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2021 Sustainability Report

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About the Sustainability Report

The 2021 Sustainability Report (hereinafter referred to as the "Report") of WPG Holdings Ltd. (hereinafter referred to as "WPG Holdings") focuses on the disclosure of WPG's corporate social responsibility and the plan and implementation of sustainable development.

WPG Holdings is the world's No.1 and Asia-Pacific's largest semiconductor distributor, committing to advancing the best interests of "customers" and "IDM/Fabless". Therefore, the theme of the report is "L-I-N-K", echoing the spirit of WPG Holdings' core business. The 1st chapter is "the First Choice of Industry • the Benchmark of Distribution" - "Leadership" to bring out the Leadership role and style of the industry, as well as the values and mission of WPG Holdings incorporated into the last three chapters. It also integrated the ESG-related achievement, revealing the actions and performance in corporate governance, environmental and social aspects; respectively corresponding to the 2nd chapter: "Accountability for Integrity • Win-Win in Profit" (Integrity). Chapter 3: "Common Good in Environment • Sustainable Value-Added" (Nature), and Chapter 4: "Empowering Talents • Social Prosperity" (Knowledge) for sustainable information disclosure.

The information disclosure of the Sustainability Report of WPG Holdings is prepared in accordance with the GRI Standards:Core option issued by the Global Reporting Initiative (GRI). WPG looks forward to communicating with stakeholders about the major sustainable issues and actions that the Company is concerned about.

Reporting Period and Publication Period

This report is the 8th Sustainability Report prepared by WPG, containing information and statements for economic, social, and environment-related implementation for the fiscal year of 2021 (January 1, 2021 to December 31, 2021), of which some information is not limited to 2021 due to integration requirements. This report is published in August 2022. The previous report was published in August 2021, whereas the next version is expected to be published in August 2023. The reports of the past years are all publicly disclosed on the sustainability of the website of WPG Holdings. After that, the Sustainability reports will be issued in Chinese and English every year.

Scope of the Report

The scope of the report covers WPG Holdings and its four subgroups, including the implementation and achievements in the corporate social responsibility of WPI, SAC,

AIT, and YOSUN. (hereinafter referred to as "WPG Holdings" The headquarter and significant locations of operation mentioned in the report is WPG's headquarter in Nangang and the Company's own warehouses.

The scope of this report is consistent with the scope of the consolidated financial report. If there is any inconsistency in the scope, it will be explained in the form of annotations. In order for consistency in the contents of this report, we specify relevant organizations as follows:

Holding Company	Refers specifically to "WPG Holdings Ltd." in Taiwan.
WPG Holdings	Refers to subsidiaries, including the Holding company itself, with a shareholding of 50% or more owned by the Holding company or possesses controlling power in accordance with the IFRS.
The Group	Refers to WPG's internal management organization, which is divided into Groups, including WPI, SAC, AIT and YOSUN.

Report Assurance

This report is collected, compiled, and prepared by the ESG Office, and submitted for review by unit managers to ensure that the report covers all major topics, as well as reviewed and approved by the Sustainability Committee. This report is commissioned to KPMG Taiwan in accordance with the Statements of Assurance Engagements Standards No.1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (with reference to the International Standard on Assurance Engagements 3000(Revised)) issued by the Accounting Research and Development Foundation, to provide limited assurance on the disclosure of the "Report" in compliance with the core options of the GRI Standards. Please refer to the Appendix for the independent auditors' limited assurance report.

Contact Information

For any opinions or advice on this report or the implementation and planning of corporate sustainability of WPG, the contact information is as follows:

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The Executive's Commitment and Philosophy - Letter from the Chairman

To the partners who attend to the sustainable development of WPG Holdings,

Since 2021, the world has continued to face the impact of the Covid-19 pandemic and the Ukraine-Russian war. While the supply chain problems in the electronics industry have been relieved, the heating up of the pandemic has cast a shadow over corporate operations. In spite of facing many challenges, with the efforts of all colleagues, WPG Holding's revenue, net profit, and EPS in 2021 all hit record highs.

With the increasing stress on ESG in domestic and abroad, it has also prompted companies and governments to reflect on the importance of social and environmental issues, and it has also demonstrated the long-term accurate strategic positioning and investment of WPG Holdings. Internationally, we are upgraded to BBB in MSCI ESG rating in 2022, ranking the best in the global semiconductor component distributors; domestically, the Company is rated among the top 6-20% in the 8th Corporate Governance Evaluation.

WPG Holdings is focusing on the following five core aspects: "Corporate Governance, Sustainable Supply Chain, Environmental Sustainability, Human Capital, and Social Participation", and continues to make steady progress. While delivering good operational performance, we also collaborate with stakeholders to enhance our ESG competitiveness.

In terms of corporate governance, we continue to dedicate our efforts to setting up an effective corporate governance structure. In 2021, we added a female independent director, expected to improve the multiple perspectives of the Board of Directors' decision-making and enhance the functions of the Board of Directors; and the Chief Sustainability Officer was established in January 2021 to deepen sustainable development. On top of that, in February 2022, the permanent ESG Office was officially established, which actively promotes a variety of sustainability projects and tracks the implementation of resolutions, determining the priority of ESG in organizational affairs. Corresponding to recent trends, we continue to incorporate different sustainability issues in our corporate development strategies.

For sustainable supply chain and services, intending to increase the efficiency of the logistics of the global electronic supply chain, we have proposed a new business model of "Logistics as a Service (LaaS)", which uses automated intelligent equipment to twist the traditional warehousing practices. The required parts of customers are directly sent to their production workshop at all speeds (B2B2P; Business to Business to Production Workshop), while improving the efficiency of the supply chain, we also expect to reduce overall carbon. The development of new business can also generate profits for stakeholders to achieve a win-win situation for the industry.

For environmental sustainability, WPG Holdings is very concerned about the environmental issues, so we aggressively save energy and reduce carbon emissions, and enhance the use of green energy; in response to the climate change crisis, the Annual Shareholders' Meeting in 2021, announced climate action goals corresponding to Paris Agreement; not only promise to achieve Net Zero Emissions by 2050, but also to achieve Net Zero Emissions in own operations including office buildings and warehouses by 2030, and comply with the framework of the Task Force on Climate-Related Financial Disclosure (TCFD) to strengthen climate governance. Meanwhile, the Company actively developed clean technological product solutions with engineers and customers, to assist in promoting the transformation of the green industry, and to create a sustainable supply chain together with value chain partners.

For human capital, WPG Holdings persists in developing employee functions, and is committed to creating a friendly workplace that is inclusive, diverse, innovative, and open. We set competitive compensation through the fair appointment of staff, performance management, talent cultivation, and compensation surveys and analysis. The company also conducts diversified education and training courses to encourage work-life balance. We believe that employees are the most crucial asset. It is always at the core of our strategy to keep on attracting and motivating the talent to involve. In 2021, we launched the "Employee Stock Ownership Trust Plan"(ESOT), attracting more than 90% of employees to participate. During the pandemic period, to protect the health of our colleagues, we have launched several pandemic prevention measures. We put the health and safety of our employees as the priority, and through rolling adjustments to advance deployments, to enhance the overall pandemic prevention capacity of the workplace and reduce the impact of the pandemic on business operations.

For social participation, we continued to encourage colleagues to participate in various social welfare to achieve a positive impact cycle on society. WPG is committed to youth training and caring for the disadvantaged. Through industry-academia cooperation, we share supply chain management knowledge and resources and provide a stage for the development of the youth in society, with the hope to connect the industry and academia to cultivate the elites in the industry in Taiwan and strengthen industrial competitiveness.

Looking forward, WPG Holdings will consider the sound corporate governance as the cornerstone, continuing to practice the vision of "The First Choice of Industry • The Benchmark of Distribution", and fully implement the core values of "Teamwork, Integrity, Professionalism, and Effectiveness", pressing on improving sustainable management, to build a resilient and sustainable enterprise, and construct long-term competitiveness; upholding the spirit of openness, carrying on with listening to the voice of the market, and maintain good interaction with our stakeholders, such as customers, suppliers, employees, banks, investors, government agencies, etc, jointly pursuing the perpetual goal of "Grow Together, Strive Together and Win Together"



Chairman of WPG Holdings Ltd. *Simon Huang*

The Executive's Commitment and Philosophy - LETTER FROM THE CEO

While the Covid-19 pandemic was raging in 2021, the semiconductor industry ecosystem was turned over, and the supply chain was reshuffled. It was also a year of uncertainties and extremely challenging for WPG Holdings.

At the beginning of the year, WPG Holdings convened the first annual conference of "Cross front-end and back-end, Cross-function, and Cross-region". Under the core goals: "Glocalization, Greatness, Empowerment, Effectiveness, Succession, Happiness", we adhere to the core values of "Teamwork, Integrity, Professionalism and Effectiveness" (T.I.P.E) of WPG Holdings, begin with the end in mind, and carrying out short, medium and long-term plans from 2021 to 2026.

In mid-2021, Taiwan was facing the stringent test of the pandemic. With the intention of maintaining the ordinary operation of the Company and protecting the health of employees, WPG had implemented working from home. Every colleague was faced with the challenges of the establishment in diverse mechanisms for "work online" and accommodating to emerging work patterns. From mid-May to early September, online T.I.P.E. was exchanged across front-end and back-end, cross-function, and cross-region. The management teams learned together, contemplated, planned, and developed corresponding mechanisms according to their individual functions, and expected the best preparation for a new scenario of online and offline hybrid collaborative work patterns in the future.

In the context of the dominant trend of regional short-chain in supply chains, in the third quarter of 2021, the official operation is commenced in the European subsidiary of WPG Holdings, which allowed WPG Holdings to move forward with a big step toward the goal of "Glocalization". In addition, in terms of services of the industrial supply chain, from the original turnkey service of semiconductor component distributor, cutting and modularizing into four flows of industrial supply chain solutions such as "Information flow, Logistics, Financial flow, and Business flow". As specified by the actual needs of upstream and downstream partners, provided more flexible and diversified services. In the year of highly dynamic changes in the circumstances of the industry and the market, the management team had been prudent with perseverance. Finally, the sales performance and the profit both hit a record high in 2021!

Having gone through the disturbance of the pandemic, the world is striving to get back on track.

Based on the remarkable achievements in 2021, the annual key focus of WPG Holdings will ameliorate all aspects of "quality" in 2022. Pursuing the core goal of "Glocalization, Greatness, Empowerment, Effectiveness, Succession, Happiness", from the main items of the operation and management at the front-end to the annual work focus of WPG holdings' functional department at the back-end, each operating unit makes a wise choice on the basis of its medium and long-term strategic goals. Irrespective of whether financial figures or non-financial figures, the top priority is the improvement in the quality of the output. Looking forward to 2022, when the prospect of the industry remains unclear, we will take a step-by-step approach so that we can unwaveringly move forward with the vision of "The First Choice of Industry • The Benchmark of Distribution".



CEO of WPG Holdings Ltd. *Mike Chang*

2021 Sustainability Performance Highlights

Environment

- Committed to achieving **Net Zero Emissions** by 2050, and attaining Net Zero Emissions in own operations including office buildings and warehouses by 2030.
- Created Aggregator promotion model with Intel collectively in 2021, focus on the development of technologies in energy-saving, carbon-reduction, and low-carbon applications, attracted about **70** partners to participate, and provided **18** energy-saving solutions.
- WPG Holdings developed **105** programs about clean technologies through the platform of WPGDADATONG, accounting for nearly 46% of the total annual development plans, and the revenue increased by 40% compared to last year.
- Warehouse waste in 2021 was reduced by **29.9%** compared to the previous year.

Social

- Launched Employee Stock Ownership Trust with a coverage rate of **91.6%** and a cumulative rate of return of **9.65%**.
- Invested NT\$10,913,840 in training with 79,741.82 training hours in total, as well as the average training hours per employee were 19.43 hours, an increase of **61.5%** over last year.
- Sponsored "Supply Chain Management Industry-academia cooperation program" at the College of Commerce, National Chengchi University for **11** consecutive years, and systematically organized the know-how in the supply chain management and cultivated supply chain management talents.

Governance

- Included an independent female director to enhance the multiple perspectives of decision-making among the Board of Directors, and set up a Chief Sustainability Officer to intensify the promotion of sustainable development.
- Ranked **6% ~ 20%** among TWSE-listed companies of the 8th Corporate Governance Evaluation, positioned 11% to 20% among the category of electronics industry with a market value of more than NT\$ 10 billion.
- Introduced **ISO 27001**, obtained third-party certification; and established "Information Security Management Committee".
- Achieved RMB\$ 1.08 billion as cumulative promotion value with the interactive marketing mechanism in the full-coverage community of Blogs, an increase of **69%** compared with the same period last year.

Topic: Smart Logistics Blueprint Promotion(Logistics as a Service; LaaS)

Promote a brand new model of "Logistics as a Service" - LaaS

Background

Since the start of digital transformation in 2015 and the launch of the DADAWANT platform in 2018, WPG Holdings has always been striving to contemplate how to "respond to customer needs" to "satisfy customer needs", advancing to "create customer needs" in the industry chain.

Examining the supply chain of electronic components, to improve logistics efficiency is the rigid demand of upstream IDM/Fabless, intermediate distributors, and downstream customers. Nevertheless, warehouse construction and logistics management are not the core business of the partners from upstream and downstream. Intending to solve the pain points of customers, WPG Holdings continues to enhance logistics efficiency. Hence, the first step of the digital transformation of WPG Holdings is to use technology to empower employees, and the next step is to solve the customer's pain points. The developmental goal is the three-in-one smart warehouse (supplier, distributor, client)- Logistics as a Service, LaaS.

WPG Holdings has been concerned about sustainability issues for a long period by proactively self-disciplined. We hope to use the empowering technology and diverse digital technologies, intelligent equipment and management platforms, etc., to strengthen the construction of hardware in the smart warehouses, along with the software in their information platform in various places, and use the information connection in the smart warehousing management system to reduce the investment of individual business partners in smart equipment, manpower and time. We carry on enhancing the efficiency, accuracy, and transparency of the industry chain, expecting that Logistics as a Service, LaaS will become a benchmark project of ESG in the industry and obtain the common good of the industry.

Benefit and Content

WPG Holdings expects to become a service-oriented company that provides comprehensive solutions through digital transformation. After launching the LaaS service, we developed a new cooperation model with the customers from the upstream and downstream IDM/Fabless, dismantling the original turnkey service, mastering the four aspects of "logistics, information flow, financial flow, and business flow", providing diversified service combinations, so that the customers from the upstream and downstream supply chain are able to choose and utilize the flexible customized services as per their needs. The future plans and the recent achievements are as follows:

1. Establishing hardware in smart warehouses

- Smart Warehousing 1.0, completed the construction of the warehouse in Hong Kong in 2018;
- Smart Warehousing 2.0, completed the construction of the warehouse in Dongguan in 2021, combined with the warehouse in Hong Kong to serve the IDM/Fabless and the customers operating in China;

Besides launching the automated equipment and introducing intelligent logistics systems, the warehouses in Dongguan and Hong Kong also proceed to inspect and improve the process for non-automated inbound and outbound operations, such as automatic identification in the operations of receiving cargos, smart shelving strategies, mobile goods-picking operations, and mobile inventory operations, etc. The significant effects were revealed on the overall efficiency and quality improvement.

Furthermore, with the aim of boosting the operation efficiency, Dongguan warehouse and the personnel from the front-end production line work together to implement the direct delivery of goods from the IDM/Fabless to Dongguan warehouse, so as to enhance the transportation timeliness of the current supply chain and reduce possible risks during transportation; and establish intelligent distribution to manage and unify resources digitally, gradually realizing the center of consolidation and transportation.

2. Creating a LaaS Platform in smart warehouses

The LaaS Platform has been developed by WPG Holdings and the IBM consulting team in partnership. The platform includes information on purchases, shipments, inventory, import and export, insurance claims, and freight in the warehousing operations of WPG Holdings in diverse districts. Together with real-time visualization, it also provides user self-service subscription service, allowing users to acquire accurate information without being disturbed. In addition, as a means to reassure the users from upstream and downstream, this platform has built a file authentication and management center that incorporates blockchain encryption technology, so that our users do not have to be anxious about the improper use of data.

3. Digitalizing Information Process

In the digital era with abundant information, the use of digital tools brings the operational improvement to warehouse operations, including E-SOP establishment, RPA customized warehouse receipts and Booking, RPA data scraping, and Power BI report set extended for different warehouses, etc., which assist the relevant personnel to disregard unnecessary manual work processes. On top of that, different management boards

including the equipment utilization rate board (Dongguan warehouse) and employee productivity have been developed to visualize data, which assists the warehouse management and increases the operational efficiency. While establishing digital tools, we also carry out cross-warehouse cooperation, integrated management, and interaction according to the functional categories.

Over and above that, for the purpose of "Digitalization in Business", through Power BI to analyze huge amounts of data, understand the customer needs, further extend the needs, explore the business development of potential customers, and provide customers and partners with more appropriate services.

* RPA: Robotic Process Automation

01 Persisting in establishing and meliorating the smart warehouses; the renovation plan of the existing Linkou warehouse in Taiwan is expected to be completed in 2023

02 Smart Warehousing 3.0, the plan of the Smart Logistics Center at Taoyuan Aviation City will be completed in 2027

03 Pursuing the optimization and promotion of the LaaS Platform smart warehousing and logistics platform: After the platform is launched, it will carry on enhancing and improving according to the needs of users. We will go on with inviting the partners from the upstream and downstream to enjoy the accuracy, fastness, and convenience of this smart platform while using the physical warehouse.

04 Proceeding with carrying out the feasibility research on BBP business model with the key interested customers

Future Plan

BBP business model verification: The medium and long-term goal of LaaS is the BBP model (Business to Business to Production Workshop) that allows the goods directly delivered to the customer's production workshop, so we will keep communicating with the target customer and inspecting the related process and the orders of the future operation at the selected factories in the target area. We expect that the verification of BBP's overall business model will be completed before the completion of the Smart Logistics Center at Taoyuan Aviation City.

Given today's dynamic changes in global and regional supply chains, in an effort to serve the industrial partners, WPG Holdings will persevere to invest and improve the core capabilities in the smart logistics network and is committed to strengthening the smart logistics services enjoyed by the IDM/Fabless and customers. We hope to grow together with the value chain partners, and share the fruit of "Grow Together, Strive Together"!

Topic: ESG Technology Innovation Vision Project

Starting up linking the industrial ecosystems - ESG Technology Innovation Vision Project

Background

WPG Holdings as the world's largest distributor of semiconductor components, we have been diligently enhancing corporate governance in recent years with a focus on implementing sustainable operations. We also promote the digital transformation and the construction of smart logistics services, saving operation time, reducing carbon emissions during transportation, and improving logistics efficiency.

WPG Holdings focus on the issues of climate change, with a commitment to environmental sustainability actions, and carries forward working with our customers to develop the solutions of the clean technology; we also set a precedent for global distributors, declaring that we will achieve the goal of Net Zero Emissions in own operations including office buildings and warehouses by 2030.

Empowering agriculture, fishery, and stock farming with technology innovation

WPG Holdings not only earnestly initiates energy saving and carbon reduction, but is also concerned about the impact of the drastic climate change on traditional industries. We hoped that starting from the Company's own core capabilities to empower traditional industries, committed to improving the climate resilience of traditional industries to face more frequent and intense extreme climates in the current situation. The abnormal climate not only tightens the global supply and demand, but also influences first agriculture, fishery, and stock farming. The production reductions and price increases due to agricultural damage or supply chain disruptions happen perpetually, which greatly affects people's livelihoods. Additionally, the agriculture, fishery, and stock farming industry encounter difficulties such as labor shortages and potential soil pollution caused by the excessive use of pesticides. Consequently, we hope that technology empowerment will be used together with transformation which enables WPG Holdings to play an important role in the environment and society.

Supporting energy saving and carbon reduction innovation

In consideration of the goal of the government's policy about promoting a net-zero transition by 2050, the importance of energy saving and improving energy efficiency is highlighted. At the beginning of 2022, WPG Holdings and Business Weekly Group launched an initiative in partnership and hoped to combine the resources, solutions, and product advantages from the upstream and downstream ecosystems to support energy-saving innovative technologies. Based on the above two points, WPG Holdings proposed the goal of the vision project "Supporting technological innovation and Fulfilling ESG environmental sustainability".

Goal

WPG Holdings expect to start from our own core capabilities and cowork with stakeholders (upstream and downstream such as suppliers, manufacturers, distributors, as well as the financial industry, academia, etc.) to create a partnership of "Grow Together, Strive Together and Win together" situation in the ecosystem.

Pursuing the goal of "Supporting technological innovation and Fulfilling ESG environmental sustainability", two major issues have been established, "Supporting innovation in agriculture, fishery and stock farming in response to climate change" and "Innovation in energy saving and carbon reduction to reverse extreme climate". We hope to react to the UN's Sustainable Development Goals: SDGs 7, 14, 15, 17 with more concrete actions, and collectively create a sustainable ESG value chain in Taiwan.



E S G 科技創新推動聯盟

Content and Promotion Process

Partner Links: On April 25, 2022, we officially announced the establishment of the "ESG Technology Innovation Promotion Alliance", with WPG Holdings as the leader, combined with the upstream and downstream ecosystems such as Lite-On Technology, Qisda Corporation, Advantech Co., Ltd., Systex Corporation, ADATA Technology, EDOM Technology and Business Weekly Group are formed collectively.

Dual-track project plan: From May 2022, the "IMV Award - Innovation Competition & Innovation Subsidy" dual-track parallel mode will be utilized to hold competitions to encourage the teams with innovative ideas, and at the same time, through subsidized funds and resources to specifically support the innovative company with relatively mature technology development. I, M, and V represent the three essential elements of Innovation, Marketable, and Sustainable value, respectively. Innovative companies or teams are encouraged to focus on "planting and breeding", "processing and manufacturing", "ecological sustainability", and "energy saving and carbon reduction".

The innovation competition already starts its online application in May 2022. The preliminary selection will be conducted in the form of a written review in July, and the final awards will be held in November. The two themes of "Innovation in Agriculture, Forestry, Fisheries and Stock Farming" and "Innovation in Energy Saving and Carbon Reduction" will be selected the top three, finalists and special awards respectively. The innovation subsidy will be comprehensively judged by the alliance decision-making committee according to the overall available funds of the plan and the content of the proposal, and to agree on the appropriate amount of funds or resource injection plan.

Topic: ESG Technology Innovation Vision Project

Starting up linking the industrial ecosystems - ESG Technology Innovation Vision Project

Benefit

Expanding our own business opportunities and attracting talents: Based on our own core capabilities, WPG Holdings provides solutions. Besides expanding direct business opportunities for related semiconductor components, cultivating indirect business opportunities for procurement supporters and influencers, and attracting potential talents, it also helps to establish a green brand reputation for WPG Holdings and improve the evaluation of stakeholders, expecting to become a good partner in the sustainable supply chain of semiconductors.

Cultivating the team in the innovative company and injecting ESG innovation energy: Accompanied by receiving innovation grants and competition rewards, winning teams participate in the workshop discussions during project implementation, corporate counseling, and learning from the practical application of products and solutions of alliance companies. Linking through alliances of the industry-government-academia resources, and the assistance of the distributors expanding from the domestic and foreign B2B (business-to-business) and B2C (business-to-consumer) will enable rising the companies in Taiwan to grow and thrive as well as inject innovation into the industries in Taiwan.

Quantify performance:

1

Until May 2022, **NT\$20 million** has been raised.

2

The alliance companies are all Taiwan-listed companies from the Information and Communication Industry (excluding Business Weekly Group), with a total market value of more than **NT\$600 billion**. They are more influential to create a sustainable ecosystem cooperatively.

3

Received attention and reports by mainstream media, with a total of **20 print media** exposures and **2 TV media reports**.

Future Plan

In the future, the innovation competition & innovation subsidy project will be executed through the workshops, with the assistance of the corporate mentors, to help the innovative companies or teams with the ability and thinking in electronic design/mechanical design/IoT/communication/software/green technology to optimize their business models or prototype implementation. Through the collaborative plan of vision engineering, with alliance companies to encourage the solutions of innovative sustainability. We will proceed with the call on the companies concerned with environmental sustainability issues to join the alliance, hoping to increase the total amount of funds raised to more than NT\$30 million, connecting more cross-border collaboration, collecting resources, and gradually expanding the reach of influence.



Corporate Sustainable Development Goals

WPG Holdings strongly believes that enterprises should not only pursue profit maximization, but also actively implements various strategies to maximize overall societal value, starting from our core business, in compliance with the UN's Sustainable Development Goals (SDGs) with sustainable strategies. This year, WPG Holdings evaluated potential sustainable contributions through 8 main topics, and concentrated on 6 UN's Sustainable Development Goals:

Main Topic	2021 Implementation Results	2022 Objectives	Mid/Long-term Objectives	SDG
Operating and Financial Performance	<ul style="list-style-type: none"> Consolidated revenue reached NT\$778.573 billion (US\$27.808 billion), net profit after tax reached NT\$11.497 billion, and basic earnings per share were NT\$6.61. All three of the above hit record-high Key performance indicators Return on Working Capital (ROWC) and Return on Equity (ROE) were 9.54% and 16.92%, respectively 	<ul style="list-style-type: none"> To increase net income and control operating costs To improve accounts receivable and collateral management to ensure asset quality and liquidity 	<ul style="list-style-type: none"> Global Layout, Local Service (Glocalization) Through Platform Empowerment to improve effectiveness 	 17 PARTNERSHIPS FOR THE GOALS
Risk Control and Management	<ul style="list-style-type: none"> The trade compliance has obtained Trade First certification from the Singapore Customs 	<ul style="list-style-type: none"> Strengthen the security of information (including the Cloud), the inventory risk control, and continue to establish operation risk control mechanism and the tracking management 	<ul style="list-style-type: none"> Continuously optimize the overall enterprise risk management (ERM) and business continuity management mechanism (BCM) Continue to promote the risk management education and training, strengthen colleagues' risk awareness and enhance risk management culture 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Corporate Governance	<ul style="list-style-type: none"> Ranked 6% to 20% among TWSE-listed companies of the 8th Corporate Governance Evaluation, positioned 11% to 20% among the category of electronics industry with a market value of more than NT\$ 10 billion Submitted to the Board of Directors for approval to amend the content of the "Intellectual Property Management Procedures" of the internal control system and changed the name to "Intellectual Property Management Manual", with a view to making the policies and rules of intellectual property management more comprehensive and in line with the requirement of Taiwan's intellectual property management system certification Completed annual compliance training courses 	<ul style="list-style-type: none"> Expanding the Ethics Committee Executive Secretary Team Continuing to refine the whistleblower mechanism and the evaluation of the third-party platform usage Obtained the Certificate of Taiwan Intellectual Property Management System (TIPS) Arranging annual compliance training courses 	<ul style="list-style-type: none"> To strengthen the Ethics Committee management mechanism for ethical management To keep on internalizing the sustainable development of ESG in the business strategy, and gradually implement the sustainable development of the corporate through the practice of corporate operation To go on with promoting relevant education and training to enhance employees' awareness of compliance with laws and regulations 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Product Distribution and Customer Satisfaction	<ul style="list-style-type: none"> Established a market information sharing platform for the top 30 customer groups and the top 20 former executives of the IDM/Fabless business to share, as a reference for purchasing decisions Added 15 China based product line franchises to provide customers with a variety of component choices 	<ul style="list-style-type: none"> Planning the customers' satisfaction evaluation indicators Increasing product line franchises combination 	<ul style="list-style-type: none"> To formulate a customer satisfaction evaluation mechanism, continue to optimize product line franchises combination, and strengthen customer service more widely and deeply 	 17 PARTNERSHIPS FOR THE GOALS

Corporate Sustainable Development Goals

Main Topic	2021 Implementation Results	2022 Objectives	Mid/Long-term Objectives	SDG
Talent Attraction and Retention	<ul style="list-style-type: none"> Inventory of corporate human rights status Set up a health consultation room and special medical station Established Employee Stock Ownership Trust (ESOT) Imported the online E-Learning platform Sharpened the performance management mechanism and expanded the use of the performance system 	<ul style="list-style-type: none"> Amending the corporate human rights policy and implementing relevant education and training Establishing an employee health management mechanism to promote employees' health Implementing the employees' engagement survey in Greater China Continuing to promote the E-Learning platform Promoting vision and core values Continuously perfecting and implementing performance management mechanism 	<ul style="list-style-type: none"> In 2026, the positive indicators of the employees' engagement survey will exceed 70% In 2026, the employees' digital application ability will be strengthened, and a talent training and evaluation mechanism will be established to achieve seamless handover In 2026, the employees' satisfaction with salary evaluation indicators will account for more than 70% 	 5 GENDER EQUALITY
Technological Empowerment and Digital Transformation	<ul style="list-style-type: none"> The turnover of WPGDADAJIA and WPGDADABANG accounted for 33% The number of the customers of WPGDADAJIA and WPGDADABANG accounted for 28% 	<ul style="list-style-type: none"> Improving the users' experience (customers/ IDM/Fabless/ front-end) and increasing the application value of the platform with innovative services of the automation and subscription of WPGDADAWANT platform 	<ul style="list-style-type: none"> To complete 100% automated order management of WPGDADAJIA and WPGDADABANG and provide real-time services of the platform 	 8 DECENT WORK AND ECONOMIC GROWTH
Smart Logistics and Smart Warehousing	<ul style="list-style-type: none"> Completed the construction of Dongguan warehouse, connected to Hong Kong warehouse, and served locally the IDM/Fabless and the customers operating in China Imported the digitalization of information process, made good use of digital tools, and excluded unnecessary manual operation process 	<ul style="list-style-type: none"> Starting the Linkou warehouse renovation plan in Taiwan to build smart warehousing, with the goal of completion in 2023 In addition to the digitization of information processes in the internal management, by using Power BI to analyze huge data, to understand the needs of existing customers and potential customers, and provide the customers and the business partners with more appropriate services Continuing to promote the goods of IDM/Fabless delivered directly to Dongguan warehouse and directly out to the customers in mainland China, shortening the supply chain and improving the timeliness 	<ul style="list-style-type: none"> To expand warehousing services, increase customer exposure, and promote B2B2P - send the parts required by the customers directly to the customer's production workshop Continue to implement smart distribution, establish digital management and unify resources, and gradually realize the center of consolidation and distribution To communicate with the partners (freight forwarders), and formulate plans and timetables for switching to the vehicles with new energy Continue to reduce energy consumption and maintain ISO 14001 certification 	 13 CLIMATE ACTION
Information Security and Data Privacy	<ul style="list-style-type: none"> Introduced ISO 27001 Information Security Management System and obtained certification 	<ul style="list-style-type: none"> Maintaining ISO 27001 Information Security Management System Certification Introducing ISO 27017 Cloud Security Management System 	<ul style="list-style-type: none"> Continue to implement the management spirit of P-D-GA (Plan-Do-Check-Act) and enrich the information security management and technology Cloud and overall information security governance enhancement To obtain ISO 27017 certification To assess the maturity of the internet security framework and improve it To assess information security risk as needed 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2021 Awards and Achievements

1 TCSA: Taiwan Corporate Sustainability Awards - Corporate Sustainability Report (Service Industry Gold Award)

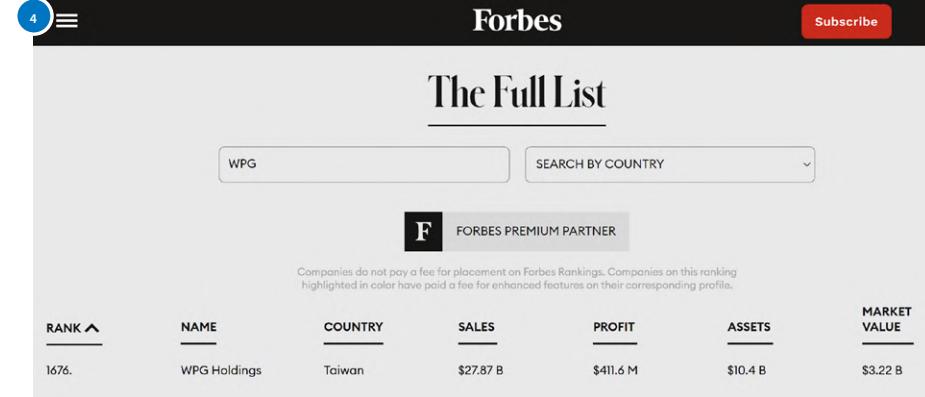
2 TCSA: Taiwan Corporate Sustainability Awards - Taiwan Sustainable Corporation Outstanding Awards (Service Industry)

3 Electronics Supply and Manufacturing China (ESMC): Received the Award of Excellence for Electronic Component Distributor-Excellent International Brand Distributor

4 Forbes Magazine: Ranked No. 1676 in the Forbes Global 2000 by Forbes Magazine

5 CommonWealth Magazine - No.1 in Top 2000 Survey Service Industry

6 CommonWealth Magazine - No.1 in Top 2000 Survey Services/Industry Holdings



Leadership

The First Choice of Industry
The Benchmark of Distribution

- 1-1 Regarding WPG Holdings
- 1-2 WPG Holdings Sustainability Management
- 1-3 Distribution Integration and Innovation
- 1-4 Industry Interaction



Leadership

► The Connotation of the Chapter

"The First Choice of Industry, the Benchmark of Distribution" is the vision of WPG Holdings. The chapter will express the Company's industrial positioning, financial and non-financial performance, as well as strengthen the disclosure of the digital transformation performance and actions of WPG Holdings. WPG Holdings diligently improves the quality of service, integrates the needs of the supplier and the customer, leads the development of the industry with professionalism and supports the initiatives and exchanges of the industry, together with value chains of the upstream and the downstream to create the apex of profit, expands service platforms, and leads the industry to grow together, strive together, steadily obtained the leading position as the first choice of the industry.

● The stakeholders who are recommended to read this chapter as the first priority

Customers, Upstream suppliers (IDM/Fabless/IC design), Employees, Banks, Shareholders/Investors, Government Institutions

● Main topics addressed in the chapter

Corporate Governance, Operating and Financial Performance, Product Distributorship and Customer Satisfaction, Technological Empowerment and Digital Transformation, Smart Logistics and Smart Warehousing

● The Commitment of Main Topics

WPG Holdings is committed to ethical management, promotes information transparency, and continuously strengthens two-way communication with stakeholders; based on digital transformation, steps by step, the Company converts the supply chain management into a digital platform and transforms into a Data-Driven enterprise. The upstream, the downstream, and we collaborate to build an ecosystem of the smart supply chain platform. WPG Holdings persists in providing customers with high value-added services, dedicates to serving our customers, and assists our customers in solving supply chain management problems, to increase our customers' satisfaction. We also pursue internalizing the sustainable development of ESG in the business strategy, progressively implementing the sustainable development of the Company, coupled with accelerating the increase of operating profit and market share, and enhancing the level of Return On Equity and Dividend Payout.



Resource Investment

- ✓ Remodeled the Corporate Sustainability Committee to WPG ESG and Sustainable Development Committee; set up the position of Chief Sustainability Officer, to implement ESG sustainable development.
- ✓ Established a Global Business Service Unit to serve the brand customer's supply chain management and meet the needs of the cross-regional supply chain; along with developing a supply chain management platform to provide value-added supply chain services to solve the main problems of the customer management.
- ✓ Concentrated on the business model of "Logistics as a Service" (LaaS), introduced automatic distribution and smart inspection systems, and digitalized the information and logistics, to maximize efficiency and reduce operating hours.
- ✓ Structured the Platform Service Unit in January 2021, to advance the operating development by digitalizing the business.

