

2022 Sustainability Report



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WPG Holdings

ESG

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About the Sustainability Report

This 2022 Sustainability Report (hereinafter referred to as "this Report" or the "Sustainability Report") of WPG Holdings Ltd. (hereinafter referred to as the "Company" or "WPG Holdings") seeks to disclose the plans and practices for corporate social responsibility and sustainable development of WPG Holdings.

As the world's leading semiconductor distributor and the largest in the Asia-Pacific region, WPG Holdings is committed to maximizing the best interests of "customers" and "IDM/Fabless" together. Therefore, the report is organized under the theme of "L-I-N-K," echoing the core business spirit of WPG Holdings, with Chapter 1 "The First Choice of Industry; The Benchmark of Distribution" (Leadership), Chapter 2 "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), revealing our actions and performance in corporate governance, environment and society.

In addition to following the GRI General Standards 2021 issued by the Global Reporting Initiative (GRI), the disclosure of information in the Sustainability Report of WPG Holdings is also based on the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange, the Sustainability Accounting Standard Board (SASB) industry disclosure standards, the Task Force on Climate-Related Financial Disclosures (TCFD) frameworks and the United Nations Sustainable Development Goals (SDGs). We expect to communicate to our stakeholders about the significant issues of concern and corresponding actions taken by the Company.

Report Scope

This Report covers the corporate sustainability practices and achievements of the Company and its four sub-group companies, including the WPI Group, SAC Group, AIT Group, and YOSUN Group, collectively referred to hereinafter as WPG Holdings. The headquarters referred to in the report is the Nangang Headquarters Building, and the operating locations refer to Company offices and its own logistics warehouse.

The scope of this report is consistent with the scope of the consolidated financial statements, and where there are inconsistencies, these are explained by way of notes. In order to provide readers with a consistent description of the organizations appearing in this report, the following explanations are provided:

Holding Company

Refers specifically to "WPG Holdings Ltd." in Taiwan.



WPG Holdings

Refers to a subsidiary, 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 commissioned to Deloitte Taiwan to provide limited assurance in accordance with the Statements of Assurance Engagements Standards No.3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation, to ensure limited assurance and disclosure in compliance with the GRI Universal Standards 2021. Please refer to the Appendix for the independent auditors' limited assurance report. The financial data were duly certified and attested by PricewaterhouseCoopers, Taiwan.



Download link of
this Report

Report Period and Issue Period

- Number of copies issued: 9th
- Report period: January 1, 2022, to December 31, 2022, consistent with the Company's consolidated financial statements (some information is not limited to FY2022 due to integration needs)
- Last issue date: August 2022
- Date of the current issue: June 2023
- Next expected issue date: June 2024

The annual reports are publicly available on the ESG section of the WPG Holdings website, and the sustainability reports are expected to be issued annually in both English and Chinese.

Note: The sources of information in this Report were reviewed and provided by each unit manager; the content of material topics was reviewed and approved by the Sustainability Committee.

Contact Information

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Letter from the Chairman

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

2022 was a year of uncertainties and challenges. Although the COVID-19 pandemic is abating around the world, the global business environment continues to be turbulent due to changes in the market climate, widespread inflation, and interest rate hikes. Despite the many challenges and impacts, we still achieved a record operating profit. We are particularly grateful for the concerted efforts of all of our employees, and our digital transformation and operational risk management efforts, which we have been promoting for years, have passed stress tests and proven the effectiveness of our business strategies.

We have maintained our focus on ESG issues even in the face of challenging economic changes. The upgrade of MSCI ESG Rating to A, our inclusion in the Taiwan Corporate Governance 100 Index, and our achievement of the Taiwan Intellectual Property Management System (TIPS) Level A certification demonstrate that our commitment to sustainability has been highly recognized externally. Corporate sustainability is one of our key objectives, and we are committed to pursuing stellar operational performance while continuing to value the interests of our stakeholders and investors, and to contribute to the sustainable development in the regions where we operate in line with the UN SDGs. We will focus on the five core areas of "Corporate Governance, Sustainable Supply Chain, Environmental Sustainability, Sustainable Human Resources, and Social Engagement", and aim to become a trusted partner and global corporate citizen for all stakeholders.

Corporate Governance

We are committed to a professional governance structure that focuses on the deepening of selected key issues in the sustainability trend and its implementation in our strategic operations. In practical action, we established a dedicated ESG Office in February 2022 to continue to prioritize ESG issues within the Group. In addition, we moved our annual shareholder's meeting to May in order to protect shareholder's rights and improve communication. We value the importance of incorporating a sustainable environment into a culture of sound governance through governance system operations.

Sustainable Supply chains

To bolster our efforts at building a sustainable supply chain, we have accumulated many years of experience in supply chain management. Embodying the spirit of innovation, we shall create Logistics as a Service (LaaS) models, with the aim of improving the efficiency of global digitalized supply chain logistics, addressing the pain points of upstream and downstream partners in warehousing, and building a low-carbon ecosystem; with "business digitization, business platform, and data commercialization" as our core viewpoint, which we have evolved into a business process as a service (BPaaS) OEM model. Furthermore, our micro-services information system can be flexibly combined to enhance the resilience of industry partners and achieve a win-win situation for all.

Environmental Sustainability

As an important member of the global semiconductor supply chain, WPG Holdings is ahead of domestic requirements and has completed greenhouse gas inventories of its main operating sites and its own warehouses and has obtained ISO 14064:2018 certification. In addition, through the environmental issues advocated within the Company, we hope to build a foundation for employees' awareness of carbon reduction, with participation from all employees towards our goal of net-zero carbon emissions by 2050. In addition, through the advantages of value-added services provided by WPG Holdings, we have been working with our customers to develop clean technology product solutions and work with industry partners to achieve a low-carbon, green transformation together, playing an active role in the supply chain carbon reduction initiatives.

Sustainable Talent

We believe that our employees are the most important assets of the Company and the driving force that supports the advancement of WPG Holdings. Therefore, it is always the core of our strategy to continuously attract and motivate talents and invest in the development of employee functions. Through the Employee Stock Ownership Trust Program, we invite employees to become shareholders, share the Company's operating results, actively retain talent, and implement a hybrid work model to create work flexibility for collaboration; provide comprehensive on-the-job training, general education, and a variety of physical and online learning channels, and establish an internal lecturer mechanism for systematic transmission and sharing to cultivate the knowledge required by employees in the workplace by instilling corporate culture to ensure organizational solidarity and cohesion.

Social Participation

WPG Holdings has long been committed to community care and youth empowerment. Internally, we continue to encourage our employees to volunteer and assist public welfare organizations and disadvantaged families through practical donations to inject goodness into society; externally, we provide a stage for youth development by passing on supply chain management knowledge through industry-academe cooperation; and integrate internal and external resources to initiate the formation of the ESG Technology Innovation Promotion Alliance, which supports environmental issues in agriculture, fishery and livestock raising, and energy conservation. By supporting the environmental issues of agriculture, fishery, livestock, and energy conservation, we aim to help Taiwan society achieve the goal of living in harmony with the environment.

Looking ahead, in the face of rising geopolitical and climate risks, it is imperative for companies to engage in BCM efforts to actively manage related risks. With sound corporate governance as the cornerstone, we will complement our digital transformation and build operational resilience to lead our employees through challenging times and continue to realize our vision of "The First Choice of Industry • The Benchmark of Distribution." We fully implement our core values of "Teamwork, Integrity, Professionalism, and Effectiveness," and strengthen our long-term competitiveness by taking sustainable actions; and maintaining engagement and communication with our customers, suppliers, employees, banks, investors, and other stakeholders to move forward together toward the sustainable goal of "Grow Together, Strive Together and Win Together."

Chairman of
WPG Holdings Ltd.
Simon Huang

黃偉雄



Letter from the CEO

In 2022, the global political, economic, and semiconductor industries faced turmoil and numerous challenges. While force majeure factors will come and go, black swans will become the norm. WPG Holdings focuses on strengthening the resilience of the supply chain and continues to refine and optimize the operational quality of each function.

In 2022, the U.S. Federal Reserve rapidly raised interest rates, and the overall financial costs of WPG Holdings rose steeply. Financial discipline has become a key factor affecting operational results, and WPG Holdings' front and back-end teams are working diligently to optimize all variables that may cause impacts, using return on working capital (ROWC) as an indicator, in order to alleviate the financial pressure caused by the interest rate increase through prudent working capital management.

Glocalization, Greatness

Amidst the complex variables, WPG Holdings is well aware that economies of scale and investment volume are crucial to provide more appropriate services to upstream and downstream stakeholders in the global supply chain. With "Glocalization" and "business continuity" as the main axes of work, and based on the industry holding structure, the back-end teams in the front-end and back-end of WPG Holdings and its sub-groups, based on the service targets, service regions, and service functions, and on the premise of satisfying the key needs of upstream and downstream stakeholders, agilely propose diversified response measures under different conditions and actively build cross-regional service networks and platforms. In this process, by bringing together professionals from all sides to create more competitive service solutions, WPG Holdings will be able to respond more steadily to the rapidly changing environment and help its upstream and downstream partners achieve long-term operational success.

Empowerment, Effectiveness

Since the first year of digital transformation in 2018, WPG Holdings has completed the first five years of digital transformation. Driven by the goal of "Business Digitization," WPG Holdings has empowered employees with various digital tools on the front and back ends, from

data management reports to robotic process automation (RPA), handing over highly repetitive and tedious tasks to machines, allowing employees to spend their time on more valuable stakeholder services.

These digital workplaces extend from the original WPG DADAWANT to various functions, including business process platforms, finance and accounting platforms, human resources platforms, information management platforms, legal platforms, general affairs platforms, logistics service platforms, etc., bringing the information required by executives at all levels directly, instantly and flexibly at the tip of the fingers. The digital data visualization platform for each functional process provides different granularity of data information according to operational needs, helping empower frontline staff to make daily operational decisions with more accurate data.

Since 2012, thanks to the integrated effect of back-end integration and digital tools, the revenue of WPG Holdings has more than doubled by 2022, but the overall number of employees has decreased and the per capita production capacity has maintained a positive growth trajectory.

In addition, the "Cloudization" and "Microservices" of business processes are becoming a market trend. The Business Process as a Service (BPaaS) project, which was launched by the WPG Holdings Information Technology team in 2020, is a step ahead of the industry in terms of preparations to respond more quickly to the needs of internal customers and upstream and downstream partners in the foreseeable future. We hope to increase operational flexibility and efficiency in the foreseeable future.

Succession, Happiness

People are always the greatest assets of an enterprise. When the employees of WPG Holdings are most concerned about their career options by "realizing self-worth," and when "four generations in one family" is the norm, how to establish a good talent management and development mechanism under this premise, so that the organization can show the best management performance while achieving a win-win situation for both employees and the organization is the focus of WPG Holdings' human resources work at this stage.

In the future development roadmap of WPG Holdings, the cultivation of legacy talents is of utmost importance. The succession team should not only possess in-depth professional knowledge and skills, but also assume the responsibility of maintaining and passing on the core values and culture of the Company. To this end, in the next few years, WPG Holdings will establish a career development plan for senior executives to create greater value for colleagues and stakeholders, and to lay a more solid foundation for the sustainable development of WPG Holdings.

Looking ahead to the next decade, the value proposition of the WPG Holdings for stakeholders is crucial. Therefore, commencing from 2022, the management team has launched a "Purpose" project to create value for key stakeholders. In 2023, we are expected to produce value and meaning to important stakeholders, and under this premise, we will develop relevant supporting mechanisms to attract new talents and retain good ones and continue to move steadily towards the path of a happiness.

**CEO of
WPG Holdings Ltd.
Mike Chang**






Letter from the Chairman of the ESG and Sustainable Development Committee

Since 2010, when I led YOSUN Group to join WPG Holdings, I have served as the Vice-Chairman of WPG Holdings. Until the end of 2020, the Company assigned me to be the Chief Sustainability Officer in order to enhance our competitiveness in sustainability, hoping to strengthen our actions and tasks in ESG sustainability. Since assuming office, we have gradually integrated the three dimensions of environment, governance and society into our operations through the operation of our governance mechanism, and I have led the Company to continue to deepen our commitment to the sustainability value proposition of "**Sustainable Heritage • Selfless Sharing • Common Good**" through practical actions, with the expectation that this will provide the Group with a source of motivation to move towards sustainability.

Sustainability Value Propositions Sustainable Heritage • Selfless Sharing • Common Good

Promoting sustainable heritage with the core goal of seamless succession and happiness

- Passing on experience

Altruism and selfless sharing

- NCCU Supply Chain Management Program
- Management Intelligence Sharing Association (MISA)
- Expand the scope of experience sharing to the outside world



Create a win-win ecosystem, and work together with the industry for mutual benefit and integration

- Taiwan Industrial Holding Association
- ESG Technology Innovation Promotion Alliance
- WPG Ladies Open

Promoting Sustainable Heritage with the Core Goal of Seamless Succession and Happiness

At WPG Holdings, we have always valued talent and human resources development. We believe that the sustainable operations and growth of a company depends on the contributions of every employee, and that our core competitiveness is maintained by the concerted efforts of our employees. In order to ensure that the experience and industry know-how of our employees can be passed on steadily to provide continuous services to our customers and business partners, experience transfer within the organization is an important direction for the human resources development of WPG Holdings, accelerating the enhancement of human resources in various fields and allowing key talents to become corporate value creators. Therefore, starting from 2021, I have taken the lead in sharing my experience in workplace skills, concepts, management, communication and leadership, and talent development through small stories and big inspirations. In 2022, the Group further invited senior executives to serve as internal lecturers to systematically transfer and retain the wisdom and know-how of the organization and time-honored internal best practices through the establishment of a library of short video teaching materials.

We have completed 110 videos to the present day and expect to help our employees to quickly enhance their abilities and experience, and help them to continuously build and strengthen organizational learning and competitiveness in response to the rapidly changing business environment.

Altruism and Selfless Sharing NCCU Supply Chain Management Program

Since 2010, WPG Holdings has been working with the College of Commerce of National Chengchi University to sponsor and support the Supply Chain Management Program, which is now in its 12th year.

Since supply chain management is a cross-disciplinary management discipline and related courses are scattered among various departments in the College of Commerce, the College of Commerce of National Chengchi University hopes to integrate the existing course resources of various departments and create supply chain management courses that meet the market demand. In order to support the supply chain development strategy of WPG Holdings and to cultivate talents in the supply chain field, NCCU has partnered with WPG Holdings to develop a tailor-made program that combines academic education on supply chain management with practical sharing by corporate practitioners. This is envisaged to support the development of the supply chain strategy in Taiwan, and to cultivate talents in the supply chain field.

Management Intelligence Sharing Association (MISA)

The purpose of MISA is to serve as a platform for sharing business wisdom and to serve as a bridge between supply and demand, allowing accomplished business gurus with an average of more than 30 years of experience in the industry to selflessly pass on their valuable business and life management wisdom to leaders of emerging and transformative businesses. In addition to expanding the scope of succession, it will also help to upgrade Taiwan's industries.

MISA has established the MISA Academy, which regularly holds a variety of courses, such as MISA Café Saloon, Guru Lecture, One-on-One Counseling, Strategic Private Council, and Guru Gathering. At present, a total of 54 experts/gurus have been gathered to share their business wisdom and practical experience to promote industry transformation and upgrade, as well as to connect resources and contacts. In recognition of and in support of the concept of the MISA, the Group has joined hands with the WPG Holdings Education Foundation to link up the forces of industry advancement.

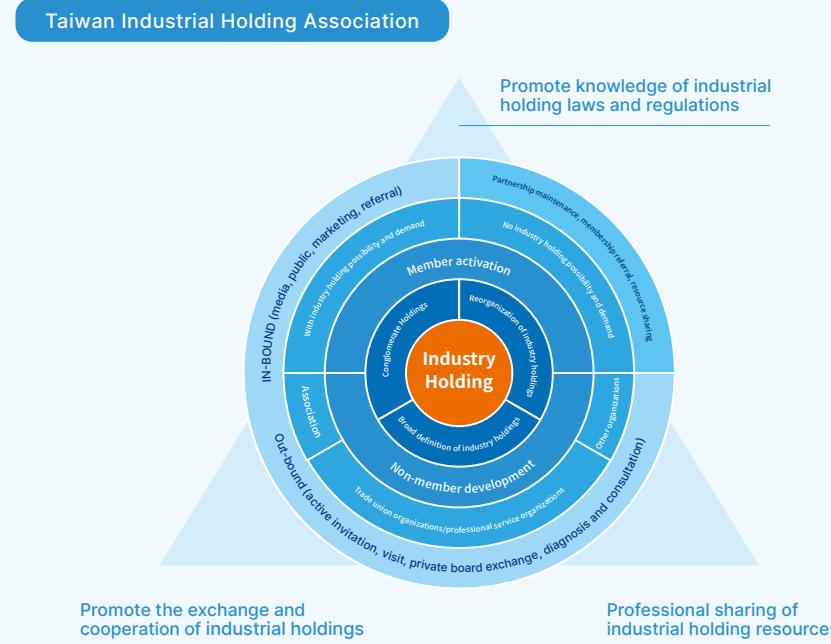
Expanding the Scope of External Experience Sharing

As the Chief Sustainability Officer of WPG Holdings, I have accumulated more than 30 years of practical experience and management techniques. With the goal of improving the overall industry capability, I have systematically and progressively produced short video teaching materials on management experience, not only for internal education and training, but also for sharing with external companies, so that our management experience can be extended to become an external corporate think tank. In addition, we will also selflessly pass on our practical management wisdom through the publication of business management books, external lectures and speeches, etc. In 2022, we held a total of 30 external lectures to maximize altruism and expand the scope of mutual benefit.

Create a Win-Win Ecosphere, and Work Together with the Industry for Mutual Benefit and Integration

Taiwan Industrial Holding Association

The Taiwan Industry Holding Association (hereinafter referred to as TIHA) aims to bring into play the spirit of mutual benefit, allowing enterprises to pursue large-scale growth through collaboration and alliance, development and competition, and to increase exchanges and experience sharing with industry, government, and academia through the TIHA, and to promote the development of the business environment of the industry. Through analysis of the industry holding proposals, we propose relevant policy recommendations, hoping to promote more industrial cooperation or various strategic alliances in Taiwan to create a win-win ecosystem for the industry.



ESG Technology Innovation Promotion Alliance

We recognize that the implementation of corporate social responsibility is no longer the traditional concept of philanthropic activities or single-point donations, but should be more focused on how to solve sustainability issues from our own industry and integrate our core competencies, while taking into account the environment and society, creating greater value and bringing meaningful impact to society.

To this end, WPG Holdings is playing a leading role, aiming to provide technology application solutions and FAE resources based on its own core competencies, and calling on its upstream and downstream partners, including LITE-ON Technology, Qisda Corporation, Advantech, SYSTEX Corporation, ADATA, and EDOM Technology, as well as its financial partner CDF Holding Corporation, to form the ESG Technology Innovation Promotion Alliance (hereinafter referred to as the Alliance), linking up the collaboration of the ecosystem and focusing on technology as the main axis. The IMV ESG Alliance aims to promote the IMV competition by focusing on the issues of agriculture, forestry, agriculture, fisheries, and livestock, as well as energy saving and carbon reduction.

As the main initiator of the Alliance, we have not only provided NT\$4 million in funding support, but also raised over NT\$20 million for the Alliance. Our internal senior executives and FAEs serve as judges and mentors for the IMV competition, providing advice and assistance to the participating teams; after the tournament, we continue to provide resources and counseling as needed, linking more cross-disciplinary cooperation.

WPG Ladies Open

In the year 2020, on the 15th anniversary of the founding of WPG Holdings, we are concerned about the lack of opportunities for female golfers to showcase their talents due to the impact of the COVID-19 epidemic, and with the intention of working together with the industry, we have joined hands with like-minded upstream partners to launch a long-term initiative to support technical training, hoping to help develop unlimited possibilities for female professional players in Taiwan.

For three consecutive years, we have been the title sponsor of the WPG Ladies Open, providing a stage and resources for female golfers and nurturing promising new players by helping them to compete in a major international sporting event, demonstrating our social influence and the power of working together with the industry.

On the road to sustainability, we will continue to strengthen our core competitiveness, cultivate outstanding talents of WPG Holdings, create unique competitive advantages by carrying out our management philosophy, and strive to meet the expectations of our stakeholders, striving to create a sustainable future together with our industry partners on the premise that the Company, our colleagues, and our stakeholders can work together for the good of all.

Chairman of ESG and Sustainable Development Committee, WPG Holdings

K.D. Tseng

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2022 Sustainability Performance Highlights



Environment

- Committed to achieving Net Zero Emissions by 2050, further accelerating to Net Zero Emissions for the entire Group by 2030.
- Co-founded aggregator promotion model with Intel, focusing on energy saving and carbon reduction technology development and low carbon application, attracting about 90 partners to provide 25 energy saving solutions.
- Developed 160 clean technology related solutions through the WPG DADATONG Platform, accounting for 60% of the total number of solutions developed in the year, with revenue growth of 40% compared to last year.
- Reduced the amount of waste in storage by 58.7% compared to the previous year.

Social

- Launched Employee Stock Ownership Trust with a coverage rate of 90%.
- Invested NT\$18,996,862 in education and training, with a total of 86,988 hours of training and 17.71 hours of training per capita, with a growth of 32.35% in female training hours.
- Sponsored "Supply Chain Management Industry-academia cooperation program" at the College of Commerce, National Chengchi University for 12 consecutive years, and systematically organized the know-how in the supply chain management and cultivated supply chain management talents.
- In order to implement the requirements for conflict mineral management, take the initiative to identify and investigate the top 30 key suppliers, ensuring that the proportion of raw materials sourced from qualified smelters reaches 98.9%.
- MISA (Management Intelligence Sharing Association), with experience transmission as its core, was established by Mr. Kuo-Tung Tseng, the Chief Sustainability Officer of WPG Holdings, and several senior entrepreneurs to plan a rich and diversified management curriculum. 6 lectures were held online and offline in 2022, with a total of 2,150 participants.

Governance

- Ranked top 5% of all listed companies and top 10% of electronics companies with market capitalization over NT\$10 billion in the 2022 (9th Round) Corporate Governance Evaluation Indicators.
- Board of Directors had a 98% attendance rate and various Functional Committees had a 100% attendance rate.
- Introduced ISO 27001 and ISO 27017 and passed the first audit after ISO 27001 certification.
- Achieved RMB\$ 11.1 billion as cumulative promotion value with the Inbound Marketing mechanism in the full-coverage community of Blogs, an increase of 8% compared with the same period last year.
- Internal experience transfer series - business leadership, workplace skills, business processes, etc., produced and spearheaded by the Chief Sustainability Officer. 110 videos are now available and open to external subscriptions.



Calling On Supply Chain Partners to Form the ESG Technology Innovation Alliance

Supporting Technology Innovation and Environmental Sustainability

Origins and Content

WPG Holdings is committed to environmental sustainability and envisages to combine the Company's core competencies with technology to empower traditional industries and enhance the resilience of the industry in the face of extreme climate impacts. In early 2022, WPG Holdings and Business Weekly launched an initiative to form an alliance to promote ESG Technology Innovation Promotion Alliance, combining upstream and downstream ecosystem partners and the financial industry, including: LITE-ON Technology, Qisda Corporation, Advantech, SYSTEK Corporation, ADATA, EDOM, and CDF Holding Corporation. By integrating expert resources, solutions, and product advantages of the alliance partner companies, the Alliance promotes the "IMV Technology Innovation Award and Innovation Proposal Competition" (hereinafter referred to as IMV Competition), and focuses on two main axes, "Innovation in Agriculture, Fisheries and Livestock" and "Innovation in Energy Saving and Carbon Reduction," as a concrete response to the United Nations Sustainable Development Goals SDGs7, 14, 15, 17.

The IMV competition uses I, M, and V as the three core elements, which stand for Innovation, Marketable, and ESG Value respectively. The teams are required to adopt this as the direction for their proposals, integrating technology applications in their business models or ideas, with the goal of achieving environmental sustainability.



Results

The first IMV competition was held in two categories, "Technology Innovation Award" and "Innovation Proposal Competition," and attracted 169 entries from 18 counties and cities across Taiwan. 17 award-winning teams in the fields of agriculture, forestry, fishery, and livestock, as well as energy conservation and carbon reduction, met the spirit of Innovation, Marketability, and ESG Value and were awarded NT\$4.35 million. We support all award-winning local teams in Taiwan by investing resources in practical actions to create more possibilities for environmental sustainability.



Implementation Journey and Results



Highlights



Over **NT\$20 million** was raised in 2022.



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\$800 billion**. They are more influential to create a sustainable ecosystem cooperatively.



Received attention and reports by mainstream media, with a total of **30** print media exposures and **3** TV media reports.



After the first competition, the value of the competition will continue to be sustained through the provision of resources and coaching as needed.



- WPG Holdings Vice President Scott Lin served as the Proposal Excellence Workshop mentor (front row, 2nd from left)



- Through the Demo Day, we get to know more about the participating teams' innovative ideas and business models



For more information, please refer to the official website of the Alliance.

Long-term Benefits

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.

Cultivating the team in the innovative company and injecting ESG innovation energy:

Accompanied by receiving 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.

Future Planning

The second IMV competition is currently being planned, and we hope to attract more enterprises or teams to participate based on the success of the first event. Through cross-disciplinary cooperation among Alliance companies, we help the industry to stimulate more creative ideas that start with technological innovation, breed more successful transformation cases, and encourage innovative and sustainable solutions. WPG Holdings will continue to call on companies concerned with environmental sustainability issues to join the Alliance, gradually expanding its reach and creating a new era of sustainability for the spirit of "Grow Together, Strive Together and Win Together".



- Group photo of the first award-winning team with representatives of Alliance companies and the judging panel

Corporate Feedback

Airtree, Inc. has participated in the "ESG Technology Innovation Promotion Alliance" initiated by the world's largest semiconductor distributor, WPG Holdings. This is a very important event that aims to promote energy saving and carbon reduction innovation in the agriculture and fisheries and livestock industry and provides a platform for participating companies to exchange ideas and learn from each other. Through this event, we not only share our experience with other companies in the field of energy saving and carbon reduction innovation in agriculture, but also learn more valuable experience from our peers. This event also helps to raise the visibility and influence of Airtree, Inc. in Taiwan and abroad, and lets more people know the efforts of Taiwan in promoting the sustainable development of smart agriculture through aeroponics technology.

Rene Shen, Founder and CEO of Airtree, Inc.

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 9 main topics, and concentrated on 6 UN's Sustainable Development Goals.

Main Topics	2022 Implementation Results	2023 ESG Objectives	Medium/ Long-term Objectives	SDG
 Operating and Financial Performance	<ul style="list-style-type: none"> Consolidated revenue of NT\$775.232 billion (US\$25.97 billion), operating income of NT\$14.7 billion, net income after tax of NT\$10.505 billion, and basic earnings per share of NT\$6.02. Operating income was the highest on record, and net income after tax and basic earnings per share were the second highest on record Key performance indicators Return on Working Capital (ROWC) of 9.7% and Return on Equity (ROE) of 13.8% Annual financial report announced earlier than end of February Shareholders' meeting brought forward to end of May MSCI ESG rating upgraded to BBB 	<ul style="list-style-type: none"> Improve net profit after tax and control operating expenses Strengthened accounts receivable and collateral management to ensure the quality and liquidity of assets Enhance information transparency and published financial reports within 2 months after end of the fiscal year Continued to hold shareholders' meetings earlier at the end of May MSCI ESG rating upgraded to A 	<ul style="list-style-type: none"> Enhance information transparency and published financial reports within 2 months after end of fiscal year Continued to hold shareholders' meetings earlier at the end of May International Sustainability Ratings Continue to Rise Global Layout, Local Service (Glocalization) Through Platform Empowerment to improve effectiveness 	 17 PARTNERSHIPS FOR THE GOALS
 Corporate Governance	<ul style="list-style-type: none"> Ranked top 5% among TWSE-listed companies of the 9th Corporate Governance Evaluation, positioned top 10% among the category of electronics industry with a market value of more than NT\$ 10 billion Build a third-party reporting (whistleblowing) platform, accepting feedback or complaints from stakeholders, whether with real name or anonymously Conducted 10 legal compliance training sessions to enhance colleagues' awareness of legal compliance matters 	<ul style="list-style-type: none"> Top 5% of the 10th Corporate Governance Evaluation Arranged legal compliance training courses (including corporate integrity and ethics topics) 	<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
 Information Security and Data Privacy	<ul style="list-style-type: none"> Pass ISO 27001 and continuously maintain system certification 	<ul style="list-style-type: none"> Obtain ISO 27001 Information Security Management System Certification Introduction of ISO 27017 cloud service management, expected to be certified in July 2023 Conducted NIST CSF Cybersecurity Framework Maturity Assessment, with certification expected in July 2024 	<ul style="list-style-type: none"> Continue to implement the management spirit of P-D-C-A (Plan-Do-Check-Act) and enrich the information security management and technology To assess information security risk as needed Cloud and overall information security governance enhancement ISO 27001:2022 Conversion 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
 Product Distributorship 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 Increased total 35 new franchised product lines, including 16 new China-based ones to provide customers with a wide variety of component choices 	<ul style="list-style-type: none"> Continuously updated the market information sharing platform and expand the scope and range of customers Increased product line franchises combination Set up customers' satisfaction evaluation indicators 	<ul style="list-style-type: none"> Continued to increase product line agency and distribution portfolio Continuously responded to environmental sustainability questionnaires, participated in online and offline vendor conferences, and optimized services 	 17 PARTNERSHIPS FOR THE GOALS

Main Topics	2022 Implementation Results	2023 ESG Objectives	Medium/ Long-term Objectives	SDG
 Risk Control and Management	<ul style="list-style-type: none"> Logistics Operations Business Continuity Management (BCM) Information Operations Business Continuity Management (BCM) Emergency response measures for the office environment 	<ul style="list-style-type: none"> Develop and conduct annual Business Continuity Management (BCM) exercises 	<ul style="list-style-type: none"> Reduce the risk of disruption in operations, information and office operations Continue to promote the risk management education and training, strengthen colleagues' risk awareness and enhance risk management culture 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
 Talent Attraction and Retention	<ul style="list-style-type: none"> Complete human rights policy revision and conduct own operational due diligence Establish employee health management mechanism and promote employee health promotion Implemented Greater China Employee Engagement Survey to create a happiness The total number of learning hours has grown by 8% for the purpose of nurturing talents and introducing online learning Continue to optimize and implement performance management Implementing an employee care program during the pandemic that is better than statutory requirements 	<ul style="list-style-type: none"> Continuously promote a corporate culture based on core values Promote organizational recognition and help employees demonstrate their passion for their work Build a digitally empowered HRM management platform Continuing to promote the E-learning platform Continuously perfecting and implementing performance management mechanism Develop diversified internship programs to promote industry-academe cooperation 	<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
 IP Asset Management and Protection	<ul style="list-style-type: none"> Obtaining the Taiwan Intellectual Property Management System (TIPS) A-level certification 	<ul style="list-style-type: none"> Apply for TIPS Level A verification (to protect rights and avoid infringement) 	<ul style="list-style-type: none"> Consistently applied for TIPS Level A certification (In addition to protecting rights and avoiding infringement of rights, the Company also plans for the creation of value from IP assets through the system) 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
 Technological Empowerment and Digital Transformation	<ul style="list-style-type: none"> The turnover of WPGDADAJIA and WPGDADABANG accounted for 43% WPGDADAJIA and WPGDADABANG added more than 600 new customers 	<ul style="list-style-type: none"> Expanded to new battleground through order placement system interface with Chinese customers Develop a new strategic landscape for WPGDADABANG 2.0 	<ul style="list-style-type: none"> Transformation of DADAWANT platform through BPaaS strategies, transforming into a win-win opportunity for external customers to maximize benefits and shorten lead time 	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 Smart Logistics and Smart Warehousing	<ul style="list-style-type: none"> Relocation of Hong Kong warehouse and complementary production with Dongguan warehouse to locally serve the IDM/Fabless and customers in China operations Smart warehousing optimization and renovation project in Taiwan Linkou warehouse continues Direct access to Dongguan warehouse for 31% of the IDM/Fabless goods to shorten the supply chain, improve efficiency and reduce risks 	<ul style="list-style-type: none"> Completion of smart warehousing optimization and renovation project in Linkou, Taiwan Hong Kong and Dongguan warehouses optimized to enhance production capacity and meet front-end customer needs Digitalized platform services, effective management, information digitization and transparency Promote complex transportation mode to shorten supply chain 	<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 maintain ISO 14001 and ISO 14064 certification 	 13 CLIMATE ACTION

2022 Awards and Achievements



AS彭科 EETimes

Top Asia 3 Electronic Components Distributors



ESMC Electronics Supply and Manufacturing China

Outstanding International Branded Distributor



WSCE Conference

China Semiconductor Market Best Distribution Channel Market Performance Award



Forbes Magazine

No.1676
in the Forbes Global 2000



CommonWealth Magazine

No.1
in Top 2000 Service Industry Survey



CommonWealth Magazine

No.1
among Top 100 Semiconductor Companies



TCSA

Taiwan Corporate Sustainability Awards - Sustainability Report Gold Award



TCSA

Taiwan Corporate Sustainability Awards - Taiwan Top 100 Sustainable Companies

Leadership

The First Choice of Industry The Benchmark of Distribution

"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.

- 1-1 About WPG Holdings
- 1-2 Sustainability Management of WPG Holdings
- 1-3 Distribution Channel Consolidation and Innovation

SDGs



Highlight Performance



Asia-Pacific
semiconductor
components distributors

NO. 1



Inbound Marketing
Value Reached

RMB\$ **1.11** billion



External investor
conferences and forums

8 sessions



Consecutively awarded
"Outstanding International
Branded Distributor Award"

22 years



Monthly

**Market updates
on product lines**



► Stakeholders Recommended for Priority Reading

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

► Material Topics

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

Commitment to Material 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



Continue to serve the supply chain management and cross-regional supply chain needs of branded customers through Global Business Service Unit WPG Holdings also developed a supply chain management platform to provide value-added supply chain services to address customer management pain points.



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.



Enhance information transparency with annual financial reports announced within 2 months after the end of the fiscal year.



