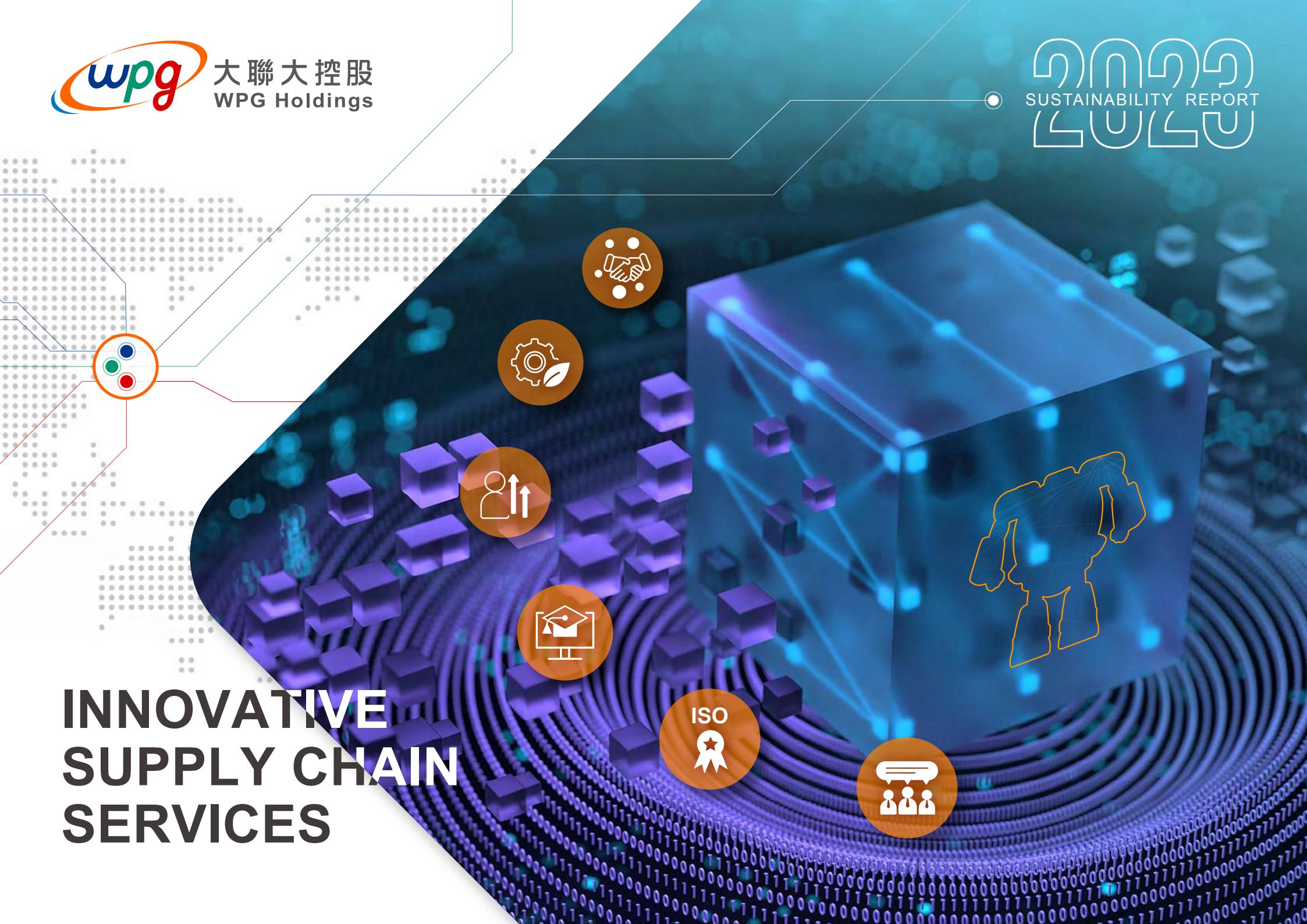




大聯大控股  
WPG Holdings

2022  
SUSTAINABILITY REPORT  
LULU

# INNOVATIVE SUPPLY CHAIN SERVICES





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# About the Sustainability Report

This 2023 Sustainability Report (hereinafter referred to as "this Report" or the "Sustainability Report") of WPG Holdings Limited (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 an international leading semiconductor distributor 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.



Download Report 

## Report Period and Issue Period

The Sustainability Report is published in Chinese and English on a yearly basis, and disclosed in the Sustainable Development Section of the Company's website.

- Report period: January 1, 2023 to December 31, 2023, consistent with the Company's consolidated financial statements (some information is not limited to FY2023 due to integration needs)
- Last issue date: June 2023
- Date of current issue: June 2024
- Next expected issue date: June 2025

## Report Basis

Issuer	Compliance Guidelines
The Global Reporting Initiative, GRI	GRI Universal Standards 2021
Taiwan Stock Exchange	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
United Nations	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Sustainability Accounting Standards Board, SASB	Sustainable Development Goals, SDGs
Task Force on Climate-Related Financial Disclosures, TCFD	The United Nations Global Compact, UNGC
	SASB Sector Disclosure Standards
	Recommendations of the Task Force on Climate-Related Financial Disclosures

## Sustainability Report Preparation Process

### 1 Preparation of the Report

- The information and data contained in the Report were collected, compiled and prepared by the ESG Office and the report editorial team members jointly.

### 2 Review and Compilation of the Contents

- The Report will be submitted to department heads for review to ensure that the Report is accurate and covers all material topics. The ESG Office integrates and compiles the data provided by the editorial team members to complete the first draft of the Sustainability Report.
- The initial draft is submitted to the editorial team for re-consideration, and then subject to approval per resolution of the Board of Directors.

### 3 External Verification

- Deloitte Taiwan is commissioned to provide limited assurance for the Report in accordance with TWSAE 3000 to confirm that the Report meets the principles disclosed under the GRI Universal Standards 2021. Please refer to the [Appendix 5.1](#) for the independent auditors' limited assurance report.

### 4 Finalize Report

- The Report is finalized after the assurance is completed, and disclosed in the Sustainable Development Section of the Company's website and Market Observation Post System of TWSE.

## Report Scope

The Report covers the corporate sustainability practices and achievements of the Company, its four sub-group companies (WPI Group, SAC Group, AIT Group, and YOSUN Group) and Global Business Group from Taiwan to Hong Kong, China, South Korea, Southeast Asia, North America, and Europe. Except for financial data, the rest contents exclude Trigold Holdings (stock code: 3709). The headquarters referred to in the Report means the Nangang Headquarters Building, and the operating locations refer to Company offices and its own logistics warehouses. Unless otherwise specified, the financial data referred to herein are reported in New Taiwan Dollar.

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:

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

## Information Quality

Data Category	Content	Assurance/Confirmation/Certification/Verification
Sustainability Information	Limited assurance under TWSAE 3000 on "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"	Deloitte Taiwan
Financial Data	Annual Financial Report	PwC Taiwan
Quality Management	ISO 9001 Quality Management System	Logistics warehouses certified by local third-party certification companies (e.g. SGS)
Environmental Information	ISO 14064 Greenhouse Gas Verification Statement ISO14001 Environmental Management System	BSI Taiwan Logistics warehouses certified by local third-party certification companies (e.g. SGS)

### Contact Information

If you have any comments or suggestions on this report or on the corporate sustainability planning and practices of WPG Holdings, please contact:

### ESG Office of WPG Holdings

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- 11568 22F, No. 189, Jingmao 2nd Rd., Nangang Dist., Taipei City, Taiwan (R.O.C.)
- Sustainable Development Section: [www.wpgholdings.com/esg\\_area](http://www.wpgholdings.com/esg_area)
- Email: [wpgh\\_csr@wpgholdings.com](mailto:wpgh_csr@wpgholdings.com)



More about Sustainability

# Letter from the Chairman

**Led by the purpose for “Creating Partner Value for a Better Future,” WPG Holdings will continue to work with the stakeholders including customers, suppliers, employees, banks, and investors, in order to pursue the sustainable development goals for “Grow Together, Strive Together and Win Together.”**



WPG Holdings Limited  
**Chairman**  
**Simon Huang**

For those who care about the sustainable development of WPG Holdings:

Last year, i.e. 2023, has been highlighted by the World Meteorological Organization as the hottest year in history. In order to accelerate the net zero pathways, a consensus was reached internationally. Laws, regulations and policies related to carbon reduction were launched successively. At the same time when environmental issues expanded the influence on business management, we were also facing the changes in the market, including the sluggish global economy and weakening end market. When dealing with the challenge, all of WPG Holdings staff and our supply chain partners worked with each other cautiously and diligently, and finally delivered the remarkable performance by boosting the Group's market value and hit a record high.

## With sound corporate governance as the cornerstone, continue to internalize the people-oriented spirit and co-create partner value

Among the ESG aspects, we believe corporate governance has always been the cornerstone. Although the Group has been listed on TWSE for many years and won the trust of shareholders, we still follow the requirements under national laws and regulations, and continue to update the corporate governance structure and operating mechanism in line with the environmental changes, in order to ensure that our operations are based on an effective governance structure to protect the rights and interests of shareholders and key stakeholders. Meanwhile, in the digital age, we continue to strengthen the digital security measures to mitigate operational risks. We have obtained the ISO 27017 cloud-based service information security management certification. In the era of data and AI, we put the information security first and also practice the management philosophy upholding a good governance as the first priority.

Further, employees are our most important business partners. In the context of the corporate culture of accountability, we create high value for the Company and our shareholders. Therefore, we attach great importance to the talent training and professional growth. In addition to adequate training plans, we have also improved the self-made courses on the online platform in the past year, invited senior executives to serve as internal trainers, and recorded a series of courses for the knowledge transfer, in order to improve the learning speed and experience of all colleagues.

## Sustainability is an important corporate goal, from promise to practice

Sustainability is one of our most important core. With our continuous efforts, we have been ranked in the top 5% in the corporate governance evaluation and awarded Grade A in the MSCI evaluation. Meanwhile, we were still included into the TWSE Corporate Governance 100 ETF as the constituent stocks. All of these are considered as the outstanding achievements we have generated upon implementation of corporate governance and pursuit of sustainable development.

Last year, the Taiwan Carbon Solution Exchange was established, marked as a milestone for Taiwan's official entry into the era of carbon trading, and followed by the market-driven corporate transformation to Net Zero. The launch of various climate regulations and sustainability disclosure guidelines signifies the corporate investment in sustainability transforming from voluntary compliance to mandatory regulations. Before the laws and regulations were implemented, WPG Holdings always aims at sustainability and has already committed to the Group's net zero emission goal by 2050 since 2021. Besides, we continued to expand the scope of Greenhouse Gas inventory against our business locations and self-owned warehouse and also verification under ISO 14064:2018 in the past year, WPG Holdings assessed the low-carbon transformation roadmap, and set annual target for the renewable energy utilization rate.

## Our sustainable future leading the corporate on the road to pursue happiness in workplace

Looking forward to the future, we are still facing the challenges from geopolitical risk and specific issues related to Taiwan. We will attach more importance to the business continuity management (BCM) work, accelerate global deployment and investment, and make good use of and integrate various resources to build operational resilience and strengthen long-term competitiveness. By responding to changes with agility, we aim to move forward on the path to sustained success and happiness. Led by the purpose for “Creating Partner Value for a Better Future,” WPG Holdings will continue to work with the stakeholders including customers, suppliers, employees, banks, and investors, in order to pursue the sustainable development goals for “Grow Together, Strive Together and Win Together.”



## Letter from the CEO

The highly competitive environment between the two major economies, China and the U.S.A. Affected by inflation, geopolitical risk and war, the global economic recovery momentum appears to be weak. With the bottoming out in 2023, the restructuring of the global supply chain and value chain has become inevitable. As the midstream supplier in the semiconductor industry chain, WPG Holdings worked hard to figure out how to maintain the flexibility and resilience of the supply chain in a constantly changing environment, in order to serve the global upstream and downstream partners.

In 2023, WPG Holdings has been established for 18th year. Under the corporate vision of "The First Choice of Industry • The Benchmark of Distribution," WPG Holdings confirmed that it should pursue "Creating Partner Value for a Better Future" as its purpose.

On the journey to pursue the happiness, we focus on several key questions: how to continuously create value, how to have our value recognized by industry partners, how to have our value acknowledged by the capital markets, and how to fulfill the interests of our stakeholders. This are crucial issue that the management team of WPG Holdings actively explored under this mission.

For the past decades, WPG Holdings has been working on the electronic components distribution industry cautiously and diligently. Accumulated valuable resources in human capital, financial capital, smart capital, social capital, and the industry experience exclusive for WPG Holdings. We deeply realize that the "resourcefulness" is a key behavior for the corporate sustainable development. Therefore, we identify "resourcefulness to pursue better operation" as the strategic focus of the management team. In the various Red Ocean markets, through the planning, deployment and execution of the Blue Ocean strategy, WPG Holdings expects to keep remaining competitive in different games and tracks and pursue the outstanding performance in terms of the three major sustainable development indicators: Environmental Protection (E), Social Responsibility (S) and Corporate Governance (G).

Continuing the six major strategic policies in 2021, namely "Globalization, Greatness, Empowerment, Effectiveness, Succession, Happiness," Electronic components distribution industry (IED) focuses on the three aspects, including global services, optimization of operations and optimization of business.

- Global services - facing the world: In response to the general trend of the global supply chain and migration of customers in Asia Pacific region, the on-demand deployment claiming "wherever customers go, services are provided" is identified as the core. Under the premise of BCM, we build the cross-regional service network and platform proactively, hoping to provide various solutions to meet the key needs of upstream and downstream industry partners.
- Optimization of operations - Facing situation: The optimization of operations mainly aims to look inward to check the operational process at the front office and back office to improve the performance as the core, and check and review various professional functions to keep optimization. Meanwhile, different functional professions are inventoried and reviewed for continuous optimization. For the Everything as a Service (XaaS), we will continue to confirm feasible service business models.
- Optimization of business - facing the upstream and downstream partners of the industry: In response to the changes in various operating expenses caused by the global overall economy and the rapid changes in this industry, WPG Holdings based the policy oriented toward return on operating assets and operating results. Front-office business teams make good decisions to work on the portfolio of products after thorough consideration. For the holding level, we aim at the high-margin business areas and develop projects, in order to increase the involvement in different business fields as an independent business entity and facilitate the improvement of profit sought by WPG Holdings substantially.

**On the journey to pursue the happiness, we focus on several key questions: how to continuously create value, how to have our value recognized by industry partners, how to have our value acknowledged by the capital markets, and how to fulfill the interests of our stakeholders.**

**This are crucial issue that the management team of WPG Holdings actively explored under this mission.**



WPG Holdings Limited  
CEO  
Mike Chang

# Letter from the Chairman of the ESG and Sustainable Development Committee

Recalling three years ago, in order to continue to strengthen our ESG practices and performance, the Group decided to transfer me from Vice Chairman to the Chief Sustainability Officer. Since I took office, I have integrated the environmental protection, corporate governance and social responsibility into the management through operation of the mechanism. Meanwhile, I also led the Group to deepen our investment in the Sustainability Value Propositions "Sustainable Heritage • Selfless Sharing • Common Good," hoping to keep bringing in new energy into the Group's sustainable development and competitiveness.

## Deepen the Sustainability Value Propositions through Practical Actions

We have always attached great importance to the development of human capital. We are clearly aware that attracting and motivating talents and urging member to develop appropriately, as well as talent assessment & selection and experience transfer, are critical to the sustainability and maintenance of core competitiveness. Therefore, we cultivate internal trainers. Share management experience and internal best practice principles tempered by retained systematically through the video library. In order to strengthen the establishment of the Group's employer brand image and mechanism, WPG China (SZ) Inc., the subsidiary in China, participated in and won the "Best Employer Performance Incentive Award" in 2023, which represents

WPG Holdings' commitment to promoting the concept of sustainable workplace is highly recognized by colleagues and world.

Meanwhile, WPG Holdings always upholds the concept about Strive and Win Together. In consideration of the impact posed by climate change on traditional industries, such as agriculture, fishery, and animal husbandry, we have initiated the ESG Technology Innovation Promotion Alliance to call on upstream and downstream partners to join us. We have finished the 2nd IMV Competition, continued to provide resources and services per needs. Hoping the teamwork with the locals for common good and help society and achieve the environmental sustainability goal. We also participate in industry-academia collaboration projects and industry associations/unions to maximize the effect of altruism and exert greater social influence.

As a key member in the global semiconductor supply chain, WPG Holdings values and also practices the sustainable development. By publishing the sustainability report every year, WPG Holdings shares its sustainable development process and results with stakeholders from all walks of life who care about us. Looking forward to the future. We will continue to work with industry partners on the premise of mutual benefit and integration between the company, colleagues and all stakeholders to jointly create a win-win industrial ecosystem.

We will continue to work with industry partners on the premise of mutual benefit and integration between the company, colleagues and all stakeholders to jointly create a win-win industrial ecosystem.



WPG Holdings Limited

**Chairman of ESG  
and Sustainable  
Development Committee**  
**K.D. Tseng**

## ● Sustainability Value Propositions

Sustainable Heritage • Selfless Sharing • Common Good

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

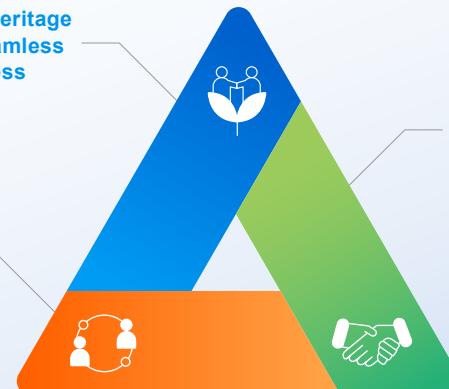
- Passing on experience

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

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

Altruism and selfless sharing

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



# 2023 Sustainability Performance Highlights

## Environment

**100%**

The scope of GHG inventory reached 100% in offices and owned warehouses

**ISO 14001**

Dongguan Warehouse passed the ISO 14001:2015 environmental management certification

**90 Partners**

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

↑ 40%

A total of 137 Cleantech-related solutions developed and updated in 2023 account for about 67% of the total number of solutions developed in the year, with the operating revenue growth by 40% from last year

**Gold Certification**

WPG Holdings' Headquarters was awarded the Gold Certification for the indoor air quality in public areas at the office premises to warrant the workplace protecting employees' health and a friendly environment in 2023

**100%**

The proportion of procurement amount of local general suppliers is 100%

## Social

**92.4%**

Launched Employee Stock Ownership Trust with a coverage rate of 92.4%, increasing by 2.4% from last year

**20.12 Hours**

Invested NT\$21,173,906 in education and training, with a total of 96,921 hours of training and 20.12 hours of training per capita

**13 Years**

Sponsored "Supply Chain Management Industry-academia cooperation program" at the College of Commerce, National Chengchi University for 13 consecutive years, and systematically organized the know-how in the supply chain management and cultivated supply chain management talents

**98.7%**

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 98.7%

**Best Employer Performance Incentive Award**

Honored the "Best Employer Performance Incentive Award" of the 10th Shenzhen Growth Enterprises Awards

## Governance

**5 ETF**

Selected as 5 ESG ETF constituent stocks

**Top 5%**

Ranked top 5% of all listed companies in the 2023 (10th Round) Corporate Governance Evaluation Indicators

**Top 10%**

Top 10% of electronics companies with market capitalization over NT\$10 billion in the 2023 (10th Round) Corporate Governance Evaluation Indicators

**ISO 27017**

Passed the ISO 27017 cloud-based service information security management certification

**Level A**

Obtained the Level A certification of Taiwan Intellectual Property Management System (TIPS)

**550M RMB**

The cumulative inbound marketing value reached RMB 550 million for social engagement

**160 Videos**

Internal experience transfer series - business leadership, workplace skills, business processes, etc., produced and spearheaded by the Chief Sustainability Officer. 160 videos are now available and open to external subscriptions

# Explore and Construct New Business Models via LaaS and BPaaS

## Taiwan Logistics Center of WPG Holdings

In order to promote the smart and sustainable development of the global supply chain services, Taiwan Logistics Center of WPG Holdings, which combines the three major concepts, "Global Service, Smart Technology, Green Sustainability," Officially inaugurated at the end of 2023. Linkou Smart Warehousing Center, which occupies an area of 20,000 square meters in total, is planned as a logistics center with bonded and transshipment functions in an area of 3,000 square meters. In the future, WPG Holdings will provide a co-creation and prosperity subscription-based warehousing and OEM service platform for the industry partners, such as upstream chip vendors, downstream system vendors and channel vendors.



For more information, please visit [\[Link\]](#)

## LaaS to BPaaS

Since 2015, WPG Holdings has been promoting digital transformation and transformed into a technology supply chain service company step by step. First of all, it set up smart warehousing OEM service centers around the world, based on "LaaS: Logistics as a Service smart warehousing OEM" as the core. Then, WPG Holdings further integrated the concept about green sustainability and included smart warehousing OEM services as an important part of the ESG (environment, society and governance) strategy. Now, the official opening of Taiwan Logistics Center indicates that WPG Holdings will further develop the "Business Process as a Service" (BPaaS) model and create new value for the global semiconductor eco-chain.

In the future, WPG Holdings will continue to provide shared subscription-based warehousing and OEM services so that chip manufacturers, customers and other distributors can make full use of the smart warehousing facilities constructed under the investment by the Company. Meanwhile, WPG Holdings also plans to combine the bonded, transshipment, and distribution functions of Taoyuan Free Trade Zone to further improve the efficiency and safety of the warehousing and logistics services, so that supply chain partners can focus more on their own business and co-create greater value.

Based on the management philosophy of WPG Holdings, it emphasizes on "business digitization, platform-based business, and business-oriented data," which serves as the basis for the promotion of "Business Process as a Service" (BPaaS). By digitizing business processes, WPG Holdings is able to combine the micro-service information system with flexible combination capabilities to achieve the goals for Strive Together and Win Together.

In conclusion, WPG Holdings integrates warehousing resources around the world and uses the data of the smart warehousing system to provide subscription-based warehousing services. Allowing customers to flexibly choose warehousing services per their needs, so as to accelerate the product launch and achieve the goal for green sustainable development.



## BPaaS Development Goals

### Future Planning

In the future planning, WPG Holdings will continue to emphasize the advantages residing in expandability and high flexibility of BPaaS microservices to satisfy the rapidly changing needs from customers and IDM/Fabless. Meanwhile, the Company will also strive to reduce the needs for customization internally to improve overall operating efficiency and continue to promote the SDGs.



### Service Philosophy

#### Save the system from the heavy burden

No longer customize special functions per individual customer request, but simply deconstruct the complex functions accumulated in the past system history to benefit the future use and help convenient update via the streamlined procedure.

#### Microservices are expandable and highly flexible

Microservices mean that various functions in the system are divided into small pieces, which may be added or altered easily and used flexibly. They can be adjusted at any time per any different needs from users.

#### Provide users' custom self-service

It provides users with self-service functions that they can set by themselves, so that users can adjust and set the service functions and contents per their needs and preferences.

#### Rapid composition of a personalized process per the user's needs

Able to combine various functions rapidly per the users' needs to form an exclusive process in line with personal needs.