Management Approach and Assessment Mechanism

- ✓ To strengthen the planning and promotion of sustainable development affairs; formulate continuous improvement plans; to improve ESG ratings and corporate governance evaluation results.
- ✓ To elevate operational efficiency through digitalization which is expected to increase revenue and earnings per share and the Chinese and English versions of the financial report and the annual report of the shareholders' meeting are to be disclosed regularly.
- ✓ To maintain smooth communication and contact channels (such as emails, telephone calls, regular meetings), etc., to ensure ceaseless cooperation with customers and IDM/Fabless.
- ✓ Based on "WPGDADAWANT", the digital platform, establishing an independent warehouse sharing platform to enhance the customer's satisfaction.
- ✓ To increase operational efficiency through smart transportation and smart diversion, saving working hours and enhancing delivery efficiency.
- ✓ WPG launched WPGDADAWANT and its 5 sub-platforms WPGDADAJIA, WPGDADABANG, WPGDADAGO, WPGDADATONG, and WPGDADAPIN, which jointly developed the digital empowerment matrix to systematically visualize existing customers' cloud platforms, so that the management team, front-end colleagues and systems development team can keep track and evaluate specific real-time data, and plan key follow-up projects.

Leadership

Chapter Highlights Performance



Held 4 investor Conferences

In 2021, a total of four investor conferences were held to announce the financial performance and business overview of the current quarter. The management team faced the investors and the media directly to explain the Company's business strategy and performance outlook.



Provide Monthly Market Information

WPG provides monthly market information to the top 30 customers and top 20 franchised product lines. It helps the customers and IDM/Fabless to grasp market dynamics.



Added 15 China-based Franchised Product Lines

In response to the changes in the customers' needs due to the China-US trade war, WPG expanded to franchise China-based semiconductor suppliers and added 15 China-based franchised product lines in 2021 to provide our customers with diverse choices of products.



Inbound Marketing Value Reached RMB\$1.08 Billion

By the end of 2021, WPG Holdings created exclusively Inbound Marketing as the full-coverage community with an interactive marketing mechanism, the cumulative promotion value reached RMB\$1.08 billion, an increase of 69% over the same period last year.



Increase of 16% WeChat Fans

By the end of 2021, the number of fans on Weibo of WPG Holdings reached 622,523, an increase of 2% over the previous year; the number of precise fans of the "IC Industry Micro Portal Service" pioneered by WPG Holdings' WeChat account reached 191,289, an increase of 16% over the previous year.

1-1 Regarding WPG Holdings

1-1-1 Organizational Structure

WPG Holdings is the largest distributor of semiconductor components in the Asia-Pacific Region, with headquarters in Taipei, Taiwan (TSE:3702). WPG operates through four leading semiconductor components distributors (WPIg, SACg, AITg, and YOSUNG) and serves as a franchise partner for more than 250 worldwide suppliers, with around 4,816 staff in about 80 sales offices globally, with a turnover of NT\$ 778.57 billion (US\$27.81 billion) and a capital of NT\$18.79 billion in 2021. WPG has established the industrial investment holding platform, focusing on international operating scale and flexible localization to deeply penetrate the Asia-Pacific market. By comprehensively promoting the core value of "Teamwork, Integrity, Professionalism, and Effectiveness" with the vision of "the First Choice of Industry, the Benchmark of Distribution", WPG has been awarded the "Global Distributor Award for Outstanding Performance" for 21 consecutive years. Under the new manufacturing trend, we are committed to transforming into a Data-Driven enterprise and building an online digital platform - WPGDADAWANT. We are positioned as a LaaS (Logistics as a Service) provider to advocate smart logistics and assist our customers in facing the challenges of smart manufacturing. With good faith, WPG expects to build trust through technologies, and build a co-operation eco-system together with the industry through "alliances". Moreover, we proactively promote digital transformation based on the principle of "customer orientation, technology empowerment, collaborative ecosystem, and era co-creation".

*Market ranking based on data released by Gartner in March 2022

• Worldwide locations of WPG Holdings

WPG Holdings Sales Locations in North America

USA, Canada, Mexico

Corporate Office

America's Distribution Center
Southaven, Mississippi

America's Sales offices

5 Physical offices

WPG Holdings IED 41 & Non-IED 32 offices

IED Office : 41 locations

Taiwan 4

Taipei Hsinchu Taichung Kaohsiung

China 22

Hong Kong Shenzhen Shanghai Beijing Shenyang
Tianjin Qingdao Xian Nanjing Hefei Suzhou Chengdu
Wuhan Hangzhou Chongqing Changsha Ningbo
Fuzhou Xiamen Guangzhou Dongwan Zhuhai

South Asia 7

Singapore Kuala Lumpur Penang Bangkok
Manila Ho Chi Minh City Jakarta

India 5

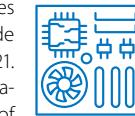
Bengaluru Hyderabad Mumbai
New Delhi Pune

Korea 1

Seoul

Japan 2

Tokyo Osaka



TOP1 Distributor of semiconductor components in the Asia-Pacific Region

2021 Revenue NT\$ 778.57 billion

Capital NT\$18.79 billion



*IED = Industrial Electronic Device

*Non-IED Sales locations refer to WPG C&C China, Genuine C&C (South Asia)

Non-IED : 32 locations

China 10

South Asia 22

China

10

South Asia

22

South Asia

7

India

5

Korea

1

Japan

2

Sales Location

Distribution Center

Shanghai Taiwan Shenzhen Hong Kong Singapore

Operating Strategy and Business Plan

WPG Holdings continues its focus on industry-level value chain dynamics and trend in order to quickly make short-term business adjustment plans. At the same time, we observe market trend and make long-term corporate development strategies. Our business plan is briefly described as follows. For details, please refer to WPG 2021 Annual Report.

Short term plans

Self Operation

- **Expansion of component product lines and portfolio management for better performance**

Continue to develop new product lines and integrate new products to accelerate sales proportion in business, including information, communications, consumer, automotive electronics, industrial electronics, and passive components (PEMCO).

- **Expand authorized distribution regions of the product line**

Expand authorized distribution regions to Hong Kong, China, South Korea, Southeast Asia, North America, and other regions.

- **Improve financial structure and organizational structure**

Increase the applications of financial leverage to reduce operating costs and operational risks.

- **Strengthen customer relationship management (CRM), supply chain management(SCM), and enhancing the horizontal connection of the organization by enterprise resource planning (ERP), promoting sales and knowledge management, and technical support of the business and product marketing engineers**

Product and Service

- **Expansion of marketing base**

Establish a global semiconductor component distribution network through gradual expansion of marketing bases, M&A, and forming alliances with local component suppliers.

- **Develop distribution and increase sales of new product lines to expand market share**

Actively develop distribution for new product lines, especially in energy-saving and high integration areas.

- **Strengthen FAE and Design-in services**

Continue to cooperate with downstream system design companies to support companies with R&D resources shortage.

Long term plans

Self Operation

- **Innovate business models and expand groups of customer**

Develop Global EMS and European and American brands, formulate corresponding innovative value-added services based on the customer's needs, establish a digital transformation platform and supply chain service module, and build a value chain and a multi-service ecosystem in a data-driven and ecologically coordinated manner.

- **Implement knowledge management**

Establish an organizational culture of shared values, and strengthen the sustainable competitiveness of the organization and business team.

- **Internationalization of capital to reduce operating costs**

Work towards international capital market, stabilize funding sources and ensure strategic alliances.

- **Expand the base for distribution channels**

Expand distributorship of key electronic applications to align with market trends and key agency rights to become a full-scale provider of the semiconductor marketing distribution.

Product and Service

- **Become an international distributor, expand service areas**

Continue to deploy in the key regions in Southeast Asia, Europe, and America, and expand the scope of operations.

- **Ameliorate the project of "WPGDADAWANT" and the plan of smart logistics service**

Gradually improve online digital platform service WPGDADAWANT and promote Logistics as a Service (LaaS) to support customers face the challenges of smart manufacturing.

- **Invest in business related to electronic distribution to deepen the service of component distributors**

Invest in business related to electronic distribution with the focus on core businesses, in order to deepen the service for upstream, midstream, and downstream customers.

1-1-2 Operational Performance

In response to the recent variation in the geopolitical situation and the impact of the COVID-19 pandemic on the supply chain, the demand continues to increase from IDM/Fabless and the customers for the supply chain management of WPG Holdings, including digitalization, smart warehousing, logistics, and other value-added services. Therefore, from 2020 to 2021, the Company's revenue and net profit remained high for two consecutive years, and the net profit after tax was nearly NT\$11.497 billion in 2021, hitting a record high.

• 2019-2021 WPG Holdings Financial Performance

*Units: NTS thousands

Year	2019	2020	2021
Operating Revenue	527,601,353	609,885,871	778,572,715
Operating Cost	-505,173,257	-586,835,742	-748,871,952
Gross Profit	22,428,096	23,050,129	29,700,763
Operating Expense	-12,715,532	-13,000,261	-15,897,207
Income Tax Expense	-1,681,643	-1,687,049	-2,527,390
Consolidated Net Income	6,453,401	8,123,355	11,496,933
Cash Dividends	Common Stock: 4,029,736	Common Stock: 5,205,076	Common Stock: 5,876,699
	Preferred Stock A: 15,068	Preferred Stock A: 400,000	Preferred Stock A: 400,000



Note: For detailed financial information, please refer to WPG's financial statements; or the official website



1-2 WPG Holdings Sustainability Management

1-2-1 Sustainable Governance Structure

• Governance Structure and Reporting Mechanisms

WPG established "WPG Corporate Sustainability Committee" in 2015 to implement corporate sustainability business and policies; even established the position of Chief Sustainability Officer as a commitment to strengthening ESG sustainable management oriented actions and tasks; aiming to continuously enhance the sustainable competitiveness of the enterprises and integrate the concepts of ESG into business strategies. Thus, the original "WPG Corporate Sustainability Committee" was reorganized and renamed in February 2022 as "WPG ESG and Sustainable Development Committee (hereinafter referred to as the Sustainability Committee), as the highest governance body for the sustainable governance of WPG Holdings; with the Chief Sustainability Officer as the chairman of the committee. The members include the Chairman and the CEO of the Holdings, and an independent director to effectively develop the plans of the overall sustainability goals of the Group, carry out major topics, and report to the Board of Directors regularly (at least once a year). Under the committee, setting up an ESG Office, which is responsible for the planning and promotion of the sustainable development affairs of WPG Holdings, as well as tracking the result of the implementation, establishing a continuous improvement plan, and reporting to the Sustainability Committee quarterly.

• Sustainability Committee Functional Groups

Five functional groups are established under the Sustainability Committee, which are the "Corporate Governance Group", "Environmental Sustainability Group", "Sustainable Talent Group", "Social Participation Group" and "Supply Chain Group". The top-level managers of relevant functional units are in charge of promoting various projects or measures to respond to diverse major topics. The concerned topics of each functional group are as follows, and related matters are regularly discussed.



- Corporate Governance Group**
 - The Composition and Functions of the Board of Directors, the Transparency of the top-level's compensation/Policy/ the Linkage of the sustainable performance, Corporate Sustainability Policy
 - Risk Management: including but not limited to operational risks, information security, trade secrets, trade compliance, emerging risks, etc.
 - Ethical Management (anti-corruption/anti-bribery, fair trade, etc.)
- Environmental Sustainability Group**
 - Climate Strategy and Energy Management: climate strategy, net zero emissions, energy resource management, waste and pollution management, green building planning
 - Sustainable Solutions (the promotion of LaaS, FAE cleantech solutions)
- Sustainable Talent Group**
 - Human Capital Development, Talent Attraction and Retention, Experience Inheritance/Corporate Culture
 - Workplace Health and Safety
 - Remuneration and welfare system
- Social Participation Group**
 - Public Welfare Activities (caring for the disadvantaged, supporting youth education, sponsoring sports events, ESG technology innovation initiatives, corporate volunteering, etc.)
 - Industry-Academia Cooperation
- Supply Chain Group**
 - Customer Relationship (satisfaction)
 - The support and cooperation of the supply chain of IDM/Fabless /IC design, including but not limited to conflict minerals, chemical safety of the product, human rights, and other topics related to sustainable supply chains
 - The management of general affairs suppliers

• 2021 Sustainability Affairs Resolution Matters

In 2021, the proposal was submitted to the Board of Directors twice, including (1)To identify material topics and propose action plan and (2)To approve sustainability-related policy amendments; the Board of Directors regularly reviews ESG-related reports. Chief Sustainability Officer and members of the ESG Office periodically proposes sustainability related plans and updates progress to the Board of Directors. The Board of Directors evaluates the plans, monitors the progress and provides feedback accordingly.

1-2-2 Analysis of Material Topics

WPG Holdings regularly identifies major sustainability topics through systematic analysis to ensure that the disclosed information meets stakeholders' expectations. In 2021, WPG proposed a list of sustainability topics with reference to the analysis of past topics, themes of GRI Standards, international trends, and industrial characteristics, etc. The Sustainability Committee invites the Chairman and CXOs of each group to assess the operational impact and major risks. Relevant opinions are integrated, the materiality matrix was completed in 2021, and 8 main topics were selected based on the "Level of Stakeholders' Concern for the Topic" and the "Level of importance of topics to WPG Holdings' operations", which includes Operating and Financial Performance, Risk Control and Management, Corporate Governance, Product Distributorship and Customer Satisfaction, Talent Attraction and Retention, Technological Empowerment and Digital Transformation, Smart logistics and Smart warehousing, Information Security and Data Privacy.

• Analysis Methods and Steps of Material Topics

To ensure that the main topics analyzed in 2021 can accurately reflect the topics and expectations of the stakeholders, the methods and steps for identifying the main topics are as follows:

1 Collect and Research Sustainability Topics

Identified sustainable topics, trends, evaluations, and indicators of the international concern (including DJSI, SASB), sustainability topics that stakeholders are concerned about, referred to the main sustainability topics that benchmark companies are focusing on, then compared the main topics of benchmark companies with WPG Holdings to identify emerging sustainability topics, and finally considered the applicability of the aforementioned international sustainability topics in WPG Holdings to produce a list of sustainability topics in 2021.

2 Analyze the Effect on Stakeholders' Assessments and Decision-making

The questionnaires were distributed to the representatives of external stakeholders of WPG Holdings to evaluate the importance of each main topic; a total of 236 valid questionnaires were collected.

3 Analyze the importance of the topic to business operations

The questionnaires were distributed to the Chairman and CXOs of WPG Holdings and each group, to understand the impact of each topic on the Company's operations and the evaluation of the significance; a total of 32 valid questionnaires were collected.

4 Analyze the influence and impact on ESG of the topics

The questionnaires were distributed to survey the employees of various internal units to understand the impact of each topic on the environment, governance, and social aspects; a total of 124 valid questionnaires were collected.

5 Decide Materiality Matrix

According to the results of the 392 questionnaires above, the X-axis shows the degree to which senior executives think that each topic affects operations, the Y-axis shows the degree to which external stakeholders influence evaluation and decision-making in each topic, and the Z-axis shows the internal employees' impact on each topic, demonstrating the impact on the environment (E), social (S), and governance (G) to draw a Materiality Matrix in 2021.

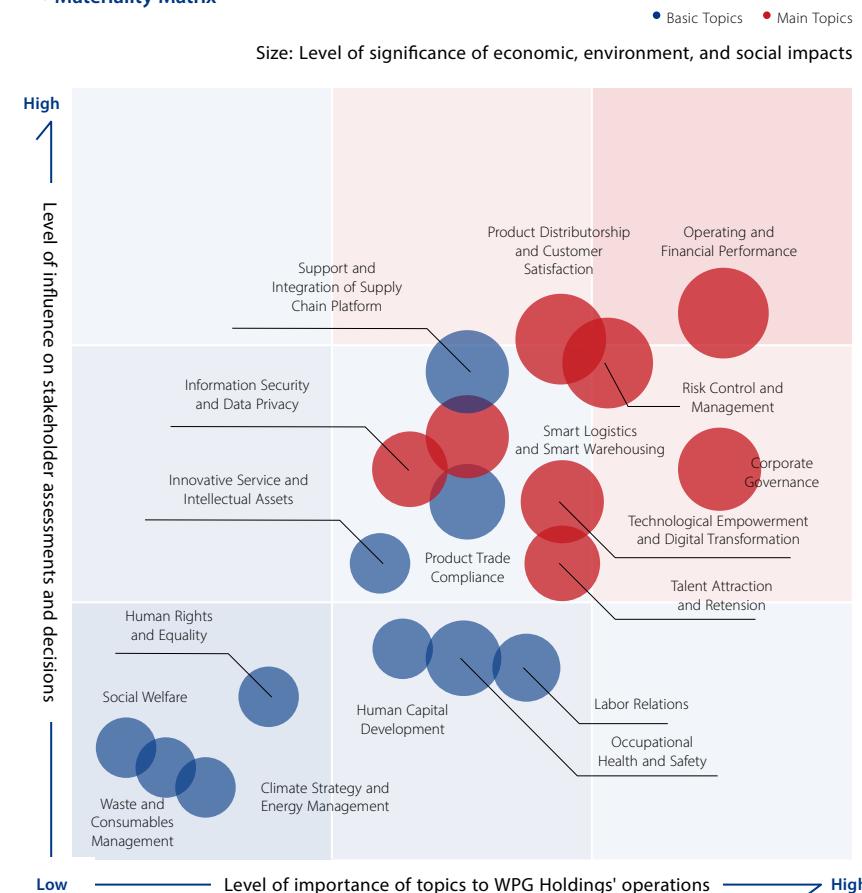
6 Sustainability Committee Review and Approval

The chairman of the Sustainability Committee convened a meeting to review and confirm the main topics, and finally, confirmed 8 main topics and 10 basic topics.

• 2021 Main Topics and Basic Topics

Continuing the above analysis steps, a Materiality Matrix of WPG Holdings was produced to illustrate the main topics of 2021, as the basis for the content of this Sustainability Report, and to present the performance and management results related to main the topics, as the strategic goals of sustainable development plan and practice in 2022.

• Materiality Matrix



1 According to the output results of WPG Holdings in 2021, 8 main topics will fully disclose the management methods and performance of main topics in the Sustainability Report, and 10 basic topics will disclose their basic performance of the year.

• Explanation of the Meaning of the Main Topics and Basic Topics

No.	Main Topic	Explanation of the Meaning
1	Corporate Governance	<ul style="list-style-type: none"> WPG Holdings implemented the responsibilities of business operators, strengthen the rights and responsibilities of the management team, commit to ethical management, establish anti-corruption and anti-bribery management mechanisms, ameliorate the channel of internal whistle-blowing, and enhance information openness and transparency. We continued to promote the Company's sustainability strategies and plan to practice corporate sustainability.
2	Operating and Financial Performance	<ul style="list-style-type: none"> The Company has focused on related performances such as operating profits, investment profit and loss, financial status and operating costs, as well as economic impacts generated by the operating process, in order to achieve sustainable development goals.
3	Risk Control and Management	<ul style="list-style-type: none"> WPG Holdings focused on integrated risk management. It actively operated various businesses to raise its operating income under an acceptable risk level, and identified and responded to potential risks and opportunities in advance. The Company ensured that appropriate risk culture is established and maintained throughout the organization.
4	Product Distributorship and Customer Satisfaction	<ul style="list-style-type: none"> To enhance customer satisfaction, WPG Holdings maintained good customer relationships, improved overall service efficiency, provided a sufficient range of products, and maintained supply stability.
5	Talent Attraction and Retention	<ul style="list-style-type: none"> The Company provided internal fair, externally competitive compensation and benefits, improved the employee's caring mechanism, and planned multiple long-term measures for talent retention. WPG Holdings built an excellent employer brand externally and established a smooth and diverse employment channel. In response to the needs of the digital transformation and development of WPG Holdings, attracted professional and appropriate talents.
6	Technological Empowerment and Digital Transformation	<ul style="list-style-type: none"> WPG makes effective use of emerging digital technologies, optimizing the internal and external technologies, processes, and staff skills, with business development towards digital transformation and industrial upgrading.
7	Smart Logistics and Smart Warehousing	<ul style="list-style-type: none"> WPG Holdings established a smart commercial logistics system, with digital tool management, to improve operational efficiency with smart transportation and smart diversion, and effectively and accurately grasped all aspects of management.
8	Information Security and Data Privacy	<ul style="list-style-type: none"> WPG Holdings strengthened the establishment of an information security management system, enhanced the emergency response capabilities of information security incidents, and increased the Company's abilities of information security protection. The Company protected our customers' privacy rights and strengthened the privacy protection mechanism.

No.	Basic Topics	Explanation of the Meaning
9	Support and Integration of Supply Chain Platform	<ul style="list-style-type: none"> WPG Holdings effectively conveyed and integrated the information between IDM/Fabless (IC design) and the customers, such as discussion and sharing of new technologies, aggregation of market intelligence, integration, and analysis of various transaction information, to save time and cost of the customer management, help our customers create maximum value and enhance the mutual benefits of the industrial ecosystem.
10	Product Trade Compliance	<ul style="list-style-type: none"> WPG Holdings sets relevant management objectives, internal control mechanism, and practical operating procedures, so as to make product trade comply with the regulatory requirements of various countries.
11	Labor Relations	<ul style="list-style-type: none"> WPG Holdings emphasized the two-way interaction and communication between labor and capital, including transparent and open communication channels and smooth grievance mechanisms.
12	Occupational Health and Safety	<ul style="list-style-type: none"> WPG Holdings promoted occupational safety and health-related management measures and policies, including the maintenance of workplace safety, the risk management of occupational accidents, Employee Health Management Plans, and health checks, etc.
13	Human Capital Development	<ul style="list-style-type: none"> WPG Holdings is committed to improving the functions of employees, promoting the improvement of education and training, and establishing talent cultivation and development goals, such as multiple talent training courses, internal job transfer and promotion mechanisms, comprehensive performance management, and evaluation systems, etc.
14	Innovative Service and Intellectual Assets	<ul style="list-style-type: none"> The Company maintained trade secrets, paid attention to the intellectual property of WPG Holdings and the upstream and downstream, and continued to innovate semiconductor distribution services to enhance the core competitiveness of WPG Holdings.
15	Human Rights and Equality	<ul style="list-style-type: none"> WPG Holdings strengthened the human rights policy and management structure and worked together with the value chain to safeguard human rights and create a diverse and equal workplace environment.
16	Waste and Consumables Management	<ul style="list-style-type: none"> WPG Holdings implement internal waste management and reduction, such as operations, management processes, and performance tracking, including waste water, waste management, scraps, warehouse waste, and consumables recycling, etc.
17	Climate Strategy and Energy Management	<ul style="list-style-type: none"> WPG Holdings paid attention to the impacts and opportunities of climate change on the Company's operations and value chain, such as identifying financial risks related to climate change, formulating management policies and countermeasures, and strengthening the Company's ability to adapt to climate risks. At the same time, the Company promoted energy management, energy saving, and carbon reduction measures, such as expanding the use of renewable energy and encouraging energy-saving buildings.
18	Social Welfare	<ul style="list-style-type: none"> WPG Holdings exercised its social impact and joined the activities of social welfare. For example, caring for disadvantaged groups, supporting arts and culture education, promoting environmental care actions, and cooperating with social welfare units and charity foundations.

• Amendment of the Main Topics

Compared with the 20 sustainable topics of the previous year, in 2021, WPG Holdings modified the details, merged, split, and changed the names in terms of economic, environmental, and social topics, and a total of 18 sustainable and operational-related topics have been compiled. The reasons for the adjustment are as follows:

Amendment of the Main Topics	Amendment Status	2020 Main Topics List	Reason for Adjustment
Climate Strategy and Energy Management	The name amendment and the meaning adjustment	<ul style="list-style-type: none"> Resource Management and Energy Saving (the basic topic) 	<ul style="list-style-type: none"> "Resource Management and Energy Saving" was renamed to "Climate Strategy and Energy Management", focusing on the impacts and opportunities that climate change may have on its operations and value chain, identifying potential impacts to formulate relevant policies and coping measures for the risk
Corporate Governance	The name amendment and consolidation	<ul style="list-style-type: none"> Code of Conducts, Ethical Management, Laws, and Regulations Corporate Governance and Information Transparency Sustainability Planning and Implementation (partial correspondence) 	<ul style="list-style-type: none"> Original main topics were consolidated, and the scope of main topics was expanded to "Corporate Governance", strengthening the meaning, including "anti-corruption" in the category of the main topics
Information Security and Data Privacy	Split and the name amendment	<ul style="list-style-type: none"> Trade Secret and Privacy 	<ul style="list-style-type: none"> The meaning of Information Security was enhanced, focusing on explaining the importance and maintenance of the privacy rights to WPG Holdings
Innovative Services and Intellectual Assets	Split and the name amendment	<ul style="list-style-type: none"> Trade Secret and Privacy 	<ul style="list-style-type: none"> The original topics included privacy rights and the trade secret, which have two different meanings, so they are split to emphasize innovative services and intellectual assets and the importance of the trade secret to WPG Holdings
Talent Attraction and Retention	The name amendment and the meaning adjustment	<ul style="list-style-type: none"> Employee Compensation and Care 	<ul style="list-style-type: none"> The scope of this main topic was expanded to "Talent Attraction and Retention", covering and strengthening the measures of retention.
Human Capital Development	The name amendment and the meaning adjustment	<ul style="list-style-type: none"> Talent Utilization and Development 	<ul style="list-style-type: none"> Original main topics were consolidated, and the scope of main topics was expanded to "Human Capital Development", covering and strengthening the measures of manpower education and utilization
Support and Integration of Supply Chain Platform	Consolidation	<ul style="list-style-type: none"> Industry Collaboration and Communication Support and Integration of Supply Chain Platform 	<ul style="list-style-type: none"> Original main topics were consolidated, integrating "Industry Collaboration and Communication" into "Support and Integration of Supply Chain Platform"
Social Welfare	The name amendment and the meaning adjustment	<ul style="list-style-type: none"> Industry-Academia Cooperation and Social Participation 	<ul style="list-style-type: none"> Focusing on Social Welfare The implication of Industry-Academia cooperation moved to Talent Attraction and Retention

• Impact Boundaries and Corresponding Chapters of Main Topics

Aspect	Main Topic	GRI Topics	Corresponding Chapters	Impact Boundaries						
				WPG Holdings	Subsidiary Groups	Shareholders/ Investors	Upstream suppliers (IDM/Fabless / IC Design)	Customer	Bank	Government Institutions
Economics and Governance	Operating and Financial Performance	201 Economic performance	1-1-2 Operational Performance	●	●	●	●	●	●	●
	Risk Control and Management	Enterprise custom topic	2-2-2 Risk Management 2-2-3 Internal Audit 2-2-5 Legal and Trade Compliance	●	●	●	●	●	●	●
	Corporate Governance	206 Anti-competition 405 Employee Diversity and Equal Opportunity 416 Customer Health and Safety 419 Social and Economic Compliance	1-1-1 Organizational Structure 1-2 WPG Holdings Sustainable Management 2-1 Board of Directors Operation 2-2-1 Ethical Management	●	●	●				●
	Product Distributorship and Customer Satisfaction	417 Marketing and Labeling	1-3-1 Distribution Management and Service Strategy	●	●			●		
	Technological Empowerment and Digital Transformation	Enterprise custom topic	1-3-2 Full Link Digital Platform	●	●		●	●		
	Smart Logistics and Smart Warehousing	Enterprise custom topic	1-3-3 Smart Logistics and Warehousing	●	●		●	●		
	Information Security and Data Privacy	418 Customer Privacy	2-2-4 Information Security Management	●	●		●	●		●
Social	Talent Attraction and Retention	201 Economic Performance 202 Market Presence 401 Employers-employee Relations 404 Training and Education	4-1-2 Talent Cultivation 4-2-1 Employee Compensation and Benefits 4-2-2 Human Rights and Labor Management Communication	●	●					

Note ●: Includes direct and indirect impact on operation

1-2-3 Stakeholder Identification and Communication

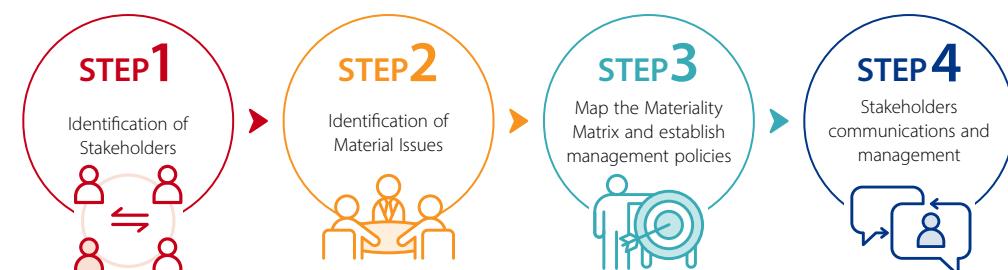
Identifying precisely each stakeholder's concerning topics and continuing to communicate with the stakeholders with transparency and efficiency are the foundations for the sustainable operation and long-term development of WPG Holdings. Through a systematic approach, WPG Holdings identified the stakeholders related to operations, then understood the topics concerned by the stakeholders with a high degree of relevance, and evaluated the impact of topics on internal operations and the economy, environment, and society. Thus, WPG Holdings identified the main sustainability topics, disclosed information in this sustainability report, and responded to the stakeholders who were considerably concerned about the topics. At the same time, we continued to enhance the management of relevant topics and take specific actions to implement the Company's commitment to sustainable management.

Importance of Stakeholders to WPG Holdings

The six major stakeholders identified below are all highly related to the operation and business of WPG Holdings. The aspects that WPG Holdings is concerned about and their importance to WPG Holdings are explained as follows:



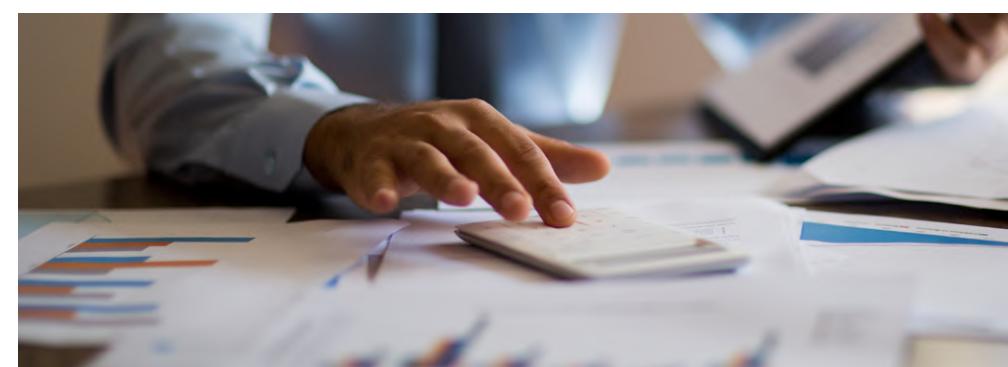
• Stakeholder identification Steps



WPG Holdings' major stakeholders are identified in accordance with AA 1000 stakeholder engagement standard which includes important factors such as Responsibility, Influence, Tension, Diverse Perspectives and Dependency. The questionnaire was completed by internal functional units. After analyzing the questionnaires, we screened out 6 kinds of important stakeholders, including Customers, Upstream Suppliers (IDM/Fabless/IC design), Employees, Banks, Shareholders/Investors, Government Institutions, etc.

• Stakeholder Communication Mechanism

In order to have a direct, smooth, and independent communication channel with stakeholders, and to respect and safeguard the legitimate rights and interests, WPG Holdings formulated the "Audit Committee's Handling Measures for Accepting Suggestions and Appeals from the Stakeholders", and assigned special personnel to handle appeals confidentially, and the results were responded appropriately or scheduled a response date to the stakeholders within two weeks from the date of receipt of the appeal.



• Stakeholder Communication Mechanism

Stakeholders	Customers	Upstream Suppliers (IDM/Fabless/IC design)	Employees	Banks	Shareholders/Investors	Government Institutions	
Main Topics	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Technological Empowerment and Digital Transformation • Smart Logistics and Smart Warehousing • Information Security and Data Privacy • Product Distributorship and Customer Satisfaction 	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Technological Empowerment and Digital Transformation • Smart Logistics and Smart Warehousing • Information Security and Data Privacy 	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance • Talent Attraction and Retention 	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance 	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance 	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance 	
Frequency of Communication	Irregularly	Irregularly	Irregularly	Regularly	Irregularly	Annual	
Communications Mechanism	<ul style="list-style-type: none"> • Interview • Tel • E-MAIL • Written form 	<ul style="list-style-type: none"> • Interview • Tel • E-MAIL • Written form 	<ul style="list-style-type: none"> • Company website (including internal websites and EIP) • Tel • E-MAIL • Employee mailbox 	<ul style="list-style-type: none"> • General meeting 	<ul style="list-style-type: none"> • MOPS • Company website • E-MAIL • Written form • Review of the extension of bank loan 	<ul style="list-style-type: none"> • MOPS • Company website • E-MAIL • Written form • Corporate briefing/seminar • Conference 	<ul style="list-style-type: none"> • Shareholders' Meeting
Grievance Channels for Main Topics	wpgh_vendor@wpgholdings.com	wpgh_vendor@wpgholdings.com	wpgh_hr@wpgholdings.com	IR@wpgholdings.com	IR@wpgholdings.com	IR@wpgholdings.com wpgh_csr@wpgholdings.com	

1-3 Distribution Integration and Innovation

1-3-1 Distribution Management and Service Strategy

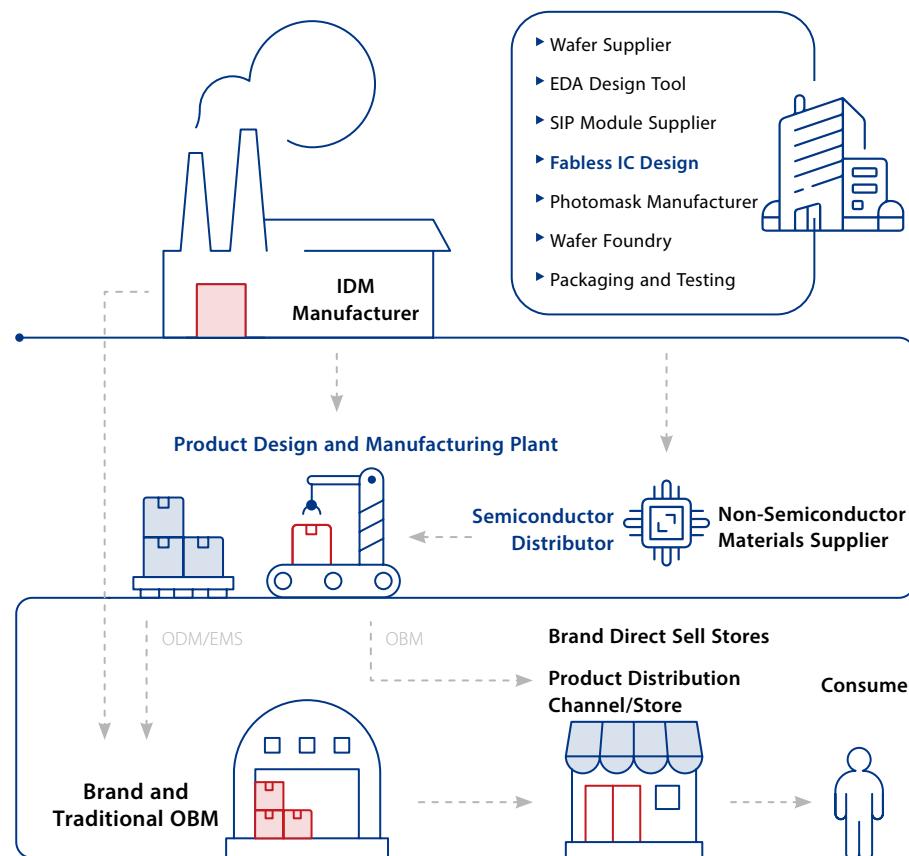


Figure: Semiconductor Supply Chain Analysis. Source: WPG.



