



WT MICROELECTRONICS

# Illuminate the Planet of Opportunity

2020 CSR Report





# COVID-19 crisis and approaching opportunities



*Chen Cheng*

Chairman  
WT Microelectronics Co., Ltd.

This public health emergency crisis reminds us that the world is a vibrant place, closely connected and always presenting new challenges to mankind. I hope that we can remain optimistic in this process and find out opportunities there.

One of our specific actions is transparency in reporting is essential in demonstrating our commitment to ethical business practices and respect for people and the planet. I hope staying optimistic and responding positively.

Meanwhile, we have seen the COVID-19 accelerating digital transformation for everyone and any of corporations around the world. It includes remote work, social media, mobile industry and cloud computing. As a leading professional semiconductor distribution service provider, WT has successfully positioned itself as a pivotal liaison, bridging upstream and downstream partners, it is also one of our important social responsibilities.

Forethemore, I have made a long-term commitment to the environment with WT. This commitment has always been our unwavering belief in the face of climate change. We are not echoing the Paris Agreement, we will also implement the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) by 2023 to Increase transparent and sustainable information performance year by year.

**“ We must remain diligent in our fight against COVID-19 and keep our sustainable progress in environment, society and governance. We will continue to be pioneering for fulfilling our sustainable commitment to being responsible for the planet.**

# ESG Impact by the Numbers



**SUSTAINABLE  
DEVELOPMENT GOALS**



# Environment key data

| Item                          | Unit                              | 2016 | 2017 | 2018  | 2019  | 2020  |
|-------------------------------|-----------------------------------|------|------|-------|-------|-------|
| Environment                   |                                   |      |      |       |       |       |
| GHG emissions <sup>1</sup>    | CO <sub>2</sub> e tons            | n/a  | n/a  | 1,246 | 1,189 | 1,215 |
| GHG emissions intensity       | CO <sub>2</sub> e tons per person | n/a  | n/a  | 1.17  | 1.11  | 1.22  |
| Paperless <sup>2</sup>        | 1,000 sheets                      | 211  | 227  | 264   | 1,151 | 1,104 |
| Reclaimed packaging materials | Ratio                             | 13%  | 9%   | 6%    | 12%   | 11%   |
| Reclaimed products            | Item                              | 173  | 183  | 209   | 540   | 236   |

Note<sup>1</sup>: The ISO 14064-1 greenhouse certificate since 2018.

Note<sup>2</sup>: The locations of warehouses included in the statistics are increasing year by year.



# Social key data

| Item                          | Unit      | 2016    | 2017    | 2018      | 2019      | 2020      |
|-------------------------------|-----------|---------|---------|-----------|-----------|-----------|
| Social                        |           |         |         |           |           |           |
| Ratio of male Employee        | Ratio     | 60.1%   | 59.7%   | 59.4%     | 58.4%     | 60.2%     |
| Ratio of female Employee      | Ratio     | 39.9%   | 40.3%   | 40.6%     | 41.6%     | 39.8%     |
| Salary and benefit plan       | NT\$1,000 | 808,314 | 910,143 | 1,043,814 | 1,131,287 | 1,454,032 |
| Ratio Of female board members | Ratio     | 43%     | 43%     | 43%       | 43%       | 43%       |



# Governance key data

| Item                                      | Unit       | 2016        | 2017        | 2018        | 2019        | 2020        |
|-------------------------------------------|------------|-------------|-------------|-------------|-------------|-------------|
| Governance                                |            |             |             |             |             |             |
| Revenues                                  | NT\$1,000  | 144,147,461 | 189,419,235 | 273,416,485 | 335,187,151 | 353,152,195 |
| Dividend                                  | NT\$1,000  | 1,298,149   | 1,141,780   | 1,381,423   | 1,387,967   | 1,645,111   |
| Tax and Payments to government            | NT\$1,000  | 361,628     | 487,302     | 673,951     | 684,002     | 963,509     |
| Proportion of spending on local suppliers | Proportion | 99.6%       | 99.5%       | 99.9%       | 99.8%       | 93.9%       |
| Global Trade Compliance <sup>1</sup>      | Person     | 206         | 242         | 232         | 148         | 603         |

Note<sup>1</sup> : Export Control Classification Numbers (ECCN) / Export Administration Regulations (EAR)



# Leading provider on the global semiconductor distribution industry

## Name

WT Microelectronics Co., Ltd.

## Headquarters

14F, No.738, Chung Cheng Road, Chung Ho District, New Taipei City, Taiwan.

## Ownership and legal form

Public company traded as Taiwan Stock Exchange Number as 3036.

## Total number of operations

45.

## Total number of full-time employees is 2,353

Total number of full-time employees by gender as below.

Male 1,417 people, 60.2%.

Female 936 people, 39.8%.

Employment types are 100% Full-time.

## Location of operations and markets served

Asia.

## Brands, products, services and quantity of products or services provided

WT Microelectronics is a leading professional service provider focusing on the global semiconductor distribution industry. WT currently serves as the distribution partner for over 70 global leading semiconductor partners and provides services to over 8,000 quality customers.

## Total capitalization

NT\$9,230,260 thousand dollars.

## External initiatives

- UNCAC Anti-corruption Policy.
- Social Policy & Code of Conduct.
- SDGs Policy.
- Environmental Policy.
- Climate Change Policy and Advocacy.



# Financial Times ranking WT as The 500 Asia Pacific High Growth

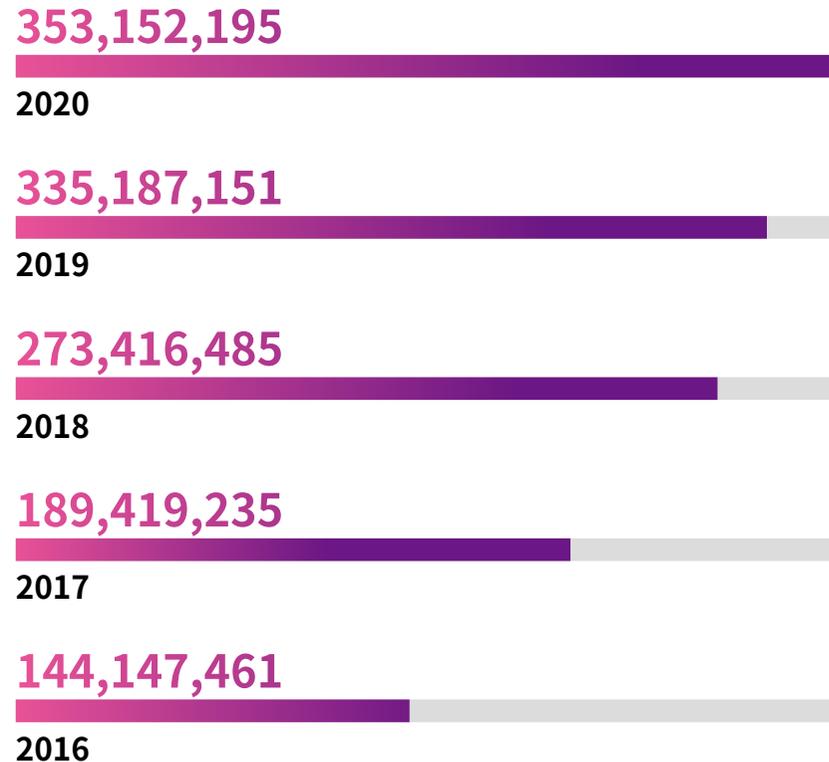
WT strong revenue growth year of the year (Y-o-Y), was selected by the Financial Times as The 500 Asia Pacific High Growth Companies.

The revenue in 2020 exceeds NT\$353.1 billion, 5% year of the year (Y-o-Y) growth in 2020. The operation costs NT\$ 342.3 billion. The net profit after tax in 2020 was NT\$3.795 billion with 50% Y-o-Y. The Earnings Per Share NT\$5.22. The quantity of products provided was 28.1 billion.

The proportion of spending on local suppliers was 93.9% including general ps purchasing 100%, IT 98%, Product Distribution Center (PDC) 100% and Field Application Engineering (FAE) 87%. There are no significant changes of supply chain 2020.

WT participated as a first-grade member of Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and formal member of Taipei Electronic Components Suppliers' Association (TCCSA).

↓ Revenue growth for 5 year by year (Unit: NT\$1,000)





# Digital transformation

## Release the value of data

As of 2020, through the auxiliary operation and management of the system, the weekly data collection operation can be maintained at a 90% completion rate.

In recent years, for the management and control of demand data, the system provides auxiliary and management functions, allowing manual data collection and management tasks.

The original manual management once every 30 days was shortened to 7 days. In addition, the system is fully used for reminding and information processing.

Collect, classify, and aggregate operating data, and perform processing operations for each application service. In addition to assisting managers in decision-making analysis.

These data analysis data are tailored to suit different job roles and different job needs. Regular internal analysis and discussion will be conducted to optimize the data services.

Provide daily, weekly, monthly or regular work information services, and effectively use the results of big data analysis to improve the work efficiency and quality of every colleague.





### Online signing process

From 2019 to 2020, we will continue to promote the introduction of other types of business operations into the system process. In addition to the benefits of systemization, it also effectively saves paper.

The transactional procurement process in 2020 will reduce paper consumption by 20%, and cumulatively reduce paper consumption by 30% throughout the year.

### Operation Optimize

To optimize and standardize the application process of each product line and business, to effectively achieve the goal of establishing a complete price data center to facilitate customer quotation operations and analysis.

After completing the infrastructure and workflow functions in 2019, the completeness of the data will exceed 90% in 2020.

Convenient accounting management process: optimize the process of accounting operations, review and analyze time-consuming personnel operation steps, and assist in the grasp of accounting information through the assistance of the information system.

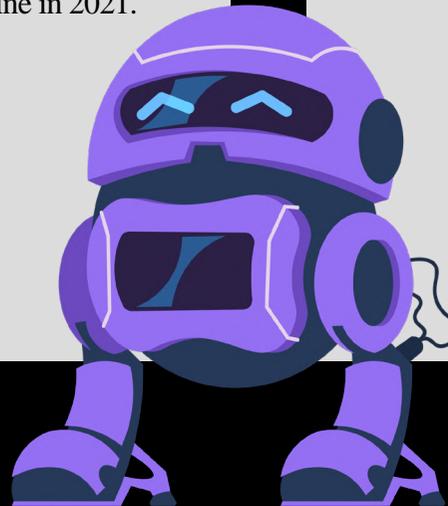
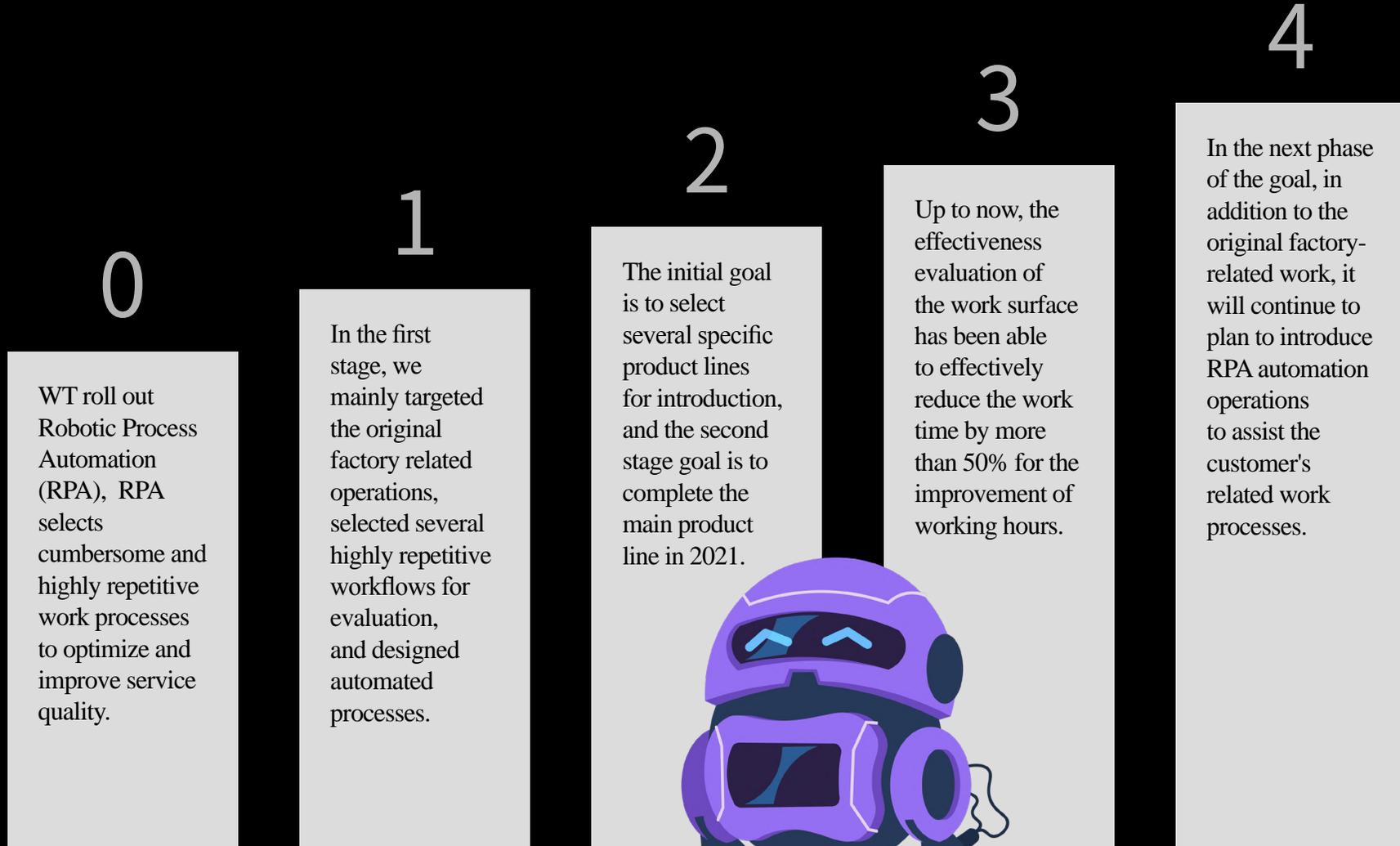
Order processing and shipping process improvement: Continuously adjust the sales order and shipping process, according to the different needs from the original factory or customers, regularly adjust and optimize the current sales process.