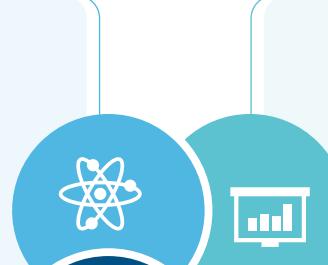
Diversified stakeholder communication mechanism, providing smooth communication and complaint channels for all stakeholders, including holding the annual general shareholders' meeting early by the end of May.



Prioritize local procurement and green procurement in procurement and contracting to increase operational resilience and reduce carbon emissions.

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.



WPG Holdings has launched an online digital platform, "WPG DADAWANT", to build a digital empowerment matrix and an independent warehouse sharing platform to help our customers face the challenges of smart manufacturing together.

1-1 About WPG Holdings

1-1-1 | Organizational Structure

About WPG Holdings

WPG Holdings is the global leading and the largest electronics distributor in Asia*, headquarters in Taipei, Taiwan (TSE:3702). WPG is operating through four semiconductor components distributors (WPIg, SACg, AITg, and YOSUNG) serves as a franchise partner more than 250 worldwide suppliers. With 4,913 staff in about 78 sales offices around the world, WPG achieved NT\$775.23 billion (USD 25.97 billion) , and a registered capital of NT\$18.79 billion in 2022. WPG, the first holding company in semiconductor components industry, has the global operation, local flexibility and long-term development in Asia-Pacific Market. With our vision "the First Choice of Industry • the Benchmark of Distribution", and shared values "Teamwork, Integrity, Professionalism and Effectiveness". we have been awarded by "Outstanding International Branded Distributor Award" for 22 consecutive years. Under the new manufacturing trend, we are committed to transforming into a Data-Driven enterprise and build an online digital platform - WPG DADAWANT. 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. WPG expected to build trust with technologies and build a co-operation eco-system together with the industry through "alliances". Moreover, we proactively promote the digital transformation based on the principle of "customer orientation, technology empowerment, collaborative ecosystem and era co-creation".



Capital of NT\$ **18.79 billion**



*Source: Ranked by Gartner Research Mar,2023

WPG Holdings Global Presence

WPG Holdings Sales Locations in North America

USA, Canada, Mexico

5 Physical offices

 Corporate Office

 America's Distribution Center
Southaven, Mississippi

 America's Sales offices

WPG Holdings Sales Locations in EMEA

1 Physical office - UK

WPG Holdings Sales Locations in Asia Pacific

40 IED & 32 Non-IED service locations

40
IED service locations

32
Non-IED service locations

Taiwan **4** Taipei, Hsinchu, Taichung, Kaohsiung

China **22** Hong Kong, Shenzhen, Shanghai, Beijing, Shenyang, Tianjin, Qingdao, Xi'an, Nanjing, Hefei, Suzhou, Chengdu, Wuhan, Hangzhou, Chongqing, Changsha, Ningbo, Fuzhou, Xiamen, Guangzhou, Dongguan, Zhuhai

South Asia **8** Singapore, Kuala Lumpur, Penang, Bangkok, Manila, Ho Chi Minh City, Hanoi, Jakarta

India **3** Bangalore, New Delhi, Pune

South Korea **1** Seoul

Japan **2** Tokyo, Osaka

China **10** **South Asia** **22**

● Sales Location
■ Distribution Center
| Shanghai | Taiwan | Dongguan |
| Hong Kong | Singapore |

*IED = Industrial Electronic Device

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

Operating Strategy and Business Planning

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 2022 Annual Report.

		Self Operation	Products and Service
Short Term Plans	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).	Expansion of marketing bases Establish a global semiconductor component distribution network through gradual expansion of marketing bases, M&A, and forming alliances with local component suppliers.
	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.	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.
Improve financial structure and organizational structure Increase the applications of financial leverage to reduce operating costs and operational risks.			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	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.		
	Innovative 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.	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.
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.			
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 recent geopolitical shifts and the impact of COVID-19 on the supply chain, demand for value-added services in supply chain management, including digitization, smart warehousing, and logistics, has continued to rise from IDM/Fabless and customers. With effective cost control measures in place, WPG Holdings' achieved record operating income for two consecutive years from 2021 to 2022, with net income after tax reached NT\$10.512 billion in 2022.

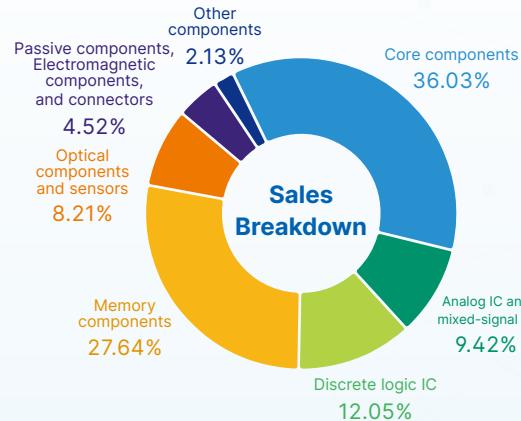
2020-2022 WPG Holdings Financial Performance

Units: NT\$ thousands

Year	2020	2021	2022	
Operating Revenue ⁿ¹	609,885,871	778,572,715	775,232,422	
Operating Cost	-586,835,742	-748,871,952	-745,644,021	
Operating Profit	23,050,129	29,700,763	29,588,401	
Operating Expense ⁿ²	-13,000,261	-15,897,207	-14,888,268	
Operating Income	10,049,868	13,803,556	14,700,133	
Income Tax Expense	-1,687,049	-2,527,390	-2,132,898	
Net Income After Tax	8,123,355	11,496,933	10,512,466	
Cash Dividend	Common Stock	5,205,076	5,876,699	6,464,369
	Preferred Stock A	400,000	400,000	400,000

Note 1: WPG Holdings main business activities: Core components, Analog IC and mixed-signal Component, Discrete logic IC, Memory, Optical components and Passive components, connector, and magnetic component, and other components, etc.

Note 2: Operating expense included employee welfare expense, with an amount of NT\$9,169,973 thousand in 2022.



Sustainability-Linked Loan

In response to the FSC's Corporate Governance 3.0 - Sustainable Development Roadmap and global financial market trends, in 2021, WPG Holdings signed a sustainability-linked loan agreement with DBS Bank, linking the interest rate terms of the loan to sustainability performance indicators. This is not only beneficial from an environmental perspective, but also by balancing social and corporate governance indicators into the loan indicators. This demonstrates the Company's efforts and determination in facing ESG issues and practicing sustainable development with concrete actions.

In 2022, WPG Holdings signed sustainability-linked loans with MUFG Bank and First Commercial Bank, focusing on setting sustainable development performance indicators that are optimized year by year, and even commissioning independent third-party experts to verify the actual performance, so as to continue to integrate ESG with business operations.



Tax Management

With a focus on the glocalization of operations, WPG Holdings aims to create corporate value and improve tax risk management to promote a tax governance strategy that is consistent with corporate sustainable development.

Tax Strategy

<p>Legal Compliance</p>	<ul style="list-style-type: none"> We comply with the tax laws and regulations of each operating location, submit tax returns honestly and bear the corresponding reasonable tax burden, and fulfill our social responsibility. Inter-affiliate transactions are conducted in accordance with internationally recognized transfer pricing standards published by the Organization for Economic Cooperation and Development (OECD) and in accordance with conventional trading principles.
<p>Transparency of Information</p>	<ul style="list-style-type: none"> Based on regulatory compliance, relevant tax information is processed and announced or reported in accordance with relevant regulations.
<p>Tax Planning</p>	<ul style="list-style-type: none"> We use the tax benefits of our operating locations legally. We do not plan our leases for tax avoidance purposes.
<p>Tax Integrity</p>	<ul style="list-style-type: none"> Based on legal compliance, information transparency and integrity, we maintain good communication and mutual respect with the competent tax authorities of our operating locations.
<p>Risk Management</p>	<ul style="list-style-type: none"> Based on regulatory compliance, we actively pay attention to the tax policies and laws of each country to assess the possible tax risks of WPG and each operating location. The Company considers the tax implications in all material decisions.



1-2 Sustainability Management of WPG Holdings

1-2-1 | Sustainability Governance Structure

Governance Structure and Reporting Mechanism

In 2015, WPG Holdings established the "WPG Corporate Sustainability Committee" to coordinate the implementation of business and policies related to corporate sustainability. In order to enhance corporate sustainability competitiveness, the Chief Sustainability Officer was established in 2021 to strengthen ESG sustainability-oriented practices and tasks. In February 2022, the former "WPG Corporate Sustainability Committee" was reorganized as the "WPG ESG and Sustainable Development Committee" (hereinafter referred to as the Sustainability Committee), which is the highest steering body for sustainability governance operations of WPG Holdings, and incorporates the ESG concept into its management strategy to demonstrate its determination to operate in a sustainable manner.

The Sustainability Committee is chaired by the Chief Sustainability Officer of WPG Holdings and members are composed of the Chairman of the Board of Directors, the Chief Executive Officer and an independent director. The Committee is responsible for setting and implementing specific action plans for the Group's overall sustainability goals and reporting to the Board of Directors on a regular basis (at least once a year) on implementation plans and results. The ESG Office, a dedicated unit directly under the Chief Sustainability Officer, is responsible for planning and promoting the sustainable development of WPG Holdings, tracking the effectiveness of implementation, establishing continuous improvement plans, and reporting to the Sustainability Committee on a quarterly basis.

Resolutions on Sustainability Matters

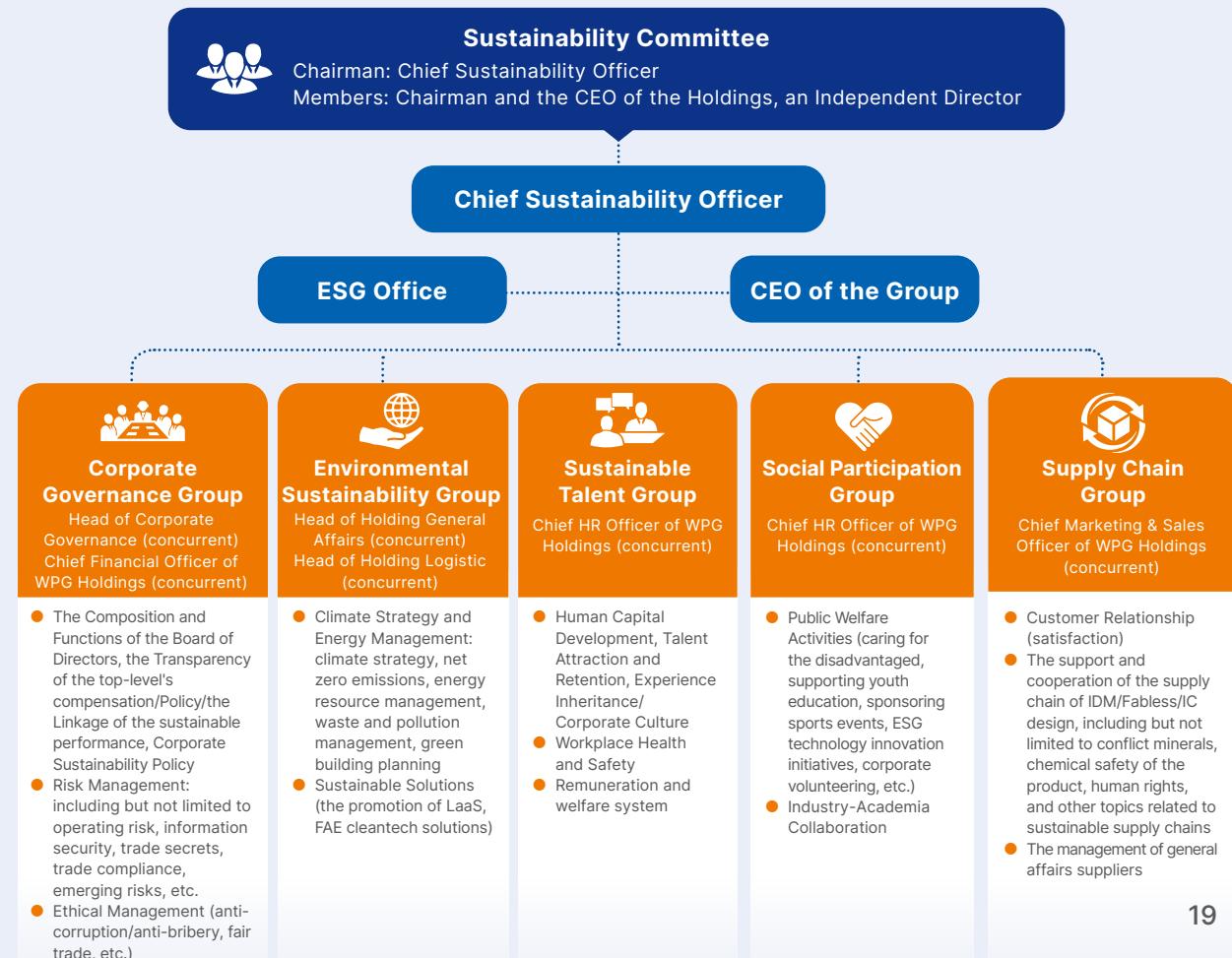
The Sustainability Committee was convened three times in 2022, with a 100% attendance rate of all members.

The Board of Directors of WPG Holdings regularly reviews ESG-related reports. The Chief Sustainability Officer and his team members prepare annual ESG plans or targets for the Board of Directors, and the Board of Directors then evaluates and reviews the progress and makes recommendations for adjustments. The Board of Directors will evaluate and review the progress and provide revised feedback. The Sustainability Committee submitted three times to the Board of Directors in 2022, including:

- ① Progress reports on key ESG projects (including Material Topics)
- ② Progress reports on the WPG's greenhouse gas inventory planning and progress. The responsible unit is tasked with proposing amendments to the relevant sustainability policies on an ongoing basis.

Sustainability Committee Functional Groups

There are five functional groups under the Sustainability Committee, namely the "Corporate Governance Group", "Environmental Sustainability Group", "Sustainable Talent Group", "Social Participation Group" and "Supply Chain Group". The first-level executive of each relevant functional unit is responsible for promoting various projects or measures to respond to material issues and integrate them into daily operations. The main concerns of each functional group are listed below, and related issues are discussed regularly.

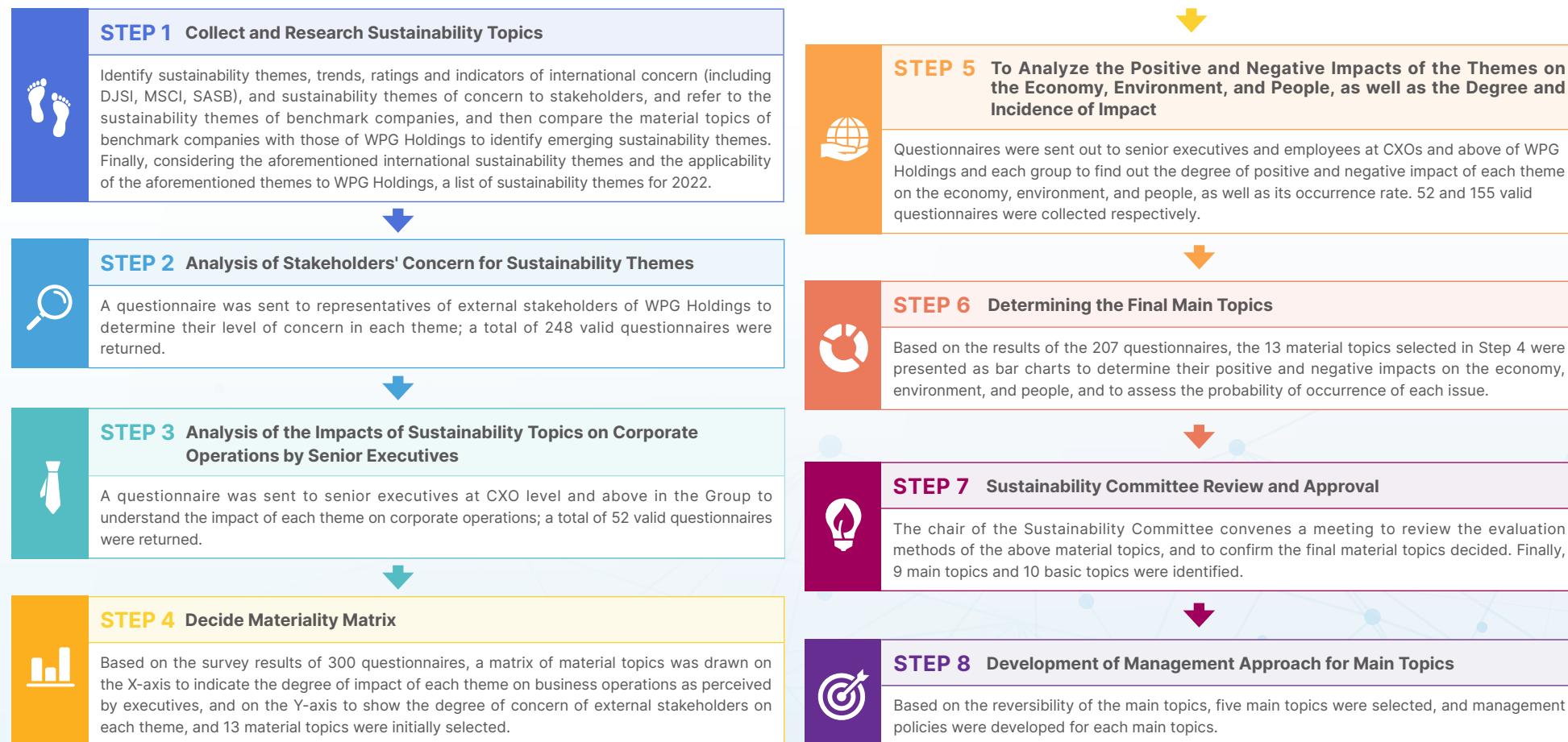


1-2-2 | Analysis of Material Topics

WPG Holdings regularly identifies major sustainability topics through systematic analysis to ensure that the disclosed information meets stakeholders' expectations. In 2022, a list of sustainability issues was generated by taking into account the results of past issue analyses, GRI Standards themes, international trends, and industry characteristics. 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 9 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, Corporate Governance, Information Security and Data Privacy, Product Distributorship and Customer Satisfaction, Risk Control and Management, Talent Attraction and Retention, IP Asset Management and Protection, Technology Empowerment and Digital Transformation, Smart Logistics and Smart Warehousing.

Analysis Methods and Steps for Material Topics

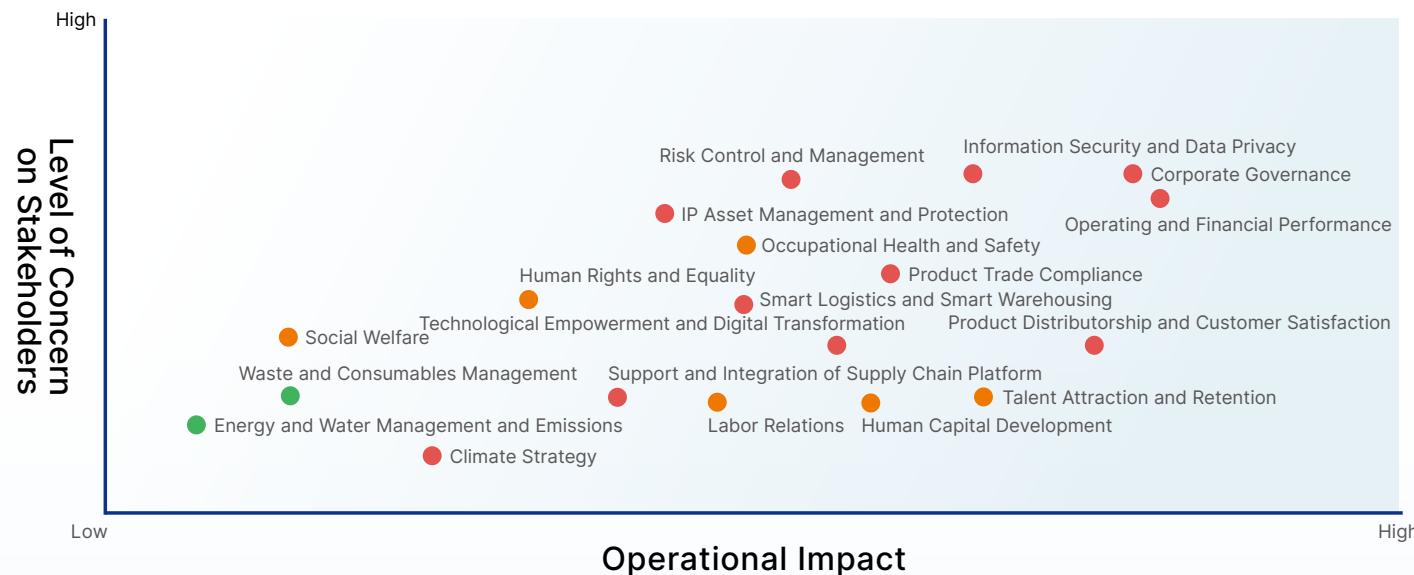
In order to accurately identify the impact of each issue on operations and to reflect the concerns and expectations of stakeholders, the methodology and steps for identifying material topics for the 2022 analysis are as follows:



2022 Main Topics and Basic Topics

Continuing the above analysis steps, a Materiality Matrix and a bar chart of WPG Holdings was produced to illustrate the main topics of 2022, as the basis for the content of this Sustainability Report, and to present the performance and management results related to the main topics, as the strategic goals of sustainable development plan and practice in 2023.

Matrix of Material Topics



Governance

- Corporate Governance
- Operating and Financial Performance
- Risk Control and Management
- Product Distributorship and Customer Satisfaction
- Technological Empowerment and Digital Transformation
- Smart Logistics and Smart Warehousing
- Information Security and Data Privacy
- Product Trade Compliance
- Support and Integration of Supply Chain Platform
- IP Asset Management and Protection

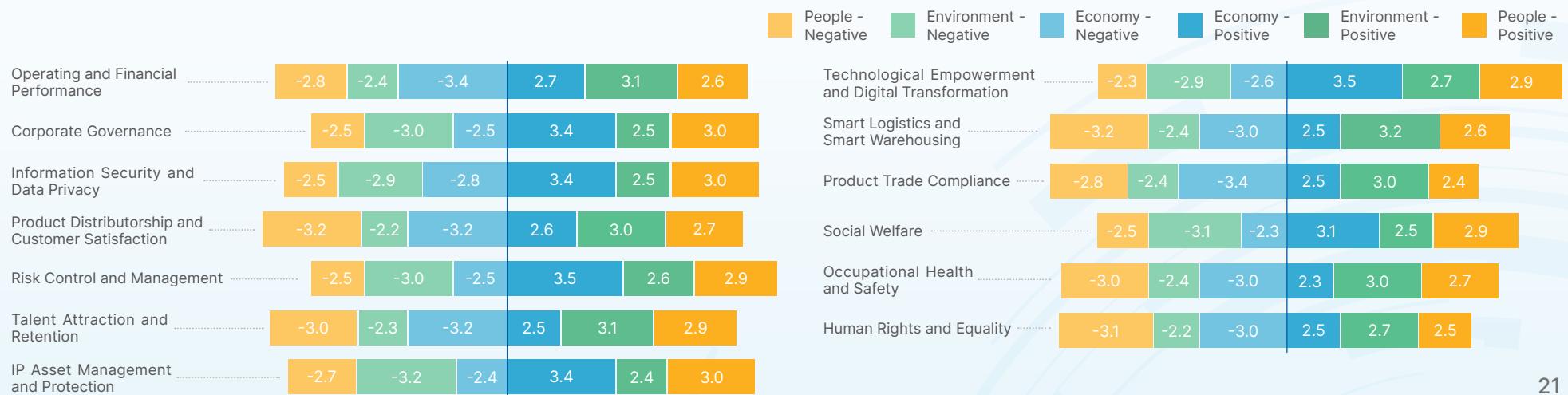
Social

- Talent Attraction and Retention
- Labor Relations
- Occupational Health and Safety
- Human Capital Development
- Human Rights and Equality
- Social Welfare

Environment

- Energy and Water Management and Emissions
- Waste and Consumables Management

Impact of Material Topics on the Economy, Environment, People and the Degree of Impact



Implications of Main Topics

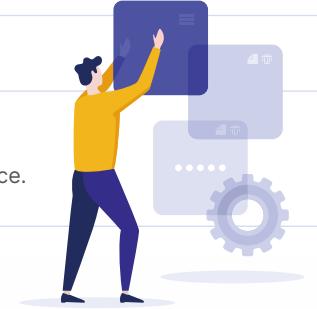
No.	Main Topics	Implications
1	Operating and Financial Performance	<ul style="list-style-type: none"> The Company has focused on related performances such as operating profits, investment profit and loss, financial status and operating costs, as well as economic impacts generated by the operating process, in order to achieve sustainable development goals.
2	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.
3	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.
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	Risk Control and Management	<ul style="list-style-type: none"> Focus on integrated risk management, establish relevant control mechanisms before actively engaging in each business, and identify and respond to potential risks and opportunities in advance. Integrate risk management awareness into daily decision-making and operational activities to establish a comprehensive corporate risk management culture.
6	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.
7	IP Asset Management and Protection	<ul style="list-style-type: none"> In order to facilitate the management of intellectual property to achieve organizational operational goals, improve the effectiveness of research and development and innovation, ensure that the operations of the Company and its subsidiaries comply with the requirements of intellectual property-related laws and regulations and that the intellectual property required for operation is properly protected to avoid infringement of third party intellectual property rights, and is part of the internal control system.
8	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.
9	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.

Implications of Basic Topics

No.	Basic Topics	Implications
1	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.
2	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.
3	Human Capital Development	<ul style="list-style-type: none"> Promote the improvement of education and training to help employees enhance their functions and achieve personal career development. For example, multi-talent training courses, internal transfer and promotion mechanism, comprehensive performance management and evaluation system, etc.
4	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.
5	Human Rights and Equality	<ul style="list-style-type: none"> Strengthen the human rights policy and management structure of WPG Holdings, and to partner with the value chain to protect human rights, implement human rights due diligence, and create a diverse and equal workplace environment. Examples include anti-discrimination, prohibition of child labor, and prohibition of forced or compulsory labor. Employees may join third-party organizations in accordance with local laws and regulations and have the right to collective bargaining with their employers on matters such as labor conditions, as well as to complain and express their opinions to the company. In addition, it should be examined whether the supplier guarantees the same rights to its employees as described above.
6	Support and Integration of Supply Chain Platform	<ul style="list-style-type: none"> Implement supplier management, establish the Supplier Code of Conduct and Conflict Minerals Policy in accordance with the Responsible Business Alliance (RBA) Code of Conduct, improved supply chain transparency and supplier awareness through information disclosure, and implemented a management mechanism for General Affairs Suppliers. 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.
7	Social Welfare	<ul style="list-style-type: none"> Leverage the social influence of WPG Holdings and actively participate in social welfare activities. Examples include care for disadvantaged groups, support arts and cultural activities, promote environmental protection actions, and establish long-term partnerships with social welfare organizations and charitable foundations.
8	Climate Strategy	<ul style="list-style-type: none"> Focus on the impact and opportunities of climate change on our operations and value chain, and follow the framework of Task Force on Climate-Related Financial Disclosures (TCFD) to enhance information analysis and disclosure. Examples include identify financial risks associated with climate change, formulate management policies and countermeasures, and enhance the company's ability to adapt to climate risks.
9	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 management, scraps, warehouse waste, and consumables recycling, etc.
10	Energy and Water Management and Emissions	<ul style="list-style-type: none"> Promote energy and water resource management, set energy and water conservation targets, and develop related measures. For example, increasing the proportion of renewable energy use, promoting energy-efficient buildings, and installing water conservation (recycling) systems.

Management Objectives for Main Topics

No.	Main Topics	Management Approach
1	Information Security and Data Privacy	<ul style="list-style-type: none"> ● Implement information security policies and information security management standards so that all employees can comply and follow them to ensure the security of all sensitive Company data. ● Regularly review information security evaluation indicators, implement improvement measures, and enhance the effectiveness of information security practices.
2	Risk Control and Management	<ul style="list-style-type: none"> ● Regularly review and track key risks and establish a risk response evaluation mechanism.
3	Talent Attraction and Retention	<ul style="list-style-type: none"> ● Evaluate the ability and performance of human resources through the performance evaluation mechanism. ● Conduct regular salary market surveys in the Greater China region to strengthen selection and retention measures. ● Implement all labor rights in accordance with the law, and regularly review local labor-related regulations to ensure compliance. ● Deploy a health management system to track employee health.
4	IP Asset Management and Protection	<ul style="list-style-type: none"> ● Protect and enable the accumulation, enrichment and transmission of the Company's IP assets. ● The IP assets produced can create value for the Company, the IDM/Fabless or the customer. ● Improve the regulation system and education to avoid infringement of others' intellectual property rights.
5	Corporate Governance	<ul style="list-style-type: none"> ● Established the Audit Committee and Remuneration Committee to strengthen and monitor the internal control mechanism of the Company. ● Establish the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" to implement the management of integrity governance. ● Based on the "T.I.P.E. Meeting", we regularly review and improve the implementation of integrity management.



Amendment of the Main Topics

Compared with the 18 sustainable topics of the previous year, in 2022, WPG Holdings modified the details, merged, split, and changed the names in terms of economic, environmental, and social topics, and a total of 19 sustainable and operational-related topics have been compiled. The reasons for the adjustment are as follows:

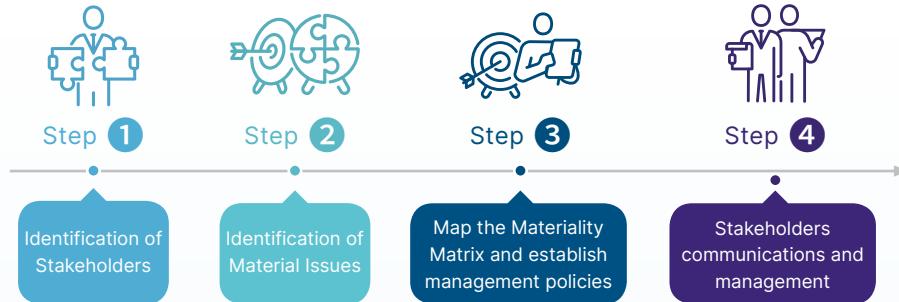
Amendment of the Main Topics	Amendment Status	2021 Main Topics List	Reason for Adjustment
Climate Strategy	Splitting, renaming and adjusting implications	Climate strategy and energy management	<ul style="list-style-type: none"> ● Emphasis on the application of TCFD. ● In response to the expansion of TCFD disclosures this year, climate strategy has been separated into a single topic, and the energy topic has been split up and integrated with water management and emissions.
Support and Integration of Supply Chain Platform	Consolidate, change of name and adjustment of implications	Support and Integration of Supply Chain Platform	<ul style="list-style-type: none"> ● Consolidated and adjusted for MSCI's refinement objectives and the new version of GRI.
IP Asset Management and Protection	Change of name and adjustment of implications	Innovative Services and IP Assets	<ul style="list-style-type: none"> ● Reinforces the importance of the management and protection of intellectual property.
Energy and Water Management and Emissions	Consolidate, change of name and adjustment of implications	Climate strategy and energy management	<ul style="list-style-type: none"> ● In response to the frequent reports of water shortages in Taiwan in recent years, the GRI-related water management issues have been added.
Waste and Consumables Management	Split and adjustment of implications	Waste and Consumables Management	<ul style="list-style-type: none"> ● Wastewater is broken down into the topics of "Energy, Water Management and Discharge".
Human Rights and Equality	Adjustment of implications	Human Rights and Equality	<ul style="list-style-type: none"> ● Raising the profile of human rights in response to GRI updates.

■ Impact Boundaries of Main Topics and Corresponding Sections

Aspects	Main Topics	GRI Topics	Corresponding Chapters	Impact Boundaries						
				WPG Holdings	Sub-groups	Shareholders/Investors	Upstream Suppliers (IDM/Fabless/IC design)	Customer	Bank	Government Institutions
Economy and Governance	Operating and Financial Performance	201 Economic Performance 203 Indirect Economic Performance	1-1-2 Operational Performance	●	●	●	●	●	●	●
	Corporate Governance	2 General Disclosure 205 Anti-corruption 206 Anti-competitive Behavior 405 Diversity and Equal Opportunity 416 Customer Health and Safety	1-1-1 Organizational Structure 1-2-1 Sustainability Governance Structure 2-1-2 Diversity of the Board of Directors and Performance Evaluation 2-2-1 Ethical Corporate Management	●	●	●				●
	Information Security and Data Privacy	418 Customer Privacy	2-2-4 Information Security Management	●	●		●	●		●
	Product Distributorship and Customer Satisfaction	417 Marketing and Labeling	1-3-1 Distribution Management and Service Strategy	●	●		●	●		
	Risk Control and Management	2 General Disclosure	2-2-2 Risk Management 2-2-3 Internal Audit 2-2-5 Legal and Trade Compliance	●	●	●	●	●	●	●
	IP Asset Management and Protection	Self-chosen Topics	2-2-5 Legal and Trade Compliance	●	●		●	●		
	Technological Empowerment and Digital Transformation	Self-chosen Topics	1-3-2 Digital Platform	●	●		●	●		
	Smart Logistics and Smart Warehousing	Self-chosen Topics	1-3-3 Smart Logistics and Warehousing	●	●		●	●		
Social	Talent Attraction and Retention	201 Economic Performance 202 Market Presence 401 Employment 404 Training and Education	4-1-2 Talent Cultivation 4-2-1 Employee Compensation and Benefits 4-2-2 Human Rights Protection 4-2-3 Labor-Management Communication	●	●					

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.



WPG Holding's 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.

Significance of Stakeholders to WPG Holdings

Through the stakeholder identification, the six major stakeholders that are highly correlated to operations and sales have been identified, and a dedicated communication mechanism and contact channels have been established. Through regular or irregular communication frequency and smooth communication channels, related complaints or improvement suggestions can be made to WPG Holdings. By soliciting the suggestions of each stakeholder, WPG Holdings takes into account the contents that are beneficial to the Company and include them in future policy development or action plans, and continue to strengthen the issues of concern to each stakeholder to respond to the expectations of stakeholders.