For upstream semiconductor suppliers, the role of semiconductor distributors is to support suppliers' sales of semiconductor components; for downstream product manufacturers, the main function of semiconductor distributors is to assist customers in purchasing semiconductor components that are indispensable to manufacturing. In addition to dealing with various semiconductor components with complex specifications that are irreplaceable. The supplementary service and value proposition cover an even more extensive range that includes financial services, material management, logistics, technical support, etc. The professional services include (1) Product Promotion, (2) Inventory Management, (3) Order Management, (4) Sales Management, (5) Logistics Management, (6) Financial Management, and (7) Information Management.



1 Product Promotion

To deliver semiconductor components to a large number of customers in the shortest possible time, upstream suppliers must cooperate with professional regional distributors. The distributors often have to recruit sales representatives and technicians who are familiar with the suppliers' products in order to provide suitable products and technical support and respond to customer needs instantly. To assist the customers in developing new products rapidly, WPG Holdings cooperated with the suppliers and introduced various total solutions to complete product development work on time with limited manpower.



2 Inventory Management

In recent years, due to fierce competition in the electronic information industry, customers have predicted shorter and more varied demands. Product brands have been promoting BTO (Build to Order) mechanism, requesting our downstream customers to complete manufacturing more than 90% of finished products within 1 week of receiving orders. This trend is substantially increasing the importance of distributors' role as inventory managers.



3 Order Management

Distributors place orders collectively to suppliers for batch production. This greatly relieves the suppliers' stress on order management, and also helps suppliers maintain the stability and efficiency of their semiconductor manufacturers, ensuring that customers receive the agreed semiconductor components on the specified delivery dates in a predetermined quantity.



4 Sales Management

Distributors play an important role in the price negotiation process. Through centralized orders, distributors can manage to lower the prices for small and mid-scale customers; for suppliers, price is maintained through distributors, thus achieving the purpose of sales management.



5 Logistics Management

Upstream suppliers only have to deliver products to distributors' designated warehouses in batches according to distributors' orders, which reduces the complexity of batch delivery operations, while distributors are responsible to deliver the products in the packaging (including labeling operations) requested, along with documents requested to locations specified by each small and medium scale customer in order to complete the logistic operation of semiconductor components. Distributors significantly save upstream suppliers' time and costs on logistic management as well as downstream customers' human resources and space needs.



6 Financial Management

Distributors usually grant a certain line of credit to customers according to many objective conditions such as customers' history of bank transactions, credibility, business operations, the person in charge's character, and usual transaction records, and provide payment terms better than those granted by suppliers to help customers obtain suppliers' products and services at a lower financing cost. Through distributors, suppliers also familiarize themselves with the financing operations in the local market, so as to avoid financial risks and secure market share and business opportunities at the same time. The role the distributors play in financial and risk management is especially important in the Asia market.



7 Information Management

Semiconductor suppliers' core competencies lie in semiconductor component research and development, manufacturing, and industry standard specification. Distributors play an indispensable role in consolidating suppliers' specialties with sufficient local professionals. Through distributors as the medium roles to collect more voices of customers, suppliers can provide more suitable products to help customers design and manufacture next-generation electronics. WPG Holdings fulfilled the role of communication and coordination of semiconductor distributors, and highly cooperates with downstream customers to jointly tackle the challenges in the everchanging markets.

Value Creation through Inbound Marketing of WPG Holdings

In response to the online community trend, WPG Holdings continues to integrate interactive mobile marketing, emphasizes digital transformation content, and applies a full-coverage interactive marketing mechanism through Key Opinion Leader (KOL). At the same time, the Inbound Marketing effectiveness index (i.e. Inbound AD Value) was established to measure marketing promotion effectiveness. As of the end of 2021, the overall promotion value exceeded CNY 1.08 billion, which has increased by 69% YoY. To enhance self-media operation, we have effectively used social media resources such as Weibo KOLs, WeChat KOLs, social media, and viral campaigns. By executing the marketing activities below, perceivable cross-marketing services are provided among upstream and downstream customers along supply chains to continuously improve customer loyalty.

WPG Holdings Weibo

The number of fans and posts both outnumbered industrial peers. The number of fans reached 622,523 and 3-5 posts are updated daily, covering diversified topics including monthly popular projects, industry trends, new technology, WPG news, etc. WPG also holds 3 online demoboard evaluation activities annually to interact with fans continuously.

WPG Holdings WeChat

The first IC micro portal through WeChat continues to lead our peers with 191,289 precise fans. 4 broadcast messages are regularly sent every month, accumulating over 669,819 reads and 53,003 shares. IC industry trends are promoted to the general public through in-depth market trends articles. We continue to operate the engineering community and demonstrate technical support capabilities. WPG Holdings WeChat has launched the "WPGDADATONG" WeChat subscription account, which is operated by the technical team and provides solutions for engineers with incisive and intuitive views; there is also a service account for the human resources team to provide real-time recruitment information for job seekers.

PR Exposures

7,231 news exposures including 1,881 Investor Relations news exposures in Taiwan and Mainland China, exceeding all peers and 9 times above the second place.

1-3-2 Digital Platform

• Committed to Digital Transformation, Creating a Win-Win Ecosystem

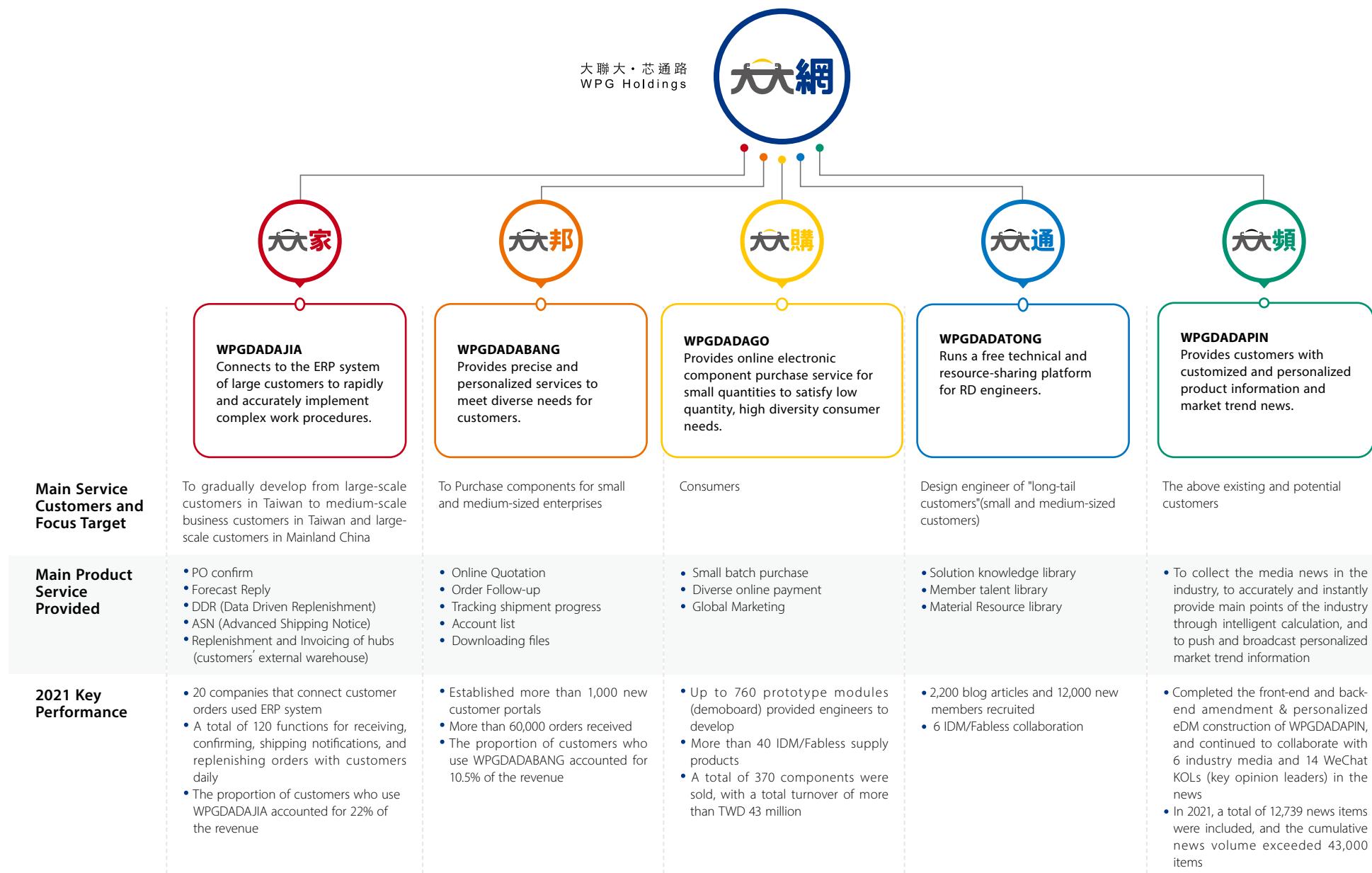
WPG Holdings unceasingly explores the possibility of various front-end and back-end operation processes from offline to online, with "Customer Orientation, Technology Empowerment, Collaborative Ecosystem, and Era Co-creation" as the main principles. Based on the digital transformation, WPG Holdings actively interacts with the online platforms, and the offline teams dynamically responds to the supply chain adjustment needs of the IDM/Fabless and customers; by 2020, 20% of the revenue and the number of customers came from WPGDADAJIA and WPGDADABANG; this year, WPG Holdings has achieved "2021 30%", which is the short-term goal of 30% of revenue and number of customers.

The industrial chain positioning of "Succession" allows WPG Holdings to play an advantageous role in supply chain management and achieve remarkable results. WPG Holdings has been relying on WPGDADAWANT, and has gradually developed a digital platform for supply chain management with the help of technologies such as the Internet Marketing Platform, big data analysis, cloud computing, and IoTs. The company has transformed into a data-driven enterprise and jointly established the smart supply chain platform ecosystem together with upstream and downstream companies. Looking forward to the future, the teams of WPGDADAWANT will continue to consider the needs of customers, with "202X 100%" as the ultimate goal. Under the process of starting with the stage goal, we will make WPGDADAJIA, WPGDADABANG, and WPGDADATONG work hard as a team online to increase the turnover, the number of customers' trades, and the number of engineer members.

• WPG Holdings: Care and Focus on the Needs of Each Partner

The needs of every partner in the industry chain are important to WPG Holdings while planning for the industry chain ecosystem. Hence, WPG Holdings launched WPGDADAWANT and its 5 sub-platforms WPGDADAJIA and WPGDADABANG, WPGDADAGO, WPGDADATONG, and WPGDADAPIN to visualize existing customers' usage on cloud platforms, so that the management team, front-end colleagues and systems development team can keep track and evaluate specific real-time data, and plan key follow-up projects, in order to meet different digital empowerment needs of the customers and the engineers as best working partners!

The five sub-platforms in the WPGDADAWANT ecosystem are described in the following figure:



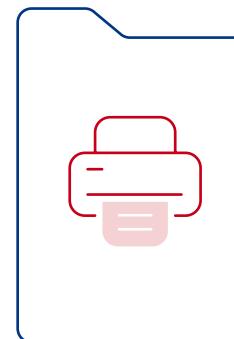
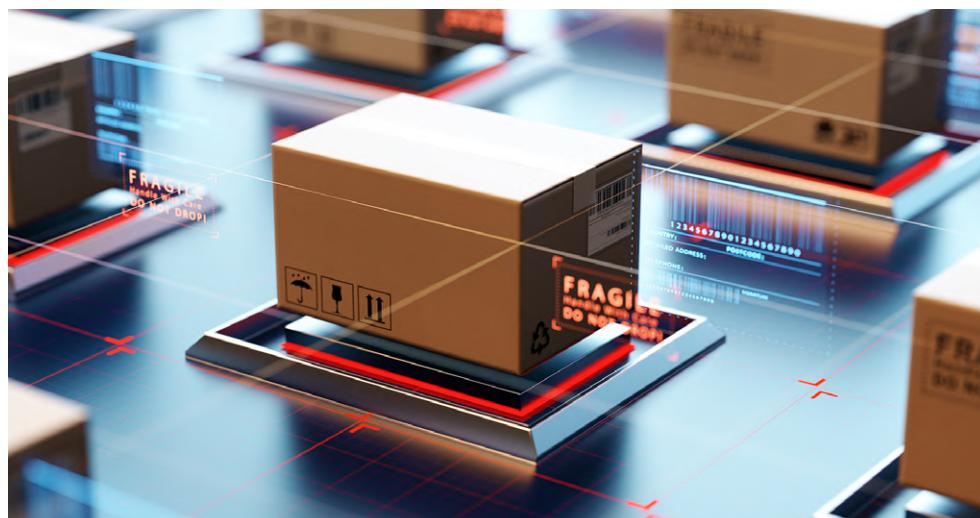
1-3-3 Smart Logistics and Warehousing

WPG Holdings adheres to the concept of “customer-oriented” for its logistics management, continuously improving service quality, and dedicates efforts to provide high-quality logistics services to customers while constantly seeking breakthroughs and development.

WPG Holdings established a transparent platform that connects internal and external information, transferred routine work to the online system, and manually processed variable work items offline, in the hope of creating a collaborative ecosystem with our partners. Smart transportation and smart diversion have significantly increased our warehouse efficiency. Coupled with the integration of real-time information on the management dashboard, all management indicators and equipment status were enhanced and tracked.

WPG Holdings Logistics Service is mainly responsible for matters such as warehousing operations analysis and management, logistics management and auditing of warehouses, design and improvement of logistical processes, and management and optimization of logistics systems. In order to ensure effective policy implementation, the responsible units shall conduct audits at least once a year on an irregular basis. Regional logistics shall propose improvement measures and schedules for identified deficiencies, and the Logistics Service is responsible for coordination and supervision. For outsourced warehouses, WPG Holdings conducts audits on an irregular basis and determines whether it has reached target indicators through monthly KPI assessment. Explanation of operation and corrective action reports are required if the outsourced supplier fails to meet the targets, and shipment volume will be gradually reduced until improved if outsourced suppliers fail for the second time consecutively.

The performance of key projects in 2021 is presented as follows:



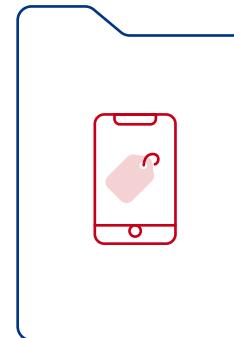
Color Printer

Schedule: Launched in April 2021 (Hong Kong Warehouse)

Scope: Inspection and labeling Operation

Implementation Content: Transformed to a color printer for processing, which can provide corresponding color labels according to the customer's needs, and automatically cut the label size without changing the color tape.

Specific Result: About 30 hours of label replacement labor hours per month are saved in the Hong Kong warehouse.



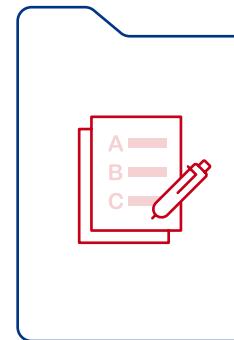
Mobile AOD ^{Note 1.}

Schedule: Launched in June 2021 (Hong Kong Warehouse)

Scope: Goods Receipt Operation

Implementation Content: The label of IDM/Fabless is photographed with mobile and transmitted to the system.

Specific Result: We solved the problems of reflections in the original AOD equipment when taking photos and the goods could not be placed under the AOD equipment due to the large volume.



E-SOP

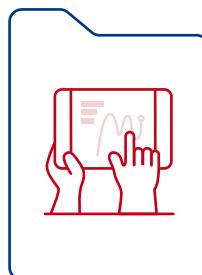
Schedule: Launched in June 2021

Scope: Purchase, Shipment, Shipping

Implementation Content: The original SOP was displayed in the form of pictures and texts, and placed on the online platform for colleagues to check.

Specific Result: The operation process is visibly displayed and the accuracy of the operation is improved.

Note 1
AOD: Automated Optical Decoding



LaaS Service Platform Project

Schedule: Various functions launched in successively in June 2021

Scope: Purchase, Shipment, Charge Operation

Implementation Content: The LaaS platform developed by WPG Holdings further transformed the information and logistics to be digitalized, converted special channels into open platforms, and used the technological approach to carry out existing businesses. Such as automatic document printing, automatic booking, subscription function, automatic document transmission, and booking summary table.

Specific Result: Shipping function (the current benefit is saving 3% of the manpower, and it is expected to reach 38% after optimization).



Automatic Distribution

Schedule: Launched in August 2021

Scope: Order Arrangement Operation

Implementation Content: The logic was written in accordance with the distribution strategy provided by the professional work, to make the warehousing system automatically distribute goods according to the logic.

Specific Result: The efficiency of problem order processing is enhanced, saving a total of 4 people required for distribution manpower in Hong Kong warehouse, Dongguan warehouse.



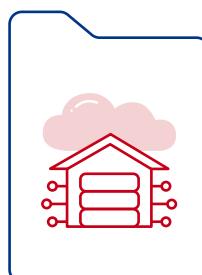
Lead and Halogen Attributes are directly brought to WMS^{Note 2.} by ERP (Oracle)

Schedule: Launched in October 2021

Scope: Goods Receipt Operation

Implementation Content: The lead and halogen attribute is set by the front end in the ERP (Oracle), and the AOD does not need to read the actual lead and halogen attribute when receiving goods. Instead, the lead and halogen attribute is directly brought to the WMS from the ERP (Oracle) to receive goods.

Specific Result: The improvement of efficiency of AOD goods receiving and the accuracy of employees' work as a result of no requirement to read the physical lead and halogen attributes when AOD is receiving goods.



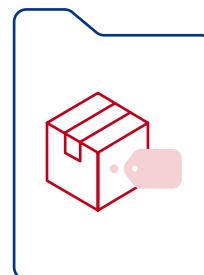
GENUINE C&C INC. Operation Integration

Schedule: Continued implementation in 2021

Scope: Shipment Operation

Implementation Content: Quantity Increment Management, Retail WMS introduction into Systematic Management.

Specific Result: The Linkou warehouse accounted for 15% (9,000 boxes) of total shipments of GENUINE C&C INC. in 2020, increased to 35% (21,000 boxes) in Q1-Q2 in 2021, and 50% (30,000 boxes) in Q3 in 2021.



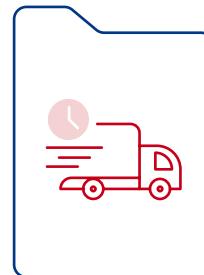
Nice Label System

Schedule: Launched in August 2021

Scope: Label Manufacturing Operation

Implementation Content: The label production was transformed from the LLM (Loftware Label Manager) system to the Nice Label system. Nice Label supports color printing with more comprehensive functions in label production.

Specific Result: About 112 hours of standard working hours per month are saved in the Hong Kong warehouse, Dongguan warehouse, and Linkou warehouse.



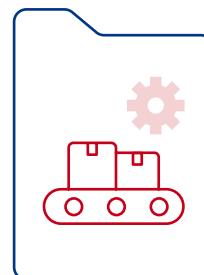
Automatic Vehicle Dispatch and Automatic Booking

Schedule: Launched in September 2021

Scope: Vehicle Dispatch Operation

Implementation Content: Vehicle dispatch arrangements are automated and transferred to the Laas platform.

Specific Result: Saving 1.35 dispatching manpower, thanks to generating directly booking dispatch orders without special notes account for about 30% of shipments.



Smart Inspection

Schedule: Launched in December 2021

Scope: Inspection and Labeling Operation

Implementation Content: The brand new inspection interface "Module Labeling" was developed to visualize operations. The system guides employees to work and saves their walking and thinking time.

Specific Result: Saving a total of about 3,190 hours of inspection work hours per month through improving automatic judgment and operation in the Hong Kong warehouse, Dongguan warehouse, Linkou warehouse, and Singapore warehouse.



Productivity Increased 10%

Schedule: Continued implementation in 2021

Scope: Purchase and Picking Operation

Implementation Content: It improved the AOD usage rate and optimized the warehouse transfer of receiving goods, such as O2O goods receipt, and FIFO automatic distribution operations.

Specific Result: A growth rate of 9.05% compared to 2020 (efficiency rate: 5.98) thanks to 6.52 of the cumulative performance from January to November.

^{Note 2} WMS: Warehouse Management System

1-3-4 Supply Chain Management

WPG Holdings is a semiconductor component distributor. We have 2 types of suppliers:



IDM/Fabless /IC Design Suppliers

For the IDM/Fabless/IC design suppliers, WPG Holdings concentrates on chemical safety and conflict mineral management and discloses the results of due diligence as public information.



General Affairs Suppliers

For General Affairs Suppliers, WPG Holdings has formulated a complete supplier policy and identified supplier risks, devoted to assisting supplier partners to continuously improve management measures.

IDM/Fabless /IC Design Suppliers Assessment

As a distributor/agent in the semiconductor component supply chain, WPG Holdings does not participate in product manufacturing processes. However, as a member of the value chain, WPG Holdings actively keeps track and verifies whether the products we distribute meet environmental and social requirements. Through information disclosure on the Company's website whether key suppliers comply with environmental regulations, WPG Holdings aims to maximize our impact along the value chain. We aim to strengthen information transparency and consumer awareness along the value chain and jointly create a sustainable global electronics supply chain.

• Chemical Safety Management

Regarding the management and identification of hazardous chemicals and related substances, WPG Holdings' daily management system is in compliance with global industry standards. The main aspects are as follows:

1. In response to Pb Free (Lead Free) environmental protection guidelines that have been implemented in the industry over the past years, and Halogen Free Guidelines (HF) published by the International Electrotechnical Commission. The identification, registration, usage records, and alternative options for chemicals and related substances are implemented in our daily management.
2. WPG Holdings' warehouses adopt a batch identification management mechanism on a daily basis, recording whether each purchased item meets the aforementioned chemical requirements in the IT system based on suppliers information, so as to provide customers alternative options for chemical substances with very high concern. WPG Holdings ensures the main chemical composition of semiconductor components can be clearly identified along the process from procurement, inventory, to sales management.

Based on our chemicals and related substance management policy, WPG Holdings identified 20 critical suppliers (identified by sales revenue) and concluded 100% compliance with the EU's Restriction of Hazardous Substances Directive (RoHS), China RoHS, the Halogen Free Guideline (HF) published by the International Electrotechnical Commission, the EU's Registration, Evaluation, Authorization, and Restriction of Chemicals Act (REACH), and the EU's Perfluorooctanesulfonic acid Directive (PFOS). Among them, 75% of suppliers adopted RoHS, Mainland China RoHS, HF, REACH, and PFOS standards have been verified. Two of the 20 suppliers do not apply the PFOS standard, and two do not apply the Mainland China RoHS standard while one supplier contains partial halogen part numbers.



20 Critical Suppliers 100% compliance with above standards

75% have been verified

• Conflict Minerals Management

The U.S. Congress approved the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. According to Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the U.S. Securities and Exchange Commission announced the "Rule 13p-1 under the Securities Exchange Act of 1934" in August 2012. This Article aims to solve the topic of human rights abuses linked to mining operations in the Democratic Republic of the Congo (DRC), or an adjoining country (collectively, the "Covered Countries"). Minerals mined from this area are called "3TG" including Tin (Sn), Tungsten (W), Tantalum (Ta), and Gold (Au).

As a distributor of semiconductor components, WPG Holdings did not participate in the product manufacturing process. In order to express the requirements regarding conflict minerals, WPG Holdings is committed not to directly or indirectly purchasing any conflict minerals from any source containing conflict minerals from the Covered Countries. In the future, WPG Holdings will continue to conduct supply chain due diligence annually to meet supply chain management targets.

With the aim of implementing the requirements of WPG Holdings on conflict minerals, we tracked the information by regularly reviewing the suppliers' management policy of conflict minerals, whether they carry out investigations on the country of origin of minerals and other public information; and disclose the results of the investigation to the public, to implement WPG Holdings' commitment to supporting the use of legal, conflict-free minerals.

With the aim of implementing the requirements of WPG Holdings on conflict minerals, we tracked the information by regularly reviewing the suppliers' management policy of conflict minerals, whether they carry out investigations on the country of origin of minerals and other public information; and disclose the results of the investigation to the public, to implement WPG Holdings' commitment to supporting the use of legal, conflict-free minerals.

WPG Holdings' Conflict Minerals Management Process is as follows:



After the disclosure of relevant information on conflict minerals tracked by WPG Holdings, the proportion of critical supplier minerals from non-conflict countries/regions and the proportion of qualified smelters are 70%. Among 14 critical suppliers, 70% (14 out of 20 suppliers) disclosed the proportion of validated smelters and refiners. Among the 14 critical suppliers that disclosed related information, 99.7% of materials used are processed from smelters, and refiners are verified as conflict-free. 2 of the 6 critical suppliers who did not disclose validated smelters and refiners' proportion are RBA members who are declared on the website.



Proportion of critical supplier minerals from non-conflict countries/regions and the proportion of qualified smelters are 70%
Among the 14 critical suppliers, 99.7% of materials used are processed from smelters

Management of General Affairs Suppliers

WPG Holdings values sustainable development and thus it is important for us to collaborate with our partners and promote mutual growth and corporate sustainability. Since 2018, in order to effectively implement supplier management, WPG Holdings, and its subsidiaries have formulated WPG Holdings Supplier Code of Conduct in accordance with the Responsible Business Alliance (RBA; formerly known as EICC) Code of Conduct, focusing on five aspects including labor, health, and safety, environment, ethics and management systems.

In 2021, "WPG Holdings Supplier Code of Conduct" response rate achieved 80% in Taiwan and 87% in China. "WPG Holdings Supplier Code of Conduct Self-Evaluation Form" response rate achieved 77% both in Taiwan and in China.

• General Affairs Supplier Evaluation

Since 2017, to implement supplier management, WPG continued to perform supplier evaluations covering multiple aspects with the aim to ensure and enhance service quality, and at the same time assist our suppliers identify internal problems and develop relevant improvement measures. In 2021, the supplier evaluation score averaged 3.8 points (total of 5 points), approximately reaching an excellent standard.

• Local and Green Procurement

In terms of procurement and outsourcing policy, WPG Holdings prioritizes local and green procurement. In 2021, local suppliers accounted for 74% of the total general affairs procurement, and 26% of the total IT-related procurement. The proportion of green procurement is 1%.



WPG Holdings Supplier Code of Conduct

1-4 Industry Interaction

1-4-1 Participation in Industry Associations

WPG Holdings actively participated in industrial associations and provided an instant communication service platform through various activities to assist the sharing of knowledge resources to members, and to increase members' external strategic alliances and potential alliances. The company aims to enhance the industrial network position and height of Taiwan's distributors, actively supports the development of supply chain management, and fulfills corporate social responsibility. In 2021, WPG Holdings did not involve in any political donations.

Organization	Title	Strategic Goal
Association of Taiwan Listed Companies	Vice Chairman	To set up a learning platform with Taiwan's outstanding entrepreneurs and professionals to enhance the competitiveness of TWSE/TPEX listed companies in Taiwan.
Monte Jade Science and Technology Association (Taiwan)	Executive Director	To establish a community of "Technology, Talent, Entrepreneurship and Investment - Technology Communication Networking Entrepreneurship Knowledge" with Monte Jade Science and Technology Association, and commit efforts by adhering to the spirit of wisdom, persistence and innovation of Chinese entrepreneurs.
Taipei Electronic Components Suppliers' Association (TECSA)	Executive Director	Co-organize relevant reports and courses in cooperation with the TECSA, in order to promote the development of industries related to electronic components.
Taiwan M&A and Private Equity Council	Managing Supervisor and Convenor	Assist in developing a sound M&A and private equity investment environment in Taiwan.
Sinocon Industrial Standards Foundation	Managing Supervisor	Jointly develop cross-strait industrial standards in pursuit of a win-win situation.
Taiwan Japan Association for Business Communication	Member	Enhance business communications between Taiwan and Japan, build a long-term, sound, and stable relationship in economics and trade, and set up a cooperation mechanism to achieve a mutually beneficial and win-win situation.
Taiwan Corporate Governance Association	Director	Strengthen internal and external mechanisms of corporate governance in the hope to be on par with international standards.
Cross-Strait CEO Summit	Member	To support the construction of the new platform for cross-strait business cooperation and cross-strait communications for economic and trading strategies.
Taiwan Institute of Directors	Member	Improve corporate governance and the Board of Directors' operations to achieve the goal of corporate sustainable development.
Taiwan Semiconductor Industry Association	Member	Participate in activities of the association and be on par with international standards to enhance the overall competitiveness of the semiconductor industry in Taiwan.
Taiwan Industrial Holdings Association	Chairman	Encourage enterprises to set up production control and strategic alliances to create a win-win ecosystem in the industry to enhance Taiwanese companies' global competitiveness.
Global Logistics & Commerce Council of Taiwan	Member and Director	Develop the application and research of global logistics in cooperation with the Global Logistics & Commerce Council of Taiwan, and assist domestic enterprises in the integration and management of global logistics to strengthen their competitive advantages and serve the purpose of supporting government policies in economic development.
Management Intelligence Sharing Association	Chairman	Gather the business masters/business academicians in Taiwan to teach business leaders the refine management wisdom of decades in the growth and transition period, so that the precious wisdom of business management can be expanded and inherited.



Simon Huang, Chairman of WPG Holdings (third from right), attended the seminar of Taiwan Industrial Holdings Association



Integrity

Accountability for Integrity
Win-Win in Profit

2-1 Board of Directors Operation

2-2 Corporate Governance



Integrity

► The Connotation of the Chapter

Implementing "integrity" and promoting " Grow Together, Strive Together, and Win Together " are the business philosophy of WPG Holdings. This chapter will integrate the governance performance of WPG Holdings, highlight the link between the core value and the business philosophy, and explain WPG Holdings' stable corporate governance structure and the culture of ethical management. Strive to revenue steadily growth, we abide by laws and regulations, and focus on information security.

● The stakeholders who are recommended to read this chapter as the first priority

Customers, Upstream suppliers (IDM/Fabless/IC design), Employees, Banks, Shareholders/Investors, Government Institutions

● Main topics addressed in the chapter

Corporate Governance, Risk Control and Management, Information Security and Data Privacy

● The Commitment of Main Topics

WPG Holdings is committed to implementing corporate governance, and promoting the core values of "Teamwork, Integrity, Professionalism, Effectiveness; T.I.P.E" while adhering to the basis of ethical management; we also continuously optimize risk assessment, early warning, and monitoring and tracking mechanism, implement risk management in the operation process, and promote risk management education and training, enhance colleagues' risk awareness, and strengthen the culture of risk management.

With the intention of improving the colleagues' capabilities and literacy of information security, and strengthening the ability to handle incidents of information security, WPG Holdings continues to follow the ISO 27001 management framework to optimize the information security management, implement relevant regulations, and provide quality services to our suppliers and customers.



Resource Investment

- ✓ Submitted to the Board of Directors for resolution to revise the " Corporate Governance Best Practice Principles ", " Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct".
- ✓ Submitted to the Board of Directors for resolution to revise the content of the "Intellectual Property Management Operating Procedures" of the internal control system and renamed it to "Intellectual Property Management Manual", to ameliorate the Intellectual Property management policies and rules, complied with the TIPS certification requirements.
- ✓ Adopted the regulatory database of different countries (the United States, the United Nations, the European Union, and other countries and regions with import and export control regulations in the world) to increase the effectiveness of trade compliance and export control of WPG Holdings.
- ✓ Established "Information Security Management Committee" and introduced ISO/IEC 27001 information security management system to obtain third-party certification.

Management Approach and Assessment Mechanism

- ✓ Strengthen the operation results and efficiency of the board of directors, and continuously improve the performance evaluation results of the board of directors.
- ✓ Based on the "T.I.P.E. Meeting", regularly review and improve the implementation of ethical management.
- ✓ Regularly review and track key risks, and establish a risk response evaluation mechanism.
- ✓ Implement information security policies and information security management specifications, so that all colleagues can abide by and follow them, and ensure the security of various information media.
- ✓ Regularly review the information security evaluation indicators, implement improvement measures, and improve the effectiveness of information security practices.

Integrity

Chapter Highlights Performance



Ranked 6% to 20%

Ranked 6% to 20% among TWSE-listed companies of the 8th Corporate Governance Evaluation, positioned 11% to 20% among the category of electronics industry with a market value of more than NT\$ 10 billion.



One Female Independent Director

A female independent director was by-elected in 2021 AGM, strengthening board diversity.



ISO 27001

Officially obtained ISO/IEC 27001: 2013 certification from UKAS (The United Kingdom Accreditation Service) on July 27, 2021.



Trade First Certification

Obtained Trade First certification from Singapore Customs in trade compliance.

2-1 Board of Directors Operation

2-1-1 Board of Directors Structure

The highest governance body of WPG Holdings is the Board of Directors, which is led by the chairman who supervises the implementation of diverse corporate governance affairs. In addition to the establishment of independent directors, various committees are also instituted to be responsible for the Company's main operational topics; the Board of Directors is in charge of supervising the Company's overall operations and affairs, and makes decisions on main investments, mergers, and acquisitions, etc. The Board of Directors at the same time oversees the management team and keeps an eye on the situation including domestic and foreign legal changes. The responsibilities of the chairman and the CEO are distinctly divided. The CEO is a professional manager who implements the decisions of the Board of Directors, in command of business results within the scope of authorization.

