

# 2021



WT MICROELECTRONICS  
文晔科技

## SUSTAINABILITY REPORT



COVER DESIGN CONCEPT

By designing a connection through the veins of a living leaf, WT Microelectronics demonstrates its care and concern for sustainable ESG development.

Report Description

WT Microelectronics'(hereafter abbreviated as WT)  
2021 Sustainability Report (hereafter referred to as "this report")is as follows:

BASIS OF  
DISCLOSURE

The information contained herein follows and was written according to the GRI standards (GRI Sustainability Reporting Standards) of the 2021 Sustainability Report (hereafter referred to as "this report"). This report is also based on the Sustainability Accounting Standards Board's (SASB) Multiline and Specialty Retailers and Distributors (MSR) Industry and the Task Force on Climate Change-related Financial Disclosures (TCFD) for the consumer goods sector.

SCOPE OF  
DISCLOSURE

This report was first issued in 2017 and has since been issued annually. It is based on the overall performance of WT group's operations based in Taiwan with subsidiaries in Hong Kong, Shanghai, Shenzhen, South Asia, Korea, and Japan, throughout the period from January 1st to December 31st, 2021, in terms of economic, social and environmental performances. The significant are disclosed as Taiwan, Hong Kong, the PRC, South Asia, Korea and Japan, and are not otherwise specified in subsequent reports. In addition, the comparability of information and data for the last five years are considered and disclosed. Some performance information is only disclosed for the first three years due to the information not yet being collected by the system or the accuracy of the data not yet able to be confirmed.

EXPLANATION OF  
DISCLOSURE

The sustainability information and performance disclosed in this report have also been disclosed in the ESG section of WT's website. The financial data disclosed in the operating performance report has been audited by PricewaterhouseCoopers Taiwan (PwC Taiwan) and is based on the financial report information certified by the accountant. Other relevant data in this report were obtained by the members of WT's disclosure team, and are described in the usual way and rounded to the nearest dollar.

PRODUCTION  
PROCESS

This report was compiled by the disclosure team and summarized by the Executive Secretary of the WT Microelectronics Sustainable Development Team. It was confirmed to be correct by the disclosure team and submitted to the Chief Sustainability Officer for review and final approval by the Directors.

EXTERNAL  
REVIEW

This report has been assured by the British Standards Institution Taiwan (BSI Taiwan) under the GRI Sustainability Reporting Guidelines "Core Option" Adherence Standard and AA1000 AS v3 Type 1 Moderate Assurance Level. They confirmed that this report meets the requirements of the GRI Sustainability Reporting Guidelines (see page 108 for assurance report).

Previous report release date: June 2021 Current report release date: June 2022  
Feel free to contact us about sustainability-related issues  
**Specialist** Pow Ling, Public Relations Department  
**Address** 14F, No.738, Chung Cheng Road, Chung Ho District, New Taipei City, Taiwan (R.O.C.)  
**Phone** +886-2-8226-9088 **Email** esg@wtmec.com





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## Foreword from Our CEO

### Continuous Learning and Improvement

We have only one Earth! Any upheaval is a relevant and meaningful wake-up call that challenges a business entity to strive for better operation.

Amid the current pandemic, environmental landscape shifts, unpredictable climate risks, energy supply crises, and changes in the industry's developments, I am very pleased to see that WT Microelectronics' team achieved a new record of business revenue once again in 2021.

It is particularly important to note that, in the face of the global focus on ESG, the Earth's sustainability is the sustainability of business, and that sustainability is our daily pursuit. The Earth nurtures all things, and all things are contained in one planet. As a link in the supply chain and engaging in economic activities on the planet, we as human beings advocate not to harm the Earth, but to work hard and coexist with the environment, respect each other, and expand our enterprise's care for our planet's sustainability.

This year, first and foremost, we set up the "WT Microelectronics' ESG Sustainable Development Group" and the Group Director position. The roles of the job are assuming responsibility for the coordination and the planning of economic, environmental and social sustainability issues, keeping abreast of ESG trends and inter-departmental cooperation, and eventually perfectly implanting ESG policies in Taiwan that align with international guidelines.

I firmly commit to doing what is right. Sustainability is not just a cost but the key to survival. Only when we're willing to invest in the future, we will not be eliminated by our times. Global uncertainty was extremely high in 2021 due to COVID-19, and we continue to cope with the fallout from new variants since the initial outbreaks in 2020. We are learning how to respond to changes and adapt accordingly in both good times and bad.

The world is changing so fast that the rebound of the global economy as a whole will produce an uneven development trend and urge us to pay attention to the environment, society, and corporate governance. Each key and its linkages will require the consensus and communication of each member of the organization to contribute to the efforts bit by bit.

WT's ranking in the top 5% of Taiwan's corporate governance assessment for two consecutive years (2020 and 2021) is encouraging and recognition of the company's achievements. There is still room for improvement in four major assessment indicators in four major assessment indicators, including safeguarding shareholders' interests, strengthening the structure and operation of the Board of Directors, enhancing information transparency and implementing corporate social responsibility. Our team has been recognized for their hard work and will continue to play a key role in the face of various challenges and changes in the future.

No one is excluded from the impact of global climate change. We must leverage the enterprise's advantages and choose an active learning journey so that each employee can grow in his or her career and the enterprise can grow strong and stable, as well as contribute to the needs of the environment and society along with our country's policy. Every step we take now is a cornerstone for a sustainable future for WT's sustainable future.

**Founder, Chairman and  
Chief Executive Officer**





Chief Sales Officer  
Jack Yang

Chief Human Resource Officer  
SY Chang

President, Taiwan  
Rick Chang

Chief Financial Officer  
Cheryl Yang

President, China  
Jerry Chang

Chief Application Officer and  
Chief Sustainability Officer  
Willie Sun

Chief Marketing Officer  
James Wen

Chief Legal Officer  
Sophia Tseng

Kerry Hsu  
Co-founder and Senior Vice President

Eric Cheng  
Founder, Chairman and  
Chief Executive Officer

Tim Wu  
Chief Business Operations Officer



## ENVIRONMENTAL PERFORMANCE

Green purchases increased by 121%,  
implementing green spending

19.04 % reduction

Scope 1 and 2 GHG emission intensity of 0.0442 tonnes CO<sub>2</sub> e / m<sup>2</sup> is 19.04% less than in 2018 (base year).

14.88 million of green procurement

Green procurement amounted to NT\$14.88 million and was awarded as a green consumption enterprise by the New Taipei City Government.

Expansion in the  
SCOPE OF  
INVENTORY  
CHECKS

Expanded the scope of GHG inventory to the Group's Taiwan operations.

8.72 % reduction

The total electricity consumption is 2,068,800 kWh and the electricity intensity (GJ / m<sup>2</sup> - floor area) is 0.28 GJ / m<sup>2</sup>, which is 8.72% less than in 2020.

Inclusion in the  
INVENTORY BOUNDARY

Scope 3: "Emissions from the use of products purchased by the organization" (upstream of raw material electricity: Scope 3) is included in the inventory boundary.

5.91 % reduction

The percentage of new cartons shipped was reduced to 24.26%, a 5.91% decrease compared to 2020.

## SOCIAL PERFORMANCE

Further expansion of staff by 8.97%

Further expansion of staff by

8.97 %

The number of employees grew by 8.97%, with 100% full-time and no part-time or dispatched employees.

94.50 %

of employees with a university degree or above

Provider expense ratio

96.80 %

The proportion of expenses for Taiwan headquarter's purchases from local suppliers in Taiwan reached 96.80% (for non-agent purchases).

28.9 %  
of supervisors are  
female

Average salary of  
1,373,000

The average salary for full-time employees not holding supervisory positions was NT\$1,373,000, an increase of 7.18%.

Full-year social impact input of

15.15 million

For the year, we invested NT\$15.15 million in social impact and produced 13 feedback programs.

100 %  
of screening new  
suppliers

0 incapacitating injuries  
for the year

0 incapacitating injuries for the year, demonstrating full staff safety awareness.

85.42 %  
of local residents in charge of  
high-status

85.42% of senior executives of the operating bases employed local residents



## GOVERNANCE PERFORMANCE

### The number of female directors exceeds 1/3 of all directors

Earnings per share  
**\$9.96**

**3** seats for female directors

Three female directors, more than 1/3 of all directors.

OPEX%

**1.44** %

Digital supply chain management with an operating expense ratio of 1.44% in 2021

Net operating profit of

**447.896** billion (NT\$)

27% annual growth.

Net profit of

**7.855** billion (NT\$)

107% annual growth.

Training program with

**4,198** attendees

Information Security Awareness Training Program 4,198 attendees, 100% completion.

**98.8** % of all directors

12 Board meetings were held with an average attendance rate of 98.8% of all Directors in person.

## 2021 AWARD RECORD

### WT Microelectronics' 2021 Award

- Selected by the Financial Times and Nikkei Asia as The 500 Asia Pacific High Growth Companies.
- Ranked among the top 5% bracket of the 8th Corporate Governance Evaluation in 2020 and ranked in the top 10% of the "electronics category with a market value of over 10 billion yuan".
- Won the 2020 Top 1 Electronic Parts and Components Wholesale Company, No.3 in service industry revenue and No.19 in overall industry revenue among the Top 5000 Largest Enterprises in Taiwan as ranked by China Credit Information Service, Ltd.
- Ranked 4th in the service industry, No.1 in the category of information, communications, and IC channels and 28th in the most profitable in the service industry in CommonWealth Magazine's 2020 Top 2000 Business Survey this award.
- Awarded the Sports Company Certification by the Sports Administration of the Ministry of Education for 2021.
- Awarded the Bronze Award for Corporate Sustainability Reporting in the 2020 TCSA Taiwan Corporate Sustainability Awards (TCSA).
- Awarded the Green Procurement for 2021 Award for green procurements over NT\$5 million by the New Taipei City Environmental Protection Bureau for 2021.
- Awarded to ST Microelectronics In Recognition of Outstanding Performance: Achieve \$1 Billion for 2021 Yearly Revenue and Long Lasting Partnership.
- Awarded the GIGABYTE Distributor of the Year 2021
- Awarded the Nuvoton Technology's Best Sales Performance Contribution Award for 2021.
- Awarded the Smartsens 2021 Distributor of the Year Award.
- Awarded the Lumileds Gold Excellent - Excellent Distribution Partner Award 2021.
- Awarded the ST 2021 Best Performance (Gold Award).



Ranked in the top 5% of listed companies in the 7th and 8th Corporate Governance Evaluation for two consecutive years.

# VALUE CHAIN

OPERATING AREA



GLOBAL



TAIWAN, CHINA, JAPAN, KOREA,  
SOUTHEAST ASIA, INDIA



TAIWAN, CHINA, JAPAN, KOREA,  
SOUTHEAST ASIA, INDIA



GLOBAL

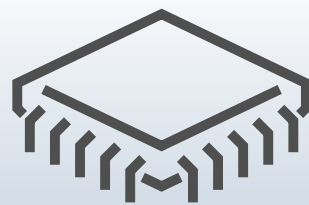
## UPSTREAM SUPPLY CHAIN



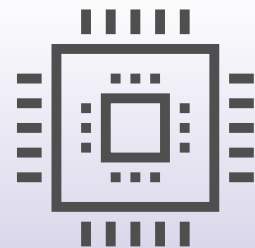
WT MICROELECTRONICS  
文嘯科技

## DOWNSTREAM CLIENTS

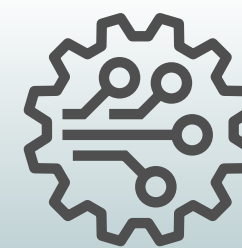
ECONOMIC ACTIVITY



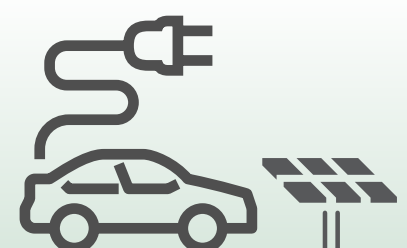
IC COMPONENT  
SUPPLIERS



DISTRIBUTOR OF  
ELECTRONIC PARTS  
AND COMPONENTS



INFORMATION &  
COMMUNICATION /  
AUTOMOTIVE COMPONENT  
MANUFACTURERS



VARIOUS END PRODUCT  
BRAND OWNER

ENVIRONMENTAL SOCIAL IMPACT

### ENVIRONMENTAL IMPACT

CLIMATE  
STRATEGY

PRODUCT  
LIFECYCLE

PRODUCT ECO-  
EFFICIENCY

### SOCIAL IMPACT

TALENT ATTRACTION  
AND RETENTION

HUMAN CAPITAL  
DEVELOPMENT

OCCUPATIONAL SAFETY  
AND HEALTH

### ENVIRONMENTAL IMPACT

CLIMATE  
STRATEGY

PROCESS INNOVATION

LOW CARBON  
LOGISTICS

### SOCIAL IMPACT

TALENT ATTRACTION AND  
RETENTION

HUMAN CAPITAL  
DEVELOPMENT

SUPPLY CHAIN  
MANAGEMENT

### ENVIRONMENTAL IMPACT

CLIMATE  
STRATEGY

PRODUCT ECO-  
EFFICIENCY

HAZARDOUS CHEMICAL  
MANAGEMENT

### SOCIAL IMPACT

TALENT ATTRACTION  
AND RETENTION

OCCUPATIONAL  
SAFETY AND HEALTH

SUPPLY CHAIN  
MANAGEMENT

### ENVIRONMENTAL IMPACT

CLIMATE  
STRATEGY

PRODUCT  
INNOVATION

CIRCULAR  
ECONOMY

### SOCIAL IMPACT

SUPPLY CHAIN  
MANAGEMENT

PRODUCT HEALTH AND  
SAFETY

CUSTOMER PRIVACY  
PROTECTION





# 1

## ABOUT WT MICROELECTRONICS

**7.9**

billion dollars

2021 profit for the  
year(NT\$)

**9.96**

dollars

2021 Earnings per share  
(NT\$)

**45**

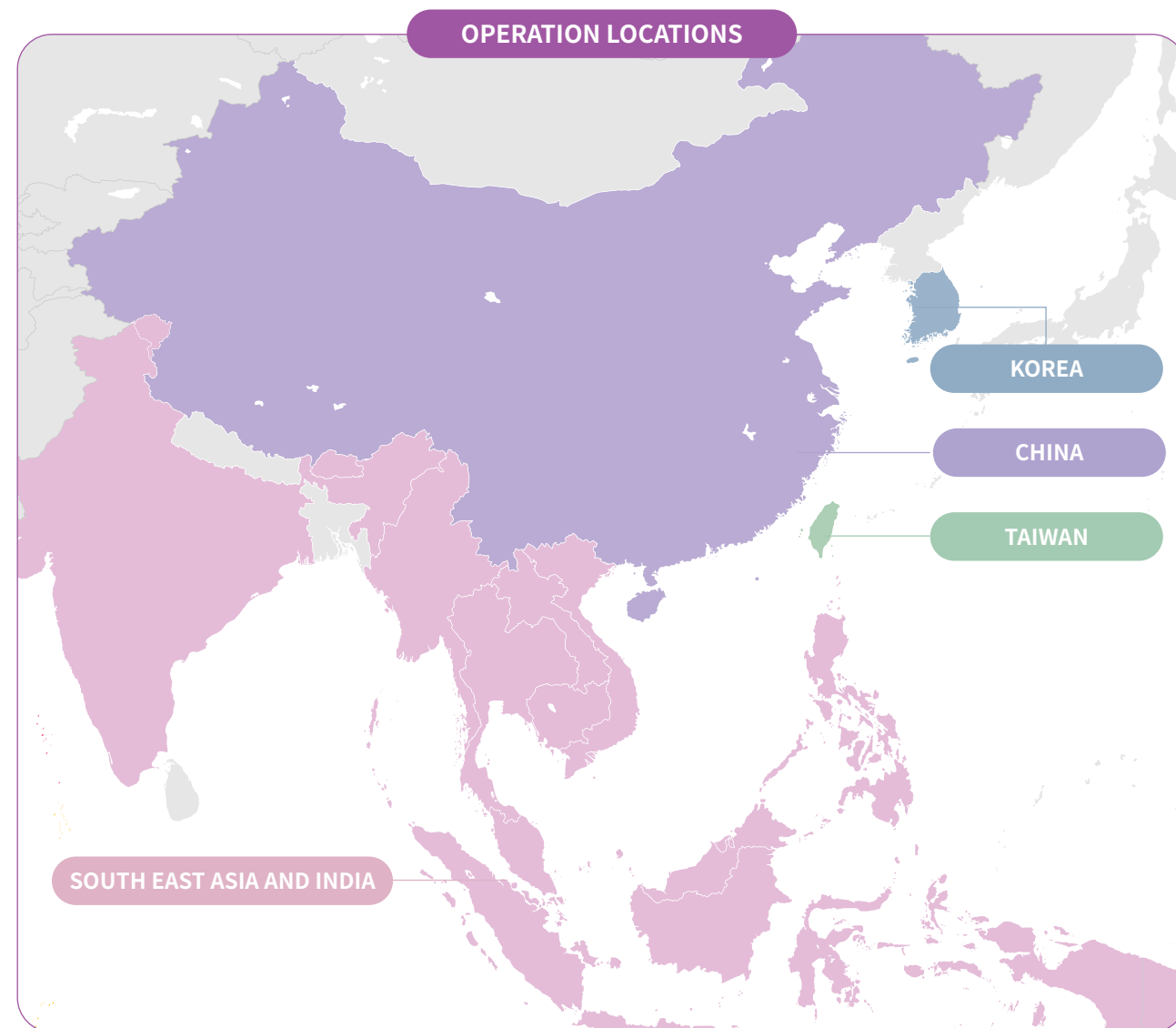
locations

All Asia Operation  
Locations

# 1.1 Operations Profile

## Strong revenue streams Selected as one of the top 500 high-growth companies in Asia Pacific by 2021

Established in 1993, WT Microelectronics is a leading professional service provider focusing on the global semiconductor distribution industry. By providing superior supply chain management services to both vendors and customers, WT has successfully positioned itself as a pivotal liaison, bridging upstream and downstream partners. Aiming to co-define the product marketing strategy with upstream vendors as well as to reduce R&D pipeline for downstream customers, WT has persistently strengthened its capability to create value-added services throughout the supply chain. Over the past 20 years, WT Microelectronics has accumulated solid technical skills and the ability to predict future



WT Microelectronics' operation headquarters is based in Taiwan, and has so far successfully built up a compact marketing channel, with a total of 45 operation bases in China, Korea, Singapore, India, Thailand, Malaysia, Vietnam and other regions.

Name	WT Microelectronics
Headquarters Location	14F, No. 738, ChungCheng Road, Chung Ho District, New Taipei City, Taiwan
Ownership and Legal Form	Public Company. The Company's shares are publicly traded on the Taiwan Stock Exchange under stock code 3036.
Total number of offices	45
Total number of regular staff	2,564 employees, 100% regular employees by type of employment, no fixed-term contracts and part-time employees (as of 2021/12/31).
Operating and Sales Markets	Asia
Brands, Products & Services	We are the world's leading provider of professional electronic component distribution services, representing over 80 of the world's leading semiconductor manufacturers and serving over 8,000 quality customers.
Amount of capital	NT\$ 9.4 billion (as of 2021/12/31)
Operating revenue	NT\$ 447.896 billion (FY 2021)
Participation in External Organizations	Taiwan Electrical and Electronic Manufacturers Association (TEEMA) First Class Membership. Taipei Electronic Components Commercial Association (TCCSA) Official Member

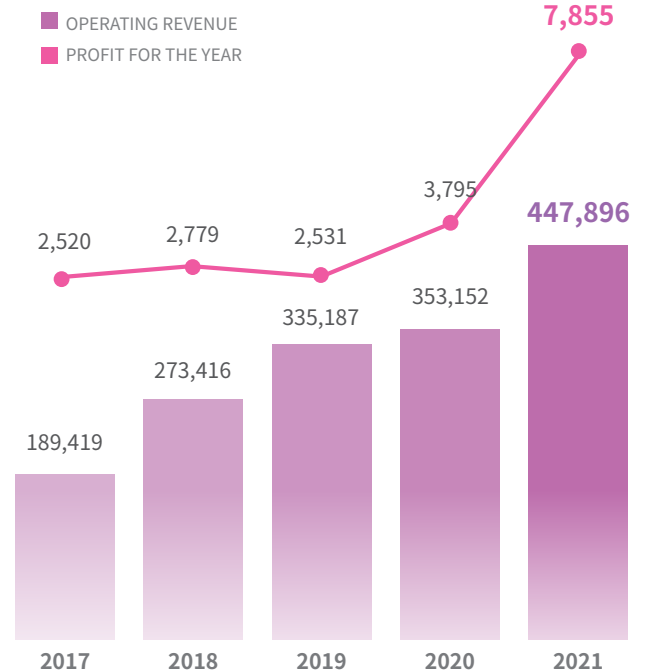
product trends. We are committed to connecting the features of the components from upstream with the functional requirements of downstream customers' end products to provide optimal services to upstream suppliers.

WT Microelectronics represents more than 80 world-class upstream suppliers and serves more than 8,000 quality customers. The electronic components we represent are widely used in various applications such as communications, computers and peripherals, consumer electronics, industrial control, the Internet of Things (IoT), and automobiles.

In 2021, WT Microelectronics' operating revenue reached NT\$447.896 billion (+27% YoY), profit for the year was NT\$7.855 billion (+107% YoY), and its earnings per share was NT\$9.96. The company's strong revenue performance has earned a place on the Financial Times (FT) list of the top 500 Asia-Pacific High-Growth Companies by 2021.

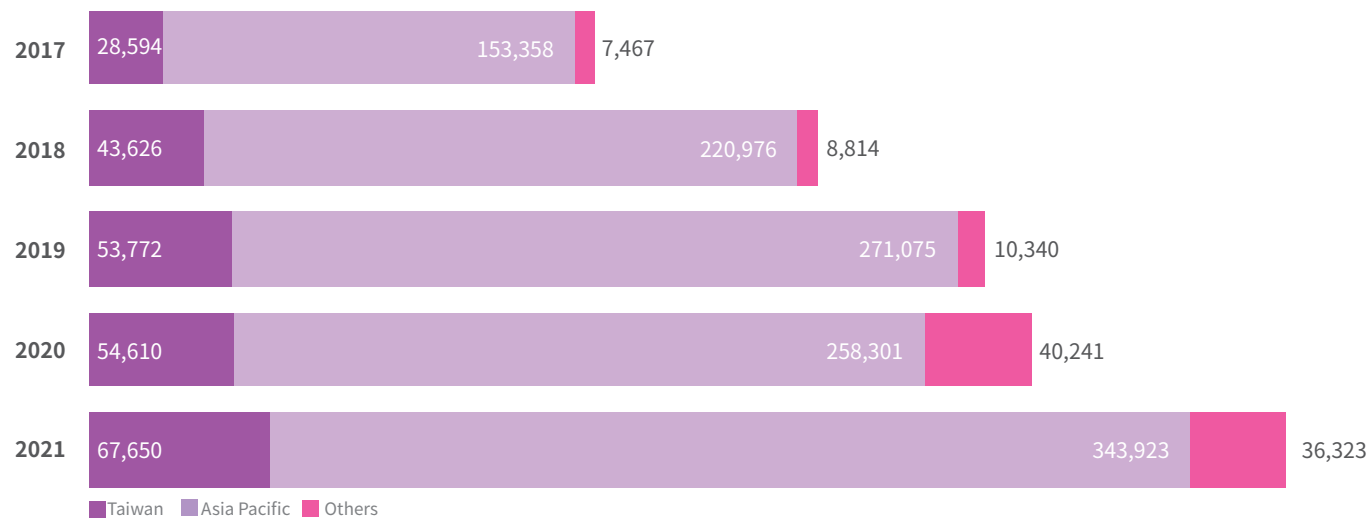
### Revenue and Profit Growth from 2017 to 2021

(Unit: NT\$ million)

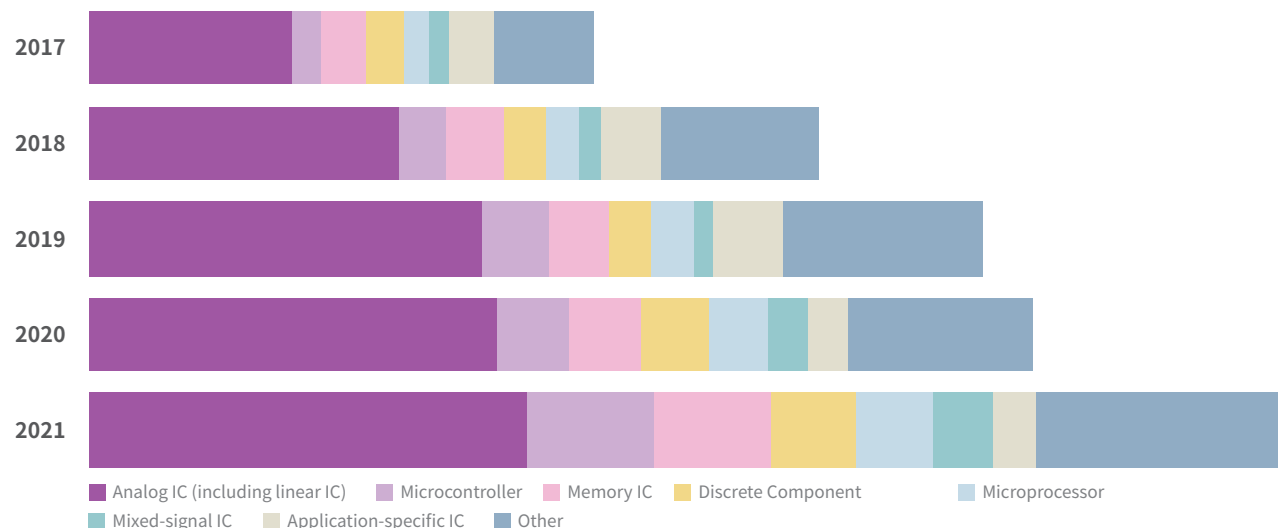




**Revenue From Past Years  
by Geographic Region** (Unit: NT\$ million)



**Revenue by Product  
by Year** (Unit: NT\$ million)



	2017年	2018年	2019年	2020年	2021年
Analog IC (including linear IC)	75,836	116,014	147,115	152,587	163,915
Microcontroller	11,084	17,444	25,454	27,276	47,927
Memory IC	17,338	22,241	22,462	26,634	43,118
Discrete Component	14,057	15,942	15,483	25,459	32,095
Microprocessor	9,315	11,593	15,639	22,198	28,982
Mixed-signal IC	7,342	8,699	7,881	15,670	22,549
Application-specific IC	16,381	22,263	25,691	14,893	15,476
Other	38,066	59,220	75,462	68,435	93,834
Total sales amount	189,419	273,416	335,187	353,152	447,896

# 1.2 Corporate Culture

## 3 Core Values and 3 Business Principles

### CORPORATE CORE VALUES

#### INTEGRITY

We adhere to a set of definite ethical guidelines. Integrity is the fundamental core value of WT and the integral component for all decision-making. We always behave honestly and sincerely in all our interactions.

#### COMMITMENT

We stand firm in our commitment to vendors, customers, employees, shareholders and society as a whole. We are committed to making the utmost efforts to serve all stakeholders' best interests and to be a reputable and accountable company

#### TEAMWORK WITH RESPECT FOR THE INDIVIDUAL

We respect individual development and care about team spirit. We believe that individual well-being and the company's long-term success complement each other. With each individual's collaboration toward shared goals, we can maximize our team's achievements.

### BUSINESS PHILOSOPHY

#### FORGE PARTNERSHIPS WITH VENDORS AND CUSTOMERS

We treat our vendors and customers as partners. We work closely with them in pursuing mutual prosperity. Our Partners' success is our success and we value their competitiveness as we value our own. This belief in partnership has brought us respect and recognition in the industry and will lead us to greater achievements in the future.

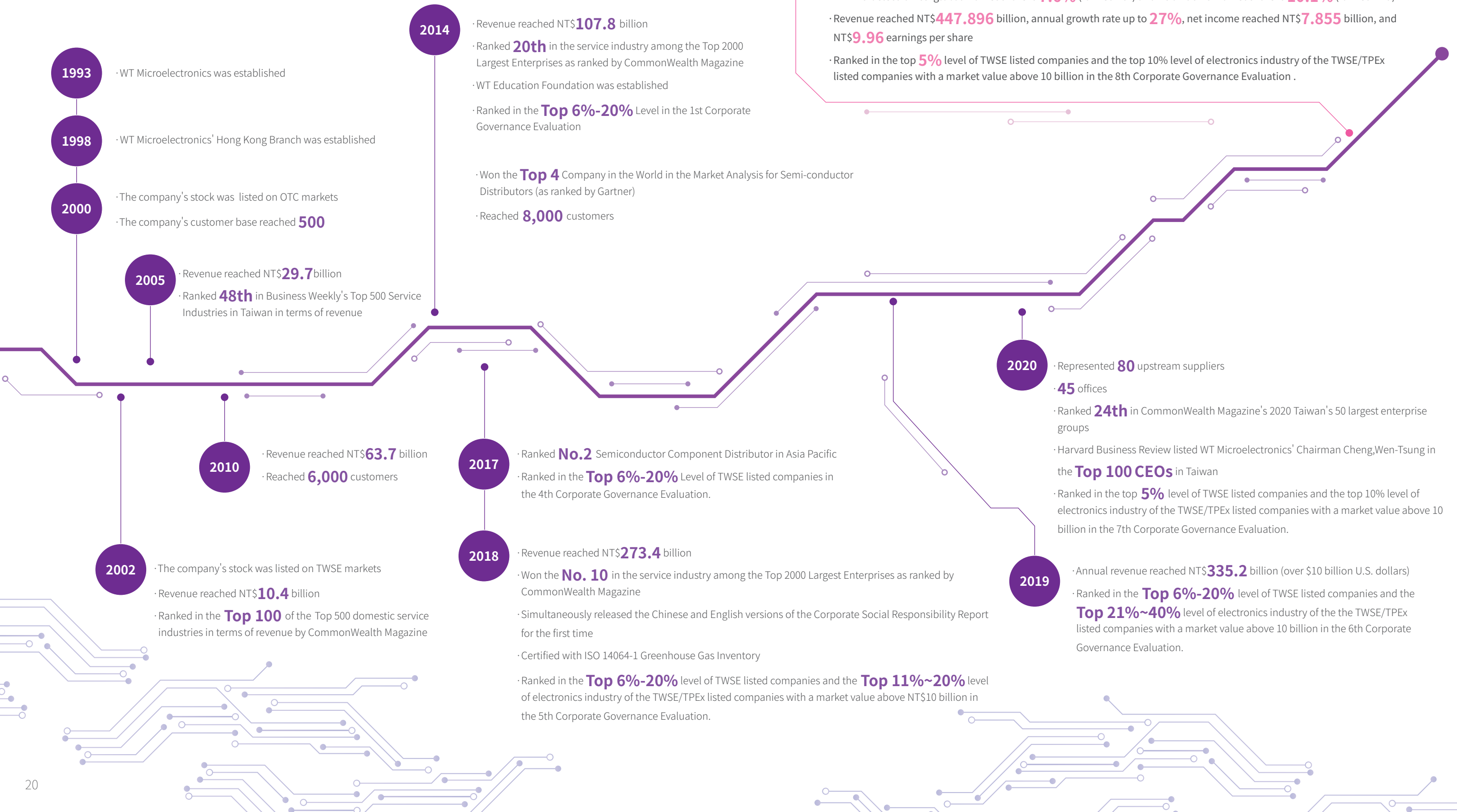
#### FOCUS ON CORE BUSINESS

We stay focused on core business and create irreplaceable values in the supply chain. In this ever-changing environment, staying focused is the only way to adapt to new challenges, innovate, and enhance our service capability in the value chain.