# 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:

Material Topics	ESG Objectives	Implementation Results	Achieve Situation	2023	2024	SDGs
				ESG Objectives	Medium/Long-Term Objectives	
Operating and Financial Performance	Improve net profit after tax and control operating expenses	Operating income of NT\$10.395 billion, net income after tax of NT\$8.109 billion, and basic earnings per share of NT\$4.59	Continue to optimize the operational quality of various functions to improve the profit margin rate	<ul style="list-style-type: none"> <li>Improve net profit after tax and control operating expenses</li> <li>Strengthen operating asset management to ensure asset quality and liquidity and improve information transparency; announce financial reports within 2 months after the end of the fiscal year</li> <li>Continued to hold shareholders' meetings earlier at the end of May</li> <li>MSCI ESG rating remaining A</li> </ul>	<ul style="list-style-type: none"> <li>Expand the investment scope of the holding company, establish the industrial holding ecosystem</li> <li>Continue improving the information transparency, tax policy and risk management</li> <li>Continued to hold shareholders' meetings earlier at the end of May</li> <li>International Sustainability Ratings Continue to Rise</li> <li>Global Layout, Local Service (Glocalization)</li> <li>Through Platform Empowerment to improve effectiveness</li> </ul>	
	Strengthened accounts receivable and collateral management to ensure the quality and liquidity of assets	Key performance indicators (KPIs) include return on working capital (ROWC), 7%, and return on equity (ROE), 9.85%	Continue to manage operational performance through KPIs (ROWC, ROE)			
	Enhance information transparency and published financial reports within 2 months after end of fiscal year	Annual financial report announced earlier than end of February	Already achieved			
	Continued to hold shareholders' meetings earlier at the end of May	Shareholders' meeting brought forward to end of May	Already achieved			
	MSCI ESG rating upgraded to A	MSCI ESG rating upgraded to A	Already achieved			
Corporate Governance	Ranked in top 5% of all TWSE-listed companies in 10th Corporate Governance Evaluation	Ranked top 5% among TWSE-listed companies of the 10th Corporate Governance Evaluation, positioned top 10% among the category of electronics industry with a market value of more than NT\$ 10 billion	Already achieved	<ul style="list-style-type: none"> <li>Ranked in top 5% of all TWSE-listed companies in 11th Corporate Governance Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>To strengthen the Ethics Committee management mechanism for ethical management</li> <li>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</li> <li>To go on with promoting relevant education and training to enhance employees' awareness of compliance with laws and regulations</li> </ul>	

Material Topics	2023			2024		SDGs
	ESG Objectives	Implementation Results	Achieve Situation	ESG Objectives	Medium/Long-Term Objectives	
Information Security and Data Privacy	Obtain ISO27001 Information Security Management System Certification	Pass ISO 27001 and continuously maintain system certification	Already achieved	<ul style="list-style-type: none"> <li>In response to the 2022 update on 27001, the 27001 revision was carried out</li> <li>Continued NIST CSF 2.0 maturity assessment in Q4</li> <li>Based on the risk identification and evaluation results, build a cross-border backup server room</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement the management spirit of P-D-C-A (Plan-Do-Check-Action) and enrich the information security management and technology</li> <li>Depending on the NIST CSF assessment results, assess the supply chain management enhanced mechanism development plan</li> </ul>	
	Introduction of ISO 27017 cloud-based service Information security management, expected to be certified in July 2023	Received ISO 27017 certification	Already achieved			
	Conducted NIST CSF Cybersecurity Framework Maturity Assessment, with certification expected in July 2024	Project execution was postponed due to the upcoming release of NIST CSF version 2.0.	The Plan is extended until 2024 Q4.			
Product Distributorship and Customer Satisfaction	Continuously updated the market information sharing platform and expand the scope and range of customers	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	Already achieved	<ul style="list-style-type: none"> <li>Continuously updated the market information sharing platform and expand the scope and range of customers</li> <li>Increased product line franchises combination</li> </ul>	<ul style="list-style-type: none"> <li>Continued to increase product line agency and distribution portfolio</li> <li>Continuously responded to environmental sustainability questionnaires, participated in online and offline vendor conferences, and optimized services</li> </ul>	
	Increased product line franchises combination	Increased total 41 new franchised product lines, including 17 new China-based ones to provide customers with a wide variety of component choices	Already achieved			
Risk Control and Management	Develop and conduct annual Business Continuity Management (BCM) exercises	Already establish the annual Business Continuity Management (BCM) mechanism and conduct exercises per planning	Already achieved	<ul style="list-style-type: none"> <li>Develop and conduct annual Business Continuity Management (BCM) exercises</li> <li>Establish risk management internal audit management mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the risk of disruption in operations, information and office operations</li> <li>Continuously promote risk management education and training to strengthen employees' risk awareness and enhance risk management culture</li> </ul>	 

Material Topics	2023			2024			SDGs
	ESG Objectives	Implementation Results	Achieve Situation	ESG Objectives	Medium/Long-Term Objectives		
<b>Talent Attraction and Retention</b> 	Enhance employees' identification with the organization and their passion for work, and establish a corporate culture based on T.I.P.E.	Re-formulate the purpose per the organizational development, and combine the TIPE core functions with the accountability tools, so that the shared values can be concretely promoted and measured	Already achieved the milestones, and continued to promote the corporate shared values	<ul style="list-style-type: none"> <li>Enhance employees' identification and establish a shared values core value-based corporate culture</li> <li>Improve employees' sense of accomplishment and happiness at work</li> <li>Cultivate key management teams and establish the handover mechanism for the purpose of succession</li> <li>Strengthen the operation of HR platform so that managers of all levels can use the platform and data for talent development and management</li> <li>In response to the global deployment, the overseas internship scholarship program is researched and prepared to develop multi-national and diverse talents incubation</li> </ul>	<ul style="list-style-type: none"> <li>In 2026, the positive indicators of the employees' engagement survey will exceed 70%</li> <li>In 2026, the employees' digital application ability will be strengthened, and a talent training and evaluation mechanism will be established to achieve seamless handover</li> <li>Work and benefit flexibility by more than 50% by 2026</li> <li>Establish the global talent management and development mechanism</li> <li>The clarity of key goals and results among team members exceeds 50%</li> </ul>	 5 GENDER EQUALITY	
	Build a digitally empowered HRM management platform	Automated processes were implemented for administrative operations in Greater China. 21 HR partners completed the RPA training and applied the results to their work	Already achieved				
	Continuing to promote the E-learning platform	Improve the self-production rate of courses on the online learning platform; more than 160 online courses have been completed, and the employees' total learning hours grew by 11%	Already achieved				
	Continuously perfecting and implementing performance management mechanism	Enhance training and practical sharing in performance management	Already achieved				
	Develop diversified internship programs to promote industry-academe cooperation	Expand the industry-academia cooperation year by year, and add more than 3 schools to provide complete internship training and priority transfer mechanism	Already achieved				
<b>IP Asset Management and Protection</b> 	Apply for TIPS Level A verification (to protect rights and avoid infringement)	Obtaining the Taiwan Intellectual Property Management System (TIPS) A-level certification	Already achieved	<ul style="list-style-type: none"> <li>Pass the TIPS Level A random check (to protect rights and avoid infringement)</li> </ul>	<ul style="list-style-type: none"> <li>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)</li> </ul>	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
<b>Technological Empowerment and Digital Transformation</b> 	Expanded to new battleground through order placement system interface with Chinese customers	Customers in China completed the connection of 13 B2B systems with 17 functions	Already achieved	<ul style="list-style-type: none"> <li>Develop automated UDL order maintenance and expand the digital ratio to 55%</li> </ul>	<ul style="list-style-type: none"> <li>Continue to convert the DADAWANT platform to BPaaS to co-create an industrial ecosystem and improve overall performance</li> </ul>	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	Develop new strategic landscape for WPGDADABANG 2.0	243 new customers were added throughout the year, and 69 new 2.0 accounts were opened	Already achieved				

## Material Topics

## ESG Objectives

## Implementation Results

## Achieve Situation

## ESG Objectives

## Medium/Long-Term Objectives

## SDGs

## Smart Logistics and Smart Warehousing



Completion of smart warehousing optimization and renovation project in Linkou, Taiwan

Reconstruct and construct intelligent warehousing, including factory decoration projects and intelligent equipment construction projects; already obtain the certificate of registration from the logistics center of Taipei Customs, Customs Administration, Ministry of Finance and establish Linkou International Logistics Center

Already achieved

- Look for partners in the industry in response to the customer distribution trend to realize the goal for "wherever customers go, services are provided."

- Plan future business and expand warehousing services

- Power BI integration and optimization

- Man-machine synergy to improve warehouse operation efficiency

- Maintenance of certification; energy consumption reduced by 2%

- Optimize inventory location and shorten operation time

- 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 ISO14001 and ISO14064 certification

Hong Kong and Dongguan warehouses optimized to enhance production capacity and meet front-end customer needs

Optimization of operating procedures, including visualization of the inspection on goods, Production Value Bonus 2.0, increase in Direct production capacity, joint operation of customer service personnel in Hong Kong and Dongguan

Already achieved

Digitalized platform services, effective management, information digitization and transparency

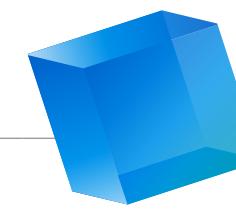
Digital analysis and data decision-making, including the use of Power BI-assisted operations, in-factory order tracking, off-factory in-transit tracking; and the use of Power Apps for daily operations, such as B2B2P project platform, warehouse consumables management, warehouse equipment inspection and GC education and training platform

Already achieved

Promote complex transportation mode to shorten supply chain

Complete the stock in of 5 brands to Dongguan Warehouse directly to save about 2,000 boards of transit warehouse space each year, and promote and make good use of the "Dongguan - Hong Kong International Airport Center" to shorten the delivery distance

Already achieved



**Gold Award**

Taiwan Corporate Sustainability Awards (TCSA)  
Sustainability Report Gold Award

**Top 100**

Taiwan Corporate Sustainability Awards (TCSA)  
Taiwan Top 100 Sustainable Companies

**Grade A**

MSCI ESG Ratings

**Top 5%**

Corporate Governance Evaluation  
TWSE-listed companies

**No.1**

Recognition by the Media in 2023  
The CommonWealth Magazine of top 2000 survey

**No.1**

Recognition by the Media in 2023  
The CommonWealth Magazine of top 2000 survey

**2023 Awards and Achievements****No.285**

2023 Brand Finance  
Brand Finance China 500

**Most Influential Industrial Support and Tools Award**

EEPW Influence on China's Electronic Industry for 30 Years  
Electronic Information Industry

**Outstanding International Branded Distributor**

ESMC Electronics Supply and Manufacturing China

**Best Partner's Recognition**

TONGFANG HONGKONG LIMITED

**Best Partner's Recognition**

2023 "Xin Xiang Yi Zhuang" Automotive Chip Competition  
Automotive Chip Industry Conference 2023



# LEADERSHIP

## The First Choice of Industry The Benchmark of Distribution



- 8 Decent Work and Economic Growth
- 9 Industry, Innovation, and Infrastructure
- 16 Peace, Justice, and Strong Institutions
- 17 Partnerships for the Goals

- 1.1 About WPG Holdings
- 1.2 Sustainability Management of WPG Holdings
- 1.3 Distribution Integration and Innovation

"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.

**5 ETF**Selected as 5 ESG  
ETF constituent stocks**100%**Supplier Code of Conduct  
and 100% recovery  
rate of Supplier Code of  
Conduct Self-Evaluation  
Form in Greater China**23  
Years**Consecutively awarded  
"Outstanding International  
Branded Distributor Award"**>98%**The average proportion  
of raw materials coming  
from qualified smelters for  
four consecutive years**100%**The proportion of  
procurement amount  
of local general  
suppliers



## Stakeholders Recommended for Priority Reading

- Customers
- Upstream suppliers (IDM/ Fabless/IC design)
- Employees
- Banks
- Shareholders/Investors
- Government Institution



## Material Topics

- Corporate Governance
- Operational Performance 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



Signed the sustainability-linked loan contracts with multiple banks to link loan interest rate conditions with sustainable development performance indicators; in addition to the environmental aspect, the social and corporate governance indicators also included into the loan indicators in a balanced manner.



Continue to serve the supply chain management and cross-regional supply chain needs of branded customers through WPG Holdings Global Business Service Unit, and 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.

## 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, "WPGDADAWANT", 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

**4,817**  
Employees

**>250**  
Worldwide Suppliers

**75**  
Sales Offices Around the World

**NTD 671.89 Billion**  
2023 Revenue (USD 215.5 Billion)

**NTD 187.9 Billion**  
Capital Amount

### About WPG Holdings

WPG Holdings is dedicated to being a leading international electronics distributor in the Asia-Pacific region market\*, headquarters in Taipei, Taiwan (TSE:3702). WPG is operating through four semiconductor components distributors (WPI Group, SAC Group, AIT Group, and YOSUN Group) serves as a franchise partner for about 250 worldwide suppliers. With 4,817 staff in 75 sales offices around the world, WPG achieved US\$215.5 billion in 2023 revenue. 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 23 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-opetition 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". (\*Source: Ranked by Gartner Research Mar., 2024)

### Organizational Structure

WPG Holdings operates in cooperation with WPI Group, SAC Group, AIT Group, and YOSUN Group, and its business is characterized by cross-group, cross-region, and cross-cooperation. The Company structure is established to meet the need for an ever-changing marketplace. In order to achieve the common vision of "The First Choice of Industry • The Benchmark of Distribution," WPG Holdings is dedicated to establishing management mechanisms and oversight for its affiliated groups and companies. By integrating and sharing resources across its platform, We focuses on enhancing back-end management efficiency and front-end coordination, thereby improving overall business performance; for the descriptions about the main departments' functions and operations, please refer to [2023 annual report of WPG Holdings](#).



# WPG Holdings Global Presence





## 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 2023 annual report](#).

## Short-Term Plans ►

## → Long-Term Plans

Self Operations	Innovative business models and expand groups of customer	Implementing knowledge management	Internationalization of capital to reduce operating costs
Products and Services	Develop supply chain and logistics network	Invest in business related to electronic distribution to deepen the service of component distributors	
<p><b>Continue to develop generative AI application-related product lines, enhance portfolio management of sales and gross profit</b></p> <p>Strengthen edge computing of the operating revenue and gross profit of AI and Devices AI product lines in information, communication, consumables, automotive electronics, and industrial electronics businesses.</p>	<p><b>Expand authorized distribution regions of the product line</b></p> <p>Expand authorized distribution region to Hong Kong, China, South Korea, Southeast Asia, North America and Europe.</p>	<p><b>Improve financial structure and organizational structure</b></p> <p>Increase the operating revenue from products deriving high gross profit and application of financial leverage to reduce operating costs and mitigate operational risks.</p>	<p><b>Expand the base for distribution channels</b></p> <p>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.</p>
<p><b>Expansion of marketing bases</b></p> <p>Establish a global semiconductor component distribution network through M&amp;A, investment and formation of alliances with local component suppliers.</p>	<p><b>Develop distribution and increase sales of new product lines to expand market share</b></p> <p>Proactively develop the agency of new product lines, and provide services with respect to the layout of energy-saving, highly integrated, and new IoT self-driving cars.</p>	<p><b>Strengthen FAE and design-in services</b></p> <p>Continue to cooperate with the upstream IDM/Fabless and system design service providers to help solve the needs of customers who lack R&amp;D resources, in order to enter the market.</p>	<p><b>Become an international distributor, expand service areas</b></p> <p>Continue to expand operations in key regions, such as Southeast Asia, Europe and America.</p>

## 1.1.2 Operational Performance

In response to the changes in the geopolitical situation and impact posed by COVID-19 on the supply chain in recent years, the demand from the IDM/Fabless and customers for the value-added services from WPG Holdings, including digitization, smart warehouse and logistics, in the supply chain management has continued to grow. The semi-conductor market was declining in 2023. WPG Holdings continues to expand its investment scope under the industrial holding model and establishes the investment holding ecosystem at the same time, and by primarily focusing on global services and based on digital transformation, it is committed to improving the earnings after tax, controlling operating expenses effectively and strengthening investment management. In 2023, the net income generated by it amounted to NT\$8.109 billion.

### 2021-2023 WPG Holdings Financial Performance

Unit: NT\$ thousands

Year	2021	2022	2023
Operating revenue	778,572,715	775,232,422	671,888,131
Operating cost	-748,871,952	-745,644,021	-646,502,451
Operating gross profit	29,700,763	29,588,401	25,385,680
Operating expense	-15,897,207	-14,888,268	-14,990,972
Income tax expense	-2,527,390	-2,132,898	-2,084,471
Net income after tax	11,496,933	10,512,466	8,109,407
Cash dividend	Common stock	5,876,699	6,464,369
	Preferred stock A	400,000	400,000

Note: For more detailed financial information, please refer to the [Company's financial report](#) or the Investor Zone on the official WPG website.


[Download Financial Report](#)

### Descriptions about Other Expenses

Unit: NT\$ thousands

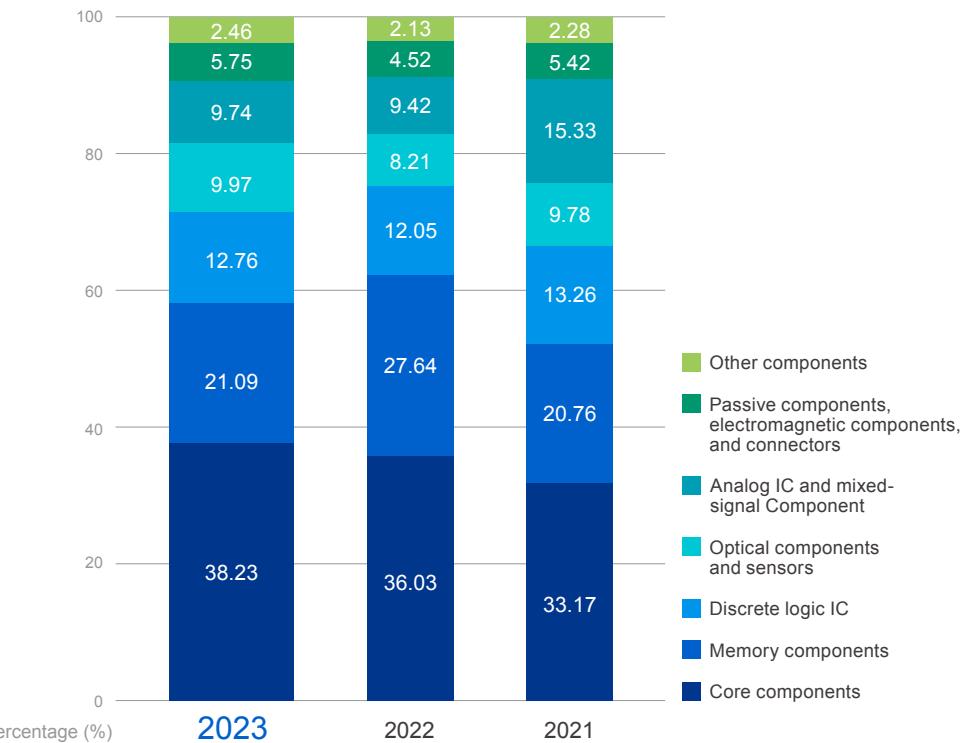
Year	2021	2022	2023
Employee welfare expenses	-10,420,012	-9,169,973	-8,293,555
Direct or indirect political donations	0	0	0

### Sales Region of Main Products (Services)

Unit: NT\$ thousands;%

Region/Year	2022		2023	
	Net Sales	Percentage (%)	Net Sales	Percentage (%)
Taiwan	106,998,393	13.80	98,239,449	14.62
Mainland China	608,698,934	78.52	508,445,730	75.67
Others	59,535,095	7.68	65,202,952	9.71
<b>Total</b>	<b>775,232,422</b>	<b>100.00</b>	<b>671,888,131</b>	<b>100.00</b>

### Major Business Weight



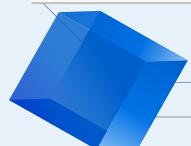
## Sustainability-linked Loan

WPG Holdings has long been concerned with ESG-related topics. In response to the FSC's Corporate Governance 3.0 Sustainable Development Roadmap and the global financial market trend, it has signed the sustainable structured loan contracts for three years starting in 2021 with DBS Bank, Bank of Mitsubishi UFJ, First Commercial Bank and Mega International Commercial Bank to link loan interest rate conditions with sustainable development performance indicators. In addition to the environmental aspect, the social and corporate governance indicators are also included into the loan indicators in a balanced manner. It also focuses on setting of the sustainable development performance indicators that are optimized year by year, and even having independent third-party experts verify the actual achievement, in order to signify its efforts and determination in dealing with ESG issues, practice sustainable development through concrete actions, and continue to combine ESG and the core profession.

## List of ESG ETF Constituent Stocks

WPG Holdings was included into the following list of ESG ETF constituent stocks in 2023:

Stock Code	Abbreviation of Stock Name
00692	Fubon TWSE Corporate Governance 100 ETF
00878	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF
00891	CTBC Taiwan ESG Leading Semiconductor ETF
00923	CAPITAL TIP CUSTOMIZED TAIWAN ESG LOW CARBON 50 EXCHANGE TRADED FUND
00930	SinoPac Taiwan ESG Low Carbon High Dividend ETF



## 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

 <b>Legal Compliance</b> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	 <b>Transparency of Information</b> <ul style="list-style-type: none"> <li>Based on regulatory compliance, relevant tax information is processed and announced or reported in accordance with relevant regulations.</li> </ul>
 <b>Tax Planning</b> <ul style="list-style-type: none"> <li>We use the tax benefits of our operating locations legally.</li> <li>We do not plan our leases for tax avoidance purposes.</li> </ul>	 <b>Tax Integrity</b> <ul style="list-style-type: none"> <li>Based on legal compliance, information transparency and integrity, we maintain good communication and mutual respect with the competent tax authorities of our operating locations.</li> </ul>
	 <b>Risk Management</b> <ul style="list-style-type: none"> <li>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 locations.</li> <li>The Company considers the tax implications in all material decisions.</li> </ul>

### Tax Information

Unit: NT\$ thousands; %

Year	2021	2022	2023
Net profit before tax A	14,175,100	12,710,332	10,282,208
Income tax expense B	2,527,390	2,132,898	2,084,471
Effective tax rate % (B/A)	17.83%	16.78%	20.27%
Income tax paid C	1,497,853	2,224,135	1,704,541
Cash tax rate % (C/A)	10.57%	17.50%	16.58%



## 1.2 Sustainability Management of WPG Holdings

### 1.2.1 Sustainable Development Principles and Goals

#### Corporate Mission

Creating Partner  
Value for a  
Better Future

#### Vision

The First  
Choice of  
Industry; The  
Benchmark of  
Distribution

#### Mission

At WPG Holdings, we  
serve our partners  
with delighted spirits to  
enhance valuable, long-  
lasting partnerships  
through “co-opetition”  
model

#### Shared Values

T.I.P.E.,  
Teamwork, Integrity,  
Professionalism,  
Effectiveness



#### Corporate Governance

Implement a professional governance structure  
based on ethical



#### Environmental Sustainability

Implement carbon reduction management  
and low-carbon innovation to mitigate the  
impact on the environment



#### Sustainable Supply Chain

Proactively cooperate with the  
upstream and downstream supply  
chains to achieve Strive Together and  
Win Together



#### Social Participation

Exercise social influence, care for the  
disadvantaged, and value vocational  
and technical education



#### Sustainable Talent

People-oriented and sustainable  
workplace to build a happy enterprise

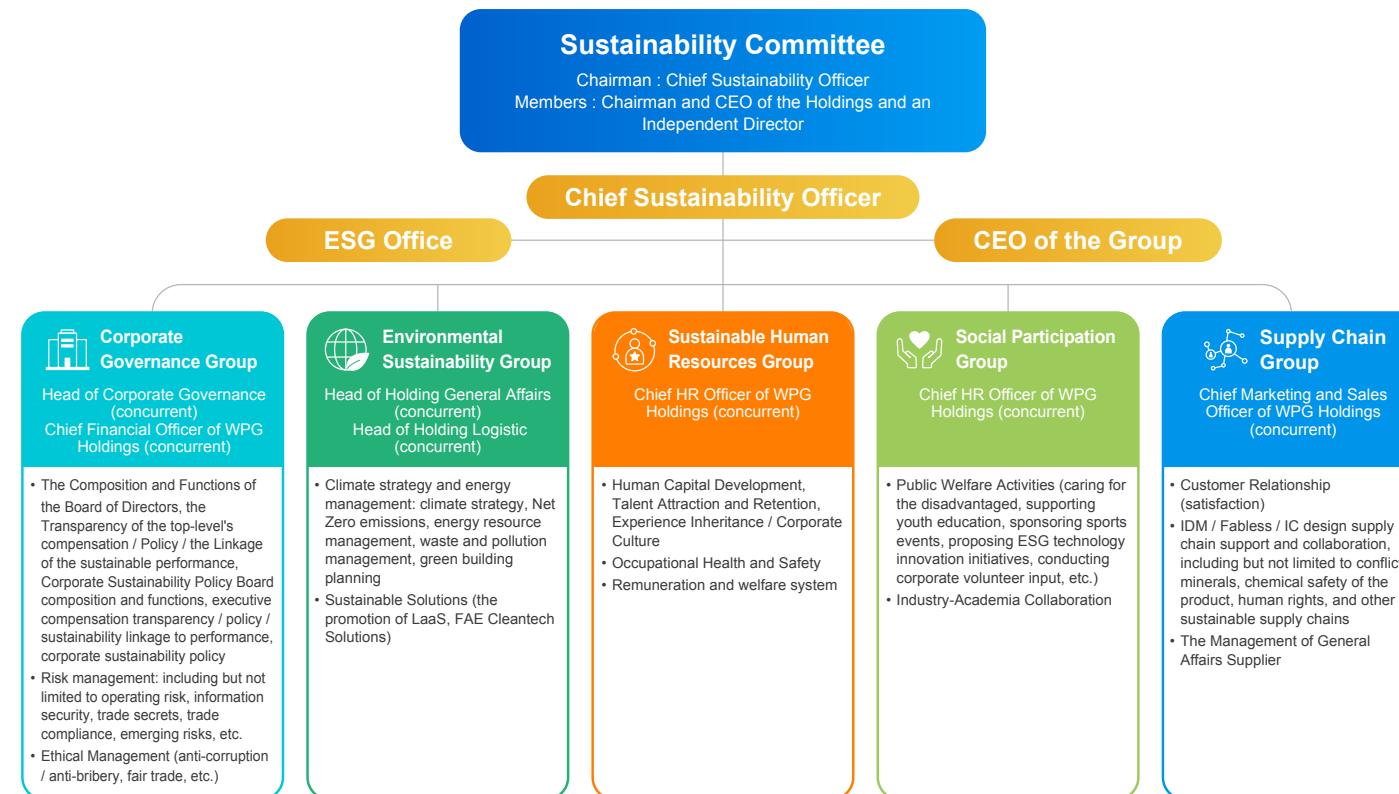
## 1.2.2 Sustainability Governance Structure

### Governance Structure and Reporting Mechanism

The WPG ESG and Sustainable Development Committee (hereinafter referred to as "the Sustainability Committee") is the highest steering body for sustainability operations of WPG Holdings. The Chief Sustainability Officer of the holding company serves as the Committee convener. All of the Committee members consist of directors, including the Chairman of the Board of Directors, the Chief Executive Officer and an independent director, in order to drive the setting of the Group's overall sustainability goals and execution of concrete action plans effectively, and incorporate ESG concepts into business strategies to demonstrate the determination for sustainable operations. Every year (at least once a year), the Committee reports to the Board of Directors on the ESG implementation plan and promotion results.

