# 1 Sustainability

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Sustainability    Innovation Value    Environmental Protection    Social Inclusion    Corporate Governance    Appendix

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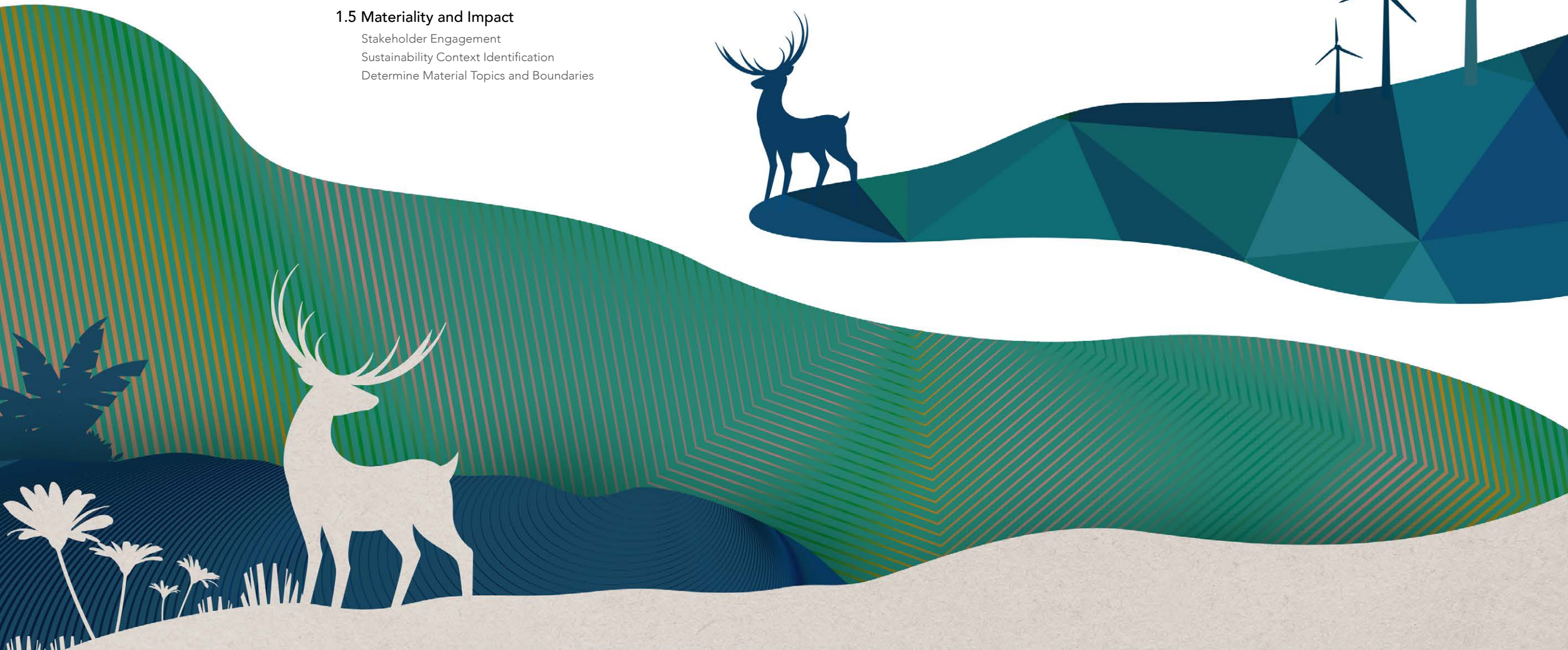
Vision and Mission    Sustainability Strategies and Aspects    Sustainability Management    Organizational Structure for Sustainability    Materiality and Impact

# 1.1 Vision and Mission

**Vision** — **Sustainability through Innovation**

**Mission** — **Trusted Innovation Partner for Technology, Sustainability & Better Lives**

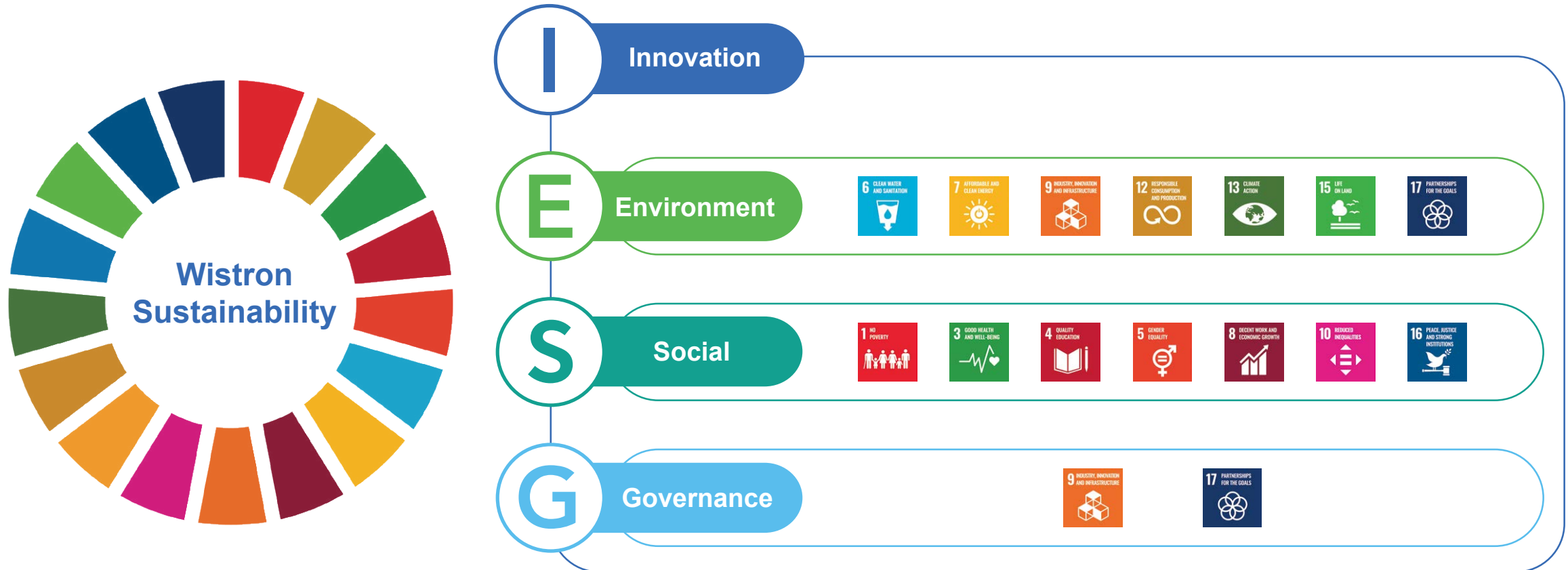**Core Values** — **Customer Focus**    **Integrity**    **Innovation**    **Sustainability**

# 1.2 Sustainability Strategies and Aspects

In order to realize the company's vision and mission, we have integrated innovation into the core elements of sustainability, with environment, social, and governance as the main aspects. Through sustained efforts, we have established a comprehensive and differentiated ESG 6-pillar strategy that includes sustainable supply base, green products, recycling, decarbonization, people with purpose, and labor welfare. In turn, this strategic approach has positioned us as a leader in propelling the industry towards sustainability.