#### STRIVING FOR EXCELLENCE

Striving for excellence is carried out in all areas and at all levels of our organization. Every team member believes that there is always room for improvement. We are determined to bring the best quality service to all aspects of our business and to maximize our value to the industry.

# 1.3 Key milestones





# 2

## SUSTAINABILITY REPORT

Top 5 Stakeholders 7 Main Themes of Disclosure

**CHIEF  
SUSTAINABILITY  
OFFICER**

Background in  
product application  
engineering

**495**

Identified valid  
questionnaires returned

**20**

Investor  
Conferences

# 2.1 Operational Mechanism for Sustainability Management

## 6 Step Protocol for Sustainability Issue Management

WT voluntarily enact sustainable policies and initiatives for environmental, social, corporate governance, and economic and trade compliance. Meanwhile, these sustainable policies and initiatives are all approved by the Board of Directors and published after the approval of the board's chairman.

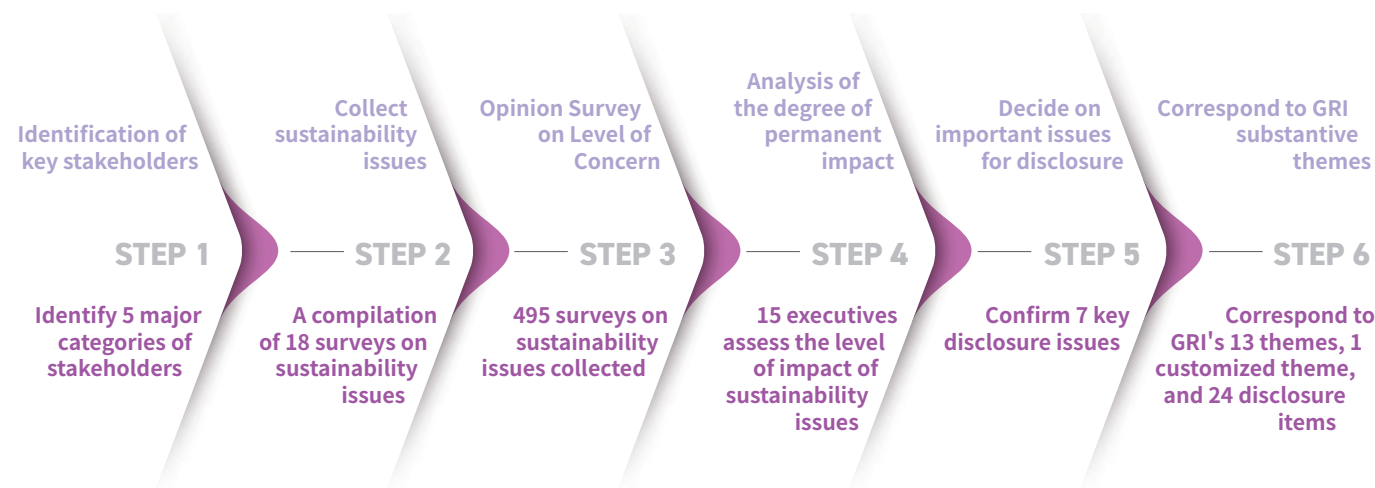
### Sustainable Development Policies and Initiatives



In addition, the senior vice president Kerry Hsu was appointed as Chief Corporate Governance Officer by the Board of Directors in 2019 and established an "WT Microelectronics Sustainable Development Team" in 2021. With Dr. Willie Sun, Chief Application Officer as the Chief Sustainability Officer, they report regularly to the Board of Directors on ESG initiatives to understand the types of ESG risks faced in the operation process and the existing management measures.

Under the GRI Sustainability Reporting Guidelines for reporting principles, WT conducted a six-step negotiation process, following the principles of stakeholder inclusiveness, the context of sustainability, materiality and completeness for sustainability issue management, to identify key stakeholders, important issues for disclosure, and to define the scope of information disclosed in the report.

### Identification Process for Key Disclosure Issues and Results



# 2.2 Stakeholder Meeting

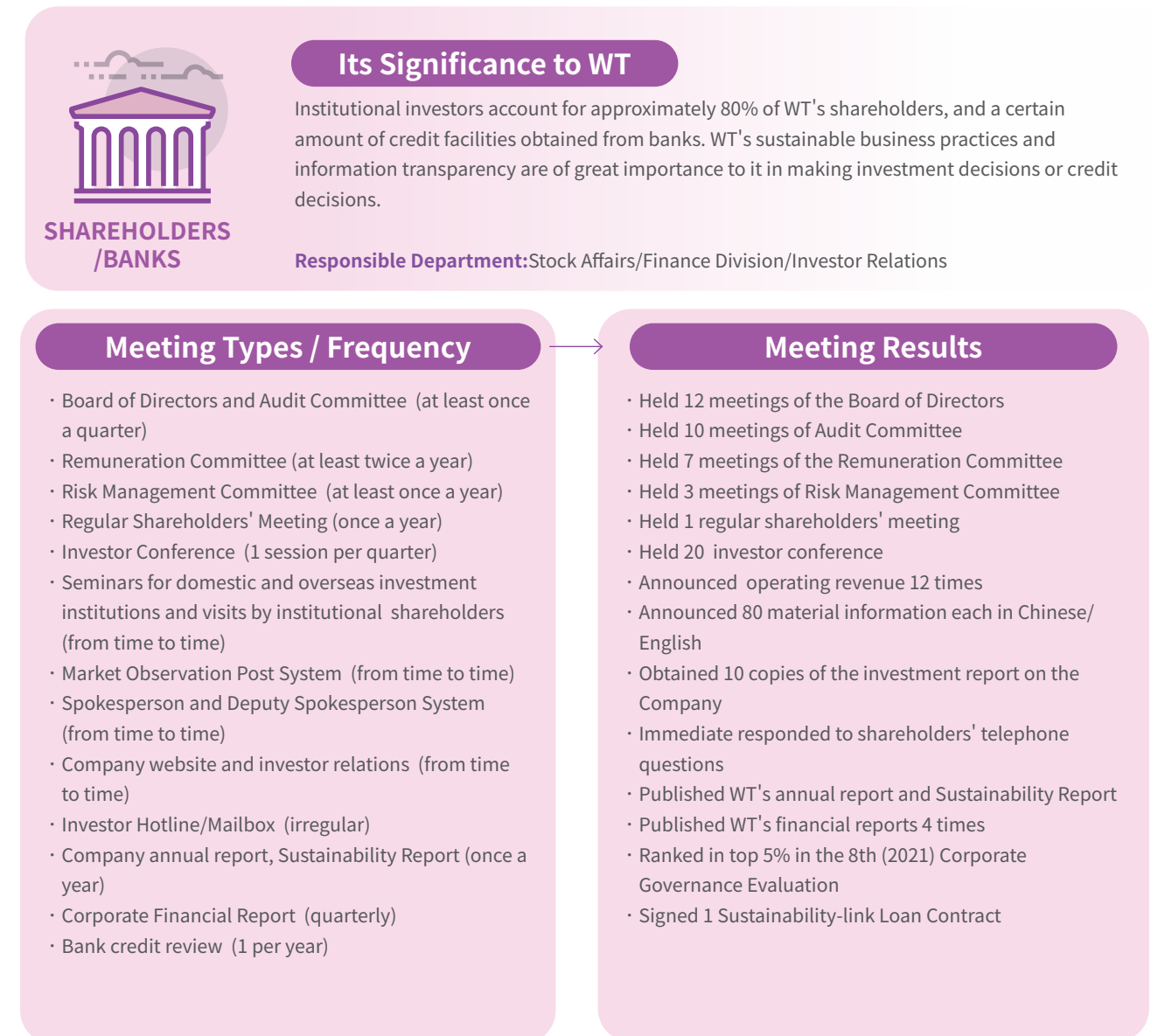
## 5 Key Facets to Identify Key Stakeholders

Through the AA1000 SES standard, WT identifies important stakeholders through five significant aspects: "responsibility, influence, tension, diverse viewpoints, and dependability". Key stakeholders are identified into five categories: shareholders/banks, customers, employees, upstream suppliers, and other suppliers.

### 5 categories of key stakeholder meeting results

The five types of stakeholders encompass different values and interactions with WT's operations. By negotiating through various communication methods, different departments continued to communicate and cooperate in 2021 to produce various results.

### Types of Stakeholders



## Types of Stakeholders



**CUSTOMERS**

### Its Significance to WT

As a distributor of IC products, WT serves as a bridge between customers and upstream suppliers. Therefore, all customers' concerns and requirement on sustainability are an important and indispensable source for WT in making decisions and providing services during the operation process.

**Responsible Department:** Sales Division, Marketing Division

### Meeting Types / Frequency

- Telephone, e-mail (irregular)
- Customer's supplier audit (1 time per year)
- Customer's supplier meeting (1 per year)

### Meeting Results

- Attended 20 supplier conferences organized by major customers
- Awarded the GIGABYTE Best Distributor Award 2021
- We continue to build an efficient and sustainable supply chain management by actively introducing new components and providing complete and immediate technical support.



**UPSTREAM  
SUPPLIERS**

### Its Significance to WT

The key to a sustainable growth for WT is to obtain competitive IC products and provide customers with the best product suggestions. Therefore, good communication and interactions with upstream suppliers is crucial to our operation.

**Responsible Department:** Marketing Division

### Meeting Types / Frequency

- Business Briefing (1 per quarter)
- New Product Promotion Strategy Meeting (from time to time)

### Meeting Results

- Attended 40 business presentations throughout the year
- 80 sessions on new product promotion strategy

#### ☆☆☆ Awarded:

- Obtained by ST Microelectronics In Recognition of Outstanding Performance: Achieve \$1 Billion 2021 Yearly Revenue and Long Lasting Partnership
- Best Performance (Gold Award) for ST 2021
- Awarded Nuvoton Technology 2021 Best Sales Performance Contribution Award
- Awarded Lumileds Gold Excellent - Excellent Distribution Partner Award 2021
- Winner of the Smartsens 2021 Agency of the Year Award.

## Types of Stakeholders



**EMPLOYEES**

### Their Significance to WT

In the process of integrating original products and providing customer services, we must be professionally capable of understanding the features of products from upstream suppliers and our customers' needs regarding material demands. Therefore, one of the important objectives of WT's operations is to attract outstanding talents and to continuously invest in career development for a competitive workplace environment.

**Responsible Department:** Human Resources Division

### Meeting Types / Frequency

- Complaint Mailbox / Complaint Hotline (at any time)
- Company's internal website (from time to time)
- Management and Labor Council/Welfare Committee meetings (1 per quarter)
- Health consultation (immediate/occasional)

### Meeting Results

- No complaints in 2021
- Staff-related announcements made based on actual demand
- 4 Management and Labor Council / 4 Welfare Committee meetings
- Medical Consultation: 2~3 hour per month, Healthcare Manager Consultation: irregularly



**OTHER  
SUPPLIERS**

### Their Significance to WT

The annual amount of common service purchases remains at a certain amount. Through our green procurement policy and supplier management mechanism, we hope to work with more partners to continue to grow in all aspects of sustainability.

**Responsible Department:** GA Division

### Meeting Types / Frequency

- Supplier Corporate Social Responsibility (CSR) pledge (1 per year)
- Contractor's Safety and Health Pledge (from time to time)
- Online Supplier Self-Assessment Form (1 time per year)
- General Key Supplier Ratings (semi-annually)
- Engineering Key Vendors Competition (from time to time)
- Critical Vendor Review (1 per year)
- Works Safety and Health Agreement Organization Meeting (from time to time)
- Hazardous substance management policy communication (from time to time)
- Procurement window mailboxes for suppliers (irregular)
- Complaint Hotline and mailbox (from time to time)



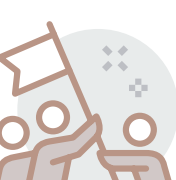


### Meeting Results

- 100% of suppliers' CSR pledges signed
- 100% of contractor's safety and hygiene pledge signed
- 100% of the online supplier self-assessment form signed



### GRI Substantive Themes for Top 3 Issues

Based on the results of the sustainability issues survey, we analyzed the top three sustainability issues of interest to various stakeholders, and revealed the strategies, management approaches and plans for promoting these issues in relation to the substantive GRI themes.

Stakeholders	Top three issues of concern	Corresponding GRI substantive themes
 Shareholders/Banks	<ol style="list-style-type: none"> <li>Ethical Management</li> <li>Climate Change</li> <li>Financial performance</li> </ol>	<ol style="list-style-type: none"> <li>201 Economic Performance 2016</li> <li>205 Anti-corruption 2016</li> <li>305 Emissions 2016</li> <li>307 Environmental Compliance 2016</li> <li>419 Socioeconomic Compliance 2016</li> </ol>
 Customers	<ol style="list-style-type: none"> <li>Information Security</li> <li>Ethical Management</li> <li>Sustainability Supply Chain</li> </ol>	<ol style="list-style-type: none"> <li>204 Procurement Practices 2016</li> <li>205 Anti-Corruption 2016</li> <li>307 Environmental Compliance 2016</li> <li>419 Socioeconomic Compliance 2016</li> </ol>
 Employees	<ol style="list-style-type: none"> <li>Information Security</li> <li>Talent attraction and retention</li> <li>Talent Development</li> </ol>	<ol style="list-style-type: none"> <li>202 Market Presence 2016</li> <li>401 Employment 2016</li> <li>402 Labor/Management Relations 2016</li> <li>404 Training and Education 2016</li> <li>405 Diversity and Equal Opportunity 2016</li> </ol>
 Upstream Suppliers	<ol style="list-style-type: none"> <li>Information Security</li> <li>Financial performance</li> <li>Ethical Management</li> </ol>	<ol style="list-style-type: none"> <li>201 Economic Performance 2016</li> <li>205 Anti-Corruption 2016</li> <li>307 Environmental Compliance 2016</li> <li>419 Socioeconomic Compliance 2016</li> </ol>
 Other Suppliers	<ol style="list-style-type: none"> <li>Ethical Management</li> <li>Financial performance</li> <li>Information Security</li> </ol>	<ol style="list-style-type: none"> <li>201 Economic Performance 2016</li> <li>205 Anti-Corruption 2016</li> <li>307 Environmental Compliance 2016</li> <li>419 Socioeconomic Compliance 2016</li> </ol>

## 2.3 Analysis of important disclosure issues

### Survey on 18 sustainability issues, 495 valid questionnaires returned

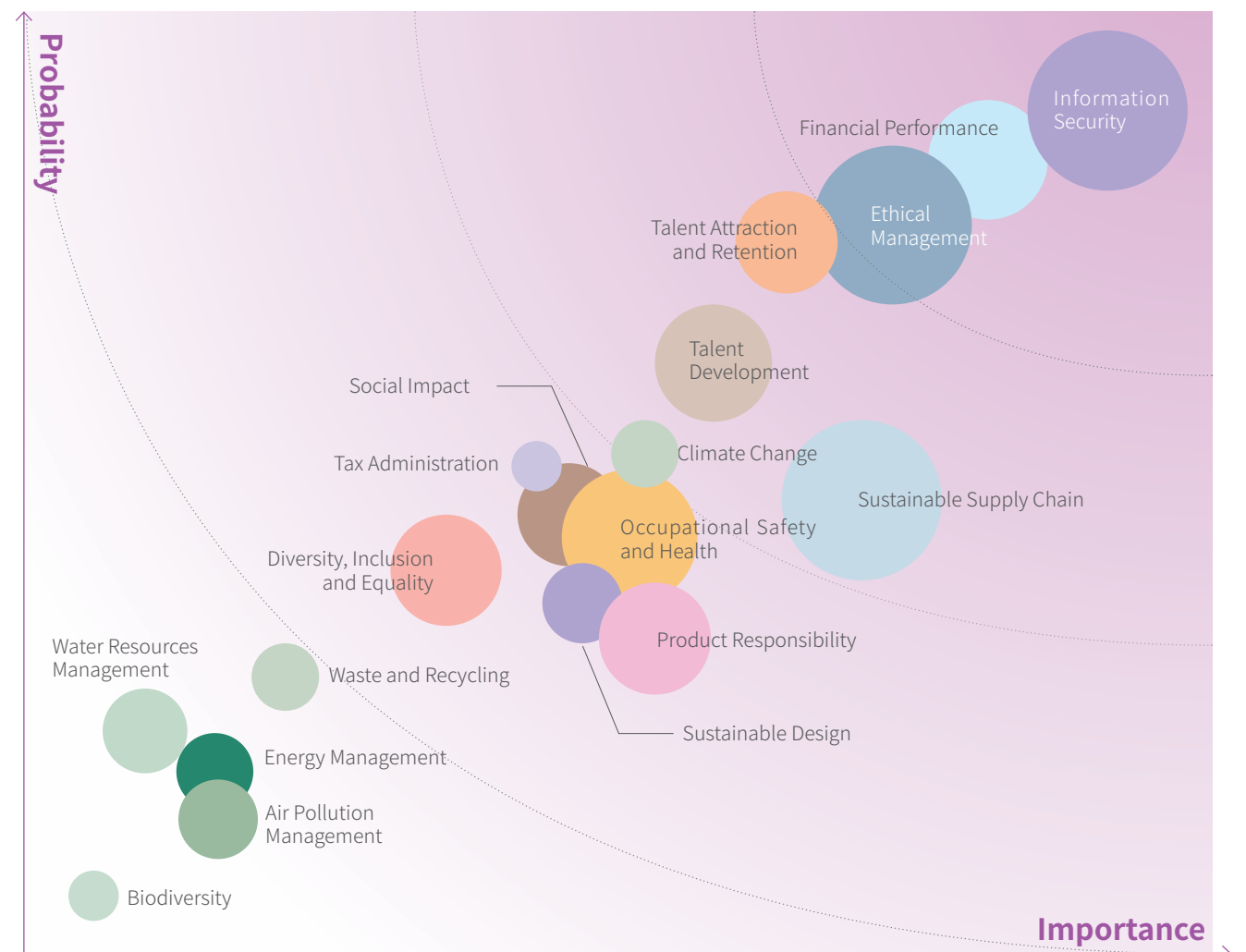
In order to understand the concerns and expectations of important stakeholders on sustainability at WT, a survey questionnaire covering 18 sustainability issues was developed with reference to the GRI Sustainability Reporting Guidelines and related issues in the industry, as well as information collected from sustainability reports of other related enterprise. The survey was sent to stakeholders via the responsible department, and 495 valid questionnaires were returned for WT to comprehend stakeholders' major concerns.

#### Aggregate key stakeholder's concerns and assess the level of impact

We conducted statistics and analyses on the stakeholders' sustainability questionnaires to compile their level of concerns. After discussions led by WT's 15 senior executives, the extent of possible economic, environmental and social impacts and the likelihood of occurrence of each issue were evaluated with respect to each issue.

#### Sustainability Impact Analysis Results

(Bubble Size: The level of stakeholder's concern)



2021  
SUSTAINABILITY  
REPORT

7  
IMPORTANT  
DISCLOSURE  
ISSUES

Information  
Security

WT's operations include important operational information of customers and upstream suppliers. Current transactions with customers also involve automated process handling. Therefore, strengthening our system and the construction of network security and ensuring the implementation of information security management are important core issues.

Financial  
Performance

As a listed company on the Taiwan Stock Exchange, WT is a key factor in gaining the favor of investors in the capital market by regularly releasing information on corporate operations and delivering good operating results.

Ethical  
Management

As a bridge between the upstream suppliers and the customer, WT's integrity in the transaction process is an extremely important factor. This code of conduct must be fully complied with from board members to all colleagues. It is continuously promoted and must not be violated in order to protect the interests of our clients and the upstream suppliers.

Climate  
Change

In response to climate change, various countries are continuously adding or amending regulations, and end customers in the technology industry are also declaring a net-zero carbon emission schedule. The demand for carbon management is gradually increasing, and reducing greenhouse gas emissions and strengthening WT's ability to adapt to and mitigate climate change issues are unavoidable in future operations.

Talent  
Development

We continue to assist our employees in the continuous development of their professional knowledge and management skills, which is conducive to the innovation and growth of the company. With a suitable compensation system, promotion mechanism and welfare policy, we enable our employees to give full play to their best work ability with a work-life balance and reduce the cost of human capital loss.

Talent attraction  
and retention

Sustainable  
Supply Chain

In addition to basic quality management and other related aspects, chemical management, conflict minerals and human rights management are also issues that are highly valued in the overall technology industry. WT continues to take concerns in customers' needs for sustainability. We relentlessly communicates with suppliers and conducts regular assessments to implement sustainable management in the entire supply chain.

We have compiled the concerns of important stakeholders and evaluated the impact and potential of sustainability issues on the economic/environmental/social operations of WT, and listed six important issues such as information security, financial performance, Ethical management, talent attraction and retention, talent development, and sustainable supply chain, etc. In addition, considering the increasing importance of climate change, we added "Climate Change" as an issue. These seven issues will be the basis of the 2021 Sustainability Report.

In 2021, we will adopt a different approach to managing sustainability issues than we did in 2020, using the GRI themes as the sustainability issues survey in 2020. Among them, seven are in line with the major issues for 2020, while four substantive GRI themes, including indirect economic impact, labor/management relations, non-discrimination, and customer privacy, have been removed. Three new issues highly relevant to human capital are added, including market presence, training and education, diversity and equal opportunity. Energy, information security and social assessment of the supply chain have also been issues of great concern to the public in recent years.

## Description of Important Disclosure Issues

### 14 GRI substantive themes, 24 disclosure indicators

We examine the GRI Sustainability Reporting Guidelines' (GRI) 33 economic, environmental, and social themes, mapping them to key disclosure issues, and selected 14 substantive themes of relevance and 24 disclosure indicators to be covered in the 2021 report.

### Defining the Sustainability Report's Disclosure Boundary

The disclosure team held a meeting to review each important disclosure issue one by one, the impact of each issue on WT and throughout the value chain, later confirmed the disclosure boundary within the organization, which varies slightly depending on each issue.

Important Disclosure Issues	Impact Range				GRI Substantive Topic Correspondence
	WT	Subsidiaries	Customers	upstream suppliers	
INFORMATION SECURITY	●	●	●		Customized Indicators ◆
FINANCIAL PERFORMANCE	●	●	○	○	201 Economic Performance 2016
ETHICAL MANAGEMENT	●	●	●	●	205 Anti-Corruption 2016
					307 Environmental Compliance 2016
					419 Socioeconomic Compliance 2016
CLIMATE CHANGE	●	●	○	○	302 Energy 2016 ◆
					305 Emissions 2016
Talent attraction and Retention	●	●			202 Market Presence 2016 ◆
					401 Employment 2016
					405 Diversity and Equal Opportunity 2016 ◆
TALENT DEVELOPMENT	●	●		○	404 Training and Education 2016 ◆
SUSTAINABLE SUPPLY CHAIN	●	●		○	308 Supplier Environmental Assessment 2016
					414 Supplier Social Assessment 2016 ◆

Note:「●」is direct impact,「○」is indirect impact, and「◆」 is new important disclosure issue supplier added in 2020

# 3

## EVERY STEP OF OUR MANAGEMENT CORNERSTONE

is assistance for WT's vision for the future

TOP **5** %

Results of the 2021  
Corporate Governance  
Evaluation

**43** %

Percentage of female  
directors

**100** %

Information security  
awareness completion rate  
of the whole group



# 3.1 Corporate Governance

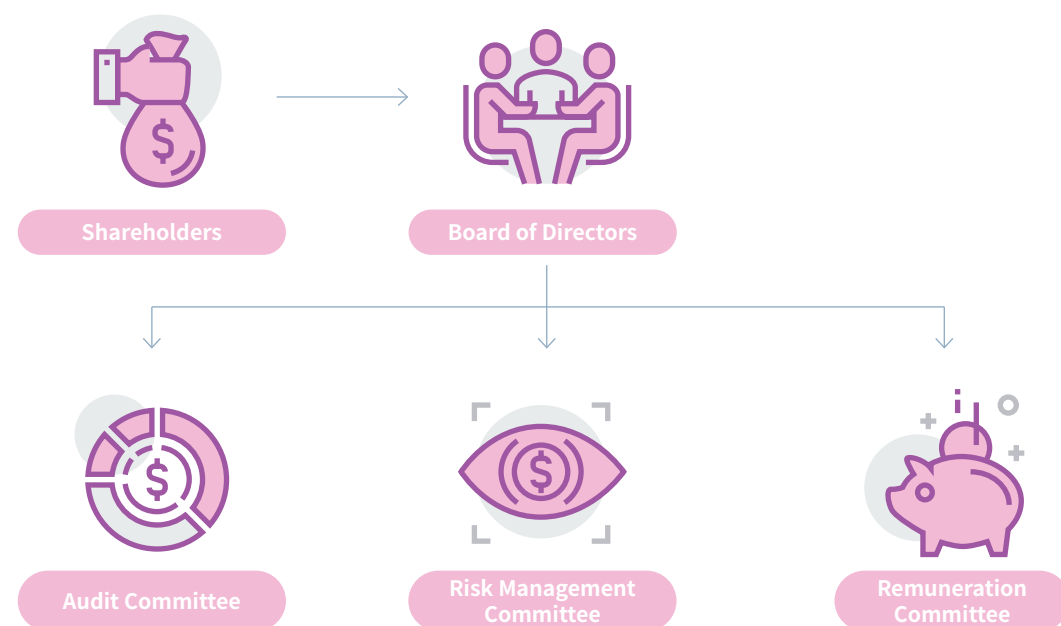
## Focus on risk management

## Strive for self-monitoring to align with the times

WT has established a corporate governance structure to manage its business in accordance with the ROC Company Act, the Securities and Exchange Act and other relevant laws and regulations. We aim to pursue the long-term interests of our shareholders by enhancing corporate performance and accountability and by balancing the interests of our stakeholders.

Under the Board of Directors are an Audit Committee, a Remuneration Committee and a Risk Management Committee. The Risk Management Committee is composed of three independent directors, the Chairman and the CFO, and is responsible for submitting risk management-related proposals to the Board of Directors for discussion.

The Board of Directors is the highest governing body of WT. The ninth term of the Board was elected on 21 June 2019 for a term of three years and consists of seven directors who pursue a policy of diversity to strengthen the development of corporate governance. Three of the Board members are independent directors (42.86% of all directors are independent directors) and three of the Board members are women (42.86% of all directors are women). Two of the directors are employees (28.57% of all directors are employee directors). In addition, all directors of the Board are currently aged 50 or above.



The Board of Directors meets at least once a quarter to monitor the achievement of the Company's operational goals and performance, provide strategic guidance to the management team, and supervise the Company's compliance with laws and regulations to ensure the best interests of shareholders. In fiscal 2021, 12 Board of Directors meetings were held with an average attendance rate of 98.8% for all directors and 100% for independent directors. For information on the diversity of the Board of Directors, the Audit Committee, the Remuneration Committee and the Risk Management Committee, including their members, age range, experience and tenure, as well as information on the actual attendance rate of the Board of Directors, the status of continuing education and the implementation of the recusal of interests, please refer to the "Third. Report on Corporate Governance" in WT's 2021 Annual Report.

## 100% attendance of Audit Committee members in person

The Audit Committee was established on June 21, 2019 and consists of all three independent directors, two of whom have accounting or financial expertise, to assist the Board of Directors in overseeing the fair presentation of the Company's financial reports, the effective implementation of the internal control system, compliance with relevant laws and regulations, and the management of existing or potential risks. The Audit Committee meets at least quarterly, and the accountants communicate and interact with the independent directors from audit planning to audit or review results during the year. The Internal Audit Officer reports to the Audit Committee at each regular meeting of the Board of Directors on the performed of the audit. Whether the internal audit officer or the accountants can contact with independent directors directly. The Audit Committee held 10 meetings in fiscal 2021, with 100% attendance of all members in person.

The fourth term of Remuneration Committee is composed of two independent directors and one independent member. The purpose of the Committee is to make objective and professional recommendations to the Board of Directors, taking into account the Company's operational performance, and to assist the Board of Directors in implementing and evaluating the Company's overall compensation and welfare policies. In addition, the remuneration of directors and managers is determined and reviewed in accordance with the "Procedures for Remuneration of Directors and Functional Committee Members" and "Remuneration for Managers" as necessary to strike a balance between sustainable management and risk control. 7 meetings were held in fiscal 2021, with an average attendance rate of 85.71%(note) of all members.

## Performance evaluation of the Board and functional committees

In order to implement corporate governance and enhance the functions of the Board of Directors, and to establish performance targets to strengthen the operational efficiency of the Board of Directors, WT has formulated the "Rules for Board of Directors Performance Assessments" in 2016, which stipulates that the Board of Directors and functional committees shall conduct internal self-evaluation on a regular basis every year and be evaluated by an external independent institution or an external team of academic experts at least once every three years. The evaluation results shall be reported to the Board of Directors, and the evaluation results shall be used as reference for the payment of individual directors' remuneration and the nomination of directors for re-election.



### Internal Self-Assessment

In January 2022, the internal self-assessment questionnaires for the entire Board of Directors, individual members of the Board of Directors, individual members of the Audit Committee and individual members of the Remuneration Committee for the year 2021 were completed. The results indicated that the Board of Directors and the functional committees were functioning well.



### External Assessment

In 2020, an external professional institution, the Taiwan Institute of Ethical Business and Forensics, was appointed to conduct the 2020 evaluation of the effectiveness of the Board of Directors. The Institute and its executive experts have no business dealings with WT. The evaluation was conducted through document review, questionnaires and on-site interviews in four major areas, including the professional functions of the Board of Directors, the effectiveness of the Board of Directors' decision-making, the Board's attention to and oversight of internal control, and the Board of Directors' attitude toward corporate social responsibility. The recommendations and improvement measures were as strengthening communication between the board members and the management team, strengthening the Board's attention to CSR, etc. With respect to the aforementioned recommendations, the Corporate Governance Department initiated concerns raised by individual directors to the management team and invited relevant managers to attend the board meetings to explain to the directors when necessary. In addition, in response to the Board's emphasis on sustainable development issues (previously referred to as corporate social responsibility issues), WT Microelectronics Sustainable Development Team was established at the end of 2021 to promote corporate sustainable development and related information disclosure. They report regularly to the Board on its plans and implementation results.

Note: One member was unable to attend in person due to personal health factors, so three meetings were attended by proxy during the year, while the other two members attended 100% in person.

## Rigorous internal auditing to ensure fairness and impartiality

In WT Microelectronics, the Internal Audit Department (referred to as "the Department" hereunder) is an independent unit under the Board of Directors. A total of three full-time Internal Auditing Officer 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, shall be submitted by the Chief Internal Auditor to the Board Chairperson for approval and to evaluation and review at least once a year.

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.

## Implement self-monitoring, strengthening the system's responsiveness

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.



## Events related to corporate governance for FY 2021

Ranked in the top 5% of listed companies in the 8th Corporate Governance Evaluation and in the top 10% of the "Electronics category with a market value of over 10 billion"

18 hours of further training for the Chief Corporate Governance Officer  
The average number of hours of study for all independent directors is 10 hours  
The average number of hours of study for all directors is 9.4 hours

Attendance rate of all directors at regular shareholders' meetings **85.7%**

**56** days  
Individual and consolidated financial statements are audited by the accountants after the end of the year.

average in-person attendance of independent directors at 12 board meetings **100%**  
98.81% rate of average personal attendance of all directors

**34** days  
Quarterly consolidated financial statements are announced on average after the end of each quarter, as reviewed by the accountants.

