Sustainability through Innovation

Environment Society Governance

wistron

Wistron Corporation

2021 Sustainability Report

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About This Report

Editorial Policy and Compliance

Hello to all stakeholders. Thank you for reading the Wistron Corporation (hereinafter referred to as Wistron) Corporate Sustainability Report. The Report has been published in Chinese and English on the website (https://www.wistron.com) for public download. We hope that the greater transparency in this report will provide all stakeholders with a better understanding of Wistron's practices and achievements in fulfilling our ESG obligations in 2021.

The Report has been drafted according to the GRI Standards announced by the Global Reporting Initiative (GRI) in 2016. Meanwhile, the content also responds to the "Task Force on Climate-related Disclosure (TCFD)", "UN Sustainable Development Goals (SDGs)", "Sustainability Accounting Standards Board (SASB)" and "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies".

Scope and Boundary

As compared to the previous reporting period, Wistron completed the sale of 100% of its shareholding in Wistron (Kunshan) Limited to Luxshare-Ict on 1st January 2021 in response to the Group's strategic considerations for transformation and global deployment, and accordingly adjusted the base year figures for the relevant indicators.

The scope of the information disclosed in this report covers performance in economic, environmental and social topics. The organizational boundary of this report encompasses Wistron's major operations and manufacturing plants in Taiwan and worldwide. The boundary covers as follows:

- Wistron Corporation (Neihu Headquarters)
- Wistron Corporation (Hsichih Office Complex)
- Wistron Corporation (Hsinchu Plant)
- Wistron InfoComm (Kunshan) Co. (Kunshan Plant)
- Wistron InfoComm (Taizhou) Co. (Taizhou Plant)
- Wistron InfoComm (Zhongshan) Co. (Zhongshan Plant)
- Wistron InfoComm (Chongqing) Co. (Chongqing Plant)
- Wistron InfoComm (Chengdu) Co. (Chengdu Plant)
- Wistron Mexico S.A. de C.V. (Mexico Plant)
- Wistron InfoComm (Czech) s.r.o. (Czech Plant)
- Wistron Optronics（Kunshan）Co., LTD (Kunshan Opt Plant)

About This Report

Period Covered

The Corporate Sustainability and Social Responsibility (CSR) Report for the preceding year is published by Wistron in the current year. The previous report was published in 2021 and the next report will be published in 2023. The report is published annually. This report covers Wistron's CSR management policy, key issues, actions and performance for 2021 (January 1 ~ December 31, 2021). The Report quantifies the performance to represent the trends in the past several years. If information dated after January 1, 2022, is disclosed, it will be explained in the text.

Internal Management

This year, the Vice Chairman and President are the publishers of the Corporate Sustainability Report. The highest supervisors or senior managers of different units and the senior managers of the operating locations around the world were gathered to form the "2021 Corporate Sustainability Report Editorial Committee" to implement the compilation of the report and formulate the overall sustainability direction. The "2021 Corporate Sustainability Report Editorial Promotion Group" was established under the committee to identify major sustainability issues, compile information from different departments, and define sustainability performance indicators. The integrity and accuracy of the information from various departments and sustainability performance indicators are first reviewed by the supervisors of each department. The "Sustainability Office" will then coordinate the second review of the data, content planning, and edits. Finally, the compiled sustainability report is validated by a third party external institution and reported to the "ESG Committee" under the Board of Directors for review. The report is publicly disclosed after receiving the approval of the chairperson.

External Verification

This Report has been validated by the third party validation unit, Bureau Veritas (BV), according to AA1000AS:2018 / Type II / High Assurance Standard, and is compliant with the disclosure requirements of the GRI Standards Core Items. The financial data has been certified by KPMG Taiwan and passes the ISO9001/14001/14064/50001/45001/20000/27001 and other related international standards.

Contact Information

If you have any questions, thoughts, or comments regarding the Report, welcome to let us know through the following contact channel.

> Sustainability office
> Email:ESG@wistron.com
> Address:158, Singshan Rd., Neihu District, Taipei City 11469, Taiwan

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Vision and Mission   Sustainability Aspects and Strategies   Sustainability Policies   Sustainable Governance   Materiality and Impact

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Sustainability Performance Highlights

E — Environmental Protection

52.79%
Renewable Energy Usage

A -
CDP Climate Change Leadership Level

-21.26 Million kWh
Total Energy Savings of the Six Major Energy Conservation Projects

Carbon Neutral Goal
2030 Low Carbon Transformation Goals
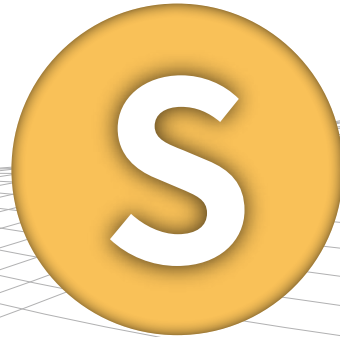
S — Social Inclusion

NT$199 Million
Total Social Investment Amount

NT$174 Million
Total Employee Training Expenses

34,685 People
Employees Training for Digital Transformation

Best Companies to Work For in Asia
Providing a Happy Work Environment

G — Corporate Governance

Top 5%
Highest Rating in the Corporate Governance Evaluation

99.9%
Employee Code of Ethical Conduct Statement Signature Rate

87 %
Suppliers Signed the RBA Code of Conduct

Lighthouse
Building the Best Smart Factory in the World
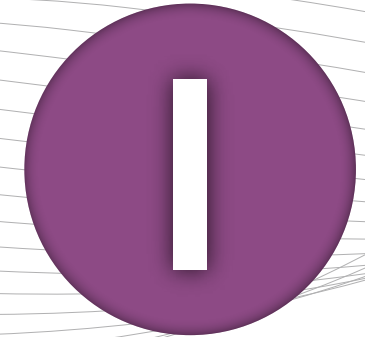
I — Innovation Value

NT$20.8 Billion
Investment in Innovation and R&D

- 49,116 CO_2e
Reduction of Emissions Through Recycling Plastic Materials

6,265 Cases
Patents Awarded

Top 100 Global Innovations
Invest in Forward Thinking Technologies and Start Ups

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Awards and Recognition

MSCI ESG RATINGS A
MSCI ESG Ratings **A**
MSCI Emerging Market ESG Leader Index Constituent Stock

CDP DISCLOSURE INSIGHT ACTION
CDP Climate Change Leadership Level
(A-)
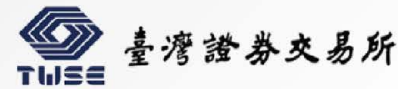
TWSE 臺灣證券交易所
The 7th Corporate Governance Evaluation
Top 5% of Listed Companies

FTSE4Good TIP Taiwan ESG Index   TIP Taiwan Index Plus
FTSE4Good Taiwan Index Company Taiwan Sustainability Index Constituent Stock
FTSE4Good Emerging Market Index Constituent Stock
FTSE Emerging Market ESG Index Constituent Stock

The BEST
Fortune Global 500
Top 500 Global Companies

The BEST
Forbes
Top 2000 Global Listed Companies

TCSA 台灣企業永續獎
2021 TCSA Taiwan Corporate Sustainability Awards Corporate Sustainability Report Awards -
Silver Award

天下雜誌 CSR 天下永續公民 Excellence in Corporate Social Responsibility
Excellence in Corporate Social Responsibility
The 18th Place in the Large Enterprises Category

Corporate ESG Performance RATED BY ISS ESG   Prime
ISS ESG Corporate Rating
"Prime" Status

ENVIRONMENTAL QUALITYSCORE 1   SOCIAL QUALITYSCORE 1
ISS QualityScore – Environmental:
Highest Ranking
ISS QualityScore – Social:
Highest Ranking

Sustainability Award Bronze Class 2022 S&P Global
S&P Global Bronze Class

Sustainability Award Industry Mover 2022 S&P Global
S&P Global Industry Mover

Top 100 Global Innovator 2022 Clarivate
Clarivate 2022
Top 100 Global Innovators™

Best Companies to Work for in Asia 2021

The BEST
World Economic Forum
Lighthouse (Kunshan Plant)

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Chairman & Vice Chairman Sustainable Development Message to Stakeholders and Partners

The year 2021 was the 20th anniversary of Wistron's establishment. From 2001 when the company was established to today, Wistron has always upheld the management philosophy of "altruism.". We deeply believe this management philosophy is the foundation for corporate sustainable management. In the past few years, we have accelerated our international deployment, expanded our high tech investments, and adjusted our business model based on this value, and we will continue these practices in the future. Apart from continuously implementing digital transformations, we are also actively investing in environment, society, and governance (ESG) areas. We hope to use innovations in this area to achieve our sustainable development goals.

As the world was being ravaged by the Covid-19 pandemic in the past two years, Taiwan also encountered the first wave of unprecedented shocks of COVID in May 2021. During the pressures of the pandemic, Wistron continued to grow, which proves that we have laid a solid foundation of hard work over the years. We are fully invested in the digitization and digital transformations of the company. Even in the face of these significant challenges we are still able to produce positive results.

In order to understand the operational risks and opportunities created by ESG and climate change, the Company has made corresponding adjustments to the organization including: (1) the highest responsible unit for risk management is the Board of Directors and they are responsible for formulating risk management policies and related regulations, and supervising the overall implementation of risk management; (2) The risk management team was established under the ESG Committee while the Chief Financial Officer acts as the convener of the ESG Committee which reports the risk operations to the Board of Directors every year; and (3) the Sustainability Office was established, responsible for executing ESG implementation.

In terms of sustainable development performance, Wistron has ranked in the top 5% of the Corporate Governance Review for 3 consecutive years. In 2021, Wistron received the HR Asia Best Employer Award, the MSCI ESG A rating, and the A- "Leadership Rating" from the Carbon Disclosure Project (CDP). Furthermore, we have actively participated in the DJSI international evaluations. We won the S&P Global Bronze Class and S&P Global Industry Mover awards in the Computers & Peripherals and Office Electronics category.

In 2021, Wistron's Kunshan Plant, which primarily produces digital AIoT devices, was named a World Economic Forum (WEF) Lighthouse, representing Wistron's ability to leverage technology and innovation to embrace digital transformations. WEF honored Wistron with the high level of recognition and stated: "In response to high-mix and low-volume business challenges, Wistron leveraged AI, IoT, and flexible automation technologies to improve employee, resource, and energy efficiencies for manufacturing, logistics, and supplier management."

With the strategies of global deployment and digital transformation, Wistron pursues stable profit and also continuously provides diversified and comprehensive learning resources so that employees can develop, share, and grow with the organization together. In order to achieve corporate sustainable management and development, we continue our talent cultivation strategy of digital capabilities, management capabilities, and globalized capabilities. Wistron firmly believes that talent cultivation and development is the foundation of sustainable competitiveness for corporations and a steadying force in an uncertain era.

Wistron has been involved in the protection of the natural environment and social welfare for a long time, while encouraging employees to help communities surrounding us through practical actions to create a good cycle together. With dedication to the environment and society, the spirit of ESG can be realized through protecting nature (environment), promoting goodness in society (social), pursuing truth in management (governance), and building a development blueprint for the corporate sustainability.

In the future, we will base our vision on "Sustainability through Innovation" as we move onwards the next horizon. At the same time, we have further defined the corporate mission as a "Trusted Innovation Partner for Technology, Sustainability & Better Lives." We are dedicated to fully implementing our four main core values: customer focus, integrity, innovation, and sustainability. We deeply believe that digitization lays the foundation for our innovations. By combining sustainable developments and fulfilling our corporate responsibilities, we will create better opportunities for the company in the future and accelerate our competitive advantages.

Wistron Corporation
Chairman
Simon Lin

Wistron Corporation
Vice Chairman
Robert Hwang

【Low carbon transformations】 The world-leading smart green factory was selected as a "Lighthouse" of the World Economic Forum(WEF)

Since 2018, the World Economic Forum (WEF) and McKinsey & Company have tracked advanced manufacturing plants which successfully implemented digital transformations around the world. 15 plans were selected from more than 1000 international factories as leaders in advanced manufacturing. As a leader in the electronics manufacturing industry, Wistron has implemented many digital transformations in smart manufacturing over the past few years. We were selected as a Lighthouse in March 2021. Wistron's digital transformations and developments included customer orders, product design, manufacturing, testing, logistics, and payment processes. The transformations, based on the cloud platform, big data, and IoT, made great contributions to employee performance, asset management, logistics management, raw material quality, and sustainable developments. Manufacturing costs have been reduced by 24% and energy consumption has been reduced by 44%, realizing the vision to implement sustainable developments through smart technologies. Mr. Simon Lin, Chairman of Wistron, stated, "Digitization has realized "smart" production and sustainable management in our factories. It is our responsibility but also our competitive advantage."

Wistron has successfully introduced digital technologies and applications in every part of our value chain, in order to effectively reduce energy consumption, improve production efficiency, and expand production scale. Wistron Smart Technology Co., Ltd. was established to copy and expand our "Lighthouse" experience. The company is committed to integrating the technical services and resources of the digital industry chain. We provide excellent, well rounded digital smart solutions, assisting more than 300 companies with their smart transformations. We establish digitized and smart maintenance and management platforms and systems by upholding the ideals of "innovation, empowerment, service, and winning together". Wistron has created a digital ecosystem chain and promoted digitized economic developments, becoming the benchmark for world class green and smart manufacturing.

Low Temperature Soldering (LTS)

Wistron started with high energy consumption steps in the production process. We introduced low temperature soldering (LTS), shifting from unleaded production to unleaded LTS processes, effectively reducing the energy usage and carbon emissions of soldering by 20% to 30%.

Reduced Power Consumption by

20~30%

Smart Energy Management and Optimization

Big data
IoT
AI
Closed-loop management
Smart energy management systems and smart controls for air compression
Independent development of the big data platform
Machine start-stop system with AI
Closed-loop management
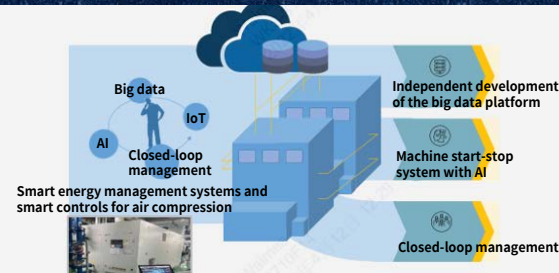
By introducing advanced IoT, 5G and AI learning technologies, we are able to conduct demand predictions, performance analyses, and smart controls of air compressor and air conditioning systems. By introducing smart energy management systems and smart controls for air compression and air conditioning, energy usage of a single unit was reduced by 9.4%, saving 10.16 million kWh of power.

Reduced Carbon Dioxide Emissions by

7,918 tons

Sustainable Green Energy Usage

Regarding sustainable green energy, we have adopted the principle of building as much as possible and established a 12MW solar power station, which produces 12 million kWh of green energy each year. In 2022, we plan to construct another 5MW solar power station. Furthermore, we purchased 202 million kWh in renewable energy certificates in 2021.

The Renewable Energy Use Percentage in 2021 was

52.8%

【Investment innovations】 Selected as one the Top 100 Global Innovators institutions, realizing our innovative and sustainable vision

Wistron was included in the Top 100 Global Innovators by Clarivate in 2022. This award represents Wistron's efforts in innovation. In the past few years, Wistron continued to expand our investments in the development of cutting edge technologies. Our patents covered technological fields from healthcare, metaverse, AI, industry 4.0, autonomous and electric vehicles, and other emerging technologies. Furthermore, Wistron encourages innovation in its corporate culture through research and development team competitions, goal oriented brainstorming projects, invention proposal reviews, and big data analyses of patents. We aim to cultivate internal and external research and development teams and technologies, using innovation to lead to other innovations.

Clarivate™ Top 100 Global Innovators — Healthcare — Metaverse — AI — Electric Vehicle — Industry 4.0
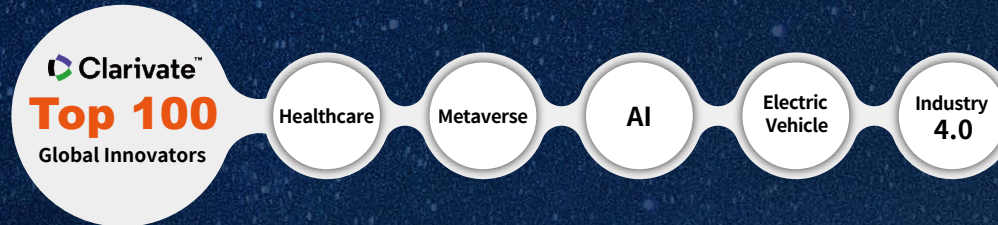
With Forward Thinking Strategic Investments Totaling NT$10 billion, We are Searching for Innovative Opportunities for the Next 10 Years

In order to rapid paradigm shift from past ODM thinking, we have adopted new services as the theme of our strategic developments. Wistron is focusing on the applications of 5G, AI, and IoT through the development of innovative technologies, diversified products, and investing in startup teams. We will accelerate the growth of startups together. Wistron's strategic investments in recent years have totaled over NT$10 billion, with 50 to 60 investment targets or long-term management targets. Wistron is searching for investment opportunities in early-stage startups through the Corporate Venture Capital Office, in order to effectively integrate the startup teams with Wistron. These partnerships will lead Wistron's long-term strategic developments in the future. Together with the Intelligent Integration Center and Value Creation Center, we are providing the startups with products, technical solutions, and business expansion assistance. By utilizing Wistron's more than 20 years of management experience in professional designs and manufacturing, we are helping startups through the development process for concept productization, allowing them to successfully introduce their products in the market and realizing the value of "innovation by incubation".

Wistron Accelerator

In 2021, Wistron partnered with AppWorks to launch the Wistron Accelerator. We recruited 5 AI, IoT, cloud, and information security teams to join us to provide solutions for startups and Wistron. In the next 10 years, the program will also provide growth opportunities for Wistron outside of our original industries.

Center for Innovation Taipei

Wistron and the Taipei City Government launched the "Digital Contents Innovation Center" BOT project. We invested NT$4.3 billion to support emerging industries. The center is both an incubator and creative space for exchanging ideas. It is estimated that 100 startup teams will enter the space in the first year, encouraging themed cooperation between the teams and major corporations and creating 3,500 employment opportunities.

Wistron Lab @ Garage+ Startup Space

Wistron worked with the "Chia Hsin Welfare and Culture Foundation" and the "Epoch Foundation" to create the Wistron Lab @ Garage+ startup space. As an investor, Wistron is not involved in the operational developments of the startups, providing more space for development and possibilities to the startups. 7 startup teams have entered the space in 2021.

【Happy workplace】 Wistron was awarded the Best Companies to Work for in Asia award for the themes of Wicare

In 2021, Wistron was awarded the Best Companies to Work for in Asia award by HR Asia. Using the core themes of Wicare, Wistron encourages innovative experiments and transformational thinking, as well as talent cultivation and development. The Company provides employee-oriented compensation and benefit, and the company also creates a comprehensive happy workplace. Wistron was selected for the award among 292 other competing companies. The award represents the recognition for Wistron's dedication to creating a work-life balanced environment while caring for employees.

Encourage Innovative Experiments and Transformational Thinking

DnA Academy
Cultivate Wistron's digital transformation talent and establish the digital transformation knowledge platform. As of 2021, 18,203 people have completed general digital training. There were 613 key digital talent and 624 RPA talent. The trained professionals combined the digital theories with their existing business expertise to invest in project development related to R&D, manufacturing, sales, and the supply chain, simultaneously deepening Wistron's digital thinking and culture.

Hackathon Event
Encourage employees to discover the problems with daily work processes. Establish problem solving dedicated systems through team brainstorming and applied digital tools. Work processes are optimized and efficiency is improved in order to implement digital transformations.

Talent Cultivation and Career Development

Cloud Education Resources
Various online and offline education courses are provided. The cloud training system and learning app have been introduced to help employees study on their own and acquire new knowledge and skills.

Manager Leadership Training
Introduced a leadership evaluation system on par with global corporations. Comprehensive reviews of the Company's management personnel are conducted. The systematic talent survey, talent characteristic identification, and personnel evaluation discussions can accurately identify the potential of the personnel and formulate corresponding individual development plans. These programs include a series of seminars on industry trends for senior executives, succession ladder development for mid-level executives and performance management development for junior executives.

Remuneration and Benefits Based on the Employees

Commend Excellent Employees
In order to inspire employees with excellent job performance, Wistron organizes the employee commendation meeting every year. Award winners and their families are invited to participate. In 2021, 286 employees and their families participated in the meeting and NT$1,490,000 was awarded.

Childbirth Incentives
Wistron cares for the employees who have become new parents. Employees are given NT$60 thousand in childbirth incentives. Childbirth subsidies of NT$2,000 per child are provided by the Employee Welfare Committee. In 2021, childbirth incentives totaled NT$12.90 million.

Employees Stock Ownership Trust
In order to share the management results with employees and encourage employees to build long-term savings, the Company has established the "Employees Stock Ownership Trust" program.

Sustainability

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Sustainability Innovation Value Environmental Protection Social Inclusion Corporate Governance Appendix

Vision and Mission Sustainability Aspects and Strategies Sustainability Policies Sustainable Governance Materiality and Impact

1.1 Vision and Mission

Vision	**Sustainability through Innovation**

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

Sustainability Aspects	**E** Environment	**S** Society	**G** Governance	**I** Innovation

Sustainability Strategies	**Recycling**	**Green products**	**People with purpose**	**Labor welfare**	**Sustainable supply base**	**Decarbonization**
Paths	Provide full-suite of recycling offerings to tackle most-pressing circularity challenges	Provide continuously evolving sustainable design capabilities	Provide a workplace with a culture embedded with innovation, inclusion, and integrity	Create respectful and supportive working environment to our direct labor	Become customers' go-to provider to address the most-pressing supply chain management	Be on pace with customers to support energy efficiency, and achieve low carbon emissions
Roles	Green product innovator	Resource recycling supplier	Employee empowerer	Labor carer	Sustainable supply purchaser	Low carbon manufacturing partner

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1.2 Sustainability Aspects and Strategies

In order to realize the company's vision and mission, Wistron's sustainability aspects include environmental protection, social inclusion, corporate governance, and innovation value (ESGI).

We have steadily established comprehensive and differentiated sustainability strategies, which are sustainable supply base, green products, recycling, decarbonization, people with purpose, and labor welfare associated with key relevant initiatives.

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development and officially announced the Sustainable Development Goals (SDGs) to provide a blueprint for the peace and prosperity of mankind and the planet. The Agenda includes 17 sustainable development goals and 169 targets for implementation. The aim of the Agenda is

to unite countries, corporates, and people around the world to face challenges and jointly implement the Sustainable Development Goals by 2030.

Wistron regards sustainable development as a long-term business goal in its corporate transformation process and implements organizational changes accordingly with the aim of making full use of the Company's social and environmental influence. To fully respond to the Sustainable Development Goals, the Company compared the SDG Compass guidance documents published by the UN Global Compact, GRI, and WBCSD, and connected Wistron's four major themes and actions for ESGI sustainable development to the SDGs. The connection helps Wistron's Sustainable Development Strategy meet international sustainable development trends.

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ESGI Short, Medium, and Long-Term Goals

Dimension	Topics	Strategies	Performance Goals	2021 Goals	2021 Results	Progress Signal	2022 Goals	2025 Goals	2030 Goals
Environment	1 Climate change and energy management	Increase energy efficiency usage	Absolute reduction of greenhouse gas compared to 2016	**-21%**	**-53.80%**	🟢	-25.20%	-37.80%	carbon neutral
		Improve renewable energy consumption	Renewable energy consumption ratio	**50%**	**52.79%**	🟢	57.50%	80%	100%
	2 Water resources	Implement water resource management, water recycling, and wastewater management	Business unit water consumption (intensity) reduced compared to 2016	**-9%**	**-31.60%**	🟢	-10%	-13%	-18%
	3 Hazardous substance management	Hazardous Substance Free (HSF)	Compliance with Hazardous Substance Free standards and customer requirements	**100%**	**100%**	🟢	100%	100%	100%
	4 Waste management	Promote waste classification and reduction and enhance waste recycling and reuse	Waste recycling rate (intensity) reduction compared to 2018	**-2%**	**-5.53%**	🟢	-4%	-10%	-20%
	5 Product accountability	Improve environmental benefits of products	Compliance with energy label and safety label requirements	**100%**	**100%**	🟢	100%	100%	100%
Society	6 Human rights	Implement the Company's Human rights policy; satisfy legal compliance	No violations of laws with a penalty exceeding NT$1 million	**0 cases**	**0 cases**	🟢	0 cases	0 cases	0 cases
	7 Occupational health and safety	Focus on employee health and safety committed to providing a safe work environment	Incident rate per thousand persons	**< 2.0**	**2.38**	🔴	<1.8	<1.5	<1.4
	8 Talent recruitment and retention	Create a quality work environment and increase employee retention	Global IDL employee turnover rate < 16%	**< 16%**	**16.10%**	🟢	<15.5%	<15%	<12%
	9 Human capital development	Promote corporate digital transformation and create organizational competitive advantages	Cumulative cultivation of key digital talents	**> 465 people**	**613 people**	🟢	> 908 people	> 1,000 people	> 3,000 people
			Average training hours for Taiwan headquarter management positions	**> 15 hours**	**17.4 hours**	🟢	> 18 hours	> 18 hours	> 20 hours
	10 Social engagement and care	Environmental protection and humanity and social care	Total investment in social engagement	**NT$150 million**	**NT$199 million**	🟢	NT$200 million	NT$240 million	NT$250 million
		Enhance diverse collaboration on technology	Industry government institute collaboration projects	**11 cases**	**21 cases**	🟢	20 cases	25 cases	30 cases
Governance	11 Corporate governance	Improve performance in sustainability evaluations	Remain on top ranking in the Corporate Governance Evaluation	**Top 5%**	**Top 5%**	🟢	Top 5%	Top 5% Improve performance in ESG ratings	Top 5% Improve performance in ESG ratings
			Appoint female director to the board for board diversity	**Appointed 1 female independent director**	**Appointed 1 female independent director**	🟢	Completed the external Board Performance Evaluation	Completed the external Board Performance Evaluation	Female directors account for 20% of the Board of Directors

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Dimension	Topics	Strategies	Performance Goals	2021 Goals	2021 Results	Progress Signal	2022 Goals	2025 Goals	2030 Goals
Governance	12 Ethical management	Implement employee education and training and strengthen the code of conduct and ethical management	Signature rate for the "Code of Ethical Conduct" statement	100%	100%	●	100%	100%	100%
	13 Risk management/ internal control	Regularly identify the risk appetite for all levels of the Company	No material risk incidents (financial impact greater than NT$100 million) under ESGI	0 cases	0 cases	●	0 cases	0 cases	0 cases
			Regularly perform self assessment of internal control and reach a reliability coefficient	≥ 95%	ICS (Internal Controls Self-assessment) 99.90%. ICE (Internal Controls Evaluation): 99.86%	●	≥ 95%	≥ 95%	≥ 95%
	14 Legal compliance and management/ privacy	Establish legal compliance mechanism to review changes in local and international regulations related to operations to ensure compliance with laws and regulations	No employee-related violations of laws with a penalty exceeding NT$1 million	0 cases	0 cases	●	0 cases	0 cases	0 cases
			No Shareholders/Securities related violations of laws	0 cases	0 cases	●	0 cases	0 cases	0 cases
			No occupational safety and health related violations of laws with a penalty exceeding NT$1 million	0 cases	1cases	●	0 cases	0 cases	0 cases
			Portion of digitalization of contracts and intellectual property asset management	65%	70%	●	85%	100%	100% and big data analysis
	15 Supplier sustainability management	Suppliers risk management	Achievement rate of key direct suppliers	>97%	100%	●	100%	100%	100%
			Achievement rate of key indirect suppliers	>80%	100%	●	100%	100%	100%
			Attainment rate for high risk suppliers during onsite audits	> 80%	100%	●	100%	100%	100%
			Attainment rate of key direct suppliers during onsite audits	> 80%	100%	●	100%	100%	100%
			Audit deficiency improvement and guidance	100%	100%	●	100%	100%	100%
		Optimize regional supply chain	Machinery and materials in the Chinese plant	> 93.0%	99.30%	●	> 98%	> 98%	> 98%
		Signature of major statements	Signature rate for the "Code of Ethical Conduct" statement	> 90%	86.50%	●	100%	100%	100%
			Suppliers signature rate of "Declaration of Non use of Conflict Minerals"	> 90%	86.30%	●	100%	100%	100%
		Greenhouse gas reduction and water audit	Number of supplier GHG reduction and water audit	350 companies	350 companies	●	350 companies	400 companies	600 companies
		High energy usage suppliers obtaining GHG external verification (ISO 14064 1)	Number of obtaining ISO 14064 external verification	-	8.80%	●	35%	50%	100%
		Annual supplier conferences	Number of participants in the supplier conferences	-	Group: 354 people Department: 366 people	●	Group: 300 companies Department: 210 companies	Group: 350 companies Department: 250 companies	Group: 400 companies Department: 300 companies

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Dimension	Topics	Strategies	Performance Goals	2021 Goals	2021 Results	Progress Signal	2022 Goals	2025 Goals	2030 Goals
Innovation	16 Customer relations	Increase customer satisfaction	Proportion of Customer QBR ranking that reach first or second place	> 70%	79.7%	●	80%	90%	95%
	17 Innovation management	Patent portfolio management (6,000 ~ 8,000cases)	Annual increase in number of patents	5%~10%	Current number of patent granted is around 6,265 patents Added 6.03% patent applications (378 cases) and eliminated 7.78% of patents (487 patents)	●	5%~10%	5%~10%	5%~10%
			The number of Annual retiring patents	5%~10%		●	5%~10%	5%~10%	5%~10%
		Expand technology region, raise patent quality and increase overall patent value	Portion of innovation patent	>86%	87.40%	●	>87%	>90%	Patented technologies (products) other than computers/tablets/ servers account for > 50%. Patents outside of Taiwan/China/US account for > 10%.
		To foster patent activation	Involvement in patent related plans or organizations	Conduct assessment, screening patent related plans or organizations, propose plans and organization lists	28 partners	●	Participate in patent related projects or organizations	2 partners	4 partners
		Expand new business: 5G, AI, IoT, Smart Home, Professional Display Solutions, Smart medical, automotive electronics; investment in advanced research and innovation	New business revenue	NT$120 billion	NT$134.6 billion	●	Innovation O.I. as a percentage of all O.I: 28%	Innovation O.I. as a percentage of all O.I: 35%	Innovation O.I. as a percentage of all O.I: 40%
	18 Information security	Establish an updated information security system and mechanism to ensure information security for the company and customers	Audit pass rate of customers' information security regulations	100%	100%	●	100%	100%	100%
			ISO 27001 certified	Obtained by 2 plants.	New obtainment by 5 plants. Continuous updates for 3 plants.	●	Obtained by 8 plants and the validity is continuously updated. Introduced in and obtained by 7 plants.	Copied to other business groups and plants	100% of plants

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Material Topics and Management Response Strategies

Material topics in 2021	Management issues and management strategies
Environmental policy and management system	1 ~ 5
Climate change management	1
Energy consumption and greenhouse gas management	1
Recruitment and retention	8
Talent cultivation and development	9
Occupational safety and health	7
Human rights, diversity and inclusion	6
Corporate governance	11
Sustainable strategies and vision	1 ~ 18
Risk and crisis management	13
Customer relations	16
Product development and innovation	17
Digital transformation	9 、 17

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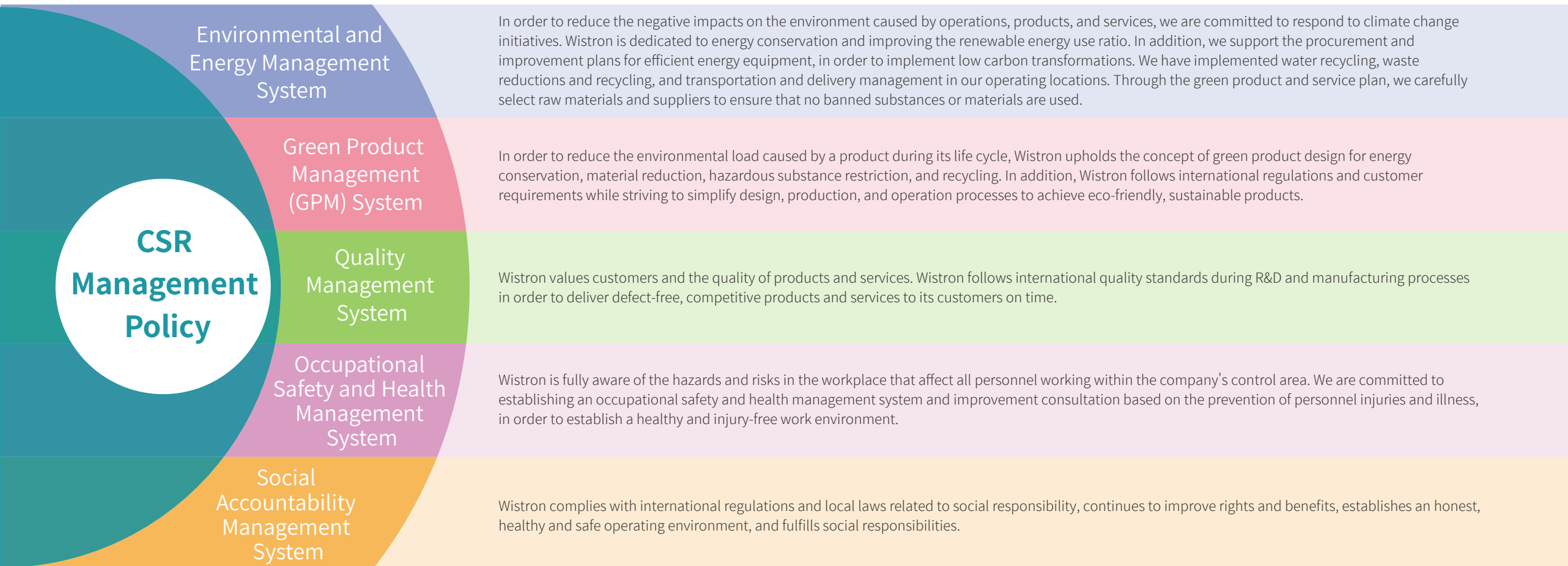
1.3 Sustainability Policies

In order to implement corporate social responsibility, Wistron's Board of Directors established "Sustainable Development Best Practice Principles" which clearly defined four major principles. 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. This is the highest guiding principle for Wistron's promotion of sustainable developments. In addition, the ESG Committee is chaired by Wistron's Vice Chairman who reports to the Board of Directors annually on the implementation and performance of the Wistron CSR program as well as the plans and goals for the coming year.

CSR Management Policy

Wistron is committed to establishing a corporate sustainability and social responsibility (CSR) management system that will exceed local regulatory and ethical standards. The development of high-quality green products and services will also be complemented by protection of the environment, employee health, safety and human rights in order to protect stakeholders' interests.

CSR Management Policy

Environmental and Energy Management System

In order to reduce the negative impacts on the environment caused by operations, products, and services, we are committed to respond to climate change initiatives. Wistron is dedicated to energy conservation and improving the renewable energy use ratio. In addition, we support the procurement and improvement plans for efficient energy equipment, in order to implement low carbon transformations. We have implemented water recycling, waste reductions and recycling, and transportation and delivery management in our operating locations. Through the green product and service plan, we carefully select raw materials and suppliers to ensure that no banned substances or materials are used.

Green Product Management (GPM) System

In order to reduce the environmental load 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 eco-friendly, sustainable products.

Quality Management System

Wistron values customers and the quality of products and services. Wistron follows international quality standards during R&D and manufacturing processes in order to deliver defect-free, competitive products and services to its customers on time.

Occupational Safety and Health 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. We are committed to establishing an occupational safety and health management system and improvement consultation based on the prevention of personnel injuries and illness, in order to establish a healthy and injury-free work environment.

Social Accountability Management System

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

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1.4 Sustainable Governance

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.
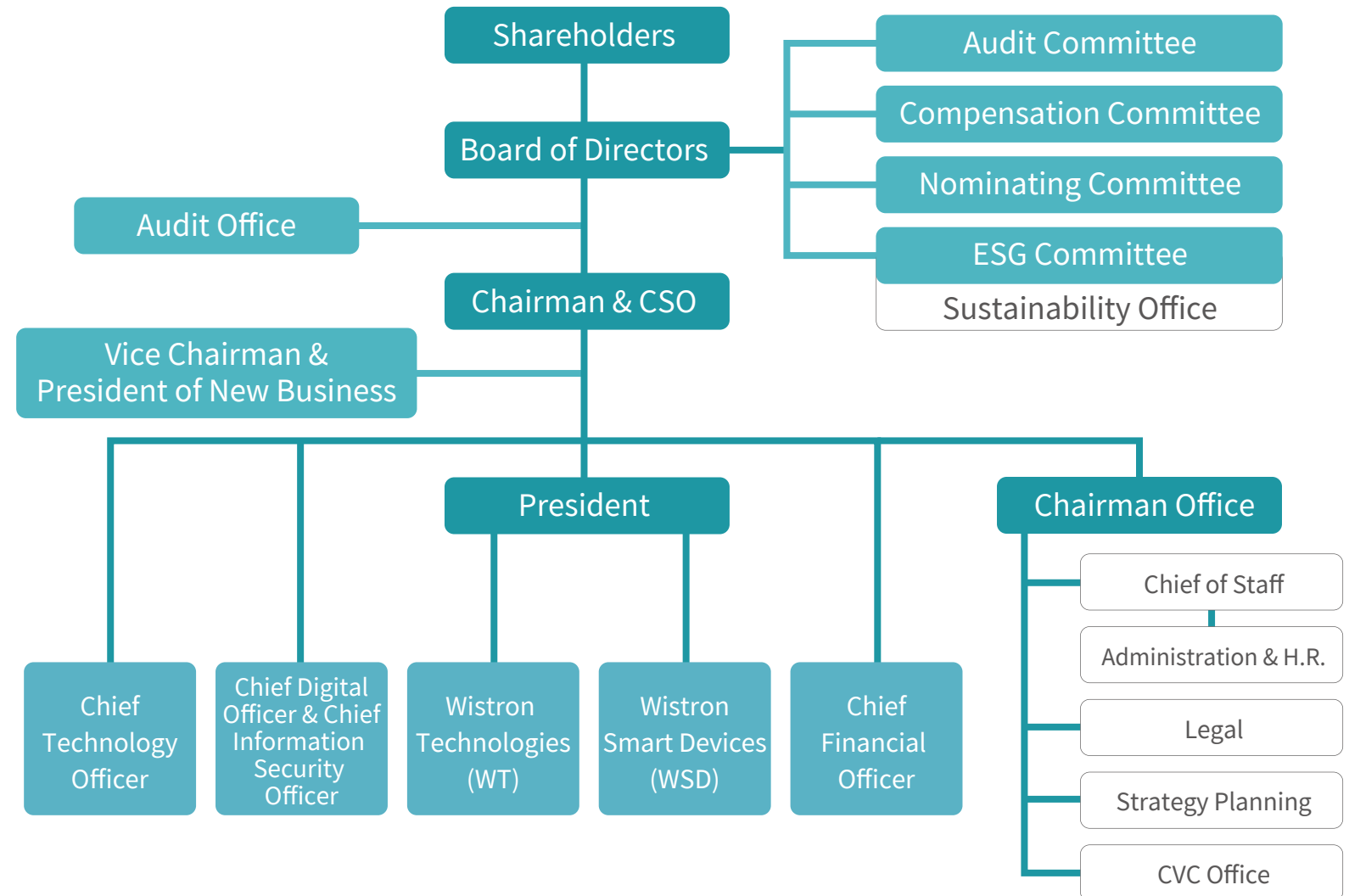
The ESG Committee is placed under the jurisdiction of the Board of Directors (BOD), and the BOD Vice Chairman serves as the Chairman of the Committee. The Committee consists of one independent director, two Presidents, Chief of Staff, Chief Technology Officer, and Chief Digital Officer & Chief Information 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 new 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.

Corporate Sustainability Report Editorial Committee

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

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1.5 Materiality and Impact

1.5.1 Sustainability Issue Identification

Through the focus on international sustainability trends and stakeholder interactions, we referenced international sustainability trends and standards, including GRI Standards, SDGs, SA8000 Social Responsibility Standards, RBA, SASB, and WEF-The Global Risks Report, and responsible investment institution issues: ISS-Oekom, MSCI ESG Ratings, and DJSI, CDP, TCFD information disclosure frameworks. In combination with the Company's corporate sustainable development strategy and stakeholder issues, we have compiled 24 sustainability issues.

1.5.2 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 corporate 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: customers, employees, shareholders/ investment institutions, suppliers, government agencies, non-profit organizations/communities, and media. We conducted materiality questionnaire surveys on identified stakeholders. We collected a total of 500 questionnaires in 2021 and used them to learn about the level of concerns of the stakeholders for each issue.

Stakeholders

Significance of the Stakeholders 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.

Customer

Key Issues of Concern in 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
Product Quality and Services	Quarterly sales reviews and visits	Every quarter or every six months	
Circular Economy (renewable plastics)	Project meetings and e-mails	Ad hoc	
Greenhouse Gas Emissions and Disclosures	CDP questionnaire or email	Annually	• Kunshan Plant was named a **World Economic Forum Lighthouse**
Customer Privacy and Information Security	Project meetings, e-mails, and audits	Ad hoc	• **Passed** external information security audits
Renewable Energy	Emails and questionnaires	When necessary	
Labor Human Rights	Emails, questionnaires, training, or audits	When necessary	• Complies with the customer policies of **not using conflict minerals**
Sustainable Supply Chain Management	Project meetings, emails, and questionnaires	When necessary	
Conflict Minerals	Documents	When necessary	

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Stakeholders

Employees

Significance of the Stakeholders 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 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
• Talent cultivation and development • Recruitment and retention • Compensation and Benefits • Occupational Safety and Health • Human rights, diversity and inclusion • Employee Care and Benefits	Training for new supervisors and supervisors	In accordance with the number of people	• Named one of the Best Companies to Work for in **Asia in 2021 by HRAsia Magazine** • Average of **72 hours** of training for employees around the world • **96%** performance communication and meeting rate • **100%** budget utilization rate for employee welfare activities • Degree of engagement score of 67.5% (out of 100%) and satisfaction score of 3.68 (out of 5) • **89.9%** annual employee health examination participation rate in Taiwan • **100%** employee personal health status report rate
	Key talent training	In accordance with the number of people	
	Performance and development meetings	In accordance with the performance evaluation cycle	
	Orientation and training, corporate culture workshop, and seminars for new employees	In accordance with the recruitment status of new employees	
	Welfare Committee meeting	Quarterly meetings	
	Degree of engagement surveys for indirect employees and satisfaction surveys for direct employees	Degree of engagement surveys for indirect employees are conducted once every 2 years. Satisfaction surveys for direct employees are conducted once every year.	
	Employee Relationship Promotion Committee	Quarterly	
	Official company website	Real time	
	Employee health examinations and medical consultation	Annually	
	Personal health status reports, establishment of pandemic prevention information networks, and pandemic prevention announcements	Daily and regularly	

Stakeholders

Shareholders/ Investors

Significance of the Stakeholders 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 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
Corporate Governance	Shareholders' Meeting	Once a year	• **1** Shareholders' Meeting convened • **9** Investor Conferences convened • Participated in around **80 exchanges and meetings** and communicated with nearly **500** domestic and foreign investors face to face/through the phone
Financial Performance and Profitability/Dividend Policy	Investor conference	9 sessions	
Business Strategy and Outlook/ Industry Changes	Investor meeting	80 sessions	

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Stakeholders

Suppliers

Significance of the Stakeholders to Wistron

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

Key Issues of Concern in 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
Green Product Management	Supplier green product management platform	Updated when necessary	• **1,345** green specifications and hazardous materials investigations are provided
Supply Chain Management	Supplier sustainability performance evaluation	Once a month	• The product quality, price, and delivery items of **459 suppliers** were evaluated
	Risk identification	Once a year	• **1,084 companies** were evaluated with the risk assessment procedure
	Supplier sustainability audit	Once a year	• Onsite audits were completed for **367 suppliers'** CSR
	Partner conferences	Once a year	• **354 people** from the Group participated

Stakeholders

Government Agencies/ Competent Authorities

Significance of the Stakeholders 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 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
Corporate Governance	Participate in the Corporate Governance Evaluation	Annually	• Ranked among the **top 5%** of listed companies in the 7th Corporate Governance Evaluation
Company Operations	Market Observation Post System and company website	Quarterly/annually	• Current green energy ratio and procurement method for each manufacturing site and future green energy requirements in Taiwan
Ethical Management	Explanatory meetings and onsite audits		• Litigations that have a major impact on the shareholders' equity or stock price of the Company are periodically disclosed in the quarterly financial reports and annual reports, as required by law.
Legal Compliance	Official documents, Market Observation Post System, and explanatory seminars	Ad hoc	
Labor-Management Relations	Official documents, explanatory meetings, regulation seminars, and conferences		
Green Energy	Official documents/questionnaires		
Intellectual Property Rights	Financial Report and Annual Report	Quarterly	

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Non-Profit Organizations/Communities

Stakeholders

Significance of the Stakeholders 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 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
Support and care for the environment and diverse experimental education	Wistron implements projects that adhere to the principles of the foundation through commission or sponsorship. We conduct project discussions through meetings, onsite inspections, and reports.	Ad hoc	• Self-initiated donations totaled **NT$3,379,959** • Donated to **40** groups/organizations
Encourage self-initiated participation in social welfare activities among employees and improves the positive benefits for social welfare groups	Through internal corporate resources and promotion channels, we encourage employees to actively participate in social welfare sponsorship projects, increasing the number of groups helped and the sponsored amount.		

Media

Stakeholders

Significance of the Stakeholders 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.

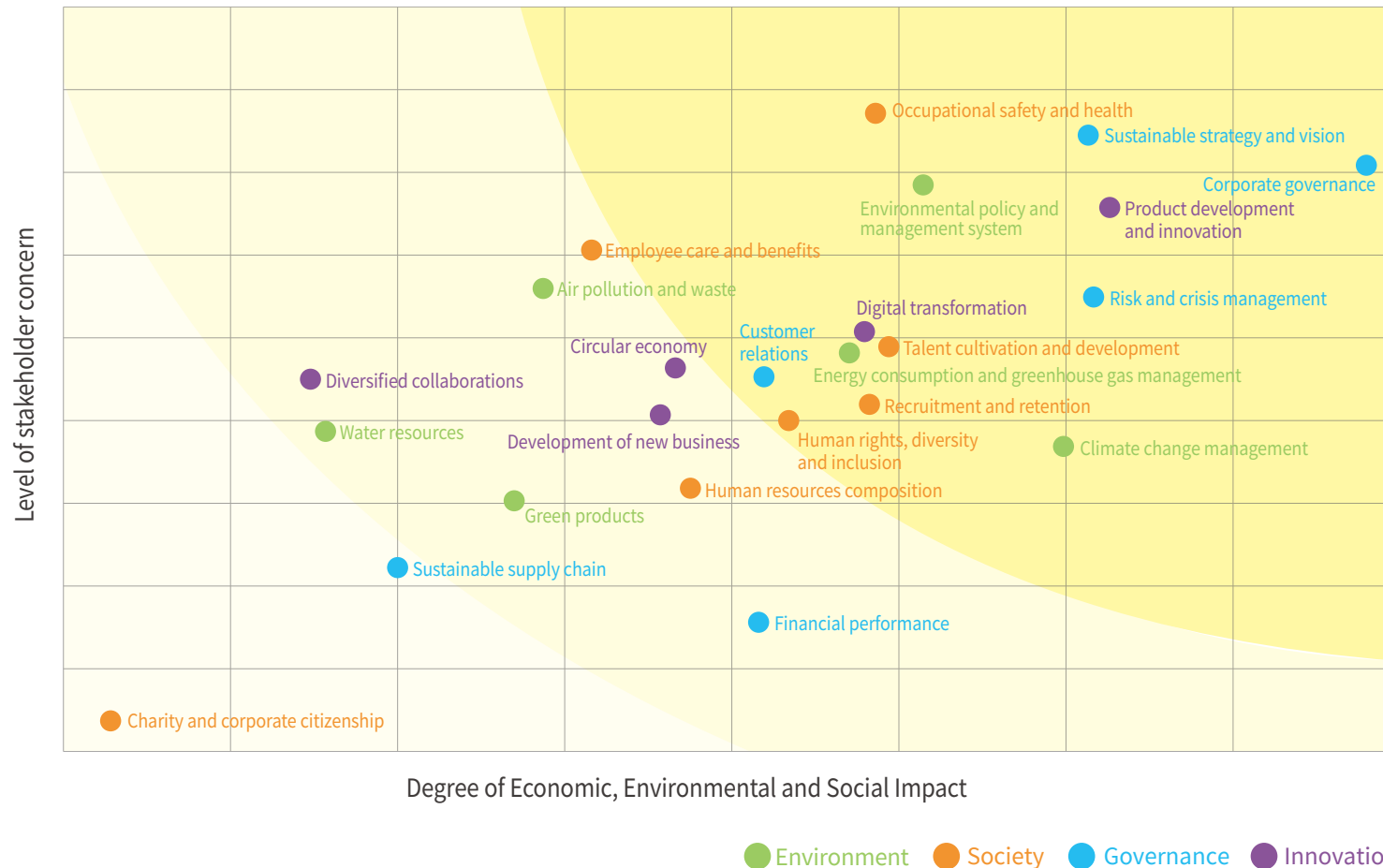| Key Issues of Concern in 2021	Communication Method and Channel	Communication Frequency	2021 Response and Results
Corporate Governance Company Operations and Image Corporate Sustainability Innovations and Development of New Businesses	• Convene Shareholders' Meetings and Investor Conferences • Publish Board of Directors resolutions and press releases related to operations • Publish monthly revenue press releases • Publish press releases related to operations and major information	Regularly or irregularly	• Organized **6** press conferences • Published **32** press releases in total

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1.5.3 Determining Material Topic and Boundary

Apart from collecting the issues of importance to internal and external stakeholders through online questionnaires, materiality workshops were organized by inviting the ESG related core team of the Company, including the members of the Corporate Sustainable Development Committee and other related employees, in order to assess the level of impact on company operations caused by the issues. After ranking and confirming the issues, 13 material topics for priority communication were identified and 20 topics related to GRI Standards were found. "Product development and innovation" and " digital transformations" were classified as special topics and do not correspond to GRI Standards. 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.

Analysis of Wistron's Material Topics in 2021

Level of stakeholder concern

- Occupational safety and health
- Sustainable strategy and vision
- Corporate governance
- Environmental policy and management system
- Product development and innovation
- Employee care and benefits
- Air pollution and waste
- Risk and crisis management
- Digital transformation
- Customer relations
- Talent cultivation and development
- Circular economy
- Energy consumption and greenhouse gas management
- Diversified collaborations
- Recruitment and retention
- Water resources
- Development of new business
- Human rights, diversity and inclusion
- Climate change management
- Human resources composition
- Green products
- Sustainable supply chain
- Financial performance
- Charity and corporate citizenship

Degree of Economic, Environmental and Social Impact

● Environment   ● Society   ● Governance   ● Innovation

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Specific Topics of the GRI Standards Corresponding to the Material Sustainability Issues

Sustainability Aspects	Sustainability Issues	Material	Corresponding GRI Disclosure Items/Specific Topics	Chapter/Page of the Disclosure in the Report
Environmental Protection	Environmental Policy and Management System	✓	Environmental Compliance	3.1.1 Environmental Protection Policies/ 54
	Climate Change Management	✓	Economic Performance	3.2.3 Identification of Climate Risks and Opportunities/ 60-62
	Energy Consumption and Greenhouse Gas Management	✓	Energy, Emissions	3.3.1 Energy Usage/ 64 3.3.2 Greenhouse Gas Emissions/ 65-66 3.3.3 Emissions Abatement and Results/ 67 3.4.2 Air Pollution/ 70 2.2.1 Green Products/ 37
	Water Resource		Water, Waste Water and Waste	
	Air Pollution and Waste		Emissions, Waste Water and Waste	
	Green Products		Materials	
Social Inclusion	Human Resources Composition		General Disclosures	
	Recruitment and Retention	✓	Employment	4.1.1 International Talent Recruitment/ 75, 81-82 4.4.1 Employee Care and Benefits/ 100, 103
	Talent Cultivation and Development	✓	Training and Education	4.2.1 Diverse career development environment/ 83-84 4.2.2 Key Strategic Talent Development/ 85, 93
	Occupational Safety and Health	✓	Occupational Health and Safety	4.4.1 Employee Care and Benefits/ 100-102 4.4.2 Occupational Safety and Health/ 104-106
	Employee Care and Benefits		Employment	
	Human Rights, Diversity and Inclusion	✓	Diversity and Equal Opportunities, Non-discrimination, Child Labor, Forced or Compulsory Labor, Human Rights Assessment	4.1.2 Inclusion and Diversity/ 76-78, 128-129 4.1.3 Talent Retention/ 79 4.3.1 Human Rights Due Diligence/ 96 4.3.2 Human Rights Risks and Major Issues/ 96-98
	Charity and Corporate Citizenship		Local Communities	

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Sustainability Aspects	Sustainability Issues	Material	Corresponding GRI Disclosure Items/Specific Topics	Chapter/Page of the Disclosure in the Report
Corporate Governance	Corporate Governance	✔	Anti-corruption, Anti-competitive Behavior	5.2.2 Ethical Management/ 130-131
	Sustainable Strategies and Vision	✔	General Disclosures	1.2 Sustainability Aspects and Strategies/ 15-16
	Risk and Crisis Management	✔	General Disclosures	5.3 Risk Management/ 132-135
	Financial Performance		Economic Performance	
	Customer Relations	✔	Customer Health and Safety, Marketing and Labeling, and Customer Privacy	2.2.1 Green Products/ 37-38 2.4.2 Supply Chain Sustainability Management/ 47 2.3.3 Privacy/ 43
	Sustainable Supply Chain		Procurement Practice, Supplier Environmental Assessment, and Supplier Social Assessment	
Innovation Value	Development of New Businesses		-	
	Product Development and Innovation	✔	-	2.1.2 Product Design and Development/ 34
	Circular Economy		-	
	Digital Transformation	✔	-	2.1.2 Product Design and Development/ 86-87 4.2.2 Key Strategic Talent Development/ 35
	Diversified Collaborations		-	

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Relationship between material topics and Wistron's value chain

Sustainability Aspects	Material Topics	Importance to Wistron	Increase Revenue	Reduce Costs	Obtain Funding/ Capital	Increase Customer Trust	Reduce Reputation Risks	Increase Employee Cohesion	Utilize Social Influence	Wistron	Subsidiaries	Parts	Materials	Equipment	Customer
			Relevance to Wistron Operations							Position of Impact in the Value Chain					
										Within the Organization		Upstream		Downstream	
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				✓	✓		✓	●	●	▲	▲	▲	■
	Energy Consumption and Greenhouse Gas Management	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	Recruitment 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	✓			✓		✓		●	●				■
	Talent Cultivation and 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	✓			✓		✓		●	●				■
	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 Rights, Diversity and Inclusion	A diverse and tolerant 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				✓		✓	✓	●	●	▲	▲	▲	■

● : Direct cause ■ : Indirect cause ▲ : Business partnership

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Sustainability Aspects	Material Topics	Importance to Wistron	Relevance to Wistron Operations							Position of Impact in the Value Chain					
										Within the Organization		Upstream		Downstream	
			Increase Revenue	Reduce Costs	Obtain Funding/ Capital	Increase Customer Trust	Reduce Reputation Risks	Increase Employee Cohesion	Utilize Social Influence	Wistron	Subsidiaries	Parts	Materials	Equipment	Customer
Corporate Governance	Corporate Governance	Just and ethical management is the foundation of corporate sustainability. Apart from compliance with international and domestic laws, Wistron uses our own high standards for self-discipline to fulfill shareholder expectations			✓	✓	✓			●	●				
	Sustainable Strategies and Vision	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			✓	✓			✓	●	●	▲	▲	▲	■
	Risk and Crisis Management	Wistron has established risk management mechanisms to implement risk management, adjustments, and procedure reviews, in order to strengthen operational resilience against changing market conditions.				✓	✓			●	●	▲	▲	▲	■
	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.	✓		✓	✓	✓			●	●				■
Innovation Value	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	✓			✓				●	●	▲	▲	▲	■
	Digital Transformation	In response to industry trends, Wistron has internalized the ideas of digital transformations within the organization for many years. We have created world class competitiveness through the complete digitization and smartification of operations	✓	✓		✓				●	●	▲			

● : Direct cause　　■ : Indirect cause　　▲ : Business partnership

Innovation Value

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New Businesses Development   Pursuing the Highest Quality   Maintaining Customer Relations   Moving Towards Sustainable Supply Chain

2.1 New Businesses Development

2.1.1 Circular Economy

Wistron is one of the world's largest suppliers of information and communication products that focuses on product development, design, manufacturing, and services. Using the concept of sustainable product design and development that combines product lifecycle and the circular economy, we are committed to lowering the impact of products on the environment and creating sustainable value. Wistron does not only produce green electronic products, we also recycle discarded electronic products and convert recycled materials into environmentally friendly products. We use resource sustainably to create a green and circular sustainable business model.

