakeholder Engagement Standard 2015 edition, we have identified five categories of key stakeholders: customers/partners, employees, government, investors/shareholders, and suppliers/contractors, based on the stakeholders' dependency, responsibility, tension, influence, and diverse perspectives in relation to WNC. We distribute surveys to both internal and external stakeholders and compile the results regarding their areas of concern.

Step 2: Identifying Positive and Negative Impacts

In the process of identifying significant impacts, we assess both positive and negative impacts. Factors considered for positive impact include actual impact (scale, scope) and likelihood of occurrence, while factors considered for negative impact include actual impact (scale, scope, irreversibility) and likelihood of occurrence. Among WNC's 59 operational activities, 52 have economic impact, with equal significance in positive and negative impact; 35 have environmental impact, and the quantified negative impacts are approximately twice as significant as the positive impacts; 56 have social and human rights impact, with the negative impacts greater than the positive ones.

Step 3: Identifying Degree of Significance

After consolidating the impact assessment results across the three dimensions of economy, environment, and social and human rights, we found that all 59 operational activities have impact on at least one dimension. The overall significance of the aggregated positive impacts from the organization's operational activities remains higher than the aggregated negative impacts. After categorizing the 59 activities into 23 sustainability issues, we surveyed key stakeholders to inquire about their level of concern regarding each issue. The number of questionnaires collected is as follows: 596 from employees, 41 from suppliers/contractors, 20 from customers/partners, 8 from government entities, and 6 from investors/shareholders, totaling 671 questionnaires.

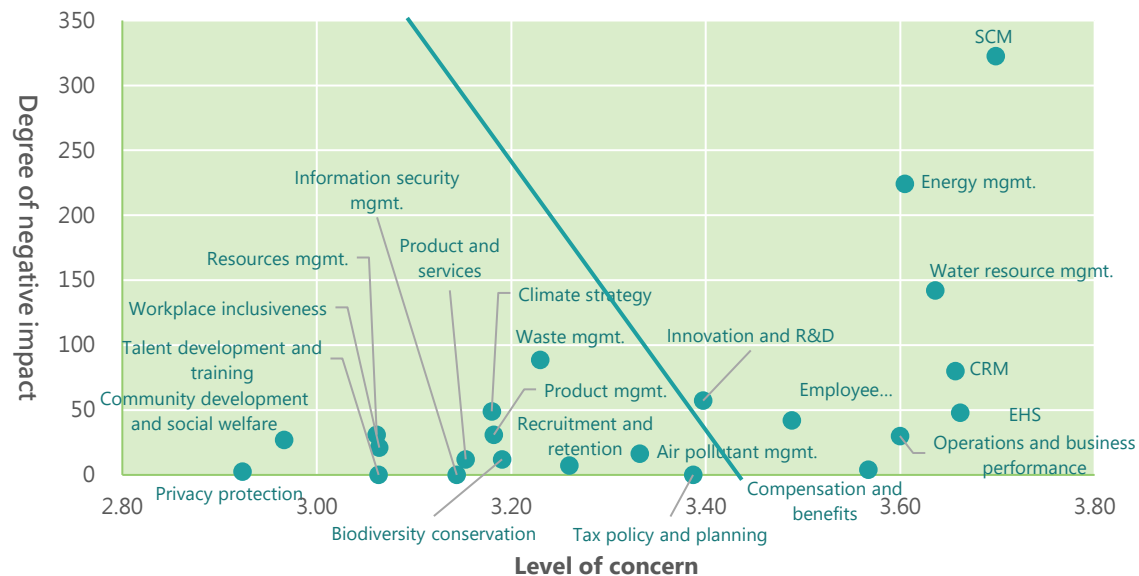
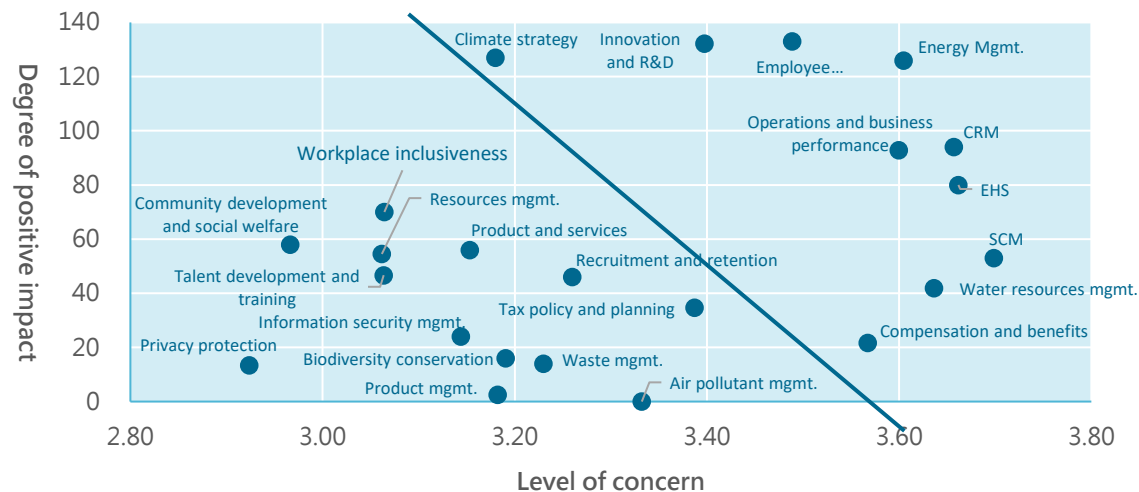
Communication results with stakeholders in 2022

Stakeholder	Significance to WNC	Top 3 Issues of Concern	Response	Communication Mechanism	Communication Frequency	Communication Results in 2022
Customers/ Partners	Customers and partners are the key source of revenue and the most important growth engine for WNC. A company must provide high-quality products and professional services that meet the needs of the market and customers to continue growing.	Customer Relationship Management Supply Chain Management Innovation and R&D	To provide high-quality technology and after-sales services, WNC conducts regular meetings to review product development progress and achievement of goals. WNC also evaluates the alignment of the supply chain based on customer requirements and presents improvement strategies based on customer satisfaction survey results. These actions aim to solidify and strengthen customer trust.	Customer satisfaction survey	Once a year	We earned a score of 93.57 points for customer satisfaction and exceeded our goal (90 points).
				Customer questionnaire or on-site audit	Upon request	
				Project review meeting	Upon request	
				Customer complaints management	Upon request	
				Global Service Center and after-sales service	Upon request	
Employees	Employees are a key part of the company and a foundation for sustainable development. A company must provide a high-quality work environment and reasonable remuneration to cultivate employees that are willing to utilize their talents and are passionate about delivering performance and value for the company.	Salary and Benefits Recruitment and Retention Employee Relations and Communication	WNC regularly adjusts salary levels to ensure that employees are provided with competitive and fair compensation. Multiple reward systems are also in place to encourage employees. Diverse, open, and transparent channels are provided for proposals and communication to continuously strengthen two-way and real-time communication with employees.	Employer-employee meeting	Quarterly	<ul style="list-style-type: none"> ■ The rates of male and female employees accepting WNC career development planning were 11.6% and 10.3% respectively. ■ Starting from January 2023, female employees at WNC's Taiwan sites who give birth will be eligible to apply for an additional 28 days of paid parental leave beyond the existing 56-day maternity leave.
				Occupational Safety and Health meeting	Quarterly	
				Employee Welfare Committee	Quarterly	
				Employee questionnaire	Upon request	
				Company Portal	Updated upon request	
				New recruits seminar	Monthly	
				CEO seminar	At least once each quarter	
				Performance interview and appraisal	Semi-annually	

Stakeholder	Significance to WNC	Top 3 Issues of Concern	Response	Communication Mechanism	Communication Frequency	Communication Results in 2022
Investors/ Shareholders	Investors and shareholders fund the company through investments. A company must provide transparent, accurate, and real-time operating information to win the trust of investors and demonstrate the company's market value.	Business and Financial Performance Product Management Climate Strategy	WNC issues an annual report and has established External Communication and Information Disclosure Management Measures to ensure that the information provided to investors and shareholders is timely and accurate. WNC also conducts climate-related financial disclosures, quantifies risks and opportunities, and proactively	Shareholders' meeting	Once a year	WNC ranked in the top 20% among all companies in the ninth Corporate Governance Evaluation.
				Institutional investors conference	Semi-annually	
				Investor meetings	Approx. 100 meetings per year	
Suppliers/ Contractors	Suppliers and contractors are an important part of 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.	Supply Chain Management Operations and Financial Performance Air Pollution Management and Waste Management	WNC requires that both suppliers and contractors comply with the WNC Supplier Code of Conduct and requests the signing of the Supplier's Commitment to the Code of Ethics, WNC Supplier ESG Questionnaire, and Supplier Commitment to Sustainability Declaration. To ensure the implementation of WNC's sustainability commitment, an annual RBA audit is scheduled for suppliers.	SMS portal	Updated upon request	<ul style="list-style-type: none"> ■ 88.9% response rate for the first-tier Supplier Commitment to Sustainability Declaration ■ 52 suppliers have completed the WNC Supplier RBA audit. ■ A total of 78 WNC suppliers participated in the Wistron Group Vendor Conference.
				Supplier performance evaluation	Quarterly	
				Supplier audit/contractor evaluation	Once a year	
				Supplier conference	Once a year	
Government Authorities	The government and related 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 the competent authorities.	Occupational Safety and Health Innovation and R&D Water Resource Management	WNC closely monitors domestic and international regulations and trends and has implemented a third-party regulation cloud platform management system. This system allows for real-time tracking of regulatory changes through an intelligent regulatory database. In addition to revising internal regulations in a timely manner to ensure compliance, WNC actively invests in R&D to align with government policies aimed at promoting industry innovation, improving the business environment, and enhancing industry competitiveness.	Official documents/ questionnaires	Aperiodic	<ul style="list-style-type: none"> ■ Zero cases of regulatory violations and major lawsuits (referring to lawsuits exceeding NT\$2,000,000 in amount or related to product trading) ■ Listed in the Taiwan Employment 99 Index by the Taiwan Stock Exchange
				Awards	Aperiodic	
				Regulatory seminars/ forums/industry- association activity	Aperiodic	

Step 4: Determining Topics of Materiality












Topics of the materiality matrix are created with the stakeholder's level of concern as the horizontal axis and positive and negative impacts as the vertical axis. From the positive impact matrix, ten significant issues with high levels of concern and impact are selected. From the negative impact matrix, nine significant issues are chosen as key content for disclosure in the report. In comparison to the previous reporting period, one new significant issue, Customer Relationship Management, is added in 2022, while three issues from the 2021 period, namely Complaints Mechanism, Regulatory Compliance, and COVID-19 Response, are removed. Regulatory Compliance is considered a basic requirement for business operations and is no longer regarded as a specific theme for communication, although a transparent complaints mechanism and alignment with stakeholder interests are maintained. The other significant issues identified in the previous reporting period are still included as part of the 2022 significant issues.



Management Approaches

Topics of Materiality	Impact	
	Positive	Negative
Business and Financial Performance	WNC values the legitimacy and transparency of its operations, continuously improving corporate governance systems and safeguarding shareholder rights to promote overall industry development and the interests of stakeholders.	Unequal resource distribution hampers overall industry development and technological innovation.
Customer Relationship Management	WNC works with customers to develop innovative products/technologies and promote industry advancement. In addition to providing local employment opportunities, we prioritize human rights and strive to enhance labor conditions.	Failure to meet certain customer expectations and requirements (technology, quality, service, RBA) results in negative economic and social impact.
Innovation and Research & Development	Through the development of innovative technologies and R&D capabilities, WNC ensures that product performance and green design continuously meet the evolving requirements of customers and international green standards. This not only enables us to create more strategic products and generate more employment opportunities but also reduces environmental impact.	The development of new products may not always prioritize environmentally friendly design concepts. New processes or technologies may generate new types of emissions or require higher-performing but more energy-consuming products.
Supply Chain Management	By implementing a supplier management strategy and operational efficiency optimization, WNC collaborates with suppliers to build a sustainable supply chain, aiming to achieve a balance between corporate profitability, environmental protection, and social responsibility and creating higher value for all stakeholders.	Procurement activities result in resource consumption, waste generation, and ecological impact. Supplier screening and management must be conducted to reduce negative environmental and social impact.
Salary and Benefits	As WNC experiences business growth, we provide training, career planning, and competitive salaries to employees, fostering technological innovation, industry development, and self-realization among our team members.	As WNC experiences operational growth and expands its facilities, there is an increase in resource consumption, carbon emissions, and demand for manpower. This leads to hiring of migrant labor and an increased need for dispatch workers. Improper management of third-party labor intermediaries can result in human rights issues.
Employee Relations and Communication	We offer abundant, open, and effective communication channels and mechanisms that enhance employee identification and trust in the company, promoting positive relationships among departments and colleagues.	Distrust among employees towards the company or other departments indirectly affects work morale and team cooperation efficiency, potentially leading to talent attrition.
Occupational Health and Safety	We provide a healthy, safe, and convenient working environment and facilities, demonstrating our commitment to the well-being and labor rights of our employees while improving work efficiency and quality.	There is an increased risk of illness and injury among employees during the execution of operations, which not only directly affects their physical and mental well-being but may also indirectly impact operational and production efficiency and even affect the company's reputation.
Climate Strategy	WNC focuses on improving energy efficiency within its facilities, such as self-built solar panels and green buildings to enhance the utilization of energy resources. We design green products, purchase green energy, and engage in tree planting activities, all of which contribute to industry innovation and community development.	
Energy Management	We continuously undertake energy-saving projects to reduce costs and lower carbon emissions.	With the continuous growth of WNC's operations and recent facility expansions, there is an increase in electricity consumption, costs, carbon emissions, and the management complexity of climate-related issues.
Water Resource Management	WNC implements water conservation measures and promotes the adoption of water recycling technologies to minimize direct water resource usage.	As WNC continues to grow demand for water increases, leading to increased costs for managing drought risks. Domestic and process wastewater also increases, requiring more resources to mitigate the harmful effects of discharged water and imposing additional burdens on natural water bodies.

Policy	Topics of Materiality	Projects/Actions	Chapter in the Report	GRI
Sustainable Development Policy	Operational and Business Performance	Perfecting corporate governance	Operational Performance 1.4 Ethical Management	201, 205, 206
	Customer Relationship Management	Customer satisfaction survey	2.4 Customer Relations	416, 417, 418
	Innovation and R&D	Receive RFQs for green products	2.1 Sustainable Products 2.2 Innovation Momentum 2.3 Supplier Management	302-5, 417
Global Supply-Chain Management Policy	Supply Chain Management	Supplier ESG survey for new suppliers RBA audits for existing suppliers	2.3 Supplier Management	204, 301, 302, 308, 414
RBA Code of Ethical Conduct	Compensation and Benefits	Promote a culture of self-learning among colleagues and encourage career development.	4.3 Talent Training and Cultivation 4.2.2 Promotion and Retention 4.4 Compensation and Benefits	202, 401, 405
	Employee Relations and Communication	Introduce the Five Elements of Workplace Well-Being: the Common Good, Safety and Health, Healthcare, Consultation and Assistance, and Diversity and Equality.	4.1 Respect for Human Rights	402
Environmental Safety and Health & Energy Management Policy	Occupational Safety and Health	Introduce the Five Elements of Workplace Well-Being: the Common Good, Safety and Health, Healthcare, Consultation and Assistance, and Diversity and Equality.	4.5 Occupational Safety and Health	403
	Climate Strategy	Use of renewables, green building design, product carbon footprint project, and tree planting.	3.2 Climate Change Response	201-2, 305
	Energy Management	Improve energy use efficiency and use of renewables	3.2.3 Energy Management	302
	Water Resource Management	Water conservation and recycling measures	3.3.1 Water Resource Management	303

Topics of Materiality	Performance Indicators	2022 Results		Future Goals			Related SDGs
		Target	Results	Short-term (2023)	Mid-term (2025)	Long-term (2030)	
Business and Financial Performance	Corporate Governance Assessment	Top 20%	Top 20%	Top 20%	Top 5%	Top 5%	 Goal 8: Decent work and economic growth
Supply Chain Management	Response rate for the first-tier Supplier Commitment to Sustainability Declaration	80.00%	88.9%	80%	85%	90%	  Goal 12: Responsible consumption and production Goal 17: Partnership
Customer Relations Management	Customer Satisfaction Survey score	90	93.57	90	90	90	 Goal 12: Responsible consumption and production
Compensation and Benefits	Avg. training hours per person per year	-	22.8	20~30	35	40	 Goal 5: Gender equality
	Ratio of female executives/managers	-	22.6%	> 25%	> 25%	> 25%	
Employee Relations and Communications	Ratio of employees at Taiwan sites who feel safe in the workplace	83%	83%	> 85%	> 85%	> 85%	 Goal 8: Decent work and economic growth
EHS	No major occupational accidents/incidents	0	0	0	0	0	 Goal 3: Good health and well-being
Climate Strategy	Reduction in Scope 1 and Scope 2 GHG emissions intensity (Base year: 2019; Unit: metric tons of CO2e per million NTD)	-10%	-34.31%	Starting from 2023 WNC will adopt absolute carbon reduction targets.			 Goal 13: Climate action
	Absolute reduction in Scope 1 and Scope 2 GHG emissions	-	-	-16.8%	-25.2%	-46.4%	
Energy Mgmt.	Use of renewables as a percentage of total electricity consumption	6%	6.65%	10%	20%	50%	 Goal 7: Affordable and clean energy
Water Resources Mgmt.	Reduction in water withdrawal intensity (excluding recycled water) (Base year: 2020; Unit: cubic meters per million NTD)	-10%	-27.01%	-12%	-13%	-18%	 Goal 6: Clean water and sanitation
Innovation and R&D	Product carbon footprint	-	Initiate Carbon Footprint Implementation Program	Complete carbon footprint assessment for four products	Establish a database of component carbon emissions	Link component Bill of Materials (BOM) to the carbon emissions database	 Goal 12: Responsible consumption and production

01

Value Creation

Sustainability Policy

Sustainable Governance

Corporate Governance

Integrity Management

Risk Control



Annual Performance



Corporate Governance

- Top 20% among all companies in the ninth 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 more than three terms
- The average training hours for directors is **8.2**



Ethical Management


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



Risk Management

Fifteen information security drills were completed in 2022.

Material Topics and Goal Management

Material Topics	Key Performance Indicator	2022 Results		Goals			Corresponding UN SDGs
		Target	Result	Short-term (2023)	Mid-term (2025)	Long-term (2030)	
Operational and Financial Performance	Corporate Governance Evaluation	Top 20%	Top 20%	Top 20%	Top 5%	Top 5%	 Goal 8: Decent work and economic growth

1.1 Sustainability Policy

In 2021, WNC 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.

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

1. Adopt green product design concepts
2. Implement renewable energy strategies
3. Participate in carbon reduction initiatives
4. Promote low carbon transition



Social Responsibilities

5. Care for the land and smallholder farmers
6. Support education of disadvantaged children/youths
7. Create a safe workplace



Corporate Governance

8. Build a complete corporate governance system
9. Improve operational performance
10. Create a sustainable value chain

1.2 Sustainable Governance

WNC Sustainable Governance Organizational Structure



1.2.1 Sustainable Development Committee

WNC established a Sustainable Development Steering Committee and a Sustainable Development Committee in April 2022, to serve as a cross-unit communications and collaboration platform to enhance 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 the Sustainable Development & Marketing Division to the position to improve WNC's corporate sustainability governance structure.

The Sustainable Development Steering Committee is chaired by the Chairman, and is composed of the President & CEO as well as top-tier managers from all units. The committee is the highest decision-making body in WNC regarding ESG related topics, and is responsible for reviewing sustainable development policies, managing WNC's ESG guidelines and mid- and long-term goals, and implementing sustainable development initiatives. It also provides suggestions

and instructions on how to develop ESG projects in accordance with WNC's business management guidelines, business development strategies, and customer requirements. The Sustainable Development Committee is a cross-unit collaboration platform divided into three working groups of environmental protection, social responsibility and corporate governance, and managers from relevant functional units serves as committee members. The committee formulates short-, mid-, and long-term goals, promotes ESG projects, and discloses sustainability information according to sustainable development policies in response to customer expectations and requirements. In addition, the Sustainable Development Center, a dedicated ESG unit of WNC, coordinates committee operations and holds quarterly meetings to confirm that the implementation of short- and medium-term goals and the progress of ESG projects comply with WNC's sustainable development policies.

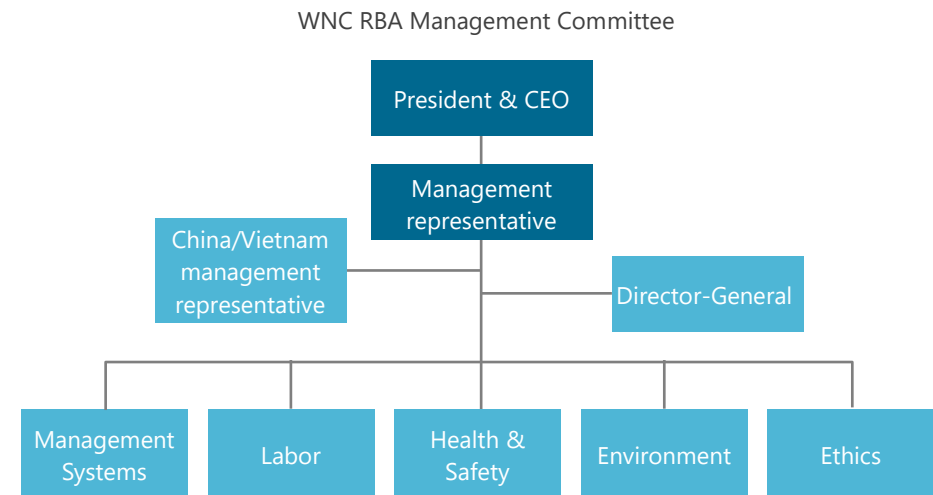
Starting in 2019, the President & CEO of WNC regularly report to the Board of Directors regarding communication with stakeholders on sustainable development, plans WNC has put in place regarding sustainable development, as well as progress made in this area. Starting in 2022, reports are made by the chairperson of the Sustainable Development Committee to the Board of Directors. The 2022 annual report includes: the planning of GHG inventory for all WNC worldwide locations in response to the Financial Supervisory Commission's requirements, and achievements in promoting significant ESG projects.

1.2.2 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 CSO serves as the HQ management representative and the President & CEO serves as the highest-level manager receiving reports on issues. In addition to presenting an annual summary of RBA audits at the first board meeting of each year, any issues that may have a significant impact on operations or involve significant expenses are submitted to the Board of Directors for examination and resolution. In the second quarter of 2022, an execution plan for the GHG inventory of WNC's worldwide locations was submitted, and quarterly

progress updates were provided starting from the third quarter.

The RBA committee establishes members and officers in groups responsible for handling issues related to environmental, health and safety, labor, ethics, and management systems based on the organizational structure of each location. Each function unit (i.e. HQ Finance Division, the Global Supply Chain Management Division, Digital Management Information Systems Division, the Sustainable Development & Marketing Division, Legal & IP Division, Human Resources Administration Division, Quality Assurance Division, Industrial Safety Dept., and Facility Affairs) assigns representatives to serve as members of each group, and the members convene management review meetings every year to discuss RBA-related issues, assess risk in the RBA management system and set key performance indicators (KPIs).



In addition to tracking the implementation status of KPIs on a semi-annual basis, RBA internal auditor training courses and internal audits are held every year. In 2022, a total of 70 employees from all locations participated in internal auditor training. To conform to industry standards and respond to customer requirements, the RBA Validated Audit Program (VAP) is also conducted regularly in Taiwan and major manufacturing sites in China. These audits are carried out in order to assess the WNC RBA management system in a fair and objective manner. 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.

To make all WNC employees better understand the meaning of RBA, WNC provides both RBA online courses during the orientation of new employees and the annual RBA training for all employees to promote RBA concepts and policies. In response to regulatory requirements, policy implementation, or customer requirements, irregular meetings are held and educational training courses are conducted.

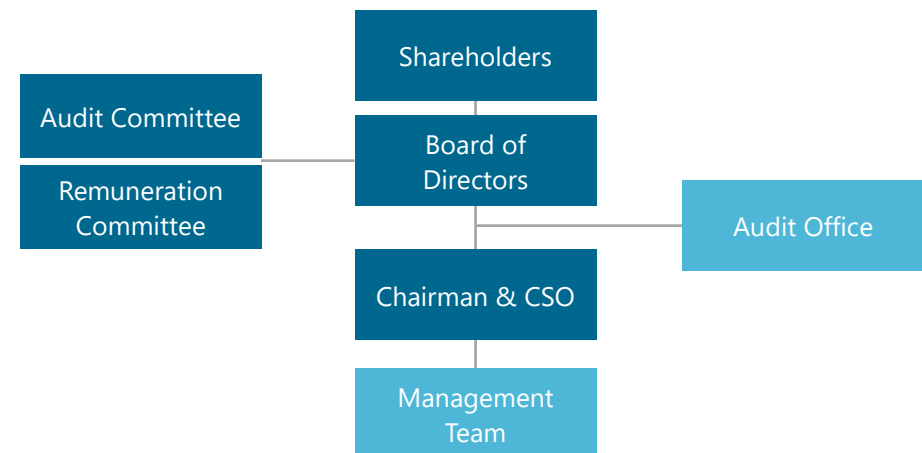
1.3 Corporate Governance

WNC values the legitimacy and transparency of its corporate operations. Therefore, we seek to perfect our corporate governance system 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, 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 implementation results are reviewed semi-annually. The Finance Division, the Legal & IP Division, the Human Resources Administration Division, the Quality Assurance Division, the Sustainable Development & Marketing 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.

The Board of Directors is the highest governing body of WNC. Its responsibilities 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 Sustainable Development Committee, 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. To assist the board in its operations and functions, an Audit Committee and a Remuneration Committee have been established.

For more information on the Board of Directors, Audit Committee, and Remuneration Committee, please refer to the chapter 3 Operational Highlights in [the WNC 2022 Annual Report](#).



Committee	Composition	Major responsibilities	Implementation status in 2022
Audit Committee	All members of the Audit Committee are independent directors, and at least one has accounting or finance expertise. The term for the independent directors on the Committee is three years. Directors may be reelected for consecutive terms. Currently, there are four committee members.	An audit committee meets prior to the Board of Directors meeting every quarter to monitor the execution of WNC's internal controls and important financial and sales behavior and to communicate and interact with CPAs to effectively supervise company operations and risk management. The audit committee's specialized division of duties and independent positions assist the Board of Directors in the execution of its supervisory capacity, raising WNC's financial standing and credibility.	The Audit Committee meets at least once every quarter. Four meetings were convened in 2022, with an average attendance rate of 94% for all committee members.
Remuneration Committee	Currently, there are four committee members, who are all independent directors. Committee members must invite the Board Chairman or CEO to attend. The members of the remuneration committee recuse themselves from meetings if issues to be discussed involve any personal interests of the members. The committee may also request directors, internal auditors, accountants, legal consultants, and other personnel to attend meetings and to provide them with pertinent and necessary information.	A remuneration committee is responsible for establishing and periodically reviewing the compensation policies, systems, standards, and structure of WNC's director's and management's compensation; as well as evaluating and deciding compensation terms.	The Remuneration Committee meets at least twice a year. Meetings may be convened when necessary. Three meetings were convened in 2022, with an average attendance rate of 92% for all committee members.

1.3.1 Composition and Diversification of Board of Directors

According to the Articles of Incorporation, WNC appoints seven to nine directors, who are elected by the shareholders' meeting from the list of director candidates in accordance with the candidate nomination system. The directors serve a term of three years and may be reelected for consecutive terms. It is also specified that at least three independent directors should be appointed. The 10th Board of Directors was elected at the 2020 Shareholders' Meeting. There are nine directors in total, including one female director. All directors are over 50 years old, and have extensive experience and qualifications in business, legal affairs, finance, accounting or corporate business. Two directors hold employee status and 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.

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

Goals	Status of achievement
The number of directors who concurrently serve as executive officers in WNC does not exceed one-third of the total number of directors.	Goal achieved
At least one board member is female.	Goal achieved
Independent board members may not serve for more than three terms.	Goal achieved
There are board members with inter-disciplinary expertise.	Goal achieved
The number of independent board members exceeds the number stipulated by law.	Goal achieved

Name	Title	Gender	Employee status	Age		Areas of Proficiency		
				51-60	61-70	Industry/Technology	Finance	Law
Haydn Hsieh	Chairman & CSO	Male	•		•	•		
Jeffrey Gau	President & CEO, Director	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			•	•	•	

Name	Title	Gender	Employee status	Age		Areas of Proficiency		
				51-60	61-70	Industry/Technology	Finance	Law
Karen Hsin	Independent director, Audit Committee member, and Remuneration Committee member	Female			•	•	•	•
Neng-Pai Lin	Independent director, Audit Committee member, and Remuneration Committee member	Male			•	•	•	
Michael Tsai	Independent director, Audit Committee member, and Remuneration Committee member	Male			•	•		
T. Y. Lay	Independent director, Audit Committee member, and Remuneration Committee member	Male			•	•		

1.3.2 Board Training Courses

To ensure that the directors are well-versed in the latest trends in corporate governance, sustainable development and risk management, all directors of WNC are required to complete annual training in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. Directors have completed a total of 27 training sessions, with an average duration of 8.2 hours per director. For detailed information on their training, please refer to [the Market Observation Post System](#) or the chapter 3 Operational Highlights in the [2022 WNC Annual Report](#).

1.3.3 Board Performance Evaluation

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 each year. The performance assessment results are reported to the Board of Directors in the first quarter of the following year, and are disclosed in the Company's Annual Report. The performance evaluations for the 2022 Board of Directors and Functional Committees were "exceeds standards" and the results were submitted to the Board on March 10, 2023, to serve as a reference for the Board's continuous improvement of its functions, remuneration setting for the Board and the functional committees, and nomination for directors to serve the next term.

Content of the Board Performance Evaluation

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

1.3.4 Remuneration Policy

Remuneration of directors is determined in accordance with the Articles of Incorporation, as approved by the shareholders' meeting. It is set at no more than 1% of the year's profits (profit here indicates pretax profit without deducting profit-sharing bonuses for employees and directors), and is paid in cash. 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 be reviewed at any time based on practical operational conditions and related laws

and regulations to achieve a balance between continuity of operations and risk control.

The compensation package for each senior manager includes a fixed component of salary, bonuses, and benefits and a variable component of bonuses, dividends (cash/stock), stock (restricted stock / employee stock ownership trust) and stock options. The variable component of compensation is determined based on WNC's operational performance in the current year. It ranges from 5% to 10% of the total compensation, depending on the position and performance. The remuneration of senior managers is highly linked to WNC's operational performance.

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

In 2022, the highest individual annual total compensation at WNC was 28.5 times the median annual total compensation of other employees. The highest individual salary increase for the year was 0.62 times the median salary increase of other employees.

2022 WNC Worldwide Remuneration Ratio^{Note}

Ratio of highest salary to median annual salary	28.5
Ratio of highest salary increase to median salary increase	0.62

Note: Excluding employees who have been on the job for less than one year, calculating average remuneration of all permanent employees for the year, including basic salaries, allowances, and bonuses.

1.3.5 Recusal

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

1.3.6 Internal Control Systems

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 is staffed with a full-time audit supervisor and two auditors.

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.

The Audit Office coordinates evaluation of internal controls and 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 to ensure that a risk assessment mechanism and review by managers of different levels is implemented. At the same time, the Audit Office supervises each department and WNC subsidiaries to conduct regular self-assessments of the implementation of internal control systems, and reviews their self-assessment reports. The reports and the findings of the audited department regarding internal control deficiencies and abnormalities serve as the main basis for the Board of Directors and the General Manager to evaluate the overall effectiveness of the internal control system and issue an Internal Control System Statement.

The internal control system deficiencies and abnormalities identified during the audit are tracked and reported on a regular basis to ensure that the relevant departments have taken corrective actions. The audit report and tracking report are submitted to the Audit Committee for review by the end of the following month after completion of the audit items. In addition to regular reporting to the Audit Committee, the audit supervisor also presents a report to the Board of Directors.