On December 8, 2021, WT was included as a constituent of the FTSE TWSE Taiwan Mid-Cap 100 Index and the FTSE TWSE Taiwan Technology Index  
**20** Organized physical and online investor conference  
Developed an intellectual property management plan that integrates with the Company's operational objectives and R&D resources

# 3.2 Financial Performance

## Jumpstarting growth in 2021!

### 107% increase in profit for the year

Our operating revenue increased by 27% from NT\$353.152 billion in 2020 to NT\$447.896 billion in 2021. Our profit for the year increased by 107% from NT\$3.795 billion in 2020 to NT\$7.855 billion in 2021, increase of NT\$4.06 billion.

## Post-Pandemic Era Approaches, Positive Outlooks for Semiconductors

With the accelerated global digitization driven by the pandemic and the increased demand for energy saving and carbon reduction due to climate change, the main drive for growth in 2021 comes from as increased semiconductor content in electronic products and the rapid growth in applications such as automotive electronics, industrial control, data centers, and 5G communications. In the future, in addition to developing high-growth product markets and increasing customer penetration, we will continue to carry out digital optimization to continuously improve operational efficiency, optimize our operations management system, enhance our financial control system, and strengthen our human resources management to deepen our ability to provide added value in the semiconductor industry chain, thereby building a foundation for sustainable business operations.

Unit: NT\$ million

Historical revenue and profit	2017	2018	2019	2020	2021
Operating revenue	189,419	273,416	335,187	353,152	447,896
Operating costs	180,997	262,771	324,387	342,378	430,909
Gross profit	8,422	10,645	10,800	10,774	16,987
Operating expenses	4,504	5,391	5,547	5,458	6,430
Selling expenses	3,161	4,017	4,150	4,069	4,522
General and administrative expenses	1,024	946	988	979	1,296
Research and development expenses	319	368	407	386	609
Impairment loss determined in accordance with IFRS 9	0	60	2	24	3
Operating profit	3,918	5,254	5,253	5,316	10,557
Non-operating income and expense	-813	-1,633	-1,944	-517	-377
Profit before income tax	3,105	3,621	3,309	4,799	10,180
Income tax expense	585	842	778	1,004	2,325
Profit for the year	2,520	2,779	2,531	3,795	7,855
Total other comprehensive income (loss) for the year	-1,296	261	-568	6,569	2,140
Total comprehensive income for the year	1,224	3,040	1,963	10,364	9,995
Basic earnings per share (in dollars)	5.26	5.02	4.32	5.22	9.96

## GRI Specific Disclosure Expenditure Items

Unit: NT\$ million

Employee benefit expense	2,555	3,224	3,413	3,402	4,040
Interest expense and dividends	2,105	3,080	3,341	2,636	3,305



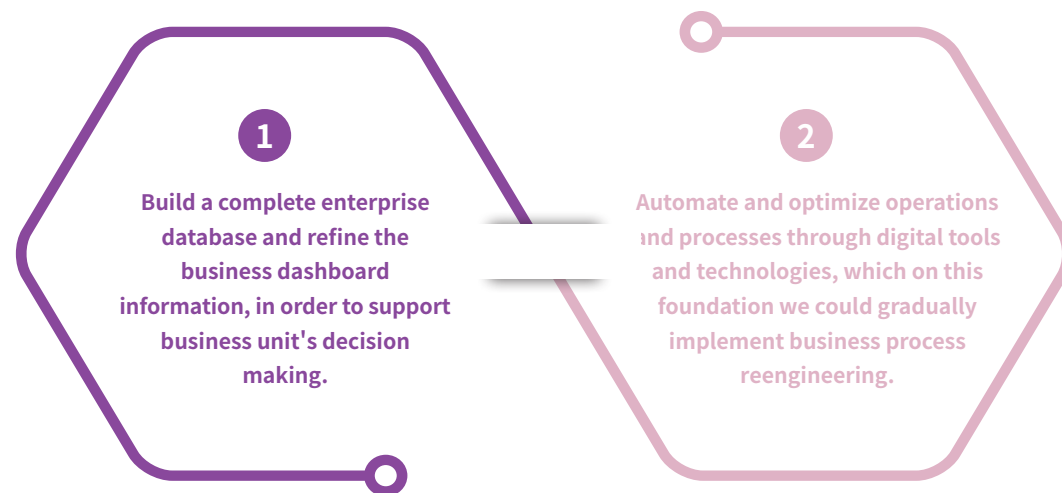
# 3.3 Digital Optimization

## Introducing RPA

### Establish efficient and highly automated processes and systems

To improve various major operation efficiency and enhance corporate insight, WT advances continuously on process optimization. By promoting digital optimization, we can internally set up new operations to match the current scale and help automate operations and reports for relevant operation units. Externally, we can promote B2B transaction operations to vendors and customers by linking them with Electronic Data Interchange, further establish efficient standard operation processes and management mechanisms, so that the person in charge of various departments can immediately grasp data changes and deploy relevant strategies and response in advance.

## Digital Optimization's 2 Stages and 2 Goals



## Digital Supply Chain Management

Extensive use of digital technology to optimize supply chain management and reduce operating expense ratio



### ENHANCED CUSTOMER SERVICE

- Expand B2B/EDI services to customers
- Online Supply Chain and Technology Services

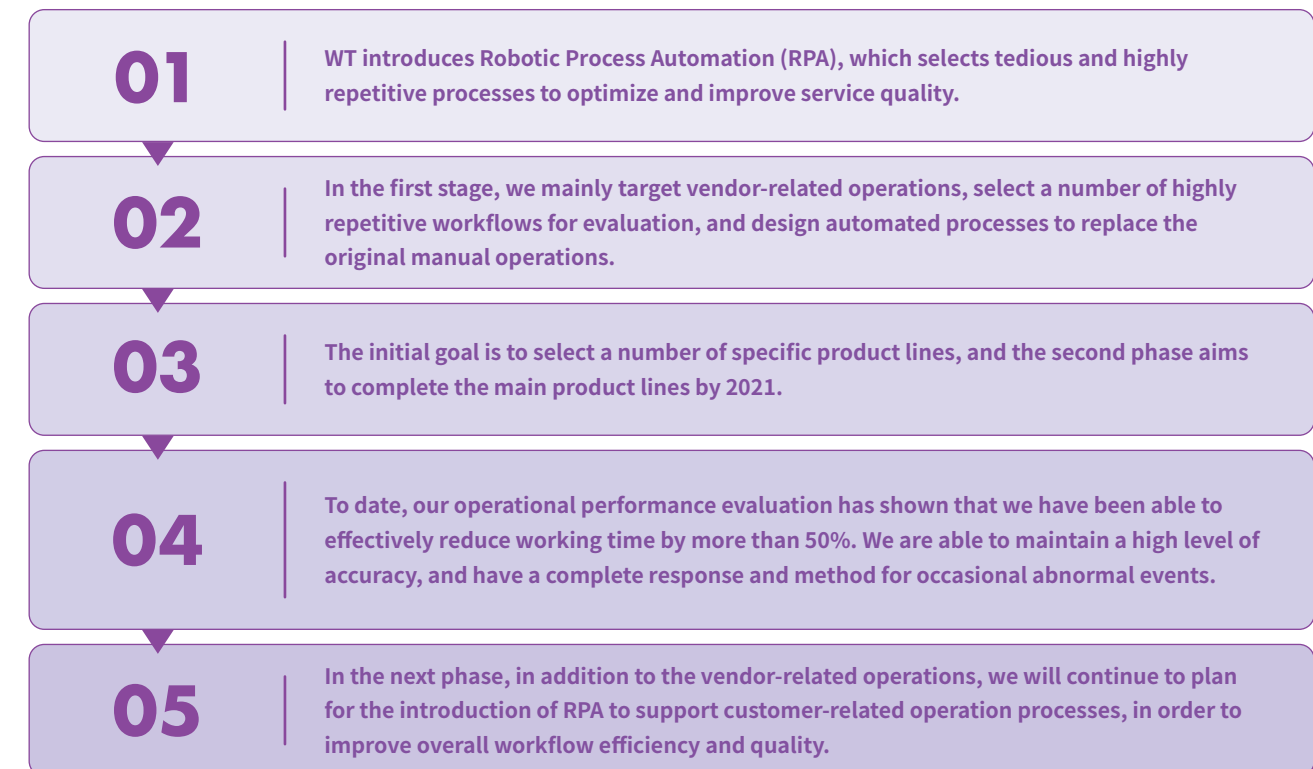
### CONTINUOUS IMPROVEMENT IN OPERATION EFFICIENCY

- Introduce new automated tools & processes to replace manual operations

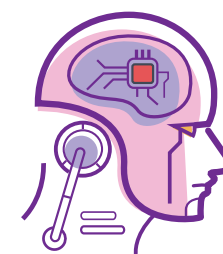
### SUPPORT BUSINESS DECISIONS MAKING

- Big data analysis aiming at business trends
- Visualize data into dashboards and reports for better visibility

## Introducing RPA-Robotic Process Automation



## Automating and optimizing workflows with significant results

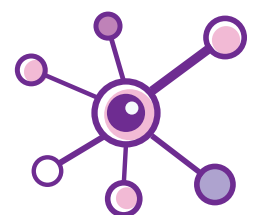


Automated assistance reached of RFQ process **82%**

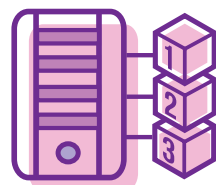
WT established a report automation team in 2019 and a software process automation (Robotic Process Automation, RPA) team in 2020. Through report creation and software process automation execution, the team supports internal operation units, external vendors and customers to enhance operational efficiency and correctness. For example, in 2021 RFQ process, the automation workload has increased from 52% in Q1 to 82% in Q4.

Real-time price update up to **97%**

Starting from 2019, WT established a basic structure and a pricing operation process, with the aim of consolidating product information and standardizing the pricing operation process to improve the overall efficiency of pricing and the accuracy rate of the group's pricing information. By 2020, the group's price information completeness has exceeded 90%, and the operational processes have been systematized for a number of large product lines, enhancing the efficiency of price application and approval process. In 2021, we further improved data completeness and timeliness through the establishment of a supplementary batch comparison and review mechanism, with the average weekly price update timeliness rate reaching over 97%.



## Automating and optimizing workflows with significant results



**AUTO-RECONCILIATION  
RATE UP TO 92%<sup>03</sup>**

From system WT's staff is able to clearly grasp each customer's payment terms and the documentation required for requesting payment through the integrated data. The system instantly presents the status of each account receivable, which facilitates staff to conduct reconciliations with customers, request payment operations and track outstanding payments. It also provides integration of invoice process in the accounting department, optimizing internal processes with cross-inter department. In the end of 2021, all business units in the group have implemented the system and 92% of all accounts receivable are reconciled and requested through this platform.

**AUTOMATED ORDER  
PROCESSING 138<sup>04</sup> OPTIMIZED  
CUSTOMERS**

Through the use of different automated systems and tools, the automated operation team at WT uses electronic data interchange with customer or automated order identification and processing to assist internal colleagues in optimizing the order processing process, giving priority to customers with an average monthly order quantity of over 30. By reducing manual order entry work, the efficiency and accuracy of data will be improved. As of 2021, we have completed the optimization of 138 customers, and the progress has reached 38%.



## Business dashboard for quick access to practical work information

In order to assist the company's business-related personnel at various levels in making decisions, WT customizes business dashboards to meet the requirements of each unit and level. Business data Which are collected daily, classified and compiled through system automation. Practical information is produced according to different usage objectives, which is provided to supervisors and responsible colleagues for quick review on mobile devices or the company's internal website, so as to grasp the current status and trends of operations and identify abnormal situations for tracking and management. As of 2021, we have completed the digitization of data collection for all product lines, and with the rapid changes in market demand, we will continue to optimize the data content to enhance the efficiency of decision making.

In addition to data analysis as an aid to decision making, the business dashboard also provides real-time inquiry of shipment information from the shipping location to the customer's receiving location, making it easy to track shipments and enhance customer satisfaction. In addition, the dashboard also supports real-time exception alerts and reminders for important to-do items.

## Digital approval processes substitute paper work: efficient and energy-saving

Starting from 2019, WT has been continuing to promote the use of digital tools to replace paper-based approval process. We completed the digitization of general procurement process in 2020, improving administrative efficiency and reducing the amount of paper used. Compared to 2019, the paper consumption in 2020 is reduced by 20%, and by 2021, all approval process of general procurement is digitalized, which reduces paper consumption by approximately 35,000 sheets, achieving a significant reduction in paper consumption.

# 3.4 Tax Policy

Tax is the basis for governments to provide local infrastructure and public services, and is an important source of funding to advance global sustainable development goals. In response to changes in global tax environment, increasingly complex cross-border transactions and global anti-avoidance trends, we continue to interact and cooperate with tax authorities in countries where we operate.

Under the trend of international tax equity, WT implements corporate governance and establishes a corporate tax culture through the formulation of tax governance policies and transfer pricing policies, while taking into account the overall development of operations and the creation of operating profits. We review our policies annually in accordance with international tax trends and evaluate the need for revisions. We file honestly in accordance with the regulations of each location where we operate, and make proper use of relevant government tax incentive policies.

Tax irregularities or unethical matters can be reported internally and externally through WT's established reporting mechanism. Tax information is disclosed in relevant public channels, such as annual reports of the shareholders' meeting. Such information is derived from financial statements certified by the accounting firm.

## WT's Tax Policy

**01**

### COMPLIANCE WITH TAX REGULATIONS

The company operates matters and reporting purposes in accordance with the tax laws and international regulations of each country in which it operates (e.g., the arm's length principle, OECD regulations, etc.). We pay reasonable tax liabilities commensurate with the economic value in the countries in which it operates in order to fulfill its social responsibility.

**02**

### INFORMATION TRANSPARENCY

We disclose tax-related information in compliance with the Financial Reporting Standards.

**03**

### REASONABLE TAX SAVINGS

We use legal tax incentives and do not engage in tax planning for the purpose of avoiding tax liabilities.

**04**

### ESTABLISH A COMMUNICATION PIPELINE

We established a respectful and trustful communication relationship with the tax authorities and conducted timely clarification of possible tax issues for major transactions.

**05**

### MANAGE TAX RISK

The company's key decisions require tax implication considerations, including analysis of the operating environment, transaction patterns and review of established investment structures to identify inconsistencies with sustainable tax strategies and management policies, with a view to developing adjustments.

The effective income tax rate of 22.8% in 2021 is higher than the statutory income tax rate of 20% for profit-making businesses in the ROC. This is mainly due to the fact that the board has considered the working capital required for the future growth of the Group's operations and retained a portion of the current year's earnings before distribution, which is subject to the tax on undistributed earnings.



# 3.5 Risk Management

## Control of risk

### The first step towards sound growth and sustainable operation

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.

## The Risk Management Committee is responsible for risk assessment

The Risk Management Committee of WT Microelectronics is a functional committee under the Board of Directors. The risk management committee members is composed of three Independent Directors, Chairman of the Board and the Chief Financial Officer. 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.

## Scope of responsibilities of the Risk Management Committee



## WT's organizational structure for risk management



## WT's Risk Management Process



## What are the types of risks? How does WT manage them?



## WT's Risk Management File

Date of meeting	Discussion
2021/01/05	A risk management policy was formulated and submitted to the Board of Directors for approval; a risk assessment was conducted and submitted to the Board of Directors for discussion regarding the impact of exchange rate fluctuations and the impact of the confrontation between the U.S. and China on the company's operations.
2021/03/18	Risk assessment, management and response to information security proposed to the Board of Directors for approval.
2021/11/05	Information System Security Enhancement and 2022 Information Security Plan Proposed for the Board's approval.
Assessment results	
The Risk Management Committee has evaluated the possible risk items for 2021, and assessed the impact on the competitive advantage of products and changes in operations for value chain partners such as brand customers, foundries and semiconductor suppliers in relation to trade conflicts between the U.S. and China. As a result of the analysis, in terms of changes in product demand and services and supply chain, there is no significant impact on WT in the short term.	
WT's product sales are mainly in the Asian region, and its subsidiaries are located in various Asian countries and are exposed to exchange rate risks in various currencies. However, the group's policy on import and export transactions is mainly in U.S. dollars. Through import and export of the same currency, foreign currency assets and liability parts will have a mutual offsetting effect to achieve natural hedging, and therefore exchange rate fluctuations do not have a significant impact on the overall net profit after tax. Overall, WT adopts a prudent and conservative risk management principle and will assess and respond to changes in exchange rates immediately.	

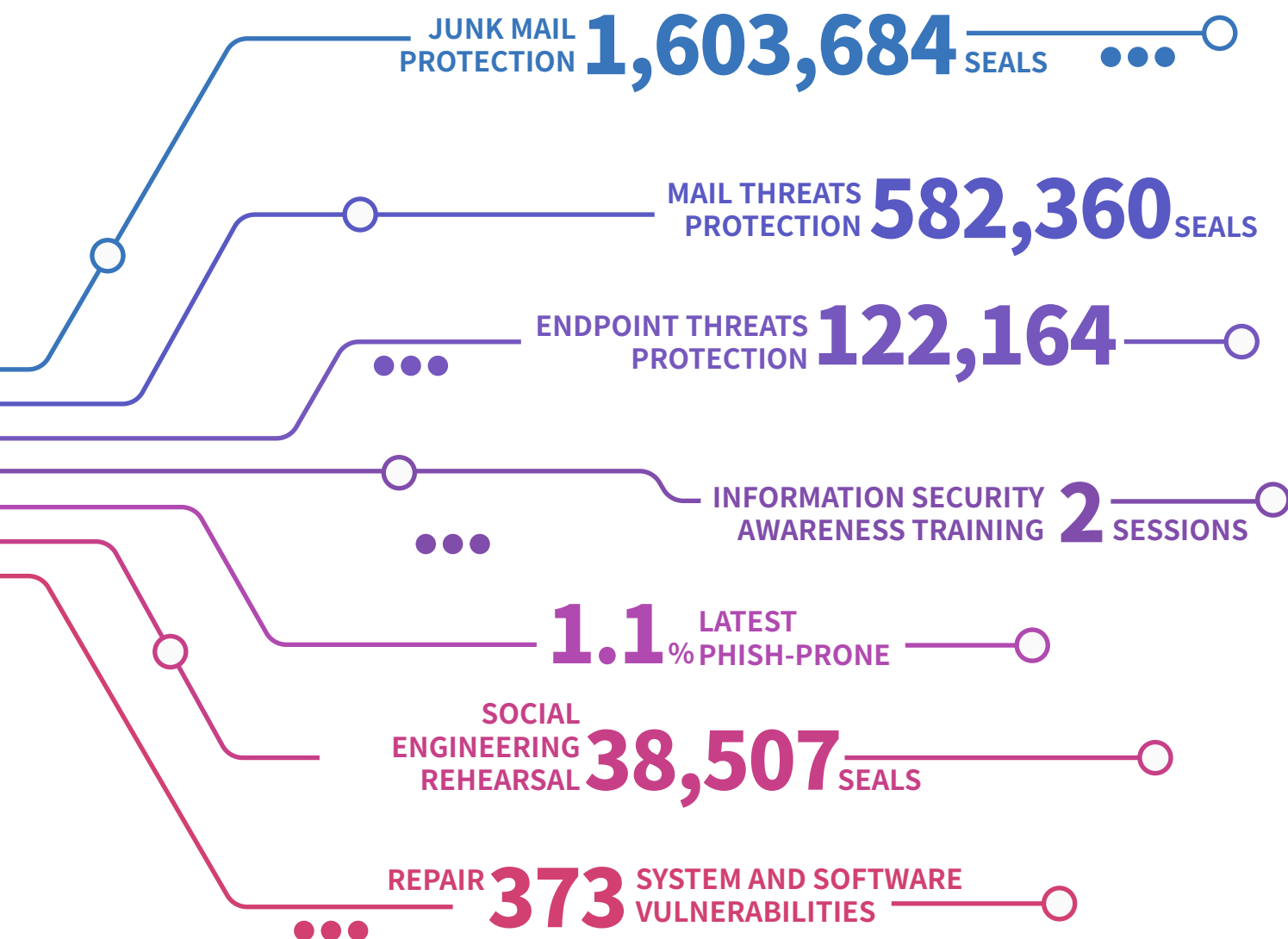
The information system security enhancement project has been completed and over 4,000 information security awareness training sessions have been completed.

# 3.6 Information Security

## Enhancement of information security protection capacity Becoming a Tier 1 operation

Delivering products to customers on time is the basis of WT's operations, and system downtime will result in delayed delivery or the inability to deliver products. WT expects to become an enterprise with first-class operational capability in the industry, and a high degree of information security capability is the cornerstone for providing quality services. Third-party organizations such as international certifications and red team assessment are used to assist in the review. With enhanced information security protection and employee security awareness, no sensitive information was leaked in 2021, and there were no significant information service disruptions that caused financial losses to customers or suppliers' operations.

### WT's Information Security Performance in 2021





## Setting up a dedicated department to strengthen information security management

Because of information security's increasing importance and proliferation of cyber-attacks, WT will set up a dedicated information security department in 2022. With a dedicated manager and two dedicated staff to focus on information security incident investigation, system vulnerability disclosure, and the assessment and implementation of new information security architecture. In addition, WT will evaluate the implementation of ISO 27001 to reduce the threat and impact of information security incidents through formalized and systematic control and management. WT has set up dedicated emails to receive cyber security notifications from external customers, suppliers, the Taiwan Computer Network Crisis Management and Coordination Center (TWCERT), and information technology equipment and service vendors. WT has dedicated personnel to regularly collect information on major information security news, vulnerability disclosure, zero-day attacks, etc., to analyze, record, and set event levels. Internally, we set event levels according to severity while the information department records them. In case of a major information security incident, the Chief Operating Officer shall be notified immediately. The information technology department must remediate and fix information security incidents within the target processing time and find the root cause, track and records the remediation and verify the effectiveness, and follows the PDCA method for continuous improvement to prevent the recurrence of incidents. In addition, WT classified information security incidents into several levels of severity and defined the recovery mechanisms and standard operating procedures to speed up the recovery point objective.

## Build safety awareness among staff

The pandemic has swept through the world, changing people's lifestyles and work styles. Working from home and remote work has become the norm. This causes employees to be detached from the protection of the corporate intranet and becomes a potential breach of corporate information security. Strengthening employees' security awareness has become an important part of information security. In the second half of 2021, WT introduced security awareness training and planned a basic phishing course and a discovery phishing game course. In 2021, 4,198 training sessions were completed (100% completion rate). Through video presentation and interactive teaching, we have enhanced our staff's knowledge and awareness of information security and integrated security awareness into their daily work through continuous social engineering practices.

## Highlights of WT's Information Security Awareness Education Training and Promotion in 2021

 <h3>Phishing Email Basics</h3> <p>Teach staff the basics of phishing emails, why internet phishing is a serious matter, how to avoid falling into traps, etc.</p>	 <h3>Discover of Internet Phishing Games</h3> <p>Guide staff to identify phishing emails through interactive teaching</p>
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After conducting information security awareness training and monthly social engineering practices with randomly selected templates, **the phish-prone has been reduced from 7.1%, higher than the industry average initially, to 1.1%.** After these practices, employees falling for a phishing scam were asked to train again to strengthen their awareness until it improves.

## Top 10 Tips for Improving Cyber Security

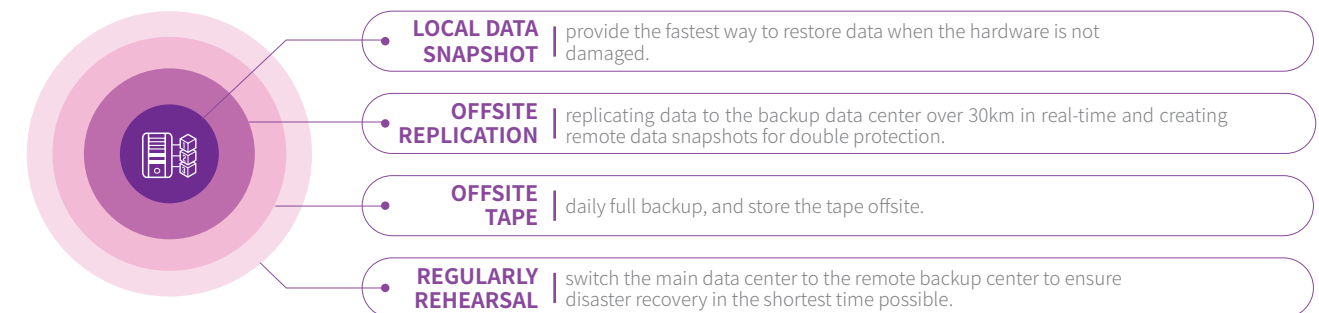
In addition to raising security awareness, WT also provides specific ways to enhance Cyber Security, such as:

- 01** Implement anti-virus software protection on personal computers and servers and behavior analysis modules to protect endpoint security.
- 02** External Firewalls shall have application identification capabilities, intrusion protection, and advanced threat protection to strengthen the defense capability against external attacks.
- 03** Internal Firewalls should list explicitly accessible services to prevent risk exposure.
- 04** The user identity module separates visitors from employees and gives different access paths.
- 05** In addition to essential spam protection, an advanced threat protection module is added to strengthen phishing protection and prevent sensitive data theft.
- 06** Introduce endpoint/network detection and response (EDR/NDR) mechanisms with AI and machine learning, which autonomously learn to build the normal behavior model and identify and block abnormal behavior.
- 07** Signed contracts with vendors for Security Operation Center (SOC), Managed Detection Response (MDR) services to monitor and analyze security threats 24/7.
- 08** The vulnerability management detection and response discover system vulnerabilities and continuous tracking and remediation.
- 09** Introduce two-factor authentication to reduce identity theft.
- 10** Continue to implement social engineering practices and conduct training to improve employee information security awareness.

### Backup and recovery plan in case of malicious intrusion

The Group has established comprehensive information security protection mechanisms. However, it cannot guarantee complete prevention from third-party attacks to crash the critical corporate system. When a severe attack occurs, the system may not be operational, leading to operational interruptions due to the inability to ship orders or compensation for customer losses due to shipment delays. Therefore, rapid system recovery is of the utmost importance. Apart from keeping investments in information security devices and software, The Company continually strengthens the system recovery mechanism.

### Backup measures in case of a system attack



### Introduction of the latest artificial intelligence NDR and EDR

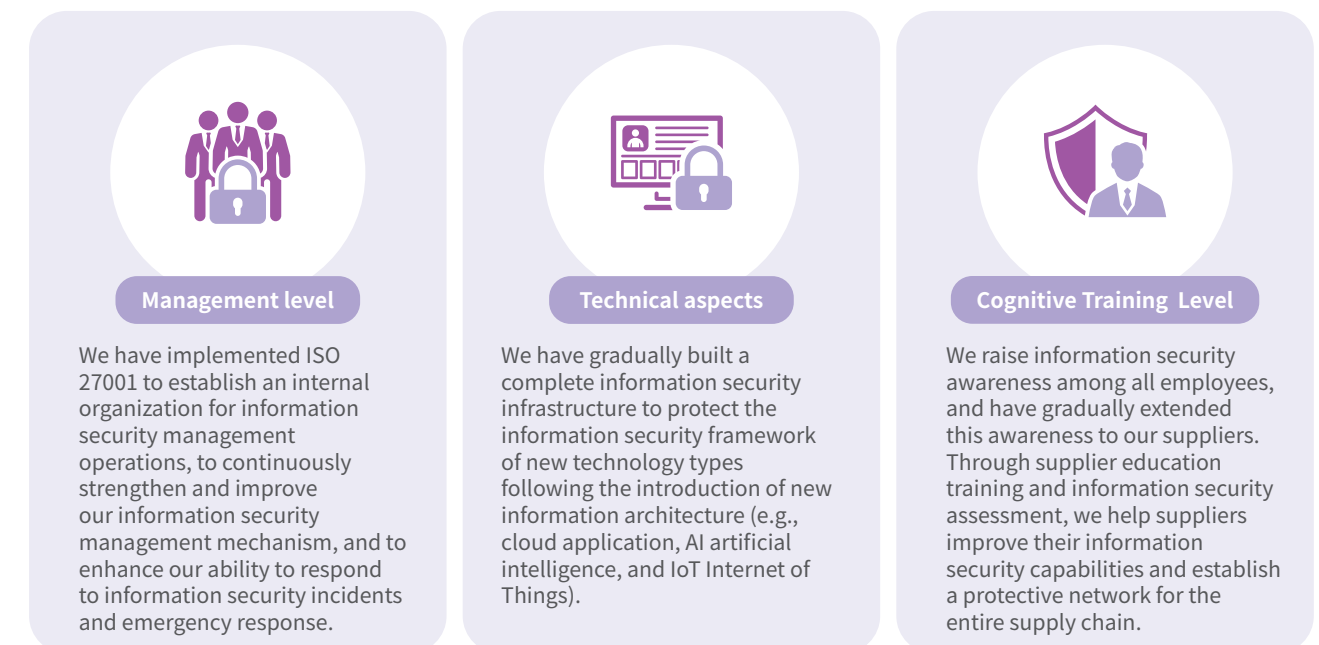
Techniques for hack intrusions have been changing rapidly. In addition to exploiting the vulnerability and furthermore, hackers are using zero-day attacks to hack into systems before the patch. Hackers are also stealing employee accounts and passwords through phishing to gain direct access to the company's system. Traditional pattern-matching protective measures no longer stop these numerous tactics.

WT introduced Network Detection Response (NDR) and Endpoint Detection Response (EDR) with an artificial intelligence machine learning mechanism in 2021. NDR performs front-line blocking and isolation when abnormal behavior deviation occurs on the network side. When the network side cannot identify and block in time and the threat enters the endpoint, the EDR mechanism blocks and isolates it again. Since there is no respite from network threats, we have also signed SOC/MDR services with third-party vendors to monitor information security threats 24/7.

### Respond to customer's information security concerns

WT assesses and responds to customers' information security concerns through regular annual supplier self-assessment questionnaires or business communication. In 2021, the main issues concerning customers were the handling of major loopholes and whether they had passed ISO 27001 certification, all of which have been handled by the information department through self-assessment questionnaires or emails to meet clients' needs.

### WT's Information Security Management Plan in 2022





# 3.7 Ethical Management

## Transparency, anti-corruption Convergence with the global corporate governance business philosophy

In 2020, WT developed the Social Policy & Code of Conduct, UNCAC Anti-corruption Policy, and the SDGs Policy. These standards align with global corporate governance and anti-corruption concepts and frameworks, including Responsible Business Alliance Code of Conduct, the UN Global Compact, the International Labour Standards, the OECD Guidelines for Multinational Corporations, etc.

WT has always believed that a social policy and code of conduct are core requirements for conducting all operational activities in order to gain a competitive advantage and to do the right thing. The high ethical standards of all members of the leadership team not only inspire trust in the Company's operations, but also create a strong and supportive working environment for employees. The social policy and code of conduct are also principles for members of the Board, all employees, group subsidiaries, independent contractors, consultants, suppliers and all those who deal with WT.