**Sustainability Strategies**

- Decarbonization
- People with Purpose
- Labor Welfare
- Sustainable Supply Base
- Green Products
- Recycling

**Sustainability Aspects**

- **E** Environment
- **S** Social
- **G** Governance
- **I** Innovation

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We take the Sustainable Development Goals of the United Nations as the common goal of promoting sustainable development. Meanwhile, the implementation of the six sustainability strategies and the deployment of localized ESG actions in each global base are planned. SDG Compass guidance documents published by UN Global Compact, GRI and WBCSD are referenced for comparison and linkage. Therefore, a framework in line with international standards is established to transparently disclose our efforts and contributions in sustainability. The summary of the implementation results in 2022 can be consistent with the 14 Sustainable Development Goals, including various measures of improving the use of clean energy (SDGs 7), improving the energy efficiency of bases of operations (SDGs 9), and improving the inclusion and diversity of the workplace (SDGs 10), etc.



**Wistron Sustainability**

**I** Innovation

**E** Environment

**S** Social

**G** Governance

Sustainability through Innovation

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## Goals of ESG 6-Pillar

| Strategies | Policies | 2022 Actions | 2022 Targets | 2022 Results | Progress Signal | 2023 Actions | 2023 Targets | 2025 Targets | 2030 Targets |
|---|---|---|---|---|---|---|---|---|---|
| Sustainable supply base | Become customers' go-to provider to address the most-pressing SCM challenges by providing transparency, insights, and advices to improve ESG performances | Transparency of suppliers' sustainability information is enhanced. | Supplier information management | Done | ● | Supplier information management is improved. | >40% of comprehensive supplier data is registered on the platform to complete the development of all modules of SDM | >60% of comprehensive supplier data is registered on the platform | >90% of comprehensive supplier data is registered on the platform |
| | | Supplier sustainability projects | Tier 1 GHG data is collected for suppliers with high carbon emissions. | The Tier 1 GHG data inventory of 27 suppliers was completed | ● | Supplier sustainability goal agreement is continuously strengthened. | 25 companies were added (expanded to other suppliers' properties). | SBTi Scope 3 carbon reduction target compliance (< 3%) | SBTi Scope 3 carbon reduction target achievement (< 3%) |
| | | | Promotion of manufacturer ISO14064-1 greenhouse gas inspection >35% | 62.96% | ● | Suppliers with high energy consumption obtained external GHG certification (ISO 14064-1) | >55% | >70% | >100% |
| | | | - | - | ● | High energy usage suppliers obtaining energy management system external verification (ISO 50001) | >55% | >70% | >70% |
| | | Supplier ESG development | Suppliers Schools | Done | ● | Suppliers' ESG capabilities are continuously enhanced through training and mentoring. | The content of sustainability-related courses in Supplier Academy has been expanded. | - | - |
| Green products | Provide continuously evolving sustainable design capabilities supported by an exclusive network of niche suppliers to become the go-to brand for customers | Develop low-carbon products (Project GLF) | >30% recycled or renewable materials used in green products | 30.23% | ● | (Project GLF) A new generation of low-carbon products is developed. | >35% recycled materials used in green products | >40% recycled materials used in green products | >50% recycled materials used in green products |
| | | Development of product carbon footprint system, PCF | System go live PCF calculation efficiency is improved to < 9 days. | 1. Done 2. Done | ● | Development of product carbon footprint system - phase II | Emission factor coverage for components > 90% | - | - |
| Recycling | Provide full-suite of recycling offerings to tackle most-pressing circularity challenges and enable cradle-to-cradle vision in ICT and beyond | Increase PCR usage rate | >30,000 tons of plastic recycling | 21,577 tons | ● | Introduce new material and expand new application | >27,000 tons of plastic recycling | >39,500 tons of plastic recycling | >98,000 tons of plastic recycling |
| | | Battery recycling - annual input (tons) | (120 tons) | (0 ton) | ● | Achieve annual battery recycling input weight (tons) | >70 tons | >500 tons | >2,000 tons |

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## Goals of ESG 6-Pillar

| Strategies | Policies | 2022 Actions | 2022 Targets | 2022 Results | Progress Signal | 2023 Actions | 2023 Targets | 2025 Targets | 2030 Targets |
|---|---|---|---|---|---|---|---|---|---|
| Decarbonization | Be on pace with ambitious customers to support their decarb vision via improvements in energy efficiency, IoT, etc., and achieve carbon neutral by 2030 | Improve the ratio of renewable electricity consumption | 57.5% of renewable electricity used | 63.02% | ● | Improve ratio of renewable energy consumption | 65% of renewable electricity used | 80% of renewable electricity used | carbon neutral (Scope 1 + Scope 2) |
| | | Increase in energy efficiency | Energy-saving technology retrofits up to 2% of total electricity consumption (YoY) | 2.20% | ● | Increase in energy efficiency | Energy-saving technology retrofits up to 2% of total electricity consumption (YoY) | Energy-saving technology retrofits up to 2% of total electricity consumption (YoY) | Energy-saving technology retrofits up to 2% of total electricity consumption (YoY) |
| People with purpose | Achieve reputation as the "Best Place to Work." in tech industry by providing a workplace with a culture embedded with innovation, inclusion, and integrity | Promoting diversity, equity, and inclusion | Establish baseline of engagement score(behavior) | 67.55% (2021 ~ 2022) | ● | Promoting diversity, equity and inclusion and a sense of achievement in workplace. | Engagement score (behavior) | Engagement score (behavior) | Engagement score (behavior) |
| | | Reshaping and promotion of vision, mission and core values | 1.Promoting online courses on vision, mission and core values 2.Global IDL employee turnover rate <15.5% | 1.A total of 29,359 employees around the world have completed the training with a training completion rate of 100%. 2.Global IDL employee turnover rate = 14.18% | ● | Transparency & communication project 2.0 | Global IDL employee turnover rate <15.5% | Global IDL employee turnover rate <15% | Global IDL employee turnover rate <12% |
| Labor welfare | Create respectful and supportive working environment to support our direct employees and make Wistron a long-term place to be engaged in | Labor rights protection | Abiding and promoting Responsible Business Alliance (RBA) code of conduct | No violations of laws with a penalty exceeding NTD 1 million in operating locations around the world | ● | Manpower agency management | The Responsible Business Alliance (RBA) code of conduct is followed and promoted | The Responsible Business Alliance (RBA) code of conduct is followed and promoted | The Responsible Business Alliance (RBA) code of conduct is followed and promoted |
| | | Increasing employee satisfaction | Establish baseline of satisfaction score (full-time DL) | Full-time DL satisfaction score = 3.66 | ● | 1. Improvement in living conditions 2. Coaching and employee care | Full-time DL Satisfaction score > 3.7 / 5 | Full-time DL Satisfaction score > 3.8 / 5 | Full-time DL Satisfaction score > 4.0 / 5 |
| | | Occupational safety & health | Incident rate per thousand persons <1.8 | Incident rate per thousand persons 1.53 | ● | 1. Prevention and treatment of work related injury 2. Improvement of the health service | Incident rate per thousand persons < 1.15 (note) | Incident rate per thousand persons < 1.03 (note) | Incident rate per thousand persons < 0.8 (note) |