In 2010, Wistron established green resources businesses which officially began operations in 2013 to provided cradle-to-cradle green services with closed-loop recycling solutions. The Company seeks to maximize benefits for customers in the circular economy. The total shipped volume of post-consumer-recycled (PCR) environmentally friendly materials was 26,288 tons in 2021. We have received 16 UL yellow card product certifications in total. In 2021, the reduction in the use of new plastics materials reached 11,131 tons. Using the carbon footprint estimate for recycled plastics in the TUV database, we calculate that we reduced carbon emissions by 49,116 tCO_2eq. Furthermore, for the subjects of closed-loop gold and closed-loop plastic services, apart from the information and communication industry, medical industry, and aviation industry, the services have been expanded to "safe product destruction and recycling" services requested by OEM clients. Product lines that use recycled plastics have gone from display products and televisions to desktop computers, VoIP phones, servers, set-top boxes, mice, and keyboards.

Green Resources Business Achievements (tons)

Item	2018	2019	2020	2021
Electronic waste treated	10,046	11,363	10,000	7,300
PCR plastic materials shipping volume	17,320	13,512	16,930	26,288
Reduction in usage of new plastic materials	6,062	4,730	7,620	11,131

## Raw Materials and Technological Innovations

The Wistron green resources team provides recycle processing and recycled plastics services, such as ocean plastics recycling and recycled plastics, building on its 9 years of practical circular economy experience. Since the announcement by ODM customers that 100% of packaging and 50% of the product materials should use recycled or renewable materials, bio-based plastics have been integrated into smaller parts of laptop products, such as the rubber feet. At the same time, we have assisted customers to introduce 50% PIR (post industrial recycled) hydroelectric recycled aluminum in 2021 to satisfy their aluminum needs. Additionally, recycling and reuse of lithium batteries will be the focus of next phase of developments.

Item	Raw materials/ technologies	Characteristics and environmental benefits
Renewable raw materials	Bio-based Plastic	The addition of bio-based plastics does not impact the structural strength and can improve sustainable content. Currently, the main source of bio-based plastics is castor oil from renewable plants. The addition ratio is between 20% to 50% (bio based mass balancing). Besides reducing the use of petroleum, it can reduce carbon emissions without weakening the structural strength.
	Ocean-bound plastic	Ocean-bound plastic has been used in product development for products such as display products and fans. In 2021, 102 tons of products made from ocean-bound plastic were shipped.
Innovative technology	Hydroelectric recycled aluminum	Traditional aluminum is mostly made from fossil fuel power. 50% PIR recycled aluminum have been introduced through recycling and reuse because the energy consumption of recycling aluminum is much lower than producing new aluminum. Additionally, the carbon dioxide emissions of producing 1 ton of aluminum through hydropower are much less than fossil fuel power. This will also help achieve energy conservation and carbon reduction goals.
	Recycling and reuse of lithium batteries	When recycling and refining lithium batteries used in consumer products, lithium batteries used in electric vehicles can also be recycled, in order to fully implement the ideals of a circular economy.

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Green Product Performance

Sustainability is the creation of a resource rich future for the next generations. For several years, Wistron has implemented concrete green products and circular economy concepts in its business model. The product design and development process complies with the "Guidelines for Green Product Design and Review Procedure" and considers waste reduction, environmental protection, and the use of non-hazardous materials. Besides meeting international regulations and standards, we are also dedicated to minimizing our impact on people and the environment. Wistron's Green Resources Business subsidiary focuses on the recycling of waste electronics and refining of renewable plastics, promoting post-consumer recycled (PCR) plastics for various customer products and expanding Wistron's influence on green products. In 2021, Wistron's shipped products using PCR plastics accounted for 79.1% of its hardware revenue, representing an increase of 58.7% compared to the previous year. This proves that Wistron's dedication to low carbon and green product concepts has received the affirmation of the international market.

Wistron's product packaging has always been based on the concepts of environmental protection and reduction of resource waste. We choose recyclable and reusable materials for cardboard boxes, cushioning materials, and ink used for printing whenever possible. We also make use of this feature to add recycled and reproduced materials at the source for production. In 2021, the products that used Wistron's packaging design with recycled materials accounted for 98.1% of hardware revenue. Among which, 98.1% of the external boxes were made from recycled pulp; 97.9% of the cushioning materials were made from recycled EPE; and 98.0% of the printed materials were printed with environmentally friendly water-based ink. They significantly reduced the impact and destruction of the environment.

79.1%
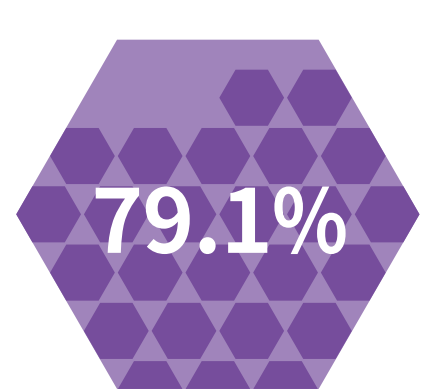
Percentage of
PCR plastic materials in
revenue from hardware

98.1%

Percentage of packaging
designed with recycled materials
in revenue from hardware

Products Using PCR Plastic Materials as Percentage of Hardware Revenue (%)

Item	2018	2019	2020	2021
Laptop computers	46.9%	52.2%	61.8%	**85.6%**
Desktop computers	49.6%	65.8%	58.1%	**68.4%**
LCD Display products	98.5%	97.7%	95.8%	**96.5%**
Servers	1.6%	1.3%	0.5%	**0.65%**
Total	47.6%	53.5%	58.7%	**79.1%**

Note : Hardware products refer to laptop computers/desktop computers, and all-in-one (AIO) computers/ display products / servers/Voice over Internet Protocol (VoIP)

Green Product Key Performance Indicators (%)

Item	2018	2019	2020	2021
Percentage of products compliant to WEEE regulations	100%	100%	100%	**100%**
Percentage of products with environmental labels	84.1%	87.0%	89.5%	**90.7%**
Percentage of packaging designed with recycled materials	84.0%	95.0%	98.0%	**98.1%**
Percentage of products that use recycled plastic materials	47.6%	53.5%	58.7%	**79.1%**

Note : Data and examples of packaging designs using recycled materials before 2020 in Wistron Technology

Recycled Materials Used in Product Packaging as Percentage of Hardware Revenue in 2021 (%)

Item	Recycled pulp for cardboard boxes	Cushioning materials using recycled EPE	Environmentally friendly water-based ink for printed materials
Laptop computers	99.4%	99.4%	99.4%
Desktop computers and all-in-one (AIO) computers	96.9%	96.9%	96.9%
Display products	97.3%	97.3%	97.3%
Servers/Voice over Internet Protocol (VoIP)	86.2%	85.7%	86.2%
Keyboards	100%	0%	100%
Audio	100%	0%	0%
Handheld mobile devices	100%	0%	0%
Total	98.1%	97.9%	98.0%

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2.1.2 Product Design and Development

Wistron has developed strong R&D and technological innovation capabilities and powered its growth and development with a diverse product portfolio in recent years. These developments have allowed the Company to expand its product portfolio, including portable computer products, desktop computer systems, servers and network storage devices, display products, communication products, and after-sales maintenance services, and to expand its businesses to cloud, vertical integration of display products, and green resources involving scrapped electronic products and renewable resources businesses to become a leading technology service provider (TSP).

Excellent product quality is the foundation of the Company's competitiveness. It is one of the key factors for gaining customer trust and determining the Company's operations in the current intense and rapidly changing business environment. We have established a quality management system and policy to ensure product quality. We use enhanced IT system management procedures to implement top-down monitoring, assessment, analysis, and continuous improvements of quality-related indicators and incorporate the Plan-Do-Check-Act management cycle into day-to-day operations and management. The end to end comprehensive services include early stage designs and development to after-sales services after mass production. The services help customers clearly and comprehensively understand the design and manufacturing processes.

In terms of product design and development, the Wistron R&D team provides customers with comprehensive and environmentally friendly integrated design services, allowing our ICT products to continuously improve and enhance our customer satisfaction.

| Investments in innovative developments	2018	2019	2020	2021
Funds invested in R&D (NT$ hundred million)	144	162	190	**208**
R&D funding as percentage of revenue (%)	1.62	1.84	2.25	**2.41**
R&D personnel (number of people)	4,354	4,556	4,896	**5,350**
Percentage of R&D personnel per total employees (%)	5.5%	6.5%	7%	**8.5%**

Wistron's Integrated Design Services

Integrated design services for various products

The services range from industrial design, electronic, software, mechanical and function testing, reliability testing services, and environmental considerations for packaging development.

Environmentally friendly

Wistron has stipulated green product planning procedures and imposed bans on hazardous substances and materials, reducing wasted resources, improving energy savings and recyclable designs, and allowing the products to comply with customers' environmental protection requirements and related laws and regulations.

Wistron's integrated design services
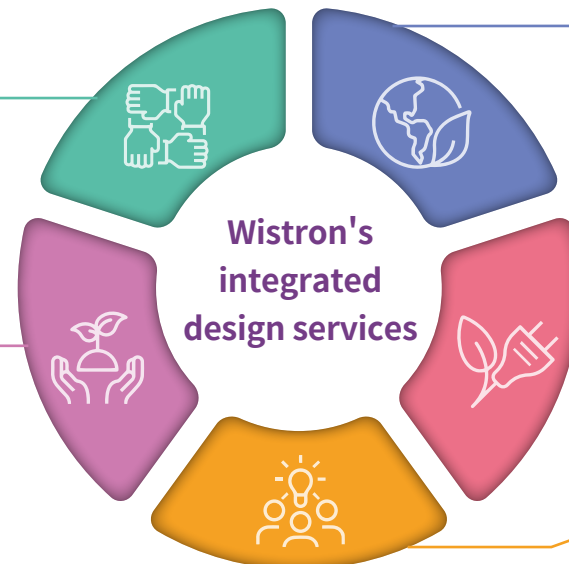
International certification for products

According to the characteristics of the information and communication product, develop heat transfer, vibration, emission frequency, energy consumption, structure, and reliability design services to ensure that the products can pass global or specific market quality assurances.

Green design concepts

The thinking behind product development covers product concept development, exploration of the user interface, materials, ideas on appearance and style, selection of components, production of prototype, and provision of engineering samples.

Large investments in R&D and innovation

Besides large investments in R&D and actively strengthening the engineering manpower and capabilities for R&D, Wistron also encourages employees to engage in innovative research, so the number of patents obtained will continue to increase.

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Wistron Invention Reward Regulation

In order to maintain the competitive edge in innovative technologies, Wistron encourages our employees to continuously improve their engineering capabilities and develop new technologies. The company has stipulated the "Wistron Invention Reward Regulation" to encourage our employees to boldly innovate. The regulation provides incentives in the invention disclosure, patent application, patent grant, and technology licensing stages. An Annual Patent Award Ceremony is held to encourage employees to continue researching and innovating. Wistron will continue to utilize our innovative energy and increase our R&D competitiveness.

Accumulative Number of Patent Applications and Patents Awarded

Wistron continues to develop new innovations and obtain patents. In order to further enhance the quality of the patents, in 2021, Wistron's internal patent quality control measures reduced the number of patent applications that are less directly related to the Company's R&D or business development. The Company also adopted different patent filing strategies for different technologies and other intellectual property rights protection for technologies that are less suitable for patent protection. These measures have improved the quality of patent applications.

Patent commendations	2018	2019	2020	2021
Number of patent award winners	320	248	246	237
Number of patent applications	495	532	429	386
Number of granted patents	446	440	459	401

Note: Wistron was named one of the Top 100 Global Innovators™ by Clarivate in 2022 and one of the Global 250 by IFI CLAIMS in 2022

Number of patents granted in different countries and the ratio, in 2021

Country	Taiwan	China	USA	Others
Number of granted patents	128	122	128	23
Ratio of granted patents	31.9%	30.4%	31.9%	5.8%
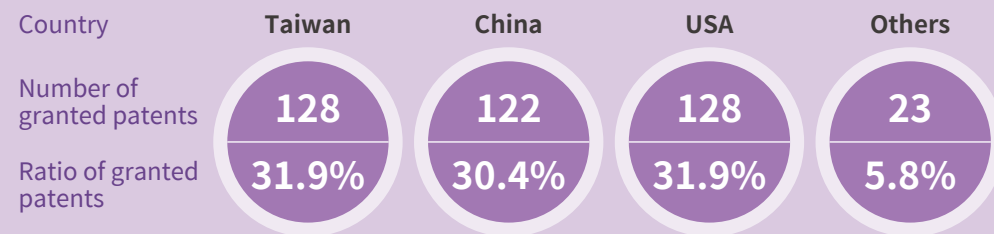
Encourage the Development of Green Product Patents

In order to implement Wistron's Green Product Policy, we also included the ideas of green innovation in the development of our products. Among the patents granted in 2021, green product patents with environmentally friendly designs accounted for 15 granted patents. Green product patents increase the added value of products, protect the environment with innovative technologies, and create a better life for the entire society.
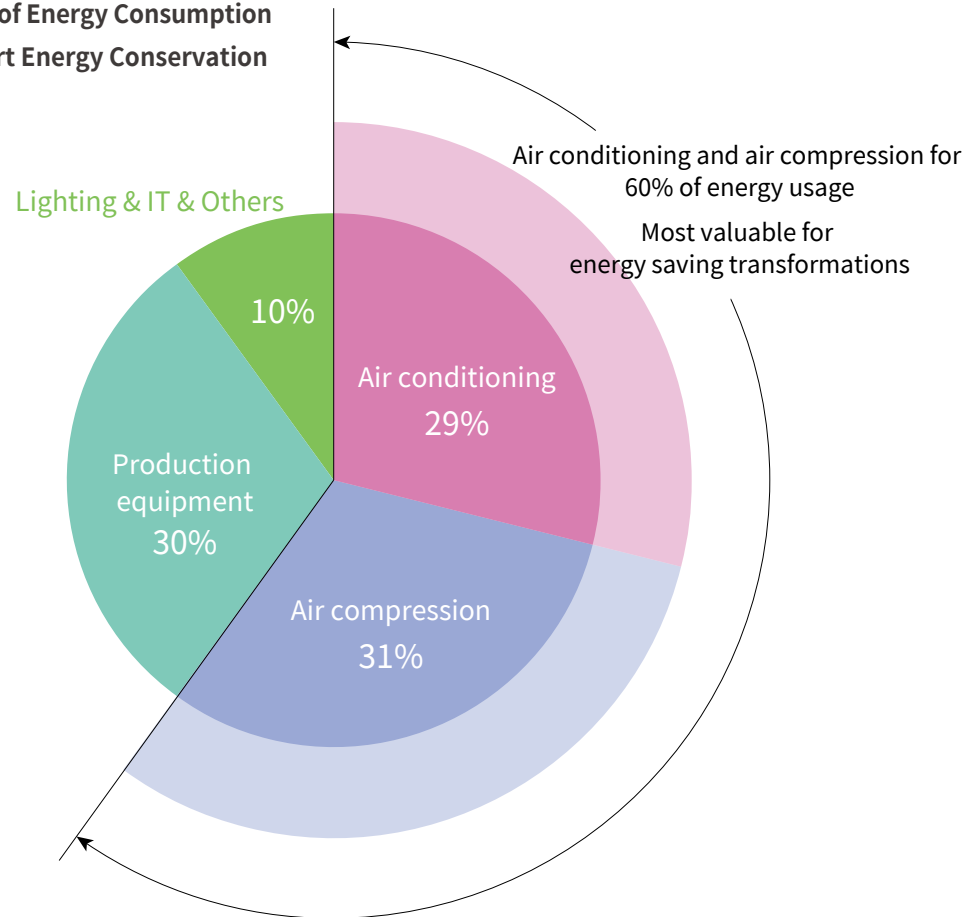
Wistron's Green Product Patents

Wistron's green product patents	2018	2019	2020	2021
	13	13	20	15

Green Product Patent Design Achievements in 2021

Light emitting diode package structure and manufacturing method thereof and display device	TWI743891	With blue light emitting diodes with longer peak wavelengths and multi-color neon powders with specific ratio ranges, in combination with hardware design, harm from blue light can be reduced and the wide color range and environmental protection guidelines can be satisfied.
Intelligent speaker for recovering vibration energy to generate electrical power	CN111526451	When recycling the soundwaves emitted by speakers, a power generating module can be used to turn the vibrations made by sound into induced current to charge the battery module. The high frequency soundwaves which are classified as noise can be converted into power. The recycling of vibrational energy can fulfill the purpose of energy conservation.
Fluid distribution apparatus and fluid distribution module with choke	US11129306	Through the mechanical design of fluid diverging modules, situations where the data center needs to increase power to the cooling devices due to insufficient flow can be reduced. The maintenance of even flow can not only improve the cooling efficiency of the device, but can also reduce energy consumption to realize energy savings.

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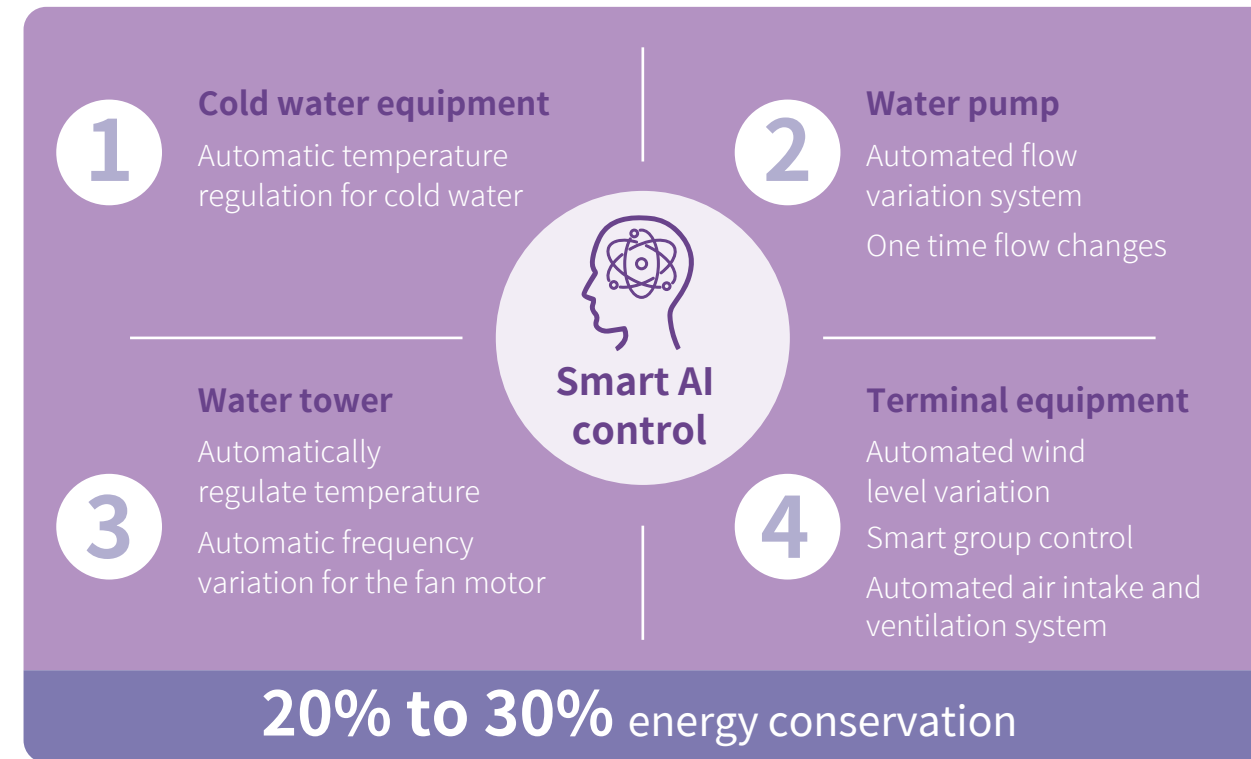## 2.1.3 Low-Carbon Manufacturing and Energy Saving Innovations

Wistron complies with the carbon peak in 2030, carbon neutral by 2060 policy of China. Smart energy management systems have been introduced in the Chinese plants. IIoT information models are utilized to create digital and instant water, power, and gas data during manufacturing. The systems are capable of automated analysis and equipped with alarm functions. The data will facilitate the stipulation of goals and strategies by the managers in order to achieve high-efficiency management and control.

Air conditioning and air compression are the major energy consuming facilities in the plants. They account for 60% of total energy consumption. After introducing smart, energy-saving technologies, automated connected control can be realized for the machinery, cooling pumps, cooling towers, freezing pumps, and terminals. With the additional integration of advanced AI and IoT technologies, energy savings can reach 20% to 30%. The air compressor system can automatically recommend the most energy-saving combinations according to the AI model, automatically detect the pressure data and system status, and issue a warning notification in case of abnormalities, so as to achieve the goals of energy conservation, carbon reduction and real time and effective management. The energy savings of the smart air compressor system is 18% to 25%. Smart dormitory unit energy management platforms and smart streetlight control systems will be introduced in the future, in order to improve the energy efficiencies of lighting and other systems.

Percentage of Energy Consumption Before Smart Energy Conservation

Air conditioning and air compression for 60% of energy usage

Most valuable for energy saving transformations

Lighting & IT & Others
10%

Air conditioning
29%

Production equipment
30%

Air compression
31%

Four Stages of Energy Conservation for Smart Air Conditioning Systems

1 **Cold water equipment**
Automatic temperature regulation for cold water

2 **Water pump**
Automated flow variation system
One time flow changes

Smart AI control

3 **Water tower**
Automatically regulate temperature
Automatic frequency variation for the fan motor

4 **Terminal equipment**
Automated wind level variation
Smart group control
Automated air intake and ventilation system

20% to 30% energy conservation

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2.2 Pursuing the Highest Quality

2.2.1 Green Products

Wistron has adopted the Green Design Guide for product design and incorporated green product management in compliance with the ISO 9001 Quality Management System to obtain the IECQ QC 080000 Management System certification. We also incorporated product lifecycle assessment ideas into the QC 080000 Hazardous Substance Process Management System.

By 2020, all product lines have attained 100% compliance with Waste Electrical and Electronic Equipment Directive (WEEE) regulations. Wistron complies with customer requirements, local energy regulations, energy label, and safety
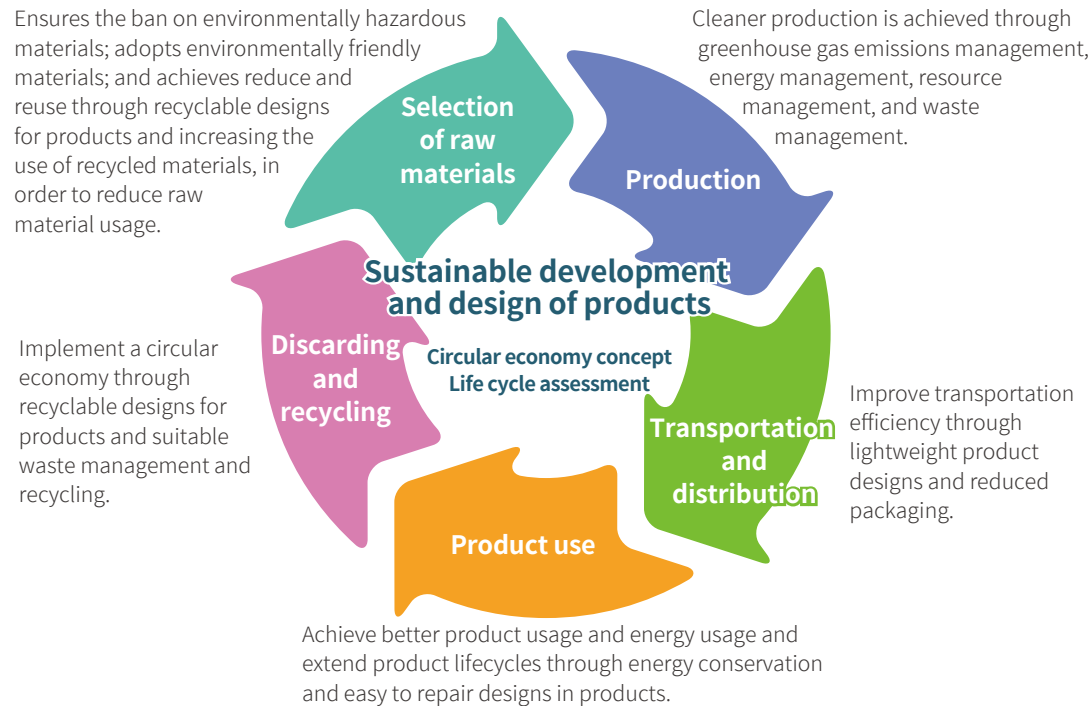
label requirements to design products that meet requirements. In 2021, the Company helped customers obtain various environmental protection labels. The sales from products with environmental protection labels account for 90.7% of hardware revenue. All product lines are 100% compliant with customer requirements, local energy regulations, and energy label requirements. There was no violation of product information labeling regulations and voluntary compliance.

Ensures the ban on environmentally hazardous materials; adopts environmentally friendly materials; and achieves reduce and reuse through recyclable designs for products and increasing the use of recycled materials, in order to reduce raw material usage.

Implement a circular economy through recyclable designs for products and suitable waste management and recycling.

Cleaner production is achieved through greenhouse gas emissions management, energy management, resource management, and waste management.

Selection of raw materials

Production

Sustainable development and design of products

Circular economy concept Life cycle assessment

Discarding and recycling

Transportation and distribution

Product use

Improve transportation efficiency through lightweight product designs and reduced packaging.

Achieve better product usage and energy usage and extend product lifecycles through energy conservation and easy to repair designs in products.

Wistron Strictly Complies with the Import Laws, Regulations and Directives of Various Countries, Achieving a Passing Rate of 100% in Previous Years

Laws, regulations and directives	Wistron's products
EU RoHS directive: Control of substances hazardous to the environment	100% compliant
REACH	100% compliant
Recycling of electronics/appliances wastes: WEEE	100% compliant
CA65	Products exported to California are 100% compliant
POPs (Persistent organic pollutants)	Products exported to EU are 100% compliant
VOCs	Products exported to China are 100% compliant

Passing Rate for Other Industrial Certification Standards

Certification standards	2018	2019	2020	2021
Products certified by Energy Star	80.75%	82.87%	86.69%	**89.54%**
Products meet EPEAT certification or equivalent standards	47.33%	56.56%	62.35%	**74.55%**

100%
Complies with the product import laws, regulations and directives of different countries

90.7%
Percentage of products with environmental labels in revenue from hardware

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Number of Important Product Environmental Labels Acquired in 2021

Label name	Product type and quantity
Taiwan Green Mark	62 personal computer products (including 34 laptop computers, 25 desktop computers, and 3 all-in-one computers) and 4 monitor products obtained the Taiwan Green Mark.
China Environmental Labelling	167 personal computer products (including 94 laptop computers, 61 desktop computers, and 12 all-in-one computers), 92 monitor products, and 4 corporate products obtained the China Environmental Labelling.
U.S.A EPEAT	217 personal computer products (including 156 laptop computers, 53 desktop computers, and 8 all-in-one computers) and 90 monitor products obtained US EPEAT certification.
TCO Certification	97 personal computer products (including 63 laptop computers, 31 desktop computers, and 3 all-in-one computers) and 96 monitor products obtained TCO certification.
US Energy Star	513 personal computer products (including 367 laptop computers, 127 desktop computers, and 19 all-in-one computers), 134 monitor products, and 9 corporate products obtained US Energy Star label.

Sales of Products with Important Environmental Protection Labels as Percentage of Hardware Revenue In 2021 (%)

Item	Energy Star	EPEAT/TCO/Taiwan Green Mark/ China Environmental Labelling
Notebook computers	98.27%	78.91%
Desktop computers and all-in-one (AIO) computers	89.42%	69.84%
Display products	88.61%	95.57%
Servers/Voice over Internet Protocol (VoIP)	9.76%	4.70%
Total	**89.54%**	**74.55%**

Product Safety Management and Guidelines

In order to ensure that the raw materials of products do not contain hazardous materials in order to protect the health and safety of consumers, Wistron has implemented design for environment. Wistron established the "Wistron Technical Standards for Environmental Monitoring of Hazardous Substances" and "Control Procedures for Products Not Containing Hazardous Materials" in accordance with IECQ QC 080000 standards, customers' special requirements, and the latest international regulations and trends, The Standards are used to verify that every component and packaging material meets customer requirements regarding hazardous materials and international environmental regulations. Effective management and monitoring mechanisms have been established and product lifecycle management (PLM) and green product management (GPM) systems have been created for material reviews. There are currently 10 banned substance and 154 regulated substances. The Company reviews regulations and customer standards every six months for the amendment of Wistron regulations. Wistron strictly requires suppliers to not use hazardous materials and disclose materials mentioned in related laws and regulations, in order to comply with customer guidelines as well as laws and regulations regarding raw materials. Wistron's packaging materials mainly use renewable materials. We compile statistics every year based on the import/export customs declaration system for the weight of product materials and packaging materials.

Use of Product Materials and Packaging Materials

Item	2018	2019	2020	2021
Product material usage volume (tons)	254,459	230,657	196,097	**238,388**
Packaging material usage volume (tons)	51,789	68,229	63,101	**78,979**
Percentage of renewable materials (%)	20.4%	29.6%	32.2%	**28.6%**

Note1 : The weight of all materials and packaging materials is denominated in "gross weight", which is defined as the total weight that includes the weight of packaging materials.

Note2 : Product material usage volume (ton) = product weight + packaging material weight

Note3 : Packaging material usage volume (ton) = packaging material weight

Note4 : Percentage of renewable materials = (total renewable materials/total materials) x 100%

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Wistron's Hazardous Material Regulations

The Company has established the five major guidelines set forth below for managing products (including subsidiary materials) in accordance with regulatory trends and customers' environmental protection requirements. The guidelines are implemented in the procedures stipulated by the internal "Wistron Hazardous Substance Management Regulations" Defining the restriction standards for hazardous materials by the uniform material concentration and establishing the lists of complete controls and monitoring items. Wistron is committed to working together with our partners to not use materials hazardous to the environment, reducing the impact on the environment and ensuring the health of everyone.

1 Hazardous substances restricted by the EU RoHS Directive

2 Wistron restricted items: Established based on the IEC62474 Material Declaration Standards and requirements of individual customers.

3 Wistron monitoring items: Include substances of concern that have yet been banned. We collect information on the usage status as the basis of evaluation for future reduction schedule or new bans.

4 Halogen-free or low-halogen product regulated items: Wistron has introduced halogen-free or low-halogen regulations for specific products in response to customer demands.

5 Substances of Very High Concern (SVHC) under REACH

Battery regulations
As batteries contain a vast number of chemical substances, all types of batteries must be labeled with recycling symbols based on the requirements of customers and different countries. They must be recycled and processed separately before discarding.

Packaging material regulations
The main regulations are subject to the packaging materials used for shipping finished products. For example: Corrugated cartons, packaging bags, cushioning materials, fixing devices, sheets, tapes, labels, plastic pads, coatings, and ink.

Information System and Management Procedures

- **Invention and Innovation Reward Scheme**
- **Project Tracking System, PTS**
- **Quality Management System (ISO 9001)**
- **Hazardous Substance Process Management System (IECQ QC 080000)**
- **Green-Design Guide**
- **Product Lifecycle Management (PLM) System**
- **Green Product Management (GPM) System**
- **SAP System**
- **RoHS Directive**
- **Registration, Evaluation, Authorization and Restriction of Chemical substances, REACH**
- **International Safety Regulations (BSMI, CB, CCC, CUL, UL, TUV, and certifications from different countries)**

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2.2.2 Product Life Cycle Assessment

The product life cycle assessment (LCA) refers to the assessment of potential environmental impacts caused by the investments in and outputs of raw material acquisition, manufacturing, delivery and sales, use, and waste processing and recycling stages of products and services. Corporations can use LCA to assess all the impacts on the environment created by products "from cradle to grave", such as contributions to global warming and damage to the ozone. The assessment results can be applied to products, manufacturing and services to achieve the purpose of continuously providing environmentally friendly products and reducing energy and resource usage during product manufacturing. Wistron complies with ISO 14040 and 14044 life cycle assessment standards in the life cycle assessments of handheld devices and laptop computers. The scope of the system boundaries has been defined according to the product category rules (PCR) for IT equipment by the EU Environmental Footprint Category. The boundaries have been defined as cradle to grave, which includes raw material, raw material transportation, manufacturing, distribution, use, and end of life stages. The Simapro software is used to conduct the computational analysis to obtain the environmental impact assessment results and carbon footprint of the product. In the future, Wistron will continue to expand LCA coverage for products, establish an operating procedure for LCA, train our employees through e-learning classes, and design low-carbon products based on improvements proposed by LCA analysis for carbon hot spots.

Analysis of Carbon Footprints at Every Stage of the Lifecycle

Product scope	Raw materials	Transportation of raw materials	Manufacturing	Distribution	Product use	End of life	Total carbon emissions
Handheld devices (Malaysia Plant)	37.6	0.267	3.75	0.0168	5.62	0.311	47.60
Handheld devices (Kunshan Plant)	37.6	0.142	3.64	0.00616	5.63	0.311	47.30
Laptop computers (Chengdu Plant)	101	0.328	1.90	0.423	29.5	2.75	136

Unit : kg CO_2 eq

Environmental Impact Assessment Results

Impact category	Unit	Environmental impact results		
		Handheld devices (Malaysia Plant)	Handheld devices (Kunshan Plant)	Laptop computers (Chengdu Plant)
Climate change	kg CO_2 eq	48.4	48.2	138
Stratospheric ozone depletion	kg CFC-11 eq	$2.53E^{-05}$	$2.5E^{-05}$	$7.59E^{-05}$
Ionizing radiation	kBq Co-60 eq	5.44	5.49	21.4
Ozone formation, Human health	kgNO_x eq	0.138	0.142	0.363
Fine Particulate matter formation	kg $PM_{2.5}$ eq	0.114	0.11	0.303
Ozone formation, Terrestrial ecosystem	kgNO_x eq	0.14	0.144	0.371
Terrestrial acidification	kg SO_2 eq	0.198	0.198	0.573
Freshwater eutrophication	kg P eq	0.0614	0.0605	0.142
Marine eutrophication	kg N eq	0.00545	0.00539	0.0302
Terrestrial ecotoxicity	kg 1,4-DB eq	146	146	1230
Freshwater ecotoxicity	kg 1,4-DB eq	26.2	26.2	54.7
Marine ecotoxicity	kg 1,4-DB eq	34.5	34.5	71.5
Human carcinogenic toxicity	kg 1,4-DB eq	4.22	4.19	14.5
Human non-carcinogenic toxicity	kg 1,4-DB eq	410	409	810
land use	m^2 a crop eq	3.15	3.06	14.2
Water consumption	m^3	0.899	0.866	2.73
Mineral resource scarcity	kg Cu eq	1.39	1.39	3.57
Fossil resource scarcity	kg oil eq	12.3	12	35.3

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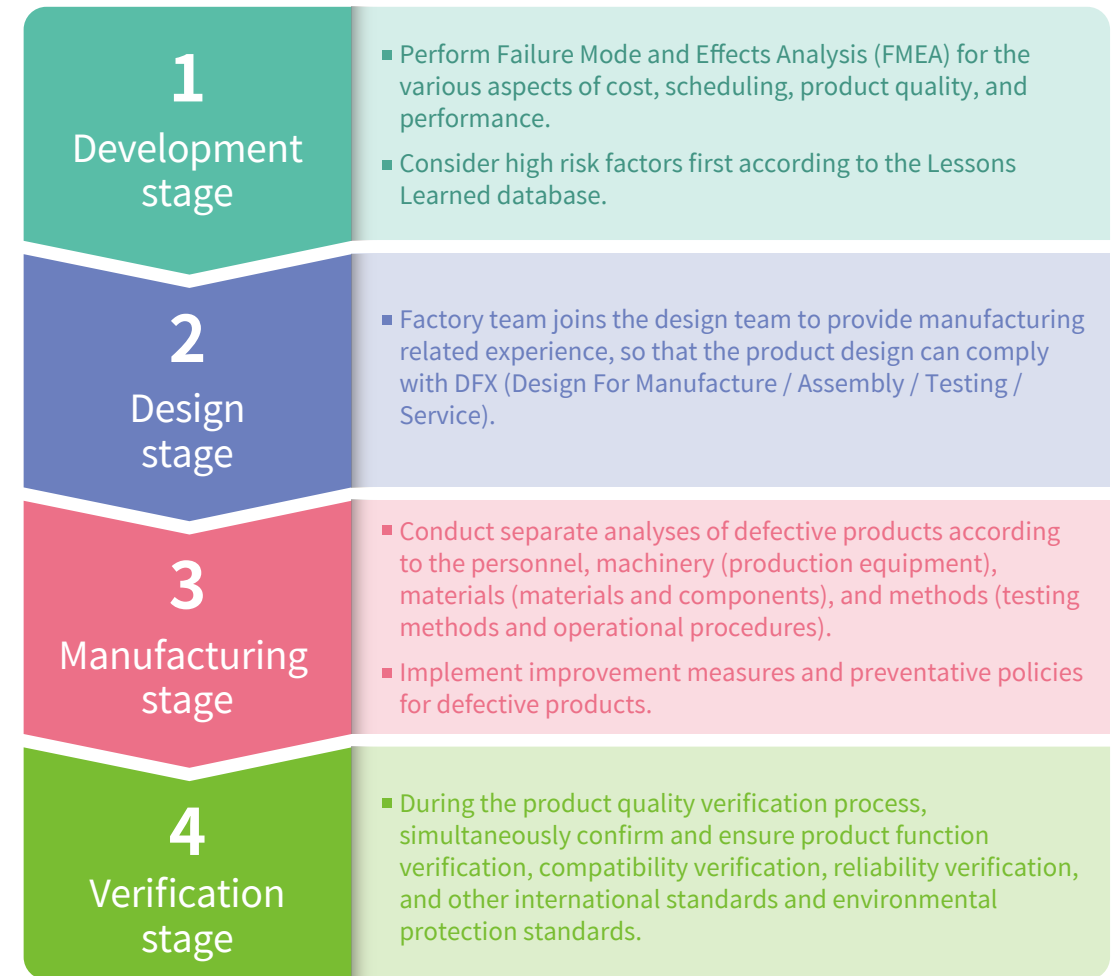wistron Wistron 2021 Corporation Sustainability Report

2.3 Maintaining Customer Relations

2.3.1 Product Quality

Wistron has adopted "zero-defect" as a long-term quality management target for design quality, production quality, and service quality. We aim to meet and exceed customer expectations and become a reliable partner for all customers. In order to completely implement the quality policy of "delivering competitive products and services with zero faults to our customers on time", we introduced the ISO quality management system, followed quality management processes and policies, and adopted a comprehensive IT systems and management procedures to promote the monitoring, assessment, analysis, and continuous improvements of quality related indicators. We comprehensively implement circular PDCA to prevent deficient quality. We have established the "Quality and Hazardous Substance Management Systems Committee", which is chaired by the President of the Company. The various business units appointed committee members to implement the quality and hazardous substance management requirements to the various units under it. In 2021, Wistron did not recall any products.
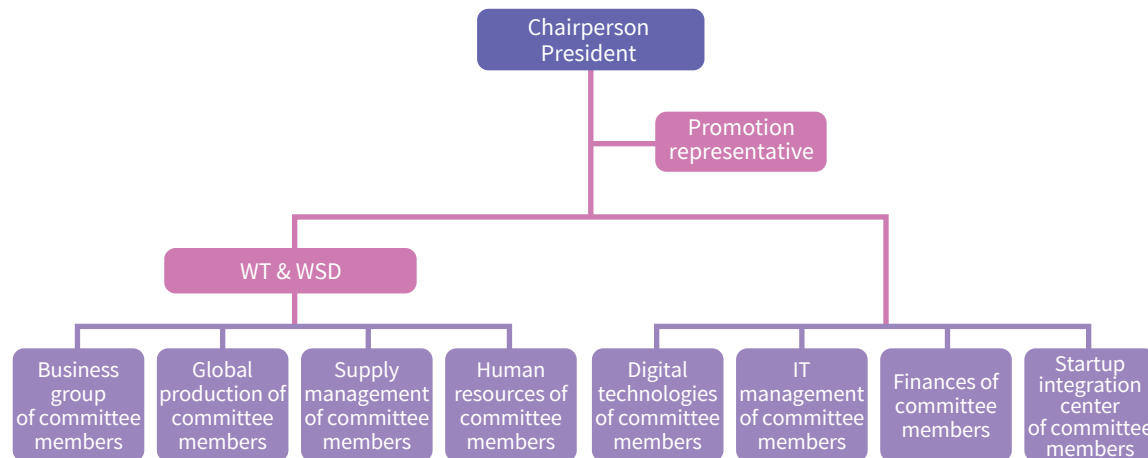
In order to comply with the customer quality requirements, we formulated different development checklists and quality goals for the design and manufacturing stages based on the quality management system. We conduct management to maintain product quality during development, design, and manufacturing and satisfy the quality requirements of all customers.

Product Design/Production Management Procedures

1 Development stage
- Perform Failure Mode and Effects Analysis (FMEA) for the various aspects of cost, scheduling, product quality, and performance.
- Consider high risk factors first according to the Lessons Learned database.

2 Design stage
- Factory team joins the design team to provide manufacturing related experience, so that the product design can comply with DFX (Design For Manufacture / Assembly / Testing / Service).

3 Manufacturing stage
- Conduct separate analyses of defective products according to the personnel, machinery (production equipment), materials (materials and components), and methods (testing methods and operational procedures).
- Implement improvement measures and preventative policies for defective products.

4 Verification stage
- During the product quality verification process, simultaneously confirm and ensure product function verification, compatibility verification, reliability verification, and other international standards and environmental protection standards.

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2.3.2 Customer Satisfaction

Wistron provides products/services that customers are satisfied with and exceeds customer expectations. Our value is based on developing dependable partnerships with all customers. During the provision of products/services, we use different communication methods and frequency to understand the needs of customers, such as internal assessments and customer satisfaction surveys. Wistron implements continual improvements related to the results and actively responds to customer needs, in order to improve customer satisfaction. During the process of providing products/ services to customers, we expect to create more benefits and provide better services for our customers.

Customer Satisfaction Results

Item	2018	2019	2020	2021	Goal of 2022
Satisfaction score	77.2%	78.6%	79.7%	**79.7%**	80%
Customer coverage (%)	79.0%	77.8%	75.5%	**76.3%**	80%

Note : The updated data for 2020 supplements the questionnaires that have not been collected and included in the statistics in the current year.

★ Helping customers improve their competitiveness

- Sharing product designs or new technological trends with customers.
- Implement quantitative and qualitative improvements in partnership projects with customers.

★★ Developing long-standing partnerships with customers

- Management strategies based on customer value.
- Establish partnerships and not business relationships.
- Understand what customers truly want to eliminate actions or procedures that decrease value.

★★★ Introduce value creating organizational structures and management systems

- Research optimized organizational structures based on CRM to increase customer value.
- Fully review management systems to improve our own value through innovation and performance principles.

★★★★ Comprehensively increase customer satisfaction

- Implement daily management of customer relations.
- Increase the ranking of client QBR year over year.

Customer Complaint Handling Procedure

According to industry characteristics and practical requirements, the service procedure will be adjusted according to customer demands in order to provide more flexible and efficient services. The procedures are mainly based on the RFQ (Request for Quotation) or SOW (Statement of Work) provided by individual customers. Customized mission teams are organized to respond to the customers in a timely fashion and provide the best service quality.

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Sustainability   **Innovation Value**   **Environmental Protection**   **Social Inclusion**   **Corporate Governance**   **Appendix**

New Businesses Development   Pursuing the Highest Quality   Maintaining Customer Relations   Moving Towards Sustainable Supply Chain
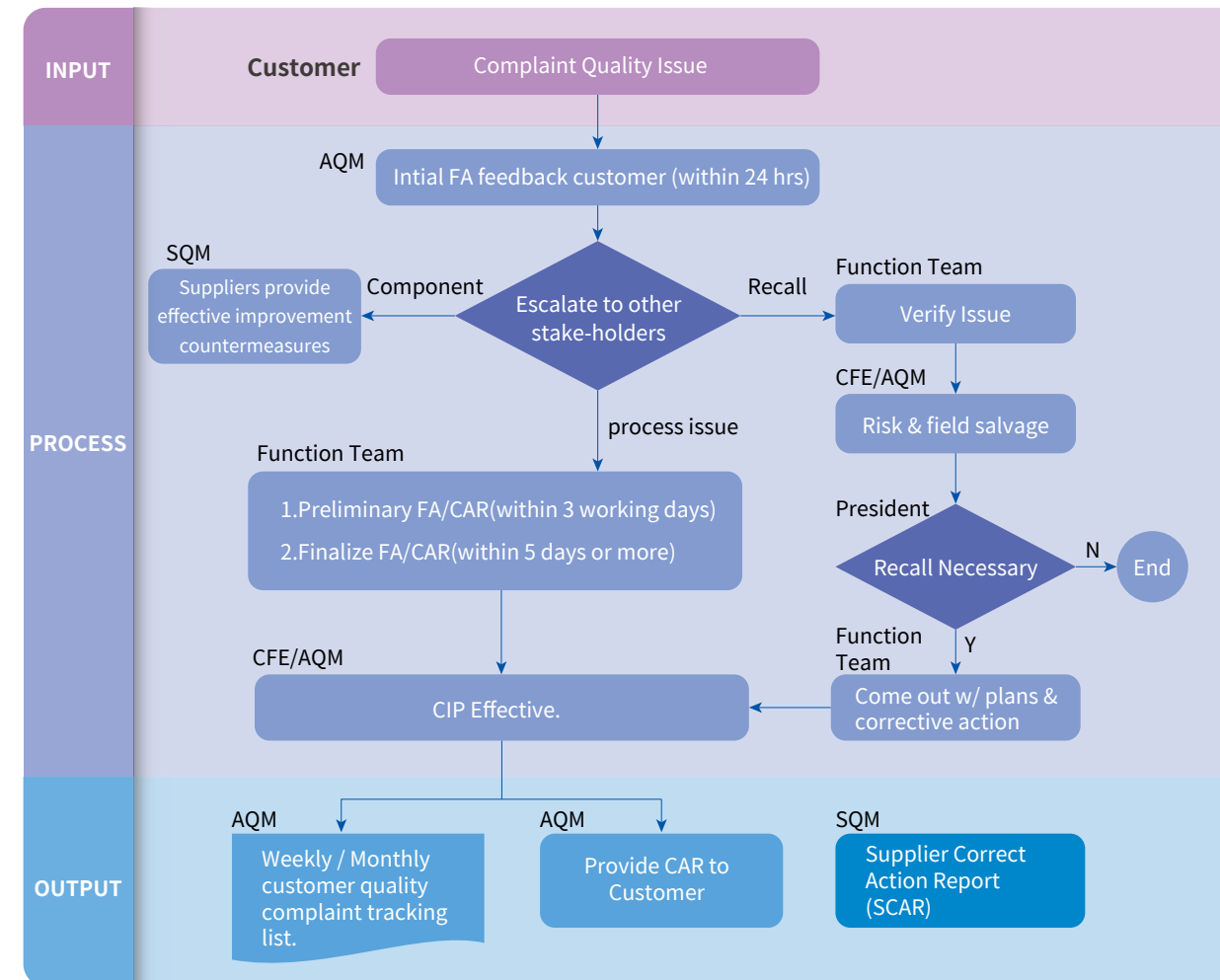
2.3.3 Privacy Protection

Wistron is committed to "ensuring the confidentiality of customer information and upholding the principle of good faith" to protect customer privacy rights. In order to implement personal data protection and management, Wistron refers to the local regulations of the operational locations and relevant requirements of the EU General Data Protection Regulation (GDPR) to establish privacy policies. The policies are the highest governing principles for privacy protection and covers all employees, suppliers, contractors, and external consultants of Wistron and its subsidiaries and joint venture companies which Wistron has significant influence power on them. The policies contain clear regulations and requirements for personal data usage and protection. We require all members and partners to comply with the policies, in order to effectively protect personal data and rights and interests.

We have established privacy reporting channels. If incidents that may damage privacy or violate privacy policies occur, the incidents may be reported through the privacy protection hotline, (02)6616-9999 ext. 25740 or the email address, web_master@wistron.com. In order to implement privacy protection, we periodically conduct privacy protection training for all employees and review the effectiveness of the training. Wistron adopts a zero tolerance policy for privacy protection. If any personnel violates the policies, the punishment will be determined according to the Company's code of conduct.

Wistron absolutely complies with the privacy policies for customer information and will not use customer information for secondary purposes. Therefore, the percentage of using customer information for secondary purposes is 0%. From 2018 to 2021, no complaints related to privacy from external or supervisory organizations were received.

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New Businesses Development   Pursuing the Highest Quality   Maintaining Customer Relations   Moving Towards Sustainable Supply Chain

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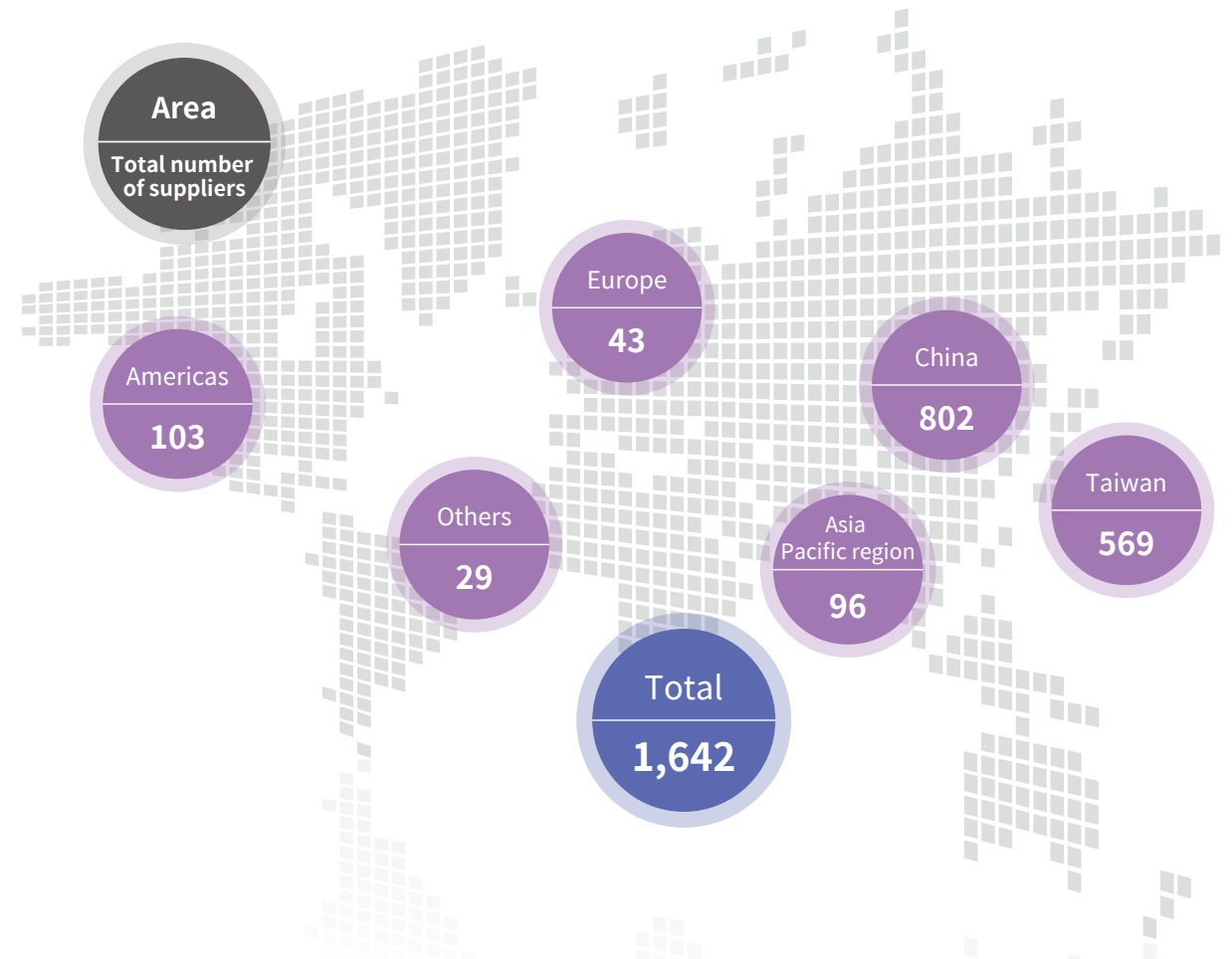Corporation Sustainability Report

2.4 Moving Towards a Sustainable Supply Chain

In order to improve the sustainable resilience of the supply chain, we work closely with suppliers to create sustainable and mutually beneficial industry chains. On the basis of principle, suppliers are very important partners of Wistron. We will also work with suppliers to continue strengthening the sustainable supply chains and create more resilient and influential supply chains. Wistron is dedicated to the promotion of sustainable supply chains. In 2010, we became a member of the Responsible Business Alliance (RBA)to substantial support the vision and goals of RBA. We aim to ensure that the work environment for labor in the supply chain are safe and secure, and the employees must be worthy of being respected. Wistron also ensures that our operations and activities comply with environmental protection regulations and ethical business practices.