The significance of stakeholders to WPG Holdings is explained as follows:

	Customers	Integrate the team's human resources, knowledge, and product lines, provide services with customer satisfaction, attach importance to customer opinions, and jointly create value with its customers.
	Upstream Suppliers (IDM/Fabless/IC Design)	WPG cooperates closely with manufacturers to improve business operations and development, support the penetration to diversified customers, and offer a wide variety of products and technical services.
	Employees	Adhere to the people-oriented concept in establishing a positive working environment and maintaining a harmonious relationship between labor and management.
	Banks	Develop long-term cooperation and partnerships with banks, and maintain a good reputation.
	Shareholders/Investors	Provide investor-related information and hold corporate briefings on a regular basis to maintain transparency of information disclosure and protect investors' interests.
	Government Institutions	Ethical Corporate Management within the business scope in accordance with rules of the competent authority.

Diverse Communication Channels for Stakeholders

In order to strengthen the communication with stakeholders, WPG Holdings has established the following transparent and effective multi-channel communication:

- ① The official website sets up a stakeholder area to provide a smooth communication and complaint channel for all stakeholders.
- ② The "Rules for Receiving Stakeholders' Suggestions and Handling Grievances" have been established, and a third-party reporting platform has been appointed to manage the reporting platform, and the website address of the reporting platform has been announced on the website. A dedicated person is assigned to handle the complaint in a confidential manner and reply to the interested party within two weeks from the date of receipt of the complaint in an appropriate manner or with a scheduled reply date. In addition, the Audit Committee shall assume supervisory authority, and the third party entrusted with the management of the reporting platform shall regularly report to the Audit Committee on the progress of handling the reporting cases or accept the investigation and consultation of the Audit Committee at any time.
- ③ In addition to holding regular group-wide townhall meetings, we also hold quarterly labor-management meetings to communicate with employees on issues of concern, policies or material events, and to listen to the voices of all employees.



Stakeholder Zone
of WPG Holdings

■ Stakeholder Communication Mechanisms

Stakeholder	Main Topics	Communication Mechanism and Frequency	Recommendations and Results	Response	Response/Remediation Mechanism
Customers	<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 IP Asset Management and Protection 	Irregularly <ul style="list-style-type: none"> Interview Telephone E-MAIL Written form 	Through ESG questionnaire and participation in supplier conferences, WPG engages and exchanges with customers on sustainable issues, and have collected questionnaires plus conferences participation more than 50 times in 2022.	In response to customer questionnaires and occasional meeting participation requirements, WPG provides customers with accurate sustainable development strategies and actual implementation status to achieve mutual interaction and growth.	Maintain smooth communication and contact channels (e.g. emails, phone calls, online/offline meetings) to ensure smooth cooperation with clients.

Grievance channels for Main Topics:wpgh_vendor@wpgholdings.com

Stakeholder	Main Topics	Communication Mechanism and Frequency	Recommendations and Results	Response	Response/Remediation Mechanism
Upstream Suppliers (IDM/Fabless/ IC Design)	<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 IP Asset Management and Protection 	Irregularly <ul style="list-style-type: none"> Interview Telephone E-MAIL Written form 	Completed the 2022 conflict minerals survey, with 30 key suppliers sourced from qualified smelters.	Supply chain management continues to maintain a sampling rate of over 90%, with the implementation of management philosophy becoming the core of the supply chain management culture.	<ul style="list-style-type: none"> Develop clean technology-related product solutions with suppliers to promote green energy-related semiconductor component business opportunities and help the industry upgrade to low carbon transformation. Maintain smooth communication and contact channels (e.g. emails, phone calls, regular meetings) to ensure smooth cooperation with IC Design/IDM/Fabless.

Grievance channels for Main Topics:wpgh_vendor@wpgholdings.com

Stakeholder	Main Topics	Communication Mechanism and Frequency	Recommendations and Results	Response	Response/Remediation Mechanism
Employees	<ul style="list-style-type: none"> Operating and Financial Performance Risk Control and Management Corporate Governance Talent Attraction and Retention 	Irregularly <ul style="list-style-type: none"> Company website (including corporate intranet website, EIP) Telephone E-MAIL Employee mailbox Regularly <ul style="list-style-type: none"> General meeting CEO Livestream 	WPG provides a channel for employees to voice their opinions through employee surveys. The 2022 Greater China Employee Opinion Survey had a response rate of 88% and a coverage rate of 99.2% with 4,231 responses collected during the "Mike's Tree Hole" CEO livestreaming event.	The employee opinion survey focused on the issues of employee participation and voicing out self-fulfillment, salary and benefits, and the ability to grow together with the team.	In response to the encouragement and suggestions from the employees, we replied one by one through letters, announcements, and livestreaming to effectively establish a bridge of communication between the Company and the employees to achieve the goal of a happiness.

Grievance channels for Main Topics:wpgh_hr@wpgholdings.com

Stakeholder	Main Topics	Communication Mechanism and Frequency	Recommendations and Results	Response	Response/Remediation Mechanism
 Banks	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance 	<p>Irregularly</p> <ul style="list-style-type: none"> • MOPS • Company website • Telephone • E-MAIL • Written form • Review of the extension of bank loans • Bank Meeting • Media Interview News 	<ul style="list-style-type: none"> • Information disclosed through filings and announcements on the Market Observation Post System (MOPS), the official company website, and investor conferences, and media interviews, we communicate and explain the operational performance, business growth strategy, profit prospect, and sustainable actions of WPG Holdings. • Banks and other financial institutions maintain a high level of concern about operational performance, business policies, and international sustainability ratings. 	<p>We provide banks with open and transparent information about our operating results, risk management, corporate governance, and sustainability practices, and help them understand our long-term strategic goals and prospective outlook.</p>	<p>Cultivate a long-term relationship with the Company's bank and maintain a good credit record</p>

Grievance channels for Main Topics:IR@wpgholdings.com

Stakeholder	Main Topics	Communication Mechanism and Frequency	Recommendations and Results	Response	Response/Remediation Mechanism
 Shareholders/ Investors	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance 	<p>Irregularly</p> <ul style="list-style-type: none"> • MOPS • Company website • Telephone • E-MAIL • Written form • Investor conference/seminar/conference <p>Annually</p> <ul style="list-style-type: none"> • Annual General Shareholders' Meetings 	<p>We provide shareholders and investors with open and transparent information on the current state of business operations, communicate business growth strategies and development prospects, and assist investors in understanding WPG's long-term strategic goals and outlook. In 2020, we held 8 external corporate presentations and investor conferences, held more than 20 investor interview sessions, and 1 annual general shareholders' meeting.</p> <p>Investors are highly concerned about corporate governance, operational performance, and financial performance.</p>	<p>In response to our commitment to our shareholders and investors, we continue to strengthen our board of directors' operations and other sustainable practices and continue to improve our corporate governance ranking.</p>	<p>We continue to announce the current status of our operations in accordance with the law and the needs of our investors and hold investor conferences to maintain the transparency of information disclosure and protect the rights of our investors.</p>

Grievance channels for Main Topics:IR@wpgholdings.com

Stakeholder	Main Topics	Communication Mechanism and Frequency	Recommendations and Results	Response	Response/Remediation Mechanism
 Government Institutions	<ul style="list-style-type: none"> • Operating and Financial Performance • Risk Control and Management • Corporate Governance • Information Security and Data Privacy 	<p>Irregularly</p> <ul style="list-style-type: none"> • Supervision and review activities of the competent authority • Policy advocacy of the competent authority • MOPS • Company website • Meeting or seminar call • E-MAIL • Written form 	<p>We published 89 material information in 2022 through MOPS filings and announcements, and official website disclosures and responded to 28 questionnaires questions.</p>	<p>In accordance with the relevant regulations and questionnaire requirements of the competent authorities, we provide the competent authorities with open and transparent information on operational results, risk management, corporate governance, information security and data privacy, as well as sustainable practices through regular and irregular filings and responses, as well as advance planning in line with the government's Corporate Governance 3.0 -Sustainable Development Roadmap.</p>	<p>Continuously comply with the regulations of the competent authorities and operate with integrity in the scope of business.</p>

Grievance channels for Main Topics:wpgh_csr@wpgholdings.com \ IR@wpgholdings.com

1-3 Distribution Integration and Innovation

1-3-1 | Distribution Management and Service Strategy



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.

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.

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.

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.

Logistics Management



The supplier only needs to follow the order of the channel distributor and centralize the batch operation to deliver the goods to the designated shipping warehouse of the channel merchant, saving the complexity of many batch operations of the supplier, while the channel distributor is responsible for responding to the individual needs of many small and medium-sized customer groups. WPG Holdings selects and promotes packaging cartons made of recycled materials and follows the packaging methods (including labeling operations) and prescribed packaging methods (including labeling operations) of individual customers. The distribution of semiconductor components is done in accordance with the designated packaging methods (including labeling), delivery documents and delivery locations specified by individual customers. Not only does the distributor significantly reduce the time and cost of transportation management for the supplier, but it also significantly reduces the manpower and space requirements for the downstream customer's warehousing operations.

Financial Management

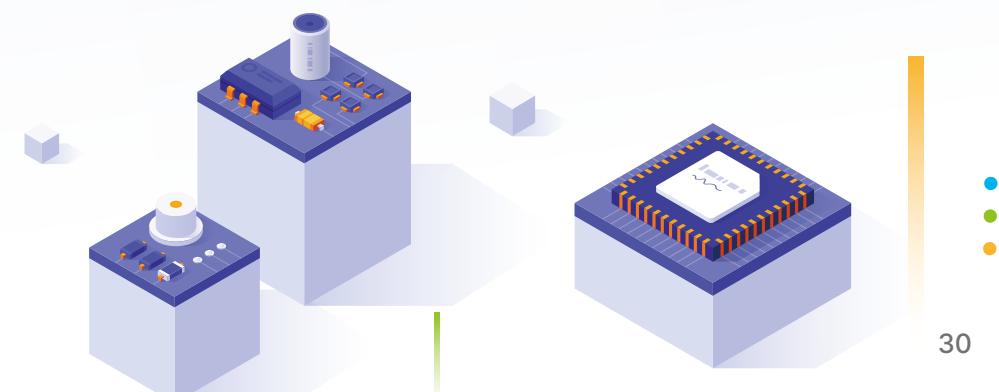


Distributors usually grant a certain line of credit to customers according to many objective conditions such as customers' history of bank transactions, credibility, business operations, the person in charge's character, and usual transaction records, and provide payment terms better than those granted 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.

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.



1-3-2 | Digital Platform

Value Creation through Inbound Marketing of WPG Holdings

In response to the trends of the online community, WPG created and continued to promote inbound marketing, introduced interactive mobile marketing services, continuously optimized the WPG program and the digitally transformed content marketing, and made good use of KOL's influence to engage a full-coverage community Inbound Marketing mechanism. At the same time, WPG established the "Inbound Marketing Value" which reflects the marketing promotion benefits with detailed figures. As of the end of 2022, the cumulative value of promotion benefits exceeded 1.11 billion RMB, an increase of 8% compared with the same period of last year through social media resources such as WeChat and Weibo accounts, WeChat Moments, forums, etc., and viral marketing activities to enhance the effectiveness of self-media operations. Through the promotion of the following marketing activities, WPG offered valuable services that included joint marketing of both upstream and downstream and continued to strengthen customer loyalty.

► WPG Holdings Weibo

The number of fans and posts both outnumbered industrial peers. The number of fans reached 633,488 and 3-5 posts are updated daily, covering diversified topics including monthly popular projects, industry trends, new technology, WPG news, etc.

► WPG Holdings WeChat

The first IC-themed mobile portal to promote the public's understanding of IC industry trends through in-depth market trend articles. In 2022, the number of precise fans reached 215,293, with regular 4 group messages per month, accumulating more than 620,489 reads and 63,047 shares, leading peers in operational

effectiveness and continuing to operate an engineer community and demonstrate technical support capabilities. WPG Holdings has launched the "WPGDADATONG" WeChat subscription account, which is targeted at technical teams to provide solutions for engineers with insightful and intuitive arguments; and also set up a service number for the human resources team to provide real-time recruitment information for those interested.

► News/PR Exposure

The total number of exposures for WPG's annual news is nearly 9,281, and the number of exposures of our solutions on the news reached more than 2,956 times annually, which ranked first in the industry and 13 times ahead of the second place.



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 2021, 30% of the revenue and the number of customers came from WPGDADAJIA and WPGDADABANG; this year, WPG Holdings has achieved "2022 40%", which is the short-term goal of 40% 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.

Driven by the continuous optimization of digital tools and the trend of external digital transformation, from 2020 to 2022, the automated data of WPG Holdings has achieved 42% of sales in two years and aims to have nearly USD\$10 billion transactions using automated services by early 2023. The results not only deepen the depth and breadth of our customer services, but also accelerates the relationship with our customers. In the meantime, in 2019, WPG Holdings has proposed and launched the Logistics as a Service (LaaS) smart warehousing model, of which the first and second phases of the South China warehouse have been completed one after another. By investing in smart warehousing and establishing a digital platform, the business model of WPG Holdings can be easily replicated and managed even in ASEAN and South Asia, in the hope of further reducing transaction time costs and creating customer demand. Starting from "point," WPG Holdings aims to expand to "line" and "plane" in the future, which will be subject to the participation of the industry.

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:



Connects to the ERP system of large customers to rapidly and accurately implement complex work procedures.

To gradually develop from large-scale customers in Taiwan to medium-scale business customers in Taiwan and large-scale customers in Mainland China

- PO confirm
- Forecast Reply
- DDR (Data Driven Replenishment)
- ASN (Advanced Shipping Notice)
- Replenishment and Invoicing of hubs (customers' external warehouse)

- 81 companies that connect customer orders used ERP system
- A total of 80 functions for receiving, confirming, shipping notifications, and replenishing orders with customers daily
- The percentage of customers using WPGDADAJIA as a percentage of sales reached 29%
- Reduced manpower requirements by 8.4 employees/year



Provides precise and personalized services to meet diverse needs for customers.

To Purchase components for small and medium-sized enterprises

- Online Quotation
- Order Follow-Up
- Tracking shipment progress
- Account list
- Downloading files

- Create new customer portal 600
- Received 58,000 orders
- Proportion of customers using WPG DADABANG to sales reached 13%



Provides online electronic component purchase service for small quantities to satisfy low quantity, high diversity consumer needs.

Consumers

- Small batch purchase
- Diverse online payment
- Global Marketing

- Up to 430 prototype modules (demoboard) provided engineers to develop
- More than 35 IDM/Fabless supply products
- Total sales of 500 parts and components, with over 6 million parts and components sold



Runs a free technical and resource-sharing platform for RD engineers.

Design engineer of "long-tail customers"(small and medium-sized customers)

- Solution knowledge library
- Member talent library
- Material Resource library

- 2,000 blog articles and 17,000 new members recruited
- Collaborated with over 45 suppliers for livestreaming sessions
- Online technical livestream 92 times



Provides customers with customized and personalized product information and market trend news.

The above existing and potential customers

- To collect the media news in the industry, to accurately and instantly provide main points of the industry through intelligent calculation, and to push and broadcast personalized market trend information

- In 2022, WPGDADAPIN updated and launched, offering pilot keyword news push services. The platform attracted more than 50,463 registrations and users
- WPG Holdings collaborated with more than 20 industry media and WeChat KOLs (opinion leaders) and accumulated 127,127 industry news and information

**Main Service
Customers and Focus
Target**

**Main Product
Service
Provided**

**Key
Performance
in 2022**

1-3-3 | Smart Logistics and Warehousing

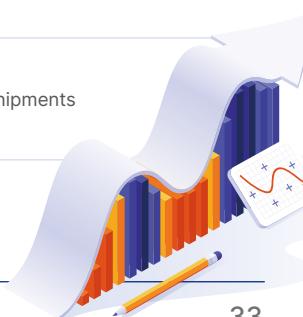
WPG Holdings adheres to the concept of "customer-oriented" for its logistics management, continuously improving service quality, and dedicates efforts to provide high-quality logistics services to customers while constantly seeking breakthroughs and development.

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.

The Operations Planning Office and Logistics Service Group of WPG Holdings are mainly responsible for warehouse operation analysis and management, warehouse operation management and audit in each district, operation process design and improvement of operations planning, and operations planning system management and optimization. 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. We conduct audits on outsourced logistics companies on an irregular basis and determine whether or not it has reached target indicators through monthly KPI assessments. Once they failed to meet the targets, they need to explain the review business operations and prepare a corrective action report. If they failed to meet the targets for the second time in a row, the shipment volume will be gradually reduced until the identified issues are rectified.

■ Performance of Key Projects in 2022

Location	Project	Schedule	Operation Scope	Implementation	Specific Results
Hong Kong Warehouse	Planning Adjustment	Completed in May 2022	Inbound and outbound operations	Relocation of designated goods from Hong Kong warehouse to Dongguan	<ul style="list-style-type: none"> After relocation, the number of containers in South China (Dongguan + Hong Kong): Dongguan warehouse: 73% ; Hong Kong warehouse: 27%
	Equipment and Device Optimization	Completed in June 2022	Inbound operations	Shelf adjustment/integration of loading workstations	<ul style="list-style-type: none"> Consolidation of loading floors (two floors reduced to one floor) Improve efficiency inbound operations, reduce staff movement, and improve inventory space utilization
Dongguan Warehouse	Efficiency Improvement	2022 Ongoing	Inbound and outbound operations	Pay-per-unit rolled out, Hong Kong supervisor regularly dispatched to Dongguan warehouse	<ul style="list-style-type: none"> Hong Kong supervisors assist in management and productivity improvement Dongguan packaging capacity reached 21 cartons per hour
	Customized Logistics (shorten the delivery process)	2022 Ongoing	Inbound operations	Negotiate direct cargo access to Dongguan warehouse	<ul style="list-style-type: none"> Share of direct access to Dongguan warehouse in 2022 accounted for 31%
Linkou Warehouse	Smart Warehouse Construction	2022 Ongoing	Inbound and outbound operations	Improve operational efficiency	<ul style="list-style-type: none"> Estimated 25% increase in average daily shipments
	Relocation of Genuine Inventory	Completed in April 2022	Inbound and outbound operations	Relocation and management of Genuine's inventory (Linkou 2nd warehouse)	<ul style="list-style-type: none"> Handover completed in April 2022 No problems with follow-up operations



1-3-4 | Supply Chain Management

As a semiconductor component distributor, WPG Holdings has two major types of suppliers: original equipment manufacturers/IC design suppliers and General Affairs Suppliers.

► IDM/Fabless/IC Design Suppliers

By the end of 2022, WPG Holdings represents over 250 IDM/Fabless/IC Design suppliers. Based on "revenue share"; the top 30 major suppliers, which accounted for more than 80% of WPG's total revenue, were mainly located in the United States, Taiwan, China, Europe, Korea, and Japan. The U.S. ranks first in terms of revenue size, while Taiwan suppliers ranked second.



Under the Global Sustainability Initiative, WPG Holdings supports Conflict Free Mineral Smelter Program developed by the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), and regularly checks the supply chain information of the top 30 key agent suppliers for source of minerals and smelters through the Conflict Minerals Reporting Template (CMRT) or SD Form each year. At the same time, we also place emphasis on chemical safety management and conduct public information disclosure of the results of our due diligence work.



► 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 Supplier Assessment

WPG plays the role of a distributor (agent/wholesaler) in the semiconductor component supply chain and does not engage in manufacturing. However, as a member of the value chain of the semiconductor industry, WPG Holdings takes the initiative to pay attention to the products it distributes as an agent/wholesaler and to verify whether the products distributed comply with the requirements of environmental and social issues, and discloses the information through the company's website. We also disclose the compliance of our key suppliers with environmental protection regulations through public disclosure of information on our website to help improve the transparency of the overall value chain and consumer awareness, and to leverage the influence of WPG Holdings in the value chain to build a global sustainable electronics supply chain.

► Chemical Safety

For the management and identification of chemicals and related substances that are harmful to the environment, WPG Holdings adheres to global industry standards and implements them in its daily management mechanism. The main directions 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.

According to our chemical and related substance management policy, the percentage of 30 key suppliers identified (based on size of revenue) that have passed and obtained certification are as follows:

28 Companies Approved

93%

Global: Halogen Free Guide (HF) published by the IEC

European Union:

- Restriction of Hazardous Substances Directive (RoHS)
- Registration, Evaluation, Authorization, and Restriction of Chemicals Act (REACH)
- Perfluorooctanesulfonic acid Directive (PFOS)

China: RoHS

28 Companies Obtained Certification

93%

- RoHS, China RoHS, HF, REACH, PFOS standards

10 Companies: Not applicable to PFOS standard

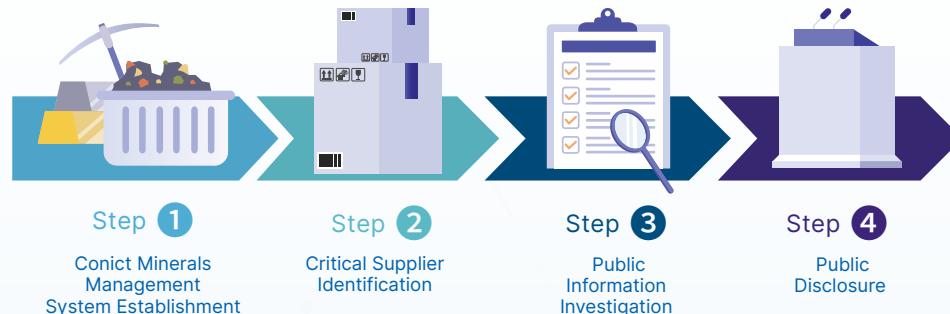
7 Companies: Not applicable to China RoHS standard

► 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.

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 80%. Among 30 critical suppliers, 80% (24 out of 30 suppliers) disclosed the proportion of validated smelters and refiners. Among the 30 critical suppliers that disclosed related information, 98.9% of materials used are processed from smelters, and refiners are verified as conflict-free. 2 of the 7 critical suppliers who did not disclose validated smelters and refiners' proportion are RBA members, 1 is an RMI member. All information is disclosed on the official website.

Proportion of critical supplier minerals from non-conflict countries/regions and the proportion of qualified smelters

80%



Among the 30 critical suppliers, the proportion of materials used that were processed from smelters was

98.9%

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.



WPG Supplier Code of Conduct



In 2022, the response rate for both the WPG Supplier Code of Conduct and the WPG Supplier Code of Conduct Self-Assessment Form across the Greater China Region was

100%

► 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 2022, the supplier evaluation score averaged 3 points (total of 5 points).

► Sustainable Supply Chain Seminar

To enhance suppliers' awareness of sustainability issues and risk prevention capabilities, the 2022 WPG Holdings Sustainable Supply Chain Seminar was held online and invited supplier representatives from various regions to participate. The seminar covered the risks and challenges of corporate sustainability, the role and value of sustainable supply chains, and an introduction to WPG Supplier Code of Conduct (which includes ethics and integrity standards). Through the seminar, WPG expects to work with its supplier partners to promote the development of sustainable supply chains and communicate management requirements. In the future, we will continue to hold physical or online supplier conferences and related collaborative activities to strengthen supplier sustainability management.

► Local and Green Procurement

In terms of procurement and contracting, WPG Holdings gives priority to local procurement and green procurement. In Taiwan, the proportion of procurement amount of general local suppliers in 2022 was 100%, the proportion of procurement amount of non-general local suppliers was 97%, and the proportion of green procurement amount was 1%.

In Taiwan, the proportion of procurement amount of general local suppliers in 2022 was

100%



Integrity

Accountability For Integrity Win-Win In Profit

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.

2-1 Board of Directors Operation

SDGs

2-2 Corporate Governance



Highlight Performance



Corporate governance evaluation

Top 5%



2nd time
External performance evaluation of the Board of Directors



Proportion of Independent directors

>36%



Passed certification 1st time

ISO 27001



Passed TIPS certification

A-level



► Stakeholders Recommended for Priority Reading

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

► Material Topics

Corporate Governance, Risk Control and Management, Information Security and Data Privacy, IP Asset Management and Protection

Commitment to Material 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.

In order to improve the information security capabilities and literacy of colleagues, and strengthen the ability to deal with information security incidents, WDA Holdings continues to follow the ISO 27001 management framework, optimize information security management, implement relevant regulations, and provide high-quality services for our suppliers and customers.

Resource Investment



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.



Conducted 10 legal compliance training sessions (including corporate integrity and ethics) to enhance colleagues' awareness of legal compliance matters.



Third party reporting platform for stakeholder management is launched to establish communication channels with stakeholders.



ISO 27001 certification first review and introduction of ISO 27017 project to strengthen cloud service management.

Management Approach and Assessment Mechanism

Based on the "Integrity and Ethics Committee" and "T.I.P.E. Meeting," regularly review and improve the implementation of integrity 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 information security evaluation indicators, implement improvement measures, and improve the effectiveness of information security practices.

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 2022, and the attendance rate of directors reached 98.35% (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.

Functional Committees

Name	Date of Establishment	Members	Committee Responsibilities	2022 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/dissmissal, 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. 	<p>In 2022, the Audit Committee convened a total of 11 meetings, and the attendance rate of members reached 100% (excluding proxy attendance).</p> <p>Important resolutions in 2022:</p> <ol style="list-style-type: none"> 1 Approved internal control system self-inspection and internal control statement in 2022. 2 Approved the Company's financial report (including parent company only and consolidated financial reports) and business report for FY2021. 3 Approved the appointment of CPAs in 2022. 4 Approved the Company's investment in the private placement of common stock of EDOM Technology Co., Ltd. 5 Approved the amendment of the Company's "Procedures for the Acquisition or Disposal of Assets".
 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>The Company has established a Remuneration Committee in accordance with the law and all members possess independence. 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. 	<p>In 2022, the Remuneration Committee convened a total of 5 meetings, and the attendance rate of members reached 100% (excluding proxy attendance).</p> <p>Important resolutions in 2022:</p> <ol style="list-style-type: none"> 1 Reviewed the Company's 2021 director's compensation distribution plan. 2 Reviewed the performance of management team and employees (senior managers) in 2021 and compensation distribution plan. 3 Reviewed the setting plan of the key performance indicators (KPI) of WPG Holdings CEO and appointed managers in 2022.

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 has also actively participated in the Corporate Governance Evaluation organized by the Taiwan Stock Exchange Corporation and conducted by the Securities and Futures Institute. We are actively working to strengthen corporate governance in line with the requirements of various indicators, and the 9th (2022) Corporate Governance Evaluation Review ranked WPG Holdings top 5% among all listed companies and top 10% among all electronics companies with market capitalization over NT\$10 billion.

2022 WPG Holdings Sustainability Report

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

Diverse Backgrounds of the Directors

The selection and nomination of the Company's Board of Directors is based on the provisions of the Company's Articles of Incorporation, the Rules Governing the Election of Directors and the Corporate Governance Best Practice Principles, and a candidate nomination system is used to elect directors in a fair, impartial and open process. The Company has established the "Method for Election of Directors" and the "Corporate Governance Best Practice Principles," which provides for a diversified approach to the composition of the Board of Directors. Based on the Company's operations and development needs, and taking into consideration the views of stakeholders, the Company plans the appropriate composition of the Board of Directors and their successors by determining the professional background, expertise, industry experience, gender, age, and nationality of the directors.

In accordance with Article 20, Section 4 of the Company's "Corporate Governance Best Practice Principles," the Company's policy on diversity of board composition includes, but is not limited to, the following two major criteria:

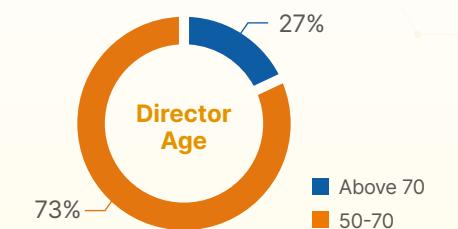
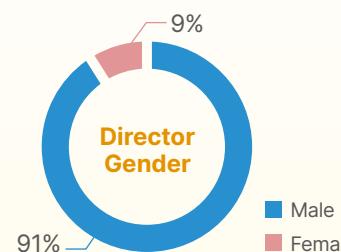
① Basic Criteria and Values

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

② 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.

Board members should generally possess the knowledge, skills and qualities necessary to carry out their duties. In order to achieve the desired goals of corporate governance, the Board of Directors as a whole should possess the following competencies: operational business judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability. The sixth Term Board of Directors of WPG Holdings was elected by the shareholders' meeting on June 24, 2020 for a three-year term from June 24, 2020 to June 23, 2023. The 6th Board of Directors consists of 11 members (including 4 independent directors) with expertise in investment management, strategic management, finance and accounting, legal and international market mindset in addition to the electronic components industry. Among the Board, 2 of the directors are also employees (including appointed managers) of the Company (18% of the Board), 4 are independent directors (36% of the Board), 10 male directors (91% of the Board), 1 female director (meets the target of at least 1 seat; 9% of the Board), 3 directors aged over 70 (27% of the Board), and the remaining 8 directors aged between 50 and 70 (73% of the Board). There are 3 independent directors with less than 9 years of tenure and 1 with more than 9 years of tenure. The average tenure of all directors is 12 years.



39

The following table shows the distribution of directors' industrial experience/profession:

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

Note 1: 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.

Note 2: Information on Directors concurrently holding in other companies please refer to p.12~p.17 of Annual Report.

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.



Annual Report

Succession Planning for Board Members

For the Company's subsidiaries with a single corporate shareholder (e.g., WPI Group, the SAC Group, the AIT Group, and the YOSUN Group), the Company has established a policy for supervising the board of directors of subsidiaries and the principles for assignment principles since 2013. Through assigning senior executives of subsidiaries to serve as directors of subsidiaries and participating in the operation of the board of directors of subsidiaries, the executives are able to familiarize themselves with corporate governance and the duties of directors, and further develop the management and professional abilities required to serve as a director. The Company also invites the directors and supervisors of subsidiaries and key management to participate in the director training programs. In the past, we have established cases in which the CEOs of WPG subsidiaries became CEO of WPG Holdings and served as directors. By strengthening the governance of our subsidiaries' boards of directors, we have been able to build up a pool of talented directors for the Company.

The Company also conducts extensive recruitment of specific legal, financial, accounting, investment, and international development professionals based on the Company's operational development needs to serve as a source of talent pool for future director selections.

Salary Structure of CEOs and Senior Management

Senior managerial officers' remuneration structure is highly correlated with performance, and the policies and standards for remuneration policies and performance evaluation are based on internal fairness and external prevailing compensation rates and are reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval and implementation, and the distribution of employee and director remuneration is included in the shareholders' meeting report every year. The remuneration and performance of the managerial officers are measured by the implementation of the core values of the Company, the demonstration of senior management performance indicators, leadership and management capabilities, ESG sustainable development strategies, relevant operational performance indicators and other special contributions, etc. The remuneration of managerial officers is calculated based on the results of the current year's performance evaluation, and the individual amounts of the managerial officers' remuneration are submitted to the Remuneration Committee for review and approval, and then submitted to the Board of Directors for approval.

Senior Management Performance Indicators



Profitability growth indicators and operational management quality improvement indicators:

Profit After Tax, OPEX/GP, GP% achievement rate, Return on Working Capital



- 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

Note : 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.

► 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 as well as individual self-evaluation. The Board members should individually fill in the self-evaluation form on internal performance and their individual performance on the Board. The 2022 performance evaluation of the Board of Directors and the committees was submitted to the board on January 17, 2023, and disclosed on the Company's website.

The following six components are included in the evaluation of the Board's overall and individual performance by WPG Holdings:

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

The overall performance evaluation of each functional committee is measured by the following five major components:

	Operation of the committee		Enhance the decision-making quality of functional committee
	Participation in company operations		Achievement of the goals in the committee
	Understanding of the responsibilities of the functional committee		



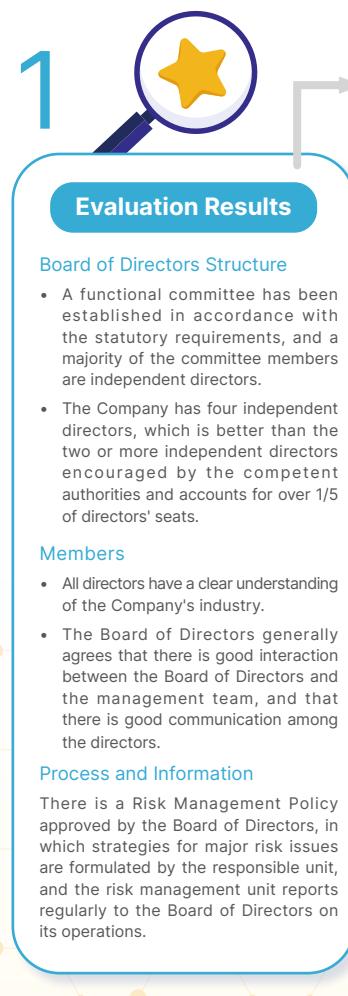
Regulations Governing the Performance Evaluation of the Board of Directors



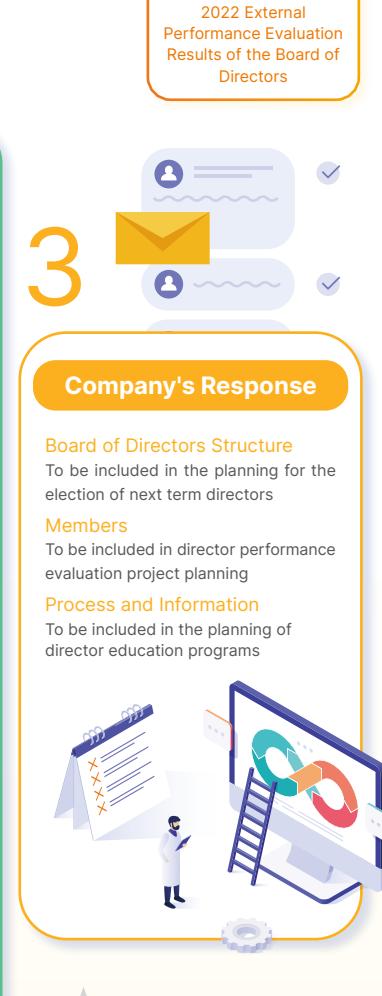
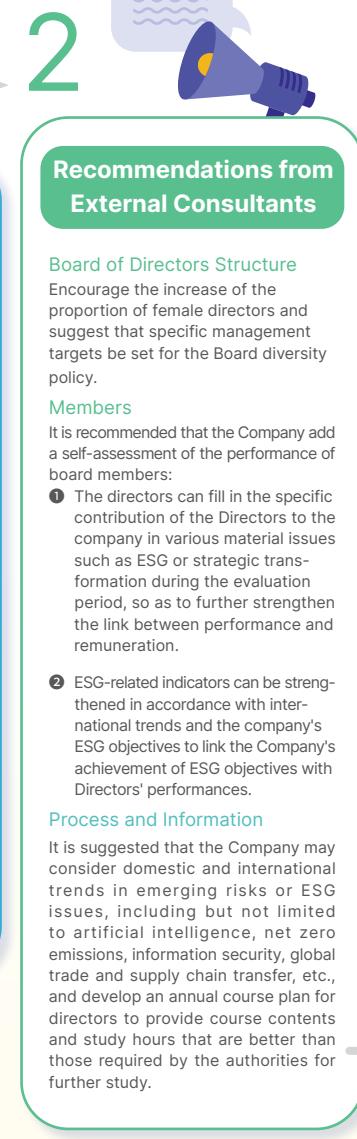
2022 Performance Evaluation Results of the Board of Directors

► External Performance Evaluation of the Board of Directors

In 2022, WPG Holdings commissioned the external organization "EY Business Advisory Services Inc" in performing the evaluation of board effectiveness through questionnaire surveys and on-site inspections. The results of the evaluation of the impartial organization and the experts were reported by the Board of Directors on December 27, 2022 and are available on the Company's website.