1.4 Ethical Management

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 have 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).

1.4.1 Due Diligence

WNC requires all WNC directors and top-tier managers to sign the Declaration of Ethical Management. 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 form. 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 answer an annual self-evaluation questionnaire on compliance with the Code of Ethical Conduct. In 2022, 2,663 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.

Labor and ethical risk assessments at all major manufacturing locations are conducted every year. However, assessments at the Vietnam location were not conducted due to the impact of relocation and the COVID-19 pandemic in 2022. A total of eight locations in Taiwan and China underwent assessment, accounting for 88.9% of all major manufacturing locations. The assessment results revealed no high-risk items or instances of corruption.

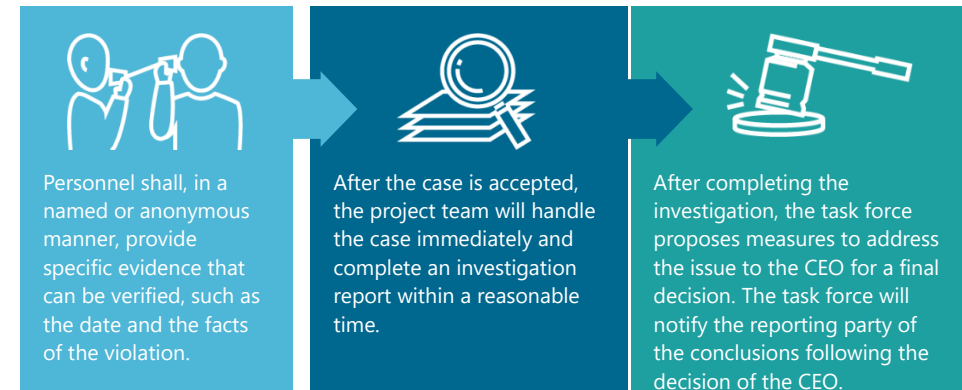
1.4.2 Training and Promotion

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 Code of Conduct online training every year, which is included in compulsory courses for new employees and online training courses for current employees to help them 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 2022, the completion rate of the WNC Ethics and Anti-Corruption Code of Conduct online course was 100% in Taiwan and major manufacturing sites in China. The training was not conducted at the Vietnam site due to the impact of relocation and the COVID-19 pandemic.

1.4.3 Grievance Mechanisms

WNC has established a whistleblower e-mail address (wnc.integrity@wnc.com.tw) for internal and external stakeholders to file complaints and report violations in a named or anonymous manner. The WNC Reporting and Handling Procedure stipulates handling procedures to address violations and confidentiality obligations for individuals responsible for receiving and investigating the reports,

and prohibits any adverse actions or consequences against the reporting parties to safeguard their work rights. The Integrity Office is tasked with establishing a task force to handle reports and perform investigations. The reporting procedures are described briefly as follows:



- WNC ensures that the identities of the reporting parties are kept secret and that they are not open to retaliation.
- WNC will not terminate or transfer any employee or cause any other unfavorable result to occur due to their reporting an issue unless that employee has violated the law.
- Task force members and related members participating in the investigation ensure and maintain the confidentiality of the incident throughout the entire investigation.
- The task force records how the reported issue was handled in written form, and this written report is sealed and archived for five years.

In 2022, two complaints related to personal integrity were reported. One case was closed due to a lack of evidence and significant factual discrepancies. The other case is still under investigation. Other cases related to the management of each department were transferred to the respective departments for handling as none involved illegal matters.

1.4.4 Respecting Market Mechanisms

We believe healthy market competition enhances the quality and efficiency of WNC's operations, ensures consumer rights and achieves economic stability and prosperity. Therefore, we abide by related government and industry laws. To help maintain a healthy market mechanism and structure, we refuse to adopt unfair, anti-competitive market tactics. In 2022, there were no lawsuits against WNC related to anti-competitive or anti-trust behavior.

WNC remains politically neutral. Employees are encouraged to fulfill their civic duty, but refrain from doing the following in the name of WNC: participating in electioneering or making any political contributions. In 2022, WNC did not make any political donations.

1.4.5 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. From 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.

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 2022, 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).

1.5 Risk Control

WNC controls risk 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, lessen, or off-set 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 over time or due to changes in the 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, 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 different types of risks and respond to the ever-changing business environment. WNC's methods are briefly described according to financial risk, operational risk and continuous operations management. For more information on actions in response to climate change, please refer to the chapter [3.2 Climate Change Response](#) of this Report.

1.5.1 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 liquidity 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 debt offsetting
- Make plans and arrangements regarding capital income and borrowing costs in advance based on our predictions about future operational and capital requirements of the Company.
- Use auxiliary tools (such as financial derivatives) to reduce risk under proper risk guidelines.

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

1.5.2 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.

1.5.3 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 Sustainable Development & Marketing 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.

1.5.4 Continuous Operations Management

WNC aims 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 2022, 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.

Information Security

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

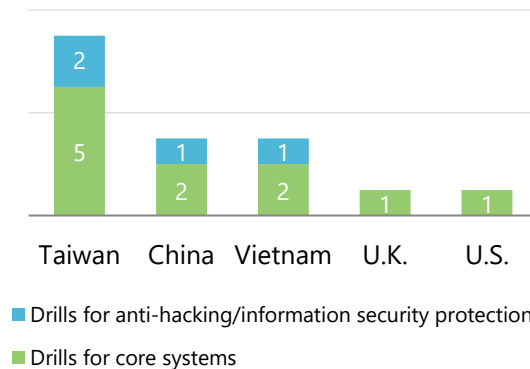
recovery drills, of which, a total of 15 drills were completed for WNC's critical operational information systems in 2022;

(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.

2022 BCP Information Security Drills



Supply Chain Disruption

To avoid supply chain disruptions, the Global Supply Chain Management Division prepares materials strategically by daily tracking of material conditions and real time adjustments of response measures based on the Purchase Management Procedure, the external environment, and actual production and raw material requirements, and adopts second source or dual source strategies.

Labor Shortage

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 resource management, please refer to chapter 4 Harmonious Workplace of this Report.

Infectious Disease

The COVID-19 pandemic has forced the world to focus more on the impact of emerging infectious diseases on humans. WNC makes the protection of health and safety of its employees a priority, complies with policies of the competent authorities and has set up an epidemic prevention team to coordinate pandemic prevention affairs, formulate contingency procedures based on different scenarios in order that response measures were timely initiated to mitigate the impact on company operations.

02

Joining Hands with Partners

Sustainable Products

Innovation Momentum

Supplier Management

Customer Partnerships



Annual Performance



Sustainable Procurement

- Local procurement of headquarters and subsidiaries in China are at 49% and 37% respectively.
- 208** RMAP conforming smelters, accounting for **97%** of total smelters
- 25 more suppliers** of raw materials and components signed the Supplier Quality Agreement.



Innovation Momentum

- 120** employee proposals for continuous improvement plans in 2022
- NT\$358 million** invested in R&D, an increase of **72%** over the previous year
- 190 patent** applications filed in 2022, with a total of **2,202 patents** held by WNC



Green Products

- 12%** of case/package use recycled materials
- Three** products passed ErP testing for energy consumption



Customer Relations





- Zero** lawsuits for breach of confidentiality
- Scored **93.57 points** for customer satisfaction, higher than the target of 90



Value Chain Management

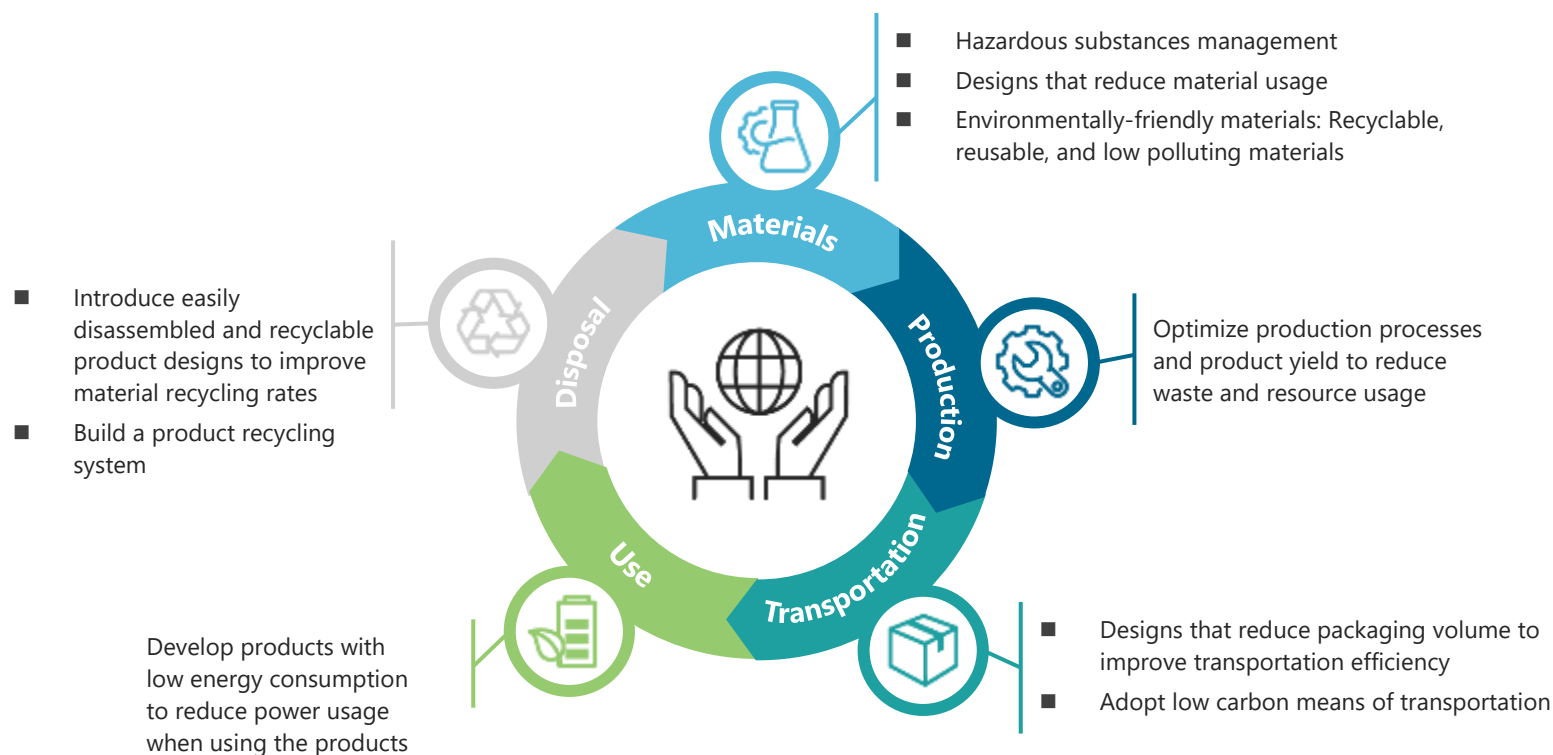
- 40 new** suppliers signed the Supplier Commitment to Sustainability Declaration, accounting for **56%** of the suppliers in the approved vendor list (AVL)
- 508** supplier on-site audits and counseling sessions arranged by WNC sites
- 78 suppliers** participated in the supplier conference

Material Topics and Goal Management

Material Topics	Performance Indicators	2022 Results		Future Goals			Corresponding SDGs
		Target	Result	Short-term (2023)	Mid-term (2025)	Long-term (2030)	
Supply Chain Management	Response rate of tier-1 Supplier Commitment to Sustainability Declaration	80%	89%	80%	85%	90%	 Goal 12: Responsible Consumption and Production
							 Goal 17: Partnerships for the Goals
Customer Relationship Management	Customer satisfaction scores	90	93.57	90	90	90	 Goal 12: Responsible Consumption and Production
Innovation and R&D	Product carbon footprint	-	Initiated carbon footprint inventory	Complete carbon footprint inventory for 4 products	Build an emissions database for components	Link component BOMs to the emissions database	 Goal 12: Responsible Consumption and Production

2.1 Sustainable Products

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



2.1.1 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 their environmental impact. 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 upload their product composition analysis reports, inspection results, warranty cards, and related documents to WNC's Green Product Management System. This enables WNC's purchasing units and quality management units to check in a timely manner if materials comply with customers' requirements regarding prohibited and restricted substances. Product 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 to 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 Hazardous Substances Management Procedures and a Standard for Restricted Usage of Environmentally Hazardous Substances," and has used these 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, other related international standards and WNC's prohibition of substances harmful to the environment.

WNC complies with the Green Product Hazardous 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 restrictions and limitations on the use of hazardous substances as required by customers. In 2022 no WNC product violated any green product directives.

IECQ QC080000 Certification

Through the QC080000 hazardous materials management system, WNC ensures that products comply with regulations about 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 the 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 from 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.

2.1.2 Recyclable/Recycled Materials Management

Recyclable/Recycled Materials

WNC proposes the use of different recyclable/recycled materials to customers based on customers' expected product specifications and the usability and durability requirements of communications products. Currently, most of the recycled materials (materials containing more than 20% of recycled materials) are used in mechanical parts and packaging materials, including the use of post-consumer recycled (PCR) plastics in product cases and recycled pulp products in packaging paper. In 2022, the purchase amount of recyclable/recycled materials

used in mechanical parts and packaging materials accounted for 11.5% of the total procurement of mechanical parts and packaging materials.

To incorporate green product design concepts into product design processes of each unit more effectively, the Mechanical and Industrial Design Division initiated an Environmentally-friendly Attributes Database of Mechanical Components project in 2022. The database consolidates attributes of mechanical components that help reduce carbon emissions and waste, including the percentage of recycled materials used in these components so that R&D personnel can select the most appropriate materials during the design and material selection stage.

Packaging Materials

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. According to purchase amount in 2022, 29% of packaging materials used recycled materials. Such materials 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, enabling us to provide better protection and management for forests. In 2022, all Taiwan and Vietnam sites passed FSC™ CoC third-party audits.

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.

2.1.3 Green 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 introduce eco-product management processes in accordance with customer needs and have turned eco-design requirements into a basic aspect of early product design to incorporate environmental considerations into product designs. The 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. In 2022, we assisted customers in passing third-party verification for three products, ensuring that they meet Energy-related Products Directive (ErP) regulations for product energy consumption.

Energy-saving Products Initiatives

The energy consumption of 5G high-power customer premises equipment (CPE) developed by WNC in 2020 was reduced via adjustment of the LED current during the initial design stage. According to our tests, this energy-saving design helps reduce energy consumption by about 2% (around 40 mW). Based on our estimation, when one of these units is in continuous use 24 hours a day, it saves 0.35 kWh of electricity every year.

Carbon Footprint

In 2022, WNC launched a carbon footprint initiative. Four target products were selected from WNC sites in Taiwan, China and Vietnam for a carbon footprint inventory, which is expected to be completed in 2023. Based on this carbon

footprint inventory, information about the carbon footprint of product raw materials will be gradually integrated into the existing raw materials database in order to facilitate future inventory and management of carbon emissions of products.

Training Courses

In cooperation with SGS and National Cheng Kung University, WNC offered a series of green product design courses in 2022, including circular economy in the manufacturing sector, recycled materials and green design guidelines, EU guidelines for packaging materials, and eco-marks. Units related to product development, quality assurance, production and manufacturing, and sustainable development were invited to enroll for the courses. Moving forward, WNC will offer new courses depending on the needs of business operations and development, and seek opportunities for industry-academia collaboration.

Examples of WNC applying sustainable product design in product lifecycles

Design	Raw materials	Manufacturing	Transportation	Use	Disposal
Introduction of circular economy at initial stage	Adoption of recyclable materials	Energy consumption optimization in production processes	Improve transportation efficiency	Energy saving product design	Design for recyclability and easy disassembly
<ul style="list-style-type: none"> ■ Provide customers with the option of using recycled materials for mechanical components ■ During product design and development stages, avoid mold making to reduce waste and pollution arising from mold development processes 	<ul style="list-style-type: none"> ■ Usage of PCR recyclable plastics for mechanical parts reduced the use of virgin plastic by 1.3 metric tonnes in 2022, equaling a carbon emissions reduction of 4,044 metric tonnes of CO₂e ■ In 2022, packaging and mechanical components made from recycled materials accounted for 11.5% of total packaging materials and mechanical components purchased 	<ul style="list-style-type: none"> ■ Introduction of the ISO 50001 management system, and establishment of energy saving goals ■ Use of hot melt adhesives can be reduced through adjusting mechanical design and assembly 	<ul style="list-style-type: none"> ■ Develop new packaging designs to reduce packaging volume and improve transportation efficiency 	<ul style="list-style-type: none"> ■ Improve the energy usage efficiency of products to reduce carbon emissions during use ■ In 2022, three products passed ErP testing for energy consumption 	<p>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</p>

2.2 Innovation Momentum

2.2.1 Manufacturing and Quality Service



WNC Quality Policy

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

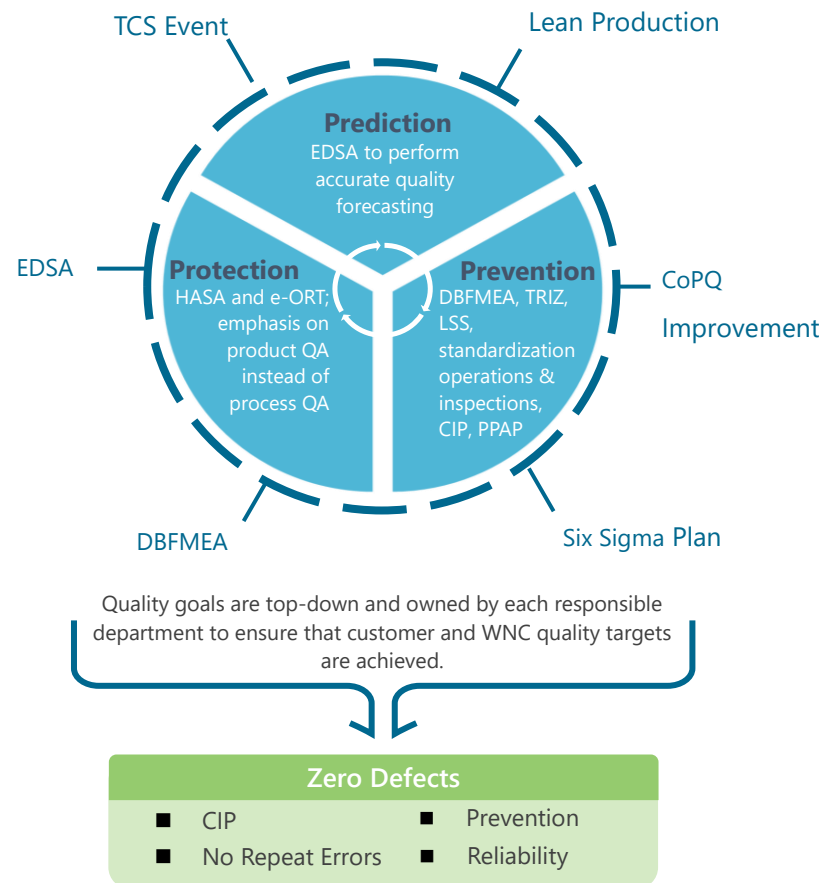
WNC has a "zero defects" long-term quality management objective. We expect to meet and exceed customer expectations in terms of design quality, product quality, and service quality and to become a reliable partner for all our customers. During our day-to-day quality operations, we set or adjust annual 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", different quality approaches, tools, and systems are introduced for integration with the product development process and are realized in daily operations. All 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 enhances product quality, design, costs and efficiency through continuous improvement plans (CIP). These plans include BPI (Business Process Improvement), TCS (Total Customer Satisfaction), DFSS (Design for Six Sigma) and WE (Waste Elimination). WNC has established an incentive mechanism to encourage employees to submit proposals on improving quality in the aforementioned areas. After review and approval, a cash reward is awarded and results of the proposals are published in the CIP bi-monthly magazine to facilitate knowledge sharing and learning. To inspire employees to submit proposals and create a workplace that fosters positive competition, exhibitions showcasing the results of BPI and Six Sigma projects are held annually. The CEO and tier-1 executives are invited to participate in the evaluation. In 2022, we

received 120 improvement proposals from Taiwan and China sites.

BPI proposals focus on systematically helping organizations optimize processes to enhance the efficiency of business operations. Projects in 2022 included the establishment of an integration platform for software and hardware development to improve cross-unit collaboration efficiency; utilization of AI visual recognition and natural language processing (NLP) technologies to improve the yield rate of production lines and reduce the rate of repetitive errors in R&D and manufacturing processes. On the other hand, Six Sigma proposals place more emphasis on reducing anomalies, improving quality and lowering costs through statistical quality control measures. This includes the application of the Seven Basic Tools of Quality, failure mode and effects analysis (FMEA), and Design of Experiment (DOE) to assist teams in pinpointing the core issues and conducting optimization verification.

WNC (Taiwan) and WNC's sites in China and Vietnam have all obtained ANSI/ESD S20.20 Electronic Discharge Control Program certification to ensure that comprehensive 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.





2.2.2 Smart Manufacturing

To increase 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 investment in equipment that does not provide a good return. WNC's in-house automation center oversees WNC's internal automated production operations.

In 2022, WNC incorporated the smart factory concept into production automation, leveraging IoT, AI, and machine learning to accelerate the automation process and digital transformation. The Company expects to achieve a 10% increase in automation rates annually while reducing investment costs in automation. Initiatives include the introduction of smart logistics systems, the development of AI/AVI technologies, the optimization of visualization for production line management and automated energy saving and management. The 5R (Refuse, Reduce, Reuse, Recycle, Regenerate) strategy for recyclable design is also promoted to enhance overall production efficiency and lower negative environmental impacts.

Moreover, WNC has actively implemented the concept of Industry 4.0 through four major facets: Smart Production Management, Smart Logistics, Smart Manufacturing, and the creation of a Smart Production Environment:



Smart Production Management

1. Digital supply chain
2. Advanced planning and scheduling system
3. WNC Industry 4.0 Platform



Smart Logistics

1. Automatic storage and retrieval system (ASRS)
2. Autonomous guided vehicles (AGV)
3. Tracking goods by leveraging RFID capabilities



Smart Manufacturing

1. Automated production Lines
2. AI-assisted manufacturing
3. QMS-assisted manufacturing
4. 3D manufacturing simulations RFID



Smart Production Environment

1. Smart protection for working in heat and hazardous environments
2. RFID applications
3. Work instructions system
4. 5G demonstration

2.2.3 Intellectual Property

Mitigation Measures

Training Courses/Promotion

1. Employees: Offer courses about the patent system and patent infringement for new R&D employees; offer courses about how to assume the obligations of patent licensing contracts and related guidelines for PMs and Sales.
2. Suppliers: Promote RBA related regulations to suppliers on a regular basis.

Management

1. Stipulate management procedures and regulations to safeguard trade secrets and confidential business information as well as policies on intellectual property rights management and utilization.
2. Require employees, suppliers and customers to sign NDA agreements to ensure proper management of personal data and information.
3. Require suppliers to sign the WNC Supplier Code of Conduct and a statement to ensure the implementation of global trends in sustainability and RBA related regulations.

Remedial Measures

System Adjustment

Regularly monitor laws and regulations related to intellectual property, and make corresponding amendments to management procedures in response to revisions to related laws by the competent authority.

Remedies

Obtain or introduce intellectual property through licensing or transfer, and cease to use the IP if risk of infringement of intellectual property rights exist.

Sanction

Follow-up measures depending on the severity of the case; reports shall be submitted to the competent authority or to the judicial authority for investigation if necessary.

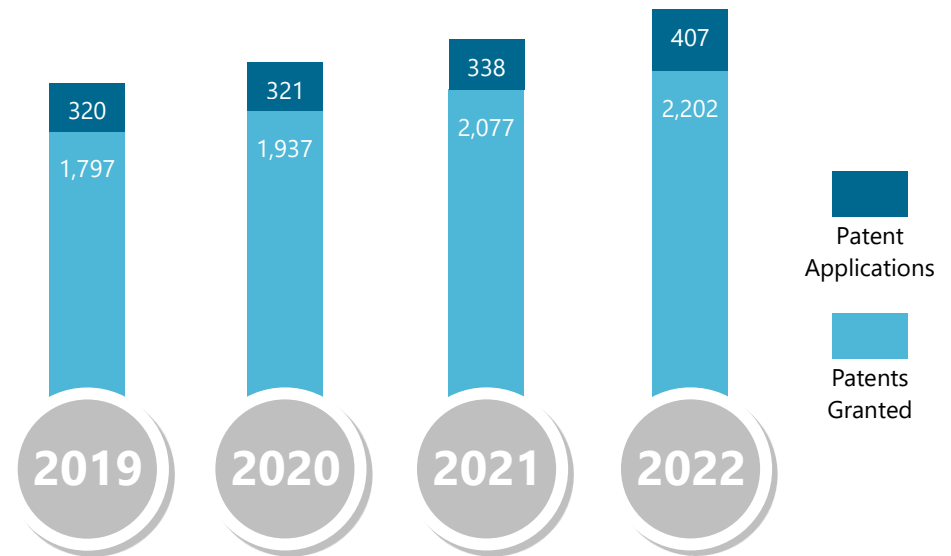
WNC strives to enhance its competitiveness in the communications industry. We develop products based on evolving communications technologies and increasing market demand. To boost research and design efforts, the Legal unit and the Human Resources Administration unit hold patent courses semi-annually.

The courses are mandatory for new R&D employees with the aim of introducing the patent system and raising awareness of patent infringement issues, as well as encouraging R&D personnel to submit patent application proposals. In 2022, two sessions were held with a total of 340 attendees. In addition, WNC also holds patent premiums courses for PMs, sales and PCC personnel, which explained how to assume the obligations of patent licensing contracts and related guidelines; a total of 56 employees participated in the course.

In order to maintain the competitiveness of our technological innovation and safeguard 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 General Guidelines on Rewards for Invention and Innovation (originally WNC Group Product Development Documents and Projects and Patents Reward Measures), and has formulated other management procedures and regulations to protect trade secrets and confidential business information as well as policies on intellectual property rights management and utilization. Incentives are provided at different stages, from proposal, patent application, acquisition of patents, to licensing. In addition, WNC evaluates and selects the best patent every year, winners of which receive additional bonuses, medals and recognition at year-end parties. Starting 2022, WNC has encouraged employees to submit articles or papers to journals while actively engaging 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. In 2022, 190 applications for patents were submitted and all of them were invention patents.

As of the end of 2022, WNC held 2,202 patents: 595 in the U.S., 911 in Taiwan, 613 in China, and 83 in other countries. WNC continues to hold the number one ranking for patents granted to network communications companies, as listed by the 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 Four Years



2.3 Supplier Management



WNC Global Supply Chain Management Policy

Policy

Through continuous optimization of supplier management strategies and operational efficiency, WNC works with suppliers to manage sustainable supply chains. We aim to achieve balanced development among profitability, environmental protection and social responsibility, in order to create better value for all stakeholders.

Mission

By supporting the Company's business development and enhancing the Company's market competitiveness, WNC will continue to effectively manage and jointly improve the quality, price, delivery, service, and environmental and social responsibility performance of suppliers, and develop the most suitable supplier portfolio and purchasing policies to be able to work with suppliers in a responsible supply chain.

China-US tensions have led to an increase in demand for manufacturing using the contract manufacturing (CM) model. In addition, our Vietnam plant has begun to introduce local suppliers. In 2022, tier-1 suppliers of raw materials, components, and manufacturing consumables to WNC's sites decreased from 1,112 companies in 2021 to 1,077. Among them, 92 are critical suppliers, who contribute to 80% of WNC's annual transactions, are a single source of certain materials, or have a large market share. The materials and components WNC purchased are mainly integrated circuits, circuit boards, display panels, electromechanical components, mechanical parts, and packaging materials. Production consumables are mainly solder paste and solder wires used in manufacturing processes. WNC regards supplier management as one of the key actions to fulfill social responsibilities. The Company conducts supplier RBA audits and hopes to work with suppliers to improve the performance of product and service quality, labor rights, occupational safety and health, and green products. WNC also regularly offers sustainable procurement courses for employees in the Global Supply Chain Management Division. Through sharing of trends in sustainable procurement and case studies, WNC hopes to implement the concept of sustainable procurement in materials procurement and the screening and management of suppliers. Multiple online courses were held in 2022, with 73 employees completing the training for a completion rate of 89%.

2.3.1 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 based on material properties. 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.

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 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. In 2022, 29% of suppliers signed the commitment letter.

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 a supplier be listed on the Approved Vendor List (AVL) of WNC. In special circumstances, the conditional approval process must be carried out separately. In 2022, 72 suppliers completed the new supplier survey according to the Supplier Evaluation and Management SOP and became listed on the AVL. Forty of them signed the Supplier Commitment to Sustainability Declaration.

New supplier survey procedure for WNC



Supplier Performance Evaluation

■ Quarterly reviews

WNC has 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. After completing the quarterly Vendor 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 Vendor List (RVL) for the selection of new partners and purchasing targets. As of the end of 2022, a total of 1,077 suppliers have completed VPE.

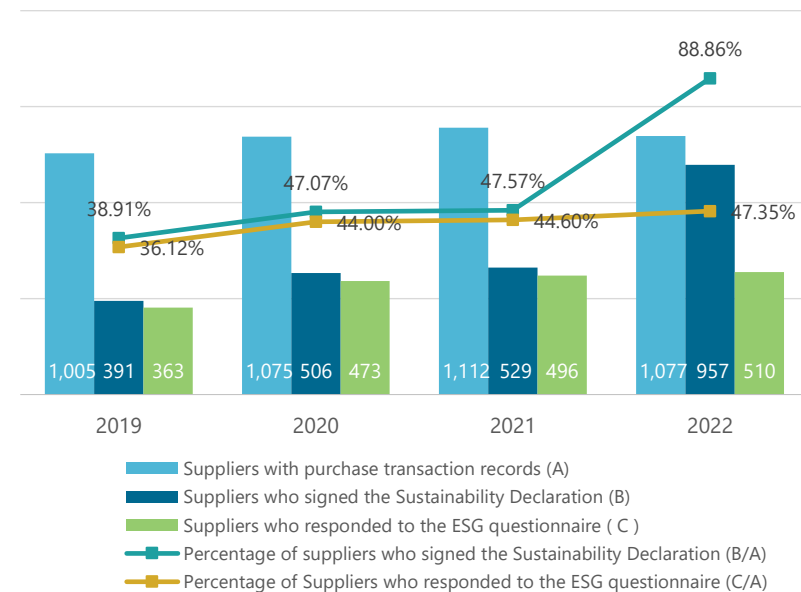
■ Annual audits and counseling

On-site audits on products and safe production are conducted for selected 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, counseling and training. In 2022, a total of 508 on-site audits and counseling sessions for supplier sites were arranged. Non-compliance items found during the audits include unclear definitions of specifications/procedures, deviations from SOPs for in-factory operations, and anomalies in record sheets. All identified issues have been remediated and resolved. None of the suppliers were required to terminate cooperation with WNC due to non-compliance items found during audits or unsatisfactory results after remediation.

2.3.2 Supplier Investigation and Audits

WNC has formulated a Supplier Code of Conduct, which requires all suppliers to sign a Supplier Commitment to Sustainability Declaration 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 measures, fair trade, supporting freedom of association for workers and labor-management agreement rights. Suppliers are asked to complete a Supplier ESG Questionnaire so WNC can understand suppliers' implementation of labor, health and safety, environmental, ethics, and management systems. As of the end of 2022, 957 suppliers have signed the Supplier Commitment to Sustainability Declaration, 510 suppliers have responded to the Supplier ESG Questionnaire, and 225 suppliers have completed on-site RBA audits for suppliers, accounting for 88%, 47%, and 20% of suppliers with purchase transaction records in 2022, respectively.