Inbound and outbound logistics information: With the aid of the information system, the logistics status of inbound and outbound items can be viewed transparently. From the time the original factory confirms the shipment, the logistics status can be tracked through the system function.





# Robotic process automation roll out





# Reporting practice

This report is the Corporate Social Responsibility (CSR Report) issued by WT Microelectronics (“the Company”, “WT” or “we”). The reporting period related January 1, 2020 to December 31, 2020. Date of the most recent report was July 1, 2019. Reporting cycle is one year. Restatements of information are greenhouse gas (GHG) emission which contains data for 3 years in 2018, 2019 and 2020. There are no significant changes from previous reporting periods in the list of material topics and topic boundaries.

## Report Data Collection

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The data and information in this report are collected and documented by various departments in charge of their respective duties before being confirmed by the heads of these units. The financial data is based on public information certified by the CPAs and is denominated in NTD. The collection methods of various indicators were mainly based on the local regulatory requirements.

## Reporting in accordance

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The content of this report is based on the performance of the economy, the environment and the society to specifically describe the relevant actions and recent results of the Company. The structure of the report is based on the Global Reporting Initiative (GRI) sustainability reporting guidelines. The disclosure principle is based on the core options. By 2025, Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) will be adopted.

## Boundary and Scope

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The reporting boundary is the operating base in Taiwan, and financial data and employee data include overseas bases.

## External assurance

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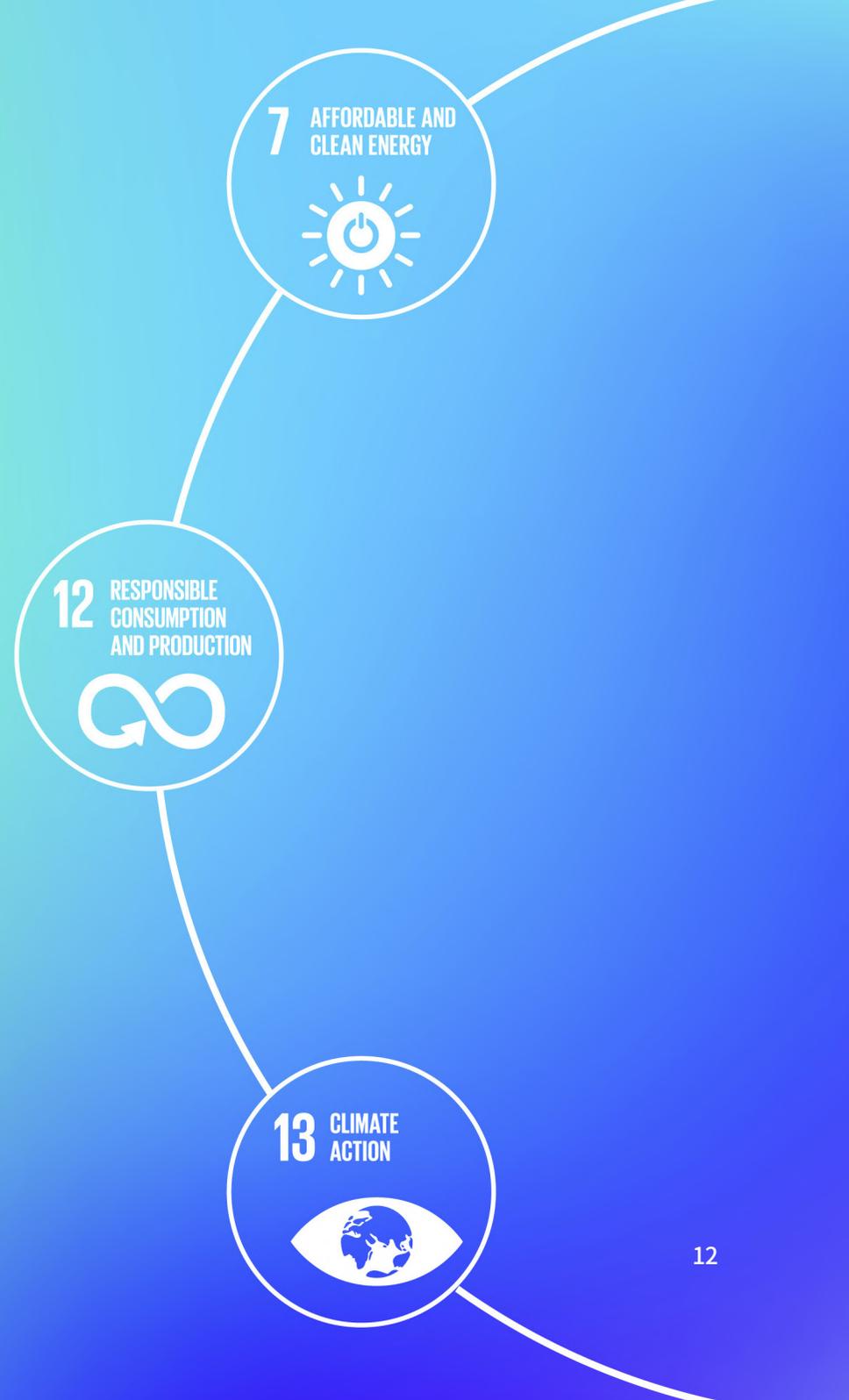
The BSI Taiwan Branch (BSI Taiwan) has verified the report based on the GRI Standard Core Options and AA1000 Assurance Standard (AA1000AS) V3 Type 1 Assurance. It's independent assurance statement is published as an appendix to this report.

## Contact regarding the report

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Tel: (02) 8226-9088 ext. 8500  
E-mail: IR@wtmec.com  
Website: <https://www.wtmec.com/?lang=en>

# Environmental Sustainability





# Environmental Commitment

- In the future, we set the goal for reducing 1% GHG emissions per year within baseline in 2018.
- Commitment to green investment fulfillment.
- Commitment to environmental sustainability.
- Commitment to creating environmental awareness.
- Commitment to implement an environmental management system.
- Commitment to using natural resources or energy more efficiently.
- Commitment to reduce emissions, releases, and waste.
- Commitment to monitor the company's environmental performance.
- Commitment to report regularly on environmental issues.
- Commitment to consult with stakeholders on environmental issues.
- **Environmental Policy** has been approved by senior management and the Board of Directors.

US\$ 1million

Launched a US\$1million green investment project



# The environmental policy sets goal to disclosure of financial information related to climate change by 2023

We have delivered [Environmental Policy, Climate Change Policy](#) and Advocacy and SDGs Policy in two languages in 2020, though. We are seeking aggressive behavior and support compliance with applicable laws and regulations.

We also communicate our environmental expectations to suppliers and third parties, including compliance with our Environmental Policy and environmental initiatives. There is no Non-compliance with environmental laws and regulations in 2020.

The environmental policy sets a goal to disclose financial information related to climate change by 2023. It will follow the symbolic global initiative Task Force on Climate-related Financial Disclosures (TCFD) to take action on our environmental policies and commitments daily.

# EMS reached 2 sites certificated ISO 14001

↓ **The ISO 14001 Environmental Management Systems has been certified by thirty independent parties. The certification boundary includes Logistics warehouses in Taiwan and Hong Kong. Our 2030 goal of certification boundaries is expanded in the Greater China region.**

| Item | EMS Management Approach     | Content                                                                                       | The date of programme last review date         |
|------|-----------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------|
| 1    | Goals                       | Our goal is to complete the task list from item 3 to item 8 of this EMS program list by 2021. | By 2021.                                       |
| 2    | ISO international standards | ISO 14001 Environmental Management Systems                                                    | By 2019.                                       |
| 3    | Boundary                    | On track.                                                                                     | Achieve the sustainable EMS programme by 2021. |
| 4    | Responsible department      | Logistics Department.<br>On track.                                                            | Same as above                                  |
| 5    | Budget and Resources        | On track.                                                                                     | Same as above                                  |
| 6    | Third Party Collaboration   | On track.                                                                                     | Same as above                                  |
| 7    | Action Taken                | On track.                                                                                     | Same as above                                  |
| 8    | Timeline                    | On track.                                                                                     | Same as above                                  |
| 9    | Baseline                    | On track.                                                                                     | Same as above                                  |

WT ISO 14001 environmental management system (EMS) has been certificated, and the boundary includes Taiwan and Hong Kong logistics warehouses. The ISO 14001 certificate is valid by October 2021. In order to achieve sufficient and transparent information disclosure, we are drafting a new environmental management system (EMS). The planned information disclosure includes baseline, boundary, goals, and overall schedule. This EMS programme ISO 14001 environmental management system is integrated. This new EMS programme is expected to incorporate our operations base in China into the boundary. The image usage statement is shown on the right: The source and copyright of the cover picture of the ISO 14001 User Guide belongs to the ISO International Standards Organization, and the picture copyright does not belong to our company.

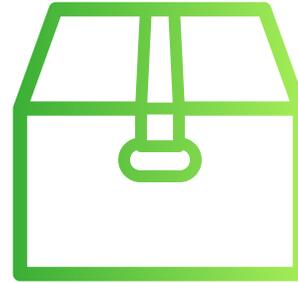




## 3,153 thousand paperless

Since 2015, it has gradually reduced 3,153 thousand sheets of paper to reduce consumption.

WT introduced the advanced “Extended Warehouse Management” (EWM) in 2014. When designing the system architecture, it has incorporated the concept of green environmental protection into the operation process and operating system design.



## 1,203 thousand sustainable packaging

Since 2015, the cumulative use of environmentally friendly cartons has reached 1,203 thousand items. Our customers want right-sized, recyclable packaging that minimizes waste and ensures damage-free delivery. We work to reinvent and simplify our sustainable packaging options using a science-based approach that combines lab testing, machine learning, materials science, and manufacturing partnerships to scale sustainable change across the packaging supply chain.



## 11% reclaimed packaging materials

The reclaimed packaging materials maximum was 11% which contained the warehouse of Taiwan, Hong Kong, and China in 2020. WT are the circular economy pioneers, progressively implement source reduction, and recycle and reuse the empty cartons after purchase for shipping packaging. The packaging materials needed for our logistics operations, such as outer boxes, cartons, cardboard, etc., are all made of renewable materials, which can be recycled or composted and regenerated by nature.