2022 WPG Holdings Sustainability Report



Directors' Education

In 2022, the total number of training hours for Directors was 82 hours with an average of 7.5 hours of training for each Director. This included the planning of educational training programs for the Board of Directors, with courses such as "Green Transformation - Sustainable Supply Chain Management and Green Operations" and "Navigating the Challenges of US-China Trade and Geopolitical Conflicts for Businesses." The Company also provided a variety of external training programs to enhance the professionalism of Directors so that they can perform their business and management duties faithfully, and fully utilize their management decision-making and leadership supervision functions.



Conflict of Interest Management

In order to implement transactions with stakeholders, ensure fairness and enhance the safety and soundness of the Company's operations, the Board of Directors resolved to establish the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct", which stipulate that transactions should be conducted in accordance with the principles of integrity, priority of the Company's interests, confidentiality and fair dealing, and that conflicts of interest should be prevented to avoid opportunities for private gain. The Company also established the "Rules for Handling Suggestions and Complaints from Stakeholders" to establish a reporting platform managed by a third party to establish a communication channel with stakeholders.

There are currently four independent directors of WPG Holdings (36%), all of whom comply with the relevant independence requirements under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". Therefore, the "Rules for Handling Suggestions and Complaints from Stakeholders" stipulates that the Audit Committee shall serve as the supervisory unit for handling stakeholder suggestions and grievances, and that the third party entrusted with the management of the reporting platform shall report to the Audit Committee on a regular basis. The third party entrusted with the management of the reporting platform shall regularly report to the Audit Committee on the progress of the handling of the reported cases or be subject to the investigation and consultation of the Audit Committee whenever deemed necessary.





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 employees.



Ethical Corporate Management Best Practice Principles



Code of Ethical Conduct



Employee Code of Conduct



Corporate Governance Best Practice Principles

Implementation 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.



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 order to implement the affairs and administrative operations assigned by the Ethics Committee, certain functional units of WPG Holdings (Legal Affairs Service, F&A Service, Corporate Governance Office, Process Excellence Management Service, HR service, top executives, spokespersons, etc.) form the Executive Secretary Team of the Ethics Committee, which is responsible for system planning, management method development, and promotion to employees in order to implement the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct of WPG Holdings. The Committee shall report to the Board of Directors at least once a year. Meetings are held from time to time each year, and in 2022, WPG Holdings focused on the launch of a third-party reporting platform for stakeholders, the development of conflict-of-interest measures, the review of the achievement and implementation of external evaluation targets, and the discussion of related integrity issues.

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.

2022 Corporate Integrity Education Courses

Economic Crime Investigation Brigade "Prevention of Duty-Related Crime" Publicity Campaign

Participation Rate **83.7%**

Region:China

Legal Regulations Governing Unethical Conduct and Practical Case Studies

Participation Rate **92.9%**

Region: Taiwan

ICAC "Integrity and Law Abiding" Integrity Promotion Seminar

Participation Rate **83.8%**

Region: Hong Kong

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 2022, 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. In 2022 a total of 524 people were completed.



Violation Category	Corruption and Bribery	Information Confidentiality	Anti-Money Laundering	Insider Trading	Conflict of Interest	Discrimination/ Workplace Violence	Violation of Privacy Laws
Reported cases	1 Case (under investigation, not categorized yet)						
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.



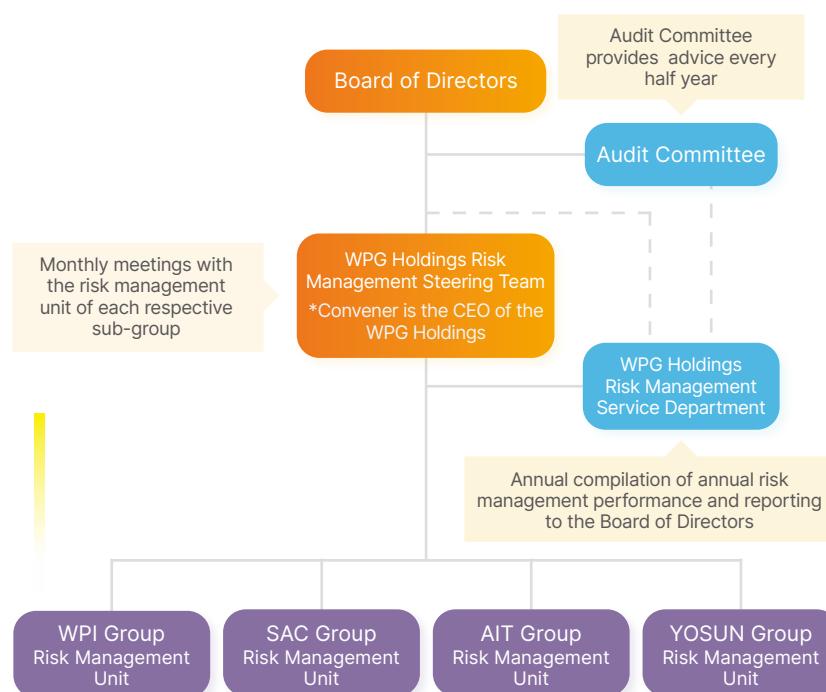
Organizational Structure of Risk Management

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 Steering 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 Steering Team.

The WPG Holdings Risk Management Service Unit regularly compiles the risk management results and reports them to the Audit Committee. The Audit Committee provides recommendations on a semi-annual basis and adjusts the action plans based on the management improvement recommendations directed by the Audit Committee, and the CEO of WPG Holdings communicates and discusses them with each group at the monthly meetings. The WPG Holdings Risk Management Service Unit compiles the annual risk management performance and reports it to the Board of Directors every year.

Unit	Responsibilities
Board of Directors	Board of Directors is responsible for supervising the Company's overall operations and affairs and making decisions on major investments, mergers and acquisitions, and other matters.
Audit Committee	Purpose of the Audit Committee is to assist the Board of Directors to perform their supervisory responsibilities. The items of reviewing include the Company's financial statements, company audit, accounting policies and procedures, and the Company's internal control system, to further ameliorate the corporate governance system of WPG Holdings, improve the audit supervision function and strengthen management functions.
WPG Holdings Risk Management Steering Team	Risk Management Steering Team is the decision-making unit for risk management activities. The convener is the CEO of the company, the members are the CEOs of each group, and the risk management unit of the company is the executive secretary.
WPG Holdings Risk Management Service Unit	Main responsibilities are to promote, collect, analyze, summarize, and report the risk management activities, and to assist the Risk Management Steering Team to promote relevant decisions.
Group Risk Management Unit	Collaborate with the WPG Holdings risk management service department to implement risk management activities and report the results.



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

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

► 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 2022

Currently, the WPG Holdings Risk Management Service Unit conducts regular management of key risk indicators including confidential data management risk and critical outsourced vendor business suspension risk (IT), inventory risk, AR risk, warehouse BCM, office BCM, and information security risk management, and establishes a monitoring indicator mechanism and risk response tracking management reports.

Based on the results of the risk identification impact and vulnerability assessment, the key risks were identified as follows:

Key Risks	Risk Control Measures
Confidential information management risk	Classify data and establish related security control mechanisms
Cybersecurity risk	Cybersecurity risk assessment and formulation of the cybersecurity improvement plan
Operational risk	Establish a business continuity plan (BCP), with drills, improvements, and optimization every year
Business interruption risk of major outsourced companies (IT)	Plan and set up IT system on cloud
Key inventory risk indicators	Inventory risk alert indicators are established and tracked on a monthly basis
AR overdue key risk indicators	Set up AR overdue risk alert indicators and track on a monthly basis

► 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 2022, the WPG Holdings Risk Management Service Unit focused on the Group's major development strategies and the continuous major emerging risks during business operations. The main aspects include "establishing a quantitative risk assessment mechanism", "establishing a risk early warning and notification mechanism", and "outsourcing smart warehousing risk management and continuous tracking".

► Establishment of Quantitative Risk Assessment Mechanism - Management of Key Risk Indicators

WPG has set up the key risk indicator (KRI) for the corporate risk management system since 2017. Since 2018, WPG has conducted relevant operations of the KRI mechanism, set up key risk indicators, and identified responsive measures for risk thresholds. Through the establishment of a "red and yellow light" risk threshold and countermeasures management mechanism, the Risk Management Service Unit of WPG Holdings regularly tracks KRI indicators to understand whether any risk items require special attention and regularly reports to the Risk Management Decision Group of WPG Holdings, enabling corporate management to determine the focus of risk indicators within the organization, as well as to establish a risk alert system to identify the precursors and root causes of key risks within the organization.

► Establish Risk Early Warning and Notification Mechanism

In the event of an incident of the following nature, the discovering staff or the notified supervisor shall immediately notify the risk management unit regardless of office hours. In case of any questions about the incident notification process, personnel should consult with next-level supervisors as a matter of priority.



► Continuous Tracking of Outsourced Smart Warehouse Risk Management

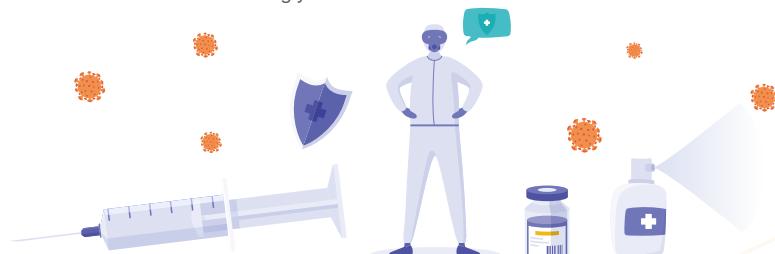
WPG Holdings' smart warehousing is commissioned to a third party, and thus pays great attention to related risk factors. Starting from 2019, the WPG Holdings Risk Management Service Department is responsible for risk identification of outsourced smart warehousing, while the functional units are responsible 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 2022, 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 risk in 2022 was mainly focused on COVID-19 Risk Management.

► COVID-19 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.



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

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



Observe 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 Identify standard operations

Laws, internal control, rules and regulations, authorities, etc



① Risk considerations and settings

Identify possible risks of each business according to inherent risks

④ Process and system analysis

- System process design and the effect analysis of risk control
- Inability of systems management and manual confirmation



③ Understand actual practices

Actual operation procedure, systems operation, usage of forms

⑤ Set up a review process

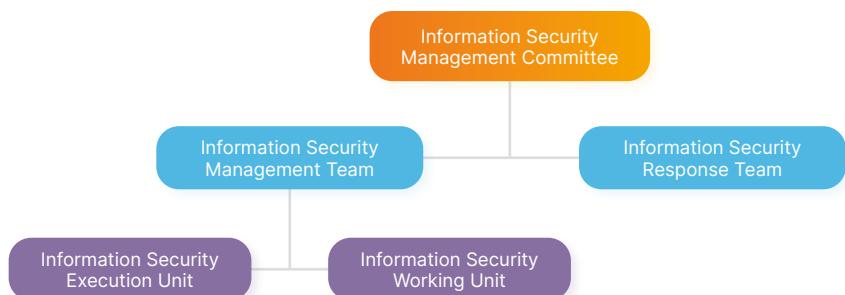
Set key audit matters and their implementation based on risk control

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:

WPG Holdings established the position of Chief Information Security Officer in 2022/12 to oversee the promotion of information security policies and resource mobilization.



Unit	Responsibilities
	<p>Information Security Execution Unit</p> <ul style="list-style-type: none"> ❶ In charge of the convening of management group meetings. ❷ The proposals and discussions at the information security management group meeting. ❸ Assisting in evaluating the classification and grading of information assets and the Company's risk evaluation operations. ❹ Assisting in judging and tracking information security incidents. ❺ Assisting in compiling systems and documents related to information security management. ❻ Assisting in planning and evaluating information security-related technologies, processes, solutions, etc. ❼ Providing the education and training of information security within the organization. ❽ Regularly report to the Board of Directors on information security initiatives.
Information Security Management Team	<p>Information Security Working Unit</p> <ul style="list-style-type: none"> ❶ The information security incident notification contact persons who assist in judging, processing, and tracking information security incidents. ❷ Responsible for responding to topics related to information security of each unit. ❸ 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. ❹ Establishing and maintaining the information security management-related systems and documents. ❺ Assisting in the implementation and coordination of diverse information security management systems. ❻ 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. ❼ Contacting and coordinating information security-related matters. ❽ The proposals and discussions at the information security management group meeting. ❾ Executing the tasks assigned by the information security execution unit. ❿ Assisting in promoting various information security activities. ❾ Acting as the contact person for investigating matters, transmitting and collecting the data.
Information Security Response Team	<p>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.</p>

Introduction of Information Security Management Mechanism

WPG Holdings established its information security management systems in 2020. In July 2021, the company obtained ISO 27001 certification, which will enable it to establish a comprehensive information security management system for confidentiality, integrity and availability, and to establish a complete information system for planning, execution, testing and action. In addition, the Company has established an information security management standard to define information security management indicators and management objectives. In June 2022, the Company successfully passed the first audit of ISO 27001 certification and concurrently also launched the ISO 27017 certification project to strengthen cloud service management and is expected to obtain certification in July 2023.

According to the information security management standards currently in place, the management mechanism is to be conducted at least once a year, including:

- 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"> Regular business continuity planning exercises Internal audits Conduct safety awareness and education training programs
	Supervision	<ul style="list-style-type: none"> Real-time monitoring system Network resources and another maintenance status
	Tracking	<ul style="list-style-type: none"> Incident report processing and maintenance Correction and improvement management of internal audit findings PDCA cycle to support continuous improvement of processes

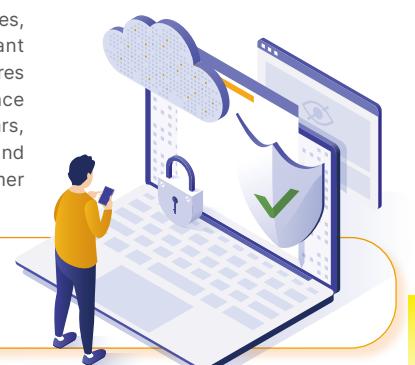


► Handling Process of Information Security Incident Reporting

- 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.
- 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.
- 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.

In the past three years 0 information security-related incidents and financial impacts



► 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 2022			
Course	Total Hours (hours)	Total Employees Attended (persons)	Attendance Rate
Social Engineering Drill	2,259.5	4,519	89%
Information Security Education Training	235.5	157	98%
Introduction to ISO 27017 Standards	244.5	163	100%
Information Security Incident Response Management	152	152	93%

► 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.



Confirming the drill list conformed to the actual condition

All contact information on the drill list should be correct.



Confirming the relevant personnel mastering the steps of the system switching procedure

During the drill, all procedures are completed as expected.



Ensuring the time of drill steps match the expectation

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

2-2-5 | Legal and Trade Compliance

Establishment of Trade Secret Management System

Corporate confidentiality is certainly one of the company's intellectual property, and is an important base for the company's sustainable development and core competitiveness. In 2022, WPG Holdings passed and obtained the Taiwan Intellectual Property Management System (TIPS) Level A certification, established corresponding confidential information management regulations, and collaborated with functional units to regularly propose and update the confidential information classification table, and established and implemented confidential information management processes for different levels of confidential information. In terms of education and training, WPG Holdings held an awareness course on "Don't Leak Confidential Info, Ensure Company Will Continue to Thrive" to enhance all employees' understanding of business secrets protection in daily operations, assist them in classifying and categorizing information by identifying the risks they may encounter in performing their daily tasks by classifying and categorizing information, and enhancing their knowledge of confidential information protection, (including business secrets), in order to protect the Company's knowledge assets, achieve precautionary measures and provision of evidence afterwards, and to protect the trade secrets of the Company and its stakeholders.

Intellectual Property Management Plan

In order to facilitate the management of intellectual property (IP) to achieve the organization's operational objectives, ensure that the operations of the Company and its subsidiaries comply with the requirements of intellectual property-related laws and regulations, and ensure the proper protection of intellectual property required for operations, the Company has incorporated intellectual property management into one of its internal control systems and revised the "Intellectual Property Management Manual" in 2021, and continued to revise various procedures and regulations for intellectual property management in 2022, so as to improve the intellectual property management policies and regulations.

► 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 formulated the SOP system for trademark management, copyright management, dispute handling, etc., and the intellectual property management regulations for each department's confidential information list were completed, revised, and disseminated, and through the review of relevant regulations and systems, employees have an overall consistent basis for compliance, and a management system for intellectual property rights (trademarks, copyright, sensitive information, dispute handling, foreign document handling, etc.) was established.
- ② In 2022, WPG Holdings conducted an internal audit of intellectual property management, and in September 2022, conducted an internal evaluation of the Company's major departments on the implementation of intellectual property management.
- ③ Regular reports:
 - 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 of the business locations and the digitalization of the operating patterns of the subsidiaries under the management of WPG Holdings, the protection of personal information and privacy must comply with the local laws and regulations. We have made reference to the relevant laws and regulations on personal information protection in Taiwan, Hong Kong, Singapore, Japan, South Korea, the United States (California, New York State) and the European Union, and revised the existing regulations of the internal control system to establish the "Personal Information Privacy Policy" and its subordinate regulations: "Personal Information Protection Management Organization Charter", "Personal Information Processing Procedures", and "Procedures for Handling Personal Information Incidents", together with additional local regulations, to form a complete personal information protection regulation (hereinafter referred to as the "Personal Information Regulations"), which was approved by the Board of Directors of WPG Holdings on October 26, 2021. In response to the implementation "Personal Information Protection Law" in Mainland China, the "Additional Provisions of the Personal Information Protection Law" have been added to the various stages of the "Personal Information Privacy Policy" for Mainland China and have been submitted to the Board of Directors of the subsidiaries in each region for approval of the personal information protection regulations by the end of 2022, so that the personal information protection policy can be implemented in each region and each sub-group.

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. The Company conducts internal personal information inventory, classification, and interviews in accordance with the rules and regulations of each region each year to conduct risk assessment, and develop a playbook to enable employees to fully understand the risk conditions and handling procedures that may be encountered in performing their daily tasks, and conduct regular self-assessment operations to review the current status of personal information implementation to effectively safeguard the safety of customers' and employees' personal information.

In order to respond to and communicate with stakeholders on personal data privacy protection issues in a timely manner, WPG Holdings has set up a personal data privacy protection mailbox as a contact channel. In 2022, WPG received four opinions in the mailbox, two of which were non-personal data issues and two of which were matters related to the exercise of personal rights and interests of personal data, and all of them were delegated to the responsible units to reply immediately upon receipt.

Enhancing Risk Prevention and Protecting Debt Solvency

In order to gradually enhance the awareness of relevant departments on accounts receivable risk management, and to analyze them in a holistic manner according to actual needs, we comprehensively compiled all the laws and regulations, judgments and interpretation letters related to debt preservation and debt collection in the Greater China region, and constructed a feasible debt preservation operation regulation in line with the local judicial environment at the time, so as to implement accounts receivable risk management and protect the Company's interests. The draft "Debt Protection and Accounts Receivable Collection Action Guidelines" was formulated in 2022; in addition to compiling relevant laws and regulations in the Greater China region and collecting internal collection cases in the Greater China region for analysis and review to compile an action plan for debt protection that is appropriate and feasible for local conditions, which will serve as the basis for internal training of legal affairs, credit management, business and other related units, and to build a complete knowledge base for debt protection in order to further achieve the purpose of risk prevention, advance legal action deployment, and debt protection and debt collection to protect the realization of debt recovery.

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 2022. 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", "Dishonest Conduct", and "Fair Competition/Antitrust" with online tests after each live streaming course to deepen the legal concept of colleagues.

2022 Legal Compliance Education and Training Series

Session	Region	Course	Participation Rate
1	Taiwan	Analysis of Legal Regulation of Insider Trading from Practical Cases	98.3%
2	China	Economic Crime Investigation Brigade "Prevention of Duty-Related Crime" Publicity Campaign	83.7%
3	Taiwan	Legal Regulations Governing Unethical Conduct and Practical Case Studies	92.9%
4	Greater China	Don't Leak Confidential Info, Ensure Company Will Continue to Thrive Management of Trade Secrets in External Cooperation Cases	85.3%
5	China	What You Need to Know about Personal Information Introduction to the Personal Data Protection Law	82.1%
6	Taiwan	Protecting Intellectual Property TIPS IP Management Regulations	100%
7	China	Fair Competition, Win-win and Prosperity for All Highlights of the New Antitrust Law Amendments and Compliance Proposals	81.7%
8	Taiwan	Don't Get Caught up in Anti-trust Deals, Business Continuity With Peace of Mind Beware of Red Lines of Concerted Action	99.4%
9	Hong Kong	ICAC "Integrity and Law Abiding" Integrity Promotion Seminar	83.8%
10	Greater China	Ensure Personal Data Inventory, Protect Personal Data	74.9%

Note: Arranged in the order of live streaming 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.

2022 Trade Compliance Annual Training



Nature

Common Good In Environment Sustainable Value-Added

WPG Holdings actively faces the trend of carbon reduction by promoting climate control and improving operational efficiency internally and promoting low-carbon innovative product solutions and developing green business opportunities externally. We are also promoting technology research and development with green solutions, coexisting and co-benefiting with the environment and ecology, strengthening climate resilience, actively responding to climate change, allowing technology to connect with nature, and improving environmental impact. By building trust through technology, integrating upstream and downstream resources, and responding to the value of "Striving Together," WPG Holdings is able to enhance sustainable value for customers and upstream suppliers.

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

SDGs



Highlight Performance



Warehouse waste reduced by

58.7 %



Energy saving solutions by

25 items



Cleantech solution revenue increased by

40 %



Environmental management certification

ISO 14001:2015



Build clean technology development and application partnership with IDM/Fabless and customers which

nearly 90



► Stakeholders Recommended for Priority Reading

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

► Material Topics

Risk Control and Management

* The information in this chapter also covers the basic topics "Climate Strategy", "Energy and Water Management and Emissions", and "Waste and Consumables Management"

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 ISO 14064: 2018 certificate.



Initiated the TPE One Building project. The headquarters office was awarded the Gold Green Building Label by the Ministry of the Interior and was equipped with renewable energy generation equipment.



The logistics warehouse is equipped with smart monitoring and control equipment, and we promote a complex transportation model to shorten the supply chain and save energy consumption through intelligent distribution.



Combining the key technologies and capabilities of external companies and campus talents in clean technology to promote the strategic deployment and development of the electric vehicle sector.

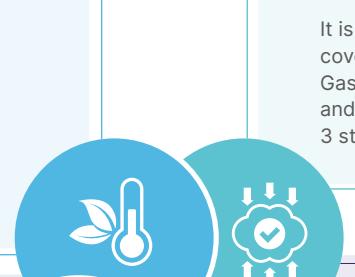
Commitment to Material Topics

WPG Holdings remains committed to achieving Net Zero Emissions from all of our operations (offices and warehouses) by 2030 and achieving Net Zero Emissions for the entire Group by 2050. 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.



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.

Set a target of reducing office area waste by 3% by 2025, and actively supporting the implementation of waste sorting initiatives and resource recycling and reuse projects.



Set a target of reducing office area reducing electricity consumption by 1% annually and achieving a 3% reduction in water usage by 2025 to promote energy and resource conservation.

Develop clean technology-related product solutions with customers to promote green energy-related semiconductor component business opportunities and help the industry upgrade to low carbon transformation.

3-1 Climate Change Strategy and Management

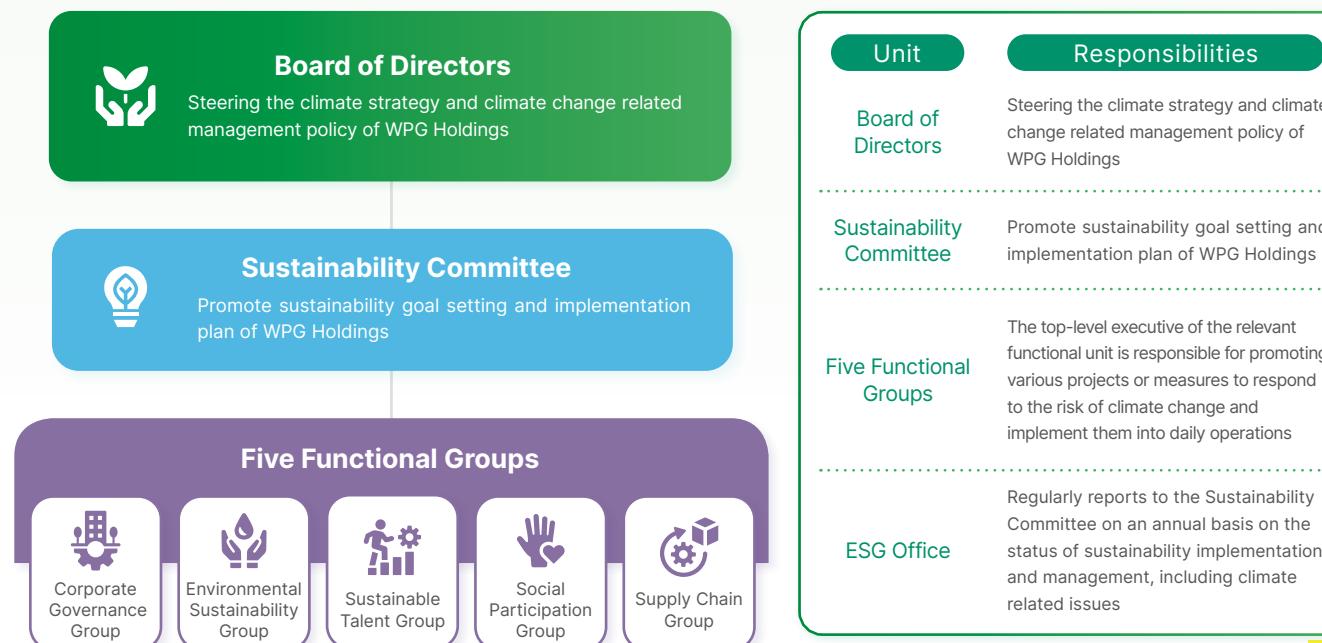
3-1-1 | Climate-Related Financial Disclosures (TCFD)

In the face of the global warming crisis, as a global corporate citizen, WPG Holdings supports and responds to the Paris Agreement, striving to reduce greenhouse gas emissions and setting a vision for low-carbon sustainable development. We are committed to minimizing the impact of our operations on the ecological environment and consider compliance with laws and regulations as a basic requirement. No incidences of major environmental law violations occurred in 2022.

Starting from 2020, WPG Holdings has made reference to recommendations on climate change-related financial disclosures issued by the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Board (FSB) of the United Nations and conducted the current situation analysis, climate risk and opportunity identification, and scenario analysis of climate change-related financial disclosures, which are described in the following four scopes:

Governance

On climate issues, the Board of Directors of WPG Holdings is the highest supervisory unit to coordinate the Company's overall climate strategy and oversee the implementation of climate-related risk management by relevant units. There are five functional groups under the Sustainability Committee, with the Chief Sustainability Officer as the convener responsible for managing and overseeing the implementation of relevant climate risks and opportunities. The convener of the Sustainability Committee also reports regularly (at least once a year) to the Board of Directors on the progress of corporate sustainability promotion, including the implementation results and future planning of climate-related issues. For the implementation status, please refer to 1-2-1 of this report.



Strategy

With reference to the TCFD guidelines, we identify the climate change risks and opportunities of WPG Holdings through workshop discussions and assessments of climate related issues, supplemented by the analysis and recommendations of external consultants. The impact period of climate risk is divided into short-term (1~3 years), mid-term (3~10 years), and long-term (more than 10 years).

► Climate-Related Risks

Risk Type	Project	Risk Factor	Potential Financial Impact	Impact Period
Transition Risk	Policy and Legal	Carbon tax, carbon fee	Government carbon tax will lead to higher operating costs and facing the transfer of logistics and distribution cost	Mid-term
	Market	Energy transition leads to higher electricity prices	Increase in operating costs	Mid-term
	Reputation	Reputational damage due to low environmental or ESG-related ratings	Failure to implement sustainable management-related practices that result in international sustainability ratings lagging behind those of our peers will result in damage to goodwill	Mid-term
Physical Risk	Acute	Typhoons, floods, mudslides	Natural disasters may damage storage facilities, expose goods to moisture, interrupt information network services or cause casualties, resulting in supply chain disruptions and operational disruptions	Short-term
	Chronic	Rising temperatures	Increase in electricity costs due to higher demand for air conditioning to maintain office temperatures	Mid-term
		Rising sea levels	Financial loss due to inundation of operational sites	Long-term

► Climate-Related Opportunities

Type	Opportunity Factor	Potential Financial Impact	Impact Period
 Resource Efficiency	Use of more efficient buildings	Increase the value of fixed assets and reduce operating costs such as electricity and water bills	Short-term
 Energy Source	Use of lower-emission sources of energy	Use lower-emission sources of energy and reduce potential carbon emissions costs	Mid-term
 Products and Services	Development and expansion of low emission goods and services	The demand for non-toxic and non-hazardous electronic components will continue to increase (see 1-3-4). The Company is actively developing related solutions through field application engineers (FAEs) and customers to create potential business opportunities	Mid-term
 Markets	Access to new markets	Carbon emissions reduction policies in various countries will lead to increasing demand and business opportunities for electronic components, creating business opportunities in low carbon/green markets such as green power or EVs	Long-term
 Resilience	Establish effective contingency plans	Improve the ability to respond to risks	Short-term

► Climate Change Management Policy and Response Actions

In response to the key risks and opportunities caused by climate change, WPG Holdings has established the following management plans to address the issues of low-carbon operations and promotion of green value chain:

 Low Carbon Operations	<p>The management of greenhouse gases, energy, water resources and waste is divided into the following two main areas according to the business structure of WPG Holdings:</p> <p>Office Area</p> <ul style="list-style-type: none"> Short-term: Relocate to a new building with a green building label to reduce energy consumption and office operating costs. Long-term: Gradually purchase energy-saving equipment to reduce office energy use. <p>Logistics and Warehousing</p> <p>Build intelligent monitoring equipment and promote complex transportation mode.</p>
 Green Value Chain	<p>Cleantech Development</p> <p>Develop clean technology-related product solutions with customers to promote green energy-related semiconductor component business opportunities.</p>

► Climate Change Scenario Analysis

To better understand the risk impact caused by various possible climate paths in the future, WPG Holdings evaluates the potential physical and transition risks through climate change scenario analysis, which is conducive to the Company's ability to quickly develop appropriate response strategies to reduce the potential impact of climate risks.

■ Acute Physical Risk - Flooding Damage



Scenario 1

Physical Risk Roadmap: RCP 2.6

Scenario Description:

Relative to the lower greenhouse gas increase scenario, the atmospheric radiation reaches a maximum of 3W/m^2 in the mid-21st century and then decreases slowly until the end of the 21st century.

Scenario 2

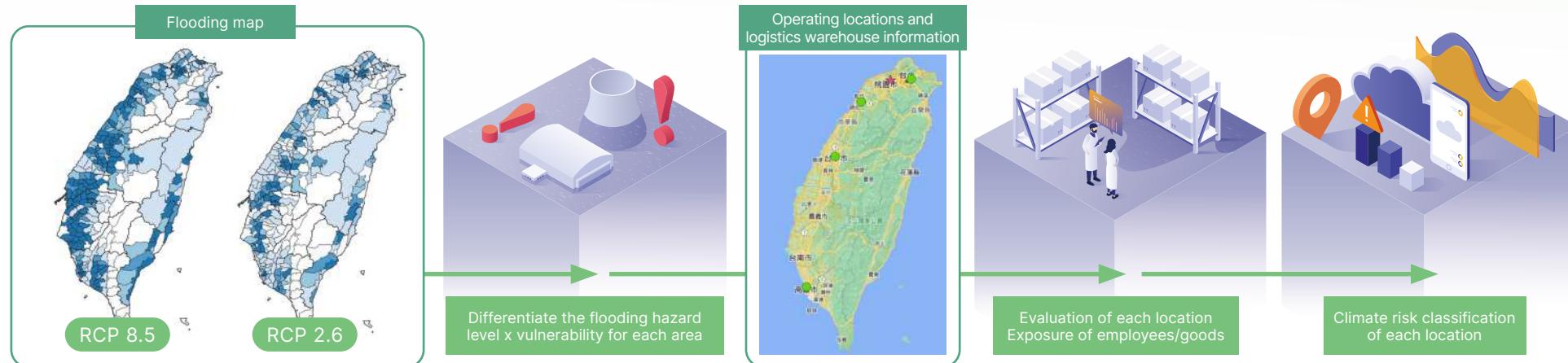
Physical Risk Roadmap: RCP 8.5

Scenario Description:

Atmospheric radiation continues to increase to greater than 8.5W/m^2 , representing no reduction in GHG emissions in the world.

In recent years, extreme rainfall events have become more frequent and have caused large-scale flooding events. As the largest distributor of semiconductor components in Asia Pacific with global operations and logistics warehouses, WPG Holdings has conducted a scenario simulation for Taiwan to evaluate the climate impact of each operating location by referring to the flood risk maps (RCP 2.6, RCP 8.5) published by the National Science and Technology Center for Disaster Reduction (NCDR) Climate Change Disaster Risk Adaptation Platform.

Scenario assumptions: Flooding causes transportation disruptions to the operational sites and flooding of logistics warehouses, causing moisture damage and affecting product distribution.