Note: 1. Excluding off-site traffic accidents    2. Expansion of the scope

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## Linking Executive Compensation to Sustainability Performance

In order to encourage executive managers, key professional talents and employees to pursue long-term overall performance, Wistron has taken into account a variety of sustainability indicators for ESG 6-pillar strategies to formulate a balanced scorecard. Since 2022, we have linked not only our President & CEO, but also portion of executives and business unit managers compensation to sustainability goals/metrics with short-term and long-term incentive program.

| Subject | Performance Metrics | Implementation (Weighting) |
|---|---|---|
| President and CEO | Financial performance (30%) | – |
| | Customer and market (25%) | – |
| | Organizational (10%) | – |
| | Sustainability performance (15%) | • Green products (4%)<br>• Decarbonization (4%)<br>• Occupational Safety and Health (2%)<br>• Other metrics (5%) |
| | Growth and learning (20%) | – |
| Executives (ESG 6-pillar owner) | Sustainability performance (6%) | • Sustainable supply base (6%) |
| Business unit managers (ESG 6-pillar owner) | Sustainability performance (5%) | • Recycling (5%) |

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# 1.3 Sustainability Management

In order to implement corporate social responsibility, Wistron's Board of Directors established "Sustainable Development Best Practice Principles" which clearly defined four major principles to serve as the highest guiding principles for sustainable development. The four principles are: (1) exercising corporate governance, (2) fostering a sustainable environment, (3) preserving public welfare, and (4) enhancing the disclosure of corporate social responsibility information. In addition, our ESG Committee is established under the leadership of Wistron's Vice Chairman who reports to the Board of Directors annually on the implementation and performance of the Wistron ESG program as well as the plans and goals for the coming year.

**Corporate Sustainability and Social Responsibility Management System**

**Environment and Energy Management System**

Wistron understands that its activities, products, and services will influence the environment. To minimize the effect of operations, products and services, Wistron is committed to respond to climate change advocacy, and we're dedicated to conserving energy consumption and increasing renewable energy ratio. To realize low-carbon transition, we support the procurement and improvement plan of energy-efficient equipment and use eco-friendly technologies to reduce pollutant emissions. Environmental programs are implemented at global operations including water recycling, waste reducing and recycling, transportation and logistics management. Through our green product and service, we carefully select raw materials and suppliers to ensure zero usage of restricted and banned materials and substances.

**Green Products Management System**

In order to reduce the environmental impacts caused by a product during its life cycle, Wistron upholds the concept of green product design for energy conservation, material reduction, hazardous substance restriction, and recycling. In addition, Wistron follows international regulations and customer requirements while striving to simplify design, production, and operation processes to achieve Earth-friendly, sustainable products.

**Quality Management System**

Wistron values customers and the quality of products and services. Our R&D and manufacturing processes all comply to quality standards in order to deliver defect-free, competitive products and services to our customers in a timely manner.

**Social Accountability Management System**

Wistron complies with international regulations and local laws related to social responsibility, continues to improve employee rights and welfare, establishes an honest, healthy and safe operating environment, and fulfills social responsibilities.

**Occupational Health and Safety Management System**

Wistron is fully aware of the hazards and risks in the workplace that affect all personnel working within the company's control area. Based on preventing personnel injury and affecting health and safety, the occupational health and safety management system and enhance consultation and participation aims to ensure that employees are in a healthy and harm-free working environment.

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# 1.4 Organizational Structure for Sustainability

## ESG Committee

To strengthen sustainable development vision, fulfill corporate social responsibilities, promote economic, environmental, and social advancement, and attain sustainable development goals, Wistron established the ESG Committee in 2019 to elevate corporate sustainability and social responsibility to the level of the Board of Directors.

The ESG Committee is placed under the jurisdiction of the Board of Directors (BOD), and the Vice Chairman, and Chairman & President of Wistron Digital Technology Holding Company serves as the Chairman of the Committee. The Committee consists of one independent director, President & CEO, Executive Vice President & Chief Infrastructure Officer, Chief of Staff, President of Advanced Technology Lab, and Chief Digital Officer & Chief Information Security Officer. The Committee is responsible for overall sustainable development plans of Wistron and sets short-, medium-, and long-term goals. It also formulates related management policies, implements detailed action plans, and regularly reports the results to the Board of Directors.

## Sustainability Office

Wistron established the Sustainability Office under the ESG Committee, in order to actively develop a sustainable environment, maintain social welfare, and implement corporate governance. The Vice President of Sustainability acts as the manager and is responsible for the implementation of the Company's sustainable developments.