# Eco-Design

We have been disclosing Eco-Design information to transparency and stakeholder engagement since 2017. It also showcases the contributions of more than WT in making a positive impact on Eco-Design.

Driving energy-efficient performance and Eco-Design electronic products are one of the Environmental Policy. Eco-Design electronic product initiatives and by designing products with improved energy-efficient performance, which helps us meet customer needs and identify market expansion opportunities.

Since 2010, WT has 100% encouraged customers to buy low-power module products. In the design stage of innovative electronic products, it has been considered whether it will have an impact on the environment.

Take the third-generation material (Silicon Carbide, SiC) products as an example, showing the excellent performance of green products.

30% ↓

Components reduced

30% ↓

Energy consumption reduced

3% ↑

Switching speed increased

30% ↑

Power density increase

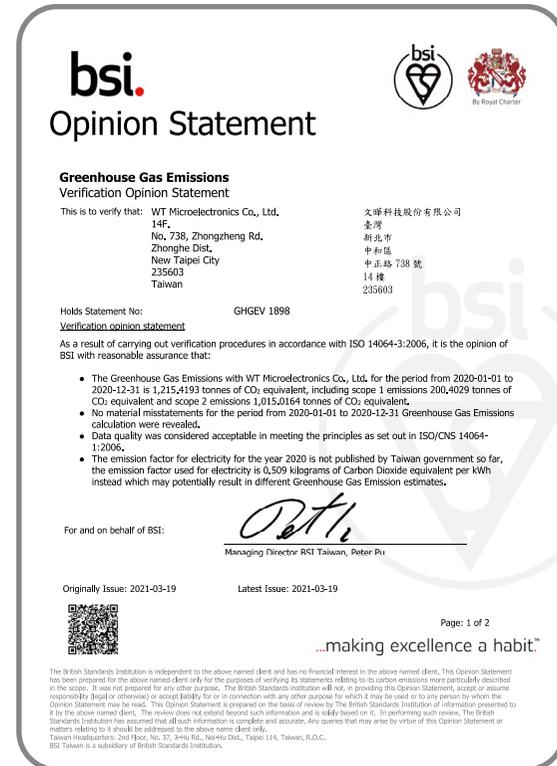


# Greenhouse Gas Emissions data, ISO 14064-1 certificated for 3 consecutive years

WT compliance with ISO 14064-1 to collect data of Greenhouse Gas Emissions since 2018 and the data quality was verified by thirty independent parties the British Standards Institution (BSI). BSI holds the verification opinion statement with reasonable assurance about the data quality for the period from 2018 to 2020. WT reduces Greenhouse Gas Emissions. The Taiwan Zhonghe offices total GHG emissions in 2020 have been reduced which has aligned reduction targets baseline year in 2018 with a 1% goal.

- The Greenhouse Gas Emissions for the period from 2020-01-01 to 2020-12-31 is 1,215.4193 tonnes of CO<sub>2</sub> equivalent. Scope 1 emissions 200.4029 tonnes of CO<sub>2</sub> equivalent and Scope 2 emissions 1,015.0164 tonnes of CO<sub>2</sub> equivalent. The data has been certified by thirty independent parties.
- The Greenhouse Gas Emissions for the period from 2019-01-01 to 2019-12-31 is 1,188.908 tonnes of CO<sub>2</sub> equivalent. 2019 Scope 1 emissions 219.6633 of CO<sub>2</sub> equivalent and Scope 2 emissions 969.2447 of CO<sub>2</sub> equivalent. The data has been certified by thirty independent parties.
- The Greenhouse Gas Emissions for the period from 2018-01-01 to 2018-12-31 is 1,245.533 tonnes of CO<sub>2</sub> equivalent. 2018 Scope 1 emissions 204.4237 tonnes of CO<sub>2</sub> equivalent and Scope 2 emissions 1,041.1094 tonnes of CO<sub>2</sub> equivalent. The data has been certified by thirty independent parties.

Note<sup>1</sup>: [Global warming potential \(GWP\) reference The Fourth Assessment Report of the United Nations Intergovernmental Panel on Climate Change \(IPCC\)](#) .





# Reducing 1% Greenhouse Gas Emissions per year

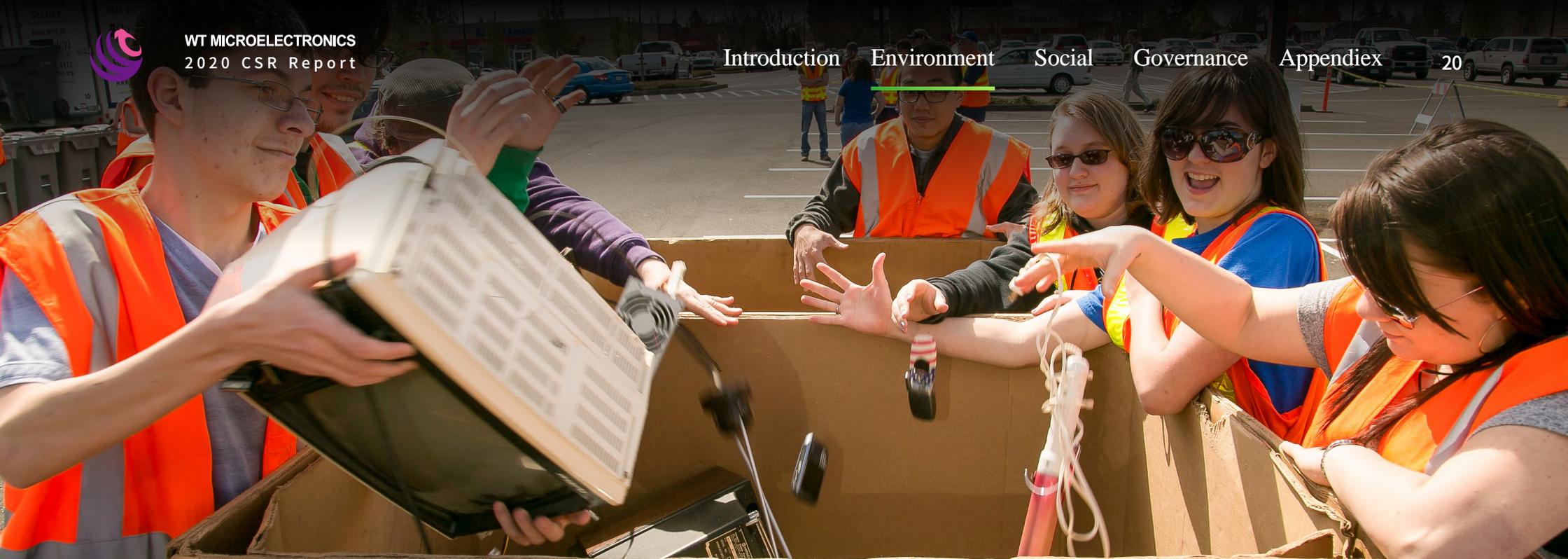
In the future, Greenhouse Gas Emissions will be based on 2018, with the goal of reducing emissions by 1% each year.

In the fourth quarter of 2020, global market demand for semiconductor products has skyrocketed, and the company's shipments have increased. As a result, the electricity used in the operation process has increased, and greenhouse gas emissions have also increased.

(1) The annual greenhouse gas emissions are verified by a third-party, review accurately the reduction situation and modify the management policy. (2) Replacing high energy-consuming equipment every year, such as Zhonghe public areas will be 100% replaced with LED energy-saving lamps in 2020. (3) Reclaimed products and their packaging materials. (4) Green Procurement policy. (5) Power saving mode for electronic equipment. (6) Blackout curtains installed. (7) Continue to promote greenhouse gas reduction and garbage classification publicity

activities. (8) Encourage colleagues to use public transportation or shared rides for commuting, commuting, and employee travel. (9) Disposable tableware is not provided for various events or banquets. (10) Strengthen the greening of the office environment (11) In response to the [United Nations Vegetarianism](#), a total of 4,698 people participated in 2020, equivalent to a reduction of 3,570.48 kilograms of CO<sub>2</sub> equivalent. The calculation method is based on the [Environmental Working Group \(EWG\)](#), a non-profit organization in the United States.





# Earth-friendly policy to reduce the total amount of waste year by year

WT 100% does not have a manufacturing plant in its operating bases, and only non-hazardous wastes such as scrap electronic products, office decoration waste, cartons, packaging materials, etc. are generated during the operation. Since 2016, we have formulated and implemented earth-friendly waste disposal methods. In addition to implementing resource recycling policies, we have collected Chinese-style management for various business wastes, and regularly recorded the quantity and quantity of waste. Clearance data.

The total weight of waste in 2020 is 6,492 kilograms, including 5,400 kilograms of carton waste and 1,092 kilograms (236 pieces) of electronic equipment donated to non-profit organizations that have reached the end of life.



# Water consumption decreased by 1,110 metric tons compared to the previous year

The main water used by WT is air-conditioning and other circulating water in the office area and domestic water for employees. In 2020, the water consumption is 17,009 metric tons, which is 1,110 metric tons less than the water consumption of 18,119 degrees in 2019. The operation base in Taipei's Zhonghe District is equipped with smart water meters and is completely replaced. Old cooling towers and slogans on water conservation are posted. The reduction in water consumption in 2020 will be as high as 6.13%.

**1,110** metric tons

Water consumption decreased by 1,110 metric tons compared to the previous year



# Supplier environmental management

## Supplier Code of Conduct

WT is committed to the highest standards of the Supplier Code of Conduct which includes labor, human rights, occupational safety, environmental and ethical protection. Any violations of this Code may jeopardize a supplier's business relationship with us, up to and including termination.

## Supplier signed ESG Requirements

WT requires major suppliers to sign the "Supplier ESG Requirements" within official league documents which includes labor, human rights, occupational safety, environmental and ethical protection.

## Compliance

We set high expectations with the WT supplier management system during the contracting process, Participating suppliers represented annual spending over TWD 1000,000 or purchase order above 12 times in 1 year. WT will assess its suppliers' compliance with this Code, and any violations of the Code may jeopardize a supplier's business relationship with WT, up to and including termination.

New suppliers that were screened using environmental criteria are 100%.

## Safer Materials from Supplier Safer for people. And for the planet

WT leads the industry in reducing or eliminating the harmful substances commonly used in electronics. Through our rigorous process analysis, we're constantly evolving our products and how we make them. So the materials we use are safer for the environment, the people who make our products, and the people who use them under [Restriction of Hazardous Substances Directive and REACH](#).

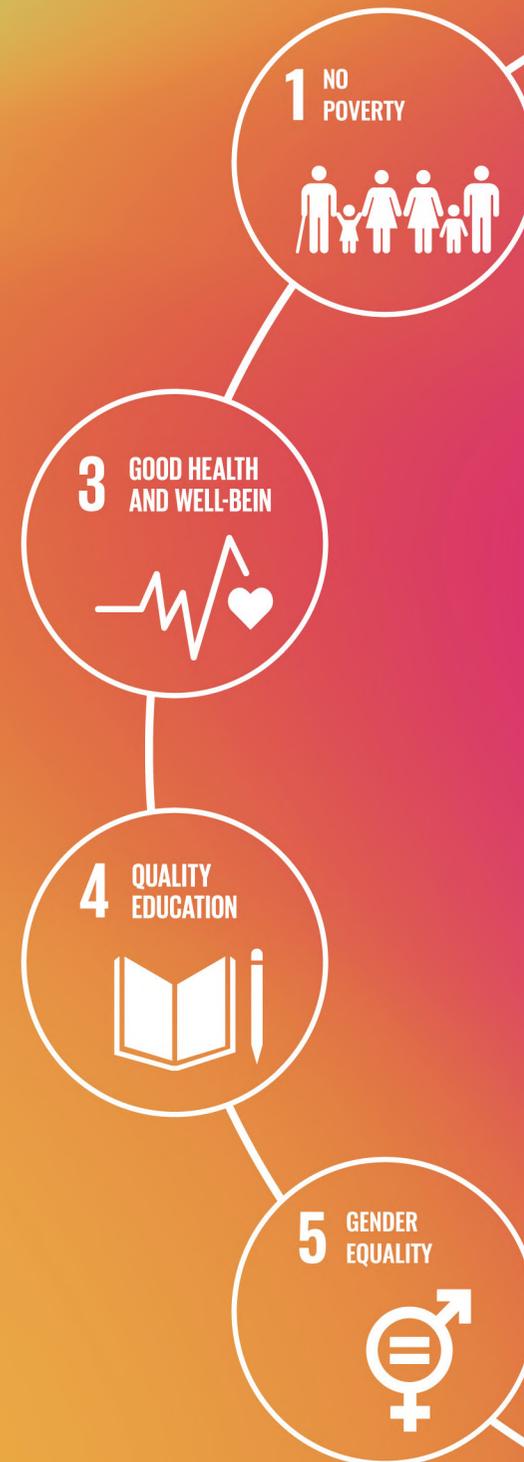
To understand the safety of our materials more comprehensively, we're identifying all the substances in every one of the parts and we get data on more parts every day. We then assess the chemicals in our materials using hazard and risk assessment tools to help us understand their effect on people's health and on the environment.