Percentage of WNC's Suppliers who Signed the Sustainability Declaration and Completed the ESG Questionnaire in the Past 4 Years



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 RBA audits are selected and included in the 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 RBA requirements", and "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), supplier RBA audits are conducted on the other two categories in the following four steps: signing of ESG related documents, actual audits, continuous improvement and results reporting, as well as from the five aspects stipulated by the RBA: labor, health and safety, environment, ethics and management systems.

In 2022, RBA audits were originally scheduled for 50 tier-1 suppliers but 52 audits were completed, including 21 category A suppliers, 20 category B suppliers and 11 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 2022, no supplier relationships were terminated because the supplier's RBA audit results or improvements did not meet the standards. In 2023, a total of 50 suppliers are scheduled to undergo a WNC RBA audit.

RBA audit processes for WNC suppliers



Results of RBA Validated Audit Program (VAP) on WNC's Suppliers in 2022

Audit Items		WNC	Tier-1 Suppliers
Percentage of facilities audited in the RBA Validated Audit Process (VAP) or equivalent (%)		50.0%	4.8%
Non-conformance rate with the RBA Validated Audit Process (VAP) or	Priority non-conformances	0.0%	28.8%
	Other non-conformances	100.0%	84.6%
Associated corrective action rate with the RBA Validated Audit Process (VAP) or equivalent (%)	Priority non-conformances	0.0%	73.3%
	Other non-conformances	100.0%	79.5%
High-risk Suppliers (%)		0.0%	18.6%

2.3.3 Green Supply Chain

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, to implement source management for manufacturing processes, green product design and hazardous substances of suppliers.

Supplier Quality Agreement

WNC began asking suppliers to sign a Supplier Quality Agreement in 2006. WNC requires suppliers to follow the Environmentally Hazardous Substances Standard Guidelines formulated by WNC, and submit third party testing reports when necessary. In 2022, 25 new suppliers of raw materials and components signed the Supplier Quality Agreement, accounting for 35% of new suppliers in 2022. In the future, we will continue to require all suppliers to sign quality agreement guarantees to ensure that the products designed and manufactured by WNC can meet the requirements of customers and international regulations related to prohibited and restricted substances, and achieve the goal of establishing a green supply chain.

Supplier Environmental Hazardous Substances Compliance Statement

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 (Restriction of Hazardous Substances Directive), WEEE (Waste Electrical and Electronic Equipment), REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), ErP and Batteries (Batteries and accumulators and waste batteries and accumulators and repealing) 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.

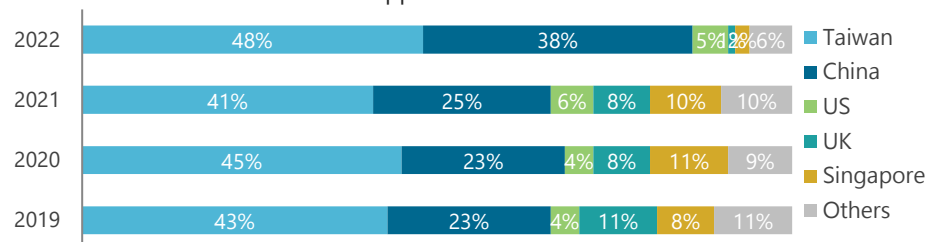
Incoming Inspection Process

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.

Local Procurement

Local procurement can support the development of local economies, generate more employment opportunities and income, and reduce costs and carbon emissions of transportation. Therefore, WNC establishes a dedicated procurement team for each country/region, responsible for the selection and management of local suppliers. According to the amount of raw materials, components and production consumables purchased by WNC, suppliers in Taiwan are the main suppliers, accounting for 48% in 2022, followed by Chinese suppliers, accounting for about 38%. Other suppliers are located in Asia, Europe and the United States.

Location of WNC Suppliers in the Past Four Years



49% of WNC headquarters' procurement is with local suppliers in Taiwan while 37% of procurement for WNC's China sites is with local suppliers in China. Currently, most raw materials used in manufacturing in WNC's Vietnam sites come from suppliers in Taiwan and China. Items purchased with local suppliers in Vietnam are mainly production consumables, which only account for 10% of all procurement. As demand for manufacturing in Vietnam is increasing significantly, WNC will continue to evaluate and plan for the establishment of local supply chains.

2.3.4 Responsible Minerals



Responsible Minerals Policy

- Do not purchase minerals directly from origin
- Ban the use of conflict minerals that contribute to significant human rights violations such as armed conflict and forced labor in conflict-affected and high-risk areas (CAHRAs)
- Require suppliers to obtain minerals from responsible sources and communicate this policy to their own upstream suppliers

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.

Regulations

WNC has formulated a Responsible Minerals Policy Statement, committed to banning the use of minerals from illegal mines in the Democratic Republic of the Congo (DRC) and adjoining countries and minerals extracted in poor working conditions. Suppliers are required to avoid using conflict minerals, disclose the sources of tin (Sn), tungsten (W), tantalum (Ta) and gold they use and communicate this policy to their upper stream suppliers to achieve alignment throughout the supply chain.

Identification and Investigation

WNC conducts supplier conflict mineral surveys to find out whether the smelters used by suppliers are participants in the Responsible Minerals Assurance Process (RMAP). In addition, WNC requires suppliers to promise that products they provide to WNC do not contain any conflict minerals by signing a Supplier Quality Agreement.

Information Disclosure

According to survey results in 2022, there are a total of 215 smelters used by WNC, of which 208 are RMAP-compliant smelters, one is participating in the RMAP program, and six are non-compliant smelters. Two of these six non-compliant smelters were originally compliant smelters until they became non-compliant smelters in the third quarter of 2022. The other four non-compliant smelters were originally compliant smelters until the fourth quarter of 2022. WNC will continue to monitor the status of these six 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	56	21	23	27	127
Europe	26	5	4	7	42
North	11	6	3	4	24
South	3	3	9	3	18
Africa	2	0	1	0	3
Australia	1	0	0	0	1
Total	99	35	40	41	215

2.3.5 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
Purchasing value	High Value	Low Value	High Value	Low Value
Supply risks	Low risk	Low risk	High risk	High risk
Types of raw materials	<ul style="list-style-type: none"> ■ Integrated semi-conductor circuit ■ Mechanical parts 	<ul style="list-style-type: none"> ■ Passive components ■ Packaging materials ■ Connectors 	<ul style="list-style-type: none"> ■ Printed circuit boards ■ SoC ■ Memory ■ Modules 	Accessories
Management measures	Regular partnership: <ul style="list-style-type: none"> ■ Supplier selection ■ Establish purchasing advantages ■ Target price management ■ Optimization of batch purchasing ■ Minimum inventory 	Regular trading relationships: <ul style="list-style-type: none"> ■ Product standardization ■ Optimization of batch purchasing ■ Inventory optimization ■ Operational efficiency 	Strategic partnership & long-term co-operation: <ul style="list-style-type: none"> ■ Detailed market investigation and prediction ■ Rigorous inventory management ■ Rigorous material management ■ Prepared for emergencies 	Long-term stable partnership: <ul style="list-style-type: none"> ■ Detailed market data and long-term supply and demand trend information ■ Look for substitute solutions ■ Backup plans ■ Supply quantiles and timing controls

2.3.6 Digital Supplier Management Platform

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 co-operation with suppliers in 2020, and 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 Supplier Commitment to Sustainability Declaration, WNC Supplier ESG 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 in November, the Company completed online anti-corruption training courses for suppliers through the system. As of the end of 2022, 592 suppliers have completed the online courses.

2.3.7 Supplier Partnership

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 2022, due to the COVID-19 pandemic, the Vendor Conference was an outdoor event. 78 WNC suppliers attended the event.



2.4 Customer Partnerships

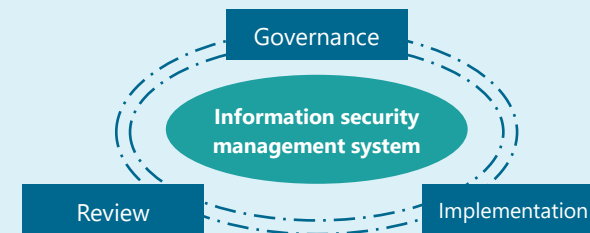
2.4.1 Information Security

WNC strictly complies with the content and confidentiality commitment set forth in 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 and obtained external certifications 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 amended its Information Security Incident Reporting Procedures, in order to strengthen the collection of and responses to threat information, as well as risk identification and assessment for IT suppliers. In 2022, WNC had no record of any lawsuits related to violations of confidential customer information, and no complaints were received.

Information Security Management System

WNC's information security management measures can be divided into external 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. Activities that strengthen information security held from 2021 to 2023 include

Key projects	● Implemented ○ Planning		
	2021	2022	2023
Strengthened the structure of WNC's information security protection networks	●	●	●
Established a 24/7 information security monitoring mechanism		●	
Established CISRT & PISRT teams and response mechanisms		●	
Established an information security operation center (SOC)		●	●
Recruited more personnel specializing in information security	●	●	○
Nurture information security talent for the blue team		●	●
Certification and audit of ISO 27001 Information Security Management Systems	●	●	○
Internal audit of information security management system	●	●	○
Simulation and drills of information security events	●	●	○



Policy Formulation

- Formulate SOPs for information security management systems
- Update regulations according to the current situation and policies

Raising Awareness

- Information security awareness promotion and training
- Social engineering drills

Ensuring Compliance

- Compliance with ISO/IEC 27001
- Compliance with domestic/foreign laws and regulations

Continuous improvement

- Regularly implement operational impact analysis
- Regularly drill disaster recovery plans
- Improvement measures and track benefits of improvements

Risk Assessment

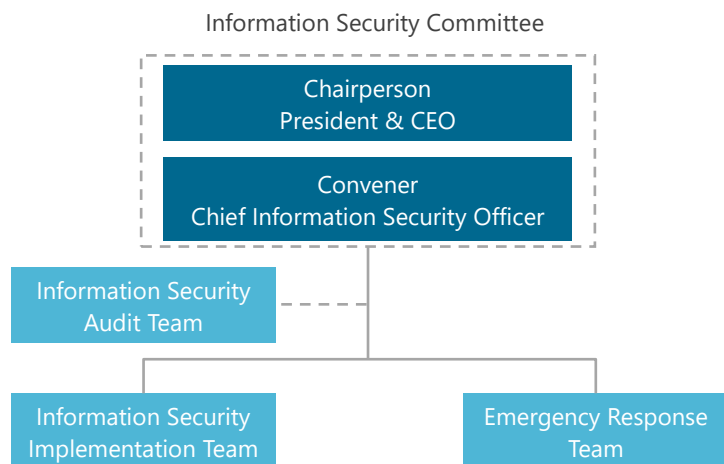
- Regularly assess information asset risks
- Regularly enforce internal/external audits

Incident Handling

- Reporting/responding to/handling related incidents

Information Security Committee

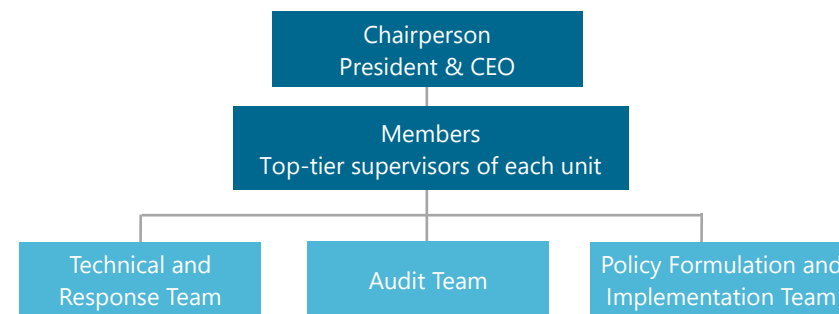
WNC established an Information Security Committee in 2014, composed of top-tier supervisors of each unit, chaired by the President and CEO, and convened by the Chief Information Security Officer (the top-tier supervisor of the Digital Information Management Division). A management review meeting is held every six months. The Committee is responsible for formulating and promoting internal information protection measures, including risk assessment, operational impact analysis, drills of disaster recovery plans, user account permissions review, firewall rules reviews, information security promotion and training, vulnerability scanning, penetration testing, management meetings, and ad hoc social engineering drills. The function teams under the Committee are the Information Security Implementation Team, Emergency Response Team and Information Security Audit Team. The teams are led by the Chief Information Security Officer.



System and Product Information Security Committee

In 2022, to strengthen the resilience of product information security management, a System and Product Information Security Committee was established, which is composed of top-tier supervisors of each unit and chaired by the President. With the establishment of this committee, information security and risk management requirements were expanded to include security issues related to R&D, development, and production. The aim is to avoid potential weaknesses and loopholes in products delivered to customers and reduce the impact of material information security events (e.g., leakage of sensitive data) on business operations.

System and Product Information Security Committee



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.

Information Security Education and Training Courses in 2022

Course Title	Participants	Hours	Batch	Period	Completion rate
Information security issues and responses for remote work	All IDL employees	1	1	5/11-11/28	97.3%
Personal data protection and management	Center-level or higher HR supervisors	1	1	10/1-11/30	98.1%
Defenses against social engineering	Employees who fail phishing tests	1	1	9/5-9/30	100.0%
Promotion of information security protection concepts	All IDL employees	1	1	7/30-11/28	99.1%
AD security risks and protection	Information staff	1	1	8/1-8/26	90.0%
Software security	Information staff	1	1	9/1-9/16	96.2%

2.4.2 Customer Satisfaction

The Customer Service Department under the Quality Assurance Department is responsible for after-sales services, including 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. BGUs, quality assurance, research and development, material management, and production units all have dedicated contact people for different customers. 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 to ensure timely communication with customers to solidify and enhance customer relationships. Regarding customer complaints, according to WNC's Customer Complaint Handling Procedures, the Customer Service Department consolidates customer complaints, determines the severity level, assigns a response deadline according to the severity and provides analyses and reports to customers.

WNC's Customer Service Department conducts global customer satisfaction surveys in the fourth quarter of each year. The survey includes topics such as orders/salespeople services, product development, product quality and after-sales services. The survey response rate for the key customers of each business division must be over 70%. The content and goals of the customer satisfaction survey are formulated in the quality management system review meeting each year. In 2022, the WNC customer satisfaction goal was 90 points. According to the customer satisfaction survey results, overall customer satisfaction is "satisfactory", even though each business division has different evaluation results due to the various products and services provided by each division. In 2022, business divisions of WNC received positive feedback and encouragement from customers. The customer satisfaction survey results reached 93.57 points (out of 100 points). Among which, "product development" and "order/salespeople services" received the highest scores. Regarding suggestions proposed by customers and items below satisfactory level in the satisfaction survey results, business divisions have communicated with customers, double-checked and proposed improvement strategies.

Customer satisfaction survey in the most recent 4 years

Year	2019	2020	2021	2022
Average Customer Satisfaction Score ^{Note 1}	94.4	94.27	95.07	93.57
Customer Satisfaction Rate (%) ^{Note 2}	77.42%	81.58%	89.13%	83.02%
Customer Coverage Rate (%) ^{Note 3}	80	80	80	80

Note 1: The average customer satisfaction score in 2022 has declined in comparison with previous years. This is mainly due to the extended duration for customs clearance as a result of local pandemic control measures of each site, which caused customers to wait longer. WNC's response to this situation is to increase production capacity in Vietnam, which is expected to be completed in 2023.

Note 2: Customer satisfaction rate (%): The satisfaction score higher than the set target of 90 against all questionnaires which were filled in and sent back.

Note 3: Customer coverage rate (%): The percentage of customers that WNC surveys.

03

Protecting The Environment

Environmental Management

Climate Change Response

Environmental Resource Protection




WNC implements climate change and environmental protection initiatives to reduce the impact of its business operations on the environment. With regards to climate risk issues, WNC is participating in initiatives such as the Task Force on Climate-related Financial Disclosures (TCFD), Science Based Targets (SBT), and Renewable Energy 100 (RE100) and has implemented energy-saving and carbon reduction measures in its production processes and equipment usage. In addition, WNC is addressing issues relating to water resources, waste and biodiversity and has organized activities to raise environmental awareness among employees and enhance its green manufacturing capabilities.

Annual Performance

Aspect	Performance Indicators	Unit	2022 Goals	2022 Results	Status of Achievement ^{Note}
Greenhouse gases	Scope 1 and Scope 2 GHG emissions intensity (base year: 2019)	Tonnes CO ₂ e/million NTD	10% reduction in emissions intensity compared to 2019	Emissions intensity decreased by 34.31% compared with 2019	Yes
	Absolute reduction of Scope 1 and Scope 2 GHGs emissions	Tonnes CO ₂ e	(Added science-based carbon reduction targets in 2023)	-	-
Renewable energy	Ratio of renewable energy use to total electricity consumption	%	≥6%	6.65%	Yes
Water resources	Water usage intensity (excluding recycled water)	Cubic meters/million NTD	10% reduction compared to 2020	27.01% reduction compared to 2020	Yes
Waste	Waste recycling rate	%	≥83%	84.7%	Yes
	Waste generation intensity	Tonnes/million NTD	3% reduction compared to 2021	5.88% reduction compared to 2021	Yes

Note: In 2022, environmental indicators such as GHG emissions, amount of waste generated, and water usage all increased compared with previous years due to an increase in the scale of WNC's operations. However, due to a corresponding growth in revenue, we were still able to achieve our goals for 2022.

Material Topics and Goal Management

Material Topics	Performance Indicators	2022 Results		Future Goals			Corresponding SDGs
		Target	Result	Short-term (2023)	Mid-term (2025)	Long-term (2030)	
Climate strategy	Reduction of Scope 1 and Scope 2 GHG emissions intensity (base year: 2019; unit: tonnes CO ₂ e/million NTD)	-10%	-34.31%	Starting in 2023, WNC will adopt an absolute carbon reduction target			 Goal 13: Climate action
	Absolute reduction of Scope 1 and Scope 2 GHG emissions	-	-	-16.8%	-25.2%	-46.4%	
Energy management	Ratio of renewable energy use to total electricity consumption	6%	6.65%	10%	20%	50%	 Goal 7: Affordable and clean energy
Water resource management	Reduction of water usage intensity (excluding recycled water) (Base year: 2020; unit: cubic meters/million NTD)	-10%	-27.01%	-12%	-13%	-18%	 Goal 6: Clean water and sanitation

3.1 Environmental Management

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

3.1.1 Environmental Policies and Management Systems

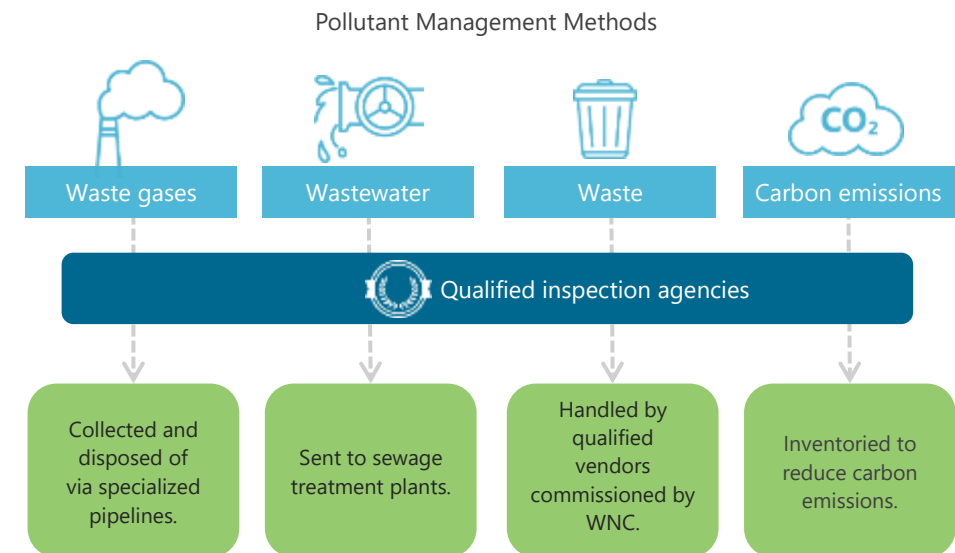
WNC pays close attention to global environmental protection issues and trends. Apart from observing local regulations at our operation sites and establishing environmental and green product management systems with suppliers based on customer requirements, we have also implemented measures in our work environments to conserve energy and reduce our carbon footprint 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.

3.1.2 Regulatory Compliance

To manage risks relating to regulatory compliance, we have introduced a cloud-based regulatory management system. We have digitized legal and regulatory identification operations to reduce the risk of omissions or human errors. In 2022, WNC faced no major fines or non-monetary penalties for violating environmental laws or regulations. For more information on 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.

In 2018, WNC and other companies in the Hsinchu Science Park commissioned a waste removal and disposal vendor who met the qualifications set by the Environmental Protection Agency to dispose of waste tin (including solder paste). The waste solder paste along with the plastic containers holding the paste were delivered to the aforementioned disposal vendor for disposal. However, WNC failed to observe that the downstream partners of said disposal vendor were not qualified to dispose of waste solder paste, thus WNC was fined NT\$12,000 by a government environmental agency as the agency determined that WNC was negligent in its management duties.

The plastic containers have been given to other qualified waste disposal vendors for processing. Going forward, regular evaluations will be conducted on waste disposal vendors working with WNC. In addition, before working with a new waste disposal vendor, WNC will verify the qualifications of the downstream partners of the vendor to fulfill its management responsibilities and duties in this regard.



3.1.3 Environmental Information Disclosure

WNC continues to participate in CDP supply chain programs. In 2022, we scored a B rating in the questionnaires for "climate change" and "water security", respectively, which is higher than the industry average. Every year, WNC reviews the items that require improvement according to CDP feedback and formulates improvement measures.

WNC's 2022 CDP scores

Rating ^{Note}	Climate change questionnaire	Water security questionnaire
WNC	B	B
Industry average	C	B-
Asia average	C	B
Global average	C	B

Note: CDP classifies WNC as being in the electrical & electronic equipment industry category; the Asia and global averages do not take industry categories into account.

3.1.4 Green Buildings

Starting in 2021, WNC has adopted green building design in the construction of new plants. We hope to reduce resource usage and minimize negative impact on the environment through green construction, energy saving designs, and material selection.

S3 Plant

The new WNC S3 plant, which is expected to be completed in mid-2023, is being built in accordance with bronze level requirements of the Taiwan Green Building Label (EEWH) and has obtained Green Building Candidate certification. An on-site survey will be conducted after the completion of the plant to continue our efforts in obtaining Green Building Label certification.

Vietnam Plant

The second phase of the Vietnam plant is being built in accordance with the silver level requirements of the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification program, and efforts to obtain silver level LEED certification will start in 2024.



S3 Plant Green Building Candidate Certificate

3.2 Climate Change Response

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.

3.2.1 Climate-Related Financial Disclosures (TCFD)

In 2021, according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainable Development & Marketing Division of WNC formed a Working Group. The Working Group collects and discusses information about energy resources, administration and assets, markets and business, products and technology, and supply chain management to identify potential climate risks and opportunities related to each topic and their materiality. Furthermore, the Working 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 Working Group plans and prepares relevant response measures as early as possible 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 its handling of climate related issues. WNC also regularly convenes working groups to review changes in climate risks and opportunities relating to climate risks, and it plans to publish an independent TCFD report starting 2023 to disclose detailed information on its TCFD management activities.

Governance

■ Board of Directors

The responsibilities of the Board of Directors include conducting business performance and work planning related to sustainable development as well as approving sustainable development-related proposals submitted by functional units and committees. From 2019, the Sustainable Development & Marketing 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 on a quarterly basis.

■ Sustainable Development Committee

WNC established a Sustainable Development Committee in 2022, consisting of top-tier managers from function units. The position of Chief Sustainability Officer, held by the most senior director of the Sustainable Development & Marketing Division, was also created. The Committee holds regular meetings to review compliance with regulations and customer requirements, progress of ESG projects and planning of new operations.

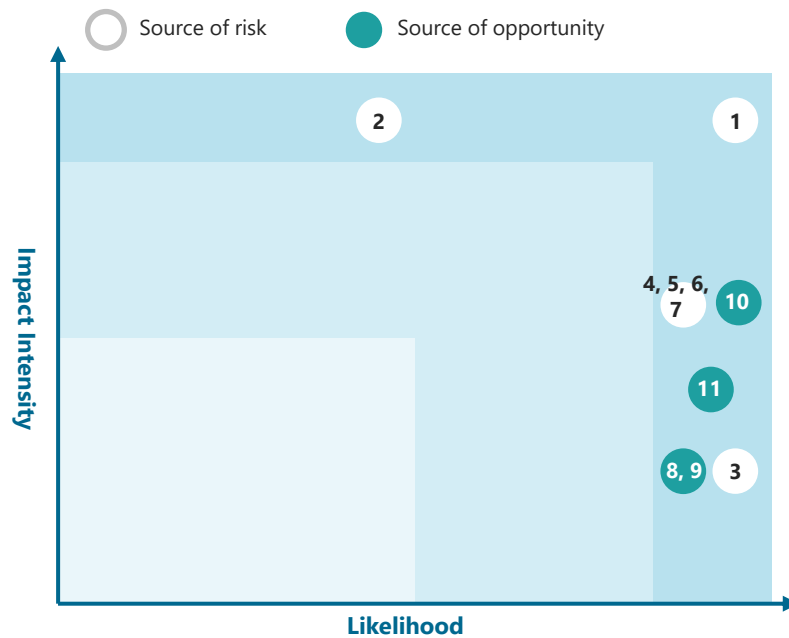
■ Sustainable Development Center

The issue of climate change has become a risk item that companies must pay attention to and actively attempt to control. In 2021, as mentioned above and according to TCFD recommendations, the Sustainable Development Center under the Sustainable Development & Marketing Division coordinated the establishment of a TCFD Working 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.

Strategy

■ Identification of Risks and Opportunities Relating to Climate Change

The TCFD Working Group provides climate related risk and opportunity information based on the members' duties, expertise and experiences and identifies the main risks and opportunities in the short term (1–2 years), medium term (3–5 years) and long term (6–10 years). It then draws up a climate risk and opportunity matrix that looks at likelihood of occurrence and degree of impact to determine issues that will have a major impact and formulate corresponding response measures.



Risks	
1	GHG emissions regulations
2	Renewable energy regulations
3	Conventions or agreements on climate change mitigation and adaptation
4	Self-declared commitments and targets relating to GHG emissions reduction
5	Customers have different considerations than before when choosing products or services
6	It is difficult to grasp the market demand for future products or services
7	Customers begin to prefer or reject specific products and services
Opportunities	
8	Low carbon products or services
9	Products or services that contribute to climate adaptation and climate solutions
10	Innovative processes that change the way services are provided
11	Provide more low-carbon products and services

Risks, Opportunities, Potential Financial Impact, and Response Measures Relating to Climate Change

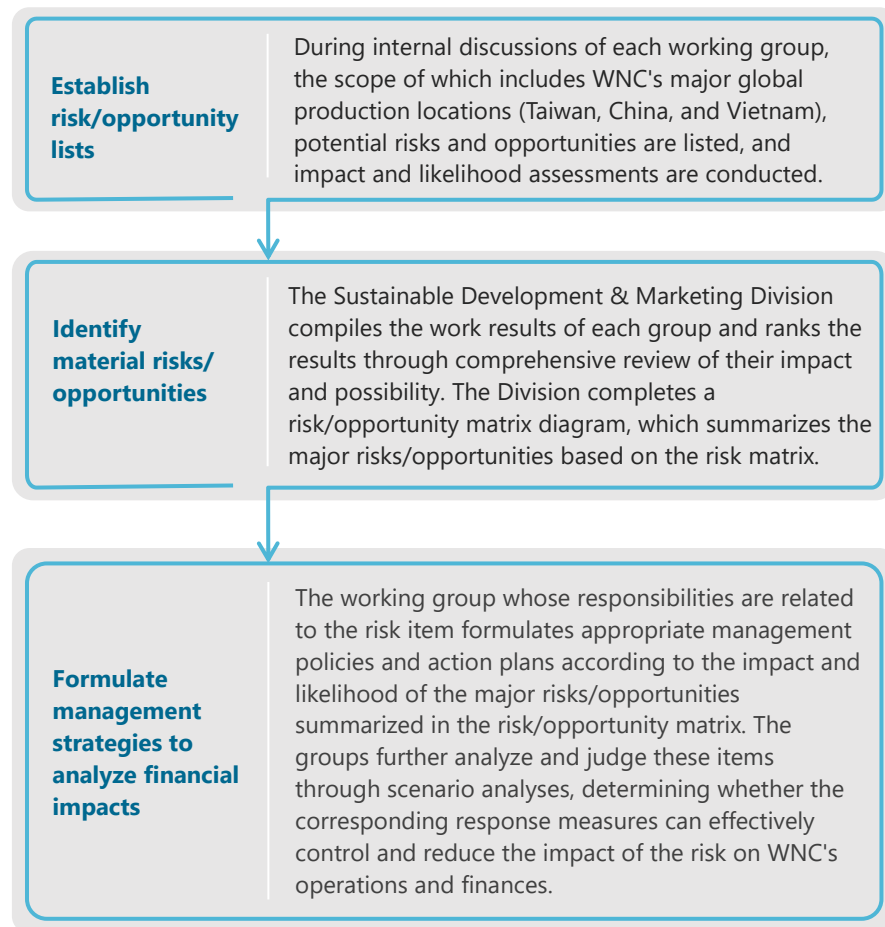
	Source	Impact	Timeframe	Potential Financial Impact	Response Measures
Primary Risks	GHG emissions regulations	WNC's operations	Short-term	Expanding the scope of greenhouse gas inventories leads to increased operating costs.	Establish a global inventory of GHG emissions for all WNC sites and provide education and training on emission reduction measures. Starting from 2024, conduct third-party verification of greenhouse gas emissions annually.
	Renewable energy regulations	WNC's operation, upstream supply chain vendors	Long-term	Installation and maintenance requirements of solar panels lead to direct cost increases.	Purchased 6.8 million kWh of renewable energy certificates in 2022, gradually increased the number of solar panels installed in WNC sites, and set a target to increase the ratio of renewable energy usage to 100%.
	Conventions or agreements on climate change mitigation and adaptation	WNC's operations	Long-term	Complying with international net-zero goals results in increased expenditure on carbon reduction implementation.	Stay updated on government policies and implement carbon reduction projects.
	Self-declared commitments and targets relating to GHG emissions	WNC's operations	Short-term		Continue to implement GHG emissions reduction initiatives. Progress on these initiatives is reviewed quarterly by the Sustainable Development Committee.
	Customers have different considerations than before when choosing products or services	WNC's operations, downstream customers	Short-term	Decreased product orders and additional communication costs with clients lead to increased costs.	Keep track of (1) international trends and relevant regulations, (2) customer environmental goals and practices, (3) overall customer requirements for suppliers and WNC, and (4) practices of industry benchmark companies. Develop or adjust strategies and practices for climate change and other
	It is difficult to grasp the market demand for future products or services	WNC's operations, downstream customers	Short-term		Stay informed about international trends, customer goals, and industry practices to invest in relevant technology research and development. Provide customers with products and services that meet their expectations.
	Customers begin to prefer or reject specific products and services	WNC's operations	Short-term		Stay informed about international trends, customer goals, and industry practices to invest in relevant technology research and development. Provide customers with products and services that meet their expectations.

	Source	Impact	Timeframe	Potential Financial Impact	Response Measures
Primary Opportunities	Low carbon products or services	WNC's operations, downstream customers	Short-term	Launching low-carbon environmental-friendly products leads to increased revenue.	Allocate research and development resources to communications product technologies while simultaneously implementing energy-saving and green design concepts to enhance the competitiveness of said products.
	Products or services that contribute to climate adaptation and climate solutions	WNC's operations, downstream customers	Short-term	Expanding the application scope of network communication products brings new business opportunities.	Align with the global trend of low-carbon and net-zero emissions and explore potential applications for wireless communications technologies (e.g., products relating to Mobility as a Service).
	Innovative processes that change the way services are provided	WNC's operations, downstream customers	Short-term		
	Provide more low-carbon products and services	WNC's operations	Short-term		
	Innovative processes that change the way services are provided	WNC's operations, downstream customers	Short-term	Developing low-energy technologies or systems can help reduce production costs.	Develop low energy consumption technologies or systems, such as using low-temperature reflow solder paste and implementing Firmware Over the Air (FOTA) technologies.