Wistron is a leading company in the global ICT (Information and Communications Technology) industry. The upstream and midstream of the entire industry chain consists of component suppliers, while the downstream consists of various customer groups. We vertically integrate the industry chain through customer needs and are dedicated to providing competitive products.
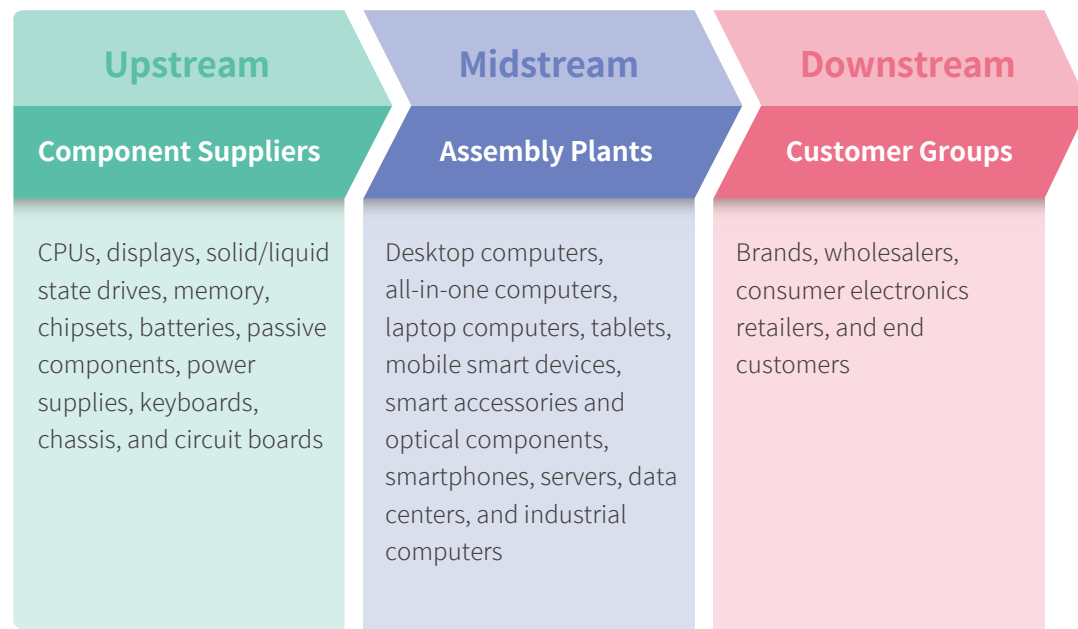
2.4.1 Supply Chain Management

Taiwan is an important global supplier of IT products, in which, Wistron holds a place of importance. In order to provide more convenient services to customers, we deployed a comprehensive global manufacturing and service network to support customers in different regions. As of the end of 2021, Wistron has partnered with 1,642 suppliers around the world. To effectively manage our suppliers, we have classified and divided suppliers for management, in order to grasp the status of the entire supply chain.

Upstream	Midstream	Downstream
Component Suppliers	**Assembly Plants**	**Customer Groups**
CPUs, displays, solid/liquid state drives, memory, chipsets, batteries, passive components, power supplies, keyboards, chassis, and circuit boards	Desktop computers, all-in-one computers, laptop computers, tablets, mobile smart devices, smart accessories and optical components, smartphones, servers, data centers, and industrial computers	Brands, wholesalers, consumer electronics retailers, and end customers

Area / Total number of suppliers

Americas 103
Europe 43
China 802
Taiwan 569
Others 29
Asia Pacific region 96
Total 1,642

44

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Critical suppliers

Wistron's suppliers are distributed around the world. Considering differences in procurement amounts, we have defined tier 1 suppliers as those who have had 6 transactions with Wistron in a year and the total amount of the transactions is over NT$1 million. In 2021, there were 1,084 tier 1 suppliers. The main suppliers of Wistron are electronic parts and mechanical parts suppliers. We have identified the critical suppliers through procurement amounts and related conditions . In 2021, 394 suppliers were listed as critical tier 1 suppliers[1]. Regarding critical non-tier 1 suppliers, these suppliers are defined as suppliers who trade through agents or the upstream suppliers of direct suppliers. In 2021, there were 256 critical non-tier 1 suppliers.

[1] Note: Proportion of high turnover (more than 80% of the annual transaction value); Technical pioneering ability; The only source of supply is irreplaceable.
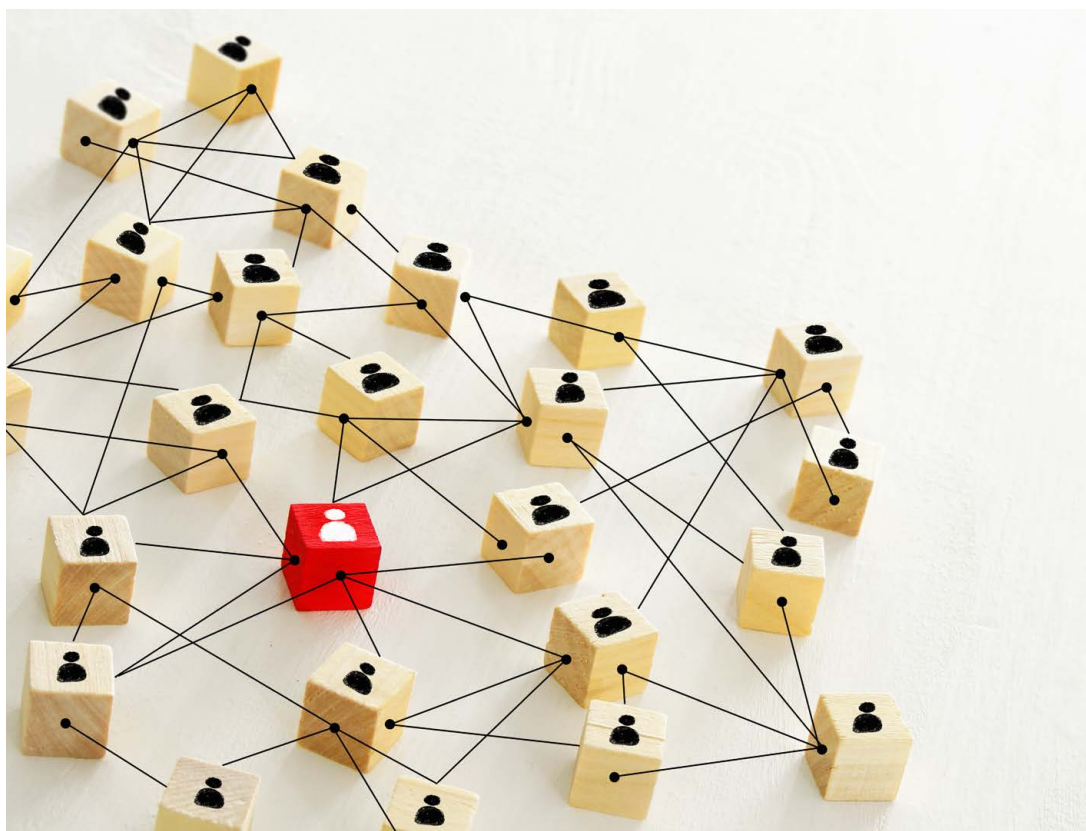
Supplier Types		2019	2020	2021
Electronic parts	Number of tier 1 suppliers	982	549	**426**
	Number of critical tier 1 suppliers	191	216	**193**
	Share of total procurement spent on critical suppliers	65.17%	85.99%	**96.91%**
Mechanical parts	Number of tier 1 suppliers	796	627	**658**
	Number of critical tier 1 suppliers	152	134	**201**
	Ratio of critical supplier purchase amount	85.92%	89.00%	**90.89%**
Total	Number of tier 1 suppliers	1,778	1,176	**1,084**
	Number of critical tier 1 suppliers	343	350	**394**
	Share of total procurement spent on critical suppliers	72.99%	88.06%	**94.66%**

2021	Number of electronic parts suppliers	Number of mechanical parts suppliers
Taiwan	207	154
China	146	412
Asia Pacific region	28	34
Europe	6	16
Americas	31	27
Others	8	15
Total	426	658

Critical Non-tier 1 Suppliers

Supplier types	2019	2020	2021
Number of non-tier 1 suppliers	575	520	**279**
Number of upstream suppliers for direct suppliers	156	423	**256**

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2.4.2 Supply Chain Sustainability Management

Supplier Code of Conduct

Wistron is fully aware that in the pursuit of the company's continuous growth, our operating strategy must take into account the impacts of society and the environment. Therefore, Wistron invites all our suppliers to work together towards sustainability and has established the supplier code of conduct, as a basis for supplier compliance. The content covers the 5 major aspects of labor, health and safety, the environment, code of ethics, and management systems. At the same time, we will include the suppliers' compliance with the code as one of the assessment items during procurement. In order to improve the sustainability of supply chains, we have amended the Supplier Code of Conduct in 2021 and required suppliers to re-sign the Code of Conduct and undergo related education and training. The Code of Conduct signing rate and training rate were 87.20% and 81.91%, respectively.

Sustainability Risk Assessment for Suppliers

In order to understand the risk related to sustainability in the supply chain, Wistron distributed the Self-Assessment Questionnaire (SAQ) to all our tier 1 suppliers and non-tier 1 suppliers. The suppliers must describe their implementation of the 5 major sustainability issues (sustainability and operational risk management, supply chain and operation continuation, environmental protection, human rights and labor security, and occupational safety and health) in the questionnaire, and provide related evidence, such as management system certification or related documents. The supplier self-assessment result will be used as reference for future sustainability risk management. The response rate for the SAQ among tier 1 suppliers was 100% in 2021. The response rate among critical non-tier 1 suppliers was also 100%.

Signing of the Supplier Code of Conduct

Year		2021	2022 Targets
Existing suppliers	Number of suppliers that should sign	1,055	-
	Percentage of signed suppliers (%)	87.20%	100%
New suppliers	Number of suppliers that should sign	117	-
	Percentage of signed suppliers (%)	53.85%	100%
New critical suppliers	Number of suppliers that should sign	16	-
	Percentage of signed suppliers (%)	93.75%	100%

87.20%
Existing signed Code of Conduct

81.91%
Training rate for the Supplier Code of Conduct

100%
SAQ response rate among tier 1 suppliers

Supplier Sustainability Risk Assessment Flowchart

Supplier List

Direct Suppliers → Tier 1

Indirect Suppliers → Non-Tier 1

SAQ

High Risk Supplier

Implement audit of supplier continuity and operation & improvement process

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2021 Self-Assessment Questionnaire

Year		2021	2022 Targets
Tier 1 suppliers	Number of surveyed suppliers	**1,084 suppliers**	-
	Response rate (%)	**100%**	100%
Critical tier 1 suppliers	Number of surveyed suppliers	**394 suppliers**	-
	Response rate (%)	**100%**	100%
Critical non-tier 1 suppliers	Number of surveyed suppliers	**256 suppliers**	-
	Response rate (%)	**100%**	100%

> Through the analysis of the SAQ results, we defined suppliers which scored less than 80 points as high risk suppliers, and identified the potential risks within the supply chain. In 2021, we identified 50 high risk suppliers (including 14 critical suppliers). We later conducted onsite audits of the high risk suppliers, in order to confirm and understand the risks of the suppliers.

2021 High Sustainability Risk Factors for Suppliers

Dimension	Risk
Environmental protection	Energy conservation and carbon reduction mechanisms for energy management have not been implemented.
	Scope 3 greenhouse gas emissions management has not been implemented.
Sustainability and operational risk management	Response plan management for continued operations has not been implemented.

2021 Self-Assessment Questionnaire Results

Tier 1 suppliers	Number of high risk suppliers	50
	Percentage of high risk (%)	4.61%
Critical tier 1 suppliers	Number of high risk suppliers	14
	Percentage of high risk (%)	3.55%
Critical non-tier 1 suppliers	Number of high risk suppliers	0
	Percentage of high risk (%)	0%

Supplier Audit

In order to implement supplier sustainability risk management, Wistron has stipulated audit procedures for supplier CSR and onsite audits will be conducted for critical suppliers and high risk suppliers. If the supplier has a score of lower than 80 points in the audit results, the Company will ask the supplier to propose improvement measures for discrepancies found in the audit. The supplier is required to complete the improvements for the discrepancies, report back, and file a re-audit application within two months. If the supplier still can't pass the re-audit, it may not file another application within six months. Where the issues discovered affect the quality of materials supplied, the materials/supplier will be replaced with an alternative.

Item	2021	2022 Targets
Number of audited critical suppliers	**650 suppliers**	-
Number of audited high risk suppliers	**50 suppliers**	-
Percentage of audited high risk suppliers (%)	**100%**	100%
Number of audited high risk critical suppliers	**14 suppliers**	-
Percentage of audited high risk critical suppliers (%)	**100%**	100%
Deficiency improvement rate (%)	**100%**	100%

Deficiencies in the Audit and the Percentage of Related ESG Items

Critical suppliers (331 suppliers) and high risk suppliers (50 suppliers) were audited according to the audit procedures above. 45 non-compliant reports were found, including 16 cases of sustainability and operational risk management, 1 case of supply chain sustainability management, 21 cases of environmental protection, 3 cases of human rights and labor security, and 4 cases of occupational health and safety. The discrepancies found in the audit shall be improved with the stipulated improvement measures and continuous follow up, in order to ensure effective improvement actions and reduction of risk.

Occupational safety and health **9%**
Human rights and labor protection **7%**
Environmental protection **47%**
Sustainability and operational risk management **35%**
Supply chain sustainability management **2%**

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New Businesses Development Pursuing the Highest Quality Maintaining Customer Relations Moving Towards Sustainable Supply Chain

Supplier Audit Deficiency Improvement Actions

Aspects	Topics	Improvement Actions
Sustainability and Operational Risk Management	Anti-bribery and anti-corruption control procedures Information Security	• Periodic education, training and advocacy are organized for employees and related stakeholders. • To understand the possible outcomes and risks of violations. • For the identification of 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.
Supply Chain Sustainability Management	Supply chain disruption	• Establish a comprehensive supply chain risk management plan. • Identify all risks at every point of the supply chain. • Improve the accuracy of demand prediction and establish a secure inventory.
Environmental Protection	Environmental permits	• Formulate energy saving and carbon reduction policies and reduction targets. Promote the implementation of practical actions to regulate impact.
Human Rights and Labor Protection	Anti-discrimination communication channel	• Direct complaint channels through a suggestion box, public WeChat account, or QR code. • Conduct anti-discrimination training for employees according to the training plan and implement record retention and management.
Occupational Safety and Health	Handling of work-related injuries/occupational illness Personal protection	• Advocacy and announcement of the handling of work-related injuries/occupational illness. The added announcement areas include: Break area/employee cafeteria. • Conduct inspection of chemical safety information. • The designated personnel for first aid kits shall conduct the inspection to ensure that the protective equipment match the ones listed.

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Sustainable Supply Chain Strategy

Wistron places great value on our partnerships and growth with our suppliers. We hope to use our partnerships to support each other and grow together. Our strategy is based on sustainable procurement. We have responded to customer demands and established the Sustainable Supply Chain Strategy, which includes, quality performance and implementation, technical manufacturing capabilities, cost/operation management, local supply chain prioritization, and sustainability. We hope to strengthen our partnerships to create new opportunities.

Sustainable Supply Chain Strategy

Optimize Core Competitiveness of Suppliers	Deepen Regional Strategic Cooperation	Strengthen Supply Chain Sustainable Resilience
Quality Performance and Implementation Technology and Process Capability Cost/Operation Management	Local Supply Chain Priority	Sustainability

Wistron has established a global procurement unit and supplier quality management unit to conduct supplier management. The units manage the standards and procedures for supplier selection based on partnerships with suppliers. They conduct risk/performance evaluations, audit guidance, education and training, and organize supplier conferences, in order to implement the sustainability requirements in the daily management of supply chains.

Supplier Sustainability Evaluation

Wistron has stipulated ESG standards for suppliers (including new and existing suppliers). In order to become a Wistron supplier, suppliers must sign the Code of Conduct and are required to pass ISO 90001, ISO 14001, IECQ QC 080000, and ISO 45001 certification.

Furthermore, we have included the supplier's ESG performance in the selection criteria. Regarding the evaluation of new suppliers, the product quality assurance evaluation form of partner suppliers will be used for evaluation. The ESG factors account for 13.33% of the score, and include:

- Established appropriate and effective documents and procedures related to the RBA Code of Conduct (2.22%)
- Complies with labor standards (2.22%)
- Complies with health and safety standards (2.22%)
- Complies with environmental standards (2.22%)
- Complies with ethical business standards (2.22%)
- Complies with management systems (2.22%)

The ESG performance of existing suppliers is regulated by the supplier performance evaluation. The regulated items include quality, reliability, compliance, supply capabilities, price, and sustainability. Among these factors, sustainability accounts for 10% and includes:

- Have operational risk management and disaster prevention plans (e.g. for human rights issues and management risks, etc.) (5%)
- Complies with the hazardous material regulations (5%)
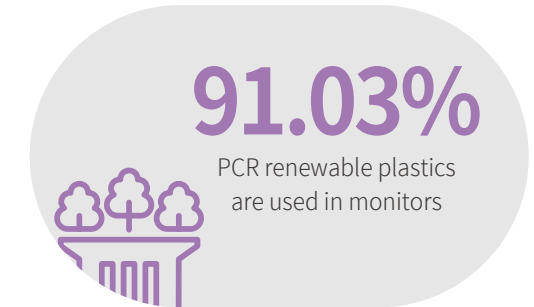
Supplier Selection Mechanism

In order to implement sustainability and performance management for suppliers, Wistron has implemented the supplier performance evaluation system. The scores, from high to low, go from A to E (A is over 85 points and E is lower than 46 points). The evaluation is the basis for supplier selection and the selection mechanisms are as follows. In 2021, one supplier was rated as E in the supplier performance evaluation and no suppliers were eliminated.

- Suppliers who scored lower than an E in the quarterly evaluation are required to propose improvement measures. Wistron will discuss adjustments to the supplier's strategy and the cancellation of the supplier's current projects and qualifications for new projects according to the improvements implemented by the supplier.
- If a supplier is given an E rating for 3 consecutive quarters, the suspension of the supplier's qualifications to join new projects will be discussed in the quarterly meetings.

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Supplier Partnership Projects

Through communication and cooperation with the suppliers, Wistron continues to identify their needs while they improve on sustainability. We maximize the impacts of the investments and improve the sustainability awareness and capabilities of suppliers, in order to face the ever-changing sustainability standards and trends

Supplier partnership projects	Cooperation description	Qualitative benefits	Quantitative benefits
PCR(Post-consumer Recycled) Use of PCR (post-consumer recycled) plastics	Monitor products use recycled plastics.	The use of recycled plastics in products fully implements the ideas of a circular economy	PCR renewable plastics are used in over 91.03% of monitors.
Hosting of the Supplier Conference	Cooperated with SGS/Cozeta/National Taipei University of Science and Technology to promote GHG related activities	Information related to supplier GHG inventory and Wistron's requirements	GHG inventory reports were provided by 350 suppliers (52 provided verification statements, 89 provided social responsibility reports, and 16 provided carbon disclosure project reports)
Introduced Xienbi (CNP) automated testing	Automated testing of mechanism dimensions	Parts coverage: Optimized measuring points and improve mass production efficiency	Measuring points are reduced for the Cyborg series (4 points per side), increasing from 30% to 60%
Introducing water-based environmentally friendly paint	The introduction of water-based paints complies with VOC requirements	In response to the government's call to action, Wistron complies with policy transformations and adjustments, adapts to environmental requirements, and completes our corporate vision according to customer needs, in order to gain customer recognition and improve competitiveness	The action is equal to reducing VOC emissions by 2.028 tons/year, decreasing emissions by 66.29%

91.03%
PCR renewable plastics are used in monitors

66.29%
Introduced water-based environmentally friendly paint reduces carbon emissions

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New Businesses Development   Pursuing the Highest Quality   Maintaining Customer Relations   Moving Towards Sustainable Supply Chain

Supplier Conference

Every year, the Wistron team invites with suppliers to achieve friendly, mutually beneficial, and common growth for sustainability. In the 2022 Supplier Conference, the main focus will remain on global climate change. The Wistron Group Partner Conference is hosted to honor the suppliers with outstanding performance in sustainability, social responsibility, and greenhouse gas inventory reports. During the 2021 CSR/GHG Supplier Conference, consultant companies were invited to provide education and training to suppliers. In addition, we also explained Wistron's management policies for sustainability and social responsibility to suppliers, with the aim of promoting Scope 3 of the GHG inventory and the importance of water resource management.

Critical Performance Indicators for Sustainable Supply Chains

Year	2019		2020		2021		2022	2025	2030
Item	Achievement rate	Target	Achievement rate	Target	Achievement rate	Target	Target	Target	Target
Signing rate of the code of conduct for tier 1 suppliers	80.00%	80%	90.50%	82%	**86.50%**	**90%**	100%	100%	100%
Risk assessment completed for tier 1 suppliers	89.60%	90%	90.00%	100%	**100%**	**100%**	100%	100%	100%
Audit rate for high risk suppliers	67.10%	70%	100%	100%	**100%**	**100%**	100%	100%	100%
Suppliers signed the "Declaration of Non-use of Conflict Minerals"	90.00%	85%	89.80%	92%	**86.26%**	**90%**	100%	100%	100%
Number of attendees at the Supplier Conference - groups/departments	-	-	176 people/ 290 people	-	**354 people/ 366 people**	-	300 suppliers / 210 suppliers	350 suppliers / 250 suppliers	400 suppliers / 300 suppliers
Suppliers with high energy consumption obtained external GHG inventory certification (ISO 14064-1)	-	-	-	-	**-**	**-**	35%	50%	100%

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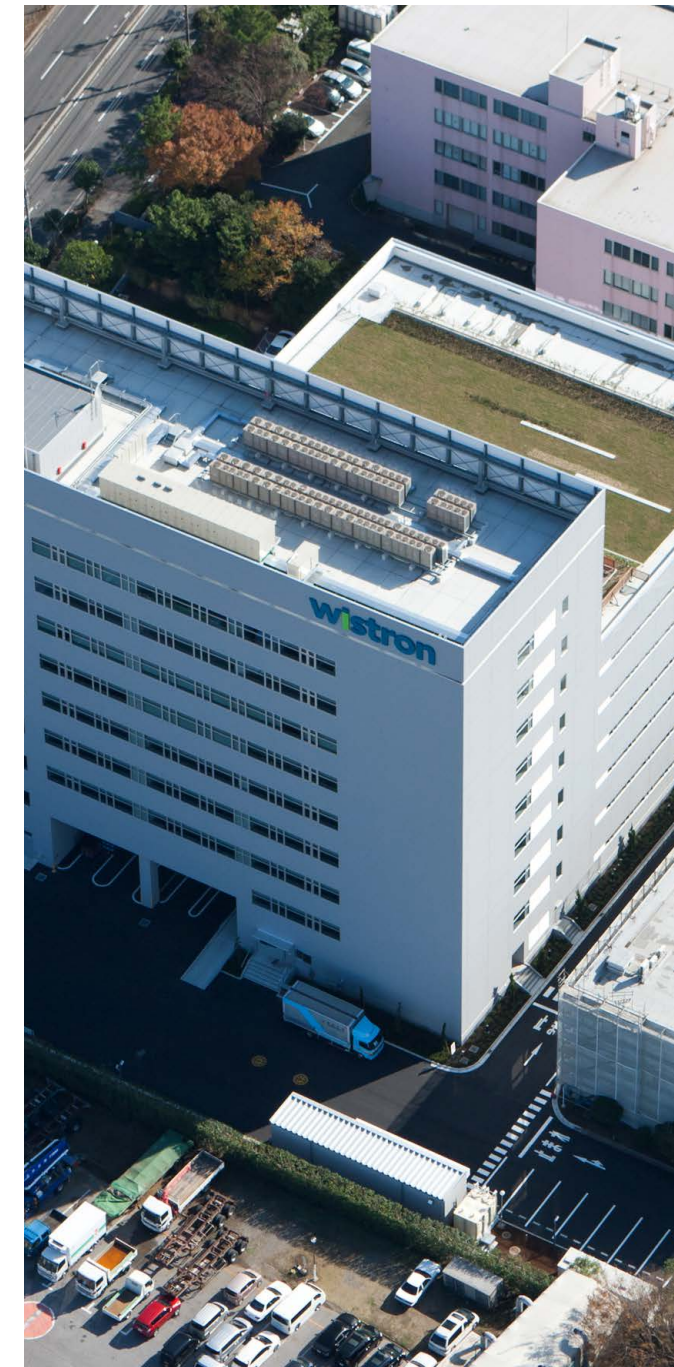
2.4.3 Conflict Minerals

In order to achieve responsible and sustainable procurement, Wistron stipulated the conflict minerals policy and promises to comply with the standards stipulated in the Organization for Economic Co-operation and Development (OECD) regulations related to the responsible supply chain investigation guide for minerals from conflict zones and high risk regions for due diligence. Wistron purchases resources from smelters and refineries that have passed 100% of third party reviews, in order to avoid purchasing conflict minerals from The Democratic Republic of Congo or neighboring countries.

Wistron complies with the results of the Responsible Minerals Initiative (RMI) and in 2020, stipulated regulations for supplier social responsibility management, "Management Procedures for Conflict Minerals". In order to avoid the procurement of metals from conflict areas, Wistron has asked required ourselves and our suppliers to be committed to not using minerals such as tantalum, tin, tungsten, gold, and cobalt associated with armed conflict, forced labor, or child labor abuse, or mining under other illegal and harsh working conditions. We reevaluate the list of smelters using Wistron products every year according to updates to the conformant smelters list

announced on the RBA website. Wistron also uses the Wistron supplier questionnaire platform to conduct conflict mineral investigations using surveys and onsite audits. Furthermore, Wistron is fully committed to conducting due diligence investigations to understand the source of supplier minerals. We use the conflict mineral investigation template of the RMI to conduct the investigations. We require suppliers to disclose the source of the minerals and to sign the Declaration of Non-use of Conflict Minerals, in order to comply with the non-use of conflict minerals policies. At the same time, Wistron adopts further management to ensure

that the procurement sources of the suppliers are non-conflict areas and comply with customer and legal requirements.

Through the supplier assessment procedure, we require our suppliers to sign the "Declaration of Non-use of Conflict Minerals". The signing rate in 2021 reached 86.26%, with a total of 910 suppliers signing the declaration. Wistron hopes to use our combined strength with our suppliers to fulfill our corporate responsibilities together. We aim to build a sustainable corporation based on the principles of never engaging in non-humanitarian and human rights violating matters.

Management Procedure for Conflict Minerals
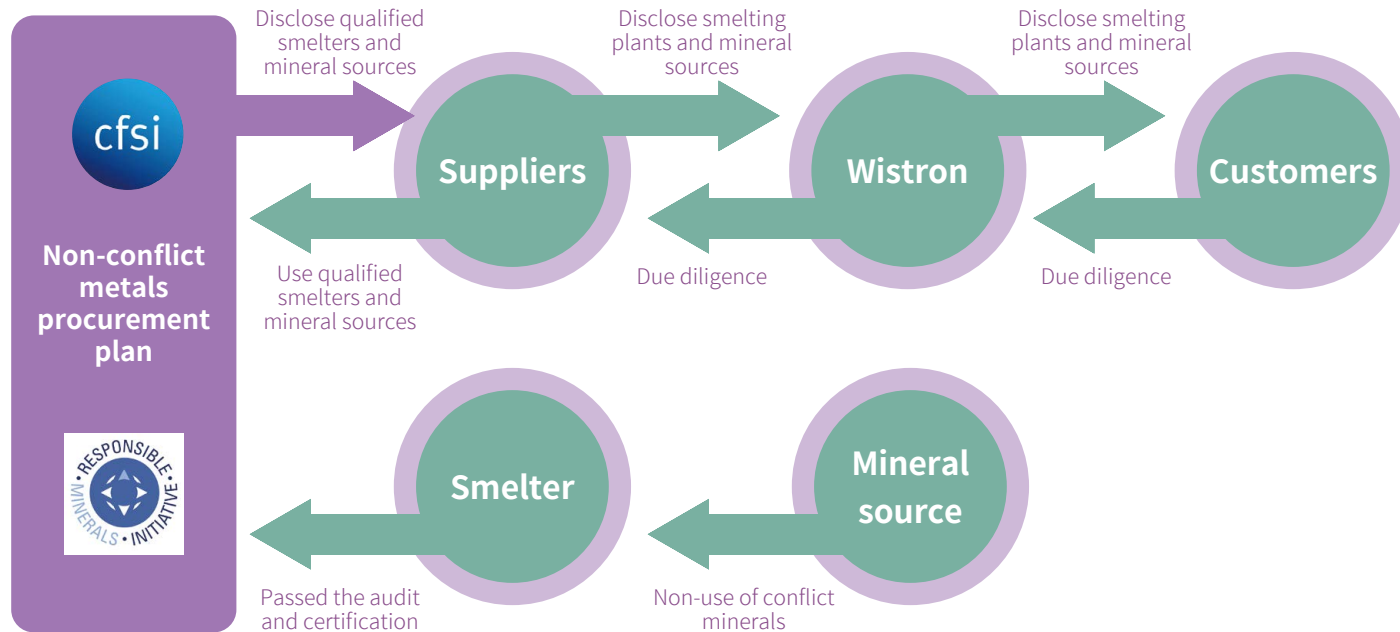
Signing of the "Declaration of Non-use of Conflict Minerals"

Environmental Protection

6 CLEAN WATER AND SANITATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

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Quality Management System   Adoption of TCFD   Greenhouse Gas Emissions and Energy Management   Alleviating Environmental Impact

3.1 Quality Management System

3.1.1 Environmental Protection Policies

Wistron is committed to abiding by environmental and energy regulations that are associated with our activities, products and services, as well as customer requirements in order to achieve our set goals and targets, or attain results better than regulated. We actively support government environmental protection policies and continue to mitigate and prevent pollution.

Environmental Management Direction

· We regularly implement regulatory compliance inspections to ensure that our current practices comply with new regulations.
· We perform internal audits and third-party verification each year to ensure the effective operations of the management system.
· In addition to paying continuous attention to international issues and trends, Wistron has adopted the ISO 14001 Environmental Management System and IECQ QC080000 Hazardous Substance Process Management System in all global operations. We seek to satisfy the requirements in environmental protection regulations of local governments. We aim to effectively reduce the impact of business activities on the environment and improve environmental management performance to attain our ultimate goal of sustainable development.

Environmental Complaint Channels

Wistron has set up the Stakeholder Communication Section on its official website for stakeholders such as customers, employees, shareholders, suppliers, government agencies, non-profit organizations, and the media to provide suitable communication channels. When we receive any environmental issue or complaint, Wistron will address the issue and respond in accordance with standard internal procedures.

Compliance with Environmental Laws and Regulations

In 2021, Wistron received 1 major fine in the amount of RMB333,000(approximately NTD1,445,420) related to environmental laws and regulations. The Chengdu Plant has actively worked with the relevant local competent authority to implement immediate improvements. Wistron will continue to focus on changes in environment related laws and regulations in various countries. We will update and implement internal operating procedures and regulations, periodically organize legal compliance training and include the training in the annual internal training plan, in order to ensure the legal compliance of every aspect of company operations. We will suitably respond to the stakeholders' expectations for Wistron.

Safety and Environmental Protection Month Campaign and Regulations

Wistron seeks to enhance the employees' awareness of environmental protection and occupational health and safety. Every plant organizes safety and environmental protection campaigns every year and uses promotions, contests, and activities to encourage employees to participate and learn more about the importance of environmental protection and occupational safety.

Cause of the Incident	· In November 2020, due to the changes in government regulations, "no value certification" was no longer conducted for industrial waste without value, preventing the type of waste from exiting the bonded zone (temporarily stored in the factory until April 2021, 770t in total). · In January 2021, new information was received from customs: Industrial waste with no value can be declared out of the bonded area through a third-party platform online auction (customs review, announcement on the auction platform, auction, and legal contract procedures are slow, taking around 3 months). · In April 2021, when clearing the waste in the temporarily storage area, an EPA raid was being conducted at the same time. Waste activated charcoal was found in the waste onsite (43.5 kg), leading to the fines. · Internal audit results: The error was caused by negligence on the part of the administrative management personnel. The waste activated charcoal was cleaned up immediately and reported back to the EPA.
Internal Improvements	· In July 2021, the remaining 770t of valueless industrial waste was removed from the plant. Daily waste removal has been implemented and waste is no longer stored in the plant overnight. · The dangerous waste acceptance procedure was reorganized. Personnel training (to understand the operations) was implemented to transfer dangerous waste into the dangerous waste warehouse within 2 hours of waste creation (EHS accounts are created to strengthen management). · The administrative management unit (recycling) and managers were punished according to company regulations.
External Communication	· A hearing request was submitted (to explain the reasons) and the management committee, Maritime & Port Bureau, and related parties were contacted to assist in the coordination. · In June 2021, the EPA hosted the public hearing: The Company explained their defense and listed the results of the improvements.

[Note] Wistron defines fines of over NT$1 million as large fines.

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Quality Management System   Adoption of TCFD   Greenhouse Gas Emissions and Energy Management   Alleviating Environmental Impact

3.1.2 Environmental Investment and Benefits

Environmental Investment

Investment Type	Solar Power Generation Equipment	Solar Heating Equipment	Waste Reduction - Introduction of dehydrating Equipment for kitchen waste	Smart Energy Conservation
Description	Wistron has installed solar power generation equipment at the Neihu Headquarters, Zhongshan Plant, Kunshan Plant, and Kunshan Opt Plant. In 2021, the Company expanded the area dedicated to solar power generation by 3,521 square meters at Kunshan Plant and 6,322 square meters at Zhongshan Plant, increasing solar power capacity.	Wistron has installed large quantities of solar panels on the rooftops of Zhongshan Plant, Kunshan Plant, Kunshan Opt Plant, and Taizhou Plant (added in 2021) to make full use of the space. The panels are used to generate electricity for the plants or used for heating hot water in the dormitories to reduce carbon emissions from the use of electricity or natural gas.	Wistron purchased kitchen waste dehydrating equipment for the Kunshan Plant, Kunshan Opt Plant, and Taizhou Plant in 2021 to reduce the amount of kitchen waste generated. Automatic rice dispensers were also introduced in the Taizhou Plant to reduce rice waste.	Starting in 2019, Wistron began introducing smart energy saving systems. We used AI and IoT technologies to integrate digital technologies with environmental management. Optimized energy usage is based on supply and equipment performance to achieve energy saving effects.
Starting Year of the Investment	2017	1998	2021	2020
Accumulated Investment Amount (NTDK)	207,782.2	106,591.8	947.3	10,029.4*
Created Benefits	■ **7,637 KW** of installed capacity of solar panels ■ It can generate **8.27** million kWh each year ■ Reduces carbon dioxide emissions by **6,649t** CO_2e	■ **1,148** sets of solar heating equipment ■ Saves **NT$27,861** in natural gas usage ■ Saves **1,834,255** cubic meters of natural gas each year	■ Saves **NT$308.6** in kitchen waste processing fees each year ■ Reduced average daily waste by **793.13 kg**	■ Energy savings totaled **36.138** million kWh ■ Reduced carbon dioxide emissions by **30,353.9t** CO_2e Note: Investment amounts in 2021

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3.2 Adoption of TCFD

Wistron adopted the framework of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019 to identify climate risks and opportunities and used it to create measurement indicators and targets for management. Starting in 2020, the Chairman of the ESG Committee has begun reporting climate change risks, response measures, and progress of related targets to the Board of Directors each year. In 2021, Wistron officially became a TCFD Supporter.

3.2.1 Climate Governance Structure

Climate change and global warming are issues the global community must face now together. While floods, droughts, and other physical risks created by extreme weather threaten the continuity of corporate operations, as a proactive solution, the transition to low carbon economy to achieve sustainable goals will also bring massive opportunities for the industry. At this critical turning point in history, in order to strengthen climate governance, Wistron has named the Board

of Directors as the highest supervising unit for climate issues. The Board is responsible for coordinating the overall climate strategy and supervising senior managers in the implementation of climate related risk management and key performance indicators. As a functional committee that reports directly to the Board of Directors, the ESG Committee consists of a risk management team with the CFO acting as the convener. The members consists of supervisors and representatives of each department and business unit. Each year, the risk management team formulates response and adjustment strategies through the comprehensive evaluation and analysis of various risks related to climate. The team produces the corporate risk management report and submits it to the ESG Committee to ensure that climate issues are included in the thinking of senior management and receive proper review and management.

The ESG Committee regularly reviews the Company's risk assessments and countermeasures for the environmental, social, and corporate governance aspects of CSR, which include but are not limited to the implementation status of climate change issues. The Chairman of the ESG Committee reports the results and future plans for sustainable development, including climate change issues, to the Board of Directors at least twice each year.

Wistron's Board of Directors

ESG Committee
(the Committee consists of the Vice Chairperson and senior managers)

Regularly report the status of risk (including climate) management every year

Risk Management Team
(the Chief Financial Officer acts as the convener and the members consists of representatives of different departments)

Assess climate related risks and regular submit risk (including climate) management reports every year

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3.2.2 Mitigation and Adaptation Strategies

The climate related risks and opportunities are identified by the related departments in the various Wistron plants around the world. The management costs and financial impacts are estimated for the risks and opportunities. The departments responsible for the material risks and opportunities appointed by the Taipei head offices will hold joint meetings to identify the risks with material impacts on the Company's finances. Wistron has defined impacts amounting to more than NT$100 million as material impacts. This year, physical impact analyses of climate change for the operating locations in Taiwan were conducted according to the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" (TCCIP) information. Scenario analyses related to major disasters, such as high temperatures, droughts, and flooding, which are of interest to stakeholders, are conducted to facilitate the formulation of impact adjustment plans for the future.

For Wistron, disasters with physical impact are the biggest source of climate risks in operations and directly affect the production capacity. On the other hand, opportunities appear as customers' demand for preventive products increases. They help increase business opportunities with customers and drive product development by R&D units.

As such, Wistron actively assesses investments and R&D for products with increased demand as a result of climate change. They include various medical devices, online video conference systems, analog conference phones, and cloud storage and servers. Climate change risks in the form of potential natural disasters such as floods, typhoons, and damage to agriculture may affect the timeliness of deliveries in the upstream supply chain. Wistron therefore requires suppliers to deploy flexible delivery capabilities and provide multiple shipment points for selection.

Climate Risk Scenario Analysis

Climate Scenario Type	Scenario Name	Timeline	Assumed Parameters	Analysis Results		
				Upstream (supply chain)	Wistron	Downstream (customers)
Transition	SBTi 1.5°C	2021-2030	Annual carbon reductions reached 4.2% (Scopes 1+2). Wistron will achieve 100% green energy by 2030.	The needs of industry transformations will drive low carbon investments, which will in turn increase operating costs. Companies who are unable to adopt low carbon transformations will loss their competitive advantage.	According to international low carbon transformation trends and statutory and policy pressures, Wistron has stipulated the 80% green energy target for 2025 and 100% for 2030. Assuming the annual energy usage growth is 5% due to operational growth, the energy usage of the Group will increase by 1.5 times by 2030 compared to 2021. Therefore, the investments will be increased to accelerate energy transformations and increase green energy usage.	In response to sustainable tranformations, customers will place more importance on green manufacturing for their products. More renewable energy requirements will be placed on upstream suppliers.
	IEA 2° C	2021-2030	Carbon price: 80-100 USD／ton CO$_2$e	High carbon emission and high energy usage suppliers will continue to face stricter laws and regulations. Operating expenses are expected to increase and they may be passed to downstream customers.	In response to the continued expansion of operations and sales growth in recent years, we are considering the impacts of energy conservation, innovation, and other factors. Assuming the Group's annual carbon emission growth rate is 5%, carbon emissions will increase by 1.5 times by 2030 compared to 2021. Therefore, the Company is actively introducing carbon reduction projects and innovative technologies in order to reduce carbon risks.	As the international community begins to introduce carbon taxes, the market share of low carbon/green products will gradually increase. We expect to have more opportunities to work with upstream suppliers to develop green products and services.
	IEA below 2° C	2021-2030	Carbon price: 90-120 USD／ton CO$_2$e			
	IEA Net Zero Emissions by 2050	2040-2050	Carbon price: 160-200 USD／ton CO$_2$e			
Physical	RCP 6.0	2075~2099	Average annual temperature change is +0.95°C to +3.45°C	High temperature environments will increase work safety risks. The work environments of suppliers will become a key audit item to ensure the human rights of laborers.	Days of extreme heat have increased to over 90 days in Taiwan, which may cause production interruptions and revenue loss (around one quarter)	Extreme temperatures will increase energy consumption and lead to increased carbon emissions.
	RCP 2.6/ RCP 8.5	Middle of the century (2046 to 2065) and end of the century (2081 to 2100)	Longest consecutive rainless days in a year: The base period of Taipei City is (1986 to 2005) 28 days. The base period of Hsinchu County is (1986 -2005) 39.5 days	More frequent seasonal droughts will impact suppliers whose processes are water-consuming and may case supply delays or suspensions.	The fluctuation rate of Taipei City is 3.1%. The fluctuation rate of Hsinchu County is 5.6%. The drought problem in Hsinchu County will become more serious	Supply chain disruptions caused by severe droughts will impact the delivery schedule for downstream customers, thereby affecting the product revenue.
	RCP 8.5	Middle of the century (2039 to 2065)	For the 95th percentile of highest accumulated rainfall during extreme rains (region average), the level during the regional base period (1979 to 2008) in the Hsinchu Plant is 385mm. It is expected to rise to 444mm by the middle of the century.	Flooding caused by short-term, extreme rainfall will impact the science park in the Hsinchu area. The Hsinchu Science Park is an important manufacturing site for the electronics industry in Taiwan. Therefore, the flooding may cause delayed deliveries and risk of contract breaches in the supply chain.	The flooding occurrence probability analysis for global warming shows the changes to the probability of flooding above 0.5m. The changes between the base period to the middle of the century show significant increase.	Severe flooding will cause transportation disruptions and problems with logistics. It may cause delayed deliveries by customers, leading to expected revenue from products and services being impacted.

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Adaptation Plan to Physical Risks

Physical Natural Disasters	Current Situation	Changes to the Return Period		Overall Adaptation Plan for the Group
High Temperatures	The average temperature of the Hsinchu Plant area in Taiwan was 22.39°C in 2018.	Changes to the 10 year return period: The temperature increased to 23.3°C (RCP8.5) The temperature increased to 23.62°C (RCP2.6)		The yearly average temperature is expected to continue to rise. With the extreme heat, outdoor operations will be suspended when necessary, or related laws and regulations will be complied with to implement necessary handling. The indoor temperature is regulated by the air conditioning system and green building designs have been actively introduced to maximize efficiency.

Drought — Longest consecutive rainless days in a year during the base period is 39.5 for the Hsinchu Plant in Taiwan.

Average change at the middle of the century (%):

RCP 2.6	
95%	14.7
75%	6.1
50%	2.2
25%	-0.3
5%	-5.9

Average change at the end of the century (%):

RCP 2.6	
95%	14.8
75%	7.9
50%	2.4
25%	-1.2
5%	-6.9

Average change at the middle of the century (%):

RCP 8.5	
95%	18.1
75%	13.5
50%	5.6
25%	0.6
5%	-8

Average change at the end of the century (%):

RCP 8.5	
95%	29.6
75%	22.6
50%	14.8
25%	4.7
5%	-7.4

Overall Adaptation Plan for Drought: The impacts of seasonal droughts are expected to become more severe with the continued effects of climate change. The main production processes of Wistron are heavily dependent on water use. In order to fulfill our corporate social responsibilities, we will continue to improve our water usage efficiency. We have established rainwater recycling systems in new plants and have included short-, mid-, and long-term targets in the routine performance evaluations, in order to reduce the operational water usage of each unit.

Floods — According to the base period (1979 to 2003) data, Hsinan Plant in Hsinchu Science Park, the major production location in Taiwan, is situated in a level 4 (level 5 is the highest level of risk) vulnerability area for flooding (combined evaluation of danger, vulnerability, and exposure).

Rainstorm changes in the next 5 days under RCP 4.5:

5 years	
95%	51
75%	45
50%	29
25%	9
5%	1

25 years	
95%	85
75%	51
50%	41
25%	12
5%	-5

Rainstorm changes in the next 5 days under RCP 8.5:

5 years	
95%	57
75%	47
50%	29
25%	11
5%	-11

25years	
95%	84
75%	49
50%	38
25%	19
5%	-5

Overall Adaptation Plan for Floods: Flood prevention facilities and designs have been reinforced in every operating location. Alarm and reporting mechanisms have been established to protect employee safety and reduce asset loss Adjustment plans for specific assets or plants:
Regarding the newly constructed operating locations, the 24 hour rainfall flooding potential for the local 100 year return period is used for analysis. Appropriate drainage and flood prevention facilities are reviewed and emergency response plans (including typhoon flooding protection plant) are formulated for the various disasters (including typhoons and flooding), in order to reduce the negative impact of potential flooding in the next hundred years. In terms of design, 1. Install plant trenches, water permeable surfaces, and other low water impact facilities to reduce water flow during rain storms. 2. Reasonable rain drainage pipe diameters and drainage gradients are installed according to the calculations of the 24 hour rain water flooding potential during the 100 year return period, in order to prevent ground flooding at the foundation. 3. Increase the height of the foundation and the first floor of buildings to prevent flood water filling the foundation.
Regarding the emergency response measures:
(1) Planned to install rainwater collection systems and rainwater recycling: pools, in order to manage and reuse rainwater.
(2) Installed flood gates (panels) to prevent flood water entering the underground spaces.
(3) Stipulated the water pumping plan. The water pumping equipment is sufficient to drain flood water during continuous rain storms.

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Risk graph for flooding due to climate change in the Hsinchu Plant
(east district of Hsinchu City)

Base Period of Risk(1979-2003)
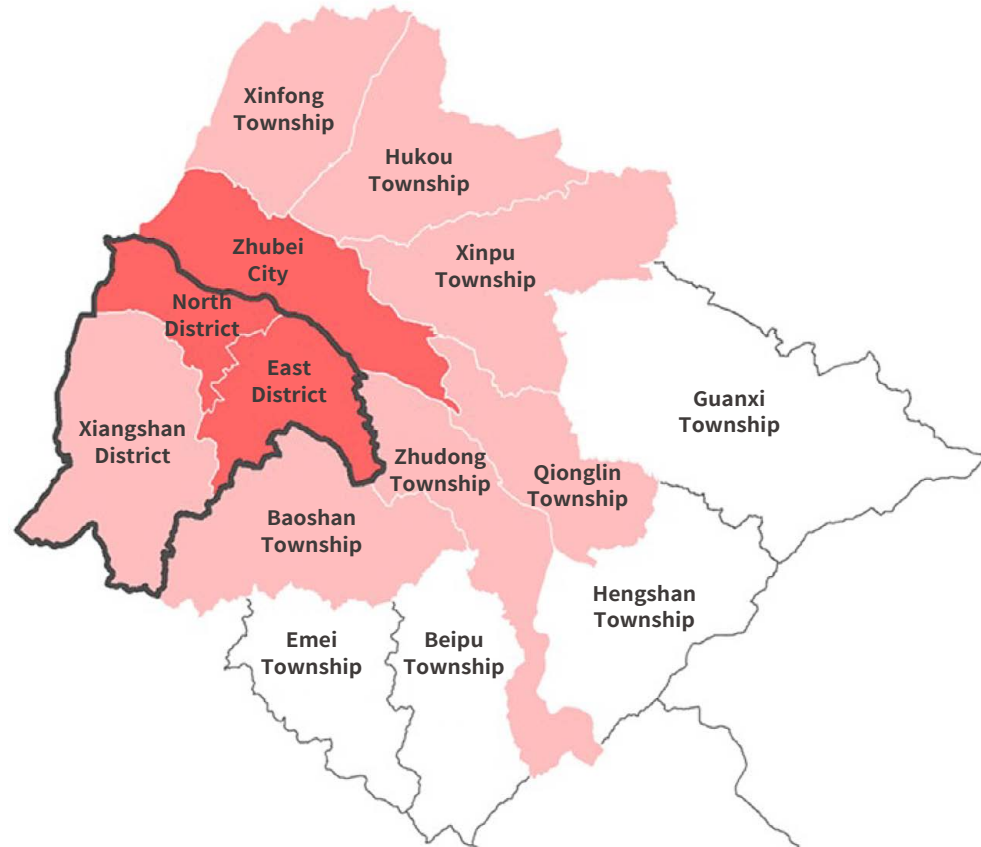
Risk graph for flooding due to climate change in the Hsinchu Plant
(east district of Hsinchu City)

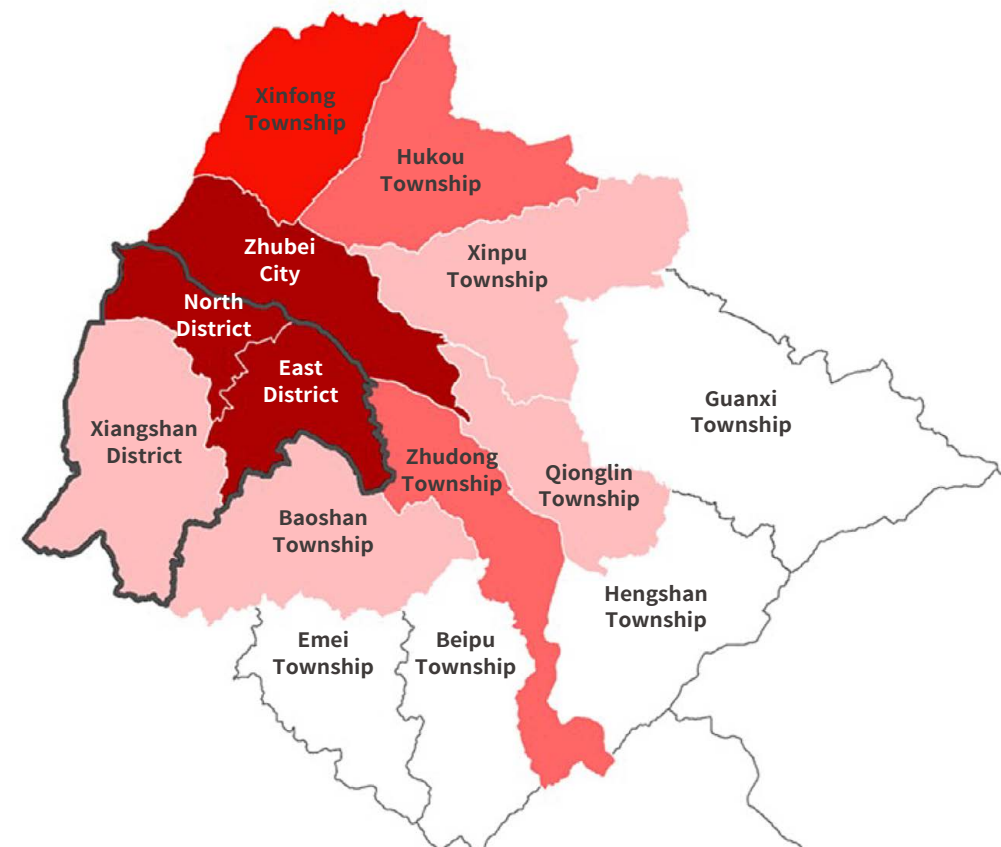# Future Estimates of Risk(2075-2099)

Figure   Risk levels

Not included in the statistical analysis   Level 1   Level 2   Level 3   Level4   Level 5

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3.2.3 Identification of Climate Risks and Opportunities

Climate-related risks and opportunities have been integrated into Wistron's enterprise risk management (ERM) plans. The Company identifies material risks for management based on ERM survey results. Management measures include verifying whether risks can be averted (where applicable) or using mitigation measures to control risks.

The Company has adopted the TCFD framework and referenced the risk items in the CDP climate change and water security questionnaires. Each year across the world Wistron identifies plant-specific transition risks and physical risks based on the location of plant business operations. All results of identification are compiled by the head office for an assessment of the scale and scope of the impact across the world. The head office then establishes related strategies and takes response actions.

The Company has adopted the ISO 31000 risk management and risk assessment framework and procedures and uses a risk map to evaluate the possibility of the occurrence of various potential risks and emerging risks and the extent of damage after they occur. The Company evaluates the level of potential threat that each short, medium and long-term risks (short-term: 1 to 3 years, medium-term: 3 to 5 years, long-term: 5 to 10 years) and opportunities to its future operations on the timeline from 2021 to the end of the century based on factors such as asset durability, potential climate risk and the industry sector and region of operation, and defines the priorities of risks and opportunities based on risks and opportunities level ratings to propose the risk and opportunities map.

Analyzing the probability of occurrence and the level of impact is used to make judgements regarding risks and opportunities. The results are classified into low-, medium-, and high-risk ratings. Five levels of impact are determined by the amount of monetary losses (extremely minor, minor, moderate, severe, and extremely severe). Risks classified as high or moderate are listed as main risks for which preventive measures and improvement plans must be established.