The Company's sixth term of directors is three years: from June 24, 2020 to June 23, 2023. There are 11 members of the sixth board of directors (including 4 independent directors). According to Article 38 of the Company's Corporate Governance Best Practice Principles, the Board of Directors convened a total of 11 meetings in 2021, and the attendance rate of directors reached 97.39% (excluding proxy attendance), conformed with Article 38 of the Company's Corporate Governance Best Practice Principles: "The in-person attendance rate of all directors of the company shall be at least 80%", and the interests of directors are avoided in accordance with legal requirements. For more information on the Board of Directors, please refer to the Company's Annual Report. There are three functional committees under the Board of Directors, namely the Audit Committee, the Remuneration Committee, and the New Business Strategy Committee. The list is as follows:

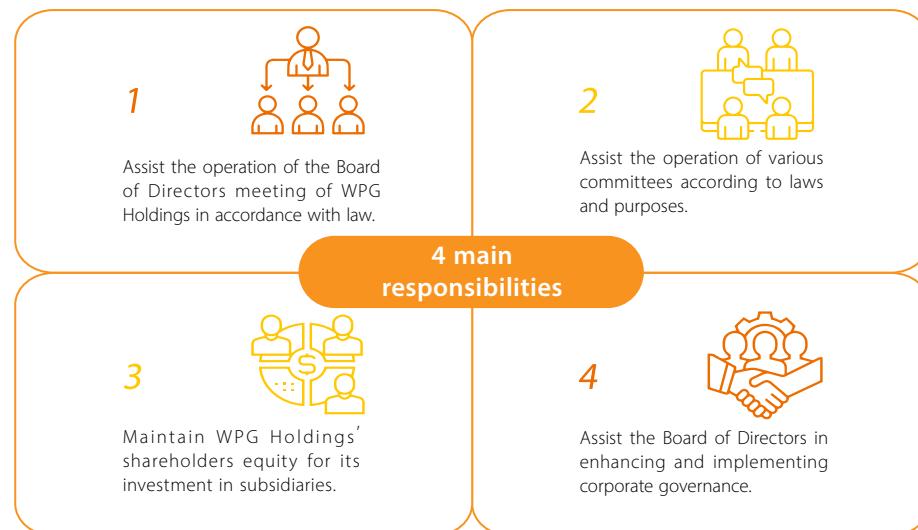
Name	Time of Establishment	Member	Committee Responsibilities	2021 Resolutions and Actual Implementation Status
Audit Committee	July 2008	<ul style="list-style-type: none"> Independent Director, Charles Chen (convener) Independent Director, Jack J. T. Huang Independent Director, Weiru Chen Independent Director, Kathy Yang 	<p>The Audit Committee of the Company is established in accordance with the "Audit Committee Charter", and the main purpose is to supervise the following matters:</p> <ol style="list-style-type: none"> 1. Fair presentation of the Company's financial statements. 2. Appointment/dismissal, independence and performance of certified accountants. 3. Effective implementation of the Company's internal control. 4. The Company's compliance with relevant laws and regulations. 5. Management and control of existing or potential risks of the Company. 	<ul style="list-style-type: none"> In 2021, the Audit Committee convened a total of 11 meetings, and the attendance rate of members reached 97.37% (excluding proxy attendance). Important resolutions in 2021: <ol style="list-style-type: none"> 1. Approved internal control system self-inspection and internal control statement in 2021. 2. Approved the Company's 2020 Financial Report (including parent company only financial statements and consolidated financial statements) and business report. 3. Approved the appointment of CPAs in 2021. 4. Approved the plan to participate in the 2021 cash capital increase and issuance of new shares of "Trigold Holdings Limited". 5. Resolution to revise the Company's "Intellectual Property Management Procedures" and renamed it as "Intellectual Property Management Manual". 6. Planned to participate in the 2021 cash capital increase and issuance of new shares of "T3EX Global Holdings Corp". 7. Approved the proposed revision of the "Guiding Principles of Personal Data Protection Management Operating Procedures" of the Company's internal control system and adjusted the normative structure. 8. Approved revising the "Computer Information System Management Operation" of the Company's internal control system
Remuneration Committee	February 2009	<ul style="list-style-type: none"> Independent Director, Jack J. T. Huang (convener) Independent Director, Charles Chen Independent Director, Weiru Chen 	<p>Remuneration Committee is formed according to the "Remuneration Committee Charter" and the authority of the committee is listed below. Remuneration Committee reports the operating status or recommendations to the Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. Propose Director's Compensation and performance evaluation report regularly. 2. Propose CEO Compensation and performance evaluation report regularly. 3. Propose and review the Board of Director performance evaluation 4. Propose and review CEO performance evaluation. 	<ul style="list-style-type: none"> In 2021, the Remuneration Committee convened a total of 4 meetings, and the attendance rate of members reached 100% (excluding proxy attendance). Important resolutions in 2021: <ol style="list-style-type: none"> 1. Reviewed the Company's 2020 director's compensation distribution plan. 2. Reviewed the setting plan of the key performance indicators (KPI) of WPG Holdings CEO and appointed managers in 2020. 3. Resolved to amend the related measures of appointed managers' appointment contracts. 4. Resolved to revise the Occupational Injury Subsidy Measures for managers of WPG Holdings. 5. Reviewed the performance of management team and employees (senior managers) in 2020 and compensation distribution plan. 6. Resolved revising the remuneration policy of the 6th performance-based manager.
New Business Strategy Committee	December 2013	<ul style="list-style-type: none"> Director Simon Huang(convener) Director, K.D. Tseng Director, T.L. Lin Director, K.Y. Chen Independent Director, Jack J. T. Huang 	<p>The New Business Strategy Committee aims to assist the company in developing a new business or second core business, in an attempt to uplift the decision-making quality and effectiveness of newly invested businesses.</p>	<ul style="list-style-type: none"> In 2021, the New Business Strategy Committee convened a total of 4 meetings, with an attendance rate of 85% (excluding proxy attendance). Due to the completion of the scheduled tasks of this committee, the Board of Directors resolved to dissolve the Committee on November 9, 2021.

Corporate Governance Officer

The company's Chief Legal Officer is currently appointed as the head of corporate governance in accordance with government and legal requirements since May 1, 2019, and the original "Board of Directors' Secretary's Office" has been renamed as "Corporate Governance Office", in order to enhance performances related to the implementations of corporate governance.

The corporate governance officer is mainly responsible for handling matters related to board meetings and shareholders' meetings according to laws, creating board meetings and shareholders' meetings minutes, furnishing information required for business execution by directors and supervisors, and assisting directors and supervisors with legal compliance.

In addition, according to WPG Holdings' actual operational needs, four main responsibilities have been established:



WPG Holdings participated in Corporate Governance Evaluation conducted by the Taiwan Stock Exchange Corporation and the Securities and Futures Institute and actively improved corporate governance in compliance with various indicators. Ranked 6% to 20% among TWSE-listed companies of the 8th Corporate Governance Evaluation, positioned 11% to 20% among the category of electronics industry with a market value of more than NT\$ 10 billion.

2-1-2 Diversity of the Board of Directors and Performance Evaluation

Diverse Backgrounds of the Directors

In accordance with the Company's Articles of Association, the Rules for Election of Directors, and Corporate Governance Best Practice Principles, candidate nomination system is adopted to elect Board of Directors in a fair, just, and open procedure. The "Rules for Election of Directors" is stipulated and board diversity policy is specified in "Corporate Governance Best Practice Principles". Based on the Company's business operations, operating dynamics development needs and considering stakeholder perspectives, the criteria of the professional background, professional skills, industry experience, gender, age, nationality, etc. which the directors should possess is stipulated and includes, but not limited to, the following two general standards:



Basic criteria and values:

gender, race, age, nationality, and culture, etc.



Professional knowledge and skills:

professional background (such as law, accounting, industry, finance, marketing, technology, information security, risk management, corporate governance/legal compliance, environmental sustainability, corporate social responsibility, and human rights protection), professional skills, and industry experience, etc.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, Knowledge of the industry, an international market perspective, ability to lead, ability to make policy decisions.

At the general meeting of shareholders on June 24, 2020, WPG Holdings elected the sixth Board of Directors for a term of 3 years from 2020/6/24 to 2023/6/23. The sixth term Board of Directors consists of 11 members (including 4 Independent Directors). In addition to the electronic components industry, the professional background of the Board covers investment management, strategic management, financial accounting, law, and global market mindset. Among the Board, 2 members are concurrent employees (including appointed manager) (18% of the Board), and 4 members are independent directors (36% of the Board). There is currently 1 female director (achieved the target of at least 1; 9% of the Board). In terms of age, 2 members are over 70 years old (18% of the Board), while the remaining 9 members are in the age group of 50-70 years old (82% of the Board). There are 3 independent directors with tenure of less than 3 years, and 1 independent director with tenure of more than 9 years. The average tenure of all directors is 11 years.

For the industrial experience/professional distribution of the directors, please refer to the following table:

Name of Director	Nationality	Gender	Age		Tenure of Independent Director		Business Management	Decision-Making	Industrial Knowledge	Finance and Accounting	Law	Human Resources	Risk Management (include Information Security)	Global Market Mindset	Investment Management
			50-70	Over 70	Under 9 years	Over 9 years									
Simon Huang	Republic of China	Male	●				●	●		●					●
Frank Yeh	Republic of China	Male	●				●	●	●			●	●	●	
K.D. Tseng	Republic of China	Male		●			●	●	●	●			●		●
Mike Chang	Republic of China	Male	●				●	●	●			●		●	
T.L. Lin	Republic of China	Male	●				●	●	●	●			●		●
K.Y. Chen	Republic of China	Male	●				●	●	●			●		●	●
Fullerton Technology Co., Ltd. Representative: Richard Wu	Republic of China	Male	●				●	●	●				●	●	●
Jack J.T. Huang	Republic of China	Male	●			●	●	●		●	●				
Charles Chen	Republic of China	Male		●	●		●	●		●		●	●		
Weiru Chen	Singapore	Male	●		●		●		●			●		●	
Kathy Young	Republic of China	Female	●		●		●		●	●				●	●

Note: In accordance with Taiwan's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", independent directors shall not concurrently serve as over 3 independent directors of other public offering companies.

There are 4 Independent Directors: Jack J.T. Huang, Chairman of Taiwan Renaissance Platform Co. Ltd., Charles Chen, who previously served as Vice Director of PricewaterhouseCoopers Taiwan, and Weiru Chen, Director at Alibaba Business School Industry Network Center, and Kathy Yang, who previously served as Executive Vice President of CDIB Capital Group. Among them, though Jack J.T. Huang has served as the independent director of the company for more than three consecutive terms, despite his long tenure, Mr. Huang was again elected as an independent director given his expertise in law and mergers and acquisitions, as well as his extensive experience in related law practice and business management. The Company relies on Mr. Huang's professional advice and supervision toward functional committees to continually improve our corporate governance.

• CEO and Senior Managers Compensation Structure

The remuneration structure of CEO and senior managers is highly aligned with performance. The remuneration policies and performance evaluation policies and standards are referred annually to internal fairness and external compensation markets, then reviewed by the remuneration committee and submitted to the board of directors for resolution and implementation. The measurement aspects of manager remuneration and performance include the practice of corporate core values, senior-level competency behavior indicators, leadership and management capabilities, relevant operational performance indicators, other special performances, etc. The managers' bonus is calculated based on the results of the performance evaluation of the current year, and the individual amount of the managers' compensation is reported to the Remuneration Committee for review and approval, and the summary is submitted to the Board of Directors for approval.

Measurement Dimension	Items and Weight	Description
	Financial and business indicators 60%	Profit growth index and operation management quality improvement index: Profit After Tax(PAT), OPEX/GP, Net Working Capital to Sales ratio (NWC/Sales)
Performance Indicators	Comprehensive management indicators 40%	<ul style="list-style-type: none"> Practice business philosophy, corporate culture, and core values, and cast the vision of common prosperity Organizational leadership and management capabilities Human resource management and human capital development Innovation and integration, risk management, regulation compliance, and sustainable development (ESG) strategies
Other special contributions or major events are also included in the assessment		

Performance Evaluation of the Board of Directors

The company clearly set performance targets to improve the operational efficiency of the Board of Directors in order to implement corporate governance and improve the functions of the Board of Directors. In December 2015, the Board of Directors formulated the "Procedures for the Performance Evaluation of the Board of Directors", which stipulated that internal performance evaluation should be reviewed at least once a year. In October 2019, the amendment of the Procedures added that the evaluation shall be performed by an independent professional agency or external expert or scholar team at least once every three years.



Procedures for
the Performance
Evaluation of the
Board of Directors

• Internal Performance Evaluation of the Board of Directors

The evaluation is performed after the end of each fiscal year, focusing on the overall board performance evaluation and individual evaluation. The board members should individually fill in the self-evaluation form on internal performance and their individual performance at the board. The 2021 performance evaluation of the Board of Directors and the committees was submitted to the board on January 25, 2022, and disclosed on the company website.



2021 Performance
Evaluation Results of the
Board of Directors

The measurement items for the overall and individual performance evaluation of the Board of Directors include the following six aspects:

1 Participation in company operations	2 Corporate internal controls and risk management
3 Maintenance of external and internal relationships	4 Board composition and capabilities
5 Decision quality and execution of the Board of Directors	6 Execution and achievement of the goals in the Board

The measurement items of the overall performance evaluation of each functional committee include the following five aspects:

1 Operation of the Committee	2 Participation in company operations
3 Understanding of the responsibilities of the functional committee	4 Enhance the decision-making quality of functional committees
5 Achievement of the goals in the Committee	

• External Performance Evaluation of the Board of Directors

In 2019, the Company commissioned the external organization "Taiwan Corporate Governance Association" to perform the evaluation of board effectiveness through questionnaire surveys and on-site inspections. The independent association and experts reported the evaluation results to the Board of Directors on December 24, 2019, which are disclosed on the WPG official website. A second external performance evaluation is scheduled for 2022.

Suggestions of External Performance Evaluation/ Responses of the Company:

Suggestion	Response
The adjustment or setting of strategic goals from grasping the dynamics of internal and external stakeholders, it is suggested that the investor relations officer may regularly submit a report on the dynamic investor relations to the Board of Directors, to facilitate the directors to perceive the internal and external situation of the company.	► The investor relations report has been included in the financial report of the Board of Directors of the Company, to assist the Board of Directors in getting a fix on the relevant information.
The whistleblower mechanism is to encourage the employees to report ethical or similar doubts to the Audit Committee, top management, chief internal auditor, or other appropriate personnel, as well as a mailbox of the Audit Committee managed by the members of the Committee on a rotating basis. It is recommended that your company's Audit Committee might consider reporting regularly about the operation summary of the whistleblower mechanism to the Board of Directors.	► Since the establishment of the mailbox of the Audit Committee in 2010, in the opinion of the statistics of the Audit Committee, there has not been any relevant report letter. Since 2020, it has regularly reported to the Board of Directors. It is planned to amend to the Whistleblowing Website (accepting anonymous reports) from 2022, managed by a third party.
The performance evaluation of the board of directors and functional committees has been carried out through Goal Setting currently. It is suggested that the company might further conduct the performance evaluation of individual directors to provide a reference for the Board of Directors to perform their duties.	► In 2019, the Company amended the performance evaluation method of the Board of Directors and added the individual self-evaluation of the directors. The directors fill in the evaluation form individually to evaluate their performance on the Board of Directors. In 2021, the performance evaluation form of each functional committee was revised.
The Code of Conduct for the employees has been established at the beginning of 2018, signed by the senior managers of all departments and in December 2018. It is expected to be signed by all the employees by the end of 2019. As a means to strive for continuous implementation, it is suggested that your company might conduct regular self-assessments of the colleagues and sign after completion to enhance the effect as a reminder.	► In December 2020, the colleagues were invited to sign the Employee Code of Conduct. The company continues to promote ethical management education and training (including to the new employees).



2-2 Corporate Governance

2-2-1 Ethical Corporate Management

Since integrity governance is an essential element for corporate sustainability, "Integrity" is one of WPG Holding's core values for corporate governance and employee conduct. We formulated the Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct as the important basis for the company to implement ethical management, which clearly stipulates the provisions on avoiding the conflict of interests, grievance mechanism and punishment. The company also established Ethics Committee in order to manage and plan integrity governance strategy. In order to promote ethical behavior provisions, WPG formulated the "Employee Code of Conduct" and "Employee Consent" to implement its ethical concept of "Self-Discipline for the Good of Others" for all employee



Ethical Corporate Management Best Practice Principles



Code of Ethical Conduct



Employee Code of Conduct



Corporate Governance Best Practice Principles

Ethics Committee

For the purpose of implementing the Ethical Corporate Management Best Practice Principles, WPG Holdings established the "Ethics Committee" in 2017. The CEO of the holding company serves as the general convener and the CEOs of each group serve as members. The Committee meetings are held irregularly to analyze the violations and countermeasures, and discuss different topics and related work progress.

Executive Secretary Group of the Ethics Committee

In an effort to implement the affairs assigned by the Ethics Committee, several functional units of the holding company (the chief of human resources, the chief of legal affairs, the chief financial officer/spokesperson, etc.) form an executive secretary group of the Ethics Committee, which is responsible for system planning and management measures, and promote the concept to the colleagues to implement the principles of the ethical corporate management and code of ethical conduct of WPG Holdings, as well as report to the Board of Directors once a year. In 2021, the meetings were convened irregularly to discuss the structure and duties of the executive secretary group, the evaluation of the whistleblower platform, the review of the achievement and backwardness of external evaluation indicators, and related integrity proposals.

Implement the Relevant Principles of Ethical Management

The amendments to the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" of WPG Holding have been approved by the Audit Committee and submitted to the Board of Directors for review and resolution. The "Employee Code of Conduct" was reviewed and revised by the Integrity Executive Secretarial Team, then reviewed and resolved at the committee meeting. The implementation status of relevant standards was compiled and discussed in the T.I.P.E management mechanism sharing meeting of WPG Holdings to ensure that the relevant standard requirements are accurately implemented and the standards and processes were aligned with the corporate operating procedures.

• Cross-group T.I.P.E Management Mechanism Sharing Meeting

Considering that "Integrity" is among WPG Holdings core value T.I.P.E., the T.I.P.E Meeting has been held on a monthly basis since 2016 for cross-group exchanges on the process of procurement, sales, inventory and accounts receivable, attended by risk management units and functional units of each group, including business management, credit management, legal affairs, logistics, IT, and accounting. Each group's risk management unit regularly reports at the meeting the countermeasures for abnormal occurrence in management after auditing transaction documents such as front-end orders. Recommendations are proposed to optimize the operating processes that do not meet actual needs. Operating methods found to be inconsistent with relevant laws and regulations will be reported to senior executives (including the CEO) or the Audit Committee in accordance with its charter. Furthermore, the company conducts further investigations with the aim to discover fraudulent behaviors as soon as possible and will request legal support to assist in the investigation if there are any violations. We uphold the attitude of "avoid indulging in fraud", and will cooperate with local criminal investigation units when necessary to protect the Company's rights and interests.

Education Training of Ethical Management Principles

WPG Holdings has formulated the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and the "Corporate Governance Best Practice Principles", which specifically regulate all employees. No matter the management level or the general employees, all must take note of the above principles and codes during the performance of their duties. We also integrate the DNA of ethical management into the daily operations through continuous education and training, internal advocacy, and auditing systems, in order to achieve stable development in corporate governance.

Regarding the topic of anti-corruption and anti-competitive behavior, with the purpose of letting the employees understand the laws and regulations to be abided by and the obligations to be performed in their duties, WPG Holdings began from the perspective of risk management, gradually planned relevant training courses, and established the internal platform to promote the information about the employees' ethical code of conduct; simultaneously implemented online courses and provided the relevant promotional

materials or the course presentations on the occasions such as new staff training or monthly meetings. Therefore, the employees would acquire basic legal knowledge, such as confidentiality obligations, anti-corruption, insider trading prevention, etc. The main body covered specific codes of conduct and implementation methods.

• 2021 Education of Ethical Management:



Legal Liability of Dishonest Conduct

Unit: Participate Rate

90.9%

If you don't want anyone to know, don't do it. Seminar on Prevention of Occupational Crime

Trainee Region: Greater China

74.5%

WPG Holdings Employee Code of Conduct Implementation

Continuing the 2020 staff promotion activities of "WPG Holdings Employee Code of Conduct", the Employee Code of Conduct was amended for the second time on October 7, 2021, adding Paragraph 1, Article 12, a total of 33 codes currently. In 2021, through the learning platform of WPG Holdings, the promotion video and the Employee Code of Conduct are designated as compulsory courses for new employees. The employees must complete the reading during the probationary period, to fully understand the content of the code of conduct and agree as the signature. Until May 9, 2022, a total of 171 people were completed.



No violations of the relevant regulations of the Employee Code of Conduct in 2021. We will continue to strengthen the education training and the promotion for the employees.

Violation Category	Corruption and Bribery	Information Confidentiality	Anti-money laundering	Insider Trading	Conflict of Interest	Discrimination/Workplace Violence	Violation of Privacy Laws
Number of Confirmation	0	0	0	0	0	0	0

2-2-2 Risk Management

WPG Holdings promotes integrated risk management. The risk management units at each level include risk management in the operational processes through systematical risk identification, risk assessment, risk response, and monitoring considering the enterprise holistically in order to reach the goal of organizational integrated management. WPG Holdings aims to maximize the quality and quantity of revenue under an acceptable risk level and thus optimizes resource utilization. Internal training is also continuously conducted to ensure employee awareness and to establish a risk awareness culture within the organization.

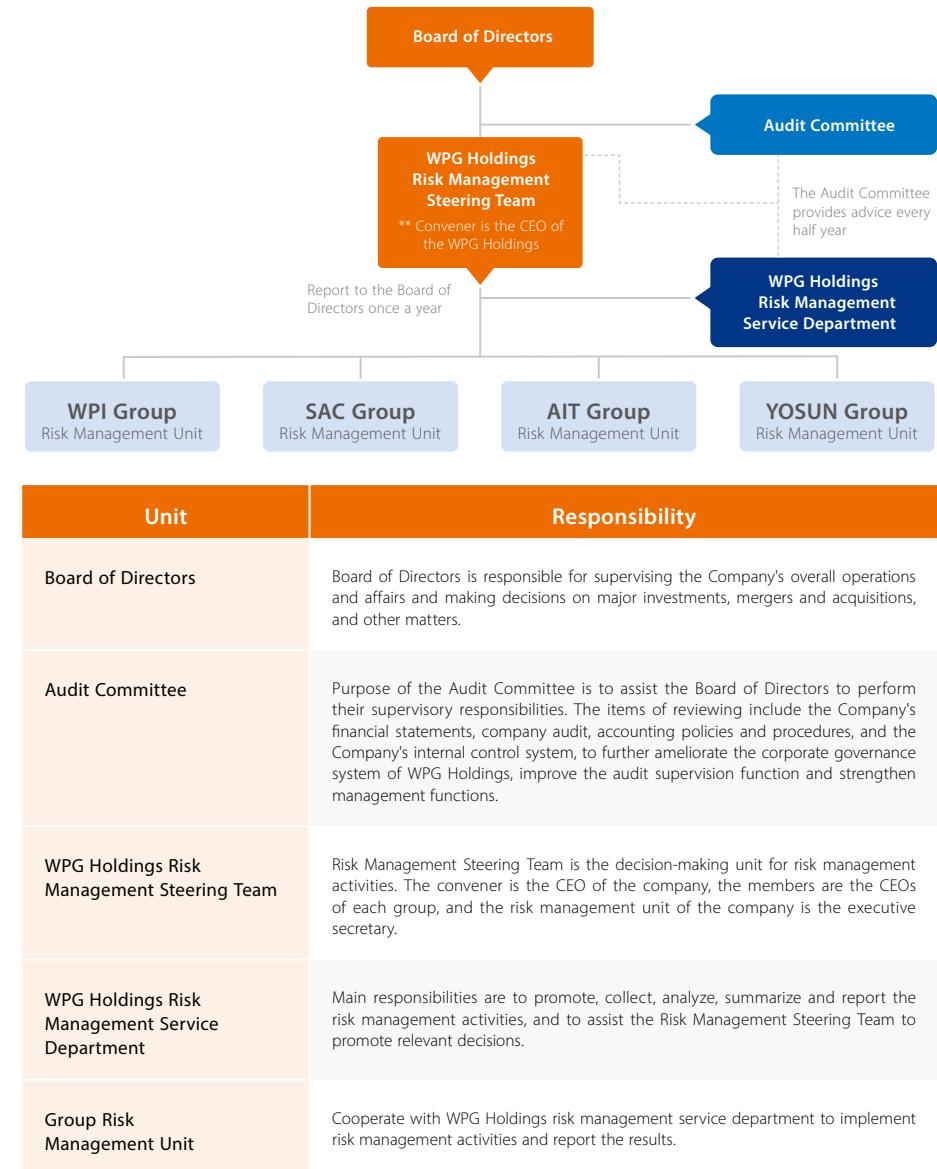
Since the establishment of the Risk Management Service Department in 2017, WPG Holdings continued to monitor risk, identified by each function, and at the same time strengthen employee awareness. In addition to risk management education and training for all employees, fire prevention, emergency response, and personnel safety reporting mechanism drills are also held for major offices and logistics warehouses in various regions.

Organizational Structure of Risk Management

WPG Holdings' highest decision-making body for risk management is the Risk Management Steering Team, which is composed of the CEOs of the four major sub-groups and the CEO of WPG Holdings. Among them, the CEO of WPG Holdings is the convener of the decision-making team, and directly reports decisions to the Board of Directors.

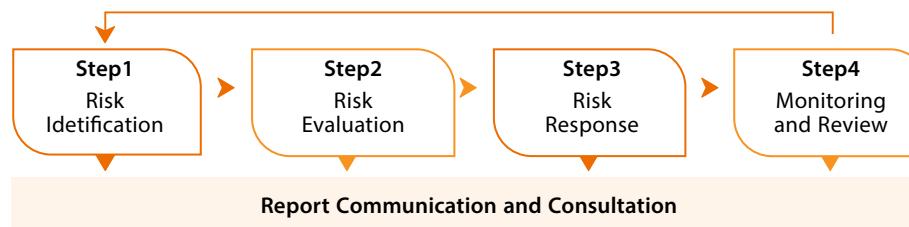
The convener of the risk management decision-making team (the CEO of the Holdings) convenes monthly meetings with the risk management units of each group who report the results, and the CEO of the holdings proposes the guidance and decision-making of risk management plans to strengthen risk management. Consequently, WPG Holdings Risk Management Service Department, which operates independently of the business unit, integrates the risk identification, evaluation, prioritization, implementation of action plans, and risk disclosure of the risk management units of each sub-group, and debriefs with the convener of the risk management decision-making team.

WPG Holdings Risk Management Service Department regularly summarizes the risk management results and reports to the Audit Committee. Based on the suggestions guided by the Audit Committee to improve the management and adjust the action plan. The CEO of the Holdings communicates and discusses with each group at the monthly meeting. WPG Holdings Risk Management Service Department compiles the annual risk management performance and reports to the Board of Directors annually.



Risk Management Process

WPG Holdings completed the first risk identification in 2017, continues to supervise and manage existing risks annually, and reports to the CEO of the Holding Company monthly to review the risk management performance. In addition, the company identifies the emerging risks and key risks given the changes in the industrial environment and international situation. The risk management process of WPG Holdings (as shown in the figure below) includes Risk Identification, Risk Measurement, Risk Response, Monitoring and Review, as well as Report Communication and Consultation; this management structure follows the management spirit of PDCA (Plan, Do, Check, Act), and the identification of emerging risks has been integrated into the risk management.



• Risk Identification

WPG Holdings Risk Management Service Department classified the risk items into six major categories based on the materiality principle, with the details described as follows.

Type	Description
Market Risk	<ul style="list-style-type: none"> Politics and economics: Domestic and foreign regulations and complex tax policies. Industry: Industrial change and disintermediation.
Business Risk	<ul style="list-style-type: none"> Business management: Concentrated product line, business interruption, horizontal competition, incomplete risk management structure and crisis management mechanism, KPI setting and communication, and cybersecurity. Integrity management: Fraud, anti-corruption detection and prevention mechanism, and shaping corporate culture. Supply chain: Outsourced business interruption. Customer relationship: Customer complaints are not handled on time. Finance: Management of accounts receivable. Information security: Digital security and data protection regulations.
Investment Risk	<ul style="list-style-type: none"> Finance: Unclear M&A strategy, performance not as expected.
Legal Risk	<ul style="list-style-type: none"> Legal compliance: Failing to comply with import and export laws and related regulations.
Environmental Risk	<ul style="list-style-type: none"> Business operations: Business interruption caused by natural disasters.
Emerging Risk	<ul style="list-style-type: none"> COVID-19, conflict minerals.

• Risk Evaluation

The risk evaluation is executed by the functional supervisors of WPG Holdings to conduct risk identification and evaluation, sort and identify the impact and vulnerability. Finally, the key risks are identified according to the risk score. Each corresponding unit responds to, executes, and follows up with the action plans for the key risks. The Risk Management Service Department monitors, tracks, and reports monthly.

• Identification of Key Risks and Risk Control Measures in 2021

In accordance with the impact and vulnerability in the evaluation results of risk identification, 9 key risks are identified as follows:

Key Risks	Risk Control Measures
Fraud risk	Establish a fraud detection and monitoring mechanism, and continue to educate employees on the correct values
Confidential information management risk	Classify data and establish related security control mechanisms
Cybersecurity risk	Cybersecurity risk assessment and formulation of the cyber security improvement plan
Operational risk	Establish a business continuity plan (BCP), with drills, improvements, and optimization every year
Investment risk	Establish a comprehensive pre-assessment and post-merger integration mechanism
Disintermediation risk in the industry	WPG Holdings digital transformation
Ethical risk	Establish the employee code of conduct and advocate the ethical concepts
Business interruption risk of major outsourced companies (IT)	Plan and set up IT system on cloud
Office emergency response and business interruption risk	Establish an office emergency response plan and emergency drill mechanism

• Risk Monitoring

Each functional unit shall monitor related risks and formulate corresponding control measures.

• Risk Response and Tracking

WPG Holdings Risk Management Service conducts monthly follow-up management of key risk response strategies and reports to the convener of the Risk Management Steering Team.

Risk Management Project

In 2021, WPG Holdings Risk Management Service Department focused on the Group's major development strategies and the continuous major emerging risks during business operations. The 3 main aspects include "establishment of quantitative risk assessment mechanism", "establishment of risk warning and notification mechanism", and "continuous tracking of outsourced smart warehouse risk management".

• Establishment of quantitative risk assessment mechanism - management of key risk indicators

WPG Holdings established the key risk indicator (KRI) for the corporate risk management system in 2017. Since 2018, WPG Holdings has conducted relevant operations of the KRI mechanism, set up key risk indicators, and identified responsive measures for risk thresholds. Managers can determine internal risk indicators by setting up key risk indicators and establishing an early warning system to predict key risks and underlying causes within the organization. We also developed the management mechanism with "red and yellow lights" to represent different risk thresholds and responsive measures. WPG Holdings Risk Management Service Department is responsible for tracking KRI indicators on a regular basis to understand whether any risk items require special attention and regularly reports to the Risk Management Steering Team.

• Establishment of risk warning and notification mechanism - abnormal transaction analysis and early warning project

WPG Holdings discovers abnormal transactions and orders in the group through big data statistical analysis to find out the reason for abnormal transactions. In June 2018, WPG Holdings conducted education and training for front-end risk management personnel, to advocate the importance and timeliness of risk warning, and simultaneously introduced the risk warning mechanism program. After that, the risk management team of WPG Holdings' sub-group started to investigate the reasons for suspected abnormal transactions which were automatically generated by the system monthly, and respond to the reasons for abnormal transactions. WPG Holdings Risk Management Service Department will then collect and upload information on all causes for abnormal transactions, and regularly report to responsible managers.

• Continuous tracking of outsourced smart warehouse risk management

WPG Holdings' smart warehousing is commissioned to a third party, and thus pays great attention to related risk factors. Starting from 2019, the WPG Holdings Risk Management Service Department is responsible for risk identification of outsourced smart warehousing, while the functional units are responsible for risk evaluations. A total of 13 risk items have been identified, of which WPG Holdings implemented relevant risk control measures for 6 key risk items. In 2021, WPG Holdings' Risk Management Service Department continued to keep track of the implementation of key risk control measures.

Emerging Risk Management

With the increase in the number of global emerging risk types and the probability of occurrence, WPG Holdings also includes identifying and managing emerging risks in the risk management process. WPG Holdings' identification and assessment of emerging risks in 2021 mainly focused on COVID-19 Risk Management and Conflict Minerals Risk Management.



**COVID-19
Risk Management**



**Conflict Minerals
Risk Management**

Since the outbreak of the COVID-19 pandemic in early 2020, WPG Holdings Global Operations Office implemented work-from-home measures, daily temperature and health reports of employees, remote meetings, reduction of business trips, and reduction of clusters in response to COVID-19 pandemic prevention. In addition, WPG Holdings immediately held meetings in accordance with the risk management process, identified potential internal and external operational impacts together with various units, and conducted risk assessments. A total of 22 key risk items were identified, including market risks, operational risks, and logistics management risks. Control measures, SOPs, and tracking mechanisms for each risk item were formulated accordingly.

WPG Holdings has established Conflict Minerals Regulations, dedicating efforts to avoid the use of conflict minerals in the products distributed, and to promote supply chain transparency and customer awareness through information disclosure. We conduct due diligence to ensure our critical suppliers' products are conflict-free to fulfill corporate social responsibility, and we aim to create a sustainable electronic supply chain along with customers and suppliers. In accordance with the Conflict Minerals Regulations, WPG Holdings is required to conduct a review of the suppliers based on such considerations as whether supplier is a member of RBA, whether Conflict Minerals Management Policy is formulated, whether raw material's country of origin is traced, and whether due diligence of smelters and refiners. Upon completion of risk assessment, corresponding supplier engagement approach is adopted according to risk level, and due diligence results are disclosed to reflect WPG's commitment to support the use of legal, conflict-free minerals.

2-2-3 Internal Audit

WPG Holdings established the Internal Audit Office directly attached to the Board of Directors in order to improve corporate governance. Functions of the Internal Audit Office were supervised by the Audit Committee, whereas the Chairman managed its daily administrative affairs. The audit office mainly focuses on the routine audits of the annual audit plan and performs project audits when necessary to find out deficiencies in the internal control system and propose improvement suggestions in due course. After the audit is completed, the Internal Audit Office will submit an audit report to the Audit Committee, and the chief internal auditor is responsible for reporting the implementation status and results to the Audit Committee and the Board of Directors on a regular basis in order to uphold the spirit of corporate governance. In addition, the Internal Audit Office also urges all units to perform self-assessment annually, implement a self-monitoring mechanism, review the results of self-assessment, and serve as the basis for internal control statements for the Board of Directors and Audit Committee together with the audit report.

Responsibilities of the Internal Auditors

➤ Understanding the overall control environment

Verifying operational and financial activities as well as objectives of the organization.

➤ Observing and identifying possible operational risks

Understanding and identifying the existing and potential risks through observation and analysis of the business environment.

➤ Monitoring risks and providing improvement suggestions

Understanding and monitoring the organization's operational risk and the implementation status of internal control by reviewing business operations, and timely providing suggestions for improvement.

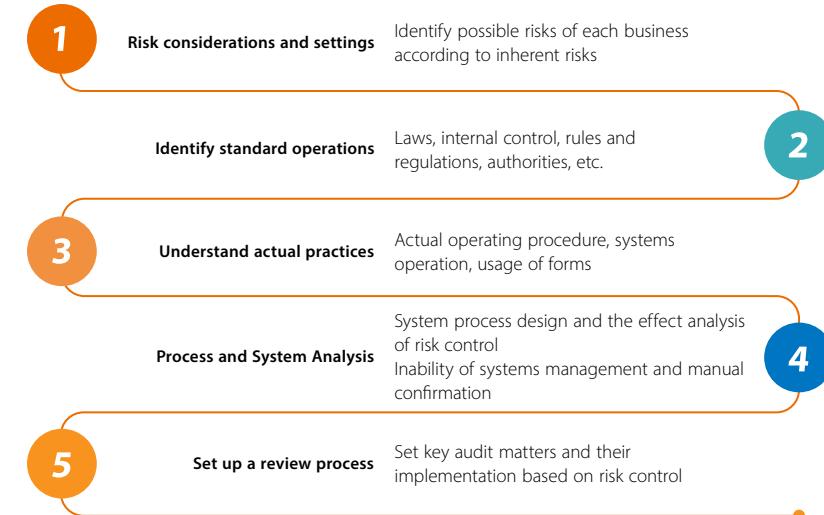
➤ Providing consulting services and improving operational efficiency

Providing opinions on plans of operating units or project developments in consideration of potential risks and derivative control, in order to enhance the quality and efficiency of the plan or project. On top of that, the company also evaluates and provides opinions on existing processes to improve process efficiency and mitigate risks.

➤ Assisting the management in improving corporate governance

Reporting the Company's overall control effectiveness to senior managers in a timely and objective manner to enhance information transparency and assist in improving corporate governance.

Internal Audit Procedures:



2-2-4 Information Security Management

Information security is the main foundation for corporate sustainability and maintenance of core competitiveness, which means that corporate sustainability can only be achieved by safeguarding the main business information. WPG Holdings has established the Information Security Management Regulations to provide a safe and reliable information management system and electronic exchange environment, as well as to ensure the security of data, servers, application systems, equipments and networks, storage of information, and the feasibility and effectiveness of cyber security practices, so as to avoid the impact and harm from human neglect, malicious attack or natural disasters, improper use, disclosure, alteration, destruction, and other incidents.

Information Security Governance

For the purpose of executing the diverse tasks of the information security management system effectively, WPG Holdings has formulated various information security development directions and strategies and established the "Information Security Management Committee" to manage the operation of the Company's information security management system, including the execution of the tasks of information security-related topics, formulation of procedures, review and other information security matters. Through the operation of the information security organization, the information security management system continues with a steady operation.



- Information Security Management Committee: the CEO of the company as the convener.
- Information Security Management Team: The Information Security Management Committee as the convener, appoints a member of the Information Security Officer to act as an agent. The Information Security Officer serves as the convener of the information security execution unit and regularly reports the information security results to the Board of Directors.