Climate Sensitivity	Risk Value	Personnel Impact		Logistics and Distribution	
		RCP 8.5	RCP 2.6	RCP 8.5	RCP 2.6
High	$>=80$	-	-	-	-
Medium	41-79	1	-	-	-
Low	$<=40$	4	5	1	1

Note: The risk value is calculated based on hazard x vulnerability x level of exposure.

WPG Holdings operates 5 locations in Taiwan (including 1 warehouse). The flooding risk of these sites under RCP 2.6 and RCP 8.5 was analyzed, and the simulation data classified the hazard (chance of rainfall) and vulnerability (disaster potential) of flooding into 5 levels, and the exposure level was customized according to the number of people/logistics warehouse inbound and outbound shipments. Customized exposure levels are defined as high climate sensitivity for areas with hazard x vulnerability x exposure $>= 80$, medium climate sensitivity for areas between 41-79, and low climate sensitivity for areas $<= 40$.

The sensitivity analysis was used to assess the critical areas of WPG Holdings for physical flooding risk, and the results of the analysis were:

- ① In the RCP 2.6 scenario, the climate sensitivity is low for both human impact and the logistics warehouse.
- ② In the RCP 8.5 scenario, there is one location with moderate climate sensitivity for personnel impact, and low-risk sensitivity for logistics and distribution.



Corresponding Strategy: WPG Holdings has established emergency response procedures for business interruptions and will regularly monitor the risks and develop strategies to address them accordingly.

Chronic Physical Risk - Global Mean Temperature Increase



Scenario 1

NGFS Scenario: RCP 2.6

Scenario Description:

Relative to the lower greenhouse gas increase scenario, the atmospheric radiation reaches a maximum of 3 W/m^2 in the mid-21st century and then decreases slowly until the end of the 21st century.

Scenario 2

NGFS Scenario: RCP 4.5

Scenario Description:

The atmospheric radiation reaches a steady-state scenario of about 4.5 W/m^2 by the end of the 21st century, which means that countries around the world try to achieve the greenhouse gas reduction target.

Scenario 3

NGFS Scenario: RCP 6.0

Scenario Description:

Similar to RCP 4.5 outcome, but the atmospheric radiation is 6 W/m^2 , which means that the world is not doing its best to achieve the goal of GHG reduction.

Scenario 4

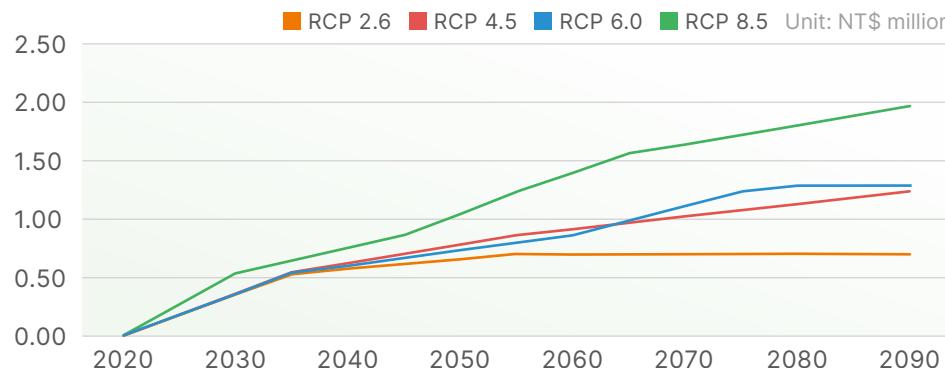
NGFS Scenario: RCP 8.5

Scenario Description:

Atmospheric radiation continues to increase to more than 8.5 W/m^2 , which means the world is not taking any action to reduce GHG emissions.

The most direct impact of the global mean temperature rise is the growth of energy demand for air conditioning, and the most important energy use in the operation of WPG Holdings is electricity for air conditioning. The Company simulates the temperature change of each location under different global average warming environments and the warming trend under different scenarios (RCP 2.6, RCP 4.5, RCP 6.0, RCP 8.5) by referring to the Networking for Greening the Financial System (NGFS) and estimates the occurrence time and financial impact of global mean temperature increase through electricity usage and average electricity cost of each location.

Scenario assumptions: The future electricity rates for each scenario does not change in conjunction with the progress of policy and energy transition, and the impact of equipment efficiency improvement is not considered.



Source: NGFS Climate impact explorer.

Note 1: The assessment scope covers Taiwan, China, Hong Kong, South Korea, and Singapore.

Note 2: Electricity consumption is estimated at an average of NT\$3/kWh.

The results of the analysis of energy use in the Company's operating bases in Taiwan, China, Hong Kong, South Korea, and Singapore, and the assumption of 40% of the total electricity consumption for "air conditioning". The results are:

- ① RCP 2.6 scenario, the growth of air-conditioning electricity consumption will peak in 2050 due to the controlled temperature increase.
- ② In the RCP 8.5 scenario, due to the continuous increase in temperature, the air conditioning cost will continue to grow and is estimated to reach about NT\$1.05 million by 2050.

The overall impact of the increase in air-conditioning costs due to global warming will have a relatively low impact on the Company. However, if electricity costs increase in the future due to energy transition or policy changes, changes in the amount of money of financial impact will be reviewed on a rolling basis.

Corresponding Strategy:

WPG Holdings promotes energy management and energy saving and carbon reduction measures in its daily operations, and regularly reviews and improves the energy efficiency of its equipment to mitigate energy demand.

Transition Risk - Commodity Transportation Carbon Emission Cost Pass-Through



Scenario 1

NGFS Scenario: Current Policy

Scenario Description:

Retaining only the currently implemented policies results in a global temperature increase of about 3°C and significant physical risk.

Scenario 2

NGFS Scenario: NDCs

Scenario Description:

All committed national policies have been thoroughly implemented, but still results in a global temperature increase of about 2.6°C with moderate to high physical risks, with relatively low transition risks.

Scenario 3

NGFS Scenario: Net Zero 2050

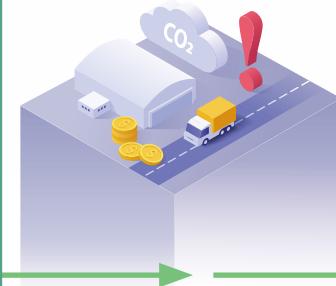
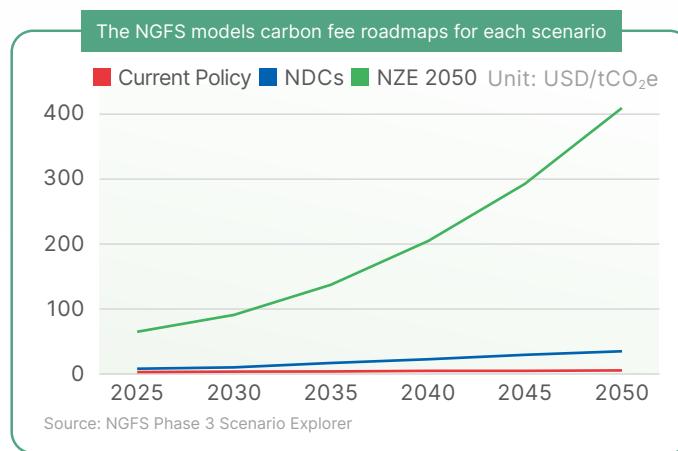
Scenario Description:

Net GHG emissions will reach zero around 2050, with a 50% chance of limiting global temperature rise to below 1.5°C by the end of the century. Physical risk is relatively low, but transition risk is high.

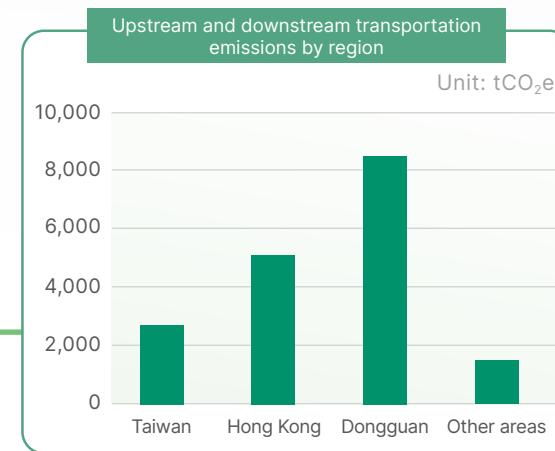


In order to reduce greenhouse gas emissions, the trend in recent years has been to levy carbon fees or carbon taxes on carbon emissions, forcing manufacturing companies to begin to focus on greenhouse gas reduction. Although WPG Holdings is not a large greenhouse gas emitter, the upstream and downstream logistics and transportation process may also generate a large amount of greenhouse gas emissions. If carbon tax is to be levied in the future for greenhouse gas emissions for transportation, it may result in transport and logistics vendors raising prices to transfer the associated increase in logistics costs, resulting in increased costs for transportation.

Scenario assumptions: Upstream and downstream logistics companies are required to pay carbon tax fees due to greenhouse gas emissions and pass on transportation costs to WPG Holdings; in the short term, transportation tools are still using carbon-based fuel and cannot be transitioned to EV transport.



Set the carbon fee charged to vendors in each scenario



Evaluate transportation cost transfer impacts by region

Region	Increased Transportation Costs due to Carbon Fee Increased by 2050		
	Current Policy	NDCs	Net Zero 2050
Taiwan	0.30	2.76	33.75
Dongguan	0.91	8.41	103.08
Hong Kong	0.55	5.11	62.56
Other Areas	0.16	1.48	18.13
Total	1.92	17.76	217.52

Note 1: The assessment scope covers Taiwan, China, Hong Kong, Korea, and Singapore.

Note 2: The carbon price is projected with reference to the REMIND-MAgPIE 3.0-4.4 model announced in the NGFS Scenario Explorer.

Total greenhouse gas emissions from upstream and downstream transportation of WPG Holdings were about 18,000 tCO₂ in 2022. Based on the NGFS model, the changes in carbon costs under current policies, NDCs, and 2050 net zero emissions scenarios were analyzed; it was evaluated that if logistics manufacturers do not transition their transportation equipment, and the government starts to impose carbon fees on greenhouse gases generated by transportation sector in order to control greenhouse gas emissions, the logistics and transportation costs in this scenario will grow significantly, and the total cost of carbon emissions passed on in the 2050 net zero scenario will be over NT\$218 million.



Corresponding Strategy:

In addition to promoting smart logistics services to enhance logistics efficiency, WPG Holdings is also promoting a complex transportation model to streamline and shorten the supply chain through smart distribution. In addition, WPG Holdings is planning to build a distribution center to save energy consumption through smart planning and centralized transportation and has communicated with its partners (freight forwarders) to formulate a plan to switch all traditional transport vehicles to NEVs.

Risk Management

The climate change risk management process has been integrated into general risk management, see 2-2-2 for more information. Through risk identification, six major risks, including environmental risks, are defined. The company has also established an operational disruption emergency response procedure that covers natural disasters, earthquakes, and other emergencies. This includes the establishment of a Crisis and Emergency Decision Center and the implementation of a Call Tree crisis reporting mechanism. When emergencies such as natural disasters or major crises occur, the relevant response procedures can be activated, ensuring effective risk management measures are in place.

Climate Change Risk Management Process



Metrics and Targets

In order to implement sustainable management and achieve the Group's declared goal of net zero emissions, WPG Holdings conducts annual greenhouse gas inventories and further verifies the credibility and consistency of emission data through third-party verification and will continue to expand the scope of greenhouse gas inventories and verification, as well as publicly disclose relevant content of climate-related financial disclosures. In 2022, the scope of the inventory included the main operation offices and self-owned warehouse greenhouse gas emissions in Taiwan and China, as well as obtaining ISO 14064: 2018 greenhouse gas inventory declaration.



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 current scope of greenhouse gas inventory includes Taiwan, China, and certain overseas regions for Scope 1 (direct emissions), Scope 2 (indirect emissions) and designated areas of Scope 3 on greenhouse gas emissions data (including upstream and downstream transportation, business travel, fuel and energy-related activities); the inventory coverage is expected to be increased to 100% by 2025 to meet the consolidated financial reporting boundary.

3-2-1 | Environmental Management

WPG Holdings fully understands the importance of environmental protection. To effectively promote and implement environmental management, the Linkou, Hong Kong and Singapore have all been certified with ISO 14001: 2015 environmental management system to establish a complete organization, policies and related management practices to reduce the impact on the environment during operations.



Environmental Management Focus Projects

① Smart Warehouse Management

- 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

② TPE One Building Implements Resource Centralization, Resource Sharing and Maximizes Resource Utilization

③ Green Building Construction and Green Office Management

- The headquarters building of WPG Holdings uses environmentally friendly green building materials, construction and related energy-saving facilities and equipment
- Activation of 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

④ Smart Building Management

- Build smart management system to monitor, collect and analyze data in real time to effectively grasp the usage status
- Continuing to expand the scope of smart environmental facilities and the statistics of environmental data
- Inventory resource usage and set reduction targets and actions
- Smart monitoring of resource usage to avoid unnecessary resource wastage

3-2-2 | 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.



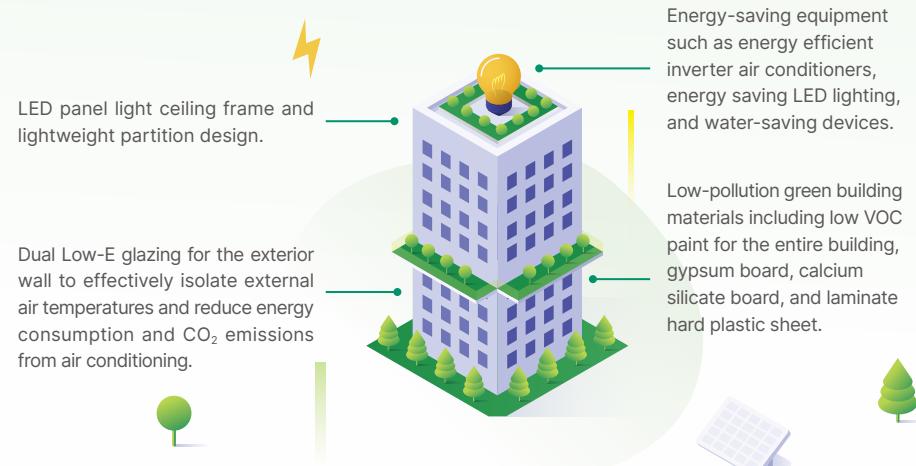
Green Building Gold Certificate

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:



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 stream flow. 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.

3-2-3 | Greenhouse Gas Management

In order to realize the vision of sustainable development, WPG Holdings strengthens climate control, actively saves energy and reduces carbon emissions in its daily operation and strives to reduce the impact on the ecological environment. Since 2015, WPG has been conducting annual inventories and disclosing Scope 2 GHG (indirect emissions) generated from energy use, and in 2021, the scope of investigation has gradually expanded, currently covering emissions data of Scope 1, Scope 2, and designated Scope 3 categories, including upstream and downstream transportation, business travel, fuel and energy-related activities etc., in locations including Taiwan, China, and certain overseas regions. The management costs related to Greenhouse Gas Inventory in 2022 are approximately less than 0.001% of the total revenue.

Scope 1

Unit: Carbon Dioxide Equivalent (tons CO₂e)

■ 2021 ■ 2022

Office Area	Taiwan	174.35	122.78
	China	566.73	281.00
	Other areas	N/A	4.68
Logistics warehouse	Taiwan	52.32	52.97
	Hong Kong	25.85	62.68
	Dongguan	N/A	0.91
	Other areas	N/A	452.46
	Total	819.25	977.47

Note 1: The calculation of greenhouse gas emissions is mainly based on the "emission coefficient method", using the "greenhouse gas emission coefficient management table version 6.0.4" published by the Environmental Protection Administration, Executive Yuan for emission calculations, and the "EPA carbon footprint calculation service platform" for life-cycle assessment coefficients for category 1 and 2 carbon emission calculations. Global warming potential (GWP) adopts the IPCC 6th Assessment Report (GWP of various greenhouse gases in 2022 Emissions (CO₂e) = emissions data × emissions coefficient × GWP).

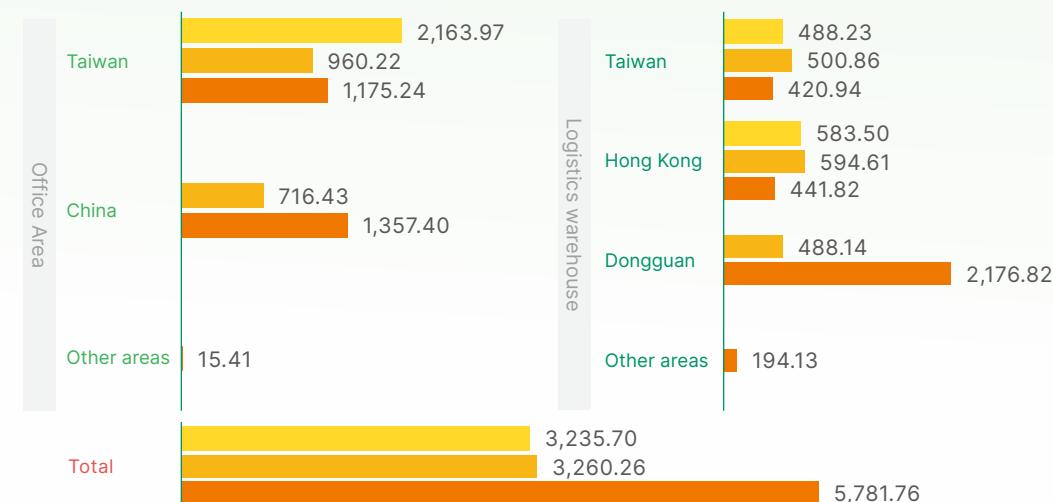
Note 2: The statistical scope of the office area in 2021 encompassed the headquarters building in Nangang, Taiwan region, and the offices in Shanghai, Shenzhen, and Hong Kong in China region. In 2022, it was expanded to include all locations in Taiwan and China, as well as other overseas locations such as Singapore and South Korea.

Note 3: Scope 1 GHG include: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons.

Scope 2

Unit: Carbon Dioxide Equivalent (tons CO₂e)

■ 2020 ■ 2021 ■ 2022



Note 1: The data are compiled using the operation control method, and the calculation basis for Taiwan in 2020 and 2021 uses the 2020 electricity emission factor 0.502 kg CO₂e/kWh published by the Bureau of Energy, Ministry of Economic Affairs, and the 2020 electricity emission factor 0.509 kg CO₂e/kWh for 2022; the calculation basis for China uses the Hong Kong electricity emission factor published by CLP. The calculation for the China region is based on the electricity emission factors for 2020, 2021 and 2022 announced by CLP, which are 0.37, 0.39, 0.39 kg CO₂e/kWh, for Shanghai and Shenzhen, which are 0.42, 0.57 kg CO₂e/kWh, and for Dongguan, which is 0.2132 kg CO₂e/kWh.1 data for the China Southern Power Grid (2019), the calculation in 2022 is based on the latest carbon emission data announced in the Guidelines for the Compilation of Greenhouse Gas Inventories at the City and County (District) Levels of Guangdong Province (2020), which is 0.605 kg CO₂e/degree.

Note 2: The statistical scope of the office area in 2020 included various office locations in Taiwan and the headquarters building in Nangang, excluding external branch offices (Hsinchu, Taichung, Kaohsiung). In 2021, it encompassed the headquarters building in Nangang, Taiwan, and the offices in Shanghai, Shenzhen, and Hong Kong in China. In 2022, it was expanded to include all locations in Taiwan and China, as well as other overseas regions such as Singapore and South Korea.

Note 3: The 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 include: carbon dioxide.

Scope 3

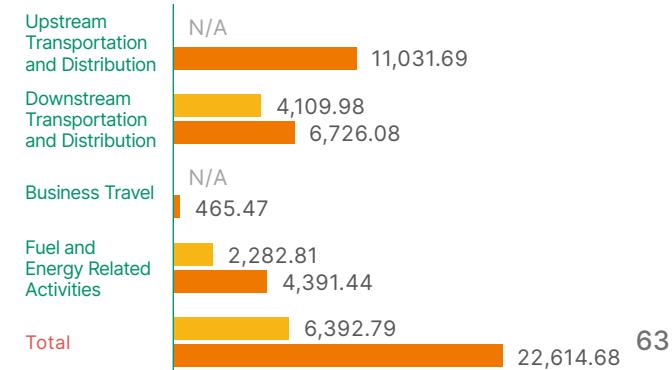
In 2022, the scope of Scope 3 was expanded, with "proportion of emission, room for reduction, availability of activity data, and availability of emission factors" as the basis of evaluation principles. Emissions from "Upstream Transportation and Distribution", "Downstream Transportation and Distribution", "Business Travel" and "Fuel and Energy-Related Activities" are currently counted.

Unit: Carbon Dioxide Equivalent (tons CO₂e)

■ 2021 ■ 2022

Note 1: The statistical scope of transportation and distribution in 2021 included the Linkou warehouse and the Hong Kong warehouse. In 2022, it was expanded to include the Dongguan warehouse and other overseas locations.; emissions (CO₂e) = weight of each shipment × distance of transportation × emission coefficient × GWP.

Note 2: Scope 3 GHG include: carbon dioxide.



3-2-4 | Energy Management

In terms of energy management, the main focus of WPG Holdings is to control energy consumption in real time through smart equipment, and to enhance the added value of data through the digitization of systems data for effective analysis, management and improvement. Furthermore, for built facilities and equipment, regular maintenance and repair are carried out annually and aging equipment replaced. The logistics warehouse has also replaced major power-consuming equipment, including air conditioning, lighting, and refrigeration equipment, with energy-efficient models to reduce energy consumption. In order to improve energy efficiency, the Headquarters building further controlled seasonal energy use in 2022, such as not turning on the sink water heater until the temperature was 15°C or below, and also evaluated solar panels in logistics warehouses and AI lighting in office spaces.

In order to achieve the 2030 Net Zero Emissions target for the operating sites and the 2050 Net Zero Emissions target for WPG Holdings, the current planning for energy management (including renewable energy) of WPG Holdings are as follows:

Energy Management Goals	
Office area: 1% annual electricity saving target	
Logistics warehouse:	
Inventory of existing energy-consuming equipment, evaluation, and replacement planning	



Strategy and Goals of Renewable Energy	
Office area: Continuous use of solar panels to generate electricity (<1% usage by 2022)	
Logistics warehouse: Assessment and planning for "Renewable Energy Certificate"	



Energy Use Statistics

Type	Region	kWh			Gigajoule (GJ)		
		2020	2021	2022	2020	2021	2022
Office area	Taiwan	4,251,414	1,912,784	2,292,281	15,305.10	6,886.02	8,252.21
	China	N/A	2,278,436	2,542,155	N/A	8,202.37	9,151.76
	Other areas	N/A	N/A	37,456	N/A	N/A	134.84
Logistics warehouse	Taiwan	959,200	997,723	827,000	3,453.10	3,591.80	2,977.20
	Hong Kong	1,577,024	1,524,652	1,132,872	5,677.30	5,488.75	4,078.34
	Dongguan	N/A	N/A	3,596,860	N/A	N/A	12,948.70
	Other areas	N/A	2,289,591	478,351	N/A	8,242.50	1,722.06
Total		6,787,638	9,003,186	10,906,975	24,435.50	32,411.44	39,265.11

Type	Region	Energy Intensity		
		2020	2021	2022
Office area (kWh/person)	Taiwan	2,349	1,033	1,191
	China	N/A	1,428	1,108
	Other areas	N/A	N/A	669
Logistics warehouse (kWh/box)	Taiwan	1.01	0.97	0.96
	Hong Kong	0.52	0.44	0.51
	Dongguan	N/A	1.26	1.12

Note 1: Dongguan warehouse began operation in May 2021, and the statistics would be added in May 2021.

Note 2: 2020 electricity consumption for logistics warehouses is calculated for the billing period; from 2021 onwards, time of use statistics are used.

Note 3: All of the energy used is mainly sourced from purchased electricity.

Note 4: 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.



3-2-5 | Paper Resource Management

WPG Holdings use smart equipment and digital tools to reduce paper use and avoid resource consumption and use system data as the basis for subsequent analysis and paper resource management. In 2022, WPG Holdings replaced paper and tape waste through the installation of postal labeling machines and the digitization of customs declaration documents. The logistics warehouse is replacing paper with digital tools, using Microsoft Forms for SOP audits, electronic warehouse temperature and humidity statistics, and electronic emergency inbound and outbound manifests.

Office Paper Resource Management Measures



Replacement of multifunctional printer machines and elimination of old printers and fax machines



Replacement of physical fax with electronic fax



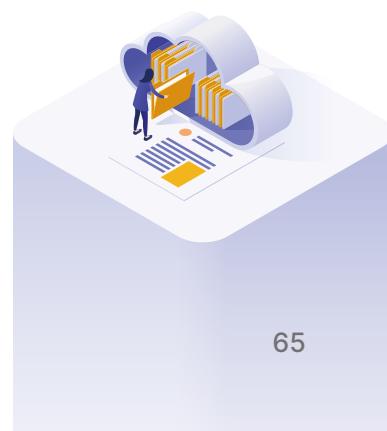
Swipe card to pick up documents to reduce paper consumption caused by misprinting



Use environmentally friendly brands as the selection criteria for photocopying paper



Post environmental slogans to promote single-sided recycling and rechecking of paper before printing



Statistics of Paper Usage

Unit: Thousand Piece

Type	Region	2020	2021	2022
Office area	Taiwan	3,687	2,777	2,445
	China	N/A	N/A	1,200
	Other areas	N/A	N/A	195
Logistics warehouse	Taiwan	1,028	950	703
	Hong Kong	3,101	3,316	2,134
	Dongguan	N/A	2,175	3,875
Total		7,816	9,218	10,552

Note 1: The statistical scope of the China region includes Shenzhen (including satellite locations), Shanghai (including satellite locations), and Hong Kong; the statistical scope of other overseas regions is Singapore and Korea.

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 2020-2022 are as follows:

Statistics of Cartons Recycled

Unit: Kg

	Region	2020	2021	2022
Recycled volume	Taiwan	30,615	35,435	27,440
	Hong Kong	48,323	35,397	23,828
	Dongguan	N/A	N/A	14,268
Total		78,938	70,832	65,536

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

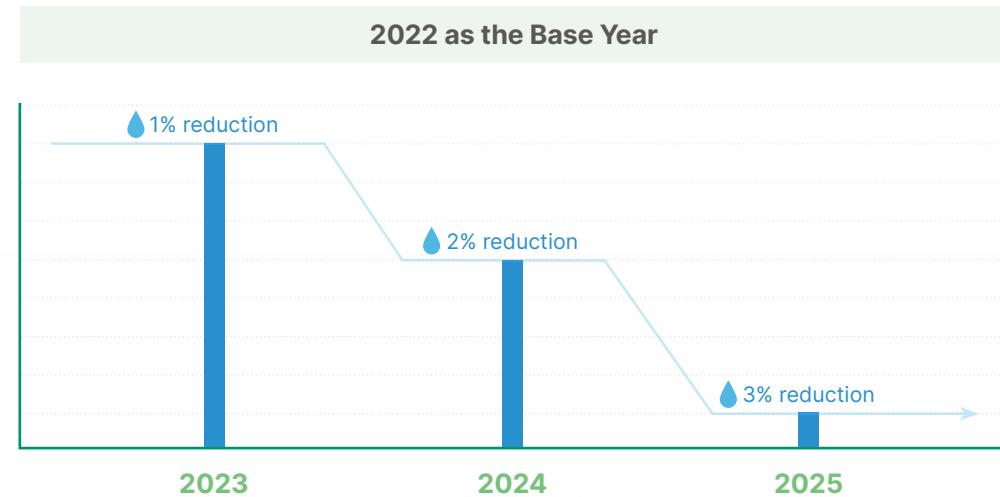
Note 2: The Dongguan warehouse began operation in May 2021, so the data does not include the figure of Dongguan warehouse.



3-2-6 | Water Resources Management

Automatic watering facilities for rainwater recycling have been built in the Headquarters building of WPG Holdings and the Linkou warehouse to achieve the purpose of recycling water resources. Installed facilities and equipment is regularly maintained, repaired and replaced with new ones, and the automatic water faucets are replaced to reduce energy consumption. In addition, the office premises at each site are controlled by real-time monitoring or regular data statistics to control the use of water and energy and carry out corresponding improvement as control measures.

In order to achieve the above-mentioned water resources control, WPG Holdings has also set a water conservation target for the Taiwan office area, with a 1% annual reduction in water use by 2022 and a 3% reduction by 2025.



Statistics of Water Consumption

Units: 1,000,000 Liters

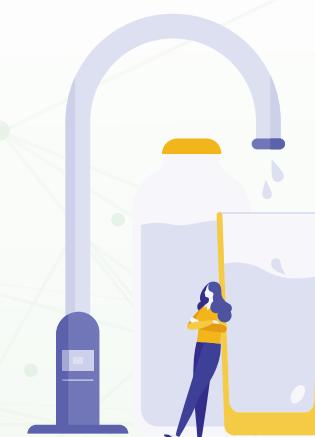
Type	Region	2020	2021	2022
Office area	Taiwan	36.789	15.392	18.126
	China	N/A	N/A	15.167
	Other areas	N/A	N/A	0.741
Logistics warehouse	Taiwan	6.537	5.337	4.267
	Hong Kong	1.358	1.347	1.111
	Dongguan	N/A	4.832	16.415
Total		44.684	26.908	55.827

Note 1: For Taiwan office area, the scope covers Taipei and Hsinchu. For China, the scope covers Shenzhen (including satellite locations) and Shanghai (including satellite locations); Singapore and South Korea are included in the other overseas regions.

Note 2: The water consumption data is collected based on the billing periods of water bills at each location for statistical purposes.

Note 3: A rainwater recycling automatic watering facility with a storage capacity of 16,000 liters has been built in the Linkou warehouse.

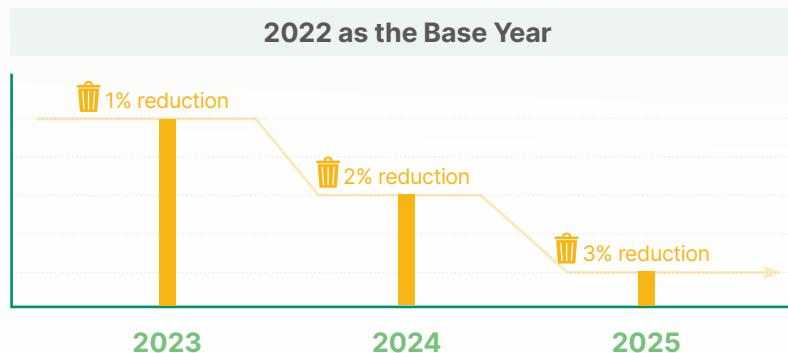
Note 4: The Company's headquarters has a rainwater recycling automatic irrigation facility, which will collect rainwater resources and reuse them for flower garden sprinkler irrigation. The amount of water resources collected in 2022 is 227.92 cubic meters.



3-2-7 | 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 Denying Hazardous Industrial Waste.

The target of waste reduction in the Taiwan office area of WPG Holdings is 1% per year by 2022, and 3% by 2025. In the future, we will actively implement waste reduction initiatives and continue to evaluate the possibility of target refinement on a rolling basis.



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.

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. From 2022 onwards, WPG Holdings will also conduct a statistical survey on the amount of domestic waste to serve as the basis for carbon reduction action planning.

WPG Holdings is actively concerned about the flow of wastewater and waste materials. In terms of wastewater, a wastewater drainage pipe was built on the first floor of the Headquarters building to divert wastewater to the city's sanitary sewer to reduce environmental pollution. On waste disposal, Recyclable resources are handled by legal waste disposal vendors (excluding confidential documents, which will be handled by professional document destruction vendors), while the rest will be handled by legal waste disposal vendors. A centralized garbage storage room is set up on the underground floor for general garbage and resource recovery, and food waste refrigeration equipment is also provided to enhance the reuse value of food waste.

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 2022, the amount of warehouse waste was reduced by 58.7% compared with the previous year.



In 2022, the amount of warehouse waste was reduced by **58.7%** compared with the previous year.



Waste Statistics

	Type of Waste	2020	2021	2022
Office area	General waste	NA	71.552	82.108
	Recyclable waste	26.706	13.499	21.215 ^{Note1}
	Total waste volume	26.706	85.051	103.323
Logistics warehouse	General waste	207	189.142	92.222 ^{Note2}
	Recyclable waste	216	107.459	30.271
	Total waste volume	423	296.601	122.493 ^{Note3}
Total	General waste	207	260.694	174.330
	Recyclable waste	242.706	120.958	51.486
	Total waste volume	449.706	385.743	225.816

Note 1: In 2022, the office area data collection area was expanded, in which general waste was counted in Taipei office ; Recyclable waste was counted in Taipei office, Hong Kong, Shenzhen (including external locations), and Shanghai (including external locations), and the remaining locations from 2023 onwards.

Note 2: General waste in Dongguan warehouse: the amount of general waste disposed of per capita is projected using the weight of general waste shipped of the warehouse from February 16 to March 10, 2023, supplemented by manpower calculations. The amount of general waste in Dongguan warehouse in 2022 was obtained using the manpower (150 people) and the number of business days in 2022.

Note 3: The decrease in waste volume was due to the reduction in cargo volume, the staggered work shifts due to the COVID-19 epidemic, and internal promotion to reduce waste production and increase the use of reusable items.





3-3 Green Value Chain

3-3-1 | Cleantech Strategy and Development

In response to global climate change and the trend of energy saving and carbon reduction, the development of clean technology with low energy consumption, low pollution and low emissions not only helps to curb global warming and maintain the ecological balance of the environment, but also has great potential for industrial business opportunities, which is the key driver for overall performance of enterprises, establishing innovative thinking and diversified development. In the supply chain of semiconductor parts and components, although WPG Holdings is a distributor (agent/wholesaler) and is not involved in the manufacturing process itself, it still actively develops clean technology-related product solutions with field application engineers (FAE) to help the industry upgrade to low-carbon and high-value transformation.