Step 1 Identify risks and opportunities

Step 2 Determine material risks and opportunities

Step 3 Research and plan mitigation/adaptation of risks and opportunities

Step 4 Continuous supervision and improvement

Risk Matrix

Opportunities Matrix
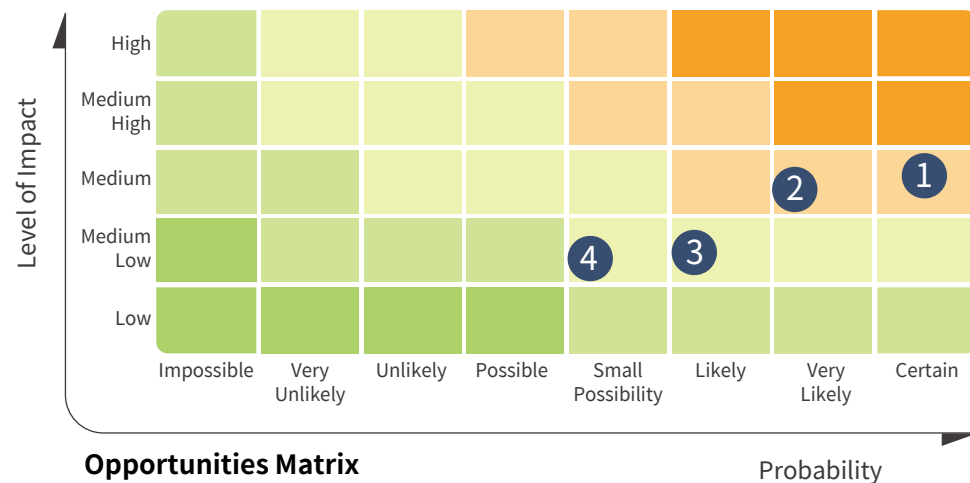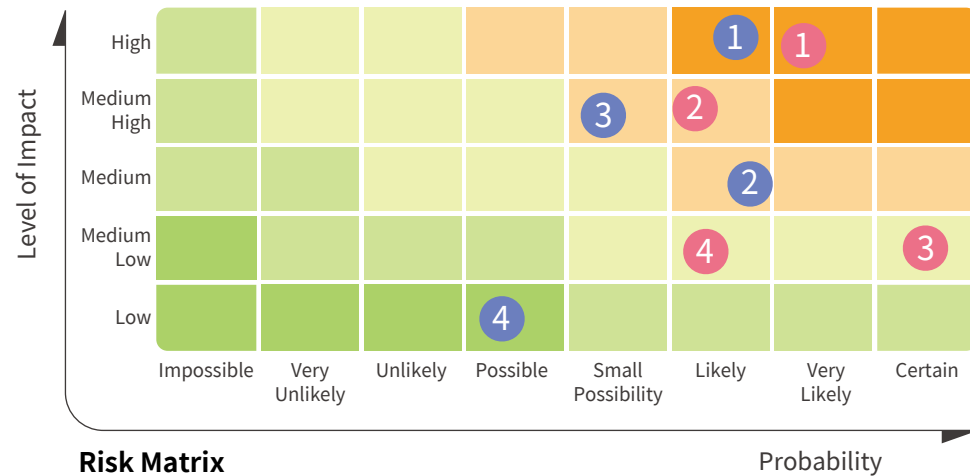
Transition Risks

1. Development of renewable energy regulations
2. Demand for low-carbon products and services
3. Mandatory filing
4. Investment in new technology

Physical Risks

1. Typhoons (acute)
2. Floods (acute)
3. Uncertainties in physical risks
4. Rise in average temperature(chronic)

Climate Change Opportunities

1. Seek new business opportunities
2. Energy-saving buildings
3. Low-carbon energy
4. Energy efficiency improvement

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Climate Change Financial Impact Analysis (Risks)

Climate Change Risks	Financial Impacts	Response Measures
Development of renewable energy regulations	Increases in operating costs (such as higher legal compliance cost or increase in management fees). The Company is expected to reach the target of 100% renewable energy use in 2030. Green energy certificate fees are expected to increase annual cost by 300 to 600 million NTD. The annual carbon fees and costs due to legal requirements are: 1. 40 to 50 million USD in 2030 (IEA 2° C scenario) 2. 50 to 60 million USD in 2030 (IEA below 2° C scenario) 3. 240 to 310 million USD in 2050 (IEA NZE scenario)	The Company purchased over 200 million kWh of Renewable Energy Certificates in 2021 and will increase the use of renewable energy each year to 100%. We are actively establishing partnerships with renewable energy companies around the world (including direct purchase of renewable energy PPA and renewable energy project development), in order to strengthen the sustainable resilience of global operations.
Demand for low-carbon products and services	Reduce operating costs	Help customers obtain various environmental protection labels such as Energy Star, EPEAT, TCO, Taiwan Green Mark, and China Environmental Labelling. The revenue from products with environmental protection labels account for 91% of hardware revenue.
Mandatory filing	Increase operating costs	The Company established a comprehensive greenhouse gas inventory for all manufacturing sites across the world. We implement greenhouse gas inventory every year and obtain third-party verification from an impartial third party.
Investment in new technology	Increase in operating costs (e.g., higher R&D cost or increase in patent licensing expenses)	Wistron will continue to increase the ratio of R&D personnel per total employees. The percentage reached 8.5% in 2021. Wistron obtained 401 patents in 2021, with green products accounting for 15 patents.
Drought	Manufacturing is impacted, causing operating revenue loss. For the production capacity that has not been transferred, the operating losses due production stoppages caused by severe droughts were 180 million to 3 billion NTD (RCP 8.5).	The rainwater recycling system plans are improved for new plants. The existing plants work with local water suppliers to implement special water supply mechanisms during droughts, in order to maintain plant operations. Continue to increase the water recycling rate and stipulate short-, mid-, and long-term targets for the annual performance evaluations, in order to improve overall operating resilience.
Typhoons	Impact on production and loss of operating revenue	In the event of a typhoon, the Company monitors alerts and related information on whether employees should work or suspend work. If work is not suspended, the Company provides vehicles, transportation subsidies, or other necessary assistance.
Floods	Impact on production and loss of operating revenue	The foundation heights have been increased and drainage facilities have been improved for existing plants during construction, in order to prevent losses caused by disasters. Include "natural disaster assessment" items in the location selection process for new sites. Plan related flood prevention facilities to improve the disaster resilience of operating locations.
Uncertainty of physical risks Uncertainty of climate-related physical risks	Increase operating costs and impact operating revenue	Six major energy saving and carbon reduction measures are introduced each year by the air conditioning system, air compressor system, green lighting, management, production, and others, and annual performance targets are set for tracking and assessment. As of the end of 2021, a total of 16,422.77 tons of carbon emissions will be reduced, continuing to mitigate the negative impact of the operation on climate change.
Rise in average temperature	Increase operating costs (e.g., increase in water and electricity charges)	The Company complies with the SBT 1.5 C carbon emissions reduction methodology by setting annual targets for absolute greenhouse gas reduction starting from 2020, in order to achieve carbon neutrality.

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Climate Change Financial Impact Analysis (Opportunities)

Climate Change Risks	Financial Impacts	Response Measures
Seek new business opportunities	Increase revenue from energy-saving products	Incorporate green design concepts in product development to reduce the energy consumption during product manufacturing. The sales from products with environmental protection labels account for 91% of hardware revenue. Develop green resources businesses and provide recycling and processing services to maximize benefits in the circular economy. The total shipped volume of post-consumer-recycled (PCR) environmentally friendly materials was 26,288 tons.
Energy-saving buildings	Reduce operating costs	Develop plant energy management information system and optimize settings with artificial intelligence technologies. We are evaluating the installation of solar panels and new generation energy-saving equipment at all our plants and operational sites to reduce the demand for purchased electricity and carbon emissions.
Low carbon manufacturing	Increase the use of low-carbon renewable energy to avoid carbon taxes	The Company purchased over 200 million kWh of Renewable Energy Certificates in 2021. Combined with the active expansion of solar power generation in plants, the percentage of renewable energy use has exceeded 50% of total energy usage, and the percentage will be increased year over year to reach 100%.
	Increase revenue	Continuing to increase the proportion of production lines using renewable energy by 100% through the procurement of green certificates and direct purchase of green power in our global operations to meet market demand for low carbon manufacturing.
Energy efficiency improvement	Reduce energy costs	The Company has established an energy project team which regularly inspects energy management conditions in plants and the results of energy conservation projects and shares the experience. By the end of 2021, more than 21 million kWh of electricity have been saved.

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3.2.4 Climate Goals

Wistron decided to take proactive actions starting from 2020 in support of carbon reduction targets in the IPCC's "Special Report on Global Warming of 1.5° C ". The Company follows the recommendations of the "Science-based targets initiative (SBTi)" and changed "greenhouse gas emission intensity" and "electricity consumption intensity goals" to "absolute greenhouse gas reduction goals". The Company used 2016 as the baseline year and set a short-term goal of achieving an absolute greenhouse gas reduction of 21% by 2021. The medium-term goal is to reduce absolute greenhouse gas emissions by 37.8% by 2025 and the long-term goal is to achieve carbon neutrality by 2030. These goals were set to demonstrate Wistron's resolve for mitigating and adapting to climate change. Wistron has formulated short-, medium-, and long-term goals for renewable energy usage in response to international energy transformations and low carbon manufacturing, with the renewable energy usage targets of 57.5%, 80%, and 100% set for 2022, 2025, and 2030, respectively.

Short, medium and long-term targets	Absolute greenhouse gas reduction	Renewable energy usage
2022	25.2%	57.5%
2025	37.8%	80%
2030	Carbon neutrality	100%

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3.3 Greenhouse Gas Emissions and Energy Management

3.3.1 Energy Usage

Electricity is the main form of energy consumption for Wistron. The remaining energy consumption consists of low amounts of fossil fuel usage (gasoline, diesel, etc.). Therefore, Wistron has increased energy efficiency and renewable energy ratio as its energy management strategy. Wistron introduced the ISO 50001 Energy Management System to implement systematic management of energy. Through the effective operation of the management system and the real-time energy dashboard, the Company identifies areas with high energy consumption for analysis. We use analysis results to set up energy projects. The Company regularly convenes energy project meetings and follows up on the implementation progress and results. We continue to improve energy efficiency through the exchange of information between the Plants.

Energy Usage

	Energy	Unit	2018	2019	2020	**2021**
Electricity	Self-generation and self-consumption of renewable energy.	kWh	2,379,781.00	2,383,895.00	2,393,900.79	**6,889,549.45**
		GJ	8,567.21	8,582.02	8,618.04	**24,802.38**
	Purchased renewable energy	kWh	-	-	188,690,000.00	**202,817,000.00**
		GJ	-	-	679,284.00	**730,141.20**
	Purchased non-renewable energy	kWh	499,108,397.68	505,325,225.95	284,263,177.75	**187,514,768.52**
		GJ	1,796,790.23	1,819,170.81	1,023,347.44	**675,053.17**
Heating		kWh	588,875.00	583,225.00	920,347.22	**1,299,377.78**
		GJ	2,119.95	2,099.61	3,313.25	**4,677.76**
Diesel		kWh	3,952,944.70	3,222,292.85	155,102.78	**1,174,909.65**
		GJ	14,230.60	11,600.25	558.37	**4,229.67**
Gasoline		kWh	4,236,826.78	4,133,091.84	3,826,211.35	**3,315,532.56**
		GJ	15,252.58	14,879.13	13,774.36	**11,935.92**
Natural gas		kWh	33,697,803.39	34,996,888.15	34,838,471.71	**29,994,111.16**
		GJ	121,312.09	125,988.80	125,418.50	**107,978.80**
Liquid natural gas		kWh	284,579.90	358,545.03	502,668.73	**529,856.82**
		GJ	1,024.49	1,290.76	1,809.61	**1,907.48**
Total nonrenewable energy consumption		MWh	541,869.43	548,619.27	324,505.98	**223,828.56**
Total renewable energy consumption		MWh	2,379.78	2,383.90	191,083.90	**209,706.55**

Energy Performance Indicators

Performance Indicators	Unit	2018	2019	2020	**2021**
Unit revenue electricity consumption	kWh/NT$ billion	585.82	609.09	595.05	**505.42**
Percentage of renewable energy use	%	0.47	0.47	40.20	**52.79**

Note:Calculated with power usage of major Wistron production plants around the world / plant revenue.

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3.3.2 Greenhouse Gas Emissions

With the challenges caused by global climate change, companies must reduce greenhouse gas emissions during operations to mitigate the negative impact on the climate. Wistron implements greenhouse gas inventory in accordance with ISO 14064-1. We also appoint a third-party attestation institution for rigorously monitor greenhouse gas emission sources and volume in all plants. In response to the requirements of the Science Based Targets (SBT), the evaluation plan for Scope 3 Greenhouse Gas Emissions was implemented in 2021. The aim was to include broader upstream and downstream indirect emissions into our own greenhouse gas reduction scope. We hope to utilize Wistron's influence and work towards the target of 1.5°C of the Paris Agreement together with the world.

Greenhouse Gas Emissions(tCO$_2$e)

Scope Category		2018	2019	2020	2021
Scope 1	Stationary combustion	7,577.72	7,622.77	6,993.68	**5,777.73**
	Mobile combustion	1,124.99	1,095.90	1,075.48	**862.02**
	Production emissions	0.25	0.25	4.75	**57.80**
	Fugitive emissions	17,398.34	19,351.94	15,375.89	**13,684.96**
	Subtotal	26,101.30	28,070.86	23,449.8	**20,382.51**
Scope 2	Location base	400,442.96	400,583.72	357,010.93	287,909.87
	Market base	400,442.96	400,583.72	206,711.81	125,333.04
Total of Scope 1 + 2	Location base	426,544.26	428,654.57	380,460.73	308,292.38
	Market base	426,544.26	428,654.57	230,161.61	145,715.55

Scope 1 + 2 Greenhouse Gas Emission Types (tCO$_2$e)

Type	2018	2019	2020	2021
CO$_2$	409,092.13	409,252.50	365,036.32	**294,470.89**
CH^4	13,479.44	12,979.98	13,088.97	**9,023.93**
N$_2$O	40.66	38.54	36.76	**50.42**
NF$_3$	1,713.13	-	-	**-**
HFC	2,218.22	6,383.55	2,298.68	**4,747.14**
PFC	0.68	-	-	**-**
SF$_6$	-	-	-	**-**
Total	426,544.26	428,654.57	380,460.73	**308,292.38**

Greenhouse Gas Emissions Performance Indicators (ktCO$_2$e/ NT$ billion)

Performance Indicators		2018	2019	2020	2021
Emissions per unit-revenue	Location base	0.50	0.51	0.48	**0.39**
	Market base	0.50	0.51	0.29	**0.19**

Note 1:Greenhouse gas emission intensity and target:Calculated based on the greenhouse gas emissions/plant revenue of Wistron's global manufacturing plants.
Note 2:Only Category 1 and Category 2 greenhouse gas emissions were calculated.
Note 3:Wistron is not responsible for the management of the Chongqing Plant dormitories.

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Scope 3 Greenhouse Gas Emissions

The Scope 3 inventory conducted this year found that at emission hotspots, the main source of emissions for upstream companies is purchased products goods and service. For downstream companies, it is the emissions from downstream transportation and distribution. The inventory results allows Wistron to manage the contribution of emissions of various activities between our own operations and upstream and downstream companies. It also provides potential opportunities for partnership between Wistron, the suppliers, and our customers. Wistron will use the Scope 3 inventory to strengthen supply chain management and create new opportunities to develop lower carbon electronic parts with our suppliers. For the energy use of downstream customer products, we will work with our customers to strengthen the energy efficiency of all Wistron and customer products, allowing Wistron to work with upstream and downstream companies to reduce greenhouse gas emissions and expand the influence of our climate strategy, so as to realize the vision of a low carbon supply chain.

Scope 3 Greenhouse Gas Emissions (tCO$_2$e)

Scope 3 Emission Sources	2018	2019	2020	2021
Purchased goods and services	0	0	0	**14,049,499.30**
Capital goods	0	0	0	**142,632.13**
Fuel- and energy related activities (not included in scope 1 or scope 2)	0	0	0	**76,107.22**
Upstream transportation and distribution	2,877.56	17,245.75	8,544.14	**21,134.68**
Waste generated in operations	0	0	0	**4,215.71**
Business travel	5,491.50	5,745.52	1,000.76	**1,027.22**
Employee commuting	0	0	0	**18,156.21**
Upstream leased assets	0	0	0	**5,666.65**
Downstream transportation and distribution	130,787.48	51,940.01	111,455.11	**278,700.73**
Processing of sold products	0	0	0	-
Usage of sold products	0	0	0	-
End-of-life treatment of sold products	0	0	0	-
Downstream leased assets	0	0	1.47	**20,206.67**
Franchises	0	0	0	-
Investments	0	0	0	**1,523,696.41**

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3.3.3 Emissions Abatement and Results

Wistron uses energy efficiency improvements and energy transformations to implement reduction actions. To ensure the implementation of energy management and energy conservation projects, Wistron has set up the Energy Project Teams in all plants composed of units responsible for plant engineering affairs or related matters. They convene regular energy management meetings and review the current state of energy and project implementation progress in the plants. The plants also share information on the effectiveness and experience in each project with each other.

Wistron's energy conservation efforts encompass six major categories including the air conditioning system, air compressor system, green lighting, management, production, and others. As of the end of 2021, the Company saved a total of 21,261,490 kWh of electricity, which reduced carbon emissions by 16,422.77 tons. If we use the carbon dioxide absorption volume of the Daan Forest Park in Taipei of 389 tons per year (calculation based on data from the Bureau of Energy, Ministry of Economic Affairs), the carbon reduction was equivalent to the annual CO2 absorption volume of 42 Daan Forest Parks, which represented a significant increase compared to the carbon reductions in the previous year.

2021 Energy Conservation Results

Energy Conservation Type	Main Implemented Project	Annual Energy Savings (MWh)	Annual Energy Savings (GJ)	Annual Emission Reduction (t CO_2e)
Air conditioning system	Improved equipment efficiency and introduced smart frequency conversion	5,930.46	21,349.64	4,546.86
Air compression system	Replaced old equipment and introduced smart controls	4,661.20	16,780.31	3,727.63
Green lighting	Smart lighting system	505.61	1,820.18	361.66
Management	Temperature control	4,360.37	15,697.32	3,139.25
Manufacturing	Optimized production, improved production equipment efficiency, and introduced smart monitoring and management	692.77	2,493.96	557.08
Others	Installed solar power generation equipment	5,111.09	18,399.94	4,090.29
Subtotal		21,261.49	76,541.35	16,422.77
Purchased renewable energy certificates		-	-	162,576.84
Total		-	-	178,999.61

Extreme weather has become the new normal. Major international companies have joined the RE100 initiative to support the use of renewable energy to reduce carbon emissions and slow down global warming. Wistron responded to international renewable energy trends by purchasing 200 million kWh of Renewable Energy Certificates in 2021 to actively increase the use of renewable energy in plants around the world, and offset market-based greenhouse gas emissions. Apart from purchasing renewable energy certificates, Wistron is actively expanding solar power generation in operating locations around the world to utilize idle space. We continue to strengthen our partnerships with local renewable energy providers, in order to implement the ideas of energy transformation and green manufacturing in our corporate operations.

2,126 million kWh
Six major energy conservation projects
Total amount of energy saved

16,423 tons
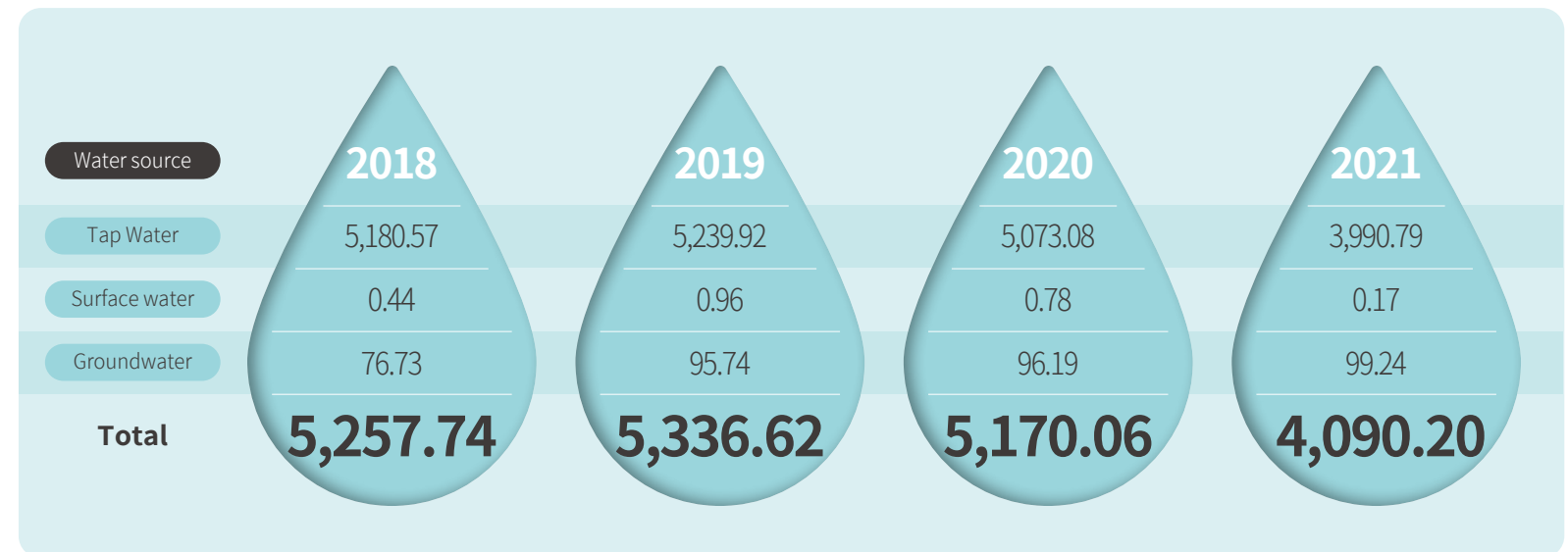Six major energy conservation projects
Reduces carbon emissions

200 million kWh
Procurement
Renewable energy certificates

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3.4 Alleviating Environmental Impact

3.4.1 Water Resources

While Wistron plants and offices use tap water, the Mexico Plant is the only plant that uses groundwater as the source of water. The Plant is located in a local industrial park and the water source is not the protected reserve or water reserve. Wistron's production processes mainly consist of product assembly which does not involve the use of a great amount of water. Most of the water demand is for domestic use and plant equipment such as kitchens and cooling towers. Based on our evaluations, Wistron's use of water resources and the ecological environment of water sources will not create significant environmental impact. Nevertheless, Wistron still actively collects water consumption data and regularly monitors water quality and consumption conditions. We organize water conservation campaigns from time to time for the purpose of protecting water resources. Wistron's management of water resources can be divided into "implementation of water resource management and day-to-day water conservation" and "implementation of water recycling and wastewater management". We conduct an inventory of high-risk areas for water resources based on an evaluation of the water stress indicators of our global operations. We then implement preventive measures based on the water resource management strategy. Dedicated units in different plants are responsible for water resource management, plan formulation and implementation, regular monitoring, resolution of irregularities, data analysis, and continuous improvements. Wistron is committed to rigorous compliance with the national regulations on water resources, reasonable use of water resources, prioritized selection of water conservation equipment, and use of energy conservation panels to monitor the consumption of water resources and improve water use efficiency. Wistron's water use target in 2021: Reduce water consumption intensity by 9% compared to 2016 and implement more ambitious goals for 2022, 2025, and 2030, and continuous tracking to disclose the water saving performance of each year.

Water Usage (million liters)

Water source	2018	2019	2020	2021
Tap Water	5,180.57	5,239.92	5,073.08	3,990.79
Surface water	0.44	0.96	0.78	0.17
Groundwater	76.73	95.74	96.19	99.24
Total	**5,257.74**	**5,336.62**	**5,170.06**	**4,090.20**

Water Usage Performance Indicators

Performance Indicators	Unit	2018	2019	2020	**2021**
Water usage per unit-revenue	thousand tons of water/NT$ billion	6.1	6.4	6.5	**5.2**
Water recycling rate	Percentage (%)	5.07	11.45	12.76	**8.93**

Note: Water usage intensity: Calculated with water usage of major Wistron production plants around the world / plant revenue.

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Water Stress Index

Wistron uses Aqueduct tools to analyze water stress indicators of global operations. We evaluate the risk ratings of water resources to set up management and recycling equipment in advance. In addition, we also disclose the water sources, water bodies receiving the effluent, wastewater treatment unit, and water quality data to ensure compliance with effluent quality standards in local regulations.

Multiple stages of Wistron's manufacturing process is product assembly. Most processes do not require water and do not produce waste water. Only Taizhou Plant and Kunshan Opt Plant require the use of water and they have set up wastewater treatment plants. They implement real-time online monitoring to immediately respond to any anomalies. In 2021, a processing center was constructed in the Zhongshan Opt Park. The industrial waste water was directly sent to a third party industrial waste water treatment company for processing. The sewage and wastewater in other plants mainly consist of domestic sewage of employees. The domestic sewage is collected through the pipelines of the park and delivered through the sewage system to the wastewater treatment plant for processing and discharge. It is not directly discharged to natural bodies of water. To monitor the effluent quality, Wistron regularly inspects the water quality to ensure that the effluent meets regulatory requirements and does not affect the ecological environment of natural water bodies and habitats. Wistron implements the ISO 14001 Environmental Management System to ensure that the wastewater and sewage management meets effluent specifications in regulations. The Company systematically manages related environmental issues. By 2021, Wistron has attained zero effluent leaks and zero environmental complaints.

Water Stress Indexs

Items		Neihu Headquarters Xizhi Office	Hsinchu Plant	Kunshan Plant	Kunshan Opt Plant	Taizhou Plant	Zhongshan Plant	Chengdu Plant	Chongqing Plant	Mexico Plant	Czechia Plant
Water stress index		Medium low	Medium low	High	High	Medium high	Medium high	Medium low	Medium low	High	Medium low
Water source		Feitsui Reservoir Xinshan Reservoir	Baoshan Reservoir	Water drawn from the Yangtze River	Water drawn from the Yangtze River	Water drawn from the Yangtze River	Xijiang River	Min River	Jialing River	Hueco Bolson Aquifer Mesilla / Conejos-Medanos Basin	Vir Reservoir
Water body receiving effluent		Keelung River Tamsui River	Keya Creek	Wusong River	Wusong River	Yinjiang River	Shiqi River Hengmen Waterway	Fuhe River	Houhe River	Use in agricultural irrigation	SVRATKA River
Wastewater treatment unit		Neihu Sewage Treatment Plant Dihua Sewage Treatment Plant	Hsinchu Science Park Sewage Treatment Plant	Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd.	Precision Machinery Industrial Park Sewage Treatment Plant	Taizhou Chengnan Wastewater Treatment Plant No.2	Zhenjiashan Sewage Treatment Plant Linhai Industrial Park Wastewater Treatment Plant	Huayang Wastewater Treatment Plant No. 2	Yubei District Chengbei Wastewater Treatment Plant	Valle de Juarez water treatment plant	Brno water and sewerage plant
Effluent Quality	pH	6~9	5~9	6.5~9.5	6~9	6~9	6~9	6~9	6~9	6~9	Sewerage regulations of the city of Brno
	SS (mg/l)	30~50	300	400	70~400	400	400	400	400	180	
	COD (mg/l)	100~150	500	500	100~500	500	500	500	500	220	

Note: The water stress indicator is calculated based on Aqueduct tools: https://www.wri.org/aqueduct

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3.4.2 Air Pollution

The gas emissions in Wistron's production process consist mostly of hot air and tin fumes. They also contain volatile organic compounds (VOCs) from the isopropyl alcohol used for cleaning. According to internal standard procedures, the gas is concentrated and collected in the ducts for the waste gas treatment equipment to absorb before emissions. The Company passes regular waste gas sampling inspections to ensure compliance with regulatory requirements.
The used isopropyl alcohol waste liquid is stored at a designated location and delivered to a qualified external supplier for removal. Wistron implements inventory and management of substances that contain VOCs to ensure that operators of all positions are equipped with personal protection equipment (PPE) and related ventilation devices in the usage and storage process. These measures ensure health and safety for personnel while reducing the potential negative impact of VOCs on the environment. Nitrogen oxides (NOx) and sulfur oxides (SOx) are only emitted in Wistron Plants when generators are used and fuel is incinerated in the process. The generators are only activated in the event of emergencies (e.g., power outages) and are not regular sources of emissions. Therefore, they are not listed as the main sources of emissions.

Emissions of Volatile Organic Gases (tons)

Categories	2018	2019	2020	2021
Isopropyl alcohol	54.0	94.92	90.83	72.32
Ethanol	80.9	62.5	22.8	63.43
Ethylene glycol monobutyl ether	5.2	7.1	5.9	7.81
Ethanolamine	2.8	3.9	3.3	1.48
Others (those that account for < 1% of total)	15.9	13.3	7.5	7.54
Total	159	182	130	152.59

3.4.3 Waste

Wistron is committed not to use banned substances or materials and actively promotes waste reduction, recycling, and reuse. The Company rigorously and carefully selects materials and suppliers and continues to implement technical improvement or seek environmentally friendly materials. We abide by environmental and customer regulations related to our activities, products, and services to attain, or even exceed set goals.
We must also perform a comprehensive evaluation and inventory of the generation and destination of waste and hazardous substances. We must minimize waste generation and recycle and reuse waste materials to reduce waste. Positive management of waste and hazardous substances can help protect the environment and reduce the burden of the environment. We can also create niches in business operations with improved material usage rate and lowered operating costs, which help the Company attain sustainability. The waste management method adopt by Wistron includes the "green product management system", "continuous implementation of waste classification and waste reduction", and "enhancement of waste recycling and reuse".

Amount of Waste Generated (tons)

	Type	2018	2019	2020	2021
Non-hazardous	a.Reuse	-	-	215.67	238.07
	b.Recycle	38,586.46	38,180.84	37,613.77	35,525.18
	c.Replaced with alternative raw materials	-	-	-	-
	d.Landfill	406.73	370.70	373.00	562.67
	e.Incinerate (with energy recovery)	-	-	272.76	1,670.37
	f.Incinerate (without energy recovery)	3,971.48	3,760.48	2,666.89	255.31
	Subtotal	42,964.67	42,312.01	41,142.08	38,251.60
Hazardous	g.Temporary storage	-	-	-	-
	h.Transported to external treatment facilities	1,062.11	1,208.83	1,001.90	1,043.50
	Subtotal	1,062.11	1,208.83	1,001.90	1,043.50
Total	Total waste generated (d.+e.+f.+g.+h.)	5,440.32	5,340.01	4,314.55	3,531.85
	Total waste recycled/ reused (a.+b.+c.)	38,586.46	38,180.84	37,829.43	35,763.25

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Waste Reduction

Wistron implements reduction at the source with resource classification and recycling plans,with recycling areas established in the plants and offices to reduce waste. We define recyclable waste generated in plant areas in accordance with regulations, including waste metal, packaging materials, plastic, paper, and batteries. We set up recycling areas in all plants and offices to collect these materials and appoint external recycling companies for clean-up and disposal.

Through waste classification and recycling, we have reduced operating costs by reducing waste disposal fees while meeting international waste reduction trends. Apart from recyclable waste, other special waste generated in the manufacturing process such as chemical solvents (isopropyl alcohol, fluxes, thinners, etc.), lubricating oil, solder paste, and dross are temporarily stored in special storage areas after classification and labeling and delivered to qualified waste disposal companies authorized by government institutions for processing. To monitor the final destination of the waste, Wistron also creates audit plans for waste disposal companies and performs regular audits.

To reduce waste more effectively, Wistron has changed the waste treatment target to "waste intensity reduction" starting from 2021. We use 2018 as the baseline year and set a target for reducing waste generation intensity (unit revenue waste generation) by 2% each year. Wistron has set the waste intensity reduction goal of 4% for 2022. The goal is 10% for 2025 with the introduction of UL2799 zero waste to landfill certification. In 2030, the reduction goal is 20% with continuous tracking and public disclosures of annual waste reduction.

Waste Recycling Rate (%)

Item		2018	2019	2020	2021
Non-hazardous	Reuse	0.0%	0.0%	0.5%	0.6%
	Recycle	87.6%	87.7%	89.3%	90.4%
	Replaced with alternative raw materials	0.0%	0.0%	0.0%	0.0%
	Incinerate (with energy recovery)	0.0%	0.9%	0.9%	4.3%
Total		87.6%	87.7%	90.4%	95.3%

Waste Management Performance indicators

Performance Indicators	Unit	2018	2019	2020	2021
Waste output per unit-revenue	Kilotons of waste output/ NT$ billion	0.05	0.05	0.05	0.05
Non-hazardous waste output per unit-revenue	Kilotons of waste output/ NT$ billion	0.0502	0.0508	0.0515	0.0487
Hazardous waste output per unit-revenue	Kilotons of waste output/ NT$ billion	0.0012	0.0015	0.0013	0.0013

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Future Implementation Strategies

· **Continuous implementation of refined waste classification and increase the recycling ratio.**

· **Set up regular maintenance/inspection plans for rainwater and sewage pipeline networks and create a pollution effluent map.**

· **Introduce food waste dehydrators to reduce food waste.**

· **Evaluate the introduction of plastic packaging boxes for mechanical components that can be used repeatedly and the useful life can be extended to reduce waste generation.**

· **Development and introduction of a smart digital environmental management system.**

Resource waste reduction

11,002 tons

Waste reduction processing fee

NT$1.8 million
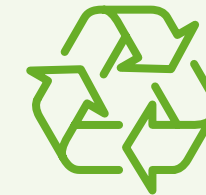
Waste Reduction Plan

Reduction Type	Description	Created Benefits
Recycle Reflow Oven Waste Liquid	We use waste liquid maintenance before new liquid is added for cleaning. We originally used 24 barrels of new liquid and generated 16 barrels of waste liquid every month. After the improvements, 16 barrels of new liquid were used and 8 barrels of waste liquid were generated.	Annual savings totaled **NT$127,022**
Recycle Reflow Oven Waste Liquid	We changed the settings from the default value to 4mm. The actual paper roll is 44mm, which saves 19% compared to the default value of 64mm. We thus reduced waste wiping paper by 21kg per month.	Annual savings totaled **NT$66,917**
Waste Reductions in Life	The plants in China dehydrate the kitchen waste by filtering the waste and using the kitchen waste dehydration equipment, in order to reduce the amount of kitchen waste and continue to implement the Clean Plate campaign Kunshan Plant and Taizhou Plant introduced automatic rice dispensers and set the machines to dispense 250g of rice per serving to reduce rice waste.	It has reduced average daily waste by **793.13** kg, decreasing kitchen waste by around **25%**
Recycling and Reuse of Packaging of Incoming Materials	Waste reductions start at the source. We have coordinated with suppliers to recycle the packaging of incoming materials. Traditional cardboard boxes were replaced with reusable plastic boxes to increase the usage rate of packaging and reduce waste generation.	Resource waste was reduced by around **11,002** tons every year and the total savings from waste disposal expenses were **NT$7,826,896**

Social Inclusion

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care

4.1 Talent Attraction and Retention

Wistron is dedicated to establishing a sustainable and altruistic corporation. We believe that only happy employees can create the maximum value for the Company. In 2021, Wistron and its Indian subsidiary received the "Best Companies to Work for in Asia 2021" from HR Asia. This was in recognition of Wistron's efforts in creating a comprehensive and caring workplace for the work-life balance of employees.

4.1.1 International Talent Recruitment

Attract Talents from Around the Globe

In order to effectively provide the talents required for business growth, Wistron has created a diverse and flexible recruitment mechanism and has integrated AI technologies to improve recruitment efficiency. In 2021, new employees totaled 155,226 people. The majority of the employees were 30-year-old males in non-managerial positions, which adheres to Wistron's industry attributes and operation momentum. Wistron uses diverse recruitment channels to attract talent. These include job websites/social media, campus recruitment events, industry-academia partnerships and internships, internal reference, headhunting, resigned employee return plan, recruitment of foreign talent, and job matching for the talent pool.

"Digital Competence" Assessment System

Purpose
The digital competence of applicants is analyzed through AI image recognition technology. The analysis results are provided to supervisors for reference during appointment, saving the time of supervisors and related recruiting costs.

Method
The micro changes in the subject's facial expressions are converted into digital data through image capture and positioning technology, it is then compared to existing sample data of Wistron employees to build the model.

Results
Wistron used the system and stated that accepted applicants showed significantly higher scores for factors such as "risk-taking", "resilience", "conceptual thinking", and "encourage experimentation", showing that the reliability and validity of the system have reached acceptable levels.

Since introducing the system in Q4 of 2020, around 2,200 people have completed the online assessment and the system is approved by the supervisor.

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New Employees

Wistron is focused on recruitment and hiring procedures and orientation training to help new recruits adapt quickly to the workplace and culture, including the design of the new recruit interview process optimization, the new recruit productivity improvement plan, and new recruit training program to enable new employees to understand Wistron's corporate culture, industry concepts and relevant occupational safety and health knowledge through the interview and training process.

Items	2018	2019	2020	2021
Total Number of New Employees	204,756	179,784	198,087	155,226
Recruitment rate (%)	260%	256%	285%	247%
Percentage of Open Positions Filled by Internal Candidates (internal hires) (%)	72.53%	67.95%	66.49%	52.95%

Note1 : Recruitment rate = New employees in the current year/total number of employees in the current year
Note2 : Percentage of open positions filled by internal candidates (internal hires) = Replacement rate of indirect employee positions by internal employees. Due to the Company's deployment in new industries, diversified talents are required. Therefore, external recruitment has become the main approach for filling internal positions, which has caused a decrease in the internal position replacement rate.

Distribution of New Employees		2018	2019	2020	2021
Gender	Male	153,230	134,757	149,216	116,203
	Female	51,526	45,027	48,871	39,023
Age	Under 30	173,756	149,806	149,335	117,318
	Age 30-50	30,886	29,871	48,608	37,756
	Older than 50	114	107	144	152
Region	Asia	202,205	177,695	194,920	152,864
	Europe	103	153	397	201
	Americas	2,448	1,936	2,770	2,161

Local Recruitment

Wistron upholds the concept of hiring talents based on merit and actively hires and trains elite talents from different countries. The Company also continues to set "hiring local talents as managerial staff" as a key goal in the annual performance evaluation of the plants each year to actively hire local talents. In addition to the continuous increase in local job opportunities, Wistron provides employees with relatively high compensation and passes on operation and management knowledge through training so that local talents acquire basic work skills as well as management skills for serving as managerial staff. In 2021, local hires in managerial roles accounted for 92.6% in asia, and 88.4% of the managerial staff ranked department level manager or above.

Proportion of Management Hired from the Local Community

Items		2018	2019	2020	2021
Percentage of Managerial Roles	Asia	89.7%	89.9%	92.2%	92.6%
	Europe	76.9%	81.8%	89.7%	90.6%
	Americas	72.3%	61.9%	93.0%	67.3%
Percentage of Management Ranked Department Level Manager or Above	Asia	81.2%	82.7%	86.4%	88.4%
	Europe	58.3%	63.6%	83.3%	83.3%
	Americas	69.0%	58.2%	74.2%	69.4%

Note : Local employees are defined as employees of the nationality of the country in which the Company is located

Asia

Percentage of Managerial Roles

92.6%

Percentage of Management Ranked Department Level Manager or Above

88.4%

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Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care

4.1.2 Inclusion and Diversity

Employee Composition

Wistron upholds the core value of a people-oriented philosophy and complies with all local regulations to recruit diverse talents from around the globe. We provide legal rights and benefits to all employees starting from the first day of employment. The employment categories of different regions as of the end of 2021 based on operation and production capacity requirements are shown in the table below. The Asian region includes plants in China and Taiwan. Europe includes the plant in the Czech Republic. Americas includes the plant in Mexico.

Americas 3.47%

Europe 0.85%

Asia 95.68%

Note : The ratio is the number of people in the region as a percentage of employees around the world.
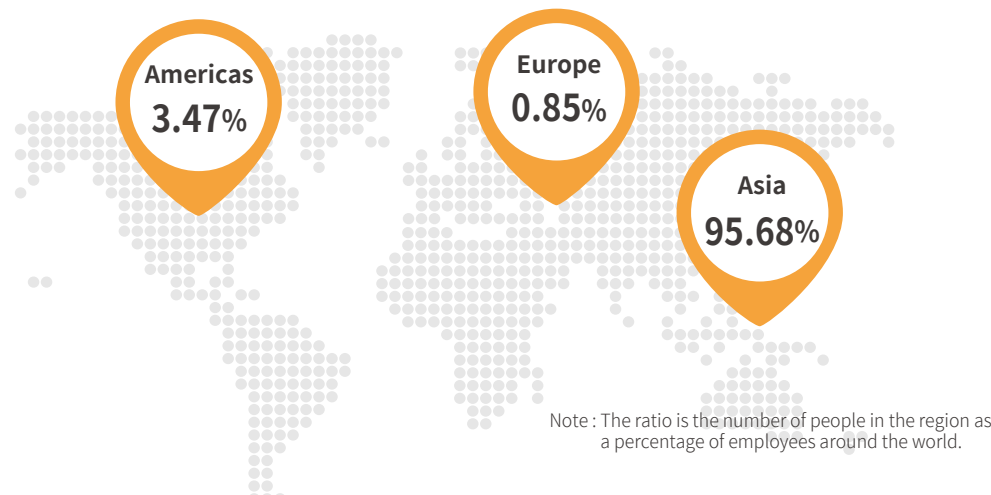
Employment Categories by Region

Employment Category	Employment Type	Taiwan	Kunshan Plant	Kunshan Opt Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czechia Plant
Contract Type	Non-fixed-term contract	8,765	685	201	225	2,903	1,128	1,035	2,181	293
	Fixed-term contract	324	5,194	2,382	2,733	18,306	7,335	8,898	0	243
	Total	9,089	5,879	2,583	2,958	21,209	8,463	9,933	2,181	536
Full-Time/ Part-Time	Full-time	9,088	5,879	2,583	2,958	21,209	7,854	9,933	2,181	468
	Part-time	1	0	0	0	0	609	0	0	68
	Total	9,089	5,879	2,583	2,958	21,209	8,463	9,933	2,181	536

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Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care

Employee Distribution

Employee distribution		Male		Female	
		Employees	Percentage	Employees	Percentage
Age	Under 30	25,741	40.97%	10,960	17.44%
	Age 30-50	16,312	25.96%	8,658	13.78%
	Older than 50	814	1.30%	346	0.55%
Position	Managers	2,342	3.73%	778	1.24%
	Professionals	10,043	15.98%	5,495	8.75%
	Technicians/Assistants	30,480	48.51%	13,693	21.79%
Type of Employment	Direct Employees	30,480	48.51%	13,693	21.78%
	Indirect Employees	12,385	19.71%	6,273	9.98%
Region	Asia	41,390	65.88%	18,724	29.80%
	Europe	253	0.40%	283	0.45%
	Americas	1,222	1.94%	959	1.53%

Region (Nationality) distribution

Region (Nationality) Distribution	2021	
	Percentage of Total Employees	Percentage in All Management Positions
China	80.59%	50.29%
Taiwan	14.20%	45.64%
Mexico	3.24%	2.37%
Philippines	1.06%	0.74%
Czechia	0.74%	0.87%
Slovakia	0.05%	0.03%
Others	0.11%	0.07%

Others : Includes employees from South Korea, Indonesia, United States and 18 other countries

Diversity and Inclusion

In 2019, Wistron established the ESG Committee to support sustainable developments and uphold the core value of a people-oriented philosophy and its commitment to the society with the aim of creating a workplace of equality and inclusion. The number of Wistron employees in different regions as of the end of 2021 is shown in the table below. The ratio of male to female is 68:32.

Employee Statistics by Region and Gender

Region	Taiwan	Kunshan Plant	Kunshan Opt Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czechia Plant	**Total**
Male	5,968	4,079	1,669	1,729	15,289	6,149	6,507	1,222	253	**42,865**
Female	3,121	1,800	914	1,229	5,920	2,314	3,426	959	283	**19,966**
Total	9,089	5,879	2,583	2,958	21,209	8,463	9,933	2,181	536	**62,831**

Culture of Inclusion

Wistron is a company that shoulders social responsibilities. We believe that companies must start with themselves to support social inclusion and disadvantaged groups in the society. In terms of the recruitment of talents, the Company has hired employees with disabilities, ethnic minorities in Mainland China, and the indigenous peoples of Taiwan. To provide more diverse job opportunities, the Company hired 88 employees of indigenous descent and 98 employees with physical and mental disabilities in Taiwan in 2021. Employees with disabilities account for 0.84% of all employees around the world. The human rights policy approved by the Chairperson: Provide fair and reasonable remuneration and work conditions, and a safe and healthy work environment. Ensure equal job opportunities for all employees and forbid any form of discrimination. To create awareness of diversity within Wistron, the Humanity Division of Taiwan office began organizing diversity seminars on topics such as "The Unbreakable Spirit of Disabled Athletes". The seminars were provided to offices in other regions through live streaming to enhance employees' awareness of diversity.

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Women in Technology

In 2021, the Wistron Board of Directors added a female director. The number of female supervisors is steadily growing, increasing by 24.94% in 2021. In terms of benefits, Wistron provides flexible work hours to all employees in Taiwan. Employees can adjust their work hours according to family care and personal needs. Employees can also enjoy 7 additional days of leave, which is more than the legal requirement. They may use the leave on work make up days and for their own plans, which allows employees to flexibly find time for work and family.To promote childbirth, employees in Taiwan enjoy a special bonus of NT$60,000 for each newborn and the Employee Welfare Committee also provides an additional NT$2,000 per newborn as childbirth subsidies, in addition to basic "childbirth benefits and care" and "parental leave".

In terms of cultivating women in technology, Wistron uses its digital academy, Gap of Learning and Field (GOLF), to provide female students with more opportunities to attend technology related courses and practical training. In 2021, Wistron provided 24 online professional courses for GOLF students. A total of 159 students participated in the courses, which included the training of 15 female interns.

Female Employees Distribution

Items	2018	2019	2020	2021
Percentage of female employees (%)	31.59%	32.12%	32.45%	**31.78%**
Percentage of female in all management positions (%)	23.86%	23.65%	24.92%	**24.94%**
Percentage of female junior management positions (%)	29.84%	28.97%	30.99%	**30.98%**
Percentage of female in top management positions (%)	8.84%	8.97%	11.42%	**13.72%**
Percentage of females in revenue-generating functions (%)	54.50%	54.30%	53.01%	**56.32%**
Percentage of female managers in revenue-generating functions (%)	36.49%	34.48%	33.76%	**39.13%**
Percentage of females in STEM-related positions (%)	23.46%	23.85%	23.95%	**25.45%**

Note : STEM refers to positions related to Science, Technology, Engineering, and Math

Workplace Equality

Wistron firmly believes that diverse talents cannot make full use of their talents without protection for equality. Therefore, female employees of Wistron have the same opportunities and rights as male employees, which helps reverse the gender stereotype in the tech industry.

Indirect Employees by Level, Gender, and Age Group

Age	Department Level Manager or Above		Section-level Manager		Non-managerial Employees		Total
	Male	Female	Male	Female	Male	Female	
Under 30	0.01%	0.02%	0.32%	0.14%	21.15%	12.22%	**33.86%**
Age 30-50	5.84%	1.59%	4.44%	1.99%	30.95%	16.65%	**61.46%**
Older than 50	1.83%	0.38%	0.11%	0.05%	1.72%	0.58%	**4.67%**
Total	7.68%	1.98%	4.87%	2.19%	53.83%	29.45%	**100.00%**

Be Equal is the essence of a diverse workplace. Wistron listens to employees' the ideas and suggestions related to the three aspects of workplace atmosphere, remuneration, and development. In 2021, Wistron conducted a gender equality survey. The employee feedback score was 80.3%, showing that the majority of employees approve of the company's gender equality planning and implementation. During the survey, many employees were happy to provide feedback and specific suggestions, giving the company valuable information for creating a gender equality and harmonious workplace.

Wistron has forbidden any discriminatory behavior based on employee nationality, skin color, age, gender, sexual orientation, race, disability, pregnancy, religious beliefs, political views, marital status and club members in any matters related to employment, salary, rewards and punishments, promotions, and resignations.

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4.1.3 Talent Retention

Hiring and Compensation

All Wistron offices and plants across the globe provide salary and benefits that meet local laws and regulations. The salary is never lower than the legal minimum wage. All full-time employees enjoy insurance and pension plans following legal requirements. Wistron has adopted a policy of equal pay for equal work and does not permit differences based on geography, race, ethnicity, background, social class, ancestry, religion, physical disability, gender, sexual orientation, pregnancy, marital status, union membership, political views, or age. The Company has created a compensation system based on the concept of total compensation, including salary, benefits, rewards, and bonuses.

All Wistron employees complete performance evaluations twice a year. The results of the evaluations are used as the basis for remuneration, reassignments, promotions, and other personnel management. There were no disputes or violations of laws related to salary and benefits in 2021.

Selected as a constituent of the Taiwan High Compensation 100 Index

Employee Evaluation

Measures	Party Involved	Method
Management by objectives (MBO)	All employees	At the end of every year, Wistron organizes an annual kick off meeting to explain the operational goals of the company for the next year to all managers, and direct managers communicate the goals to the employees to reach a consensus. The goal is therefore developing top-down to all units and individuals. During the implementation of goals, bilateral communication and feedback shall be maintained irregularly and periodically (mid-term/year-end). Performance appraisals are conducted based on goal attainment and performance of competencies during mid-term and year-end formal appraisal.
Multi-dimensions (180 to 360 is acceptable)	1.Managers in Taiwan (including expatriates) 2.Specific professional personnel (e.g., key talent, STM, and digital talents)	Apart from the annual goal and competency performance indicators, multi-dimensions evaluation is implemented for the performance of the following personnel: 1.Managers in Taiwan (including expatriates): "360-degree feedback" is conducted by their subordinates, peers, and cross-department managers according to the performance evaluation process. 2.Specific professional personnel: "180-to-360-degree feedback" is conducted by the project managers and peers for the key talent of the organization.
Ranking	All employees	Indirect employees: Managerial and non-managerial positions are evaluated separately according to goal attainment, performance of competencies, and multi-dimensions evaluation. The rating scale is Outstanding, Very Satisfactory, Satisfactory, and Unsatisfactory. Furthermore, in order to recognize the potential of the Company's talents, evaluations and rankings of potential are conducted according to the employees' job grades. The rating scale is Top 5, Top 15, Top 30, and Average. The performance of direct employees is directly tied to the Company's manufacturing performance. Therefore, direct employees are evaluated annually by the supervisors of each plant according to the target production volume, professional skills, attendance, and reward and punishment records.

Wistron conducts a survey of industry salaries each year and adjusts the salary based on changes in the external environment, the Company's business operations, and personal performance to ensure that the salary meets market standards and principles of fairness. In addition, the Company also improves operational efficiency to increase employees' income level. We require sites that hire short-term or part-time employees to provide insurance and benefits specified by related laws starting from the first day of employment. The salary levels of different regions are provided in the table below. The information of salary of full-time employees in Taiwan who are not in a managerial position over the years are available on the Market Observation Post System. (https://mops.twse.com.tw/mops/web/t100sb15)

Ratio of Standard Entry-level Wage Compared to Local Minimum Wage

Region	Ratio
Taiwan	1
Kunshan Plant	1.01
Kunshan Opt Plant	1
Taizhou Plant	1
Zhongshan Plant	1.12
Chongqing Plant	1.18
Chengdu Plant	1.34
Mexico Plant	1.03
Czechia Plant	1.32

Ratio of Male/Female Salary to Remuneration

Items	Level	2021
Fixed Salary	Division level and above	1 : 1
	Department level	1 : 0.91
	Section level	1 : 0.98
	Non-managerial employees	1 : 0.87
Annual Salary	Division level and above	1 : 1.07
	Department level	1 : 0.92
	Section level	1 : 0.97
	Non-managerial employees	1 : 0.86

Note1: The above information is the rate for full year 2021 salaries.
Note2: Professionals at Wistron mostly fall into male-dominated functions such as R&D and engineering categories. Furthermore, the salaries for these types of jobs tend to be higher than average market levels, which is why the overall remuneration of male employees at Wistron is higher than that of female employees.

The remuneration for senior managers includes a combination of fixed items such as base salary, annual bonuses, and benefits, and variable items such as bonuses, compensation (cash/stock) and stock options, with the variable items being primarily considered.

The fixed terms aim to maintain the Company's competitiveness at a certain level while the variable items are considered based on the Company's and the individual's performance. When the Company and individual's performance is better, the ratio of the variable terms to the fixed terms will also be higher. The assessment standards are based on the extent to which the annual goals are achieved, which include annual financial targets (revenues, profits, etc.), market/customer, and the growth and development of the organization and personnel. In the beginning of each year, the Compensation Committee sets the assessment items, goals, and weight ratios, taking internal and external development into consideration. The compensation for the managers is assessed based on personal performance and the terms are evaluated before forwarding to the Board of Directors for approval.

Long-term Incentives

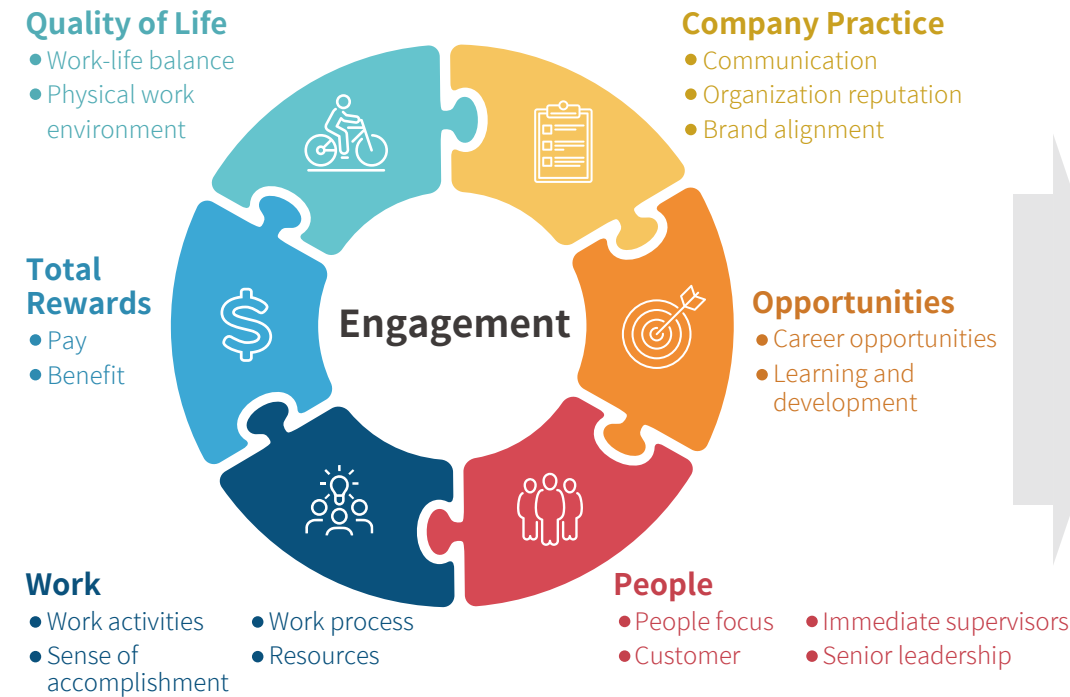| Measures	The Company has established the "employee stock ownership trust" plan. Employees can voluntarily participate according to the Shareholders' Meeting Charter. Participating employees shall allocate a fixed amount every month according to their grade. The Company will match 100% of the amount every month and purchase the Company's stocks. The Company will commission a financial institution to purchase and manage the stock in the name of a stock ownership trust account.
Subjects and execution in 2021	Full-time employees who have been employed for one year can voluntarily participate.

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Global Employee Engagement Survey

Wistron upholds a business philosophy of caring for employees and valuing employees' feedback and opinions. Wistron surveys employees around the world to collect their opinions and feedback with 100% coverage and a frequency of every 2 years, starting in 2021. The goals and results of the survey and analysis will be publicly disclosed. To ensure that the survey and analysis results can be compared horizontally (between plants/departments) and vertically (between years), the structure, questions, and analysis methods of the survey shall be consistent for all plants across the world. The questions are designed based on reviewed and publicly published academic papers/journals. We also compare the differences between different groups to improve the effectiveness of the survey. In 2021, 19,820 employees participated in the employee engagement survey and 17,547 employees provided a response. The response rate was 88.5% and the average degree of engagement was 67.5%.

The effective response rate target is set to above 80% for each survey, in order to ensure the level of reliability and the reference value of the statistical analysis results. With this survey and analysis plan, the Company can explore the gap between the current state and the target for employee engagement and satisfaction (short-term target is 70%) and implement improvement measures accordingly. Regarding the employee engagement improvement solutions, the Company will organize inter-department/plant project meetings to review and track the improvement plans to demonstrate that the Company values the opinions of the employees and its commitment in creating a quality work environment.