### Sustainability Committee Functional Groups

There are five functional groups under the ESG Committee, namely the "Corporate Governance Group", "Environmental Sustainability Group", "Sustainable Talent Group", "Social Welfare 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 integrating them into daily operations effectively. 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 ESG Committee was convened four times in 2023, with a 100% attendance 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. In 2023, it submitted four times to the Board of Directors, including: (1) progress reports on key ESG projects (including Material Topics); (2) progress reports on the WPG's greenhouse gas inventory planning and progress; (3) domestic and foreign sustainable development trend and policy; (4) establishment of annual objectives. The responsible unit is responsible for proposing amendments to sustainability-related policies.

**100%**  
**ESG Committee Meeting Attendance Rate**

Title	Name	Frequency of Attendance
Chief Sustainability Officer (Convener)	K.D. Tseng	4
Chairman (Member)	Simon Huang	4
Director (Member)	Mike Chang	4
Independent Director (Member)	Kathy Yang	4

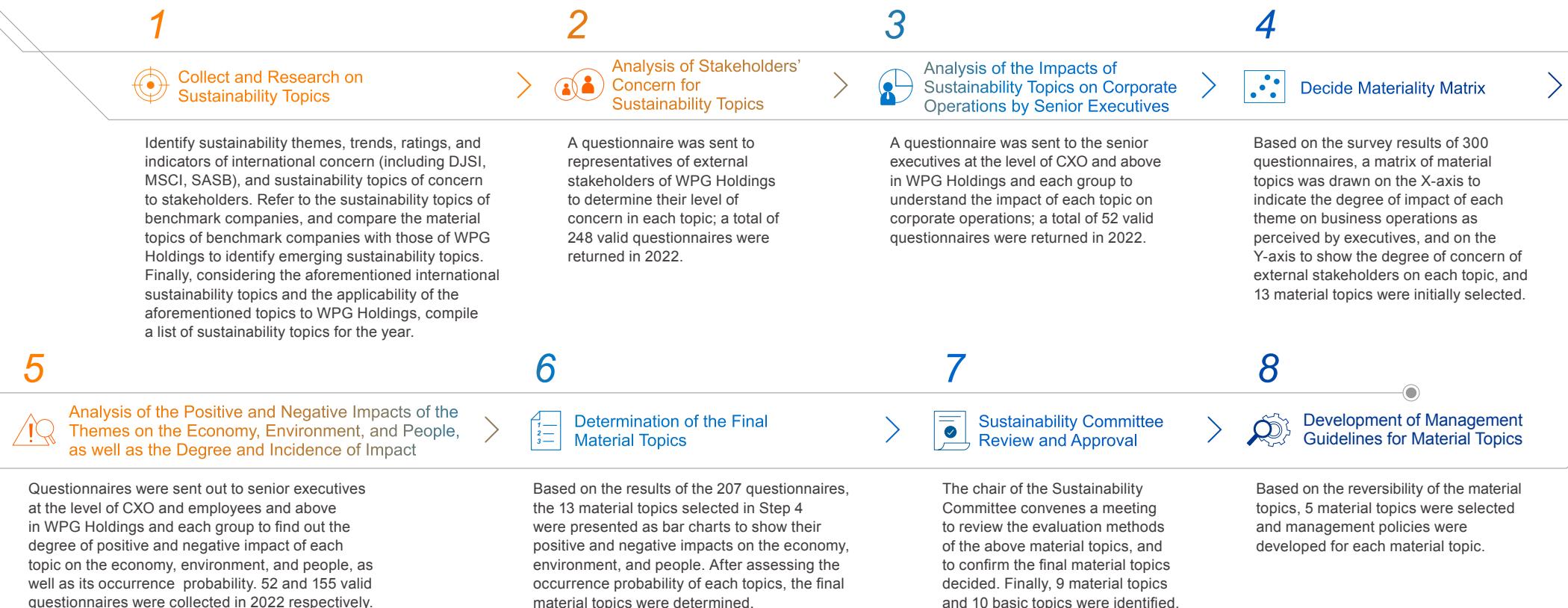
## 1.2.3 Analysis of Material Topics

To ensure that the disclosed information meets the stakeholders' expectations, WPG Holdings adopted a systematic analysis every two years to identify material sustainability topics. Meanwhile, considering that the industry overview, the business type and the organizational structure of WPG Holdings remained unchanged and no changes were significant to affect the identification on material topics in 2023, the stakeholders and material topics for 2022 still applied. The list of sustainability issues was generated by taking into account the results of past issue analysis, themes under the GRI Universal Standards 2021,

international trends, and industry characteristics. The Sustainability Committee invited the senior executives at the level of CXO and above in WPG Holdings and each group to assess the operational impacts and significant risks. Based on the "degree and occurrence probability of actual and potential impacts on the environment, economy, and people (including human rights)," the "level of stakeholders' concerns about the topics," and the "level of importance of topics to WPG Holdings' operations," stakeholders' opinions were collected and integrated to complete the matrix of material topics for the year.

### Analysis Methods and Steps for Material Topics

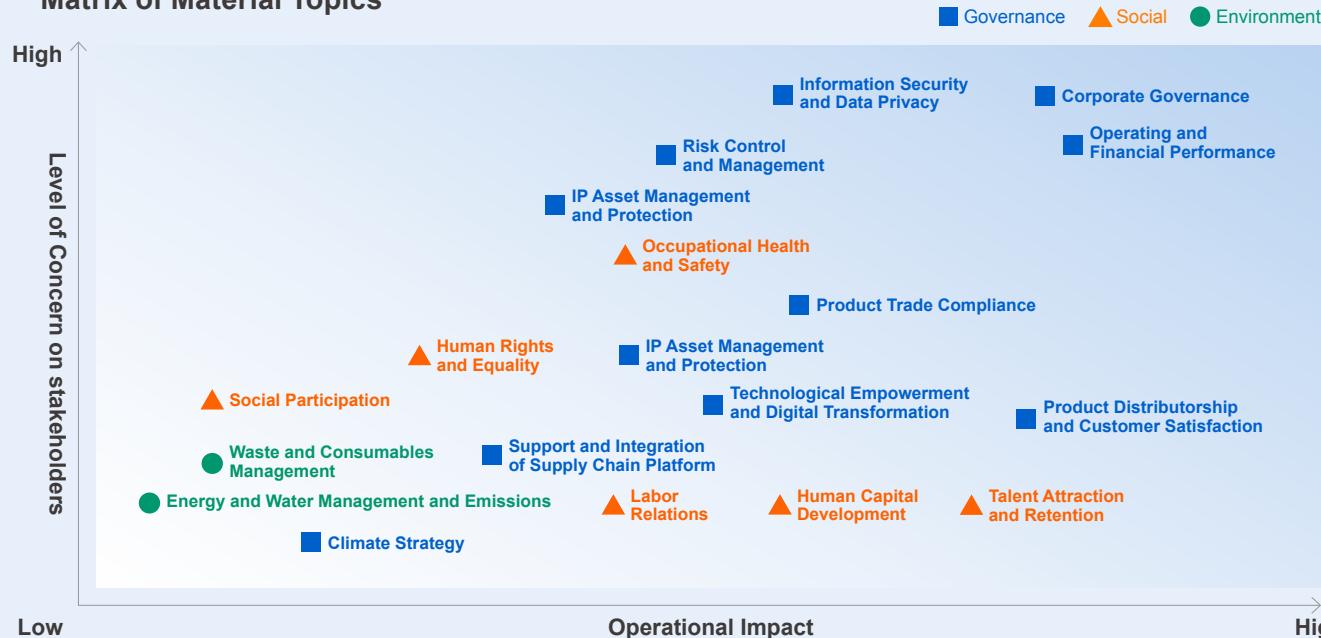
In order to accurately identify the impact of each issue on operations and to reflect the concerns and expectations of stakeholders, the methods and steps for identifying material topics adopted are as follows:



## 2023 Material Topics and Basic Topics

According to the above analysis, the matrix of material topics and a bar chart of operational impacts generated in 2022 was still applied in 2023 to illustrate the material topics, which serves as the basis for this report. The performance and management results related to each material topic were viewed as a strategic target for sustainable management planning and practice in 2024. The following 9 topics are WPG Holdings' material topics, including 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, Technological Empowerment and Digital Transformation, Smart Logistics and Smart Warehousing.

### Matrix of Material Topics



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

	Negative			Positive		
Operating and Financial Performance	-2.8	-2.4	-3.4	2.7	3.1	2.6
Corporate Governance	-2.5	-3.0	-2.5	3.4	2.5	3.0
Information Security and Data Privacy	-2.5	-2.9	-2.8	3.4	2.5	3.0
Product Distributorship and Customer Satisfaction	-3.2	-2.2	-3.2	2.6	3.0	2.7
Risk Control and Management	-2.5	-3.0	-2.5	3.5	2.6	2.9

	Negative			Positive		
Talent Attraction and Retention	-3.0	-2.3	-3.2	2.5	3.1	2.9
IP Asset Management and Protection	-2.7	-3.2	-2.4	3.4	2.4	3.0
Technological Empowerment and Digital Transformation	-2.3	-2.9	-2.6	3.5	2.7	2.9
Smart Logistics and Smart Warehousing	-3.2	-2.4	-3.0	2.5	3.2	2.6

	Negative			Positive		
Product Trade Compliance	-2.8	-2.4	-3.4	2.5	3.0	2.4
Social Participation	-2.5	-3.1	-2.3	3.1	2.5	2.9
Occupational Health and Safety	-3.0	-2.4	-3.0	2.3	3.0	2.7
Human Rights and Equality	-3.1	-2.2	-3.0	2.5	2.7	2.5

Note: The positive number represents the positive impact degree, and the maximum impact degree is 5; the negative number represents the negative impact degree, and the maximum impact degree is -5.

## Implications of Material Topics

No.	Material Topics	Implications
1	Operating and Financial Performance	<ul style="list-style-type: none"> <li>Focused on related performance such as operating profit, investment profit/loss, financial status, operating cost and others, as well as indirect economic impacts generated by operation process, in order to move toward the goal of sustainable management.</li> </ul>
2	Corporate Governance	<ul style="list-style-type: none"> <li>Implemented corporate management responsibilities, strengthened the rights and responsibilities of management, ethical management, established anti-corruption and anti-bribery management mechanisms, improved internal reporting channels, and increased information disclosure and transparency.</li> <li>Kept promoting corporate sustainability strategies and plans to practice sustainable operations.</li> </ul>
3	Information Security and Data Privacy	<ul style="list-style-type: none"> <li>Strengthened the information security management system and enhanced the emergency response capability for information security incidents to improve the company's information security protection capability.</li> <li>Safeguarded the privacy of customers and strengthened the privacy protection mechanism.</li> </ul>
4	Product Distributorship and Customer Satisfaction	<ul style="list-style-type: none"> <li>Maintained good customer relationships, improved overall service efficiency, represented a wide range of products and brands, and maintained a stable supply to elevate customer satisfaction.</li> </ul>
5	Risk Control and Management	<ul style="list-style-type: none"> <li>Focused on integrated risk management, established relevant control mechanisms before actively engaging in each business, and identify and respond to potential risks and opportunities in advance.</li> <li>Integrated awareness of risk management into daily decision-making and operational activities to establish a comprehensive corporate risk management culture.</li> </ul>
6	Talent Attraction and Retention	<ul style="list-style-type: none"> <li>Provided internally fair and externally competitively salaries and benefits, improved holistic employee care mechanism, and planned diversified long-term measures for talent retention.</li> <li>Strived to form an image as an outstanding employer and established various employment channels.</li> <li>In response to the needs of digital transformation and development, attracted professional and outstanding talents.</li> </ul>
7	IP Asset Management and Protection	<ul style="list-style-type: none"> <li>In order to facilitate the management of intellectual property to achieve organizational operational goals, improve the research development of innovation and effectiveness, ensure that the operations of WPG Holdings and the 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.</li> </ul>
8	Technological Empowerment and Digital Transformation	<ul style="list-style-type: none"> <li>Made effective use of emerging digital technologies, optimized the internal and external technologies, processes, and employee competencies to promote operations towards digital transformation and industrial upgrading.</li> </ul>
9	Smart Logistics and Smart Warehousing	<ul style="list-style-type: none"> <li>Established a smart commercial logistics system with digital tools management to enhance operational efficiency with smart transportation and smart diversion, and to grasp all aspects of management accurately.</li> </ul>

## Implications of Basic Topics

No.	Basic Topics	Implications
1	Product Trade Compliance	<ul style="list-style-type: none"> <li>Set management objectives, internal control mechanisms and practical procedures to ensure that the products are traded in compliance with national regulations.</li> </ul>
2	Occupational Health and Safety	<ul style="list-style-type: none"> <li>Promoted management measures and policies related to occupational safety and health, including workplace safety maintenance, the risk management of occupational accidents, the programs of employee health management, health inspections, etc.</li> </ul>
3	Human Capital Development	<ul style="list-style-type: none"> <li>Promoted 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.</li> </ul>
4	Labor Relations	<ul style="list-style-type: none"> <li>Focused on two-way interaction and communication between employers and employees, including the establishment of transparent and open communication channels and a comprehensive grievance mechanism.</li> </ul>
5	Human Rights and Equality	<ul style="list-style-type: none"> <li>Strengthened the human rights policy and management structure of WPG Holdings, and partnered 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.</li> <li>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.</li> </ul>
6	Support and Integration of Supply Chain Platform	<ul style="list-style-type: none"> <li>Implemented supplier management, established the Supplier Code of Conduct and Conflict Minerals Policy in accordance with the Responsible Business Alliance (RBA) Code of Conduct, improve supply chain transparency and supplier awareness through information disclosure, and implemented a management mechanism for General Affairs Suppliers.</li> <li>Efficiently conveyed the integrated information between IDM/Fabless (IC design) and the customer, such as discussion and sharing of new technologies, aggregation of market intelligence, and integration and analysis of various transaction information, to save time and costs for customer management, help customers create maximum value, and enhance the common benefits of the industrial ecosystem.</li> </ul>
7	Social Participation	<ul style="list-style-type: none"> <li>Leverage the social influence of WPG Holdings and actively participate in social participation activities. Those include caring for disadvantaged groups, supporting arts and cultural activities, promoting environmental protection actions, and establishing long-term partnerships with social participation organizations and charitable foundations.</li> </ul>
8	Climate Strategy	<ul style="list-style-type: none"> <li>Focused on the impact and opportunities of climate change on our operations and value chain and followed the framework of Task Force on Climate-Related Financial Disclosures (TCFD) to enhance information analysis and disclosure, which includes identifying financial risks associated with climate change, formulating management policies and countermeasures, and enhancing the capability to adapt to climate risks.</li> </ul>
9	Waste and Consumables Management	<ul style="list-style-type: none"> <li>Implemented internal waste management and reduction, such as management processes and performance evaluation, including waste management, scraps, warehouse waste, and recycling of consumables and reused.</li> </ul>
10	Energy and Water Management and Emissions	<ul style="list-style-type: none"> <li>Promoted energy and water resource management, set energy and water conservation targets, and developed related measures. For example, increasing the proportion of renewable energy use, promoting energy-efficient buildings, and installing water conservation (recycling) systems.</li> </ul>

## Management Approaches for Material Topics



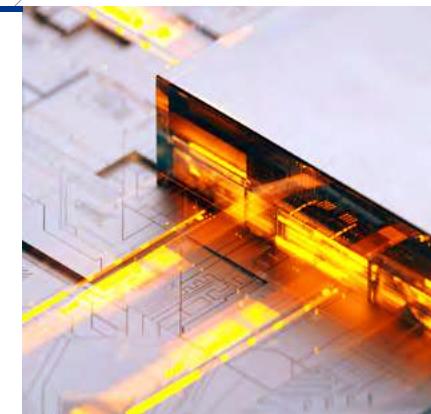
### Risk Control and Management

- Regularly reviewed and tracked key risks and establish a risk response evaluation mechanism.



### IP Asset Management and Protection

- Protected and enabled the accumulation, enrichment, and transmission of WPG Holdings' IP assets.
- Produced the IP assets that can create value for WPG Holdings, the IDM/Fabless, or the customer.
- Improved the regulation system and education to avoid infringement of others' intellectual property rights.



### Information Security and Data Privacy

- Implemented information security policies and information security management standards so that all employees can comply and follow them to ensure the security of all sensitive data.
- Regularly reviewed information security evaluation indicators, implemented improvement measures, and enhanced the effectiveness of information security practices.



### Talent Attraction and Retention

- Evaluated the ability and performance of human resources through the performance evaluation mechanism.
- Regularly conducted salary market surveys in the Greater China region to strengthen selection and retention measures.
- Implemented all labor rights in accordance with the law, and regularly reviewed local labor-related regulations to ensure compliance.
- Deployed a health management system to track employee health.



### Corporate Governance

- Established the Audit Committee and Remuneration Committee to strengthen and monitor the internal control mechanism of WPG Holdings.
- Established 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. Conference", regularly reviewed and improved the implementation of integrity management.

Note: For the management policy for each material topic, please refer to the descriptions on second page of each chapter herein.



## Impact Boundaries of Material Topics and Corresponding Sections

Aspects	Material Topics	GRI Topics	Impacts and Boundaries						Corresponding Chapters
			WPG Holdings	Sub-groups	Shareholders/ Investors	Upstream Suppliers (IDM/Fabless/ IC design)	Customers	Banks	
Economy and Governance	Operating and Financial Performance	201 Economic Performance 203 Indirect Economic Impacts	●	●	●	●	●	●	1.1.2 Business Performance
	Corporate Governance	2 General Disclosures 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 Diverse Composition of Board of Directors and Performance Evaluation 2.2.1 Ethical 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 Channel Management and Service Strategies
	Risk Control and Management	2 General Disclosures	●	●	●	●	●	●	2.2.2 Risk Management 2.2.3 Internal Audit 2.2.5 Compliance with Laws and Trade Regulations
	IP Asset Management and Protection	Self-chosen Topics	●	●		●	●		2.2.5 Compliance with Laws and Trade Regulations
	Technological Empowerment and Digital Transformation	Self-chosen Topics	●	●		●	●		1.3.2 Full Value Chain 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

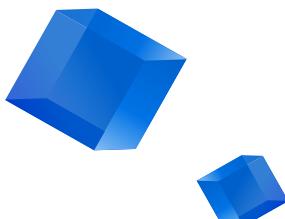
## 1.2.4 Stakeholder Identification and Communication

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.

### Stakeholder Identification Process



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 Institution, etc.



### Stakeholders' Implications and Diversified Communication Channels

Through the stakeholder identification, the 6 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.

**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.



[Stakeholder Zone of WPG Holdings](#)