Regarding more reports of our suppliers passing the [Restriction of Hazardous Substances Directive and REACH](#), please go to the WT sustainability page of the official website to learn more.



**We will launch an WT Online Supplier Assessment Platform by 2025 for general-purpose suppliers, and complete supplier environmental assessments regularly.**

# Social Significance





# WT Social Policy & Code of Conduct Mapping Global Frameworks

WT has developed [Social Policy & Code of Conduct](#), [NCAC Anti-corruption Policy](#) and [SDGs Policy](#) in 2020 that take into account the concept of shared value and frameworks implemented Responsible Business Alliance (RBA) Code of Conduct, the UN Global Compact, International Labor Standards, OECD Guidelines for Multinational Enterprises, and the UN Sustainable Development Goals (SDGs).

WT believes that ethical governance is a core requirement of doing business, a competitive advantage, and the right thing to do. Our [Social Policy & Code of Conduct](#) ethical leadership inspires confidence in our future and creates a safe, supportive work environment for our employees, subsidiary, Board of Directors, vendor, third party, suppliers and stakeholders that guides how we responsibly conduct ourselves every day.

Through [Social Policy & Code of Conduct](#), which is available in 2 languages, we also communicate our ethical expectations, including compliance with our Code principles and policies to our suppliers and third parties. We seek to promote honest and ethical conduct and support compliance with applicable laws and regulations.

Total number of incidents of discrimination during the reporting period are zero.

There are no significant fines and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area.

Learn more about [WT](#) values, principles, standards, and norms of behavior.



# Great salary and benefit plan enter Taiwan High Salary 100 Index

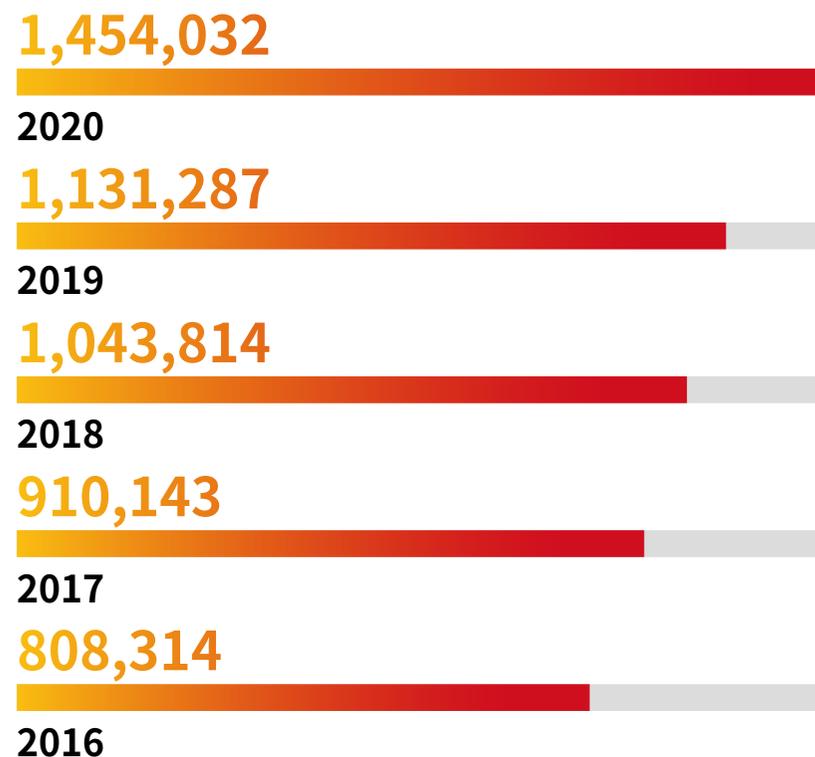
WT offer benefits provided to full-time employees that are not provided to temporary or part-time employees, it is including: (1) Life insurance, (2) Health care, (3) Disability and invalidity coverage, (4) Parental leave, (5) Retirement provision, (6) Others. New year gift cash, Dragon Boat Festival, Mid-Autumn Festival gift money or gifts, congratulation money for colleagues' marriage, birthday, spouse birth, sympathy money for colleagues in hospitalization, family funerals, and discounts at dozens of high-quality special stores. (7) We have set a goal for employee healthcare plans. The headquarters in Taiwan will apply for the certification of sports companies organized by the local government. (8) Implement local government labor laws to minimum notice periods regarding operational changes.

## ↓ Salaries of full-time employees who are not in a managerial position

| Item                               | Unit      | 2018  | 2019  | 2020  |
|------------------------------------|-----------|-------|-------|-------|
| Employees <sup>1</sup>             | Person    | 642   | 714   | 816   |
| Average and medium of the salaries | NT\$1,000 | 1,213 | 1,242 | 1,281 |
| Medium of the salaries             | NT\$1,000 | n/a   | 1,001 | 1,049 |

Note<sup>1</sup> : The border included in the statistics is Taiwan.

## ↓ Salary and benefit plan expense (Unit : NT\$1,000)





# Occupational health and safety implantation ISO 45001

WT has implemented ISO 45001 occupational health and safety management systems with occupational health and safety management systems. The number of occupational injuries, serious occupational injuries (injury to recovery for at least 6 months), and deaths of employees in the current year are all zero. Established occupational safety and health management personnel, health

management divisions, family medicine specialists are also hired to provide monthly health consultations. The 2020 plan for the prevention of human-induced hazards. In response to the COVID-19, a facial recognition thermometer was installed at the entrance of the office. Those whose body temperature exceeds the standard are not allowed to enter.

## ↓ COVID-19 and occupational health safety management system

|                |                                                                                                                                                                                                                                                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Daily          | <ul style="list-style-type: none"> <li>• Measure body temperature.</li> <li>• Check access control management</li> <li>• Cleaning and disinfection of meeting rooms</li> <li>• Daily fire source inspection.</li> </ul>                                      |
| Monthly        | <ul style="list-style-type: none"> <li>• Physician on-site service.</li> <li>• Vehicle safety inspection.</li> <li>• Inspection of evacuation facilities.</li> <li>• Fire safety equipment inspection.</li> </ul>                                            |
| Quarterly      | <ul style="list-style-type: none"> <li>• Occupational safety and health committee to review the implementation progress.</li> </ul>                                                                                                                          |
| Half of a year | <ul style="list-style-type: none"> <li>• Implement self-defense fire drills.</li> <li>• Carpet cleaning project.</li> </ul>                                                                                                                                  |
| Every year     | <ul style="list-style-type: none"> <li>• Maintain fire safety equipment.</li> <li>• Occupational safety meetings to review safety and health plans.</li> <li>• Maintenance of air-conditioning equipment.</li> <li>• Disinfect the entire office.</li> </ul> |
| Every 2 years  | <ul style="list-style-type: none"> <li>• Inspect the public safety of the building.</li> </ul>                                                                                                                                                               |

# Ability to stagger employee shifts during pandemic

The health and safety of our employees is our top priority. We've taken many proactive measures to keep our employees safe during the COVID-19 pandemic. Such as setting up a non-contact facial recognition temperature detect machine, wearing a mask won't stop facial recognition in the operational headquarters. At the time of the official release of this report, Taiwan's operating bases are facing severe COVID-19 challenges. From May 17, 2021, all operating bases in Taiwan will implement (1) ability to stagger employee shifts (2) Work from home (WFH).

→ Setting up a non-contact facial recognition temperature detect machine, wearing a mask won't stop facial recognition during the COVID-19.





# WT purchase goods of NGO to make positive economic impact

We purchase Down Syndrome Foundation gift boxes for colleagues and colleagues on Mother's Day, and understand the slow children. WT purchases carnations from the handicapped at Daan Farm.

WT raised NT\$85,475 to the Christmas charity employee garden party and donated all of it to Muhsiang Nursery School in Taoyuan City. Donated 130 functional warm jackets Haiqing Nursing Center for the Elderly in Miaoli City.

It has continued to subscribe with love for many years, and so far, we still provide the fruits grown by small farmers to colleagues every week. Not only in the subscription part, we plan to go into the field to assist small farmers in farming, experience and learn farming knowledge in a hands-on way.

WT donated a total of 6 sets of computer equipment to Vox Native Taiwan, and recruited more than 50 college students to serve as teachers for remote teaching.

WT purchases many products from many NGOs, and celebrates the season with warm laughter at Christmas.



WT celebrates with The First Social Welfare Foundation at Christmas.

# Promotion of worker health

## Sufficient hardware and software facilities

Implement the pre-employment physical examination, on-site consultation service of doctors and nursing staff of full-time labor health service in accordance with the law. Each floor is equipped with wrist tunnel sphygmomanometers, masks and health and medical information.



Tunnel sphygmomanometer accurately measures blood pressure.

## Health course

During the COVID-19 period, health-related lectures will be held including "knowledge of rolling muscles and muscles to relax" and "intramuscular effect sticking method teaching." The spiritual inspiration lectures will invite experts to give lectures on "Enriching life with performing arts and enjoying every moment of life", "Being fluent on stage", "Express reports, sales, and speeches all at once."



The well-known performing artist Lang Zuyun speech.



### Multi functional space

The new multi functional space was officially launched in 2020, and equipped with multiple sports equipment to enhance colleagues enthusiasm for healthy sports. Organize the "Technology Physical Fitness Test", and give colleagues relevant suggestions when exercising based on the test results.



### Health Passport Campaign

The operating base located in the southern part of the Greater China region has promoted a two-year health passport campaign in 2019, through the promotion of mountaineering activities, health seminars and various outdoor competitions. In response to the COVID-19 period, the communication software was used to record daily exercise steps and monitor blood pressure values.





### Safety staff travel program in COVID-19

In response to COVID-19, the 2 days tour packages activity was changed to safety flexible trips with 13 safety resorts. Provide a safe, healthy and comfortable living environment for colleagues. A total of 915 employees participated throughout the year, accounting for 83% of all employees.

915 People

In response to COVID-19, the 2 days tour packages activity was changed to safety flexible trips. A total of employees participated throughout the year, accounting for 83% of all employees.



In response to COVID-19, the 2 days tour packages activity was changed to safety flexible trips.



### Make a great team

Make a great team training program opened every year, a total of 404 employees participated in 2020. Including fun baking activities, handmade retro lamp making courses and cloth product printing courses.



Make a great team training program opened every year, a total of 404 employees participated in 2020.



## Sporty clubs

Sporty clubs organize various activities and competitions every year, which not only promotes exchanges among colleagues, but also participates in various competitions to increase the hobby and activity of colleagues in sports. WT expects to apply for the certification mark for sports companies in 2021.





# Supplier Social Assessment

We will launch an [WT Online Supplier Assessment Platform](#) by 2025 for general-purpose suppliers, and complete supplier social assessments regularly every year.

Additionally, WT maintains detailed [Social Policy & Code of Conduct](#) that define our expectations for compliance by Suppliers. This Code has been endorsed by executive management. This Code outlines our expectations for Supplier conduct regarding labor and human rights, health and safety, environmental protection, ethics, and management practices.

New suppliers that were screened using social criteria are 100% in 2020.