## Sustainability Report Editorial Committee

In order to strengthen corporate sustainable development information disclosure, Wlistron established the Sustainability Report Editorial Committee. The Committee compiles the sustainability report each year to improve information transparency.
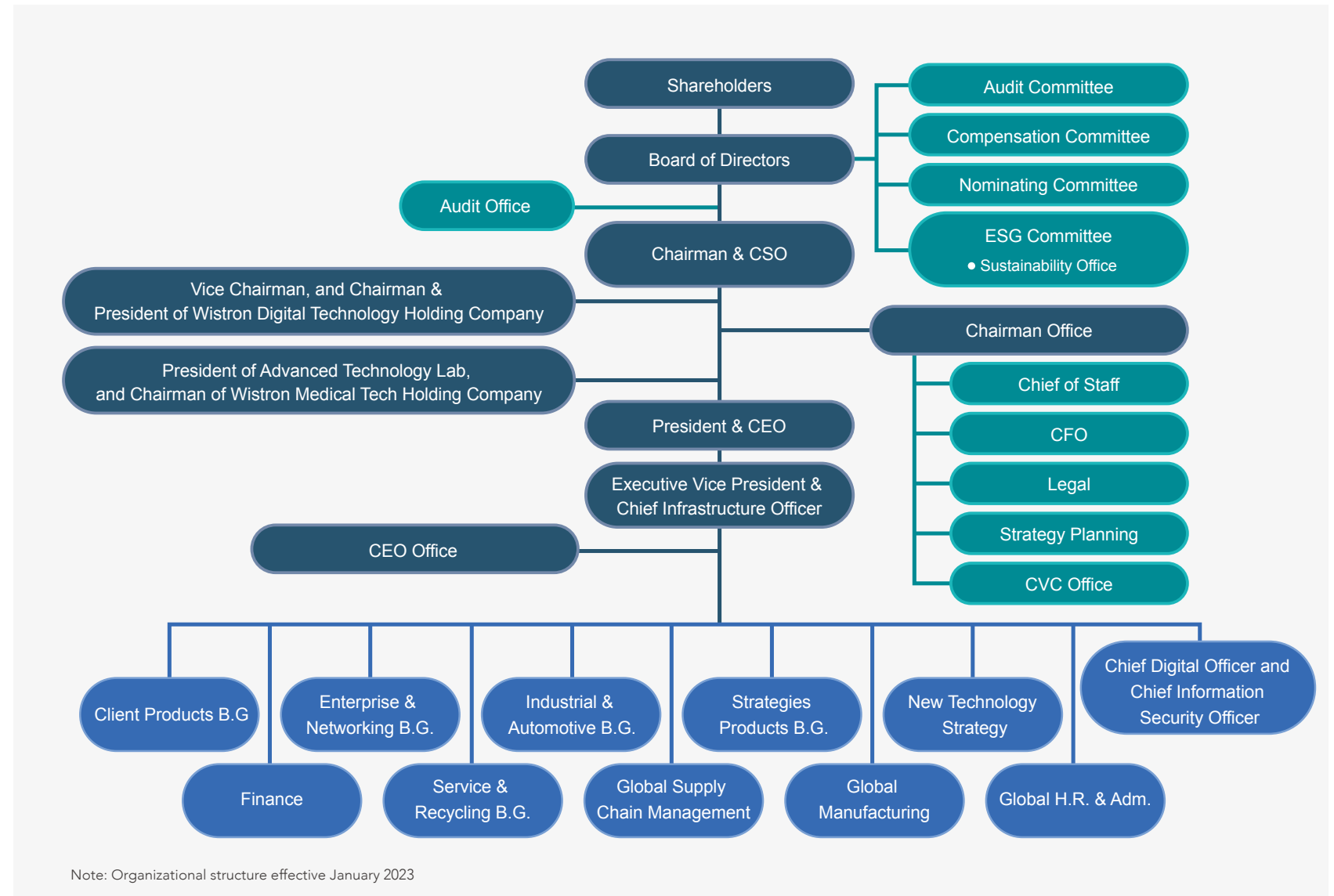


Note: Organizational structure effective January 2023

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# 1.5 Materiality and Impact

## 1.5.1 Stakeholder Engagement

Wistron has adopted the Global Reporting Initiative Standards (GRI Standards) and the AA1000 Stakeholder Engagement Standards as the framework to establish the procedures for identifying material topics for sustainable development. Wistron referenced the five major principles in the AA1000 Stakeholder Engagement Standards (SES) to ensure effective communication with stakeholders, including dependency, responsibility, influence, diverse perspectives, and tension. Stakeholders are classified into seven groups based on 60 stakeholder identification questionnaires: Employees, Customers, Shareholders/Investors, Suppliers, Government agencies/competent authorities, Non-Profit Organizations/Communities, and Media. The communication methods and results with various stakeholders in 2022 are as follows:

### Stakeholders

### Employees

**Stakeholders Significance to Wistron**

Wistron upholds the core value of a people-oriented philosophy and attracts outstanding talents from all over the world. We provide a comprehensive salary, benefits, and training system to unleash employees' potential and maximize business performance.

**Key Issues of Concern in 2022**

- Employee care and benefits
- Occupational safety and health
- Information security
- Talent attraction and retention
- Human rights, diversity and inclusion
- Talent cultivation and career development

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Degree of engagement surveys for indirect employees and satisfaction surveys for direct employees | Degree of engagement surveys for indirect employees are conducted once every 1~2 years. Satisfaction surveys for direct employees are conducted once every year. | • Degree of engagement score of 67.55% (out of 100%) and satisfaction score of 3.66 (out of 5) |
| Participation in external third-party assessment activities | Ad hoc | • Wistron East China and Opt Plant District and Malaysia Plant were selected as "Best Employers in Asia" in 2022 by HR Asia Magazine |
| Two-way communication activities for supervisors and key personnel | Annually | • 20 communication sessions have been held around the world with a total of 1,620 participants and a satisfaction rate of 95.6% |
| Official company website/ ESG Official Website/ Human Resources Official Website | Real time | • The global core value communication course has 23,959 participants and the satisfaction score of 4.6 (out of 5) |
| Global code of conduct online education and training | Annually | • 100% coverage rate and 100% signature rate of code of conduct employee training |
| Training for new employees | In accordance with the recruitment status of new employees | • Average of 65.5 hours of training for employees around the world |
| Training for new supervisors and Key talent | In accordance with the number of people | |
| Performance and development meetings | In accordance with the performance evaluation cycle | • 96% performance communication and meeting rate |

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**Stakeholders**

## Customers

### Stakeholders Significance to Wistron

Wistron's core philosophy is to create value for customers and continuously communicate with customers to understand their needs, increase trust, and help customers achieve their goals and grow together.

### Key Issues of Concern in 2022

- Customer relations
- Occupational safety and health
- Information security
- Risk and crisis management
- Sustainable Supply Chain
- Human rights, diversity and inclusion

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Quarterly sales reviews, e-mails, audits, and visits | Daily / Weekly / Quarterly / Semiannually | |
| Project meetings and e-mails | Ad hoc | |
| CDP questionnaire, e-mails, and audits | Annually/ Quarterly | • Awarded the Business Transformation & Operational Excellence Awards, First Prize in the Large Enterprise Category, and ESG Special Award of the 2nd Digital Transformation Ding Ge Award |
| Project meetings, documents, e-mails, and audits | Ad hoc/ Quarterly | • East China and Opt Plant District and Malaysia Plant was awarded the "Best Employers in Asia"<br>• Chongqing Plant and Zhongshan plant won the title of Green Manufacturing System Demonstration Unit (Green Factory) |
| E-mails and questionnaires | Where necessary / Quarterly | • CDP Climate Change Evaluation A<br>• All Wistron plants have passed the audit of ISO/IEC 27001 certification<br>• Solar panel construction |
| E-mails, questionnaires, training, or audits | Where necessary / Quarterly | • Zhongshan Plant's Technology and Opt Park was awarded the RBA Selected Factory One-Star Label<br>• Complies with the customer policies of not using conflict minerals |
| E-mails, questionnaires, training, or audits | Where necessary | |
| E-mails and documents | Where necessary | |

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## Stakeholders

### Shareholders/ Investors

**Stakeholders Significance to Wistron**

The Company's business goal is to maximize the interest of shareholders. Wistron leverages funds in an appropriate manner to create a positive cycle and discloses operational and financial information with transparency.

**Key Issues of Concern in 2022**

- Customer relations
- Sustainable strategies and vision
- Company Governance
- Financial Performance
- Product development and innovation
- New Businesses Development

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Supplier green product management platform | 6 sessions | |
| Investor conference | 6 sessions | • 1 Shareholders' Meeting convened<br>• 6 Investor Conferences convened<br>• Participated in around 60 meetings and communicated with nearly 400 domestic and foreign investors face to face/ through the phone |
| Investor meetings | Investor meetings | |

## Stakeholders

### Suppliers

**Stakeholders Significance to Wistron**

Suppliers are Wistron's important partners for sustainable development. We help them evaluate potential risks and opportunities in accordance with global sustainability trends to jointly develop better solutions for customers.