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 Communication Mechanism

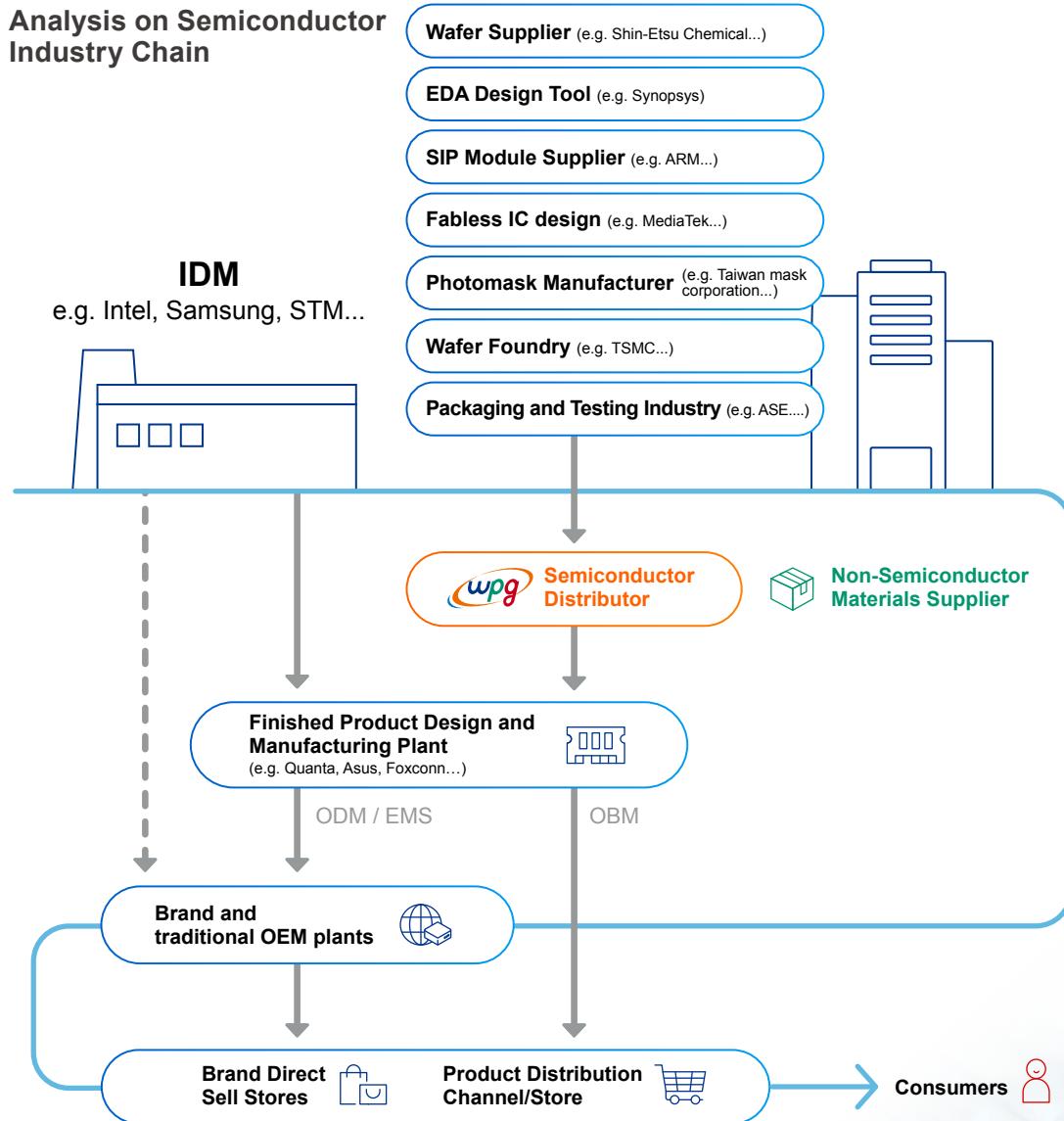
 <b>Customers</b> <p>Integrated the team's human resources, knowledge, and product lines, provided services with customer satisfaction, attach importance to customer opinions, and jointly created value with its customers.</p> <p>Grievance channels for Material Topics  <a href="mailto:wpgh_vendor@wpgholdings.com">wpgh_vendor@wpgholdings.com</a></p>	<b>Material Topics</b> <ul style="list-style-type: none"> <li>Operating and Financial Performance</li> <li>Risk Control and Management</li> <li>Technological Empowerment and Digital Transformation</li> <li>Smart Logistics and Smart Warehousing</li> <li>Information Security and Data Privacy</li> <li>Product Distributorship and Customer Satisfaction</li> <li>IP Asset Management and Protection</li> </ul>	<b>Communication Mechanism and Frequency</b> <p><b>Irregularly</b></p> <ul style="list-style-type: none"> <li>Interview</li> <li>Telephone</li> <li>E-MAIL</li> <li>Written form</li> </ul>	<b>Recommendations and Results</b> <p>Through ESG questionnaires and participation in supplier conferences, WPG Holdings engages with customers on sustainability issues. In 2023, WPG Holdings attended and collected responses from over 70 meetings and questionnaires, with nearly 40% of the questionnaires primarily focused on Net Zero related topics.</p>	<b>Response</b> <p>In response to customer questionnaires and occasional meeting participation requirements, WPG Holdings provides customers with accurate sustainable development strategies and actual implementation status to achieve mutual communication and growth.</p>	<b>Response/Remediation Mechanism</b> <p>Maintained smooth communication and contact channels (e.g. emails, telephone, online/offline meetings) to ensure smooth cooperation with clients.</p>
 <b>Upstream Suppliers</b> (IDM/Fabless/IC/Design) <p>WPG Holdings cooperates closely with IDM/Fabless/IC Design to improve business operations and development, support the expansion to diversified customers, and offer a wide variety of products and technical services.</p> <p>Grievance channels for Material Topics  <a href="mailto:wpgh_vendor@wpgholdings.com">wpgh_vendor@wpgholdings.com</a></p>	<b>Material Topics</b> <ul style="list-style-type: none"> <li>Operating and Financial Performance</li> <li>Risk Control and Management</li> <li>Technological Empowerment and Digital Transformation</li> <li>Smart logistics and smart warehousing</li> <li>Information Security and Data Privacy</li> <li>IP Asset Management and Protection</li> </ul>	<b>Communication Mechanism and Frequency</b> <p><b>Irregularly</b></p> <ul style="list-style-type: none"> <li>Interview</li> <li>Telephone</li> <li>E-MAIL</li> <li>Written form</li> </ul>	<b>Recommendations and Results</b> <p>Completed the conflict minerals survey in 2023, with 30 key suppliers sourced from qualified smelters.</p>	<b>Response</b> <p>Supply chain management continued to maintain a sampling rate of over 90%, with the implementation of management philosophy becoming the core of the supply chain management culture.</p>	<b>Response/Remediation Mechanism</b> <p>Developed 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.</p> <p>Maintained smooth communication and contact channels (e.g. emails, telephone, regular meetings) to ensure smooth cooperation with IDM/Fabless/IC Design.</p>
 <b>Employees</b> <p>Adhere to the people-oriented concept in establishing a positive working environment and maintaining a harmonious relationship between labor and management.</p> <p>Grievance channels for Material Topics  <a href="mailto:wpgh_hr@wpgholdings.com">wpgh_hr@wpgholdings.com</a></p>	<b>Material Topics</b> <ul style="list-style-type: none"> <li>Operating and Financial Performance</li> <li>Risk Control and Management</li> <li>Corporate Governance</li> <li>Talent Attraction and Retention</li> </ul>	<b>Communication Mechanism and Frequency</b> <p><b>Irregularly</b></p> <ul style="list-style-type: none"> <li>Company website (including corporate intranet websites and EIP)</li> <li>Telephone</li> <li>E-MAIL</li> <li>Employee mailbox</li> </ul> <p><b>Regularly</b></p> <ul style="list-style-type: none"> <li>All-hands meeting</li> <li>CEO Livestream</li> </ul>	<b>Recommendations and Results</b> <p>The "Mike's Tree Hole" CEO livestreaming event collected 3,052 responses, with a coverage of 71.8%.</p>	<b>Response</b> <p>The "Mike's Tree Hole" helped investigate how the whole employees value the sustainability issue. The investigation result showed that employees were particularly concerned about expansion of customer base, digital development, and training of international talents. In the future, the Company will adjust resource input direction based on employees' opinions.</p>	<b>Response/Remediation Mechanism</b> <p>In response to the encouragement and suggestions from the employees, WPG Holdings replied to them one by one through emails, announcements, and livestreams to effectively establish a bridge of communication with the employees to achieve the goal of a happy workplace.</p>

 <p><b>Banks</b></p> <p>Cultivated long-term cooperation and partnerships with banks, and maintain a good reputation</p> <p>Grievance channels for Material Topics IR@wpgholdings.com</p>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>• Operating and Financial Performance</li> <li>• Risk Control and Management</li> <li>• Corporate Governance</li> </ul>	<p><b>Communication Mechanism and Frequency</b></p> <p><b>Irregularly</b></p> <ul style="list-style-type: none"> <li>• MOPS</li> <li>• Company website</li> <li>• Telephone</li> <li>• E-MAIL</li> <li>• Written form</li> <li>• Review of the extension of bank loans</li> <li>• Bank Meeting</li> <li>• Media Interview News</li> </ul>	<p><b>Recommendations and Results</b></p> <p>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 maintained a high level of concern about our operational performance, business policies, and international sustainability ratings.</p>	<p><b>Response</b></p> <p>WPG Holdings provided 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><b>Response/ Remediation Mechanism</b></p> <p>Cultivated a long-term relationship with the banks and maintain a good credit record.</p>
 <p><b>Shareholders/ Investors</b></p> <p>Provided investor-related information and held investor conference regularly to maintain transparency of information disclosure and protect investors' interests.</p> <p>Grievance channels for Material Topics IR@wpgholdings.com</p>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>• Operating and Financial Performance</li> <li>• Risk Control and Management</li> <li>• Corporate Governance</li> </ul>	<p><b>Communication Mechanism and Frequency</b></p> <p><b>Irregularly</b></p> <ul style="list-style-type: none"> <li>• MOPS</li> <li>• Company website</li> <li>• Telephone</li> <li>• E-MAIL</li> <li>• Written form</li> <li>• Investor conference/ Symposium/Conference</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>• Annual General Shareholders' Meeting</li> </ul>	<p><b>Recommendations and Results</b></p> <p>WPG Holdings provided shareholders and investors with open and transparent information on the business overview, communicate business growth strategies, development prospects and sustainability practices, and assist them in understanding WPG Holdings' long-term strategic goals and outlook. In 2023, we held 5 external institutional investor conferences and investor forums, more than 10 investor interview sessions, and 1 annual general meeting. Investors are highly concerned about corporate governance, operational performance and financial performance.</p>	<p><b>Response</b></p> <p>In response to our commitment to our shareholders and investors, WPG Holdings continued to strengthen our Board of Directors' operations and other sustainable practices, and to improve our corporate governance ranking.</p>	<p><b>Response/ Remediation Mechanism</b></p> <p>WPG Holdings continued to announce the current status of our operations in accordance with the law and the needs of our investors, holding investor conferences to maintain the transparency of information disclosure and protect the rights of our investors.</p>
 <p><b>Government Institutions</b></p> <p>Abided by the regulations of the competent authorities and operated with integrity in the scope of business.</p> <p>Grievance channels for Material Topics IR@wpgholdings.com wpgh_csr@wpgholdings.com</p>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>• Operating and Financial Performance</li> <li>• Risk Control and Management</li> <li>• Corporate Governance</li> <li>• Information Security and Data Privacy</li> </ul>	<p><b>Communication Mechanism and Frequency</b></p> <p><b>Irregularly</b></p> <ul style="list-style-type: none"> <li>• Supervision and review activities of the competent authority</li> <li>• Policy advocacy of the competent authority</li> <li>• MOPS</li> <li>• Company website</li> <li>• Meeting or seminar call</li> <li>• E-MAIL</li> <li>• Written form</li> </ul>	<p><b>Recommendations and Results</b></p> <p>WPG Holdings published 87 material announcements and responded to 30 questionnaires questions in 2023 through Market Observation Post System (MOPS) filings and announcements, and disclosures on the Company website.</p>	<p><b>Response</b></p> <p>In accordance with the relevant regulations and questionnaire requirements of the competent authorities, WPG Holdings provides 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. Additionally, WPG Holdings aligns with the government's Corporate Governance 3.0 -Sustainable Development Roadmap by planning ahead.</p>	<p><b>Response/ Remediation Mechanism</b></p> <p>Continuously complied with the regulations of the competent authorities and operate with integrity in the scope of business.</p>

# 1.3 Distribution Integration and Innovation

## 1.3.1 Distribution Management and Service Strategies

### Analysis on Semiconductor Industry Chain



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

### Industry Value Chain and Corresponding Material Topics

Sustainability Value Chain	Upstream suppliers (IDM/Fabless/IC design)	WPG Holdings	Downstream customers (Manufacturers/Brands)
Operating and Financial Performance	●	●	●
Risk Control and Management	●	●	●
Technological Empowerment and Digital Transformation	●	●	●
Smart Logistics and Smart Warehousing	●	●	●
Product Distributorship and Customer Satisfaction	●	●	●
IP Asset Management and Protection	●	●	●
Corporate Governance		●	
Information Security and Data Privacy	●	●	●
Talent Attraction and Retention		●	

# WPG Primary Professional Service Areas

## Product 1 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.

## Information Management 7

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.

## Financial Management 6

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.



## 2 Inventory Management

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

## 3 Order Management

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

## 4 Sale Management

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

## 5 Logistics Management

The supplier only needs to follow the channel distributor's orders and centralize the batch operation to deliver goods to the designated shipping warehouse of the channel merchant. This approach simplifies the supplier's batch operations significantly. Meanwhile, the channel distributor is responsible for addressing the individual needs of many small and medium-sized customer groups. WPG Holdings selects and promotes the packaging cartons made from renewable materials, adhering to individual customers' packaging methods (including labeling operations). The distribution of semiconductor components aligns with the designated packaging methods (including labeling), delivery documents, and specified delivery locations for each customer. 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.

## 1.3.2 Digital Platform

**5.5 Million 5,075 Times 637,932 People**

Cumulative  
Inbound Marketing  
Value Exceeds

Cross-Strait News  
Exposure Tops Industry  
with Twice the Volume  
of Second Place

WPG Holdings  
Weibo Followers

### Value Creation through Inbound Marketing of WPG Holdings

In response to the network community trend, WPG Holdings creates and continues to promote the Inbound Marketing, implements interactive mobile marketing services, focuses on promoting the digital transformation contents, and makes good use of the influence of KOLs to manage the cumulative inbound marketing. Meanwhile, it also establishes the "Inbound Marketing Values" (hereinafter referred to as "Inbound Marketing Value") to reflect the effectiveness of marketing and promotion. Until the end of 2023, the cumulative inbound value has exceeded RMB550 million. As of the end of 2023, the cumulative overall promotional value has exceeded 550 million RMB. Leveraging social media resources such as Weibo, WeChat, Moments, and forums, and utilizing viral marketing campaigns, self-media operations have been enhanced. Through the implementation of various marketing activities, a mutually beneficial marketing service across the upstream and downstream supply chain has been created, continuously improving customer loyalty and engagement.



#### WPG Holdings Weibo

The number of followers and posts is the highest in the industry, with 637,932 followers. Daily updates of 3 to 5 posts, including monthly hot solutions, industry trends, technology updates and the latest news of WPG Holdings.

#### 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 2023, the number of precise fans reached 220,758, with regular 4 group messages per month, accumulating more than 504,000 reads and 20,000 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 Exposures

With nearly 5,075 total exposures and over 180 times IR News annually, which ranked first in the industry and 2 times ahead of the second place.

### Committed to Digital Transformation and Create 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 respond to the supply chain adjustment needs of the IDM/Fabless and customers. Through the "WPG DADAWANT," the Company relies on the automated connection between WPGDADAJIA, WPGDADABANG, WPGDADATONG and customers. Meanwhile, With the increase in the number of online traders, the growth in transaction volume, the continuous optimization of digital tools, and the promotion of data transparency, WPG Holdings has preliminarily established an intelligent supply chain platform ecosystem in 2023. The effects of the perceptive services and new applications are gradually being felt by our clients. WPG Holdings has completed the milestone for "customer orientation, technology empowerment, collaborative ecosystem." In the future, the plan to lead the industry to achieve "era co-creation era" will be boosted based on the following strategy.

"WPGDADAJIA and WPGDADABANG" adjusted its operation direction in 2023 to focus on the satisfying services and new functions. The operating revenue and number of customers didn't grow year-on-year between 2022 and 2023, remaining 40.2% in 2023. In 2024, WPG Holdings will re-drive the digitalization process, aim to automate by 55%, and maintain the progress towards the overall goal of "202X 100%" as the ultimate objective, with milestones set as initial targets.

"WPGDADATONG" focuses on establishing an atomic network, linking each element through replication to maximize a single dimension. From city to city, team to team, and campus to campus, this approach aims to solve the cold start problem. It is expected to become an enterprise digital marketing tool that "comes from tools but is kept for the Internet." WPG Holdings strives to realize it by planning new business opportunities or market needs or trends to create a new source of mass market business.

The "Logistics as a Service (LaaS)" smart warehousing model is based on "Effectiveness, Warehousing foundry" as the main development. In 2023, both Hong Kong and Linkou warehouse renovated their storage shelves, while Dongguan warehouse continued to improve its warehouse space turnover. Subsequently, in order to implement the goal for "our warehouse is your warehouse" and access to homogenous services, we planned to activate the BBP-Business to Business to Production Workshop, thereby saving the investment costs by the IDM/Fabless, peer companies and customers and creating a highly efficient logistics supply chain to jointly promote industrial development and drive the industry's common good.

### The ratio of operating revenue and number of customers from WPGDADAJIA and WPGDADABANG in the last 3 years



大聯大·芯通路



		WPG Holdings: Care and Focus on the Needs of Each Partner				
		大家	大邦	大購	大通	大頻
Main Service Customers and Focus Target	WPGDADAJIA	WPGDADABANG	WPGDADAGO	WPGDADATONG	WPGDADAPIN	
Main Service Customers and Focus Target	Connects to the ERP system of large customers to rapidly and accurately implement complex work procedures.	Provides precise and personalized services to meet diverse needs for customers.	Provides online electronic component purchase service for small quantities to satisfy low quantity, high diversity consumer needs.	Served as a knowledge sharing platform, running a free technical and resource-sharing platform for RD engineers.	Provides customers with customized and personalized product information and market trend news.	
Main Product Service Provided	To gradually develop from large-scale customers in Taiwan to medium-scale business customers in Taiwan and largescale customers in Mainland China	To Purchase components for small and medium-sized enterprises	Consumers	Design engineer of "long-tail customers" (small and medium-sized customers)	The above existing and potential customers	
Key Performance in 2023	<ul style="list-style-type: none"> <li>PO confirm</li> <li>Forecast Reply</li> <li>DDR (Data Driven Replenishment)</li> <li>ASN (Advanced Shipping Notice)</li> <li>Replenishment and invoicing of hubs (customers' external warehouse)</li> </ul> <ul style="list-style-type: none"> <li>Used ERP system to interface with orders for 20 customers</li> <li>A total of 95 functions for receiving, confirming, shipping notifications, and replenishing orders with customers daily</li> <li>The percentage of customers using WPGDADAJIA as a percentage of sales reached 27%</li> <li>Reduced manpower requirements by 8.4 employees/year</li> </ul>	<ul style="list-style-type: none"> <li>Online quotation</li> <li>Order Follow-Up</li> <li>Tracking of shipment progress</li> <li>Account list</li> <li>Downloading files</li> </ul> <ul style="list-style-type: none"> <li>Create new customer portal 243</li> <li>Received 48,000 orders</li> <li>Proportion of customers using WPGDADABANG to sales reached 13.7%</li> </ul>	<ul style="list-style-type: none"> <li>Small batch purchase</li> <li>Diverse online payment</li> <li>Global Marketing</li> </ul> <ul style="list-style-type: none"> <li>Up to 530 prototype modules provided engineers to develop</li> <li>More than 30 IDM/Fabless supply products</li> <li>Total sales of 193 parts and components, with over 330,000 parts and components sold</li> </ul>	<ul style="list-style-type: none"> <li>Solution knowledge base</li> <li>Member talent library</li> <li>Livestream library</li> </ul> <ul style="list-style-type: none"> <li>2,300 blog articles and 17,000 new members recruited</li> <li>Collaborated with over 32 suppliers for livestreaming sessions</li> <li>Online technical livestream 54 times</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul> <ul style="list-style-type: none"> <li>In 2023, WPGDADAPIN continued to improve user-friendliness and optimize the user interface. More than 50,629 people have registered and accessed the system</li> <li>After additional 10 media joined in 2023, WPG Holdings has collaborated with more than 30 industry media and WeChat KOLs (opinion leaders), and accumulated 150,641 industry news and information</li> </ul>	

### 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 the management and optimization of operations planning system, etc. In order to ensure effective policy implementation, the responsible units conduct audits at least once a year on an irregular basis. Regional logistics shall propose improvement measures and schedules for identified deficiencies, and the Operating Planning Office of WPG Holdings is responsible for coordination and supervision. WPG Holdings 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.

Location	Project	Schedule	Operation Scope	Implementation	Specific Results
Hong Kong Warehouse	Production value 2.0	Completed in June 2023	Inbound and outbound operations	<ul style="list-style-type: none"> <li>The bonus is paid to direct employees based on the piece rate system</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of Production Value Bonus 2.0</li> <li>Gradual improvement in production capacity: packaging capacity YoY +20%</li> </ul>
	Increase in the storage spaces	Completed in October 2023	Inventory operations	<ul style="list-style-type: none"> <li>Shelf adjustment (pallet storage → shelf storage)</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the storage spaces by 23%</li> </ul>
	Implementation of TAPA FSR (Note)	Completed in August 2023	-	<ul style="list-style-type: none"> <li>TAPA FSR certification received by Hong Kong warehouse</li> </ul>	<ul style="list-style-type: none"> <li>Already received TAPA FSR certification</li> </ul>
Dongguan Warehouse	Efficiency Improvement	Ongoing in 2023	Inbound and outbound operations	<ul style="list-style-type: none"> <li>Pay-per-unit rolled out, Hong Kong supervisor regularly dispatched to the Dongguan warehouse</li> </ul>	<ul style="list-style-type: none"> <li>Hong Kong supervisors assist in management and productivity improvement</li> <li>Dongguan packaging capacity reached 23 cartons per hour</li> </ul>
	Customized logistics (shorten the delivery and reduce unnecessary transportation)	Ongoing in 2023	Inbound operations	<ul style="list-style-type: none"> <li>Negotiate direct cargo access to the Dongguan warehouse</li> <li>By leveraging the “Dongguan-Hong Kong International Airport Center” (hereinafter referred to as the Airport Center), goods arriving in Hong Kong by air are transferred back to the Dongguan warehouse through the Airport Center. This reduces the use of intermediate warehouses and shortens the delivery distance</li> </ul>	<ul style="list-style-type: none"> <li>Share of direct access to the Dongguan warehouse in 2023 accounts for 53.8%</li> </ul>
	Implementation of ISO 9001 and ISO 14001	Completed in December 2023	-	<ul style="list-style-type: none"> <li>The Dongguan warehouse receives ISO 9001 and ISO 14001 certification</li> </ul>	<ul style="list-style-type: none"> <li>Already received ISO 9001 and ISO 14001 certification</li> </ul>
Linkou Warehouse	Renovation and construction of smart warehousing	Completed in Q3 2023	Inbound, outbound, and stock operations	<ul style="list-style-type: none"> <li>The Linkou Warehouse factory premises decoration and intelligent equipment construction</li> </ul>	<ul style="list-style-type: none"> <li>Already completed</li> </ul>
	Establishment of International Logistics Center	Completed in December 2023	Inbound, outbound and stock operations	<ul style="list-style-type: none"> <li>Linkou Warehouse has already received the “certificate of registration from the logistics center of Taipei Customs, Customs Administration, Ministry of Finance, and established officially after the inauguration ceremony in December</li> </ul>	<ul style="list-style-type: none"> <li>Already received the certificate of registration from the logistics center of Taipei Customs, Customs Administration, Ministry of Finance, and established officially after the inauguration ceremony in December</li> </ul>
	Implementation of new business model	Ongoing in 2023	Inbound, outbound and stock operations	<ul style="list-style-type: none"> <li>Complete the cooperation with new customers</li> </ul>	<ul style="list-style-type: none"> <li>Smart equipment installation completed in the logistics center area</li> </ul>

Note: TAPA FSR refers to the Transported Asset Protection Association - Facility Security Requirements.

## 1.3.4 Supply Chain Management

### Types of Suppliers

As a semiconductor component distributor, WPG Holdings has two major types of suppliers: IDM/Fabless/IC design supplier and general affairs supplier.

#### IDM/Fabless/IC Design Suppliers

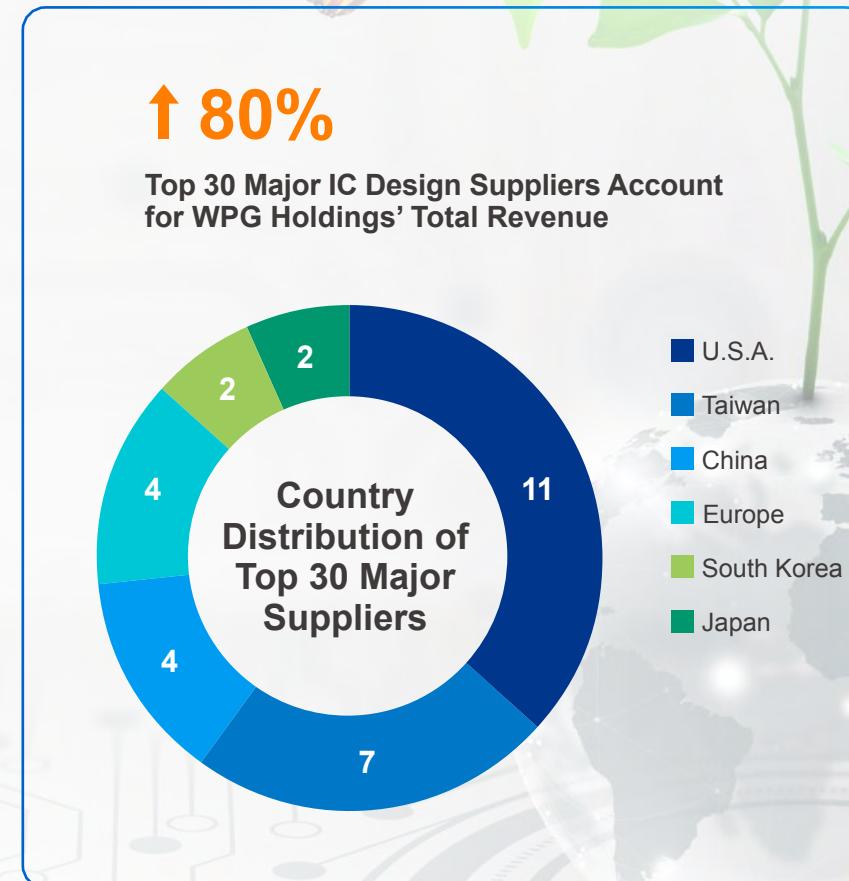
WPG Holdings plays the role as a distributor (agent/ wholesaler) in the semiconductor component supply chain, and does not engage in manufacturing. However, as a member of the value chain of the semiconductor industry, WPG Holdings proactively monitors the products it distributes/represents, verifying whether these products comply with environmental and social regulations. By publicly disclosing information on the official website, such as whether key suppliers adhere to environmental laws, WPG Holdings helps enhance the transparency of the overall value chain and raise consumer awareness. This demonstrates WPG Holdings' influence within the value chain and contributes to the creation of a globally sustainable electronics supply chain.

By the end of 2023, WPG Holdings has represented over 250 IDM/Fabless/IC design suppliers. Based on the "operating revenue share," the key suppliers were identified. The top 30 major suppliers, which accounted for more than 80% of WPG Holdings' total revenue, were mainly located in the United States (11 companies), Taiwan (7 companies), China (4 companies), Europe (4 companies), Korea (2 companies) and Japan (2 companies). The U.S. suppliers ranked the first in terms of the turnover, while Taiwan suppliers ranked the 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.