Regarding Vendor, WT has stated in the order agreement that it does not purchase products containing Conflict Minerals and fulfills the humanitarian universal value of the supply chain. Conflict Minerals refers to electronic parts containing tin, tantalum, tungsten and gold ("3TG"). [Conflict Minerals](#) 3TG is from the countries of the Republic of Congo.





# Customer Privacy & Information Security

The customer privacy concepts are covered in key instruments of the Organisation for Economic Co-operation and Development (OECD). There are no substantiated complaints concerning breaches of customer privacy and losses of customer data.

## 2020 key performance

- Spam protection: 1,264,559 messages
- Threat email protection: 320,943 emails
- Intercept threats: 48,880 items
- Interception accuracy: 98.96%
- Video conferencing: 3,541 sessions
- Employee with laptops: 100%.

For the main core system functions, a clustered, multi-point service is adopted, and the core service will not be interrupted due to this.

In recent years, we have added and strengthened video conferencing equipment to provide high-quality video conferencing services. In 2020, 3,541 video conferencing sessions will be used throughout the year.

Employees fully use laptop. It allows employees to work more flexibly without being restricted by physical space.

When customers from all over the world call WT's local telephones and extensions in Taiwan, employees can already connect to their mobile phones when they work from home.

Personal computer and server anti-virus software endpoint protection. Added advanced threat protection module for spam protection.

External network firewall equipment should have the ability to recognize applications and strengthen the defense against external attacks.

# First-line pandemic prevention materials supporting in 45 hours



The South Division of the seventh team of the New Taipei City Fire Department is one of the first-line epidemic prevention units in the community. In order to maintain the safety of first-line epidemic prevention personnel, WT immediately donated 48 items of 3M protective masks and filters within 45 hours as emergency assistance for the first-line epidemic prevention personnel.

In the face of this war pandemic, no one should stay outside!

They announce publicly on their [social media](#): We are grateful for the continued outpouring of support from our community to the first responder community. WT generosity donating to feed firefighters has been heartfelt and greatly appreciated.

Let us stay healthy and stay together.



# WT Education Foundation Empowering a Better Future

WT strives to cultivate public welfare activities for society so that we can achieve the goal of sustainable operation.

WT Education Foundation was established in December 2014. The two topics are "diversified learning, flipped education" and "caring for the disadvantaged and giving back". The amount of donation was NT\$8.66 million in 2020, and the cumulative amount of donations and activities has reached NT\$47,693,640 since 2014.

WT Education Foundation CEO Michelle Wen (left 3), WT Executive Director Kerry Hsu (left 4), WT Education Foundation Director Stanley Yen (left 5), WT Chairman Eric Cheng (left 6), WT Education Foundation Chairman David Yang (right 4), WT Education Foundation Director Gerald Kuo (right 2).



# We illuminate the kids for now They will lighting the planet eventually



## **Autonomous public welfare project**

**WT Education Foundation /**

**WT "Fantastic Village" campus  
photography project**

A photo to feel the child's mindful vision and activate the child's potential and concentration.

WT Education Foundation supports the Campus Photography Project in 2019~2020 with Xu Zhenjie as the host

of the project. The project is in Ruibin Elementary School in Ruifang District, New Taipei City, Minyi Elementary School in Sanxia District, New Taipei City, Xingren Elementary School in Danshui District, New Taipei City, Daxi Elementary School in Toucheng Town, Yilan County, Shimin Elementary School in Suao Town, Yilan County, Yilan County 188 students participated in the Leshui School of Datong Elementary School in Datong Township.

In the first scene of education, photography may be just a medium. The companionship and enthusiasm of photography volunteers ignites children's infinite imagination and curiosity. When children present amazing works, that unique look proves Child's own pride.



### Funded Project 1

**Cooperative unit: The Alliance Cultural Foundation**

**Cooperation matters: Junyi Education School Program**

**Cooperation period: 2015~2020**

WT Education Foundation has sponsored The Alliance Cultural Foundation since 2015 and assisted Junyi Education School Program. Junyi Education School Program includes elementary school, middle school, and high school in 2019.

To provide education for whole-person development, the primary school adopts Waldorf education, and the national and senior high schools develop six-year experimental courses, including "international connection", "life exploration", "creative study group", "professional general education" and "autonomy" The "Learning" course is in 2020.

# The smile is sunshine from children eyes





# Once faced with abandoned school Become an extended school after 3 years



## Funded Project 2

**Cooperative unit: Cheng Zhi Education Foundation**

**Cooperation matters: Zheng-Min Elementary School, Yunlin County KIST Private**

**Cooperation period: 2017~2022**

Zheng-Min Elementary School in Taiwan was founded in 1948. There are only 27 students left in the school in 2017. To change the destiny of this school next to the prison, the local government agreed to run it publicly and privately, and entrusted Cheng Zhi Education Foundation to take over. WT Education Foundation is a long-

term donation to Cheng Zhi Education Foundation. With the number of students in the school reaching 111 in 2020, Zheng-Min Elementary School has become the first choice for local students.

According to the latest statistics, the principals of Zheng-Min Elementary School and the teachers of Teach For Taiwan (TFT) total 15 people, with an average age of 27.8 years. It is expected that the enrollment of new students for the latest year will increase by one class.

Cheng Zhi Education Foundation borrowed from the successful experience of the Knowledge Is Power Program (KIPP) in the United States to operate a public and private school in Taiwan, KIPP-Inspired School In Taiwan (KIST), and cultivate students' seven qualities: enthusiasm, optimism, curiosity, gratitude, self-control, and perseverance, social wisdom.

# Rescuing the child will also bring a different life to many families

## Funded Project 3

**Cooperative unit: Taiwan Premature Baby Foundation**

**Cooperation matters: Premature Birth Prevention and Education**

**Cooperation period: 2015~2020**

In 2020, the population of Taiwan will experience negative growth in the first year, and the number of newborns will hit a record low. In 2020, there will be 165,249 births, of which the proportion of premature babies is about 8%.

WT Education Foundation and the Taiwan Premature Baby Foundation have been jointly committed to the correct education and knowledge of early treatment and health care of premature infants, so that premature infants can embrace healthy and happy growth since 2015. WT sponsored the publication of "Dear Physician Mother", which wrote stories about the care of premature babies one after another by the guardians of premature babies, and also constructed a bible for the care of newborn premature babies for the first-line nursing staff. The total amount of NT\$684,519 from the book charity sale was donated to the Taiwan Premature Baby Foundation.





# Equal educational opportunities Reduce educational resources between cities and countryside



## **Funded Project 4**

**Cooperative unit: Teach For Taiwan (TFT)**

**Cooperation matters: Teacher training plan for full-time teaching projects**

**Cooperation period: 2015~2020**

Teach For Taiwan (TFT) was established in 2013 with the purpose of cultivating teachers and deploying teachers to rural areas in Taiwan to provide equal educational opportunities for local children. WT Education Foundation has donated TFT for 6 consecutive years from 2015 to 2020 to carry out a full-time teaching project of the 2-year teacher training program. So far, TFT has sent 212 program members to 8 Taiwan cities and served 68 schools in total. Affecting more than 5,000 schoolchildren, and the satisfaction of feedback from partner schools is as high as 97%.

Education is a key way to close the gap between the rich and the poor stated by The World Bank and The Economist. Miracles happen through excellent teachers in classrooms around the world. WT Education Foundation and TFT expect that all children regardless of class in Taiwan will have equal educational opportunities.



# Provide academic counseling for rural children through remote digital learning

## Funded Project 5

Cooperative unit: Vox Native Taiwan

Cooperation matters: Academic Year Online Course Counseling Program

Cooperation period: 2015~2020

WT Education Foundation supports Vox Native Taiwan to implement the Academic Year Online Course Counseling Program for junior high school, high school and higher vocational students in Xinyi Township, Nantou County, Taiwan, from Monday to Friday nights.

As teachers, university students in Taipei City provide online teaching for rural students through distance teaching, reducing the digital gap.





# The game learning platform Let us change the world



## Funded Project 6

**Cooperative unit:** Program the World Association (PTWA)

**Cooperation matters:** MLGame Platform

**Cooperation period:** 2020~2022

WT Education Foundation supports Program the World Association (PTWA) to promote the machine learning platform, using program building blocks, competition systems and artificial intelligence game development to inspire students.

Since the start of the course in 2018, the number of registrations on the platform has exceeded 1,500.



# Journey of developmental disabilities Kids

## Funded Project 7

**Cooperative unit: Autism Foundation of the Republic of China**

**Cooperation matters: Promote Caregiver Skills Training Program (WHO-CST)**

**Cooperation period: 2020~2022**

WT Education Foundation cooperates with the Autism Foundation of the Republic of China to promote Caregiver Skills Training Program (WHO-CST).

There are 14,732 children with developmental delays in Taiwan, and the number of school-age disabled children has an average annual growth rate of 6% over the past ten years in 2019.

CST's plan focuses on family-centered early intervention services, and promotes the development of children's abilities and reduces deviant behaviors.

The NGO predicts that the cumulative service can reach more than 352 families, affecting 49,280 people from 2020 to 2022.



# Create the first scene for childs Why can't rural children watch the show!



## Funded Project 8

**Cooperative unit:** CYM Association

**Cooperation matters:** A trip to the rural drama

**Cooperation time:** 2018~2020

The CYM Association was established in 2015. Starting from Hualien city to across Taiwan, creating the first scene in the children's life!

They produce new dramas year by year. The main screenwriter and director is the founder of the association, Professor Xu Zihan from the Department of Chinese

Language and Literature, Donghua University. Hands-on is the very important spirit of the CYM Association.

### Tour results

- There will be a total of 314 performances in 2020, attracting more than 23,790 people
- The path is about 28,681 kilometers, about 23 times around the island
- Cumulatively cultivated nearly 7,345 volunteers
- Taiwan Island: All counties and cities have performed. Outlying islands: Green Island and Orchid Island have performed
- Footprints have covered 13 administrative districts of Hualien County and completed the performance record of 86 elementary schools in Hualien County

# Corporate Governance





# Market-leading corporate governance policy continuously, following Principles for Responsible Investment (UN PRI), launched a US\$1 million green investment project

The latest major governance development, Following [Principles for Responsible Investment \(UN PRI\)](#), launched a US\$1 million green investment project. The investment target is Cathay Private Equity Ecology Limited Partnership on August 19th 2020.

WT has developed [Social Policy & Code of Conduct](#), [UNCAC Anti- corruption Policy](#) and [SDGs Policy](#) in 2020 that take into account the concept of shared value and frameworks such as the UN Global Compact, International Labor Standards, OECD Guidelines for Multinational Enterprises, and the UN Sustainable Development Goals (SDGs).

WT believes that ethical governance is a core requirement of doing business, a competitive advantage, and the right thing to do. Our ethical leadership inspires confidence in our Company's future and creates a safe, supportive work environment for our employees. WT [Social Policy & Code of Conduct](#) was set high standards as policy of governance for implementing.

The WT [Social Policy & Code of Conduct](#) affirms the principles that guide the behavior of employees, subsidiaries, members of our Board of Directors regarding their activities, independent contractors, consultants, suppliers, and others who do business with us.

Through the [Social Policy & Code of Conduct](#) which is available in 2 languages, we seek to promote honest and ethical conduct, deter wrongdoing, and support compliance with applicable laws and regulations. We also communicate our ethical expectations, including compliance with our code principles and policies, to our suppliers and third parties.

Please go to the [official website Convergence Page](#) to learn more about WT ethics values, principles, standards, and norms of behavior.



# Excellent governance performance in 2020 and sweep 6 glory awards



**Taiwan Stock Exchange**  
**The top 5% best result in the**  
**7th governance ranking**

WT won the top 5% best result in the 7th governance ranking by [Taiwan Stock Exchange\(TWSE\)](#). A total of 905 companies are regulated by TWSE and 712 companies regulated by [Taipei Exchange](#) which is serving the over-the-counter (OTC) market were evaluated this year. The meaning of the top 5% results is the highest scoring range in this appraisal, and only 45 listed companies have won the honor.

WT has demonstrated excellent outcome of corporate governance, including safeguarding increasing shareholders power, strengthening the operation of the Board of Directors, enhancing information transparency and implementing corporate social responsibility.