Unit	Responsibility
Information Security Management Team	<p>Information Security Execution Unit</p> <ul style="list-style-type: none"> 1. In charge of the convening of management group meetings. 2. The proposals and discussions at the information security management group meeting. 3. Assisting in evaluating the classification and grading of information assets and the Company's risk evaluation operations. 4. Assisting in judging and tracking information security incidents. 5. Assisting in compiling systems and documents related to information security management. 6. Assisting in planning and evaluating information security-related technologies, processes, solutions, etc. 7. Providing the education and training of information security within the organization.
	<p>Information Security Working Unit</p> <ul style="list-style-type: none"> 1. The information security incident notification contact persons who assist in judging, processing, and tracking information security incidents. 2. Responsible for responding to topics related to information security of each unit. 3. Maintaining the inventory of information assets of each unit, and the designated person is responsible for compiling the inventory of the Company's information assets. 4. Establishing and maintaining the information security management-related systems and documents. 5. Assisting in the implementation and coordination of diverse information security management systems. 6. Assisting in the planning of the projects related to the information security system, implementing the information security management and control in the project management process. 7. Contacting and coordinating information security-related matters. 8. The proposals and discussions at the information security management group meeting. 9. Executing the tasks assigned by the information security execution unit. 10. Assisting in promoting various information security activities. 11. Acting as the contact person for investigating matters, transmitting and collecting the data.
Information Security Response Team	This team is a temporary group. When a major information security incident or personal information dispute occurs, the team will respond to different aspects such as regulations, public relations, customer service, and information.

Information Security Management Mechanism

In 2021, WPG Holdings obtained the ISO27001 information security management system certification, thanks to a comprehensive management plan for the confidentiality, wholeness, and availability of the information security management system, established a complete information system for planning, execution, testing, and action. WPG Holdings formulated the information security management rules and defined the information security management indicators and management goals. As stated by the current information security management rules, the management mechanism that is executed at least once a year includes:

- 1 Performing regularly information security indicator evaluation, information asset inventory, and information security risk evaluation.
- 2 Conducting regularly testing, maintenance, review, and amendment of social engineering drills, vulnerability scanning operations, and information business operation continuity plans annually.
- 3 Executing the self-check operation and the review meeting of the information security management annually to achieve continuous operational improvement, ensuring the effectiveness of information security practices.
- 4 Evaluating the information security rules of WPG Holdings at least once a year; debriefing, reviewing, and revising to reflect the updated developments in the government laws, technologies, and business, ensuring the effectiveness of information security practices.

Information Security Incident Management Mechanism

With the aim of ensuring that the classification, reporting, handling process, statistics, and tracking of information security incidents of WPG Holdings are more systematic, the company set up an incident notification and processing mechanism, so that when an information security incident occurs, the incident can be quickly reported, dealt with, and responded in the shortest time to assure the normal operation of various businesses.

 Prevention	<ul style="list-style-type: none"> • Cybersecurity Equipment Deployment • Cybersecurity Alert Management - Collection of Warnings (Recorded by the monitoring system) • Formulate disaster prevention, emergency response measures and recovery plans • Implement mechanisms such as security audits, network monitoring, and personnel security management (authorization management) on a regular basis.
 Monitoring	<ul style="list-style-type: none"> • Real-time monitoring of system resource usages such as CPU, memory, disk and network usage
 Tracking	<ul style="list-style-type: none"> • Information Incident Reporting • Evidence collection and analysis • PDCA cycle to support continuous improvement of processes

• Handling Process of Information Security Incident Reporting

- 1 If the handling unit of the reporting judges that it is an information security incident, they should record the incident, notify the information security execution unit, and conduct reporting operations in accordance with the Company's contingency process, and the business department will confirm whether the incident needs to be notified to the relevant external units for attention.
- 2 If the impact level of an information security incident is above a certain level, the handling time of the incident should be evaluated. They shall notify the responsible supervisor of the information security execution unit, who, together with the information unit, will decide whether to activate another backup computer room or activate the emergency response operation procedure.
- 3 The handling unit of the reporting shall record and track the information security incident processing status and finalized time, etc., responding promptly and tracking the progress record to maintain the wholeness of the record.

If an information security incident involves regulations or crimes, the company shall take the initiative to notify the relevant competent authorities, and confirm that the handling measures meet the specifications of the regulations and the evidence retention during the handling process. In the past three years, there have been no information security-related incidents and financial impacts, and there has been no leakage of customer information due to information security incidents.

• Information Security Education Training and Advocacy

The information security execution unit plans the education and training of information security annually. They collect, track, and integrate the results of education and training, and formulate the goals and basic hours (3 hours) of information security education and training that the colleagues need to receive annually. In accordance with the arrangement of current information security, when the employees are formally appointed, new employees will be arranged to receive training on information security topics to ensure the understanding of their responsibilities and obligations, to enhance the employees' information security awareness. They advocate the precautions related to the recent information security incidents to the managers and the employees of the whole group, assisting the colleagues to increase information security awareness.

Summary of Information Security Education and Training in 2021

Course	Total Hours (Hour)	Total Employees Attended
Social Engineering Practice	2,100	4,200
Self-evaluation for Risk Evaluation	26	26
Advocacy of Information Security Awareness	57	38

Summary of Information Security Education and Training in 2021		
Course	Total Hours (Hour)	Total Employees Attended
Internal Audit	121	121
Education and training for pre-evaluation and pre-verification	75	150

• Business Continuity Plan(BCP)

WPG Holdings implements the business continuity plan so that when the system is abnormal and cannot provide the services as per usual, all system services can be switched to the backup data center to respond quickly and effectively, to avoid system service interruption and lead to the malfunction of the company. WPG Holding conducts tests and reviews at least once a year, and amendments if necessary.

➤ 1. Confirming the drill list conformed to the actual condition

All contact information on the drill list should be correct.

➤ 2. Confirming the relevant personnel mastering the steps of the system switching procedure

During the drill, all procedures are completed as expected.

➤ 3. Ensuring the time of drill steps match the expectation

The time (minutes) of the drill steps can be completed within the expected time.



ISO 27001



2-2-5 Legal and Trade Compliance

Establishment of Trade Secret Management System

Trade secret is certainly one of the Company's intellectual properties, and also an important basis for the Company's sustainable development and core competitiveness. In 2021, WPG Holdings introduced Taiwan Intellectual Property Management System (TIPS) verification, formulated corresponding confidential information management rules, cooperated with diverse functional units to regularly propose and update confidential information classification tables, and establish and implement confidential information management processes for different levels of confidential information. Regarding the education, WPG Holdings held a course on "Corporate Practices and Legal Responsibilities for Confidential Protection". Through advocacy, enhanced all colleagues' understanding of the system and the law, and helped the colleagues classify and control the information at different levels by identifying possible risks in daily operations. This has strengthened employees' knowledge of confidential information (including trade secrets) management for the purpose of advanced prevention and subsequent evidence, so as to protect the trade secrets of the company and the stakeholders.

Intellectual Property Management Plan

With the intention of facilitating the management of the intellectual property to achieve organizational and operational goals, ensuring that the operating activities of the company and our subsidiaries comply with the requirements of relevant laws and regulations on intellectual property, and the proper protection of the intellectual property required for operation, the company incorporates intellectual property management into one of the internal control systems. In 2021, it was submitted to the Board of Directors for approval to amend the content of the "Intellectual Property Management Operating Procedures" of the internal control system and documented it as the "Intellectual Property Management Manual", with a view to completing the intellectual property management policies.

• Intellectual Property Strategy



1. Protection and the accumulation, enrichment, and inheritance of the intellectual assets of the company.
2. The output of Intellectual Property assets can create value for the Company, the IDM/ Fabless, or the customers.
3. Completion of the regulation system and training to avoid infringing on the intellectual property rights of others.

• Intellectual Property Implementation



1. Trademark registration management; copyright achievements, such as software programs, audio, and video, graphic trademark designs, posters, reports, etc., are regularly checked and listed; trade secrets are managed and controlled by each unit, and the management has been strengthened, including competition prohibition, the confidentiality of the customers' information, prevention of insider trading, information security control, etc.
2. The Company organizes the relevant training or seminars according to the actual needs and promotes relevant laws and regulations to the employees.

• Intellectual Property Management System and Measures

1. In 2021, the company has completed the SOP of the trademark management and the formulation, revision, and release of the intellectual property management rules for the confidential information list of each department. Through the review of relevant rules and regulations, the colleagues had overall consistent regulations to comply with. We also established a management system for intellectual property rights (trademarks, confidential information).
2. In 2021, the company conducted an internal audit of intellectual property management, and in September 2021, conducted an internal evaluation of the Company's major departments on the implementation of intellectual property management.
3. Regular Report:
 - A management review meeting of the intellectual property management system shall be held at least once a year, where the intellectual property management system shall be reviewed to ensure continuous appropriateness, completeness, and effectiveness.
 - The Company's intellectual property management plan and implementation shall be reported to the Board of Directors at least once a year.

Management System of Personal Information Protection

In view of the globalization and digitization of the operation bases of the sub-groups of WPG Holdings, the protection of personal information and privacy must comply with local laws and regulations. Therefore, referring to the relevant laws and regulations of personal information protection in Taiwan, Hong Kong, Singapore, Japan, South Korea, the United States (California, New York State), and various EU regions, we amended the internal control system rules, and formulate the "Personal Information Privacy Policy". The rules under the Policy are the "Personal Information Protection Management Organization Charter", "Personal Information Processing Procedures", and "Procedures for Handling Personal Information Incidents", with additional regional regulations, to form complete personal information protection regulations, which have been approved by the Board of Directors in WPG Holdings on October 26, 2021. "Personal Information Protection Law" in the mainland region is officially implemented on November 1, 2021, in order to simultaneously implement the personal information protection regulations in the mainland area, the Company will also add "(Mainland Region) Additional Provisions of the Personal Information Protection Law". The above amendments are expected to be submitted to the Chairman for decision in 2022.

Intending to promote the implementation of the above-mentioned Personal Information Protection Policy, in 2021, in the "Legal Compliance Education" held 2 courses for colleagues in the Greater China region (refer to "Advocacy of Legal Compliance" of this report). Through the advocacy for the importance of personal information protection, the employees fully understood the legal requirements, implemented the regulations of personal information management, strengthened colleagues' awareness, implemented corporate legal compliance, and protected the investors' rights and interests, so as to achieve the goal of sustainable business operations. In 2022, an annual inventory, interview, and classification of internal personal information will be conducted as the risk evaluation, and a PlayBook will be developed to enable the employees to acknowledge the risk status and handling procedures that might be encountered in daily business. The regular self-evaluation will examine the status of personal information implementation to effectively protect the security of the personal information of the customers and employees. Until the end of 2021, WPG Holdings has not received any complaints related to the rights and interests regarding personal information.

Strengthen Risk Prevention and Advance Legal Action Deployment

In view of the credit management, accounting management, collateral management, and document management of the sub-groups of WPG Holdings, all of which are unified and digitalized. With the intention of improving the efficiency of the customer accounts receivable collection, WPG Holdings regularly reviews the customers' ratio of trade and credit, increasing the guarantee adequacy rate of collateral and the completeness of the transaction documents, to reduce doubts about bad debts and improve the efficiency of management in the accounts receivable collection. WPG Holdings designed an SOP for collateral verification from 2018 to 2020, checked the existing collateral verification projects, and gradually set up a maintenance platform for collateral and a transaction document linking platform and used POWER BI to design a visual risk indicator module, and sent warning notices regularly to examine the corresponding alerted reminders for the customers' the completeness of transaction documents, and deployed legal actions in advance.

With a focus on strengthening the understanding of the relevant departments on the risk management of accounts receivable step by step, we conducted a unified analysis by category and comprehensively sorted out all relevant laws and regulations, Judgments, and Interpretation Orders regarding debt preservation and debt collection in the Greater China region according to the actual needs. We constructed the operation rules of creditor's rights preservation that was feasible in line with the local jurisdiction at that time, implemented the risk management of accounts receivable, and safeguarded the Company's rights and interests. In 2022, an action plan for creditor's rights security and accounts receivable collection will be formulated, so that the employees will comprehend the risks status and handling procedures that might be encountered in daily business. The relevant departments will also be able to conduct the risk evaluation of the customers' accounts receivable regularly to investigate the customers' credit status in order to effectively prevent risks.

• Advocacy of Legal Compliance

In order to strengthen employees' legal awareness in performing duties in each unit, implement corporate legal compliance, protect the rights and interests of investors, and achieve corporate sustainability, the Legal Affairs Service unit had conducted live broadcasts of Legal Compliance Education in 2021. There is also a special section for relevant courses to provide these live-streamed course videos and online post-class quizzes, so that colleagues in Greater China can watch, learn and take online tests anytime, anywhere to view their learning outcomes online. In addition to the training courses arranged in the aforementioned the "Establishing the management system of confidentiality" and the "Intellectual Property Management Plan", and "Personal Information Protection Management System", it also included the advocacy of legal compliance course on the topic of "Insider Trading", and a "Dishonest Conduct", with online tests after each live streaming course to deepen the legal concept of colleagues.

• 2021 Legal Compliance Education and Training:

Session	Region	Course	Participation Rate
1	Greater China	Education and training on personal information management mechanisms and emergency response measures for personal information incidents	73.6%
2	Greater China	Legal liability for insider trading	93.6%
3	Greater China	Legal liability for dishonest conduct	90.9%
4	Greater China	If you don't want anyone to know, don't do it Seminar on Prevention of Occupational Crime	74.5%
5	Greater China	A cup of coffee cost NT\$ 100 million Corporate practices and legal responsibilities for confidentiality protection	87.8%
6	Greater China	[DADA Session] - Internet copyright education and training	66.4%
7	Greater China	No Divulging of Personal Information, Life Bravo!	81.1%

Note: Listed in the order of live stream schedule

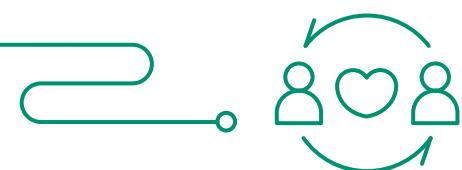
Product Trade Compliance

WPG Holdings conducts internal trade compliance training courses every year, especially in face of the impact of the US-China trade war in 2020. WPG Holdings must monitor the change in laws and regulations of various regions/ countries, with timely updates for legal compliance. In addition to emphasizing the importance of export control, the training courses also cover changes in export control regulations of related countries, regions, and governments, WPG Holdings trade compliance policy, management mechanisms and systems control, and new requirements from suppliers and partners on trade compliance. WPG Holdings holds annual education and training courses in various regions, including Hong Kong, Taiwan, Southeast Asia, South Korea, Japan, Mainland China, and the United States. In the fourth quarter of 2021, the live-streaming training courses online were held, with a total of more than 3,200 participants and the average attendance rate is above 90%.

Nature

Common Good in Environment
Sustainable Value-Added

- 3-1 Climate Change Strategy and Management
- 3-2 Low-Carbon Operations
- 3-3 Green Value Chain



Nature

► The Connotation of the Chapter

WPG Holdings faced positively the trend of carbon reduction, internally promoted climate governance and endeavored to improve operational efficiency; externally promoted the solutions for low-carbon innovative products, and developed green business opportunities. Through extending the environmental influence, promoting technology research and development with green solutions, coexisting and striving together with the environment and ecology, strengthening climate resilience, and actively responding to climate change, we connected technology with nature. WPG Holdings built trust with technology, integrated the upstream and downstream resources, and connected the value of "Striving Together", adding points to the sustainable value of the customers and the upstream suppliers.

● The stakeholders who are recommended to read this chapter as the first priority

Customers, Upstream suppliers (IDM/Fabless/IC design), Shareholders/Investors, Government Institutions

● Main topics addressed in the chapter

Risk Control and Management

*The information in the chapter also covers the basic topics of "Climate Strategy and Energy Management" and "Waste and Consumables Management"

● The Commitment of Main Topics

WPG Holdings committed to achieving Net Zero Emissions by 2050 and attaining Net Zero Emissions in own operations including office buildings and warehouses by 2030. We are committed to strengthening climate governance, actively saving energy and reducing carbon emissions in daily operations, implementing energy and resource management, continuously expanding the use of renewable energy, enhancing the Group's climate resilience, reducing the impact on the ecological environment, and promoting a green value chain with the partners together.



Resource Investment

- ✓ Continuing to expand the scope of Greenhouse Gas inventory and verification, including the offices and self-owned warehouses in Taiwan and China, and obtaining ISO14064: 2018 certificate.
- ✓ Our warehouses in Linkou, Hong Kong, and Singapore have obtained ISO 14001:2015 environmental management system certification.
- ✓ Launching the TPE One Building project, the headquarter office obtained the Green Building Gold Certificate issued by the Ministry of the Interior and installed the power generation equipment for renewable energy.

Management Approach and Assessment Mechanism

- ✓ Consolidating the climate change risk management process into the overall risk management, to perform risk identification, risk measurement, risk monitoring, risk reporting, and risk response measures. The management goals with relevant departments are set and tracked regularly.
- ✓ It is expected to increase the coverage of the Greenhouse Gas Inventory to 100% by 2025 and expand the types of Scope 3 step by step.
- ✓ Setting waste reduction goals and supporting the implementation of the projects about waste classification, recycling, and reuse.
- ✓ Setting annual energy saving target of 1% and water conservation target of 1% in the office and promoting the reduction of energy resources.
- ✓ Installing the intelligent monitoring equipment and promoting composite transport model in warehouses in order to shorten the supply chain and save energy consumption with the smart distribution.
- ✓ Jointly develop cleantech product solutions with upstream suppliers (IDM/fabless) to promote green energy-related semiconductor component business opportunities and assist the industry to transform and upgrade towards low carbon operation.

Nature

Chapter Highlights Performance

**Waste Reduced
29.9%**

In 2021, the waste in warehouses was reduced by 29.9%.

**Low-power Supply
Chip Patent**

In 2021, WPG Holdings developed the NCP13992 chip and obtained a patent to strengthen the field of low-power supply.

**18 Solutions of
Energy-saving**

In 2021, WPG Holdings worked with Intel to create an Aggregator promotion model, focused on the development of energy-saving and carbon-reduction technologies and low-carbon applications, attracted about 70 partners to participate, and provided 18 solutions of energy-saving.

**Revenue from Cleantech-
related Solutions
Increased by 40%**

A total of 105 cleantech-related solutions were developed and published on WPGDADATONG platform in 2021, accounted for nearly 46% of total solutions WPG Holdings developed. The revenue from cleantech-related solutions has increased by 40% compared with last year.

3-1 Climate Change Strategy and Management

3-1-1 Climate-related financial disclosures

As a global corporate citizen, WPG Holdings supports and responds to the Paris Agreement, dedicating efforts to reduce greenhouse gas emissions with the vision of low-carbon sustainability. WPG Holdings attaches great importance to environmental protection in daily operations and is committed to mitigating impacts on the local ecological environment and considers legal compliance as one of its basic requirements. There were no material legal incidents in the environmental area in 2021.

In 2020, the Risk Management Service Department of WPG Holdings referred to Task Force on Climate-Related Financial Disclosures (TCFD) framework, including governance, strategy, risk management, and metrics and targets, proposed by the Financial Stability Board (FSB). The governance of climate change risks and opportunities was conducted. The four aspects above are described as follows:



TCFD Suggested Disclosure Items			The response and practice of WPG Holdings
Governance	Governance of climate-related risks and opportunities	Method by which the Board's oversight of climate-related risks and opportunities	The Risk Management Service Department of WPG Holdings reports the work irregularly regarding climate change risk management to the Board of Directors annually.
		Method by which the management team in assessing and managing the climate-related risks and opportunities	WPG Holdings integrated the emerging risks (including climate change risks) into the risk management procedure and held regular meetings and discussions with relevant departments to set and track management goals. The risk management service department regularly reports to the risk management steering team convened by the CEO of the Holding Company.
	Actual and potential impact on the company's operations, strategies, and financial plans from climate-related risks and opportunities	Climate-related risks and opportunities the company has identified over the short, medium and long term	In response to the topic of climate change, WPG Holdings identified the following 5 key risks and 2 key opportunities: <ul style="list-style-type: none"> • 5 Key Climate Risks <ol style="list-style-type: none"> 1. Increase in operating expense due to energy price hike resulting from global temperature rise 2. Network service interruption due to extreme weather and natural disasters 3. Warehouse flooding, equipment damage, and humidification caused by heavy rain 4. Interruption of the large-scale regional transport network and supply chain disconnection due to climatic factors 5. Increase in Greenhouse Gas emissions due to rising temperature and longer air conditioner operations in the summertime • 2 Key Climate Opportunities <ol style="list-style-type: none"> 1. Rising demand for non-toxic and non-hazardous electronic components 2. Business opportunities in renewable energy-related electronic components (solar energy, wind energy, hydro energy, biomass energy, and geothermal energy) due to regulations formulated by various countries.
Risk Management	Processes used by companies to identify, assess, and manage climate-related risks	Impact of climate-related risks and opportunities on operation, strategies, and financial planning	Scenario analysis has not yet been introduced. As a means to strengthen climate governance, the medium and long-term goals of WPG Holdings will introduce the 1.5°C target and RCP8.5 (BAU) as scenario analyses to evaluate the financial impact due to climate change.
		Climate-related scenarios considered	
	Method by which WPG Holdings integrated into the overall risk management	Processes for identifying and assessing climate-related risks	<ol style="list-style-type: none"> 1. The climate change risk management procedure of WPG Holdings includes risk identification, risk measurement (evaluated according to the degree of impact and possibility of occurrence), risk monitoring, risk reporting, and risk response measures. 2. The procedure of climate change risk management has been consolidated into general risk management, see 2-2-2 for details. 3. The key risks and opportunities of climate change will continue to be evaluated, tracked, and managed by the Risk Management Service Department of WPG Holdings.
Metrics and Targets	Metrics and targets for identifying, evaluating and managing climate-related risks and opportunities	Metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process	WPG Holdings committed to achieving Net Zero Emissions by 2050 and attaining Net Zero Emissions in own operations including office buildings and warehouses by 2030. We will continue to expand the scope, verification, and disclosure of GHG emissions.
		Scope 1, 2 and 3 Greenhouse Gas emissions and the related risks	For information regarding GHG emissions, please see 3-2-1 for details; the scope of the verification in 2021 includes Taiwan headquarter office, the major back-end support office in China and self-owned warehouses and has obtained ISO 14064 verification; it is expected to increase the coverage of the GHG Inventory to 100% by 2025. We will continue to establish the verification methodology for other indirect emissions as the basis for reviewing the value chain reduction targets.
	Targets to manage climate-related risk and opportunities and performance against targets		<ol style="list-style-type: none"> 1. WPG Holdings continues to disclose the relevant content of climate-related financial disclosures (TCFD), adjusting the targets and indicators on a rolling basis. 2. The headquarter has installed the power generation equipment for renewable energy and put it into use in March 2022. It is planned to continue to expand the use of renewable energy to reduce indirect Greenhouse Gas emissions from our energy use.

In response to the key risks and opportunities due to climate change, WPG Holdings has formulated the following management plans for low-carbon operations and the promotion of green value chains:

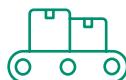
(1) Low-Carbon Operation

Promoting low-carbon operations, including the management of GHG, energy, water, and waste, and mainly divided into the following two major areas for management according to the business type of WPG Holdings:



Office area:

Short-term: Centralized workforce at the new building to reduce energy consumption and operating expenses.
Long-term: Gradually purchase energy-saving equipment to reduce energy consumption.



Logistic warehouse:

Install intelligent monitoring equipment and promote composite transport model.

(2) Green Value Chain



Cleantech development:

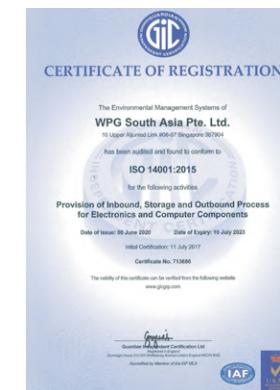
Jointly develop cleantech product solutions with upstream suppliers (IDM/fabless) to promote green energy semiconductor component business opportunities.

3-2 Low-Carbon Operations

WPG Holdings committed to achieving Net Zero Emissions by 2050 and attaining Net Zero Emissions in own operations including office buildings and warehouses by 2030. The verified scope of GHG included Taiwan headquarter office, the major back-end support office in China and self-owned warehouses, covering direct GHG emissions and indirect GHG emissions from imported energy; it is expected to increase the inventory coverage to 100% in 2025 to meet the boundary of the consolidated financial report.

3-2-1 Environmental Management

WPG Holdings values the importance of environmental protection. Our warehouses in Linkou, Hong Kong, and Singapore have obtained ISO 14001:2015 environmental management system certification in order to effectively promote and implement environmental management and reduce environmental impacts during the operating process.



Major Environmental Management Projects:

- ▶ Verified the status of resource use, setting reduction targets and actions, such as supporting waste classification actions and the implementation of recycling and reuse projects.
- ▶ Smart monitoring of the resources used in the office building, regular inspections to reduce unnecessary waste of resources.
- ▶ Adopting green energy equipment, such as applying the use of solar panels and subscribing to environmentally friendly multi-function printers to reduce energy consumption; as well as promoting the implementation of paperless operation and recycled papers to reuse.
- ▶ Continuing to expand the scope of smart environmental facilities and the statistics of environmental data.
- ▶ For improving the efficiency of transportation, it is expected to build consolidation centers, which will shorten the supply chain and save energy consumption through smart planning for centralized transportation.

Green Building and Office Management

• TPE One Building

In 2016, WPG Holdings launched the project of TPE One Building to consolidate and centralize the different offices in Taipei to the WPG Holdings headquarters. By adhering to the concept of "One Building", WPG Holdings not only shortened the distance between employees of each group, improved the efficiency of data transmission and communication, but also implemented resource concentration and sharing to maximize the use of resources, avoided using unnecessary energy, and reduce carbon emissions to further implement energy conservation and environmental protection.



• Green Building Gold Certificate

WPG Holdings' headquarter building was designed and constructed with the aim to obtain the Green Building Certificate. The Company used various environmentally friendly green building materials and installed energy-saving facilities and equipment. In 2020, WPG Holdings successfully obtained Green Building Gold Certificate issued by the Ministry of the Interior.



• Energy-saving Equipment and Green Building Materials

The energy-saving equipment and green materials in the headquarter include:

1

Dual Low-E glazing for the exterior wall to effectively isolate external air temperatures and reduce energy consumption and CO₂ emissions from air conditioning.

2

Low-pollution green building materials including low VOC paint for the entire building, gypsum board, calcium silicate board, and laminate hard plastic sheet.

3

LED panel light ceiling frame and lightweight partition design.

4

Energy-saving equipment such as energy efficient inverter air conditioners, energy-saving LED lighting, and water-saving devices.

• Energy Activation and Recycling

PV panels are installed at the top of the building to collect solar energy during the day as a power source for street lighting on the first floor. The building is installed with rainwater harvesting and automatic irrigation systems, which can store rainwater for the rooftop garden and street trees on the first floor. Meanwhile, the first floor is designed with permeable pavements and a water tank to collect rainwater for recycling and adjustment of ground temperature.

• Centralized Waste Treatment to Reduce Pollution

Apart from using green building materials to build energy-saving facilities, we are also active in waste disposal and streamflow. Sewer and discharge pipes are built on the first floor to discharge all wastewater to the municipal sanitary sewer, thereby reducing the environmental pollution. On the ground floor, a centralized waste storage room was established for the classification and treatment of general garbage and recycling and refrigerated storage for food waste was set up to increase the value of food waste recycling.

• Smart Energy Management

To meet the requirement of Green Building, smart facilities and equipment are installed, such as AI facial recognition access control system, environmental control system, BIM (Building Information Modelling) management platform, multi-functional smart business machines, smart conference rooms, and electric vehicle charging stations, etc. The smart systems can collect and analyze data to effectively keep track of current consumption, reduce resource consumption, and optimize resource utilization and distribution, in order to achieve smart energy management and digital maintenance management.

Greenhouse Gas Management

So as to achieve the vision of sustainable development, WPG Holdings has strengthened climate governance in daily operations, to save energy and reduce carbon usage actively and autonomously, committed to reducing the impact on the ecological environment. The Scope 2 Greenhouse Gas (indirect emissions) generated by energy use has been verified and disclosed annually since 2015. In 2021, the verification was further expanded to cover Scope 1 Greenhouse Gas (direct emissions) and some Scope 3 Greenhouse Gas; except the data has not been verified at Dongguan warehouse due to the launch in May 2021, the emission data of other bases have obtained ISO 14064-1:2018 certificate.



Statistics of Scope 1 Greenhouse Gas Emission

Unit: Carbon Dioxide Equivalent (tons CO₂e)

Type	Region	2021
Office Area	WPG Holdings and the Groups	741.08
Logistics Warehouse	Taiwan	52.32
	Hong Kong	25.85
Total		819.25

Note 1: The calculation of Greenhouse Gas emissions mainly adopts the "emission coefficient method", using the emission coefficient of the "Greenhouse Gas Emission Coefficient Management Table Version 6.0.4" published by the Environmental Protection Administration Executive Yuan for calculation of emissions, and the life cycle assessment coefficient of the EPA Footprint Calculation Service Platform is used to calculate the carbon emissions of Category 1 and 2. The Global Warming Potential (GWP) uses the GWP of various Greenhouse Gas from the IPCC Sixth Assessment Report (2021). Emissions (CO₂e) = emission data × emission coefficient × GWP.

Note 2: The Greenhouse Gas emissions in the office area in 2021 include the building of Nangang Headquarters in Taiwan and the offices in China (including Shanghai, Shenzhen, and Hong Kong).

Note 3: Scope 1 GHGs includes: carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.



Statistics of Scope 2 Greenhouse Gas Emission

Unit: Carbon Dioxide Equivalent (tons CO₂e)

Type	Region	2019	2020	2021
Office Area	WPG Holdings and the Groups	1,883.97	2,163.97	1,676.65
	Taiwan	482.43	488.23	500.86
Logistics Warehouse	Hong Kong	757.92	583.50	594.61
	Dongguan	N/A	N/A	488.14
Total		3,124.32	3,235.70	3,260.26

Note 1: The data collection method is based on the operational control. The calculation standard in Taiwan in 2019 and 2020 uses the 2019 electricity emission coefficient of 0.509 kg CO₂e/degree announced by the Bureau of Energy, Ministry of Economic Affairs, and the 2020 electricity emission coefficient of 0.502 kg CO₂e/degree in 2021. The calculation standard for China uses the electricity emission coefficients of Hong Kong in 2019, 2020 and 2021 published by CLP, which are 0.5, 0.37 and 0.39 kg CO₂e/degree respectively, and the electricity emission coefficients for Shanghai and Shenzhen in 2021 are 0.42 and 0.2457 kg CO₂e/degree respectively. Dongguan warehouse calculation is 0.2132 kg CO₂e/degree according to the updated China Southern Power Grid carbon emission data (2019).

Note 2: The GHG of the office area in 2020 includes the offices in Taiwan and the Nangang Headquarters Building, but exclude the offices of external offices (Hsinchu, Taichung, Kaohsiung). In 2021, not only the Nangang Headquarters Building, but also offices in China (including Shanghai, Shenzhen, and Hong Kong) are added to statistics.

Note 3: Dongguan warehouse began operation in May 2021, and the statistics would be added in May 2021. The data has not been verified by third party.

Note 4: Scope 2 GHG includes: carbon dioxide, methane, and nitrous oxide.



Statistics of Scope 3 Greenhouse Gas Emission

Unit: Carbon Dioxide Equivalent (tons CO₂e)

Type	2021
Downstream Transportation and Distribution	4,109.98
Fuel and Energy-related Activities	2,282.81
Total	6,392.79

Note 1: The scope of GHG Inventory for downstream transportation and distribution covers Linkou warehouse and Hong Kong warehouse; emissions (CO₂e) = weight of each batch of goods × transportation distance × emission coefficient × GWP.

Note 2: Scope 3 GHG include: carbon dioxide, methane, and nitrous oxide.

Energy Management

Regarding energy management, WPG Holdings controlled the real-time energy consumption through the installation of smart equipment. Through the digitalization of system data, the added value of various data was enhanced, and effective analysis, management, and improvement were accomplished. With the intention of ameliorating the energy management of WPG Holdings, the office area had set an annual electricity saving goal of 1%. The established equipment was also regularly maintained and replaced to reduce energy consumption. As for the mechanical and electrical equipment, air conditioners and other equipment were regularly maintained. The logistics warehouses were all replaced with energy-saving LED lamps.



Statistics of Energy Usage

Type	Region	kWh			Gigajoule(GJ)		
		2019	2020	2021	2019	2020	2021
Office Area	WPG Holdings and the Groups	3,701,306	4,251,414	4,191,220	13,324.7	15,305.1	15,088.3
	Taiwan	947,800	959,200	997,723	3,412.1	3,453.1	3,591.8
Logistics Warehouse	Hong Kong	1,515,837	1,577,024	1,524,652	5,457.0	5,677.3	5,488.7
	Dongguan	N/A	N/A	2,289,591	N/A	N/A	8,242.5
Total		6,164,943	6,787,638	9,003,186	22,193.8	24,435.5	32,411.3

Type	Region	Energy Intensity		
		2019	2020	2021
Office Area (kWh/person)	WPG Holdings and the Groups	2,046	2,349	1,216
	Taiwan	1.12	1.01	0.97
Logistics Warehouse (kWh/box)	Hong Kong	0.49	0.52	0.44
	Dongguan	N/A	N/A	1.26

Note 1: The electricity consumption in the office area in 2020 includes the offices in Taiwan and the Nangang Headquarters Building; in 2021, in addition to the Nangang Headquarters Building, the offices in China are newly added and changed into the usage period to reflect the actual condition. Nevertheless, none of the above-mentioned statistical years includes the electricity consumption of external bases of offices (Hsinchu, Taichung, Kaohsiung).

Note 2: In response to the pandemic in 2021, the work-from-home policy was launched from May to August, so there is no data for the office from May to August.

Note 3: Dongguan warehouse began operation in May 2021, and the statistics would be added in May 2021.

Note 4: The electricity consumption of the logistics warehouses in 2019 and 2020 is calculated as the billing period; in 2021, the statistics were changed to the usage time.

Note 5: All of the energy we use comes from purchased electricity.

Note 6: For energy intensity, the office area is measured by the number of full-time employees, while the warehouse is measured by the number of operational boxes.

Water Resource Management

The annual water saving goal of 1% is set in the office area of WPG Holdings. The Company's headquarters and Linkou warehouse are equipped with rainwater recycling and automatic watering facilities to achieve the purpose of water resource recycling and reuse. In addition, through real-time monitoring or regular data statistics, we can control the usage of water and make corresponding improvements as control measures.



Statistics of Water Consumption

Units: 1,000,000 Liters

Type	Region	2019	2020	2021
Office Area	WPG Holdings and the Groups	27,909	36,789	15,392
	Taiwan	4,669	6,537	5,337
Logistics Warehouse	Hong Kong	1,320	1,358	1,347
	Dongguan	N/A	N/A	4,832
Total		33,898	44,684	26,908

Note 1: The water consumption statistics of the office area are including Taipei Headquarters Building, excluding the offices at the external bases (Hsinchu, Taichung, Kaohsiung). The data collection situation will be evaluated for management; in response to the pandemic in 2021, due to the policy of work from home starting from May to August, there is no relevant data.

Note 2: The Dongguan warehouse began operation in May 2021, and the statistical period of water use would be counted from August.

Note 3: The calculation period of the logistics warehouse in 2019 and 2020 was the date on the water bill. The statistics would be changed to the use period of water resources in 2021.

Waste Management

WPG Holdings conducts waste management according to 2 types: office area and logistics warehouse. Due to the nature of our business, WPG Holdings does not produce hazardous waste, and our office waste and warehouse waste are exempted from the Standards for Defining Hazardous Industrial Waste.