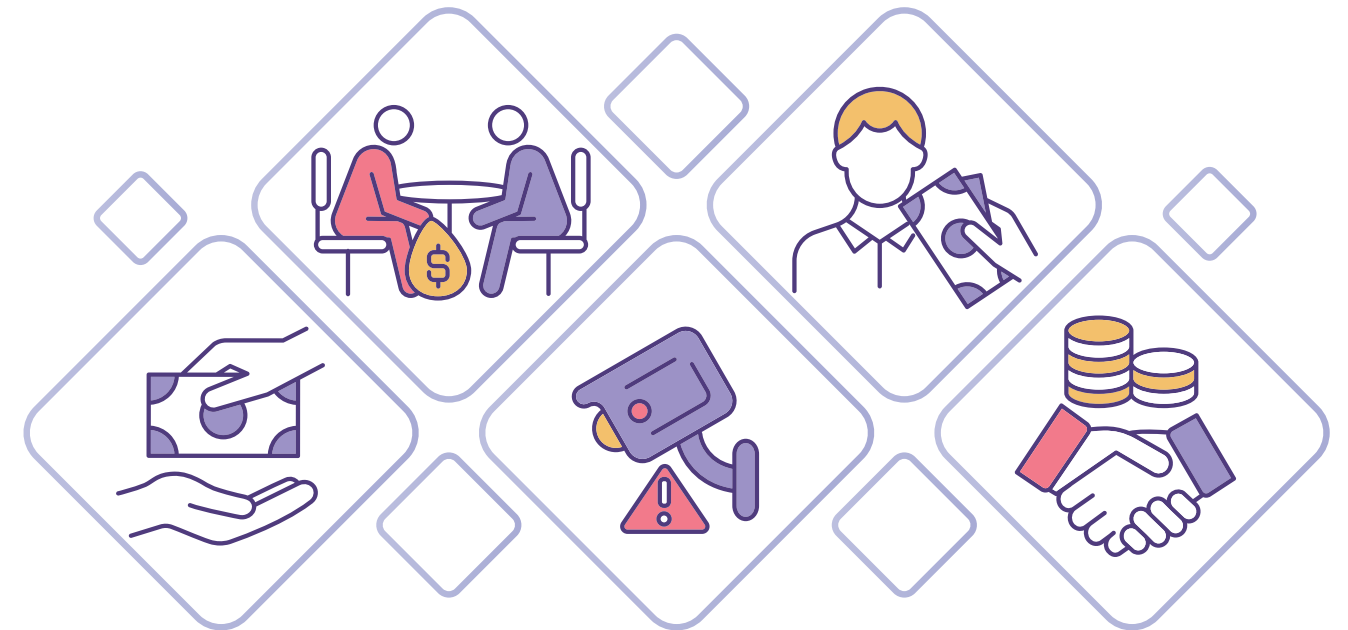
WT expects employees to be fully aware of company policies, procedures and controls to protect the company and themselves from potential legal, regulatory or disciplinary risks. An annual mandatory course on Ethical Values and Code of Conduct is taught to employees. 2,309 employees of the entire group were listed as trainees at the start of the course in 2021, and 2,309 of them have completed the course and passed the test (100% pass rate). In addition, important management rules and regulations, such as the Corporate Governance Best Practice Principles, the Corporate Social Responsibility Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Codes of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct and the Supplier Code of Conduct, were introduced during orientation training. In 2021, the total number of trainees at each of the Taiwan operations sites reached 206, all of whom have completed training, with a total of 412 hours of training.

WT's reporting channels include an internal reporting mailbox and a reporting sector on the official website for informants to report illegal acts of the company's personnel. The Ethical Business Promotion Team accepts cases and is responsible for forwarding them to the highest supervisors of relevant units for investigation and tracking the final outcome of the cases. The identity of the informant, the contents of the report and the investigation process will be kept confidential, and complete records will be kept. In addition, there is a sexual harassment complaint mechanism and a reporting hotline for employees to file complaints, and the contents of the reports and the investigation process are treated with strict confidentiality. No cases were received from external parties or directly reported by employees in 2021, and no significant dishonest acts or sexual harassment occurred.

WT seeks to promote honest and ethical conduct, to deter wrongdoing, and to comply with the laws and regulations applicable to all locations in which it operates. As of the end of 2021, there were no significant violations in the economic, environmental and social fields (including human rights, disability injuries, etc.) that were sanctioned by the competent authorities.

## Zero Tolerance for Corruption! WT's communication mechanism for whistle blowers

WT responds to whistleblowing incidents, providing a transparent and accessible channel for communication. All employees are encouraged to speak up without fear when they discover a violation of the Company's ethics policy. It is available to suppliers, customers and other third parties.



PROACTIVE COMMUNICATION  
WITH STAFF

IMPLEMENT ETHICS TRAINING SO THAT EMPLOYEES ARE FULLY AWARE OF  
COMPANY POLICIES, PROCEDURES AND CONTROLS

DISCLOSE THE NUMBER OF REPORTS RECEIVED, THE TYPE OF  
MISCONDUCT AND THE MEASURES TAKEN

REPORT CHANNELS ARE ALL IN  
LOCAL LANGUAGES

ANONYMOUS FILINGS AND REPORTS  
ARE KEPT CONFIDENTIAL

PROVIDE A SEPARATE  
REPORTING HOTLINE

WT'S REPORTING SECTOR  
ON THE OFFICIAL WEBSITE

ETHICAL VALUES AND CODE  
OF CONDUCT TRAINING  
ON 45 BASES OF THE GROUP **100** %  
PARTICIPATION

# 4

## CREATING A HAPPY ENTERPRISE

WT and its staff grow together healthily

**12.73%**

The average turnover  
rate in the past 3 years

**7.18%**

Non-supervisory  
full-time staff  
Average salary increase

**0**

**DISABILITY INJURY**

3 years in a row

# 4.1 Talent recruitment

## People-oriented

### Our employees' team spirit is the biggest driving force for the company

WT understands that people are the most important capital of an enterprise and that the company's greatest impetus for progress comes from its highly motivated employees! In order to create a better working environment for employees and attract outstanding professionals to join the company, WT complies with the laws and regulations of the areas where its operating bases are located. The Social Policy and Code of Conduct is formulated to commit to safeguarding labour rights and interests. We plan and execute recruitment activities each year in accordance with the annual plan of workforce needs of each department. As of the end of 2021, all employees of WT's operating bases are employees with indefinite contracts and no employees with fixed-term contracts have been employed, nor have they cooperated with temp agencies to send employees to work at WT.

### Chart: WT's 4 core concepts of "people-oriented"

#### Concept 1

##### Multiple recruitment pipeline, complete education training

WT recruits through multiple channels, such as job bank websites, online platforms (LinkedIn, CakeResume, Blink, etc.), campus career development centers, cooperation with various university faculties and departments, as well as internal peer recommendations. WT seeks out outstanding talented individuals who meet our core values, and provides comprehensive training and development programs to effectively transform learning into work achievements, so as to store momentum for coping with rapid changes in the future.

#### Concept 2

##### Continuously attract new talent to enliven our enterprise

In response to the rapid growth of operations, WT has been able to meet the group's long-term development strategy and secure talent in advance. We have optimized the group's personnel mix in terms of level, number and structure to give it an overall competitive advantage in the future. By the end of 2021, the number of employees at WT has grown to 2,564, an increase of 211 (8.97%) compared to 2020, including female employees comprising 40.68%. Women accounted for 28.90% of the supervisory level staff, 26.10% of the mid-level and above, and 44.00% of the staff at the non-supervisory level.

In order to protect employment opportunities and equality, WT does not require job applicants or employees to indicate their race or ethnicity when they apply for jobs and report for work. We adhere to the requirements of the Sustainability Accounting Standards Board (SASB) for talent diversity standards. Further disclosures on race/ethnicity will be made following the direction and outcome of future revisions to the International Sustainability Standards Board (ISSB), starting with national or regional disclosures in 2021.

Country	Taiwan	Hong Kong	China	Singapore	India	Thailand	Malaysia	Vietnam	Korea	Japan	USA
Mid-level and above supervisors	57.83%	2.01%	29.12%	2.01%	0.20%	0.20%	0.40%	0.20%	5.82%	2.01%	0.20%
all other employees	42.98%	5.03%	36.98%	3.15%	1.65%	0.39%	0.34%	0.24%	7.65%	1.60%	0.00%

The turnover rate in the last three years is 12.73%, maintaining a healthy and stable state. 295 people left in 2021 (11.51% turnover rate), which also represents a new low point over the last three years; The difference between genders is only 1.13%. By age, the turnover rate is only 7.63% for those over 50 and 14.70% for those under 30.

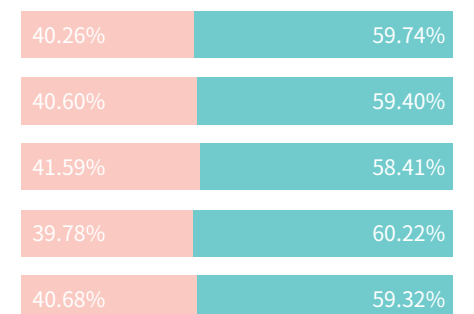
In response to the stable turnover rate and the company's operational growth needs, 506 new employees (19.73%) were hired in 2021, including a higher rate of female employees (22.44%). Based on age groups, the new entry rate of those under 30 years old is 51.00%, which is relatively high due to greater demands for young talent training for operational expansion, but there is still a new entry rate of 4.42% for those over 50.

The reason for WT's success is not only the establishment of outstanding talent, but also of its youthful team, with 94.50% of employees possessing tertiary education or above, which enables WT to demonstrate its ability to respond to changes on time, stimulate innovative ideas and encourage vigorous energy in the face of the rapidly changing business environment and market dynamics.

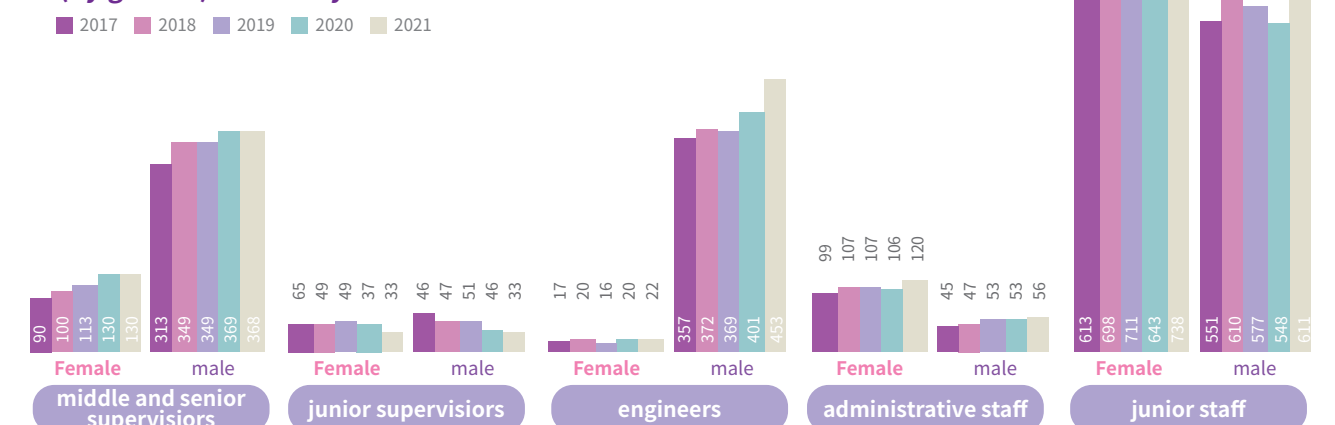
### Total number of employees over the years (by gender)



### Gender ratio of employees over the years



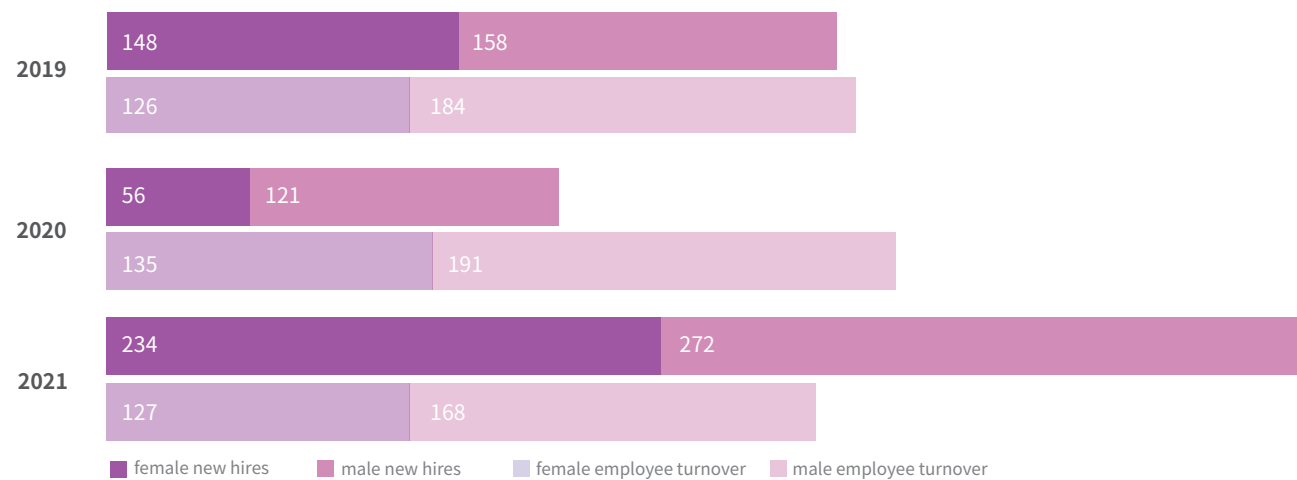
### Statistics on the number of staff by category (by gender) over the years



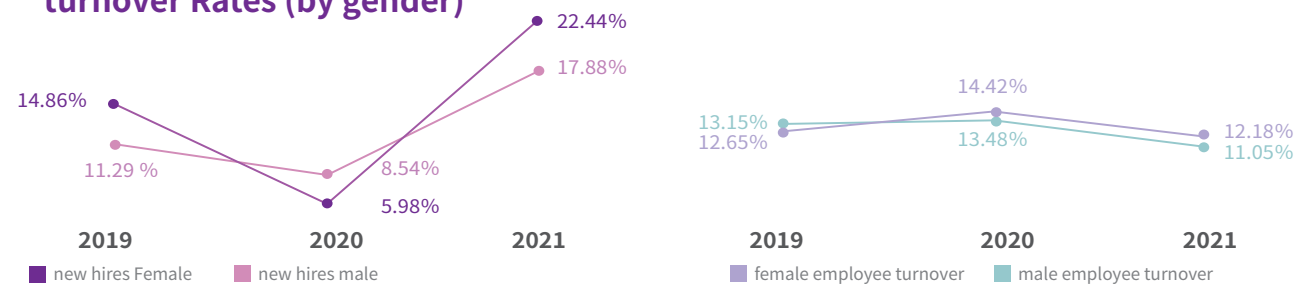
Note: Middle and senior supervisors: Section head and above; Junior supervisors: team leaders; engineers: R&D and application engineer related duties; administrative staff: back office duties not directly related to operations; junior staff: duties directly related to operation.



### Statistics on New hires and Employee turnover (by gender)

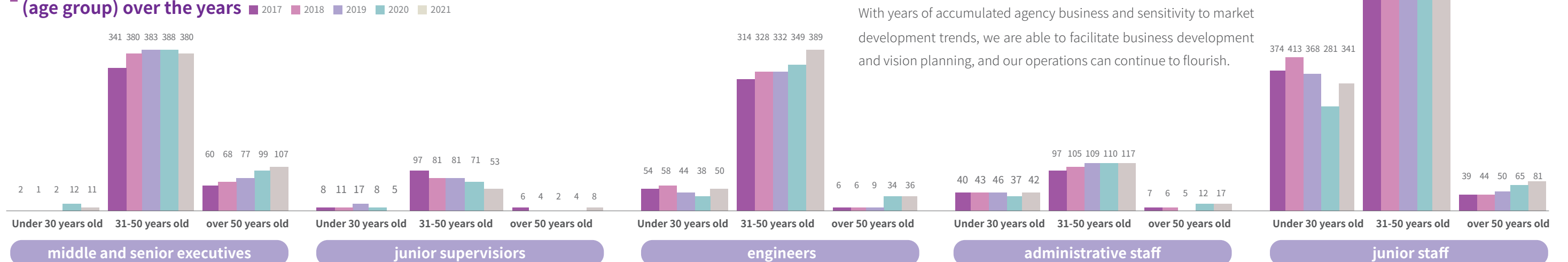


### Statistics on New Hires and Employee turnover Rates (by gender)



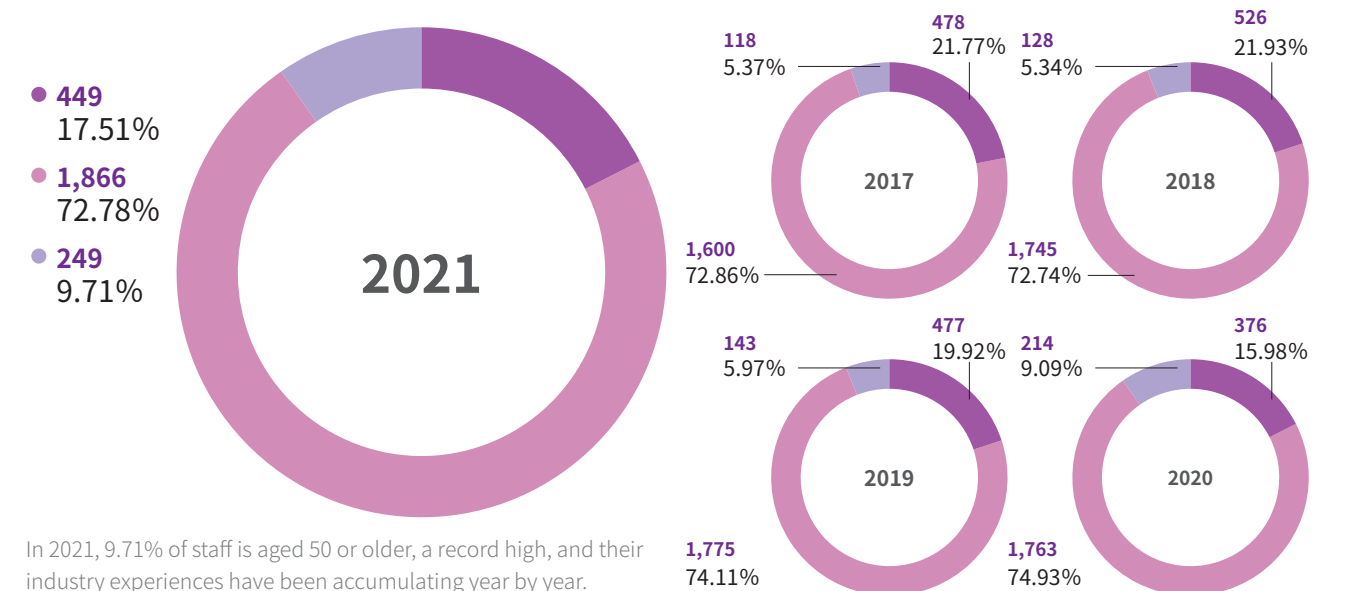
- 1: The total rate of new employee formula:  $[(\text{new employee hires in 2020}) / (\text{Total number full-time employee on December 31, 2020})] * 100\%$   
 2: The total rate of employee turnover formula:  $[(\text{employee turnover in 2020}) / (\text{Total number full-time employee on December 31, 2020})] * 100\%$   
 3: The number of new hires and the number of employee turnover are deducted from the number of new hires who have left the company during the year.

### Statistics on the number of staff by category (age group) over the years



Note: Middle and senior executives: Section head and above; Junior supervisors: team leaders; R&D and application engineer related duties; administrative staff: back office duties not directly related to operations; junior staff: duties directly related to operations.

### Total number of staff employed over the years (by age)

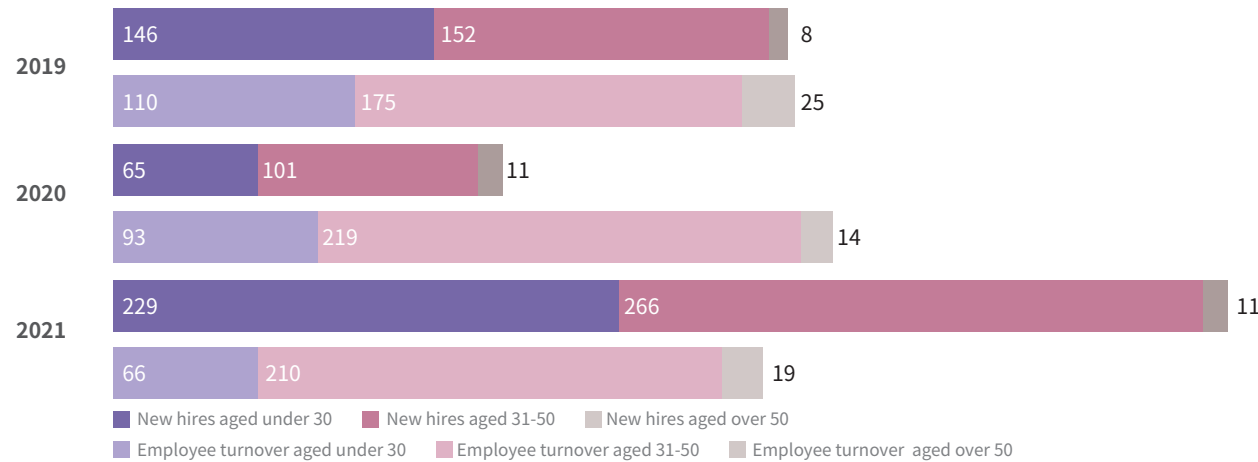


In 2021, 9.71% of staff is aged 50 or older, a record high, and their industry experiences have been accumulating year by year.

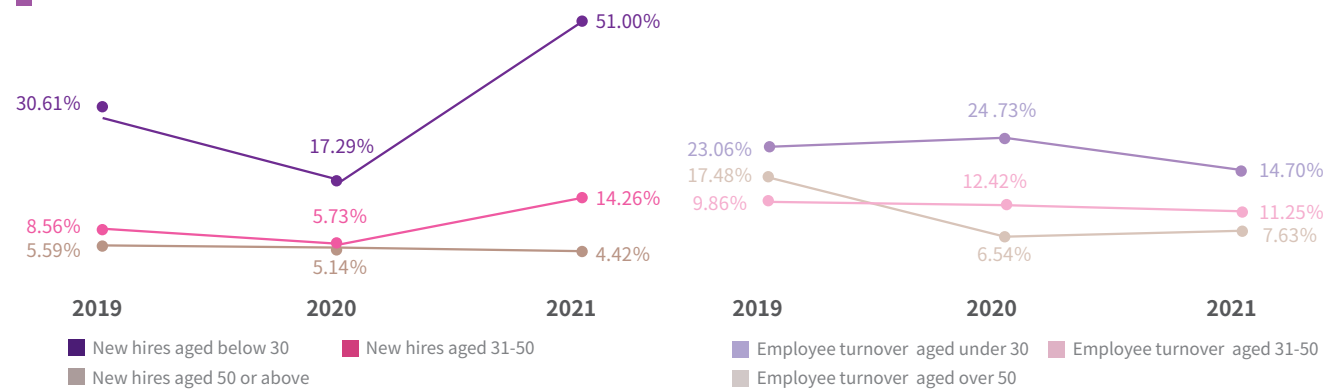
### Concept 3 | Respect professionals and lead with experience

WT's management team is mainly made up of outstanding professionals in the electronic information industry. In addition to our front-line marketing personnel's years of experience in channel marketing, WT is also proud of our professional back-office support and technical research and development talent. Externally, we are able to promote our current products, obtain new agent lines, and address customer needs; internally, we are constantly improving our financial business structure. Our leading managers have more than 10 years of experience in the semiconductor channel industry. With years of accumulated agency business and sensitivity to market development trends, we are able to facilitate business development and vision planning, and our operations can continue to flourish.

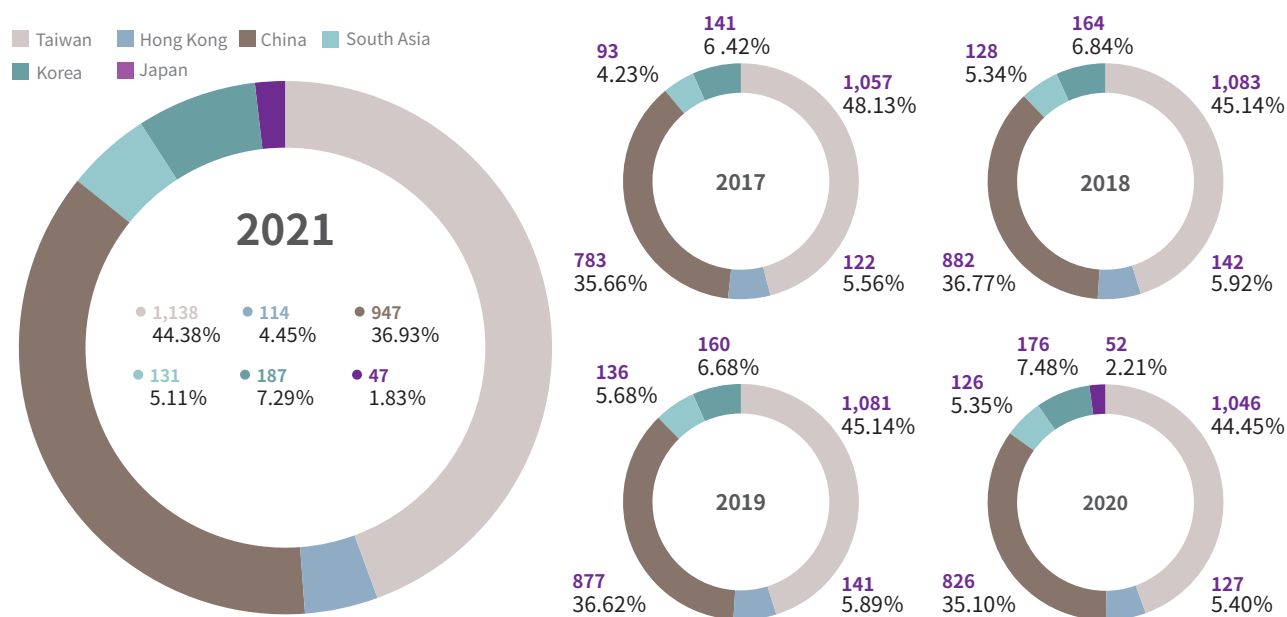
### Statistics on New hires and Employee turnover (by age) over the years



### Statistics on New hires rate and Employee turnover Rate (by age)



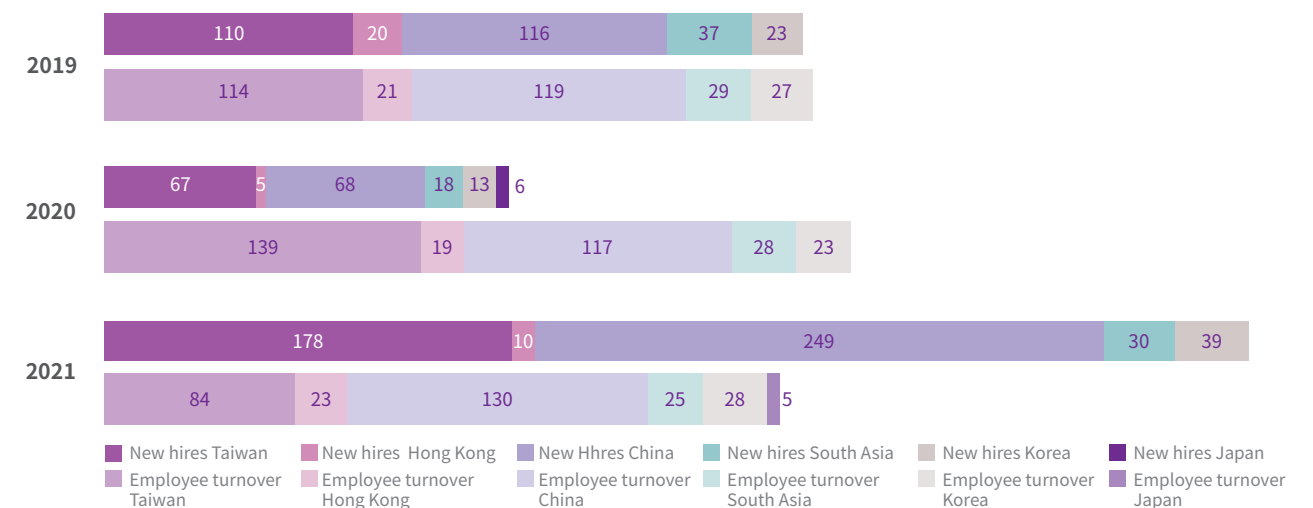
### Total number of staff employed over the years (by region)



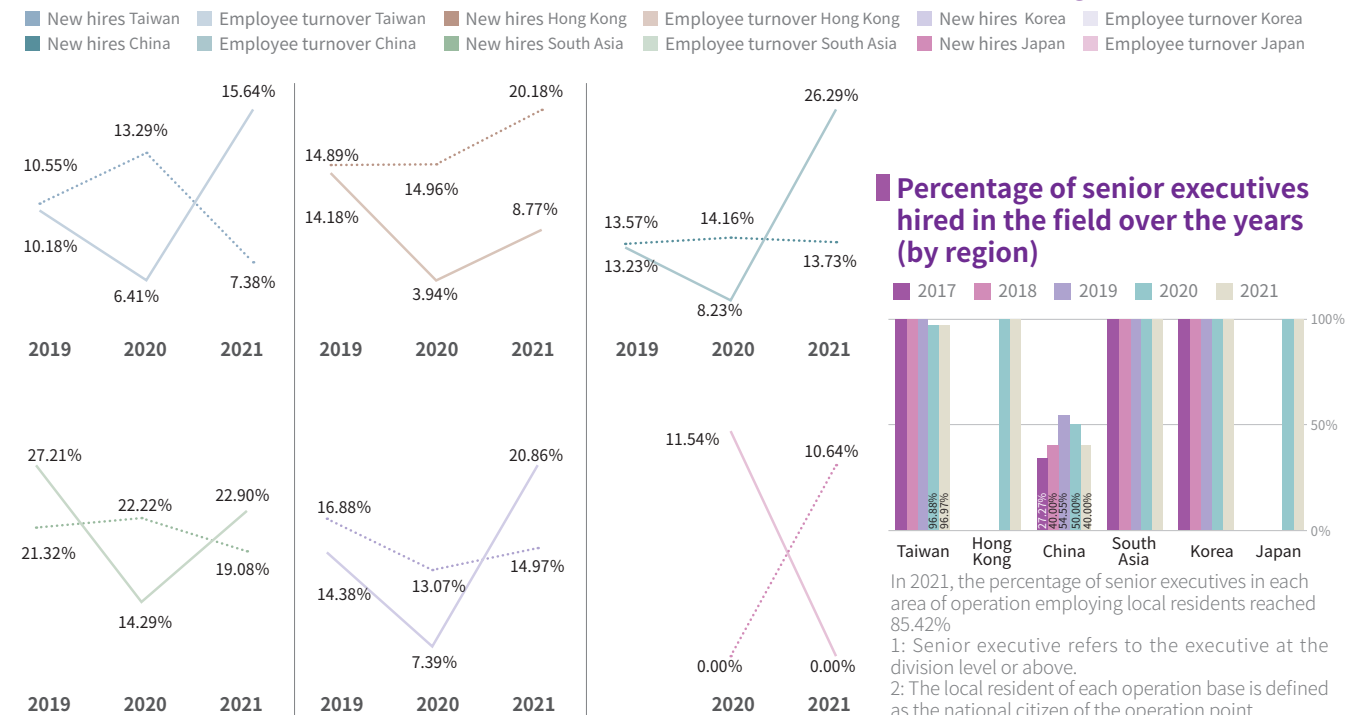
### Concept 4 | Getting the right people for the right pursuits and fully utilizing people's talents

WT has been able to grow steadily and continues to pursue excellence in performance thanks to its professional service team. We develop, maintain and utilize all human resources in the organization in the most appropriate manner so that our people and pursuits can be most appropriately coordinated. In order to give full play to the most effective use of human resources and promote organizational development, WT has made every effort to develop human resources management, with a view to achieving the goal of "matching people and pursuits, getting the right people for the right pursuits and fully utilizing people's talents", expanding its operational bases to various countries in East Asia and Southeast Asia and recruiting individuals from different countries. The percentage of non-Chinese speaking employees has reached 14.24% in 2021.