**Key Issues of Concern in 2022**

- Customer relations
- Occupational safety and health
- Information security
- Sustainable Supply Chain
- Green product
- Product development and innovation

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Supplier green product management platform | Updated when necessary | • 1,414 green specifications and hazardous materials investigations are provided |
| Supplier sustainability performance evaluation | Once a month | • The product quality, price, and delivery items of 571 suppliers were evaluated |
| Risk identification | Once a year | • 1,812 companies were evaluated with the risk assessment procedure |
| Supplier sustainability audit | Once a year | • 880 supplier sustainability audits were completed. |
| Partner conferences | Once a year | • A total of 330 companies in the group |

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## Stakeholders

### Government Agencies/ Competent Authorities

### Stakeholders Significance to Wistron

Wistron complies with the laws and regulations of the local government at its business locations and maintains good communication with the government agencies to create local employment opportunities and tax revenue.

### Key Issues of Concern in 2022

- Occupational safety and health
- Sustainable strategies and vision
- Risk and crisis management
- Air Pollution and Waste

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Participate in the Corporate Governance Evaluation | Annually | • Ranked among the top 5% of listed companies in the 9th Corporate Governance Evaluation |
| Market Observation Post System, company website, and telephone communication | Quarterly / Annually / Ad hoc | |
| Explanatory meetings and annual reports | Ad hoc | |
| Official documents, Market Observation Post System, and explanatory seminars | Ad hoc | • No violation record in 2022 |
| Market Observation Post System, company website, and annual reports | Ad hoc | • Through the establishment of the Information Security Committee, it supervises the Company's information security management system, technical standards, and maintenance operations. The President, Chief Digital Officer and Chief Information Security Officer act as Co-chairpersons and are responsible for fulfilling the Company's commitment to information security. |
| Official documents, questionnaires, and annual reports | Ad hoc | • Based on the "SBTi, Science Based Targets initiative," 2016 is used as the baseline year to formulate carbon reduction pathways and targets, and the implementation results are publicly disclosed every year to respond to international energy transition and low-carbon manufacturing trends.<br>• Cooperating with the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission, we plans to complete the greenhouse gas inventory of the Company and all consolidated subsidiaries before 2025. |
| Financial Report and Annual Report | Quarterly | • Material litigation are periodically disclosed in the quarterly financial reports and annual reports, as required by law.<br>• Wistron was named one of the Top 100 Global Innovators™ by Clarivate in 2023 and one of the Global 250 by IFI CLAIMS in 2022. |

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## Stakeholders

### Non-Profit Organizations/ Communities

#### Stakeholders Significance to Wistron

Non-profit organizations are Wistron's key partners for expanding influence for sustainability. We have established long-term cooperation to respond to environmental and social issues. Wistron continues to communicate with entities and residents in local communities to mitigate the impact of operations and production activities on local communities.

#### Key Issues of Concern in 2022

- Sustainable strategies and vision
- Talent attraction and retention
- Green product
- Environmental policy and management
- Natural ecology protection
- Social welfare and charity

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Projects in line with the purpose / goal of the foundation are supported in the form of commissioning or sponsorship, and communicated in the form of meetings, site surveys, reports, etc. | Ad hoc | • Self-initiated donations totaled NT$3.92 million. |
| Publish newsletters and event information | Regularly and ad hoc | • 26 articles of event information<br>• 4 articles of bimonthly newsletters |

## Stakeholders

### Media

#### Stakeholders Significance to Wistron

Wistron maintains good communication channels with the media which helps the Company deliver a broad range of company information, communicate its brand image, and engage more stakeholders.

#### Key Issues of Concern in 2022

- Customer relations
- Employee care and benefits
- Information security
- Air Pollution and Waste
- Green product
- Environmental policy and management
- Climate change management

| Communication Method and Channel | Communication Frequency | 2022 Response and Results |
|---|---|---|
| Holding of a press conference | Ad hoc | • Ranked among the top 5% in the 9th Corporate Governance Evaluation |
| Publish monthly revenue press releases | Regularly | |
| Announcement of financial report and board resolution press release | Regularly | |
| Announcement of Shareholders' Meeting or investor conference press release | Regularly | Media inquiries are responded proactively or in a timely manner, so that the media can obtain correct company operations and corporate governance related information to maintain and improve corporate image. Include: |
| Publish press releases major information related to operations | Ad hoc | • Organized 6 press conferences |
| Announcement of showcase / award press release | Ad hoc | • Published 28 press releases in total |
| Participate in public events such as forums and interviews | Ad hoc | • 10 media interviews were arranged |

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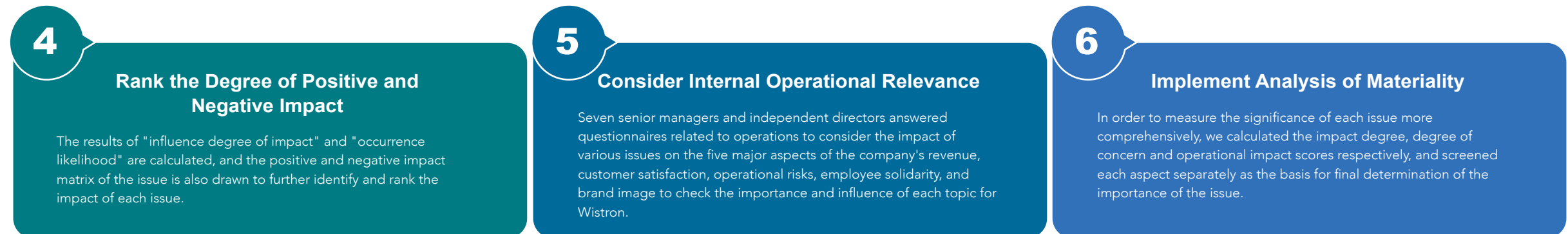
## 1.5.2 Sustainability Context Identification

Wistron conducts a materiality analysis annually. we referenced international sustainability trends and standards, including GRI Standards, SDGs, SA8000 Social Responsibility Standards, RBA, SASB, and WEF-The Global Risks Report, and the issues that responsible investment institutions focus on: ISS-Oekom, MSCI ESG Ratings, and DJSI, CDP, TCFD information disclosure frameworks. In addition, the major issues of industry benchmarks are collected to match the Company's corporate sustainable development strategy and goals in order to interact with stakeholders to evaluate and report impact information on various sustainable issues. The assessment conducted is based on the principle of double materiality in Step 3 (Access external impact and likelihood) and Step 5 (Consider internal operational relevance). Also, the analysis results are incorporated into the organization's risk management process (Enterprise risk management, ERM) to be considered together. Please refer to Chapter 5.3 Risk Management for details.