Employee Perceptions

Quality of Life
- Work-life balance
- Physical work environment

Company Practice
- Communication
- Organization reputation
- Brand alignment

Total Rewards
- Pay
- Benefit

Engagement

Opportunities
- Career opportunities
- Learning and development

Work
- Work activities
- Sense of accomplishment
- Work process
- Resources

People
- People focus
- Customer
- Immediate supervisors
- Senior leadership

Employee Behaviors

- Say
- Stay
- Strive

17,547 people
participants in the survey

88.5%
Response rate

67.5%
Degree of engagement

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Degree of employee engagement		2019	2020	2021
Survey content		The survey includes the 6 employee perception items of "company practice, opportunities, people, work, total rewards, and quality of life," and 1 employee behavior item of Say + Stay + Strive.		
Questionnaire scale		They are: Strongly disagree, disagree, slightly disagree, slightly agree, agree, and strongly agree. Those who answer "agree" or "strongly agree" are deemed as agreeing with the description of the question. If 70 people out of 100 answers "agree" or "strongly agree," it means 70% of people agree with the description in the question.		
Party involved		Indirect employees of Zhongshan Plant, China	Indirect employees of Enterprise Business Group, Hsinchu Plant in Taiwan, and Taizhou Plant in China	Taiwan, China, Czechia, and Mexico
Issued questionnaires		2,057 copies	2,206 copies	19,820 copies
Number of returned		1,904 copies	1,828 copies	17,547 copies
Response rate		92.7%	82.9%	88.5%
Degree of engagement		72.8%	72.0%	67.5%
Percentage of employees participating in the engagement survey (coverage)		9.9%	9.3%	94.0%
Gender	Male	N/A	68.3%	65.9%
	Female	N/A	31.7%	34.1%
Age	Under 30	N/A	29.7%	31.9%
	Age 30-50	N/A	64.1%	64.4%
	Older than 50	N/A	6.2%	3.8%
Region	Taiwan	N/A	91.8%	35.3%
	China	N/A	8.2%	45.6%
	Czechia	N/A	N/A	0.7%
	Mexico	N/A	N/A	18.4%

Employee Resignation

The turnover rate of indirect employees was 16.1% in 2021, which is equal to an average monthly turnover rate of 1.3%. The rate is relatively stable and healthy compared to other companies in the same industry. In terms of direct employees, the industrial characteristics of seasonal orders and production capacity changing drastically have affected the Company's overall labor allocation plan and caused irregular mass recruitment and resignation of direct employees. In addition, because direct employees are the majority in Wistron's labor structure (accounting for 70.3% of all employees at the end of 2021), the overall resignation rate of Wistron will be significantly affected by factors related to direct employees. For the statistics related to resignations in 2021, please refer to the appendix.

155,226 people
Number of new hires across the globe

16.1%
Indirect employees turnover rate

Improvement of Employee Turnover Rate

Despite the difficulties in controlling factors of the environment, Wistron has dedicated to improving the turnover of direct employees and shifted the focus to their adaptability. According to the results of surveys for actual causes of turnover, direct employees' failure to adapt to work is mainly reflected in the misconceptions about the work conditions and environment. For instance, they often are not aware that they are required to stand for long hours at work, wear clean room suits, and work in shifts. Some could not successfully release the stress from work, learning, and production.

In response to these issues, Wistron's improvement plans focus on recruitment and hiring procedures and orientation training. The plans include amendment to new recruit interview procedures, amendment to new recruit productivity improvement plan, improvement of work/life conditions, and psychological consultation. The Company aims to create smooth bilateral communication and coordination and provide active care to employees so that employees can feel the continuous improvement of the work environment.

Issues
Understanding of Turnover Causes
· Failure to adapt to work requirements
· Misconceptions about work conditions and environment

Improvement
Formulate Policies and Plans
Recruitment and hiring procedures & orientation training
· Amendment to new recruit interview procedures
· Amendment to new recruit productivity improvement plan
· Improvement of work/life conditions
· Psychological consultation

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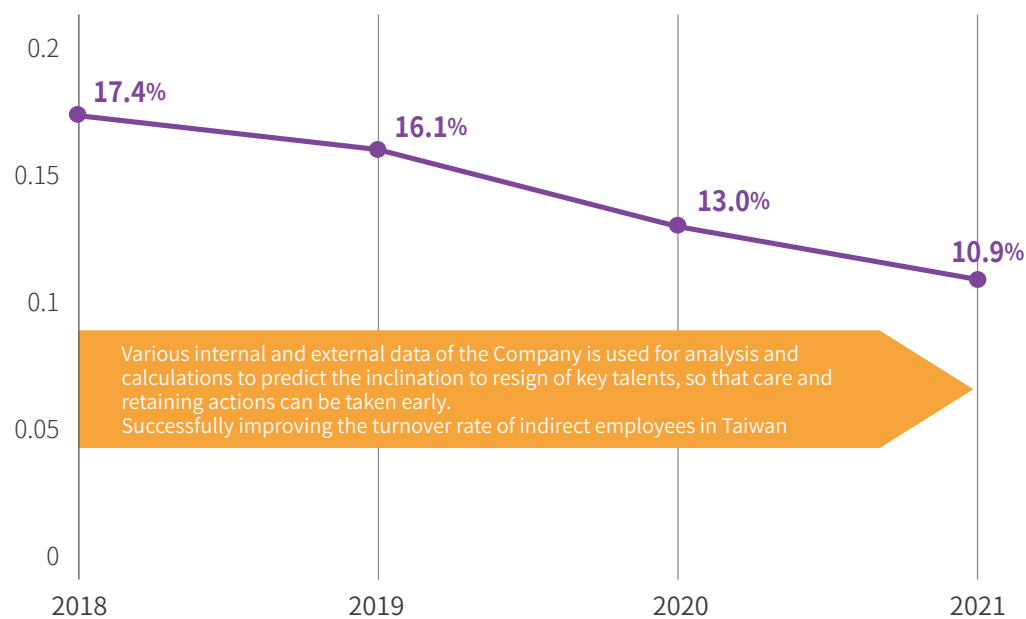For indirect employees, Wistron has started to use data technology to improve the turnover rate. The relevant projects and results are summarised in the table and chart below.

Prediction of Employee Resignation Risks

Featured project	Prediction of employee resignation risks
Purpose of the project	The employee's inclination to resign is predicted through the integration and analysis of the Company's internal and external information, so that active retaining actions can be taken in advance.
Project benefits	Various internal and external data of the Company is used for analysis and calculations to predict the inclination to resign of key talents, so that care and retaining actions can be taken early. Passive inactions are transformed into active actions to improve the overall turnover of talents in the Company.
Data collection	70 personnel related data entries from within the company and 10 industry and overall economic environment data entries from external sources.
Project results	Since the introduction of the project in Taiwan in Q4 of 2018, around 1,200 high risk personnel have been reported, with an overall prediction rate of above 70%. As a result, the indirect employees turnover rate in Taiwan has been decreasing year over year (17.4% in 2018 → 16.1% in 2019 → 13.0% in 2020 → 10.9% in 2021).

Various internal and external data of the Company is used for analysis and calculations to predict the inclination to resign of key talents, so that care and retaining actions can be taken early.
Successfully improving the turnover rate of indirect employees in Taiwan

Resignation Statistics and Distribution

Resignation statistics and distribution		2018	2019	2020	**2021**
Total resignation rate (%)		39.70%	43.44%	28.90%	**27.92%**
Voluntary resignation rate (%)		25.34%	25.31%	15.72%	**19.09%**
Total resignation rate (%)	Male	36.47%	39.84%	28.47%	**26.46%**
	Female	41.19%	45.15%	29.10%	**31.05%**
Voluntary resignation rate (%)	Male	22.80%	22.24%	15.07%	**19.24%**
	Female	26.52%	26.76%	16.04%	**18.77%**
Total resignation rate (%)	Under 30	45.71%	51.97%	36.35%	**31.96%**
	Age 30-50	25.95%	28.55%	18.60%	**22.70%**
	Older than 50	8.97%	8.83%	7.82%	**12.41%**
Voluntary resignation rate (%)	Under 30	28.52%	29.83%	19.04%	**21.68%**
	Age 30-50	18.30%	17.61%	11.28%	**15.94%**
	Older than 50	2.49%	1.77%	2.89%	**4.91%**
Total resignation rate (%)	Taiwan	15.63%	16.22%	15.76%	**18.40%**
	China	43.23%	48.73%	32.79%	**29.32%**
	Czechia	14.28%	16.61%	6.82%	**48.32%**
	Mexico	0.80%	0.59%	0.46%	**29.80%**
Voluntary resignation rate (%)	Taiwan	10.91%	10.63%	10.22%	**14.49%**
	China	27.54%	28.29%	17.62%	**19.57%**
	Czechia	0.00%	0.00%	0.00%	**32.65%**
	Mexico	0.68%	0.45%	0.31%	**23.61%**
Total resignation rate (%)	Direct employees	44.76%	53.21%	34.24%	**31.55%**
	Indirect employees	23.85%	17.62%	15.38%	**19.33%**
Voluntary resignation rate (%)	Direct employees	27.09%	29.54%	17.66%	**19.76%**
	Indirect employees	19.86%	14.13%	10.83%	**17.50%**

Note : The above data does not include employees who have been employed for less than 3 months.

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4.2 Human Capital Development

2021 was filled with challenges and unknown. With our global deployment and digital transformation strategies and while pursuing steady corporate profits, Wistron also continues to provide diverse and comprehensive learning resources, allowing employees to excel in their positions and grow with the organization.

4.2.1 Diverse Career Development Environment

In response to the diverse operations and international developments of the organization, and to ensure that talent cultivation continues to support corporate strategic deployments, Wistron has established 4 major training programs with more than 12 themed courses. Apart from deepening the professional training and development of various employees, the courses also provide learning resources for cross-field information, expand the scope of personal development for employees, and drive the flow of organization talent.

In compliance with the 2021 organization strategic deployments, Wistron has invested a total of NT$173.98 million training in worldwide sites. The total training hours for employees around the world was 4,498,460 hours, and the average training hours for each employee was 72 hours. Among which, female employees underwent a total of 1,381,751 hours of training, with the average training hours being 69 hours. Male employees underwent a total of 3,116,709 hours of training, with the average training hours being 73 hours. Manufacturing technology related employees received 4,069,892 hours of training in total, with the average training hours being 92 hours.

Non-manufacturing technology related employees received 428,568 hours of training in total, with the average training hours being 23 hours.

As the pandemic ravaged the world, when different corporations had to adopt the work from home model, Wistron also introduced learning from home for talent cultivation. Internal experts in different fields produced the online courses and over 50 external online courses were purchased. Various digital learning tools were combined, as well as implement online and offline hybrid learning to create self-learning motivation for employees. Furthermore, in order to adopt globalization strategies in the same year, the global learning platform, Cornerstone, was implemented. The platform shares the learning resources with the world to create a learning environment unrestricted by location, time, and space. In 2021, the average learning satisfaction score of global employees was 4.7 (out of 5).

Total Training Hours Worldwide

Employee type	Female employees		Male employees	
Nationality	Total training hours	Average training hours	Total training hours	Average training hours
Taiwan	45,401	15	87,830	15
China	1,251,232	80	2,945,946	83
Mexico	81,037	85	78,419	64
Czechia	4,081	14	4,514	18
Global data	**1,381,751**	**69**	**3,116,709**	**73**

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Employee Type (Managers/Non-managers) Training Hours

Employee type	Management		Non-managerial positions	
Nationality	Total training hours	Average training hours	Total training hours	Average training hours
Taiwan	23,933	20	109,298	14
China	47,423	27	4,149,755	84
Mexico	4,222	39	155,234	75
Czechia	301	9	8,294	16
Global data	**75,879**	**24**	**4,422,581**	**74**

Job Type (Manufacturing Technology Related/Non-manufacturing Technology Related) Training Hours

Employee type	Manufacturing technology related		Non-manufacturing technology related	
Nationality	Total training hours	Average training hours	Total training hours	Average training hours
Taiwan	16,703	15	116,528	15
China	3,904,104	95	293,074	29
Mexico	143,251	80	16,205	41
Czechia	5,835	16	2,761	17
Global data	**4,069,892**	**92**	**428,568**	**23**

Note 1 : Average training hours per employee = total number of training hours provided to employees/total number of employees
Note 2 : Data calculation period: January 1 to December 31, 2021

Training Expenses from 2019 to 2021

Items		2019	2020	**2021**
Total employee training expenses		NT$236 million	NT$345 million	**NT$174 million**
Average employee training cost		NT$3,582	NT$4,931	**NT$2,769**
Total employee training hours	Direct	3.62 million hours	3.28 million hours	**4.07 million hours**
	Indirect	710 thousand hours	500 thousand hours	**430 thousand hours**
	Total	4.33 million hours	3.78 million hours	**4.5 million hours**
Average employee training hours	Direct	79 hours	70 hours	**92 hours**
	Indirect	29 hours	21 hours	**23 hours**
	Average	66 hours	54 hours	**72 hours**

Note : Training Expenses currency (NTD).

NT$174 million Total employee training expenses	**NT$2,769** Average employee training cost	**4.5 million hours** Total employee training hours	**72 hours** Average employee training hours	**4.7** Average learning satisfaction

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4.2.2 Key Strategic Talent Development

With the aim of achieving corporate sustainable management and development, we continue our talent cultivation strategies of "digital capabilities," "management capabilities," "globalized capabilities" and launched "sustainability" talent cultivation program. Wistron firmly believes that talent cultivation and development is the foundation of sustainable competitiveness for corporations, and a steadying force in an uncertain era.

Digital capabilities

Digital Talent Development

- Established the Technology Governance Committee
- DnA generic training/key talent cultivation
- RPA digital talent cultivation and certification

Management capabilities

Managerial Talent Development

- Executive strategy navigator
- Middle to senior management succession plan
- Preliminary management performance performance development

2021 Wistron's Organizational Strategy and Learning Development

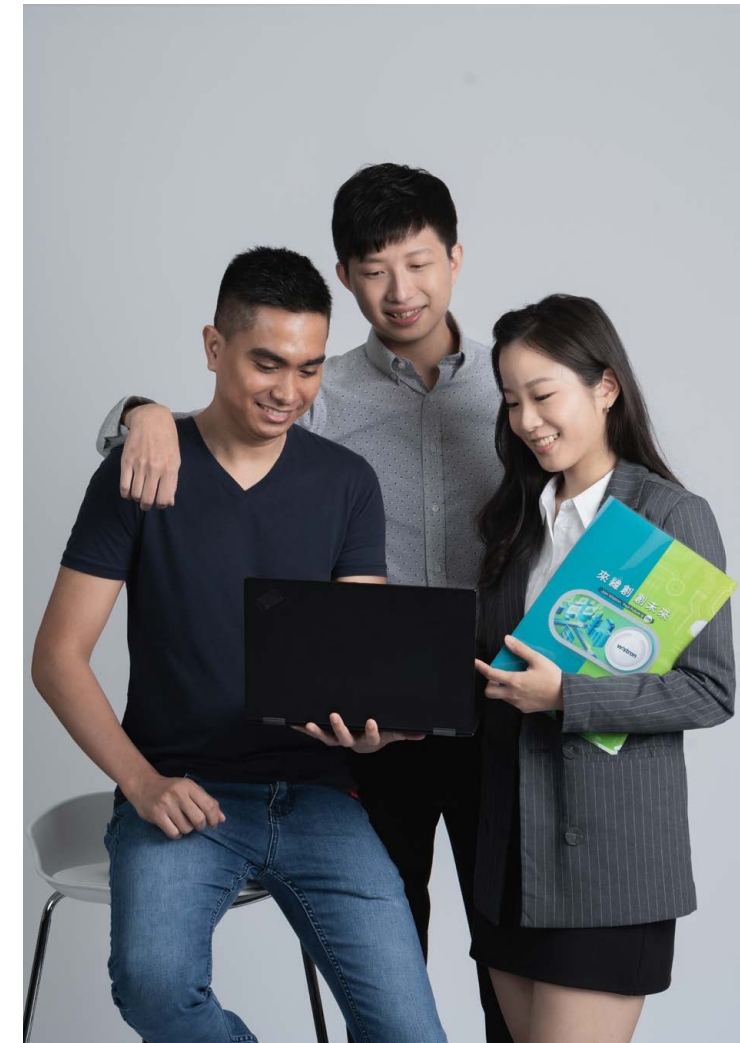### Global capabilities

Global talent development

- Launched Global Learning Management System
- Foreign language training and assessment
- Commercial cross-cultural communication

Sustainable capabilities

Innovative and Sustainable Talent development

- Established Sustainable Development Office
- Deployed Sustainability Team and talent cultivation

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Strategy 1

Digital talent cultivation to accelerate digital transformations

Wistron activated the digital transformation for factory automation in 2014. To accelerate the Company's full digital transformation, Wistron established the digital transformation strategy blue print in 2019 with three main strategies, namely "cultivation of digital talents," "digital culture formulation," and "empowerment of digital work for employees." A digital transformation academy, named the DnA Academy (Digital and Analytics Academy), was also established to develop the talent needed for digital transformations. The structural and digital transformation courses of the DnA Academy include "general digital training and education," "cultivation of key digital talents," and "digital RPA talent cultivation." The courses utilized online and offline systematic structures to conduct digital transformation knowledge and tool training, while forming a digital culture for the organization. In 2021, 8 major academies were established according to the subject for talent cultivation, which include the Enterprise Architect Academy, Data Engineer Academy, Data Scientist Academy, Cloud Architect Academy, Data Governance Academy, PO Academy, Translator Academy, Tech Lead Academy.

Blue Print

1 Create Digital Culture Concepts

2 Train Professional Digital Talents

3 Empower Digital Work

Digital and Analytics Academy

General digital training and education Agility experts	Cultivation of key digital talents	Digital RPA talent cultivation

1. Enterprise Architect Academy
2. Date Engineer Academy
3. Date Scientist Academy
4. Cloud Architect Academy
5. Date Governance Academy
6. PO Academy
7. Translator Academy
8. Tech Lead Academy

34,685
General training talents in total

460
Agility experts in total

613
DnA key talents in total

624
Digital RPA talents in total

86

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Furthermore, in order to accelerate digital transformation, Wistron established the Tech Governance Committee in 2021. The Technical Talent Promotion Committee was established under the Committee and its responsibilities include defining the Technical Competency Model (TCM), evaluating the competency level of technical professionals, establishing capability improvement and career development plans, and with the DnA Academy and internal and external learning resources, deploying professional skill and social skill training. The Committee is also responsible for designing incentive measures for key technical talent. After training, the talent is actively invested in the system upgrades for the Company. 104 measures were developed and invested in digital project development related to R&D, manufacturing, sales, the supply chain, finance, and human resources.

The Implementation Results are as Follows

1	Setting Standards	9 TCMs were developed, including for Enterprise Architect, Cloud Architect, Data Scientist, Data Engineer, InfoSec. Engineer, Product Owner, Onsite Reliability Engineer, UI/UX, Development Engineer, and their roles and responsibilities were also defined. Moreover, TCM evaluation methods have been designed for critical roles.	9 technical capability models 80 core skills 150 evaluation items
2	Talent Inventory	The TCM evaluations for key digital transformation talent were conducted for 569 people. Requirement inventories for the 9 major digital transformation key talents were conducted and competency improvement and recruitment plans were formulated in order to support digital transformations.	569 people were evaluated
3	Promoting Developments	9 digital transformation key role competency improvement plans were implemented. The training content includes professional training and certification and important attitude transformations and communication skills needed due to changes to work and procedures under digital transformations. Therefore, online and offline courses related to inter-department communication, coaching and leadership, and team impact improvements were conducted.	96 employees completed the professional training certification 921 people completed the soft skill courses
4	Providing Incentives	Through the TCM evaluation results, the differences between key talent competency and the company's position structure were analyzed. The digital talent retention plan was formulated, including measures such as project promotion, systematic salary adjustments, guaranteed annual salaries, and retention bonuses.	course satisfaction reaching 4.7 (out of 5)

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DnA General Training Talent Development

[General Digital Learning]
Using Micro-Learning to Quickly Create a Digital Culture

In order to continuously deepen Wistron's digital culture and thinking, the DnA Academy produced and promoted 15 "digital transformation micro-learning courses" and 10 "digital competency micro-learning courses" in 2020. The courses were divided into 3 major categories, including digital thinking, working methods, and digital skills. The online cloud academy provided an easy and simple way for employees to quickly understand the basic concepts of digital transformations and form a digital culture for the organization. In 2021, 18,203 people were trained in Taiwan and abroad. A total of 16,263 people were trained in the greater Chinese region. A total of 1,940 people were trained in non-Chinese speaking regions, including India, Mexico, and Czech Republic. The overall completion rate was 96% and the average test score was 92, with a satisfaction score of 4.5 (out of 5).

In order to strengthen the working methods of the employees, the application of talent after training was accelerated. Additionally, agile express training courses were developed and combined with agile project management tools. The topics include agile development spirit, agile framework, and industry digital case sharing. As of 2021, a total of 139 employees completed the agile courses.

Furthermore, in order to further drive digital transformations with data and connect the digital

projects to data-related applications, Wistron worked with a consultation company in 2021 to conduct basic knowledge workshops through the data governance "basic infrastructure ABC and 6 steps for scenario loops" method. Information definitions were done for areas such as human resources, manufacturing,

supply chain, R&D, and finance. The information dictionary and information standards were established so that information from a single source of truth can be "searchable, viewable, and obtainable". In 2021, the data governance academy held 2 train-the-trainer sessions, 1 train-the-coach session,

cultivating 5 coaches and 27 trainers to plan and execute 12 scenario loops and identify 884 data items. 5 application projects and 3 result presentation were organized, which drove the trend for follow up data application related events, such as Low code/ No Code citizen data scientist promotion, hackathons, etc.

Wistron Digital Transformation Micro-learning Courses

Digital Concepts	Work Methods	Digital Skills
· What is digital transformation? · Wistron dual flywheels · Digital transformation project team · DnA High 5 · L0 to L5 Stage Gate	· About agile development · Learn Scrum in 5 minutes · About Product Owner · Use Case, Epic, Backlog · What is an MVP?	· Worker intelligence vs. artificial intelligence · Learn statistics with ease · Learn Power BI with ease · What is an RPA? · Two or three things about machine learning

Results of Digital Transformations

18,203	**96%**	**4.5** points	**92** points
Number of trainees	Overall completion rate	Learning satisfaction	Average score

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DnA Key Talent Cultivation

[Professional Digital Competencies]
Training Key Digital Talents for Different Projects

RPA Talent Cultivation

[Introduction of Process Automation]
Improving Development Capabilities, Work Efficiency, and Accuracy

In our implementation of digital transformations, Wistron requires the cooperation of key talents. 9 key talents have been defined through our partnership with the consultation company. The DnA Academy uses systematic methods to train digital project development teams. Currently, the professionals that have been trained and certified include Translator, Product Owner(PO), Tech Lead, Data Engineer, and Enterprise Architect.

Before training, the various talents are nominated internally for their potential from the different fields to participate in the audition and the selection is based on merit. The best are selected for the training program that lasts 2 to 9 months according to their expertise, including lectures, class evaluations, after-class assignments, on-stage presentations, and end-of-term presentations. Some courses included hackathons, design thinking seminars, online/offline dedicated courses, experience sharing for digital cases, case scenario practice, and 1 on 1 coaching. The courses aim to strengthen the digital skills of the students, business related solutions, and business model optimizations in order to help promote the implementation of transformation examples. After completing the training, the talents will be able to introduce new technologies and techniques into their original sales, R&D, and manufacturing applications,

providing technical solutions and structural vision planning. They will lead technical teams in driving output and continue to create business value.

As of 2021, 613 digital key talents have been trained, including: 373 translators, 84 product owners, 79 tech leads, 61 data engineers, and 16 enterprise architects. After training, the talents combined the digital theories with their existing business expertise to invest in project development related to R&D, manufacturing, sales, and the supply chain, totaling 338 projects.

Robotic Process Automation (Robotic Process Automation) talent cultivation is aimed at training the digital novice to use visualized development software with minimum amounts of code, actively realizing the automation of office processes and procedures. In order to improve the digitization capabilities of employees, Wistron has introduced the development of automation. During training, trainees must attend 43 training courses and complete theoretical tests and real operations before they become RPA team members. To improve members' development skills, we launched monthly team RPA technology forums, with 933 participants. In order to promote developer

exchanges, Wistron has organized 110 centralized development events by using Scrum. A total of 357 RPA talents were trained in 2020, with a completion rate of 85% and investment utilization rate of 40%. As of 2021, 267 RPA students were added, with each person completing an average of 53 training courses and a completion rate of 100%. The average satisfaction score was 4.4 (out of 5). A total of 63 RPA key digital talents were certified. 393 annual projects were introduced for RPA (robot) assisted office processes automation.

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Digital Talent Training Results in 2021

Training Results in 2021[Note]

Training Project		L1	L2~L3	L4
DnA General Training Talent Development	**Digital Talent Training**	• **18,203** people trained • Average satisfaction score: **4.5**	• Training completion rate: **96%** • Average test score: **92** points	**Product design:** In the process of RD design and Debug, the development of DDE system greatly reduces time to query and compare design parameters, and improves the quality and efficiency of research and development. **Warehouse and logistics:** The establishment of brand-new smart logistics platform helped the logistics automation rate within the factory reach 50%; it saves 75% of asset inventory man-hours with the use of RFID mobile inventory technology; combined with AGV(CTU) automatic picking and preparation technology to achieve unmanned automatic feeding mode in MPA section. Logistics processing efficiency has improved by 63%, and warehouse management labor cost has been reduced by over 60%. **Manufacturing:** In the field of automation, with the aid of IoT equipment and AI modeling, flexible manpower and unmanned operation have continued to advance, and the rate of factory logistics automation has reached 50%. **Green park and sustainable development:** The introduction of intelligent energy saving systems, including intelligent energy inspection system, process exhaust valve automatic control system, air handling unit automatic control, etc. have saved 1,970,000KWH annually. In the aspect of renewable energy use, we have invested in the construction of a 1.8MW photovoltaic power plant, with an annual energy output of 1,800,000KWH and an annual carbon emissions reduction of 1.426 tons.
	Agile Development	• **139** people trained • Average satisfaction score: **4.7**	• SMAC international agility certified experts: **39** people	
	Data Governance Coach/ Lecturers	• **5** coaches • **27** lecturers	• **5** data governance lecturers passed the examination and were named coaches. • Talent investment utilization rate was **100%**. • **12** scenario loops were executed and **884** data points were collected. • **5** application projects were implemented.	
Key Digital Talent		• **292** people trained • Average satisfaction score: **4.5**	• Average pass rate of **97.4%**. • **29** translators passed and became L2 translators.	
Digital RPA Talent		• **267** people trained • Average satisfaction score: **4.4**	• Completion rate was **100%**. • **63** people RPA certified. • **393** office affairs automation items were introduced.	

Note: The Kirkpatrick Model was used for review. L1 was response assessment, L2 was learning assessment, L3 was behavior assessment, and L4 was result assessment.

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Strategy 2

Management Talent Leadership Development

Supervisors are the core talents for business operations. By training and developing the leadership abilities of supervisors at every level to improve the management skills of managerial teams and enhance the level of succession preparation, professionalism and cohesion of teams, to lead innovative transformations for the team and increase diversified overall organizational competitive advantages. When supervisors are trained, they learn about the talent cultivation strategy of the organization which will help them learn about the Company's "people-oriented" core values and put them into practice. In 2021, Wistron invested an average of 17.4 training hours per person in the management training for the Taiwan headquarters, representing an annual growth of 16% compared to the previous year.

1	Strategy Managers - Light House Project
2	T-UP Development Project for Mid-Level and Senior Managers
3	Front line manager - Performance Management

Strategy Managers - light House Project

The Light House project is the result of a partnership between Wistron and a consulting company. The consulting company provided intelligent, marketing, and consulting services and deployed talent cultivation plans based on the three major aspects.
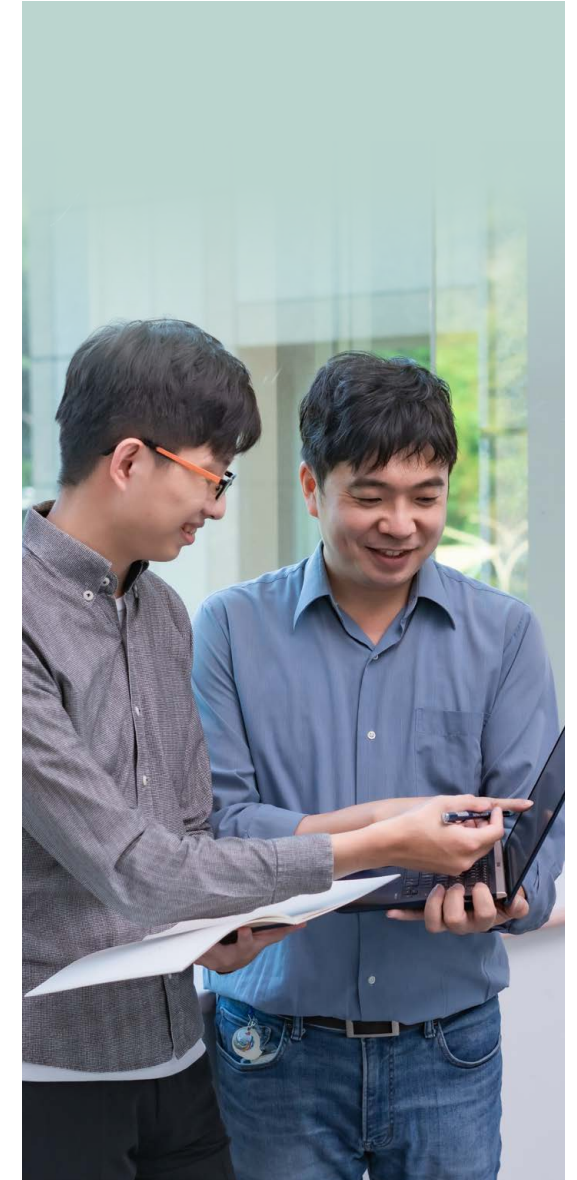
1 "Strategy consultation" plan

Based on "development strategies for emerging 5G technologies," two "5G strategic workshops" were organized. The research capabilities of the consultation company were integrated through the outside-in method, providing an overall view of market trends and industry chain deployment. The workshops led the group's management team through in-depth discussions on development strategies in the 5G era and developed the strategic planning capabilities of senior managers. In total, 76 senior managers of the group participated, with a satisfaction score of 4.3 (out of 5).

2 "Industry trends" plan

In order to improve the global view of senior managers and understand future industry trends, 10 "industry trend related lectures" were organized. The topics spanned the supply chain for the electronics industry, AI cloud developments, electric vehicle industry, and smart healthcare. In total, 807 employees participated, with an average satisfaction score of 4.5 (out of 5).

3 "Information services" plan

A total of 500 "daily tech news podcasts" and "new information on tech and culture" video lectures were provided. The content was based on changes in the consumer electronics supply chain. Apart from computers and communications, the lectures and podcasts talked about semiconductors and display industries and explored new opportunities in industrial computers and vehicles of the future.

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T-UP Development Project for Mid-Level and Senior Managers

In response to the external VUCA (Volatility, Uncertainty, Complexity and Ambiguity) environment and the requirements for internal digital transformations and global deployment, besides investing resources in the cultivation of key technical talent, consolidating the core organizational management team is a key strategy for talent development within the Company. The talent cultivation for the succession of mid-level and senior managers in 2021 introduced the external, internationally recognized Potential Plus Test. The managers in the greater China were used as the benchmark to understand the attainment of target positions by the evaluated employees. The level of preparation and training program for the professionals were determined, and individual development program (IDP), group development program (GDP), and "managerial level training courses" were implemented.

1 Individual development program (IDP)

The development goals are focused on leadership competency and digital competency. A 360-degree, multi-dimension evaluation is used to review the strengths and competencies to be developed for the individuals in the development program. The individuals choose one competency and discusses t key tasks of the current year with their direct supervisors, and 1 on 1 meetings are conducted each month. Additionally, HR competency counselors implement competency counseling feedback and tracking. Furthermore, the HR teams of various business units have developed diverse learning resources based on supervisor needs, including online synchronous virtual classes and Harvard Business Review videos, articles, and online study groups. The diverse and flexible learning model allows each participating manger to choose suitable learning resources, in order to use more efficient methods to establish shared languages and skills for managerial positions.

2 Group development program (GDP)

The development program is based on "Action Learning". Compared to normal training programs, Action Learning emphasizes the solving of practical problems and adopts the learning model of "learning through doing". Through the interdepartmental learning groups, we are able to solve existing organizational problems and innovative transformation topics. These topics include the Technology Powerhouse accelerator implementation project, seeking and cultivating potential technologies and advantages, seeking business opportunities and expanding business fields, establishing BI/Advance Analytics structures and expanding the applications, seeking and implementing valuable cloud usage examples. While solving the existing organizational problems, the groups are also able to develop the competency of managers. The leadership abilities of the managers are reviewed and improved through coaching, student feedback, and self-reflection.

3 Management training

Apart from the IDP/GDP project development programs, and in order to comprehensively improve senior manager management knowledge and skills, Wistron organized 50 in class training and online courses for managers of every level in 2021, which focused on "establishing a successful team and utilizing influence" for leadership and "business acumen" for business capabilities. The topics covered authorization, coaching and leadership, communication, conflict management, and financial thinking.

In 2021, 357 senior managers participated in the development program, with a project satisfaction score of 4.7 (out of 5) and program completion rate of 88%. 52% of the managers showed improvements in their 360-degree competency.

A total of 23 senior managers participated in the 3-month training program, which was focused on digital transformation issues and business strategy deployment. The overall project satisfaction score was 4.6 (out of 5) and 86% of managers showed improvements in their 360-degree competency.

As of 2021, 2051 people participated in the training, with a satisfaction score of 4.5 (out of 5) and a completion rate of 97%.

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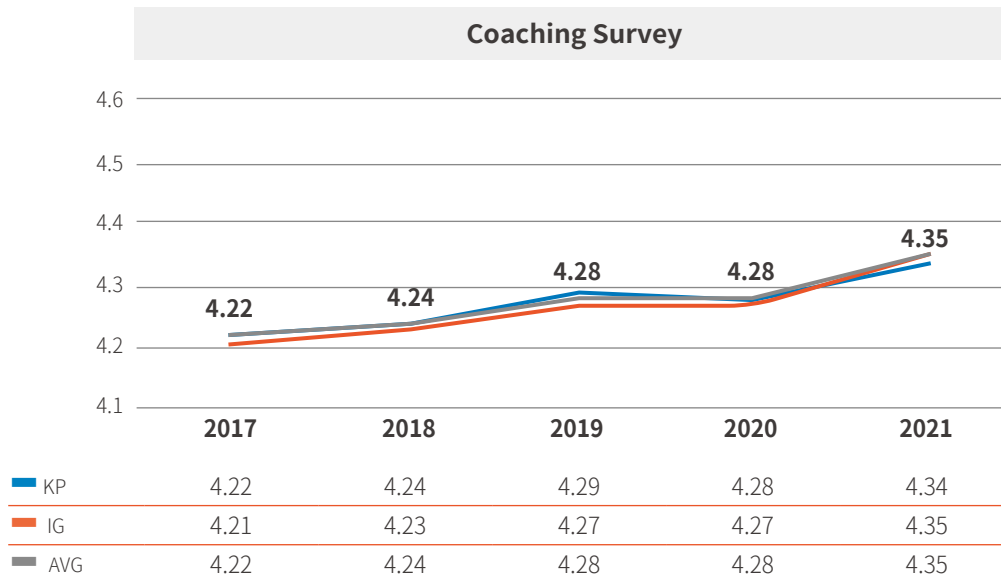
Front Line Manager - Performance Management

In order to effectively promote an open, fair, and transparent performance management system and improve the performance management abilities of managers, Wistron hosts performance management related courses every year based on the performance management PDCA cycle. The topics include goal setting, performance communication, performance improvement and skill development. When managers value two-way and instant communications with their subordinates during daily management, they also implement the virtuous cycle of continued development for employees under fair, just, and reasonable performance management.

Each topic is based on the daily management cycle. "Goal Setting" is implemented for the early stage of performance management. "Performance Review" is implemented for the interim stage of goal execution evaluations. "Managing Performance Problem" is implemented for the final stage of performance development. The topics allow the courses to meet the requirements of managers and strengthen the opportunities for practical applications, in order to achieve effective training. In 2021, apart from the continued implementation of the three-part performance training program, "Goal Setting" and "Performance Review" online courses have been introduced for managers who have completed
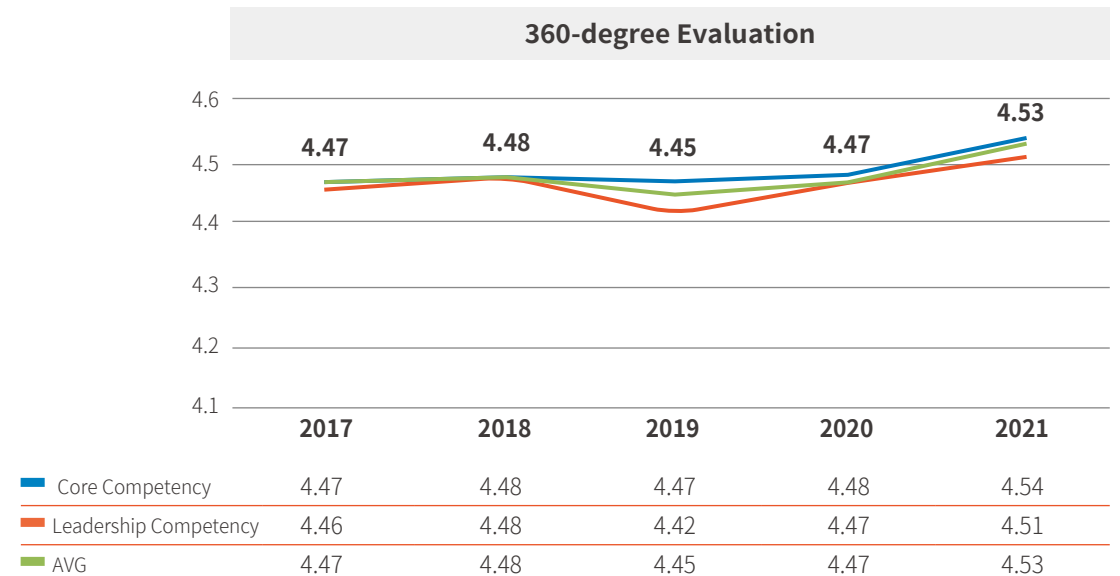
training to improve their management skills. The courses use the revision of knowledge and content to strengthen performance communication skills. In 2021, a total of 1,233 people participated in the performance training, with an overall satisfaction score of 4.7 (out of 5).

In order to ensure the actual implementation of daily performance management behaviors of managers, besides providing the knowledge and skill training described above, Wistron conducts periodic surveys related to the conditions of manager goal setting, interim performance evaluations, and final performance evaluations. The surveys showed that the management and leadership abilities of the managers had significantly improved. The 2021 manager performance and management survey showed that the performance review was 96%. The daily coaching satisfaction score was 4.4 (out of 5). The leadership competency 360-degree evaluation score was 4.5 (out of 5). These achievements prove that managers can implement managerial actions related to performance review with employees, forming a virtuous cycle in the corporate culture.

Coaching Survey

	2017	2018	2019	2020	2021
KP	4.22	4.24	4.29	4.28	4.34
IG	4.21	4.23	4.27	4.27	4.35
AVG	4.22	4.24	4.28	4.28	4.35

360-degree Evaluation

	2017	2018	2019	2020	2021
Core Competency	4.47	4.48	4.47	4.48	4.54
Leadership Competency	4.46	4.48	4.42	4.47	4.51
AVG	4.47	4.48	4.45	4.47	4.53

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Management Training Results in 2021

Training Results in 2021

Training Project	L1	L2~L3	L4
Executive Strategy Navigator— Light House	• **883** people trained • Average course satisfaction: **4.4**	• A total of **2,348** people were activated on the information transmission platform. • A total of **500** "daily tech news podcasts" and "new information on tech and culture" video lectures were provided.	**Finance digitization platform** The Wistron Pulse platform was established to accurately provide financial information. It uses the PBI (Power BI) platform to integrate financial data and display it through dashboards. The system replaces the manual methods of scouring different ERP platforms for information of the past, saving the time used to analyze the reports manually. The Margin Alert function of the system can effectively manage the shipping status for projects and prove early loss warning. In the 3 months between July to October, 2017, Margin Alert was used by 1,790 people, with 92.9%(Net Performer Score) of users recommending the service.
Individual Development Program (IDP)	• **357** high potential supervisors • Average course satisfaction: **4.7**	• Project completion rate was **88%**. • **52%** of managers showed improvements of 360-degree competency (52% of managers showed improvement in competency from 360-degree feedback).	**Project Management Dashboard Model** The development of the project management dashboard model aims to provide project risk indicators, in order to control project risks before they occur and to understand the investment of manpower and review allocation within and without the project budget. At the same time, the best project team is created according to the personnel skills and domain knowledge criteria. Personnel deficiencies are identified for further cultivation to increase project improvements and customer satisfaction. The project results are the creation of the "Manpower Model" and " Benefit Measurement Model."
Group Development Program (GDP)	• **23** high potential supervisors • Average course satisfaction: **4.6**	• **86%** of managers showed improvements in their 360-degree competency (86% of managers showed improvement in competency from 360-degree feedback).	**Innovative business model for AI cloud services** In the past, single project AI cloud services could not expand the scale of revenue and the development goal was to productize the project team's AI cloud service development capabilities. The innovative business model is used to strengthen the requirements and scale of customers (enterprise/government/users). We aim to improve customer and product oriented concepts to increase the AI cloud service professionalism of the team and release AI SaaS cloud service models. The service currently offers dengue fever and fish species analyses and has successfully created a new business model. It has been launched on the WiAdvance VAS platform and partnerships are being negotiated with several companies.
Management Course and Training	• **2,051** people trained • Average course satisfaction: **4.5**	• Training completion rate was **97%**.	**Construct the BI/Advance Analytics structure and expand the application scenarios** The IT supervisor guides their team in the use of digitization tools to facilitate cooperation and improve work efficiency. Information publication and sharing is added and expanded within the Group. Lastly, we aim to improve the quality of our employees. Technology promotion and usage experience sharing are used to improve employees' capabilities and awareness related to BI and Advance Analytics.
Preliminary Management Performance	• **1,233** people trained • Average course satisfaction: **4.7**	• The results of the manager performance survey showed overall growth compared to 2020. -The employee satisfaction score of managers daily coaching was **4.4**. -Leadership competency 360-degree evaluation score was **4.5**.	**Valuable cloud use cases** Researching successful internal and external cloud use cases to figure out their benefits (speed, quality, stability, and security) are identified and conveyed to decision makers. Value and benefits are created through the use of the aforementioned cloud technologies connected with current customer projects and examples. After the project ended, 15 systems were successfully migrated to the cloud, 8 new systems were integrated in Power BI, and built a AI model sharing platform used in 93 models of 29 projects. In the future, in addition to the continued use of Azure services, AWS and GDP services will be introduced, creating a hybrid public cloud (SBG CallLog).

Management Succession Plan - Mid-level to Senior Manager T-UP Development Project

Note: The Kirkpatrick Model was used for review. L1 was response assessment, L2 was learning assessment, L3 was behavior assessment, and L4 was result assessment.

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Strategy 3

Improving the Global Views and Sustainable Ideas of Professionals

With the development strategies for international views and sustainability of talents, Wistron continues to cultivate international talent. We also realize that in this unpredictable environment, a sustainable understanding among all employees is an indispensable part of achieving sustainable development for the organization.

Improve the Language Skills of International Talent

In order to improve the basic skills of our global deployment, Wistron uses its subsidiary, TibaMe learning platform, to work with the Live ABC group to organize online English courses, which included 3 TOEIC accelerated courses and 1 business English course for employees. 4 times English livestreams were also organized to provide diverse learning. By working with lecturers online, employees can flexibly plan their courses and practice their skills according to their progress.

In 2021, 768 employees participated in the courses and 1,131 employees attended the livestream lectures. Compared to the previous year, 209 employees attended the TOEIC in-person lessons, and self-learning grew by 3.7 times. The average satisfaction score of the students was 8.6 (out of 10). The net promoter score (NPS) was 64%. The online mock test scores improved by 120 on average. In order to periodically review the language skills of our employees, Wistron organized annual English exams at the end of the period. A total of 687 employees participated, with 49% of the employees showing improvements in their test scores.

Improved Cross-culture Communication Skills

As we improve the language skills of our employees and become an international organization, Wistron has organized cross-culture communication courses. The cross-culture lectures were conducted in a period of 4 months, with 2-hour lectures being held every month. The topics included "sensitivity and communication of international business cultures," "cross-culture scenarios and management strategies," "cultural, rights and interests, and conflict management," and "organizational reforms and changes." During the pandemic, the overall learning will continue to the first quarter of 2022 through livestreams hosted by the lecturers. As of the end of 2021, 116 supervisors have participated in the courses, giving an average learning satisfaction score of 4.6 (out of 5).

Sustainable Talent Reserves

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, which used "sustainable development" as a key strategy for the next 20 years. With this strategy, Wistron has set various tier-development targets. These targets include carbon reductions, supply chain management, employee support creation, labor rights protection, and circular economy. In order to reach these major targets, a team with "sustainable development" knowledge must be established within the organization for implementing the organizational goals and adopting international sustainable development trends.

In order to accelerate sustainable developments in the organization, Wistron invited external consultants and talents to organize 31 talent cultivations and coaching events related to ESG in 2021. The topics included ESG vision and goals, business risks, carbon disclosure, human rights risk management, social welfare/charity performance evaluation, greenhouse gases, product life cycle assessments, etc. Furthermore, sustainability indicator refinement coaching was organized to improve the awareness of sustainability and the meaning of external institution ratings among employees. We encourage team members to actively respond to major ESG issues and achieve the tier targets. A total of 1,077 employees participated in the abovementioned training and coaching events, completing the deployment and training of a sustainable development seed team for the organization.

With regards to the various ESG evaluation results in 2021, Wistron's DJSI score increased from 63 to 81 and we climbed to 7 places in the Excellent in Corporate Social Responsibility Awards, from 25th to 18th. We also received the Taiwan Sustainability Report Silver Award (Bronze Award in 2020). Apart from representing Wistron's dedication to improving the various dimensions of ESG, the awards show that Wistron's employees are gradually learning to necessary knowledge and skills to promote internal management reforms and adopt international indicators. We continue to raise awareness of the importance of ESG among Wistron employees and understand the relationship between life and work.

Global Talent and Sustainable Talent Training Results in 2021

Category		Participant/Satisfaction	2021 Results
Globalized capabilities	Improve the language skills	・768 people participated in the courses 1,131 people attended the livestreams lectures ・8.6 satisfaction score (10 point) ・687 people attended the English examination	・The self-learning growth rate was 3.7 times for TOEIC course Net promoter score (NPS) of the course is 64% ・Mock test scores improved by 120 on average ・The annual increase in English test scores is 49%
	Improved cross-culture communication skills	・116 people participated in the courses ・Average satisfaction score was 4.6	・The cross-culture lectures were held per month in a period of 4 months. The topics included "sensitivity and communication of international business cultures," "cross-culture scenarios and management strategies," "cultural, rights and interests, and conflict management," and "organizational reforms and changes."
Sustainable capabilities		・1,077 people trained and counselled	・ DJSI score of 81 (Increased by 18) ・18th place in the Excellent in Corporate Social Responsibility Awards (Progressing by 7 places) ・Silver Medal for Taiwan Sustainability Report (Bronze Medal last year)

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4.3 Human Rights Management

Wistron's Global Human Rights Policy

Wistron has established the Human Rights Policy to demonstrate our support and compliance with international labor standards and key global standards such as the UN Guiding Principles on Business and Human Rights (UNGPs), ILO Tripartite Declaration of Principles, ILO Declaration on Fundamental Principles

and Rights at Work, OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights, the UN Global Compact, and the RBA Code of Conduct. The policy expressly specifies all stakeholders of the Company as the applicable targets, including the Company, the supply chain, partners, and joint ventures. The policy also clearly expresses and explains the commitments to human rights and related management principles.

Wistron has started audit and certification process in accordance with the standards of the Responsible Business Alliance (RBA) in all global operations to ensure that the Company maintains consistent framework and compliance standards in the management of global human rights issues (Please see the Wistron Human Rights Management Framework). No Wistron operations had serious human rights violations in 2021.

4.3.1 Human Rights Due Diligence

Establish Human Rights Due Diligence Management Procedures

Wistron established human rights management procedures in 2020 to ensure that all global operations follow human rights management policies in the day-to-day work of all executives and employees. Items 1 to 4 were completed in 2020. The remaining items 5 to 8 were gradually completed in 2021.

Based on the results of the human rights risk assessment in 2020, Wistron implemented target management for three major human rights issues in 2021, requiring each plant to stipulate risk reducing measures and periodically track the attainment of related indicators. For example, the Company conducts monthly tracking of the improvements to "1 day off every 7 days," "less than 60 total working hours every week," and "remuneration accuracy" in all plants through the system developments. Wistron also implements safety training, education and promotion and improves the frequency of equipment/environment inspections, in order to reduce the occurrence of work related injuries and occupational illness.

With regard to the business scope of the Company (e.g., employees, direct business activities, and products and services), Wistron plans to execute a comprehensive human rights due diligence management cycle for global operations each year starting from 2022. This measure is aimed to create a consistent culture and code of conduct for the Group to effectively manage and reduce human rights risks and respond to the Company's policies and the expectations of stakeholders.

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Wistron's Human Rights Management
Human Rights Due Diligence Management Cycle

1. Human Rights Policy Establishment (amendment)
2. Human Rights Risk Analysis
3. Identification of Major Human Rights Issues
4. Implement and Amend Management Mechanisms, Management Procedures, and Regulations
5. Human Rights Risk Audit
6. Production of The Management Review Report
7. Implementation of Improvement Plans for Discrepancies and Tracking Results
8. Education and Training, Complaint Channel Promotion, Disclosure of Related Information

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4.3.2 Human Rights Risks and Major Issues

As a member of the global electronics supply chain, Wistron has always adhered to all local regulations and international standards. The Company has implemented varying degrees of response measures for human rights issues, including human rights risk identification and assessments, in different operations across the world.

We have also begun the RBA Validated Assessment Program (VAP). Six plants, including the Chengdu Plant, Chongqing Plant, Hsinchu Plant, Zhongshan Plant, Czechia Plant, and Mexico Plant, have passed the VAP certification. Nine plants, including the Zhongshan Plant, Kunshan Plant, Chengdu Plant, Chongqing Plant, Hsinchu Plant, Czechia Plant, Mexico Plant, Taizhou Plant, and Kunshan Optronics Plant, have adopted the Self-Assessment Questionnaire (SAQ) procedures. They communicate regularly on strategy and audit results to ensure that Wistron maintains consistent framework and compliance standards for global human rights issues.

Human Rights Risk Assessment

Wistron continues to implement the human rights risk assessment in 2021. According to the RBA audit reports completed between 2019 and 2021, among all the deficient items, mid to high risk accounted for 2.5%, with labor related issues accounting for the vast majority at 93.2%. The labor related issues were ranked according to importance and the top 3 issues were "working hours," "wages and benefits," and "young workers."

Wistron will review policies and internal regulations to respond to major human rights issues of stakeholders' concerns. We will ensure the adequacy of management regulations and establish annual performance targets to regularly track the implementation achievements of related projects. We also abide by the RBA management framework for audits and request departments responsible for discrepancies to implement improvement plans to ensure the effective management and reduction of related human rights risks.

Child Labor and Young Worker

Wistron's Human Rights Policy expressly prohibits the use of child labor. Business operations review the actual age of employees in the recruitment process to ensure that no child labor is hired. Certain operations hire employees who meet the minimum age for work in accordance with local laws but are under the age of 18 to fulfill production capacity requirements. To protect their physical safety and mental health, the Company arranges low-risk work suitable for their skill level and development, pays close attention to their work training, living arrangement, and day-to-day management.

Forced Labor

Wistron's Human Rights Policy prohibits any form of forced labor, including human trafficking, coercion, slavery, and other forms of non-voluntary labor. Employees' contracts are established and signed in accordance with local regulations. Employees have the right to terminate the labor contracts and are not bound by any other arrangements that restrict the employment relationship between employees and Wistron such as withholding of deposits or identification certificates. There were no cases of forced labor in any of Wistron's business operations in 2021.

The Number of Young Workers Hired by Wistron in 2021

Unit : Number of People

Employment Type	Taiwan	Kunshan Plant	Kunshan Opt Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czechia Plant
Young workers	20	5,765	148	360	0	4,043	0	0	0

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Non-Discrimination

Wistron's Human Rights Policy ensures that all personnel have equal work opportunities and prevents any form of discrimination or unequal treatment in the aspects of employment, salary, training, promotions, dismissals, and allocation of resources based on geography, race, ethnicity, background, social class, ancestry, religion, physical disability, gender, sexual orientation, gender identity and expression, pregnancy, marital status, union membership, political views, appearance, age, or relationship with union. Wistron measures performance based on competence and contribution to ensure equal rights and opportunities for all employees.

Wistron is dedicated to eliminate and prevent any form of discrimination, and extends these efforts to external stakeholders, including customers, suppliers, and the general public. To ensure that all Wistron executives and employees comply with the "Wistron Social Accountability Policy," the Company requires new employees to complete the "Corporate Sustainability and Social Responsibility (including Human Rights Policy)" training. The training program includes issues such as the fairness principle for interviews, sexual harassment, infringements of human rights, and discrimination. In 2021, the total training hours of operations around the world was 80,119 hours and the trained employees accounted for 56.8% of all employees. Related systems and regulations have been announced on the Company's internal website subject to employees' review at any time. With continuous awareness campaigns, there were no cases of discrimination in violation of the Company's policies and regulations at any of the business operations in 2021.

Work Environment for Persons with Disabilities

Wistron complies with the local laws and regulations of person with disabilities protection and hires the disabled persons with the ability to work, to ensure that the work environments satisfy the special requirements for disabled persons. For example, the offices in Taiwan, China, Europe and Americas are designed to be accessible environments, which provide various caring facilities, such as dedicated parking spaces and shuttle buses, to help disabled persons work and participate in various activities.

Accessible facilities in Wistron's work environment

Freedom of Association

Wistron's Human Rights Policy respects employees' freedom of association and we are committed to providing channels and environments suitable for free expression of opinions. Employees can ask the union or the Employee Relationship Promotion Committee in global operations to help express opinions in meetings and ensure that the opinions of general employees can be heard and responded by the Company.

Living Wage

The remuneration provided by Wistron is superior to the requirements of local laws and regulations. Wistron does not provide wages less than the statutory minimum wage. We periodically conduct remuneration surveys and make adjustments when necessary. Wistron is not only focused on legal compliance and whether the employees' compensation equals the basic living wage of the region, we also ensure that the employee remuneration we provide is competitive within the industry.

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4.3.3 Open Communication Channels

Wistron respects the freedom and rights of individuals and has established an open platform for employees in all offices and plants across the world to express opinions. We seek to fully understand employees' requirements and expectations for workplace safety and health. Employees can provide suggestions, make requests, or ask questions relating to the Company in a confidential manner without fearing retribution.

Wistron Values Internal Communication Channels and Heeds the Opinions of Employees

All offices and plants across the world have established an Employee Relationship Promotion Committee and organize labor-management communication meetings which are attended by the supervisors and employees representatives of the office or plant. They engage in bilateral discussions on the Company's operations and employees' opinions. The Employee Relationship Promotion Committee sets up a dedicated webpage and publishes the topics and records of each meeting on the Company's portal website within seven days. Changes in the Company's operations are published by relevant departments.

Wistron firmly believes that the respect for employees and their opinions encourages employees to provide constructive opinions and continuously inject positive growth into the Company and achieve common growth and profit sharing. Wistron will continue to increase the efficiency of all communication channels and ensure effective communication with 100% response rate.