WT was also ranked in the top 10% of the "electronics category with a market value of over 10 billion". It means the highest scoring in this category.



**Financial Times  
The 500 Asia Pacific High Growth**

WT strong revenue growth year of the year (Y-o-Y), was selected by the [Financial Times as The 500 Asia Pacific High Growth Companies](#).



**Taiwan Stock Exchange  
Taiwan High Salary 100 Index**

WT was honored in Taiwan High Salary 100 Index by Taiwan Stock Exchange. This is the largest stock exchange in Taiwan, and the top 100 listed companies are selected to rank in terms of profitability and salary scale. This award shows that our salary and benefits are the benchmark in the industry.



**COMMONWEALTH  
MAGAZINE Taiwan  
No. 1 of 2,000 large  
companies ranking**

WT was ranked No. 1 in the category of information, communications, and IC channels. No. 4 in the service industry. The most profitable in the service industry ranked 28th in this award by COMMONWEALTH MAGAZINE Taiwan which is one of Taiwan's most iconic financial magazines, its 2,000 large companies rank.



**Harvard Business Review  
Traditional Chinese  
Honord Taiwan CEO TOP  
100**

WT Chairman was honored as Taiwan CEO TOP 100 by Harvard Business Review Traditional Chinese.



**TCSA  
Bronze Award for CSR  
Report**

WT was honored Bronze Award of 2019 WT CSR Report by Taiwan Corporate Sustainability Awards (TCSA).



# WT Chairman honored Top 100 CEOs Award by Harvard Business Review Traditional Chinese



**Eric Cheng**  
Chairman

↓ Highest governance body



**Kerry Hsu**  
Executive Director



**Jack Yang**  
Chief Marketing  
Officer



**Willie Sun**  
Chief Application  
Officer



**Rick Chang**  
General Manager  
Taiwan



**James Wen**  
General Manager  
China



**HJ Yoo**  
General Manager South  
Korea



**Albert Ghee**  
General Manager  
South Asia



**Cheryl Yang**  
Chief Finance Officer



**Tim Wu**  
Chief Group Business  
Operations Officer



**Sophia Tseng**  
Chief Legal Officer



**SY Chang**  
Chief Human  
Resource Officer



**Jerry Chang**  
Senior Sales Vice  
President China



# Chairman authorized approved ESG policies and three committees supplemented to compose sustainable portfolios by Boards

↓ Risk Management Committee was established in 2020



Environment, Social, and Governance (ESG) policies are approved by the chairman authorized by the Board of Directors. The Board of Directors is also the highest-level corporate organization authorized by ESG policies. It regularly receives reports from management executives to understand the types of ESG risks faced by the company and ESG management. The management is responsible for determining ESG risks and risk control related to major operating activities; incorporating ESG risks into the overall strategy; and formulating plans and recommendations to determine the adequacy of risk identification, the balance between potential risks and potential returns, and the control of ESG risks.

In 2020, we established a Risk Management Committee. The risk

management committee is a functional committee under the board of directors. It is composed of 3 independent directors, the chairman of the board and the chief financial officer. Kung-Wha, Ding is in charge of the moderator.

Kung-Wha, Ding served as Deputy Commissioner of the Securities and Futures Commission, Ministry of Finance, Chairperson of Taipei Exchange and Chairperson of Taiwan Depository & Clearing Corporation, with expertise in securities management, financial finance and corporate governance. Terry Cheng and Chairman Eric Cheng, both have rich industry experience and enterprise management. Elaine Kung has ROC, USA and China CPA. Chief Financial Officer Cheryl Yang also has more than ten years of professional accounting manager qualifications.



# Official whistleblower program and zero tolerance on corruption structure well-functioning mechanism for all entity

Zero tolerance on corruption. Transparency around incidents of misconduct and our Company's response to those incidents creates an environment where employees feel comfortable raising concerns.

- Proactively communicated to employees.
- An independent, reporting hotline and email available [Official Website Whistleblower Pages](#).
- Available to suppliers, customers, and other third parties the independent, reporting hotline and email.
- Available in local languages.
- Possibility for anonymous reporting and reports are treated confidentially.
- Structures in place to process whistleblower reports which are the Board of Directors, Chairman, Auditing Office and Attorney general.
- Disclosure on the number of reports received, the types of misconduct, and measures are taken Available in local languages. In 2020, there are no confirmed incidents of corruption.
- Compliance with ethical training: We hope that employees can fully understand the company's policies, procedures, and control measures to protect the company and employees from potential risks of laws, regulations, or disciplinary actions.
- For employees, we arranged ethical courses every year. There are 1,013 employees participating and the completion rate is 100% in 2020.
- For new employees, we set up 35 ethical courses with 73 trainees in 2020. The courses is including "Corporate Governance Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct" and "Supplier Code of Conduct".

# Former Taiwan Chief Justice Lai In Jaw gave a speech for executive-level body

Former Taiwan Chief Justice Lai In Jaw gave a speech for the WT executive-level body on July 17, 2020. Taking the social responsibility feedback of global companies in the face of the severe COVID-19 pandemic as case study.

He elaborate from a global perspective to explain the fundamental operation of the capital market and must be based on ethical principles.

Could corporations ignore things other than profit? Does the owner abuse power? Did the CEO care about the common interests of the society? In fact, the approach of profitability and CSR could be a win-win situation and inspire employees.

Former Chief Justice Lai explains the fundamentals of capitalism and must be based on ethical principles quoting the ancient Buddhist holy book.



↑ Chairman Eric Cheng (left) presents a souvenir to Former Taiwan Chief Justice Lai In Jaw (right).



↑ Former Taiwan Chief Justice Lai In Jaw (left) gave a speech for the WT executive-level body.

# Well known experts of corporate governance visit WT Board of Directors to share expertise



↑ Professor Ma (left 1) gave a speech, WT independent directors Terry Cheng (left 2) and Kung-Wha, Ding (right 2) attended.



↑ Edix Fang, Chief Auditor of Hetong Venture Capital Group Holdings, made a speech.

We invited Professor Ma Xiuru from National Chengchi University and Hetong Venture Capital Group's Chief Auditor Edix Fang to give lectures on corporate governance for the Board of Directors and senior executives on November 20th 2020.

Professor Ma said that internal audits include 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision operations, and follow the ethical values of directors, senior executives and employees. He explains the core value of corporate governance is ethical leadership. The ethical management approach for executive-level, director and employees.



# Internal Audit

## Internal Audit Department

Our Internal Audit Department is an independent unit under the Board of Directors. A total of three full-time Internal Auditing Officers and his/her affiliated auditors are allocated. The appointment and dismissal of the company's internal audit supervisor are approved by the Audit Committee and passed by the Board of Directors. The appointment/dismissal, evaluation/review, salary/compensation of internal auditors of the Company are handled in accordance with the Corporate Governance Best Practice Principles, and shall be submitted by the chief internal auditor to the Board of Directors for approval and to evaluation and review at least once a year.

## Internal Audits Purpose

The purpose of internal audits is to assist the Board of Directors and managers in inspecting and reviewing defects in the internal control systems, measure operational effectiveness and efficiency, and to make timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction.

## Internal Audits Work

The Department shall implement regular auditing based on the annual audit plan, which is passed by the Board of Directors and based on the identified risks. The Department shall also implement special audit plans separately based on actual needs. After implementing each audit, the Department shall present the audit reports and follow-up reports, and submit them for review by the Audit Committee before the prescribed statutory date. The officer of the Department shall attend and deliver a report on the situation of each audit plan to a regular board meeting.

The Department shall supervise all internal departments and subsidiaries to conduct self-assessments once a year and implement the company's self-monitoring mechanism. The Department shall adjust the design and implementation of the internal control system in a timely manner in response to changes in the environment. The Departments shall review the self-inspection reports and evaluate the overall efficacy of all internal control systems to serve as the primary basis for the Board of Directors and General Manager to produce Internal Control System Statements.





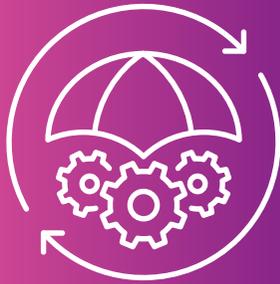
# Risk management

## Risk management policy

For the purpose of enforcing the company's risk management mechanisms and strengthening corporate governance while reasonably assuring the Company's strategies, plans, and targets are achieved, the Board of Directors passed the risk management policy on January 5, 2021. The policy provides the top principles for risk management. The policy covers the purpose of management, the scope of risks, organizational structure and responsibilities, management procedures, risk categories, and risk management operations and implementation evaluation. Risks arising from the business activities are kept within the range of tolerance in order to achieve sustainability and stability.

## ↓ Risk management organization structure

| Risk management organization | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board of Directors           | The Board of Directors is the supervisor of risk management and the highest governance body. With the goal of complying with laws and regulations, promoting and implementing risk management, it elevates risk management policies, and continuously supervises the effective operation of the risk management mechanism, and is responsible for the ultimate responsibility of the risk management system.                                                 |
| Risk Management Committee    | Risk Management Committee could be report to the Board of Directors directly, and is responsible for reviewing the appropriateness of risk management policies and risk management structures, reviewing major risk management strategies, including risk appetite or tolerance, reviewing management reports on major risk issues, supervising improvement mechanisms, and regularly reporting to the Board of Directors implementation of risk management. |
| Auditing Office              | The Auditing Office is directly affiliated with the Board of Directors. Its responsibilities are independent supervision and quality assurance, internal control system revision and promotion, and auditing business planning and execution. It submits an annual audit plan based on the results of the risk assessment every year, and reports the execution results to the audit committee and the Board of Directors.                                   |
| Accountability Unit          | Each Accountability Unit is responsible for the actual implementation of risk management, and the head of the accountability unit is responsible for analyzing, monitoring and reporting the risks faced by the business under its jurisdiction, and ensuring that the risk management mechanism and procedures can be effectively implemented.                                                                                                              |



**The steps of the risk management process are identification, assessment, mitigation, monitoring, and reporting risks.**

| Risk category              | Risk management process                                                                                                                                                                                           |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operational risks          | Market structure and demand, industry development and competition, sales or procurement concentration, product and raw material prices, product development and services, business model changes.                 |
| Financial risks            | Inflation, financing, liquidity management, dividend distribution, exchange rate, interest rate hedging, financial investment.                                                                                    |
| Legal compliance risk      | The risks that may arise from failure to comply with various laws and regulations or the legal risks that may infringe on the company's rights and interests.                                                     |
| Information security risks | Information assets may suffer unbearable risks, and the confidentiality, integrity and availability of the information cannot be guaranteed, including unauthorized persons who can still access the information. |
| Environmental risks        | The impact of environmental issues such as climate change and natural disasters on business operations and financial impacts, and identification of greenhouse gas emission management.                           |
| Other risks                | In addition to the above risks, if there are other risks that may cause the company to incur significant losses.                                                                                                  |



# Risk management implement

WT set up a risk management committee in 2020 to actively implement the risk management mechanism. The risk management committee meets at least once a year, and may convene at any time as needed, and reports to the Board of Directors on the operation of risk management once a year. The operation is as below:

- The Board of Directors passed a resolution to create the risk management committee and formulate organizational procedures for the risk management committee on November 6th 2020. And appointed a total of 5 members of the first risk management committee. It is included

independent directors Kung-Wha, Ding, independent directors Terry Cheng, independent directors Elaine Kung, chairman Eric Cheng, chief finance officer Cheryl Yang.

- The Risk Management Committee formulated the risk management policy on January 5th 2021 and submitted it to the Board of Directors for approval. It also assessed the risk of exchange rate fluctuations and the trade war between China and the United States submitted it to the Board of Directors for discussion.

- The Risk Management Committee on January 5th 2021 and it will report to the Board of Directors on the operation of the 2020 Risk Management Committee.
- The Risk Management Committee will evaluate the risk and management response of information security and submit it to the Board of Directors for discussion on March 18th 2021.



**Founded The Risk Management Committee, legislative charters, first holder candidates are chosen by the Board of Directors on November 06, 2020.**



# Business Continuity Planning & Precautionary Principle

The COVID-19 pandemic that broke out in 2020 has become an unavoidable focus in the Business Continuity Planning (BCP) of global companies.