• Office Area Waste

In accordance with the nature of the industry, WPG Holdings attaches great importance to office waste management. We encourage and enhance the employees' environmental awareness through clear waste classification, recycling, and various environmental management measures, in the hope that everyone would take part and dedicate efforts to environmental protection.

Since 2017, WPG Holdings has implemented and advocated resource recycling actions and has classified and weighed the recycled resources to understand the current status of recycling and the effectiveness of the implementation. For the purpose of further responding to waste reduction, since November 2020, when entering the Company's headquarters building, no personal trash cans were provided, and the recycling bins (also for food waste) were set up in the pantry on each floor. The trash was classified and discarded in the pantry by the employees themselves, hoping to strengthen the development of environmental protection habits and green awareness through daily self-management.

WPG Holdings is concerned greatly about the flow of wastewater and waste. Regarding the wastewater, the first floor of the headquarters building is equipped with a sewage discharge pipe, which uniformly diverts the wastewater to the municipal government sanitary sewers for discharge to reduce environmental pollution. As for waste disposal, charity organizations such as Tzu Chi Foundation are given priority for waste and resources recycling (excluding confidential documents, which professional document shredding companies shall handle), while the rest are treated by legal waste disposal companies. On the ground floor, centralized waste storage room was established for the classification and treatment of general garbage and recycling, and the refrigerated storage for food waste was set up to increase the value of food waste recycling.



• Logistics Warehouse Waste

The recyclable waste such as damaged pallets, cartons, and disposable plastic wrap are collected and weighed first, and then recycled by the suppliers. In 2021, the amount of warehouse waste was reduced by 29.9% compared with the previous year.



Statistics of Waste

Unit: metric tons

Office Area	Type of Waste	2019	2020	2021
General Waste	NA	NA	71.552	
Recyclable Waste	14.361	26.706	13.499	
Total Amount of Waste	14.361	26.706	85.051	

Unit: metric tons

Logistics Warehouse	Type of Waste	2019	2020	2021
General Waste	191	207	189.142	
Recyclable Waste	219	216	107.459	
Total Amount of Waste	410	423	296.601	

Note 1: The statistical data on waste in the office area is for the Taipei Headquarters Building, excluding the offices at external bases (Hsinchu, Taichung, Kaohsiung). The data will be tracked due to management purposes. The statistics on general waste have been conducted in 2021.

Note 2: The Dongguan warehouse began operation in May 2021, so the data does not include the figure of the Dongguan warehouse. However, the data will be tracked due to management purposes.

Note 3: The recyclable wastes in the Hong Kong warehouse are damaged pallets, waste PE films, cartons, logistics boxes, and styrofoam (filler); the recyclable wastes in the Linkou warehouse are non-reusable cartons, damaged pallets, bubble bags, plastic bottles, tin and aluminum cans.

• Paper Resource Management

WPG Holdings utilizes smart equipment and digital tools to reduce resource consumption, through system data as the basis for subsequent analysis and paper resource management. Taking the logistics warehouse as an example, digital tools are used to replace paper, Microsoft Forms is widely used for SOP auditing, the temperature and humidity statistics in the warehouse are electronic, and emergency purchase and delivery orders are electronic. In addition, WPG Holdings also promotes the awareness of resource reuse among colleagues through advocacies and activities.



Statistics of Paper Usage

The major part of the paper usage statistics is from office paper. The statistics of paper usage are as follows:

Unit: Piece				
Type	Region	2019	2020	2021
Office Area	WPG Holdings and the Groups	4,025,591	3,686,828	2,776,579
	Taiwan	1,115,000	1,027,500	950,000
Logistics Warehouse	Hong Kong	4,044,371	3,101,183	3,316,368
	Dongguan	NA	NA	2,175,000
Total		9,184,962	7,815,511	9,217,947

Note 1: The statistics of paper usage in the Dongguan warehouse would be counted from August 2021.



Statistics of Cartons Recycled

With a focus on saving resource consumption, the unusable cartons in the logistics warehouse of WPG Holdings are handed over to the waste clearance and transportation companies for recycling and reuse. The number of cartons recycled and reused in 2019-2021 are as follows:

Unit: Kilogram				
	Region	2019	2020	2021
Recycle Amount	Taiwan	N/A	30,615	35,435
	Hong Kong	57,661	48,323	35,397
	Dongguan	N/A	N/A	N/A
Total Amount		57,661	78,938	70,832

Note 1: The calculation scope is the clearance and recycling cartons of each warehouse.

Note 2: In 2019, there are no statistics on the recycled cartons in the Taiwan warehouse.

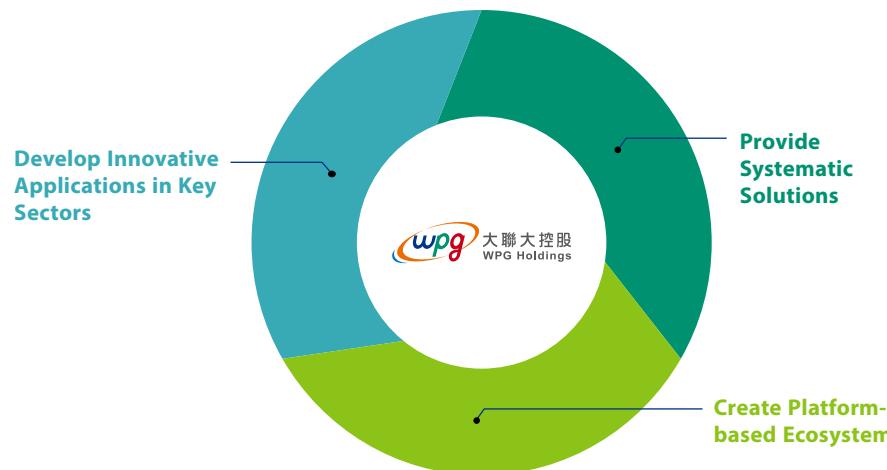
Note 3: The Dongguan warehouse began operation in May 2021, so the data does not include the figure of Dongguan warehouse.

3-3 Green Value Chain

3-3-1 Cleantech Strategy and Development

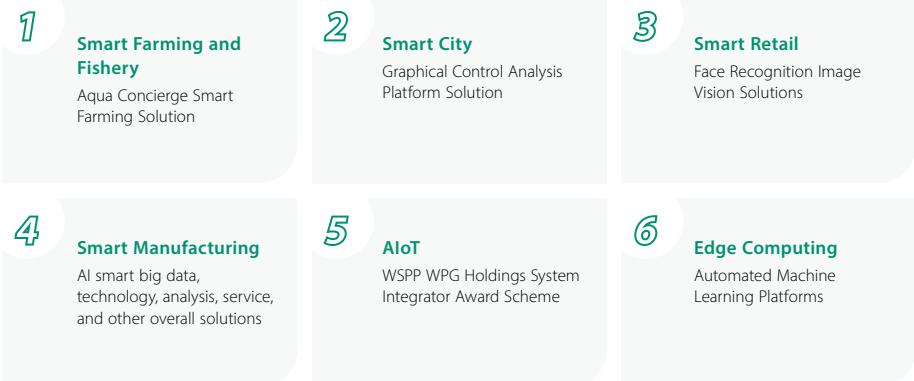
In response to the global climate change and the trend of energy saving and carbon reduction, cleantech (low energy consumption, low pollution, and low emissions) development, not only helps slow global warming and maintain ecological balance but also shows great business potential. We believe it serves as a critical driving force for company performance, innovative mindset, and diversified corporate development. As a distributor/agent in the semiconductor component supply chain, WPG Holdings does not participate in product manufacturing processes, but our field application engineers (FAE) actively develop cleantech-related product solutions through R&D cooperation with our customers with the aim to assist in transforming and upgrading towards low-carbon and high-value industry.

In order to accelerate the development and application of cleantech, WPG Holdings has been seeking an innovative business model, and formulated 3 major development strategies:



• Provide Systematic Solutions

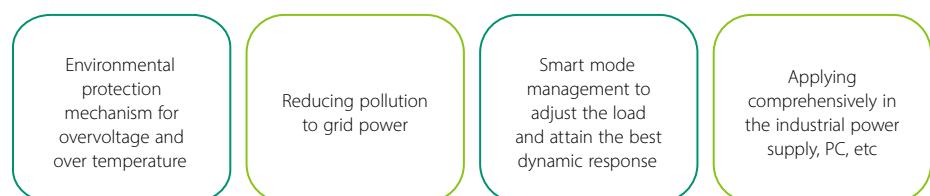
Since 2021, WPG Holdings provided services for IT system integrators and OT system integrators in Asia and Greater China, building a bridge for end-to-end (edge-to-cloud) applications, integrating networking solutions, and combining industrial ODM/OEM/ISV solutions to choose the appropriate solution for system aggregators. Furthermore, WPG Holdings assisted in building and cultivating the knowledge in the industry, promoting diverse energy-saving and carbon-reducing applications, and developed 6 cases of application solutions through the collaborative promotion of ecosystem partners:



• Develop Innovative Applications in Key Sectors

Focus on the key niche market and develop product solutions with high-performance and low-energy consumption product solutions. In 2021, WPG Holdings strived for further improvement in the field of low-energy power supply. In terms of quantity, increasing the number of solutions to 58; as for quality, we top-up developed a patented project of Full-bridge LLC converter, completed 1800KWDC-DC high-efficiency conversion.

Technical advantages of the patent are:



• Create Platform-based Ecosystem

WPG Holdings established a cleantech Section on WPGDADATONG platform to connect upstream suppliers (IDM/fabless) and downstream customers' information and resources to create a sharing ecosystem, and at the same time to raise awareness for cleantech solutions. In 2021, cleantech-related solutions were developed for 16 upstream suppliers (IDM/fabless) among 90 product items. In addition, WPG Holdings created an Aggregator promotion model with the IoT team from Intel in 2021, focusing on the development of energy-saving and carbon-reduction technologies and the application of carbon footprint reduction. There are currently about 70 partners participating and providing 18 energy-saving solutions in 6 categories.

3-3-2 Cleantech Development Results

The cleantech-related solutions covered 9 major application categories, including solar energy generation, wind energy generation, battery manufacturing, smart grid development, industrial automation technology development, smart metering devices manufacturing, LED lighting development, traditional pollution prevention development, and technology and system optimization. In the future, WPG Holdings will continue to focus on cleantech-related sectors and applications in response to the trend of global climate change and energy shortage.

WPG Holdings developed a total of 105 cleantech-related solutions and published on WPGDADATONG platform in 2021, accounting for nearly 46% of the total annual development solutions we developed, and the solution-related revenue increased by nearly 40% compared with the previous year.

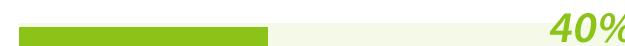


105 Cleantech-related solutions

Total annual development solutions



Solution-related revenue increased compared with the previous year

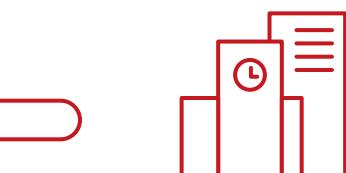


Application Type of Solutions	Solutions Description
Solar energy generation	SPV1040 Solar Boost Converter and L6924D Li-Ion Battery Charger, LoRa Solar Monitoring Solution, etc.
Wind energy generation	The LoRa connects to the Things cloud for the wind monitoring solution, the high-voltage auxiliary power supply solution for the motor inverter, etc.
Battery manufacturing	The battery management system (BMS) solution for smart vehicles, the BMS integrated system for S32K144 smart vehicles solution, the BMS balance solution of TLE9012AQU, and the 18W charging solution for the lithium battery by the design with high flexibility, etc.
Smart grid development	The smart meter with HF920 switching power supply solution, electric power telecommunication integrated IC solution, 3kW full-bridge LLC resonant digital power supply for telecommunication equipment power supply, etc.
Industrial automation technology development	The LPC5506 industrial data collection terminal solution, the 1KW600V industrial motor driver integration solution, the industrial remote measuring control terminal solution, etc.
Smart metering devices manufacturing	The functional socket with Wi-Fi metering and infrared control solution, the PIC16LF1947 Bluetooth payment water meter module solution, smart electricity meter with the wireless Bluetooth module solution, etc.
LED lighting development	150W LED lighting power supply solution, 100W LED street light power supply solution, the high-performance vehicle with LED headlight four-in-one digital drive solution, Single -Stage & PSR LED lighting solution, 240W smart light-adjusting LED power supply solution, etc.
Traditional pollution prevention development	The inverter air conditioner integrated as one machine solution, snail exhaust fan solution controlled by brushless DC motor, 45 W auxiliary power supply for white appliances and industrial equipment, kitchen range hood with BLDC Motor Pre-Driver solution, etc.
Technology and system optimization	TN5050H-12WY vehicle inrush current limiter solution, STL120N8F7 high integration motor control solution, 5kW low voltage and high current applied to the stacker, golf cart motor control solution, 48V electric vehicle traction inverter solution, ARGB LED control solutions for gaming products, vehicle interior mood lighting solutions, anti-glare adaptive automotive high beam system (ADB) solutions for LED drivers, 8MIC powerful echo cancellation sound source localization conference audio solutions, etc.

Knowledge

Empowering Talents
Social Prosperity

- 4-1 Talent Empowerment
- 4-2 Happiness in Workplace
- 4-3 Social Prosperity



Knowledge

► The Connotation of the Chapter

WPG Holdings is committed to strengthening the accumulation of human capital internally, continuing to promote the development of human capital with the spirit of industrial co-creation, valuing the inheritance of corporate culture and knowledge management, empowering the employees and connecting the talents, and encouraging mutual learning and sharing culture to pursue the optimization of the enterprise. In addition, WPG Holdings cares about the disadvantaged in society, with expectations to lead and expand the industry with social impact, and enhance the growth of the company and social inclusion.

● The stakeholders who are recommended to read this chapter as the first priority

Customers, Upstream suppliers (IDM/Fabless/IC design), Employees

● Main topics addressed in the chapter

Talent Attraction and Retention

*The information in the chapter also covers the basic topic of "Human Capital and Development"

● The Commitment of Main Topics

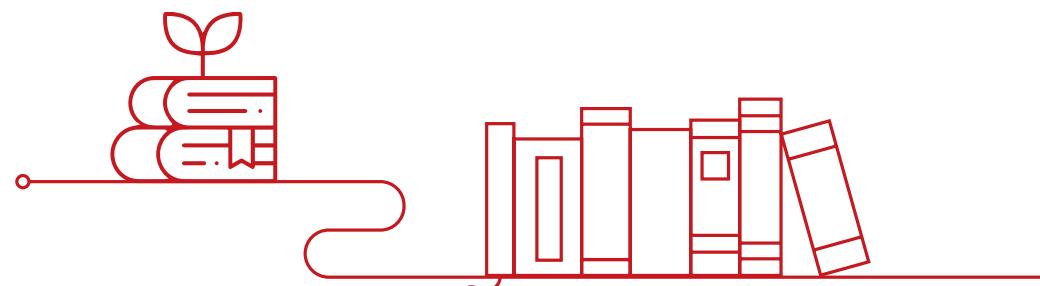
Creating a sustainable workplace and moving towards a happy enterprise; following local labor-related laws and regulations, establishing a diverse, inclusive, equal, healthy, and friendly workplace environment. Regarding the employees as important assets, cultivating the industry talents as benchmarks, and play an important role in corporate social responsibilities, actively participating in industry promotion, and cultivating young learners.

Resource Investment

- ✓ Total cost of training is NT\$10,913,840, an increase of 39% from last year
- ✓ Emphasizing multiple independent learning and introducing the online E-Learning platform
- ✓ Appoint external consultants to conduct compensation surveys to ensure competitiveness of the company's compensation levels
- ✓ Establishing Employee Stock Ownership Trust (ESOT)
- ✓ Setting up dedicated personnel to manage the employees' feedback mailboxes
- ✓ Arranging regular staff health check-ups, designating nurses and doctors to be on-site in the headquarters to provide employees with regularly health consultation

Management Approach and Assessment Mechanism

- ✓ Evaluating the colleagues' work ability and performance through a performance appraisal mechanism
- ✓ Conducting regular surveys on the compensation of the market in Greater China, strengthening the measures for selection and retention
- ✓ Implementing various labor rights in accordance with the law, and regularly reviewing local labor-related regulations to ensure the compliance
- ✓ Adopting the health management system to track the employees' health condition



Knowledge

Chapter Highlights Performance



Average Training Hours Increase 7.4 Hrs

Total education and training of 79,741.82 hours, and average training hours per employee of 1943 hours



2021 Award of Learning Neo Star

Received the 2021 Award of Learning Neo Star from the "CommonWealth Learning Campus" (Massive Learning Group)



Coverage Rate of ESOT is 91.6%

Coverage rate of Employee Stock Ownership Trust is 91.6% and the cumulative rate of return is 9.65%



11 years to Sponsor Program

Sponsored "Supply Chain Management Industry-academia cooperation program" at the College of Commerce National Chengchi University for 11 consecutive years



WPG Ladies Open

Titled the "WPG Ladies Open", a total of 75 domestic golf players participated in the competition

4-1 Talent Empowerment

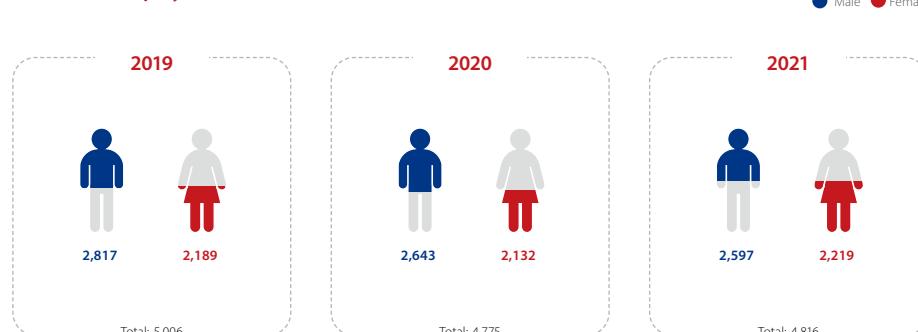
4-1-1 Talent Structure

Diverse Distribution of Talent Structure

In order to ensure equal employment opportunities, the appointments of WPG Holdings are in accordance with the human rights policy and related laws and regulations. Employment discrimination for reasons of race, class, language, ideology, religion, political party, place of origin, place of birth, gender, sexuality, age, marriage, appearance, facial features, physical and mental disabilities, or being a former member in labor unions is strictly prohibited.

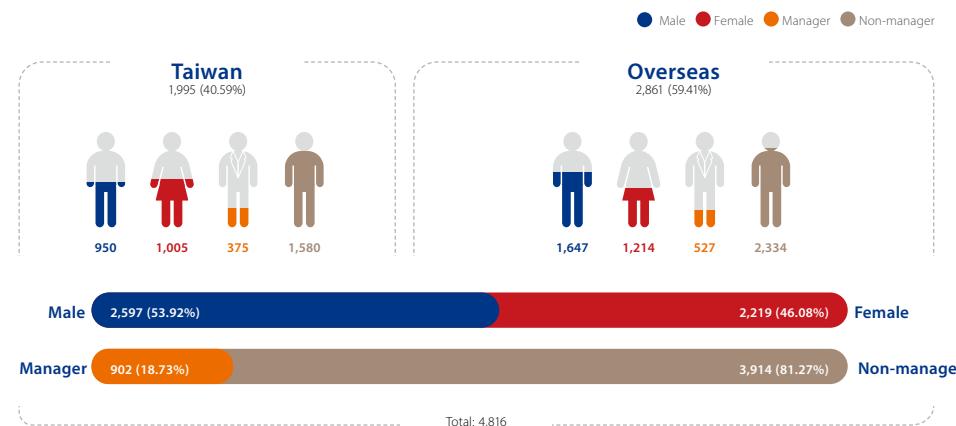
In 2021, WPG Holdings had a total of 4,816 full-time employees. In response to the company's development strategy, the layout of the organization and manpower had been organized, the personnel had increased slightly compared with 2020. There has been little change in labor allocation and structure. In terms of gender, the total number of women and men were 2,219 and 2,597 respectively, accounting for 46.08% and 53.92% of total employees. In terms of age, the majority of employees are within 31-40 years old, accounting for 37.83% of total employees. In terms of education level, employees mainly graduated from colleges and universities, accounting for 83.97% of total employees. In terms of employee diversity, 16 employees with physical and mental challenges, accounting for 0.3% of the total number of employees. In terms of turnover rate, in 2021, a total of 900 recruits, with a newly hired rate of 18.77%; a total of 874 resigned employees, with a turnover rate of 18.23%.

Gender vs. Employee Ratio



Note: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on December 31st, 2021.

• Gender and Positions for Full-Time Employees in Different Regions



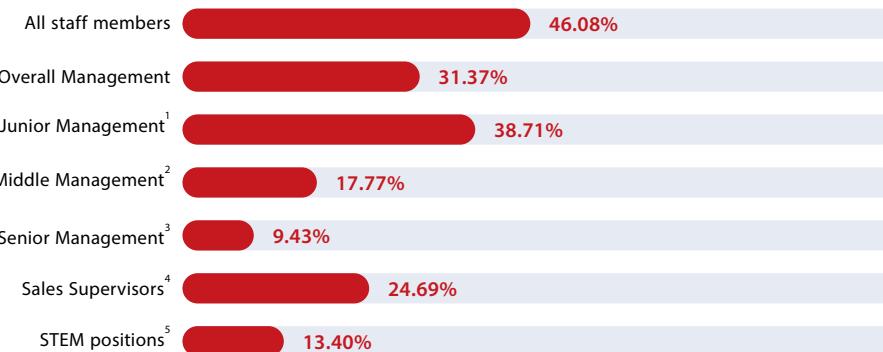
Note: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on December 31st, 2021.

• Gender and Position Distribution of Full-time Employees with Different Ages and Education Levels

Item	Profile	Gender		Position		Total	Percentage (%)
		Female	Male	Manager	Non-manager		
Age	Under 30 yrs old	481	406	6	881	887	18.42%
	31~40 yrs old	902	920	178	1,644	1,822	37.83%
	41~50 yrs old	673	940	460	1,153	1,613	33.49%
	Above 51 yrs old	163	331	258	236	494	10.26%
Education	Under High School	177	203	34	346	380	7.89%
	College/University	1,941	2,103	750	3,294	4,044	83.97%
	Master Degree	100	289	117	272	389	8.08%
	Ph.D.	1	2	1	2	3	0.06%
Total		2,219	2,597	902	3,914	4,816	100%

Note: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on December 31st, 2021.

• Distribution of Female Employees' Positions



Note 1: Junior management refers to the managerial position which is the same or below the position as Managers

Note 2: Middle management refers to the managerial position, which is the same as Associate Managers and Directors

Note 3: Senior management refers to a managerial position which is the same or above the position as CXO

Note 4: Sales supervisors refer to front-end business units such as the sales department, but do not include administrative units (such as the HR, IT, and legal affairs departments)

Note 5: STEM positions refer to positions related to science, technology, and engineering (such as IT, FAE, R&D personnel)

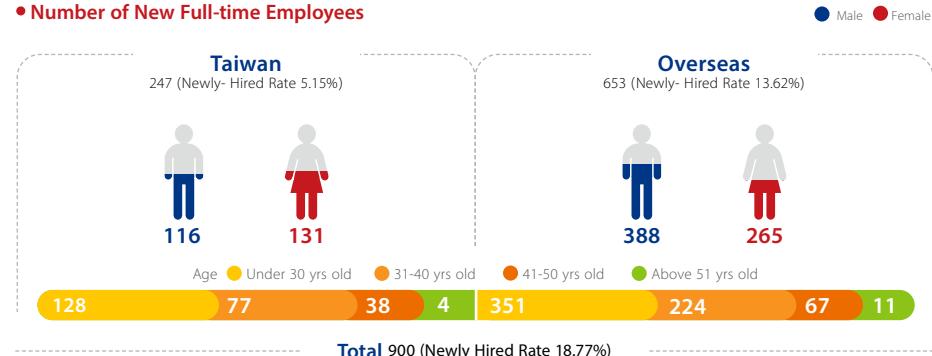
• Workforce Structure



Note 1: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on December 31st, 2021.

Note 2: Due to statistical limitations, the current non-term contract employees include the employees in China who have signed a three-year fixed-term labor contract in accordance with local regulations.

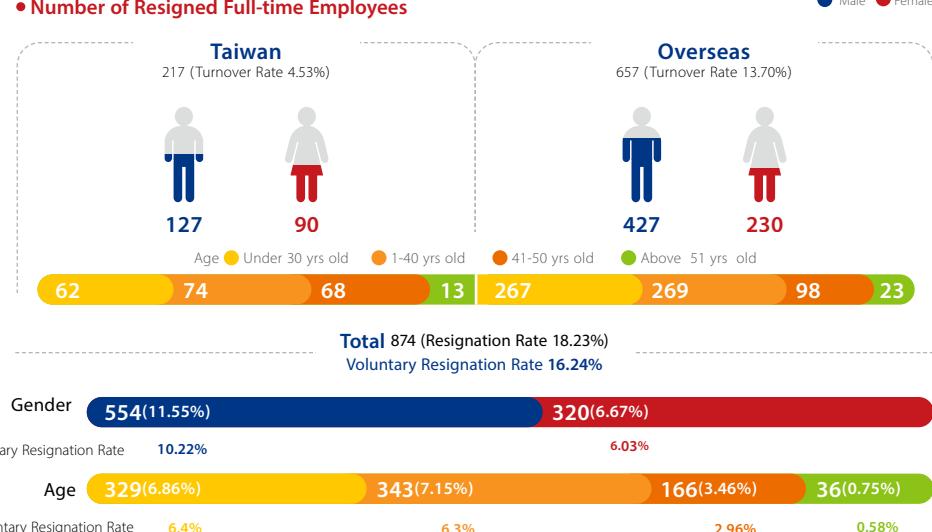
• Number of New Full-time Employees



Note 1: The scope of statistics ended on December 31st, 2021.

Note 2: The calculation method of the newly hired rate is the number of new employees in the current year/ (the number of employees at the beginning of the current year + the number of employees at the end of the current year)/2.

• Number of Resigned Full-time Employees



Note 1: The scope of statistics ended on December 31st, 2021.

Note 2: The calculation method of the Turnover Rate is the number of resigned employees in the current year/ (the number of employees at the beginning of the current year + the number of employees at the end of the current year)/2.

4-1-2 Talent Cultivation

WPG Holdings has dedicated efforts to formulating the "Talent Policy" under a win-win situation for the company, employees, investors, and other stakeholders. Emphasizing that "talent attraction" and "talent cultivation and retention" are equally important, focusing on both "performance" and "growth". The focus of talent cultivation is how to empower the employees with new concepts and attitudes to face the ever-changing environment. Thus, it not only helps the employees improve their capabilities but also achieves the goals and visions of the organizational development.

WPG Holdings provides professional supply chain services as the business goal. We are convinced that only with good human capital can we offer outstanding professional services. Thus, we have been long devoted to the cultivation of human capital without hesitation. To nurture talent is like rice cultivation. Only by non-stop irrigation will it have a fruitful harvest future.

Talent Cultivation Plan

WPG Holdings' talent cultivation plan for the cultivation of the employees' competitiveness and the creation of organizational performance is based on both general and professional training programs. Our step-by-step training programs are promoted throughout all sectors, guiding our organization to face challenges for sustainable development and growth.

Main contents of course

General training program
Newly-employed personnel, the whole staff

Including a presentation of our Company, an introduction to the concept of "core values" and relevant introductory courses for basic skills. The general training program includes courses in information management and the use of internal corporate platform systems (e.g. ERP/WMS/WEBFLOW) and trade compliance.

Professional training program
Products staff / Business staff, etc.

To plan and allocate suitable and appropriate professional skill courses in accordance with different position/ competency levels. Also, irregular training sessions will be targeted and conducted according to the upstream and downstream supply chains' product technologies and business models.

Management training program
Top, Middle, General Management Team

Top, Middle, General management courses, trends, and mindset.

Course goals

- To help the newly-employed personnel understand the company and function as a team to gradually develop professional expertise at their workplace, and to familiarize them with information tools to enhance work outputs and effectiveness.
- To deliver the core value of the company and establish a culture of T.I.P.E.
- To strengthen soft skills and improve work efficiency.

- Creating our competitive professional front-end services, planning and performing our corresponding training courses for other types of competencies along with the professional development trends and the formulation of related laws and regulations for employees' continuous enhancement of professional capabilities.

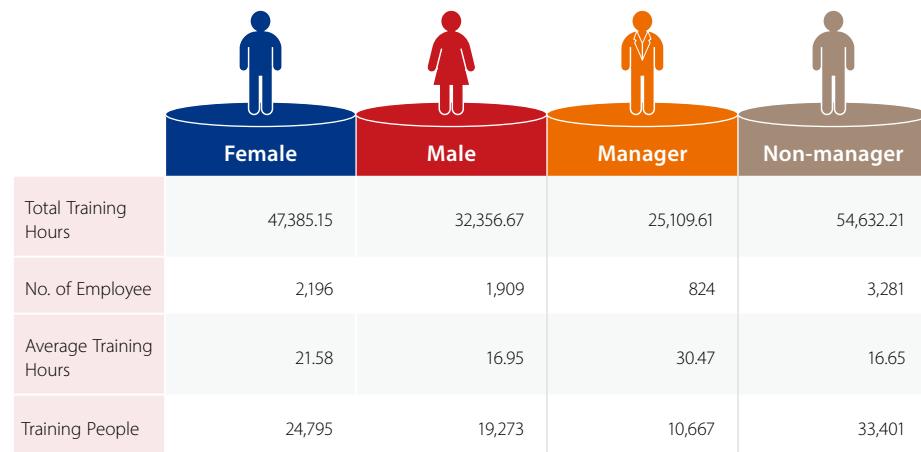
- Continue to develop capabilities of top, middle and general management in accordance with the requirements of organizational developments, operational competitions, and human resource layouts.

• Statistics of Education and Training in recent years



Note: The scope of statistics is for full-time employees in the Greater China region, and the number of training people is calculated for the full-time employee who has passed the training.

• Statistics of Education and Training in 2021



Note: The scope of statistics is for the full-time employees in the Greater China region on Dec 31st, 2021, and the number of training people is calculated for the full-time employees who had passed the training.

Plan of Education and Training

In recent years, WPG Holdings has actively promoted online learning to effectively increase the breadth of training. In 2021, the training cost of NT\$ 10,913,840, increased the training cost by 39% compared with 2020, and the total training hours increased by 51%. At the same time, external resources are introduced to provide the colleagues with a more diverse learning environment. In 2021, we were received the Learning Neo Star Award from the " CommonWealth Learning Campus" (Massive Learning Group).

Courses to strengthen soft skills and enhance the competency, such as:



- Soft Skills Series (including the seminars and courses)
- Training on building a Accountability Culture
- CommonWealth Learning Campus (CWLC)
- Online seminars: pandemic prevention, nutrition, exercise, parent-child, wine tasting, coffee

Courses to enhance professional competencies and skills for work, such as:



- Power BI Beginner and Advanced Class
- Technology News
- Win-win business negotiation skills
- Front-end practical sharing
- Legal compliance courses, Labor Law knowledge sharing
- Industry Opportunity Seminar

Courses of management and leadership-related for the management team, such as:



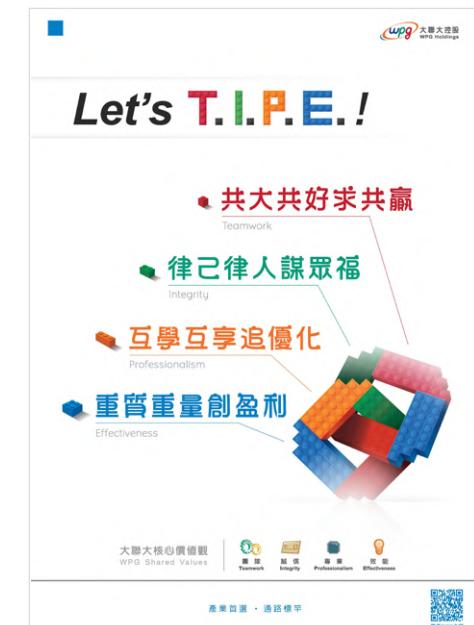
- Training for the Management Associates (MAs) and new supervisor
- Forward-looking Elite Class
- Manager exchange Conference
- Cultural Leaders Workshop
- Accountability leadership training
- Series of "Line manager is HR manager"

Deepen Corporate Culture and Experience Inheritance

WPG Holdings implemented the core values of " Teamwork, Integrity, Professionalism, and Effectiveness", which are used to build team consensus and serve as a guideline for all members of WPG Holdings. The CEO of WPG Holdings began to express his interpretation of core values through the MyDay series of live broadcast events in 2021 so that the members of the organization can understand the connotation of core values, and then agree with the practice. In 2021, a total of 3 #MyDay series live broadcast events were held, with a cumulative online viewing rate of over 7,000 people, and the average participation rate of colleagues is higher than 90%.

In response to the digital transformation and changes in the market of the future, the senior executives of WPG Holdings and the international well-known advisory company re-organized the behavioral requirements of the four core values "Teamwork, Integrity, Professionalism, and Effectiveness ". Only an organization with core values and behaviors can keep pace with the times, develop sustainable development and have a long-lasting foundation.

In addition, the sustainable operation and growth of the company depend on each employee's participation. As the No. 1 semiconductor components distributor in the Asia Pacific, WPG Holdings needs to ensure that the experience and industry knowledge (Know-how) of our colleagues could be passed on consistently, so as to continue to create success with the customers and the business partners. Thus, the inheritance of experience within the company is an important factor for the development of the human resources of WPG Holdings, the foundation of the talent development system, and the engine and key competitiveness of accelerating the improvement of talent capabilities. Therefore, WPG Holdings plans to invite the senior executives to serve as internal lecturers, systematically introduced the wisdom of the organization and the best practices that have been tested over time to each employee, helping the employees to quickly improve their abilities and experience, and assisting the employees to quickly improve their abilities and experience to cope with the ever-changing business environment and promote organizational growth.



4-2 Happiness in Workplace

4-2-1 Employee Compensation and Benefits

Remuneration Policy

WPG Holdings focus on both "performance" and "growth" are equally important. Thus, WPG Holdings' remuneration policy not only emphasizes fair and open "clear rewards and punishments", but also focuses on three major principles: "position-based salary", "skill-based salary adjustment", and "performance appraisal".

➤ Position-based Salary

WPG Holdings' "guaranteed salary" is based on job positions and related knowledge and skills in order to maintain a certain attractiveness in the talent market.

➤ Skill-based Salary Adjustment

We continue to improve employees' abilities through education, training, and technological empowerment so that employees and organizations can maintain high competitiveness even in face of future changes and uncertainties.

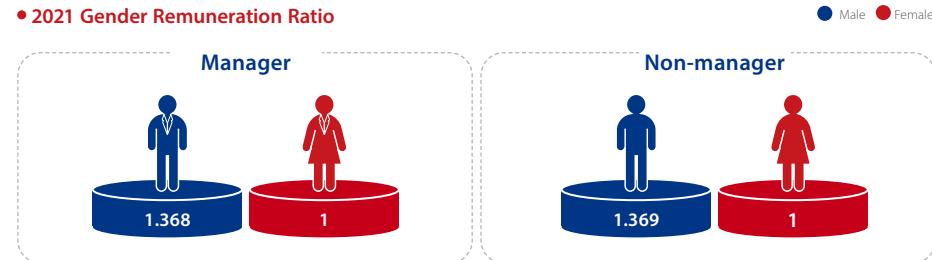
➤ Performance Appraisal

Since WPG Holdings promotes the core value of "Teamwork", our "Variable Pay" is based on the concept of "Grow Together, Strive Together, and Win Together", with the priority of pursuing overall benefits and performance, followed by the performance of each sub-group and the individual performance. A salary bonus is allocated based on performance and achievements.