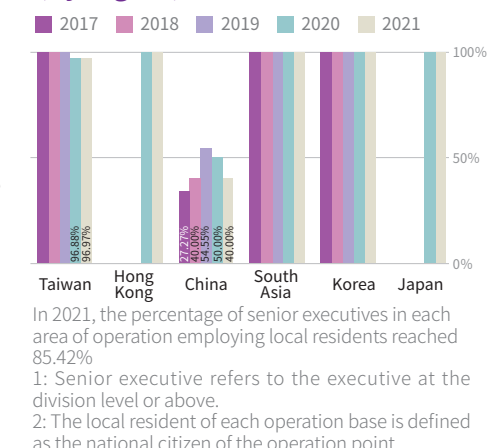
### Statistics on New hires and Employee turnover over the years (by region)



### Statistics on New hires Rate and Employee turnover Rate over the years (by region)



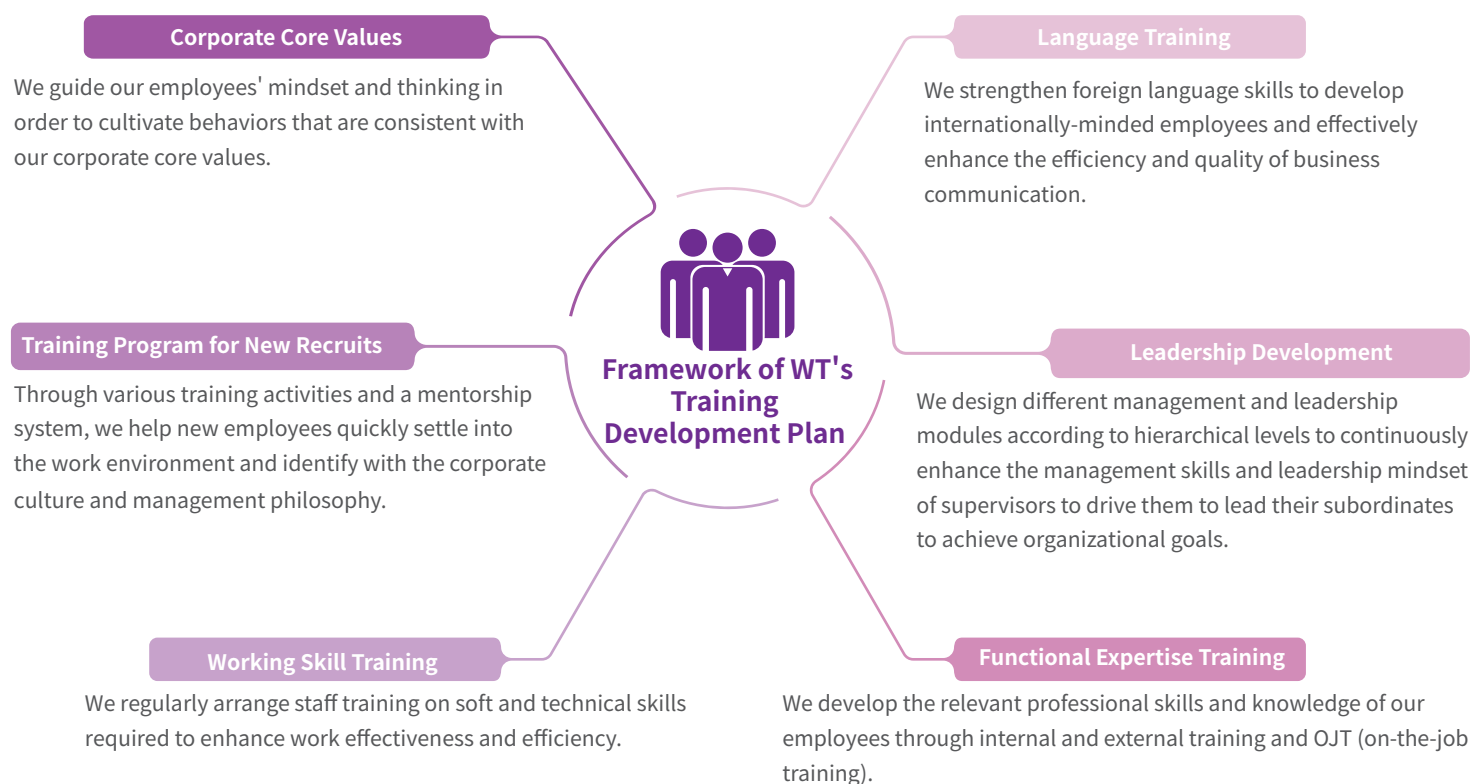
### Percentage of senior executives hired in the field over the years (by region)



# 4.2 Talent Development

## WT attentively undertakes the best career planning for its employees

Corporate development stems from our belief in the cultivation of talent. WT group stresses the importance of employees' overall development and creates a working environment suitable for the right people. In a fast-changing environment, in order to equip our employees with the ability to respond to future changes, WT has established a training and development plan to effectively transform learning into work results.



### Funding and hours spent on education and training over the years

year	the total number of training participants	the total number of training sessions	total training hours
2019	1,531	148	2,333
2020	19,096	414	6,390
2021	16,167	628	6,490

In 2021, WT invested a total of NT\$3,412,800 in education and training, with a total of 628 training sessions, 16,167 participants and 6,490 training hours. Due to the deadline for the preparation of this report, the overseas subsidiaries only collected education and training data on the Code of Conduct and will continue to improve in 2022 by collecting education and training data on all employees.

According to the analysis of job categories, the average training hours of other categories are approximately equal, except for the training hours of junior supervisors, which are fewer. The average training hours for all employees was 2.53 hours, which is less than 0.2 hours different from the total average number of training hours by gender.

### Average training hours over the years(by job category) (unit: hour)



### Average training hours over the years(by gender) (unit: hour)



### Want Talent Program, an all-round career development without limits

To provide a better career pathway program, WT launched the "Want Talent" elite training program. In addition to soft skills and technical courses, through job rotation training and participation in important projects and large-scale conferences, employees can gain a more comprehensive understanding of the core concepts of the company's operation. Furthermore, senior executives and the human resources department will regularly show care for employees, provide career guidance, and plan individual advancement goals and development, so as to keep them in a changing and challenging work environment. At the same time, salary adjustment and rank promotion has been made according to performance and market standard of the individual, providing market competitive salary and perfect benefits.

### Want Talent Program Development Process



### Inaugurating a digital learning platform, which can be accessed remotely from home

With the advent of the digital era, WT introduced the "WT e-Learning Academy," a digital learning platform that combines online and in-person learning. Over the past three years, due to the pandemic, learning styles have changed and the proportion of digital learning has increased. Based on our training development plan, WT e-Learning Academy has established five-course categories, combining e-newsletters, knowledge center, and online courses to integrate internal and external resources and enrich the platform's contents, while becoming a platform for linking WT's knowledge transmission and communication. WT will continue to refine and hold regular course planning workshops in the hope of providing richer training resources to all colleagues through continuous innovation.



# 4.3 Inclusive Workplace

WT values the welfare and rights of its employees and actively promotes harmonious relations between employers and employees. Work rules and various management regulations have been formulated in accordance with the Labor Standards Act and relevant laws and regulations, and Sustainable Development Best Practice Principles has also been formulated to specifically regulate the rights and obligations of both employers and employees in management matters, so that employees can fully understand them and comply with and protect their legitimate rights and interests. WT informs employees of any changes in the operating conditions before the statutory minimum notification period in order to protect the rights and interests of employees.

## Implementing human rights risk assessment to create a work-friendly environment

WT follows various international human rights conventions and initiatives such as the Universal Declaration of Human Rights, the United Nations Global Compact (UNGC) and the Declaration of Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO). We have formulated a Social Policy and Code of Conduct, which was signed by the Chairman and published on the company's official website as a standard for all employees, clients, suppliers and other stakeholders to follow.

In 2021, the results of the human rights risk assessment carried out at WT headquarters in Taiwan revealed no high-risk employees in a total of 13 items in five categories. At the same time, through various education and training mechanisms, WT continues to raise the awareness of human rights issues for all employees, including conducting publicity in pre-employment training for new employees, and through the WT e-Learning Academy, employees can browse relevant online courses at any time. The actual number of employees who completed the training was 206.

## Human Rights Risk Assessment and Management Process Evaluation

- \* Provide a safe and healthy working environment
- \* Eliminate unlawful discrimination, ensuring fairness in job opportunities and pay
- \* Prohibit child labor
- \* Prohibit forced labor and human trafficking
- \* Assist staff in maintaining physical and mental health and work-life balance

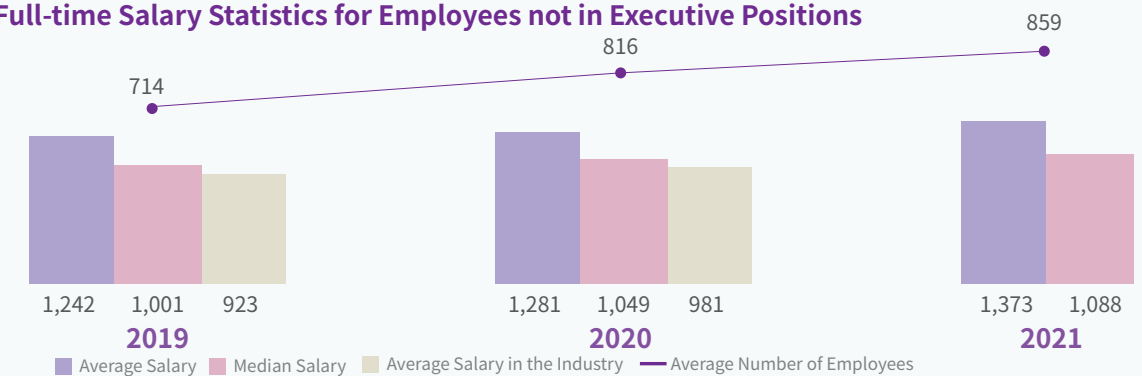
## Establish multiple channels for smooth communication

WT provides a good platform for communication so that all relevant parties can access the stakeholders' section on the company's official website. Internal employees can also submit their feedback through HR emails, telephone calls or in writing to communicate with the company regarding problems or issues encountered in various work systems and environments. At the same time, we hold regular meetings with our supervisors and departments and notify our employees of operational changes that may have a significant impact on them by means of announcements. Up to now, employees' rights and interests are well protected and there have been no major employer-employee disputes or negotiations. With good communication and interaction between the two parties, we can keep maintaining harmonious labor relations in the future.

## Incentive systems that outperform laws create maximum value

In addition to providing employees with market-competitive fixed salaries, WT also designs quarterly (or annual) variable performance bonuses based on the overall operation profile, the achievement of departmental goals, individual performance and the nature of duties under consideration, so as to share operational achievements with colleagues and motivate employees. In addition, we offer long-term incentives, with deferred compensation linked to the company's long-term performance, to senior managers and key personnel. In the past three years, the average salary of full-time employees who are not in executive positions has increased year by year, and in 2021, the average annual salary was \$1,373,000, an increase of 7.18% from 2020, mainly due to an increase in compensation benefits.

## Full-time Salary Statistics for Employees not in Executive Positions



## Establish Employee Stock Ownership Trust with 100% Company Incentive

In September 2020, WT established an Employee Stock Ownership Trust, with employees (members) jointly organizing the Employee Stock Ownership Trust Management Committee. Employees contribute a fixed amount from their monthly salaries, while the company also contributes 100% of the incentive money to the trust's dedicated account. Let employees share operational growth, not only to achieve the purpose of retaining talents, we also help our employees to accumulate wealth through small savings and take care of their retirement in the future.

## Full contribution to the pension fund to fully protect employees' retirement life

WT not only values various benefits for its employees during their employment but also actively takes care of their lives after retirement. For employees who choose to continue to be subject to the pension provisions of the Labor Standards Act, a the supervisory committee of workers' retirement reserve fund has been established, consisting of nine members, three from the employer side and six from the labor side, to be re-elected once every four years to review the amount of the labor retirement reserve fund, its storage and payments, and to ensure labor rights and interests. The pension reserve is set aside at 2% of monthly wages and deposited in a special account in the Bank of Taiwan. An actuary was appointed to issue an actuarial report on the employees' pension fund for 2021, which shows that the present value of the defined benefit obligation is NT\$205,472,000 and the fair value of plan assets is \$149,497,000, which met the requirements of a full provision by government decree. In addition, for employees who choose to apply for the labor pension plan under the Labor Pension Act, a monthly contribution of not less than 6% of salaries and wages is made to the employees' personal accounts at the Bureau of Labor Insurance.

WT believes that only by providing employees with a secure working environment and a perfect welfare system can employees give full play to their strengths without any worries and create maximum value. The benefits provided to full-time employees in 2021 include group insurance, wedding and maternity benefits, health checkups, holiday gifts, staff trips, departmental and club activities, various seminars, and various welfare items. The cost of these benefits was approximately NT\$62.2 million.

Type	Project
Bonuses/Gifts	1. Year-end bonus
	2. 3 Festival Bonus/Gifts
	3. Holiday Gifts
	4. Gifts for long-term
Insurance	1. Labor insurance/health insurance/Labor Pension
	2. Group Insurance
Leisure	1.Domestic trips
	2. Departmental dinners, team building activities
	3. Club activities (basketball, badminton, hiking, running, floral arrangement, cooking, board games, etc.), and all colleagues are invited to participate in various sports competitions.
	4. Volunteer activities
	5. Holiday activities
	6. Fitness classes (boxing cardio, spinning bike, aerial yoga, etc.)
Systematic	1. Performance Bonus
	2. Training
	3. Regular promotion assessment
	4. Employee Stock Ownership Trust
Subsidies	1. Wedding gift
	2. Maternity allowance
	3. Hospitalization allowance
	4. Funeral Consolation money / Funeral Arrangement Fee
	5. Business airline call subsidy for field staff
	6. Parking fees and fuel subsidy for field staff
Leave of Absence/Vacation	1. 2 days off per week
	2. Pre-emptive special leave system superior to the Labor Standards Act (new employees are entitled to 10.5 days in the first year, and special leave is granted in proportion to the current year of employment)
	3. Flexible working hours
	4. Parental leave
Other	1. Regular staff health check-ups, doctor's visits and occasional health forums
	2. Breastfeeding room
	3. Appointed stores
	4. Library resources
	5. Free coffee, herbal tea, fresh milk, soy milk, cereal
	6. Provide nutritious fruit and vegetable lunch boxes
	7. Movie tickets
	8. massage service for charity
	9. Year-end Gala

## 100% retention rate after one year of reinstatement from parental leave

According to the regulations of the Gender Equality at Work Act, WT provides employees in Taiwan to apply for parental leave until their children reach the age of 3. The number of expected reinstated employees in 2021 is 7, and the actual number of reinstatement is 5 people. The number of female employees' reinstatement in 2020 is 10. The retention rate after one year of reinstatement is 100%, and the average retention rate in the past three years is 92.86%, which shows that the reinstated employees can still adapt to work and family life after returning to the workplace.

### Number of Employees Taking Parental Leave (Female)

	2019	2020	2021
Number of persons eligible for parental leave (A)	66	63	69
Number of applicants for parental leave (B)	20	16	9
Estimated number of persons to be reinstated in the year (C)	26	13	7
Actual number of persons reinstated (D)	22	10	5
Number of persons still employed 12 months after reinstatement (E)	10	19	10
Parental leave application rate (B)/(A)	30.30%	25.40%	13.04%
Reinstatement rate after completed leave (D)/(C)	84.62%	76.92%	71.43%
Retention rate at reinstatement anniversary (E)/previous year (D)	100.00%	86.36%	100.00%

### Number of Employees Taking Parental Leave (Male)

	2019	2020	2021
Number of persons eligible for parental leave (A)	105	114	108
Number of applicants for parental leave (B)	-	-	1
Estimated number of persons to be reinstated in the year (C)	-	-	-
Actual number of persons reinstated (D)	-	-	-
Number of persons still employed 12 months after reinstatement (E)	1	-	-
Parental leave application rate (B)/(A)	0.00%	0.00%	0.93%
Reinstatement rate after completed leave (D)/(C)	0.00%	0.00%	0.00%
Retention rate at reinstatement anniversary (E)/previous year (D)	100.00%	0.00%	0.00%

# 4.4 Health management

## Regular health check-ups and exercise encouragement Enhancing our staff's overall resistance to the pandemic

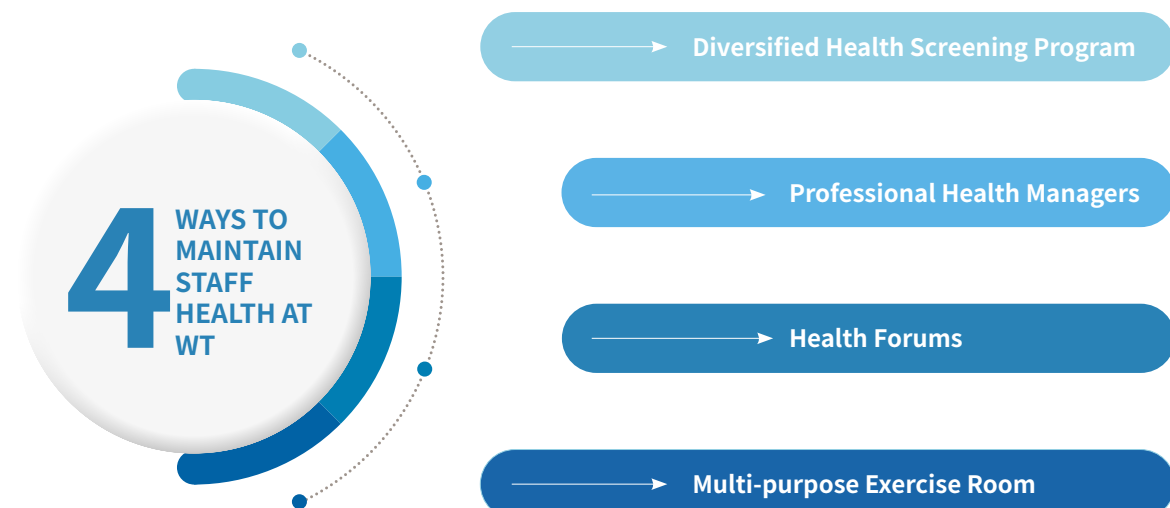
WT provides annual physicals for employees that are superior to standard ones, and plans diversified support programs. In addition to legal items, employees can also customize the contents of their physicals. After the physical, professional teams will analyze the reports and follow up on any abnormalities.

In addition, WT has also set up a full-time healthcare manager to assist colleagues with health check-ups and offer advice. Plus, we invite doctors to come to the company every month to provide medical consultation, a nutritionist to come every quarter to provide professional dietary advice, and a physiotherapist who provides kinesiology treatment. We also hold health talks from time to time to improve our staff's medical knowledge. Furthermore, there is an emergency report window in each office for effective ambulance guidance in case of emergencies, and blood pressure monitors at regular locations for the health of our staff at all times.

At the same time, WT has also created a multi-functional classroom dedicated to its staff and arranges various exercise classes to encourage employees to cultivate good exercise habits and enhance their awareness of self-health management.

## Living with the Virus, Preparing for the Post-Pandemic Era

During the COVID-19 pandemic, maintaining the health and safety of employees has been a top priority for WT. Starting from May 17, 2021, the operation bases in Taiwan have fully activated work diversions and remote working, and implemented various public health management regulations; in-person exercise classes have gone online so physical training regimens can continue without interruption.



### New Office Preparedness Guidelines for the Post-pandemic Era

1. No visitors
2. Before entering the company, staff members on shifts must take a rapid test and return negative results to their department supervisor; for staff members who need to enter the company due to special needs, they should obtain approval from their department supervisor before entering the company.
3. Employees who are on duty or apply to enter the company on that day should report to the counter and have their temperature taken before entering the company. After entering the office area, they should work in socially distanced seating or use meeting rooms individually.
4. Lunch for the day is ordered collectively by the company. Cleaning staff disinfect the packaging of the food and beverages and then send them to the pantry on each floor to be retrieved by the employees. Group dining is strictly prohibited.
5. A delivery unloading area has been set up outside the office to avoid direct contact with couriers and other logistics staff. The parcels are disinfected with alcohol before being moved to the collection area by front desk staff.
6. All laboratories are equipped with hand sanitizer, alcohol wipes, medical grade rubber gloves and other epidemic prevention items. Before entering, staff members must disinfect their hands, put on gloves, protective masks, protective clothing and dust-proof shoe covers, and they must submit their own entry and exit control forms to record their entry and exit times.
7. When it is necessary to enter other factories, one must have protective masks, gloves, and protective clothing, undergo a rapid COVID test, and strictly carry out a body temperature check.
8. To go out for visits when out of office, an application must first be made and approved by the department supervisor.
9. Weekly departmental online meetings are held to care for employees' conditions at home.
10. Full and local disinfection of all areas of the office done regularly.

- Every day before work: An environmental cleaning company will arrange its cleaners to spray all office areas, meeting rooms, counters, pantries and toilets with deodorizing and disinfectant agents recommended by the Environmental Protection Department before 9:00 a.m., and the general office staff on duty will conduct daily inspections.
- During the workday: wipe down elevator buttons, countertops, meeting rooms, pantries, common areas, etc. with alcohol every hour.
- Upon leaving the office: before leaving the office, employees should inform the front desk staff to disinfect and have the cleanings staff spray along their tracks.
- Upon leaving the laboratory: before leaving the laboratory, employees should cover the equipment with newspaper or large garbage bags, then cleaning crews will spray disinfectant and wipe the laboratory tables and door handles with alcohol, etc. After finishing the disinfection, cleaning staff will record the work on the access control sheet for inspection by the general affairs staff on duty
- Every Friday after work: Every Friday night, the building management committee will spray a bleach solution on all common areas, elevators, toilets, etc. for complete disinfection.

### Avoid Burning the Candle at Both Ends, We Create a Childcare Friendly Environment

To ensure female employees can meet the needs of childcare and work at the same time as well as comply with the requirements of the law, WT promotes the Maternal Health Protection Program, which provides breastfeeding rooms, doctor consultations, priority parking spaces and other workplace optimization measures. In order to avoid abnormal workloads, supervisors at all levels are also required to take the initiative to care for the labor conditions of employees, and if health problems are found, they should report them to the health manager for assistance and care, and arrange health consultation during the monthly doctor consultation service. If a colleague experiences sexual harassment or is wrongfully assaulted in the performance of his/her duties, a complaint hotline and a dedicated e-mail address are specified in WT's work guidelines. In order to protect the rights and interests of the complainant, the person receiving the complaint shall handle the complaint in a confidential manner and shall not divulge the name of the complainant or other relevant information that could reveal the identity of the complainant. The person receiving the complaint shall make a written record of the handling of the complaint case and follow the guidelines for the prevention of wrongful infringement in the performance of duties, and the relevant enforcement records shall be kept for three years.

### Deluxe Nursing Room



To cater to female employees with breastfeeding needs, WT has created a cozy and comfortable breastfeeding space exclusively for mothers, with optimal temperature regulation and door monitoring around the clock, restricting access to certain personnel. The entrance is equipped with surveillance equipment and the interior is fully equipped with fire-fighting equipment to ensure safety and all facilities comply with government regulations. We provide a wide range of amenities such as breast milk storage refrigerators, freezers and bottle sterilizers.



# 4.5 Employee Relations

## Awarded Taiwan iSports Certification Bringing each other closer through group activities

WT encourages staff to set up and participate in various clubs, which can not only provide physical and mental stimulation in various ways but also cultivate interest outside work. In particular, various activities and competitions are held by sports clubs every year to promote exchanges among staff members on the one hand, and participate in various competitions externally on the other, which can also enhance staff members' love for and participation in sports. Over the years, we have continued to arrange sports courses and activities to promote the habit of regular exercise among our staff and to build up a sporting atmosphere in the workplace so that employees can maintain a healthy lifestyle. In 2021, WT was awarded the Ministry of Education Sports Administration's Taiwan iSports Certification.



## Active promotion of club activities to foster chemistry between colleagues

### Marathon Club: Challenging Self Limits

Every year, the Marathon Club calls on colleagues to participate in major marathons. Many of the participants are experienced road runners. In addition to encouraging each other to finish the race, they also exchange health and sports information to enhance their interest in and knowledge of sports.



### Mountain Climbing Club: Visit the Beautiful Mountains of Taiwan

The Mountain Climbing Club's committee members are seasoned climbers with extensive climbing experience and often lead members on treks to visit beautiful mountains and rivers. In addition to the high-level climbing activities, we also offer normal-level climbing trips with family-friendly activities.

### Board Game Club: Brainstorming Creativity

The Board Game Club is a stimulating club that organizes regular monthly board game parties and adds new games from time to time to increase the fun of participating in board game activities. We also welcome colleagues' family members to play board games together and select family-friendly board games for our colleagues to play with their children to bring out their talent and creativity.



### Badminton Club: Parents and Kids Playing Together

The Badminton Club not only organizes occasional tournaments but also organizes summer camps for parents and children, encouraging them to join these camps and offering a wide range of activities to help them learn about the game, furthermore increasing parent-child interaction and fostering happy relationships.



### Flower Arrangement Club: Bringing the Beauty of Nature Into the Office

In addition to regular monthly flower arrangement classes, the Flower Arrangement Club also holds special classes on the major festivals every year. All flower-related courses can be used as a theme, with new and special floral vessels, adding uniqueness and interest to the work.



### Cooking Club: Sweets In Your Mouth and Sweetness In Your Heart

The cooking club offers a variety of classes in Chinese, Western, and exotic dishes and dessert baking. Cooking is done in pairs, with simple interactive games that fill the cooking classes with the aroma of food and laughter, making it not only a great way to learn cooking skills but also a great way to interact and work together.



### Basketball Club: Developing Chemistry and Friendship

The Basketball Club not only organizes and invites other groups to participate in monthly basketball tournaments, but also organizes internal basketball tournaments to enhance communication among and recreation opportunities for colleagues. The club members' great chemistry has helped them win the championship in the TGB basketball league.



### Organize regular departmental activities to boost team spirit

Every year, departments offer a variety of activities including fun activities, handicrafts and printing courses to inspire creativity and improve concentration and emotional communication, which has helped participants achieve communication and coordination, enhance problem-solving skills, stimulate creativity and team spirit, and furthermore gain new interests and knowledge in the process.





# 4.6 Workplace Safety

## Proactive training to prevent problems before they occur No work-related injuries for 3 consecutive years

WT adheres to an occupational safety and health policy of "protecting employees and preventing hazards," and promotes the occupational safety system in accordance with the provisions of the Occupational Safety and Health Act. We analyze potential hazards and possible hazards in operations, the causes of hazards in the flowchart of work safety operations, and possible types of hazards to be prevented, so as to achieve the goal of zero disasters.

### Rigorous assessment and compliance with safety regulations before commissioning

When all of WT's logistics centres are set up, complete safety assessments have already been conducted beforehand, including guidelines for escape routes, fire-fighting facilities, monitoring equipment, and fire-fighting and security systems. Permission for use is granted only after all the regulations are met.

### Zero employee injuries, demonstrating a safe workplace and employee safety awareness

In 2021, no incapacitating injuries occurred at any of WT's operating bases in Taiwan. Therefore, the occupational injury fatalities, serious incapacitating injuries and recordable occupational injury rate (TRIR) are all zero. Suppliers and contractors working in offices or logistics centers did not have any work-related injuries in 2021.

### Regular drills to enhance staff safety education and training

WT not only ensures that all employees are familiar with occupational safety and health-related laws and regulations and the company's safety and health management mechanism, but also provides safety-related education training and drills on a regular basis. In 2021, the logistics centers in Taiwan, Hong Kong and Shenzhen all held fire drills on a regular basis, and the Taiwan Logistics Center also invited the fire department to conduct fire prevention education classes. There are also occupational safety officers, first aid officers and fire prevention managers in the logistics centers, who are regularly trained in accordance with the law to keep abreast of the latest labor safety knowledge and skills.



### Prevention management, development of improved security measures

In accordance with fire safety regulations, WT has set up various comprehensive protective facilities in the working environment, delineated areas for fire prevention and management, and arranged for colleagues in charge of each floor to conduct regular inspections every month so as to prevent any possible disaster. Every year, the staff is sent to participate in fire drills and training activities organized by the Management Committee to understand the evacuation mechanism of our park. Every March, external firefighting agencies carry out inspections and reports. Every March and July, fire-fighting establishments and drills are carried out to strengthen the escape and emergency response capabilities of the whole staff.