**1**

### Compile Sustainability Issues

We focus on the four dimensions of sustainable development: "Environmental protection", "Social inclusion", "Corporate governance" and "Innovation value" to establish communication goals. A total of 26 "substantial" and "potential" sustainable issues were compiled.

**2**

### Investigate the Level of Stakeholders Concern

We conducted materiality questionnaire surveys on 7 types of internal and external stakeholders identified. We collected a total of 1,523 questionnaires and used them to learn about the level of concerns of the stakeholders for each issue.

**3**

### Access External Impact and Likelihood

The internal ESG business-related core team, including ESG Committee members and related colleagues, assessed the impact of various issues on the value chain from the external four aspects of operation activities including environment, society (including human rights), governance and product service, and innovation. A total of 75 questionnaires were collected.
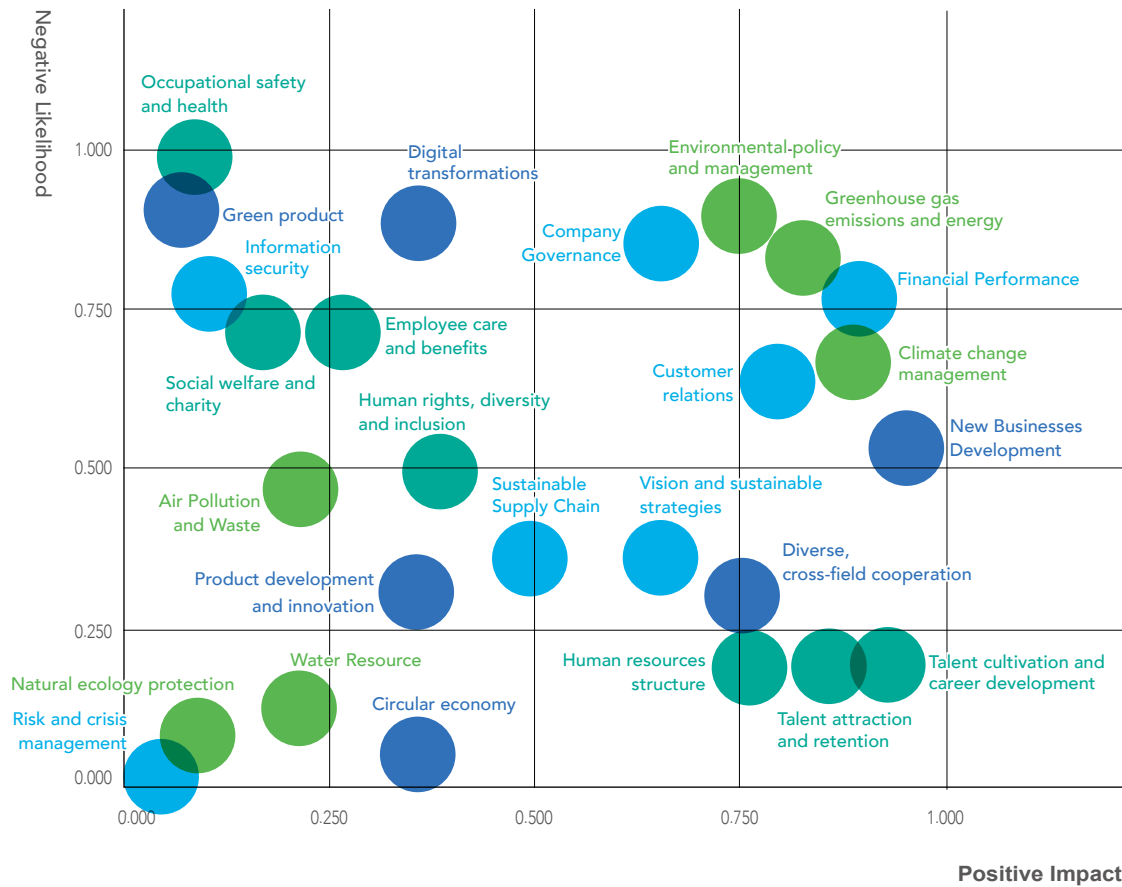
## 1.5.3 Determine Material Topics and Boundaries

After the major themes are identified, they will be discussed and confirmed in the company's internal regular meetings. And according to the reporting requirements of the GRI Standards, relevant information on major topics, data and management policies, and communication results with stakeholders are collected, and major analysis results are reported to the board of directors and the information is approved for disclosure. Materiality assessment process and analysis results verified by a third-party assurance provider.

**4**

### Rank the Degree of Positive and Negative Impact

The results of "influence degree of impact" and "occurrence likelihood" are calculated, and the positive and negative impact matrix of the issue is also drawn to further identify and rank the impact of each issue.

**5**

### Consider Internal Operational Relevance

Seven senior managers and independent directors answered questionnaires related to operations to consider the impact of various issues on the five major aspects of the company's revenue, customer satisfaction, operational risks, employee solidarity, and brand image to check the importance and influence of each topic for Wistron.

**6**

### Implement Analysis of Materiality

In order to measure the significance of each issue more comprehensively, we calculated the impact degree, degree of concern and operational impact scores respectively, and screened each aspect separately as the basis for final determination of the importance of the issue.

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## Matrix of Topics Impact Assessment