In WPG Holdings, each group's salary system is calculated by the remuneration team consisting of HR representatives based on government policies, the economy, and the salary system of industry peers, with localized research for constructive recruitment and salary system. WPG Holdings adheres to the spirit of human rights, and there shall be no gender or sexual orientation discrimination during recruitment. The company will first consider the professionalism and relevant qualifications of personnel. The remuneration for employees is assessed after internal peer evaluation to maintain fairness. There shall be no unfair decision-making due to differences in race, color, religion, disability, nationality, gender, sexual orientation, age, and marital status. All decisions shall be made according to WPG's remuneration policy.

In 2021, the ratio of the standard salary for junior-level employees (no difference between genders) to the minimum wage in Taiwan was 1.13:1, which is higher than the local basic salary.

• 2021 Gender Remuneration Ratio



Note: The scope of statistics is the Taiwan region of WPG Holdings, and based on the average salary.

• Number, Average and Median Salary of Non-managerial Full-time Employees, and Difference from Previous Year

Item	2020	2021	Difference
Number of Non-managerial Full-time Employees (units: person)	993	972	-21
Average Salary of Non-managerial Full-time Employees (Units: NT\$ thousand)	1,262	1,714	452
Median Salary of Non-managerial Full-time Employees (Units: NT\$ thousand)	1,067	1,484	417

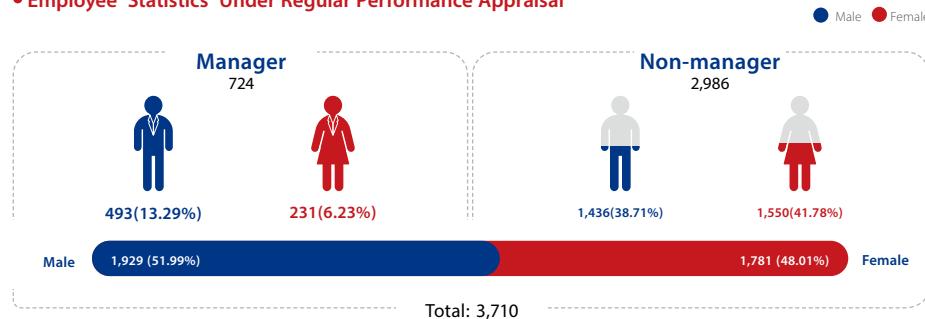
Note: The scope of statistics covers WPG Holdings, WPI and YOSUN Group.

Performance Evaluation Mechanism

WPG Holdings adopts the spirit of PDCA for the performance appraisal, setting goals at the beginning, tracking the progress of the work, adjusting the goals in the middle, and evaluating at the end of the year. In 2020, WPG Holdings introduced the performance management system, with the aim to transform it into a development-driven performance management system with the strategic model of "tools can change behavior, behavior can change ideas, and ideas can change thinking patterns." This system links organizational goals at all management levels so that the goals of employees are consistent with that of the organization. Furthermore, the manager has the function of guiding and giving feedback on employees' work performance. Each employee can request feedback from others at any time through the system, and supervisors can thereby thoroughly understand the performance of employees. Through a development-driven performance management mechanism, WPG connects organizational goals, personal goals, and talent development. All performance records will be used as the basis for subsequent cultivation and development, thereby improving overall organizational effectiveness. All appraisals and promotions are based on professionalism and employee performance, with no gender or sexual orientation discrimination. In 2021, 100% of the qualified employees in Greater China completed the performance appraisal.

Note: The productivity evaluation is conducted monthly for logistics direct personnel, excluding the drivers of the executive manager, and employees during long sick leave, maternity leave, and probationary periods.

• Employee Statistics Under Regular Performance Appraisal



Note: The scope of statistics covers the Greater China region of WPG Holdings.

Diversified Employee Welfare

WPG Holdings developed a sustainable workplace and friendly environment, providing labor protection for full-time employees in compliance with various labor laws and regulations, and conducted appropriate physical and mental care programs under available resources. The basic welfare items meet employees' working requirements. Diversified welfare creates a good atmosphere between employees and their families to help employees recognize the company's operating philosophy, and gradually builds performance welfare items to encourage employees in their work performances.



Note 1: For China (including Hong Kong), the red envelope is distributed for the start of work during the Spring Festival.

Note 2: The activities are held irregularly, and mainly according to the actual situation of the region.

Note 3: All employees enjoy the basic guarantee of the group insurance, but the content of the group insurance is slightly adjusted according to the region.

Note 4: Only in China.

Since WPG Holdings is committed to providing a child-raising friendly workplace, parental leave measures in accordance with relevant laws and regulations are formulated, and nursing rooms are set up. WPG's WPI Group kindergarten has operated for 20 years to provide childcare for employees' children. Employees may work without worrying about their children and see their children grow up healthily.



• Parental Leave

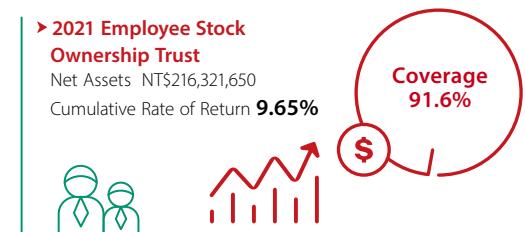
Statistics on parental leave without payment	Male	Female	Total
Number of employees eligible for parental leave in 2021	26	33	59
A: Total number of applications for parental leave in 2021	0	9	9
B: Number of applicants for reinstatement in 2021	0	9	9
C: Actual number of reinstatement in 2021	0	8	8
D: Number of people who have continued to work for one year after parental leave in 2020	1	3	4
E: Number of reinstatement in 2020	1	4	5
Reinstatement rate % = C / B	N/A	89%	89%
Retention % = D / E	100%	75%	80%

Note: The scope of statistics covers the Taiwan region of WPG Holdings.

• Retirement and Employee Stock Ownership Trust

WPG Holdings serves the employee retirement in accordance with the local retirement laws and regulations and provides retirement benefits in accordance with the local social insurance mechanism. In order to make up for the lack of social insurance coverage for employee retirement in Taiwan, WPG Holdings encourages employees to plan for retirement in advance. Employee Stock Ownership Trust was officially launched in 2021. All WPG Holdings' employees who work over one year may enroll as committee members and deposit a fixed amount (maximum 8% of the fixed salary for options according to the employee's wishes) every month, whereas WPG Holdings and its subsidiaries in Taiwan offer a matching amount as an additional benefit. This provides better retirement life for employees and provides a diversified profit-sharing mechanism to attract and retain talents, encouraging employees to Grow Together, Strive Together, and Win Together.

► 2021 Employee Stock Ownership Trust
Net Assets NT\$216,321,650
Cumulative Rate of Return **9.65%**



4-2-2 Human Rights and Labor-Management Communication

WPG Holdings attaches great importance to employee rights and interests and has formulated the "WPG Human Rights Policy" with reference to relevant regulations of "The United Nations Universal Declaration of Human Rights", "The United Nations Global Compact", "The United Nations Guiding Principles on Business and Human Rights", "International Labor Organization Convention", and "OECD Guidelines for Multinational Enterprises". WPG Holdings has dedicated efforts to safeguarding the basic human rights of employees, supply chain partners, and stakeholders, with strict compliance with local laws and regulations, and continued to improve the management of human rights topics in cooperation with its partners, while conducting human rights education and training courses to establish a more favorable, free, fair and respectful work environment.

WPG Human Rights Policy includes Zero tolerance for child labor, prohibiting forced labor and human trafficking, respecting diversity and ensuring equality, eliminating discrimination and promoting a zero-harassment environment, implementing health and safety in the workplace, respecting collective negotiation and free association rights, and protecting personal information privacy, commitment to responsible procurement, etc. In order to promote and implement various policies, we conducted various aspects of advocacy and training programs.

2021 Human Rights Advocacy Training	Total hours (hours)	Number of participants (person)	Participating employees as a percentage of total employees (%)
Sexual Harassment Prevention	3.76	47	0.97%
Employee Code of Conduct	11.4	171	3.55%
Workplace Health and Safety	1,426.5	951	19.75%
Protect Privacy	3,271.5	2,181	45.29%

Note 1: The scope of statistics covers the full-time employees in Greater China.

Note 2: The advocacy of the Employee Code of Conduct includes the topics regarding human rights such as anti-discrimination, workplace violence, privacy, etc.

Labor-Management Communication

WPG Holdings has established a labor-management communication mechanism to consider employees' opinions and review and improve the company's business management based on their opinions. With that, the company can develop a better organizational communication culture, establish a basis for mutual trust between the company and employees, and continuously improve and learn from each other to achieve sustainability in the company's management and employee development. WPG Holdings is committed to creating a diversified and public grievance mechanism. In 2021, there were 3 labor disputes and employee complaints, and all of which have reached a consensus with the employees and withdrawn the complaints.

• Employee Communication Platform



► Regular group meetings

Communicate corporate philosophy, policy, and latest activities through group meetings.



► Instantly publish announcement through internal portal

Publish immediate announcements or major announcements through the internal portal.



► Set up grievance channels to listen to the "New voices & Voices from Heart" of employees

Allow employees to express their opinions and provide feedback in any kind, including orally, internal website/ complaints mailbox, or by sending an e-mail to the HR Department.



► Labor-management quarterly meetings are held on a regular basis

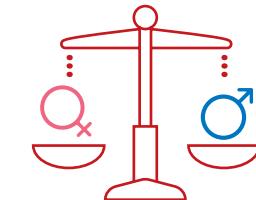
Relatively important labor topics are discussed at the meeting to reach a consensus between employers and employees. In response to the COVID-19 pandemic, several meetings were conducted online.

• Sexual Harassment Prevention

► Workplace Sexual Harassment Process:

Case Reporting

Employees can appeal to the Human Resource Department when they encounter sexual harassment in the workplace. The company has set up a complaints mailbox for employees to submit their appeals orally, in writing, or through other methods. It shall be kept confidential to protect the rights and interests of the complainant. The Sexual Harassment Prevention Committee is responsible for investigating the case.



Punishment and Corrective Measures

If sexual harassment was verified to be true after investigations, the company may, depending on the severity of the case, punish the complainant's counterpart in accordance with Work Rules and other relevant regulations, with subsequent follow-up and supervision to avoid the recurrence of harassment or retaliation. If criminal liability is involved, we shall assist the complainant in filing a complaint. If the sexual harassment was proved to be a false accusation, the company may depend on the severity of the circumstances, punish the complainant in accordance with Work Rules and other relevant regulations.

► Number of discrimination or harassment complaints: 0

4-2-3 Occupational Health and Safety

WPG Holdings attaches great importance to employees' occupational health and safety and dedicates efforts to ensuring the employees' safety, maintaining regularly the work environment, and formulating emergency response measures, and also organizes public safety advocacy courses from time to time, including general safety and health education, occupational accident prevention, disaster prevention, and fire drills, to strengthen the employees' awareness and knowledge of safety management in the workplace, providing diverse health promotion programs to share with our employees.

Safety Management in Workplace

WPG Holdings' industry is classified as low occupational health and safety risk industry, so we implement safety and health measures for workers, activities, and scope of work in accordance with the Regulations Governing Occupational Health and Safety of the Ministry of Labor. Inter-departmental units are responsible to maintain employees' health and safety in the workplace. The Occupational Health and Safety Management System would be introduced together with the Occupational Health and Safety Committee and other mechanisms in the future to provide the employees with a safer work environment.

By identifying the potential risks in the workplace, WPG Holdings actively prevents or compensates for the adverse effects of related risks on the employees, and provides sufficient training to establish an occupational safety awareness to ensure safety and health of all employees. In addition, to ensure work safety, occupational safety management measures are stipulated in the Company's Work Rules. If employees encounter commuting or occupational accidents, they can also request leaves in accordance with the Work Rules. The full-time employees could also use free group insurance, including accident insurance, hospitalization medicare insurance, and other related claims and subsidies.

Management and Control

Measures



Employee transportation accident

- Promote public transportation
- Establish a smooth internal notification mechanism

- Setting up medical consultation room with on-site physician/nurse
- Employee leave and work accident reporting
- Assist employees in insurance claims
- Employee health tracking



Workplace accidents

- Regular equipment maintenance
- Fire safety inspection according to law and regulation
- Disaster prevention drills
- Establishing Call Tree crisis reporting mechanism

- Equipment troubleshooting
- Office building emergency evacuation
- Initiate crisis reporting mechanism to confirm employee safety

2021 Education and Training Course		Training Hours	Number of Participants
Disaster prevention knowledge for new employees		378	900
General safety and health education and training		498.75	497
Emergency Response (General Affairs)	Advocacy for emergency response measures	1,400	1,400
	Fire drills	1,863	1,863
	Fire prevention group training	400	100

Note: The scope of statistics is for full-time employees in Greater China

• Occupational Accidents Statistics Table

Worker Type	Employees of WPG Holdings		
	Male	Female	Total
Employee Absence Rate	0.31%	0.48%	0.40%
Occupational Accidents			
Total Working Days	235,600	249,240	484,840
Total Working Hours	1,884,800	1,993,920	3,878,720
Number of fatalities as a result of work-related injury	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Number of recordable work-related injuries	0	0	0
Rate of recordable work-related injuries	0	0	0
Number of close calls identified	0	0	0
Rate of close calls identified	0	0	0

Note 1: The scope of statistical covers the Taiwan region only and the scope of statistics does not include contractors or other workers under the control of WPG Holdings.

Note 2: Absence includes sick leave, menstrual leave, and work-related injury leave.

Note 3: The total working hours are estimated to be 1,948 hours/person based on the company's calendar year working days.

Note 4: High-consequence work-related injury is defined as a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

Note 5: Close calls refer to work-related or work-related accidents that do not cause losses and do not involve casualties.

Note 6: In 2021, there was no high-consequence work-related injury (unable or difficult to recover fully to pre-injury state of health status within six months) accidents or fatalities caused by work-related injury.

Workplace Emergency Response Measures

In response to changes in internal/ external risks, WPG Holdings conducts hazard identification and risk assessment related to occupational accidents and confirms the key risks that need improvements every year for hierarchical control and tracking management. Assessment results show that workplace interruption is one of the top five risks. In order to ensure that employees have sufficient knowledge and ability to respond to emergencies, WPG has set short, mid, and long-term goals since 2016. In 2017, business interruption emergency response procedures were formulated to prepare for disasters such as fires, earthquakes, and infectious diseases. In addition, the company established a crisis and emergency response center, and a Call Tree crisis reporting mechanism, which can be activated immediately upon natural disasters or major emergencies, to ensure immediate control of employees' safety status.

Since 2017, WPG Holdings has launched an emergency response plan, and regularly conducted emergency response drills and related training every year. The training course includes emergency response procedures, fire safety knowledge and facilities, Call Tree instructions, and fire prevention group training. In 2021, on-site drills and training were replaced by online training and advocacy of emergency response measures in response to the COVID-19 pandemic.

Corporate Pandemic Prevention Policy and Deployment

As the pandemic continued to expand in 2021, WPG Holdings launched several pandemic prevention contingency measures and deployed them in advance through rolling adjustments to reduce the impact on business operations and care for the health and safety of our employee.

➤ Convening outbreak response meetings

The management team of WPG Holdings convened a weekly pandemic response meeting to grasp various information from the employees, IDM/Fabless, and the customers to make corresponding response measures. A total of 17 related meetings were held from May to September.

➤ Rolling adjustment of employee attendance mechanism

We released the measures in succession for weekly diversion to work, all employees to work from home, and warehouse diversion measures. While the most severe situation happened during the pandemic, in order to reduce the risk of the employees' exposure to the virus, all employees worked from home for three months. If they needed to go to the office for business during that period, they must apply in advance. The company provided internal parking spaces for employees to drive by themselves, and also subsidized taxi fares, to reduce the risk of infection of colleagues due to taking public transportation. For technicians who cannot operate in different shifts, they are arranged on the centralized experimental floor, and special elevators are set up to avoid the risk of cross-infection.

➤ Establishing employee health report mechanism

We launched the daily health and attendance questionnaire for all employees. The employees measured their body temperature daily and reported their health and attendance status. The information was updated in a real-time manner through digital tools so that the company can grasp the updated health status of the colleagues and provide timely assistance and support.

➤ Rolling pandemic prevention deployment

WPG Holdings adopted the pandemic prevention strategy as "when a confirmed case occurs, the contact history of the personnel can be reversely traced, and the contact personnel and the amount can be listed in the partial area", and the rolling pandemic prevention deployment was conducted according to the pandemic situation. If access control was implemented during the pandemic prevention period, all personnel entering and leaving the office building must have their body temperature measured. If they had symptoms such as physical discomfort, they were required to go to a doctor for medical treatment and self-regulation at home according to the condition; the cross-floor activity had to be registered and recorded; elevator floor diversion; physical meetings were replaced by online meetings; external visitors needed to register with real names at the counter on the first floor and filled in the pandemic prevention questionnaire, and arranged them only on designated floors or areas, prohibited entry into the office areas, and strengthened relevant pandemic prevention and control measures such as environmental clearance, etc.

➤ Pandemic prevention materials inventory and equipment installation

The company conducted a real-time inventory of the pandemic prevention materials in each office to facilitate resource distribution and support, and additional equipment such as ultraviolet sterilization lamps and anti-pandemic partitions for the staff seats were installed on each floor of the headquarters.

➤ Announcing immediately pandemic prevention News

The information related to the pandemic was announced immediately, and in line with relevant measures, the pandemic prevention cooperation items were posted at the entrances and exits.



Employee Health Promotion

WPG Holdings cares about the health of employees. Health check-ups for office workers are provided once every two years, and health check-ups for warehousing and logistics personnel are provided every year. Designated physicians' on-site health consultation services are also provided. Meanwhile, to ensure diversified and correct health and safety knowledge, the company regularly arranges various courses and activities, such as health lectures, oral cancer screening, cancer screening for women, physical fitness testing, blood donation activities, and on-site physicians for consultation, and group health check-ups.

A health consultation room is set up at the headquarter, equipped with diagnosis and treatment beds, and first aid kits for injured and ill employees to temporarily rest. Designated medical personnel is available to assist with general emergency treatment, health care consultation, health education, and preventive healthcare. Nursery rooms are set up both at the headquarter and Linkou warehouse to ensure the health and rights of female employees. Smoking is prohibited in all office areas in accordance with the law.

In order to encourage employees to maintain good health and promote employee friendships, each group provided subsidies to set up sports clubs, including softball clubs, badminton clubs, yoga clubs, and fitness clubs. The employees can borrow the training classroom on the 20th floor of WPG's headquarter building as a venue for club activities during off-duty hours, in order to relieve stress and improve physical fitness.



Health Promotion Measures during Pandemic

During the Pandemic, WPG Holdings launched a number of prevention measures and considered employee health as first priority. Meanwhile, we also ensured employee health and safety throughout the pandemic.

► Providing medical resources and health care

When an employee is reported as a confirmed case, the company's nurse would assist as soon as possible, and deliver an oximeter by express for the employee to observe and track the condition before being sent to the hospital for treatment.

► Granting paid vaccine leave

In line with the government policies and encouraging the employees to take vaccines, the employees were given two days of paid vaccine leave for each dose, so that the employees would have sufficient rest after being vaccinated, to increase the company's vaccine coverage, and allow the employees to work with assurance.

► Providing free anti-pandemic lunch

Since the outbreak of the pandemic, to avoid the risk of infection caused by dine-out or take-out food from our employees, the company immediately provided free anti-pandemic lunches with balanced nutrition.

► Organizing a variety of online activities

All the meetings and trainings were held online and all employees worked from home. During the period of working from home, we also set up an "Event area for Post- COVID lifestyle" to launch online activities for all employees to encourage them to share leisure activities after work, such as cooking recipes, sports and fitness activities, reading review sharing, parent-child activities, etc., to increase the online interaction of the employees and build up mutual friendship.



4-3 Social Prosperity

WPG Holdings adheres to corporate value "Team, Integrity, Professionalism, and Effectiveness" (T.I.P.E.) when practicing corporate social responsibility, with long-term investment in industry interactions, industry-academia plan, and social welfare in the hope of creating a virtuous cycle.

Adhering to the belief that what is taken from society and gave back to society, WPG Holdings established "WPG Holdings Education Foundation" to enhance the knowledge economy, build up a high-quality educational environment, promote academic and practices research over business management, and care for arts, culture, and environment education. Focusing on industry contribution as a development strategy. We strive to deepen distribution knowledge, showcase the core competencies in industry supply chain management, and cultivate professionals required by the industry through industry-academia cooperation and education support.

4-3-1 Industrial Propulsion

WPG Holdings adheres to the spirit of "Grow Together and Strive Together" and gives back to society using the company's professionalism on corporate and supply chain management, cultivating talents by supporting diversified industry-academia collaborations.

Industry Co-Creation

Object	Content
Taipei Electronic Components Suppliers' Association (TECSA)	Holding supply chain and business management-related courses, with 830 participants in the courses and speeches in 2021.
Management Intelligence Sharing Association (MISA)	Holding the courses related to business management: 17 symposiums, 78 corporate leadership training sessions, 10 corporate coaching sessions, 4 sessions of corporate management classes, and MISA Academician Lecture with 915 participants in 2021.
Taiwan Industrial Holdings Association	Holding 4 industrial holdings seminars, published the book "Co-opetition 2.0" and a guide to the formation of industrial holdings.

• "Wisdom sharing Lecture Hall" from Taipei Electronic Components Suppliers' Association (TECSA)

Taipei Electronic Components Suppliers' Association (TECSA) has set up the "Wisdom sharing Lecture Hall" to promote in-service education and enhance talent training in the electronic components distribution industry, as well as pass on knowledge and experiences of the supply chain and distribution industry. The association invited members and supervisors of TECSA, senior managers of WPG Holding, industry experts, well-known entrepreneurs, and scholars to lectures and held training lessons for

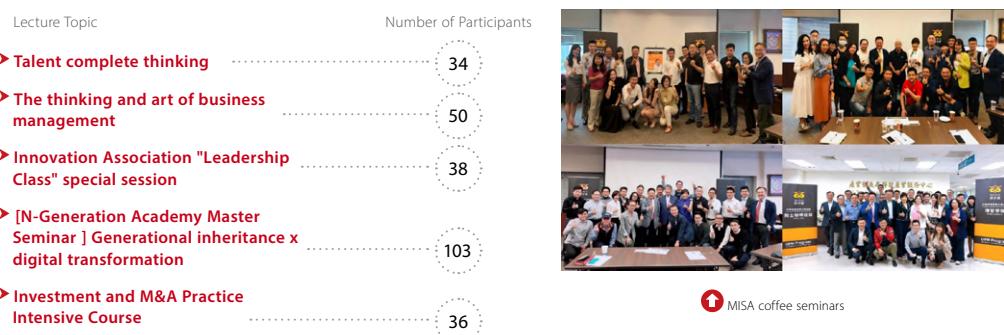
employees of member companies and industry practitioners. There was a total of 830 participants in 2021 and a total of 356 participants in the lectures given by the senior managers of WPG Holdings.

WPG Holdings Lecture Courses

Lecture Topic	Presenter	Number of Participants
Workplace win-win thinking and management art	K.D. Tseng Chief Sustainability Officer of WPG Holdings	142
The reborn competition of the companies in Taiwan	Jack J. T. Huang Founder of Taiwan Renaissance Platform Independent Director of WPG Holdings	84
The opportunities and challenges of industrial holdings- WPG Holdings' Way	Simon Huang Chairman of WPG Holdings	130

• Management Intelligence Sharing Association (MISA)

The "MISA" initiated by K.D. Tseng, Chief Sustainability Officer of WPG Holdings, with experience inheritance as the core value, comprised many senior entrepreneurs as corporate masters, transferring the management wisdom to the leaders of the enterprises during the growth and transformation period; and established MISA Academy with a variety of business courses, including MISA coffee seminars, academician lectures, one-on-one tutoring, strategic private board meetings, and masters and academicians gatherings, etc. In 2021, the senior managers of WPG Holdings served as the academician class enterprise masters and delivered a total of 33 sessions; K.D. Tseng, Chief Sustainability Officer was appointed to serve as a lecturer for 5 sessions of the Academy, with a total of 261 participants.



• Taiwan Industrial Holdings Association (TIHA)

Since WPG Holdings has established in 2005, we created a brilliant business performance with the management model of industrial holdings. The Taiwan Industrial Holdings Association was born in 2019 when Simon Huang, Chairman of WPG Holdings served as the director. Through the Industrial Holdings Association, to increase exchanges and experience sharing within the industry, government, and academia, thereby promoting various industrial cooperation and strategic alliances in Taiwan; looking forward to the birth of more holding-style mergers in Taiwan, to create an industrial win-win ecosystem. A total of 4 seminars were held in 2021. Chairman Huang acted as the director of the board and shared the management experience of WPG with the members. Taking WPG Holdings as the main case, published the book "Co-opetition 2.0" and a guide to the formation of industrial holdings.

Youth Training

Object	Content
Digital Governance Association	Participating in the "OIU Overseas Internet University Alliance Project", sponsoring and providing employment resources
National Taipei University of Technology	Supporting the college of Electrical Engineering and Computer Science to provide Sup scholarships and grants for disadvantaged students for 10 consecutive years. In 2021, 5 scholarship applications were provided each semester.
National Yunlin University of Science and Technology	Recruiting interns of the Department of Information Management. In 2021, about 83% of the students were transferred to full-time employees after the internship.
National Chengchi University	Supporting and sponsoring the "Supply Chain Management Project" for 11 consecutive years

• Digital Governance Association - OIU Overseas Internet University Alliance Project

Participating in the "OIU Overseas Internet University Alliance Project" co-operated by the Digital Governance Association and the Overseas Community Affairs Council of the Republic of China, sponsoring and providing employment resources. The object of the project is overseas Chinese students. The professional courses are arranged to improve the digital skills of overseas Chinese students, hoping to narrow the gap between the industry and education and to attract outstanding overseas Chinese students to study and work in Taiwan, to solve the problem of the low birth rate and the loss of talents in Taiwan.

• WPG scholarship awards in the College of Electrical Engineering and Computer Science, National Taipei University of Technology

Since 2011, the WPG Scholarship has been set up in the Taipei Tech College of Electrical Engineering and Computer Science to provide financial assistance to disadvantaged students to prevent students from dropping out of school due to financial difficulties or sudden changes and be able to graduate with the help of social care. Five scholarship applications were provided each semester in 2021. To encourage students in developing professional skills, the company included the learning plan as selection criteria, in the hope to help students learn and develop in addition to economic relief.

• National Yunlin University of Science and Technology "Information Technology Internship Plan"

Since 2017, we have cooperated with the Yunlin University of Science and Technology on the IT intern project, while cultivating professionals for the industry, so that the students can apply what they have learned in practice, through work and study in the workplace, try different possibilities, face different challenges, and experience in the process of working in the enterprise, help the students to determine the direction of future career development. In 2021, a total of 6 Yunlin University interns were recruited, of which 5 were directly transferred to full-time employees after the internship, to achieve the goal of seamless integration of the campus and the workplace.

• NCCU College of Commerce Supply Chain Management Plan

Since 2010, WPG Holdings sponsored and supported the three-year period "Supply Chain Management Plan" of NCCU College of Commerce for the 11th consecutive year till 2021. Combining theory and practice in industry-academia collaboration to systemize the knowledge of Taiwan's supply chain management while setting up a complete set of supply chain management teaching materials to cultivate supply chain management professionals in the industry.

Supply chain management covers cross-field management science, with related courses in departments of the College of Commerce. Each department cannot establish a relatively complete set of professional and market-oriented academic training. Therefore, by integrating various departments, all existing curriculum resources are made for the supply chain management program, and new supply chain management courses are developed, while the "Bachelor's Program" and "Master's Professional Training Course" are conducted to meet different target groups in order to cultivate supply chain management talents in Taiwan.

WPG Holdings will continue to support the industry-academia collaboration plan for supply chain management to share industry knowledge and achieve industry-academia collaboration. We also plan to further launch the system of "WPG Supply Chain Management Elite", which will give the students an honorary status based on their academic and industrial performance, personal characteristics, and future development. In the future, we will continue to launch relevant resources related to the program, such as scholarships, internship opportunities, corporate mentorship arrangements, etc.

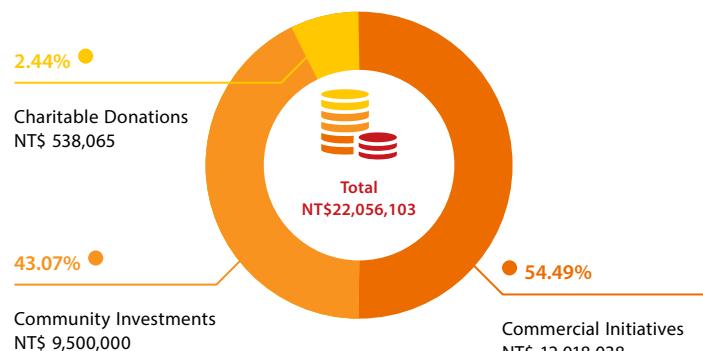
4-3-2 Social Impact

WPG Holdings is concerned greatly regarding environmental topics so participating in various green activities. In terms of social welfare, we focus on "Caring for the Disadvantaged and Regaining the Spirit of Technical Education", dedicating efforts to social care and technical education, hoping to energize the industry and thus lay a foundation for sustainable development.

Moreover, to extend the social impact, WPG Holdings also develops partnerships through investment, hoping to create influence together through fund companies and social innovation enterprises, therefore, in 2017 and 2020, we invested in B Current Fund II and B Current Fund III respectively. By the end of 2021, the B Current Impact Investment team has invested in a total of 18 social innovation companies, focusing on four investment-themed domains such as sustainable living, medical care, education innovation, and regional revitalization.

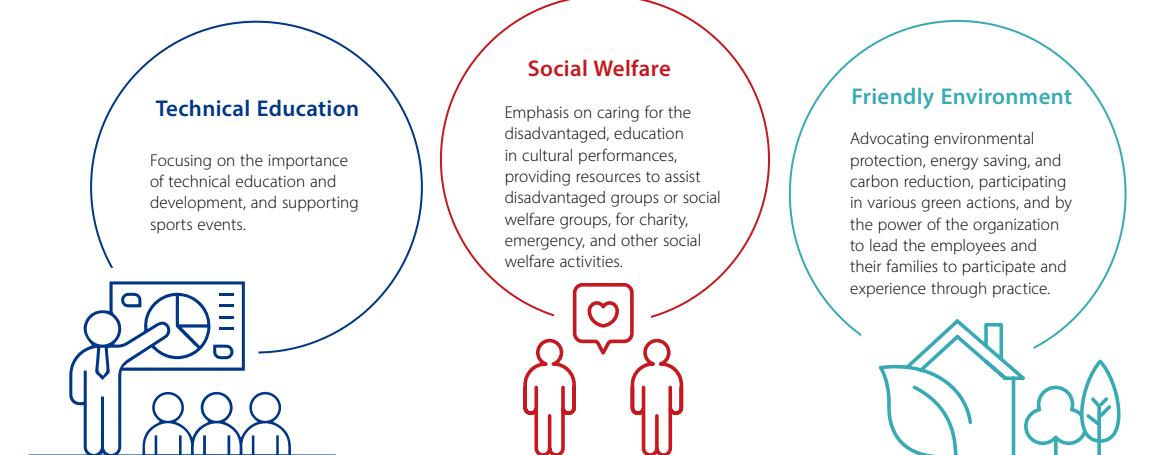
Social Input

WPG Holdings contributed more than NT\$ 20 million in philanthropy activities and provided materials worth NT\$150,000 to care for society in 2021.



Input Category			
Product or Services Donations	Management Overheads	Cash Contributions	Time
NT\$ 150,000	0	NT\$ 22,056,103	0

Main Themes of Social Impact

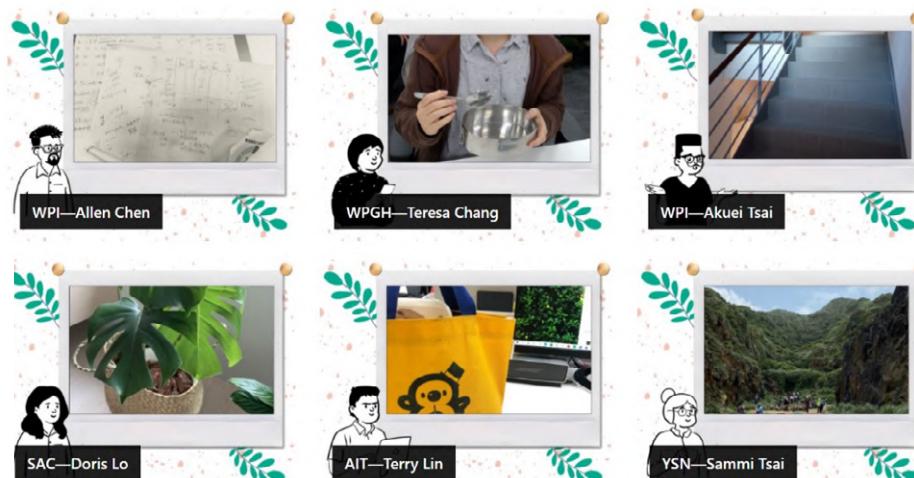


- **Supporting the "Ladies Professional Golf Association" to hold the 2nd "WPG Ladies Open"**
A total of 75 domestic players participated in the competition
- **Supporting the Youth Training Project from the "Puren Youth Care Foundation"**
Sponsored NT\$1.2 million
- **Supporting Youth Center Dream Benchmark School - Academic Improvement Program from the "House of Dreams Foundation"**
Sponsored NT\$200,000
- **Supporting the "Taipei Music Foundation for the Visually Impaired" to hold the Charity Online Concert, "Pray with music" for the 29th Blind Music Festival**
Sponsored NT\$150,000
- **Supporting the organic rice grown in a friendly environment from "Sunfund Foundation"**
Subscription of 1,000kg of white rice from small farmers and donated to the food bank
- **Supporting the "Spread Wings Choir" Charity Tour of the Visually Impaired Angels**
Sponsored NT\$200,000
- **Launching a second-hand computer collection campaign**
A total of 19 second-hand laptops were collected and donated to 2 social welfare organizations
- **Holding year-end activity "Christmas Shoebox Gifting" to share love for 4 consecutive years**
A total of 258 Loving Christmas Shoe Box Gifts were collected
- **In response to Earth Day, launching green action-sharing activities**
A total of 153 creative green actions were collected
- **Holding carbon reduction activities**
A total of 9,330 kg of carbon emissions were reduced during the activity
- **Adopting the green space in the community park**
Adopted 2 parks

Green Action

Green Action Sharing

In 2021, WPG Holdings launched "WPG Green Action Sharing", in response to Earth Day and the "21 Days of Green Life" co-organized by "Taiwan Environmental Information Association" and "Greenvines". The employees could actively contribute to creative green actions to implement the green ideas in the daily life of individuals, and a total of 153 green actions were raised.



Carbon Reduction Activities

WPG Holdings held the "WPG Carbon Reduction Event". During the event, we designed various environmental protection and carbon reduction projects that could be conducted in offices, such as encouraging the use of reusable utensils, etc., to reduce carbon emissions. In order to protect the environment, so that the colleagues could put the carbon reduction into practice anytime, anywhere in their lives., a total of 9,330 kg of carbon emissions were reduced during the event.

Community Care - Park and Green Space Adoption

Since 2011, WPG's WPI Group has continued to adopt Xiangyang Park in Nangang in response to the government's encouragement of citizens to participate in green space adoption. By 2021, we also adopted a street tree in front of the WPG Nangang Headquarters to assist in the maintenance of green space and create a diverse cityscape. The idea of maintaining the green environment of the community and protecting the earth together with the employees and residents.