The UN Environment Programme official youtube channel released a film on the official youtube channel and the key point is as below and applying as the policy of one of our BCP.

- 75% of these emerging infectious diseases come from animals.
- Climate change changed the survival habits of animals.
- Human Being illegal wildlife trade
- Nature is sending us another wake-up call with the COVID-19 pandemic.
- Our destruction of nature is hurting humanity.
- We must rebuild by working with nature, we can not go back to business as usual.

## ISO 22301 management systems

WT adopted the [ISO 22301 security and resilience business continuity management systems](#) as one of the business continuity planning (BCP) policies.

## The Rio Declaration from the United Nations

Meanwhile WT also referenced The precautionary approach was introduced by the United Nations in Principle 15 of ‘The Rio Declaration on Environment and Development’. It states: ‘In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities’. Applying the Precautionary Principle can help an organization to reduce or to avoid negative impacts on the environment.



### **Data Center Remote Backup Mechanism**

Specifically, WT has established a remote backup mechanism (Remote Backup), which exercises regularly once a year. The main data center of WT is located in geographic location A, and the same data center is established in geographic location B. Daily data will be synchronized with each other or one-way backup. In the event that a certain data center cannot operate due to various reasons, such as heavy rain, earthquake, heavy snow, fire, or flood, another data center can take over the operation.



# WFH has worked well with Information security and high traffic broadband

When the pandemic is spreading, "How to make all colleagues work remotely smoothly?" has always been a very important measure for our continued Business Continuity Planning (BCP).

100% of all WT employees have configured laptops. The headquarters purchase high-traffic network bandwidth and information security video software.

A series of rigorous implementations have allowed the Work From Home (WFH) to proceed well and maintain the company's daily operations.





# WT highest governance body led all colleagues to fight the pandemic



Before the release of the report as of May 2021, Taiwan is facing the most severe period of COVID-19. At this moment, we are reposting the image taken in March 2020 representing WT highest governance body led all colleagues to fight the pandemic. From left to right, Chief Marketing Officer Jack Yang, Chief Legal Officer Sophia Tseng, General Manager, Taiwan Rick Chang, Chairman Eric Cheng, Chief Group Business Operations Officer Tim Wu, Executive Director Kerry Hsu, Chief Application Officer Willie Sun, Chief Finance Officer Cheryl Yang and Chief Human Resource Officer SY Chang.

# Appendix



## BSI Assurance Statement



### INDEPENDENT ASSURANCE OPINION STATEMENT

2020 WT Corporate Social Responsibility Report

The British Standards Institution is independent of WT Microelectronics Co., Ltd. (hereafter referred to as WT in this statement) and has no financial interest in the operation of WT other than for the assessment and verification of the sustainability statements contained in this report.

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

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by WT. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to WT only.

#### Scope

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

1. The assurance scope is consistent with the description of 2020 WT Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the WT's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

#### Opinion Statement

We conclude that the 2020 WT Corporate Social Responsibility Report provides a fair view of the WT CSR programmes and performances during 2020. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the WT and the sample taken. We believe that the 2020 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate WT's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that WT's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

#### Methodology

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

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

#### Conclusions

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

##### Inclusivity

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

#### Materiality

WT publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of WT and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the WT's management and performance. In our professional opinion the report covers the WT's material issues. However, the future report should be further enhanced by the following areas:

- The material topics in current reporting have not been prioritized based on adequate data. In the future, the organization is expected to identify material topics in systematic and scientific processes to ensure that the relative priority of material topics is demonstrated.

#### Responsiveness

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

#### Impact

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

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

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

- Principles for defining report quality – Balance
- Part of the information in current reporting has not presented in a balance format, e.g., the greenhouse gas emissions performance is not disclosed in a format parallel to its objective, making it difficult to judge the extent to which objectives have been met. In the future, the report is suggested to reflect both positive and negative results of the reporting organization's performance to enable a reasoned assessment of overall performance.
- 103-2 The management approach and its components
- The organization may consider demonstrating the management approach in PDCA logic. When reporting on goals for each material topic, the expected results are suggested to be set, if applicable, with specific and measurable objectives.
- 102-14 Statement from senior decision-maker
- The organization should describe its sustainability performance during the reporting period in its decision-maker's statement, such as:
  - key events, achievements, and failures during the reporting period;
  - views on performance with respect to objectives.

#### Assurance level

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

#### Responsibility

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

#### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2020072  
2021-06-18

...making excellence a habit.™



## Stakeholder engagement

1. Customer. Customer satisfaction achieved.
2. Shareholder/ Investor/ Bank. Capital growth investment.
3. Employee. Priceless asset
4. Government. Legitimate business.
5. Media. transparency public relations.
6. Vendor. Upstream supplier partnership.
7. General-purpose suppliers. Strong ecosystem.
8. Community / NGO. Prosper communities.

We implement the international standard [The AA1000 Stakeholder Engagement Standard 2015 \(AA1000 SES 2015\)](#) to identify stakeholders.

As a semiconductor distributor, the company has consistently adhered to the principle of "supporting downstream customers to shorten their R&D time and increase their competitiveness, as well as assisting upstream suppliers in product promotion and marketing." Therefore, we value the quality and integrity of stakeholder communication channels. We have considerable responsibilities towards stakeholders. Therefore, we have set up a stakeholder area on the official website in order to understand the needs and expectations of the stakeholders through various means and communication channels. The following table lists the communication channels, frequency, and key stakeholder concerns.



## Approach to stakeholder engagement

| Stakeholder                            | Key topics                                                                                                                                                                        | Approach                                                                                                                                                                                                                                                                                                                                                                                       | Frequency of engagement | Response from WT                                                                                                                                                                                                                                         |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers/shareholders/investors/banks | <ul style="list-style-type: none"> <li>Integrity management</li> <li>Customer health and safety</li> <li>Marketing and labeling</li> <li>Customer privacy</li> </ul>              | <ul style="list-style-type: none"> <li>Meeting</li> <li>Conference call</li> <li>E-mail</li> <li>Internal customer on-line platform</li> </ul>                                                                                                                                                                                                                                                 | Occasionally            | <ul style="list-style-type: none"> <li>Continuous integrity management and ethics education for employees</li> <li>Compliance with regulations established by the European Union and the US Securities and Exchange Commission for substances</li> </ul> |
| shareholders/investors/banks           | <ul style="list-style-type: none"> <li>Economic performance</li> <li>Market presence</li> </ul>                                                                                   | <ul style="list-style-type: none"> <li>Meeting</li> <li>Conference call</li> <li>E-mail</li> </ul>                                                                                                                                                                                                                                                                                             | Occasionally            | Performance for global institutional investor occasionally                                                                                                                                                                                               |
| Employees                              | <ul style="list-style-type: none"> <li>Employment</li> </ul>                                                                                                                      | <ul style="list-style-type: none"> <li>Process whistleblower reports</li> </ul>                                                                                                                                                                                                                                                                                                                | Occasionally            | <ul style="list-style-type: none"> <li>No confirmed incidents of corruption and actions taken in the reporting cycle.</li> </ul>                                                                                                                         |
|                                        |                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>WT Intranet</li> </ul>                                                                                                                                                                                                                                                                                                                                  | Occasionally            | <ul style="list-style-type: none"> <li>Disclosure major topics related employees</li> </ul>                                                                                                                                                              |
|                                        |                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Labor-Management Meeting</li> <li>Employees benefits and compensation program</li> </ul>                                                                                                                                                                                                                                                                | Each quarter            | <ul style="list-style-type: none"> <li>Consultation practices are aligned with relevant laws and international standards.</li> </ul>                                                                                                                     |
|                                        |                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Occupational Health and Safety program</li> </ul>                                                                                                                                                                                                                                                                                                       | Occasionally            | <ul style="list-style-type: none"> <li>Doctor consultation</li> <li>Health Care Managers consultation</li> </ul>                                                                                                                                         |
| Government / competent authorities     | <ul style="list-style-type: none"> <li>Governance</li> <li>Ethics compliance</li> <li>Employment</li> <li>Labor/Management Relations</li> <li>Socioeconomic Compliance</li> </ul> | <ul style="list-style-type: none"> <li>Participate in seminars, official documents</li> <li>Conference call</li> <li>E-mail</li> <li>Questionnaire responses</li> <li>Stakeholders pages on the official website</li> <li>Financial reports</li> <li>Annual reports</li> <li>Actively cooperate with the government</li> <li>Assessment of local Securities and Exchange Commission</li> </ul> | Occasionally            | <ul style="list-style-type: none"> <li>Ethics compliance program</li> <li>Addresses the topic of employees relations</li> <li>Compliance with local government</li> </ul>                                                                                |



## Approach to stakeholder engagement

| Stakeholder                        | Key topics                                                                                                                                                                                                                                                                               | Approach                                                                                                                                                            | Frequency of engagement                                                                                          | Response from WT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Media                              | <ul style="list-style-type: none"> <li>Economic Performance</li> <li>Market Presence</li> </ul>                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Meeting</li> <li>Conference call</li> <li>E-mail</li> </ul>                                                                  | Occasionally                                                                                                     | Revenue and financial report with news release                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| OEM/upstream suppliers             | <ul style="list-style-type: none"> <li>Economic performance</li> <li>Integrity management</li> <li>Product trading compliance</li> <li>Environmental protection compliance</li> <li>Training and education</li> <li>Client satisfaction</li> <li>Warehouse and cargo security</li> </ul> | <ul style="list-style-type: none"> <li>Meeting</li> <li>Conference call</li> <li>E-mail</li> <li>On-site audit</li> </ul>                                           | <ul style="list-style-type: none"> <li>Occasionally</li> <li>Suppliers conduct annual security audits</li> </ul> | <ul style="list-style-type: none"> <li>Continuous integrity management and ethics education for employees</li> <li>Continuous ECCN (U.S. Export Classification Control Numbers, which is the US export control of high-tech products and technologies, especially integrated circuits) training for employees</li> <li>Compliance with regulations established by the European Union and the US Securities and Exchange Commission for substances</li> <li>WT Security Measures Report</li> </ul> |
| Suppliers/out-sourcers(Warehouses) | Major supplier environment assessment                                                                                                                                                                                                                                                    | Meeting<br>Conference call<br>E-mail<br>On-site audit                                                                                                               | WT Quality Audits within one month cycle                                                                         | WT Quality Audits Monthly Report                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| NGOs                               | Social welfare                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>WT Education Foundation in 2014 supports social welfare</li> <li>Meeting</li> <li>Conference call</li> <li>E-mail</li> </ul> | Occasionally                                                                                                     | WT Education Foundation                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |



## Defining Major topics

Learn more major topics, please go to the [WT stakeholders page](#) of the official website .

### 1. Identify

WT uses a range of methods from stakeholder groups.

Stakeholder engagement

- ESG investor outreach meetings
- Results of community advisory panels
- Customer data requests
- Employee open forums
- Meeting with government
- Human rights and ethics compliance
- Research on international ESG framework

#### Stakeholder Review:

We invite a third party to update our major thematic assessment and use it to formulate our 2030 strategic goals. Significant themes include best practices and reports for our industry, external reporting standards, including ESG framework and Sustainable Development 17 Goals, analysis of the themes discussed by all stakeholders in the year, and completion of discussions with internal and external parties Two-way communication and interaction with stakeholders.