## ● Evaluation and Management Mechanism

### IDM/Fabless/IC Design Supplier Assessment

#### 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:

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.

WPG Holdings' warehouses adopt a daily batch identification management mechanism, 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:



#### After the disclosure of the information related to the conflict minerals tracked by WPG Holdings

**>98%**

Average Proportion of Raw Materials from Qualified Smelters for Four Consecutive Years

**77%**

Key Suppliers with Public Disclosure of Qualified Smelter Proportion (23 out of 30 Suppliers)

**98.7%**

Average Proportion of Raw Materials from Qualified Smelters Among 30 Key Suppliers

#### Conflict Minerals Management Process



#### 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.

After the disclosure of the information related to the conflict minerals tracked by WPG Holdings Among the key suppliers, the percentage of publicly disclosed qualified smelters was 77% (23 out of 30 suppliers), and among these 30 key suppliers, the average percentage of raw materials from qualified smelters was 98.7%. 3 of the 7 key suppliers that do not publicly disclose the percentage of qualified smelters are RBA members and are stated on the website.

Note: The average proportion of raw materials from certified smelters = (certified proportion announced by key suppliers \* number of key suppliers with individual certified proportions) / number of key suppliers who have disclosed certified proportions.

## General Affairs Suppliers Management

2023

## General Affairs Suppliers Management Goals Implementation Results

3 Points	100%	97%
Average Supplier Evaluation Score (Out of 5 Points)	Proportion of Local Procurement Value from General Affairs Suppliers	Proportion of Local Procurement Value from Non-General Affairs Suppliers

100%

2023 Recovery Rate of "WPG Supplier Code of Conduct" and "WPG Supplier Code of Conduct Self-Assessment Form" in Greater China

2 Years

Organize a Sustainable Supply Chain Seminar

Local Procurement

100%

Proportion of Procurement Amount from General Affairs Local Suppliers in Taiwan in 2023

97%

Proportion of Procurement Amount from Non-General Affairs Local 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, to safeguard labor rights, prevent corrupt practices, and maintain management systems to ensure the implementation and execution of these principles.

New suppliers in the Greater China region are required to sign the "WPG Supplier Code of Conduct Commitment Letter" to commit to and confirm their understanding of our sustainability requirements and adherence to the Supplier Code of Conduct. In 2023, the commitment letter recovery rate for new suppliers was 100%. Additionally, we conduct the "WPG Supplier Code of Conduct Self-Assessment" annually, which includes investigating whether suppliers implement policies related to integrity management, anti-corruption, and anti-bribery. In 2023, we collected 172 self-assessment forms, achieving a 100% recovery rate.



Supplier Code of Conduct

## General Affairs Supplier Evaluation

Since 2017, WPG Holdings continued to perform the supplier evaluation of partners with the aim to ensure and enhance the quality of suppliers and their services through the evaluation mechanism with holistic aspects while helping suppliers identify internal problems and developing improvement measures to implement effective supplier management. The average score for each item in the 2023 Supplier Evaluation is 3 points (total of 5 points).

## Sustainable Supply Chain Seminar

To continue enhancing the suppliers' awareness of sustainability issues and risk prevention capabilities, WPG Holdings has organized the Sustainable Supply Chain Seminar for two consecutive years and invited suppliers' 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.



Unity Sustainability Chief Executive Officer was invited to serve as the trainer of the supply chain seminar.

## Local Procurement 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 2023 was 100%, the proportion of procurement amount of non-general local suppliers was 97%, and the proportion of green procurement amount was 1%.

# INTEGRITY

## Accountability For Integrity Win-Win In Profit



**Top 5%**

Ranked in top 5% of all  
TWSE-listed companies  
in the Corporate  
Governance Evaluation



**44%**

Independent directors  
accounted for about 44%



**96.85%**

Board meeting attendance  
rate reached 96.85%



**ISO  
27017**

Passed the ISO 27017 cloud-  
based service information security  
management certification



**Grade  
A**

Obtained the Grade A  
certification of Taiwan  
Intellectual Property  
Management System (TIPS)

### 2.1 Board of Directors Operation

### 2.2 Corporate Governance

WPG Holdings strongly believes that "integrity" is one of the cornerstones of corporate success. We insist on integrating integrity into every aspect of our corporate culture and business activities, and believe that only the cooperative relationship established based on integrity can truly achieve "Grow Together, Strive Together and Win Together." In terms of governance performance, in order to strive to signify the close connection between shared values and management philosophy, WPG Holdings has established a robust corporate governance structure to ensure that all decisions and operations meet the highest standards, in order to enable us to manage risks effectively and also ensure the enterprise's sustainable development.

Meanwhile, WPG Holdings always upholds a corporate culture of ethical management and adheres to legal compliance, while paying attention to emerging information security issues to achieve the implementation of risk control, and also the proactive commitments to the Company's employees, customers and partners, and the entire society. In the future, WPG Holdings will continue to strive to uphold the ethical management best practice principles, and to achieve the goal for "Grow Together, Strive Together and Win Together" through an excellent corporate governance structure, in order to make positive contribution to the enterprise's long-term development and the society's sustainable progress.



## Stakeholders Recommended for Priority Reading

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



## Material Topics

- Corporate Governance
- Risk 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 shared 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, WPG 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.



## Resources Investment



Passed the ISO 27017 cloud-based service information security management certification.



Obtained the Certificate of Taiwan Intellectual Property Management System (TIPS) Grade A certification.



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 8 legal compliance training sessions (including corporate integrity management) to enhance colleagues' awareness of legal compliance matters.



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

## Management Approach and Assessment Mechanism



Based on the "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 and follow them to 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

13 Times 96.85%

Number of Board Meetings in 2023

Director Attendance Rate (Excluding Attendance by Proxy)

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 Board of Directors re-elected the whole directors on May 31, 2023. Directors of 7th Board of Directors should succeed to those of 6th Board of Directors. There were a total of 11 directors of 6th Board of Directors (including 4 independent directors) and 9 directors of 7th Board of Directors (including 4 independent directors). The Board of Directors has convened a total of 13 meetings in 2023. The directors' attendance rate attained 96.85% (exclusive of the attendance by proxy). According to 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 Powers and Responsibilities	2023 Resolutions and Implementation Status
Audit Committee	2008.7	<ul style="list-style-type: none"> <li>Independent Director, Charles Chen (Convenor)</li> <li>Independent Director, Jack J.T. Huang</li> <li>Independent Director, Kathy Yang</li> <li>Independent Director, Joseph Yu (inaugurated on May 31, 2023)</li> <li>Independent Director, Weiru Chen (discharged on May 31, 2023)</li> </ul>	<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"> <li>1. Fair presentation of the Company's financial statements.</li> <li>2. Appointment/dismissal, independence and performance of certified accountants.</li> <li>3. Effective implementation of the Company's internal control.</li> <li>4. The Company's compliance with relevant laws and regulations.</li> <li>5. Management and control of existing or potential risks of the Company.</li> </ol>	<p>The Audit Committee convened a total of 12 meetings, and the attendance rate of members reached 97.96% (excluding proxy attendance).</p> <p><b>Key Resolutions in 2023:</b></p> <ol style="list-style-type: none"> <li>1. Approved internal control system self-inspection and internal control statement in 2023.</li> <li>2. Approved the Company's financial report (including parent company only and consolidated financial reports) and business report for FY2022.</li> <li>3. Approved the appointment of the Company's attesting CPA for FY2023.</li> <li>4. Approved the Company's proposal to increase the capital of WPG Americas Inc. via the Company's subsidiary, WPG International (CI) Limited.</li> <li>5. Approved the Company's proposal to increase the capital of Yosun Singapore Pte Ltd. via the Company's subsidiary, WPG South Asia Pte. Ltd.</li> <li>6. Approved the motion for the Company's disposal of the equity of WT Microelectronics Co., Ltd.</li> <li>7. Approved the Company's participation in the issuance of new shares for cash capital increase by "WT Microelectronics Co., Ltd." in 2023.</li> <li>8. Approved the motion to amend the Company's internal control system "Operation and Management of the Board of Directors".</li> </ol>
Remuneration Committee	2009.2	<ul style="list-style-type: none"> <li>Independent Director, Jack J.T. Huang (Convenor)</li> <li>Independent Director, Charles Chen</li> <li>Independent Director, Kathy Yang (inaugurated on May 31, 2023)</li> <li>Independent Director, Joseph Yu (inaugurated on May 31, 2023)</li> <li>Independent Director, Weiru Chen (discharged on May 31, 2023)</li> </ul>	<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"> <li>1. Propose Director's Compensation and performance evaluation report regularly.</li> <li>2. Propose CEO Compensation and performance evaluation report regularly.</li> <li>3. Propose and review the Board of Director performance evaluation.</li> <li>4. Propose and review CEO performance evaluation.</li> </ol>	<p>In 2023, The Remuneration Committee convened a total of 5 meetings and the attendance rate of members reached 95% (excluding proxy attendance).</p> <p><b>Important Resolutions in 2023:</b></p> <ol style="list-style-type: none"> <li>1. Reviewed the Company's 2022 director's compensation distribution plan.</li> <li>2. Reviewed the performance of management team and employees (senior managers) in 2022 and compensation distribution plan.</li> <li>3. Reviewed the setting plan of the key performance indicators (KPI) of WPG Holdings CEO and appointed managers in 2023.</li> <li>4. Review on the appointment of the Company's managers of 7th term.</li> </ol>

## 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:



Assist in the operations of the Board of Directors' meetings in accordance with the law



Assist in the operations of the various committees according to the law and the purposes



Maintain WPG Holdings' shareholders' equity for its investment in subsidiaries



Assist the Board of Directors in enhancing and implementing corporate governance

### Top 5%

Corporate  
Governance  
Evaluation  
Ranking Among All  
Listed Companies

### Top 10%

Ranking Among  
Electronics  
Companies  
with Market  
Capitalization Over  
NT\$10 Billion

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 10th (2023) Corporate Governance Evaluation Review ranked WPG Holdings 5% among all listed companies and top 10% among all electronics companies with market capitalization over NT\$10 billion.



◎ Simon Huang (right), Chairman of WPG Holdings, received the recognition at the 9th Corporate Governance Evaluation and Awards Ceremony.

## 2.1.2 Diversity of the Board of Directors and Performance Evaluation

**44%**

 Proportion of  
 Independent  
 Directors

### 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 "Code of Corporate Governance," 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 "Code of Corporate Governance," the Company's policy on diversity of board composition includes, but is not limited to, the following two major criteria:

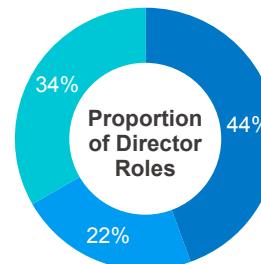
#### 1 Basic Criteria and Values

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

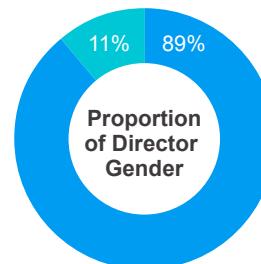
#### 2 Professional Knowledge and Skills

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

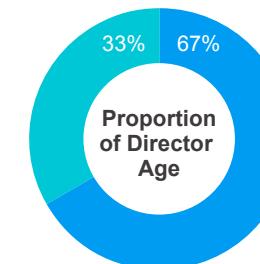
Board members should generally possess the knowledge, skills and qualities necessary to carry out their duties. In order to achieve the desired goals of corporate governance, the Board of Directors as a whole should possess the following competencies: operational business judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability. The 7th Term Board of Directors of WPG Holdings was elected by the shareholders' meeting on May 31, 2023 for a three-year term from May 31, 2023 to May 30, 2026. The 7th Board of Directors consists of 9 members (including 4 independent directors) with expertise in investment management, strategic management, finance and accounting, legal and international market perspectives in addition to the electronic components industry. 2 directors (22%) are also the Company's employees (including appointed managers). There are 4 independent directors (44%), 8 male directors (89%) and 1 female director (meeting the goal, 11%). 3 directors attain the age more than 70 years old (33%), and the other 6 directors less than 70 years old (67%). There are 3 independent directors with less than 9 years of service and 1 with more than 9 years of service, and the average length of service of all directors is 8 years.



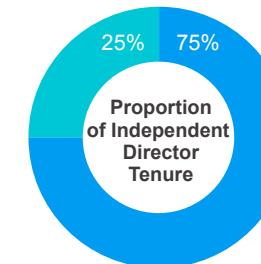
- 4 independent directors
- 2 employees (including appointed managers)
- 3 others



- 8 male directors
- 1 female director



- 6 the age < 70 yrs
- 3 the age > 70 yrs



- 3 directors < 9 yrs of service
- 1 directors > 9 yrs of service

**8 Years**

 Average Tenure  
 of All Directors

The four independent directors are Jack J.T. Huang, the founder and chairman of Taiwan Renaissance Platform Co., Ltd., Charles Chen, the former vice president of PwC Taiwan, Kathy Yang, the former President of CDIB Capital Management Corporation, and Joseph Yu, Distinguished Professor of Chang Gung University. Among them, Mr. Jack J.T. Huang has served as the Company's independent director for three consecutive terms of office or more. Notwithstanding, upon evaluation on his participation in the operation of the Board of Directors and independence status, it is found that he meets the independence requirement and never establishes certain relationship with the management (or any others) that might compromise his ability to make impartial judgment or perform job duty impartially in the best interest of the Company. Considering that he has expertise in law and M&A, and is experience in relevant laws and business management, he may provide forward-looking and fair important opinions on the Company's operational development, continue to provide suggestions and supervision to the functional committees under the Company's Board of Directors, and continue to improve the transfer of experience in a more comprehensive corporate governance mechanism.

## The Directors' Industry Experience/professional Distribution

Name	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 perspective	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	●				●	●	●	●			●		●
Jack J. T. Huang	Republic of China	Independent director	Male		●		●	●	●	●	●	●	●		●	●
Charles Chen	Republic of China	Independent director	Male		●	●		●	●		●		●	●		●
Kathy Yang	Republic of China	Independent director	Female	●		●		●	●	●	●				●	●
Joseph Yu	Republic of China	Independent director	Male	●		●		●	●		●		●			●

Note 1: In accordance with Taiwan's Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, no independent director of the Company may concurrently serve as an independent director of more than three other public companies.

Note 2: For the information on directors holding concurrent positions in other companies, please refer to the Shareholders Meeting [Annual Report](#) - Information on Directors.

## Succession Planning for Board Members

For the Company's subsidiaries with a single corporate shareholder (e.g., World Peace Industrial Group, the Silicon Application Corp 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.

## Performance Indicators and Remuneration Structure of Senior Managerial Officers

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. Meanwhile, the information about distribution of remuneration to employees and directors shall be included into the report matters at shareholders' meetings each year. The remuneration and performance of the managerial officers are measured by the implementation of the shared 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 bonus for managerial officers is calculated based on the results of the current year's performance evaluation, and individual amounts of managerial compensation are submitted to the Remuneration Committee for review and approval, and then summarized and submitted to the Board of Directors for approval.

	Item	Weight	Description
 <b>Performance Indicators of the Chairman</b>	<b>Social Aspect</b>	<b>40%</b>	Maintenance of stakeholder relations, supervision of social corporate responsibility activities, strengthening of the social influence of WPG Holdings, and assisting in the promotion of succession planning
	<b>Corporate Governance Aspect</b>	<b>60%</b>	The Board of Directors implements planning, supervises and achieves operating objectives
	<b>Finance and Sales Indicator</b>	<b>60%</b>	<b>Profitability growth indicators and operational management quality improvement indicators:</b> Profit After Tax, OPEX/GP, GP% achievement rate, Return on Working Capital
	<b>Comprehensive Management Indicator</b>	<b>40%</b>	<ul style="list-style-type: none"> <li>Implementation of the company's business philosophy, corporate culture and shared values, and realize our corporate vision of Grow Together and Strive Together</li> <li>Organizational leadership and management capabilities</li> <li>Human resource management and talent cultivation</li> <li>Innovation and integration, risk management, legal compliance, and ESG sustainable development strategies</li> </ul>
Other special contributions or material events are also included in the evaluation			

## 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.



Regulations Governing the Performance Evaluation of the Board of Directors



### Internal Performance Evaluation of the Board of Directors

The evaluation is performed after the end of each fiscal year, focusing on the overall Board performance evaluation 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 2023 performance evaluation of the Board of Directors and the committees was submitted to the board on January 30, 2024, and disclosed on the Company's website.



2023 Performance Evaluation Results of the Board of Directors

### The evaluation components for the overall board, individual board members, and each functional committee include the following:

Evaluation Components	Board Overall Performance	Performance of Individual Board Member	Overall Performance of Functional Committee
Participation in company operations	●	●	●
Corporate internal controls and risk management	●	●	
Maintenance of external and internal relationships	●	●	
Board composition and capabilities/election and continuing education of directors	●		
Decision quality and execution of the Board of Directors	●	●	
Execution and achievement of the goals in the board	●	●	
Awareness of duties, professionalism and continuing education of directors		●	
Board composition, election and operation			●
Awareness of functional committee responsibilities			●
Improving the quality of functional committee decisions			●
Internal control			●
Achievement of the objectives of the current committee			●

## External Performance Evaluation of the Board of Directors

In accordance with Article 3 of the "Procedures for the Performance Evaluation of the Board of Directors," an external professional independent institution or external expert and scholar team shall be commissioned to conduct the performance appraisal on the Board of Directors once per three years. The Company commissioned the external institution, "EY Business Advisory Services Inc.," to conduct the latest external appraisal in 2022. It conducted the performance appraisal on the Company's Board of Directors through questionnaires and on-site visits. The institution and experts are considered acting independently. The appraisal results have been reported to the Board of Directors on December 27, 2022 and disclosed on the Company's official website.



2022 External Performance Evaluation Results of the Board of Directors

Aspects	Board of Directors Structure	Members	Process and Information
Evaluation Results	<ul style="list-style-type: none"> <li>A functional committee has been set up in accordance with legal requirements, and more than half of the committee members are independent directors.</li> <li>The Company has four independent directors, which is better than the two or more independent directors encouraged by the competent authorities and accounts for over 1/5 of directors' seats.</li> </ul>	<ul style="list-style-type: none"> <li>All directors have a clear understanding of the Company's industry.</li> <li>The Board of Directors generally agrees that there is good interaction between the Board of Directors and the management team, and that there is good communication among the directors.</li> </ul>	<p>There is a Risk Management Policy approved by the Board of Directors, in which strategies for major risk issues are formulated by the responsible unit, and the risk management unit reports regularly to the Board of Directors on its operations.</p>
Recommendations from External Consultants	Encourage the increase of the proportion of female directors, and suggest that specific management targets be set for the Board diversity policy.	<p>It is recommended that the Company add a self-assessment of the performance of board members:</p> <ol style="list-style-type: none"> <li>The directors can fill in the specific contribution of the Directors to the company in various material issues such as ESG or strategic transformation during the evaluation period, so as to further strengthen the link between performance and remuneration.</li> <li>ESG-related indicators can be strengthened in accordance with international trends and the company's ESG objectives to link the Company's achievement of ESG objectives with Directors' performances.</li> </ol>	<p>It is suggested that the Company may consider domestic and international trends in emerging risks or ESG issues, including but not limited to artificial intelligence, net zero emissions, information security, global trade and supply chain transfer, etc., and develop an annual course plan for directors to provide course contents and study hours that are better than those required by the authorities for further study.</p>
Company's Response	To be included in the planning for the election of next term directors	To be included in director performance evaluation project planning	To be included in the planning of director education programs

## Directors' Education

In 2023, the directors attended the continuing training for a total of 76 hours. Averagely, each director attended the training for 8.4 hours. The Company planned the home continuing education courses for the Board of Directors, including "ChatGPT Triggers the Opportunity of the AI Boom" and "Escape from the Organizational Framework - Organizational Strategy and Key Talent Development." The Company's Board of Directors members improve their professionalism through continuous participation in a variety of external continuing education courses, perform job duty faithfully and duty of care as good administrator, and exercise their operational decision-making, leadership and supervision functions thoroughly. All newly appointed directors of the company receive an "Onboarding Guide" provided by the company upon assuming office. The content includes integrity-related regulations such as the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Anti-Corruption and Anti-Bribery Policy," ensuring their compliance with the above provisions while performing their duties.

## Conflict of Interest Management

The Board members participate in the parliamentary affairs of the Board of Directors as their routine job duties. In order to prevent conflicts of interest from affecting the Company's interests, Article 15 of the Company's Rules of Procedure for Board of Directors Meetings expressly states the relevant provisions about recusal for conflict of interest. For the implementation of recusal from conflict of interest at the Board of Directors meetings in 2023, please refer to Shareholders Meeting [Annual Report](#) - Corporate Governance Status.

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.

The "Rules for Handling Suggestions and Complaints from Stakeholders" of WPG Holdings expressly state 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 to manage 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. There were no relevant key significant events in 2023.

### Number of Relevant Violations in 2023

0 Case

#### Major Incidents:

Corruption and Bribery, Information Confidentiality, Anti-Money Laundering, Insider Trading, Discrimination/Workplace Violence, Violate Privacy Laws

1 Case

#### Accepted Cases:

Conflicts of Interest



## 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 shared 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.

#### Ethics Committee

For the purpose of implementing the Ethical Corporate Management Best Practice Principles, WPG Holdings established the "Integrity and Ethics Committee" in 2017, with the CEO of the WPG Holdings as the chief convener and the CEOs of each group as members. The Committee meets from time to time to analyze and discuss violations and response measures, and to discuss various issues and related work progress.

#### Executive Secretary Group of the Ethics Committee

In order to implement the affairs and administrative operations assigned by the Integrity and 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 Group 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, Code of Ethical Conduct, Employee Code of Conduct, Corporate Governance Best Practice Principles and Anti-Corruption and Anti-Bribery Policy 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 2023, 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.

#### Implementation of 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, 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.



Ethical  
Corporate  
Management  
Best Practice  
Principles



Code of  
Ethical  
Conduct



Employee  
Code  
of Conduct



Corporate  
Governance  
Best Practice  
Principles



Anti-  
Corruption  
and  
Anti-Bribery  
Policy

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

Considering that "Integrity" is among WPG Holdings shared values 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.

#### T.I.P.E. Management Mechanism



## 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.

## 2023 Corporate Integrity Education Courses

Units: Number of People; %

Courses	Region	Number of Participants	Participation Rate
Analysis of Legal Regulation of Insider Trading From Practical Cases	TW	1,873	<b>98.4%</b>
Legal Regulations Governing Unethical Conduct and Practical Case Studies	TW	1,654	<b>86.9%</b>
"North China Session" Compliance and Integrity - Analysis on Common Types of Fraud and Compliance Management from Practical Cases (livestream)	CN	595	<b>59.1%</b> (Participation Online)
"South China Session" Compliance and Integrity - Analysis on Common Types of Fraud and Compliance Management from Practical Cases (livestream)	CN	670	<b>63.4%</b> (Participation Online)
"Hong Kong Session" Acquisition of Wealth in the Right Way and Based on Ethics/Independent Commission Against Corruption (ICAC) Case Series	HK	57	<b>95.0%</b>



### 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 2023, 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 2023 a total of 252 people were completed.