Social Welfare Action

Love Cycle · Second-hand Computers Collection

In 2021, 2 second-hand 3C equipment collection activities were launched. A total of 15 second-hand laptops and 4 second-hand tablet computers were collected and donated to Puren Foundation and House of Dreams Foundation respectively.



① Donees are using second-hand tablet to discuss homework



① Thank-you cards from Puren

House of Dreams · Christmas Love Sharing

Since 2017, we have cooperated with the House of Dreams in the "Christmas Shoebox Gifting" event to send blessings to children of disadvantaged families at the end of the year. WPG Holdings' colleagues prepared a total of 258 love shoe boxes, which the House of Dreams volunteers then distribute to disadvantaged youth in 2021.

**Puren Youth Care Foundation · Love Donation**

WPG's AIT Group has long supported the Puren Youth Care Foundation and agreed with the purpose of continuously promoting youth care, and guiding the youth to care for society. We continuously provided love and care by donating NT\$1.2 million annually over the past 14 years.



↑ Certificate of appreciation from Puren

Sunfund Foundation · Procurement of to Sunfund Rice

To support organic planting, we continued to purchase 1,000kg of white rice cultivated by small farmers in 2021, and donated to the Andrew Food Bank, through the Food Bank to distribute resources to groups in need.

Charity events that reflects craftsmanship**WPG Ladies Open**

WPG Holdings attaches great importance to the development of sports events and the cultivation of sports talents in Taiwan, subsidizing charity sports events together with its sub-groups. In 2020, the company organized the WPG Ladies Open in cooperation with TLPGA for the first time, providing opportunities for professional players, and increasing the visibility of Taiwanese players to make contribution to society. In 2021, we held the event for the second time. 75 domestic players were invited to participate in the competition. The concept of sponsoring the Taiwan Tournament was continued. We kept promoting ESG as an initiator, and 33 IDM/Fabless were invited to participate in the grand event, with the sponsorship amounting to NT\$2.45 million. The total award of the competition was increased to NT\$6 million, an increase of 25% compared with the first time, and the exposure of the multi-platform broadcast of the competition exceeded 1.15 million times.



Appendix

- 5-1 Assurance Opinion Statement
- 5-2 GRI Standards Disclosure Comparison Table
- 5-3 ISO 26000 Social Responsibility Guidance Comparison Table
- 5-4 United Nations Global Compact Comparison Table
- 5-5 Sustainability Accounting Standards Board (SASB) Index
- 5-6 Sustainable Data
- 5-7 Summary of Underlying Selected Subject Matter



5-1 Assurance Opinion Statement



安侯建業聯合會計師事務所

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Independent Limited Assurance Report

To WPG Holdings Limited:

We were engaged by WPG Holdings Limited ("WPG") to provide limited assurance over the selected information attached as Appendix I ("the Underlying Subject Matter") on the 2021 Sustainability Report of WPG ("the Report") for the year ended December 31, 2021.

Reporting Criteria of the Underlying Subject Matter

WPG shall prepare the Underlying Subject Matter in accordance with reporting criteria required by the Core Option of Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in Appendix I.

Management's Responsibility for the Report

WPG is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the Underlying Subject Matter. WPG is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Underlying Subject Matter that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements No. 1 – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation and to issue a limited assurance conclusion on whether the Underlying Subject Matter is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence, Professional Standards and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountants in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standard No. 46 – "Quality Control for Public Accounting Firms" in the Republic of China. Accordingly, we maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Note: Please refer to Appendix 5-7 for "Summary of Underlying Selected Subject Matter".



Summary of Work Performed

As stated in reporting criteria of the Underlying Subject Matter paragraph, our main work on the selected information included:

- Reading the Report of WPG;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Underlying Subject Matter.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Underlying Subject Matter and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Report, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained in a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2021 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of WPG. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Underlying Subject Matter has not been properly prepared, in all material aspects, in accordance with the reporting criteria.

Other Matters

The management of WPG is responsible for the maintenance of its website where includes the Limited Assurance Report, we shall not be responsible for any further changes on the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Limited Assurance Report.

KPMG

Taipei, Taiwan (Republic of China)
July 18, 2022

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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5-2 GRI Standards Disclosure Comparison Table

GRI102: General Disclosure(2016)		Corresponding Chapter	Page No.
Organizational profile			
102-1	Name of the organization	About the Sustainability Report	02
102-2	Activities, brands, products, and services	1-1-1 Organizational Structure	15
102-3	Location of headquarters	About the Sustainability Report 1-1-1 Organizational Structure	02 15
102-4	Location of operations	1-1-1 Organizational Structure	15
102-5	Ownership and legal form	1-1-1 Organizational Structure	15
102-6	Markets served	1-1-1 Organizational Structure	15
102-7	Scale of the organization	1-1-1 Organizational Structure 4-1-1 Talent Structure	15 66
102-8	Information on employees and other workers	4-1-1 Talent Structure	66
102-9	Supply Chain	1-3-4 Supply Chain Management	31
102-10	Significant changes to the organization and its supply chain	There are no significant changes in 2021	-
102-11	Precautionary Principle or approach	2-2-2 Risk Management	43
102-12	External initiatives	There are no external initiatives signed in 2021	-
102-13	Membership of associations	1-4-1 Participation in Industry Associations	33
Strategy			
102-14	Statement from senior decision-maker	The Executive's Commitment and Philosophy	03
102-15	Key impacts, risks, and opportunities	2-2-2 Risk Management	43
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	2-2-1 Ethical Corporate Management	41
Governance			
102-18	Governance structure	1-2-1 Sustainable Governance Structure 2-1-1 Board of Directors Structure	18 37
102-20	Executive-level responsibility for economic, environmental, and social topics	1-2-1 Sustainable Governance Structure	18
102-22	Composition of the highest governance body and its committees	2-1-1 Board of Directors Structure 2-1-2 Diversity of the Board of Directors and Performance Evaluation	37 39

GRI102: General Disclosure(2016)		Corresponding Chapter	Page No.
102-23	Chair of the highest governance body	2-1-1 Board of Directors Structure	37
102-24	Nominating and selecting the highest governance body	2-1-2 Diversity of the Board of Directors and Performance Evaluation	38
102-27	Collective knowledge of highest governance body	For details, please refer to p40-41 of the 2021 WPG Holdings Annual Report	-
102-28	Evaluating the highest governance body's performance	2-1-2 Diversity of the Board of Directors and Performance Evaluation	40
102-31	Review of economic, environmental, and social topics	1-2-1 Sustainable Governance Structure 2-2-2 Risk Management	18 43
102-32	Highest governance body's role in sustainability reporting	The report is issued after being reviewed and approved by the Sustainability Committee	-
102-35	Remuneration policies	For details, please refer to p24-28 of the 2021 WPG Holdings Annual Report	-
102-36	Process for determining remuneration	For details, please refer to p28, p32 of the 2021 WPG Holdings Annual Report	-
Stakeholder engagement			
102-40	List of stakeholder groups	1-2-3 Stakeholder Identification and Communication	23
102-41	Collective bargaining agreements	WPG does not have collective bargaining agreements but is devoted to promoting labor-management conferences	-
102-42	Identifying and selecting stakeholders	1-2-3 Stakeholder Identification and Communication	23
102-43	Approach to stakeholder engagement	1-2-3 Stakeholder Identification and Communication	23
102-44	Key topics and concerns raised	1-2-3 Stakeholder Identification and Communication	23
Reporting practice			
102-45	Entities included in the consolidated financial statements	About the Sustainability Report	02
102-46	Defining report content and topic boundaries	About the Sustainability Report 1-2-2 Analysis of Material Topics	02 18
102-47	List of material topics	1-2-2 Analysis of Material Topics	21
102-48	Restatements of information	There are no restatements of information for the previous report	-
102-49	Changes in reporting	1-2-2 Analysis of Material Topics	18

GRI102: General Disclosure(2016)		Corresponding Chapter	Page No.
102-50	Reporting period	About the Sustainability Report	02
102-51	Date of most recent report	About the Sustainability Report	02
102-52	Reporting cycle	About the Sustainability Report	02
102-53	Contact point for questions regarding the report	About the Sustainability Report	02
102-54	Claims of reporting in accordance with the GRI Standards	About the Sustainability Report	02
102-55	GRI content index	Appendix 5.2 GRI Standards Disclosure Comparison Table	83
102-56	External assurance	About the Sustainability Report Appendix 5.1 Assurance Opinion Statement	02 82

Main Topic: Operating and Financial Performance

GRI 103: Management Approach (2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1.2.2 Analysis of Material Topics	22
103-2	The management approach and its components	CH1 The First Choice of Industry The Benchmark of Distribution	13
103-3	Evaluation of the management approach	CH1 The First Choice of Industry The Benchmark of Distribution	13
GRI 201: Economic Performance(2016)		Corresponding Chapter	Page No.
201-1	Direct economic value generated and distributed	1.1.2 Operational Performance	17

Main Topic: Risk Control and Management(Enterprise custom topic)

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1.2.2 Analysis of Material Topics	22
103-2	The management approach and its components	CH2 Accountability for Integrity Win-Win in Profit	35
103-3	Evaluation of the management approach	CH2 Accountability for Integrity Win-Win in Profit	35

Main Topic : Corporate Governance

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1-2-2 Analysis of Material Topics	22
103-2	The management approach and its components	CH1 The First Choice of Industry The Benchmark of Distribution CH2 Accountability for Integrity Win-Win in Profit	13 35
103-3	Evaluation of the management approach	CH1 The First Choice of Industry The Benchmark of Distribution CH2 Accountability for Integrity Win-Win in Profit	13 35
GRI 206: Anti-competitive Behavior(2016)		Corresponding Chapter	Page No.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No lawsuits and judgments related to anti-competitive, anti-trust and monopoly regulations in 2021	-
GRI 405: Diversity and Equal Opportunity (2016)		Corresponding Chapter	Page No.
405-1	Diversity of governance bodies and employees	4-1-1 Talent Structure	66
GRI 416: Customer Health and Safety(2016)		Corresponding Chapter	Page No.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations of health and safety regulations for products and services in 2021	-
GRI 419: Socioeconomic Compliance(2016)		Corresponding Chapter	Page No.
419-1	Non-compliance with laws and regulations in the social and economic area	Appendix 5.6 Sustainability Data - Social Data	89

Main Topic: Product Distributorship and Customer Satisfaction

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1-2-2 Analysis of Material Topics	22
103-2	The management approach and its components	CH1 The First Choice of Industry The Benchmark of Distribution	13

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-3	Evaluation of the management approach	CH1 The First Choice of Industry The Benchmark of Distribution	13
GRI 417: Marketing and Labeling(2016)		Corresponding Chapter	Page No.
417-2	Incidents of non-compliance concerning product and service information and labeling	No violations of product and service information and labeling regulations in 2021	-
417-3	Incidents of non-compliance concerning marketing communications	No violations of marketing communications regulations in 2021	-

Main Topic: Technological Empowerment and Digital Transformation (Enterprise custom topic)

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1-2-2 Analysis of Material Topics	22
103-2	The management approach and its components	CH1 The First Choice of Industry The Benchmark of Distribution	13
103-3	Evaluation of the management approach	CH1 The First Choice of Industry The Benchmark of Distribution	13

Main Topic: Smart Logistics and Smart Warehousing (Enterprise custom topic)

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1-2-2 Analysis of Material Topics	22
103-2	The management approach and its components	CH1 The First Choice of Industry The Benchmark of Distribution	13
103-3	Evaluation of the management approach	CH1 The First Choice of Industry The Benchmark of Distribution	13

Main Topic: Information Security and Data Privacy

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1-2-2 Analysis of Material Topics	22

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-2	The management approach and its components	CH2 Accountability for Integrity Win-Win in Profit	35
103-3	Evaluation of the management approach	CH2 Accountability for Integrity Win-Win in Profit	35
GRI 418: Customer Privacy(2016)		Corresponding Chapter	Page No.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints concerning breaches of customer privacy and losses of customer data in 2021	-

Main Topic: Talent Attraction and Retention

GRI 103: Management Approach(2016)		Corresponding Chapter	Page No.
103-1	Explanation of the material topic and its Boundary	1-2-2 Analysis of Material Topics	22
103-2	The management approach and its components	CH4 Empowering Talents Social Prosperity	64
103-3	Evaluation of the management approach	CH4 Empowering Talents Social Prosperity	64
GRI 201: Economic Performance(2016)		Corresponding Chapter	Page No.
201-3	Defined benefit plan obligations and other retirement plans	4-2-1 Employee Compensation and Benefits	71
GRI 202: Market Presence(2016)		Corresponding Chapter	Page No.
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-2-1 Employee Compensation and Benefits	70
GRI 401: Employment(2016)		Corresponding Chapter	Page No.
401-1	New employee hires and employee turnover	4-1-1 Talent Structure	67
401-3	Parental leave	4-2-1 Employee Compensation and Benefits	71
GRI 404: Training and Education(2016)		Corresponding Chapter	Page No.
404-1	Average hours of training per year per employee	4-1-2 Talent Cultivation	68
404-3	Percentage of employees receiving regular performance and career development reviews	4-2-1 Employee Compensation and Benefits	70

Other Voluntary Disclosures

GRI 204: Procurement Practices(2016)		Corresponding Chapter	Page No.
204-1	Proportion of spending on local suppliers	1-3-4 Supply Chain Management	32
GRI 302: Energy(2016)		Corresponding Chapter	Page No.
302-1	Energy consumption within the organization	3-2-1 Environmental Management	58
302-3	Energy intensity	3-2-1 Environmental Management	58
GRI 303: Water and Effluents(2018)		Corresponding Chapter	Page No.
303-3	Water withdrawal	3-2-1 Environmental Management	58
GRI 305: Emissions(2016)		Corresponding Chapter	Page No.
305-1	Direct (Scope 1) GHG emissions	3-2-1 Environmental Management	57
305-2	Energy indirect (Scope 2) GHG emissions	3-2-1 Environmental Management	57
305-3	Other indirect (Scope 3) GHG emissions	3-2-1 Environmental Management	57
GRI 306: Waste(2020)		Corresponding Chapter	Page No.
306-3	Waste generated	3-2-1 Environmental Management	59
GRI 307: Environmental Compliance (2016)		Corresponding Chapter	Page No.
307-1	Non-compliance with environmental laws and regulations	There were no material legal incidents in the environmental area in 2021.	
GRI 403: Occupational Health and Safety (2018)		Corresponding Chapter	Page No.
403-3	Occupational Health Services	4-2-3 Occupational Health and Safety	73
403-5	Worker training on occupational health and safety	4-2-3 Occupational Health and Safety	73
403-6	Promotion of worker health	4-2-3 Occupational Health and Safety	73
403-9	Work-related injuries	4-2-3 Occupational Health and Safety	73

GRI 406: Non-discrimination (2016)		Corresponding Chapter	Page No.
406-1	Incidents of discrimination and corrective actions taken	No incident of discrimination in 2021	-
GRI 408: Child Labor(2016)		Corresponding Chapter	Page No.
408-1	Operations and suppliers at significant risk for incidents of child labor	No incident of child labor in WPG Holdings or in its suppliers in 2021	-
GRI 409: Forced or Compulsory Labor(2016)		Corresponding Chapter	Page No.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incident of forced or compulsory labor in WPG Holdings or in its suppliers in 2021	-
GRI 411: Rights of Indigenous Peoples(2016)		Corresponding Chapter	Page No.
411-1	Incidents of violations involving rights of indigenous peoples	No Incidents of violations involving rights of indigenous peoples in 2021	-
GRI 412: Human Rights Assessment (2016)		Corresponding Chapter	Page No.
412-2	Employee training on human rights policies or procedures	4-2-2 Human Rights and Labor-Management Communication	72

5-3 ISO 26000 Social Responsibility Guidance Comparison Table

Classification	Main Topics	The Report	Page No.
Organizational Governance	Make decisions and implement the system for carrying out an objective	1-2 WPG Holdings Sustainability Management 2-1 Board of Directors Operation	18 37
	Corporate Social Responsibility Philosophy	Corporate Sustainable Development Goals	09
	Due diligence	4-2-2 Human Rights and Labor-Management Communication	72
Human Rights	Human right risks situations	4-2-2 Human Rights and Labor-Management Communication	72
	Avoidance of complicity	4-2 Happiness in Workplace	70
	Resolving grievances	4-2 Happiness in Workplace	70
	Discrimination and vulnerable groups	4-2-2 Human Rights and Labor-Management Communication	72
	Civil and political rights	4-2-2 Human Rights and Labor-Management Communication	72
	Economic, social and cultural rights	4-2-2 Human Rights and Labor-Management Communication	72
	Fundamental principles and rights at work	4-2-2 Human Rights and Labor-Management Communication	72
Labor Practices	Employment and employment relationships	4-1 Talent Empowerment	66
	Conditions of work and social protection	4-1 Talent Empowerment	66
	Social dialogue	4-3 Social Prosperity	76
	Health and safety at work	4-2-3 Health and Safety in Workplace	73
	Human development and training in the workplace	4-1 Talent Empowerment	66
Environment	Prevention of pollution	3-2 Low-Carbon Operations	55
	Sustainable resource use	3-2 Low-Carbon Operations	55
	Climate change mitigation and adaptation	3-1 Climate-related financial disclosures	54
	Protection of the environment, biodiversity and restoration of natural habitats	4-3 Social Prosperity	76

Classification	Main Topics	The Report	Page No.
Fair Operations	Anti-corruption	2-2-1 Ethical Corporate Management	41
	Responsible political involvement	1-4-1 Industry Interaction	33
	Fair competition	2-2-1 Ethical Corporate Management	41
	Promote social responsibility in the value chain	1-3 Distribution Integration and Innovation	25
	Respect for property rights	2-2-5 Legal and Trade Compliance	49
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	1-3 Distribution Integration and Innovation	25
	Protecting consumers' health and safety	1-3 Distribution Integration and Innovation	25
	Sustainable consumption	3-3 Green Value Chain	61
	Consumer service, support, and complaints and dispute resolution	1-3 Distribution Integration and Innovation	25
	Consumer data protection and privacy	1-3 Distribution Integration and Innovation 4-2-2 Human Rights and Labor-Management Communication	25 72
	Access to essential services	1-3 Distribution Integration and Innovation	25
	Education and awareness	1-3 Distribution Integration and Innovation	25
Social Participation and Development	Community involvement	4-3 Social Prosperity	76
	Employment creation and skills development	4-3 Social Prosperity	76
	Technology development and access	4-3 Social Prosperity	76
	Wealth and income creation	4-3 Social Prosperity	76
	Education and culture	4-3-2 Social Impact	78
	Health	4-2-3 Occupational Health and Safety	73
	Social investment	4-3-2 Social Impact	78

5-4 United Nations Global Compact Comparison Table

Classification	Main Topics	The Report	Page No.
Human Rights	Principle 1	Businesses should support and respect internationally recognized human rights	4-2-2 Human Rights and Labor-Management Communication 72
	Principle 2	Make sure that they are not complicit in human rights abuses	4-2-2 Human Rights and Labor-Management Communication 72
Labor Standards	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4-2-2 Human Rights and Labor-Management Communication 72
	Principle 4	The elimination of all forms of forced and compulsory labor	4-2-2 Human Rights and Labor-Management Communication 72
	Principle 5	The effective abolition of child labor	4-2-2 Human Rights and Labor-Management Communication 72
	Principle 6	The elimination of discrimination in respect of employment and occupation	2-2 Human Rights and Labor-Management Communication 72
	Principle 7	Businesses should support a precautionary approach to environmental challenges	CH3 Common Good in Environment Sustainable Value-Added 52
	Principle 8	Undertake initiatives to promote greater environmental responsibility practices	CH3 Common Good in Environment Sustainable Value-Added 52
Environment	Principle 9	Encourage the development and diffusion of eco-friendly technologies	3-3-1 Cleantech Strategy and Development 61
	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	2-2-1 Ethical Corporate Management 41

5-5 Sustainability Accounting Standards Board (SASB) Index

SASB Metric	Response	Page No.
Water Management		
TC-ES-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	3-2-1 Environmental Management Data 5-6 Sustainable Data 55 89
Waste Management		
TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	3-2-1 Environmental Management 59
Labor Practices		
TC-ES-310a.1	(1) Number of work stoppages and (2) total days idle	No such circumstances -
Labor Conditions		
TC-ES-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NNMFR) for (a) direct employees and (b) contract employees	4-2-3 Occupational Health and Safety (incidents of contractors are not counted this year) 73
TC-ES-320a.2	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Not applicable. (WPG Holdings is in the distribution service industry. There are no manufacturing activities involved but only operation locations for logistics and sales services. No relevant raw materials are provided either. Thus, not applicable to relevant regulations of RBA.) -
TC-ES-320a.3	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Not applicable. (WPG Holdings is in the distribution service industry. There are no manufacturing activities involved but only operation locations for logistics and sales services. No relevant raw materials are provided either. Thus, not applicable to relevant regulations of RBA.) -
Product Lifecycle Management		
TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	Not applicable. (WPG Holdings is in the distribution service industry. There are no end-of-life products and e-waste.) -
Materials Sourcing		
TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	1-3-4 Supply Chain Management 31
Activity Metric		
TC-ES-000.A	Number of manufacturing facilities	Not applicable. (WPG Holdings is in the distribution service industry. There are no manufacturing activities involved but only operation locations for logistics and sales services.) -
TC-ES-000.B	Area of manufacturing facilities	Not applicable. (WPG Holdings is in the distribution service industry. There are no manufacturing activities involved but only operation locations for logistics and sales services.) -
TC-ES-000.C	Number of employees	4-1-1 Talent Structure 66

5-6 Sustainable Data

Environmental Data

Water Withdrawal			
All regions (1,000,000 liters)		Water-Stressed Region (1,000,000 liters)	
Water withdrawal by source	Surface water	Total	0
		Freshwater (TDS ≤ 1,000 mg/L)	0
		Other (TDS > 1,000 mg/L)	0
	Groundwater	Total	0
		Freshwater (TDS ≤ 1,000 mg/L)	0
		Other (TDS > 1,000 mg/L)	0
	Seawater	Total	0
		Freshwater (TDS ≤ 1,000 mg/L)	0
		Other (TDS > 1,000 mg/L)	0
Produced water	Total	0	0
	Freshwater (TDS ≤ 1,000 mg/L)	0	0
	Other (TDS > 1,000 mg/L)	0	0
Third party water	Total	26.908	0
	Freshwater (TDS ≤ 1,000 mg/L)	26.908	0
	Other (TDS > 1,000 mg/L)	0	0
Total third party water withdrawal is based on the water source	Surface water / Groundwater /Seawater / Produced water	N/A (Note 4)	N/A
Total water withdrawal		26.908	0

Note 1: The sources of water resources are all domestic and 100% fresh water; the water withdrawal amount is distinguished from the water resources stress areas according to the WRI Aqueduct analysis tool

Note 2: Freshwater is defined as water with total dissolved solids (TDS) ≤ 1,000 mg/L

Note 3: Other water is defined as water with total dissolved solids (TDS) > 1,000 mg/L

Note 4: The source of third party water is tap water

Social Data

A. Violation of social and economic laws and regulations and response measures

WPG Holdings had no non-fine incidents of violations of social and economic laws and regulations in 2021. However, due to the labor inspection, the affiliated company was found to have violated one of the laws and regulations. The subsidiary company of WPG Holdings was fined NT\$50,000 for violating Paragraph 30, Article 6 of the Labor Standards Act. The company has reviewed the management and operating procedures and strengthened communication and promotion.

Note: According to the inquiry system of the business unit (employers) in violation of labor laws and regulations of the Ministry of Labor, inquiries are made according to the period of the report 2021/01/01~2021/12/31.

B. Number of substantiated breaches of customer privacy and losses of customer data

Source of complaints or reports	Number of substantiated cases
Information leakage or losses of customer data	0
Violate customer privacy	Regulatory Authority
	Others (outside parties)

5-7 Summary of Underlying Selected Subject Matter



Appendix I : Summary of the Selected Information

No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
1	3.2.1 Environmental management_ Water Resource Management	58	<ul style="list-style-type: none"> ■ Statistics of Water Consumption in 2021: <ul style="list-style-type: none"> A. Office Area <ul style="list-style-type: none"> - WPG Holdings and the Group: 15,392 million liters - Taiwan: 5,337 million liters - Hong Kong: 1,347 million liters - Dongguan: 4,832 million liters C. Total: 26,908 million liters ■ The water consumption statistics of the office area are the water consumption statistics of the Taipei Headquarters Building, excluding the offices at the external bases (Hsinchu, Taichung, Kaohsiung). The data collection situation will be evaluated for management; in response to the pandemic in 2021, due to the policy of work from home started from May to August, there is no relevant data. ■ The Dongguan warehouse began operation in May 2021, and the statistical period of water use would be counted from August. ■ The calculation period of the logistics warehouse in 2019 and 2020 was the date on the water bill. The statistics would be changed to the period of water consumption in 2021. 	<ul style="list-style-type: none"> ■ Statistics of WPG water consumption 	<ul style="list-style-type: none"> GRI Standards 303-3 Water withdrawal
	5.6 Sustainable Data_ Environmental Data	89	<ul style="list-style-type: none"> ■ Water withdrawal in all regions (million liters) <ul style="list-style-type: none"> A. Surface water <ul style="list-style-type: none"> - Total: 0 - Freshwater: 0 - Other: 0 B. Ground water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 C. Sea water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 D. Produced water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 E. Third party water <ul style="list-style-type: none"> - Total: 26,908 - Freshwater (TDS ≤ 1,000 mg/L): 26,908 		

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
			<ul style="list-style-type: none"> F. The total third party water withdrawal is based on the water source <ul style="list-style-type: none"> - Surface water: N/A (Note) - Ground water: N/A (Note) - Sea water : N/A (Note) - Produced water: N/A (Note) Note : The source of third party water is tap water G. Total water withdrawal: 26,908 ■ Water withdrawal in water-stressed region (million liters) <ul style="list-style-type: none"> A. Surface water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 B. Ground water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 C. Sea water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 D. Produced water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 E. Third party water <ul style="list-style-type: none"> - Total: 0 - Freshwater (TDS ≤ 1,000 mg/L): 0 - Other (TDS > 1,000 mg/L): 0 F. The total third party water withdrawal is based on the water source <ul style="list-style-type: none"> - Surface water: N/A (Note) - Ground water: N/A (Note) - Sea water : N/A (Note) - Produced water: N/A (Note) Note : The source of third party water is tap water ■ Freshwater is defined as water with total dissolved solids (TDS) ≤ 1,000 mg/L ■ Other water is defined as water with total dissolved solids (TDS) > 1,000 mg/L 		

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
2	3.2.1 Environmental management_ Waste Statistics	59	<ul style="list-style-type: none"> ■ Waste Statistics in 2021 <ul style="list-style-type: none"> A. Office Area <ul style="list-style-type: none"> - General Waste: 71,552 metric ton - Recyclable Waste: 13,499 metric ton - Total Amount of Waste: 85,051 metric ton B. Logistics Warehouse <ul style="list-style-type: none"> - General Waste: 189,142 metric ton - Recyclable Waste: 107,459 metric ton - Total Amount of Waste: 296,601 metric ton ■ The statistical data on waste in the office area is for the Taipei Headquarters Building, excluding the offices at external bases (Hsinchu, Taichung, Kaohsiung). The data will be tracked due to management purpose. ■ The statistics on general waste have been conducted in 2021. ■ The Dongguan warehouse began operation in May 2021, so the data does not include the figure of Dongguan warehouse. However, the data will be tracked due to management purpose. ■ The recyclable wastes in the Hong Kong warehouse are damaged pallets, waste PE films, cartons, logistics boxes, and styrofoam (filter); the recyclable wastes in the Linkou warehouse are non-reusable cartons, damaged pallets, bubble bags, plastic bottles, tin and aluminum cans. 	<ul style="list-style-type: none"> ■ Waste Statistics in 2021 	<ul style="list-style-type: none"> Statistics of WPG Waste Management
3	4.1.1 Talent Structure	67	<ul style="list-style-type: none"> ■ Number of New Full-time Employees <ul style="list-style-type: none"> A. Taiwan <ul style="list-style-type: none"> - by gender <ul style="list-style-type: none"> Female: 131 people Male: 116 people - by age <ul style="list-style-type: none"> Under 30 years old: 128 people 31-40 years old: 77 people 41-50 years old: 38 people Above 51 years old: 4 people - Total: 247 people - Newly-Hired Rate: 5.15% B. Overseas <ul style="list-style-type: none"> - by gender <ul style="list-style-type: none"> Female: 265 people Male: 388 people - by age <ul style="list-style-type: none"> Under 30 years old: 351 people 31-40 years old: 224 people 	<ul style="list-style-type: none"> ■ Number of New Full-time Employees 	<ul style="list-style-type: none"> Statistics of WPG new full-time and resigned full-time employees

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
			41-50 years old: 67 people Above 51 years old: 11 people - Total: 653 people - Newly- Hired Rate: 13.62%		
	C. Total		- by gender Female: 396 people Male: 504 people - by age Under 30 years old: 479 people 31-40 years old: 301 people 41-50 years old: 105 people Above 51 years old: 15 people - Total: 900 people - Newly- Hired Rate: 18.77%		
	D. Newly- Hired Rate		- by gender Female: 8.26% Male: 10.51% - by age Under 30 years old: 9.99% 31-40 years old: 6.28% 41-50 years old: 2.19% Above 51 years old: 0.31% - Total: 18.77%		
			Note1: The scope of statistics ended on December 31st, 2021. Note 2: The calculation method of the newly hired rate is the number of new employees in the current year/(number of employees at the beginning of the current year + the number of employees at the end of the current year)/2.		
	■ Number of Resigned Full-time Employees		A. Taiwan - by gender Female: 90 people Male: 127 people - by age Under 30 years old: 62 people 31-40 years old: 74 people 41-50 years old: 68 people Above 51 years old: 13 people - Total: 217 people - Turnover Rate: 4.53%		
	B. Oversea				

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
			- by gender Female: 230 people Male: 427 people - by age Under 30 years old: 267 people 31-40 years old: 269 people 41-50 years old: 98 people Above 51 years old: 23 people - Total: 657 people - Turnover Rate: 13.70%		
	C. Total		- by gender Female: 320 people Male: 554 people - by age Under 30 years old: 329 people 31-40 years old: 343 people 41-50 years old: 166 people Above 51 years old: 36 people - Total: 874 people - Turnover Rate: 18.23%		
	D. Turnover Rate		- by gender Female: 6.67% Male: 11.55% - by age Under 30 years old: 6.86% 31-40 years old: 7.15% 41-50 years old: 3.46% Above 51 years old: 0.75% - Total: 18.23%		
	E. Voluntary Turnover Rate		- by gender Female: 6.03% Male: 10.22% - by age Under 30 years old: 6.40% 31-40 years old: 6.30% 41-50 years old: 2.96% Above 51 years old: 0.58% - Total: 16.24%		
			Note1: The scope of statistics ended on December 31st, 2021. Note 2: The calculation method of the newly hired rate is the number of new employees in the current		

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
			year/(the number of employees at the beginning of the current year + the number of employees at the end of the current year)/2.		
4	4.1.2 Talent Cultivation	68	■ Statistics of Education and Training in 2021 A. By gender - Female Total Training Hours: 32,356.67 Number of Participants: 1,909 Average Training Hours per employee: 16.95 Training People: 19,273 - Male Total Training Hours: 47,385.15 Number of Participants: 2,196 Average Training Hours per employee: 21.58 Training People: 24,795 B. By position - Manager Total Training Hours: 25,109.61 Number of Participants: 824 Average Training Hours per employee: 30.47 Training People: 10,667 - Non-manager Total Training Hours: 54,632.21 Number of Participants: 3,281 Average Training Hours per employee: 16.65 Training People: 33,401 ■ The scope of statistics is for the full-time employees in the Greater China region on Dec 31st, 2021, and the number of training people is calculated for the full-time employees who had passed the training.	■ Statistics of WPG Education and Training	GRI Standards 404-1 Average hours of training per year per employee
5	2.1.2 Diversity of the Board of Directors and Performance Evaluation	38	■ There are a total of 11 members of the sixth Board of Directors (including 4 Independent Directors). Additionally to the electronic components industry, the professional field covers investment management, strategic management, financial accounting, law, and international market views. The Company has 2 seats (18%) as employees (including appointed managers), and 4 seats (36%) as independent directors; there is currently 1 female director (at least 1 achieving the target; the proportion is 9%), 2 directors are over 70 years old, and the remaining 9 directors are between 50 and 70 years old. The tenure period of independent Directors with less than 3 years occupies 3 seats, and 1 seat for more than 9 years. The average tenure of all the directors in office is 11 years.	■ Gender and age statistics of WPG governance body and employees	GRI Standards 405-1 Diversity of governance bodies and employees

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
4.1.1	Talent Structure	66	<p>■ Gender and Position Distribution of Full-time Employees with Different Ages and Education Levels</p> <p>A. By Age</p> <ul style="list-style-type: none"> - Under 30 yrs old: 887 people, 18.42% (Female: 481; Male: 406) (Manager: 6; Non-manager: 881) - 31~40 yrs old: 1,822 people, 37.83% (Female: 902; Male: 920) (Manager: 178; Non-manager: 1,644) - 41~50 yrs old: 1,613 people, 33.49% (Female: 673; Male: 940) (Manager: 460; Non-manager: 1,153) - Above 51 yrs old: 494 people, 10.26% (Female: 163; Male: 331) (Manager: 258; Non-manager: 236) <p>B. By Education</p> <ul style="list-style-type: none"> - Under High School : 380 people, 7.89% (Female: 177; Male: 203) (Manager: 34; Non-manager: 346) - College/University: 4,044 people, 83.97% (Female: 1,941; Male: 2,103) (Manager: 750; Non-manager: 3,294) - Master Degree: 389 people, 8.08% (Female: 100; Male: 289) (Manager: 117; Non-manager: 272) - Ph.D.: 3 people, 0.06% (Female: 1; Male: 2) (Manager: 1; Non-manager: 2) <p>C. Total: 4,816 people, 100%</p> <ul style="list-style-type: none"> - Female: 2,219; Male: 2,597 - Manager: 902; Non-manager: 3,914 <p>■ Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on December 31st, 2021.</p>		
4.1.1	Talent Structure	67	<p>■ Distribution of Female Employees' Positions</p> <ul style="list-style-type: none"> - All staff members: 46.08% - Overall management: 31.37% - Junior Management (Note 1) : 38.71% - Middle Management (Note 2) : 17.77% - Senior Management (Note 3) : 9.43% - Sales Supervisors (Note 4) : 24.69% - STEM positions (Note 5) : 13.40% <p>■ Note 1: Junior management refers to the managerial</p>		

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No.	Corresponding Section	page	Selected Information	Reporting Criteria	GRI Standards
			<p>position which is the same or below the position as Managers.</p> <p>■ Note 2: Middle management refers to the managerial position, which is the same as Associate Managers and Directors.</p> <p>■ Note 3: Senior management refers to a managerial position which is the same or above the position as CXO.</p> <p>■ Note 4: Sales supervisors refer to front-end business units such as the sales department, but do not include administrative units (such as the HR, IT, and legal affairs departments)</p> <p>■ Note 5: STEM positions refer to positions related to science, technology, and engineering (such as IT, FAE, R&D personnel, and logistics engineering professionals)</p>		
6	4.2.1 Employee Compensation and Benefits	70	<p>■ Gender Remuneration Ratio in 2021</p> <p>A. Manager</p> <ul style="list-style-type: none"> - Male: 1,368 - Female: 1 <p>B. Non-manager</p> <ul style="list-style-type: none"> - Male: 1,369 - Female: 1 	<p>■ Statistics of WPG Gender Remuneration</p> <p>A. Manager B. Non-manager</p>	<p>GRI Standards 405-2</p> <p>Ratio of basic salary and remuneration of women to men</p>

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