Communication Channels for Offices and Plants Across the World

Communication channel	Neihu Headquarters Xizhi Office	Hsinchu Plant	Kunshan Plant	Kunshan Opt Plant	Zhongshan Plant	Taizhou Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czechia Plant
Employee Relationship Promotion Committee	V	V	V	V	V	V	V	V	V	V
President's mailbox	V		V	V	V	V	V	V	V	V
Employee opinion mailbox	V	V	V	V	V	V	V	V	V	V
Employee complaint hotline	V	V	V	V	V	V	V	V		
Employee seminars	V	V	V	V	V	V	V	V		V
Counselor on-site interview			V	V	V	V	V	V		V
WeChat platform - Wistron WeChat services			V	V	V	V	V	V		
Company publications			V		V				V	V

Note : The mark "V" in the table indicates that the communication channel has been established.

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4.4 Workplace Safety and Health

4.4.1 Employee Care and Benefits

Employees are the Company's most important assets and employee health is the foundation for the sustainable development of the Company. Only when employees are healthy can they work productively and efficiently. We watch over the health of all employees through a diverse selection of health promotion and health management activities. Wistron is committed to promoting the physical and mental health of employees by encouraging employees to maintain a healthy work-life balance and by committing to improve employees' personal health in terms of lifestyles and actions.

Wistron complies with the ISO 45001 occupational Safety and Health management system to fully understand the dangers and risks within the workplace, evaluate the impact created by all relevant personnel within the Company (including employees, temporary personnel, contractors, interviewees, and other personnel), and provide the correct information to all personnel. We aim to provide a healthy and danger-free work environment to our employees.

Happy Work and Happy Life

Employees are the most important assets of the Company, therefore we aim to create a work environment of hope and vitality, hoping employees could not only live a balanced work-life but also a balanced personal life. For this purpose, the Company initiates care programs, aid systems, and company activities designed for employees to work and live

happily. In addition to the care and assistance programs provided for employees and their families, all of our global sites also organize other activities as well; including monthly birthday parties, company trips, employee welfare activities, and orientation programs. We also provide various lectures and courses so that employees can engage in various life experiences outside of work.

Protecting Employee Health and Safety

The Company's offices and plants around the world continue to be affected by the Covid-19 pandemic in 2021, Taiwan even faced a level 3 lockdown at one point; but through early diversion drills and simulations, Wistron was able to implement our work from home policy in May to effectively reduce social gathering risks. During this time not only were we able to maintain our work productivity through years of our digital transformation policy implementation, but employees were also about to care for their families while working.

Employee Care and Benefits

Employee health is the foundation of the Company's sustainable development. The Company can only achieve high productivity with healthy employees.

Employee Health Management

Employee Health Promotion

Care for employees' physical and mental health

Risk Prevention and Monitoring

Education and Training

All Employees

Treatment

Guidance

Improve employees' quality of life

iSports Activities

Internal Healthcare Platform

Group Fitness Activities

Health Lectures

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Employee Health Management

Wistron occasionally organizes health promotion activities and has set up medical service rooms to provide employees with health consultation and assistance. In our Chongqing Plant and Chengdu Plant, we were able to set up the Emergency Green Channels to provide employees with general health consultation services. In 2021, the plants were able to provide emergency medical assistance to 56 employees.

Health Examination

A complete physical examination can detect potential illnesses early. The Company organizes specific health examinations for employees working at special posts (e.g., high-noise, dust, X-ray, etc.). All offices and plants in Taiwan offer health examinations for all employees each year while plants overseas actively provide health examination plans to encourage employees to learn about their health conditions through complete examination, protect themselves, and seek medical care whenever necessary.

After the health examination, medical staff at each office and plant will provide medical assistance and follow-up reminders for examinations for those with major irregularities found in their reports. Wistron also provides diverse professional consultations for those with health irregularities. Physician consultations are hosted in offices periodically to provide employees with a professional consultation channel. The Company actively manages and establishes plans for the education/training, guidance, prevention/risk monitoring, and medical assistance for personal health irregularities. All personal health service records and information of employees are only used as the basis for evaluating whether employees are provided with a safe workplace environment and not for any other purposes. The information is securely stored by the dedicated unit responsible for health management and is not disclosed to external parties.

Internal Healthcare Platform

Through the Company's internal healthcare platform, the offices in Taiwan provide services for personal health, medical requirements, or personal improvement targets. Health management specialists regularly track progress, conduct telephone interviews, remind employees to seek medical services, and provide medication consultations; for employees with more severe illnesses, they also provide reminders for three-month or six-month follow-ups and provide arrangements for medical assistance and other medical supports.

Employee Health Promotion

iSports Activities

As all offices and plants across the world were affected by the COVID-19 pandemic in 2021, most physical activities were either canceled or postponed. To ensure that employees maintain healthy exercise habits, the Company continued to organize different activities that encourage employees to create safe exercise routines that also ensure personal protection from the ongoing pandemic.

In 2021, the offices and plants in Taiwan held another "Healthy Walk" event after the success of 2020. We encouraged employees to walk 5000 steps every day and over the course of the year, a total of 6,718 people participated. Apart from helping employees focus on and develop personal exercise habits, the event also helped improve the health of our team members. Wistron used step counter apps and team competitions to encourage employees to develop the habit of exercising every day. Both Xizhi Office and Neihu Headquarters organized the iSports activities with large-scale contests organized by private sectors, providing bonuses for completing races and encouraging employees to continue to take part in various running events. Due to the impact of the pandemic, during the level 3 lockdown, Wistron employees were only able to take part in road running events in the second half of the year, but there were still more than 421 employees that participated in long-distance running events of more than 10km.

8,875 people

Number of employees who received health examination in Taiwan (Including the Xizhi, Neihu, Longtan, Hsinchu, and Kaohsiung Offices)

89.9%

Examination rate in Taiwan

Employees participated in the 5,000 step Healthy Walk challenge

Wistron encourages employees to challenge themselves by entering marathons to develop habits for running

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Group Fitness Activities

Wistron encourages employees to participate in team sports, which can improve the health of employees and the bond between team members. In compliance with the policies of the Central Epidemic Command Center, only after the level 3 lockdown was lifted, and indoor sports were allowed once more did Wistron begin organizing sporting events such as badminton, volleyball, softball, and table tennis, giving employees a chance to socialize through sports. We also encouraged employees to participate in sports clubs such as the cycling club, basketball club, badminton club, hiking club, jogging club, golf club, and softball club. We seek to use the power of small groups of sports lovers to create a trend of exercising and fitness within the Company.

Sporting events were organized according to epidemic prevention measures.

Wistron's lectures and courses provide diverse knowledge to our employees

Online events were held during the pandemic

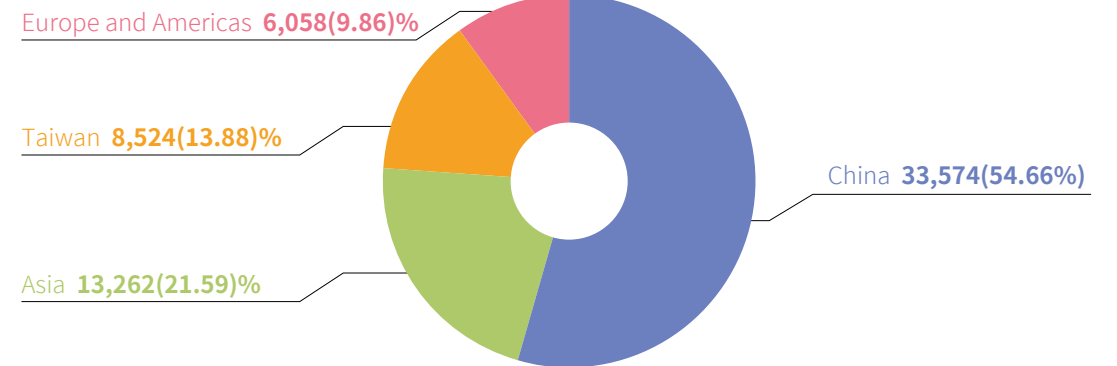## Diverse Themed Events and Lectures

Every quarter, Wistron arranges several lectures and events that cover a diverse range of topics and information, including health, diet, care, and social communication. Apart from inviting professional speakers to give lectures, courses are also recorded on the internal streaming platform, so that employees who were unable to participate can watch the entire lecture at their convenience. During the pandemic, Wistron also used social media and online events to allow employees working from home to participate.

COVID-19 Pandemic Prevention Awareness Campaigns and Policies

During the pandemic prevention period in 2021, Wistron used the internal reporting mechanism to track the health status of employees and established a hotline to provide consultation for employees. During the level 3 lockdown in Taiwan, employees were divided into rotating work from home groups to ensure employees can work in a safe environment and care for the needs of their families. To encourage vaccination, apart from providing vaccination leave, Wistron also monitors the health status of employees who received the vaccine in real-time through the health reporting mechanism.

Number of Vaccinated People (Received at Least One Vaccination) in the Offices and Plants Around the World by Area

Europe and Americas **6,058(9.86)%**
Taiwan **8,524(13.88)%**
Asia **13,262(21.59)%**
China **33,574(54.66)%**

80,367
Total number of employees in the plant (including temporary personnel and expatriates)

61,418 Number of people who have received at least one vaccine
76.42% Percentage of people who have received at least one vaccine

59,157 Number of people who have received two vaccines (including single dose Janssen and CanSinovaccines)
73.61% Percentage of people who have received at least two vaccine

14,748 Number of people who have received three vaccines
18.35% Percentage of people who have received at least three vaccine

We track employee health in real-time through the reporting system and Power BI.

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Childbirth Benefits and Childcare Resources

The Company organizes health seminars exclusively for women, and offices and plants in Taiwan also organize special examinations for female employees in the annual health examinations to provide better care. In addition, we also provide special care and consultation for pregnant employees. Offices and plants in Taiwan have set up the "Mother Support" website to compile personal healthcare information during pregnancies and provide the most appropriate care. All offices and plants across the world are equipped with breastfeeding rooms to encourage female employees to continue to breastfeed their newborns after childbirth.

Childbirth Incentives

Wistron is committed to supporting employees during every stage of their lives and helping employees in attaining a healthy work and family life balance, and we have placed special emphasis on assisting employees with newborns. Employees in Taiwan enjoy a special bonus of NT$60,000 for each newborn and the Employee Welfare Committee also provides an additional NT$2,000 per newborn as childbirth subsidies. In 2021, 226 employees in Taiwan applied for the bonus for 233 children. The total amount of

NT$60,000

Incentive Bonus provided for each child birth in Taiwan offices & plants

the bonuses given was NT$12,900,000. The Company has set up a dedicated "Expectant Mother Support" website and compiled information on government subsidies for childcare expenses, childcare institutions, and childcare service providers. We also prepare diverse gifts for expectant mothers and organize family-themed lectures from time to time, providing nursing and education-related information, which have received great feedback from employees.

Parental Leave Application and Reinstatement Statistics

Wistron provides parental leave following local regulations and actively inquires about the employees' willingness for reinstatement 45 days before the expiry of their leave. With their high awareness of gender equality, a total of 40 employees applied for parental leave in Taiwan in 2021, with 11 applications filed by male employees, and 26 applications at the Czechia Plant.

Parental Leave Application Statistics in 2021

Employees on parental leave in 2021	Taiwan		Czechia	
	Male	Female	Male	Female
Number of employees qualified for parental leave applications in 2021	515	208	0	26
Number of parental leave application in 2021	11	29	0	26
Expected number of employees reinstated in 2021(a)	11	47	0	2
Actual number of employees reinstated in 2021(b)	4	33	0	2
Reinstatement rate in 2021:(b)/(a)	36%	70%	-	100%
Actual number of employees reinstated from parental leave in 2020 (c)	4	19	0	6
Actual number of employees reinstated from parental leave in 2020 and have worked continuously for at least one year (d)	2	18	0	4
Retention rate in 2020:(d)/(c)	50%	95%	-	67%

All offices and plants across the world are equipped with breastfeeding rooms for Wistron mothers to continue to breastfeed their newborns after childbirth.

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4.4.2 Occupational Safety and Health

Occupational Safety and Health Policy and Targets

Wistron is committed to abiding by all occupational safety and health regulations and other related requirements. We strengthen employees' occupational safety and health awareness to reduce the risks of accidents.

All occupational safety and health management tasks are supervised by dedicated departments who are responsible for occupational safety and health management activities. The plants set their own performance targets in accordance with the Company's occupational safety and health policy. The Company's overall targets: Zero major work safety incidents (accidents involving deaths are defined as major work safety incidents).

Occupational Health and Safety Management System

Wistron has approximately 60,000 employees in all plants across the world. All plants have introduced ISO 45001 Occupational Safety and Health Management System to effectively manage safety and health of the environment and provide employees with a good work environment.

Worker Safety Committee

All Wistron plants have established a Worker Safety Committee to take charge of the occupational safety and health of their plants, facilitate communication, and respond to complaints. The Committee includes supervisors being responsible for decision-making as well as worker representatives. It is the main communication channel for employee participation in occupational safety and health management. Employees can submit questions or opinions on occupational safety and health to representatives of the Department who propose them in annual meetings. It allows employees to directly communicate with senior executives through the Committee.

Specific Measures for Occupational Safety and Health

Hazard identification	▪ Regularly organize hazardous factor risk assessments to assess whether operating procedures comply with regulations ▪ The Company requires corrections for non-compliant procedures in accordance with legal requirements
Communication and engagement	▪ Worker Safety Committee ▪ Internal communication and reporting procedures
Health protection	▪ Employee health examination plan ▪ Regular operation environment inspections ▪ The Company sets up medical rooms or assigns doctors to work onsite and provides psychological consultation services
Training and education	▪ Occupational safety and health education and training for new employees ▪ We organize training for special hazards or first aid for operation personnel ▪ We organize annual refresher EHS training for EHS officers ▪ We organize health seminars and invite experts to give speeches and answer employees' questions on health
Response work	▪ All types of occupational safety evacuation drills (daytime/nighttime and earthquakes) ▪ Response drills for fire safety, confined spaces, and chemical leaks
Protection measures	▪ The Company has established rigorous application and control regulations for special positions (e.g., soldering, operations of chemicals, and noises) and established management measures and solutions for different risk ratings ▪ Continuous improvement of protection equipment ▪ Require the use of personal protection equipment
Supplier management	▪ When new suppliers are introduced, the Company verifies that they meet the basic requirements for occupational safety management certification ▪ Include occupational safety management into regular supplier audit items

Confined Space Emergency Response Exercise

Chemical Spill Prevention Drills

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Occupational Safety and Health Education and Training

To help employees understand Wistron's regulations of occupational safety and health and learn how to respond to hazards and accidents, all new employees must take occupational safety and health education courses when they report for duties. For employees with specific resposibilities, as the operating procedures may involve irregular hazards while working, they are provided with additional training: Emergency drills for first aid, fire safety, confined spaces, and chemical spill to improve the safety awareness of employees and ensure the safety and health of the work environment.

Workplace Hazard Identification and Risk Assessment

Trained personnel are responsible for hazard identification and using quantified risk factors as the basis for risk evaluations. The safety and health management unit reviews the risk factors and establishes risk ratings to set the control and implementation targets for operating in hazardous environments. They also include the risk factors into management records for regular tracking to continue to eliminate potential occupational hazards in the workplace. In the event of any emergency during any operation, employees must determine whether to suspend operations or take necessary preventive measures based on the onsite hazardous conditions. Employees will not be subject to any unfavorable treatment for leaving their post to escape hazards.

Voluntary Reporting of Near Miss Incidents

Wistron has established standard operating procedures for near miss incidents and reports them to the responsible units in accordance with the Incident Response and Investigation Management Procedures to verify whether an incident has occurred and conduct investigations. The incident is then specified in the near miss incident record table and submitted to superior officers. The Company analyzes the causes of incidents and formulates corrective and preventive measures. We then evaluate the effectiveness of these measures and continue to track improvements.

Wistron has designed online platforms such as the Wistron WeChat services provided by the WeChat official account to expedite communication. It includes an intelligent customer service module that answers employees' questions. In the event of any emergency incident or near miss incedent, we have established internal communication procedures to facilitate quick reports.

Near miss incidents	
Taiwan	1 incident
China	144 incidents
Europe and Americas	300 incidents

Incedent Investigation

When an employee or a contractor experiences a work safety incident, Wistron will investigate the incident and track the progress in accordance with the Accident Response and Investigation Management Procedures and determine damage conditions and occupational injuries based on the incident. After the incident investigations are completed, the Company is required to submit results and implement response measures for the dedicated unit to continue to supervise and track to reduce losses and prevent the recurrence of similar situations.

Occupational Injury Statistics

The occupational injury statistics of Wistron employees and workers other than employees in 2021 are specified in the table below. Our occupational injury statistics are reported and implemented in accordance with regulations. The recorded data on injuries are used as the main records. The Company will cooperate with the requirements of government institutions for defining the ratio of severe occupational injuries. We have received no relevant information on occupational illness. With regard to the management of workers other than employees, all Wistron Plants implement management models for onsite personnel and contractors in accordance with local regulations.

Confined Space Emergency Response Exercise

Hsinchu Plant - Dormitory earthquake response exercise

Chengdu Plant - First aid personnel training

Kunshan Plant - Fire drill

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Occupational Injury Statistics of Employees

Statistics of disabling injuries	Taiwan		China		Europe and Americas	
Year	2020	2021	2020	2021	2020	2021
Employees	8,907	9149	56,867	51,050	3,963	5,425
Total work hours	17,184,756	17,929,115	145,400,960	112,417,169	7,250,580	9,826,451
Main category of occupational injury	Traffic accident	Traffic accident	Traffic accident	Traffic accident	Crushing	Crushing
	Laceration, cut	Crush injury due to mishandling of objects	Machine-related injury		Sprain Cuts	Sprain Cuts
Occupational injury rate	0.79	0.67	0.10	0.08	0.36	0.71
Occupational illness rate	0	0	0	0	0	0
Lost day rate	4.15	3.49	4.87	0.95	12.58	12.35
Total number of work-related fatalities	0	0	0	0	0	0

Note1 : Occupational injury rate (IR): (Number of occupational injury incidents/total work hours) * 200,000
　　　Light injuries: Only Zhongshan/Czechia/Mexico Plants include light injuries in their IR, all other plants exclude light injuries.
Note2 : Occupational illness rate (ODR): (Total occupational illness cases/total work hours) * 200,000
Note3 : Lost day rate (LDR): (Number of lost days due to work injuries/total work hours) * 200,000
　　　Calculation of the number of days: Only the Kunshan/Kunshan Opt/Zhongshan/Mexico Plants calculate the number of days based on calendar days; all other plants calculate based on the number of scheduled work days
Note4 : In Czechia, employees are entitled to go to visit their doctor during work hours (the frequency of visits is not limited and the length of time spent also includes the journey time), and they may also stay at home to rest for a longer period of time when sick.
Note5 : The table shows data of full-time employees

Occupational Injury Statistics of Workers Other Than Employees

Statistics of disabling injuries	Taiwan		China		Europe and Americas	
Year	2020	2021	2020	2021	2020	2021
Number of people	110	101	1,375	1716	1,208	1,544
Total work hours	227,854	220,562	2,742,815	3,934,312	661,822	247,239
Main category of occupational injury	None	None	Cut	None	Crushing, Cut	None
Occupational injury rate	0	0	0.07	0.31	1.21	2.43
Occupational illness rate	0	0	0	0	0	0
Lost day rate	0	0	0	0	8.46	11.33
Total number of work-related fatalities	0	0	0	0	0	0

Note : Scope of the number of people in the survey: Work personnel of the plant as of December 31: security guards, cleaners, group meal preparation personnel, and others (long-term onsite operators and specialists)

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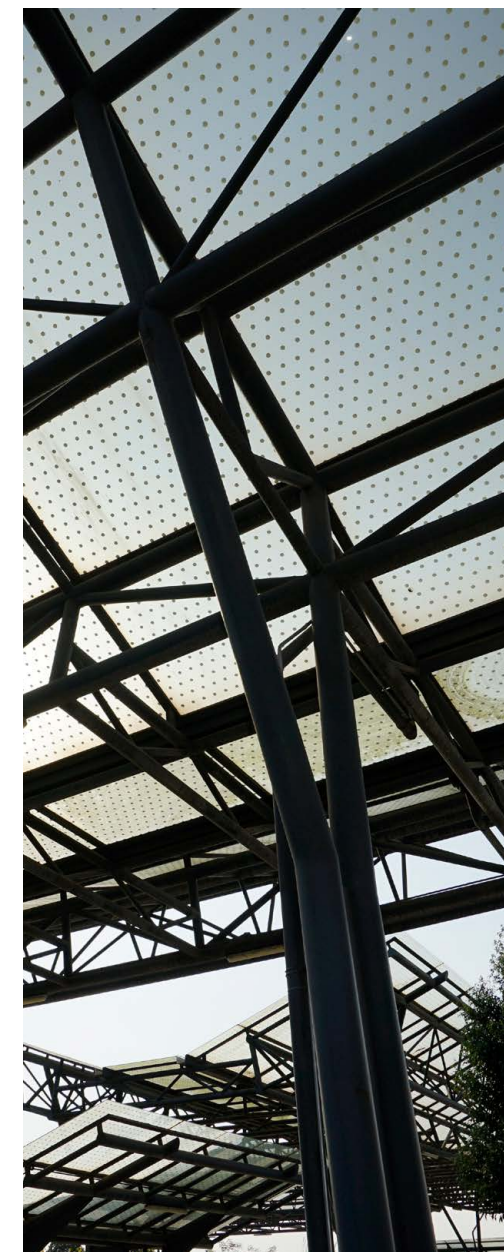
4.5 Humanity and Social Care

Wistron has upheld sustainability for corporate development since its establishment in 2001. While focusing on profitability, the Company firmly believes that the foundations of sustainability are forged upon the strong ties between us and society, with social engagement being the optimal way to fulfill such a goal. Wistron actively fulfills its commitments to a friendly environment and social responsibility and has established the "Wistron Charitable Event Management Guidelines" which identified the environment and culture as the two main targets for charitable activities. This year, we have used "Sustainability through Innovation" as a thematic highlight to emphasize the importance of both sustainable practices and innovative thinking and it has been deeply embedded into the daily work of each employee. Apart from using our existing social welfare influence, Wistron has utilized our strong technical development capabilities in many practical development projects to implement sustainable developments through technical innovations.

4.5.1 Social Investment

Responding to Sustainable Development Goals (SDGs)

Following the five steps found in the "Business Reporting on the SDGs," published by the United Nations and the GRI, we were able to identify 7 goals that correlate with Wistron's sustainability vision and charity strategy and they are as follows: SDG 1 No Poverty, SDG 3 Good Health and Well-Being, SDG 4 Quality Education, SDG 6 Clean Water and Sanitation,

SDG 9 Industry, Innovation and Infrastructure, SDG 15 Life on Land, and SDG 17 Partnerships for the Goals.
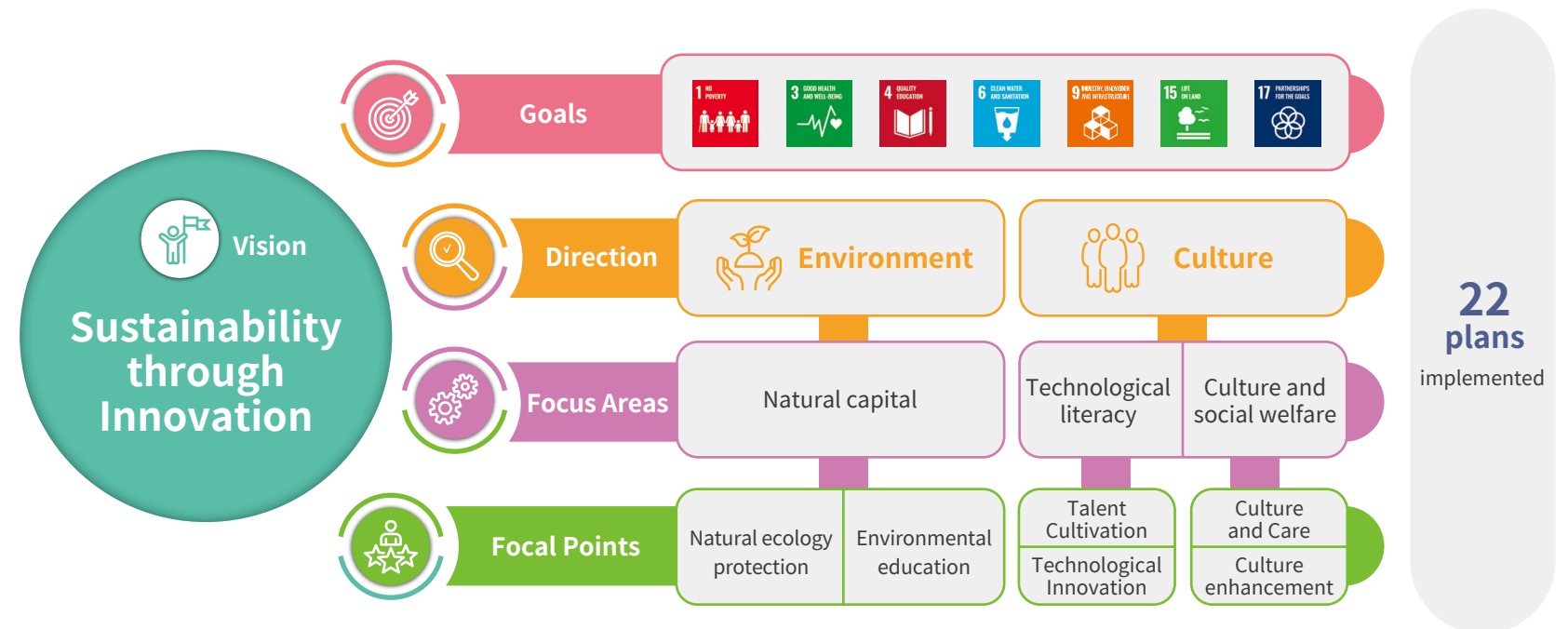
Wistron Foundation

Since its establishment in 2010, the Wistron Foundation has been dedicated to promoting balance and harmony between humans and nature. The Foundation works hard to protect the environment and ecologies, while promoting our cultural values. In response to Wistron's pursuit of sustainable values, we defined two major themes of the Foundation's development and charity policies: environment and
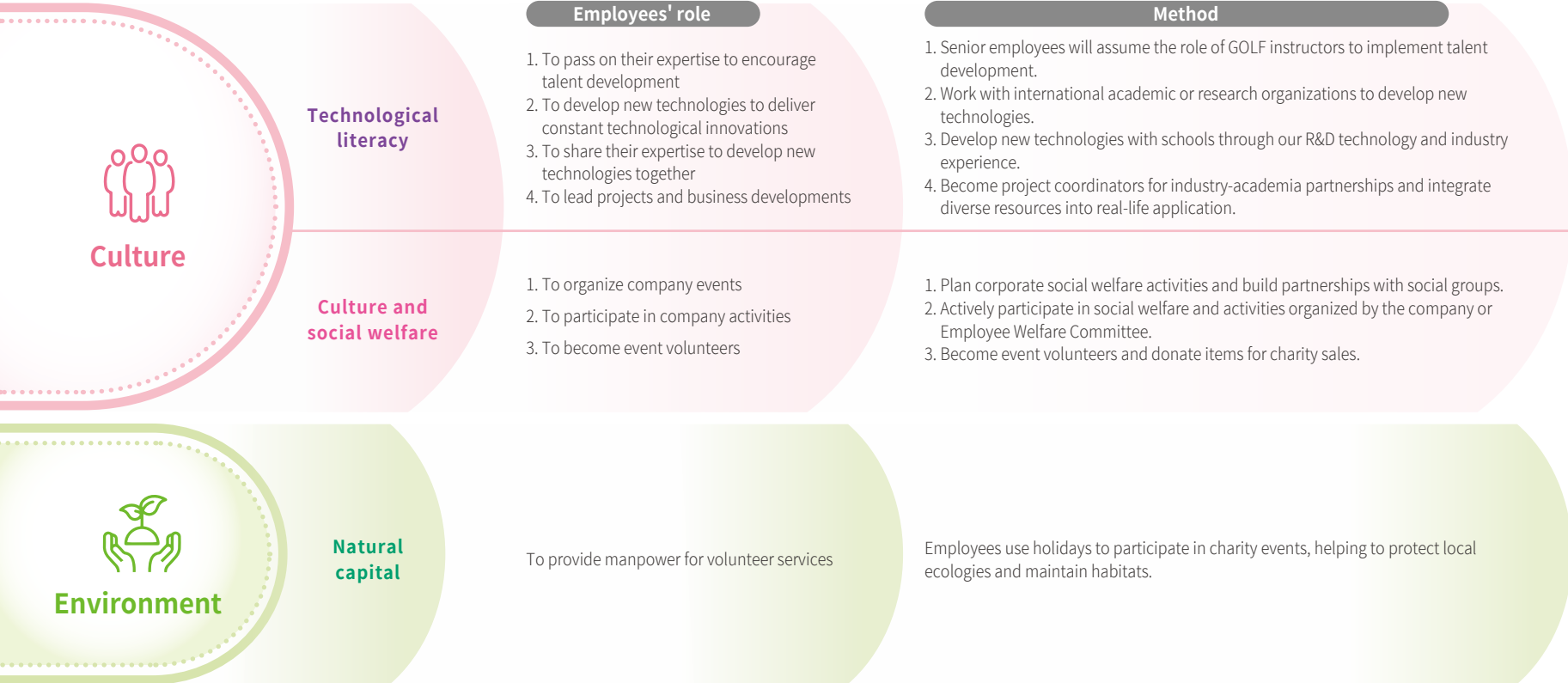
culture. We implemented the ideals of altruism to realize and deepen our sustainable development goals. We strategically partnered with charity organizations that share the same ideals in terms of culture and the environment in order to implement diversified projects. The six major aspects of project investments include: environmental protection, habitat adoption, environmental education, cultural enhancement, education and care, and service implementation. Work proposals of the Foundation are regularly submitted to the Board of Directors each year to report on the implementation status and

results and ensure that the charity projects meet the aims and targets of the Foundation. In 2021, a total of 22 projects were implemented .

The Foundation deeply believes that social welfare should include kindness while proactively exerting influence on society. In 2021, we invited our charity partners to learn the London Benchmarking Group (LBG) evaluation model. We combine our ideas and share our values with our partners to solve social issues through charity actions together in order to contribute more to society.

Vision
Sustainability through Innovation

Goals — SDG 1 No Poverty, SDG 3 Good Health and Well-Being, SDG 4 Quality Education, SDG 6 Clean Water and Sanitation, SDG 9 Industry, Innovation and Infrastructure, SDG 15 Life on Land, SDG 17 Partnerships for the Goals

Direction — Environment | Culture

Focus Areas — Natural capital | Technological literacy | Culture and social welfare

Focal Points — Natural ecology protection | Environmental education | Talent Cultivation | Technological Innovation | Culture and Care | Culture enhancement

22 plans implemented

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Key Roles Played by the Employees in The 3 Major Charity Projects

Culture

		Employees' role	Method
	Technological literacy	1. To pass on their expertise to encourage talent development 2. To develop new technologies to deliver constant technological innovations 3. To share their expertise to develop new technologies together 4. To lead projects and business developments	1. Senior employees will assume the role of GOLF instructors to implement talent development. 2. Work with international academic or research organizations to develop new technologies. 3. Develop new technologies with schools through our R&D technology and industry experience. 4. Become project coordinators for industry-academia partnerships and integrate diverse resources into real-life application.
	Culture and social welfare	1. To organize company events 2. To participate in company activities 3. To become event volunteers	1. Plan corporate social welfare activities and build partnerships with social groups. 2. Actively participate in social welfare and activities organized by the company or Employee Welfare Committee. 3. Become event volunteers and donate items for charity sales.

Environment

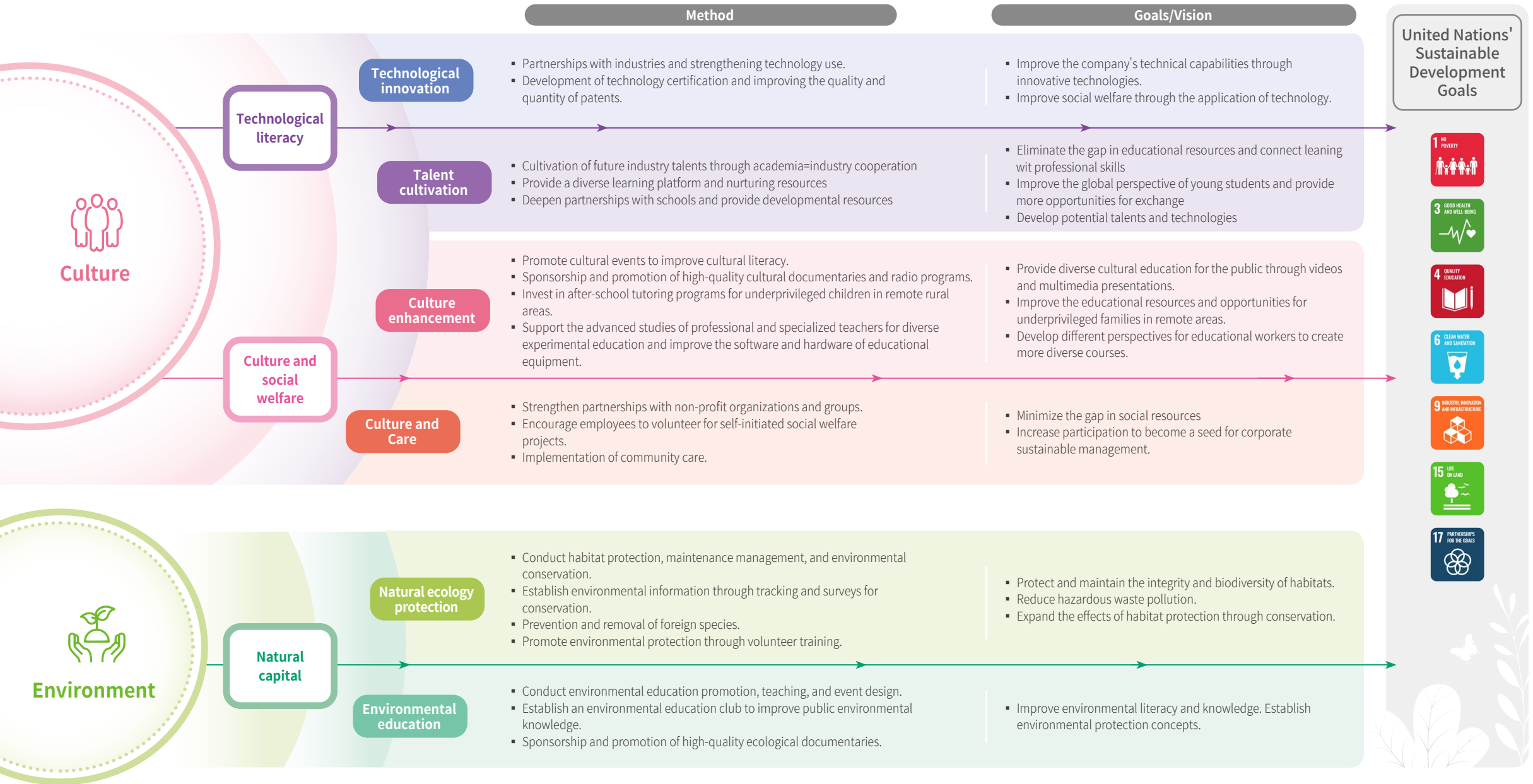|			
	Natural capital	To provide manpower for volunteer services	Employees use holidays to participate in charity events, helping to protect local ecologies and maintain habitats.

Employees' Impact

Besides using our existing charity impact, Wistron also encourages employees to participate in social welfare activities. The Company regularly organizes charity donation and charity sale events, which have received great feedback from the employees. In terms of technological innovation, we used our development capabilities and innovative projects to realize many applications to improve social welfare. In order to help restore the beauty of Shuanglianpi and protect the valuable wetlands, we began working with the Society of Wilderness in 2010 and sponsored the Shuanglianpi Ecological Classroom in order to implement long-term habitat conservation and environmental education. Starting in 2017, Wistron volunteers began one-day working holidays. We worked together to construct protection areas, restored the slope of the northern shore, and removed foreign species. As of 2021, 25 corporate volunteer activities have been organized, with 410 people participating in the working holidays. Through the crowd sourced habitat protection, we established a refuge for the ecology in Shuanglianpi and improved the healing abilities of the habitat.
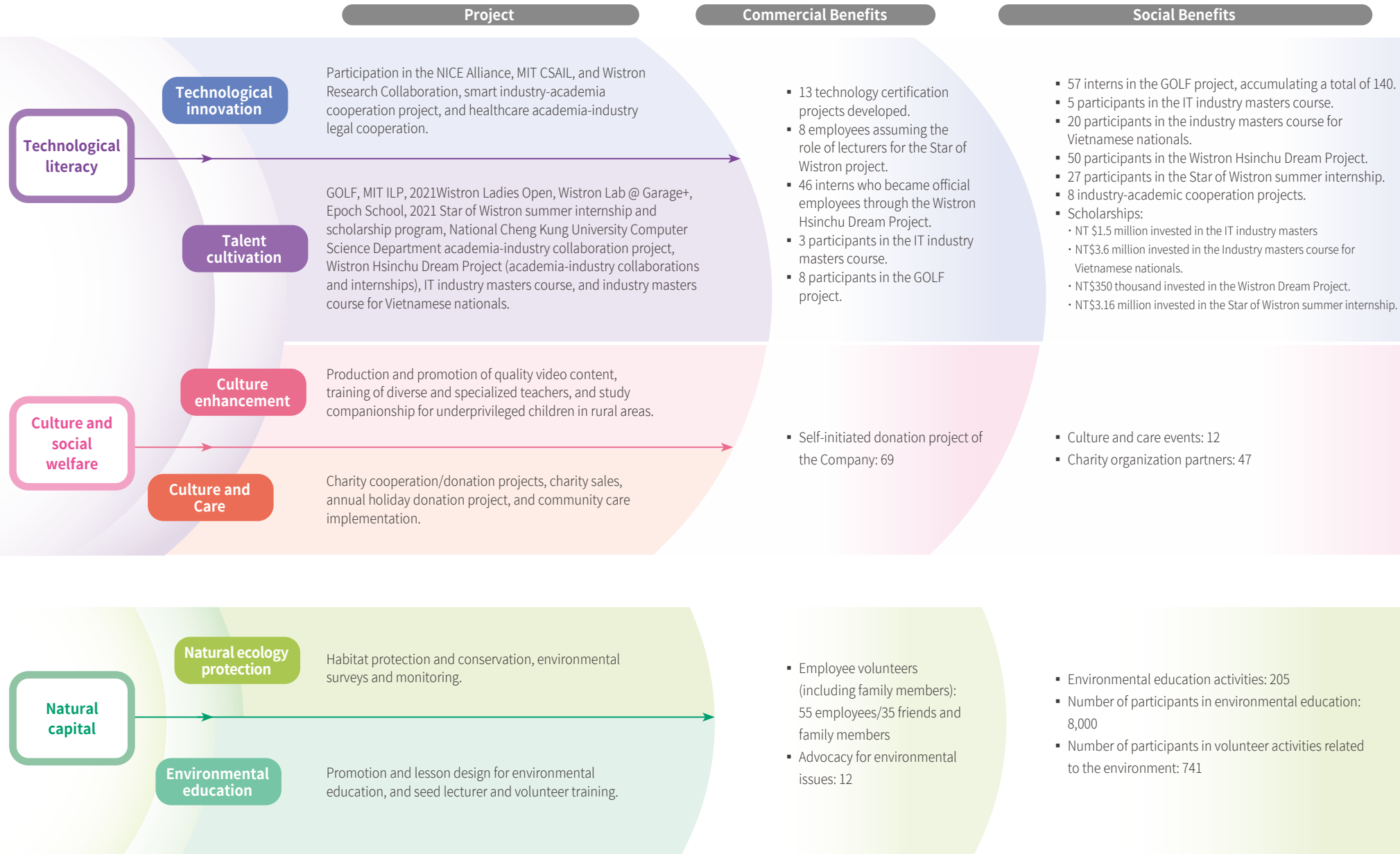
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Targets of the Six Major Charity Focuses

Method | **Goals/Vision** | **United Nations' Sustainable Development Goals**

Culture

Technological literacy

Technological innovation
- Partnerships with industries and strengthening technology use.
- Development of technology certification and improving the quality and quantity of patents.

- Improve the company's technical capabilities through innovative technologies.
- Improve social welfare through the application of technology.

Talent cultivation
- Cultivation of future industry talents through academia=industry cooperation
- Provide a diverse learning platform and nurturing resources
- Deepen partnerships with schools and provide developmental resources

- Eliminate the gap in educational resources and connect leaning wit professional skills
- Improve the global perspective of young students and provide more opportunities for exchange
- Develop potential talents and technologies

Culture and social welfare

Culture enhancement
- Promote cultural events to improve cultural literacy.
- Sponsorship and promotion of high-quality cultural documentaries and radio programs.
- Invest in after-school tutoring programs for underprivileged children in remote rural areas.
- Support the advanced studies of professional and specialized teachers for diverse experimental education and improve the software and hardware of educational equipment.

- Provide diverse cultural education for the public through videos and multimedia presentations.
- Improve the educational resources and opportunities for underprivileged families in remote areas.
- Develop different perspectives for educational workers to create more diverse courses.

Culture and Care
- Strengthen partnerships with non-profit organizations and groups.
- Encourage employees to volunteer for self-initiated social welfare projects.
- Implementation of community care.

- Minimize the gap in social resources
- Increase participation to become a seed for corporate sustainable management.

Environment

Natural capital

Natural ecology protection
- Conduct habitat protection, maintenance management, and environmental conservation.
- Establish environmental information through tracking and surveys for conservation.
- Prevention and removal of foreign species.
- Promote environmental protection through volunteer training.

- Protect and maintain the integrity and biodiversity of habitats.
- Reduce hazardous waste pollution.
- Expand the effects of habitat protection through conservation.

Environmental education
- Conduct environmental education promotion, teaching, and event design.
- Establish an environmental education club to improve public environmental knowledge.
- Sponsorship and promotion of high-quality ecological documentaries.

- Improve environmental literacy and knowledge. Establish environmental protection concepts.

United Nations' Sustainable Development Goals:
1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
6 CLEAN WATER AND SANITATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

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Commercial and Social Benefits of the Six Major Charity Focuses

| Project | Commercial Benefits | Social Benefits |

Using the core innovation and R&D capabilities of the Company and with the cooperation mechanisms of academia-industry-government partnerships and international innovative R&D organizations, we work together to cultivate technological talents. In terms of smartification and healthcare, we implement our technological innovations and strengthen our R&D capabilities to create new growth opportunities.

Technological literacy

Technological innovation

Participation in the NICE Alliance, MIT CSAIL, and Wistron Research Collaboration, smart industry-academia cooperation project, and healthcare academia-industry legal cooperation.

Talent cultivation

GOLF, MIT ILP, 2021Wistron Ladies Open, Wistron Lab @ Garage+, Epoch School, 2021 Star of Wistron summer internship and scholarship program, National Cheng Kung University Computer Science Department academia-industry collaboration project, Wistron Hsinchu Dream Project (academia-industry collaborations and internships), IT industry masters course, and industry masters course for Vietnamese nationals.

- 13 technology certification projects developed.
- 8 employees assuming the role of lecturers for the Star of Wistron project.
- 46 interns who became official employees through the Wistron Hsinchu Dream Project.
- 3 participants in the IT industry masters course.
- 8 participants in the GOLF project.

- 57 interns in the GOLF project, accumulating a total of 140.
- 5 participants in the IT industry masters course.
- 20 participants in the industry masters course for Vietnamese nationals.
- 50 participants in the Wistron Hsinchu Dream Project.
- 27 participants in the Star of Wistron summer internship.
- 8 industry-academic cooperation projects.
- Scholarships:
  · NT $1.5 million invested in the IT industry masters
  · NT$3.6 million invested in the Industry masters course for Vietnamese nationals.
  · NT$350 thousand invested in the Wistron Dream Project.
  · NT$3.16 million invested in the Star of Wistron summer internship.

During our global deployment, the local communities are important stakeholders for the Company's operations. Wistron actively participates in the public affairs of the communities and is obligated to provide community care. We aim to establish cooperation mechanisms for communication and participation with the community, in order to establish a social license to operate for the Company.

Culture and social welfare

Culture enhancement

Production and promotion of quality video content, training of diverse and specialized teachers, and study companionship for underprivileged children in rural areas.

Culture and Care

Charity cooperation/donation projects, charity sales, annual holiday donation project, and community care implementation.

- Self-initiated donation project of the Company: 69

- Culture and care events: 12
- Charity organization partners: 47

Wistron actively invests in the development of green resources, providing cradle to cradle closed recycling green services At the same time, we are promoting environmental awareness and developing innovative eco-friendly technologies through internal employee participation and support for environmental protection initiatives by non-profit organizations.

Natural capital

Natural ecology protection

Habitat protection and conservation, environmental surveys and monitoring.

Environmental education

Promotion and lesson design for environmental education, and seed lecturer and volunteer training.

- Employee volunteers (including family members): 55 employees/35 friends and family members
- Advocacy for environmental issues: 12

- Environmental education activities: 205
- Number of participants in environmental education: 8,000
- Number of participants in volunteer activities related to the environment: 741

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Measuring Social Influence

The Company's social investments in 2021 totaled NT$199,964,104, including Wistron's partnership programs with industries, governments, academia, and research institutions in Taiwan and abroad, the Company's participation in external charity activities and donations, Wistron Foundation, charity activities of the Employee Welfare Committee, and public welfare activities promoted by the Company with voluntary employee participation. In 2021, the world continued to be affected by Covid-19. Many civilian organizations and groups were greatly impacted. Apart from continuing our focus on the environment and culture, Wistron also encouraged employees to participate in social welfare projects. We aimed to deliver resources more effectively to the groups in need by calling all our employees and companies to action.

$199,964,104
Total Social Investment

Type	Item	Budget (NTD)	Ratio
Social engagement type	Charity activities	6,251,166	3.13%
	Community investment	67,072,548	33.54%
	Business initiatives	126,640,390	63.33%
Social welfare investment	Cash investment	192,085,102	96.06%
	Volunteer investment	192,806	0.10%
	Donations of supplies	1,324,812	0.66%
	Management	6,361,384	3.18%
Impact : People	Connection	47,491,042	23.75%
	Improvement	148,083,287	74.05%
	Transformation	4,389,775	2.20%
Impact : Communities	Behavior and attitude changes	55,721,377	27.87%
	Personal and skill development	132,953,395	66.49%
	Benefit improvements	11,289,332	5.64%

Social Engagement Type
- Charity Activities 3.13%
- Community Investment 33.54%
- Business Initiatives 63.33%

Social Welfare Investment
- Management 3.18%
- Cash Investment 96.06%

Impact : People
- Transformation 2.2%
- Connection 23.75%
- Improvement 74.05%

Impact : Communities
- Benefit improvements 5.64%
- Personal and skill development 66.49%
- Behavior and attitude changes 27.87%

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Investments in the 6 Major Charity Focuses

NT$

	Actions	Invested amount	Ratio

Culture

Technological innovation

- NICE Alliance
- Smart transportation system - Smart scooter
- Use of mmWave radar with multiple regression models and artificial neural network in HR/RR tests and HRV early warning
- WiSleep non-contact physiological detection health monitoring system
- Development of the 1.6 Tbps Photonic Opto Receiver

- Nationalization of smart railways
- Reflow equipment optimization plan
- Automatic generation of predictions and parameters in real-time and system optimizations for reflow
- Preventative maintenance program for equipment
- Identification of micro-objects
- AIoT Smart Kidney Disease Care Service Platform

NT$83,798,835 — 41.91%

Talent cultivation

- Wistron Ladies Open 2021
- MIT Industrial Liaison Program (ILP)
- Epoch Foundation annual fee
- Wistron Lab @ Garage+
- MIT CSAIL and Wistron Research Collaboration

- 2021 Star of Wistron summer internship and scholarship program
- Wistron Hsinchu Dream Project (academia-industry collaborations and internships)
- IT industry masters course
- Industry masters course for Vietnamese nationals
- AI talent development program

NT$74,719,437 — 37.37%

Culture enhancement

- Quality ecological radio program: *Island Symbiosis — Listening to Taiwan*
- Life education on campus — Water Dance Ensemble
- 2022 National Geographic Taiwan Photography Contest
- Satoyama action plan for intergenerational education

- After-school tutoring program for underprivileged schoolchildren in remote rural areas
- After-school care for disadvantaged children
- Full optimization project for websites, videos, and projects
- Diversity features/Experimental Education & Hualien and Taitung Sustainability Studies
- Science, Technology, and Nature for Technology Talents Events Series

NT$13,425,386 — 6.71%

Culture and Care

- 85 SITE charity activities across the world

- Encourage self-initiated donations from employees
- Organize charity sales
- Donation of holiday-related gifts

NT$9,589,330 — 4.80%

Environment

Natural ecology protection

- Ecological parks — Fuyang Eco Park
- Tainan parks, trees and urban planning

- Soil/water investigational monitoring and land protection plans
- Yilan Shuanglianpi educational base

NT$9,514,310 — 4.76%

Environmental education

- Storybook — Shuanglianpi environmental education book for children
- Quality ecological and cultural documentary — *Here Comes the Taiwan Salamander*
- Quality ecological and cultural documentary — *Black-Faced Spoonbills, the Last Piece of the Puzzle*
- Grass Mountain Raptor Center
- WildOne Wildlife Hospital

- Chi Po-Lin Foundation
- Waldorf wilderness conservation action
- Environmental education program for children
- Events of science, technology and nature for technology talents — volunteers

NT$8,916,806 — 4.46%

112

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4.5.2 Social Influence

Focus1

Technological Innovation

Our actions

- Elevating technology applications by partnering with different industries.
- Improving development innovations by collaborating with academia.
- Advancing patent quality by developing technology certifications.

Problems to be solved

Emerging techniques are often limited by the application setting and development costs. They are difficult to effectively promote in the early stages and often lack practical testing environments. Potential users must also consider the related construction costs and maintenance expenses.

Our role

By making strategic alliances with different industries, academia, and government entities, Wistron was able to strengthen the cooperation between these separate groups and aid in introducing new techniques and products into the field; and through user feedback, developers were able to optimize their new products and solve their previous user complaints with technical innovations.

[Advanced Technologies] Successfully develop new AI technologies for smart healthcare

We worked with the MIT Computer Science & Artificial Intelligence Laboratory (MIT CSAIL) to develop advanced AI and machine learning technologies and tools, which we implemented in the development of smart healthcare products and services and the Wistron's digital transformations. AI medical imaging recognition technology was also used in our co-development of liver tumor 3D CT studies with hospitals and colorectal lymphoma and pap smear digital image recognition systems, allowing us to successfully establish a good relationship with medical institutions in Taiwan. In terms of digital transformations, Wistron assists factories with quality assurance to improve quality standards, operators' operation recognition tracking to reduce training costs and solve high mobility problems, and the development of online evaluation and training survey systems to improve employee efficiency.

In 2021, we developed a medical imaging machine learning and natural language processing and assessment system. The system greatly increased the accuracy of chest x-ray and medical case summaries

and we plan to develop pre-trained models for future collaborations with other medical institutes. We also developed advanced AI non-supervisory machine learning technologies for use in pathological testing and analysis of medical images, image-based testing systems for factories, and dengue fever prevention by the government.

[Innovative Technologies] Understanding the behaviors of newborns and the elderly

Through the collaboration of academia and our industry, we can now use millimeter-wave sensors to monitor the subject's vitals such as breathing, heart rate, and other physiological signals; combined with a dashboard monitoring system, the technology can be used for infant, elderly, and patient care. Between 2018 and 2020, this system has been gradually introduced to long-term care centers and postpartum care centers; so far more than 7 long-term care centers and over 2,000 infants have been monitored by medical personnel through this system to confirm each confirm

Introduced 20 post-natal care and long-term care institutions
Caring for over 2,000 newborns

information such as infant sleep status, patient vital, and out-of-bed notifications for the elderly, thereby allowing staff to provide care and attention when necessary. In 2021, we successfully extended the service to over 20 postpartum care and long-term care institutions. Newborn services now include analysis of stable and unstable sleep and day and night sleep data, allowing new parents and nursing personnel to understand the quality of the baby's rest. LINE notifications have also been added to help provide timely notifications for long-term bedridden, poor muscle strength, and hospice care patients for alerts such as rollover alert, out-of-bed alert, and end-of-life care. The system can provide information in real-time and reduce the burden on care providers.
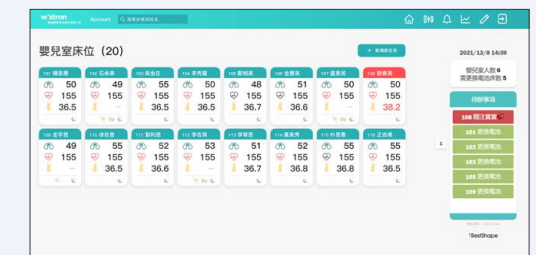
Project partnership		Partnered institution
Shuangho Hospital Sleep Center	Conducted IRB clinical study, initiated research related to rapid testing for sleep apnea.	National Taiwan University of Science and Technology, National Taiwan Ocean University, National Yang-Ming Chiao Tung University, Taiwan Design Research Institute, Harmony Home Association, postpartum care, hospitals, and long-term care institutions.
Kaohsiung Veterans General Hospital Originals & Enterprises.	Conducted the implementation of millimeter-wave technology in AI physiological analysis and warning systems, and introduced the service in the Kaohsiung Veterans' Home and Gangshan Veterans' Home.	

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Focus1 Technological Innovation

[Opto-electronics] Improving quality of life online

In response to the high-speed transmission and energy usage reduction requirements for data centers, the development of new generation optical communication components and related manufacturing processes must be accelerated. Therefore, we worked with academia to develop photonic optic receivers to stay on top of and ahead of the current trends. Wistron partnered with National Yang-Ming Chiao Tung University and National Sun

Yat-sen University and successfully developed 800G high-speed communication technology in 2021, greatly increasing the current communication speeds and bandwidth, which will help corporate companies, local communities, schools, transportation sectors, and overall communication developments. It can also improve the communication and connection speeds between communities, improving the quality of the internet and leisure activities.

[Railway Safety] Using smart technologies to ensure railway safety

By working with well-established universities in Taiwan that have extended expertise in specific science subjects such as the National Kaohsiung University of Science and Technology (NKUST) and National Cheng Kung University (NCKU) through an industry-academia cooperation platform, we can now implement and quickly execute new product developments or introduce new technologies with Wistron's marketing strategies.

2020	The NCKU positioning algorithm was developed primarily for railways.
2021	Successfully completed railway positioning accuracy validation and testing algorithm.
2025 Targets	1. Vehicle track and direction accuracy = 100% 2. Continuous positioning frequency of 1Hz to 20Hz. 3. Includes high accuracy positioning for long tunnels/urban areas/forest tracks. 4. Simulates the interior (depot) for navigation. 5. Stable positioning at high speeds (10 to 140km/hr).

Successfully developed 800G high-speed communication technology

[Medical Technology] Protecting the quality of life for kidney disease patients

By using technology to improve dialysis care, we continue to expand medical care services and the mutual dependency between families and healthcare. Wistron aims to integrate chronic kidney disease and dialysis care systems and terminal value-added services, filling the gap in seamless service between home care, clinics, and hospitals for early-stage chronic kidney disease, peritoneal dialysis, and blood dialysis patients. Through cloud AIs, basic hospitals do not need to purchase large servers to enjoy the applications and benefits made possible by AI.