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:

	Smart Farming and Fishery	Aqua Concierge Smart Farming Solution
	Smart City	Graphical Control Analysis Platform Solutions
	Smart Retail	Face Recognition Image Vision Solutions
	Smart Manufacturing	AI smart big data, technology, analysis, service, and other overall solutions
	AIoT	WSPP WPG Holdings System Integrator Award Scheme
	Edge Computing	Automated Machine Learning Platforms

With the key capabilities accumulated through internal and external collaborations, WPG Holdings has transformed processes and resources through green technology to create more customer value, meet carbon markets, and comply with government energy-saving industrial policies. In order to seek innovative business models, in 2022, WPG Holdings combined key technologies and capabilities of external companies and campus talents in clean technology to promote the layout and development of EV strategy, and firstly, foster the ecology of EV industry at the sub-system level, secondly, focus on leveraging competitive advantages to create partner value through cooperation, and finally, link with original related semiconductor component products and government industrial policies to promote the EV sector.

In 2022, EV sector solutions accounted for approximately 4% of the total revenue of WPG Holdings in the IoT scope, with related solutions, such as intelligent cockpit, power supply, electric drive, electronic control and charging pile, and other energy-saving and low-power consumption technologies in the IoT field.



In terms of outlook on future revenue and target setting, the Company will differentiate the revenue share or growth rate share according to the application area or product category and adopt the revenue growth rate over the past 3 years as the target setting direction.

The three major development goals set by WPG Holdings to drive the value chain of the EV industry are as follows:



Combining External Technology and Capital

WPG Holdings invested NT\$75 million to acquire a 25% stake in AutoSys Co., Ltd., thereby obtaining key L1/L2 self-driving assistance system technology for OBM and contract manufacturers. In addition to continuing to invest in Intel IoT Aggregator technology and talent, we are also planning five pre-certified test instrument projects with a total amount of NT\$12 million to help accelerate the industry's transformation to low carbon and high value.

AutoSys Co., Ltd. focuses on the L1/L2 self-driving concept and uses the NXP i.MX8 QM Plus single chip represented by WPG Holdings to complete the ADAS (Advanced Driver Assistance System) to help drivers achieve safe driving and even self-driving assistance systems. The principle of ADAS implementation is first to detect the environment by sensor elements, then transmit the information to MCU microcontroller for analysis, and finally execute the acceleration, braking, steering and other actions to help in the application of AVM 360-degree panoramic driving assistance system, DMS Driving Monitoring System, LDWS Lane Departure Warning System, BSD Blind Spot Detection System, FCWS Forward Collision Warning System, etc.

In addition, the In-Vehicle Infotainment system (IVI system) is also being developed to use the Sunplus chip 8702 represented by WPG Holdings to provide commercial passenger car and branded minivan solutions with ADAS (or AVM) to meet the demand for low carbon emissions from customers through rapid market entry.

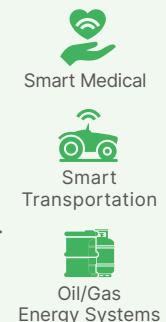
The Intel IoT Aggregator project aims for joint collaboration within the industry ecosystem to realize technology-empowered solutions, such as by leveraging the crucial position of channel partners in the supply chain to create a shared and sustainable clean technology platform.



2021
70
2022
90



Energy-Saving Solutions
18 in 6 categories
25 in 9 categories



WPG Holdings aims to build an ecosystem of industry chains, linking IDM/Fabless and customer resources to enhance the application and operation of cleaning technology development. The number of partners increased from about 70 in 2021 to nearly 90 in 2022, and the number of energy-saving solutions increased from 18 in 6 categories to 25 in 9 categories, including smart medical, smart transportation and oil/gas energy systems.

Campus Talent Cultivation

In 2022, the Memorandum of Understanding (MOU) for the joint development of the YunTech ONE smart electric concept vehicle was signed by WPG Holdings (including subgroups WPI and YOSUN) and 16 other suppliers, and 21 faculty members in the fields of engineering, design, and management at National Yunlin University of Science and Technology. In the first half of 2022, the key technologies were confirmed with the university's industry development team; in the second half of the year, the key technology subsystems were realized: self-driving sensing systems, battery circuit design, vehicle networking, human-vehicle interface, and AI image software processing.

In the first half of 2023, we expect to integrate and assemble the chassis system, and in the second half of the year, we expect to conduct road tuning to complete YunTech ONE.

Meanwhile to strengthen the linkage between industry and academia, in 2022, WPG Holding will provide 26 self-developed EV-related reference solutions to YunTech for reference and optimization.

The application areas cover 3 aspects of EVs:

	AI-empowered sensing components	Lidar, mmWave Radar, Ultrasonic Radar, Cameras.
	Smart cockpit	IVI, Fully Digitalized Dashboards, Electronic Rear View Mirror, V2X, Cockpit Communication, Panel Display.
	High efficiency automotive power	BMS battery management system, Vehicle Charging Electronics, Motor Power System, EV Electronic Water Pumps.

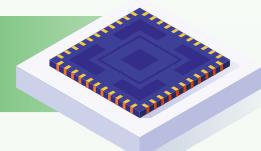
Innovative Applications of WBG Semiconductors

Wide Band Gap semiconductors (WBG) is the key to vehicle electrification. First-generation semiconductors based on silicon (Si) have reached their physical limits and can no longer increase power, reduce heat loss and improve performance. Third-generation WBG semiconductors offer high energy efficiency and low power consumption has three times higher thermal conductivity than silicon, making the device smaller and more suitable for electric vehicles, meeting the current trend of energy saving and carbon reduction.

In addition, Tesla's Model 3 has also switched from IGBTs to SiC power components produced by STMicroelectronics N.V. and represented and distributed by WPG Holdings, as its traction inverter, DC-to-DC converter & on-board charger to improve power efficiency and reduce energy consumption.

In addition to the basic high power of in-vehicle devices, they also need to have very high speed charging capability for power replenishment, and in order to meet the future demand for more power and energy such as vehicle charging piles, 5G communication base stations, transportation vehicles, and even satellite space stations, the related requirements of current transfer, power transmission speed, and energy loss reduction will require the value chain to conduct large-scale development of more efficient WBG materials. As a result, there will be a large demand for ultra-high power SiC component modules.

As of 2022, WPG Holdings has already secured collaborations with 10 domestic and foreign SiC manufacturers and 13 domestic and foreign GaN manufacturers.



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 160 cleantech-related solutions and published on WPGDADATONG platform in 2022, accounting for nearly 60% of the total annual development solutions we developed, and the solution-related revenue increased compared with the previous year, accounting for approximately 0.4% of the total revenue.

WPG Holdings developed a total of **160** cleantech-related solutions and published on WPGDADATONG platform in 2022

Accounting for the total annual development solutions

60%

The solution-related revenue increased compared with the previous year

40%



Development Type	Solution Name	Solution Description
Solar energy generation	80W Solar Charger Solution	25W LED Solar Street Light
	Photovoltaic Boost Converter	High Efficiency Lithium-ion Battery Monolithic Boost DC-DC Converter
	Low-Power Photovoltaic Charging Control Board Solution	Dual-Operator Battery Overload Protection and Pulse Charging (Dual Function)
Wind energy generation	Wind Power Monitoring Solution	The wind energy is transmitted to the generator by the cup anemometer to generate AC power and then converted to DC voltage through diode rectification and capacitor filtering
Battery manufacturing	BMS Power Battery Management System Solution	Smart Car Battery All-in-One System
	Battery Management System (BMS) Solution for Electric Vehicles	Next-generation battery controller with embedded class construction for vehicle compliance
	Power Tool BMS Solutions	Switch matrix configuration for voltage, current and temperature efficient power saving
	Modular High Power Battery Management System (BMS)	Dual-isolated signal current detection applications
Smart grid development	Fiber optic module forwarding technology solution	4G/LTE radio access network, RF remote radio head (RRH) and baseband unit (BBU) for separate base station implementation
	10W Smart Meter Power Solution	IR46 Single-phase Smart Meter Integrated Fixed Frequency Current Mode Controller and 700V MOSFET
	Smart City Renewable Energy Data Transmission Applications	Application of ADAS system with feeder load transfer to perform virtual power and real power control of PV inverter to maintain power quality
Industrial automation technology development	Smart Composite Industrial Lock Application Solution	Combination of mechanical Bluetooth and password to identify users to enhance plant security management
	Facial Recognition Solution for Edge Computing	Provide 10Gbps high performance network Link enterprise security with FaceNet for facial recognition
	Mesh Smart Light Solution	Applicable to Bluetooth-enabled devices with SIG Mesh product lot open platform



Development Type	Solution Name	Solution Description
Technology and system optimization	LED Lighting Adaptor Power Saving Solution	Highly integrated PFC + LLC architecture to reduce power loss and efficiency up to 94%
	700W Electric Wrench Solution	Weak magnetic control mode without position sensor BLDC control, 10% more efficient operation
	60W Automotive Electronic Water Pump Solution	Dual resistance FOC algorithm control for intelligent heat dissipation
	90W PD3.0/QC4.0 Power Supply Adaptor Solution	Weltrend WT6615F PD3.0 Protocol Controller Implements PD3.0 and QC4.0 Functions
	High Efficiency Active Power Rectification Solution	4 MOSFETs with OP comparator complete the active bridge rate at 230Vac at 50% load can be increased to 0.5%
	30W Wall Plug-in Power Adapter Solution	700V withstanding voltage for wide voltage output from 85-265V for low power, offline, flyback, and switch mode power supplies
	Class 1 TWS Bluetooth Speaker Design Solution	Extremely low power RF output power supports Qualcomm aptX™ and aptX HD audio and TWS functionality
	Domain Control Solution for ADAS Applications	The domain controller design requires a powerful core processor to control most of the functions within the domain that were originally attributed to each ECU, replacing the traditional distributed architecture
Smart metering devices manufacturing	BLDC Bladeless Fan Solution	Three-phase power module IPM, reduce EMI value and motor drive power saving
	Brushless DC Motor Driven Ceiling Fan Solution	Control function firmware with built-in expanded current actively sinking or sourcing capacity up to 290mA/600mA
	Wireless Bluetooth Headset Solution with Gauge Power Meter	Proprietary VGCS algorithm to calculate power consumption for reduced impedance and thermal build-up effect
	BLDC Water Heater Exhaust Fan Solution	Built-in front drive two-in-one three-phase PMSM/BLDC motor control
	Realize SDNN detection solution for wearable devices	SDNN is the evaluation standard. The processed PPG data is used to drive one infrared light and two green lights for low power consumption, high performance, and high-quality PPG data output
Traditional pollution prevention development	240W for PC Game Console Power Adapters	Digital PFC and half-bridge LLC Energy Use Product Directive (EuP) Lot 6 behavior specification
	Non-vehicle Mounted Electric Vehicle Charging Solution	PFC+LLC architecture 6KW non-vehicle charging
	Permanent Magnet Synchronous Motor Control for Electric Motor Vehicles	PMSM brushless motor BLDC for permanent magnet synchronous motor to create high torque, high efficiency and power saving characteristics
LED lighting development	Dimmable LED Lighting Driver Solution	DC/DC buck converter driver
	Energy Efficient Low THD LED Lighting Driver Solution	200W PFC Power Corrector
	High Efficiency 50W Light Engine Solution	High Power 3535, 5050 LEDs to Medium Power 5630, 3030 LEDs
	35W flyback LED lighting power solution	Digital Core High Power Factor
	Automotive High and Low Beam LED Headlight Driver Solutions	High Brightness (HB) and Smart LED Solution for Automotive AEC-Q100 Certification

Knowledge

Empowering Talents Social Prosperity

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 cocreation, 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 supports the initiatives and exchanges of the industry in order to enhance the growth of the company and social inclusion.

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

SDGs



Highlight Performance



Average training
hours per person

17.71 hours



Experience sharing and
transmission series of courses

110 videos



ESOT
coverage rate

90.0 %



WPI Group Affiliated
nursery school
operational for

21 years



Supported NCCU Supply
Chain Management
Program for

12 consecutive
years

► Stakeholders Recommended for Priority Reading

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

► Material Topics

Talent Attraction and Retention

* The information in the chapter also covers the basic topics "Human Capital Development" and "Human Rights and Equality".

Commitment to Material 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\$18,996,862 an increase of 74% from last year.



WPG Holdings actively upholds the spirit of human rights protection of the United Holdings and carries out human rights due diligence from its own operations.



WPG Holdings has introduced an online E-Learning learning platform and produce a series of teaching materials for internal experience succession management, emphasizing diversified self-learning.



Established Employee Stock Ownership Trust (ESOT).



Expanded the scope of cooperation in internship programs to enhance talent cultivation and industry development.

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.

Organize quarterly labor-management meetings and set up a mailbox for employees' opinions.

4-1 Talent Empowerment

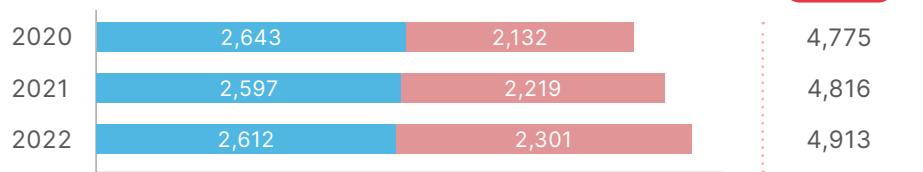
4-1-1 | Talent Structure

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 2022, WPG Holdings had a total of 4,913 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 2021. There has been little change in labor allocation and structure. In terms of gender, the total number of women was 2,301, accounting for 46.38% of total employees; on the other hand, the total number of men was 2,612, accounting for 53.17% of total employees. In terms of age, the majority of employees are within 31-40 years old, accounting for 35.48% of total employees. In terms of education level, employees mainly graduated from colleges and universities, accounting for 84.88% of total employees. In terms of employee diversity, 5 employees with physical and mental challenges, accounting for 0.10% of the total number of employees. In terms of turnover rate, in 2022, a total of 779 recruits, with a newly hired rate of 16.02%. The Company was awarded the title of "Excellent Employer" by 51Job, the largest recruitment portal in China, in 2022. A total of 677 resigned employees, with a turnover rate of 13.92%.

Gender vs. Employee Ratio



Note: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on 2022/12/31.

Gender and Positions for Full-time Employees in Different Regions

	Taiwan		Overseas	
	Male	Female	Male	Female
Manager	252	144	394	151
Non-manager	734	887	1,232	1,119
Total	986	1,031	1,626	1,270

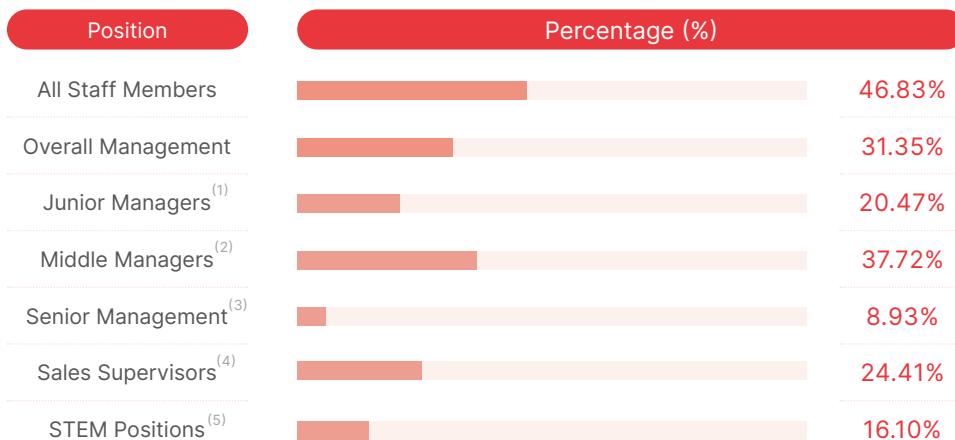
Note: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on 2022/12/31.

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	509	461	5	965	970	19.74%
	31-40 yrs old	899	844	166	1,577	1,743	35.48%
	41-50 yrs old	705	941	483	1,163	1,646	33.50%
	Above 51 yrs old	188	366	287	267	554	11.28%
Education	Under high school	168	188	32	324	356	7.25%
	College/University	2,033	2,137	793	3,377	4,170	84.88%
	Master Degree	100	285	115	270	385	7.84%
	Ph.D.	0	2	1	1	2	0.04%
Total		2,301	2,612	941	3,972	4,913	

Note: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on 2022/12/31.

Distribution of Female Employee's Positions



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

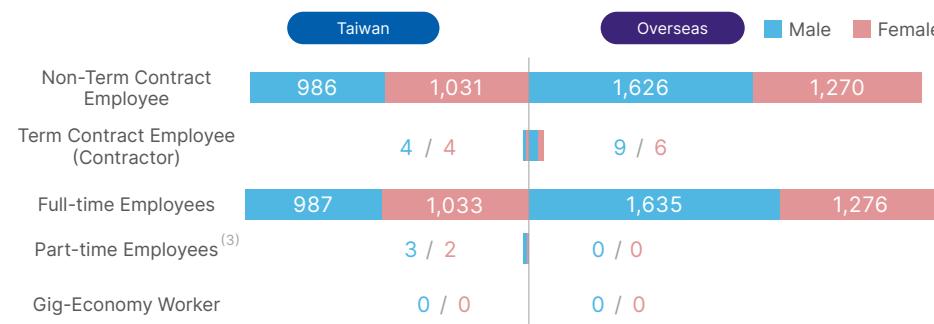
Note 2: Middle management refers to the managerial position, which is the same as Associate Managers and Directors.

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

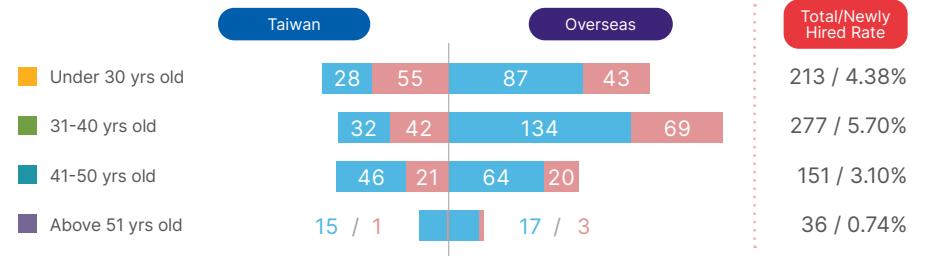


Note 1: Full-time Equivalent (FTE) is adopted for counting the number of people. The scope of statistics ended on 2022/12/31.

Note 2: Due to statistical limitations, the current Non-Term Contract Employee includes employees in China who have signed three-year fixed-term labor contracts in accordance with local regulations.

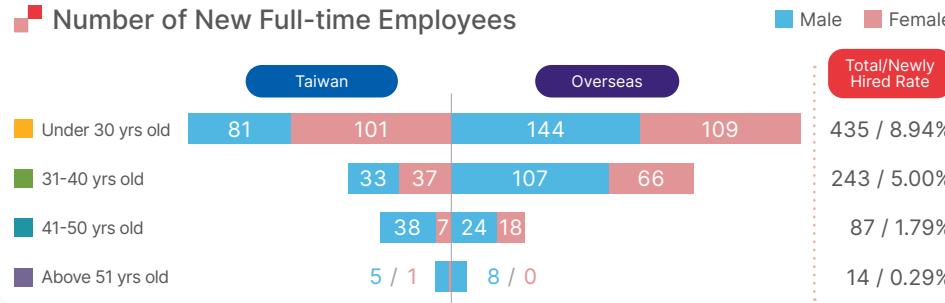
Note 3: Definition of part-time and casual employees refers to employees whose working hours are less than those of full-time employees.

Number of Resigned Full-time Employees



	Taiwan	Overseas	Total	Turnover Rate
Total/Turnover Rate	240 / 4.94%	437 / 8.98%		
Employees by Gender/Gender Ratio	Male	Female	677	13.92%
	423 / 8.70%	254 / 5.22%		

Number of New Full-time Employees

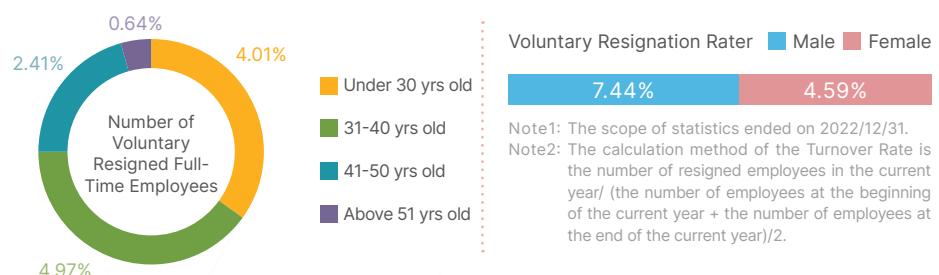


	Taiwan	Overseas	Total	Turnover Rate
Total/Turnover Rate	303 / 6.23%	476 / 9.79%		
Employees by Gender/Gender Ratio	Male	Female	779	16.02%
	440 / 9.05%	339 / 6.97%		

Note1: The scope of statistics ended on 2022/12/31.

Note2: 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 Voluntary Resigned Full-time Employees



Voluntary Resignation Rater ■ Male ■ Female

7.44% 4.59%

Note1: The scope of statistics ended on 2022/12/31.

Note2: 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.

Non-Employee Workers

	Number
Full-time Employees ^{Note 1}	61
Part-time Employees ^{Note 2}	4
Total Number of Employees	65

Note 1: Long-term contractors, including property, security and cleaning personnel responsible for the operation of the sites.

Note 2: Contracted nursing staff and clinical physicians on site and a few administrative staff dispatched for short-term manpower needs.

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 everchanging 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 nonstop 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.

For the purpose of sustainable management of WPG Holdings, the succession planning for key management levels is discussed annually by the Talent Evaluation Committee from the perspective of management strategy and career development. In addition to increasing the depth and breadth of experience through cross-discipline and regional job rotations, the succession team also emphasizes the implementation of the core corporate values "Teamwork, Integrity, Professionalism, and Effectiveness".

In order to cultivate the succession team, WPG Holdings has organized an elite training program to prepare senior executives for the transformation and mindset change required in the VUCA environment, as well as training and development planning for key talents, management courses, and strengthening of functional strengths to improve preparation for the position.



	Main Contents of Courses	Course Goals	Courses Offered in 2022
 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.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Training for new employees Core values T.I.P.E. sharing Internal experience transfer series-management leadership, workplace skills, business processes, etc. Topic seminars: soft power, health promotion, sustainability, workplace friendly, wine tasting and golf, etc.
 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.	Creating our competitive professional frontend services team, 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.	<ul style="list-style-type: none"> Industry Opportunity Seminar Product training and front-end technology training for all types of products B2B consultative sales techniques and negotiation skills Customer relationship maintenance skills
 Management Training Program (Top, Middle, General Management Team)	Curriculum planning and arrangement for management, trends, and mindset aspects for the top, middle, and general levels.	Continue to develop capabilities of top, middle and general management in accordance with the requirements of organizational developments, operational competitions, and human resource layouts.	<ul style="list-style-type: none"> Reserve and Newly Appointed Supervisor Training Management Skills Series Supervisor Networking Sessions From Value to Action Workshop

Statistics of Education and Training in Recent Years

	Total Number of Trainees	Total Training Hours (hours)	Training Hours per Capita (hours)	Total Training Cost	Average Training Cost per Employee (NT\$)
2020	4,374	52,641.00	12.03	7,827,037	1,789.45
2021	4,105	79,741.82	19.43	10,913,840	2,658.67
2022	4,913	86,988.00	17.71	18,996,862	3,866.65

Note: The statistical scope is for regular employees in the Greater China region as of 2022/12/31, and the number of training is counted for regular employees who have passed the training.

Education and Training Statistics for 2022

	Male	Female	Manager	Non-manager
Total Training Hours	44,164	42,824	20,636	66,352
Number of Employees	2,612	2,301	941	3,972
Average Training Hours	16.91	18.61	21.93	16.70
Training People	39,356	41,633	12,487	68,502

Note: The statistical scope is for regular employees in the Greater China region as of 2022/12/31, and the number of training is counted for regular employees who have passed the training.

Plan of Education and Training

In recent years, we have actively promoted a culture of self-directed learning within the Group. In order to provide a better learning experience for our employees, we have introduced a new LMS learning platform to effectively enhance the richness and breadth of learning resources and produced more than 100 online learning videos, covering business leadership, workplace skills, business processes, and other practical skills to promote the goal of seamless internal experience transfer and succession.

In 2022, WPG Holdings invested NT\$ 18,996,862 on training, an increase of 74% in training costs, 9% in total training hours, and 32.35% in female training hours compared to 2021. External E-learning courses using the CommonWealth Leader Campus resulted in 1,699 total learners, 126,379 total learning units, and 44,032 total licenses obtained in 2022.

General Training Program

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

- Training for new employees
- Core values T.I.P.E. sharing
- Internal experience transfer series - management leadership, workplace skills, business processes, etc.
- Topic seminars: soft power, health promotion, sustainability, workplace friendly, wine tasting and golf, etc.



Professional Training Program

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

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



Management Training Program

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

- Manager exchange Conference
- From Value to Action Workshop



Deepen Corporate Culture and Experience Inheritance

Since its establishment, WPG Holdings has been committed to the core values of "Teamwork, Integrity, Professionalism, and Effectiveness", which are harnessed to build consensus and serve as a guideline for all employees of WPG Holdings. However, in response to the digital transformation and future market changes, the behavior of "Teamwork, Integrity, Professionalism, and Effectiveness" needs to evolve with the times to create an environment and culture in which talents are willing to join and contribute to the development of the Company by leveraging their talents. Therefore, in 2022, the senior executives of WPG Holdings worked with a well-known corporate management consulting firm to redefine the four core values of "Teamwork, Integrity, Professionalism, and Effectiveness" and plan a series of courses and mechanisms to implement and deepen the behaviors.



In order to deepen the brand value of WPG Holdings towards 2026, the 2022 #MyDay series of livestreaming events, combined with the CEO's 24-word motto, continued to optimize the theme and deepen the content of the issues, with the goal of conveying the #Senior Executives Dialogue stories and seeking the synergy of employees. A total of six sessions were held, accumulating over 18,000 online viewers, with an average participation rate of 98.3%.



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".



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.



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.



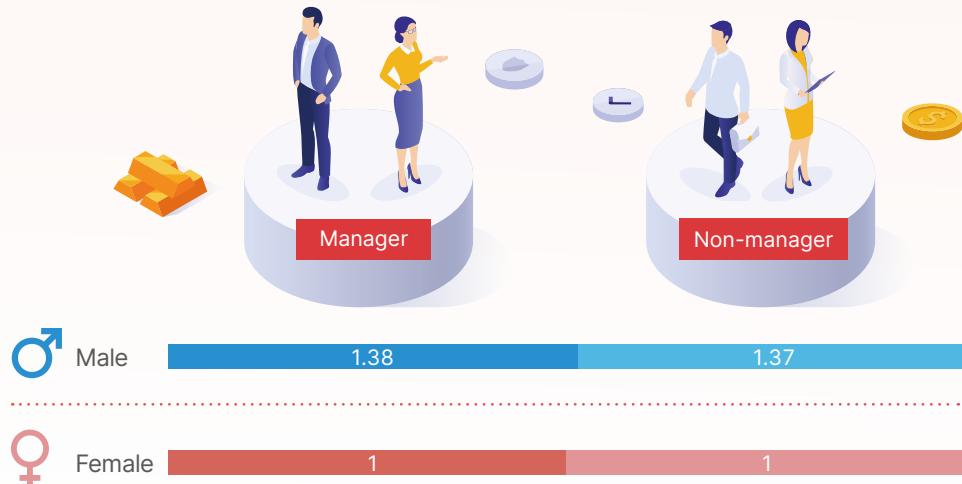
Since WPG Holdings promotes the core value of "Teamwork", our "Variable Pay" is based on the concept of "Grow Together, Strive Together, and Win Together", with the priority of pursuing overall benefits and performance, followed by the performance of each sub-group and the individual performance. A salary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

The compensation team is formed by representatives from each sub-group's human resources unit to measure the salary structure of each sub-group at each rank, and to provide a constructive recruitment and salary system through localized surveys and research in line with government policies, economic climate, and industry payroll system indicators, while prioritizing employees' professional and relevant qualifications, together with internal peer review to maintain fairness.



The ratio of standard employee salary to local minimum wage for junior staff (regardless of gender) in Taiwan in 2022 was **1.11:1**, which is better than the local base salary.

2022 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	2021	2022	Difference
Number of Non-managerial Full-time Employees (Unit: person)	972	954	-18
Average salary of Non-managerial Full-time Employees (Unit: NT\$ thousand)	1,714	1,550	-164
Median salary of Non-managerial Full-time Employees (Unit: NT\$ thousand)	1,484	1,364	-120

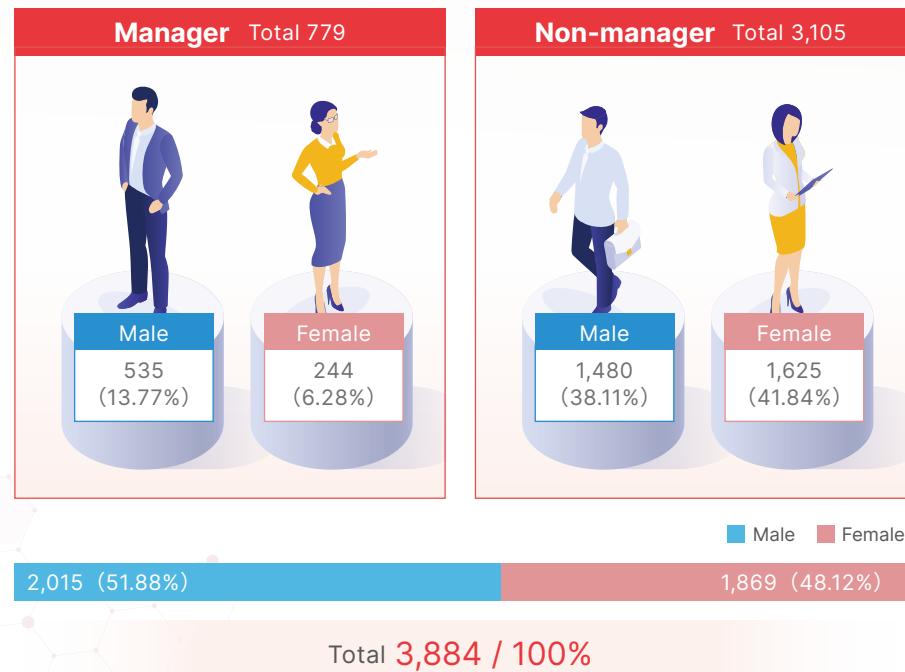
Note: The scope of statistics covers WPG Holdings, WPI and YOSUN Group.



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 2022, 100% of the qualified employees in Greater China completed the performance appraisal.

Employee Statistics Under Regular Performance Appraisal



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

Transparent Salary Information

The median ratio of annual total remuneration of the highest paid individual to the annual total remuneration of all employees (except the highest paid individual) of WPG Holdings is 8.11:1. The ratio of the percentage increase in annual total remuneration of the highest paid individual to the median percentage increase in annual total remuneration of all employees (other than the highest paid individual) is -1.82:1, as the annual total compensation of the highest paid individual has decreased this year compared to 2021.

Annual Total
Remuneration Ratio

8.11:1



Ratio of Annual Total
Remuneration Increase

-1.82:1

Note 1: Annual total remuneration ratio = the ratio of the annual total remuneration of the highest paid individual to the median annual total compensation of other employees (excluding the highest paid individual).

Note 2: Percentage increase in annual total remuneration = the ratio of increase in annual total remuneration of the highest paid individual / the ratio of increase in annual median total remuneration of other employees (excluding the highest paid individual).

Note 3: Scope of statistics: Full-time employees in Taiwan (excluding senior managers and contract employees).

Note 4: Full-time equivalent (FTE) method is applied to all regular employees in scope.

Note 5: Total annual remuneration includes base salary, allowances or duty increments, fixed bonuses (including annual bonuses), and variable bonuses (including performance and employee bonuses).

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.



Basic Welfare

Festival Bonus ^{Note1}	Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, Labor Day, Employee's Birthday
Allowance and Subsidies	Wedding bonus, maternity bonus, injuries consolation, funeral subsidy, and hospitalization consolation money for injuries and illnesses
Travel Subsidies	Company trips or application of travel subsidies
Recreational Activities ^{Note2}	Family day, Sports Event, End of Year Dinner, Festival Events
Social Activities	Subsidies for social activities
Group Insurance ^{Note3}	Free group insurance and family group insurance offers for employees include term life insurance, critical illness insurance, accidental injury insurance, accidental insurance, hospitalization insurance, cancer insurance and business travel insurance, etc
Other Welfare	<ul style="list-style-type: none"> Regular health checks for the employees, discounts for appointed stores and group purchase discounts, etc Parental leave that is better than the law

Note 1: Spring Festival work resumption bonus is limited to China (including Hong Kong), and Labor Day gift is limited to Taiwan.

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.

Child-Friendly Workplace Environment

Since WPG Holdings is committed to providing a child-raising friendly workplace, in addition to establishing nursing rooms for employees who are parents as required by relevant regulations, we have also created a childcare-friendly environment. This enables our employees to work with peace of mind while fostering the healthy development of their children. Among them, the kindergarten affiliated to WPI Group, a subsidiary of WPG Holdings in Taiwan, has been established for 21 years, and in 2022, 57.45% of the enrolled students were children of employees, the rest were children from the surrounding community. WPG Holdings is committed to creating a friendly child rearing environment that connects the community to grow and thrive together.



Note: The kindergarten held its Halloween event at the headquarters building of WPG Holdings in Nangang District, Taipei.

The kindergarten affiliated to WPI Group, a subsidiary of WPG Holdings in Taiwan, has been established for **21 years**

In 2022, **57.45%** of the enrolled students were children of employees



Starting in 2022, the China region has also offered at least 10 days of paid parental leave per year for each child of full-time employees with children under the age of 3. This policy is implemented while prioritizing compliance with the laws and regulations of the employees' home country. To help employees share the stress of parenting in the summer and winter break, the Shenzhen office launched the "Big Summer and Winter Childcare Classes" program. In 2022, a one-month summer school was held with an average of 27 employees' children attending daily, which was well received by the employees and greatly enhanced the sense of employee satisfaction.



Note: The coffee salon activity of "Big Summer and Winter Childcare Classes" in WPG's Shenzhen office, China.

■ Parental Leave

Statistics of Parental Leave	Male	Female	Total
Number of employees eligible for parental leave in 2022	58	78	136
A: Total number of applications for parental leave in 2022	2	10	12
B: Number of applicants for reinstatement in 2022	0	12	12
C: Actual number of reinstatements in 2022	0	9	9
D: Number of people who have continued to work for one year after parental leave in 2021	0	6	6
E: Number of reinstatements in 2021	0	8	8
Reinstatement rate % = C/B	N/A	75%	75%
Retention rate % = D/E	N/A	75%	75%

Note: The 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.