Risk Management Process

Business units and function units within WNC examine and identify risk items in various aspects and issues in accordance with the existing organization structure, internal controls and management mechanisms, and their respective responsibilities. Refer to [Chapter 1.5 Risk Management](#) for details. The process for identifying climate-related risks and opportunities is as follows:

Climate-related Risks and Opportunities Identification Process



Metrics and Targets

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 its brand value, WNC has adopted the concepts of energy conservation in factories and use of renewable energy and green product design as the two main focuses of carbon management. For details on how WNC has set its carbon reduction and GHG indicators and goals in accordance with climate risks, refer to the [Getting to Know WNC](#) section in this Report.



Energy conservation in plants and use of renewable energy

Including implementation of greenhouse gas inventories, active energy conservation and carbon reduction, and improved renewable energy consumption. Please refer to [Chapter 3.2.2 Greenhouse Gas Management](#) and [Chapter 3.2.3 Energy Management](#) for more details.



Green product design

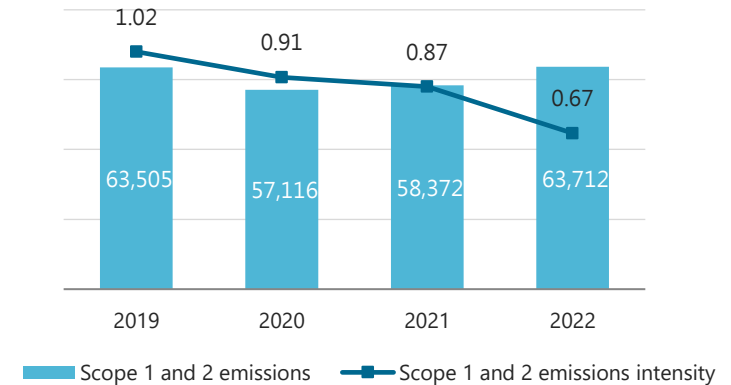
Including energy saving designs for products, adoption of recyclable materials, and use of environmentally friendly packaging. Please refer to [Chapter 2.1.3 Green Product Design](#) for more details.

3.2.2 Greenhouse Gas Management

Greenhouse Gas Inventory

Starting in 2012, WNC has referenced ISO 14064-1 and the GHG Protocol to set organizational boundaries according to operational control laws. We established 2019 as the base year to calculate our greenhouse gas emissions and for verification purposes. To comply with the requirements of the Financial Supervisory Commission, in 2022 WNC included all its sites, include subsidiaries, offices, and other non-production locations, within the scope of its GHG emissions reporting. The goal is to compile GHG emissions inventories for all sites by 2023 and achieve 100% GHG inventory verification by 2024. In addition, the items in Scope 3 GHG emissions reporting were also expanded to include report items such as emissions from upstream/downstream transportation and employee commuting, on top of existing report items such as emissions from waste, business travel, and energy consumption. We use [UL Turbo Carbon](#), a carbon management online platform, to manage our conduct carbon emissions data. Our headquarters is responsible for coordinating the inventory data and verification standards of each operational location. In 2022, our Scope 1 direct greenhouse gas emissions were 2,361.30 tonnes CO₂e, Scope 2 (market-based) indirect greenhouse gas emissions were 61,350.44 tonnes CO₂e, and Scope 3 indirect greenhouse gas emissions were 195,385.10 tonnes CO₂e, and all these numbers have passed ISO14064-1 verification. Greenhouse gas emissions inventory results for the most recent four years are compiled in the table below.

WNC's Scope 1 and Scope 2 (market-based) Greenhouse Gas Emissions for the most recent four years



(Unit for calculating total emissions: tonnes CO₂e)
Unit for calculating emissions intensity: tonnes CO₂e/million NTD

WNC's Scope 1 and Scope 2 Greenhouse Gas Emissions^{Note 1} for the most recent four years (Unit: tonnes CO₂e)

Category		2019	2020	2021	2022
Scope 1 emissions	Stationary combustion, mobile combustion, manufacturing process emissions, and fugitive emissions	3,829.26	1,433.82	2,668.02	2,361.3
Scope 2 emissions	Location-based ^{Note 2}	59,675.86	55,681.72	55,704.14	65,301.24
	Market-based	59,675.86	55,681.72	55,704.14	61,350.44
Total	Location-based ^{Note 2}	63,505.12	57,115.54	58,372.15	67,662.54
	Market-based	63,505.12	57,115.54	58,372.15	63,711.74

Note 1: 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.

Note 2: The emissions coefficients used by the Taiwan, China and Vietnam locations were announced by the respective local governments in those locations. The GWP year was "IPCC 2014 AR5"

WNC's Scope 3 Greenhouse Gas Emissions in the most recent three years
(Unit: tonnes CO₂e)

Category		2020	2021	2022
ISO 14064-1: 2018	GHG Protocol			
Category 3: Indirect GHG emissions from transport	Upstream transportation and distribution	Not calculated	Not calculated	191,337.41
	Downstream transportation and distribution			
	Business travel		26.69	317.94
	Employee commuting		Not calculated	539.66
Category 4: Indirect GHG emissions from products used by the organization	Purchased goods and services	Not calculated	Not calculated	Not calculated
	Fuel- and energy-related activities (not included in Scope 1 and Scope 2)	Not calculated	2,560.04	3,091.04
	Waste generated during operations	83.39	92.00	99.06
Total Scope 3 emissions		83.39	2,678.73	195,385.10

Greenhouse Gas Reduction

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 3.2.3 Energy Management in this Report for details. Due to operational growth and production line expansion, WNC's energy usage has been increasing year by year. 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 2022, Scope 1 and Scope 2 emissions intensity was 0.67 tonnes CO₂e/million NTD, which represents a decrease of 34.31% compared to the base year of 2019.

Science Based Targets Initiative (SBTi)

To align its GHG reduction goals with global objectives of achieving net-zero emissions by 2050, WNC established absolute carbon reduction targets in 2022 based on the SBT framework. WNC aims to achieve a 46.4% absolute reduction

in Scope 1 and Scope 2 emissions by 2030 with 2019 being the base year. WNC will also participate in the SBTi in 2023 and formulate reduction goals and strategies for Scope 3 emissions that comply with SBT requirements.

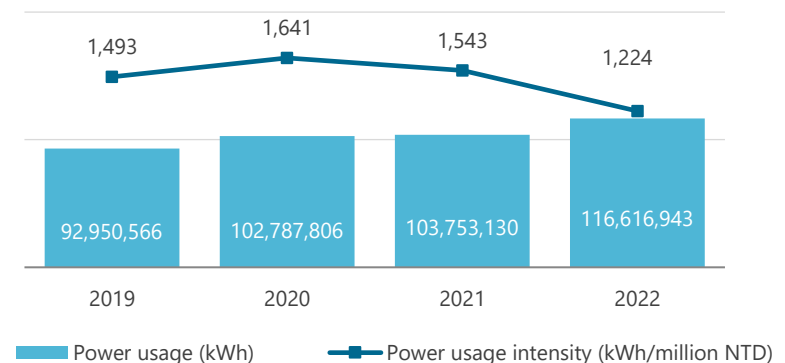
3.2.3 Energy Management

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.

Energy Usage

The primary source of energy for WNC's sites is electricity, accounting for 98.68% of energy use. Diesel accounts for about 1.32%. 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.

WNC's power usage and power usage intensity for the most recent four years



WNC's energy consumption for the most recent four years^{Note 1} (Unit: kWh)

Item ^{Note 2}		2019	2020	2021	2022
Electricity	Purchased power ^{Note 3}	92,587,195	102,418,722	103,360,665	115,664,827
	Solar power for self-use ^{Note 4}	363,371	369,084	392,465	952,116
	Total power consumption	92,950,566	102,787,806	103,753,130	116,616,943
Diesel ^{Note 5}		464,162	365,485	2,695,473	1,559,194
Total energy usage		93,414,728	103,153,291	106,448,603	118,176,137

Note 1: The scope of the power consumption calculations covers WNC headquarters, S1, S2, WNC (Kunshan), Wistron NeWeb (Kunshan), WebCom Communication (Kunshan), WebCom Communication (Kunshan) - Nanjing Branch, and the Vietnam plant.

Note 2: WNC has not used natural gas or gasoline in the most recent four years.

Note 3: Electricity statistics for WNC (Taiwan) are compiled based on the utility billing cycle.

Note 4: Starting from 2022, all solar power generated at WNC sites in China will be listed as self-generated solar power for self-use. The self-generated solar power for self-use from 2019 to 2021 will be recalculated.

Note 5: According to the Heat Content of Energy Products table and the Abbreviation & Equivalents of Energy Units table in the Energy Statistics Handbook 2021 published by the Bureau of Energy, one liter of diesel oil generates 9.7692 kWh of power.

Renewable Energy

The use of renewable energy is one of WNC's key carbon reduction strategies. In 2022, WNC installed additional rooftop solar panels at its primary production sites, and a further plan involving the installation of additional solar panels at plants in Kunshan and Vietnam was realized in the same year. These newly installed panels began generating power by the end of 2022. Currently, WNC's solar farms have a total installed capacity of 6.3 MW and have generated a total of 2,575,838 kWh of electricity, 952,116 kWh of which was for self-use. In addition, WNC has also purchased International Renewable Energy Certificates (I-REC). The ratio of renewable energy use to total electricity consumption at WNC was 6.65% in 2022, meeting its goal for the year.

To support the development of renewable energy, WNC has referenced the goals of the RE100 initiative. WNC aims to comply with RE100 requirements and achieve 100% renewable energy usage by 2040. WNC plans to apply to join RE100 in 2023.



Solar panels installed at WNC sites in China



Solar power monitoring system used at WNC sites in China

WNC's ratio of renewable energy usage to total power consumption in the most recent four years

Item		2019	2020	2021	2022
Renewable Energy (A)	Self-generated solar power for self-use	363,371	369,084	392,465	952,116
	I-REC	0	0	0	6,800,000
	Subtotal	363,371	369,084	392,465	7,752,116
Total power consumption (B)		92,950,566	102,787,806	103,753,130	116,616,943
Ratio of renewable energy usage to total power consumption (A/B)		0.39%	0.36%	0.38%	6.65%

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.

WNC's energy-saving measures in the most recent four years^{Note}

System	Item	Unit	2019	2020	2021	2022
Illumination	Energy conservation plans	No. of plans	7	9	3	5
	Electricity saved	Gigajoule	808	41	51	101
	Carbon reduction	tonnes CO ₂ e	145	6	9	19
	Amount invested	ten thousand NT\$	42.99	10.94	0	0.09
Exhaust	Energy conservation plans	No. of plans	5	6	12	5
	Electricity saved	Gigajoule	505	988	998	3,528
	Carbon reduction	tonnes CO ₂ e	75	140	141	674
	Amount invested	ten thousand NT\$	91.45	55.50	272.17	791.53
Air conditioning	Energy conservation plans	No. of plans	2	3	11	17
	Electricity saved	Gigajoule	1,894	1,271	3,188	12,041
	Carbon reduction	tonnes CO ₂ e	280	182	470	2,124
	Amount invested	ten thousand NT\$	0	1.40	519.02	1,124.96
Air compression	Energy conservation plans	No. of plans	0	4	9	8
	Electricity saved	Gigajoule	0	1,332	6,713	2,746
	Carbon reduction	tonnes CO ₂ e	0	192	1,029	420
	Amount invested	ten thousand NT\$	0	233.10	743.87	697.90
Production processes	Energy conservation plans	No. of plans	1	4	3	5
	Electricity saved	Gigajoule	428	184	1,127	1,641
	Carbon reduction	tonnes CO ₂ e	96	26	193	247
	Amount invested	ten thousand NT\$	3.45	0	0	1,036.98
Other	Energy conservation plans	No. of plans	1	4	3	14
	Electricity saved	Gigajoule	21	69	621	1,660
	Carbon reduction	tonnes CO ₂ e	3	10	106	268
	Amount invested	ten thousand NT\$	12.50	0.70	0	192.45
Total	Energy conservation plans	No. of plans	16	30	41	54
	Electricity saved	Gigajoule	3,656	3,885	12,698	21,717
	Carbon reduction	tonnes CO ₂ e	599	555	1,948	3,752
	Amount invested	ten thousand NT\$	150.38	301.64	1,535.06	3,843.92

Note: The amount of electricity saved is estimated based on the running hours of the equipment as well as the difference in power usage before and after improvements were made to the equipment.

3.2.4 Air Pollution Control

WNC is not a stationary source of air pollution as described in the Air Pollution Control Act. Gas emissions of WNC mainly consist of carbon dioxide emitted during power generation. Other controlled gases include volatile organic compounds (VOCs, the main source of which is from the evaporation of organic solutions such as flux and cleaning agents, used in production processes) as well as nitrogen oxides (NOx) and sulfur oxides (SOx) generated from the use of emergency generators and boilers in plants. According to estimates calculated via test results and air pollution fees and disclosed annually by WNC starting from 2021, only small amounts of controlled gases were emitted by WNC in 2022.

Gas emissions in 2021 and 2022^{Note 1} (Unit: tonnes)

Volatile organic compounds	2021	2022
VOC ^{Note 2}	28.87	21.39
SOx ^{Note 3}	0.02	0.01
NOx ^{Note 4}	3.90	0.23
Total	32.79	21.63

Note 1: The scope of gas emissions calculations covers WNC headquarters, S1, S2, WNC (Kunshan), Wistron NeWeb (Kunshan), WebCom Communication (Kunshan), and the Vietnam plant.

Note 2: VOCs are calculated according to the air pollution fee calculation method or the results of regular testing.

Note 3: NOx is calculated based on the results of regular testing.

Note 4: SOx is calculated based on the results of regular testing

Case Study: Volatile Organic Solvent Reduction Plan

Although WNC is not listed as a major air pollution source by government agencies in Taiwan, it is still committed to reducing the potential impact of its gas emissions on the environment. In 2022, WNC's S2 site submitted a proposal for reducing the use of VOCs. The industrial safety unit and the SMT equipment unit at S2 are working together to reduce VOC usage. These units implemented measures such as adjusting the flux sprayers in wave soldering machines from full spray mode to selective spray mode and extending the solvent replacement intervals for ultrasonic cleaners. We estimate that these measures will reduce the amount of VOCs used by approximately 19.42 tonnes per year and reduce the amount of waste VOCs produced by 0.7 tons per year. WNC will continue to implement measures to reduce the use of VOCs, particularly in DIP processes.

3.3 Environmental Resource Protection

3.3.1 Water Resource Management

WNC is part of 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 and special manufacturing processes. WNC sites in Taiwan, China and Vietnam all use tap water. Through monitoring water usage and implementing water conservation measures, WNC reduced its water usage intensity by 27.01% in 2022 (excluding recycled water) compared to 2020, reaching our goal of reducing water usage intensity by 10%. Recycled water accounted for approximately 13.68% of the total water withdrawn by WNC, which saved about NT\$3.04 million in water withdrawal costs.

WNC's water usage in the most recent four years^{Note 1}
(Unit: million liters)

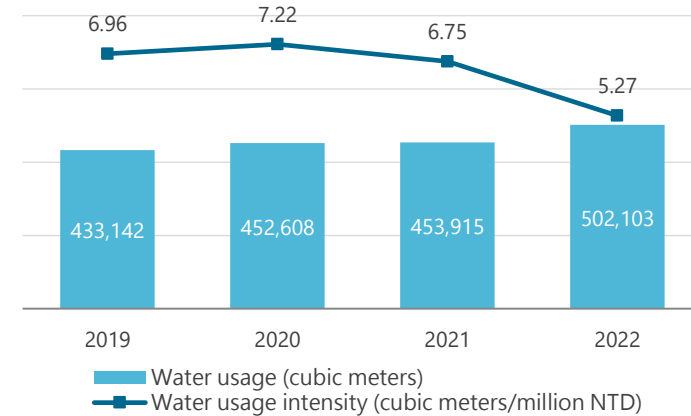
Item		2019	2020	2021	2022
Water usage (A)	Tap water	423.209	418.176	421.742	502.103
	Surface water ^{Note 2}	33.220	27.400	30.813	28.608
	Groundwater ^{Note 3}	9.933	34.432	32.173	0
	Total	466.362	480.008	484.728	530.711
Water discharge (B)		170.429	189.400	202.621	300.858
Water consumption (A-B)		295.934	290.608	282.107	229.853

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 site 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: From 2022 onwards, surface water, including rainwater and condensate water, was added to water withdrawal.

Note 3: From 2019 to 2021, WNC's first Vietnam site used underground water. In 2022, all production lines in Vietnam were relocated to the newly built Vietnam site, and tap water was adopted as the water source.

WNC's water usage intensity in the most recent four years
(excluding recycled water)



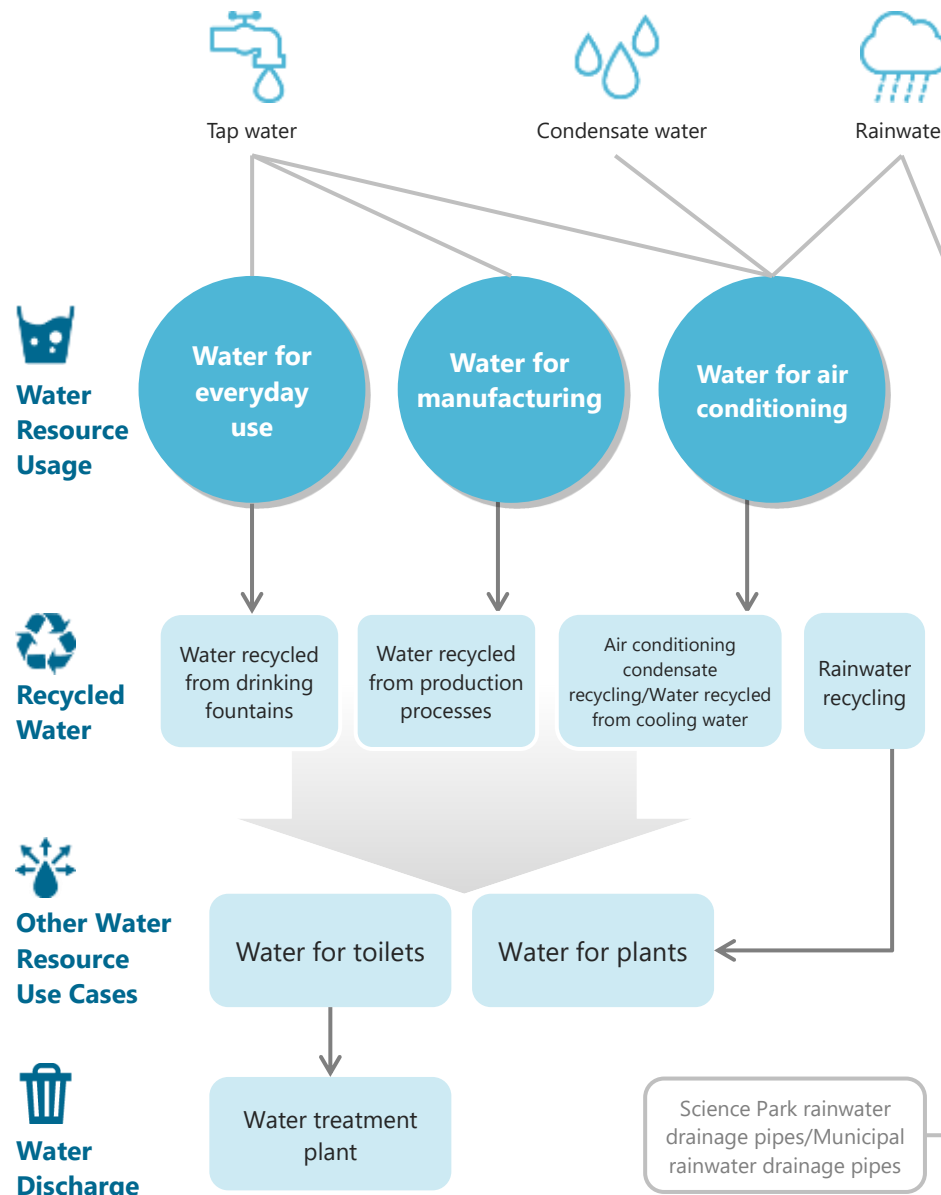
Amount of water recycled at WNC in the most recent four years^{Note 1}
(Unit: million liters)

Item	2019	2020	2021	2022
Tap water recycled	12.71	16.657	28.445	17.413
Surface water recycled	33.22	27.4	30.813	28.608
Underground water	0	0.657	0.62	0
Other recycled water	14.247	10.2	23.469	26.556
Total	60.177	54.914	83.347	72.577
Water recycling rate ^{Note 2} (%)	12.90	11.44	17.19	13.68

Note 1: Tap water recycled includes drinking fountain RO wastewater recycling and water recycled from production processes; atmospheric water recycling includes water recycled from air conditioning systems; the amount of rainwater recycled is estimated using the volume of water in the rainwater tank; and other recycled water includes tap water and underground water recycled from cooling water, as well as rainwater and atmospheric water.

Note 2: Water recycling rate = Total amount of water recycled divided by total water usage.

Water Balance at WNC Sites



Wastewater Management

The S1 plant is the only plant with washing processes that generate wastewater. Therefore, wastewater treatment equipment was installed at S1 in 2020, and wastewater processing permits were obtained in 2021 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 wastewater complies with the water quality management regulations of the Hsinchu Science Park's sewage system. The Hsinchu Science Park Administration 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 Hsinchu Science 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; the plant in Vietnam discharges wastewater into the Third Dong Van sewage treatment plant 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 2022, 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. In addition, no WNC site is located in an extremely high water stress risk area. WNC's Kunshan plant is located in a high water pressure risk area, and it used 101.272 million liters of water in 2022, accounting for 44.06% of WNC's overall water consumption for the year.

Impact of WNC water usage in 2022

Area		Water supply output of the area		Impact degree	Water stress risk level ^{Note 2}	Water treatment plant	Discharge destination
		Main source of water destination	Annual water supply (million liters) ^{Note 1}				
Taiwan	Hsinchu	Touqian River, Baoshan Reservoir and Baoshan Second Reservoir	183,343	0.1034%	Low (<10%)	Hsinchu Science Park sewage treatment plant	Koya River
	Tainan	Zengwen River, Wushantou Reservoir, Nanhua Reservoir, Baihe Reservoir, and Jingmian Reservoir	336,922	0.0240%	Low (<10%)	Southern Science Park sewage treatment plant	Yanshui River
China	Kunshan	Yangtze River and Kuilei Lake	402,267	0.0492%	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	Henan	Red River	91,250	0.0646%	Low (<10%)	Third Dong Van sewage treatment plant	Pearl 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%).

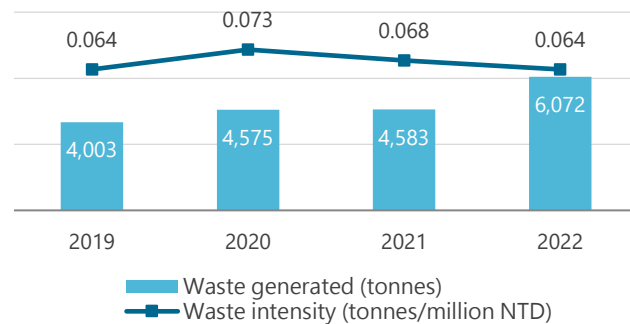
3.3.2 Waste Management

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. 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 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.

Waste Generation

In 2022, 6,072 tonnes of waste from operations were 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.

WNC's waste generation for the most recent four years



WNC's waste recycling rate in the most recent four years (Unit: %)

Category	2019	2020	2021	2022
General business waste	84.90%	85.67%	85.09%	85.91%
Hazardous operations	79.55%	80.45%	71.08%	60.69%
Total recycling rate	84.45%	85.34%	84.02%	84.70%

Waste generated by WNC in the most recent four years (Unit: tonnes)

Category / Handling process			2019	2020	2021	2022
General business waste	Recyclable	Recycling and reuse	3,115.57	3,672.37	3,456.62	4,852.26
		Incineration (with energy recovery)	0	0	145.17	112.51
		Other recycling methods	0	0	0	0
		Subtotal	3,115.57	3672.37	3,601.79	4,964.77
	Non-recyclable	Landfill	0	0	26.49	0
		Incineration (without energy recovery)	554.29	614.15	604.76	766.78
		Other	0	0	0	47.29
		Subtotal	554.29	614.15	631.25	814.07
	Subtotal (general business waste)		3,669.86	4286.55	4,233.04	5,778.84
Hazardous operations waste	Recyclable	Recycling and reuse	265.04	232.41	248.89	171.18
		Incineration (with energy recovery)	0	0	0	0
		Other recycling methods	0	0	0	6.74
		Subtotal	3,115.57	232.41	248.89	177.92
	Non-recyclable	Landfill	0	0	0	0
		Incineration (without energy recovery)	64.63	48.62	94.91	108.56
		Other	3.5	7.89	6.36	6.69
		Subtotal	68.71	56.50	101.27	115.25
	Subtotal (hazardous operations waste)		333.20	288.90	350.16	293.17
Total		4,003.06	4,575.45	4,583.20	6,072.01	

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 2022, WNC's waste recycling rate reached 84.7%, 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 2022, gains from recycling totaled NT\$41.268 million, and the estimated carbon reduction benefit was around 554.3 tonnes CO₂e.

WNC waste recycling benefits in 2022

Type	Measures	Amount recovered (tonnes)	Recycling benefits (NT\$ ten thousand)	Carbon Reduction ^{Note} (tonnes CO ₂ e)
Solder waste	Recycle solder waste generated during production processes for recycling vendors to turn into electroplated plates.	70.89	2,987.57	25.52
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).	263.02	731.19	94.69
Used pallets	Provide unusable pallets to recycling vendors to remanufacture into fuel balls. These are used by cogeneration plants as combustion aids.	0.45	0.03	0.16
Used plastic containers	Provide empty plastic containers to recycling vendors for washing and processing. The containers are then broken up into plastic pellets which can be remanufactured into other plastic items.	10.51	22.84	3.78
Paper waste	Internal documents shredded by WNC are sent to Zhenglong Co., Ltd. for recycling into Dandelion Ecofriendly paper, which is manufactured from 100% recycled pulp and does not use forest resources.	1,134.88	351.31	408.56
Plastic trays	Scrap plastic trays from production lines are sent to recycling vendors for sorting and recycling.	15.50	21.53	5.58
Styrofoam	Scrap styrofoam packing material is sent to recycling vendors and turned into styrofoam balls for reuse.	37.12	0.00	13.36
Other	Epoxy resin recycling	7.36	12.36	2.65
Total		1,539.7	4,126.83	554.30

Note: The amount of carbon reduction achieved through waste recycling is calculated based on the "Waste incinerated services (Gangshan Refuse Incineration Plant)" coefficient announced on [the Carbon Footprint Information Platform](#) (this coefficient was 360 kgCO₂e/tonne in 2020).

WNC Employees Participate in Beach Cleaning

In addition to implementing waste reduction measures at its sites, WNC is also proactive in participating in environmental protection activities. In 2022, WNC volunteers participated in the “Salute to the Sea” Beach Cleanup Activity organized by the Hsinchu City Government at three beaches situated along the 17-kilometer coastline of Hsinchu City. Almost a thousand people from government agencies and private enterprises participated in this activity, cleaning up approximately three tonnes of ocean waste (of which 172 kilograms were cleaned up by WNC volunteers) and 0.8 tonnes of recyclable materials.



Waste Contractor Management

Evaluation standards for waste contractors of Taiwan locations:

1. **Level A (≥ 80):** Maintain the status quo and list the supplier as a preferred supplier in the next year.
2. **Level B (65-79 points):** Include the supplier on the watchlist, notify the supplier of improvement items, and increase the audit frequency.
3. **Level C (< 65 points):** Seek alternative suppliers and replace the original supplier to reduce risk.

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 2022, 19 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, 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.

3.3.3 Biodiversity

WNC's efforts in environmental protection cover measures to combat climate change and has gradually expanded to measures to help increase biodiversity. During the dry season, the northeastern monsoon stirs up the sand and dust on the banks of the Zhuoshui River, which impacts the quality of life of residents. The sand also causes accumulation of sediment, leading to poor drainage and flooding. Therefore, in 2023 WNC, in cooperation with the Fourth River Management Office of the Water Resources Agency, Xiluo Township Office, and National Taiwan University's Experimental Forest team, will begin the planting of native Taiwan saplings by the side of the Zhuoshui River to create the WNC Forest Park. Planting trees on the riverbanks will reduce the area of exposed land, provide effective windproofing as well as erosion and dust reduction effects, help with soil and water conservation, improve the ecology of the riverside areas, and create natural habitat, all of which will help promote biodiversity. Taking into account the local environment and carbon reduction capabilities, we planted tree species native to Taiwan that have drought resistant, windproofing and carbon fixation properties, including camphor, Formosan ash, Formosan sweetgum, Taiwan beech, Taiwan incense cedar, and Buddhist pine. The WNC Forest Park covers approximately 1.4 hectares, and a total of about 2,400 trees were planted.



04

Harmonious Workplace



Respect for Human Rights

Talent Recruitment

Talent Training and Cultivation

Compensation and Benefits

Occupational Safety and Health

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 idea of “the right person at the right place”, WNC launched 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. WNC is working with all 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

- As of the end of 2022, a total of **304** employees in China sites received retention bonuses, amounting to about RMB7 million; the Vietnam base had issued a total of **35** employees in the Vietnam site with the bonus, amounting to VND300 million.
- As of the end of 2022, a total of **1,387** employees in Taiwan sites had participated in the employee stock ownership trust, with the participation rate reaching **31.7%**, and the funds contributed by WNC exceeded NT\$69 million.
- Included in the TWSE RA Taiwan Employment Creation 99 Index



Friendly Workplace




- The percentage of women serving as supervisors is **22.6%** with the figure rising to 43.5% for the sales department.
- A total of **134** employees used the WNC Employee Assistance Program free consultation service, and **41** employees used the individual interview service.
- In 2022, **83%** of employees in Taiwan sites feel safe in the workplace.
- **Zero** major occupational accidents in 2022.



Talent Cultivation

- The average employee education and training hours per person was **22.8** hours. Related expenditures totaled **NT\$13 million**.
- In 2022, a total of 127 students participated in internship programs. 33 of the interns took up full time positions at WNC.
- The company worked with Chung Hua University to provide students with on-the-job training opportunities. A total of 162 students were recruited as of 2022.

Material Topics and Goal Management

Material Topics	Performance Indicators	2022 Results		Future Goals			Corresponding SDGs
		Target	Result	Short-term (2023)	Mid-term (2025)	Long-term (2030)	
Salary and Benefits	Average training hours per year	-	22.8	20-30	35	40	 Goal 5: Gender Equality
	Percentage of women serving as supervisors	-	22.6%	> 25%	> 25%	> 25%	
Employee Relations and Communication	Percentage of employees in Taiwan sites who feel safe in the workplace	83%	83%	> 85%	> 85%	> 85%	 Goal 8: Decent Work and Economic Growth
Occupational Safety and Health	No major occupational accidents	0	0	0	0	0	 Goal 3: Good Health and Well-being

4.1 Respect for Human Rights

4.1.1 Human Rights Policies

WNC complies with international regulations and local laws, including internationally recognized human rights standards such as [the Universal Declaration of Human Rights](#), [the UN Global Compact](#), [the UN Guiding Principles on Business and Human Rights](#) and [the RBA Code of Conduct](#). We do not discriminate against employees based on their gender, sexual orientation, 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 review our performance on issues such as the prevention of child labor and minor workers, forced labor, sexual harassment, labor-management communications, and freedom of expression. In 2019, WNC released [the WNC Modern Slavery Statement](#) as the foundation of its human rights policy. The statement is reviewed and updated annually.