## 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.

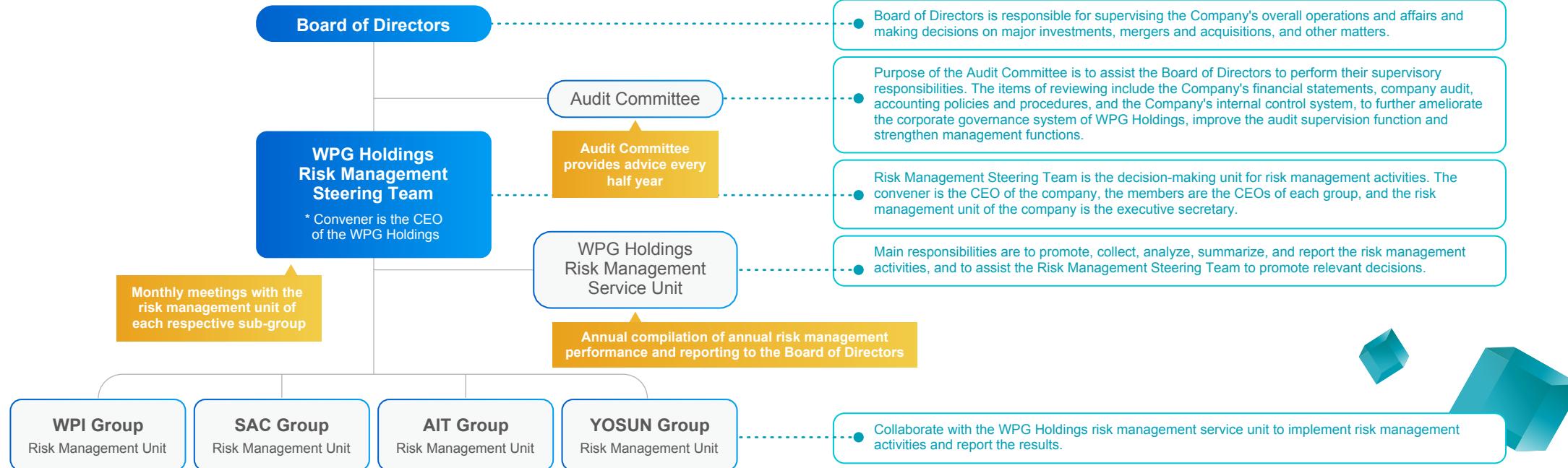
Since the establishment of the Risk management unit in 2017, WPG Holdings continued to monitor risk, identified by each function, and at the same time strengthen employee awareness. In addition to risk management education and training for all employees, fire prevention, emergency response, and personnel 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.

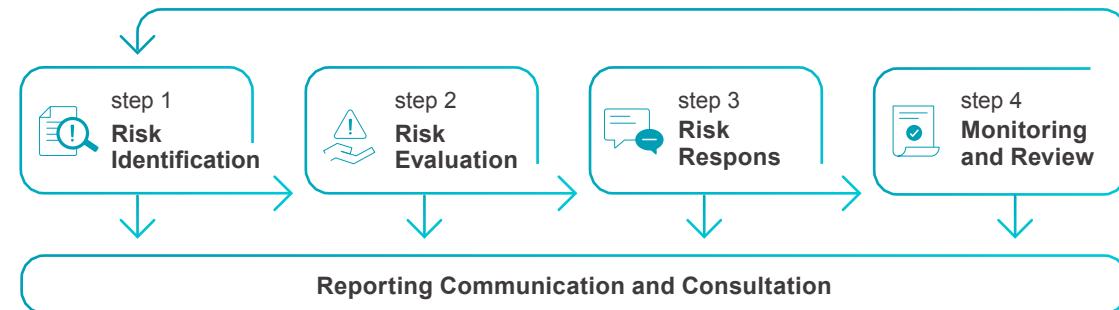
The convener of the Risk Management Steering Team (the CEO of the Holdings) convenes monthly meetings with the risk management units of each group who report the results, and the CEO of the holdings proposes the guidance and decision-making of risk management plans to strengthen risk management. Consequently, WPG Holdings Risk Management Service Unit, 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.



## 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, Action), and the identification of emerging risks has been integrated into the risk management.



## Risk Identification

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

## 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 Unit monitors, tracks, and reports monthly.

## Identification of Key Risks and Risk Control Measures in 2023

Currently, the WPG 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.

Key Risks	Risk Control Measures
Cyber security risk	Cyber security risk assessment and formulation of cyber security 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 2023, the WPG 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.

**1** Matters that may involve damages or litigation cases

**2** Government, public power intervention or when the search warrants are presented by investigation units

**3** Employee death or serious injury

**4** Significant damage to the operation site, rendering it unusable

**5** Discovery of rumors or hearsay to the detriment of the Company or its senior executives

**6** Receiving threats such as blackmail, extortion, etc. to the Group's companies or executives

**7** Media coverage of adverse events

**8** Operational difficulties of the IDM/ Fabless, customers or key suppliers

## Emerging Risk Management

With the increase in the number of global emerging risk types and the probability of occurrence, WPG Holdings also includes identifying and managing emerging risks in the risk management process. WPG Holdings' identification and assessment of emerging risks in 2023 were mainly focused on "Geopolitical Risk Management."

### Geopolitical Risk Management

As the China-US trade conflict intensified in 2022, WPG Holdings convened a senior executive meeting in 2023 in accordance with its risk management procedures, in order to collaborate with various functional units to assess the possible business continuity risks, formulate a business continuity plan (BCP) and report to the Board of Directors.



## 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.

Based on the 2023 audit plan approved by the Board of Directors, the Audit Office conducted the audit on financial, business, operational, regulatory compliance and management systems across various departments and groups. The aim was to establish sound corporate governance practices and risk control mechanisms. In 2023, the Audit Office conducted a total of 52 audits, and all of them were finalized. Meanwhile, the Audit Office continued to follow up the improvement status based on the improvement plans responded by the audited units, and report the results of the improvement follow-up to the Audit Committee and Board of Directors regularly.

### Responsibilities of the Internal Auditors



#### Understand 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

Understand and monitor the organization's operational risk and the implementation status of internal control by reviewing business operations, and timely provide suggestions for improvement.



#### Providing consulting services and improving operational efficiency

Provide 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 Risk Process

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

#### Risk Considerations and Settings

Identify possible risks of each business according to inherent risks.

#### Identify Standard Operations

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

#### Understand Actual Practices

Actual operation, system operation, usage of forms.

#### Process and System Analysis

System process design and the effect analysis of risk control, inability of systems management and manual confirmation.

#### Set Up a Review Process

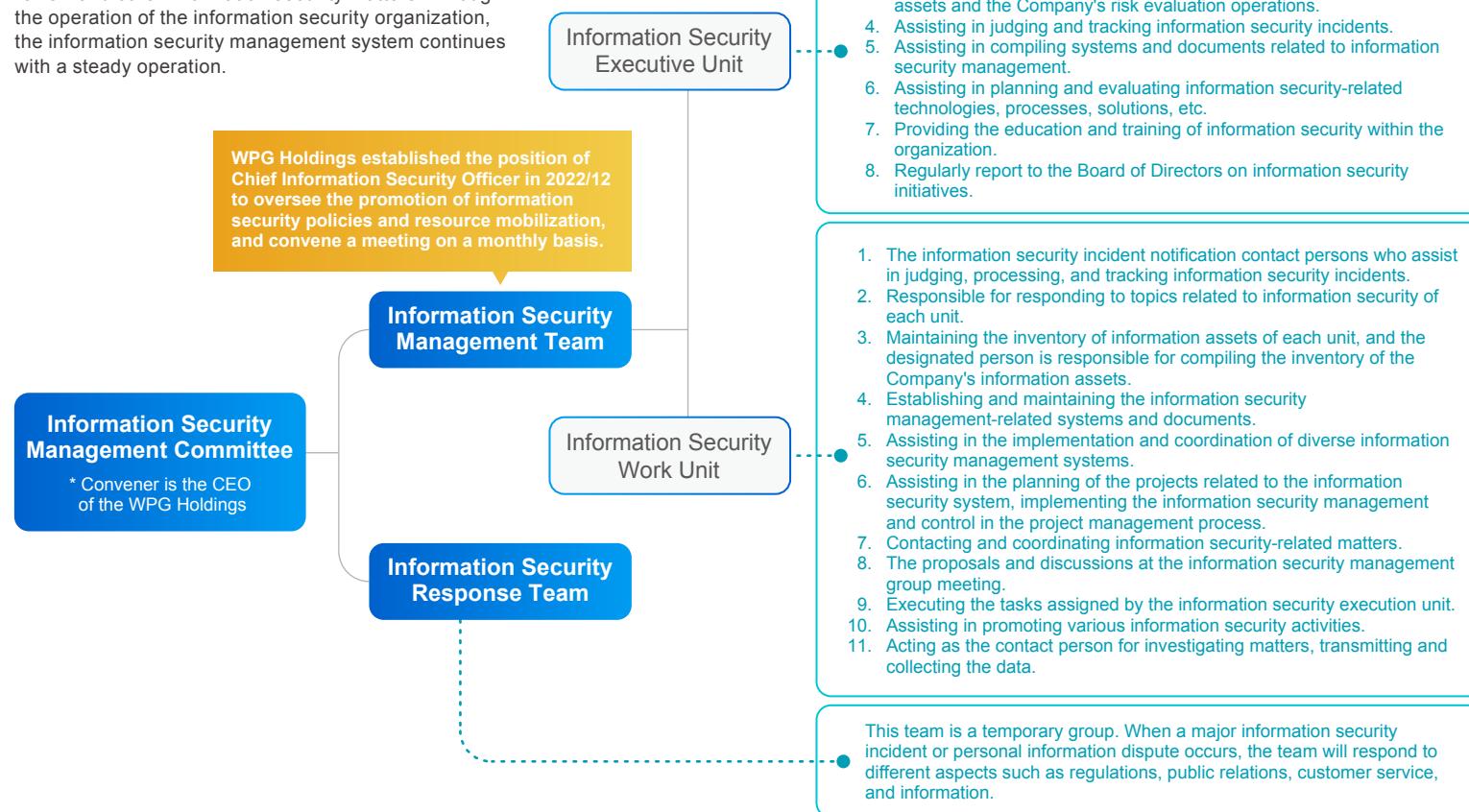
Set key audit matters and their implementation based on risk control.

## 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, equipment 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.



**Key Resolutions in 2023**



- In response to the release of the new ISO 27001:2022 standard, the company needs to complete the update by 2025. The company plans to implement the transition during the recertification process in June 2024.
- When ISO 27001/27017 is re-certified, the LaaS (Gongchuang Intelligent) company will be added into the scope.

## Introduction of Information Security Management Mechanism

WPG Holdings established its information security management systems in 2020, 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. The Company has formulated information security management requirements to define the information security management indicators and goals, and obtained ISO 27001 certification in July 2021. The certificate still remains valid now. In 2022, in order to strengthen the cloud-based service management and implement the cloud-based service information security control operation specifications, the Company obtained ISO 27017 cloud-based service information security management certification in September 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.

**5** The external consultants are used to assist the implementation of said projects to ensure the completeness and reliability of the implementation.

## 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.

### 1 Prevention

- Regular business continuity planning exercises
- Internal audits
- Conduct safety awareness and education training programs

### 2 Supervision

- Real-time monitoring system
- Network resources and another maintenance status

### 3 Tracking

- 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

- 1 If the handling unit of the reporting judges that it is an information security incident, they should record the incident, notify the information security execution unit, and conduct reporting operations in accordance with the Company's contingency process, and the business department will confirm whether the incident needs to be notified to the relevant external units for attention.
- 2 If the impact level of an information security incident is above a certain level, the time for handling the incident shall be evaluated and the person in charge of the information security implementation unit shall be notified, and he/she, together with the information unit, shall decide whether or not to activate the off-site backup room or activate the emergency response operation procedure.

- 3 The handling unit of the reporting shall record and track the information security incident processing status and finalized time, etc., responding promptly and tracking the progress record to maintain the wholeness of the record.

### 0 Case

#### Information Security-Related Incidents in the Past Three Years

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

## Information Security Education Training and Advocacy

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

## Summary of Information Security Education and Training in 2023

Units: Hours; Number of People; %

Course Content	Total hours (hours)	Total number of participants (persons)	Attendance rate
Social engineering drills, information security awareness training	4,396	4,396	88%
Cloud-based Information Security Awareness Training	259	259	100%
ISO 7001:2022 Transition Education and Training	213	213	100%

## Business Continuity Plan (BCP)

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

- 1 Confirming the drill list conformed to the actual condition

All contact information on the drill list should be correct.

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

During the drill, all procedures are completed as expected.

- 3 Ensuring the time of drill steps match the expectation

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



### 2023 BCP Drill Scenario

#### Scenario Setting

Error in the system services.

#### Status of Implementation

Perform backup and restoration to restore the system's operation to achieve the business continuity.

## 2.2.5 Legal and Trade Compliance

### Grade A

Consecutively obtained Taiwan Intellectual Property Management System (TIPS) certification for two years



#### Establishment of Trade Secret Management System

Protection of the Company's confidential information is an important part of the corporate sustainable development and maintenance of core competitiveness. WPG Holdings has obtained the TIPS Grade A certification in 2022 and 2023 consecutively, and has established a sound confidential information management system. In accordance with the established confidential information management requirements, each functional unit regularly reviews and updates the confidential information classification table to ensure the effective management of the different level confidential information. Meanwhile, WPG Holdings also organized the course "Awareness of Businessmen Toward Confidentiality/Protection of Business Secrets" to help colleagues identify potential risks to be dealt with during routine operations through the promotional education and training, and to enhance the information classification and grading control and colleagues' knowledge on the protection of confidential information (including business secrets). These measures aimed to prevent potential risks in advance and ensure effective burden of proof afterwards to protect the interests of the Company and its stakeholders.

#### Intellectual Property Management Plan

In order to achieve the Company's operating objectives and ensure compliance with intellectual property related laws and regulations, and to protect the required intellectual property, the Company has included intellectual property management as one of its internal control systems. Under this framework, the "Intelligent Property Management Manual" was revised in 2023, and various intellectual property management procedures were improved satisfactorily.

Meanwhile, in response to the Company's new business models, Logistics as a Service (LaaS) and Business Process as a Service (BPaaS), we have formulated the intellectual property R&D evaluation process for LaaS and WMS warehousing management system in advance. The procedures aim to evaluate whether R&D projects are in line with the Company's operational direction, and to plan the corresponding intellectual property rights protection policy.



#### 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 open source licensing inventory is carried out for the development of LaaS and WMS to ensure the use and generation of risk controls.

3 WPG Holdings organizes training or study activities to educate employees on relevant laws and regulations as needed.

4 In order to respond to and communicate with stakeholders on intellectual property protection issues in a timely manner, WPG Holdings has set up a intellectual property protection mailbox as a contact channel. No complaints or opinions related to intellectual property rights were received in 2023.



#### 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 2023, the Company conducted the review on the R&D management process and regulations of LaaS and WMS and the open source licensing related thereto for copyright inventory.

3 In 2023, WPG Holdings conducted an internal review of intellectual property management, and in August 2023, conducted an internal review of the implementation of intellectual property management standards in key departments of the Company.

4 **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.

## 0 Case

Feedback the Opinions on  
Personal Information Interest and  
Right were Received in 2023

### Organized Personal Data Education and Training

Regular Annual Training for  
Greater China Employees: One  
Session Held in 2023

### Enhanced the Debt Protection Knowledge Base

Further Optimized and  
Supplemented to Improve the  
"Action Plan for Assurance of  
Creditors Rights and Collection of  
Accounts Receivable" in 2023

## Management System of Personal Information Protection

In light of the globalization of the business locations and 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, New Zealand, Japan, Korea, the United States (State of California, State of New York) 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," to form the complete personal information protection regulations, which were approved by the Board of Directors of WPG Holdings on October 26, 2021. Further, in response to the implementation of the "Personal Information Protection Law" in Mainland China, the "Additional Provisions of the Personal Information Protection Law" have been added to the various regulations under its "Personal Information Privacy Policy" and 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, in order to implement the personal information protection policy in each region and each sub-group.

In order to continue implementing the aforementioned personal information protection policies, 1 course of "Legal Compliance Education and Training" have been held for employees in the Greater China region in 2023 (please refer to the "Advocacy of Legal Compliance" of the Annual Report). The advocacy on personal information protection allows employees to fully understand the laws and regulations related to personal information management, and raise employees' awareness on legal compliance to achieve the corporate legal compliance. Further, in order to ensure the timely response to regulatory updates and adjustments subject to operational changes, the Company regularly reviews and updates the Company's rules and policies to ensure that the use of personal information in business transactions by subsidiaries in various regions complies with local regulations. In 2023, the "Measures on the Standard Contract for the Cross-border Transfer of Personal Information" of the People's Republic of China required the Company to complete the execution of standard contracts with subsidiaries in Mainland China and other related filing and application operations. The Company will continue to follow up on the laws and regulations or other regulatory requirements of China on cross-border transfer of personal information, in order to improve the protection of personal information and comply with the relevant laws and regulations. Meanwhile, in order to formulate specific risk management strategies for personal information risks that may be involved in global operations, the Company conducts internal inventory, classification and interviews with respect to personal information in accordance with the laws and regulations applicable in each region every year to conduct risk assessments, formulates a playbook to enable employees to fully understand the risks and handling procedures they may encounter in their routine operations, and to conduct regular self-assessments to review the status of personal information measures implementation status to effectively protect the security of customers' and employees' personal information and ensure that WPG Holdings' personal information privacy protection system continues to be in line with the global trend, and realizes the compliance and soundness of the personal information privacy protection management a privacy protection system in the era of digital economy to protect the rights and interests of investors and achieve the goal for corporate sustainability.

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. No opinions on personal information interest and right were received in 2023.

## Enhancing Risk Prevention and Protecting Debt Solvency

In view of the fact that the credit management, account management, collateral management and file management of the enterprises subordinated to WPG Holdings are unified and digitized, and in order to improve the efficiency of the collection of accounts receivable from customers, WPG Holdings regularly reviews the customer transaction and loan ratio, adequacy ratio of collateral provided and the completeness of transaction documents, in order to mitigate the doubts over the Company's bad debt and improve the control efficiency of accounts receivable. Meanwhile, the "Action Plan for Assurance of Creditor's Rights and Collection of Accounts Receivable" was further optimized and supplemented to improve the Company's debt protection knowledge base in 2023. In addition to compiling more internal collection cases of WPG Holdings over the years, WPG Holdings also conducted detailed research and analysis on the cases, and then generated relevant collection document templates and internal and external SOPs. Meanwhile, WPG Holdings has also compiled relevant teaching materials, focusing on the legal knowledge sharing platform of the basic teaching materials, supplemented by benchmarking cases, in order to enable paralegal, credit management and sales personnel to fully understand the risk profile and response procedures that they may encounter in their routine operation and improve the ability of risk prevention/ pre-arrangement of legal action and protection of creditor's right and collection of debts, so that the "Action Plan for Assurance of Creditor's Rights and Collection of Accounts Receivable" may be more practical.

## Advocacy of Legal Compliance

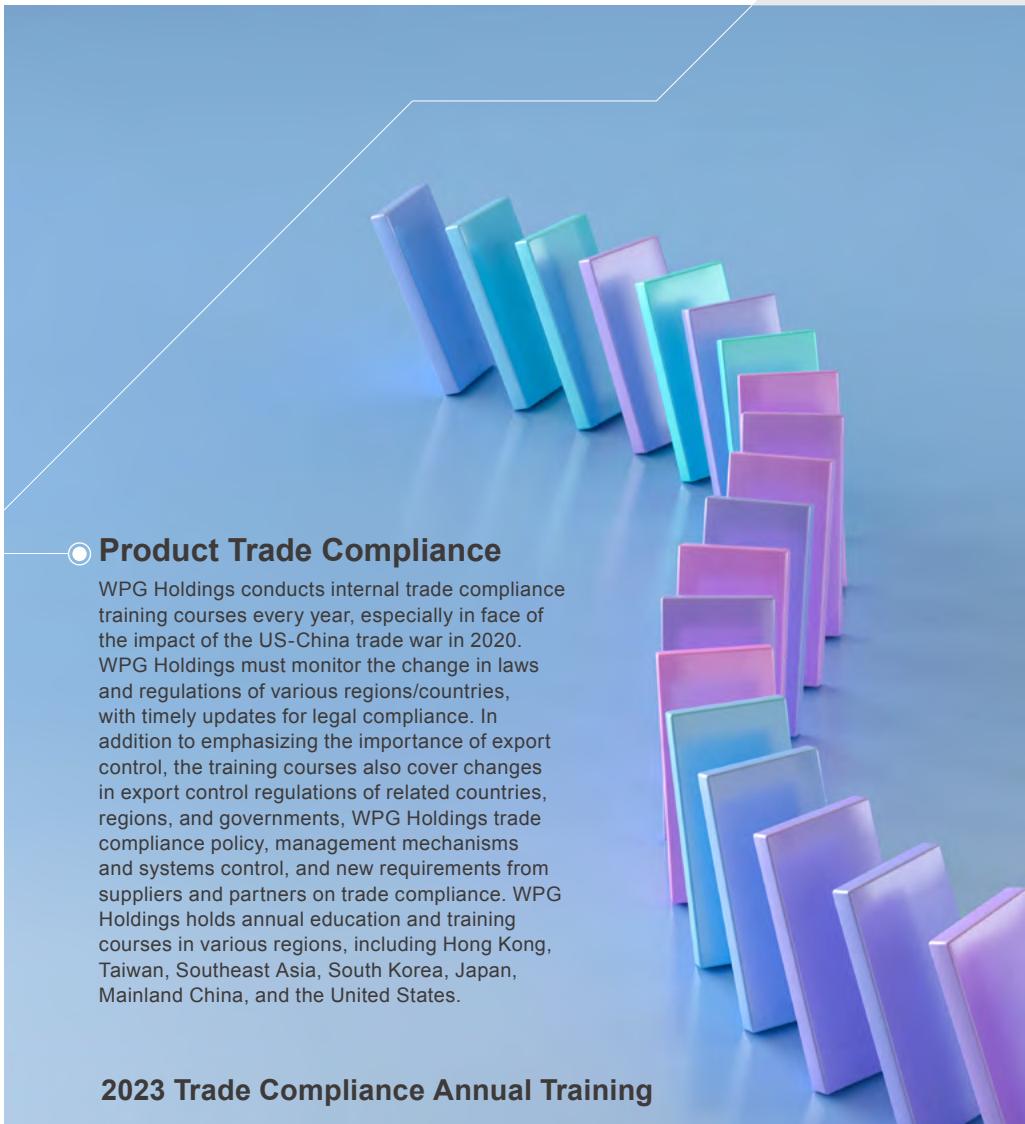
In order to strengthen employees' legal awareness in performing duties in each unit, implement corporate legal compliance, protect the rights and interests of investors, and achieve corporate sustainability, the Legal Affairs Service unit had conducted live broadcasts of Legal Compliance Education in 2023. There is also a special section for relevant courses to provide these live-streamed course videos and online post class quizzes, so that colleagues in Greater China can watch, learn and take online tests anytime, anywhere to view their learning outcomes online. In addition to the training courses arranged in the aforementioned the "Establishing the management system of confidentiality" and the "Intellectual Property Management Plan", and "Personal Information Protection Management System", it also included the advocacy of legal compliance course on the topic of "Insider Trading" and "Dishonest Conduct" with online tests after each live streaming course to deepen the legal concept of colleagues.

### 2023 Legal Compliance Education and Training Series

Units: %

Session	Region	Course	Participation Rate
1	China	Led by AI and Escorted by Laws /Legal Issues in the Era of Generative AI	<b>89.0%</b>
2	Taiwan	Awareness of Businessmen Toward Confidentiality/Protection of Business Secrets	<b>100.0%</b>
3	Taiwan	Analysis of Legal Regulation of Insider Trading From Practical Cases	<b>98.4%</b>
4	Taiwan	Legal Regulations Governing Unethical Conduct and Practical Case Studies	<b>86.9%</b>
5	North China	Compliance and Integrity - Analysis on Common Types of Fraud and Compliance Management from Practical Cases (livestream)	<b>59.1%</b> (Participation Online)
6	South China	Compliance and Integrity - Analysis on Common Types of Fraud and Compliance Management from Practical Cases (livestream)	<b>63.4%</b> (Participation Online)
7	China	Borderless Personal Information Protection, Information Security Protection Never Slack/Key Points and Case Study of Corporate Personal Information Protection and Information Security Management	<b>73.8%</b>
8	Hong Kong	Acquisition of Wealth in the Right Way and Based on Ethics/Independent Commission Against Corruption (ICAC) Case Series	<b>95.0%</b>

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.

### 2023 Trade Compliance Annual Training

**2 Hours 3,115 95%**

Total hours (hours)	Total number of participants (persons)	Attendance rate
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# NATURE

## Common Good In Environment Sustainable Value-Added

**100%**Achieve 100% Greenhouse  
Gas inventory**137  
Programs**A total of 137 programs  
related to Cleantech**40%**Cleantech solution  
revenue increased by  
40% YoY**ISO  
14001**Dongguan warehouse passed the  
ISO14001:2015 environmental  
management certification**Set the Group's  
Renewable Energy  
Targets**

- 3.1 Climate Change Strategy and Management
- 3.2 Low-Carbon Operations
- 3.3 Green Value Chain

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.



## 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"

## Commitments 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.



## Resource Investment



Continuing to expand the scope of greenhouse gas inventory and verification, including the main operating offices and self-owned warehouses in Taiwan and China, with the inventory scope attaining 100%, and obtain ISO 14064:2018 certification.