4-2-2 | Human Rights Protection

Human Rights Principles

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 take into account 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 Holdings' remuneration policy.

WPG Holdings is committed to creating a friendly and dignified workplace environment and have formulated a "WPG Human Rights Policy" in accordance with "The United Nations Universal Declaration of Human Rights", the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", the "International Labor Organization Core Conventions", and the "OECD Guidelines for Multinational Enterprises". Based on these principles, we abide by the local laws and regulations of our global operations, and we expect our upstream and downstream supply chains and business partners to comply with them, so that we can jointly improve the management of human rights issues and promote a freer, fairer, and more respectful workplace environment.

Continuous Improvement of Human Rights Policies

The human rights policy of WPG Holdings is managed by the Sustainability Talent Group of the ESG & Sustainability Committee, and a management and monitoring mechanism has been established to regularly review and update the policy guidelines in a timely manner, in order to continuously pay attention to enterprise human rights risks and avoid human rights violations in operations, sales and services.

In August 2022, the Sustainability Committee approved a revision to the WPG Human Rights Policy. The policy guidelines include prohibiting child labor, prohibiting forced labor and human trafficking, respecting diversity, and protecting equality, eliminating discrimination and promoting a zero-harassment environment, implementing workplace health and safety, respecting collective bargaining and the right to freedom of association, protecting personal privacy, and committing to responsible procurement. In order to promote and implement these policies, we conduct various promotion and training programs.



WPG Human Rights Policy

Complaints and Feedback on Human Rights Issues

We have established transparent and effective channels of communication to respond to the needs and suggestions of our stakeholders, including employees, and prohibit threats or retaliation against employees who make reports or suggestions in good faith.

Anyone can report possible human rights issues through multiple channels in the "Stakeholder Service" Area of the Company's official website. Upon receipt of a report, the relevant authority will immediately kick off the investigation process and provide effective remedial measures through legal procedures if the report is substantiated.

■ Human Rights Management Process of WPG Holdings

Formulation of Human Rights Policies

1 Formulate policies based on major human rights issues, international human rights conventions and initiatives, and industry benchmarks, and continue to pay attention to international trends to adjust policies in a timely manner.

Screening the List of Human Rights Risk Issues

2 Based on the human rights risk issues of industry supply chain partners and the United Nations human rights issues list, a list of WPG Holding's human rights risk issues is selected.

Identify Significant Corporate Human Rights Risks

3 Conduct due diligence on our own operations and regularly review significant human rights risk issues.

Introduce Mitigation and Remediation Measures

4 Develop mitigation and remediation measures for each issue and regularly review their effectiveness.

Implement Human Rights Issues Training and Promotion

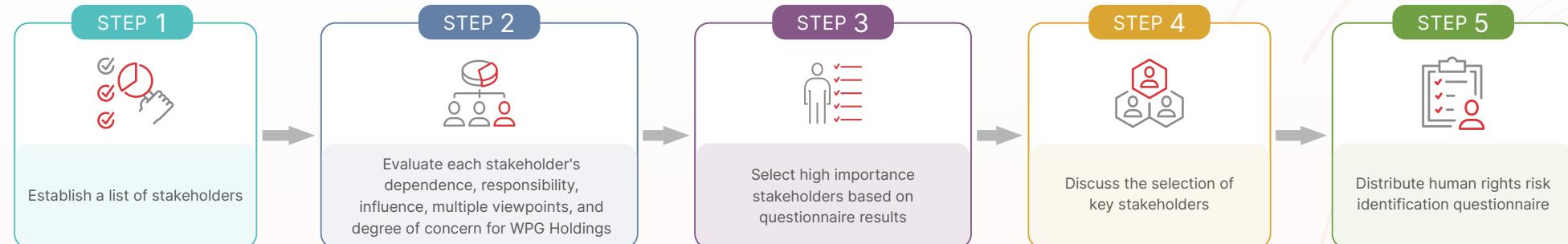
5 Implement human rights risk management and organize human rights-related education and training.



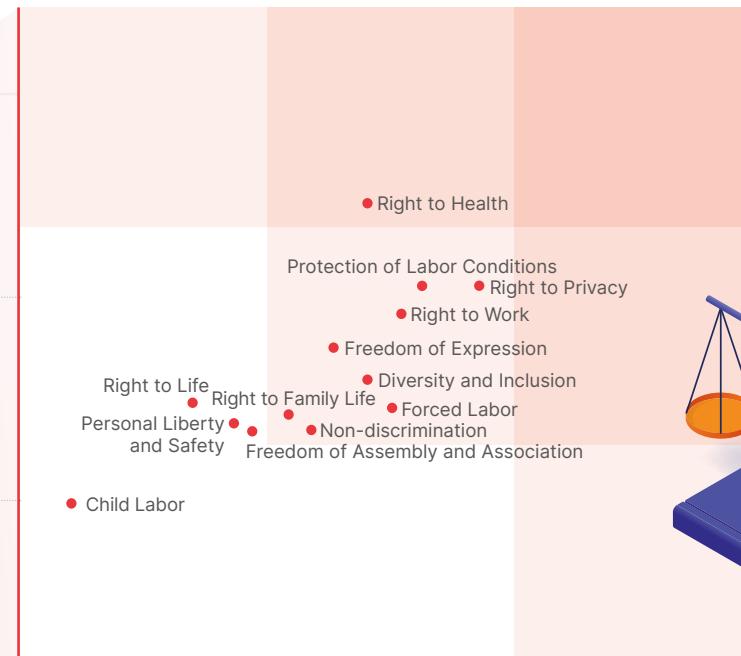
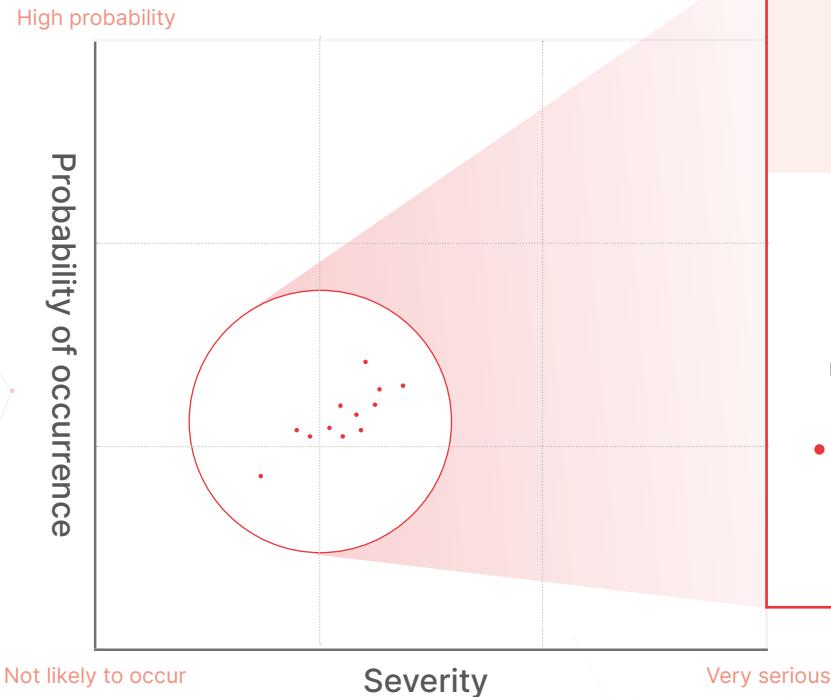
■ Identification of Material Human Rights Risks

By identifying international human rights issues and trends and referring to the development of human rights issues of concern upstream and downstream in the value supply chain and among industry peers, a list of 13 human rights issues for WPG Holdings was developed, and stakeholders were identified, and due diligence was conducted on its own operations. In 2022, we generated the Human Rights Risk Matrix through random sampling of questionnaires, and the results of the identification were all in the low to medium risk area.

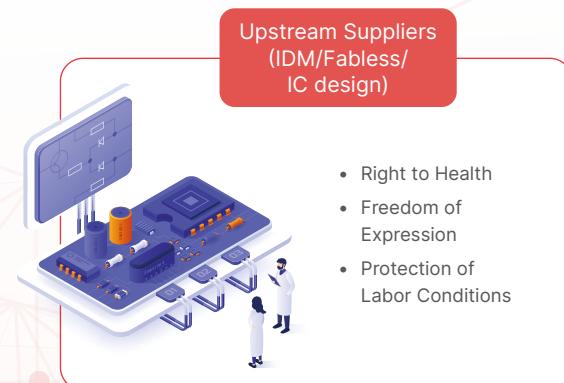
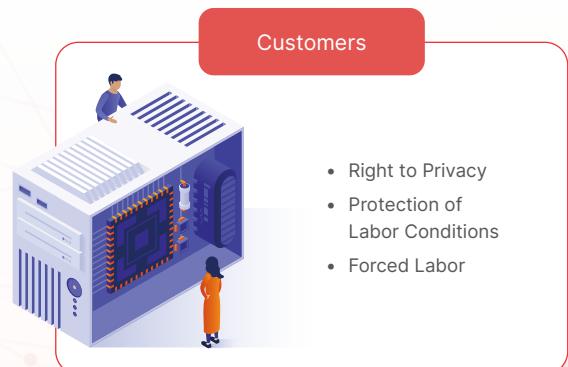
■ Stakeholder Identification Process



■ Results of Human Rights Risk Management Matrix



■ Human Rights Issues of Individual Concern to Stakeholders



Note: Stakeholders such as shareholders/investors, Government Institutions, banks, etc. are not the targets of human rights risks and opportunities posed by WPG Holdings, so they are not included in the inventory of mitigation and remedial measures for the time being.

Mitigation and Remediation Measures

	Mitigation Measures	Remediation Measures
 Right to Health	<p>① The Headquarters building is equipped with a health consultation room and medical staff on call to assist in the management of general emergencies, health care consultation, health education promotion and preventive care.</p> <p>② The "Ergonomic Hazards Prevention Program" is implemented to conduct annual employee health assessments and promote the prevention of human hazards in the office, and to conduct health promotion courses for stress reduction and physical and mental health promotion.</p> <p>③ Employee health checkups are conducted regularly, and the results are used as a basis for employee health management.</p> <p>④ At least once a year, the headquarters building conducts a site environment assessment for occupational medicine and has established an environmental control system to monitor air quality (CO₂) and temperature/humidity at all times. Each operation site regularly appoints a third-party certification organization, which is announced by the local authorities, to conduct workplace illumination and CO₂ measurements.</p> <p>⑤ Investigation, analysis, and records of potential hazards are regularly conducted by occupational safety personnel in the warehousing area.</p> <p>⑥ Implementation of work injury notification process and emergency reporting mechanism.</p>	<p>① In the event of an accident in the workplace, work is immediately suspended, and the occupational safety unit assists in medical treatment.</p> <p>② Provide employees with medical assistance, legal advice, and compensation of wages in the event of an occupational disaster.</p> <p>③ Track and improve the environmental assessment according to the identified deficiencies of the site, and immediately suspend the use of related items or prohibit entry access if the site is deemed to be hazardous.</p> <p>④ Improve and track the items that do not meet the requirements of the Occupational Safety and Health Act in the environmental assessment report by the deadline; In case of abnormalities in air quality and temperature/humidity, immediate adjustments will be made.</p>
 Employee Right to Privacy	<p>① Formulate the "Personal Data Privacy Policy" and its various stages of regulations (Personal Data Protection Management Organization Regulations, Personal Data Handling Procedures, and Personal Data Incident Handling Procedures) and internal control system and create additional local regulations with reference to the personal data laws of each respective jurisdiction.</p> <p>② Establish a Personal Data Protection Task Force to handle inquiries, complaints, exercise of rights by personal data subjects, and emergency notifications. Appoint an external consultant as a Personal Data Protection Officer (DPO).</p> <p>③ Plan personal data risk simulations, develop teaching manuals and SOPs, and conduct annual self-evaluation exercises to review the current status of personal data implementation to effectively protect the security of customers' and employees' personal data.</p> <p>④ Annual personal data education and training is a mandatory course for all employees to promote the implementation of personal data policies, to enable employees to fully understand the legal requirements, and to enhance their awareness of legal compliance matters.</p> <p>⑤ Obtain ISO/IEC 27001: 2013 Certification to improve overall information system security, and self-audit at least once a year to enhance personal data protection.</p> <p>⑥ Fulfill personal data disclosure obligations and require all employees to sign the "Personal Data Notification Form".</p> <p>⑦ Obtain TIPS certification and cooperate with legal affairs to take stock of personal data items every year and implement classification and management of confidential documents to protect employees' personal data.</p> <p>⑧ For employees' personal belongings or departmental documents, the Company provides personal cabinets or public cabinets with locking function to protect privacy and security.</p>	<p>① If any personal data incident affecting employees' rights and interests is discovered by a department of the Company or individual employee, the department/individual shall fill out the "Personal Data Incident Description Form" in accordance with the "Personal Data Incident Handling Procedures" and notify the legal department and the Personal Data Protection Officer internally, and the legal department and the Personal Data Protection Officer shall fill out the "Personal Data Incident Impact Assessment Form" to assess the significance of associated impacts and conduct preliminary emergency handling, formulate handling principles, conduct in-depth investigation and damage control, and design necessary remedial measures, and then report to the CEO/Regional Director, implement remedial measures as instructed, and notify the personal information subjects/competent authorities of countries where the Company operates.</p> <p>② A public personal data inquiry mailbox is available for inquiries and requests regarding personal data rights, and a response is provided to the subject within the time limits set by the applicable personal data laws and regulations. If the Company receives a request to exercise personal data rights, the Company shall respond to the subject within the prescribed period in accordance with the "Procedures for the Collection and Processing of Personal Data".</p> <p>③ If a file cabinet is damaged or stolen, it will be immediately accessed through the face recognition and monitoring system and will be followed up.</p>

		Mitigation Measures	Remediation Measures
Employee	Forced Labor	<ul style="list-style-type: none"> ① The human rights policy of WPG Holdings clearly prohibits forced labor and requires compliance by mergers, acquisitions, joint ventures, upstream and downstream supply chains and business partners. 	<ul style="list-style-type: none"> ① At present, there have been no instances of forced labor, but if a forced labor matter is substantiated, compensation will be provided in accordance with relevant matters and internal regulations, and internal tracking will be strengthened.
	Right to Family Life	<ul style="list-style-type: none"> ① There is a breastfeeding room in the workplace, ensuring a friendly environment to female employees. ② Employees' offspring are given priority to attend kindergartens run by the WPI Group and are provided with subsidies for tuition and miscellaneous fees. 	<ul style="list-style-type: none"> ① Employees that require parental leave can apply for parental leave without pay in accordance with the law. ② WPG Holdings conducts exit interviews for employees who have not resumed their jobs after taking a parental leave without pay or who have not worked continuously for one year after resuming their jobs, to clarify the reasons and understand the support or advice needed by employees to take care of their families.
	Protection of Labor Conditions	<ul style="list-style-type: none"> ① Formulate work rules and regulations that comply with local laws and regulations and implement them. WPG Holdings also fulfills our obligation to inform our employees of labor conditions, sign a letter of consent for employment, and publicly announce the work rules within the Company to ensure that all employees are aware of their labor rights. ② Regular labor-management meetings are held to facilitate two-way communication. ③ Set up multiple channels for employee grievances, listen to employees' feedback, and be open to employee feedback in any form. ④ We have established regulations on maximum working hours and continuous working hours for employees and conduct regular workload assessment and counseling for abnormal workloads. 	<ul style="list-style-type: none"> ① Set up diverse complaint channels to ensure that matters can be dealt with immediately and properly when employees' labor rights are damaged. ② For work abnormalities, the human resources unit will conduct follow-up tracking, workload assessment, and counseling work.

		Mitigation Measures
Customer	Right to Privacy	<ul style="list-style-type: none"> ① Formulate the "Personal Data Privacy Policy" and its various stages of regulations (Personal Data Protection Management Organization Regulations, Personal Data Handling Procedures, and Personal Data Incident Handling Procedures) and internal control system and create additional local regulations with reference to the personal data laws of each respective jurisdiction. ② Plan personal data risk simulations, develop response strategies and SOPs, and conduct regular self-assessment operations to review the current status of personal data protection execution in order to effectively safeguard the security of customers' and employees' personal data. ③ Establish a Personal Data Protection Task Force to handle inquiries, complaints, exercise of rights by personal data subjects, and emergency notifications. Appoint an external consultant as a Personal Data Protection Officer (DPO) to assist the company with personal data compliance. ④ Obtain ISO/IEC 27001: 2013 Certification to improve overall information system security, and self-audit at least once a year to enhance personal data protection. ⑤ Disclose stakeholder affairs contact window and third-party grievance reporting channels.
	Protection of Labor Conditions	<ul style="list-style-type: none"> ① The Human Rights Policy has stated the policy directives of "Implementing Occupational Health and Safety" and "Respecting the Right to Collective Bargaining and Free Association", and states that customers are encouraged to comply.
	Forced Labor	<ul style="list-style-type: none"> ① Formulate a "WPG Human rights policy" that establishes rules against any form of forced labor and any inhumane method of forced labor and expect upstream and downstream suppliers to jointly comply with it. ② Declare our "WPG Conflict Minerals Policy" externally and establish "Conflict Minerals Management Regulations" internally and strive to avoid handling products from conflict minerals areas such as forced labor, child labor mining, or armed conflicts.

Mitigation Measures	
Upstream Suppliers	① The WPG Human Rights Policy has stated the policy of "Implementation of Occupational Health and Safety" and expects upstream suppliers to comply with it. ② WPG Holdings has established a conflict minerals management system to conduct due diligence work to validate that key suppliers meet the requirements for conflict-free minerals to protect the health rights of employees in the areas where materials are produced.
	① Make public the contact window and complaint channels for stakeholders and formulate the "Rules for Receiving Stakeholder Suggestions and Complaints", the Audit Committee is responsible for handling and supervising the handling of stakeholder proposals and grievances.
	① Commitment to responsible procurement in human rights policy.

Note: As an upstream supplier (IDM/Fabless/IC design), WPG Holdings serves as a bridge of communication with its customers. Considering the industry norms and practices, remedial measures related to human rights issues will be mainly initiated by customers and suppliers, so they are not listed here.

■ Human Rights Education Training and Advocacy

2022 Human Rights Advocacy Training	Total Hours (hours)	Number of Participants (persons)	Participating Employees as a Percentage of Total Employees (%)
Corporate Human Rights Education and Training	342	306	6.23%
Lectures on Prevention of Abuse in the Workplace	766	766	15.59%
Sexual Harassment Prevention and Control Measures	28.34	218	4.44%
Employee Code of Conduct Promotion	157.2	524	10.67%
Personal Data Protection Seminar Series	5,674	4,798	97.66%

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

Note 2: The promotion of employee Code of Conduct includes anti-discrimination and prevention of workplace violence, privacy and other human rights issues.

Creating a Diversity and Equality Friendly Workplace

WPG Holdings provides equal employment opportunities and does not discriminate against candidates on the basis of race, gender, age, nationality, religion, marital status, gender identity, or physical or mental disability in recruitment and employment. In order to implement the spirit of human rights of WPG Holdings, internal rules and regulations are formulated in accordance with the human rights policy guidelines as an indicator to establish an equal and diversified workplace system. Employees are not treated differently in the workplace because of their physical and mental differences, and we are committed to assisting the development of relatively disadvantaged employees in the organization. In order to help employees with physical and mental disabilities adapt to the office environment, the Headquarters building is designed as a barrier-free office, providing employees with a barrier-free experience. In terms of female employees, the Company has introduced a maternity protection program, providing regular health counseling to help employees physically, mentally, and spiritually, and adding more oriented education and training to help women improve their knowledge, professional and management skills. In 2022, the total number of hours of education and training for female employees increased by 32.35%, and the proportion of female employees in mid-level supervisory positions in 2022 increased by nearly 20% compared to 2021.



4-2-3 | Labor-Management Communication

WPG Holdings has established a sound communication mechanism between employees and employers, set up a "Workplace Sexual Harassment Case Handling Process" and set up an "Employee Communication Platform" to create an open and transparent communication channel. In addition to holding regular group-wide townhall meetings, we also hold quarterly labor-management meetings to communicate with employees on issues of concern, policies or major events. By listening to employees' opinions and using them as a source of review and improvement of the Company's management, a good organizational communication culture is fostered, and a foundation of mutual trust is established between the Company and its employees, so that the Company's management and employees' career development can achieve a sustainable concept. WPG Holdings is committed to creating a diverse and open communication channel. In 2022, there were four labor disputes that had undergone labor arbitration, all of which were resolved through mediation with employees and no other subsequent disputes have occurred. Apart from these cases, there were no other internal employee complaints cases.

Note: The statistical scope is the Greater China region.

► Employee Communication Platform

- **Regular group meetings**
Communicate corporate philosophy, policy, and latest activities through group meetings.
- **Instantly publish announcement through internal portal**
Publicly 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.
- **Carry out employee opinion surveys from time to time**



► Sexual Harassment Prevention

Workplace Sexual Harassment Process



Case Reporting

- Employees can appeal to the Human Resources 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.

2022 Discrimination or harassment complaints: 0 complaints

Implementing Employee Opinion Surveys

Through an effective "listening mechanism", WPG Holdings aims to identify problems, listen to employees' voices, and identify action points for improvement in order to enhance employee experience and move toward a sustainable and happy company. In 2022, the Greater China Employee Opinion Survey was conducted for the first time, with 3,361 employees completing the survey and an overall participation rate of 88.0%.



Additionally, through the "Mike Tree Cave" activity, WPG Holdings provides a channel for employees to share their honest thoughts with Mike, the CEO of WPG Holdings, so that employees' opinions can be heard. In 2022, the starting point was "Corporate Spirit", which demonstrates the original spirit of WPG Holdings in caring and concern for its employees. The survey was conducted for two weeks (2022/09/01 to 2022/09/16) and 4,231 responses were collected, with a coverage rate of 99.2%. In addition, 818 suggestions and encouragements from employees were answered through letters, announcements, and livestreamed meetings, effectively establishing a bridge of communication between the company and employees to achieve the goal of a happiness.

Order	Enthusiasm	Number of Votes	Percentage
1	Self-worth and Realization	1,951	13.7%
2	Salary and Benefits Happiness	1,831	12.9%
3	Grow with the Team	1,637	11.5%

4-2-4 | 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.



Employee Transportation Accident

Management and Control

- Promote public transportation
- Establish a smooth internal notification mechanism

Measures

- 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

Occupational Safety Education Training		
2022 Occupational Safety Education Training	Total Training Hours	Number of Participants
Disaster prevention knowledge for new employees	354.25	545
Advocacy for emergency response measures	5,760.00	1,920
General safety and health education and training	1,012.50	933
Fire prevention group training	472.00	118
2022 Emergency Response and Fire Drill	Sessions Held	Number of Participants
Fire safety drill at Headquarters building	1	1,920
Fire safety drill at logistics warehouses	5	453
Warehouse Operations Business Continuity Management Drill	3	47

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

Occupational Accidents Statistics Table

Worker Type	Employees of WPG Holdings		
	Male	Female	Total
Employee Absence Rate	0.30%	0.74%	0.53%
Occupational Accidents			
Total Working Days	246,500	257,750	504,250
Total Working Hours	1,972,000	2,062,000	4,034,000
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. (Work-related injury leave refer to the data reported in the government's annual compilation of occupational accident statistics for the current year).

Note 3: The total working hours are estimated to be 2,000 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 2022, 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. From 2021 to 2022, due to the ongoing impact of the COVID-19 pandemic which caused reduction of gatherings, related on-site drills and trainings were temporarily canceled. Instead, emergency response trainings and advocates were conducted online.

► 2022 Corporate Pandemic Prevention Policy and Deployment

In response to the epidemic in each region, WPG Holdings will adjust its response measures on a rolling basis to reduce the impact on its business while taking care of the health of its employees.

■ WPG Holdings Response to COVID-19

Epidemic Response Measures

Offices in Each Region

- Rolling adjustment of employee attendance mechanisms
- Establish employee health reward mechanism
- Activate notification mechanism for confirmed patients
- Those who are quarantined due to diagnosis can choose to work at home
- Inventory of epidemic prevention materials and equipment provide medical resources and health care
- Provide free quick screening

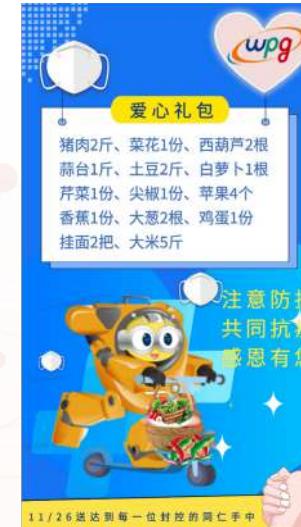


Warehousing in Each Area

- Installed epidemic prevention equipment in factory plants
- Provide employees with vaccination subsidies
- Health status reporting mechanism
- Daily body temperature check and regular rapid antigen screening
- Activate alternate shifts for physical attendance and meals

Note 1: Restricted measures in Taiwan.
Note 2: Restricted measures in China.

In addition, in response to the relatively strict pandemic control measures in China, under the limited resources, WPG Holdings initiated the "Love Epidemic Prevention Program" to accompany the employees through the difficult epidemic period. During the difficult lockdown period, the project team tried various ways to provide employees with daily necessities, including groceries, rice and vegetables, rapid antigen screening and drugs. Employees requiring mandatory quarantine due to close contact were provided with epidemic prevention care packs and a special shuttle service to transport employees home safely.



Employee Health Promotion

WPG Holdings cares about employee health. We provide regular health checkups for office staff once every two years and arrange annual health checkups for warehouse and logistics staff, as well as on-site health consultation services by specialist doctors. In order to ensure that employees have more diversified and accurate information about health and safety, WPG Holdings is committed to arranging various soft courses and activities, such as health seminars, on-site oral cancer screening, cancer screenings, physical fitness tests, blood donation activities, and on-site consultation with resident doctors, etc. In 2022, we will obtain the workplace health activation mark from the Health Promotion Administration of Taiwan.



In 2022, the first WPG Weight Loss Contest was held in Taiwan, which lasted for three months. A total of 193 employees participated in the contest, collectively losing 429.2 kilograms. About 23.3% of the employees achieved their target weight, with the first-place participant lost 14.7% of body weight.



In 2022, the WPG Holdings China partnered with an external traditional Chinese medicine practitioner to provide free employee consultations. The doctor conducted on-site consultations based on the employee's physical examination report and provided advice or on-site treatment for individual health conditions. The event lasted for 3 weeks and served more than 400 people.



■ Health Promotion Seminar 2022

Course	Number of Participants
Health Promotion Seminar 1: Improving Shoulder and Neck Pain & Lower Back Pain in the Workplace	1,299
Health Promotion Seminar 2: Mental Strategies for Managing Stress in Adversity	482
Health Promotion Seminar 3: Eating for Immunity	686
Health Promotion Seminar 4: Weight Loss Series - Eating Healthy by Eating Out	881
Weight Loss Activity 1: Stay Thin and Healthy by Exercise- So Easy	126
Weight Loss Activity 2: Burn Fat and Lose Weight, Let's Go!	65
CN Health Promotion 1: Control Emotions and Mental Health During the Epidemic	197
CN Health Promotion 2: Immunity Enhancement: Defending Against COVID-19	142

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.



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. WPG Holdings is committed to the concept of "sustainable heritage, selfless devotion for the common good", and we will pass on our internal experience to the outside world selflessly, so that the supply chain can prosper together.

4-3-1 | Industry Promotion

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.

Industrial Interaction

WPG Holdings actively engaged with industrial associations and established an instant communication service platform by organizing and participating in a variety of activities. This platform assists members in sharing knowledge resources and increasing opportunities for external strategic alliances and partnerships. The company aims to enhance the industrial network position and height of Taiwan's distributors. Leveraging the company's core expertise, WPG Holdings actively assists in promoting various aspects of supply chain management, fulfilling corporate social responsibilities. In 2022, WPG Holdings did not involve in any political donations.

In order to cooperate with the supply chain to create environmentally sustainable values, WPG Holdings has participated in climate initiatives and joined the Taiwan Climate Partnership (TCP) as a corporate member, hoping to combine the strengths of all partners to achieve net zero emissions.

Organization	Title	Strategic Objectives
Association of Taiwan Listed Companies	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.
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.
Management Intelligence Sharing Association (MISA)	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.
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 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	Candidate Supervisor	To support the construction of the new platform for cross-strait business cooperation and cross-strait communications for economic and trading strategies.



Organization	Title	Strategic Objectives
Monte Jade Science and Technology Association (Taiwan)	Member	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.
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 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.
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.

Industry Co-Creation

Object	Content
Taipei Electronic Components Suppliers' Association (TECSA)	Organized supply chain and business management related courses and held 10 seminars on insight sharing in 2022, with 678 participants.
Chinese Management Intelligence Sharing Association (MISA)	Organized business management-related courses, 6 seminars, 36 sessions of corporate counseling, 6 batches of specialized business management classes, and 2 batches of intensive courses on investment and M&A practices in 2022.
Taiwan Industrial Holding Association	Held 4 industrial holding exchange seminars and publish 4 books and reports.

► "Passing on the Wisdom Lecture" from Taipei Electronic Components Suppliers' Association

In order to promote on-the-job learning for practitioners in the electronic parts and distribution industry, and to strengthen the cultivation of talents, as well as to enable the continuous transmission of knowledge and experience in the supply chain and access industry, the Taipei Electronic Components Suppliers' Association held the "Passing on the Wisdom Lecture".

In 2022, WPG Holdings invited the supervisors and directors of the Association, senior executives of WPG, industry experts, famous entrepreneurs, and scholars to be speakers, and invited employees of our members and industry practitioners to participate, resulting in a total of 678 person attending the event.

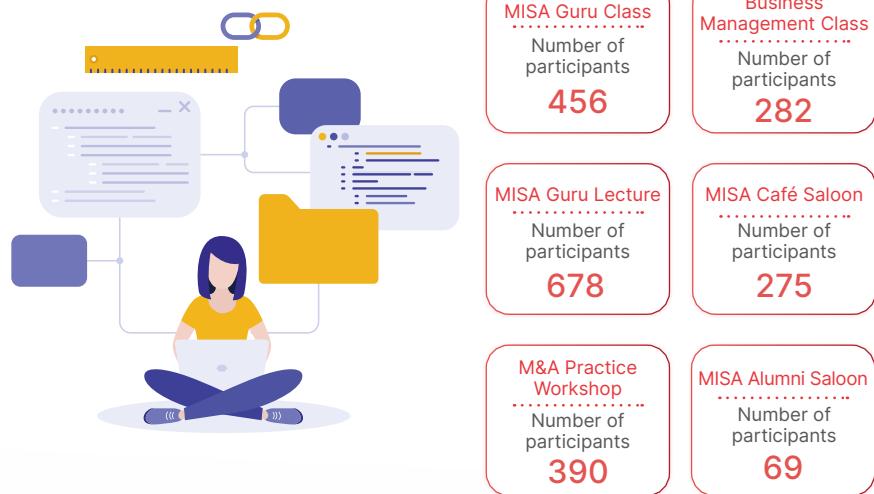
The following lectures were offered by WPG Holdings:

Topic	Lecturer	Number of Participants
Key Factors to Success	K.D. Tseng Chief Sustainability Officer, WPG Holdings	145
Why Digital Transformation?	Frank Yeh Vice Chairman, WPG Holdings	48



► Chinese Management Intelligence Sharing Association (MISA)

With the core of experience sharing, Mr. K.D. Tseng, the Chief Sustainability Officer of WPG Holdings, serves as the chairman MISA, and a number of veteran entrepreneurs serve as business gurus to pass on management wisdom to emerging and transforming business leaders. The MISA Academy plans a rich and diversified management curriculum, and in July 2022, the MISA Academy will officially launch its multimedia online learning portal "MISA Multimedia Academy" for online/offline learning, accelerating the growth of high-potential business leaders.



► Taiwan Industrial Holding Association

Since its establishment in 2005, the WPG Holdings has achieved remarkable business results with its industrial holding management model. In order to share experiences, stimulate management thinking and promote the concept of industrial holding models, the Taiwan Industrial Holding Association (TIHA) was established in 2019, with Chairman Simon Huang of WPG Holdings serving as the first Chairman of TIHA. Through the TIHA, it is hoped to increase the exchange and experience sharing with industry, government, and academia, and to promote more industry cooperation or various strategic alliances.

In 2022, the Association published four publications, namely, "Grand Collaboration and Competition 2.0", "Guide to Formation of Industrial Holdings", "2022 Industrial Holdings Recommendation Book", and "2022 Industrial Holdings Key Report", to present the operational structure of industrial holding groups in a comprehensive manner in writing and hold a total of four seminars to enhance knowledge stimulation with industry, government, and academe through physical activities. In addition, to enhance the development environment of the industrial holding industry, TIHA has obtained the Supplementary Interpretation of Undistributed Earnings under Tai-Cai-Shui-Zi No. 11104009710 from the Ministry of Finance to resolve most of the tax issues. On the issue of expense recognition, Chairman Huang, together with a team of experts, met with the director of the Department of Commerce of the Ministry of Economic Affairs to discuss the proper registration of business scopes for an industrial holding company. Currently, TIHA continues to build a win-win ecosystem for Taiwan industries by establishing a communication platform and deploying media resources.



Note: The Chairman of TIHA, Simon Huang (third from the left) attended "Grand Collaboration and Competition 2.0" book launch. Provided by Taiwan Industry Holding Association.

Experience Sharing Legacy Publications

With the concept of "Sustainable Heritage, Selfless Devotion for the Common Good", WPG Holdings has collected industry knowledge, workplace wisdom and experience into a book to systematically and publicly share and pass on internal experience to help Taiwan industries and enterprises enhance their competitiveness together. In 2022, Mr. Simon Huang, Chairman of WPG Holdings, and Mr. T.L. Lin, Director of WPG Holdings, jointly initiated the publication of "Grand Collaboration and Competition 2.0: Industrial Holdings - From Bigger and Stronger to Better and Winning Together"; and Mr. K.D. Tseng, Chief Sustainability Officer of WPG Holdings, wrote and published "Key Factors to Success: 50 Management Ideas and Work Mindsets from the Chairman to the Workforce".