[WNC Modern Slavery Statement](#)

4.1.2 Human Rights Management



At the beginning of each year, responsible units at WNC conduct human rights risk identification based on impact level and probability in compliance with the latest international trends, the RBA Code of Conduct and stakeholder expectations. This ensures that WNC formulates mitigation measures corresponding to each risk and effectively impose the measures. Medium and high-level human rights risks identified by WNC in 2022 and their mitigation measures are as follows:

Issues	Risk Description	Impact Level	Related Policy	Management Regulations
Working hours management	Working overtime (more than 60 hours per week)	High	WNC Modern Slavery Statement	<ul style="list-style-type: none"> ■ The Responsible Business Alliance (RBA) Code of Conduct ■ Regulations on the Reporting and Handling of Workplace Harassment
	Working more than seven consecutive days	Medium		
Abuse	Sexual harassment/assault, mental or physical coercion, verbal abuse and threats	Medium		
Freedom to choose employment	Charging foreign migrant workers employment fees	Medium	Responsible Minerals Policy Statement	Responsible Minerals Policy Statement
Responsible sourcing of minerals	Suppliers directly or indirectly use raw materials from conflict-affected mining areas	Medium		
Supplier responsibility	Key suppliers not meeting RBA requirements	Medium	Supplier Code of Conduct	Supplier Evaluation and Management SOP

Mitigation and remedial measures corresponding to human rights issues in 2022

Issues	Mitigation measures		Remedial Measures		
	Training/Promotion	Management	System Adjustment	Supplementary Measures	Disciplinary Actions
Working hours management	All new employees are required to complete the WNC Introduction to RBA course to ensure that employees and supervisors are fully aware of regulations about working hours.	Set up working-hour alarm on the employee management system, and a monthly review mechanism. Establish multiple communication channels for employees to speak out.	Check manpower needs weekly, and establish diversified channels to supplement manpower. Produce accurate production forecasts, regularly analyze industry trends, and check manpower demand.	Upon receiving notifications of anomalies in employee's working hours, the HR department contacts the employee's unit and provides assistance. With the working-hour alarm system, the HR department can keep track of employees' working hours and remind them of taking some rest.	If a violation of the rule is identified during a monthly working hour inspection, the unit head is required to provide explanations and remedial measures.
Abuse	<ol style="list-style-type: none"> All new employees are required to complete the WNC Introduction to RBA" course. Shift leaders and managers are required to take courses about managing emotions and annual refresher training courses. Reminders about employee's rights are provided to employees frequently to ensure observance of these rights. 	<ol style="list-style-type: none"> By following the RBA Code of Conduct, WNC is committed to improving employee rights and benefits. RBA VAP is promoted across all WNC sites. Regulations on the Reporting and Investigation of Workplace Harassment has been formulated. In addition to preventing harassment in the workplace, employees can report the situation in a confidential manner without fear of retaliation. 	Regularly review and revise preventive measures against workplace harassment at all sites and related guidelines about complaints, disciplinary actions and protection of complainants.	<ol style="list-style-type: none"> Employees can raise questions or offer suggestions through channels such as the Employee Suggestions Platform and DL Self-service Platform, and obtain feedback. WNC has established clinics, arranged on-site doctors for health consultation on a regular basis, and provided psychological counseling on an online consultation platform. Add content about prevention of workplace harassment (including verbal abuse) in quarterly shift leader meetings and training courses for new shift leaders to raise their awareness of avoiding workplace harassment. 	Disciplinary actions are imposed on offenders according to related company regulations based on accountability and severity.
Freedom to choose employment	WNC has signed contracts with legally registered recruitment agencies for hiring foreign workers. Hired migrant workers are required to sign a labor contract before coming to Taiwan to ensure they are familiar with the provisions in the contract.	Foreign migrant workers can pose questions in a timely manner through asking supervisors, mailing to plant manager's mailbox, and posting on DL self-service platforms.	<ol style="list-style-type: none"> The management of recruitment agencies must comply with RBA regulations. WNC also conducts ad hoc audits on these agencies to ensure compliance with human rights policies. Covenants about fees for entering Taiwan were added to the labor contract which all foreign migrant workers hired by WNC must sign. Inspection mechanisms for foreign migrant workers before they enter Taiwan have been established to safeguard their rights. 	Foreign migrant workers can raise their doubts to human resource units. If the doubts involve fees and are confirmed, the fees will be refunded within 90 days of entry.	If recruitment agencies are found to violate any rules or policies, they are required to remediate the issues before a specified deadline. These violations are also included in WNC's agency assessment.

Responsible sourcing of minerals For details, please refer to 2.3.4 Responsible Minerals	Employees in relevant departments are required to take annual training courses to ensure they are aware of the latest development and actions of responsible minerals.	Suppliers are advised and encouraged to use RMI-certified smelters.	WNC does not directly purchase metals, and uses the Conflict Minerals Reporting Template (CMRT) developed by RMI to conduct conflict minerals investigations.	When a supplier is found to use a non-compliant smelter, the supplier is advised to change to a compliant smelter instead.	For suppliers that are unable to meet customer requirements within a specified deadline, WNC asks the business unit to propose a material replacement plan or negotiate with the customer.
Supplier responsibility For details, please refer to 2.3 Supplier Management	<ol style="list-style-type: none"> 1. Communicate with suppliers on the RBA regulations on a regular basis and check their RBA compliance status. 2. WNC requires its suppliers to sign the Supplier Code of Conduct and a statement to ensure compliance with international sustainability trends and related RBA regulations. 	WNC formulates plans for annual on-site RBA audits for suppliers, and conducts RBA audits and remedial measures accordingly. The audit results are included in the quarterly supplier evaluation (VPE), serving as a reference for suppliers' strategy adjustment.	Every year, WNC selects suppliers who need to undertake RBA inspections and includes them in the audit schedule for the year as a part of implementing sustainability management of suppliers.	The Supplier Quality Management Center is responsible for the follow-up of suppliers' non-compliance items and corresponding remedial measures. The Center also works with the Global Production and Material Management Center to supervise suppliers' implementation of RBA regulations and continual improvement according to the Supplier Evaluation and Management SOP.	Suppliers who do not carry out remedial measures are reported to VPE meetings for review, downgrading and other handling measures. Procurement units are also required to urge suppliers to take necessary remedial measures.

Prohibition of Child Labor

WNC does not employ workers younger than the minimum employment age as stipulated in the law. All WNC sites worldwide 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 2022, no child labor was employed in WNC's sites.

Protection of Juvenile Workers

In accordance with the Cooperative Education Implementation in Senior High Schools and Protection of Student Participants' Rights Act stipulated by the central competent authority, when employing technicians over the age of 16 but under the age of 18, vocational training is provided to assist them in acquiring work skills, but they cannot be forced to engage in heavy and hazardous work. They cannot work at night and on holidays, and the Company

complies with the regulations on working hours. In addition, the Company cooperates with the partner schools to strengthen the 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 narrow the gap between academics and practical work needs, WNC and the Private Dong Wu Senior Industrial Home Economics Vocational High School and Wan-Neng Senior Industrial and Commercial Vocational School signed long-term cooperative education contracts, arranging for students to go to WNC to learn practical operations and related professional skills. In 2022, a total of 221 students of the cooperative education projects joined the WNC production line for internships, including 187 underage workers over the age of 16 but under the age of 18.

Elimination of Forced Labor

All WNC's sites follow 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. WNC respects the wishes of employees in terms of the content of the work, 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 will continue to be implemented for all suppliers. Every year WNC issues a WNC Modern Slavery Statement to showcase 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 highlight anomalies in employees' working hours and to remind supervisors of paying attention to employees' physical and mental status. Regulations regarding overtime hours were communicated at the quarterly meetings with shift leaders as well as at labor-management meetings.

Prevention of Workplace Harassment

To create a safe and harmonious workplace and protect employees from workplace harassment (including physical, linguistic, psychological abuse and sexual harassment), WNC (Taiwan) established Regulations on 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. The Division is responsible for contacting and coordinating related units within 24 hours of receiving reports. A task force consisting of personnel from the HR and legal departments and the units of the involved parties is then formed and will investigate, interview and discuss before they submit a report to the CEO. During 2022, eight cases of unlawful infringement complaints in the workplace were received, including two cases of workplace bullying and six cases of sexual harassment. All cases have been closed after internal sanctions were implemented. Remedial measures include reviewing and adjusting work procedures, avoiding contact between the parties in the workplace, and enhancing security monitoring facilities. Training courses and promotion were carried out to prevent recurrence.

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.

Employee representatives and the employees union are responsible for monitoring the methods that WNC use to handle such complaints and reports. In 2022, neither China nor Vietnam received any complaints.



4.1.3 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 workplace 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.

- **Five Elements of Workplace Well-Being: 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.



- **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 have 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 provides interpretation of physical examination results and health consultation services.

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

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.

Ministry of Labor's 2022 Work-Life Balance Award

WNC is committed to providing a healthy, safe and inclusive work environment. In 2021 and 2022, WNC launched four measures: “A Workplace You Can Feel Safe In” project, timely assistance for new hires, employee care during the pandemic and workplace measures that place employees first. Our efforts were recognized by winning of the Employee Care Award in Ministry of Labor's 2022 Work-Life Balance Awards.



4.1.4 Communication Channels

WNC provides open and transparent suggestion and communication channels for employees. Timely communications with employees are enhanced via committees, forums, events, as well as physical and electronic mail, hotlines, and system platforms. In addition, public email addresses for stakeholder interaction and reporting of violations are provided for employees to raise questions, offer suggestions, or make complaints without fear of retaliation.

The main communication channels at Taiwan sites include the employee suggestions platform, labor-management conference, welfare committee, safety committee, and the physical suggestion box set up on production lines. The Employee Suggestions Platform was the main source of employee proposals. The proposals are sent to a dedicated unit for tracking and processing according to the proposal category. Among them, unclassified proposals were discussed and tracked by the labor-management meeting.

In WNC's China sites, unions have been established and employee representative symposiums are convened at least once every month. In addition, the HR units have set up and are responsible for the management of physical suggestion boxes and 8585 employee care hotlines. The units coordinate related units to handle and reply to employees' questions and suggestions. WNC (Kunshan) Corporation has also created a WeChat public platform where the Company can share activity information and provide online consultation.

The main communication channels at the Vietnam site are the union and physical suggestion boxes. All proposals are sent to the union for discussion and representatives of the employer reply at union meetings. Meetings for different employees are also organized to facilitate sharing of work experiences and opinions among employees.

Communication channels at WNC sites					★The main channel at each site
Communication Channels	Subject	Taiwan Sites	China Sites	Vietnam Sites	
Consultative organizations	All employees	Labor-Management Committee, Employee Welfare Committee and OSH Committee★	Labor unions★	Labor unions★	
Physical mailboxes		Plant manager's mailbox★	Suggestion box★	Suggestion box★	
System platforms		Employee Suggestions Platform★	WeChat public platform★		
Email addresses				Plant manager's mailbox wecare@wnc.com.tw	
Hotlines			8585 employee care hotlines★		
Forums	All employees	A Talk with the CEO forum	Employee Representative Forum★	Employee Representative Forum	
	Production line employees	Plant manager's/Shift manager's/foreign employees' forums		Shift manager's forums	
	New employees	New Hire Forums Experiencing WNC culture and a talk with the CEO forum			
	Management			Section level/foreign employees' forums	
Complaint mechanisms	All stakeholders	Mailbox for violation reporting wnc.integrity@wnc.com.tw Stakeholder engagement mailbox public@wnc.com.tw			

Taiwan Sites — Employee Suggestions Platform

Proposals are sent to each dedicated committee for processing according to the proposal category, including Labor-Management Committee, Employee Welfare Committee and OSH Committee. Employees can check the latest progress on the platform.



Taiwan Sites — Experiencing WNC Culture and A Talk with the CEO

New employees working over three months are invited to experience WNC culture and have a talk with the CEO so that they can understand WNC's policies and future directions.



China Sites — Labor Union

Representatives of labor unions are elected by employees at all sites, with a term of three years. Employees can offer their suggestions and raise questions to the Company via representatives.



Taiwan Sites — A Talk with the CEO

Every quarter, employees with outstanding performance are invited to have a talk with the President and CEO to raise questions and offer suggestions to the CEO and the Company.



Taiwan Sites — Tea Party for New Hires

To answer questions from new employees who have worked more than a month, helping them adapt to their new environment and increase interaction with employees from different units.



China and Vietnam Sites — Physical Mailboxes

Employees can offer their suggestions and raise questions through physical mailboxes. The progress of handling is publicized on the bulletin board on production lines and employee identity is kept confidential.



4.2 Talent Recruitment

WNC follows the principles of "respect for human rights" when recruiting new employees and the 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 training programs on interview skills and the use of specialized evaluation tools.

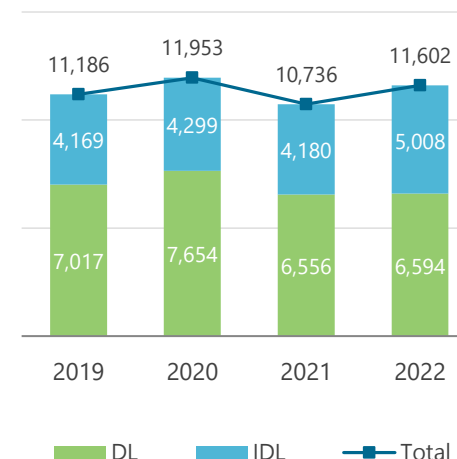
4.2.1 Human Resources Structure

As of the end of December 2022, WNC had a total of 11,656 employees worldwide, representing an increase of 8.4% from 2021. Among which, 11,602 and 54 employees were full-time and part-time employees, respectively. There were 6,606 full-time employees in Taiwan, an increase of 25.6% compared to 2021. There were 2,655 full-time employees in China, a decrease of 50% compared to 2021 due to factory relocation to Vietnam. The total number of full-time employees in Vietnam was 2,263.

Total number of WNC employees worldwide in 2022 ^{Note 1}

Country		Permanent employees			Contract employees			Total		
		Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
Taiwan	Full time	2,834	3,410	6,244	236	126	362	3,070	3,536	6,606
	Part time	6	6	12	29	13	42	35	19	54
China	Full time	1,683	972	2,655	-	-	-	1,683	972	2,655
	Part time	-	-	-	-	-	-	-	-	-
Vietnam	Full time	1,193	1,070	2,263	-	-	-	1,193	1,070	2,263
	Part time	-	-	-	-	-	-	-	-	-
Others ^{Note 2}	Full time	51	16	67	10	1	11	61	17	78
	Part time	-	-	-	-	-	-	-	-	-
Total		5,767	5,474	11,241	275	140	415	6,042	5,614	11,656

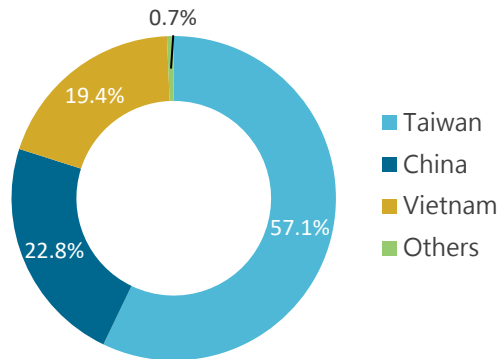
Total number of WNC global full-time employees in the past 4 years



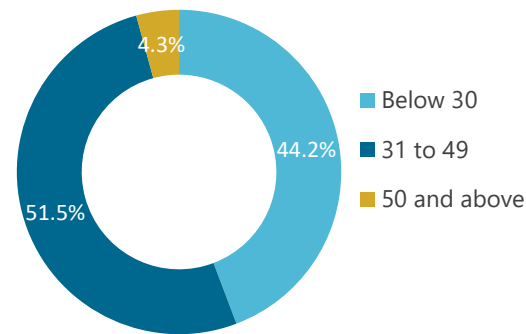
Note 1: Permanent refers to non-fixed-term full-time personnel. Contract refers to fixed-term personnel. WNC does not utilize zero-hours contracts.

Note 2: "Others" includes branches in the United States, the United Kingdom, Germany and Japan.

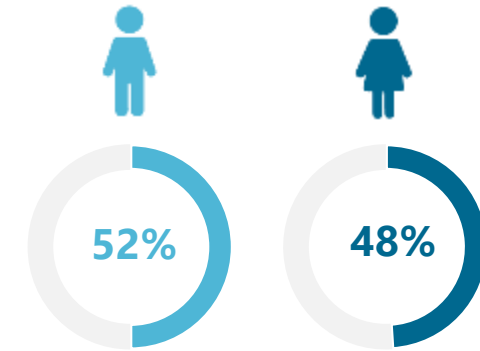
WNC Employees in Each Country



Age Distribution of WNC Employees



Employee Gender Ratio



Non-employee workers of WNC include contractor personnel working at WNC, as well as on-site personnel such as caterers, security guards, cleaners and drivers. Dispatch personnel recruited by production sites in Taiwan due to short-term needs are also included.

Total number of WNC non-employee workers worldwide in 2022 ^{Note}

Country	Contractor personnel			On-site personnel			Dispatched personnel			Total		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
Taiwan	28.2	1.0	29.3	118.9	100.8	219.7	310.2	251.4	561.6	457.3	353.2	810.5
China	88.3	1.2	89.5	39.6	30.0	69.6	-	-	-	-	-	-
Vietnam	56.8	7.2	64.0	43.8	41.8	85.6	-	-	-	100.6	49.0	149.6
Total	173.4	9.4	182.8	202.3	172.6	374.9	310.2	251.4	561.6	686.0	433.4	1,119.3

Note: WNC estimates the number of non-employee workers using full time equivalent method (FTE). The total number of non-employee workers for the year = the total hours worked of non-employee workers / the total work days of the year x 8 work hours per day.

4.2.2 Promotion 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, enhancement of management system, and other incentive measures in order to create a sound work environment.

Local Management Talent

The percentage of managerial positions taken by Taiwanese employees is 99.5%. 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 89.4% and 36.9%, respectively.

Local Hires Serving as Managers across WNC's Sites in 2022 ^{Notes}

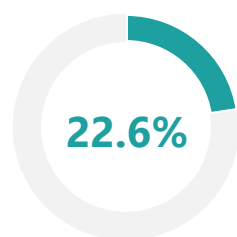
Country	Number of managers				Local hires serving as managers				Percentage of local hires as managers (%)			
	Top-level managers	Mid-level managers	Lower-level managers	Subtotal	Top-level managers	Mid-level managers	Lower-level managers	Subtotal	Top-level managers	Mid-level managers	Lower-level managers	Subtotal
Taiwan	21	403	197	621	21	401	196	618	100.0%	99.5%	99.5%	99.5%
China	1	138	144	283	0	109	144	253	0.0%	79.0%	100.0%	89.4%
Vietnam	0	45	58	103	0	2	36	38	--	4.4%	62.1%	36.9%

Note: Junior managers refer to section level managers; middle managers are department level managers and senior managers are tier-1 unit managers.

Women Working in the Technology Industry

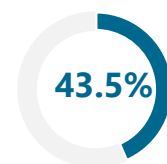
In response to the rapid development of technology and life applications, our aim is to offer products and services that make life more convenient. This is achieved through a professional team from diverse backgrounds that provide different perspectives. The majority of WNC's R&D personnel are male. The percentage of female R&D personnel is 18.4% and the percentage of women employees serving as managers is 22.6%. The figure for sales teams has risen to 43.5%.

Percentage of women in managerial positions

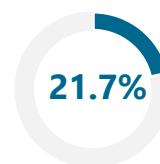


Percentage of women serving as managers

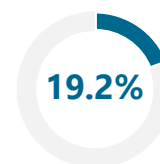
Sales managers



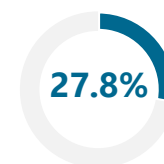
Top-level managers



Mid-level managers



Lower-level managers



Talent from Diverse Backgrounds

In addition to hiring talent according to functional requirements, the recruitment rate of different nationalities and different ethnic groups has gradually increased. In 2022, WNC recruited many foreign employees from all over the world including from China, Vietnam, the Philippines, the United States, the United Kingdom, Germany, Spain, Brazil, France, New Zealand, Japan, Macau, Malaysia, Indonesia and Nicaragua to promote internationalization and facilitate contact with our international customers and suppliers.

To provide persons with disabilities with job opportunities to safeguard their basic living needs and rights, WNC actively encourages the hiring of persons with disabilities. As of the end of 2022, there were 58 employees with disabilities (assessed using a weighted scale) working at WNC Taiwan sites, comprising 0.88% of Taiwan employees. 30 have mild or moderate

disabilities and 14 have severe disabilities. Their positions include masseurs, production-line operators, engineers, and personnel on overseas assignment. After arranging a suitable working environment, colleagues with disabilities are able to enjoy roles in which they can develop their skill sets. With regard to the current shortfall in the ratio of employees with disabilities with respect to government regulations, WNC will continue to identify suitable positions and recruit more persons with disabilities. Accessible restrooms were built at WNC headquarters and S2 for employees and visitors with physical disabilities. The employment rates of ethnic minorities in Taiwan, China, and Vietnam were 0.4%, 0.5%, and 21.7%, respectively.

Nationality of WNC's Employees Worldwide in 2022

Nationality	Employees (number hired)	Percentage	Managers (number hired)	Percentage of persons serving as managers
Taiwan	5,158	44.3%	679	66.2%
China	2,671	22.9%	289	28.2%
Vietnam	2,302	19.7%	38	3.7%
The Philippines	1,439	12.3%	0	0.0%
US	51	0.4%	14	1.4%
UK	8	0.1%	2	0.2%
Others	27	0.2%	4	0.4%
Total	11,656	100%	1,027	100%

Employee Turnover

WNC's turnover rate for global IDL employees in 2022 was 15.9%, 4.6% lower than in 2021, with an average monthly turnover rate of 1.3%. Turnover rates for male and female were 15.1% and 17.3% respectively. In terms of DL employees, in response to changes in the external environment and production capacity fluctuations, part of the production capacity of our China sites was moved to Vietnam. The Vietnam site was affected by relocation of the factory and the impact of the Pandemic. This gave rise to abnormal large-scale turnover of DL employees with a correspondingly high turnover rate.

To better understand employee feedback and reasons for resignation, and as a basis for talent cultivation and employee retention strategies, WNC holds exit interviews. Our retention system focuses on the three aspects of recruitment and hiring procedures, new employee development training and career development planning. Strategies to retain and attract outstanding talent include adjustments to the process of new recruit interview screening, an enhanced guidance/mentorship mechanism, improved supervisor interview techniques so as to understand employees' thinking and respond before it is too late, professional skills inventory enhancing to boost employees sense of worth, drawing up individual development plans (IDP), promoting career development by making employees aware of internal vacancies. In addition, we also promote the concept of "Total Rewards"

Employment of diverse talent in WNC's sites in 2022

Country	Minorities ^{Note}		Employees with Disabilities	
	Number hired	Percentage	Number hired	Percentage
Taiwan	24	0.4%	58	0.88%
China	12	0.5%	0	0.00%
Vietnam	492	21.7%	0	0.00%

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

to help employees better understand the four aspects of the company's HR strategy; employee learning development, creation of a friendly working environment, digital transformation of talent management, and salaries and benefits. Our ultimate goal is to optimize the experience of employees during their time working for the company.

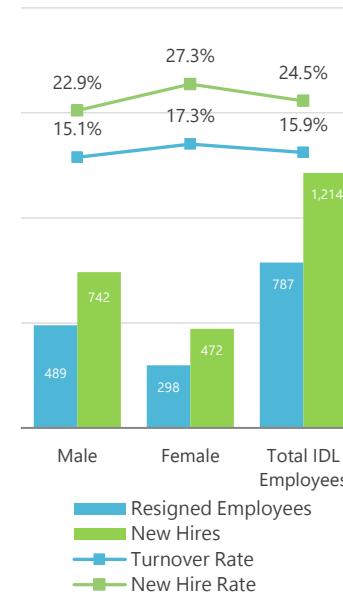
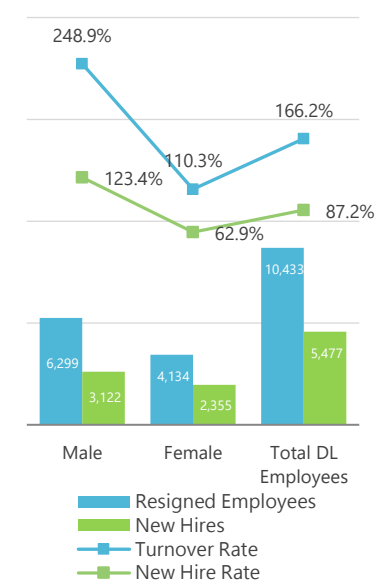
Turnover rate of full time WNC employees in 2022^{Note}

Country	Voluntary turnover rate	Involuntary turnover rate	Total turnover rate
Taiwan	19.8%	0.8%	20.6%
China	136.2%	1.2%	137.4%
Vietnam	276.9%	0.5%	277.4%
Others	6.0%	0.0%	6.0%
Total	99.0%	0.8%	99.8%

WNC's recruitment rate and turnover rate of full-time employees in 2022^{Note}

Categories		IDL employees		DL employees	
		New hire rate (%)	Turnover rate (%)	New hire rate (%)	Turnover rate (%)
Countries	Taiwan	25.6	13.5	41.3	27.7
	China	18.5	19.0	214.8	249.8
	Vietnam	34.7	23.9	70.6	345.9
	Others Note 2	14.9	6.0	--	--
Gender	Male	22.9	15.1	123.4	248.9
	Female	27.3	17.3	62.9	110.3
Age	<=30	47.3	25.8	109.7	224.2
	31-49	17.9	12.9	60.9	96.2
	>=50	7.2	9.0	14.5	10.9
Total		24.5	15.9	87.2	166.2

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.

WNC's New Hire and Turnover Rates for IDL Employees^{Note}**WNC's New Hire and Turnover Rates for DL Employees^{Note}**

4.2.3 Industry-Academia Cooperation

In order to attract outstanding talent, WNC recruits talent 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 industry-academia cooperation programs, assists young students in understanding 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 provides students with internship opportunities. Interns with outstanding performance during their internship are given the opportunity to continue to work at WNC. In 2022, a total of 127 students participated in internship programs, and a total of 33 students stayed at WNC after their internship. In addition, WNC actively participates in talent training programs organized by universities or the government. In 2022, WNC participated in the following talent training programs organized by external organizations:

WNC's participation in talent development programs organized by external organizations

Program	Organizer	Plan content	2022 Results
Industry-Academia Cooperative Training Program	Ministry of Labor	WNC worked with the National Taipei University of Technology to organize a two-year internship program. The program focuses on the development of manufacturing engineering talent, integrating the skills and knowledge needed by the industry.	In 2022, a total of 2 students are still interning.
Leadership Talent Development Program	Tsinghua University	Conduct a 7-month corporate cross-sector training course, with mentors leading students to understand career paths and cultivating students' soft power.	10 elite students were selected and a total of 13 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	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.	9 students participated in the program. A total of 7 coaching courses were held. WNC assigned managers of business units, human resources, information, and marketing departments to serve as coaches to share practical experience in different aspects. In addition, students were provided with the opportunity to have 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.
Mobileheroes Communication Competition	Industrial Development Bureau, Ministry of Economic Affairs	WNC has sponsored National Sun Yat-sen University to hold an annual network communications competition from 2019. We also dispatch staff to guide Kaohsiung University of Science and Technology students to carry out projects to participate in the competition.	Worked with students from Institute of Photonics Engineering at Kaohsiung University of Science and Technology: <u>The Dual Polarized Antenna Array Design for 5G Base Stations</u> won the 2022 Communications Application Award.

WNC Industry-Academia Collaboration Programs

To provide students with employment opportunities during their studies from 2017 onward WNC and the Department of Industrial Management at Chung Hua University have launched an industry-academia enterprise program. In recent years, WNC has organized several industry-academia programs, including international industry-academia collaboration programs and technical paper collaborations, in response to the establishment of new WNC plants and the demand for overseas talent.

WNC Industry-Academia Collaboration Programs in 2022

Program type		Plan content	Co-organizer	No. of participating students	Results
Bachelors Programs	Customized enterprise program	Customized enterprise courses in this program are taught by WNC employees.	Department of Industrial Management at Chung Hwa University	162	<ul style="list-style-type: none">There have been two batches of graduates from this program since 2017. Among the graduates, 27 have stayed in WNC, including four lower-level managers and 11 assistant engineers.NT\$3,340,000 in scholarships and grants were given out int 2022. Ten students in this program are now lower-level managers at WNC due to their distinguished performance.
	International industry-academia collaboration	This program promotes the cultivation of international talent and international industry-academia cooperation, helping to increase the sources of foreign students for the university but also recruits excellent talent for domestic industries.	Department of Industrial Engineering and Management and Department of Electronic Engineering at Minghsin University of Science and Technology	22	Since 2021, a total of 71 students have been recruited, and 22 have stayed for internships. In 2022, a total of NT\$989,200 in scholarships and grants were given out.
			Department of Electrical Engineering and Department of Information Engineering at Kun Shan University	77	The program started in January 2022, and by the end of 2022 68 students had interned at WNC.
Master's Programs	Technical paper collaboration	This collaboration provides graduate students with opportunities for on-site internships, where they are co-supervised by their professors and WNC supervisors. This allows the practical application of experimental theories in actual production operations.	Department of Industrial Engineering and Management at National Taipei University of Technology	7	Since 2017, a total of 13 students have participated in this program, of which five have graduated and stayed at WNC while two are on internships.
			Department of Electrical Engineering at National Cheng Kung University	2	<ul style="list-style-type: none">By combining theory and practice, a new framework design has been proposed and a patent application has been filed.To attract and retain outstanding talent, pre-employment arrangements have been initiated for graduate students in this project.
		Overseas manufacturing and engineering program: A four-year foreign student industry-academia collaboration program was launched that help students integrate research papers with real-world applications.	Minghsin University of Science and Technology	15	By the end of 2022, a total of five graduates have remained at our Vietnam factory as well as 15 interns.
	International industry-academia collaboration	NCKU-WNC Talent Cultivation Scholarship Program: This program nurtures future talents in the network communications industry through scholarships, summer internships, and employment opportunities.	National Cheng Kung University	10	Scholarships and grants were provided to students every month starting September 2022, and NT\$100,000 had been given out by the end of 2022.
		Taiwan-Vietnam Talent Development Program: This program promotes the cultivation of international talent, expanding sources of foreign students for the university and recruiting high-level talent for domestic industries.	Department of Electrical Engineering at National Chung Cheng University, Vietnam National University-University of Engineering and Technology (VNU-UET)	0	In 2022, tripartite signing of a cooperation plan was carried out, and the program is expected to enroll students from the fall class of 2023.

Senior High School and Vocational School Talent Recruitment Programs

In addition to long-term collaboration with the Dong Wu Senior Industrial Home Economics Vocational High School to organize cooperative education programs, WNC introduced industry-academia collaboration programs and career development camps starting in 2022 to provide students with scholarships and miscellaneous subsidies. WNC also organizes career development events on school campuses to offer advice for students to help their transition to WNC's industry-academia programs.

Senior High School and Vocational School Talent Recruitment Programs in 2022

Program	Subject	Co-organizer	Subsidy amount per person	No. of participating students	Subsidy amount
Industry-academia talent cultivation program	High school students	Electronics, electrical engineering, and mechanical engineering departments of public senior high schools and vocational schools	<ul style="list-style-type: none"> The total amount (excluding scholarships) is NT\$14,000, including NT\$4,000 for tuition and miscellaneous fees during the first and second semesters of the third year, and NT\$ 3,000 in grants for each person. Scholarships ranging from NT\$1,000–3,000. 	19	133,000
Industry-academia talent cultivation program for students from low-income families			<ul style="list-style-type: none"> The total amount (excluding scholarships) is NT\$29,000, including NT\$5,000 for living expenses for the second semester of the second year, NT\$5,000 for living expenses for the first and second semesters of the third year, NT\$4,000 for tuition and miscellaneous fees, and NT\$3,000 in scholarships. Scholarships ranging from NT\$1,000–3,000. 	0	0
Career development camp	Vocational school students	Department of data processing and work-study programs of Dong Wu Senior Industrial Home Economics Vocational High School	The total amount is NT\$20,000, including a career development grant of NT\$2,500/month for the first and second semesters of the third year (one semester is calculated as four months).	9	90,000



Students from Taiwan and abroad serving internships at WNC.