Meet the rapidly changing needs of customers and original manufacturers via BPaaS, while reducing the need for internal customization to improve overall operating efficiency.



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.

## 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 Task Force on 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.

WPG Holdings has made reference to recommendations on climate change-related financial disclosures issued by the Task Force on Climate Related Financial Disclosures 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 climaterelated 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 [1.2.2 of this report](#).

### Responsibilities



## Strategy

With reference to the TCFD guidelines, we identify 5 climate change risks and 5 opportunities of WPG Holdings through workshop discussions and assessments of climate related issues. 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 the related operating costs, including electricity bills, due to higher demand for air conditioning by maintaining office temperatures	Mid-term
		Rising sea levels	Financial loss due to inundation of operational sites	Long-term

### Climate-Related Opportunities

Risk Type	Risk 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 Sources	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 (refer to 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:

### 1. Low Carbon Operations

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:

- Office Areas: In the short term, relocating to a new building with a green building label to reduce energy consumption and office operating costs. In the long term, gradually purchasing energy-saving equipment to reduce office energy use. Meanwhile, evaluating the consumption of green power and the purchase of RECs to mitigate the carbon emissions at the office areas step by step.
- Logistics Warehousing: Build intelligent monitoring equipment and promote the complex transportation mode.

### 2. Green Value Chain

- Cleantech Development: Develop clean technology-related product solutions with customers to promote green energy-related semiconductor component business opportunities.

## Climate Change Scenario Analysis

The global average temperature rise controlled within the range of 1.5°C is the goal for all of the people. However, there is still a considerable gap between various countries' policies and this goal. In order to respond to the risks and impacts caused by various possible climate paths in the future, WPG Holdings, through the climate change scenario analysis, assessed 2 physical risks (flooding disasters and increasing global average temperature) and 1 transformation (pass-through of the carbon emission costs for transportation of commodities), as well as the risk impacts under various scenario hypotheses. Meanwhile, it also formulated appropriate response strategies to mitigate the potential impacts posed by climate risks. The risk scenarios, analysis factors and assessment results are disclosed as follows:

Risk Scenarios	Analysis Factors	Climate Environment Simulation	Assessment Result/Financial Impact Conclusion
Flooding Damage	Degree of hazard and vulnerability	RCP 2.6 and RCP 8.5 scenarios were simulated using the flood risk map published by the NCDR's Climate Change Adaptation Platform	<ul style="list-style-type: none"> <li>RCP 2.6 Scenario: 1 office is rated involving high climate risk</li> <li>RCP 8.5 scenario: 3 office locations are found involving high risk; however, all offices are located on high floors, and the impact on equipment and operations is found limited upon evaluation</li> </ul>
Global Mean Temperature Increase	Air-conditioning energy costs	The warming trend simulated using the Network for Greening the Financial System (NGFS) (RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5)	<ul style="list-style-type: none"> <li>RCP 2.6 scenario: The electricity bill expenditure is estimated to increase by NT\$1.407 million, about 0.0002% of the total operating revenue</li> <li>RCP 8.5 scenario: The electricity bill expenditure is estimated to increase by NT\$2.146 million in 2050, about 0.0003% of the total operating revenue</li> </ul>
Pass-through of Commodity Transportation Carbon Emission Costs	Transportation cost	Analysis of current policies, NDCs, and 2050 net zero emission scenario under NGFS scenarios	<ul style="list-style-type: none"> <li>2050 net zero emission scenario: The pass-through cost for carbon fees will account for 15.96% of the total transportation cost</li> </ul>



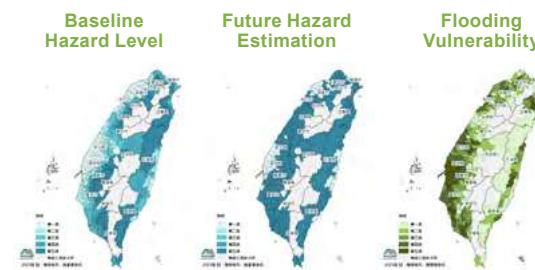
## Acute Physical Risk - Flooding Damage

Scenario 1		Scenario 2
Physical Risk Roadmap	RCP 2.6	RCP 8.5
Scenario Description	Relative to the lower greenhouse gas increase scenario, the atmospheric radiation reaches a maximum of $3\text{W/m}^2$ in the mid-21st century and then decreases slowly until the end of the 21st century	Atmospheric radiation continues to increase to more than $8.5\text{W/m}^2$ , which means the world is not taking any action to reduce Greenhouse Gas emissions

1 Learn more about the operating locations and warehousing information of WPG Holdings



2 The flooding hazard and vulnerability of each area were identified through the flood map (RCP 2.6 and RCP 8.5)



3 Climate risks are graded based on hazard x vulnerability scores at each operating location

Climate Risk	Risk Value	Office Location		Logistics Warehouse	
		RCP 8.5	RCP 2.6	RCP 8.5	RCP 2.6
High	$\geq 20$	3	1	-	-
Medium	7-19	1	2	1	1
Low	$\leq 6$	1	2	-	-

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

In recent years, extreme rainfall events have become more frequent and have caused large-scale flooding events. As the leading distributor of semiconductor components in Asia Pacific, WPG Holdings has set up operating locations and logistics warehouses globally. However, due to the lack of universally comparable and accurate global risk mapping information, the 2023 assessment primarily referenced the flood disaster risk maps published by Taiwan's National Science and Technology Center for Disaster Reduction (NCDR) on their Climate Change Disaster Risk Adaptation Platform. The priority was to simulate scenarios for the Taiwan region and assess the impacts on various sites under different climate scenarios. The scenarios were based on the base year and RCP 8.5 climate scenario, with the base year assumed to follow the RCP 2.6 risk pathway.

### Scenario Assumptions

Flooding disasters may result in blocked transportation for staff at operational offices, leading to delays in administrative processes. In logistics warehouses, flooding may cause goods to get wet, affecting the logistics and distribution schedule of products. WPG Holdings has a total of 6 locations in Taiwan (including 1 warehouse). The analysis assesses the flooding risks at these sites under the RCP 2.6 and RCP 8.5 scenarios. The simulation maps the hazard level (probability of heavy rainfall) and vulnerability level (disaster potential) of flooding disasters into 5 grades. Regions with hazard x vulnerability scores  $\geq 20$  are defined as high climate risk, those between 7-19 are considered moderate climate risk, and  $\leq 6$  are categorized as low climate risk.

### Analysis Results

- Under the RCP 2.6 scenario, 1 office was rated as involving high climate risk, 2 offices and 1 logistics warehouse were rated as involving medium climate risk, and 2 offices were rated as involving low climate risk.
- Under the RCP 8.5 scenario, 3 offices were rated as involving high climate risk, 1 office and 1 logistics warehouse were rated as involving medium climate risk, and 1 office was rated as involving low climate risk.

### Corresponding Strategy

As the office locations identified as high-risk under RCP 2.6 or RCP 8.5 scenario were all located in high-rise areas, the evaluation showed that the impact posed by physical risk over flooding on equipment and operations was limited. With respect to the logistics warehouses, WPG Holdings has set forth the emergency response procedures to address business interruption, if any, regularly monitored relevant risks, and formulated response strategies and also business continuity plans.

## Chronic Physical Risk - Global Mean Temperature Increase

Scenarios	Scenario 1	Scenario 2	Scenario 3	Scenario 4
NGFS Scenario	RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5
Scenario Description	Relative to the lower greenhouse gas increase scenario, the atmospheric radiation reaches a steady-state scenario of about 4.5 W/m <sup>-2</sup> by the end of the 21st century, which means that countries around the world try to achieve the greenhouse gas reduction target	The atmospheric radiation reaches a steady-state scenario of about 4.5 W/m <sup>-2</sup> by the end of the 21st century, which means that countries around the world try to achieve the greenhouse gas reduction target	Similar to RCP4.5 outcome, but the atmospheric radiation is 6 W/m <sup>-2</sup> , which means that the world is not doing its best to achieve the goal of Greenhouse Gas reduction	Atmospheric radiation continues to increase to more than 8.5 W/m <sup>-2</sup> , which means the world is not taking any action to reduce Greenhouse Gas emissions

### Scenario Assumptions

The scenario analysis may help estimate the growth in energy consumption of WPG Holdings' operating locations in Taiwan, China (including Hong Kong), South Korea, South Asia, India, North America and the United Kingdom. Assuming that "air conditioning power consumption" accounts for 40% of the total power consumption, and the electricity bill remains unaffected by policies and energy transformation progress under various scenarios in the future and the impact posed on the improvement of performance of the equipment, the impact posed by the increasing global temperature on the energy expenses is evaluated accordingly.

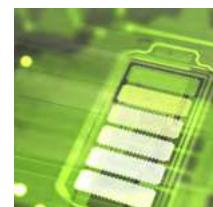
1 Learn more about the operating locations and warehousing information of WPG Holdings



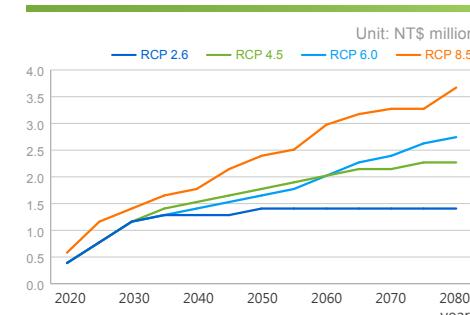
> 2 Evaluate the warming scenario of each location through models (taking China and Taiwan as examples)



> 3 Collect the electricity meter readings and electricity bills of various locations



> 4 Impact analysis of air conditioning cost increase



Source: NGFS Climate impact explorer.

Note 1: Note 1: The actual electricity bill was based by the estimation of warehouses in Taiwan, China and Hong Kong, while the electricity fee for other locations was estimated at NT\$3/kWh.

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.

### Analysis and Assessment on Financial Impact

1. Under the RCP2.6 scenario, as the increasing temperature was already under control and the growth of power consumed by air conditioning will attain the peak in 2055, the electricity bill expenditure is estimated to increase by about NT\$1.407 million, about 0.0002% of the total operating revenue.

2. Under the RCP8.5 scenario, due to the ongoing increasing ambient temperature, the operating air-conditioning expenses continued to grow. The electricity bill expenditure is estimated to increase by NT\$2.146 million in 2050, about 0.0003% of the total operating revenue.

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, the 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 - Pass-Through of Commodity Transportation Carbon Emission Cost

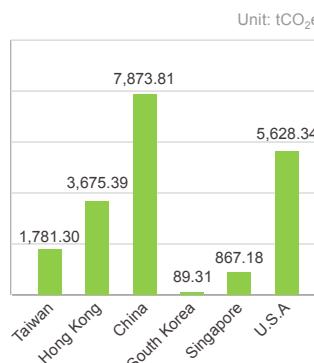
Scenarios	Scenario 1	Scenario 2	Scenario 3
NGFS Scenario	Current Policy	NDCs	Net Zero 2050 (NZE 2050)
Scenario Description	Retaining only the currently implemented policies results in a global temperature increase of about 3°C and significant physical risk	All committed national policies have been thoroughly 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	Net Greenhouse Gas 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, but the upstream and downstream logistics and transportation process may also generate a large amount of Greenhouse Gas emissions. If the future for the transport of Greenhouse Gas emissions need to begin to collect carbon fees, it may face the logistics manufacturers due to the imposition of carbon fees and pass on costs, resulting in increased costs of transportation. 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.

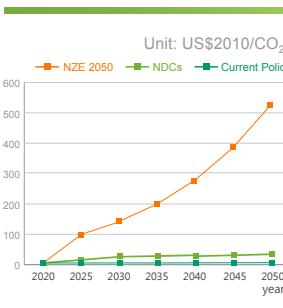
### Scenario Assumptions

Upstream and downstream logistics companies are required to pay carbon fees due to the Greenhouse Gas emission control measures in the future and pass through the transportation costs to WPH Holdings. Meanwhile, in the short term, transportation means are still using carbon-based fuel and, therefore, it is impossible to transform them into EV transportation means for the time being.

1 Understand the carbon emissions from upstream and downstream transportation of warehouses owned by WPG Holdings



> 2 NGFS models carbon fee roadmaps for each scenario



Source: NGFS Phase 4 Scenario Explorer.

> 3 Set carbon fee rates that may be passed through for each scenario



> 4 Assess the growth rate of freight of self-owned warehouses in each area in 2050

Carbon fee as a percentage of transportation cost in 2050 Unit: Carbon Fee Cost/Total Transportation Cost (%)

Region	Current Policy	NDCs	Net Zero 2050
Taiwan	0.14%	0.82%	10.35%
China	0.12%	0.67%	8.65%
Hong Kong	0.22%	1.29%	15.45%
South Korea	0.05%	0.30%	4.06%
Singapore	0.23%	1.32%	15.72%
U.S.A.	7.61%	32.40%	87.00%
<b>Total</b>	<b>0.23%</b>	<b>1.34%</b>	<b>15.96%</b>

Note 1: The carbon price is projected with reference to the REMIND-MaGPIE 3.2-4.6(Other Asia model announced in the NGFS Scenario Explorer.

Note 2: The foreign exchange rate applicable to USD is estimated at 1:30.

### Analysis Results

In 2023, the total Greenhouse Gas emission of the upstream and downstream transportation of WPG Holdings will be approximately 20,000 metric tons CO<sub>2</sub>e. Under the current policy, the pass-through cost of carbon fees will account for 0.23% of the total transportation cost, while the NDCs is 1.34%, which will not render significant impact on WPG Holdings. Under the 2050 net zero emission scenario, the pass-through cost for carbon fees will account for 15.96% of the total transportation cost.

### 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. For air transportation, WPG Holdings evaluates the transportation using sustainable aviation fuels (SAFs) for a certain percentage of services to reduce the carbon footprint of its own services.

## Risk Management

The climate change risk management procedures of WPG Holdings have been integrated into the general risk management. For details, please refer to [2.2.2](#) herein. By identifying risks, it defined six major risks, including environmental risks (business interruption caused by natural disasters, etc.) and has established the emergency response procedures to address business interruption. The climate risk management process consists of three major steps, namely, "Identification and Assessment," "Monitoring and Response," and "Report." Further, WPG Holdings has started to conduct Greenhouse Gas inventory each year since 2021. The action cost invested in managing the climate risk in 2023 was less than 0.001% of the total operating revenue, while the management cost increased by 30% from 2022.

## Climate Change Risk Management Process

### 1. Identification and Assessment

WPG Holdings regularly collect international trends, relevant regulations, and physical climate change data, taking into account industry characteristics. And identify and assess potential environmental risks, including climate change, that could impact their operations.

### 2. Monitoring and Response

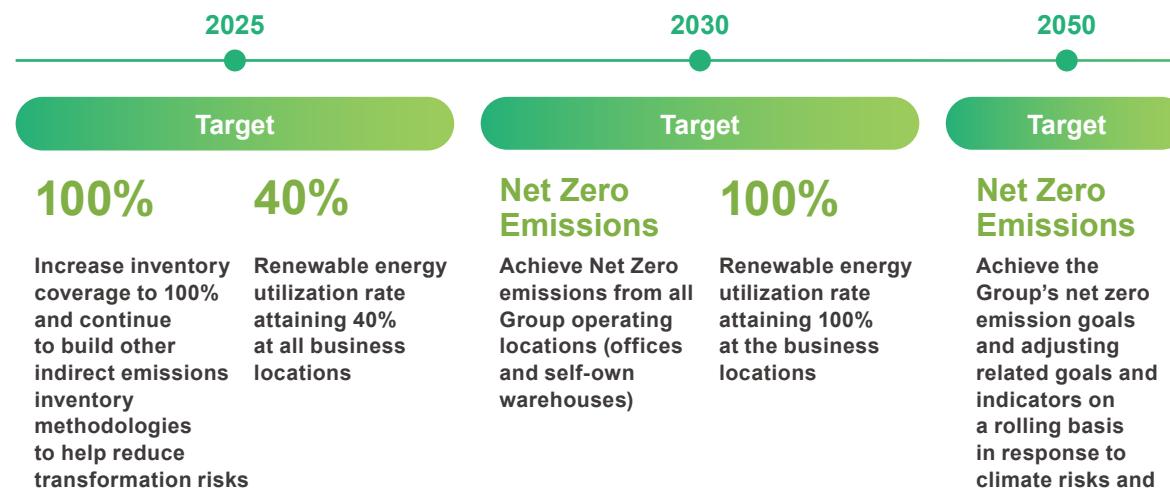
After assessing potential impacts, the Company takes control measures or activates emergency response procedures to address the identified risks.

### 3. Reporting

The Sustainability Committee reports to the Board of Directors on the company's progress in promoting sustainability, including the implementation results and future plans related to climate-related issues. The reporting follows the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD).

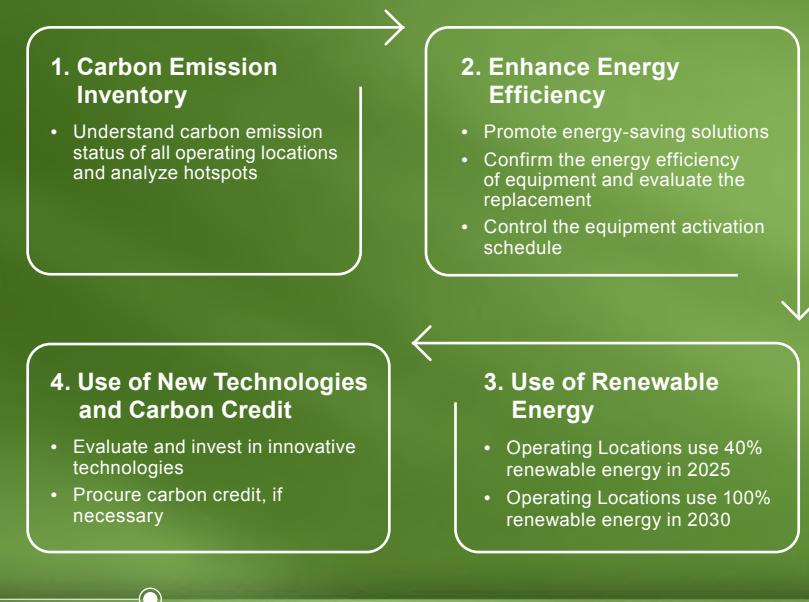
## Metrics and Targets

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 continues to expand the Group's scope of greenhouse gas inventories and verification, as well as publicly disclose relevant content of climate-related financial disclosures. Until 2023, the information about locations covered has already included Scope 1, Scope 2, and designated Scope 3 Greenhouse Gas emission data for offices and self-owned warehouses in the territories of Taiwan and China, and all overseas territories.



## Net Zero Vision of WPG Holdings

Achieving net zero emissions by 2050 is the goal of WPG Holdings. In addition to the Group's overall carbon emission inventory, our net zero vision is based on the science based (SBTi) reduction roadmap, and it promotes the company to move toward net zero in three steps, including "improving the energy utilization rate (energy conservation), use of renewable energy and removal of new technology/ (carbon credit) crediting residual emission." Gradually advancing the company towards Net Zero.



## 3.2 Low-Carbon Operations

### ISO 14001

LinKou, Hong Kong,  
Singapore, and Dongguan  
Warehouses Achieve  
Environmental Management  
System Certification

### 0 Case

Number of Major  
Environmental Violations  
in the Last Three Years

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 all overseas regions for Scope 1 (direct emissions), Scope 2 (indirect emissions) and designated areas of Scope 3 on Greenhouse Gas emissions data (refer to [3.2.3](#) of this report, 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, Singapore and Dongguan warehouse 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 Green 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.



### WPG Holdings Headquarter Green Building



### Energy-Saving Equipment and Green Building Materials

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

**1** Dual Low-E glazing for the exterior wall to effectively isolate external air temperatures and reduce energy consumption and CO<sub>2</sub> emissions from air conditioning

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

**3** LED panel light ceiling frame and lightweight partition design

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

### Energy Activation and Recycling

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

### Centralized Waste Treatment to Reduce Pollution

Apart from using green building materials to build energy-saving facilities, we are also active in waste disposal and 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 Holdings has conducted annual inventories and disclosures of Scope 2 Greenhouse Gas emissions (indirect emissions) generated from energy use. Starting from 2021, the company has gradually expanded the inventory scope and established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 Greenhouse Gas Inventory Standard published by the International Organization for Standardization (ISO). So far, the information about locations covered has already included Scope 1, Scope 2, and designated Scope 3 Greenhouse Gas emission data for offices and self-owned warehouses in the territories of Taiwan and China, and all overseas territories.

#### Greenhouse Gas Reduction Goal

Short-term (2024)

Goal

Carbon Reduction 1%

The office areas in Taiwan

Mid-term (2030)

Goal

Carbon Reduction 2%

The warehouses in Greater China

Long-term (2050)

Goal

Net Zero Emissions

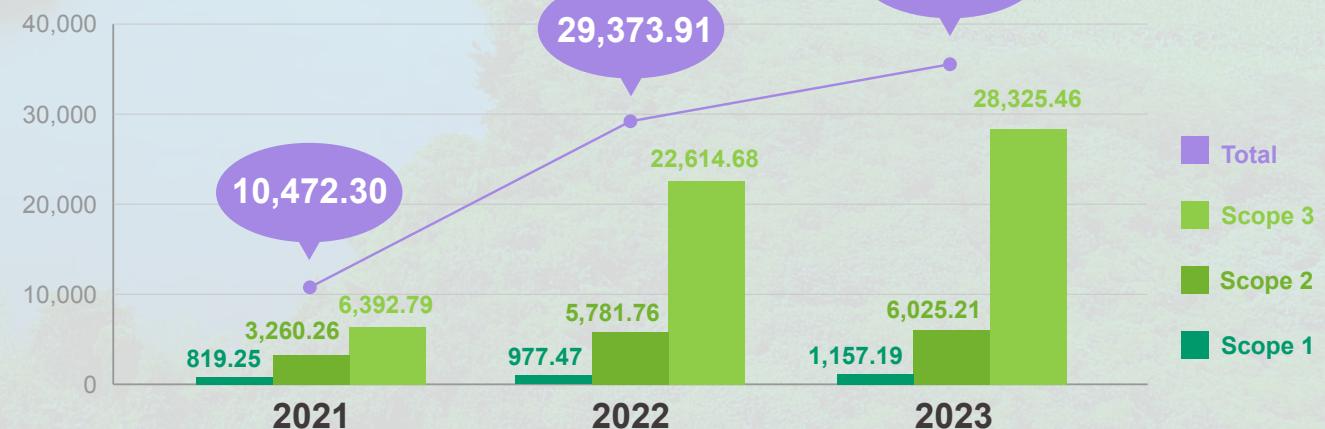
Net Zero emissions from all Group operating locations (offices and self-owned warehouses) (Scope 1, 2)

Net Zero Emissions

Net Zero emissions to be achieved by 2050 (Scopes 1, 2, and 3)

#### WPG Holdings Greenhouse Gas Emissions in the Past Three Years

Unit: Carbon Dioxide Equivalent (Tonnes CO<sub>2</sub>e)

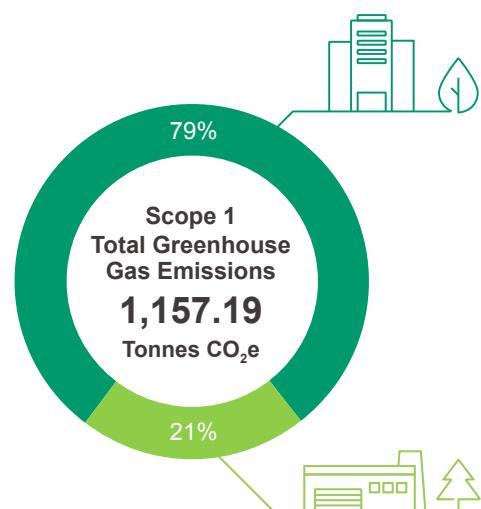


Note 1: Since 2021, the scope of the greenhouse gas inventory has been gradually expanded, and by 2023, it has covered all Group operating locations.