## WT's Routine Occupational Safety and Health Management Inspection Measures

daily	<ul style="list-style-type: none"> <li>• Check access control, visitor temperature measurement and real name system</li> <li>• Clean and disinfection of meeting rooms and public areas</li> <li>• Staff take temperature and fill in health declaration questionnaire</li> <li>• Daily fire patrols</li> </ul>
every month	<ul style="list-style-type: none"> <li>• Doctor's Clinical Service</li> <li>• Vehicle Safety Check</li> <li>• Refuge Inspection</li> <li>• Fire safety equipment inspection</li> </ul>
each quarter	<ul style="list-style-type: none"> <li>• Convene an occupational safety and health committee to review the progress of the implementation of relevant strategies and programs</li> </ul>
Semi-annual	<ul style="list-style-type: none"> <li>• Implementation of fire drills</li> <li>• Carpet Environmental Cleaning Works</li> </ul>
Annual	<ul style="list-style-type: none"> <li>• Test, maintain and repair all fire safety equipment</li> <li>• Convene occupational safety meetings, deliberate, coordinate and construct employee-related safety and health projects, and formulate annual safety and health plans.</li> <li>• Air Conditioning Equipment Maintenance. Office sanitization throughout the area</li> </ul>
Every 2 years	<ul style="list-style-type: none"> <li>• Check public safety</li> </ul>





# 4.7 Story Health Promotion

2010

## Sports Courses

- WT's designated sports room

2015

## Allied Health Manager

- Arrange health checks-ups for the staffs
- Give advice on health status
- Immediate treatment for staff discomfort

## Start "An Appointment with a Doctor"

- One-on-One Health Consultation
- Professional Physician of Family Medicine

## Health Forum/Course

- Avoiding the "3 Highs" (high blood pressure, blood sugar, and blood cholesterol)

2016

## Additional sports courses

- Collaboration with New Taipei City ChungaHo Civil Sports Center
- Additional healthy exercise classes

## "Health Hall of Fame" Seminar

- Eat healthily with a peace of mind
- Exercises to Relieve Muscle Pain

## "Stress Relief from the Blind" activities

- New Taipei City Welfare Association for the Blind
- Provide staff with shoulder and neck relaxation



2017

## Six new clubs added

- Flower Arrangement Club
- Cooking Club
- Basketball Club
- Board Games Club
- Marathon Club
- Badminton Club

## Organize weight loss activities

- 197 persons and organizations 46 groups participated
- Total weight loss 534.4 kg

## Health Talks / Courses

- Healthy Eating - Jar Salad DIY
- Eating out daily can be healthy too

## Health monitoring equipment added

- An additional unit Tunnel-type automatic blood pressure monitor placed on each floor

2018

## Health Talks / Courses

- The Battle for the Liver
- Protect Your Heart Wholeheartly
- The Right Exercise and Diet
- Chinese Medicine and Wellness

## Diverse Health Education Promotion

- Installation of TVs at elevator entrances
- Health Garden Bulletin Board
- Promotional Health Information
- Health Activity Clips



2020

## Health Talks / Courses

- Rolling barrel muscle relaxation lecture seat
- Kinesiology Tape Course (Extra)
- High-tech Fitness Test

## Upgrade Dedicated Sports Cla

- Upgrade sports classroom specifications
- Add exercise equipment for classes
- Comfortable changing rooms

## The Great Battle Against Pandemic

- Mask and alcohol for staff access
- Office to implement information on vaccine administration
- Close monitoring of staff health status

2019

## Health Forums / Courses

- Kinesiology taping course
- Exercise for pain and soreness
- Sugar Addiction Awareness
- Stress identification and meditation for relaxation

## Increase in sports clubs

- mountaineering club

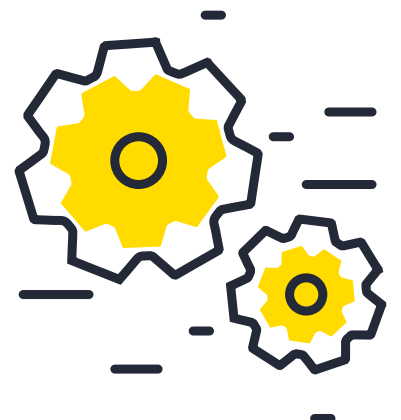
2021

## Mountain Walk and Volunteer Activities

- Taipei and New Taipei City Mountain Trails
- Volunteering for Health and Fitness

## The Great Battle Against Pandemic

- Staff are allowed to apply for vaccination leave
- Adjustment of flexible working hours
- Implementation of home-to-work measures
- Rolling planning adjustment of various activities
- Strict control of guest visitors



5

## GOOD SOCIAL RESPONSIBILITY

WT joins you in protecting the planet

**609**  
million

2021 Research and  
development expenses  
(NT\$)

**19.04**%

Carbon reduction  
compared to 2018 (base  
year)

**42.38**%

Less water withdrawal  
intensity in 2021 than in  
2020



# 5.1 Green Design

## Consistent Green Thinking Promote low-loss, high-performance semiconductor components

Product design should not only be concerned with the cost, function and quality of the product, but also the potential impact of the product on the environment. We prioritize the selection of parts and components that can improve energy efficiency and do not use harmful substances to achieve energy efficiency, carbon reduction and green requirements. Semiconductor components are an important part of electronic products. In line with the green design mindset, semiconductor components that are used must have low-loss and high-performance characteristics, and WT is strengthening the promotion of green and high-performance semiconductor component products so that clients can adhere to the design concepts and principles of environmental protection, energy efficiency and optimization.

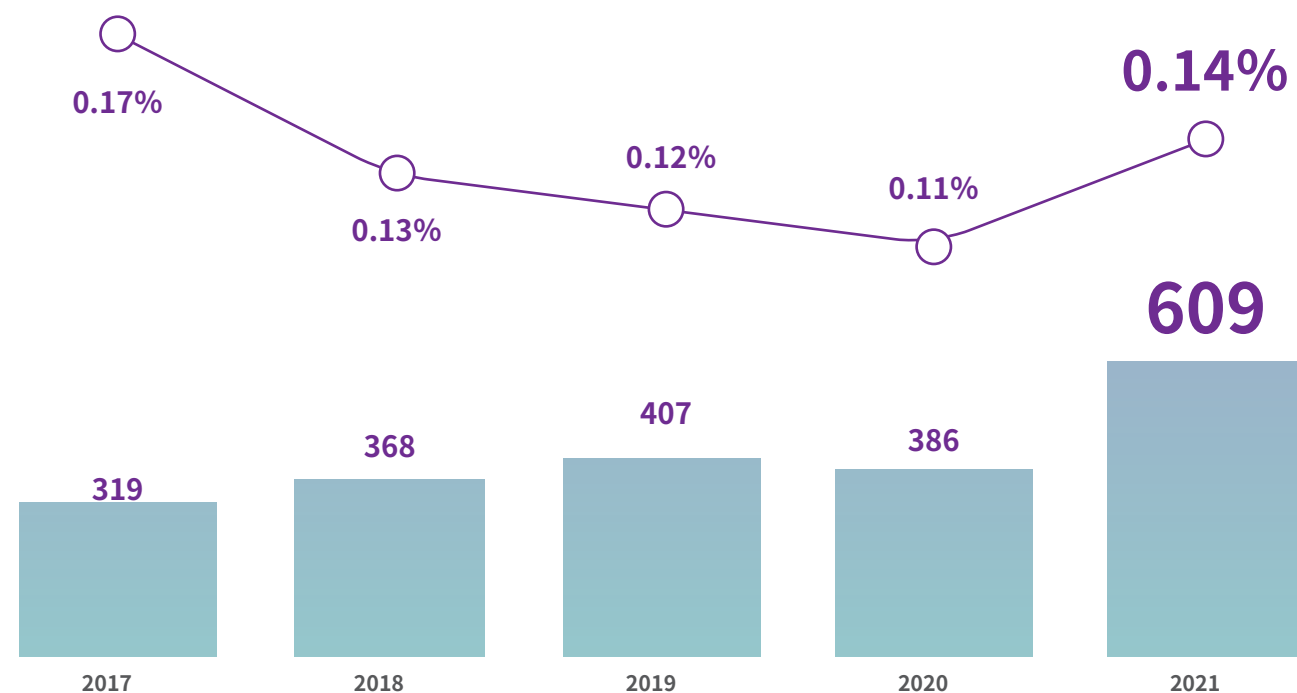
As a professional distributor of semiconductor components, WT provides the products, manufactured by global leading semiconductor companies, with the features of efficiency improvement and better performance under less power consumption.

In addition, through our understanding of market development trends and our mastery of low-consumption and high-efficiency product application technologies, WT continues to promote and provide education and training on low-consumption and high-efficiency products, providing clients with suitable low-consumption and high-efficiency product solutions or reference designs and assisting clients in realizing green designs. In 2021, NT\$609 million was invested in R&D, an increase of 57.77% compared to 2020.

### Record high R&D investment in 2021

■ Research and development expenses ■ R&D expenses as a percentage of revenue

(Unit: NT\$ million)



These low-consumption and high-efficiency electronic components are widely used in various applications such as communications, computers and peripherals, consumer electronics, industrial control, the Internet of Things and automobiles through the promotion of WT. As the demand for energy efficiency, carbon reduction and environmental protection is recognized by consumers, the demand from clients has also increased.

### WT's green design products are used in many fields





# 5.2 Sustainable Supply Chain

## Discreet selection and gate-keeping Become permanent partners with like-minded suppliers

WT set a Social Policy & Code of Conduct. It is a guideline for WT and its business partners in their operational activities, which includes labor rights, health and safety, ethics, management system, etc. It expressly regulates the appropriate conduct of all operational activities and the commitment to continuous improvement. WT also communicates the guidelines to all types of suppliers and monitors them, so that only those suppliers who adopt the same standards as those pledged will be WT's partners for continuous collaboration..

In addition, environmental protection and safety are also included in the selection criteria for the procurement of common services in Taiwan's operating bases, and products that do not meet safety standards are not used. For example, tea bags and coffee beans in the staff break room must be labeled as having passed food safety inspection tests, construction materials cannot use building materials containing dangerous chemicals or elements, and curtains and carpets must have flame-resistant labels, etc.



### Supplier's Commitment for Corporate Social Responsibilities

**We have thoroughly recognized, understood and are committed to abide by the Corporate Social Responsibility Requirements for Suppliers of WT Microelectronics Co., Ltd. (hereafter referred to as "WT") and comply with the following items:**

#### I .To meet the labor standards

We promise that workers' labor conditions will comply with local laws and regulations, as well as the labor rights, humane treatment standards set by International Bill of Human Rights.

#### II .Health and safety

We promise to provide workers with a safe and healthy working environment consistent with local rules and regulations on occupational safety and health. We promise to minimize the risk factors in the environment and prevent any occupational hazards.

#### III.Environmental protection

We avoid any pollution of water, air and soil. We do our best to minimize the impact on human health and the environment and take the best preventive measures to avoid pollution.

#### IV.Integrity

We prohibit any and all forms of bribery, corruption, extortion, abuse of power and embezzlement, including any forms of money, gift, commission, position, service, preferential treatment, kickback, etc.

#### V .Disclosure of information and cooperation

Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. We will cooperate with "WT" or its designated third party to carry out an audit to ensure compliance with this commitment.

"WT" has the right to request "the Supplier" for improvement and/or correction in case of any violation. "WT" has the right to terminate or refuse to extend the business relationship if "the Supplier" does not comply. The consequences shall be borne by "the Supplier."

100% adoption of social policies and code of conduct and environmental standards for screening new suppliers in 2021.

## Criteria for screening and evaluating suppliers

In accordance with the Procurement Management Regulations to evaluate suppliers, WT added the Management Points for General Service Suppliers in 2020, requiring general service suppliers at each operating base in Taiwan to sign the Supplier Corporate Social Responsibility Pledge and fill out the online Supplier Self-Assessment Form. The self-assessment includes the operation and provision of products and services with special attention to no significant negative impact on the environment or violation of environmental regulations, and the social policies and codes of conduct of suppliers and environmental standards are evaluated accordingly. In addition, we evaluate the supplier's social policies, code of conduct, and environmental standards. In addition to quality, technology and finance, social responsibility, labor practices and environmental protection will also be included in the evaluation. If the evaluation results do not meet the requirements, the supplier will be counseled through supplier meetings on how to improve the situation. If the re-evaluation still fails to meet the management requirements, the transaction volume will be reduced or not renewed.

## Adopting EU chemical standards, 100% of WT's top 20 suppliers have passed

WT has adopted the EU Restriction of Hazardous Substances Directive (EU RoHS), the EU Registration, Evaluation, Authorization and Restriction of Chemicals Act (EU REACH) and the US Toxic Substances Control Act (TSCA) to conduct environmental assessment standards for suppliers' products, and obtains third-party test reports for confirmation when the products are sold as agents. In 2021, 100% of WT's top 20 semiconductor suppliers passed the EU RoHS and EU REACH chemical management regulations.

## WT's strict control over the environmental and social requirements of its products

With regard to the restriction of banned hazardous chemical substances, WT aims to meet 100% of its clients' requirements. According to a client's individual requirements for various products, upstream suppliers are required to provide relevant guarantee certificates of the non-use of banned substances, component composition analysis reports and harmful substance test reports from third-party testing institutes according to product material numbers, so as to comply with the relevant environmental requirements of the products. In response to customer's requests to provide information on the non-inclusion in the materials purchased of conflict minerals such as tin, tantalum, tungsten and gold from regions with human rights disputes, WT also requires upstream suppliers to provide Conflict Minerals Reporting Template (CMRT) in order to fulfil the universal value of supply-chain humanitarianism.

## Localization of common services procurement, with a high expense ratio of 96.8%

Since WT's semiconductor suppliers are major suppliers in the global IC technology fields, the management of local procurement issues focuses on the procurement of non-agent items for common services. In 2021, the proportion of expenses for Taiwan headquarters' purchases from local suppliers in Taiwan reached 96.80%, and the scope of the statistics included purchases for administrative services, information equipment, logistics centers and application engineering.

## Proportion of Taiwan's local procurement of general merchandise



# 5.3 Environmental Management

## Raising Carbon Reduction Standards Responding to the global trend of energy efficiency and carbon reduction

In order to respond to the development of the country's overall greenhouse gas reduction strategy and achieve the sustainable development goal of energy efficiency and carbon reduction, WT has been implementing greenhouse gas inventories on a yearly basis since 2018 and has appointed a third party to carry out verification, with greenhouse gas emissions originally targeted to be reduced by 1% per annum in 2018 as the base year and raised to 2% per annum from 2022 compared to the base year.

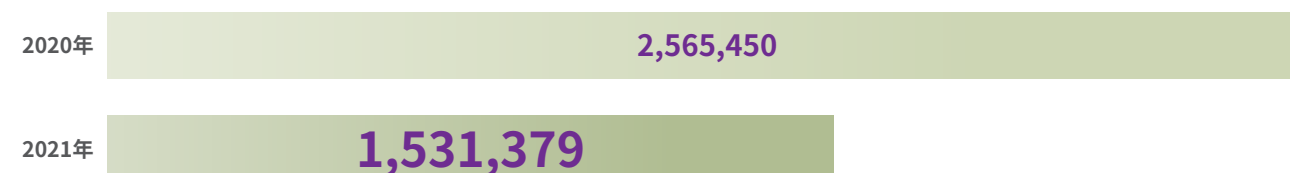
In March 2022, the FSC released the Sustainable Development Roadmap, and WT also committed to include the Hong Kong Logistics Center and the Singapore Logistics Center in the GHG emissions inventory boundary from 2022 onwards and to include the operating bases of each subsidiary in the inventory from 2023 onwards, so as to complete the GHG inventory and verification of all the Group's operating bases. In addition, the disclosure of quantitative data related to energy use, water resources and waste will focus on the operating sites in Taiwan in 2021, and the disclosure of data from other operating sites will be expanded year by year in the future.

At the same time, WT will continue to promote the spirit of environmental sustainability and actively participate in activities such as community environmental greening, ecological protection, recycling and reuse of resources and sharing of used items, so as to create a sustainable environment together.

### Increasing the proportion of renewable energy use

To be in line with the Ministry of Economic Affairs' plan to generate 20% of electricity from renewable energy sources by 2025 and the Paris Agreement's goal of controlling the rate of temperature rise to a maximum of 2°C compared to the pre-industrial era, WT has started various renewable energy assessment programs since 2021 as a feasibility assessment for the future voluntary purchase of green electricity and renewable energy certificates, even though the company is not a major consumer of electricity or a major emitter of carbon emissions. It is a feasibility assessment for the future voluntary purchase of green electricity, renewable energy certificates, etc. to promote the enhancement of the proportion of renewable energy use and reduce WT's greenhouse gas emissions.

### Historical Environmental Input Costs (Unit: NT\$)

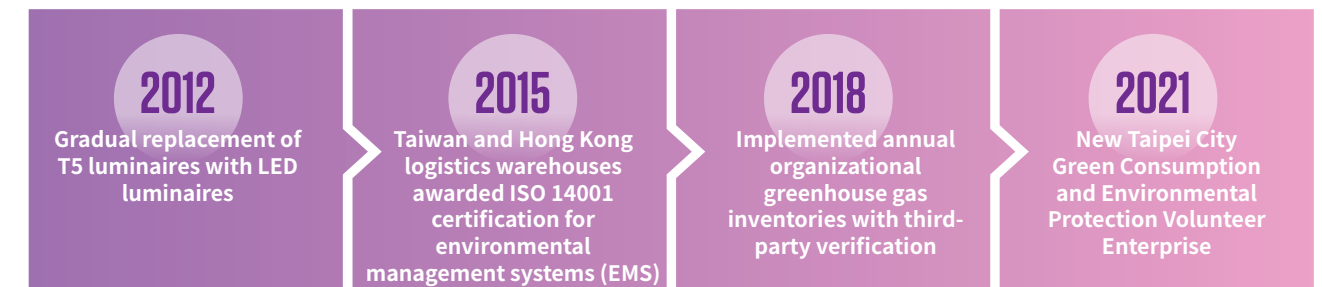


### Year-on-year increase in the share of environmental management costs

In order to fulfill its responsibility for environmental sustainability, WT has been actively implementing greenhouse gas inventories for many years, accepting third-party verification and expanding the geographical boundaries of inventories yearly, with the aim of seeking accurate and precise disclosure of various data and promoting various reduction programs, as well as increasing environmental management courses in various departments to implement the concept of sustainability for all employees. In addition, In 2021, WT invest about NT\$1.53 million in environmental costs, and encouraging all managers to participate in education and training on environmental sustainability issues, thus significantly increasing the investment in environmental management.

### Concerns about climate change and responses to international trends

In 2015, the United Nations formulated the 17 Sustainable Development Goals (SDGs), hoping that through the collective attention of the world's countries to climate change, the identification of risks and opportunities related to climate change by relevant stakeholders will be enhanced. WT also responded to the international trend to improve environment-oriented development.



### Prioritize green labeled products and increase green procurement by 121% by 2021

In line with the Environmental Protection Administration's policy of encouraging private enterprises to choose products with environmental protection labels, energy-saving labels, green building materials labels, water-saving labels, Type II environmental protection labels, and carbon footprint reduction labels, WT has pledged to give priority to the purchase of green labeled products. Green procurement amounted to NT\$14.88 million in 2021, an increase of 121% compared to 2020, and WT was honored as a green consumption enterprise by the New Taipei City Government. In the future, WT will continue to actively promote green procurement and lead the social trend of purchasing green products in general.



2021 WT was awarded the New Taipei City Green Consumption and Environmental Protection Volunteer merit enterprise.

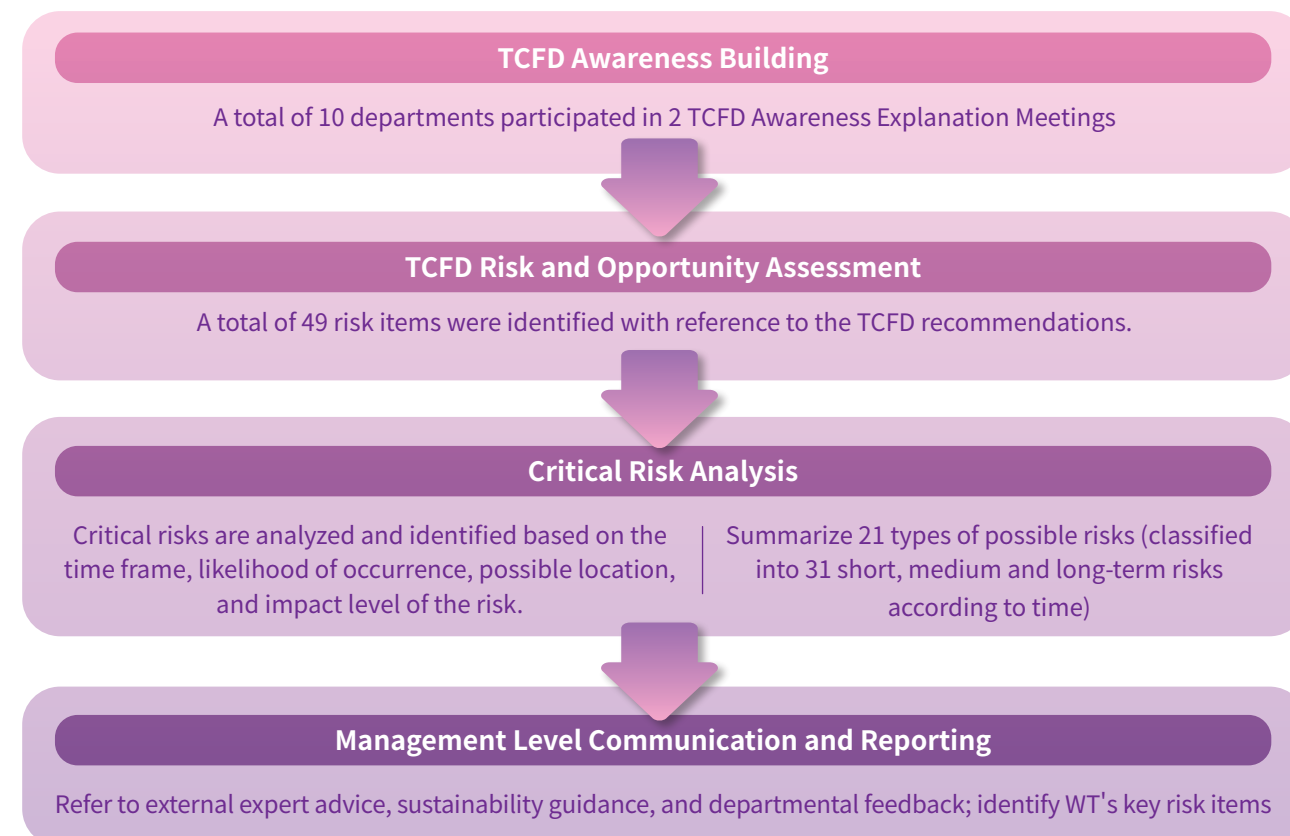
# 5.4 Climate Change Response

The risks of climate change brought about by global warming may cause unanticipated operational impacts. As an important enterprise in the electronic product distribution business, WT should play a leading role at both the top and bottom of the chain the top and bottom of the chain, and at the same time fully understanding the risks and opportunities that climate change may bring in the electronic industry chain. In 2021, WT initiated the introduction of a climate change risk management project in response to the Task Force on Climate-related Financial Disclosures (TCFD) proposed by the Financial Sustainability Board (FSB). The framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD) is expected to strengthen corporate resilience through the establishment of a mechanism to manage climate change risks and opportunities.

## Promote TCFD project to initiate climate change management

Through awareness building, risk identification, departmental discussions and communication with senior management, WT first establishes company-wide awareness and identification related to climate change from the bottom up, building climate change awareness and knowledge throughout the whole company. The projects identified by each department will be used as the next stage of planning to promote the response plan for the reference of the governance level, and finally will be reported and communicated by the Risk Management Committee under the Board of Directors as the basis for the subsequent presentation to the Board of Directors to implement top-down climate management policy.

## Promotion and Performance



## Summarize the 21 possible risk items. Promote corresponding solutions.

A total of 21 items were listed as possible risk items after consolidating the assessment results provided by various departments of the company. According to the time frame, some risks have different risk impacts in different time frames. There are 12 short-term risks, 11 medium-term risks and 8 long-term risks. After discussions and decisions made by department heads in meetings, immediate physical risks and risks of regulatory and reputational transformation were listed as WT's three major climate change risks.

The results of the risk assessment will be reviewed again in 2022 and the planning of the response plan will be promoted. The Director of Sustainability will report to the Risk Management Committee, and the results will be included in the Board of Directors' meeting to formally initiate climate change management.

## Climate Change Management Framework

Category	Management Strategies and Actions
Governance	The Board of Directors: oversees the results of climate-related risk assessment and implementation of response plans.
	The Risk Management Committee reviews the major climate change risk management strategy, management reports and sets the parameters in accordance with the Risk Management Policy and reports regularly to the Board.
	Each functional unit: Regularly analyze and identify climate change risks and opportunities, formulate relevant response plans and implement them. The ESG Sustainable Development Group is convened on a permanent basis, and each functional unit reports on the results of implementation.
Strategy	The risk identification drive was initiated in 2021, and the RCP8.5 scenario was selected for physical risks and the national target scenario for transition risks as the basis for the annual climate change risk assessment during the scenario analysis.
	WT considers three major types of risks identified: physical (immediate) and transformation risks (regulatory and reputational), and subsequently formulates appropriate plans and reports them to the management as a reference for operational decisions.
Risk Management	A risk management executive committee was set up in 2020 and a risk management policy was formulated in 2021 to manage possible risks at different levels in accordance with the risk management organizational structure, so as to achieve the objective of sustainable development and sound operation.
	The TCFD project was introduced in 2021, and the risk identification and management process will be established as a separate project. After the project is completed, the risk identification method is reviewed and appropriately revised, and the risk identification results are incorporated into the existing risk management process to implement consistent management measures to promote subsequent risk response.
	In the future, we will continue to evaluate international trends, climate policies of our operating bases, stakeholder concerns, and physical climate change trends, and set climate-related targets and goals to increase our adaptive capacity and reduce the impact of climate change.
Targets and Objectives	After the completion of WT's results on risk identification, the next stage of the TCFD project will be implemented in 2022, and cross-departmental discussions and communications will continue to be conducted to form proposals for subsequent response plans. After reporting to the senior management, we will confirm the operation strategy and management plan for WT's subsequent promotion.
	At this stage, WT first uses the intensity of greenhouse gas emissions as an indicator of climate change risk response to respond to Taiwan's national policy of net zero carbon emissions in 2050. For 2021 greenhouse gas emissions, please refer to the next section 5-5 Greenhouse Gas Disclosure. In addition, after the second stage of the TCFD project is completed, qualitative or quantitative indicators will be formulated for the impact level of each operation site, and the feasibility of internal carbon pricing will be evaluated as a motivation to strengthen WT's next stage of climate change management.



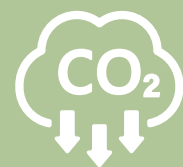
# 5.5 Greenhouse Gases

## Congratulations on reaching the emission reduction target by 2021!

As global warming becomes increasingly serious, WT has, since 2018, carried out a complete inventory of GHG emissions with reference to the requirements of the Organizational Greenhouse Gas Emissions (ISO 14064-1:2006) and the Greenhouse Gas Inventory Protocol (GHG Protocol), and performed GHG Scope 1 and Scope 2 inventory operations. Since 2018, we have completed annual verification procedures by third-party notary units. Starting in 2018, we have completed the verification process by a third-party notary every year to ensure the correctness and reliability of the GHG emissions inventory, so as to review the reduction situation and revise the management policy on a rolling basis.

In 2019, WT pledged to reduce the intensity of GHG emissions in areas 1 and 2 by 1% per year compared to 2018, using 2018 as the base year.

### Inclusion of Scope 3 inventory in 2021

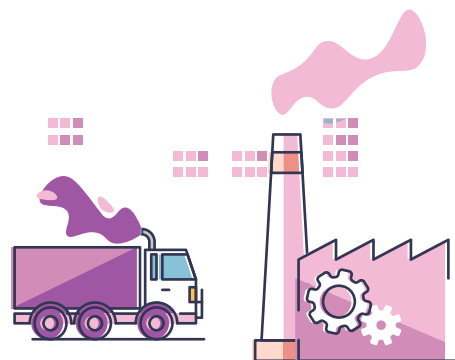
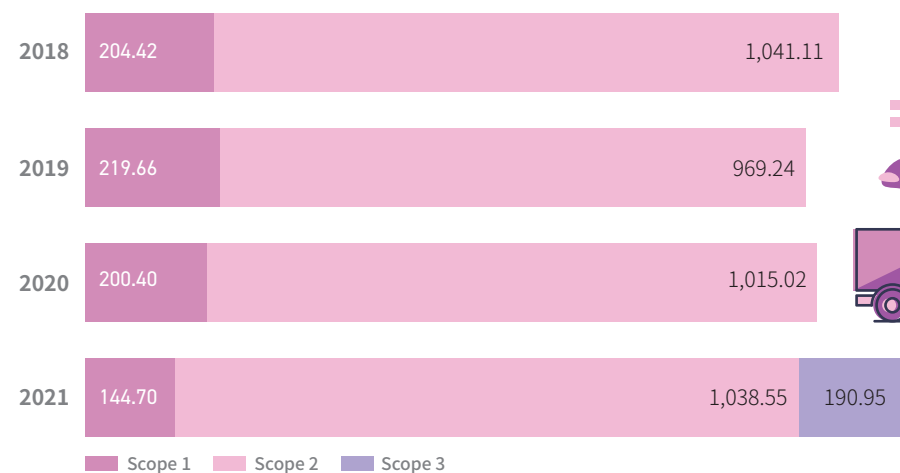


In 2021, the Greenhouse Gas Inventory Promotion Group meeting was held in accordance with the new version of the ISO 14064-1:2018 Greenhouse Gas Inventory Standard to complete the identification of significant indirect emission sources to be included in the inventory for that year, and to include "emissions from products purchased by organizations using products" (upstream of raw materials for electricity: Scope 3) in the inventory boundary.

### 19.04% carbon reduction achieved in four years

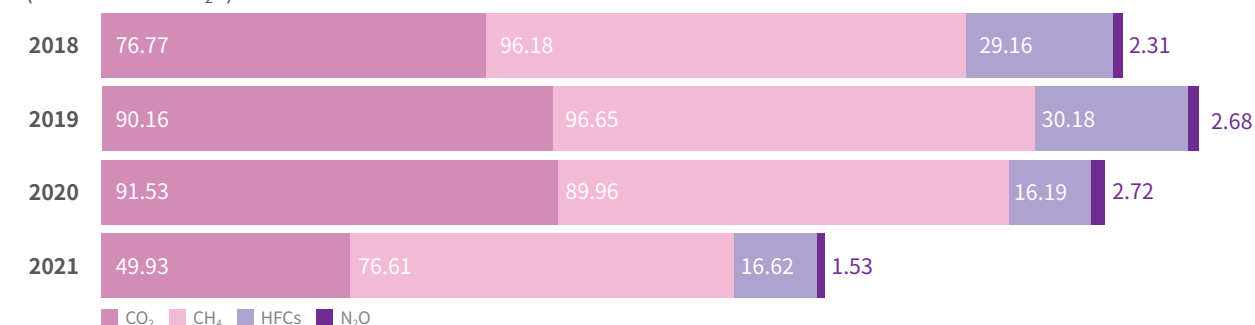
In 2021, WT had already reached the expected reduction target, with total GHG emissions of 1,374.20 tonnes of carbon dioxide equivalent (tonnes CO<sub>2</sub>e), of which 0.0442 tonnes CO<sub>2</sub>e/square meter (m<sup>2</sup>) for Scope 1 and 2, a 19.04% reduction in intensity compared to 2018 (base year). From 2022 onwards, the reduction target will be further increased by reducing the annual Scope 1 and 2 GHG emission intensity by 2% compared to 2018 (base year)

### Total Greenhouse Gas Emissions (Unit: tonnes CO<sub>2</sub>e)



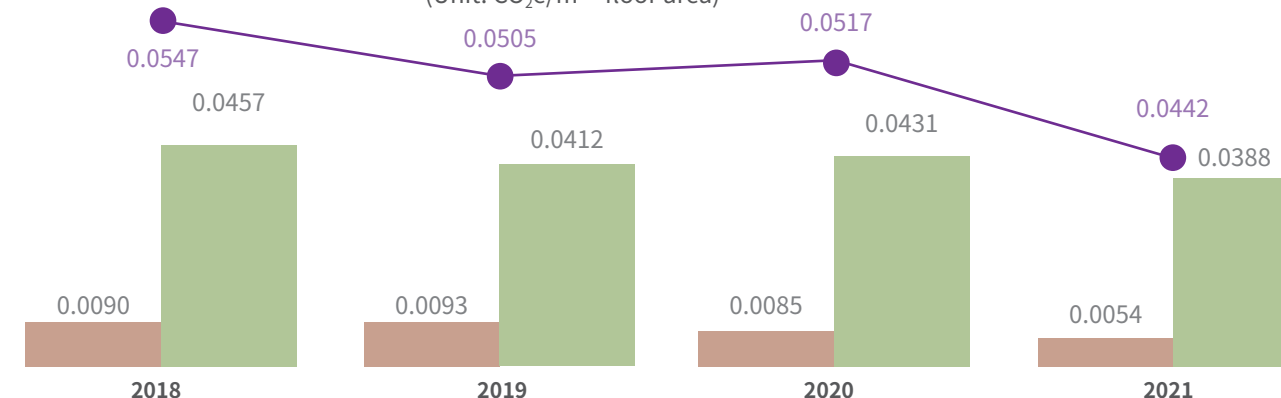
### Greenhouse Gas scope1 emissions (by emission type)

(unit: tonnes CO<sub>2</sub>e)



### Historical Greenhouse Gas Emission Intensity

(Unit: CO<sub>2</sub>e/m<sup>2</sup> - floor area)



1: The scope of the audit was based on the Operational Control Regulations, and the border of the audit covered various operating sites in Taiwan, including WT Microelectronics, Morrihan International Corp., Techmosa International Inc., Maxtek Technology Co., Hongtech Electronics Co., Nuvision Technology, Inc., Brillnics (Taiwan) Inc., WT Joint Staff Welfare Committee, and other operating bases in Taiwan, in which 12 offices are added in Zhonghe and Hsinchu in 2021.