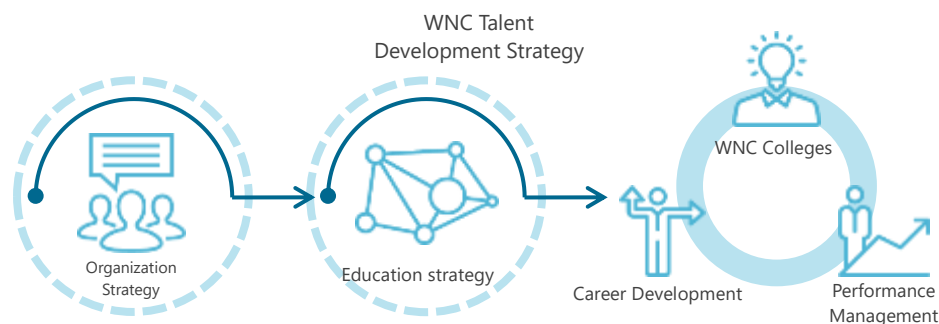


Opening ceremony for the Enterprise Talent Development Program at National Tsing Hua University.



Career coaching event for National Cheng Kung University students.

4.3 Talent Training and Cultivation



4.3.1 Dynamic Talent Management

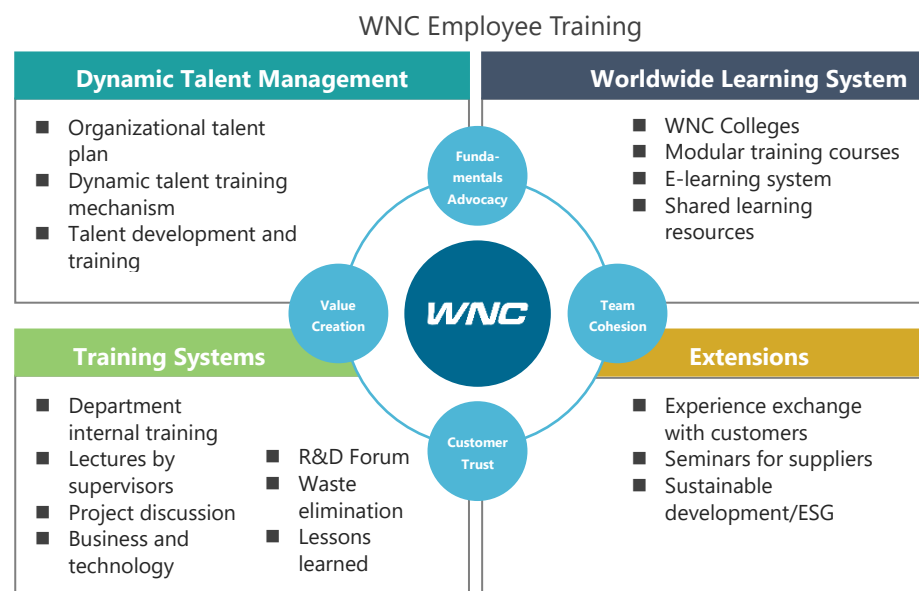
WNC attaches great importance to recruiting talented people and improving their skills and general knowledge. Based on this concept and the principles of growth, innovation, and cooperation, employees are provided with job function enhancement training programs, key competencies enhancement programs, 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.



4.3.2 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. 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 2022, WNC's sites have trained a total of 324 internally certified lecturers.

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.

4.3.3 Worldwide Learning System

E-learning System

WNC's 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.

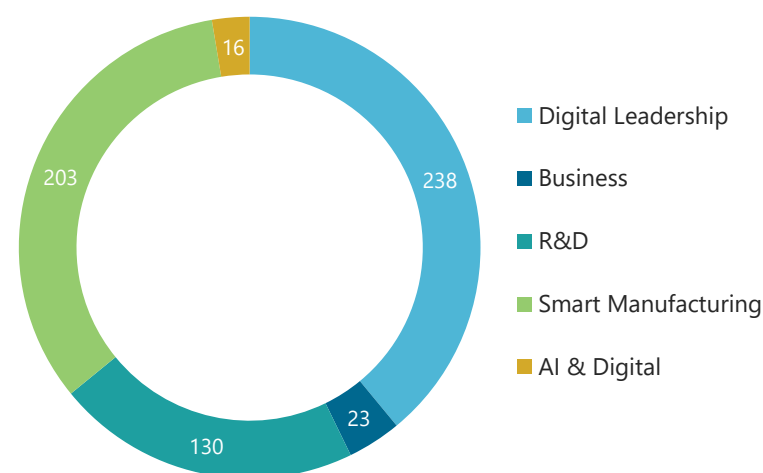
Modularized Courses

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. They are composed of a Digital Leadership College, Business College, R&D College, Smart Manufacturing 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 2022, WNC Colleges held a total of 610 courses, and there were a total of 116,324 participants.

Number of Courses Organized by WNC Colleges



WNC Colleges

College name	Principal	Participant	Purpose	Description
 Digital Leadership College	CHRO	Functional unit supervisors	<ul style="list-style-type: none"> ■ 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. ■ 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. 	<ul style="list-style-type: none"> ■ 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. ■ Includes newcomer training, fire drills, emergency response drills, responsibility, upward management, presentation production and skills, internal lecturer skills training and other courses; additionally, training is provided to 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.
 Business College	President	Product managers/sales supervisors	In addition to implementation of project management and the application of individual skills and specialized knowledge, topics covered include new industry knowledge, presentation skills, conference planning, international trade, and customer management and service capabilities.	We will continue to arrange for senior supervisors to share experiences of successful customer interactions through case studies and exchange of opinions with participants.
 R&D College	CTO	Product R&D Center/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.
 Smart Manufacturing College	General Plant Manager/Chief Quality Officer/CSCO	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.
 AI & Digital College	CIO	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. Information from internal and external resources are integrated and shared to facilitate the incorporation of AI and digital learning into everyday work.	The AI & Digital College teaches AI knowledge to employees through integration and sharing of 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.

4.3.4 Training Participation

There are no differences based on gender in the planning and organization of education and training for employees of WNC. In 2022, the average education and training hours per WNC employee was 22.8 hours (most of the key supervisors were transferred to the new Vietnam site, resulting in lower average training hours for supervisors in the original Vietnam site), and the related expenses totaled NT\$13 million. The satisfaction survey result was 4.6 points (out of 5 points).



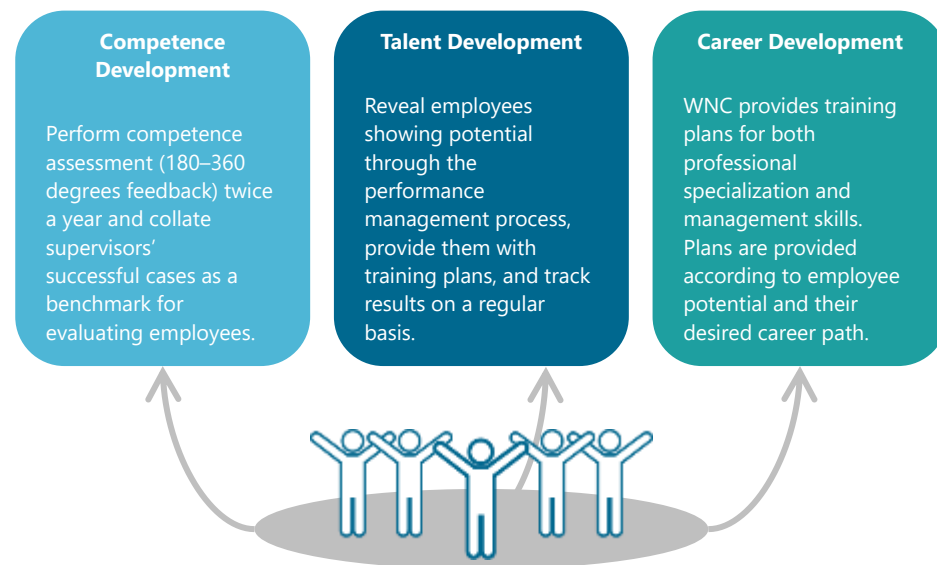
Hours of education and training courses by job level and gender in 2022

Country	Position	Male			Female			Total		
		Training hours (A)	Number of employees ^{Note 1} (B)	Average hours per person ^{Note 2} (A/B)	Training hours (C)	Number of employees ^{Note 1} (D)	Average hours per person ^{Note 2} (C/D)	Training hours (E)	Number of employees ^{Note 1} (F)	Average hours per person ^{Note 2} (E/F)
Taiwan	DL employees	13,105	984	13.3	32,988	2,474	13.3	46,093	3,458	13.3
	Managers	31,397	491	63.9	5,982	130	46.0	37,379	621	60.2
	IDL employees Specialist staff	47,568	1,630	29.2	22,896	951	24.1	70,465	2,581	27.3
China	DL employees	28,240	870	32.5	14,240	492	28.9	42,480	1,362	31.2
	Managers	8,863	199	44.5	1,680	84	20.0	10,543	283	37.3
	IDL employees Specialist staff	23,763	614	38.7	12,069	396	30.5	35,832	1,010	35.5
Vietnam	DL employees	9,017	884	10.2	9,160	898	10.2	18,177	1,782	10.2
	Managers	624	87	7.2	368	16	23.0	992	103	9.6
	IDL employees Specialist staff	1,456	222	6.6	255	156	1.6	1,711	378	4.5
Total		164,034	5,981	27.4	99,638	5,597	17.8	263,672	11,578	22.8

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

4.3.5 Performance Management



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.

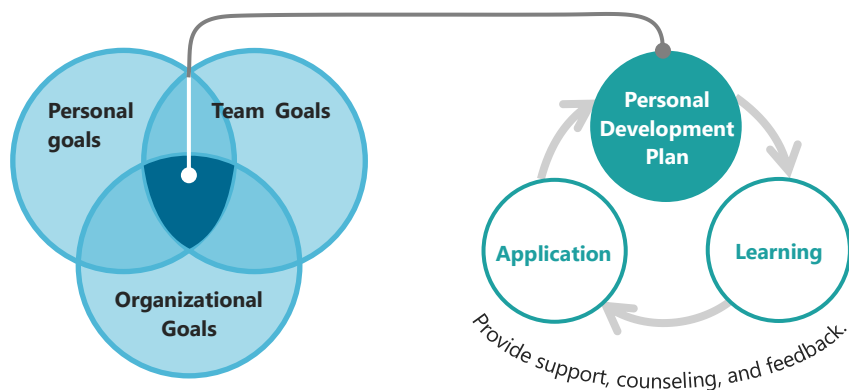
Competence Development Assessments

Work Item	Time which the work item is conducted	Subject of assessment
180-degree assessment: Self-evaluation and evaluation by superiors	Every six months alongside performance evaluations.	All employees
360-degree assessment: Self-evaluation, evaluation by superiors, evaluation by subordinates, peer evaluation		Center-level manager and above
270-degree assessment: Self-evaluation, evaluation by superiors, evaluation by subordinates, peer evaluation	When managers request feedback from other employees about a certain employee's performance, or when employees want feedback on their performance from other employees.	All employees

Talent Development

■ Personal development plan

In conjunction with organizational adjustments and annual talent inventory taking, an Individual Development Plan (IDP) that integrates personal, team and organizational goals is formulated for center-level managers and above as well as high-performing employees with high potential. The managers and employees first come up with development plans and learning objectives, and then find ways to reach their personal growth objectives through experience sharing from other people, applying what they have learned to their own work, support, guidance, and feedback from their managers during the learning process, and implementing what has been learned to achieve personal growth goals.



■ 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. 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.

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 than what their current job grade and duties dictate, 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 Promotion 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 2022, rates of male and female employees accepting WNC career planning were 11.6% and 10.3% respectively.

Percentage of WNC employees accepting career planning in 2022^{Note 1}

Country	Position	Number hired		Percentage (%) ^{Note 2}	
		Male	Female	Male	Female
Taiwan	DL employees	123	274	12.6	11.1
	IDL employees				
	Managers	105	23	21.4	17.7%
	Specialist staff	225	138	14.1	14.7
	Subtotal	453	435	14.8	12.3
China	DL employees	89	57	10.2	11.6
	IDL employees				
	Managers	48	19	24.1	22.6
	Specialist staff	54	45	8.8	11.4
	Subtotal	191	121	11.3	12.4
Vietnam	DL employees	3	7	0.34	0.78
	IDL employees				
	Managers	21	3	24.1	18.8
	Specialist staff	31	9	14.0	5.8
	Subtotal	55	19	16.8	7.0
Total		699	575	11.6	10.3

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.

4.4 Compensation and Benefits

4.4.1 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. level. In 2022, 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 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 view.

To help employees formulate long-term savings and retirement fund strategies, an Employee Stock Ownership Trust (ESOT) program has been set up. 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 2022, a total of 1,387 employees joined the employee shareholding trust, which was an increase of 29% compared to 2021.

	2020	2021	2022
Number of Employees Participating in the ESOT program	834	1,074	1,387

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

Remuneration for full-time employees who are not in supervisory positions in WNC Taiwan locations^{Note}

Item	Difference from the previous year	2022	2021
Number of employees	5.8%	4,810	4,548
Total combined salary (unit: thousand NT\$)	24.4%	5,566,426	4,475,438
Average salary (unit: thousand NT\$)	17.6%	1,157	984
Median salary (unit: thousand NT\$)	11.5%	821	736

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 months.

The minimum salary standard for WNC employees was superior to the legal minimum wage in 2022

Country	Type	Male	Female
Taiwan	DL employees	1.00	1.00
	IDL employees	1.27	1.27
China	DL employees	1.01	1.01
	IDL employees	1.31	1.44
Vietnam	DL employees	1.20	1.20
	IDL employees	2.35	2.24

WNC's average salary ratio in 2022^{Note 1}

Country	Type	Male ^{Note 2}	Female
Taiwan	DL employees	1	0.96
	IDL employees	Managers	1
		Specialist staff	0.85
China	DL employees	1	0.83
	IDL employees	Managers	0.94
		Specialist staff	1
Vietnam	DL employees	1	0.86
	IDL employees	Managers	0.83
		Specialist staff	1

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.

Employee Retention Plan

Area	Reward plan	Required qualifications	Method of implementation	Results in 2022
Taiwan (All amounts are stated in NTD)	Cash bonus plan	Employees who are working at WNC during the calculation period of the cash bonus and the payment date of the bonus.	WNC will allocate a certain percentage of revenue for the distribution of performance bonuses, employee remuneration and project bonuses based on its business performance in the current year, and the amount of remuneration/bonuses each employee received is based on their performance.	Amounts of cash bonuses are confidential; and the number of employees entitled to cash bonuses is subject to change due to personnel movements, so this data is not disclosed.
	Stock reward plan	Employee Stock Ownership Trust: Full-time employees who have worked at WNC for at least six months may participate.	Employees' that are ESOT members contribute a fixed amount from their monthly salary in accordance with their job grade into the ESOT account, and WNC will match the contribution, which will also be deposited into the account and be used to purchase company shares. After three years of membership, employees are eligible to receive 50% of the shares purchased with WNC's contribution. After four and five years the percentage goes to 70% and 100%, respectively. The ESOT helps WNC retain talent, helping to ensure that employees are able to share in the success of the company and create further value together with WNC.	By the end of 2022, there were 4,376 qualified employees, of which 1,387 employees had participated in this plan, a participation rate of 31.7%, and more than NT\$ 69 million had been withdrawn from the Company's fund.
		Restricted Stock: Mid- to upper-level employees who have made significant contributions to WNC's business performance.	WNC gives restricted stock to employees over a period of three years, and employees obtain these stocks if business performance targets and personal performance targets for the current year are achieved.	A total of 102 employees received the reward with the total bonus amount of over NT\$ 110 million.
	Outstanding Patent Awards	WNC units submit patents they have obtained to the Patent Selection Committee for review, then WNC's President & CEO selects the winners.	The winning teams of the Outstanding Patent Awards will receive medals and prize money. Those who win the Platinum Award will receive NT\$ 100,000 per patent, those who win the Gold Award will receive NT\$ 60,000 per patent, and those who win the Silver Award will receive NT\$ 30,000 per patent based on the contribution. The winners will also get an extra ticket for the lucky draw at the year-end party.	6 employees in Taiwan sites received bonuses, with a total amount of NT\$ 120,000.
	CIP projects: Award for outstanding financial contribution	Project teams submit CIP projects that were completed in the past two years to an evaluation committee composed of personnel from the DMIS Division and the Finance Division for review. The committee will select projects that have shown to bring significant financial benefits to WNC, and the selected projects will be presented to the President & CEO, who will select the winners.	The winning teams will receive medals and prize money. Teams who win the Gold Award will receive NT\$ 50,000, and teams who win the Silver Award will receive NT\$ 20,000. Winning teams will also get an extra ticket for the lucky draw at the year-end party.	7 employees in Taiwan sites received bonuses, with a total amount of NT\$ 50,000.

	Outstanding employees	Nominations for outstanding employees and teams are submitted by unit managers. The nominees are evaluated by a committee, then the President & CEO selects the winners.	Outstanding employees will receive a commemorative plaque and NT\$ 5,000 in prize money as well as an extra ticket for the lucky draw at the year-end party.	80 employees in Taiwan sites received bonuses, with a total amount of NT\$ 400,000.
	Outstanding teams		Outstanding team winners receive prize money. Teams who win the Gold Award receive NT\$ 20,000, and teams who win the Silver Award receive NTD 5,000. Winning teams will also get an extra ticket for the lucky draw at the year-end party. Leaders and MVPs of outstanding teams also receive a commemorative plaque.	90 employees in Taiwan sites received bonuses, with a total amount of NT\$ 260,000.
	Employees with seniority	Employees that have worked at WNC for 5, 10, 15, 20 and 25 years.	Employees with seniority are commended at the year-end party, and each receive a commemorative plaque and an extra ticket for the lucky draw at the year-end party.	419 employees in Taiwan sites were commended
China	Retention bonus	Unit managers will evaluate the seniority and performance of employees, then submit a list of key employees to be retained. The aforementioned managers and employees will sign a retention agreement after terms and conditions are agreed to.	The time period for the plan is two years. If the employee performance meets the requirements in these two years, the retention bonus shall be given in batches. If the employee resigns within two years, they must give back retention bonuses that they've already received.	The Kunshan site has distributed employee retention bonuses to 230 employees with an amount of about RMB 4.7 million; the Nanjing site has distributed retention bonuses to 74 employees with an amount of about RMB 2.41 million.
Vietnam			The time period for the plan is three years. The bonus is 40% of the salary amount given to social security, and is paid monthly. Prior to bonus payment, the most recent performance rating shall be taken into account. If the rating is A or higher, the employee shall be entitled to payment of the full bonus amount; if the rating is A-, 50% of the bonus amount shall be paid; if the rating is below B, the employee's labor contract shall be deemed to be terminated, however, the employee is not required to return the bonuses they've already received.	The Vietnam site has distributed talent retention bonuses to 35 employees with the total amount of approximately VND 300 million.

4.4.2 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.

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	14.00%	8.00%
	Medical insurance	3.00%	1.50%
	Employment injury insurance	3.50%	N/A
	Unemployment insurance	1.00%	1.00%

4.4.3 Employee Support Program

To help employees maintain a work/life balance, in addition to providing diverse work modes, all WNC sites have leave regulations and relevant management measures, such as maternal and child support leave, for full-time employees and contract personnel that are superior to the requirements stipulated in local laws and regulations.

Employee Support Programs at WNC Sites

	Taiwan sites	China sites	Vietnam site
Diverse work modes	<ul style="list-style-type: none"> From January 1, 2022, WNC has offered three options for flexible working hours: from 08:00 to 17:00, 08:30 to 17:30, and 09:00 to 18:00; other flexible attendance plans will be planned in the future. In special circumstances, employees can register to work from home and record their attendance status through online check-in. 	<ul style="list-style-type: none"> From May 2014, flexible working hours from 07:30 to 16:30, 08:00 to 17:00, and 08:30 to 17:30 have been offered for employees who have long commutes and are raising children under the age of 13. In special circumstances, employees can register to work from home and submit proof of attendance records to the HR Department for review. 	<p>In special circumstances, employees can register to work from home and record their attendance status through online check-in.</p>
Paid leave	<ul style="list-style-type: none"> New employees are entitled to 5 days of annual leave in the first year of employment. Employees at or above a specific job grade can enjoy paid personal leave and sick leave. From January 2023, [male] employees are entitled to 10 days of paid leave for their spouses' prenatal check-up and parental leave, which is superior to the statutory limit, for the period starting from pregnancy to 15 days after giving birth. Female employees are entitled to 3 days of paid menstrual leave per year. To encourage employees to get vaccinated against COVID-19, from July 2021 to the end of April 2023, all employees who receive vaccines were entitled to paid vaccination leave. 	<ul style="list-style-type: none"> After working for 1 year, employees are entitled to 5 days annual leave, 13 days of marriage leave, 158 days of maternity leave (for females) or 15 days of parental leave (for males) after their spouses give birth, and 15 days of leave for difficult child births. Under the "Special Regulations on Labor Protection for Female Employees", paid prenatal check-up leave, maternity leave, miscarriage leave, and breastfeeding time are granted to maintain a work/life balance for female employees. Male employees are entitled to 15 days of parental leave after their spouses give birth. If International Women's Day, March 8, falls on a weekday, employees are entitled to 4 hours of compensatory leave, if it falls on a weekend, employees can directly register for 4 hours of overtime pay. In case an employee is the only child in the family and his/her parents become ill and hospitalized after reaching the age of 60, the employee is entitled to 5 days of paid nursing leave per year. 	<ul style="list-style-type: none"> New employees are entitled to 12 days of annual leave, 3 days of marriage leave, 6 months of maternity leave (for females) or parental leave for males (5 days for natural childbirth, and 7 days for cesarean birth), as well as family care leave (20 days for children under 3 years old; 15 days for children > 3 years old and < 7 years old) in their first year of employment. Under the local "Law on Social Insurance", a paid menstrual period rest (30 minutes per day) is granted (for female employees).

Employee Support Programs at WNC Sites (continued)

	Taiwan sites	China sites	Vietnam site
Childcare leave	<ul style="list-style-type: none"> ■ Employees who need to take care of children shall be entitled to unpaid leave (referred to as parental leave). WNC shall inquire about their intention to resume work and assist in preparing for resumption of work 1 month before the expiration of the parental leave. In 2022, Taiwan sites of WNC had a total of 61 employees applying for unpaid parental leave, including 9 males and 52 females. ■ From January 2023, after the initial 56 days of maternity leave, female employees giving birth can apply for a further 28 days of paid childcare leave, this period is longer than that prescribed by law; those who choose not to apply for paid childcare leave will have their childcare leave converted to a taxable cash amount. As of the end of January, 8 female employees have received cash payments converted from their paid childcare leave. 	Starting from 2022, new childcare leave was 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 childcare leave each year before their children reaches the age of 3.	<ul style="list-style-type: none"> ■ Female employees who are more than 7 months pregnant or whose children are under 1 year old are allowed to leave work 1 hour earlier. ■ Under the local Labor Act, WNC assists employees in applying for social insurance, and provides paid prenatal check-up leave, maternity leave, miscarriage leave, and postpartum/miscarriage recovery leave.
Support for mothers and children	<ul style="list-style-type: none"> ■ The lactation rooms at WNC headquarters and S1 have obtained the "Hsinchu County Workplace-Friendly Lactation Room Certification" and "Hsinchu City Friendly Lactation Room Premium Certification", respectively. ■ The factory nurse regularly checks up on pregnant and breastfeeding employees, and conducts individualized pregnancy and postpartum assessments in coordination with physicians, nursing staff, and industrial safety supervisors. ■ WNC Pregnancy Giftset Project: A pregnant employee or her spouse can use the expecting mother handbook to apply for a giftset from WNC. The gift set includes a pregnancy handbook, a handbag for the mother, and a gift box for the newborn baby. In 2022, WNC gave away 127 giftsets for pregnant employees. ■ WNC has signed special agreements with childcare service providers of Hsinchu City, Hsinchu County, Taoyuan City, Miaoli County, Tainan City and Kaohsiung City to offer preferential childcare discounts to employees. As of 2022, a total of 41 childcare service providers were contracted. 	Kunshan sites in China have arranged a spacious and comfortable lactation room. In 2018 it was certified as a model lactation room by the Kunshan Municipal Government.	<ul style="list-style-type: none"> ■ A lactation room has been set up within the site. ■ Under the local Labor Act, employees with children under the age of 6 can receive an allowance, as determined by the company.
Employee benefits	According to "WNC's Employee Benefits Regulations", deceased employees shall be entitled to full 2 months' salary for funeral expenses and full 5 months' salary for those who die while on duty.	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.	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).

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

Item	Male	Female
No. of people who were eligible to apply for parental leave in 2021 (A) ^{Note}	73	77
No. of people who applied for parental leave in 2021 (B)	9	52
Application rate for parental leave in 2022 (B/A)	12.3%	67.5%
No. of people expected to be reinstated from parental leave in 2022 (C)	11	42
No. of people who have been reinstated from parental leave in 2022 (D)	6	32
Reinstatement rate from parental leave in 2022 (D/C)	54.5%	76.2%
No. of people who were reinstated from parental leave in 2021 (E)	1	14
No. of people who were reinstated for one year in 2021 (F)	1	13
Retention rate after parental leave in 2022 (F/E)	100.0%	92.9%

Note: Number of employees who have applied for maternity or paternity leave between 2020 and 2022.

4.4.4 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 multifunctional 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. 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 the Vietnam site offers catering services and sports equipment (table tennis room and treadmills).



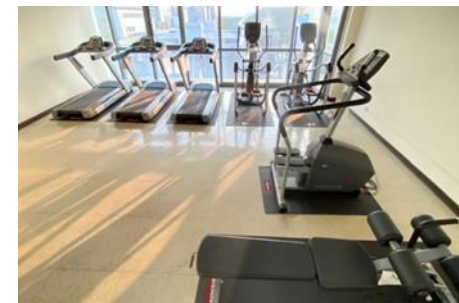
WNC Headquarters Recreation Center



WNC Headquarters Aerobics Room



S1 site Recreation Center



Recreational facilities of at the S2 site



Grocery store at one of WNC's sites in China



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

4.4.5 Activities and Welfare

In addition to measures related to health care and leisure sports, WNC also focuses on caring for the bodies and minds 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 2022 are summarized as follows.

Seasonal Activities

To promote employee engagement, the Company organizes seasonal events. In 2022, two events were held in Spring and Winter named "Go Green with WNC". A series of spring and winter activities were held in rotation at sites.



Go Green with WNC

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 are now provided in electronic form. In addition, gifts given to employees for the holidays are selected via employee vote. These measures meet employee needs while avoiding unnecessary waste and are 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.



Golf club



Basketball club

Enjoying Life Via Art

By holding a range of cultural and artistic activities, the company hopes to expand the sensory lives of employees, so that everyone can get healing, balance and inspiration after work.

Online Library

In 2022, a podcast was organized by the company to share feedback on supporting families with school-age children. Through this podcast, everyone can listen to sharings from colleagues about their learning and growth journey. At the end of 2022, the post-pandemic period gave rise to an e-reading trend, and for the first time, the Company organized an event named the "WNC Book Festival" that combined both offline and online activities. Online book fairs and celebrity talk shows have encouraged employees to slow down their pace of life and read more books. In 2022, the talk show host Hao-ping Huang was invited to share about the ups and downs of his life. There were a total of 212 people signing up to take part in the talk show. Also, through this event, the Company officially launched the "WNC Digital Library".

DIY Classes

In Q3 2022, after the pandemic had slowed down, free monthly DIY classes resumed in Taiwan sites. By the end of the year, 18 DIY courses had been held. A total of 882 people participated, with the number of participants growing by 20% compared to the same period last year.

Exercise Courses

Aerobics, yoga, rhythm balance and other exercise courses are offered at WNC's Taiwan sites every quarter. In Q3 and Q4 of 2022, a total of 406 participants took part in the courses.

Green Marketplace



First company in Hsinchu Science Park

with employee cafeterias
using 100% organic
vegetables



First company in Taiwan

providing guidance for the use of green
foods using 100% organic vegetables



Green Restaurant

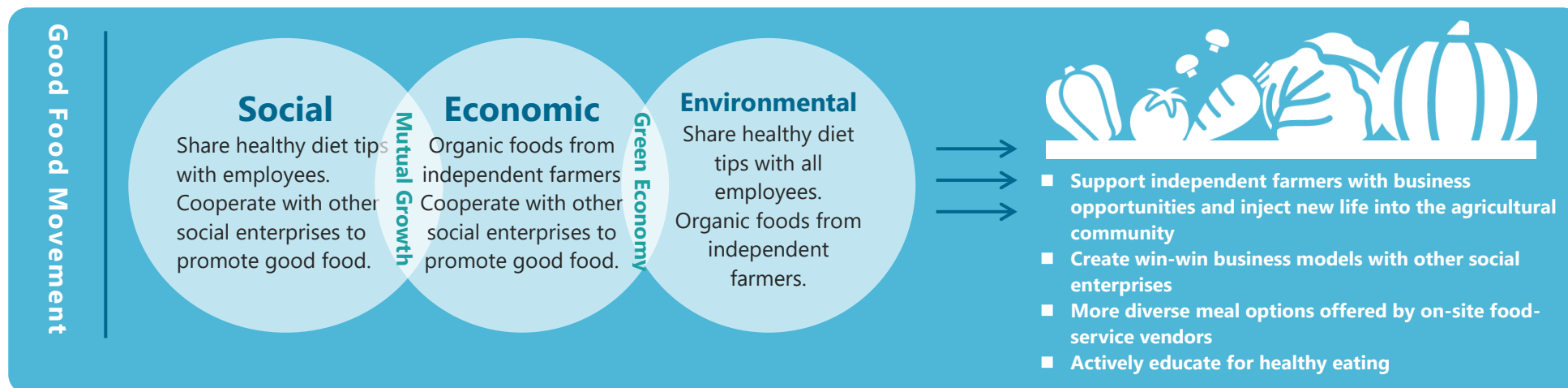
certified by the
EPA

At the end of 2013, WNC launched a clean food movement, becoming the 1st large-scale enterprise in Hsinchu Science Park to use 100% organic vegetables in its employee cafeterias.. Caterers also reduce excessive processing and over-seasoning. This helps provide employees with healthier lunch and dinner options. Special activities such as healthy meals and meat-free days are occasionally held. These activities have been continuously organized for the last 10 years. In 2022, cafeterias for WNC employees were transformed and positioned as "Green Marketplaces".

In December 2022, WNC became the 1st large-scale enterprise to provide guidance for the use of green foods as part of the initiative "Green Foods Promotion"; It is expected that in 2023, we will apply for tier 1 restaurant certification, and continue to develop policies related to the use of healthy ingredients and green foods.

In 2023, WNC's Taiwan sites will respond to the EPA's "Green Restaurant" initiative by promoting environmental management, reducing input, and using healthy ingredients. The goal is to obtain tier 1 restaurant certification and meet international sustainable food standards.





- 2014** WNC cooperated with “Buy NearBy”, a social enterprise, to promote the “Good Food Movement” and “Healthy Thursday and Friday” programs.
- 2015** From July, expanded Healthy Thursday and Friday to every day and expanded cooperation with small-scale farmers to diversify food ingredients.
- 2018** Won first prize in the “Social Innovation Products and Services Procurement Award” of the Ministry of Economic Affairs.
- 2019** Became the first large-scale enterprise in Hsinchu Science Park to fully digitize employee gift vouchers.
- 2020** From July, employees at WNC's headquarters can order and receive organic vegetables through 7-Eleven and employees at S1 and S2 can purchase organic vegetables at their factory's marketplace.
- 2021** WMC gives all employees 25th-anniversary jackets made from 100% recycled polyester fabric. In addition to sharing the achievements of the past 25 years with employees, the company also fulfills its commitment to environmental sustainability and was awarded the “Social Innovation Products and Services Procurement Award” by the Ministry of Economic Affairs.
- 2022**
- Signed the “Green Initiative”.
 - All employee holiday gifts are brands or products based on sustainable concepts.
 - Recruited Sustainability Cadets to commit to implementing the concept of sustainability in daily life and supporting the company's ESG activities.
 - In November, Taiwan sites held the “Go Green with WNC” event.
- 2023** Obtained the green restaurant certification of the Environmental Protection Administration, promoting the reduction of input resources, aiming at tier 1 restaurant certification and meeting international sustainable diet standards.