**Positive Impact Matrix**



**Negative Impact Matrix**
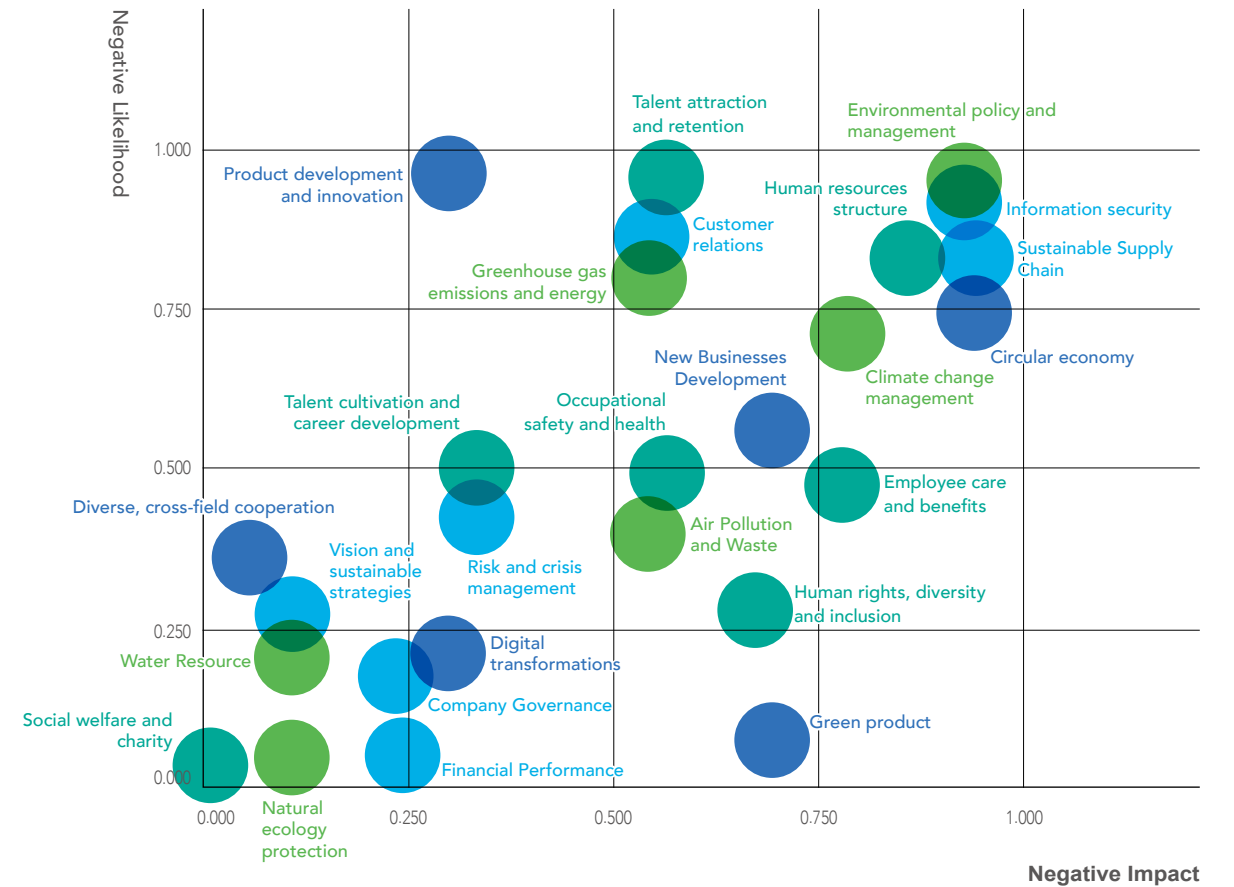


● Innovation Value    ● Environmental Protection    ● Social Inclusion    ● Corporate Governance

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**The Degree of Impact Rankings in Topics**



Topics (top to bottom):
Environmental policy and management
Climate change management
Greenhouse gas emissions and energy
Customer relations
New Businesses development
Information security
Sustainable Supply Chain
Human resources structure
Talent attraction and retention
Employee care and benefits
Circular economy
Occupational safety and health
Financial Performance
Product development and innovation
Company Governance
Human rights, diversity and inclusion
Talent cultivation and career development
Green product
Digital transformations
Air Pollution and Waste
Diverse, cross-field cooperation
Vision and sustainable strategies
Social welfare and charity
Risk and crisis managemen
Water Resource
Natural ecology protection

Legend: Positive Impact ▬   Negative Impact ▬

In assessing the positive impact, we consider that each issue is just in the stage of meeting the requirements of the regulations, the management is superior to the regulations, the influence of the enterprise is exerted, the market opportunities are created, and so on. These are used to evaluate the positive impact of the issue on Wistron, further continue to exert corporate influence, and create higher value.

In evaluating negative impacts, we consider whether each issue has not occurred or has no risk of illegality, whether there is potential loss or risk of illegality, whether minor losses or violations of laws have occurred, whether major losses or illegal events have occurred, etc.

These are used to assess the negative impact of the issue on Wistron, and then formulate a response plan in advance to reduce the impact of potential risks.

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## Evaluation Results for Four Dimensions of ESGI

The four dimensions of ESGI are sorted separately, and according to the priority of the issues, the top 50% of the issues sorted from each aspect are taken as material topics. In addition, the company's sustainable strategy and focus area were considered to finally identify 17 topics as the major themes of Wistron in 2022. The relevant statistical scores are shown in the table below.:

### Dimension of Environment

| Topics | Degree of impact | Level of concerns | Operational impact | Scores of topics | Material topics |
|---|---|---|---|---|---|
| Environmental Policy and Management | 3.46731 | 0.80186 | 3.73324 | 8.00241 | V |
| Climate Change Management | 3.05653 | 0.30385 | 3.64345 | 7.00383 | V |
| Greenhouse Gas Emissions and Energy | 3.02553 | 0.10403 | 3.78844 | 6.91801 | V |
| Air Pollution and Waste | 1.65878 | 0.96046 | 1.46196 | 4.08120 | |
| Natural Ecology Protection | 0.32676 | 0.35062 | 2.04208 | 2.71946 | |
| Water Resource | 0.63685 | 0.32694 | 0.43656 | 1.40034 | |

### Dimension of Innovation

| Topics | Degree of impact | Level of concerns | Operational impact | Scores of topics | Material topics |
|---|---|---|---|---|---|
| Product Development and Innovation | 1.93742 | 0.59717 | 4.08748 | 6.62208 | V |
| Digital Transformations | 1.75339 | 0.46361 | 4.26256 | 6.47957 | V |
| Green Product | 1.75387 | 0.96112 | 2.58021 | 5.29520 | V |
| New Businesses Development | 2.76513 | 0.51400 | 1.68413 | 4.96326 | |
| Circular Economy | 2.10751 | 0.38122 | 1.75764 | 4.24638 | V * |
| Diverse, Cross-Field Cooperation | 1.50261 | 0.04933 | 0.80775 | 2.35969 | |

### Dimension of Social

| Topics | Degree of impact | Level of concerns | Operational impact | Scores of topics | Material topics |
|---|---|---|---|---|---|
| Talent Attraction and Retention | 2.54261 | 0.65521 | 3.53119 | 6.72901 | V |
| Human Resources Structure | 2.61680 | 0.08780 | 3.41716 | 6.12175 | V |
| Employee Care and Benefits | 2.18428 | 0.87782 | 2.80418 | 5.86628 | V |
| Talent Cultivation and Career Development | 1.88679 | 0.52780 | 3.27838 | 5.69297 | V |
| Human Rights, Diversity and Inclusion | 1.89062 | 0.58500 | 2.25112 | 4.72674 | V * |
| Occupational Safety and Health | 2.09404 | 0.85811 | 1.69011 | 4.64226 | V * |
| Social Welfare and Charity | 0.89704 | 0.05873 | 0.94505 | 1.90083 | |

### Dimension of Governance

| Topics | Degree of impact | Level of concerns | Operational impact | Scores of topics | Material topics |
|---|---|---|---|---|---|
| Customer Relations | 2.81003 | 0.95365 | 3.49162 | 7.25529 | V |
| Information Security | 2.70556 | 0.59962 | 2.23688 | 5.54206 | V |
| Vision and Sustainable Strategies | 1.40014 | 0.81127 | 2.90035 | 5.11176 | V |
| Sustainable Supply Chain | 2.61815 | 0.11142 | 2.15025 | 4.87982 | V |
| Financial Performance | 1.98109 | 0.08930 | 2.69862 | 4.76902 | |
| Company Governance | 1.91873 | 0.43321 | 2.27572 | 4.62766 | |
| Risk and Crisis Management | 0.81133 | 0.46654 | 1.68803 | 2.96590 | |

Note: The topics of "Circular economy", "Occupational safety and health" and " Human rights, diversity and inclusion" are related to Wistron's Six Sustainability Strategies, so they are also included in material topics to proactively disclose relevant information.