Economic and industrial benefits	Group benefits for chronic kidney disease	Contribute to the country and society
We connected dialysis material and medical device manufacturers in Taiwan and abroad to create the world's first "AIoT Smart Kidney Disease Care Service Alliance", leading Taiwan's dialysis and peripheral medical device companies to mutual prosperity, and entering the chronic kidney disease care market worth hundreds of billions of dollars. Wistron Taiwan worked with France to create "Wistron Taiwan & France Diabnext". The platform was introduced for clinical studies in France, accelerating our entry into the European market.	The platform is focused on "prevention over treatment". Through our home care app, we care for early-stage chronic kidney diseases, late-stage patients, and patients with diabetes and high blood pressure. We help patients effectively implement self-care and management, slowing the process of late-stage kidney disease (dialysis).	It is expected that more than 30% of early-stage chronic kidney disease patients who use the AIoT Smart Kidney Disease Care Service Platform will not enter the dialysis stage early, which will effectively reduce health care insurance expenditures.

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Focus2

Talent Cultivation

Our actions

- Cultivation of future industry talents through academia-industry cooperation.
- Provide a diverse learning platform and nurturing resources.
- Deepen partnerships with schools and provide developmental resources.

Problems to be solved

The current education system needs practical channels for connecting with the industry. More comprehensive development opportunities and nurturing resources are also required to develop the global perspective of people in Taiwan.

Our role

Wistron invests in many talent development projects. We provide opportunities to young students through our integrated industry resources and internships. At the same time, we use industry resources to provide excellent lectures and activities, creating more opportunities for the diverse pool of talents to learn.

[Academia-Industry Cooperation] Cultivating future industry talents

Wistron participates in the Gap of Learning & Field (GOLF) alliance, which was created by several schools in Taiwan. The alliance uses the establishment of digital learning platforms and the provision of industry internships to reduce the educational resource gap. Since its establishment 3 years ago, the alliance has been promoting shared learning and assisting students to explore industry trends early. The alliance helped improve the soft skills of students to prepare them for the workplace. As of today, the alliance has trained over 350 students and provided 15 online courses. In 2021, GOLF provided courses related to "EE", "AI", "server certification", "100 questions about AI", and "digital transformations", allowing students to explore technological trends. A total of NT$13.9 million was invested for the year, fulfilling our social responsibilities.

Invested NT$22.51 million | Trained 350 future industry professionals
Partner: Epoch Foundation

[Nurturing Resources] Helping innovation grow

To promote startups in Taiwan and introduce international resources for innovation, Wistron partnered with Epoch Foundation to create the Wistron Lab @ Garage+ startup space, which covers areas such as AI, big data, IoT, education technology, and digital healthcare. The project aims to develop talent and create a foundation for innovation. Wistron is increasing our partnerships with the startup community through talent management, international connections, and exclusive events to assist and match more excellent startup teams. Through these broad exchanges and enriched technologies, Wistron expects to provide more diverse energy for innovation in Taiwan for the next 5 to 10 years.

[Internship Opportunities] Deepening partnerships with schools and providing complete resources

Wistron is dedicated to talent cultivation. We continued to visit different campuses in 2021 through the "Star of Wistron summer internship and scholarship program", "Wistron Hsinchu Dream Project (academia-industry collaborations and internships)", "IT industry masters course", and "Industry masters course for Vietnamese nationals". Apart from providing great internship opportunities to current students, Wistron also awards scholarships to alleviate the financial burdens of the students. A total of NT$8.61 million was invested in the year, allowing the participants to fully concentrate on developing professional skills and practical experiences.

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Focus3

Culture Enhancement

Our actions

- Work with charity groups and educational institutions to conduct diverse specialized teacher training/experimental education and course related programs.
- After-school tutoring programs and companionship for underprivileged children in remote rural areas.
- Support and promote quality cultural video related projects.

Problems to be solved

We must rethink the purpose of education and should not limit or regulate learning.

If diverse and suitable educational resources cannot be provided stably in rurual areas for the underprivileged and those raised by the older generation, then is difficult to realize education equality. We must rethink the purpose of education and should not limit or regulate learning.

Our role

The Foundation has long been focused on specialized education and cultural literacy improvements. We donated NT$13,425,386 in 2021. We worked with professional charity organizations to provide teaching equipment and diverse, experimental education teacher training, in order to expand the perspectives of education workers. We provided education to underprivileged children in rural areas through after-school tutoring. We showed our care and support and provided more opportunities for learning to the students. We aim to create more diversified cultural education materials to provide other possibilities for education.

[Basic Education] Support underprivileged children and end poverty

In order to provide underprivileged children with free tutoring, Wistron Foundation began sponsoring the Boyo Social Welfare Foundation since 2012. It has become a long-term supporter of the after-school tutoring program for underprivileged schoolchildren in remote rural areas. As of 2021, 17 after-school education centers were organized for 2490 students, and the local tutors provide educational support to improve the lives and studies of the children. Boyo uses social resources and cross-field cooperation to provide after-school tutoring and companionship to underprivileged children. Because of the pandemic, the financial gap between the cities and the rural areas has become more apparent, where 70% of after-school tutoring programs do not have digital equipment. Boyo prepared epidemic prevention learning kits for

> Boyo Social Welfare Foundation followed up on working graduates above the age of 25. Their monthly salary was higher than the average monthly salary of the families in the afterschool tutoring program, achieving the goal of rising above poverty through education.

Trained 257 teachers with diverse specialties | Providing education to 2,490 students

the children to help them learn at home.

The Wistron Foundation also provides long-term support to Taipei Glory Church in Xizhi for the After-school Care for Disadvantaged Children program. In 2021, in response to the pandemic, we worked with Social Affair Bureau and the schools to provide digital equipment and continual care through phone calls, and a total of 39 children benefited from the after-school tutoring, general education, and academic counseling.

> According to Taipei Glory Church's statistics, most of the junior high school graduates in the tutoring classes gained more opportunities for selecting schools based on their interest.

[Education Quality] Implemented the Waldorf teacher training system and professional teacher training programs

Wistron Foundation began to sponsor the new classroom building of the Anthroposophy Education Foundation's Ci-Xin Waldorf School in 2010 and completed the teacher training system and professional teacher cultivation plan. We support the co-development and promotion of diverse and experimental education teacher qualification training and education projects in schools. Wistron aims to implement educational reforms and provide another possibility for basic education. In 2021, 257 people participated in the teacher qualification course.

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Focus3
Culture Enhancement

[Education Development] Promote comprehensive education and diverse experimental courses in Hualien and Taitung

Since 2011, when we started working with the Alliance Cultural Foundation on the Huatung Project, we established a resource integration platform for education, tourism, arts and culture, and talent cultivation, in order to develop future professionals in the Hualien-Taitung area. We are now supporting an education reform platform and have invested our resources to create a foundation for education. We have expanded our assistance to include afterschool tutoring and education sites in rural areas. In 2021, we

focused on the design of online courses and education experience sharing because of the pandemic.

[Intergenerational Education] Satoyama action plan

In 2021, Wistron Foundation supported the Cixin Childhood Education Foundation project — Satoyama action plan for intergenerational education — to build a life education site. The project allows different generations to work and learn together. They can give back to the land and learn about farm to table concepts. The program aims to find the connection between humans and nature and create shared memories between generations by breaking down the personal value barrier caused by age gaps. We aim to use the power of community to restore the living culture of Taiwan, realizing the multiple educational goals of hands-on experience, dialogue and gratitude, problem solving, and constructive explorations. The Culinary Kitchen was completed in September 2021. The kitchen is shared by the Waldorf students and community residents. In 2021, 30 lessons and workshops were held with 653 participants.

33 videos released | 30 courses and workshops held

2021 Results of the Huatung Project

Work content	Results of actions
Basic education	We promoted the Junyi School of Innovation (six year experimental course for middle school). We also provided an internship program for college students to explore their expertise and prepare for their careers.
Evolution educational program	Changes in the Taiwanese education system will affect the future direction of education. We implemented the new teacher vocation counseling study program (now online), where we asked psychology experts and education workers to record the listener program videos. In 2021, 33 videos were released. The program was integrated into the Wistron global training platform, enlightening employees about basic knowledge on listening.
Talent cultivation in native tribes	The Hualien and Taitung Learn Together Program (now online) teaches about and shares observations, actions, and reflections during a pandemic. We hope to learn from the experience of others.
Theme camps	We organize summer camps each year with fun courses, creative activities, and teamwork to inspire participants to learn and broaden their new horizons. The program includes the Hualien-Taitung Choir Camp (now online).
Arts support programs	Events included "JUST IN XX x Paul Chiang Cooperation", "Webinar — Stanley Yen & Friends", and "Taiwan Connection". We organized arts and culture activities and use marketing campaigns to promote arts to a diverse range of people.

Sustainability   **Innovation Value**   **Environmental Protection**   **Social Inclusion**   **Corporate Governance**   **Appendix**

Wistron 2021 Corporation Sustainability Report

Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care
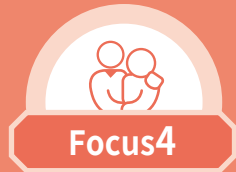
Focus4

Culture and Care

Our actions

- Strengthen partnerships with non-profit organizations and groups.
- Encourage employees to volunteer for self-initiated social welfare projects.
- Organize charity related activities.
- Implement community care.

Problems to be solved

Uneven distributions of resources are common among non-profit organizations and social welfare groups in Taiwan. Because of the discrepancy in resources, many groups require more resources and care.

Our role

Through its corporate influence, Wistron continues to work with and provide resources to charity organizations. We use the promotion of our corporate culture and thematic advertisement to encourage our employees to donate money and resources. At the same time, the company organizes charity projects to allocate resources to the organizations in need.

Employees donated NT$3.37 million | 1,934 charity giftbags were sold

[Employee Participation] Employees are called upon to join charity activities

To encourage employees to participate in charity activities, not only does Wistron donate funds as a corporation but also calls our employees to action through the internal promotion platform. To balance in uneven distribution of resources among domestic charity groups, Wistron often communicates with different charities to understand their story and use such information to create thematic promotions, such as "solitary elders," "rare diseases," "rural healthcare" "underprivileged families," and "study companionship programs". Through the simple internal donation platform, we can increase the number of people that are willing to participate. In 2021, there were a total of 50 self-initiated donation projects, which raised NT$3.37 million.

[Charity Giftbags] Combining creativity with charity

Wistron is well-known for its diverse and rich employee activities. In recent years, we have combined our internal activities with charity elements such as the "charity lucky bag" and "charity spring couplet" projects and during the lunar new year holiday, we will purchase items from charities to fill the lucky bags and sponsor charity raffles in the end, in turn providing support to the charities. Each year, the lucky bag event will attract several thousand employees to participate, and in 2021, 1,934 bags were sold, adding more meaning to our national holiday.

[Community Donations] WeCare CSR Program at Kolar

Wistron's India Plant implemented the WeCare program in Kolar in May 2021 making 4 major donations to the local community, including emergency equipment, health kits, safety kits, and food rations, to help the tens of millions of people fighting the global pandemic. As part of our commitment to the community, Wistron provided a wide range of support and aid to government institutions, frontline workers, patients, 400 impoverished individuals in the community, and marginalized groups in 2021. The Company donated 1,000 face shields, 10,000 face masks, and 10 oxygen machines in 2021. We are dedicated to improving medical infrastructure and the availability of resources to the community and will expand our efforts according to community needs.

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Sustainability   Innovation Value   Environmental Protection   **Social Inclusion**   Corporate Governance   Appendix

Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care

Removed 190,000 tons of hazardous slag | Environmental education with 2,790 participants

Focus5

Natural Ecology Protection

Our actions

- We work with charity organizations to invest in habitat protection, sponsorship, and ecological conservation and protection through long-term surveys and tracking.

Problems to be solved

- The deterioration of habitats and introduction of foreign species has caused the loss of biodiversity.
- The improper disposal of hazardous waste has caused food safety problems and environmental pollution.

Our role

Habitat protection has always been a focus of the Foundation. We work with various professional charity organizations on different environmental protection projects through long-term support models. In 2021, we invested NT$9,514,310. Besides the investment of funds, we also trained professional management personnel, implemented environmental monitoring and surveys, and sponsored ecology conservation and protection for habitats. We aimed to reduce the impact and influence of various environmental ecological dangers in order to protect the environment.

[Environmental Protection] Soil/Water Investigational monitoring and land protection plans

Wistron Foundation began working with Tainan Community University Research & Development Association in 2010. We have established a survey team to work with NGOs and public departments. We continued to survey and document areas in Tainan, Kaohsiung, Changhua, and Taoyuan in 2021, in order to reduce possible water and land pollution. Through the surveys, we found that the natural landscape in Niupu in Longci, Tainan is filled with a diverse ecology. Therefore, we advocated for the Longci Geological Park. We created positive results with the efforts of several parties. Through the survey of oyster farms and beach waste, we transformed the collected data into educational materials for environmental education promotion to the public. In order to reduce pollution caused by various waste, we proposed suggestions for waste management policies after meetings and discussions with public departments and press conferences, together with environmental protection groups. Our goal was to amend related laws and regulations and restore the original beauty of the land.

Hazardous waste investigation and tracking	▪ The investigation and records of new and old pollution sites, with the focus on 22 locations. ▪ The public department cleared 43 thousand tons of slag from the stainless steel furnaces in the Xuejia farmlands. ▪ The public department cleared 148.4 thousand metric tons of slag from the Anqing Road Yuwen Incinerator Plant, and continues to make improvements.
Beach waste long-term monitoring activities	▪ Through surveys and monitoring, Wistron promotes improvements for ocean pollution. ▪ We conducted 43 beach waste monitoring and investigation events with 327 volunteers participating.
Protecting the Longci landscape in Tainan	▪ Environmental records and investigations were conducted to continue to advocate for landscape protection. ▪ A total of 17 ecological surveys were conducted. ▪ The Tainan City Government approved the designation of natural scenery in Longci Industrial Park. ▪ The Tainan City Government and Forestry Bureau officially announced the Longci Niupu Badlands Geological Park and Longci Niupu Badlands Natural Preserve in July.
Environmental education promotion	▪ The surveys, photographs, and records of the area were transformed into environmental education materials and were combined with online courses for promotion. ▪ In 2021, 21 workshops, promotion events, and courses were held, reaching 2,790 members of the public.

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Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care

Focus5
Natural Ecology Protection

[Habitat Restoration] Shuanglianpi Educational Base Project

Shuanglianpi is a rare low-altitude inland wetland in Taiwan and a wildlife protection area declared by the Council of Agriculture. There are several aquatic plants and endangered animals in the area. The ecosystem contains more than one third of the species of Taiwan's native aquatic plants. In terms of unit area and percentage of species, Shuanglianpi's biodiversity ranks among the top of wetlands across the world. However, Shuanglianpi has lost its former glory due to human interference and destruction. The Foundation began working with The Society of Wilderness in 2010. We conduct habitat conservation, species protection, and periodic ecological surveys and research. After collecting related opinions in the expert meetings, we performed micro-habitat management and restoration to find the most effective management strategies. The farming methods used in the farmlands surrounding Shuanglianpi affect ecology and water quality. So, we promoted eco-friendly farming methods to reduce environmental damage. We also implemented environmental education to show the public the uniqueness of Shuanglianpi and the importance of protecting wetlands. Our ultimate goal is to restore the original beauty of Shuanglianpi.

Leased and contracted farms produced 2,627 kg of produce
Environmental education activities with 2,488 participants

Habitat conservation	• Habitat maintenance, aquatic plant conservation, ecological surveys, and the removal of foreign species are conducted to effectively protect the native species and preserve biodiversity. • A total of 12 sessions of working holiday were held for habitat protection, with 264 people participating. • Protecting 20 important plants in Shuanglianpi.
Annual ecological survey	• Periodic ecological monitoring is conducted for frogs, aquatic insects, birds, fish, plants, floating island plants, and key aquatic plants. • In total, 44 ecological surveys were conducted, with 139 participants. • Worked with Academia Sinica on the conservation of Japanese rice fish. • Worked with Yilan University on the foreign fish species survey. • Worked with Feng Chia University to perform lake bed bacteria analysis and water quality improvement testing. • Worked with the Hydrotech Research Institute of National Taiwan University on hydrology research. • Worked with the Taiwan Forestry Research Institute on floating island research. • Assisted the Endemic Species Research Institute in sample collection for conservation research.
Environmental education activities and promotion	• We organized environmental education in Shuanglianpi and nearby areas to make full use of the functions and benefits of the environmental education site. • Organized school field trips, camping groups, and volunteer training. In total, 133 environmental education activities were organized, with 2,488 participants.
Promote environmentally friendly farming	• Promoted environmentally friendly farming to reduce the effects of pesticides and fertilizers on soil and water quality, in order to protect the ecology of Shuanglianpi. • A total of 13 fen (equivalent to 3,814.2 ping) of farmland were leased and contracted from local farmers, and 2,627 kilograms of various crops were harvested by the end of November. • Organized farming experiences and food farming activities. In total, 26 events were held with 508 participants. • All of the produce from contracted farmlands of the Foundation is donated to local social welfare institutions. The program has benefited 11 organizations, including the Yilan Family Support Center, Sing Fu Children's Home, and Yilan Reformatory.

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Focus5
Natural Ecology Protection

[Ecological Maintenance] Fuyang Eco Park Project

In order to save rare natural habitats in urban areas, Wistron began sponsoring the Taipei City Fuyang Eco Park with the Society of Wilderness in 2006. In order to protect the ecology in the park, we implemented "eco-actions for the park" and conducted habitat improvement and foreign species removal. We carried out continuous ecological surveys and convened expert meetings to understand the improvements and effects for the habitat. We continued to promote monthly ecological tours and other environmental education activities. Wistron invited the public to learn about the environment and rare urban greenery in Fuyang Eco Park to protect the area together.

Conducted 33 ecological surveys | Habitat protection working holiday with 60 participants

The Fuyang experience influences policy	▪ The results and data related to the Fuyang Eco Park conservation experience were provided to the public departments, in order to move towards the goal of an eco park. ▪ The Taipei Eco Park Zoning Management Plan was implemented in 2021. ▪ In 2021, the Society of Wilderness applied its experience of creating an eco park in Tainan Barclay Memorial Park and Chiayi Beixianghu Park.
Ecological survey and monitoring	▪ Formulate improvement actions for Fuyang Park based on the survey data and information on changes in the environment. ▪ Various ecological surveys were conducted, including 12 insect surveys, 10 frog surveys, 4 bird surveys, 4 aquatic invertebrate surveys, 2 plant surveys, and 1 water quality survey. ▪ A total of 33 ecological surveys were completed in 2021.
Habitat improvement and protection	▪ We regularly conduct park inspections, habitat improvements, fencing off of exposed land for protection, and removal of introduced species. ▪ A total of 6 sessions of working holiday were held for habitat protection, with 60 people participating.
Environmental education and promotion	▪ We train volunteers and organize ecological guided tours to help people learn more about Fuyang Eco Park. ▪ Oral history: The documentary of the Society of Wilderness' efforts in protecting Fuyang Eco Park for the past 15 years was released. Mr. Hsiao Yeh was asked to be an advisor and spokesperson. ▪ In response to the International Day for Biological Diversity, Fuyang Eco Park introduced the Fuyang Eco Week, in order to show the public the beauty of Fuyang and the importance of ecology protection online. ▪ We held 3 professional volunteer improvement seminars and completed 4 guided tours of Fuyang Eco Park for 135 participants.

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Talent Attraction and Retention   Human Capital Development   Human Rights Management   Workplace Health and Safety   Humanity and Social Care

Focus6

Environmental Education

Our actions

- We worked with charity organizations to make long-term investments in environmental education and courses for all ages.
- We supported and promoted quality ecology video related projects.

Problems to be solved

We improved environmental literacy and knowledge among the public and established environmental protection concepts and environmental sustainability awareness.

Our role

The Foundation has long been focused on environmental education and has introduced environmental education projects suitable for all ages with charity organizations. We invested NT$8,916,806 in 2021. Apart from investing economic resources, we have also invested in professional management personnel training and organized environmental advocacy, education, and event planning, in order to improve environmental awareness and develop environmentally conscious citizens. We aim to create more diversified ecological education materials to provide other possibilities for education.

[Series Events] Science, technology and nature for technology talents events

Wistron launched the "Events of Science, Technology, Nature for Technology Talents" activity in 2011 to promote outstanding charity partners sponsored by the Foundation through activities participation. The Foundation works with local cultural, history, and ecology professionals and experts to help participants visit unique areas in Taiwan's environment and learn about the culture. The activities help participants use real actions to connect with issues of concern to the Foundation, which organizes one-day scientist activities, working holiday, and volunteering for helping children study and other such activities.

Cultural and Environmental education with 370 participants

Walks and lectures cultural activities	In 2021, we organized the Chi Po-Lin Museum's "Winds in Taiwan, *Walk Home* - Hsiao Yeh Talk", and "Visiting Fuyang - Hsiao Yeh Tour" events. The activities follow the footsteps of the photographer Kengo Kobayashi as he documents the care for Taiwan shown by Director Chi Po-Lin and displays the beauty of Taiwan through his own work and words. The founder of Thousand Miles Trail is the famous author Hsiao Yeh. He has long been dedicated to the promotion of connection with nature. He helped complete the first handmade trail in Taiwan in Fuyang Eco Park. With his new book Walk Home and personal tours around the park he taught Wistron volunteers how to truly see the land around them for its rich environment and abundant history. A total of 3 cultural events were held in 2021, with 80 participants.
Screenings of quality ecological documentaries	The Wistron Foundation supported the production of *Enigma: The Chinese Crested Tern by Director* Liang Chieh-Te and organized a special screening in Taipei Vieshow Cinema. We invited charity organizations and the volunteers to watch the film and learn about the serious problems faced by the environment and endangered species. One ecological documentary screening was held in 2021, with 200 participants.
Roads of Nature cultural activity	In order to allow internal employees to learn about the charity projects of the Foundation and care about the issues, the Roads of Nature event app was introduced in 2021. The app contains the locations cared for by the Foundation in Taiwan throughout the years. Employees are invited to visit the locations and share their photographs. Change comes from action and action comes from understanding. Roads of Nature has been fully implemented, and will create diverse connections with charity projects in 2022, encouraging employees to visit the locations. The project is expected to drive thousands of visits. Since it came online on October 7, 2021, up to 500 visits have been recorded.
Shuanglianpi working holiday volunteer events	The Foundation began calling on employees of Wistron and their family and friends to volunteer for the restoration of Shuanglianpi in 2017. They routinely contribute their time in the form of working holidays to create and maintain the native aquatic plant sanctuary and the slope restoration on the lake area. They have helped provide Shuanglianpi with a fixed and continuous stream of manpower, increased habitat conservation capacity, and helped employees learn more about the importance of Shuanglianpi and habitat conservation. A total of 5 sessions of working holiday were held in 2021, with 90 people participating.

Sustainability   **Innovation Value**   **Environmental Protection**   **Social Inclusion**   **Corporate Governance**   **Appendix**

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Focus6
Environmental Education

[Nature Camp] Children's nature camp program

Wistron Foundation began hosting nature camp programs for children from disadvantaged families in collaboration with the Society of Wilderness in 2004 and provided full sponsorship for children welfare institutions and school children from disadvantaged families. We introduced environmental ethics, environmental literacy, and other concepts in the events and led the participants through environmental actions in daily life. Because of the pandemic, some camp activities were reduced and cancelled according to epidemic prevention measures.

Taipei Flying Squirrel Club	Annual theme: Danshui River culture and nature. Outdoor activities were organized to help children become more observant in the outdoors. We worked with the elementary section of the New Taipei Municipal Wulai Elementary and Junior High School. A total of 52 volunteers and 75 children participated.
Butterfly Camp in Chiayi	Annual theme: Actions in life. Based on climate change and an understanding of carbon footprints, the club teaches children carbon reduction actions they can implement. We worked with Giao Ping Elementary School. A total of 48 volunteers and 139 children participated.

[Conservation and Rescue] WildOne Wildlife Rescue Center

The region between Hualien and Taitung is expansive but the terrain is narrow and long. However, on the road that spans more than 200 kilometers, contains no wildlife hospitals. On average, 300 to 350 accidents involving animals occur each year in the Hualien-Taitung area. The main reason for these accidents is the overlap of human activity with animal habitats. In August 2020, the first wildlife hospital in eastern

Taiwan was established in Chishang, Taitung. The WildOne Wildlife Hospital is responsible for wildlife rescue, rehabilitation, and conservation education in the Hualien-Taitung region. To date, the hospital has rescued over 300 injured animals. Besides treating injured animals, WildOne also promotes environmental education. The organization held 33 education promotion lectures and events in 2021. The participants of the events included students and faculty from schools, native tribe residents, and the

general public. Over 2,000 people participated in the events. In 2022, combined with a hospital exhibition area, the hospital will be open to the public. Wistron Foundation began supporting WildOne in 2021. We worked together to provide medical resources and a chance to heal injured animals. We help the animals return to the forests because every life is sacred and deserving of our respect.

Medical aid and rehabilitation for wildlife	Rescue endangered and non-endangered wild animals. ▪ 79 mammals, 157 birds, and 27 reptiles, totaling 263 animals, were rescued in 2021. ▪ Since the establishment of WildOne, the organization has rescued 323 animals.
Wildlife release	Rehabilitate endangered and non-endangered wild animals to return them to the forests once they recover. ▪ In 2021, 89 animals were released into the wild. ▪ Since the establishment of WildOne, the organization has released 110 animals.
Environmental education and promotion	A total of 33 education lectures and guided tours were organized, with 2,095 participants.

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Focus6
Environmental Education

[Excellent Media] Utilizing video and sound recordings of Taiwan's ecology and culture

For 10 years, Wistron Foundation has invested in the production of quality documentaries, including *Smangus, A Town Called Success, Ebb and Flow, Beyond Beauty: Taiwan from Above, Terraced Fields: Gongliao, Fly, Kite Fly, Secrets of the Pangolin, and Night Hunters: Taiwan Grass Owls*. There were 3 ecological and cultural documentaries still in production in 2021. We hope to use the real images and moving narrative structures to teach the public about endangered species and urgency of habitat disappearance. Furthermore, the Foundation began supporting the quality radio program, *Island Symbiosis - Listening to Taiwan*, in 2020. The host, Yuan Chang-Jie, takes us on a journey around Taiwan. We follow the footsteps of the guests to learn about the various ecologies and environments while listening to recorded sounds of the environment. Since its beginning, the show has covered subjects related to the beauty of nature, dangers faced by the environment, problems faced by wildlife, wildlife rescue and conservation, and protective actions for the land related to the seasons and world environmental holidays. We use the airwaves to speak for this land.

Collected 25 years of aerial video | Produced 74 radio programs

[Quality Aerial Footages] Chi Po-Lin Foundation Project

The Chi Po-Lin Foundation set up the Chi Po-Lin Museum in Tamsui to continue the digital archive process of the vast aerial footages taken by the late director Chi Po-Lin over 25 years. The project will retain records of the changes of landscape and valuable cultural assets in Taiwan. The aerial footages taken by the director Chi Po-Lin is incorporated into different education materials based on different themes. They will be used to continue to promote the ideals for the land, environment, and education in Taiwan.

The special exhibition, REFLECTION OF RIVERS, in 2021 displays the rarely seen vertical composition works of Director Chi Po-Lin. The images recreate the rushing mountain rivers of Taiwan and explore the issues related to rivers and humans.

[Quality Ecological Documentary] *Enigma: The Chinese Crested Tern* special Wistron screening

Following the support for the ecological documentary *Fly, Kite Fly*, produced by Liang Chieh-Te, in 2021, the film *Enigma: The Chinese Crested Tern* was released. The film was based on the Thalasseus bernsteini (also known as Chinese creasted tern) and shot over 20 years in 6 countries. Besides inviting international experts to talk about the topic, the film leads the audience through the ecosystem of the Chinese crested tern.

Enigma : The Chinese Crested Tern tells the story of the endangered bird. The film introduces the ecosystem of migratory birds and reflects on pollution in the oceans, the scarcity of fishing resources, and human interference.

[High-Quality Radio Show] IC Broadcasting *Island Symbiosis - Listening to Taiwan*

Starting in 2020, we began working with IC Broadcasting to produce the radio program, *Island Symbiosis - Listening to Taiwan*. We introduced issues related to the oceans, wildlife, nature, and environmental protection related to the seasons and the international environmental holidays. The host uses recordings of the environments and talks with key guests to make the audience feel as though they were there in the ecosystems. The audience can listen to the beauty of the four seasons in Taiwan and nature, exploring the relationship between humans and the land.

Island Symbiosis - Listening to Taiwan is broadcasted on IC Broadcasting FM97.5 and a new episode premieres every Wednesday from 07: 30-08:00.

https://www.ic975.com/formosa-voice/

A total of 74 episodes have been produced since the show aired in 2020. The episodes can be played on demand starting from the day after they first air.

https://www.ic975.com/formosa-voice/

Corporate Governance

5.1 About Wistron

5.1.1 Company Profile

Global Leader in the ICT Industry

Wistron Corporation is a global leading technology service provider supplying innovative ICT (information and communications technology) products, service solutions, and systems to top branded companies worldwide.

Our product and service lines include PCs, server and networking systems, enterprise storage solutions, professional display products, communication devices, after-sales services, and electronics scrap recycling, as well as cloud and display vertical integration solutions. With the development of cloud computing, Wistron combines hardware devices and cloud data systems through software services to provide technical service platforms and solutions to our customers. In addition, Wistron has been dedicated to building value chains

in the ICT industry and innovation platforms in the new era of education and enterprise services, IoT, and medical services. Wistron is dedicated to realizing the vision of "sustainability through innovation."

Global Operations

Wistron has more than 80,000 employees in 13 manufacturing sites, 10 R&D centers, and 14 after-sales service centers worldwide. Located strategically across Asia, Europe, and North America, our worldwide facilities are arranged to provide comprehensive product development and customer services to global customers. Stable growth and sustainable operations are achieved through collaborative effort of Taiwan headquarters with overseas sites. For more information of global operations, please visit Wistron's official website.

wistron

14	**13**	**10**
Service Centers	Manufacturing Sites	R&D and Technology Centers

NT$862.1 billion
Consolidated revenue (NTD) in 2021

2001
Year of establishment

80,000+
Employees across the globe

25
Global manufacturing, technology, and service centers

5.1.2 Products and Services

Wistron retains strong R&D and technological innovation capabilities. Powered by the growth and development of a diverse ICT product portfolio, we provide environmentally friendly products with high added value, and we are committed to our transformation into a comprehensive technology service provider (TSP). Following cloud application development trends, Wistron has integrated hardware devices such as computers and smart devices with cloud data systems through software services to provide technical service platforms and solutions and meet customer and consumer demands.

Wistron's revenue mainly comes from the manufacturing of consumer electronics. Besides actively acquiring orders from international companies, we also understand the key factors of controlling cost and maintaining stable profit margin amid intensifying price wars. In terms of the performance of Wistron's products in 2021, laptop computers, display products, smart products, and enterprise products have achieved more prominent growth while the performance of other products remained the same or declined slightly.

Product Sales

Sales volume unit : thousand units/thousand pieces/thousand products
Sales value unit : NT$ million

Year	2020				2021			
Sales Volume/Value Main Products	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Sales Volume	Sales Value	Sales Volume	Sales Value	Sales Volume	Sales Value	Sales Volume	Sales Value
Computers/ Communication/Consumer Electronics	717	5,222	88,669	749,737	942	7,727	99,088	797,696
Other Products	143	206	71,260	89,847	717	803	42,769	55,857
Total	**860**	**5,428**	**159,929**	**839,584**	**1,659**	**8,530**	**141,857**	**853,553**

Main Products and Technology Services
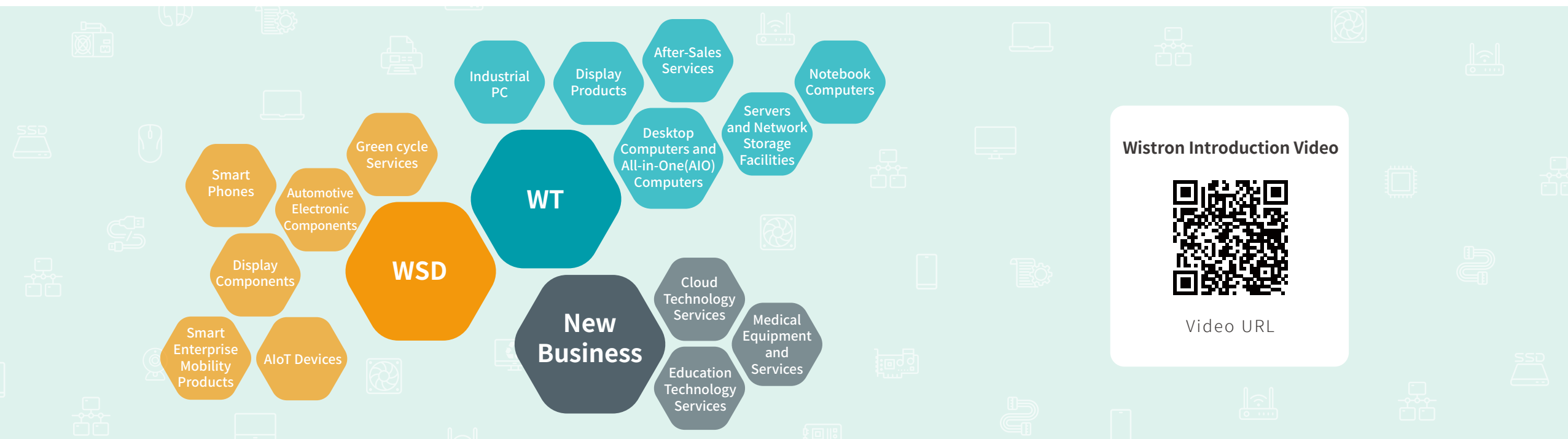
Wistron Introduction Video

Video URL

5.2 Corporate Governance

Top 5% in the Corporate Governance Evaluation

Taiwan Corporate Governance 100 Index Constituent Stock

Wistron believes that good corporate governance is the foundation for corporate sustainable developments. Therefore, for many years, we have been dedicated to establishing an effective corporate governance structure, protecting shareholder interests, strengthening the functions of the Board of Directors, respecting stakeholder interests, and improving information transparency. We gradually promote various systems and measures to continuously improve corporate governance quality and effects, in order to implement the spirit of corporate governance. Our goal is to maximize shareholder interests and pursue sustainable corporate management.
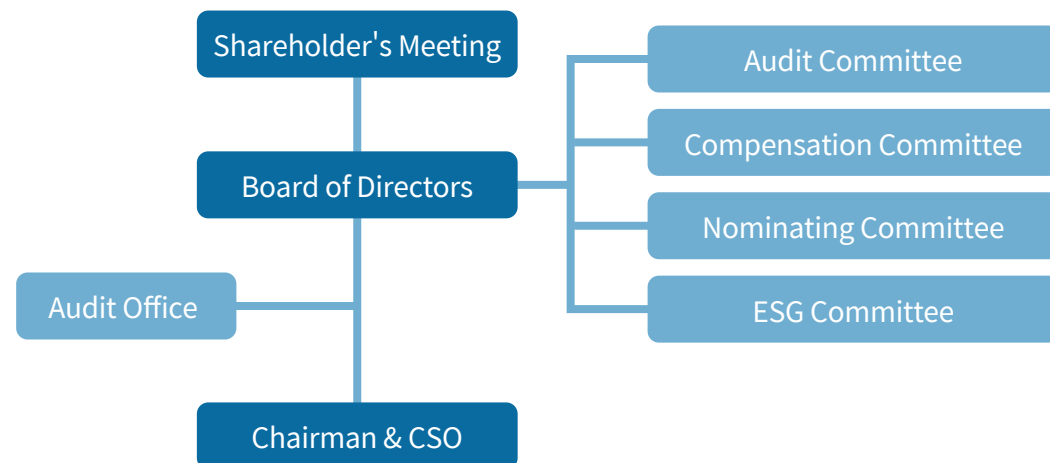
5.2.1 Functions of Board of Directors

Composition and Diversity of the Board of Directors

According to the Articles of Incorporation rules, the Board of Directors shall be composed of 7 to 9 individuals, who shall serve for 3 years. The directors shall be nominated and elected by the Shareholders' Meeting according to the nominee list. The elected candidates will be appointed as directors. The current Board of Directors of the Company consists of nine directors, who have served for an average of 7.44 years. Among the directors, five are independent directors, accounting for 56% of the Board. The independence of the directors comply with the related regulations in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." For the procedures related to Board of Directors elections, please see the company website.

The Board of Directors of the Company consists of directors with extensive industry experience and reputations. According to Article 20 of Wistron's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall be determined by taking diversity into consideration. The Board had one female independent director in 2021. In addition to the number of the Company's directors who also serve as managers should not exceed one third of the board, the Company shall formulate appropriate policies on diversity based on the Company's business operations, operating dynamics, and development needs. For the diversification and professional backgrounds of the the Company's Board of Directors, please see the company website. The specific management goals and implementation of director diversification policies are as follows:

Management Objectives	Goals Achieved
Independent Directors exceeding one-half of the total director seats	V
Number of Directors who concurrently serve as Company managers do not exceed one-third of the total director seats	V
At least one seats of directors is female	V

The company's Chairman is elected by the Board of Directors and represents the company externally. Please refer to our website and annual reports for the detailed biography of each member of the Board.

The Board is required to hold at least one meeting

each quarter, and a total of eight board meetings were held in 2021. The Board is the highest government unit in the company, which is mainly responsible for improving supervision function and strengthening the management mechanism. The Board members oversee the operations team to ensure that the team strictly abides by all regulations and enhances information transparency. Moreover, it instructs the operation teams in major decision-making instances by using its own experience, so as to achieve sustainable operations for the company and further guarantee the shareholders' rights and interests. The management team regularly reports to the Board regarding the operations, development strategies, and other important issues, so as to maintain smooth and open communications with the Board.

Please refer to the Company's Annual Report and website for information related to the continuing education of directors in 2021.

With regards to meeting agendas that present conflicts of interest to the Directors or the legal entities they represent, the matter shall comply with Article 15 of the "Rules and Procedures of Board of Directors Meetings." They shall explain the important information related to the conflict of interest in the matter during the meeting. If their relationship with the matter may harm company interests, they shall recuse themselves from the discussion and voting. The related director shall abstain from the discussion and resolution, and shall not exercise their voting rights through other directors. If the spouse or relative within second degree of kinship of the director, or company where the director holds a controlling interest is a stakeholder in the meeting agendas, the director shall be deemed to have a conflict in interest.

Shareholder's Meeting → Board of Directors → Audit Office → Chairman & CSO

Board of Directors → Audit Committee / Compensation Committee / Nominating Committee / ESG Committee

Board of Directors and Functional Committee

Committee	Responsibilities	Members	Attendance Rate	Key Resolutions
Audit Committee	Supervise the adequacy and accuracy of the Company's financial reports, appointment (dismissal) of CPAs and assessment of their independence and performance, the effective implementation of the Company's internal controls, the Company's compliance with related laws and regulations, and management of existing and potential risks for the Company.	Mr. Jack Chen, Independent Director Mr. S. J. Paul Chien, Independent Director Mr. Christopher Chang, Independent Director Mr. Sam Lee, Independent Director Ms. Pei-Pei Yu, Independent Director	100%	• Annual and quarterly financial reports • Important investments • Internal control system • Loans of funds, endorsements, or provision of guarantees of a material nature
Compensation Committee	Establish and regularly review the remuneration policies, systems, standards and structures, and performance of directors and managers. Regularly evaluate and establish the remuneration of directors and managers.	Mr. Paul Chien, Independent Director Mr. Sam Lee, Independent Director Ms. Pei-Pei Yu, Independent Director	100%	• Review and adjustment of Director and Functional Committee remuneration payment principles • Manager performance bonus distribution and adjustment suggestions • Suggestions for managers receiving employee remuneration
Nominating Committee	Select and review suitable candidates for directors, managers, and members of the committees under the Board of Directors. Formulate and review the establishment and operations of the functional committees of the Board of Directors.	Mr. Christopher Chang, Independent Director Mr. Simon Lin, Chairman Mr. Paul Chien, Independent Director Ms. Pei-Pei Yu, Independent Director	100%	• Nominate candidates for the 9th Board of Directors • Nominate members of the Remuneration Committee and the ESG Committee • Nominate the employees for promotion to manager
ESG Committee	Stipulate the corporate social responsibilities and sustainable development directions and goals. Formulate related management approaches and specific implementation plans. Monitor and review the implementation and effects. Promote and implement corporate ethical management and risk management.	Mr. Robert Huang, Vice Chairman Mr. Sam Lee, Independent Director Mr. Jeff Lin, President Mr. David Shen, President Mr. Frank FC Lin, Chief of Staff Mr. Donald Hwang, Chief Technology Officer Mr. Kenny Wang, Chief Digital Officer and Chief Information Security Officer	100%	• Review the implementation of sustainability goals in 2020 • Adjust the Company's 2021 sustainability goals • Formulate the risk map for 2021 • Formulate the Company's "Code of Conduct" • Revise the Company's "Risk Management Policies and Procedures" and "Sustainable Development Best Practice Principles"

Performance Evaluation of the Board of Directors and Functional Committee

In order to implement corporate governance and improve the functions of the Board of Directors, Wistron has established performance goals and strengthened the operational efficiency of the Board of Directors. The Company has stipulated the "Board of Directors and Functional Committee Performance Evaluation Guidelines," which states that a Board of Directors and Functional Committee Performance Evaluation shall be conducted each year. It also states that an external professional and independent institution or external expert group shall perform a Board of Directors Performance Evaluation at least once every 3 years. The evaluation is expected to be conducted in 2022. The evaluations related to the operations of the Board of Directors, Audit Committee, Remuneration Committee, Nomination Committee, and Corporate Sustainable Development Committee have been completed in 2021. After the various procedures and evaluations were completed, the performance attainment rate for the Board of Directors and Functional Committees were 99.33%, 98.80%, 100%, 100%, and 99.14%, respectively. The evaluation result was "above standard," and the result has been reported to the Board of Directors and Functional Committees.

5.2.2 Ethical Management

In order to implement ethical management, Wistron has formulated the "Code of Ethical Conduct," Ethical Corporate Management Best Practice Principles and "Corporate Governance Best Practice Principles." Apart from requiring all employees to clearly understand and comply with the ethical requirements, employees must respect the confidentiality agreements with customers, and shall not accept gifts or special treatment. We hope to invite all customers, suppliers, business partners, and other cooperating organizations to share and support our core values of integrity. In 2021, Wistron formulated the "Code of Conduct" to establish shared values and a share culture among all employees. The code acts as the highest behavioral regulations for the Company, subsidiaries, and joint ventures where the Company has major influence. All employees are expected to comply with the code when conducting business activities.

Code of Conduct Training and Promotion

In order to ensure that our employees fully understand the related regulations, Wistron implemented education, training, and promotion, including asking all foreign plants to conduct ethics training for all new employees. The new employees are asked to sign the "Code of Ethical Conduct." The signing rate in 2021 reached 99.9%. In Taiwan, Wistron asks all new employees to take online ethics training and implements annual training for all employees, strengthening the culture of integrity. In addition, the Company also classifies capital, procurement, supply chain management, and administrative units as units with potential risks. Such units are subject to internal audits or job rotations at regular intervals, and the Company also invites professional entities to provide compliance awareness training to supervisors at Wistron.

Code of Conduct Signing and Training

Company	Item	2018	2019	2020	2021
Wistron	Code of Conduct coverage (%)	100%	100%	100%	**100%**
	Code of Conduct signing (%)	99.4%	99.9%	99.7%	**99.9%**
	Coverage of orientation training for new employees (%)	100%	100%	100%	**100%**
	Coverage of periodic training for all employees (%)	100%	100%	100%	**100%**
	Training completion rate	99.4%	99.9%	99.7%	**99.9%**

Whistleblowing and Protection

Wistron encourages all internal and external employees to report any unethical behavior to the Company through the reporting channels. The Company has established an email address for reporting cases that violate the Code of Conduct (ethic@wistron.com). Administration & Human Resources units act as the main handling unit and the matters are reported to the Board of Directors each year. The measures state that the whistleblower will not be unfairly punished for reporting the violation to strengthen the corporate culture of transparency. Wistron has not discovered major violations of the integrity and ethics in 2021. No cases of unethical actions or corruption occurred between 2018 and 2021.

Type/number of Code of Conduct violations	2018	2019	2020	2021
Accepted cases	0	0	0	**0**
Rejected cases	0	0	0	**0**
Number of cases not related to Code of Conduct/ethics violations	0	0	0	**0**
Number of cases related to Code of Conduct/ethics violations	0	0	0	**0**
Corruption and bribery	0	0	0	**0**
Conflicts of interest	0	0	0	**0**
Fair competition	0	0	0	**0**
Insider trading	0	0	0	**0**
Trade secrets	0	0	0	**0**
Privacy/personal data protection	0	0	0	**0**
Others	0	0	0	**0**
Number of cases (business ethics violations confirmed after investigation)	0	0	0	**0**

Anti-Competitive Behavior

Ethical management is the most fundamental social responsibility of companies. Wistron has established the Ethical Corporate Management Best Practice Principles which require the Company to conduct business activities in accordance with applicable competition laws and regulations. The Company may not fix prices, rig bids, restrict output or set quotas, or share or divide markets by allocating customers, suppliers, territories, or businesses. The Company understands that compliance with fair-trade practices is crucial in business activities. Wistron strictly complies with all related laws and regulations in every matter. From 2018 to 2021, the Company was never penalized by the competent authority for matters related to anti-trust/anti-competitive practices.

Political Donations

The Company has always remained politically neutral. Wistron has always maintained an objective and discreet stance on public policies. We do not actively participate in political parties or political activities, and do not actively participate in lobbying. From 2018 to 2021, the Company did not make any political donations. Employees have the freedom to express their political beliefs, and are encouraged to fulfill their civic duty, and vote for their preferred candidate during elections.

Ethical Management and Anti-Corruption Management Mechanisms

With regard to the operations of the Board of Directors, Directors may express their opinions and respond to inquiries for meeting agendas that conflict with interest between the Company and themselves or the legal entities they represent. Directors may not participate in discussions or exercise their voting rights, and they are required to recuse themselves from discussions and voting. They also may not exercise voting rights on behalf of other Directors. Wistron pays close attention to anti-corruption management. We have established an internal control system that includes the accounting system in accordance with related laws and regulations. We evaluate the effectiveness of the design and implementation of the system each year and perform self-inspections. The auditors are responsible for reviewing the results. The Company always evaluates the legality, ethical policies, and records of unethical conduct of distributors, suppliers, customers, or other transaction counterparties before establishing business relations with such entities.

When engaging in business activities, our employees are required to explain the Company's ethical management regulations to the transaction counterparty. They must also expressly refuse to

provide, promise, request, or accept, directly or indirectly, any illegitimate interests in any form or name. Where the Company discovers unethical conduct, it shall immediately suspend transactions and blacklist the entity. At the same time, the Company also includes anti-corruption policies into the terms and conditions of business contracts: Clear and reasonable payment terms, handling of unethical matters, commission restriction for violations, rebates, or terms related to other rights and interests.

Internal Controls and Internal Audits

Wistron's internal control system is designed by the management in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" in consideration of the Company's overall business activities and approved by the Board of Directors. The internal control system includes constituent elements and key control points for sound operations to reasonably ensure that the following objectives are achieved:

1. Effectiveness and efficiency of operations.

2. Reliability, timeliness, transparency, and regulatory compliance of reporting.

3. Compliance with applicable laws, regulations, and bylaws.

The internal control self-assessment is conducted on a digital platform. The President supervises internal

units and subsidiaries which are required to perform at least one internal control self-assessment each year. The Audit office reviews the self-assessment reports of all units and subsidiaries and uses the internal control discrepancies and irregularities found by the Audit office in the past as the basis for the Chairman and President's evaluation of the effectiveness of the overall internal control system and the preparation of the Internal Control System Statement.

The internal Audit office reviews the suitability of the internal control system and ensure the implementation of general operations according to the "Internal Auditing Enforcement Rules." The unit conducts continuous and project based audits, which cover all internal operations and subsidiaries of the Company. The internal Audit office formulates the annual audit plan according to the risk assessment results, which is implemented after receiving approval from the Board of Directors. The monthly audit reports must be reviewed by the Audit Committee. The deficiencies identified in the audit must be continuously tracked until improvements are done. The internal Audit office supervisor must attend the Audit Committee and Board of Directors meetings to report the findings every quarter. Due to the effective implementation of internal control systems, Wistron did not discover major internal deficiencies in 2021.

Supplier Anti-Corruption Policy

Wistron communicates its Anti-Corruption Policy

to all suppliers through the Wistron Supplier Relationship Management (WSRM). We reiterate the Ethical Corporate Management Policy and ideals in annual supplier conferences and the company profile provided to suppliers. The Company also reviews the implementation status of suppliers each year. According to the promotion measures and management mechanisms described above, there were no cases of corruption or unethical behavior among the suppliers in 2021.

5.2.3 Legal Compliance

The Company has established internal operation regulations in accordance with standards in related regulations for public companies since 2001. After Wistron became a publicly-traded company, we adjusted the internal operation regulations in accordance with amendments of laws by the competent authority. We also require all subsidiaries of the Group to comply with changes in regulations. The Company also seeks to fulfill its core value, uphold high levels of professional ethics, and ensure that employees rigorously abide by the Company's ethical standards in daily work and businesses to protect the Company's reputation, and earn the respect and trust of our customers, suppliers, and the society.

The Company has therefore established the "Code of Ethical Conduct" to provide guidance to employees and supervisors of all levels. The Company's management pays close attention to any domestic or foreign policy or regulation that may affect the Company's finance and businesses. We have also established related risk management procedures and employee continuous education and training to improve employees' legal expertise. The Company complied with the laws and regulations between 2018 and 2021. Therefore, the Company did not receive major fines or other non-monetary punishments for matters related to social and economic regulatory compliance.

5.3 Risk Management

Risk Management and Business Continuity Policy

The Company adheres to the principle of sustainability. By establishing, implementing, and maintaining an active risk management mechanism, Wistron continues to keep abreast of internal and external issues and environmental changes, conduct impact analysis and risk assessment, and improve its capability to effectively and flexibly respond to relevant challenges. Through performing regular self-inspection, the Company continuously improves its resilience in order to fulfill the commitment to ensure business continuity and protect the best interests of customers and interested parties. In order to effectively control the risks related to operations, the Company should establish a risk management culture within the organization through the optimization of mechanisms such as education and training, performance management, early warning notification, and public disclosure.

In order to implement sustainable development, Wistron not only follows the existing organizational management system and internal control system to manage the risks at all operation levels but also commits taking top-down approaches to oversee and control the risks that should be considered at strategic levels. The Company established the systematic "Risk Management Policy and Procedures" in accordance with ISO 31000 Risk Management Principles and Guidelines in 2020. To better tackle relevant risks, we adopted proactive and effective methods for assessing major economic, social, environmental, and innovative technology risks across the world and their potential threat to the Company's sustainable development.

The highest responsible unit for risk management in the Company is the Board of Directors and is responsible for approving risk management policies and related regulations. The Board supervises the overall implementation of risk management to ensure the effective control of risks. We have established the ESG Committee, and the Vice Chairman serves as the Chairperson of the Committee. The Committee is composed of independent directors, supervisors, and senior managers of the Company. Under the committee, the Risk Management Team has been established, with the Chief Financial Officer acting as the convener. The Risk Management Team conducts corporate operating risk and emerging risk combined evaluations and submits the risk management report to the ESG Committee. The ESG Committee reports to the Board of Directors regularly every year.

Risk Management Organization Structure

Board of Directors

Consultation and confirmation
Communicate internal and external main risk scenarios

ESG Committee

Establishing the context
Define the internal and external context. Establish the scope of application of risk management policies and risk assessment criteria

Corporate Governance Work Group	Environmental Work Group	Social Work Group	Innovation Work Group	Risk Management Work Group

Risk identification
Collect, identify, and describe potential risks in brainstorming workshops

Risk analysis
Evaluate the possibility and severity of risks

Risk assessment
Compare the results and risk standards of risk analysis to determine which risks are acceptable

Risk treatment and response
Appoint dedicated departments to formulate reasonable response plans or strategies

Monitoring and review
Periodically assess the risk management structure, progress, and effectiveness

Risk Map

Probability of occurrence

Extremely high

High
- Supply chain mgmt.(shortage)
- Significant infectious disease outbreaks
- Interest rate
- Exchange rate

Moderate
- Climate change
- Information security
- Geopolitics
- Labor rights
- Labor shortage
- Intellectual property rights and litigation
- New technologies

Low
- Human capital
- Natural disasters
- Industrial transformation
- Trade war

Extremely low
- Hazardous substances
- Cash flow
- Legal compliance
- Corruption & fraud
- Tax
- Accounts receivable management
- Water resources
- Safety and health
- Waste and effluent

Extremely minor   Minor   Moderate   Severe   Extremely severe

Severity (Impact)

E S G I

Risk management procedures

The Company's risk management procedures include risk identification, risk analysis, risk assessment, risk mitigation, risk monitoring, risk reports and disclosure. The ESG Committee convenes regular meetings each year and requests the Committee Members and Work Group responsible for each aspect to evaluate and discuss the Company's potential risks and emerging risks based on the frequency, level of impact, and level of control on the 4 areas of environmental, social, corporate governance, and technological innovation. Regular reports are made to the Board of Directors.

Risk identification and operations

The members of the Risk Management Work Group of the Company include units responsible for corporate governance, legal affairs, finance, investment management, corporate PR, information management, quality, sales, human resources, general affairs, materials (supply chain management), products, and manufacturing. They collect information on risk incidents, causes, and effects in the 4 areas of environmental, social, corporate governance, and technological innovation. A total of 24 risks were identified through discussions and revisions by the ESG Committee, including supply chain shortages, spread of major diseases, geopolitics, information security, intellectual property rights and litigations, and new technology related risks. The risk levels were identified and determined priorities for risk management. The Company then assigns a unit to take charge of formulating corresponding risk mitigation procedures and incorporates them into the risk management items to be regularly defined and reviewed by the ESG Committee.

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Emerging Risk Management

In 2020, Wistron started to reference the emerging risk reports released by external institutions every year (such as the Global Risk Report by the World Economic Forum), in order to identify emerging risks through the 4 main processes of "confirm the environment and background of the industry, evaluate the risks (risk identification, risk analysis, and risk assessment), risk handling, and monitoring and review." We compiled the comments of the managers to identify emerging risks and formulate risk reduction measures. The results are reported to the ESG Committee for early deployment and response.With regard to the emerging risks identification results in 2021-2022, information security risk, climate change transition risk, and overall economic risk are the main emerging risks.

Establishing the context	Define the internal and external context. Establish the scope of application of risk management policies and risk assessment criteria
Risk assessment	**Risk identification** Collect, identify, and describe potential risk sources/events in brainstorming workshops **Risk analysis** Analyze the likelihood and consequence of risks **Risk evaluation** Determinate risk management priorities
Risk treatment	Designate responsible departments to formulate appropriate mitigation plans and countermeasures
Monitoring and review	Regularly assess the progress and effectiveness of the risk management framework plan

Risk Management Operating Status

The Company actively promotes and implements risk management mechanisms. The operating status is reported to the Board of Directors once a year. The main operating status in 2021 was as follows:

- The 3rd meeting of the first ESG Committee was convened to evaluate important risk issues of the Company according to the possibility of different risks occurring and the impact of the risks, in order to confirm the priorities of risk management.