Number of employees using environmentally-friendly tableware significantly increased



Improve the healthy eating habits of employees, while effectively controlling the amount of food waste.



Motivate employees and caterers to build a healthy food culture

4.5 Occupational Safety and Health

4.5.1 Occupational Safety and Health Management



ESH & Energy Management

- Promote environmental protection and the prevention of occupational diseases in compliance with government policy, ESH & Energy management system directives.
- Strive to design and manufacture green products of superior quality and minimize the impact and damage these products cause to the environment.
- Continue to strengthen pollution prevention, increase energy usage efficiency, implement appropriate control and reduction measures, and support purchases of products that improve energy performance.
- Continue to implement workplace health management systems and educate employees on how to prevent occupation-related injuries and illness. Adopt a "zero tolerance" principle towards workplace harassment.
- Reinforce all employees' ESH & Energy performance awareness and accountability and provide appropriate communication and consultation channels and participation mechanisms.

Occupational Safety and Health Management System

WNC headquarters and main manufacturing bases have introduced the ISO 45001 occupational safety and health management system and passed third-party verification with regards to this. In 2022, no major occupational accidents occurred at any sites.

Occupational Safety and Health Committee

An Occupational Safety and Health Committee has 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. Seventeen 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.

WNC holds an annual organization consultation meeting to communicate and promote occupational accident prevention to construction contractors. In 2022, a total of 421 contractors participated.

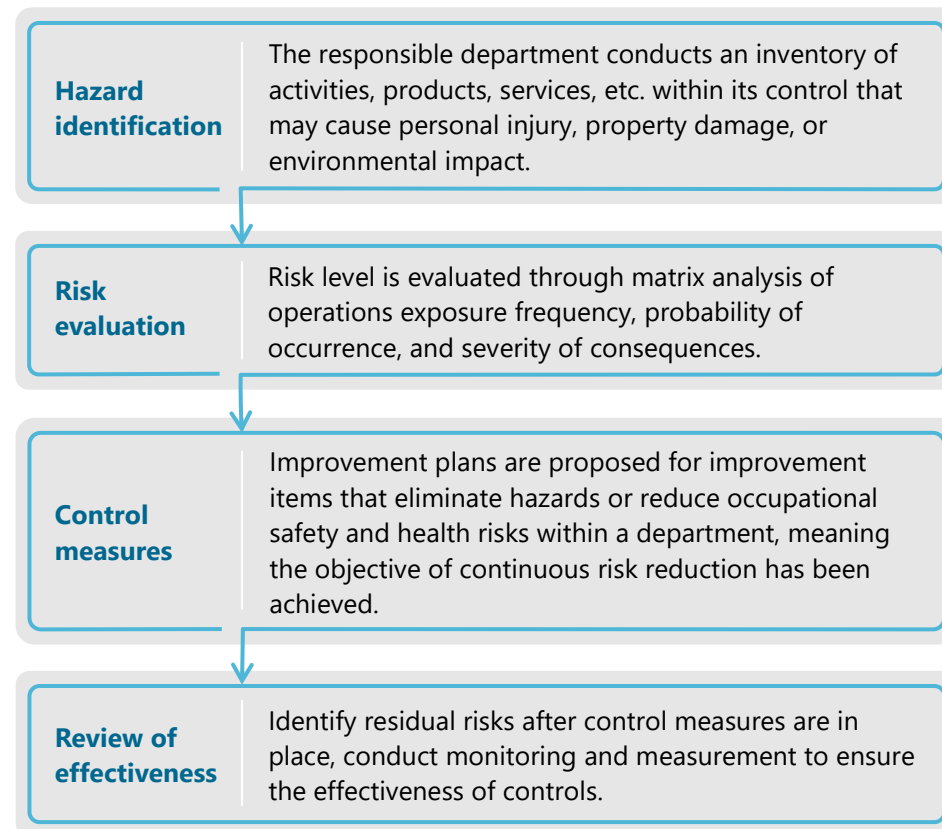
Production safety committees established for China sites hold quarterly production safety management meetings. Department-level managers from various units attend the meetings to discuss occupational safety and health management issues. In addition, each unit assigns an employee to serve as its safety officer, and these employees participate in externally approved safety officer training courses and acquire safety officer certification. This ensures that safety 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 15 labor representatives from each unit, including five 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 lessen the impact on WNC of occupational safety and health risks, every department annually carries out risk identification, evaluates risk levels through matrix analysis (likelihood, severity, frequency), proposes corresponding control measures and objectives for high-risk operations, and conducts monthly tracking (such as: when there are changes in operations, technologies, engineering, operations/design specifications; injury events with more than one day of incapacity; repeated occurrence of false alarm incidents; hidden danger notification).

Risk Identification Process



The number of nonconformities found in WNC sties during the 2022 internal audit and corresponding explanations are as follows:

Site	Irregularities	Description
Taiwan	19	Mainly chemical hazards, electrical and fire safety. Improvements already completed.
China	17	Mainly chemical hazards, electrical and fire safety. Improvements already completed.
Vietnam	9	Mainly warning signage, fire safety, chemical spills prevention. Improvements already completed.

Occupational Injury Statistics

In 2022, all occupational injuries at WNC's sites were physical hazards, and there were no incidents resulting in permanent disability or death of colleagues or workers due to occupational injuries. The number of disabling injuries among employees at Taiwan, China, and Vietnam sites were 9, 8, and 0, respectively. There were no disabling injuries reported among non-employees. Each incident has been investigated and analyzed. Responsible units have developed appropriate improvement and preventive measures in response to the increase in the number of employees and the changing environment to reduce operational risks for colleagues and workers.

Recordable occupational injuries of WNC employees in 2022

Number	Type	Cause	Improvement strategy
17	Crushing	Insufficient training	Case study publication
	Pinch injuries	Insufficient equipment/ safety protection	<ul style="list-style-type: none"> ■ SOP optimization ■ Equipment fundamental safety improvement ■ Environment improvement/ addition of safety measures

Occupational injury statistics of WNC employees in 2022 ^{Note1}

Item	Taiwan ^{Note2}		China		Vietnam	
	Male	Female	Male	Female	Male	Female
Number of serious occupational injuries ^{Note3}	0	0	0	0	0	0
Number of recordable occupational injuries	5	4	5	3	0	0
Percentage of serious occupational injuries ^{Note 3}	0	0	0	0	0	0
Percentage of recordable occupational injuries ^{Note 4}	0.16	0.11	0.30	0.31	0	0
Occupational disease rate (ODR) ^{Note 5}	0	0	0	0	0	0
Occurrence rate of near misses ^{Note 6}	0.651		0		0	

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

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

Note 3: 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

Occupational injury statistics of non-WNC employees in 2022 ^{Note}

Subject	Item	Taiwan		China		Vietnam	
		Male	Female	Male	Female	Male	Female
Contractors (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 ^{Note 3}	0	0	0	0	0	0
	Percentage of recordable occupational injuries ^{Note 4}	0	0	0	0	0	0
Contractors (on-site)	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 ^{Note 3}	0	0	0	0	0	0
	Percentage of recordable occupational injuries ^{Note 4}	0	0	0	0	0	0
Dispatch employees	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 ^{Note 3}	0	0	0	0	0	0
	Percentage of recordable occupational injuries ^{Note 4}	0	0	0	0	0	0
Occurrence rate of near misses ^{Note 6}		0		0		0	

Note: Refer to Occupational injury statistics of WNC employees in 2022

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 an Accident Investigation Management Procedure and has formulated measures to prevent the re-occurrence of incidents. Inspection is conducted across all sites. At the same time, FMEA (Failure Mode and Effect Analysis) and domino analysis methods are used to conduct a more in-depth review and discussion of the real causes of accidents and improve processes and safety standards and standardize specifications, as well as strengthen fool-proofing mechanisms. To enhance accident investigation efficiency, explore root causes, and prevent recurrence, an accident investigation approval system has been implemented. System architecture for the Taiwan plant has been established in 2022, and the system is expected to be operational in 2023.

Accident investigation process



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. To prioritize employees' health, we have implemented environmental monitoring in the Taipei office, ensuring that chemical concentrations in the environment remain below the permissible exposure limits.

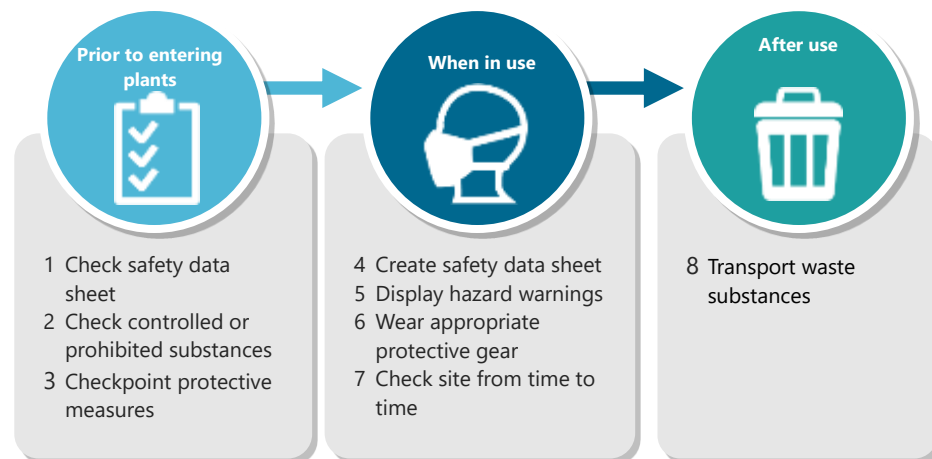
Operating Environment Monitoring Process in WNC (Taiwan)



Worker safety at WNC sites in China complies 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

Chemical Substances Management Process



To avoid misuse of listed or banned chemical substances an online review system for chemicals was introduced in Taiwan sites in April 2023. The system enables rapid review of risks associated with new chemicals. Chemicals will be classified according to their hazard levels for approval, and the system will be integrated with other systems to strengthen source control. Additionally, real-time notification emails will be sent to relevant personnel to enhance the efficiency of the review process.

Emergency Response

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 2022, 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 10 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 monthly in Kunshan sites, in 2022, Wistron NeWeb (Kunshan), WNC Kunshan and WebCom (Kunshan) held a total of 12 plant-wide fire evacuation drills 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 two plant-wide evacuation drills.

2022 Disaster Reduction Plan

Enhance Safety Culture

- Safety declaration by supervisors
- Workplace safety promotion activities
- Hazard reduction and self-prevention proposals

Optimize Safety Management

- Ventilation safety standards
- Online equipment safety specs acceptance

Strengthen Operation Safety

- Fixture/equipment safety improvement
- Equipment safety inspections
- High-temperature and high-risk remote monitoring project

Promote Safety Activities

- Workplace disaster prevention and traffic safety promotion through knowledge challenge games
- Safe driving lectures and workplace safety VR experience

Occupational Disease Prevention

WNC has established regulations to address human-induced hazards, excessive workloads and workplace misconduct, and maternal protection. Through hazard identification, risk assessment, and job observation, measures have been taken to prevent occupational diseases among high-risk groups through workplace improvements, appropriate work allocation, and consultations with the company physician. Regular eye care and prevention of musculoskeletal injuries seminars are conducted, along with periodic hearing protection courses. Work environment visits, process inspections, and environmental improvements are carried out by the occupational health and safety team, unit supervisors, and company physician. In response to the addition of a respiratory protection plan to the Occupational Safety and Health Act in 2020, 53 employees were arranged to wear respiratory protection in 2022 and have completed physical assessment by the plant doctor.

Measures for Occupational Disease Prevention and Management

Item	Investigation Flow	Management Measures
Prevention of human-induced hazards	Screen risk groups->Develop and distribute questionnaire->Compile and analyze questionnaire results->Observe operations->Consult company physician	<ul style="list-style-type: none"> ■ Investigate and identify improvement targets via the Nordic Musculoskeletal Questionnaire (NMQ). ■ Analyze operations and assess risks: <ul style="list-style-type: none"> – The industrial safety unit determines if there are human-induced hazards associated with specific tasks via investigations (interviews) and observations – The facility nurses arrange interviews between employees and on-site health service physicians, who evaluate symptoms and determine if they are work-related or other factors, and provide guidance and support based on the identified symptoms. ■ Develop and execute improvement plans: An assessment team comprising industrial safety units, company nurses, supervisors from relevant departments, and IE teams discuss and formulate feasible improvement plans. ■ Evaluate implementation results and make improvements: Track implementation of improvement plans to see whether they have achieved expected outcomes.
Prevention of excessive workload	Screen risk groups>Develop and distribute questionnaire> Assess workload>Consult company physician	<ul style="list-style-type: none"> ■ Identify and assess high-risk groups: <ul style="list-style-type: none"> – Assess the work patterns, occupational environmental risk factors, and individual risk factors using the employee overload form to identify high-risk groups. – Individuals classified as having a high level of risk are selected by on-site health service physicians for health interviews, which include health guidance, health promotion activities, and other recommendations. ■ Evaluate implementation results and make improvement: Track implementation of the improvement plans
Workplace harassment	Identify hazards and assess risks by filling out the workplace harassment prevention identification and risk assessment form, and implement improvement controls, evaluate effectiveness, and make improvements.	<pre> graph LR A((Prevention of Workplace Harassment)) --> B[Identify hazards and assess risks] A --> C[Report infringements] B --> D[Resolve high-risk hazards] C --> E[Task force investigates] D --> F[Improve work environment] D --> G[Job assignment] E --> F E --> G F --> H[Evaluate results] G --> H </pre>
Maternity protection	Visit the working environment of employees during pregnancy or after childbirth, and consult on-site physicians, and provide health education before, during and after pregnancy in accordance with the Maternal Health Protection Standards	<ul style="list-style-type: none"> ■ Conduct hazard identification and risk assessment management procedures for employees who are pregnant/have recently given birth/are breastfeeding to assess workplace health and safety hazards. ■ Proactively inform colleagues of any identified health and safety hazards and take necessary measures.

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. Important courses in 2022 are as follows:

Basic Courses

Course	Course Objective	Course Content	Trainer
Basic Safety Training for All Employees	To enhance necessary safety knowledge and skills for employees and reduce the occurrence of incidents.	Production line basic safety training and laboratory safety and health regulations	Industrial safety unit
Safe Driving Training	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

Advanced Courses

Course	Course Objective	Course Content	Trainer
Accident Investigation	Improve 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
Discussion on Abnormalities, Injuries and Accidents	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 unit
Machinery Failure Mode and Effects Analysis (MFMEA)	When designing and procuring equipment, conduct risk assessment at the source for accident prevention.	Identify risks through process analysis and evaluate preventive measures to prevent occupational accidents from occurring.	External technical consultant

Professional Courses

Course	Course Objective	Course Content	Trainer
Respiratory Protection	Enable colleagues to understand the use and management of respiratory protective equipment.	When and how to use respiratory protective equipment; conduct annual fit testing.	Industrial safety unit
Hearing Protection	Show how to properly wear protective equipment to reduce the impact of noise on hearing.	The importance of hearing protection in relation to internal noise operations and regular health check-ups; how to properly wear hearing protection devices.	Industrial safety unit and nurses
Operating Hydraulic Pallet Trucks	Teach the proper use of hydraulic pallet trucks to prevent occupational accidents	Demonstrate the proper use of hydraulic pallet trucks and how to wear protective equipment to prevent occupational accidents.	Hydraulic pallet truck operator
Mechanical Equipment Safety Circuit	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
Electricity Safety	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
Supervisory Personnel Training	To strengthen the safety management of subcontractors by supervisory personnel and ensure that subcontractors comply with on-site safety regulations to prevent accidents.	Explain the internal regulations for subcontractors and the key points of supervision by supervisors.	Industrial safety units of all sites

4.5.2 Friendly Workplace

WNC continues to implement health care measures and health promotion activities to create a friendly and healthy workplace.



Professional Medical Services

WNC 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.

Data of full-time medical staff in WNC's sites in 2022

Medical personnel	Taiwan	China	Vietnam
Physician	2	0	0
Nurse	7	1	1
Total	9	1	1

WNC Taiwan has purchased a health management system to facilitate the recording and management of employees' health histories. Health grading management is divided into five 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 2022, 625 plant medical consultations were conducted, and the tracking rate of E-levels with the highest health risk reached 100%.

Health grading management

Grade	A No abnormalities	B Minor abnormalities	C Medical attention needed	D Noticeable abnormalities	E Significant abnormalities
Health Care Measures	None	Follow medical advice	(1) Health education (2) Consultation (3) Health promotion activities	(1) Health guidance (2) Doctor's consultation (3) Follow-up examination	Make a doctor's appointment
	Self-health management	Follow-up examination every 6-12 months	Follow-up examination after 3 months	Follow-up examination within 3 months	Seek medical attention within 2 weeks

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 medical examinations, general/special on-the-job health examinations and offer 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 semi-annual occupational health examinations for special projects.

Health Promotion Activities

WNC sites in Taiwan implement one health promotion project every year. In response to the COVID-19 outbreak, physical health promotion activities were suspended. Multiple systems are established providing colleagues with an immediate and convenient reporting channel. Health lectures on sleep disorder and long COVID were also organized.

Preventive Care Services

Free quadrivalent influenza vaccination is provided every year for all employees (including on-site contractors). In 2022, a total of 1,864 doses of influenza vaccines were given, with a vaccination rate of 26%. Related expenditures totaled NT\$1.2 million for epidemic prevention work.

In response to the COVID-19 pandemic, WNC referred to the relevant information of the CDC to formulate epidemic classification and epidemic prevention measures. 24-hour consultation hotline was set up to assist colleagues in strengthening epidemic prevention awareness. Materials such as ear/forehead thermometers, 75% alcohol and medical masks were also provided, ensuring a relatively safe working environment for colleagues.

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.

Mental Health Resources

On top of caring for employees' physical condition, WNC provides employees with required mental 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 an employee assistance program, which was upgraded in 2022 featuring a user-friendly app. In the first stage free consultation hotline colleagues' voices and concerns are listened to for free and without time limits. In the second stage, professional consultants offer consultation services in five major areas: Psychology, Organizational Career, Health Education, Legal, and Insurance and Finance. Each employee can enjoy two free individual interviews per year. As of the end of 2022, a total of 134 people have used the first-stage free consultation hotline, and a total of 41 people have used the second-stage individual interview service.



Food Safety

Management	<ul style="list-style-type: none"> ■ Formulation of kitchen safety and health management measures to specify management responsibilities for comprehensive control of food ingredients, food processing, tableware safety, food service vendor management, and environmental cleanliness and equipment maintenance. ■ Rigorous selection of certified meal service vendors and daily inspection to ensure that vendors follow all government regulations and food safety laws. ■ All meal service personnel are required to take periodic health examinations, and those with specified infectious diseases are not allowed to provide meal services or work in kitchens. ■ 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. ■ Refer to the relevant protection guidelines published by the Centers for Disease Control and Prevention (CDC) as a reference for adjusting our epidemic prevention measures.
Monitoring	<ul style="list-style-type: none"> ■ The Industrial Safety Dept. conducts a safety and hygiene examination of the company kitchen and announces the results each month. ■ Compilation of an ingredients vendor list. On-site food service vendors are prohibited from using food from unknown sources. Food must be verified to conform to safety and health rules. ■ WNC performs inspection of the food ingredients in the plant according to the list of unqualified food items published by the MOHW and pulls suspicious products from shelves in response to Taiwan's country-wide food safety incidents in recent years. Food items may be re-shelved only after they pass relevant safety inspections. ■ Bi-monthly water quality tests of water dispensers and results announcements.

4.5.3 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, 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 2022, a total of 16 new suppliers in the factory construction category were evaluated.

WNC Contractor Evaluation

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

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

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.

05

Caring for Society

Care for Children

Care for the Land

Care for Smallholder Farmers

Care for the Disadvantaged

Annual Performance

WNC organizes social welfare projects and activities for the education of disadvantaged children and to care for smallholder farmers and the land. WNC employees, customers, and suppliers are invited to take part in these activities.

Topic	Content	Assistance recipient	Methods	Influence
Care for Children	<ul style="list-style-type: none"> Specialized and subject-specific education in rural areas Sponsorship program for rural schoolchildren Assisting university service clubs 	<ul style="list-style-type: none"> Disadvantaged schoolchildren in remote areas Schools or education institutions Non-profit social welfare organizations University service clubs 	<ul style="list-style-type: none"> Employee participation Financial investment 	<p>Develop rural education and build self-confidence of rural children</p> <ul style="list-style-type: none"> In 2022, a total of NT\$627,000 was donated to develop rural education A total of NT\$2,550,000 was donated to a three-year (2020-2022) Differentiated English Teaching Program, assisting 76 children enhance their English language skills. A total of 540 employees sponsored 435 rural schoolchildren in 2022, for a total amount of NT\$1,719,000. In 2022, a total of NT\$1,020,000 was provided to six university service clubs as funds to serve remote villages and disadvantaged groups.
Care for the land	<ul style="list-style-type: none"> Green market initiative Environmental education Beach cleanup Tree planting 	<ul style="list-style-type: none"> Students Environmental education organizations Local environmental conservation organisations 	<ul style="list-style-type: none"> Employee participation Financial investment Industry-government-academia collaboration 	<p>Reduce ecological impact and promote local biodiversity</p> <ul style="list-style-type: none"> In 2022, WNC sponsored a total of NT\$186,000 for the "Environmental Education Base Camp," in which 37 students participated. Additionally, in 2022, NT\$715,000 was spent on purchasing Chi Po-lin photography collections as supplier gifts. In 2022, WNC Marketplace launched the activity "Bring Your Own Cups and Utensils", attracting 22,468 participations. In 2022, two beach cleanup events were organized. An afforestation project is expected to be completed in the second quarter of 2023.
Care for smallholder farmers	<ul style="list-style-type: none"> Green marketplace initiative Enterprise group buying 	<ul style="list-style-type: none"> Social enterprises Young and smallholder farmers in rural areas in Hsinchu and Miaoli 	<ul style="list-style-type: none"> Employee participation Financial investment 	<p>Expand sales channels to increase the income of young and smallholder farmers, and to encourage land-friendly farming.</p> <ul style="list-style-type: none"> In 2022, group buying groups were established to purchase organic vegetables. In 2022, a Green Marketplace was launched, which promoted the use of safe ingredients and organic vegetables. In 2023, we will collaborate with social enterprises to establish a dedicated group buying section and invite smallholder farmers to showcase and sell their products on-site.
Care for the disadvantaged	<ul style="list-style-type: none"> Assisting social welfare groups 	<ul style="list-style-type: none"> WNC employees Social welfare groups 	<ul style="list-style-type: none"> Employee participation Financial investment 	<p>Improving the well-being of the disadvantaged in rural communities.</p> <ul style="list-style-type: none"> In 2022, an amount of NT\$1,647,000 was collected to support the needs of disadvantaged employees and communities, and to provide assistance to social welfare organizations. In 2022, a charity day event was organized, with the participation of 16 charitable organizations for sales and exhibitions, which generated a total revenue of NT\$189,000.

WNC and WNC Employees Donations for Public Welfare in the Last Two Years
(unit: ten thousand NT\$)

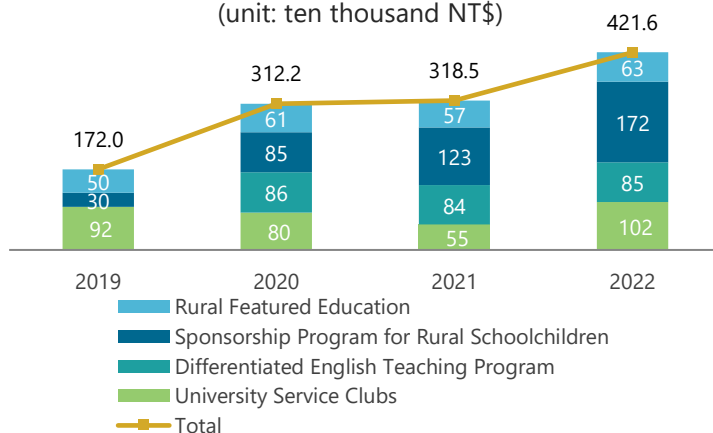
Type	2021		2022	
	Amount	Percentage	Amount	Percentage
Long-term donations ^{Note1}	318.5	98%	421.6	82%
Charitable donations ^{Note2}	8	2%	18.6	4%
Business-related activities ^{Note3}	0	0%	71.5	14%
Total	326.5	100%	511.7	100%

Note 1: Long-term donation includes rural education for schoolchildren, sponsorship program, differentiated English teaching program with the Boyo Foundation, and assisting university service clubs.

Note 2: Charitable donations: WNC sponsored Environmental Education Base Camp in 2022 and sponsored Pandemic Relief Charity Activity in 2021 (equivalent monetary value of 100 boxes of supplies).

Note 3: Business-related activities: WNC purchased Chi Po-lin photography collections in 2022 (equivalent monetary value of 420 photography collections).

WNC and WNC Employees Long-term Donations for Public Welfare in WNC's Sites in Taiwan in the Last Four Years
(unit: ten thousand NT\$)



5.1 Care for Children

Our mission

- Care for children's growth and address educational issues, promoting specialized education to build their self-confidence.
- Cultivate college students' values and sense of University Social Responsibility (USR), providing resources through projects to support students in proposing and implementing initiatives.

Our role

- Providing sponsorships to develop specialized and subject-specific education in Tunan Elementary School and Siang Bi Elementary School.
- Encourage university clubs to submit activity proposals that care for disadvantaged children in rural areas, serving as a strong support for dual-purpose assistance in both social issues and public welfare.
- Create educational materials by using the core business of wireless communications to broaden the horizons of children in rural areas via WNC Classroom.

Our actions

- Sponsorship Program for Rural Schoolchildren (working together with Family Support Center)
- Differentiated English Teaching Program (working together with Boyo Foundation)
- WNC Classroom, arousing children's curiosity about wireless communications
- Assisting university service clubs in caring for children and youth in disadvantaged communities in rural areas, promoting science education and other social services initiatives.



Tunan Elementary School Dance Class



Students from Tunan Elementary School performing an indigenous 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 sponsorships

Rural Education for Elementary Schoolchildren

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, choir and archery. In 2022, WNC and employees donated a total of NT\$427,000 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 practice archery, help regenerate traditional Atayal hunting practices and archery culture to be passed on to future generations. In 2022, 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. In addition to the school children, the graduates of the archery team also continued to perform well and achieved outstanding results in the 2021 and 2022 President's Cup, Youth Cup, and National High School Games.

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.

WNC successfully duplicated this success in a joint program with the Hsinchu Family Support Center in 2020, and Tainan Family Support Center in 2022, that focused on support for heritage education in rural primary schools.

The scope of support also increased.

A total of 540 employees sponsored 435 rural schoolchildren in 2022, with a total amount of NT\$1,719,000.

Employees demonstrated their generosity by continuing their support for the sponsorship program, ensuring uninterrupted attention to the children in need.



Reported by News Radio
WNC donates scholarships through
Miaoli Chunan Family Support Center

A Mini Indigenous Film Festival

A mini indigenous film festival was held on Xmas Eve 2022, with a total of 158 participants. In addition to the premiere of Let Dreams Fly, a short documentary film produced by WNC featuring the children of Tunan Elementary School, the double Golden Horse winner Gaga, was also screened. The director of Gaga, Laha Mebow (herself from the Atayal tribe), was invited to the event for a face-to-face exchange with attendees. Mebow is the first Taiwanese and indigenous woman to win a Golden Horse for best director. Through our own short film, WNC employees can gain a deeper understanding



of Atayal indigenous culture and see the long-standing commitment of WNC in supporting education in rural areas from the perspective of indigenous children. WNC takes pride in providing support to help these children pursue vocational or higher education.



2022 Sponsorship Program for Rural Schoolchildren in Taiwan

Co-organizer	No. of schoolchildren sponsored (persons)	Encouraging employees (persons)	Sponsorship amount (Unit: NT\$)
Miaoli Chunan Family Support Center	111	180	543,000
Hsinchu Family Support Center	172	237	720,000
North Tainan Family Support Center	62	49	186,000
South Tainan Family Support Center	90	74	270,000
Total	435	540	1,719,000

WNC Offers English Lessons

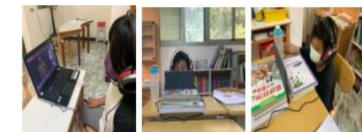
WNC and the Boyo Foundation began working together to launch a three-year "Differentiated English Teaching Program" to provide free after-school English classes for Tunan Elementary School students in Jianshi Township, Hsinchu County in 2020. The aim of this program is to supplement the English learning

resources in remote indigenous areas, and assist elementary school children to seamlessly move on to the middle school curriculum. This program features "individualized learning" where different teaching materials are used based on the varying levels of the children. It aims to bridge the learning gap and assist them in reaching the proficiency level required within the education system. This program therefore uses specially-designed English teaching materials and utilizes small-class teaching and individual guidance. 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. Up to the end of December 2022, a total of NT\$2,550,000 has been donated to Tunan Elementary School and will fund expenses for English classes, including teacher recruitment, class materials, English camps, and field trips. During this period, a total of 76 schoolchildren (including schoolchildren in the Tianpu annex) benefited from this project.



▲英文閱讀課



▲8/18 線上聽收活動

Photos of students in English classes organized by WNC

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. 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 has also called on college students to respond to charity initiatives through the Tsing Hua University Pilot Program. The WNC Classroom, which emphasizes online and offline interaction, will launch on-site teaching in 2023. It is expected to stimulate children's curiosity about the use of technology and communications, as well as the underlying basic science and ignite their interest in future scientific learning projects.

Assisting University Service Clubs

To encourage college students to serve as volunteers 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. 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 lay a solid foundation for performance in their future careers. In 2022, WNC and its employees provided a total of NT\$1,020,000, nearly twice as much as in 2021, 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 were suspended.

5.2 Care for the Land

Our mission

- Establish an employee volunteering culture and increase participation.
- Create a sustainable environment by reducing environmental pollution and promoting biodiversity.

Our role

- Organize employees and their family members to participate in sustainable actions such as beach cleanups in response to the government's call.
- 22,468 participations in activities launched by our Green Marketplaces, reducing disposable utensils and plastic waste.

Our actions

- Environmentally-friendly voluntary activities.
- Introduce organic vegetables into group meals at the Green Marketplaces and reduce the use of disposable utensils.

WNC employees formed a volunteer club of their own accord. In addition to participating in volunteer activities, they also take part in environmental improvement actions, including the "Beach Cleanup, Plastic Reduction, Love the Earth" event held in September 2022 at S2, as well as the "Salute to the Sea" beach cleanup event held in October at HQ and S1. WNC also collaborates with cafeteria vendors, fruit bars and convenience stores to create Green Marketplaces. The employee cafeteria introduces organic vegetables and fruits grown using eco-friendly land planting methods, increases local sourcing to reduce carbon emissions, and extends waste reduction measures. In June 2022, a campaign was launched at Taiwan sites, encouraging employees to bring their own cups and utensils, with a total of 22,468 participations.