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## Alignment of Material Topics with GRI Standards

17 material topics for priority communication in 2022 were identified and 15 topics related to GRI Standards were found. "Information security," "vision and sustainable strategies," "product development and innovation," and "digital transformations" thereof were classified as special topics and do not correspond to GRI Standards.

| Sustainability Aspects | Sustainability Issues | Material Topics in 2022 | Corresponding GRI Disclosure Items / Topic Standards | Chapter/Page of The Disclosure in the Management Approaches |
|---|---|---|---|---|
| Environmental Protection | Environmental Policy and Management System | ✓ | Universal Standards | Chapter 3 Environmental protection p.54 management approach |
| | Climate Change Management | ✓ | Economic Performance | |
| | Greenhouse Gas Emissions and Energy | ✓ | Energy, Emissions | |
| | Air Pollution and Waste | | Emissions, Waste Water and Waste | |
| | Water Resources | | Water, Waste Water and Waste | |
| | Natural Ecology Protection | | Biodiversity | Nature and Biodiversity |
| Social Inclusion | Employee Care and Benefits | ✓ | Employment | Chapter 4 Social Inclusion p.81 management approach |
| | Talent Attraction and Retention | ✓ | Market Presence, Employment | |
| | Occupational Safety and Health | ✓ | Occupational Health and Safety | |
| | Human Resources Structure | ✓ | Market Presence, Employment | |
| | Talent Cultivation and Career Development | ✓ | Training and Education | |
| | Human Rights, Diversity and Inclusion | ✓ | Diversity and Equal Opportunity. Non-discrimination, Child Labor, and Forced or Compulsory Labor | |
| | Social Welfare and Charity | | Local Communities | |
| Corporate Governance | Information Security | ✓ | - | Chapter 5 Company governance p.150 management approach |
| | Customer Relations | ✓ | Customer Health and Safety, Marketing and Labeling, and Customer Privacy | |
| | Sustainable Supply Chain | ✓ | Supplier Environmental Assessment, and Supplier Social Assessment | |
| | Vision and Sustainable Strategies | ✓ | - | |
| | Company Governance | | Anti-corruption and Anti-competitive Behavior | |
| | Financial Performance | | Economic performance | |
| | Risk and Crisis Management | | - | |
| Innovation Value | Green Product | ✓ | Materials | Chapter 2 Innovation Value p.37 management approach |
| | Product Development and Innovation | ✓ | - | |
| | Circular Economy | ✓ | Materials, Waste | |
| | Digital Transformations | ✓ | - | |
| | New Businesses Development | | - | |
| | Diverse, Cross-Field Cooperation | | - | |

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## Relationship Between Material Topics and Wistron's Value Chain

The Company conducted a full evaluation of the value chain covered by Wistron based on the identified material topics in accordance with the related activities, products, services, and related impact.

| Sustainability Aspects | Material Topics | Importance to Wistron | Position of Impact in the Value Chain | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | | Within the organization | | Upstream | | | Downstream |
| | | | Wistron | Subsidiaries | Parts | Materials | Equipment | Customers |
| Environmental Protection | Environmental Policy and Management System | Wistron is dedicated to reducing the environmental impacts created during operations. We prevent potential environmental risks from occurring through complete policies, management procedures, and verification mechanisms | ● | ● | ● | ● | ● | ● |
| | Climate Change Management | In response to the global challenges brought by climate change, Wistron has established the goal of low carbon transformations, and actively manages climate related risks and opportunities to strengthen operation resilience | ● | ● | ● | ● | ● | ● |
| | Greenhouse Gas Emissions and Energy | Wistron complies with international standards to establish our carbon reduction goals. We actively introduce energy saving and carbon reducing measures to minimize our overall carbon footprint and improve our operational competitiveness | ● | ● | ● | ● | ● | ● |
| Social Inclusion | Employee Care and Benefits | We are committed to promoting the physical and mental health of employees through a variety of health management activities to achieve work-life balance and improve employee performance. | ● | ● | | | | |
| | Talent Attraction and Retention | A talent pool with excellent potential is the most important strategic capital of a company. Wistron created a world class workplace through diverse measures, so that our employees can be proud to work in Wistron | ● | ● | | | | |
| | Occupational Safety and Health | Employee health and workplace safety are the foundations for corporate sustainable developments. Wistron complies with international standards to build a safe work environment for employees, ensuring highly efficient operational performance | ● | ● | | | | |
| | Human Resources Structure | Wistron recruits diverse talents from all over the world and actively promotes gender equality. We also employ local talents to take up supervisory positions to implement localized management of talents. | ● | ● | | | | |
| | Talent Cultivation and Career Development | In order to help the career development of employees, Wistron provides diversified learning channels and training systems. We actively improve our competitiveness to face the market challenges | ● | ● | | | | ● |
| | Human Rights, Diversity and Inclusion | A diverse and inclusive culture can create positive impacts on the organization. By upholding the core value of a people-oriented philosophy, Wistron actively shows respect for the human rights of employees and a diversified workplace in the overall value chain | ● | ● | | | | ● |
| Corporate Governance | Information Security | In order to identify information security risks, education and training related to information technology management policies are implemented to improve overall IT security capabilities and strengthen the organization's resilience against IT security incidents and threats. | ● | ● | ● | ● | | ● |
| | Customer Relations | The source of the Company's core competitiveness is the close and sustainable partnerships we have established with our customers. Wistron continues to deepen customer trust through our corporate sustainable management and social responsibility management system. | ● | ● | | | | ● |
| | Sustainable Supply Chain | Wistron's procurement influence is used to help suppliers improve the five dimensions of labor, health and safety, environment, ethics and management. | ● | ● | ● | ● | ● | ● |
| | Vision and Sustainable Strategies | Only with a grand vision and strategy can we create a bright future. Through the stipulation of sustainable strategies and vision, Wistron has created a clear long-term development plan. | ● | ● | ● | ● | ● | ● |
| Innovation Value | Green Product | In the product design stage, it is considered that no hazardous raw materials are used, product efficiency is improved, and it is easy to disassemble or recycle, etc. to reduce the impact of products on the environment. | ● | ● | | | | ● |
| | Product Development and Innovation | By leading sustainability with innovation, Wistron actively introduces sustainable thinking during the design process to reduce the environmental impact of products, creating a better life through technology | ● | ● | | | | ● |
| | Circular Economy | The recycling green service from Cradle to Cradle is provided, environmentally friendly materials are provided, and the use of plastics is reduced, leading to the realization of the concept of industrial recycling. | ● | ● | ● | ● | | ● |
| | Product Development and Innovation | By leading sustainability with innovation, Wistron actively introduces sustainable thinking during the design process to reduce the environmental impact of products, creating a better life through technology. | ● | ● | ● | | | ● |