- The Sustainability Promotion Team uses the "governance," "strategy," "risk management," and "indicators and goals" frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate risks and opportunities and used it to create measurement indicators and targets for management.

- The Information Security Committee was established, with the President, Chief Digital Officer and Chief Information Security Officer acting as co-chairpersons. The Committee is responsible for organizing information security matters and stipulating the "Information Security Policy" to protect the IT assets of employees, customers, suppliers, and company operations.

- The Sustainability Promotion Team convenes risk management meetings to conduct sensitivity analysis and stress testing on financial risks, climate change risks, water resource risks, information security risks, geopolitical risks, new technology risks, and intellectual property rights risks of the Company and important subsidiaries. We aim to

strengthen risk awareness within the Company and our subsidiaries and further quantify the tolerability of the risks mentioned above.

- The President supervises internal units and subsidiaries which are required to perform two internal control self-assessments each year. The Audit office reviews the self-assessment reports of all units and subsidiaries and uses the internal control discrepancies and irregularities found as the basis for the annual Internal Control System Statements.

- We revised the Company's risk management policies and procedures, and established the Risk Management Team under the ESG Committee.

Shaping Risk Culture

Wistron places importance on the cultivation and shaping of risk awareness. We have established performance indicators and evaluations for employees of different levels, and incorporated risk culture in daily operations.

Senior managers	- Apart from regular operations and financials, the Company is also focused on the management results of "human resource capital" and other specific risks. - In order to accelerate the digital transformations of the organization and the cultivation of key digital talents, the "digital transformations and talent cultivation" management indicator is included in the annual targets for senior managers. - Apart from regularly evaluating related management results, the achievement rate of related performance indicators will be used as the basis for calculating bonuses.
Middle and junior managers	- Apart from regular work goals and performance, the Company is also focused on the management results of "human resource capital," "information security," and other specific risks. - In terms of "human resource capital," the Company is dedicated to the cultivation of key digital talents in the face of challenges of new technology development. In order to accelerate the achievement of digital transformation goals, the "digital transformation project promotion" and "digital talents cultivation" management indicators are included in the annual targets of most department supervisors. Regular evaluations are also conducted for the related performance results.
General employees	- In terms of "information security," the Company has actively adopted education and training, social engineering drills, and other measures to instill the concepts of information security in every employee, reduce the impact of information security risks on company operations, and improve employee awareness of and sensitivity to information security. Wistron has also included information security violations by departments and employees in the management indicators for the unit supervisor and regularly conducted evaluations for related performance results.

Risk Management Courses

The Company has included risk management in the training system, and specifically implemented programs for human resource capital risks faced by senior and middle managers. In Taiwan, a total of 3,968 people completed training, with a total training hours of 8347.5. For the higher levels of intellectual property rights and litigation risks, comprehensive courses were organized for general employees, such as patent lessons, trademark concept introductions, and legal knowledge courses for new employees. A total of 15,584 people completed the training, totaling 7,422.3 training hours.

To implement the concepts of information security in its employees, the Company provides e-Learning resources and executes social engineering drills every six months to enhance the information security awareness and vigilance of each employee. For employees who violate the Information Security Policy, the Company imposes penalties in accordance with the "Implementation Guidelines for Employee Rewards and Penalties" and includes the results as the basis for performance management to reduce information security risks and the impact on the Company's operations. In 2021, the Company completed 20,314.42 hours of employee information security training for 75,219 participants, including information security lessons and phishing emails recognition and prevention for new employees. Facing the challenges of new technology development, the Company established the digital academy in 2019, which is dedicated to the cultivation of key digital talents. We used systematic online and offline structures to conduct training related to digital transformation information and tools, including training for translators, product owners (PO), tech. leads, robotic process automation (RPA) experts. To date, 613 people have completed the training. 33,956 participants have taken related basic training courses.

Risk Reporting Mechanism

Apart from the active risk management, Wistron has also set up related organizational structures and the corresponding responsibilities. We have included all employees in the scope of overall risk management. Employees can use the "President's mailbox," "employee opinion box," "employee complaint hotline," and "counselor on-site interview" to report potential risks, in order to help manage the impact of various internal and external risks. For special risks, such as the Covid-19 pandemic, Wistron has established specific reporting channels, including the "Wistron Epidemic Prevention Hotline 21995." If an employee receives a home quarantine or isolation notice, he/she can report the matter through the channels, so that the Company can immediately adopt related responses and preventative measures. We have also revised the "Implementation Guidelines for Employee Rewards and Penalties" and other internal management measures. Every employee may submit proposals related to corporate risk reduction, and work environment improvements for health and safety. Those who create significant benefits will be commended orally, rewarded with written document, celebrated, recommended for commendation, or rewarded with project bonuses.

5.3.1 Business Risks

To protect shareholder interests, Wistron focuses on business performance in its own industry and does not engage in high-risk investment activities. We carefully evaluate the risks and benefits of adopting new technologies and take appropriate response measures for ensuring information security. Wistron has accelerated the development of new businesses with the rise of 5G, AI and electric vehicles. We also convene regular operation development meetings every 6 months to discuss futural long-term development strategies in order to provide more comprehensive products and services.

5.3.2 Financial Risks

With the rapid changes in the global financial market, the fluctuations in exchange rates, interest rates, and even commodity prices, all these created additional challenges for the Company's operations. If such risks are not adequately managed, they may erode the company's profitability and impact the shareholders' interests. As approximately 99% of Wistron's sales derives from export businesses, which are mainly quoted in U.S. dollars, most of the foreign currency positions can be automatically offset and neutrally hedged. Furthermore, the Company established the Rules and Procedures of Derivative Transactions to specify the qualified hedging tools and authorization procedures, and mitigate the financial risks under suitable regulations through timely applying the various types of financial instruments such as spot/forward, swaps, and options.

5.3.3 Information Security

Wistron is committed to promoting digital transformation and has introduced comprehensive information security management mechanisms to ensure the accuracy and availability of information processing and the security of related IT systems, equipment, and networks. Also, the Company regularly implements internal exercises and training for information security to increase employees' information security awareness and vigilance while ensuring customer and product information security. We ensure the information security of customers and products.

ISO 20000
IT Service Management System

In February 2018, Wistron obtained the information service management system international standard ISO/IEC 20000-1:2011 certification. The Company seeks excellent IT service management and internationally recognized IT management standards to ensure that our information technology infrastructure library (ITIL) operations meet the required the standards. Wistron completed the certification for the updated ISO 20000-1: 2018 in January 2021 and continues to optimize the IT service management system and related procedures to continue to strengthen data governance.

ISO/IEC 20000 changes the method for implementing internal IT services or outsourcing IT services. The benefits are as follows:

- Meet best-practice standards for international IT management.
- IT services support the fulfillment of company goals.
- Integrate personnel, processes, and technologies to support company goals.
- Use control measures for evaluation and to maintain consistent service quality.
- Compatibility between ISO/IEC 20000 and Information Technology Infrastructure Library (ITIL) supports continuous improvement.

ISO 27001
Information Security Management System

Wistron obtained the information security management system international standard ISO/IEC 27001：2013 certification in August 2017 and implemented the "Plan-Do-Check-Act" (PDCA) cycle according to the standards. The Company conducts at least one internal self-audit and one audit by an impartial third party every year. To ensure the Company's implementation of ISO 27001 management mechanisms, the Company executes re-certifications every three years to maintain the validity of the ISO 27001 certification.

- To ensure that IT operations and IT systems are adequately protected, Wistron head offices (Neihu and Xizhi Offices), Hsinchu Plant, Zhongshan Plant, Kunshan Plant, Kunshan Opt Plant, Taizhou Plant and Chengdu Plant have been certified with ISO/ IEC 27001:2013 information security international management standards certification, with a coverage rate of 72.7%.
- The certification scope will be expanded to include other manufacturing plants around the world in 2022. The expected coverage will reach 100%.
- The Company has not received complaints regarding breach of customer privacy or loss of customer information in 2021.

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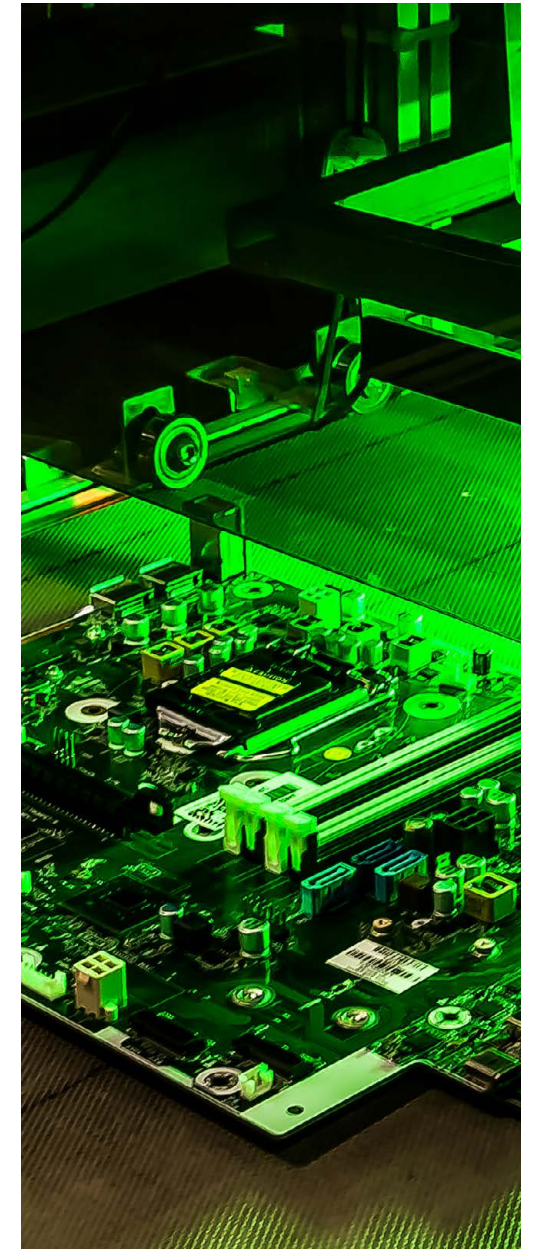
Information Security Policy and Organization

Wistron seeks to implement the requirements of the ISO 27001 Information Security Management System and focuses on the process and system, legal compliance, employee training, and use of technologies to strengthen the security and protection of data, information systems, equipment, and network communication. These measures effectively reduce the risks of theft, inappropriate use, leak, alteration, or damage of IT assets as a result of human error, sabotage, or natural disasters. They help us uphold our commitment to shareholders and customers and ensure the continuous operations of the Company.

Wistron established the Information Security Committee to supervise 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. The Vice President of IT acts as the management representative. The Information Security Governance Office was established and a supervisor is appointed as the executive secretary to organize information security matters. The Company established the "Information Security Policy" to protect the IT asset security of employees, customers, suppliers, and operations, ensuring corporate sustainable management.

Information Security Policy

Information Security Committee Structure

The Information Security Committee convenes once per quarter. Extraordinary meetings may be convened when necessary and members of the teams must attend. The agenda of the meeting includes information security incident reports, the report of each team on the implementation of the team's affairs, issues that require the cooperation of different units, other related suggestions, or extemporary motions.

IDENTIFY · PROTECT · NIST CSF · DETECT · RESPOND · RECOVER
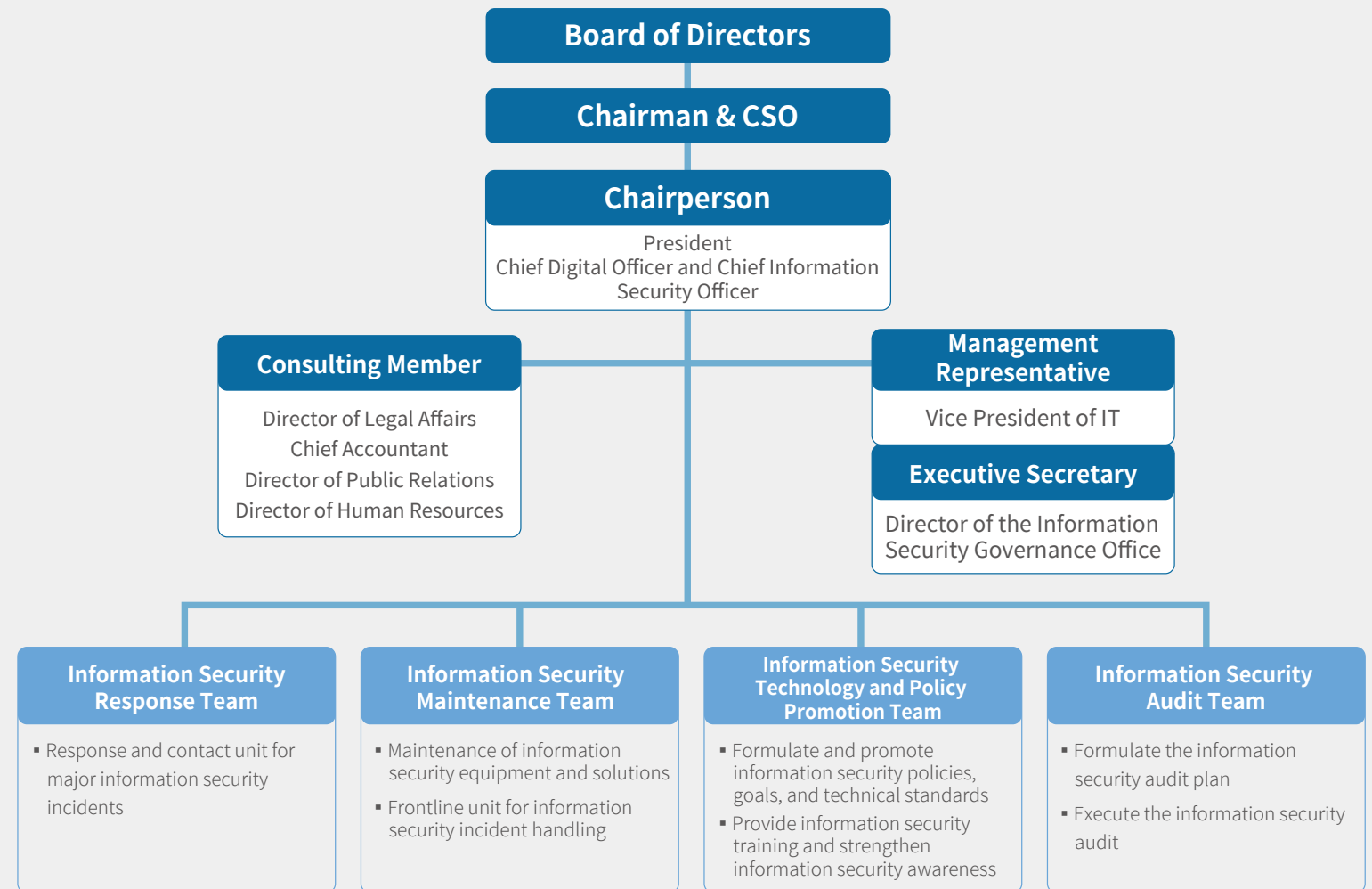
Information Security Protection Strategy

Wistron utilizes the Cybersecurity Framework (CSF) stipulated by the National Institute of Standards and Technology (NIST). We evaluate the overall information security maturity and plan development blueprints for information security. We decide the priority of each matter and allocate resources accordingly, while continuously implementing improvement plans. The framework provides the 5 key functions of identification, protection, detection, response and recovery. The functions include management measures for every stage of an attack against the Company, that is, pre-incident (identification and protection), during the incident (detection), and post-incident (response and recovery). In 2022, the scope of information security protection will include cloud security (including public and private clouds) and smart manufacturing technology (or OT, operating technology), and related information security standards will be introduced (e.g. IEC 62443) to strengthen overall information protection for work controls.

Information Security Measures and Execution Results

Information Security Management and Audit Mechanisms

In order to protect the Company's intellectual property (including confidential information) and confidential customer information, Wistron started to conduct multiple self-evaluations and external third-party audits every year in 2017. The self-evaluations use NIST CSF and ISO/IEC 27001:2013 standards. The external third-party audits use ISO/IEC 27001:2013 standards and the information security regulations of customers. The aforementioned information security audit operations ensure the Company's implementation of information security regulations and continues to maintain the validity of ISO/IEC 27001 certification.

Information Security Operation Measures

- Identify stakeholder groups associated with the information security management system and regularly verify the needs of stakeholder groups for the information security management system (including customers' demands for information security).
- Execute social engineering drills and information security training for employees to fully increase employees' information security awareness.
- Establish comprehensive and clear operating procedures to institutionalize the operations of the information security management system.
- Perform regular risk assessments to identify high risk items and invest appropriate resources to reduce or transfer risks.
- Use tools and technologies to achieve timely and effective identification, protection, detection, response, and recovery.
- Establish operating procedures for response and recovery in the event of information security anomalies with the aim of rapid isolation of information security incidents, elimination of threats, and reduction of the scope and extent of impact.
- Perform regular disaster recovery exercises for key applications to ensure their effectiveness.
- Perform regular annual internal and external audits each year to review the entire management system and ensure normal operation and continuous improvement.
- Continuously pay attention to new information security development and technologies and update defense or management practices to effectively block new forms of information security threats and reduce risks for operations.

Results

- The information security audit team training program was conducted in 2021. All 18 members of the team successfully obtained ISO 27001: 2013 Lead Auditor certification.

- Participation in the ISO/IEC 27001:2013 certification was planned for the Hsinchu Plant, Kunshan Plant, Kunshan Opt Plant, Taizhou Plant, and Chengdu Plant in 2021. The certification was obtained in January 2022. Along with the three sites in the Neihu and Hsichih office areas and the Zhongshan plant where continued validation of certification, the overall certification coverage 72.7%.

- The certification scope will be expanded to include other manufacturing plants around the world in the future. The expected coverage will reach 100%.

18 members
Obtained Lead Auditor certification.

72.7%
Coverage of ISO27001: 2013 certification

Strengthen Information Security Awareness among Employees

To implement the concepts of information security in its employees, the Company provides e-Learning resources and executes social engineering exercises every six months to conduct phishing email simulations, reviews of employee information security awareness, and information security education and training, and enhance the information security awareness and vigilance of each employee. If an employee commits a violation of the Information Security Policy, the Company imposes penalties in accordance with the "Implementation Guidelines for Employee Rewards and Penalties" and includes the results as the basis for performance management to reduce information security risks and the impact on the Company's operations.

The phishing email click rates for social engineering drills conducted in the last 3 years on all company employees are as follows

Measures	Goal	2019 Outcome	2020 Outcome	2021 Outcome
Execute social engineering drills every six months	The social engineering drill email click rate among employees was < 15%.	H1：14.5% H2：12.9%	H1：10.6% H2：10.5%	H1：10.8% H2：10.7%

Results

- The training conducted for general employees through online or in-person lessons in 2021 mainly consisted of information security awareness training, information security lessons, and phishing email awareness and prevention. The Company completed 20,314.42 hours of employee information security training for 75,219 participants.

- In 2021, 1,066.4 hours of information security related seminars and training were completed by 114 information security employees. The course content mainly consisted of the annual Wistron information security seminar, ISO 27001 information security management system lead auditor training, EC-Council Ethical Hacking and Countermeasures (CEH) certification course, Trend Micro Trend Certified Security Expert (TCSE) certification course, and information security updates and related technologies seminars organized by Gartner, Microsoft, and information security suppliers.

75,219 participants
Completion of Information Security Training Course

20,314 hours
Total Hours of Information Security Training Courses

Vulnerability Detection for Networks and Systems

Apart from monthly internal vulnerability scans, Wistron entrusts a third party professional organization to conduct network and system penetration tests each year to protect the corporate and personal information and prevent losses caused by leaks, theft, destruction, other human factors, or natural disasters. These tests reduce the impact of human factors or natural factors on the Company's operations. The purpose of the tests is to understand and evaluate the status of the organization network environment and system security and verify the current information security protection safety rating and effectiveness to resolve vulnerabilities, improve operations, and strengthen system security.

In 2021, the head offices introduced red team assessments. External information security teams simulated attacks on the Company and attempted to achieve the specified goals without affecting the Company's operations. The company's services were comprehensively reviewed and the Company's network was examined for vulnerabilities and human errors in deployment. Moreover, we checked if the identification, protection, detection, and response mechanisms of the information security maintenance and response team were functioning smoothly. In 2021, Wistron's average information security review score by third party evaluations was 92.75, which was higher than the average for international manufacturers.

Wistron's Third Party Information Security Evaluation Results in 2021

Wistron's average score = 92.75   Average score of manufacturers = 85.25
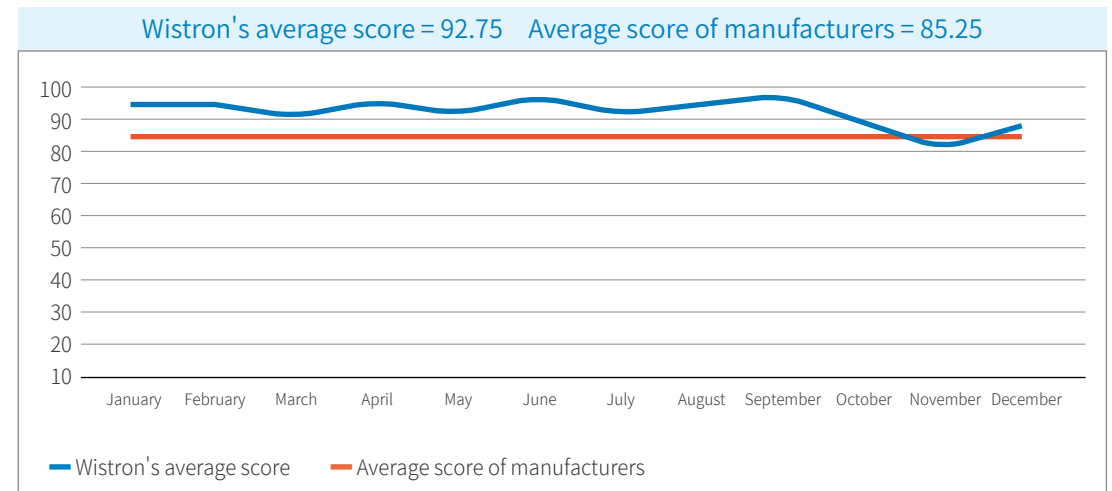
Information Security Alerts and Incident Management

According to the information security incident management regulations, we can ensure the institutionalization and systemization of information security incident reporting, sorting, classification, handling, recording, and tracking. When an information security incident occurs, Wistron can quickly report and handle the situation. We are able to respond in the shortest possible time to ensure normal operations. Wistron has introduced Advanced Persistent Threat (APT) monitoring and Security Operation Center (SOC) operations. Together with the resources of external information security experts, the information security operations and response teams can quickly grasp the information security alerts and incidents, strengthening and accelerating detection and response mechanisms.

Disaster Recovery Drills

In order to ensure the sustainable execution of operations and important matters, Wistron conduct annual disaster recovery drills to prevent the loss of service of important information systems during major disasters. We aim to utilize our disaster response capabilities and disaster recovery mechanisms to quickly restore our operations to normal or acceptable levels during key moments, in order to maintain key applications and systems and prevent operation interruption of the Company. Furthermore, backup management personnel of the IT center conducts recovery testing for selected backup storage mediums or recovery equipment at least once a year, in order to confirm the readability of the backup data, the usability of the storage medium, and the possibility of important asset recovery. We aim to create effective backups and recovery procedures that can be completed within the allocated time.

In 2021, the IT center also chose 25 backup storage mediums for 6 major functions and systems. Recovery testing was successfully completed for the backup data. The results of the Disaster Recovery drills in 2021 revealed that the maximum tolerable data loss time during disasters (RPO: Recovery Point Objective) is 0.8 hours. After a disaster occurs, the maximum tolerable information service recovery time (RTO: Recovery Time Objective) is 22 hours. The results of the drills in the last 3 years have met the Company's targets. The details can be found in the table below.

Strategy	Goal	2019 Outcome	2020 Outcome	2021 Outcome
Disaster recovery simulations are conducted for key applications and systems every year to ensure continued operations and the uninterrupted provision of Company services.	RPO of SC2 Services ≤ 4 hours RTP of SC2 Services ≤ 24 hours	RPO=0.9 hours RTO=19.95 hours	RPO=0.5 hours RTO=21.0 hours	**RPO=0.8 hours RTO=22.0 hours**

*RPO: Recovery Point Objective (the maximum tolerable data loss time during disasters)
*RTO: Recovery Time Objective (the maximum tolerable information service recovery time after a disaster occurs)

Purchased Information Security Insurance to Mitigate Information Security Risks

In 2021, Wistron purchased global information security insurance policies as a group. Apart from mitigating risks, we also hope to further receive the help and resources of external information security experts through the international insurance market. We provide preventative solutions to strengthen existing information security measures, in order to respond to growing information security threats and achieve the goals of corporate sustainable management.

Information Security Incidents in the Most Recent 4 Years

No major information security incidents occurred between 2018 to 2021. Because no confidential information leaks affected the personal information of customers and employees, no fines were issued.
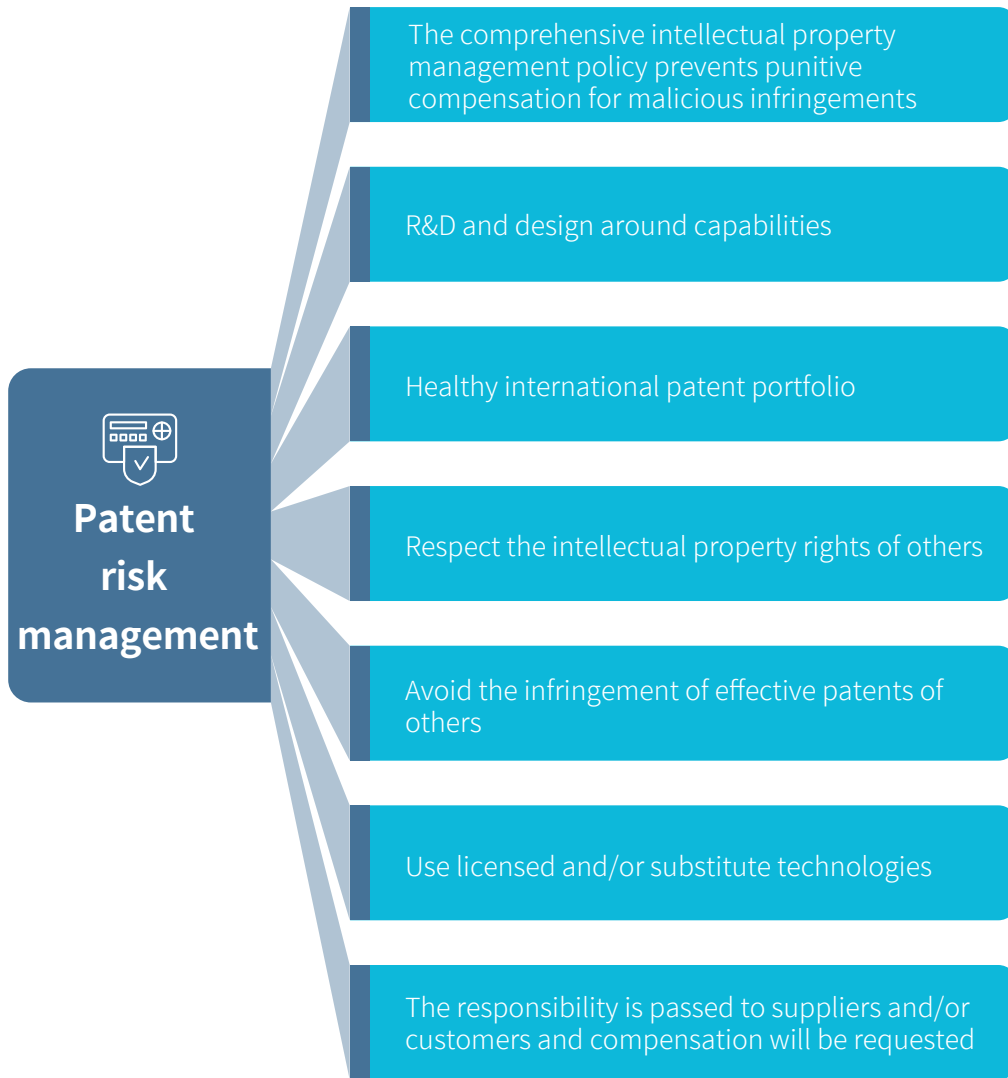
Number of information security violations and fines/year	2018	2019	2020	2021
Number of information security or network security violations	0	0	0	**0**
Data leak incidents (number of cases)	0	0	0	**0**
Number of information security violations that involve customer information	0	0	0	**0**
Number of customers and employees affected by the data leak (number of people)	0	0	0	**0**
Amount of fines for information security or network security related incidents (NTD)	0	0	0	**0**

5.3.4 Intellectual Property

Wistron places great importance on the management of intellectual property and capital. We have strengthened our R&D capabilities, introduced high value added products and technical services for innovative functions, and improved manufacturing efficiency and quality through the smart asset management policy. Wistron has establishes, accumulates, maintains, and manages a more comprehensive IP portfolio for the future. Furthermore, we use risk management to enhance the competitive capabilities of the Company and increase profits. In the future, we will continue to implement our intellectual property and capital management plan. We integrated the Company's strategic considerations and operating goals to implement the real time production, management, and application of intellectual property rights.

Wistron intellectual property management principles

1. Develop recruitment technologies and professional talents
2. Reinforce intellectual property concepts and capabilities of the organization
3. Strengthen R&D and intellectual property investments
4. Encourage independent R&D and innovation
5. Systematic management of intellectual property rights and licensing
6. Establish complete and highly efficient intellectual property deployments
7. Respect and protect customer intellectual property rights
8. Comply with intellectual property laws and contracts
9. Properly manage intellectual property documents and secrets
10. Manage intellectual property risks and internal and external audits

Patent risk management

- The comprehensive intellectual property management policy prevents punitive compensation for malicious infringements
- R&D and design around capabilities
- Healthy international patent portfolio
- Respect the intellectual property rights of others
- Avoid the infringement of effective patents of others
- Use licensed and/or substitute technologies
- The responsibility is passed to suppliers and/or customers and compensation will be requested

Patent Portfolio Management

Wistron's patent strategy is based on developing healthy and high performing global patent portfolios. As of today, we have acquired over 6,000 approved international patents. We protect all technologies, designs, and inventions developed by the company through the comprehensive patent portfolios, in order to maintain customer interests. When implementing the overall strategy for patent portfolio management with the strategic considerations and operating goals of the Company, we promote real time inventions and creations, production, right protection, and patent operations.

The patent team does not only work closely with the technology and product development units. The team develops excellent ideas and production oriented inventions based on the brainstorming meetings, big data analysis for patents, proposal review meetings, and other related mechanisms. We have established more than a hundred review items to implement strict management of patent quality. The items cover the entire patent application process, from the invention proposal, indexing, design of the protection label and scope, drafting and translation of the manual, application strategy, rejection response and appeal, and pre-certification review. The team maintains the level of quality of each patent. We continue to improve the expertise of patent personnel and the patent knowledge of all employees internally, and evaluate patent agencies externally. In order to encourage employees to invent and create, we have stipulated the creativity reward measures to improve service and product quality and functions, strengthen our competitive capabilities, and explore future development opportunities. We provide bonuses and rewards for inventors and publicly recognize their efforts during the annual patent commendation meeting.

For the quantity and quality control of patents, in addition to producing, purchasing, and investing in acquisition and accumulation of high value patents, we also sell or eliminate unused patents. We use consistent standards to quantify patent evaluations, in order to clearly grasp the value of patents and improve the deployment of patent portfolios through various indicators. While maintaining the scale of patent portfolios, expanding the scope of technologies, improving patent quality, and increasing the overall value and benefits of patents, we will continue to improve the transparency and integrity of patent portfolios. Wistron promotes the vitalization of patents to achieve the optimization and value maximization of patent operations and patent portfolios.

Protect Trade Secrets and Confidential Information

Trade secrets and confidential information are important intellectual properties of Wistron. We use related control mechanisms to ensure the protection of trade secrets and confidential information. Apart from maintaining our competitive edge, the protected information provides the drive for innovation and ensures the customer's rights and interests. No substantiated complaints concerning breaches of customer privacy and losses of customer data were received by the Company in 2021.

In order to protect the confidential information of Wistron and our customers, Wistron obtained the information security management system international standard ISO/IEC 27001 certification and implemented management. We conduct social engineering drills once every 6 months to improve employee awareness of phishing emails. The click rate in the 2021 drill has been lowered to 10.5%. Meanwhile, we conduct confidential information and trade secret protection training for all new employees, in order to ensure that employees fulfill our confidentiality commitments to our customers.

We have signed confidentiality agreements with our customers and related suppliers. Both parties are required to protect confidential information. In the past 5 years, we have signed an average of 400 to 700 confidentiality agreements every year. Customer information is handled by designated units to reduce the possibility of improper disclosure and leaks. We have also joined the Taiwan Association for Trade Secrets Protection to continue tracking changes to related laws and the industry.

5.4 Operating Ability

5.4.1 Financial Performance

Wistron's consolidated revenue in 2021 was NT$862.1 billion. The net operating profit was NT$16.375 billion. The net profit after tax was NT$14.728 billion. The revenue and profit showed growth compared to 2020 and the net profit after tax reached a 10-year high. In response to the intense industry competition, we continue to improve our operation efficiency, material cost management, and manufacturing productivity in our operation management. In addition, we aggressively engaged in product innovation and business transformation.

Financial Performance Indicators for the Most Recent 3 Years

Unit: NT$ million

Items \ Year	2019	2020	2021
Operating revenue	878,255	845,012	**862,083**
Net operating profit	13,300	14,471	**16,375**
Consolidated net income after tax (including minority shares)	9,726	12,908	**14,728**

Note : Refer to the appendix for the complete financial performance list

5.4.2 Tax Policy

Wistron is a global citizen and upholds the ideals for the continuous creation of value in the Company's sustainable development and innovation. We are committed to information transparency and sustainable development, and we support social responsibilities by paying reasonable taxes in all countries of operations.

Tax Information in the Most Recent Two Years

Unit : NT$ thousand

Items	2020	2021	Average
Net profit before tax	16,845,375	**19,234,277**	18,039,826
Income tax expenses	3,937,479	**4,506,466**	4,221,973
Income tax rate (%)	23.37%	**23.43%**	23.40%
Income tax paid	4,126,630	**4,643,279**	4,384,955

Note : Please refer to Wistron's 2021 Consolidated Financial Report for related information.

Income Tax Paid in Various Regions Between 2020 and 2021

Unit : NT$ thousand

Year	2020		2021	
Region	Amount	Percentage (%)	Amount	Percentage (%)
Asia	2,885,361	70%	4,300,582	93%
Americas	105,950	3%	146,682	3%
Europe	175,976	4%	43,648	1%
Other	959,343	23%	152,367	3%
Total payment	4,126,630	100%	4,643,279	100%

Tax Policy

1	2	3	4	5	6
The Company makes all major business decisions in accordance with related laws and regulations and evaluates the impact of such decisions on taxation risks.	The Related Party Transfer Pricing Policy is established in accordance with the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations established by the Organisation for Economic Co-operation and Development (OECD). The Policy defines related party transaction principles and requires compliance with common trading practices.	The Company complies with the "Base Erosion and Profit Shifting" (BEPS) of the OECD and generates profits via companies with economic substance. The Company also obtains tax resident status and is governed by the taxation regulations of the country of operations.	The Company does not plan or operate transactions in countries with low tax rates for the purpose of tax avoidance.	We fully present the financial reports in accordance with relevant regulations and disclose taxation information in accordance with relevant laws and regulations.	We have established mutual respect and good communication with the taxation authorities of the countries in which we operate on the basis of good faith.

5.4.3 Policy Impact

Participation in External Organizations and Associations

Wistron has established positive cooperation with or become members of cross-industry or cross-sector associations and organizations. They help expand exchanges and participation levels and receive the latest news on international developments and trends to achieve continuous growth and progress.

Organizations and Associations Wistron Participated in 2021

Category	Organization or Association
Technology	▪ Taiwan Electrical and Electronic Manufacturers' Association ▪ Taipei Computer Association ▪ The Allied Association for Science Park Industries ▪ Information Service Industry Association of the R.O.C. ▪ Nanotechnlogy and Micro System Association ▪ Taipei University of Science and Technology Electronics Manufacturing and Quality Technology Alliance ▪ Network of Intelligent Camera Ecosystem (NICE) ▪ Taiwan Industry-Academia Research for Collaboration-Integration-Development Association
Medicine	▪ Taiwan Elderly Care Industry Association ▪ Taiwan Assistive Technology Industry Association ▪ Taiwan Medical and Biotech Industry Association ▪ Taiwan Society of Engineering Technology and Practical Medicine
Others	▪ A member of the Responsible Business Alliance (RBA) ▪ Gap of Learning & Field (GOLF) ▪ Member of the CommonWealth Sustainability League

Appendix

Sustainability **Innovation Value** **Environmental Protection** **Social Inclusion** **Corporate Governance** **Appendix**

Statistics of Employees   Summary table of financial perform   GRI Content Index   SASB Index   TCFD Index   Statement

Wistron 2021
Corporation Sustainability Report

6.1 Statistics of Employees

Resignation statistics and distribution		2018		2019		2020		2021	
Number of people who resigned		202,647		188,020		199,046		**143,623**	
Number of people who resigned	Male	151,450	74.74%	140,881	74.93%	150,117	75.42%	**107,469**	**74.83%**
	Female	51,197	25.26%	47,139	25.07%	48,929	24.58%	**36,154**	**25.17%**
Number of people who resigned	Under 30 years old	170,365	84.07%	156,579	83.28%	150,160	75.44%	**107,042**	**74.53%**
	30-50 years old	32,158	15.87%	31,324	16.66%	48,758	24.50%	**36,411**	**25.35%**
	Older than 50	124	0.06%	117	0.06%	128	0.06%	**170**	**0.12%**
Number of people who resigned	Taiwan	2,388	1.18%	2,995	1.59%	6,638	3.34%	**1,670**	**1.16%**
	China	199,894	98.64%	184,735	98.25%	191,724	96.32%	**140,027**	**97.50%**
	Czechia	338	0.17%	265	0.14%	620	0.31%	**240**	**0.17%**
	Mexico	27	0.01%	25	0.01%	64	0.03%	**1,686**	**1.17%**
Number of people who resigned	Direct employees	193,865	95.67%	180,553	96.03%	188,034	94.47%	**139,576**	**97.18%**
	Indirect employees	8,782	4.33%	7,467	3.97%	11,012	5.53%	**4,047**	**2.82%**

6.2 Summary Table of Financial Perform

Unit : NT$ million

Items	2020	%	2021	%
Operating revenue	845,011	100	862,083	100
Operating gross profit	46,053	5	51,135	6
Operating expenses	31,582	3	34,760	4
Net operating profit	14,471	2	16,375	2
Net profit before tax	16,845	2	19,234	2
Income tax expenses	3,937	-	4,506	-
Consolidated net income after tax (including minority shares)	12,908	2	14,728	2
Basic earnings per share	3.1	-	3.76	-
Retained earnings	26,853	-	31,099	-
Personnel expenses	43,007	-	43,610	-
Employee bonus	1,547	-	1,922	-
Cash dividends	5,681	-	6,259	-
Stock dividends	-	-	-	-

Ratio of Debt and Shareholders' Equity to Total Capital

Unit : NT$ million

Items	2020	%	2021	%
Assets	428,822	100	497,298	100
Shareholders' equity	83,926	20	92,485	19
Short-term loans [Note]	102,040	24	142,118	29
Long-term loans	20,332	5	23,237	5

Note : Including long-term loans due within one year

Profitability Analysis Table

Items		Unit	2020	2021
Profitability	Return on assets	%	3.8	3.49
	Return on shareholders' equity	%	11.03	14.01
	Ratio of net profit before tax to paid-in capital	%	59.30	66.25
	Profit margin	%	1.53	1.71
	Earnings per share	NTD	3.1	3.76

Note : The financial information in each table is provided in accordance with the 2020 and 2021 Consolidated Financial Report audited by CPAs. Please refer to Homepage/Investors on the Company's official website

Wistron Wistron 2021 Corporation Sustainability Report

6.3 GRI Content Index

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
GRI 102： General Disclosures 2016	102-1 Name of the organization	5.1.1 Company Profile	126	No omission
	102-2 Activities, brands, products, and services	5.1.2 Products and Services	127	No omission
	102-3 Location of headquarters	About this Report	4	No omission
	102-4 Location of operations	5.1.1 Company Profile	126	No omission
	102-5 Ownership and legal form	5.1.1 Company Profile	126	No omission
	102-6 Markets served	5.1.2 Products and Services	127	No omission
	102-7 Scale of the organization	5.1.1 Company Profile	127	No omission
	102-8 Information on employees and other workers	4.1.2 Inclusion and Diversity	75-76	No omission
	102-9 Supply chain	2.4.1 Overview of Supply Chain	44	No omission
	102-10 Significant changes to the organization and its supply chain	5.1.1 Company Profile 2.4.1 Overview of Supply Chain	126, 44	No omission
	102-11 Precautionary Principle or approach	5.3 Risk Management	132	No omission
	102-12 External initiatives	5.4.3 Policy Impact	143	No omission
	102-13 Membership of associations	5.4.3 Policy Impact	143	No omission
	102-14 Statement from senior decision-maker	Message from the Chairman and Vice Chairman	8-9	No omission
	102-16 Values, principles, standards, and norms of behavior	5.2.2 Ethical Management	130	No omission
	102-18 Governance structure	1.4 Sustainable Governance 5.2.1 Functions of Board of Directors	22, 128	No omission
	102-40 List of stakeholder groups	1.5.2 Stakeholder Engagement	22-25	No omission

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
GRI 102：General Disclosures 2016	102-41 Collective bargaining agreements	4.3.3 Open Communication Channels	99	No signature
	102-42 Identifying and selecting stakeholders	1.5.2 Stakeholder Engagement	22	No omission
	102-43 Approach to stakeholder engagement	1.5.2 Stakeholder Engagement	22-25	No omission
	102-44 Key topics and concerns raised	1.5.2 Stakeholder Engagement	22-25	No omission
	102-45 Entities included in the consolidated financial statements	About this Report	4	No omission
	102-46 Defining report content and topic Boundaries	1.5.3 Determining Material Topic and Boundary	26	
	102-47 List of material topics	1.5.3 Determining Material Topic and Boundary	29	No omission
	102-48 Restatements of information	About this Report	4	No restatement
	102-49 Changes in reporting			No change
	102-50 Reporting period	About this Report	5	No omission
	102-51 Date of most recent report	About this Report	5	No omission
	102-52 Reporting cycle	About this Report	5	No omission
	102-53 Contact point for questions regarding the report	About this Report	5	No omission
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report	4	No omission
	102-55 GRI content index	6.3 GRI Content Index	147-153	No omission
	102-56 External assurance	6.6 Statement	156-157	No omission

Material Topics

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
Material Topics				
Environmental Policy and Management System				
GRI 103： Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	3.1.1 Environmental Protection Policies	54	No omission
	103-3 Evaluation of the management approach	3.1.1 Environmental Protection Policies 1.2 Sustainability Aspects and Strategies	54, 16	No omission
GRI 307： Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	3.1.1 Environmental Protection Policies	54	No omission
Climate Change Management				
GRI 103： Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	3.2.1 Climate Governance Structure 3.2.2 Mitigation and Adaptation Strategies	56-57	No omission
	103-3 Evaluation of the management approach	3.2.2 Mitigation and Adaptation Strategies 1.2 Sustainability Aspects and Strategies	57, 16	No omission
GRI 201： Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	3.2.3 Identification of Climate Risks and Opportunities	60-62	No omission
Energy Consumption and Greenhouse Gas Management				
GRI 103： Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	3.3.1 Energy Usage	64	No omission
	103-3 Evaluation of the management approach	3.3.3 Emissions Abatement and Results 1.2 Sustainability Aspects and Strategies	67, 16	No omission
GRI 302： Energy 2016	302-1 Energy consumption within the organization	3.3.1 Energy Usage	64	No omission
	302-2 Energy consumption outside of the organization			Omission
	302-3 Energy intensity	3.3.1 Energy Usage	64	No omission
	302-4 Reduction of energy consumption	3.3.3 Emissions Abatement and Results	67	No omission
	302-5 Reduction in energy requirements of products and services	2.2.1 Green Products	37	No omission

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
Energy Consumption and Greenhouse Gas Management				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.3.2 Greenhouse Gas Emissions	65	No omission
	305-2 Energy indirect (Scope 2) GHG emissions	3.3.2 Greenhouse Gas Emissions	65	No omission
	305-3 Other indirect (Scope 3) GHG emissions	3.3.2 Greenhouse Gas Emissions	66	No omission
	305-4 GHG emissions intensity	3.3.2 Greenhouse Gas Emissions	65	No omission
	305-5 Reduction of GHG emissions	3.3.3 Emissions Abatement and Results	67	No omission
	305-6 Emissions of ozone-depleting substances (ODS)	3.4.2 Air Pollution	70	No omission
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.4.2 Air Pollution	70	No omission
Recruitment and Retention				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	4.1.1 International Talent Recruitment 4.1.3 Talent Retention	74-75, 79	No omission
	103-3 Evaluation of the management approach	4.1.1 International Talent Recruitment 4.1.3 Talent Retention 1.2 Sustainability Aspects and Strategies	74-75, 80-81, 16	No omission
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1.1 International Talent Recruitment	75, 81-82	No omission
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4.1 Employee Care and Benefits	100	No omission
	401-3 Parental leave	4.4.1 Employee Care and Benefits	103	No omission
Talent Cultivation and Development				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	4.2.1 Diverse Career Development Environment	83	No omission
	103-3 Evaluation of the management approach	4.2.1 Diverse Career Development Environment 1.2 Sustainability Aspects and Strategies	83, 16	No omission
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.2.1 Diverse Career Development Environment	83-84	No omission
	404-2 Programs for upgrading employee skills and transition assistance programs	4.2.2 Key Strategic Talent Development	85	No omission
	404-3 Percentage of employees receiving regular performance and career development reviews	4.2.2 Key Strategic Talent Development	93	No omission

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
Occupational Safety and Health				
GRI 103：Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	4.4.2 Occupational Safety and Health	104	No omission
	103-3 Evaluation of the management approach	4.4.2 Occupational Safety and Health 1.2 Sustainability Aspects and Strategies	104-106, 16	No omission
GRI 403：Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.4.2 Occupational Safety and Health	104	No omission
	403-2 Hazard identification, risk assessment, and incident investigation	4.4.2 Occupational Safety and Health	105	No omission
	403-3 Occupational health services	4.4.1 Employee Care and Benefits	100-101	No omission
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4.2 Occupational Safety and Health	104	No omission
	403-5 Worker training on occupational health and safety	4.4.2 Occupational Safety and Health	105	No omission
	403-6 Promotion of worker health	4.4.1 Employee Care and Benefits	100-102	No omission
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Occupational Safety and Health	104-105	No omission
	403-8 Workers covered by an occupational health and safety management system	4.4.2 Occupational Safety and Health	104	No omission
	403-9 Work-related injuries	4.4.2 Occupational Safety and Health	106	No omission
	403-10 Work-related ill health	4.4.2 Occupational Safety and Health	106	No omission
Human Rights, Diversity and Inclusion				
GRI 103：Management Approach 2016	103-1Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	4.1.1 International Talent Recruitment 4.1.2 Inclusion and Diversity 4.3.2 Human Rights Risks and Major Issues	74, 76-77, 97	No omission
	103-3 Evaluation of the management approach	4.1.2 Inclusion and Diversity 4.3.1 Human Rights Due Diligence 1.2 Sustainability Aspects and Strategies	77, 96, 16	No omission
GRI 405：Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1.2 Inclusion and Diversity	76-78, 128-129	No omission
	405-2 Ratio of basic salary and remuneration of women to men	4.1.3 Talent Retention	79	No omission

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
Human Rights, Diversity and Inclusion				
GRI 406：Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.3.2 Human Rights Risks and Major Issues	98	No omission
GRI 408：Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4.3.2 Human Rights Risks and Major Issues	97	No omission
GRI 409：Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.3.2 Human Rights Risks and Major Issues	97	No omission
GRI 412： Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	4.3.2 Human Rights Risks and Major Issues	97	No omission
	412-2 Employee training on human rights policies or procedures	4.3.1 Human Rights Due Diligence	96	No omission
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	4.3.2 Human Rights Risks and Major Issues	96-98	No omission
Corporate Governance				
GRI 103： Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	5.2 Corporate Governance	128	No omission
	103-3 Evaluation of the management approach	5.2.2 Ethical Management 1.2 Sustainability Aspects and Strategies	130, 16	No omission
GRI 205： Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	5.2.2 Ethical Management	131	No omission
	205-2 Communication and training about anti-corruption policies and procedures	5.2.2 Ethical Management	131	No omission
	205-3 Confirmed incidents of corruption and actions taken	5.2.2 Ethical Management	131	No omission
GRI 206： Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.2.2 Ethical Management	130	No omission
Sustainable Strategies and Vision				
GRI 103： Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	1.2 Sustainability Aspects and Strategies	14-15	No omission
	103-3 Evaluation of the management approach	1.2 Sustainability Aspects and Strategies	16-18	No omission
Risk and Crisis Management				
GRI 103： Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2The management approach and its components	5.3 Risk Management	132-135	No omission
	103-3 Evaluation of the management approach	5.3 Risk Management 1.2 Sustainability Aspects and Strategies	133-135, 17	No omission

GRI Standard	Disclosure	Corresponding Section	Page Number	Omission
Customer Relations				
GRI 103：Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	2.3 Maintaining Customer Relations	41-42	No omission
	103-3 Evaluation of the management approach	2.3 Maintaining Customer Relations 1.2 Sustainability Aspects and Strategies	41-42, 18	No omission
GRI 416：Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.2.1 Green Products	37-38	No omission
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.2.1 Green Products 2.4.2 Supply Chain Sustainability Management	37, 47	No omission
GRI 417：Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	2.2.1 Green Products	37-38	No omission
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.2.1 Green Products	37	No omission
GRI 418：Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3.3 Privacy	43	No omission
Product Development and Innovation				
GRI 103：Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	2.1.2 Product Design and Development	34	No omission
	103-3 Evaluation of the management approach	2.1.2 Product Design and Development 1.2 Sustainability Aspects and Strategies	34-35, 18	No omission
Digital Transformation				
GRI 103：Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1.5.3 Determining Material Topic and Boundary	29-30	No omission
	103-2 The management approach and its components	2.1.2 Product Design and Development 4.2.2 Key Strategic Talent Development	86-87, 35	No omission
	103-3 Evaluation of the management approach	2.1.2 Product Design and Development 4.2.2 Key Strategic Talent Development 1.2 Sustainability Aspects and Strategies	90, 35, 16, 18	No omission

6.4 SASB Index

Sustainability Disclosure Topics & Accounting Metrics

Dimension	Topic	Code	Accounting Metric	Response	Page Number	Note
Environmental	Water Management	TC-ES-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	3.4.1 Water Resources	68	No omission
	Waste Management	TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	3.4.3 Waste	70	No omission
Social	Labor Practices	TC-ES-310a.1	Number of work stoppages and (2) total days idle	No related incidents in 2021		
	Labor Conditions	TC-ES-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	4.4.2 Occupational Safety and Health	105-106	No omission
		TC-ES-320a.2	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	2.4.2 Supply Chain Sustainability Management	46-47	No omission
		TC-ES-320a.3	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	2.4.2 Supply Chain Sustainability Management	47	No omission
Economic	Product Lifecycle Management	TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	2.2.2 Product Life Cycle Assessment	30	No omission
	Materials Sourcing	TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	2.4.3 Conflict Minerals	52	No omission

Activity Metrics

Activity Metrics	Code	Response	Page Number	Note
Number of manufacturing facilities	TC-ES-000.A	5.1.1 Company Profile	126	No omission
Area of manufacturing facilities	TC-ES-000.B			No statistics available
Number of employees	TC-ES-000.C	4.1.2 Inclusion and Diversity	76-77	No omission

6.5 TCFD Index

Core Elements	Disclosure	Corresponding Section
Governance	(a) Describe the board's oversight of climate-related risks and opportunities.	Ch. 3.2.1
	(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Ch. 3.2.1
Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Ch. 3.2.3
	(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Ch. 3.2.3
	(c) Describe the potential impact of different scenarios, including a 2° C scenario, on the businesses, strategy and financial planning.	Ch. 3.2.2/ 3.2.3
Risk Management	(a) Describe the organization's processes for identifying and assessing climate-related risks.	Ch. 3.2.2
	(b) Describe the organization's processes for managing climate- related risks.	Ch. 3.2.1/ Ch. 3.2.3
	(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Ch. 3.2.1/ Ch. 3.2.3
Metrics and Targets	(a) Disclose the metrics used by to assess climate-related risks and opportunities in line with its strategy and risk management process.	Ch. 3.2.2/ Ch. 3.2.3
	(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Ch. 3.2.2/ 3.3.2
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Ch. 1.2/ 3.2.4/ 3.3.3

6.6 Statement

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of WISTRON CORPORATION

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by **WISTRON CORPORATION** to conduct an independent assurance of its **2021 Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **2021 Sustainability Report** are the sole responsibility of the management of **WISTRON CORPORATION**. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum, Type 2 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in **2021 Sustainability Report** for the **1st January, 2021 to 31st December, 2021**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)[1]
  - Inclusivity
  - Materiality
  - Responsiveness
  - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as high level assurance.

[1] Published by AccountAbility: The Institute of Social and Ethical Accountability
http://www.accountability.org.uk

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Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of **WISTRON CORPORATION**;
2. Review of documentary evidence produced by **WISTRON CORPORATION**;
3. Review performance data listed in report with sampling basis;
4. Visits to 3 sites located in Taiwan (Taipei City, Hsinchu City, New Taipei City);
5. Review of **WISTRON CORPORATION** data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in **2021 Sustainability Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **WISTRON CORPORATION**'s activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over **WISTRON CORPORATION**'s performance and status during the **1st January, 2021 to 31st December, 2021**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum's principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- **WISTRON CORPORATION** has established appropriate systems for the collection, aggregation and analysis of relevant information;

Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity

WISTRON CORPORATION has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2021 covering a range of material topics such as Economic, Social and Environment.

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Materiality

The Report addresses the range of environmental, social and economic issues of concern that **WISTRON CORPORATION** has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

Responsiveness

WISTRON CORPORATION is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

WISTRON CORPORATION's management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

GRI report Structure
WISTRON CORPORATION does fully provide the information to achieve the GRI Standards 'core' in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards.

Key areas for ongoing development

Based on the work conducted, we recommend **WISTRON CORPORATION** to consider the following:

▪ Encourage organizations to include all entities in consolidated financial statement within reporting boundaries to present a more complete corporate social responsibility performance. (INCLUSIVITY)

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

▪ Activities outside the defined assurance period;
▪ Positional statements (expressions of opinion, belief, aim or future intention by **WISTRON CORPORATION**) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

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Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 194 years history in providing independent assurance services. Bureau Veritas 2021 full year revenues reached 4.98 billion euros. The Group's adjusted net profit for 2021 reached 480 million euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with **WISTRON CORPORATION**, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas Certification Taiwan

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22th April, 2022

AA1000
Licensed Report
000-76/V3-LU24F

技術審查：   日 期: 22/April/2022

查證人員：   日 期: 22/April/2022

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