2022 Carbon Reduction Effectiveness of Green Dining in WNC's Sites in Taiwan

Topic	Content												
Purchasing organic vegetables for group meals. (carbon emissions reduction)	<p>Purchasing 155,130 kg of organic vegetables is approximately equal to carbon reduction^{Note 1} of 155 tonnes CO₂e.</p> <p>The additional cost incurred due to purchasing organic vegetables, compared to conventional vegetables, is estimated to be approximately a 48% increase.</p>												
Promoting meatless meal options. (participants)	<p>The employee cafeteria at three locations in Taiwan introduced two meatless meal events, with a total of 2,624 participants.</p>												
Encouraging the use of eco-friendly cups and utensils (carbon emissions reduction & participants)	<table><tr><th>Item</th><th>Period</th><th>Participants</th><th>Estimated carbon emissions reduction^{Note 2}</th></tr><tr><td>Bring eco-friendly cups</td><td>June 2022 until the end of 2022</td><td>22,284</td><td>713 kg CO₂e</td></tr><tr><td>Bring eco-friendly utensils</td><td>November 2022 until the end of 2022</td><td>184</td><td>53.7 kg CO₂e</td></tr></table>	Item	Period	Participants	Estimated carbon emissions reduction ^{Note 2}	Bring eco-friendly cups	June 2022 until the end of 2022	22,284	713 kg CO ₂ e	Bring eco-friendly utensils	November 2022 until the end of 2022	184	53.7 kg CO ₂ e
Item	Period	Participants	Estimated carbon emissions reduction ^{Note 2}										
Bring eco-friendly cups	June 2022 until the end of 2022	22,284	713 kg CO ₂ e										
Bring eco-friendly utensils	November 2022 until the end of 2022	184	53.7 kg CO ₂ e										

Note 1: According to the estimates by the Agriculture and Food Agency, cultivating 1 kg of organic vegetables can reduce at least 1 kg of CO₂e compared to conventional vegetable cultivation methods.

Note 2: According to a press release from the Chiayi City Environmental Protection Bureau, reducing the use of one paper container can save 0.292 kg CO₂e, and reducing the use of one drinking cup can save 0.032 kg CO₂e.

In 2023, in addition to continuing the Green Marketplace and Beach Cleanup projects, the focus will also be on cultivating a volunteering culture. Tree planting is to be a key activity in the first half of the year, aiming to combine the resources of industry, government, and academia to contribute to the local community and promote biodiversity in the area.



172 kg of trash was cleared in the "Salute to the Sea" beach cleanup event organized by the Hsinchu Science Park Administration



WNC Green Marketplace

Environmental Education: See Taiwan from Above

In order to provide the next generation with more opportunities to understand the environment, WNC collaborated with the Chi Po-lin Foundation to organize two sessions of a 5-day Environmental Education Base Camp in 2022, primarily targeting students in grades 5-7. The curriculum focused on photography skills, film production and storytelling courses, exploring old streets, ecological observations, team building, and presentation of outcomes. In 2022, WNC donated a total of NT\$186,000 to the Chi Po-lin Foundation for organizing Environmental Education Base Camps. During the camp, professional instructors and mentors from different fields guided children to explore Tamsui Old Street and the Waziwei Nature Reserve in-depth starting from environmental phenomena depicted in Chi Po-lin's photography works in order to learn about the local culture and ecology and express their observations of the local environment and culture through video recording and photographic works. Through games and discussions, they identify problems, analyze causes, and articulate their viewpoints. WNC also purchased the photography collection titled "In



focus: Chi Po Lin and Taiwan's four-dimensional spacetime", published by the foundation. Part of the collection was distributed to suppliers during the 2022 Wistron Supplier Conference, while another part was used as corporate gifts to present to customers and partners, encouraging everyone to care about the beauty and imperfections of Taiwan.



5.3 Care for Smallholder Farmers

Our mission

- Enhancing food safety and food supply
- Assisting young and smallholder farmers in establishing effective channels to obtain direct profits

Our role

- Using safe ingredients and organic vegetables in employee cafeterias
- Collaborating with social enterprises to promote online enterprises group buying, allowing employees to directly purchase and increase income for small farmers

Our actions

- Group purchasing for ordering organic vegetables
- Introducing organic vegetables into group meals at the Green Marketplaces

Since the end of 2013, WNC has been implementing the Good Food Revolution, providing its employees with safe organic ingredients to create a green dining culture from farm to table. This initiative not only enhances employee health but also supports smallholder farmers practicing sustainable land cultivation. In 2022, these efforts allowed WNC to become the first employer in the technology industry to join the Green Food Declaration.

In addition to introducing organic vegetables in employee cafeterias, we are also planning to collaborate extensively with social enterprises in 2023 by promoting a dedicated group buying section in our online marketplace, featuring seasonal specialty agricultural products. channels, we aim to provide employees in the second half of the year, we plan to organize an on-site local farmer's market within WNC.

It's worth mentioning that not only is it a company policy, but employees also strongly support organic smallholder farmers. Currently, in all WNC locations in Taiwan, they have established Organic Vegetable Ordering Groups through the LINE app. Employees can directly order organic vegetables and fruits from nearby organic smallholder farmers online every day and make payment upon pickup at the company.



5.4 Care for the Disadvantaged

Our mission

- Leveraging company resources to help those in need
- Increasing employees' understanding of social welfare issues that WNC is concerned about
- Boosting employees' willingness to participate in charitable activities

Our roles

In 2022, WNC encouraged employees to contribute to long-term charitable projects, such as assisting university service clubs and special education in rural primary schools, and supports 29 charitable organizations through diverse fundraising channels, including monthly charity sales at each location and donations of Spring Festival gifts.

Our actions

Established a Social Care Donation Platform to match social enterprises and charitable organizations based on the needs of public welfare projects, and encouraged employees to respond to public welfare through fundraising, donations, or small-scale consumption.

WNC's Social Care Assistance Platform provides a convenient channel for employees to obtain social care information, to make donations, and to offer assistance on-line. Through this platform, employees can obtain information on fund-raising and the results of social care activities at any time.

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.

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 mark Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, employees may choose to donate an amount equal to the value of the company gift certificates or gifts to charity. The money donated is given to NTHU and NCKU university service clubs, as well Tunan Elementary School and Siang Bi Elementary

School. In 2022, WNC and WNC employee donations totaled NT\$1.647 million, of which NT\$796,000 was raised by employees. From 2009, a total of NT\$8.254 million has been raised by employees and is primarily used for subsidies to university and college clubs and support for rural elementary schools.

Charity Sales Events

The fifth day of each month is designated WNC Charity Day, and employees are encouraged to show their support 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 Taiwan sites. In 2022, 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\$189,000.



Spring Festival Gifts to Rural Areas

Due to the COVID-19 pandemic, WNC has noticed that children growing up during this period have had fewer opportunities for interaction with the outside world. To continue bringing love and care to rural or disadvantaged communities, WNC purchased 1,300 welfare gift boxes before the 2022 Spring Festival. These gift boxes were donated to rural primary schools supported by WNC, family support centers and the Boyo Foundation in collaboration with educational assistance programs. Furthermore, via the iGoods platform, WNC facilitated matching with social welfare organizations in need. These batches of gift boxes were distributed to a total of 13 welfare organizations, including Tunan Elementary School, Siang Bi Elementary School, Hsinchu Family Support Center, Miaoli Chunan Family Support Center, Boyo Foundation, Morning Star Caring Association, Taitung County Care Association for the Vulnerable, Taiwan Red Ribbon Foundation, Pingtung Jump Love Association, Tainan DeLan Training Center For Special Needs, ECPAT International, Friendly Care Association of Taitung County and IPOWEE.



06

Appendix

Erratum

Assurance Statement

GRI Content Index

SASB Standards Index

TCFD Recommended Disclosures

Taiwan Stock Exchange Sustainable Disclosure Index -

Telecommunications Network Industry

ESG Performance Indicators

6.1 Erratum

WNC 2021 Sustainability Report Erratum

Page	Chapter	Before adjustment	After adjustment
P58	4.1.4	Two male employees and eight female employees who have been reinstated from parental leave in 2021	One male employee and 14 female employees who have been reinstated from parental leave in 2021
P111, 113	5.3.2	WNC's water usage for 2019, 2020, 2021 is respectively 433.142, 452.608 and 453.915 million liters.	From 2022, water withdrawals will include surface water, including rainwater and condensation. WNC's water usage for 2019, 2020, 2021 is respectively 466.362, 480.008 and 484.728 million liters.

6.2 Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Wistron NeWeb Corporation 2022 Sustainability Report

The British Standards Institution is independent to 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 report, 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 2022 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.
3. The assessment of 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.

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

Opinion Statement

We conclude that the Wistron NeWeb Corporation 2022 Sustainability Report provides a fair view of the WNC sustainability programmes and performances during 2022. 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 performance information of Environment, Social and Governance (ESG) 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 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.
- 33 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(s) 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(s) is set out below:

Inclusivity

This report has reflected a fact that WNC has continually 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 the information of Environment, Social and Governance (ESG) 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 has established relative procedure in organization level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of organization. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable its stakeholders to make informed judgments about the organization'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 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that 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 sustainability topics.

SASB Standards

WNC provided us with their self-declaration of in accordance with SASB Standard(s) (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(s) (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(s).

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.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

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 14064 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



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Statement No: SRA-TW-2022045
2023-05-25

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

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6.3 GRI Content Index

Statement of use	WNC has reported in accordance with the GRI Standards for the period from Jan. 1, 2022 to Dec. 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector	Not applicable

GRI 2: General Disclosures 2021

Code	Disclosure	Chapter in the Report	Page	Description
The Organization and its Reporting Practices				
2-1	Organizational details	About WNC	7-14	
2-2	Entities included in the organization's sustainability reporting	About this Report	2	
2-3	Reporting period, frequency and contact point	About this Report	2	
2-4	Restatements of information	6.1 Erratum	130	
2-5	External assurance	6.2 Assurance Statement	131	
Activities and Workers				
2-6	Activities, value chain and other business relationships	About WNC, 2.3 Supplier Management	7-14, 47-52	
2-7	Employees	4.2.1 Human Resources Structure	84-85	
2-8	Workers who are not employees	4.2.1 Human Resources Structure	85	
Governance				
2-9	Governance structure and composition	1.3.1 Composition and Diversification of Board of Directors	29-30	
2-10	Nomination and selection of the highest governance body	1.3.1 Composition and Diversification of Board of Directors	29-30	
2-11	Chair of the highest governance body	1.3 Corporate Governance	27-32	
2-12	Role of the highest governance body in overseeing impact management	1.2 Sustainable Governance	25-27	

2-13	Delegation of responsibility for impact management	1.2 Sustainable Governance	25-27	
2-14	Role of the highest governance body in sustainability reporting	About this Report	2	
2-15	Conflicts of interest	1.3.5 Recusal	32	
2-16	Communication of critical concerns	Stakeholder Engagement	15-22	
2-17	Collective knowledge of the highest governance body	1.3 Corporate Governance	27-32	
2-18	Evaluation of the performance of the highest governance body	1.3.3 Board Performance Evaluation	30-31	
2-19	Remuneration policies	1.3.4 Remuneration Policy	31	
2-20	Process to determine remuneration	1.3.4 Remuneration Policy	31	
2-21	Annual total compensation ratio	1.3.4 Remuneration Policy	31	
Strategy, Policies and Practices				
2-22	Statement on sustainable development strategy	Message from the Chairman and the CSO	3-5	
2-23	Policy commitments	1.1 Sustainability Policy, 4.1.1 Human Rights Policies	25, 77	
2-24	Embedding policy commitments	1.2 Sustainable Governance, 4.1 Respect for Human Rights	25-27, 77-83	
2-25	Processes to remediate negative impacts	Stakeholder Engagement, 4.1 Respect for Human Rights	15-22, 77-83	
2-26	Mechanisms for seeking advice and raising concerns	1.4.3 Grievance Mechanisms, 4.1 Respect for Human Rights	33, 77-83	
2-27	Compliance with laws and regulations	1.4.5 Legal Compliance, 3.1.2 Regulatory Compliance	34, 58	
2-28	Membership associations	Industry Association Memberships	14	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Stakeholder Engagement	15-22	

2-30	Collective bargaining agreements	--	--	<ol style="list-style-type: none"> 1. No unions have been established in Taiwan. 2. Unions (100% coverage) have been established at Kunshan sites, representatives of WNC signing a collective contract with the government. 3. Unions (100% coverage) have been established at Vietnam sites, employees signing documents signifying voluntary joining of the union.
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GRI 3: Material Topics 2021

Code	Disclosure	Chapter in the Report	Page	Description
3-1	Process to determine material topics	Stakeholder Engagement	15-19	
3-2	List of material topics	Stakeholder Engagement	20	
3-3	Management of material topics	Stakeholder Engagement	21-22	

Specific Topics Disclosures

*refers to material topics of the year

Economic				
Code	Disclosure	Chapter in the Report	Page	Description
Economic Performance 2016*				
3-3	Management of material topics	Tax Governance, Stakeholder Engagement	11, 21-22	
201-1	Direct economic value generated and distributed	Operational Performance, Tax Governance	10, 11	
201-2	Financial implications and other risks and opportunities due to climate change	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64	

201-3	Defined benefit plan obligations and other retirement plans	4.4.2 Employee Insurance	102	
201-4	Financial assistance received from government	Financial Support	12	
Market Presence 2016*				
3-3	Management of material topics	Stakeholder Engagement	21-22	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.4.1 Remuneration Structure	99	
202-2	Proportion of senior management hired from the local community	4.2.2 Promotion and Retention	86	
Indirect Economic Impacts 2016				
3-3	Management of material topics	Caring for Society	119-128	
203-1	Infrastructure investments and services supported	Caring for Society	119-128	
Procurement Practices 2016*				
3-3	Management of material topics	Stakeholder Engagement, 2.3 Supplier Management	21-22, 47-52	
204-1	Proportion of spending on local suppliers	2.3.3 Green Supply Chain	50-51	
Anti-corruption 2016*				
3-3	Management of material topics	Stakeholder Engagement, 1.4 Ethical Management	21-22, 32-34	
205-1	Operations assessed for risks related to corruption	1.4 Ethical Management	32-34	
205-2	Communication and training about anti-corruption policies and procedures	1.4 Ethical Management	32-34	
205-3	Confirmed incidents of corruption and actions taken	1.4 Ethical Management	33	
Anti-competitive Behavior 2016*				
3-3	Management of material topics	Stakeholder Engagement, 1.4.4 Respecting Market Mechanisms	21-22, 34	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4.4 Respecting Market Mechanisms	34	

Environmental				
Code	Disclosure	Chapter in the Report	Page	Description
Materials 2016*				
3-3	Management of material topics	Stakeholder Engagement 2.1 Sustainable Products	21-22, 39-43	
301-2	Recycled input materials used	2.1.2 Recyclable/Recycled Materials Management	40-41	
301-3	Reclaimed products and their packaging materials	2.1.2 Recyclable/Recycled Materials Management	40-41	
Energy 2016*				
3-3	Management of material topics	Stakeholder Engagement, 3.2.3 Energy Management	21-22, 56-57	
302-1	Energy consumption within the organization	3.2.3 Energy Management	60-68	
302-3	Energy intensity	3.2.3 Energy Management	60-68	
302-4	Reduction of energy consumption	3.2.3 Energy Management	60-68	
302-5	Reduction in energy requirements of products and services	2.1 Sustainable Products	39-43	
Water and Effluents 2018*				
3-3	Management of material topics	Stakeholder Engagement, 3.3.1 Water Resource Management	21-22, 56-57	
303-1	Interactions with water as a shared resource	3.3.1 Water Resource Management	69-72	
303-2	Management of water discharge related impacts	3.3.1 Water Resource Management	69-72	
303-3	Water withdrawal	3.3.1 Water Resource Management	69	
303-4	Water discharge	3.3.1 Water Resource Management	69	
303-5	Water consumption	3.3.1 Water Resource Management	69	
Emissions 2016*				
3-3	Management of material topics	Stakeholder Engagement, 3.2 Climate Change Response	21-22, 60-64	

305-1	Direct (Scope 1) GHG emissions	3.2.2 Greenhouse Gas Management	65	
305-2	Energy indirect (Scope 2) GHG emissions	3.2.2 Greenhouse Gas Management	65	
305-3	Other indirect (Scope 3) GHG emissions	3.2.2 Greenhouse Gas Management	66	
305-4	GHG emissions intensity	3.2.2 Greenhouse Gas Management	65-66	
305-5	Reduction of GHG emissions	3.2.2 Greenhouse Gas Management	65-66	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant emissions	3.2.4 Air Pollution Control	68	
Waste 2020				
3-3	Management of material topics	3.3.2 Waste Management	72-74	
306-1	Waste generation and significant waste-related impacts	3.3.2 Waste Management	72-74	
306-2	Management of significant waste-related impacts	3.3.2 Waste Management	72-74	
306-3	Waste generated	3.3.2 Waste Management	72-74	
306-4	Waste diverted from disposal	3.3.2 Waste Management	72-74	
306-5	Waste directed to disposal	3.3.2 Waste Management	72-74	
Supplier Environmental Assessment 2016*				
3-3	Management of material topics	Stakeholder Engagement, 2.3 Supplier Management	21-22, 47-52	
308-1	New suppliers screened using environmental criteria	2.3.1 Supplier Selection and Evaluation	47-48	
308-2	Negative environmental impacts in the supply chain and actions taken	2.3 Supplier Management	47-52	
Social				
Code	Disclosure	Chapter in the Report	Page	Description
Employment 2016*				
3-3	Management of material topics	Stakeholder Engagement, 4 Harmonious Workplace	21-22, 75-76	
401-1	New employee hires and employee turnover	4.2.2 Promotion and Retention	86-88	

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4 Compensation and Benefits	99-101	
401-3	Parental leave	4.4.3 Employee Support Program	103-104	
Labor/Management Relations 2016*				
3-3	Management of material topics	Stakeholder Engagement, 4.1.4 Communication Channels	21-22, 82	
402-1	Minimum notice periods regarding operational changes	4.1.4 Communication Channels	82-83	WNC Employment Regulations in accordance with local laws stipulate the time periods for providing
Occupational Health and Safety 2018*				
3-3	Management of material topics	Stakeholder Engagement, 4.5 Occupational Safety and Health	21-22, 109-118	
403-1	Occupational health and safety management system	4.5.1 Occupational Safety and Health Management	109	
403-2	Hazard identification, risk assessment, and incident investigation	4.5.1 Occupational Safety and Health Management	110-112	
403-3	Occupational health services	4.5.2 A Friendly Workplace	116-118	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.5.1 Occupational Safety and Health Management, 4.5.3 Contractor Management	109, 118	
403-5	Worker training on occupational health and safety	4.5.1 Occupational Safety and Health Management	115	
403-6	Promotion of worker health	4.5.2 A Friendly Workplace	116-118	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5.1 Occupational Safety and Health Management	109-115	
403-8	Workers covered by an occupational health and safety management system	4.5.1 Occupational Safety and Health Management	109	
403-9	Work-related injuries	4.5.1 Occupational Safety and Health Management	110-112	
403-10	Work-related ill health	4.5.1 Occupational Safety and Health Management	110-112, 114	
Training and Education 2016				
3-3	Management of material topics	4.3 Talent Training and Cultivation	92	

404-1	Average hours of training per year per employee	4.3.4 Training Participation	96	
404-2	Programs for upgrading employee skills and transition assistance programs	4.3.5 Performance Management	97-98	
404-3	Percentage of employees receiving regular performance and career development review	4.3.5 Performance Management	97-98	
Diversity and Equal Opportunity 2016*				
3-3	Management of material topics	Stakeholder Engagement, 4.2 Talent Recruitment	21-22, 84-88	
405-1	Diversity of governance bodies and employees	1.3.1 Composition and Diversification of Board of Directors, 4.2.2 Promotion and Retention	29-30, 86-88	
405-2	Ratio of basic salary and remuneration of women to men	4.4.1 Remuneration Structure	99	
Non-discrimination 2016				
3-3	Management of material topics	4.1 Respect for Human Rights	77-83	
406-1	Incidents of discrimination and corrective actions taken	4.1.2 Human Rights Management	77-80	
Child Labor 2016				
3-3	Management of material topics	4.1.2 Human Rights Management	77-80	
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.2 Human Rights Management, 2.3.2 Supplier Investigation and Audits	77-80, 48-50	
Forced or Compulsory Labor 2016				
3-3	Management of material topics	4.1.2 Human Rights Management	77-80	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.2 Human Rights Management, 2.3.2 Supplier Investigation and Audits	77-80, 48-50	
Supplier Social Assessment 2016*				
3-3	Management of material topics	Stakeholder Engagement, 2.3 Supplier Management	21-22, 47-52	
414-1	New suppliers that were screened using social criteria	2.3.1 Supplier Selection and Evaluation	47-48	
414-2	Negative social impacts in the supply chain and actions taken	2.3.2 Supplier Investigation and Audits	48-50	

Public Policy 2016				
3-3	Management of material topics	--	--	
415-1	Political contributions	--	--	No political contributions
Customer Health and Safety 2016*				
3-3	Management of material topics	Product Scope and Categories	9	
416-1	Assessment of the health and safety impacts of product and service categories	Product Scope and Categories	9	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Scope and Categories	9	
Marketing and Labeling 2016*				
3-3	Management of material topics	Product Scope and Categories, Information Disclosure	9, 14	
417-1	Requirements for product and service information and labeling	Product Scope and Categories	9	
417-2	Incidents of non-compliance concerning product and service information and labeling	Product Scope and Categories	9	
417-3	Incidents of non-compliance concerning marketing communications	Information Disclosure	14	
Customer Privacy 2016*				
3-3	Management of material topics	2.4 Customer Partnerships	53-55	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4.1 Information Security	53	
Other				
Code	Disclosure	Chapter in the Report	Page	Description
Customer Relationship Management*				
3-3	Management of material topics	2.4 Customer Partnerships	53-55	
--	Customer satisfaction survey	2.4.2 Customer Satisfaction	55	
Climate-related strategy*				
3-3	Management of material topics	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64	
--	Introduced TCFD disclosure standards in the Sustainability Report	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64	

6.4 SASB Standards Index: Electronic Manufacturing Services & Original Design Manufacturing

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Code	Topic	Accounting Metric	Unit of Measure	Response									
TC-ES-140a.1	Water Management	(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress	Cubic meters (m³), Percentage (%)	(1) Total water withdrawn in 2022: 530,711 m³ (2) Total water consumed in 2022: 229,853 m³ (3) Percentage of each in regions with High or Extremely High Baseline Water Stress in 2022: 44.06% Please refer to Chapter 3.3.1 Water Resource Management									
TC-ES-150a.1	Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	Tonnes (t), Percentage (%)	(1) Amount of hazardous waste from manufacturing in 2022: 293.17 tonnes (2) Percentage recycled: 60.69% Please refer to Chapter 3.3.2 Waste Management									
TC-ES-310a.1	Waste Management	(1) Number of work stoppages and (2) total days idle	Number, Days idle	No work stoppages or strikes in 2022									
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	<table><tr><th>Item</th><th>WNC employees</th><th>Contract employees</th></tr><tr><td>Total recordable incident rate (TRIR)</td><td>0.14</td><td>0</td></tr><tr><td>Near miss frequency rate (NMFR)</td><td>0.359</td><td>0</td></tr></table>	Item	WNC employees	Contract employees	Total recordable incident rate (TRIR)	0.14	0	Near miss frequency rate (NMFR)	0.359	0
Item	WNC employees	Contract employees											
Total recordable incident rate (TRIR)	0.14	0											
Near miss frequency rate (NMFR)	0.359	0											

Please refer to Chapter 4.5 Occupational Safety and Health

				Item	WNC	Tier 1 supplier	
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 (%)	Percentage of facilities audited in the RBA Validated Audit Process (VAP)	50.0%	4.8%	
				Percentage of high-risk facilities audited in the RBA Validated	0.0% (No high-risk facilities)	18.6%	
				Item	WNC	Tier 1	
TC-ES-320a.3	Labor 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 nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Percentage (%)	Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent	Priority non-conformances	0.0% (No priority non-conformances)	28.8%
					Other non-conformances	100.0%	84.6%
				Associated corrective action rate with the RBA Validated Audit Process (VAP) or	Priority non-conformances	0.0% (No priority non-conformances)	73.3%
					Other non-conformances	100.0%	79.5%
TC-ES-410a.1	Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	Tonne (t), Percentage (%)	WNC's business model is a B2B model, which is not applicable to this accounting metric collection			
TC-ES-440a.1	Materials Sourcing	Weight of end-of-life products and e-waste recovered, percentage recycled	--	Please refer to Chapter 2.3.5 Key Materials Management			

Table 2. Activity Metrics

Code	Activity Metric	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, Neweb Vietnam in Vietnam.
TC-ES-000.B	Area of manufacturing facilities	Square feet (ft ²)	The total floor area of the above six manufacturing sites is 3,251,562 square feet.
TC-ES-000.C	Number of employees	Number	As of the end of December 2022, the total number of employees worldwide was 11,656.

6.5 TCFD Recommended Disclosures

Table 1 Recommended Disclosures

Recommended Disclosures	Chapter	Page
Governance		
a) Describe the board's oversight of climate-related risks and opportunities.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
b) Describe management's role in assessing and managing climate-related risks and opportunities.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
Strategy		
a) Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
Risk Management		
a) Describe the company's processes for identifying and assessing climate-related risks.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
b) Describe the company's processes for managing climate-related risks.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	1.5 Risk Control	34-36
Metrics and Targets		
a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	3.2.2 Greenhouse Gas Management	65-66
c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	3.2.1 Climate-Related Financial Disclosures (TCFD)	60-64

6.6 Taiwan Stock Exchange Sustainable Disclosure Index - Telecommunications Network Industry

Code	Accounting Metric	Category	Annual disclosure status	Unit of Measure	Remark
1	Total energy consumption, percentage of purchased power and renewable energy utilization rate	Quantitative	1. Total energy consumption (power and diesel): 425,434 GJ 2. Percentage of purchased power (imported power/total power consumption): 99.18% 3. Renewable energy utilization rate (percentage of purchased power and self-consumption of solar energy/total power consumption): 6.65%	Gigajoule (GJ), Percentage (%)	
2	Total water withdrawn and total water consumed	Quantitative	1. Total water withdrawn: 530,711 m ³ 2. Total water consumed: 229,853 m ³	Cubic meter (m ³)	
3	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	1. Amount of hazardous waste: 293.17 2. percentage recycled: 60.69%	Tonne (t), Percentage (%)	
4	Types, number and rates of occupational injuries	Quantitative	1. Types occupational injuries: physical Hazards 2. Number of occupational injuries: 17 3. Rates of occupational injuries: 0.15%	Percentage (%), Number	
5	Weight of end-of-life products and e-waste recovered, percentage recycled ^{Note1}	Quantitative	WNC's business model is a B2B model, which is not applicable to this accounting metric	Tonne (t), Percentage (%)	
6	Description of the management of risks associated with the use of critical materials	Qualitative description	Please refer to Chapter 2.3.5 Key Materials Management	Not applicable	
7	Total monetary losses incurred due to legal proceedings related to anti-competitive behaviour regulations	Quantitative	0	NT\$	
8	Major product output by product category	Quantitative	Production volume of wireless communications products: 328,298,000	Differs by product category	

Note 1: Including sales of scrap materials or other recycling/disposal methods, relevant explanations should be provided.

6.7 ESG Performance Indicators

Economic/Governance					
Item	Accounting Metric	Unit of Measure	2020	2021	2022
Operational Performance	Operating revenue	NT\$ million	62,648.73	67,229.60	95,257.45
	Operating profit (loss)	NT\$ million	1,472.46	880.73	3,237.63
	Non-operating income and expenses	NT\$ million	253.28	530.929	522.491
	Operating expenses	NT\$ million	55,697.89	59,975.67	83,662.73
	Earnings per share (EPS)	NT\$	3.76	3.15	7.93
	Dividend per share	NT\$	2.5	2.1	5
Tax Information	Net income before tax	NT\$ million	1,725.75	1,411.66	3,760.12
	Income tax expenses	NT\$ million	258.83	179.51	638.40
	Net income after tax	NT\$ million	1,466.92	1,232.15	3,121.72
	Effective tax rate	%	15.00	12.72	16.98
Composition of BOD	Ratio of independent directors to board seats	%	44.44	44.44	44.44
	Ratio of female directors	%	11.11	11.1%	11.11
Innovative Capability	Total granted patents	Number	1,937	2,077	2,202
	R&D expenses	NT\$ million	2,563.77	2,801.74	3,583.89
	R&D personnel	Number	1,281	1,355	1,505
	R&D personnel/Employees	%	10.7	12.6	13.0
	R&D expenditure/Revenue	%	4.09	4.17	3.76
Public engagement expenditure	Chamber of Commerce organization or tax-exempt organization	NT\$ million	7,685,022	8,049,897	6,543,203

Environmental					
Item	Accounting Metric	Unit of Measure	2020	2021	2022
Energy	Energy usage	Gigajoule	371,352	383,215	425,434
	Electricity	Gigajoule	370,036	373,511	419,821
	Diesel	Gigajoule	1,316	9,704	5,613
	Power usage intensity	Gigajoule/NT\$ million	5.91	5.56	4.41
	Power usage intensity	MWh/NT\$ million	1.64	1.54	1.22
Renewable Energy	Solar power generation	Gigajoule	7,652	7,684	9,273
	Solar power generation/Total electricity consumption	%	2.07	2.06	2.21
	Self-consumption of renewable energy	Gigajoule	1,329	1,413	3,428
	Purchased renewable energy	Gigajoule	0	0	24,480
	Renewable energy/Total electricity consumption	%	0.36	0.38	6.65
Water	Water usage	Million liters	480.008	484.728	530.711
	Water discharge	Million liters	189.400	202.621	300.858
	Water consumption	Million liters	290.608	282.107	229.853
	Water withdrawal intensity (recycled water excluded)	Cubic meters/NT\$ million	7.22	6.75	5.27
GHG Emissions	Scope 1 + Scope 2 GHG emissions (market-based)	Tonnes CO ₂ e	57,115.54	58,372.15	63,711.74
	Scope 1 GHG emissions	Tonnes CO ₂ e	1,433.82	2,668.02	2,361.30
	Scope 2 GHG emissions (market-based)	Tonnes CO ₂ e	55,681.72	55,704.14	61,350.44
	Scope 2 GHG emissions (location-based)	Tonnes CO ₂ e	55,681.72	55,704.14	65,301.24
	Scope 3 GHG emissions	Tonnes CO ₂ e	83.41	2,678.73	195,385.10
	Scope 1 + Scope 2 GHG emissions intensity	Tonnes CO ₂ e/NT\$ million	0.91	0.87	0.67
Waste	Waste yield	Tonnes	4,575.42	4,583.20	6,072.01
	Waste recycling rate	%	85.34	84.02	84.70
	Waste output intensity	Tonnes/NT\$ million	0.07	0.07	0.06

Social					
Item	Accounting Metric	Unit of Measure	2020	2021	2022
Employee Type	Employees Worldwide	Number	11,961	10,755	11,656
	Full-time employees	Number	11,953	10,736	11,602
	Part-time employees	Number	8	19	54
	Employees Worldwide	Number	11,961	10,755	11,656
	Permanent employees	Number	10,123	10,493	11,241
	Contract employees	Number	1,838	262	415
Age Distribution	Ratio of employees aged 30 or below	%	54.8	47.6	44.2
	Ratio of employees aged 31-49	%	42.3	48.5	51.5
	Ratio of employees aged 50 or above	%	2.9	3.9	4.3
Employee Diversity	Female ratio	%	42.8	42.1	48.2
	Female manager ratio	%	23.0	24.8	22.6
	Employees with disabilities ratio	%	0.28	0.36	0.38
	Minorities ratio	%	9.41	0.81	4.53
Employee Turnover	New hire rate for permanent employees	%	184.5	199.3	59.5
	IDL employees	%	16.0	20.2	24.5
	DL employees	%	294.6	313.3	87.2
	Turnover rate for permanent employees	%	190.2	197.4	99.8
	IDL employees	%	16.2	20.5	15.9
	DL employees	%	303.8	310.0	166.2
Employee Training	Training hours per employee	Hours per employee	22.2	29.7	22.8
	Training investment amount	NT\$ million	9.01	10.40	12.9
	Investment per employee	NT\$ per employee	757	1,098	1,021
	Investment amount/revenue	%	0.01	0.02	0.01
Occupational Injury	Number of recordable occupational injuries	Number	29	39	17
	Ratio of recordable occupational injuries	Number of recordable occupational injuries/working hours x200,000	0.24	0.37	0.14
Social Care	Investment in social participation (goods and donations)	NT\$ million	3.12	3.27	5.12



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