2: The greenhouse gas inventory uses the ISO 14064-1:2018 version, and the emissions for each year have been verified by BSI Taiwan third party.

3: The electricity emission coefficient is based on the electricity emission coefficient announced by the Energy Bureau, and the electricity emission coefficient in 2021 is based on 0.502 tonnes CO<sub>2</sub>e/kWh in 2020.

4: Fuel and refrigerant emission coefficients refer to the EPA's Greenhouse Gas Emissions Study Summary - Emission Factor Management Table Version 6.0.4

5: The global warming potential (GWP) coefficient is based on the data from the IPCC Fifth Assessment Report (2013).

6: GHG intensity before 2020 to the average number of employees on the job to calculate the emissions intensity, 2021 assessment of the floor area as the basis for the calculation of intensity, more reflective of the actual improvement results, and therefore changed to the office floor area as the basis for the calculation of GHG intensity, GHG intensity = (Scope 1 emissions + Scope 2 emissions) ÷ all inventory boundaries of the floor area.

7: The floor areas in the inventory area for the calendar year are 22,788 m<sup>2</sup> (2018), 23,528 m<sup>2</sup> (2019), 23,528 m<sup>2</sup> (2020), 26,740 m<sup>2</sup> (2021)

### Energy Saving Re-Advancement Measures for 2022

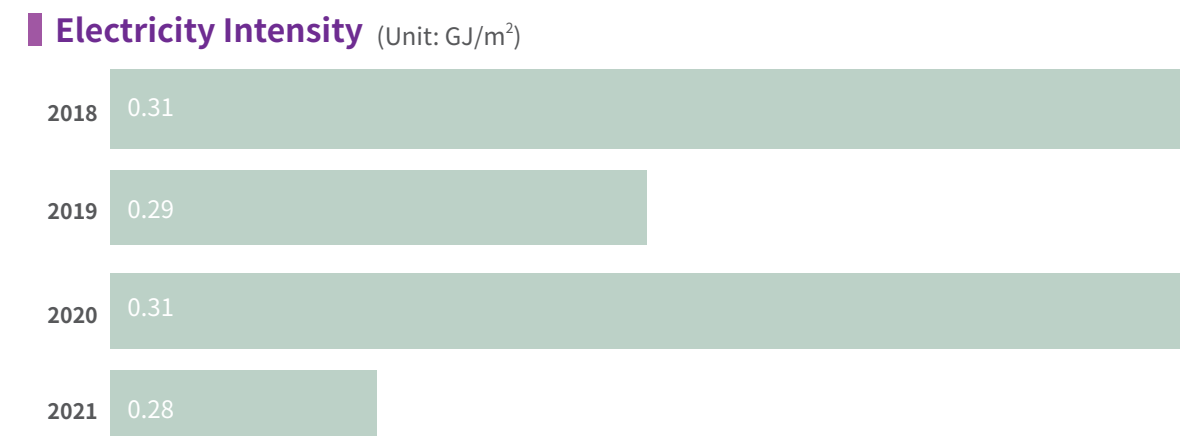
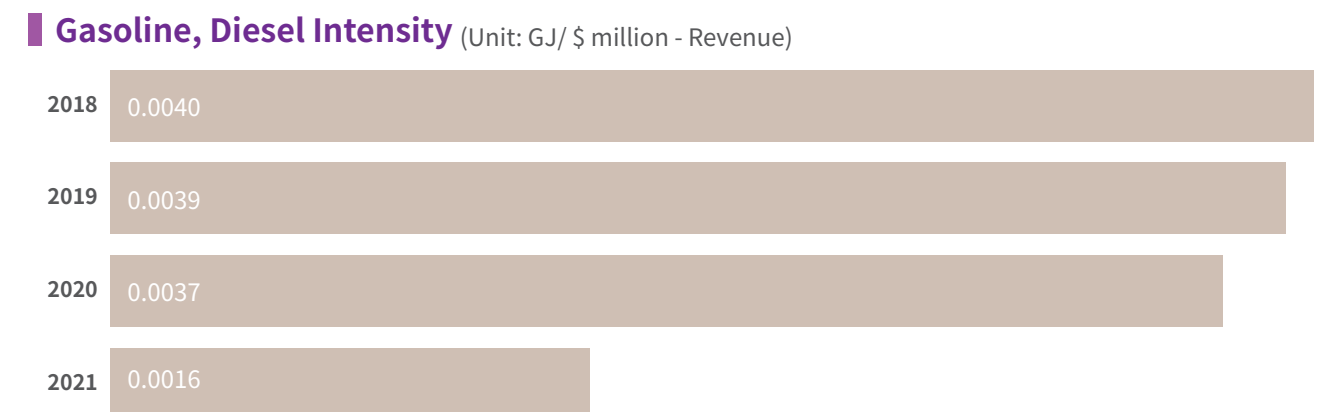
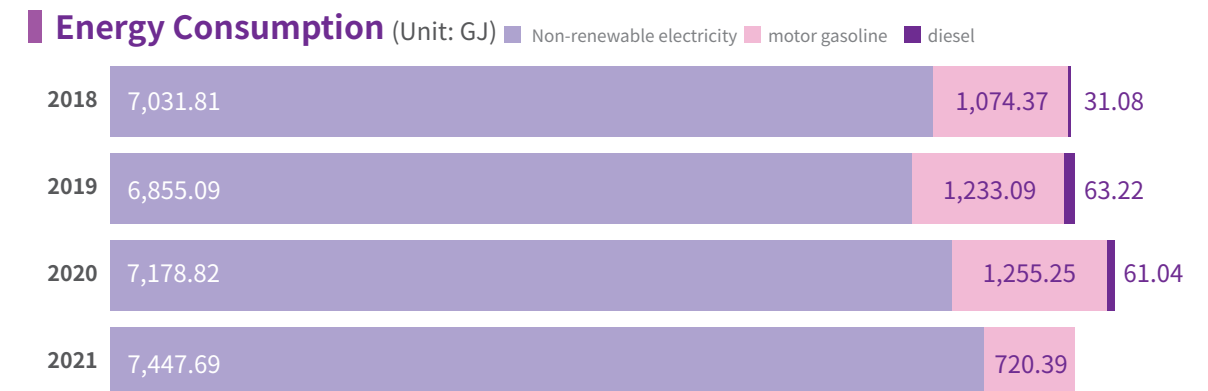
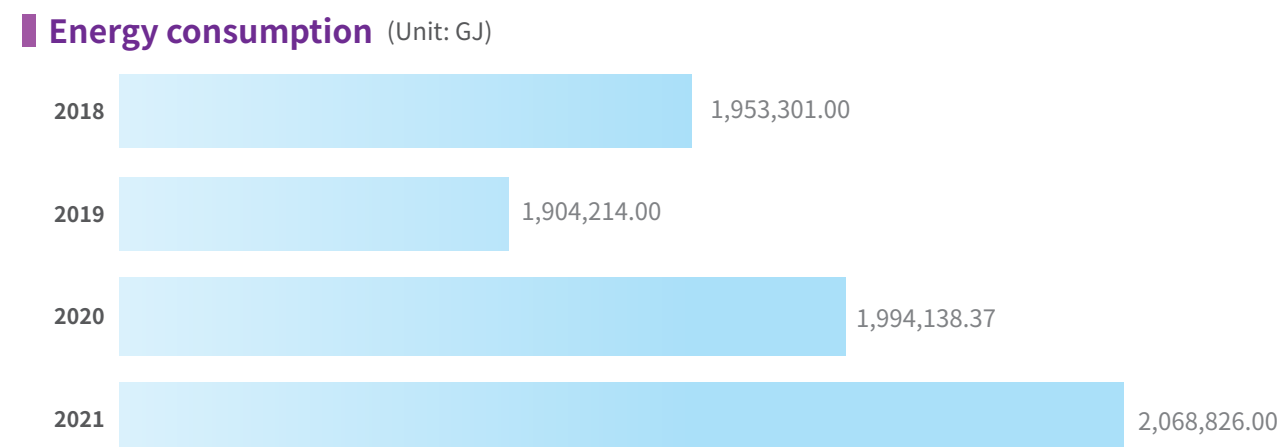
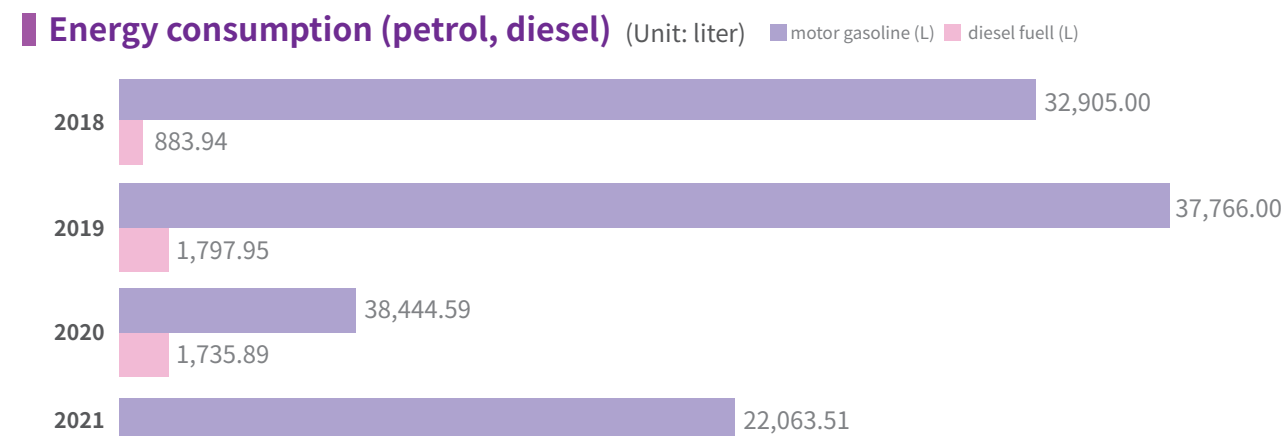
- Actively seek green energy sources, e.g. the purchase of green electricity, renewable energy certificates, etc.
- Progressively review the replacement of old equipment that has deteriorated in performance.
- Carry out regular maintenance of high energy-consuming equipment.
- Priority is given to the procurement of energy-efficient equipment and green-labelled products.
- Each appliance and piece of equipment is equipped with an energy-saving controller to automatically turn on the energy-saving mode.
- The lighting fixtures and air-conditioning power supplies are controlled on a zonal basis with the installation of timer controls.
- Gradually replace all lighting fixtures and emergency exit signs with LED energy-efficient fixtures, and for venues with lower illumination requirements, turn on the lights at intervals or reduce the number of tubes if there are no safety concerns.
- Non-essential lighting turns off automatically during lunch break.
- White or light-coloured walls and ceilings are preferred to increase the light reflection effect and reduce the number of light fittings.
- The air conditioning temperature is set at 26~28°C, and the fan is set to the appropriate speed.
- The staff will be tasked with regularly checking whether the lights, air-conditioning and projection equipment are switched off when not in use.
- Infrared body sensor switches are used for low-frequency public space lighting.
- Install blackout curtains for room cooling.
- Continue to promote greenhouse gas reduction, waste separation and avoidance of standby power wastage.
- Encourage staff to make greater use of public transportation or ride-sharing for commuting to and from work, traveling to and from work and staff travel.
- Increase the greening of the office environment.

# 5.6 Energy management

## Save Energy with Green Purchasing

In 2021, WT's total energy consumption is 8,168.08 GJ, of which the most important energy source is non-renewable electricity purchased from power companies, with electricity consumption accounting for 91.18% of the total consumption, while the rest is fuel used in company work vehicles. In the future, depending on the overall energy policy and climate change issues, proper planning and setting will be made to target the use of renewable energy. Total electricity consumption in 2021 was 2.0688 million kWh, with an electricity consumption intensity (GJ/floor area) of 0.28 GJ/m<sup>2</sup>, a decrease of 8.72% compared to 2020, mainly due to a significant increase in the number of home-based office workers. Therefore, there was a reduction in office electricity consumption due to COVID-19 and the raising of the alert level to 3 in Taiwan beginning in May 2021.

The energy intensity of gasoline and diesel fuel is closely related to the nature of the operating activities and is calculated based on the revenue. Gas and diesel energy intensity of 0.0016 GJ/million in 2021 - a significant decrease of 56.85% compared to 2020 due to reduced use of company vehicles as a result of reduced customer visits and the implementation of work from home measures for about three months because of COVID-19. Gasoline consumption was 22,064 liters in 2021, a 45.09% reduction compared to 2020; the vehicles which ran on diesel fuel were scrapped in 2020, so diesel consumption was 0 liters in 2021.



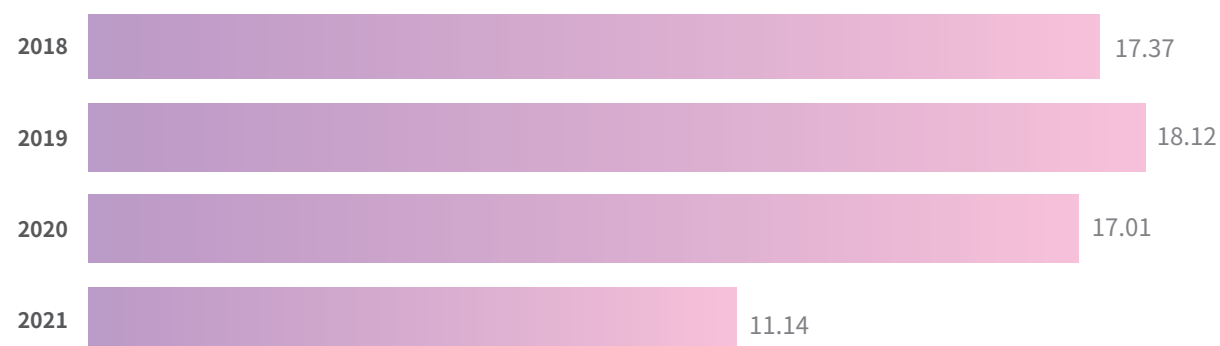
1: The inventory boundary covers WT Microelectronics, Morrihan International Corp., Techmosa International Inc., Maxtek Technology Co., Hongtech Electronics Co., Nuvision Technology, Inc., Brillnics (Taiwan) Inc., WT Joint Staff Welfare Committee, and other operating bases in Taiwan, in which 12 offices are added in Zhonghe and Hsinchu in 2021.  
 2: The data source for electricity is Taipower's billing data, and the data source for gasoline and diesel is the EBCS Goldstream operating platform of CNPC.  
 3: Power conversion factor: 1 kWh of purchased power = 0.0036 GJ;  
 4: Calorific value conversion coefficients for each energy source: The source is the calorific value table of energy products in the annual report of the Bureau of Energy Statistics, Ministry of Economic Affairs. 1 liter of motor gasoline = 7,800 kcal, 1 liter of diesel = 8,400 kcal.  
 5: 1 kcal = 4,186 joules  
 6: The denominator used for electricity intensity is floor area, please refer to Note 7 for greenhouse gas emission intensity; the denominator used for gasoline and diesel intensity is annual revenue, please refer to 3-2 Financial Performance for historical operating revenue.

# 5.7 Water Resources Management

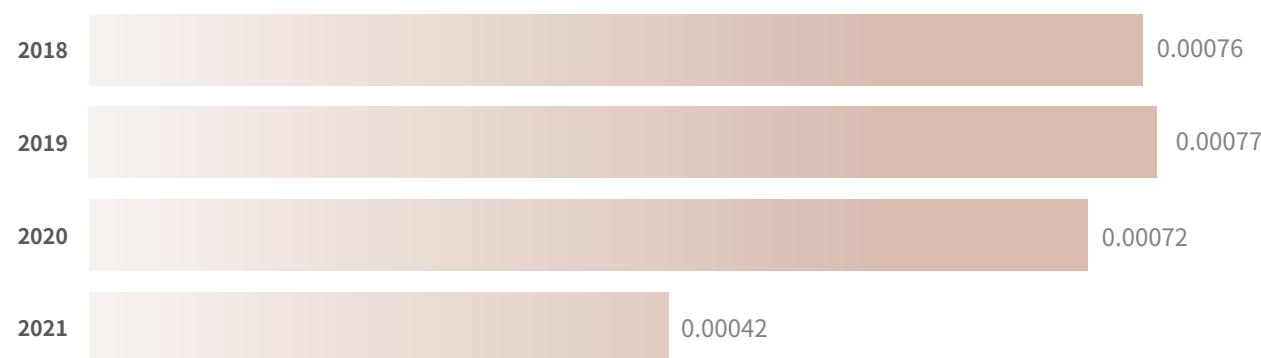
## Effective water conservation through promotion and implementation

The main uses of water resources at each of WT Taiwan's operating bases are recycled water for air-conditioning in office areas and water for employees' daily use. The water discharged is mainly employees' domestic sewage, which is discharged into the building's pipeline and then enters the sewer system. The evaporation of water for air-conditioning is the main reason for consumption. As there is no valid statistical method for water discharge and water consumption, only the amount of water withdrawn is disclosed. Water withdrawal in 2021 is 11.14 million liters (ML), a decrease of 5.87 ML compared to 2020. This is mainly due to a 34.52% reduction in office attendance due to the implementation of work from home measures for COVID-19 and a 42.38% reduction in water withdrawal intensity compared to 2020.

### Water withdrawal - total (Unit: ML)



### Intensity of water intake (Unit: ML/m<sup>2</sup> - floor area)



In 2021, WT has continued to use various means to promote information on water conservation, prioritizing the procurement of water-using equipment with water-saving labels, and regularly deploying staff to inspect whether there are any water leaks, in the hope of implementing water conservation practices in people's daily life, so as to maximize the effectiveness of water resources.

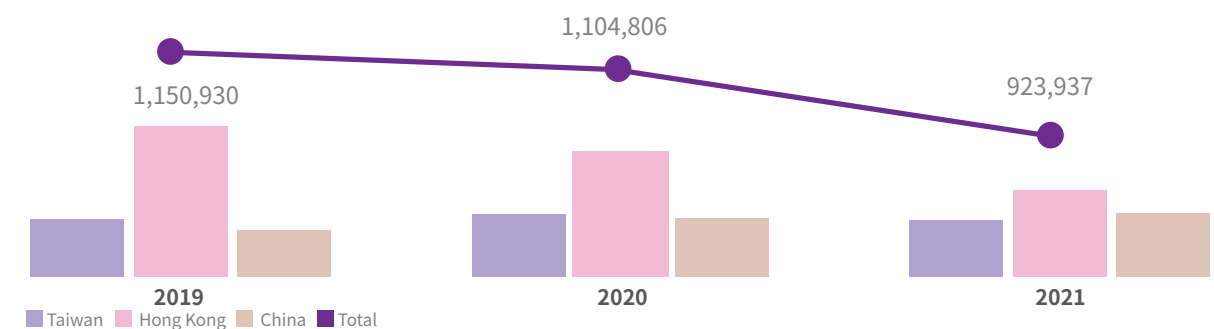
1: The inventory boundary covers WT Microelectronics, Morrihan International Corp., Techmosa International Inc., Maxtek Technology Co., Hongtech Electronics Co., Nuvision Technology, Inc., Brillnics (Taiwan) Inc., WT Joint Staff Welfare Committee, and other operating bases in Taiwan, in which 12 offices are added in Zhonghe and Hsinchu in 2021.  
 2: In order to implement water resources management, the amount of water consumption is recorded in the water company's bills from 2021 onward, and water charges and unit prices are used for estimation in the years before 2020. The water charges for the Taichung office are apportioned according to the proportion of the management fee charged by the building management committee where the office is located, so the actual water consumption cannot be accurately determined, and the proportion of the total water intake is extremely low, so it is not included.  
 3: The denominator used for the water intensity is the floor area; please refer to Note 7 of the greenhouse gas emission intensity.

# 5.8 Green Logistics

## Advanced electronic system for comprehensive paperless inventory management

In Taiwan, Hong Kong, Shenzhen, Singapore and Korea, WT has logistics centers for receiving and delivering goods. When purchasing goods, orders are placed in the logistics center nearest to the client according to their demand, thus reducing the distance between warehouse transfer, delivery and transportation. All logistics center operations have been integrated with advanced logistics information systems, enabling paperless electronic operations. Every corner of the logistics center is connected via WiFi. After scanning the product and storage barcode with a PDA, the system will immediately adjust the account and change the storage position without the need for inventory cards.

### Paperless Logistics and Paper Saving in Logistics Centers

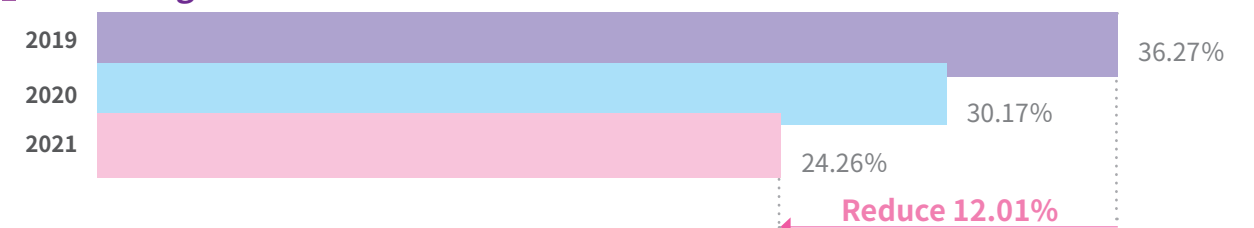


### Not only packaging reduction, but also recycling

WT has continued to invest in packaging reduction, including prioritizing the use of paper pallets for product carriage in the warehouse and for outbound shipments, reducing the number of product fillers. We also use renewable materials for packaging materials required in logistics operations. Meanwhile, related logistics operations systems have been digitalized and the number of shipping trips has been optimized through the system. In 2021, there were 12,236 fewer shipping trips, thanks to the system's consolidation of order shipments.

After the products are stocked, if there is no need to re-pack and re-deliver, they will be directly stocked in the packaging of the original shipment. If they need to be re-packed, all the cartons and filling materials inside the cartons will be recycled when they are stocked, so that they can be recycled and classified as "environmentally friendly cartons" for statistical and management purposes. We not only give priority to recycled cartons for shipment but also reduce the use of new cartons. The cartons we purchase ourselves are not redundantly printed, but only marked with cautions. The padding used to protect the products inside the cartons is made of environmentally friendly materials that are naturally biodegradable. The average amount of padding used per carton has been reduced from 0.37 meters per carton in 2020 to 0.23 meters per carton in 2021, a significant decrease of 37.84%. The use of pallets in logistics centers will also be prioritized over the use of paper pallets and less plastic.

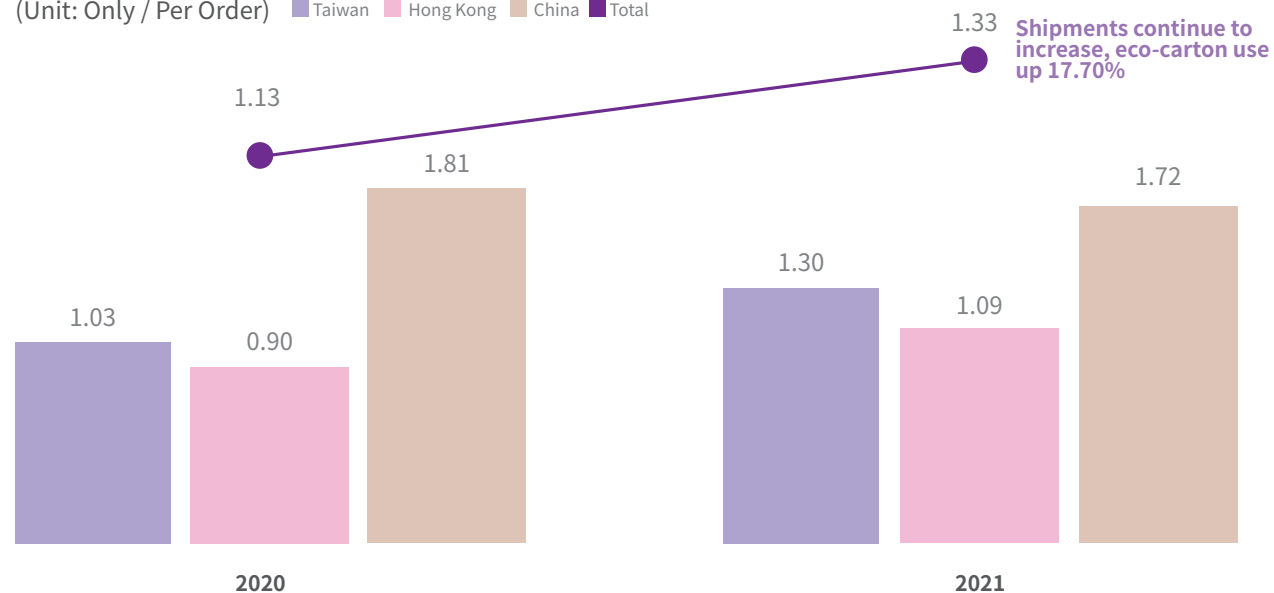
### Percentage of New Carton Use 2019~2021



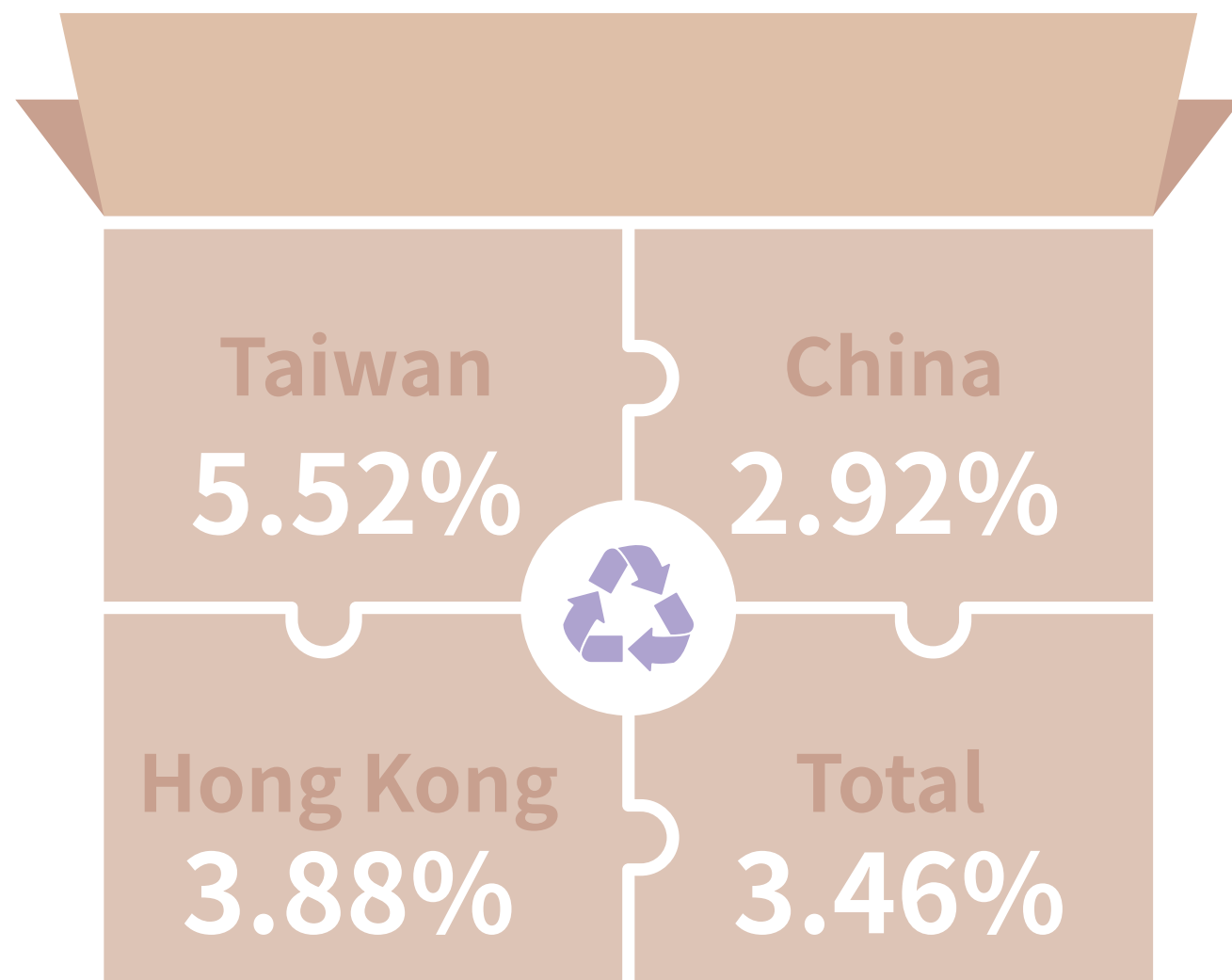


## Green Carton Usage by Logistics Centers in 2020 and 2021

(Unit: Only / Per Order) ■ Taiwan ■ Hong Kong ■ China ■ Total



## Proportion of green cardboard boxes used by logistics centers in 2021



# 5.9 Waste Reduction

## Sort and recycle waste. Reuse packaging materials

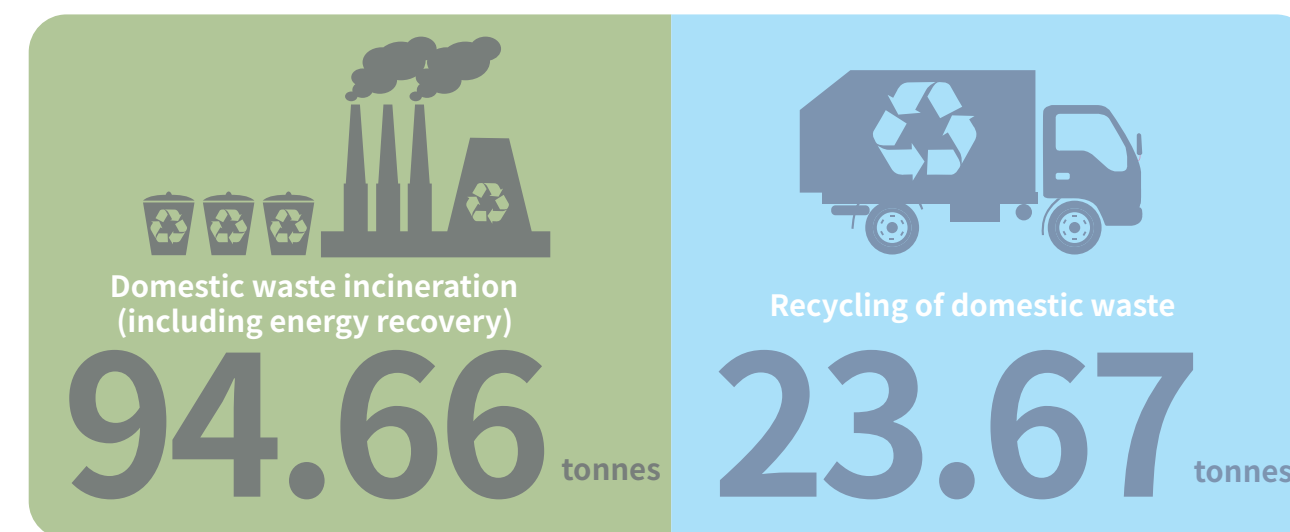
In the course of operations, WT's waste is mainly business-type waste and domestic waste generated by employees in the office. The logistics center also has waste related to outer boxes, cardboard, filling materials and sealing boxes, all of which are non-hazardous waste. In order to reduce the production of waste, WT insists on making every effort to properly separate waste, and all packaging materials required for logistics operations, such as outer boxes, cartons and cardboard, are made of recycled materials that can be recycled or will naturally decompose. WT also actively implements source reduction. The logistics centers in Taiwan and Hong Kong have received ISO 14001 certification in environmental management systems. In addition to the implementation of the recycling policy, waste is managed centrally and the quantity of waste is recorded and transported regularly.