### 2. Prioritize

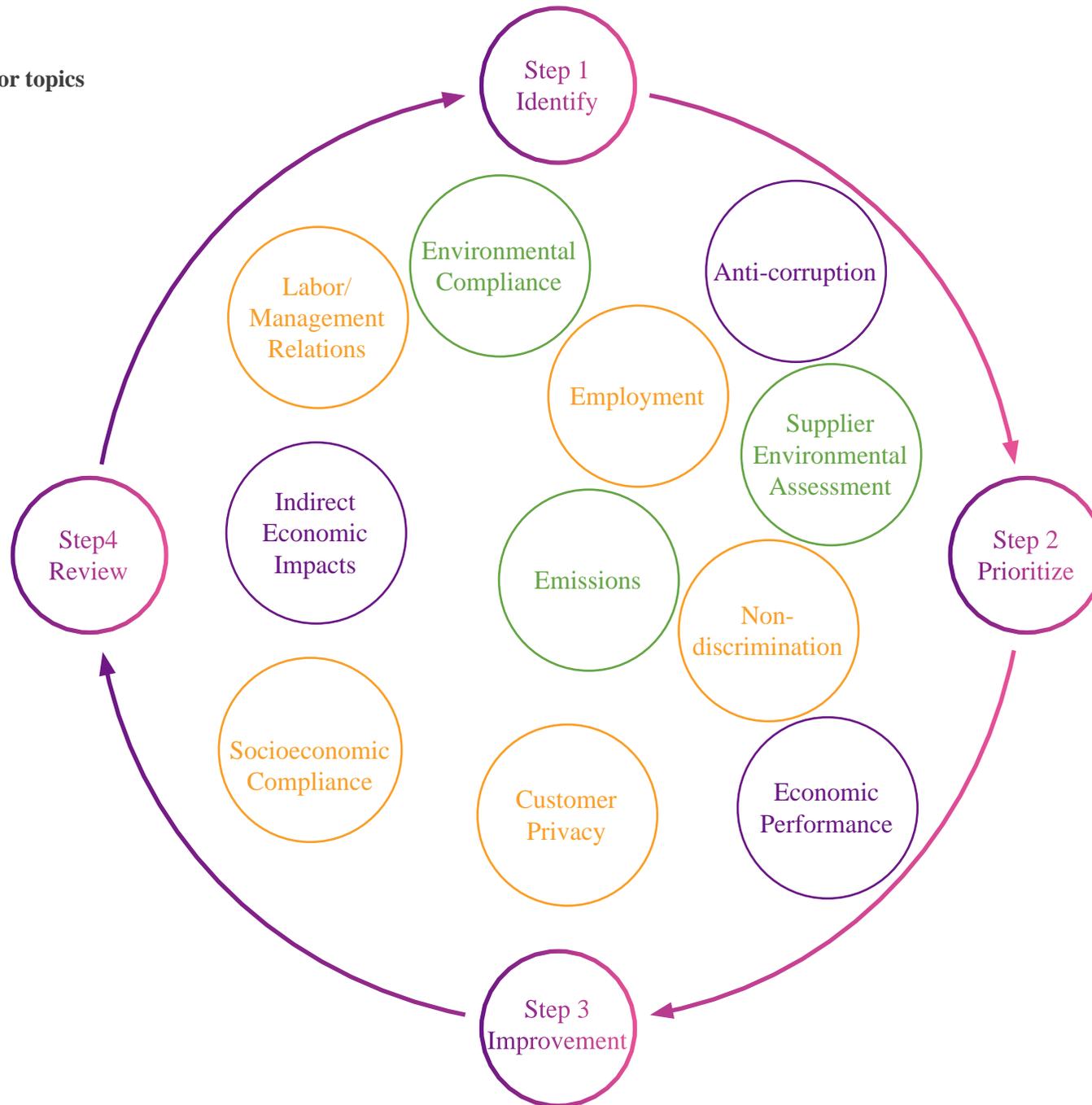
We conduct the review process of major issues, and consider the potential impact of the decisions of all stakeholders, as well as the impact on our operation process and external systems. The major themes listed in the table below are priority major themes identified and reviewed during this process.

### 3. Improvement

To our sustainable strategy and goals, we will continue to improve Plan-Do-Check-Act cycle (PDCA cycle)



Defining Major topics





## GRI Content Index

| GRI Standards                      | Disclosures Number                                   | Disclosures Title                                            | Page Number | Response and Performance |
|------------------------------------|------------------------------------------------------|--------------------------------------------------------------|-------------|--------------------------|
| <b>GRI 102 General Disclosures</b> |                                                      |                                                              |             |                          |
| GRI 102:General Disclosures 2016   | 102-1                                                | Name of the organization                                     | 6-7         |                          |
|                                    | 102-2                                                | Activities, brands, products, and services                   | 6-7         |                          |
|                                    | 102-3                                                | Location of headquarters                                     | 6-7         |                          |
|                                    | 102-4                                                | Location of operations                                       | 6-7         |                          |
|                                    | 102-5                                                | Ownership and legal form                                     | 6-7         |                          |
|                                    | 102-6                                                | Markets served                                               | 6-7         |                          |
|                                    | 102-7                                                | Scale of the organization                                    | 6-7         |                          |
|                                    | 102-8                                                | Information on employees and other workers                   | 6-7         |                          |
|                                    | 102-9                                                | Supply chain                                                 | 6-7         |                          |
|                                    | 102-10                                               | Significant changes to the organization and its supply chain | 6-7         |                          |
|                                    | 102-11                                               | Precautionary Principle or approach                          | 6-7         |                          |
|                                    | 102-12                                               | External initiatives                                         | 6-7         |                          |
|                                    | 102-13                                               | Membership of associations                                   | 6-7         |                          |
|                                    | 102-14                                               | Statement from senior decision-maker                         | 1           |                          |
| 102-16                             | Values, principles, standards, and norms of behavior | 47                                                           |             |                          |
| 102-18                             | Governance structure                                 | 51 ~ 52                                                      |             |                          |



## GRI Content Index

| GRI Standards                      | Disclosures Number | Disclosures Title                                          | Page Number | Response and Performance  |
|------------------------------------|--------------------|------------------------------------------------------------|-------------|---------------------------|
| <b>GRI 102 General Disclosures</b> |                    |                                                            |             |                           |
| GRI 102: General Disclosures 2016  | 102-40             | List of stakeholder groups                                 | 66 ~ 70     |                           |
|                                    | 102-41             | Collective bargaining agreements                           | 66 ~ 70     | Non-union, not applicable |
|                                    | 102-42             | Identifying and selecting stakeholders                     | 66 ~ 70     |                           |
|                                    | 102-43             | Approach to stakeholder engagement                         | 66 ~ 70     |                           |
|                                    | 102-44             | Key topics and concerns raised                             | 66 ~ 70     |                           |
|                                    | 102-45             | Entities included in the consolidated financial statements | 11          |                           |
|                                    | 102-46             | Defining report content and topic Boundaries               | 11          |                           |
|                                    | 102-47             | List of material topics                                    | 69 ~ 70     |                           |
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|                                    | 102-49             | Changes in reporting                                       | 11          |                           |
|                                    | 102-50             | Reporting period                                           | 11          |                           |
|                                    | 102-51             | Date of most recent report                                 | 11          |                           |
|                                    | 102-52             | Reporting cycle                                            | 11          |                           |
|                                    | 102-53             | Contact point for questions regarding the report           | 11          |                           |
|                                    | 102-54             | Claims of reporting in accordance with the GRI Standards   | 11          |                           |
|                                    | 102-55             | GRI content index                                          | 71 ~ 76     |                           |
| 102-56                             | External assurance | 65                                                         |             |                           |



## GRI Content Index

| GRI Standards                          | Disclosures Number | Disclosures Title                                           | Page Number | Response and Performance |
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| <b>Material Topic</b>                  |                    |                                                             |             |                          |
| <b>Economic Performance</b>            |                    |                                                             |             |                          |
| GRI 103:Management Approach 2016       | 103-1              | Explanation of the material topic and its Boundary          | 7~10        |                          |
|                                        | 103-2              | The management approach and its components                  | 7~10        |                          |
|                                        | 103-3              | Evaluation of the management approach                       | 7~10        |                          |
| GRI 201:Economic Performance 2016      | 201-1              | Direct economic value generated and distributed             | 7~10        |                          |
|                                        | 201-3              | Defined benefit plan obligations and other retirement plans | 25          |                          |
| <b>Anti-corruption</b>                 |                    |                                                             |             |                          |
| GRI 103:Management Approach 2016       | 103-1              | Explanation of the material topic and its Boundary          | 53          |                          |
|                                        | 103-2              | The management approach and its components                  | 53          |                          |
|                                        | 103-3              | Evaluation of the management approach                       | 53          |                          |
| GRI 205-3:Anti-corruption 2016         | 205-3              | Confirmed incidents of corruption and actions taken         | 53          |                          |
| <b>Indirect Economic Impacts</b>       |                    |                                                             |             |                          |
| GRI 103:Management Approach 2016       | 103-1              | Explanation of the material topic and its Boundary          | 37 ~ 46     |                          |
|                                        | 103-2              | The management approach and its components                  | 37 ~ 46     |                          |
|                                        | 103-3              | Evaluation of the management approach                       | 37 ~ 46     |                          |
| GRI 203:Indirect Economic Impacts 2016 | 203-1              | Confirmed incidents of corruption and actions taken         | 37 ~ 46     |                          |



## GRI Content Index

| GRI Standards                                                                 | Disclosures Number | Disclosures Title                                             | Page Number | Response and Performance |
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| <b>Emissions</b>                                                              |                    |                                                               |             |                          |
| GRI 103: Management Approach 2016                                             | 103-1              | Explanation of the material topic and its Boundary            | 18 ~ 19     |                          |
|                                                                               | 103-2              | The management approach and its components                    | 18 ~ 19     |                          |
|                                                                               | 103-3              | Evaluation of the management approach                         | 18 ~ 19     |                          |
| GRI 305-1: Emissions 2016                                                     | 305-1              | Direct (Scope 1) GHG emissions                                | 18 ~ 19     |                          |
| GRI 305-2: Emissions 2016                                                     | 305-2              | Energy indirect (Scope 2) GHG emissions                       | 18 ~ 19     |                          |
| <b>Environmental Compliance</b>                                               |                    |                                                               |             |                          |
| GRI 103: Management Approach 2016                                             | 103-1              | Explanation of the material topic and its Boundary            | 18          |                          |
|                                                                               | 103-2              | The management approach and its components                    | 18          |                          |
|                                                                               | 103-3              | Evaluation of the management approach                         | 18          |                          |
| GRI 307: Environmental Compliance 2016                                        | 307-1              | Non-compliance with environmental laws and regulations        | 18          |                          |
| <b>Supplier Environmental Assessment</b>                                      |                    |                                                               |             |                          |
| GRI 103: Management Approach 2016                                             | 103-1              | Explanation of the material topic and its Boundary            | 14          |                          |
|                                                                               | 103-2              | The management approach and its components                    | 14          |                          |
|                                                                               | 103-3              | Evaluation of the management approach                         | 14          |                          |
| GRI 308-1: New suppliers that were screened using environmental criteria 2016 | 308-1              | New suppliers that were screened using environmental criteria | 14          |                          |



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| GRI Standards                            | Disclosures Number | Disclosures Title                                        | Page Number | Response and Performance |
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| <b>Material Topic</b>                    |                    |                                                          |             |                          |
| <b>Employment</b>                        |                    |                                                          |             |                          |
| GRI 103: Management Approach 2016        | 103-1              | Explanation of the material topic and its Boundary       | 25          |                          |
|                                          | 103-2              | The management approach and its components               | 25          |                          |
|                                          | 103-3              | Evaluation of the management approach                    | 25          |                          |
| GRI 401: Employment 2016                 | 401-2              | Benefits provided to full-time employees                 | 25          |                          |
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| GRI 402: Labor/Management Relations 2016 | 402-1              | Minimum notice periods regarding operational changes     | 25          |                          |
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| GRI 103: Management Approach 2016        | 103-1              | Explanation of the material topic and its Boundary       | 24          |                          |
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|                                          | 103-3              | Evaluation of the management approach                    | 24          |                          |
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## GRI Content Index

| GRI Standards                            | Disclosures Number | Disclosures Title                                                                            | Page Number | Response and Performance |
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| <b>Material Topic</b>                    |                    |                                                                                              |             |                          |
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| GRI 103: Management Approach 2016        | 103-1              | Explanation of the material topic and its Boundary                                           | 35          |                          |
|                                          | 103-2              | The management approach and its components                                                   | 35          |                          |
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| GRI 103: Management Approach 2016        | 103-1              | Explanation of the material topic and its Boundary                                           | 24          |                          |
|                                          | 103-2              | The management approach and its components                                                   | 24          |                          |
|                                          | 103-3              | Evaluation of the management approach                                                        | 24          |                          |
| GRI 419-1: Socioeconomic Compliance 2016 | 419-1              | Non-compliance with laws and regulations in the social and economic area                     | 24          |                          |



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