► Youth Training

Object	Project Description	Number of Participants
National Taipei University of Technology	Sponsored the Scholarship Program for Disadvantaged Students of the College of Electrical Engineering and Computer Science for 11 consecutive years	10
National Yunlin University of Science and Technology National Taipei University of Technology	Recruitment of intern students majoring in Information Management	8
National Chengchi University	Supported Supply Chain Management Program for 12 consecutive years. Selected students are awarded Supply Chain Scholarship and internship opportunities at WPG Holdings	2

► WPG Scholarship Awards in the College of Electrical Engineering and Computer Science, National Taipei University of Technology

Since 2011, the WPG Education Foundation has offered the "WPG Scholarship" to students from the College of Electrical Engineering and Computer Science of National Taipei University of Technology, offering five scholarships per semester in 2022. Through financial support, students from disadvantaged backgrounds will not lose their education due to family hardships or changes and will be able to complete their studies with the support of the community. In order to encourage students to develop their professional abilities, the scholarship program is included in the selection criteria, and it is expected that the scholarship will not only help to alleviate financial hardship, but also become an aid to the beneficiaries in their academic growth.

► "Information Technology Internship Program", National Yunlin University of Science and Technology and National Taipei University of Technology

The IT Internship Program is in its 7th year of collaboration with National Yunlin University of Science and Technology. In 2022, NTUT joined the program for the first time. WPG Holdings will be able to nurture professionals for the industry, and at the same time, allow students to apply what they have learned in practice, enhance their competitiveness in the workplace, and explore different possibilities and explore themselves through practical experience in the workplace. WPG Holdings also helps students to identify their future career paths. In 2022, eight IT interns were recruited and four of them were directly transferred to regular employees after the internship, achieving the goal of campus career integration.

► "Supply Chain Management Program", NCCU College of Commerce

Since 2010, WPG Holdings sponsored and supported the three-year period "Supply Chain Management Program" of NCCU College of Commerce for the 12th consecutive year till 2022. 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.

The "Smart Supply Chain: Trends and Applications" course offered in 2022 was co-taught by Professor Sonia Lo of the Department of Business Administration and industry experts with extensive practical experience. Using the supply chain as the framework, the faculty and WPG expert instructors provided both theoretical and practical explanations on different topics each week, allowing students to gain a more profound understanding of the integration of supply chain theory and practice.

Preface	Topic of Lecture	WPG Holdings Industry Experts
1	Supply Chain Overview and Overall Trends in the Electronics Industry	Chief Marketing and Sales Officer I.J. Hsu
2	Digital Procurement	Chief Information Officer Jazz Chuang Project Manager, Information Project Office Vicky Chang Director of Data Science Unit Teresa Chang
3	Talent Management under 4.0	Chief HR Officer David Li
4	Digital Logistics	Vice-President of WPG Electronics Limited Owen Shen Director of IT Service Steven Wang
5	The Future of Supply Chain	Vice-Chairman of WPG Holdings Frank Yeh



Note: Frank Yeh, Vice-Chairman, WPG Holdings shared "The Future of Supply Chain" with the students.



Note: WPG Holding's Chief Information Officer, Jazz Chuang, shared the topic of "Digital Procurement" with students.

學生課程回饋

內容精采
印象深刻

許哲君先生的演講和老師平時教導我們的架構是互相呼應的.....也讓我對於大聯大有了更完整的認知。...簡答中了解大聯大面對數位轉型的處理方式，最重要的是資訊透明化營造信任感，希望打造共贏的「電子供應鏈協同生態圈」。整場演講相當精采！

實務分享
機會難得

我認為大聯大在數位轉型是非常有決心且有規劃的。從資訊再到數位化物流的分享等...都非常出乎我的意料。原來業界也看見數位轉型與資訊化的必要性，這些都是我們在純粹的課業上難以想像的。非常感謝這學期可以聽到大聯人一系列的演講！

吸收新知
反思成長

這次有幸聽別人資長的分享，我覺得很有趣，人資長介紹在數位轉型的過程，未來許多業務都可能被機器取代。這樣的轉變也讓自己思考如何成為不可取代的角色...而大聯大也會提到租賃、共享人才的產業佈局。我認為這想法也十分具有前瞻性。



Note: WPG Holding's Chief HR Officer David Li shared the topic of "Talent Management under 4.0" with students.

4-3-2 | Social Impact

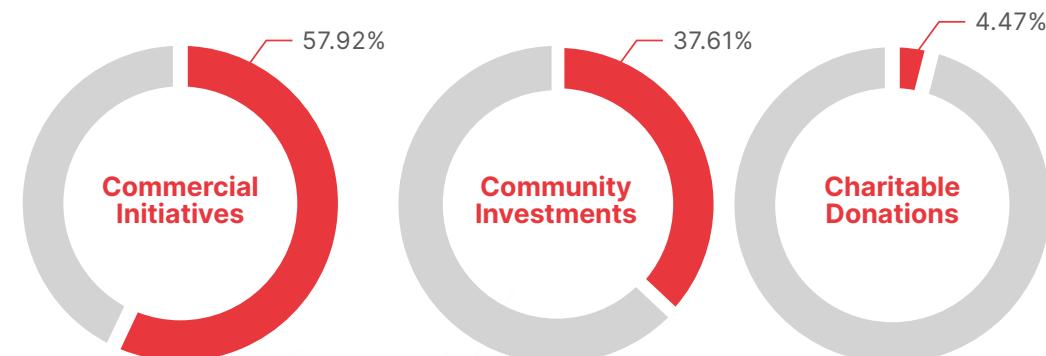
WPG Holdings is concerned greatly regarding environmental topics so participating in various green activities. In terms of social welfare, we focus on "Caring for the Disadvantaged and Regaining the Spirit of Technical Education", dedicating efforts to social care and technical education, hoping to energize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

Impact Investment

In order to expand the reach of social impact, WPG Holdings is also developing partnerships through investment, hoping to create positive impact through foundations and social innovation enterprises, etc. The Company invested in B Current Impact Investments Fund II and B Current Impact Investments Fund III in 2017 and 2020 respectively. By the end of 2022, the B Current Impact Investment Fund team had invested in 20 early-stage social innovation companies in the areas of environmental technology, sustainable agriculture, medical care, education innovation, community revitalization. On one hand, it meets societal needs, and on the other hand, it offers business opportunities. In addition to financial investment, B Current Impact Investment also provides assistance to investee companies in corporate governance, business development, and talent cultivation, etc., and builds a vibrant ecosystem of influence.

In terms of green investment, in response to the Environmental Protection Administration's diversified waste management plan, the separation technology is utilized to screen combustible waste from industrial waste. This combustible waste is then processed into Solid Recovered Fuel (SRF) as a substitute for boiler fuel. This initiative aims to achieve waste reduction, decrease air pollution, promote sustainability, and develop a circular economy. In 2022, WPG Holdings also made a new investment in Yang Bao Enterprise Co., Ltd., amounting to approximately NT\$175,043 thousand. Yang Bao Enterprise is engaged in the "Waste-to-Energy" renewable energy conversion power plants, promoting the conversion of waste into SRF fuel and utilizing the generated heat for power generation. This investment aims to address the challenges of industrial waste management in Taiwan and expand the application of SRF fuel in the future. Apart from reducing carbon emissions and providing renewable energy generation, it also helps to reduce reliance on fossil fuels. Yang Bao expects that after the future Changbin and Taoyuan plant enters operations, the annual processing SRF capacity can reach 247,000 tons, the annual power generation capacity of 1.296 billion kWh. The annual power generation capacity will reach 19.6 billion kWh, which is equivalent to 36,000 households' electricity consumption and replaces about 125,000 tons of coal consumption.

■ Social Input



Amount of Investment (NT\$)
15,629,848

Amount of Investment (NT\$)
10,150,000

Amount of Investment (NT\$)
1,205,059

■ Main Themes of Social Impact



Friendly Environment

Advocating environmental protection, energy saving, and carbon reduction, participating in various green actions, and by the power of the organization to lead the employees and their families to participate and experience through practice.

- Adopting the green space in the community park

Adopted 2 parks

- WPG Carbon Reduction Campaign

Collected 2,071 second-hand unused items and reduced carbon by 1,716 kg



Social Welfare

Emphasis on caring for the disadvantaged, education in cultural performances, providing resources to assist disadvantaged groups or social welfare groups, for charity, emergency, and other social welfare activities.

- 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 organize the 30th Music Festival "EYE Music ETF"

Sponsored NT\$150,000

- Supporting the "Spread Wings Choir" Charity Tour of the Visually Impaired Angels

Sponsored NT\$200,000

- Supporting "National Keelung Special School" to improve the educational environment for students with physical and mental disabilities and special needs

Sponsored NT\$400,000

- Supporting "Taiwan Pawprint K9 Rescue" for stray animals

Sponsored NT\$80,000

- Launching a second-hand computer donation campaign and donate to the Puren Youth Care Foundation

Sponsored 5 used laptops

- Donation of brand new tables, chairs and equipment to social welfare organizations 4 nonprofit organizations benefited

- Launching a shoe donation campaign to donate to the "Step30 international ministries"

Collected 193 pairs of used shoes

- Donating to the "Taiwan Foundation for the Blind" from the proceeds of Charitable Visually Impaired Massage

Employees and the Company Sponsored NT\$30,000

- Holding year-end activity " Christmas Shoebox Gifting " to share love for 5 consecutive years

A total of 239 Loving Christmas Shoe Box Gifts were collected



Technical Education

Focusing on the importance of technical education and development and supporting sports events.

- Supporting the "Ladies Professional Golf Association" to hold the 3rd "WPG Ladies Open"

A total of 75 domestic players participated in the competition

- Long-term sponsorship of the PGA Tech Cup Tournament

Sponsored NT\$300,000

- Support the Young female golf players development program by sponsoring professional and amateur players

Sponsored NT\$2.3 million

- Promote arts and cultural heritage by supporting the "Cloud Gate Culture and Arts Foundation"

Sponsored NT\$400,000

Green Action

► Community Care • Park and Green Space Adoption

In response to the government's encouragement of public participation in green space adoption, WPG Holdings has continued to adopt the Nangang Xiangyang Park since 2011 and the street trees in front of the WPG Headquarters building in Nangang since 2021, helping to maintain and manage the green space, creating a diverse cityscape, and working with residents and employees to maintain the community's green environment and protect the earth.

► WPG Love • WPG Carbon Reduction Campaign

For the first time, WPG held a material donation activity, in which employees took the initiative to share "unused items" in their daily lives and gifted them to public welfare organizations and disadvantaged families through the Give Circle platform, replacing hoarding and throwing away with sharing and reducing waste and pressure on the earth.



Note: WPG Carbon Reduction Campaign Poster.

The Donations from Employees Include:

- Listed 2,071 gifts, successfully shared 2,004, 97% matchmaking rate
- Activated 833kgs of resource circulation, reducing carbon emissions by 1,716kg
- Influence across 13 counties and cities, a total of 25 social welfare units/schools benefited



WPG Zone on Give Circle

► Carbon Reduction Activities

In order to encourage all employees to implement energy saving and carbon reduction actions, in addition to daily green actions and knowledge promotion, WPG Holdings also planned many interesting energy saving and carbon reduction activities such as ESG hand towel reduction activities in Taiwan in 2022 and carbon reduction social media posting activities for all employees in China, in order to actively promote employees to participate in green actions together.

► Shenzhen, China • ESG Social Media Posting-Carbon Reduction Activity

In order to promote the concept of environmental protection, the Shenzhen office in China held a carbon reduction activity. Employees participated in the activity voluntarily by posting on social media and counting the results.



► Sustainable Living Seminar and Activities

In 2022, WPG Holdings held a series of activities for sustainable lifestyle, featuring online seminars and hands-on experiences to guide employees to realize that sustainability is not an unattainable dream and that they can practice sustainability through small changes in their lives, encouraging them to adopt a sustainable lifestyle.

Format	Theme Content	Number of Participants
Online Seminar	Take a Short Responsible and Sustainable Trip	766
Employee Experience	Wind Travel - Hengchun Sustainable Trip Package	Voluntary participation



WPG Holdings also organized a number of ESG seminars and events to encourage employees to participate. In 2022 a total of 13,055 people participated.

Region	ESG Activities	Number of Participants
Taiwan	Online seminar 2 sessions	1,440
	Paper towel reduction contest 1 game	1,795
	Sustainability courses 7 sessions	196
Hong Kong	Sustainability promotion and advocacy 5 sessions	40
	Energy conservation and carbon reduction activities 3 sessions	1,844
Shanghai	Social media posting events 7 sessions	990
	Energy conservation and carbon reduction activities 3 sessions	2,887
Shenzhen	Social media posting events 15 sessions	3,863
Total		13,055

Note: WPG's exclusive sustainability-themed company trips with Wind Travel Agency.

Social Welfare Actions

► WPG Love • Used Computer Collection

A total of 5 used laptops were collected in 2022 and sponsored to the Puren Youth Care Foundation.



Note: Letter of Appreciation from children of Puren Youth Care Foundation.

► WPG Love • Christmas Love Sharing

Since 2017, WPG Holdings has partnered with House of Dreams to collect "Christmas Shoebox Gifting" to send blessings to children from disadvantaged families at the end of the year. The shoe boxes filled with love were Sponsored by WPG employees, and employees also participated in volunteering gift-giving events held by the Foundation.

In 2022, 239 shoeboxes were collected for disadvantaged youths, with over 1,366 shoeboxes Sponsored over 5 years.



► 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 15 years.

► WPG Love • Used Shoes Collection

AIT Group, part of WPG Holdings, collected 193 pairs of used shoes and sent them to the Step30 international ministries and sponsored NT\$20,000 for international shipping fee.



► WPG Love • Equipment and Material Donation

YOSUN Group, part of WPG Holdings, sponsored tables, chairs, and other equipment and supplies to four social welfare organizations, including the Social Resource Support Platform for Disadvantaged Indigenous Families, the Taoyuan St. Theresa Day Care Center, the Angel Heart Family Social Welfare Foundation, and the Chun-Hui Center for Persons with Intellectual Disabilities.



Note: Certificates of Appreciation from public interest groups.

Cultivating the Spirit of Skills and 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. The third series of the WPG Ladies Open was held in 2022, and WPG Holdings continued to sponsor the TLPGA and promote ESG. WPG invited over 34 IDM/Fabless to join us to create better opportunities for Taiwanese golfers. At the same time, the total prize money of the tournament was increased to NT\$10 million, an increase of 67% over the previous tournament, and the overall publicity of the tournament reached more than 11 million, over 9 times that of the previous year. More than 75 domestic players were invited to participate in the tournament, so that players can compete and learn here, and even go on to international tournaments to help Taiwan's women golfers win glory.



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** Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Appendix 1-13 Comparison Table
- 5-6** Sustainability Accounting Standards Board (SASB) Index
- 5-7** Sustainable Data



5-1 Assurance Opinion Statement

Deloitte.

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
WPG Holdings Limited

We have performed a limited assurance engagement on the selected subject matter information (see Appendix) in the Sustainability Report ("the Report") of WPG Holdings Limited ("the Company") for the year ended December 31, 2022.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We planned and conducted our work on the selected subject matter information (see Appendix) in the Report in accordance with the Statements of Assurance Engagements Standards 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on the preparation, with no material misstatement in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Obtaining and reading the Report.
- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
- Inquiring the personnel responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
- Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

Inherent Limitations

The subject information included non-financial information, which was under more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Quality Management Standard 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report is, in all material respects, not prepared in accordance with the above mentioned reporting criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the limited assurance report is Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

June 28, 2023

APPENDIX

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Assurance Subject Matter (Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies/GRI Standards/Designated Indicator)	Descriptions of Indicators	Corresponding Section	Applicable Criteria
1.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Appendix 1-13, Number 7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	5-5 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Appendix 1-13, Number 7	Number of lawsuits and judgments regarding anti-competitive behavior, violations of anti-trust and monopoly-related legislation, and resulted in the total pecuniary loss.
2.	GRI 303-3:2018	Water withdrawal	3-2-6 Water Resources Management	Total volume of water (tap water) withdrawn with a breakdown by the sources and areas with water stress.
3.	GRI 306-3:2020	Waste generated	3-2-7 Waste Management	Total weight of waste generated by composition with a breakdown by the sources and areas.
4.	GRI 401-1:2016	New employee hires and employee turnover	4-1-1 Talent Structure	Number and ratio of new employees and resigned employees by age, group, gender and region.
5.	GRI 404-1:2016	Average hours of training per year per employee	4-1-2 Talent Cultivation	Average number of training hours per employee per year by gender, managerial and non-managerial.
6.	GRI 405-1:2016	Diversity of governance bodies and employees	2-1-2 Diversity of the Board of Directors and Performance Evaluation 4-1-1 Talent Structure	Percentage of individuals within board of directors by gender and age, and percentage of employees by gender, age and employment of employees with physical and mental challenges.
7.	Designated indicator 1	Employee absence rate	4-2-4 Occupational Health and Safety	Employee absence rate by gender.

- 1 -

- 2 -

- 3 -



5-2 GRI Standards Disclosure Comparison Table

Statement of Use		WPG Holdings has published its 2022 ESG Report in accordance with the GRI Standards for the period from January 1 to December 31, 2022.	
GRI 1 Version		GRI 1: Foundation 2021	
Application of GRI Industry Standards		None	
GRI 2 General Disclosures 2021		Corresponding Chapter and Explanation	Page No.
2-1	Organizational details	About the Sustainability Report 1-1-1 Organizational Structure	3 16
2-2	Entities included in organizational sustainability reports	About the Sustainability Report	3
2-3	Reporting period, frequency and contact person	About the Sustainability Report	3
2-4	Restatements of information	There are no restatements of information for the previous report	-
2-5	External assurance	About the Sustainability Report Appendix Assurance Opinion Statement	3 101
2-6	Activities, value chains and other business relationships	1-1-1 Organizational Structure 1-1-2 Operational Performance 1-3-1 Distribution Management and Service Strategy	16 18 29
2-7	Employee	4-1-1 Talent Structure	74
2-8	Workers who are not employees	4-1-1 Talent Structure	75
2-9	Governance structure and composition	1-2-1 Sustainability Governance Structure 2-1-1 Board of Directors Structure	19 38
2-10	Nomination and selection of the highest governance body	2-1-2 Diversity of the Board of Directors and Performance Evaluation	39
2-11	Chair of the highest governance body	2-1-2 Diversity of the Board of Directors and Performance Evaluation	40

GRI 2 General Disclosures 2021		Corresponding Chapter and Explanation	Page No.
2-12	Role of the highest governance body in overseeing the management of impacts	1-2-1 Sustainability Governance Structure	19
2-13	Delegation of responsibility for managing impacts	1-2-1 Sustainability Governance Structure	19
2-14	Role of the highest governance body in sustainability reporting	About the Sustainability Report 1-2-2 Analysis of Material Topics	3 20
2-15	Conflicts of interest	2-1-2 Diversity of the Board of Directors and Performance Evaluation In considering the methods to avoid conflict of interest for WPG Holdings, In addition to the measures mentioned in the Conflict of Interest Management paragraph in 2-1-2 above, WPG Holdings may also refer to the following measures to avoid conflicts of interest:the Company's Annual Report-Directors' Information, the Company's Annual Report-List of Major Shareholders, Notes to the Consolidated Financial Statements-Related Party Transactions and Appendices-Purchases from or Sales to Related Parties amounting to at least NT\$100 million or 20% of the paid-in capital	42
2-16	Communication of critical concerns	1-2-1 Sustainability Governance Structure	19
2-17	Collective knowledge of the highest governance body	2-1-2 Diversity of the Board of Directors and Performance Evaluation	42
2-18	Evaluation of the performance of the highest governance body	2-1-2 Diversity of the Board of Directors and Performance Evaluation	41
2-19	Remuneration policies	2-1-2 Diversity of the Board of Directors and Performance Evaluation Board remuneration policy, please refer to the annual report, p.28-29	41
2-20	Process to determine remuneration	2-1-2 Diversity of the Board of Directors and Performance Evaluation	41
2-21	Annual total compensation ratio	4-2-1 Employee Compensation and Benefits	79
2-22	Statement on sustainable development strategy	About the Sustainability Report 2022 Sustainability Performance Highlights Corporate Sustainable Development Goals	3 8 11
2-23	Policy commitments	2-2-1 Ethical Corporate Management 2-2-5 Legal and Trade Compliance 4-2-2 Human Rights Protection	43 51 81
2-24	Embedding policy commitments	1-2-1 Sustainability Governance Structure 1-2-2 Analysis of Material Topics 2-2-1 Ethical Corporate Management	19 23 44
2-25	Processes to remediate negative impacts	1-2-3 Stakeholder Identification and Communication 4-2-2 Human Rights Protection 4-2-3 Labor-Management Communication	26 81 87

GRI 2 General Disclosures 2021		Corresponding Chapter and Explanation	Page No.
2-26	Mechanisms for seeking advice and raising concerns	1-2-3 Stakeholder Identification and Communication 4-2-2 Human Rights Protection 4-2-3 Labor-Management Communication	26 81 87
2-27	Compliance with laws and regulations	2-2-5 Legal and Trade Compliance No violations of regulations in 2022	51
2-28	Membership associations	4-3-1 Industry Promotion	91
2-29	Approach to stakeholder engagement	1-2-3 Stakeholder Identification and Communication	26
2-30	Collective bargaining agreements	WPG does not have collective bargaining agreements but is devoted to promoting labor-management conferences	–

GRI 3 Material Topics 2021		Corresponding Chapter	Page No.
3-1	Process to determine material topics	1-2-2 Analysis of Material Topics	20
3-2	List of material topics	1-2-2 Analysis of Material Topics	22
3-3	Management of material topics	1-2-2 Analysis of Material Topics	24

Specific Topics

► GRI 200: Economic Series

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
GRI 201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	1-1-2 Operational Performance 4-3-2 Social Impact	18 95
201-2	Financial implications and other risks and opportunities due to climate change	3-1-1 Climate-Related Financial Disclosures (TCFD) 3-2-3 Greenhouse Gas Management	56 63
201-3	Defined benefit plan obligations and other retirement plans	4-2-1 Employee Compensation and Benefits	81

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
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GRI 202: Market Presence (2016)

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-2-1 Employee Compensation and Benefits	78
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GRI 203: Indirect Economic Impacts (2016)

203-1	Infrastructure investments and services supported	3-3-2 Cleantech Development Results	70
203-2	Significant indirect economic impacts	1-2-2 Analysis of Material Topics	22

GRI 204: Procurement Practices (2016)

204-1	Proportion of spending on local suppliers	1-3-4 Supply Chain Management	35
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GRI 205: Anti-corruption (2016)

205-2	Communication and training about anti-corruption policies and procedures	2-2-1 Ethical Corporate Management	44
205-3	Confirmed incidents of corruption and actions taken	2-2-1 Ethical Corporate Management	44

GRI 206: Anti-competitive Behavior (2016)

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No anti-competitive, antitrust or monopoly-related lawsuits or judgments in 2022	-
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► GRI 300 : Environmental Disclosures Series

GRI Standards	Disclosed Items	Corresponding Chapter	Page No.
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GRI 302: Energy (2016)

302-1	Energy consumption within the organization	3-2-4 Energy Management	64
302-3	Energy intensity	3-2-4 Energy Management	64

GRI Standards	Disclosed Items	Corresponding Chapter	Page No.
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GRI 303: Water and Effluents (2018)

303-3	Water withdrawal	3-2-6 Water Resources Management	66
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GRI 305: Emissions (2016)

305-1	Direct (Scope 1) CHG emissions	3-2-3 Greenhouse Gas Management	63
305-2	Indirect (Scope 2) CHG emissions	3-2-3 Greenhouse Gas Management	63
305-3	Other indirect (Scope 3) CHG emissions	3-2-3 Greenhouse Gas Management	63

GRI 306: Waste (2020)

306-3	Waste generated	3-2-7 Waste Management	67
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GRI 308: Supplier Environmental Assessment (2016)

308-2	Negative environmental impacts in the supply chain and actions taken	1-3-4 Supply Chain Management	34
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► GRI 400 : Social Disclosures Series

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
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GRI 401: Employment (2016)

401-1	New employee hires and employee turnover	4-1-1 Talent Structure	75
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-2-1 Employee Compensation and Benefits	80
401-3	Parental leave	4-2-1 Employee Compensation and Benefits	81

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
GRI 403: Occupational Health and Safety (2018)			
403-2	Hazard identification, risk assessment, and incident investigation	4-2-4 Occupational Health and Safety	88
403-3	Occupational health services	4-2-4 Occupational Health and Safety	88
403-5	Worker training on occupational health and safety	4-2-4 Occupational Health and Safety	88
403-6	Promotion of worker health	4-2-4 Occupational Health and Safety	90
403-9	Work-related injuries	4-2-4 Occupational Health and Safety	88
GRI 404: Training and Education (2016)			
404-1	Average hours of training per year per employee	4-1-2 Talent Cultivation	76
404-2	Programs for upgrading employee skills and transition assistance programs	4-1-2 Talent Cultivation	77
404-3	Percentage of employees receiving regular performance and career development reviews	4-2-1 Employee Compensation and Benefits	79
GRI 405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	2-1-2 Diversity of the Board of Directors and Performance Evaluation 4-1-1 Talent Structure	40 74
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	2-2-1 Ethical Corporate Management 4-2-3 Labor-Management Communication	43 87
GRI 407: Freedom of Association and Collective Bargaining (2016)			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	1-3-4 Supply Chain Management 4-2-2 Human Rights Protection	35 81

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
GRI 408: Child Labor (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labor	1-2-2 Analysis of Material Topics 1-3-4 Supply Chain Management 4-2-2 Human Rights Protection	23 35 81
GRI 409: Forced or Compulsory Labor (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4-2-2 Human Rights Protection	81
GRI 411: Rights of Indigenous Peoples (2016)			
411-1	Incidents of violations involving rights of indigenous peoples	No violations of the rights of indigenous peoples occurred in 2022	-
GRI 415: Public Policy (2016)			
415-1	Political contributions	4-3-1 Industry Promotion No political contributions were made in 2022	91
GRI 416: Customer Health and Safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations of health and safety regulations related to products and services occurred in 2022	-
GRI 417: Marketing and Labeling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling	No violations of product and service information and labeling regulations occurred in 2022	-
417-3	Incidents of non-compliance concerning marketing communications	No violations of marketing and communications regulations in 2022	-
GRI 418: Customer Privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2-2-1 Ethical Corporate Management	44



5-3 ISO 26000 Social Responsibility Guidance Comparison Table

Classification	Main Topics	Corresponding Chapter	Page No.
Organizational Governance	Make decisions and implement the system for carrying out an objective	1-2 Sustainability Management of WPG Holdings 2-1 Board of Directors Operation	19 38
	Corporate social responsibility philosophy	About the Sustainability Report	3
	Due diligence	4-2-2 Human Rights Protection	81
Human Rights	Human right risks situations	4-2-2 Human Rights Protection	81
	Avoidance of complicity	4-2 Happiness in Workplace	78
	Resolving grievances	4-2 Happiness in Workplace	78
	Discrimination and vulnerable groups	4-2-2 Human Rights Protection	81
	Civil and political rights	4-2-2 Human Rights Protection	81
	Economic, social and cultural rights	4-2-2 Human Rights Protection	81
	Fundamental principles and rights at work	4-2-2 Human Rights Protection	81
Labor Practices	Employment and employment relationships	4-1-2 Talent Cultivation	76
	Conditions of work and social protection	4-2-2 Human Rights Protection	81
	Social dialogue	4-2-3 Labor-Management Communication	87
	Health and safety at work	4-2-4 Occupational Health and Safety	88
	Human development and training in the workplace	4-1-2 Talent Cultivation	76
Environment	Prevention of pollution	3-2 Low Carbon Operations	61
	Sustainable resource use	3-2 Low Carbon Operations	61
	Climate change mitigation and adaptation	3-1 Climate Change Strategy and Management	55
	Protection of the environment, biodiversity and restoration of natural habitats	CH3 Common Good In Environment Sustainable Value-Added	53

Classification	Main Topics	Corresponding Chapter	Page No.
Fair Operations	Anti-corruption	2-2-1 Ethical Corporate Management	43
	Responsible political involvement	4-3-1 Industry Promotion	91
	Fair competition	2-2-1 Ethical Corporate Management 2-2-5 Legal and Trade Compliance	43 51
	Promote social responsibility in the value chain	1-3 Distribution Integration and Innovation	29
	Respect for property rights	2-2-5 Legal and Trade Compliance	51
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	1-3 Distribution Integration and Innovation	29
	Protecting consumers' health and safety	1-3 Distribution Integration and Innovation	29
	Sustainable consumption	3-3 Green Value Chain 1-3-4 Supply Chain Management	68 35
	Consumer service, support, and complaints and dispute resolution	1-3 Distribution Integration and Innovation	29
	Consumer data protection and privacy	2-2-4 Information Security Management	48
	Access to essential services	1-3 Distribution Integration and Innovation	29
	Education and awareness	4-3-1 Industry Promotion	91
Social Participation and Development	Community involvement	4-3 Social Prosperity	91
	Employment creation and skills development	4-3-1 Industry Promotion	91
	Technology development and access	4-3-1 Industry Promotion	91
	Wealth and income creation	4-3 Social Prosperity	91
	Education and culture	4-3-2 Social Impact	95
	Health	4-2-4 Occupational Health and Safety	88
	Social investment	4-3 Social Prosperity	91



5-4 United Nations Global Compact Comparison Table

Classification	Main Topics		Corresponding Chapter	Page No.
Human Rights	Principle 1	Businesses should support and respect internationally recognized human rights	4-2-2 Human Rights Protection	81
	Principle 2	Make sure that they are not complicit in human rights abuses	4-2-2 Human Rights Protection	81
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 Protection	81
	Principle 4	The elimination of all forms of forced and compulsory labor	4-2-2 Human Rights Protection	81
	Principle 5	The effective abolition of child labor	4-2-2 Human Rights Protection	81
	Principle 6	The elimination of discrimination in respect of employment and occupation	4-1-1 Talent Structure 4-2-2 Human Rights Protection	74 81
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	CH3 Common Good In Environment Sustainable Value-Added	53
	Principle 8	Undertake initiatives to promote greater environmental responsibility practices	CH3 Common Good In Environment Sustainable Value-Added	53
	Principle 9	Encourage the development and diffusion of eco-friendly technologies	3-3 Green Value Chain	68
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	2-2 Corporate Governance	43

5-5 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Appendix 1-13 Comparison Table

No	Indicator	Indicator Type	Unit	Corresponding Chapter	Page No.
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	Gigajoules(GJ), percentage(%)	3-2-4 Energy Management	64
2	Total water withdrawn, total water consumption	Quantitative	Thousand cubic meters(m ³)	3-2-6 Water Resources Management	66
3	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons(t), percentage(%)	3-2-7 Waste Management Generation of non-hazardous waste by the industry	67
4	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage(%), quantity	4-2-4 Occupational Health and Safety	88
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled ^(Note 1)	Quantitative	Metric tons(t), percentage(%)	Since WPG Holdings is in the semiconductor distribution service industry, there are no end-of-life products and electronic wastes	-
6	Description of the management of risks associated with the use of critical materials	Qualitative description	Not applicable	1-3-4 Supply Chain Management	34
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	No anti-competitive, antitrust, or monopoly-related lawsuits or judgments in 2022	-
8	Production by product category	Quantitative	Varies by product category	WPG Holdings is in the semiconductor distribution service industry. There are no manufacturing activities involved but only operation locations for logistics and sales services and does not provide related production output	-

Note1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.



5-6 Sustainability Accounting Standards Board (SASB) Index

SASB Metric	Corresponding Chapter and Explanation	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	3-2-6 Water Resources Management 5-7 Sustainable Data 66 115
Waste Management		
TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	3-2-7 Waste Management 67
Labor Practices		
TC-ES-310a.1	① Number of work stoppages and ② total days idle	No suspension of work occurred in 2022 –
Labor Conditions		
TC-ES-320a.1	① Total recordable incident rate (TRIR) and ② near miss frequency rate (NMFR) for ④ direct employees and ⑤ contract employees	4-2-4 Occupational Health and Safety 88
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 ④ all facilities and ⑤ high-risk facilities	Not applicable. (WPG Holdings is in the semiconductor 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 ④ priority nonconformances and ⑤ 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 semiconductor 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) –

SASB Metric		Corresponding Chapter and Explanation	Page No.
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 semiconductor distribution service industry, there are no end-of-life products and electronic 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	34
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Activity Metric

TC-ES-000.A	Number of manufacturing facilities	WPG has no manufacturing plants, but we operate 6 logistics and warehousing sites	–
TC-ES-000.B	Area of manufacturing facilities	WPG has no manufacturing plants The total size of all logistics warehouses is 992,658.5 ft ²	–
TC-ES-000.C	Number of employees	4-1-1 Talent Structure	74

5-7 Sustainable Data

Environmental Data		Water Withdrawal from All Regions (1,000,000 liters)		Water-Stressed Region
Surface water	Total	0	0	
	Freshwater (TDS ≤ 1,000 mg/L)	0	0	
	Other (TDS > 1,000 mg/L)	0	0	
Groundwater	Total	0	0	
	Freshwater (TDS ≤ 1,000 mg/L)	0	0	
	Other (TDS > 1,000 mg/L)	0	0	
Seawater	Total	0	0	
	Freshwater (TDS ≤ 1,000 mg/L)	0	0	
	Other (TDS > 1,000 mg/L)	0	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	55.827	0	
	Freshwater (TDS ≤ 1,000 mg/L)	55.827	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 ^{Note1}	N/A	
Total water withdrawal		55.827	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

Ⓐ Violation of Social and Economic Laws and Regulations and Response Measures

In 2022, there was 1 violation of laws and regulations ruled against WPG Holdings in the labor inspection results for the violation of Article 30, Item 6 of the Labor Standards Act, for which the Company was fined NT\$20,000. The Company has reviewed its management and operation procedures and strengthened communication and promotion.

Note: According to the Ministry of Labor's Labor Law Violation Business (Employer) Inquiry System, according to the reporting period of 2022/01/01~2022/12/31.

Ⓑ Number of Substantiated Breaches of Customer Privacy and Losses of Customer Data in 2022

Source of Complaints or Reports		Number of Substantiated Cases
Information leakage or losses of customer data		0
Violate customer privacy	Regulatory Authority	0
	Other (outside parties)	0



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To Become the Benchmark of Distribution.

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WPG Shared Values



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