In the future, we will continue to reduce the procurement of disposable consumer goods, give priority to the use of durable and recyclable products, step up efforts to promote waste reduction and carbon reduction among colleagues and implement waste separation and resource recovery and reuse.

## Prevention management, develop improved security measures

In accordance with fire safety regulations, WT has set up various comprehensive protective facilities in the work environment and has delineated areas for fire prevention and management. We arranged for colleagues in charge of each floor to conduct regular inspections every month so as to prevent any possible disaster. Every year, staff members are sent to participate in fire drills and training activities organized by the Management Committee to understand the evacuation procedure for our park. Every year in March, external fire-fighting agencies carry out inspections and make reports, and fire-fighting establishments and drills are carried out in March and July every year to strengthen the escape and emergency response capabilities of the entire staff.

## 2021 WT's Waste Production at Taiwan's Operating Bases



Note: Prior to 2020, waste was calculated based on 3C, office equipment and carton packaging materials. The aforementioned categories of waste were donated to welfare organizations for recycling and were not included in the scope of the Waste Disposal Law published by the Environmental Protection Administration, Executive Yuan. In order to implement waste management more effectively, starting from 2021, non-hazardous waste generated from employees' daily lives will be included, therefore, only the waste data for 2021 is disclosed.



# 5.10 PRACTITIONERS WHO GIVE BACK TO THE COMMUNITY

As a sponsor and a practitioner,  
WT supports children's growth at the front line

## SHINING HOPE: a Photography-Inspired Learning Program by WT Foundation

Based on the spirit of "diversified development, happy learning" and "caring for the disadvantaged and giving back to society", we are involved in education in remote areas of Taiwan. Since 2015, the WT Foundation has sponsored projects such as the Yunlin County Zhengmin Elementary School Public Private School Sponsorship Project, the Junyi Education Academy Teacher Training Project and the Junyi Experimental High School Creative Learning Group Experimental Curriculum Project. In 2021, we launched SHINING HOPE: A Photography-Inspired Learning Program. In so doing, we transformed from a sponsor to a practitioner that serves children at the front line!

/ Shining Hope /

**Number of schools** | 10 in total (3 in New Taipei City, 5 in Yilan, 1 in Hualien, and 1 of a non-profit organization)

**Number of students** | 155

**Number of volunteers** | 55 (members are located in Taipei City, New Taipei City, Yilan, Taichung, Hualien, etc. Their occupational backgrounds include professional photographer, designer, medical examiner, retired teacher and spiritual related industries)

**Hours of instruction** | 16,200 hours (9 classes per school per semester, 90 minutes per class)



## Say Cheese! Press the shutter to continue love and touching moments

SHINING HOPE: A Photography-Inspired Learning Program does not only teach children photography skills, but also aims to achieve cross-disciplinary learning through the medium of photography, provide children with a lot of companionship and care, build their self-confidence, and cultivate a sense of local identity. WT has found that this project has gradually grown stronger and more effective because of the close cooperation and mutual assistance among enterprises, schools and volunteers, which has enabled children to benefit and love to continue. Just like waiting for an opportunity to press the shutter, it takes timing, location, and people to take many beautiful, moving photos. And we are waiting for these moments to arrive!

Xia, Qiao-An, Jinyue Elementary School, 6th grade





At first I thought that photography was just a way to teach children skills, but later I realized that photography is actually a vehicle that provides many things and has a great impact!

—Chairman of the WT Foundation, David Yang



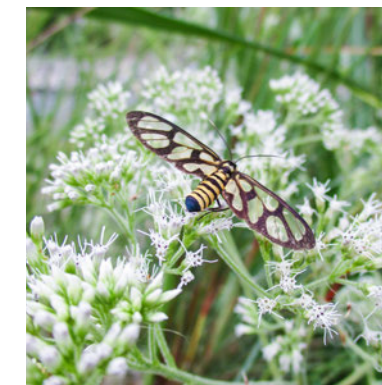
Tsai, Ju-Mi, Daxi Elementary School, 5th grade

### Through the lens of photography, we can see the dedication of teachers and the growth of children.

At the core of SHINING HOPE: A Photography-Inspired Learning Program is the participation of school teachers. School teachers play an important role in the project as a bridge between WT and the children! They discuss the curriculum and the children's needs with the volunteers, and lead the children to do extended lesson plans for the photography class. Through the images taken in the photography classes, the children practiced finding symbolic elements in the images to create monster wrapped paintings, and took them to set up and practice developing them together. At the end of the year, we saw a significant change in our children. They were more stable, more confident, and loved their hometown more!



Tsai Ju-Mi  
Daxi Elementary School, 5th grade

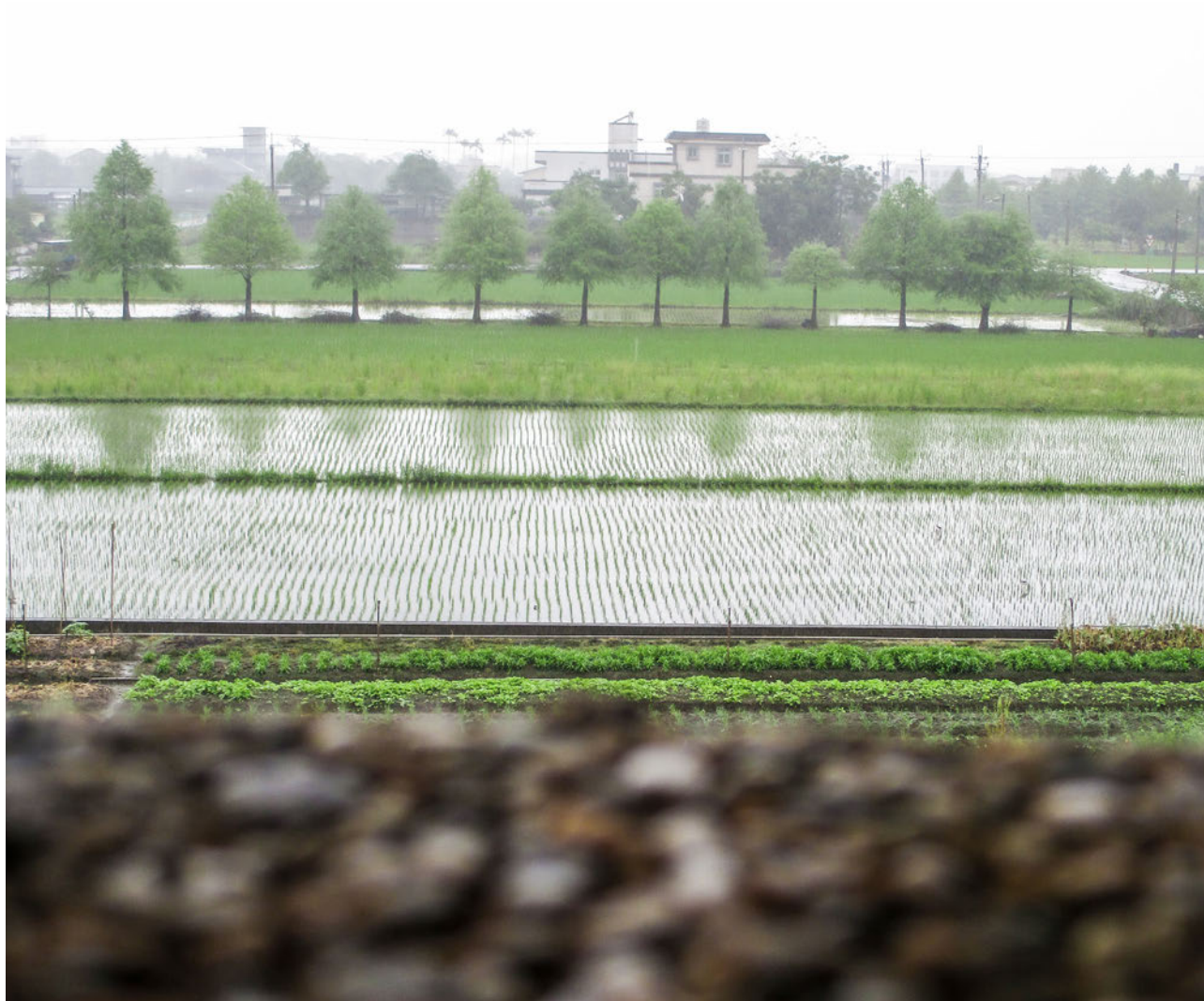


Li Tzu-Yun  
Four Seasons Elementary School Ying Shih Branch 2nd grade



Sung En-Chieh  
Lunshan Elementary School 6th Grade



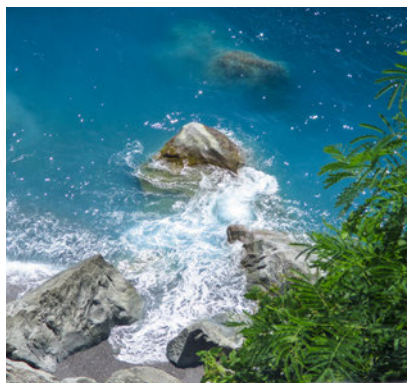


Li Hsing-Yen Shengou Elementary School 6th grade

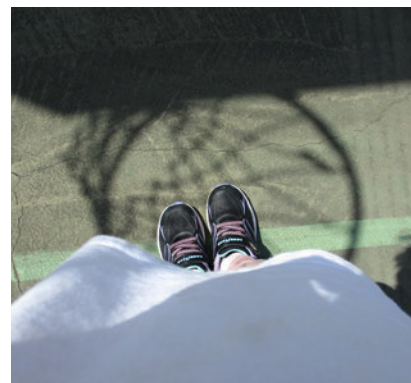
For the photography project, the corporate side, the school side, and the volunteer side are the three strands of rope that when woven together cannot be easily broken. Thanks to the power of these three strands, children in remote areas are cared for and transformed, volunteers receive touching moments, and enterprises invested in markets also value humanitarian care.



Chen Chih-Jui  
DaPing Elementary School 6th grade



Yang Pin-Hsuan  
Ruibin Elementary School 5th grade



Peng Tzu-Yu  
HoMei Elementary School 2nd grade

LIFE IS SUPPOSED TO BE BEAUTIFUL,  
BUT THERE ARE ALWAYS EXCEPTIONS.



### Premature Baby Foundation of Taiwan makes up for the shortcomings with love

In a special issue, Kerry Hsu, the co-founder of WT, wrote about the 30th anniversary of the premature birth of her baby, saying "Life is supposed to be beautiful, but there are always exceptions! When we encounter life's shortcomings, it is certainly a journey of extraordinary and miraculous events. This miracle is to witness the grace of life, to feel the resilient will of life to survive, to see a team of angels who guard premature babies, and to be so lucky as to encounter the medical quality that cultivates life's silent call for help, to greatly enhance the right to live in the tug of war between life and death, and to return to the path of life's beauty."

#### Little Feet Deserve Big Chances, Too: Premature Baby Foundation of Taiwan 30th Anniversary



The birth rate in Taiwan is at a record low, but the percentage of preterm births is at a record high. Shan-Shan's mother, Kerry Hsu, who has experienced a preterm birth, wants to raise awareness of the importance of prevention and treatment of preterm births and to promote a child-friendly environment.

### Thumbelina a Chance to Reclaim a Bright Future

The percentage of premature births in Taiwan now exceeds 10%. The impact of a premature birth on the child, the family, and even society as a whole in terms of medical expenses is considerable. The birth of a premature baby foretells a difficult process of growth, but with proper medical care, modern medicine can provide a high survival rate for premature babies. This is one of the goals of the Premature Baby Foundation's long-term efforts: to support good quality medical care for premature babies and to reduce neonatal mortality and disability. According to the National Health Agency's birth report for 2020, 16,517 newborns were born with a body weight of less than 2,500g, which is about 10.16% of the total number of births in that year. From 2015 to the present, the Foundation has invested a total of NT\$ 8,088,903 in the prevention and treatment of premature births, the promotion of the tracking of pregnant women with high-risk pregnancies, and preventive health care during pregnancy.



# NO ONE IS SPARED DURING THE COVID-19 PANDEMIC

## WT sends warmth to frontline healthcare workers with practical action

In May 2021, Taiwan was completely sealed off due to the pandemic with many people working from home. We could only hear the sound of ambulances whistling past, which was terrifying. WT donated epidemic prevention funds and materials amounting to NT\$5 million to support front-line epidemic prevention hospitals, fire departments and medical personnel, including the emergency epidemic prevention funds of Shuangho Hospital in New Taipei City and Taipei Medical University's Emergent Pandemic Prevention Funds, and donated 5,000 pieces of medical isolation protective clothing to En Chu Kong Hospital in New Taipei City.

Based on the business philosophy of giving back to society and fulfilling the local feedback of being kind to our neighbors, we learned that New Taipei City Government Fire Bureau's Nansei Branch Team 7, as the first-line pandemic prevention force, must take patients to hospitals for treatment. In order to safeguard the team members' own safety, there was a shortage and an urgent need for the acquisition of protective masks, and WT completed the donation of 48 3M protective masks and filter cotton replacement parts that meet safety and efficient wear in just 45 hours.

In order to encourage and thank the frontline healthcare workers for their sleepless shifts, WT has made a modest effort to provide a weekly lunch to the healthcare workers of Shuangho Hospital to help cheer them up, so that they can safely pass the severe test of the new epidemic during this tense period.



per year **2** million ▶

Beneficiary students **82** ▶

per year NT\$ **1.66** million ▶

Number of beneficiaries **20,000** ▶

Number of beneficiaries **222** families ▶

Sponsorship of NT\$ **600,000** ▶

Single-point investment of **1** million ▶

Donation of **288** saplings ▶

**19** basketball teams competed in games ▶

Production volume reached **6,528** units ▶

## Total donations in 2021 amount to NT\$15.15 million

### From 2015

Platform for the Public Welfare Foundation Junyi International School  
In order to provide a more complete and quality education for children in the rural areas of Hualien and Taitung, WT supported the Public Welfare Foundation to organize the Junyi International Education Pilot School Program.

### From 2015

#### Vox Nativa Taiwan's Distance Learning Project

Through computers, video systems and network technologies, WT provides one-to-one classroom teaching at Tongfu Junior High School and Xinyi Junior High School in Xinyi Township, Nantou County, and stores teaching history in the cloud as a basis for evaluation of teaching effectiveness.

### From 2017

#### KIST's (KIPP Inspired School in Taiwan) public-to-private arrangement

In order to make up for the lack of professional teachers and resources in rural schools, which has led to a gap in student learning, WT sponsored KIST to establish the KIPP Inspired School in Taiwan (KIST), giving Zheng-Min Elementary School in Yunlin county a chance to avoid being closed. (NT\$9.96 million donated in total)

### From 2020

#### PTWA's (Program the World Association) PAIA Machine Learning Platform Development Project

Our learning platform for game development and educational material development builds creative AI design for the young generation. We have conducted more than 25 workshops including teacher training, corporate volunteer training, machine learning AI competition platform promotion workshops, and technology courses in various counties and cities.

### From 2020

#### ROC Foundation for Autistic Children and Adults in Taiwan WHO CST Taiwan Conference

WT carried out promotions and recruited parents in Taipei, Kaohsiung, Yilan, Hsinchu, Hualien, Taitung, Yunlin, Taoyuan and Penghu to jointly defend autistic children.

### From 2021

#### FOCA Formosa Circus Art

Throughout the pandemic, artistic and cultural performances have suffered greatly. Moved by the passion of FOCA, WT sponsored the 11-year-old FOCA Formosa Circus Art group to help it through these difficult times.

### From 2021

#### Shennong Project

WT supported the Lovely Taiwan Cultural Foundation's Shennong Project by funding Huaren Elementary School to set up a support system and develop a local culture-appropriate n's Shennong curriculum.

### From 2021

#### "One Tree, One Mountain" Project

WT supports the "One Tree, One Mountain" project of Hwang, Yi-Feng, a young Taiwanese of Atayal descent, in its reforestation and carbon reduction efforts. Nearly 80 staff members sacrificed their holidays to roll up their sleeves and work together to plant trees.

### From 2021

#### TianmuBasketball Team

WT values a sporting environment for its employees and is committed to promoting the concepts of sports and health. We have further extended the company's promotional reach to primary school children through co-organizing the Tianmu x WT Basketball Invitational Tournament with Tianmu Elementary School.

### From 2021

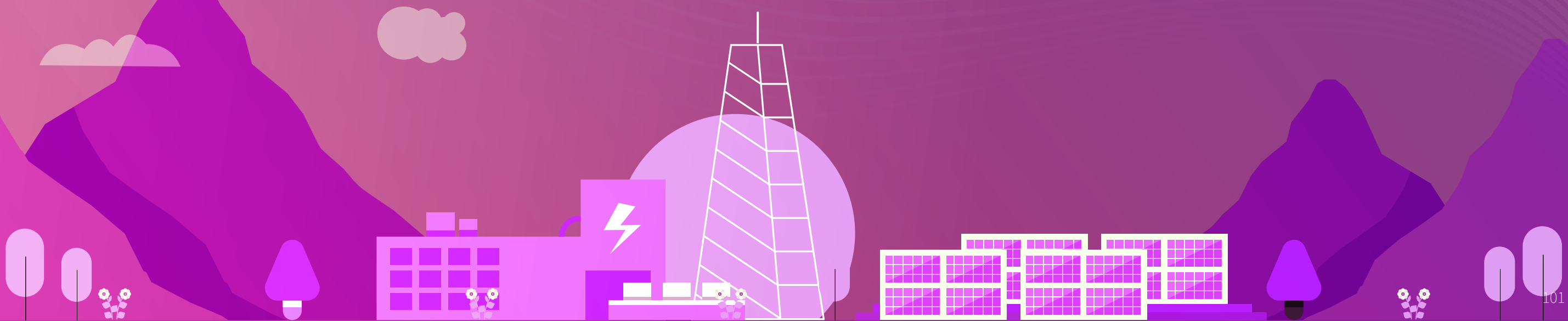
#### Leopard Cat Rice Project

WT participated in the Leopard Cat Rice Project activity of our client Accton Technology Corporation. By supporting organic rice grown by farmers with friendly farming methods, leopard cats and local residents, farmers, and the environment as a whole can coexist sustainably. The total execution cost was NT\$730,000.



# 6

## Appendix





# 6.1 GRI Content Index

## Universal Criteria Disclosure Index

### GRI 101: Basis 2016

### GRI 102: General Disclosure 2016

#### Organization Overview

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
102-1	Name of Organization	1-1 Operational Overview	p.16
102-2	Events, Brands, Products & Services	1-1 Operational Overview	p.16
102-3	Headquarters Location	1-1 Operational Overview	p.16
102-4	Operating Locations	1-1 Operational Overview	p.16
102-5	Ownership and Legal Form	1-1 Operational Overview	p.16
102-6	Markets Served	1-1 Operational Overview	p.16
102-7	Organization Size	1-1 Operational Overview	p.16
102-8	Information for staff and other workers	4-1 Talent Acquisition	p.52
102-9	Supply Chain	Value Chain	p.12
102-10	Significant changes in the organization or its supply chain	No significant changes during the period disclosed in the report	
102-11	Early Warning Principles or Guidelines	3-1 Corporate Governance 3-5 Risk Management	p.34
102-12	External Initiatives	2-1 Sustainability Management Operation Mechanism	p.24
102-13	Membership of the Association	1-1 Operational Overview	p.16

#### Strategy

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
102-14	Statement of the Decision Maker	Message from the Operator	p.4

#### Ethics and Integrity

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
102-16	Values, principles, standards and codes of conduct	1-2 Corporate Culture	p.19

#### Operations

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
102-18	Governance Structure	3-1 Corporate Governance	p.34
102-22	Composition of the highest governance unit and its committees	3-1 Corporate Governance	p.34
102-23	President of the Supreme Governance Unit	3-1 Corporate Governance	p.34
102-25	Conflict of interest	3-1 Corporate Governance	p.34
102-27	Group Intelligence at the highest level of governance	3-1 Corporate Governance	p.34

#### Stakeholder Communication

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
102-40	Stakeholder Groups	2-2 Stakeholder Agreement	p.25
102-41	Group Agreements	No union was formed to sign the group agreement	
102-42	Identification and Selection of Stakeholders	2-2 Stakeholder Agreement	p.25
102-43	Approach to Stakeholder Communication	2-2 Stakeholder Agreement	p.25
102-44	Key themes and concerns raised	2-3 Analysis of important disclosure issues	p.29

#### Reporting Practice

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
102-45	Entities included in the consolidated financial statements	Report Description	p.1
102-46	Defining the content and subject boundaries of the report	2-3 Analysis of important disclosure issues	p.29
102-47	Tabulation of major themes	2-3 Analysis of important disclosure issues	p.29
102-48	Information Redacted	Changes due to the calculation method of some data are disclosed in the notes below the chart.	
102-49	Reporting changes	non	
102-50	Reporting Period	Report Description	p.1
102-51	Date of the last report	Report Description	p.1
102-52	Reporting Cycle	Report Description	p.1
102-53	Contact person who can answer questions about the report	Report Description	p.1
102-54	Declaration of compliance with GRI criteria	Report Description	p.1
102-55	GRI Content Index	6-1 GRI Content Index	p.102
102-56	External assurance/confirmation	6-4 External Assurance Certificate	p.108

### GRI 103: Management Policy 2016

103-1	Explanation of the major themes and their boundaries	2-3 Analysis of important disclosure issues	p.29
103-2	Management policies and their components	3-2 Financial Performance 3-6 Information Security 3-7 Ethical Business 4-1 Talent Acquisition 4-2 Talent Development 5-2 Sustainable Supply Chain 5-5 Greenhouse Gas	p.37 p.44 p.48 p.52 p.58 p.78 p.84
103-3	Assessment of Management Policies		

## Subject Specific Criteria Disclosure Index

### GRI 201: Economic Performance 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
201-1	Direct economic value generated and distributed by the organization	3-2 Financial Performance Social Performance	p.37 p.9
201-3	Defined benefit plan obligations and other retirement plans	4-3 Inclusive Workplace	p.60

### GRI 202: Market Position 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
202-2	Proportion of local residents employed as senior management	4-1 Talent Acquisition	p.52

### GRI 205: Anti-Corruption 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
205-3	Confirmed incidents of corruption and actions taken	3-7 Ethical Business	p.48

### GRI 302: Energy 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
302-1	Energy consumption within the organization	5-6 Energy management	p.86
302-3	Energy Intensity	5-6 Energy management	p.86

### GRI 305: Energy 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
305-1	Direct (Area I) greenhouse gas emissions	5-5 Greenhouse Gas	p.84
305-2	Energy Indirect (Area II) Greenhouse Gas Emissions	5-5 Greenhouse Gas	p.84
305-3	Other Indirect Greenhouse Gas Emissions (Area 3)	5-5 Greenhouse Gas	p.84
305-4	Intensity of greenhouse gas emissions	5-5 Greenhouse Gas	p.84

### GRI 307: Regulatory Compliance for Environmental Protection 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
307-1	Violation of Environmental Regulations	3-7 Ethical Business	p.48

### GRI 308: Provider Environmental Assessment 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
308-1	Screening new suppliers using environmental criteria	5-2 Sustainable Supply Chain	p.78

### GRI 401: Employment 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
401-1	New and departing staff	4-1 Talent Acquisition	p.52
401-2	Benefits provided to full-time staff only (excluding temporary or part-time staff)	4-3 Inclusive Workplace	p.60
401-3	parental leave	4-3 Inclusive Workplace	p.60

### GRI 402: Labor/Management Relations 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
402-1	Minimum notice period for changes in operations	4-3 Inclusive Workplace	p.60

### GRI 404: Training and Education 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
404-1	Average number of hours of training per staff per year	4-2 Talent Development	p.58

### GRI 405: Employee Diversity and Equal Opportunity 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
405-1	Diversity of governance units and staff	3-1 Corporate Governance 4-1 Talent Acquisition	p.34 p.52

### GRI 414: Provider Social Assessment 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
414-1	Use of social criteria for screening new suppliers	5-2 Sustainable Supply Chain	p.78

### GRI 419: Social and Economic Regulation Compliance 2016

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
419-1	Violation of social and economic regulations	3-7 Ethical Business	p.48

### Custom: Information Security

criteria	Disclosure Items	Corresponding chapters /explanations	Page Number
	Incidents of external intrusion to steal internal data or interrupt information services	3-6 Information Security	p.44
	Number and percentage of people trained in information security education	3-6 Information Security	p.44



# 6.2 SASB Disclosure Indicators

## "Consumer Goods - Multi-Product Line Specialty Retailers and Distributors" Disclosure Indicator

criteria	Disclosure Items	Corresponding chapters/explanations
(1) Energy consumption (including fuel, electricity) (2) Percentage of electricity consumption supplied by power companies (3) Percentage of electricity consumption from renewable energy sources	CG-MR-130a.1	Detailed in "5-6 Energy Management
Describe ways to identify and address data security risks	CG-MR-230a.1	Detailed in 3-6 Information Security"
(1) Number of Data Breach Incidents (2) Percentage of personally identifiable information (PII) involved (3) Number of Customers Affected	CG-MR-230a.2	For complete information security management, please refer to "3-6 Information Security". In addition, since WT operates as a B2B company, there are no customers with personal attributes and therefore no personal identification information of individual customers has been obtained and the disclosure of the number of affected customers is not applicable.
By district (1) Average hourly wage (2) Percentage of minimum wage for in-store staff	CG-MR-310a.1	All employees of WT are paid on a monthly basis and no employees are paid on an hourly basis and are not engaged in the operation of a physical store in the form of mass merchandising or retail.
In-store staff turnover rate, according to (1) Voluntary, (2) Involuntary	CG-MR-310a.2	Not applicable
Losses resulting from legal proceedings (lawsuits, penalties) for violations of labor laws and regulations	CG-MR-310a.3	No Labor Law Violation Related Incidents in 2021
Percentage of gender, race/ethnicity, by (1) Middle-level supervisors and above (2) All other staff	CG-MR-330a.1	Detailed in 4-1 Recruitment
The amount of damages resulting from legal proceedings (litigation, penalties) for employment-related discrimination	CG-MR-330a.2	No employment discrimination-related incidents in 2021
Revenue from products certified by third parties to meet environmental or social sustainability standards	CG-MR-410a.1	The products represented are electronic parts and components which must be manufactured by the customer before the verification of sustainability standards can be applied, but WT is unable to confirm the end use of the products by the customer and therefore this indicator is not applicable.
Discuss the assessment and management process of the risks and hazards associated with chemicals in products	CG-MR-410a.2	Detailed in 5-2 Sustainable Supply Chain
Discussing Packaging Strategies to Reduce Environmental Impact	CG-MR-410a.3	Detailed in 5-8 Green Logistics
The following regional totals were revealed. (1) Retail Locations(2) Logistics Center	CG-MR-000.A	WT has no retail outlets and has logistics centers in Taiwan, Hong Kong, China (Shenzhen), Singapore and Korea, making a total of five logistics centers.
The total area of the following areas is revealed. (1) Retail Locations(2) Logistics Center	CG-MR-000.B	(1) Retail location: 0 m2 (2) Logistics Center: 28,584 m2

# 6.3 SDGs Disclosure Index

## SDGs Disclosure Index

Corresponding SDGs	Subheading No.	Corresponding SDG sub-targets	Corresponding Chapters	Page Number
	3.3	Elimination of droplets, contact, vector mosquitoes, water and other infectious diseases.	4-4 Health Management	p.64
	3.4	Reduce mortality from non-communicable diseases through prevention, treatment and promotion of physical and mental health.	4-4 Health Management	p.64
	4.3	Ensure equal access to affordable and quality technical, vocational and higher education for all women and men.	4-2 Talent Development	p.58
	4.4	Significantly increase the acquisition of relevant skills for employment, suitable work and entrepreneurship.	4-2 Talent Development	p.58
	5.1	Eliminate all forms of discrimination against women and girls.	4-1 Talent Acquisition	p.52
	5.5	Ensure women's effective participation in economic decision-making and equal access to decision-making levels.	4-1 Talent Acquisition	p.52
	8.2	Achieve a higher level of economic productivity through diversified operations, technological upgrades and innovations. productivity.	3-2 Financial Performance	p.37
			3-3 Digital Optimization	p.38
	8.4	Gradually improve the efficiency of resource use in consumption and production.	5-8 Green Logistics	p.89
	8.8	Protect labor rights and create a safe and secure work environment for all workers.	4-6 Workplace Safety	p.70
	13.2	Incorporate climate change initiatives into policies, strategies, and plans.	5-5 Greenhouse Gas	p.84
	16.5	Significantly reduce all forms of corruption and bribery.	3-7 Ethical Business	p.48

# 6.4 external guarantee



## INDEPENDENT ASSURANCE OPINION STATEMENT

### WT Microelectronics Co., Ltd. 2021 Sustainability Report

The British Standards Institution is independent to WT Microelectronics Co., Ltd. (hereafter referred to as WT Microelectronics in this statement) and has no financial interest in the operation of WT Microelectronics 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 Microelectronics only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by WT Microelectronics. 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 Microelectronics only.

#### Scope

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

1. The assurance scope is consistent with the description of WT Microelectronics Co., Ltd. 2021 Sustainability Report.
2. The evaluation of the nature and extent of the WT Microelectronics'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 WT Microelectronics Co., Ltd. 2021 Sustainability Report provides a fair view of the WT Microelectronics sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the WT Microelectronics and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate WT Microelectronics's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors 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 Microelectronics'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 Microelectronics'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.
- 21 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 Microelectronics has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the WT Microelectronics's inclusivity issues.

#### Materiality

WT Microelectronics has established relative procedure in organization level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of organization. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable its stakeholders to make informed judgments about the organization's management and performance. In our professional opinion the report covers the WT Microelectronics's material issues.

#### Responsiveness

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

#### Impact

WT Microelectronics has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. WT Microelectronics 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 Microelectronics's impact issues.

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

WT Microelectronics 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 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 Microelectronics's sustainability topics.

#### Assurance level

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

#### Responsibility

The sustainability report is the responsibility of the WT Microelectronics'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:



Statement No: SRA-TW-2021056  
2022-06-23

Peter Pu, Managing Director BSI Taiwan

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

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