## Scope 1 (Category 1) of Greenhouse Gas Emission

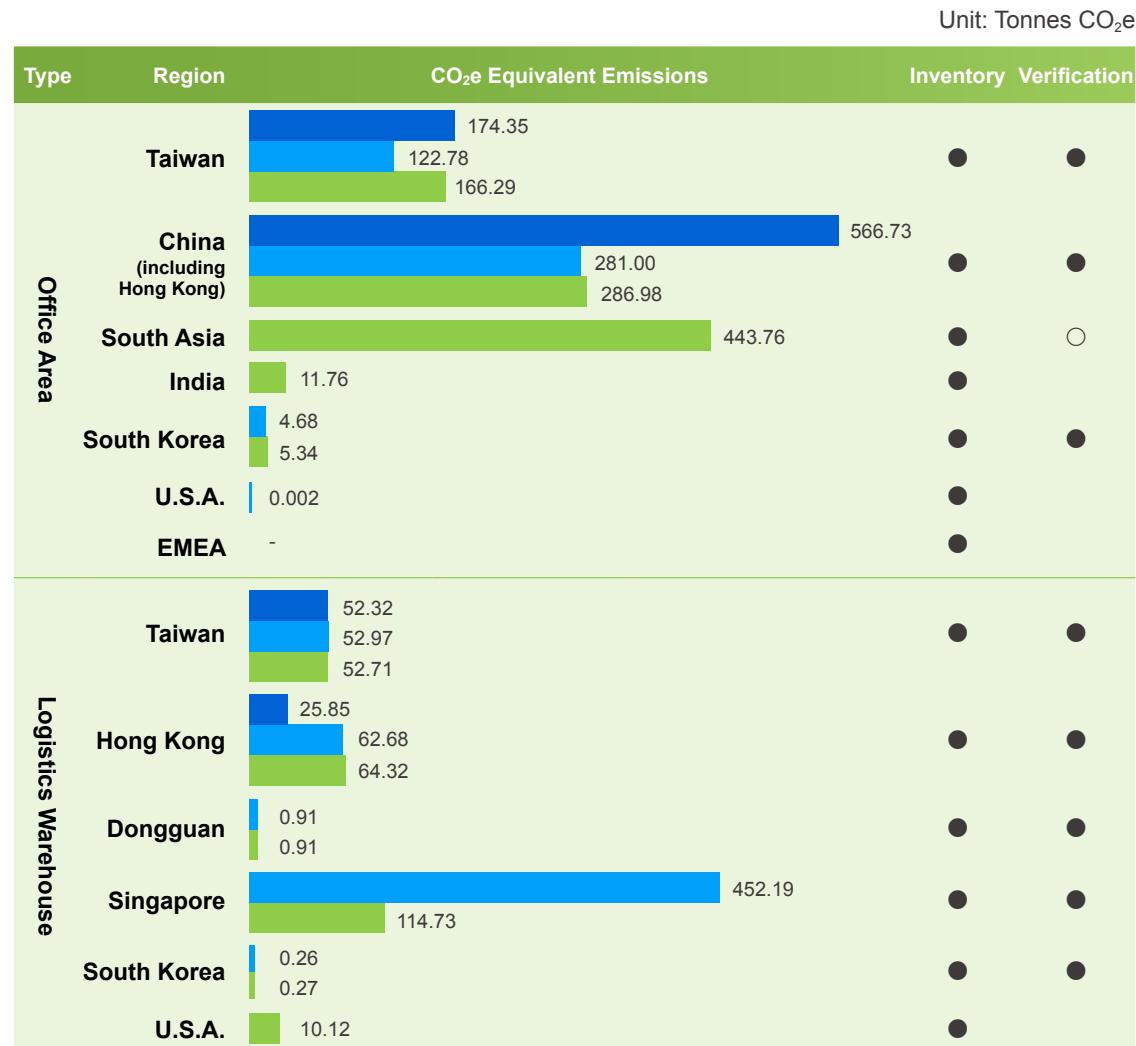
Unit: Carbon Dioxide Equivalent (Tonnes CO<sub>2</sub>e)

## WPG Holdings Greenhouse Gas Emissions in 2023



Type	Region	CO <sub>2</sub> e Equivalent Emissions
Office Area	Taiwan	166.29
	China (including Hong Kong)	286.98
	South Asia	443.76
	India	11.76
	South Korea	5.34
	U.S.A.	0.002
EMEA	-	-

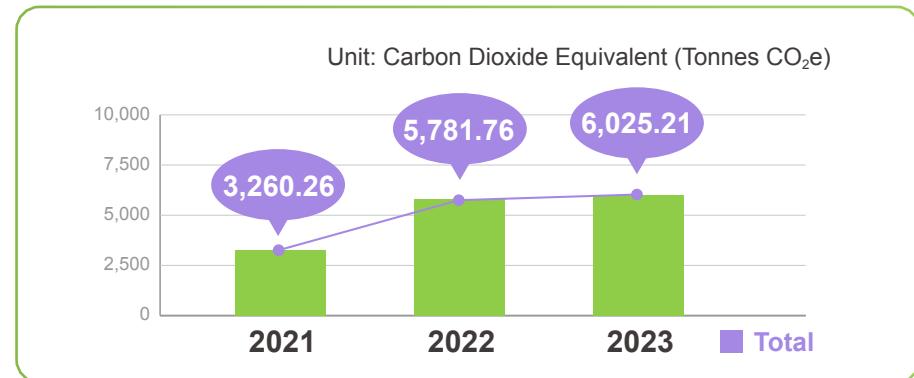
Type	Region	CO <sub>2</sub> e Equivalent Emissions
Logistics Warehouse	Taiwan	52.71
	Hong Kong	64.32
	Dongguan	0.91
	Singapore	114.73
	South Korea	0.27
	U.S.A.	10.12



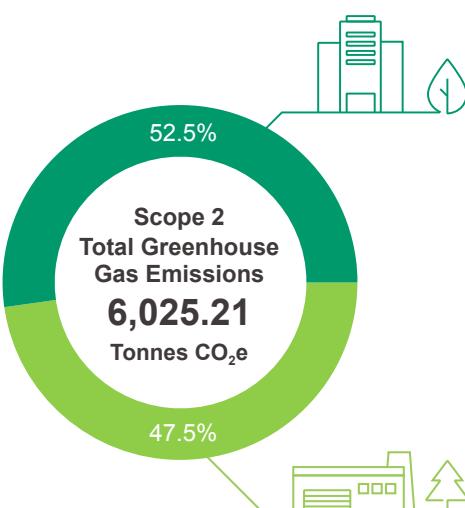
Note: ● stands for "complete"; ○ stands for the locations in Singapore and Malaysia only.

2021 2022 2023

## Scope 2 (Category 2) of Greenhouse Gas Emission



## WPG Holdings Greenhouse Gas Emissions in 2023



Type	Region	CO <sub>2</sub> e Equivalent Emissions
Office Area	Taiwan	1,460.27
	China (including Hong Kong)	1,326.57
	South Asia	210.28
	India	108.78
	South Korea	16.06
	U.S.A.	39.20
	EMEA	1.53

Type	Region	CO <sub>2</sub> e Equivalent Emissions
Logistics Warehouse	Taiwan	454.11
	Hong Kong	383.76
	Dongguan	1,763.11
	Singapore	153.93
	South Korea	4.69
	U.S.A.	102.90

Type	Region	CO <sub>2</sub> e Equivalent Emissions			Inventory	Verification
Office Area	Taiwan	960.22	1,175.24	1,460.27	●	●
	China (including Hong Kong)	716.43	1,357.40	1,326.57	●	●
	South Asia	210.28			●	○
	India	108.78			●	
	South Korea	15.41	16.06		●	●
	U.S.A.	39.20			●	
	EMEA	1.53			●	
Logistics Warehouse	Taiwan	500.86	420.94	454.11	●	●
	Hong Kong	594.61	441.82	383.76	●	●
	Dongguan	488.14		2,176.82	●	●
	Singapore	189.73	153.93		●	●
	South Korea	4.40	4.69		●	●
	U.S.A.	102.90			●	

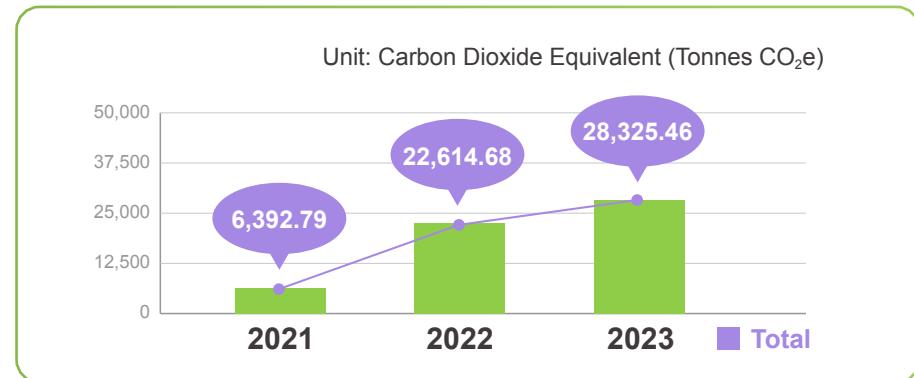
Note: ● stands for "complete"; ○ stands for the locations in Singapore and Malaysia only.

Descriptions about the scope:

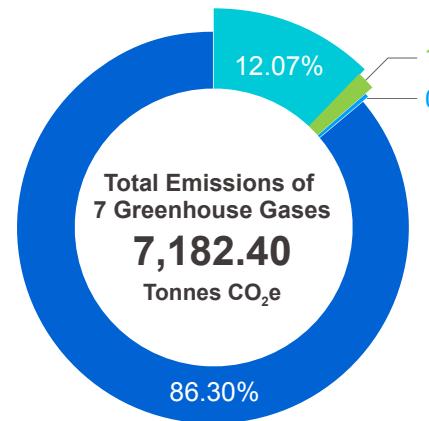
1. The calculation of Greenhouse Gas emissions is mainly based on the "emission coefficient method", using the "greenhouse gas emission coefficient management table version 6.0.4" published by the Ministry of Environment, Executive Yuan for emission calculations, and the "EPA carbon footprint calculation service platform" for life-cycle assessment coefficients for scope 1 and 2 carbon emission calculations. Global warming potential (GWP) adopts the IPCC 6th Assessment Report (GWP of various greenhouse gases in 2022 Emissions (CO<sub>2</sub>e) = emissions data × emissions coefficient × GWP).
2. Data collection method: Operational control method.
3. Scope 2 emission coefficient calculation criteria: The coefficient for each location is considered as the first priority, followed by the national emission coefficient, and then the international coefficient.
4. Descriptions about the scope of inventory: In 2021, the offices included Nangang Headquarters Building, Taiwan, and the offices in Shanghai, Shenzhen and Hong Kong, China. The warehouses included Linkou and Hong Kong warehouses. In 2022, the offices included all territories of Taiwan and China and other overseas locations, including Singapore and South Korea. The warehouses included Linkou, Hong Kong, Dongguan, Singapore and South Korea warehouses. The scope of inventory of offices and self-owned warehouses was 100% in 2023.
5. Dongguan Warehouse started operation in May 2021.
6. Scope of exclusion: No inventory has been conducted against the holding companies without physical operating locations, subsidiaries of general investment business, and subsidiaries with locations where no personnel are assigned or business activities are conducted.
7. Please refer to [Appendix 5.7](#) of this report for carbon emission intensity.

2021 2022 2023

## Scope 3 (Category 3) of Greenhouse Gas Emission



## 7 Greenhouse Gas Emission Categories



Unit: Tonnes CO<sub>2</sub>e/Year

Gas	Emission
CO <sub>2</sub>	6,198.37
CH <sub>4</sub>	109.44
N <sub>2</sub> O	7.69
HFC <sub>s</sub>	866.90
PFC <sub>s</sub>	-
SF <sub>6</sub>	-
NF <sub>3</sub>	-

Note 1: The disclosure covers Scope 1 and Scope 2.

In 2023, the scope of Scope 3 continues to be expanded to include "intended use, emission contribution share, reduction space, activity data availability, and emission coefficient availability" as the basis of evaluation principles. So far, 10 out of 15 categories under Scope 3 have been included. The emission status is stated in the following table:

Unit: Carbon Dioxide Equivalent (Tonnes CO<sub>2</sub>e)

Scope 3 Emission Sources	2021	2022	2023	Verification in 2023
Purchased goods and labor services	-	-	-	-
Capital goods	-	-	-	-
Fuel and energy related activities	2,282.81	4,391.44	1,154.98	●
Upstream transportation and distribution	-	11,031.69	14,293.44	●
Waste generated in operations	-	-	-	-
Business travel	-	465.47	1,671.65	●
Employee commuting	-	-	-	-
Upstream leased assets	-	-	-	-
Downstream transportation and distribution	4,109.98	6,726.08	5,585.88	●
Processing of sold products	Not applicable, as the Company is engaged in the electronic distribution industry but not involved in actual production			
Use of sold products	Not applicable, as the Company is engaged in the electronic distribution industry but not involved in actual production			
End-of-life treatment of sold products				
Downstream leased assets	-	-	963.88	
Franchises	Not applicable, as the Company is not involved in franchise business			
Investments	-	-	4,655.63	
<b>Total</b>	<b>6,392.79</b>	<b>22,614.68</b>	<b>28,325.46</b>	

### Descriptions about the scope:

1. In 2021, the transportation and delivery statistics covered Linkou Warehouse and Hong Kong Warehouse, and in 2022, Dongguan Warehouse and other overseas warehouses were included. In 2023, all the self-owned warehouses of WPG Holdings were included, including Linkou Warehouse, Hong Kong Warehouse, Dongguan Warehouse, and the U.S. Warehouse, Singapore Warehouse and Korea Warehouse, totaling six locations. The emissions (CO<sub>2</sub>e) = weight of each shipment × transportation distance × emission coefficient × GWP.

## 2023 Greenhouse Gas Verification Information

Among the total greenhouse gas emissions disclosed by the Company, 23,457.601 metric tons CO<sub>2</sub>e (accounting for 66.1% of the total emissions) were assured by the assurance institution (BSI Taiwan) in accordance with ISO 14064-3:2019. Category 1 and Category 2 verifications are based on "Reasonable Assurance." Category 3 and Category 4 verifications are based on "Agreed Upon Procedures.(AUP)" Category 5 verification is based on "Validation." Please refer to [Appendix 5.7](#) of this report for greenhouse gas emission Validation information.

### 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 addition to said smart equipment installation and regular equipment maintenance, WPG Holdings also formulates relevant energy management through data analysis and norms. For example, control over elevators, lighting and air conditioning during peak and off-peak hours, and seasonal water temperature control, etc. In the future, the Company will also evaluate the installation of solar panels in logistics warehouses and AI lighting in offices.

## Energy Management Goals

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:

Type	Short-term	Mid-term	Long-term
Taiwan Office Area	1%	2%	3%
Logistics Warehouse	Inventory of existing energy-consuming equipment, evaluation and replacement planning (by 2% each year)		

Note: The base year for the office areas is 2023

# Strategy and Goals of Renewable Energy

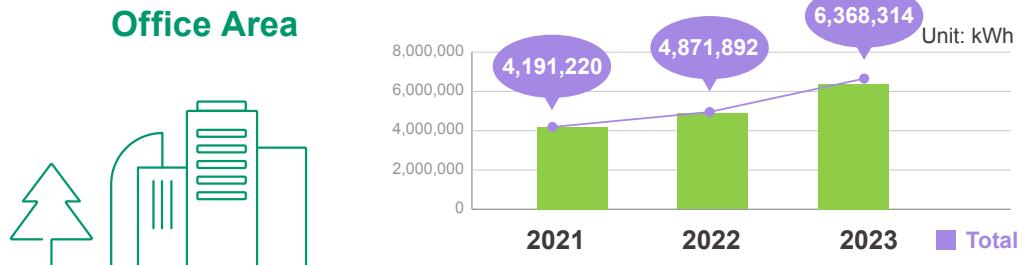
In order to achieve the net zero emission goal by 2050, WPG Holdings will save the energy as the first priority reduction measure. The power consumption of major operating locations will be analyzed to strengthen the management of power consumption at each location. WPG Holdings will expand the use of renewable energy step by step, and adopt "purchase of REC, procurement of green power, and self-construction" as the strategic tools to achieve the milestones for the Group's renewable energy utilization rate.



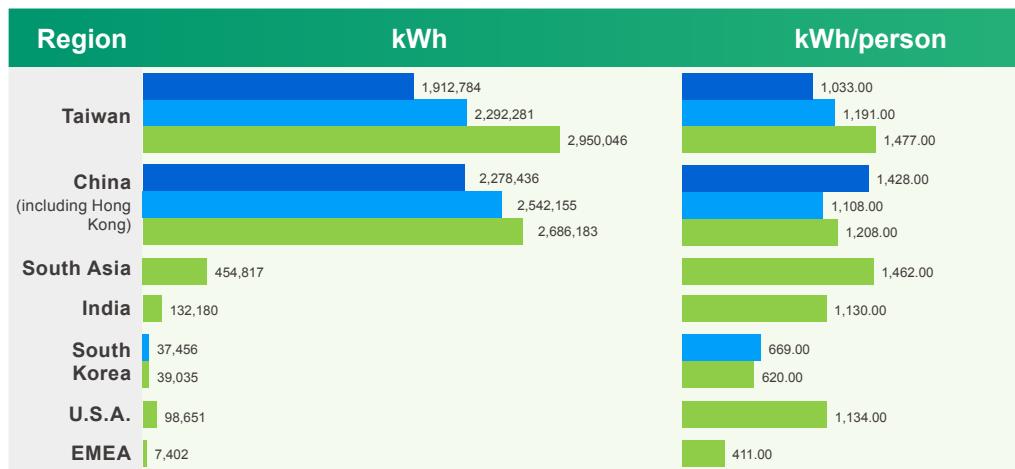
The renewable energy source for the office areas is the solar energy, and solar panels are built to collect electricity and use it for the lighting of the grand stair hall. The proportion of renewable energy consumed at the office areas was < 1% in 2023.



## Office Area



### Energy Use Statistics



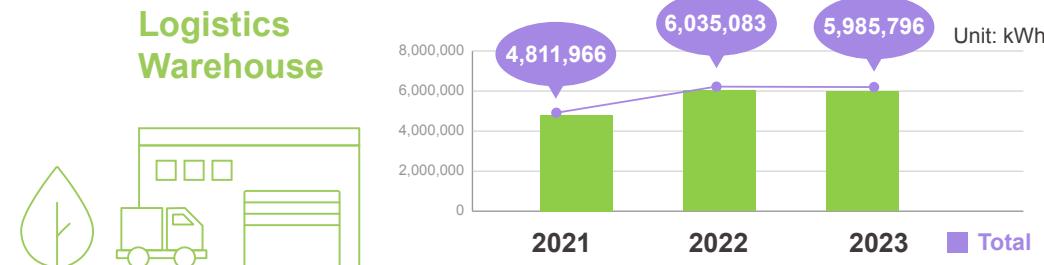
Note 1: All energy statistics for WPG Holdings were based on the use of non-renewable energy sources in 2023.

Note 2: The conversion factor for energy units is based on the conversion table provided by the [Energy Administration, Ministry of Economic Affairs](#).

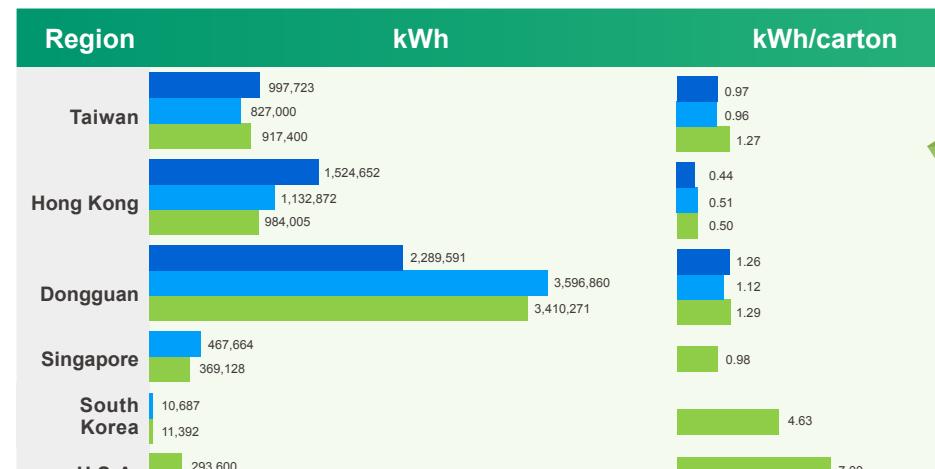
Note 3: The energy consumed by the office and logistics warehouses was sourced entirely from purchased electricity, and the statistics were gathered based on hours of use.

Note 4: Energy intensity is measured by the number of full-time employees in office areas. The warehousing is measured based on the number of boxes for inbound and outbound operations. South Korea Warehouse only gathers the statistics about the number of boxes for outbound operations.

## Logistics Warehouse

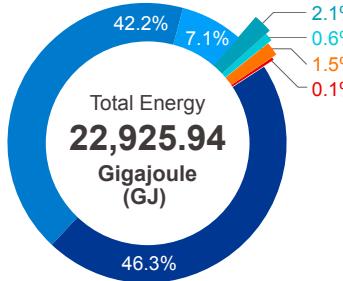


### Energy Use Statistics



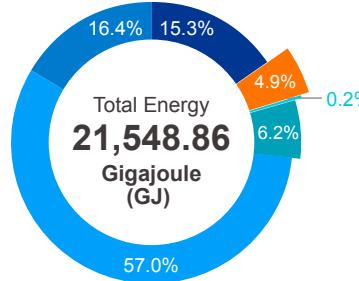
■ 2021 ■ 2022 ■ 2023

## Total Energy Consumption Proportion of WPG Holdings' Logistics Warehouses in 2023



Area	Gigajoule (GJ)
Taiwan	10,620.17
China (including Hong Kong)	9,670.26
South Asia	1,637.34
India	475.85
South Korea	140.53
U.S.A.	355.14
EMEA	26.65

## Total Energy Consumption Proportion of WPG Holdings' Office Areas in 2023



Area	Gigajoule (GJ)
Taiwan	3,302.64
Hong Kong	3,542.42
Dongguan	12,276.97
Singapore	1,328.86
South Korea	41.01
U.S.A.	1,056.96

### 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

-  1 Elimination of old printers and fax machines, and replacement of multifunction printers and adoption of subscription
-  2 Subscription for devices that meet performance needs, not brand-new models
-  3 Replacement of physical fax with electronic fax
-  4 Swipe card to pick up documents to reduce paper consumption caused by misprinting
-  5 Use environmentally friendly brands as the selection criteria for photocopying paper
-  6 Post environmental slogans to promote the culture of paper reduction, such as double-sided printing and single-sided recycling, etc
-  7 Stop the printing of paper cups, promote the use of eco-friendly cups, and use mugs comprehensively in 2024

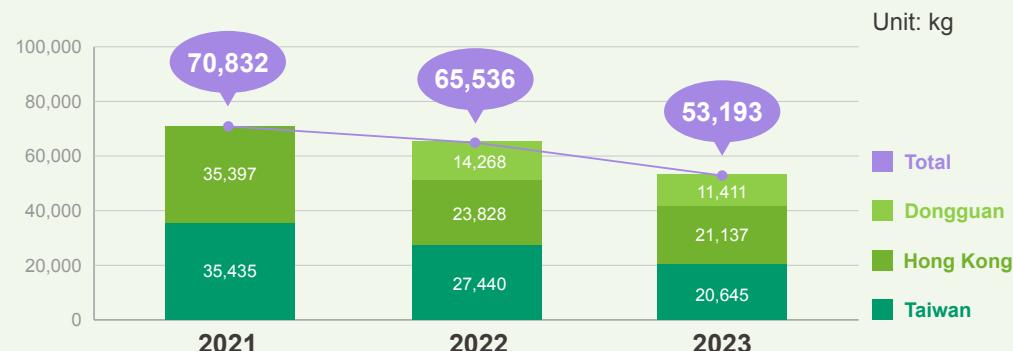
#### Statistics of Paper Usage



Note 1: Statistical coverage for office areas includes Taiwan (including 4 external locations), China (including 22 external locations), and other overseas regions such as Singapore and South Korea.

#### Statistics of Cartons Recycled

With a focus on saving resource consumption, the unusable cartons in the logistics warehouse of WPG Holdings are handed over to the waste clearance and transportation companies for recycling and reuse. The number of cartons recycled and reused in 2021-2023 are as follows:



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 Resource Management

WPG Holdings' corporate headquarters building and Linkou warehouse are equipped with rainwater harvesting systems for automatic irrigation. The harvested water is used solely for plant maintenance, aiming to recycle and reuse water resources. Facilities and equipment are regularly maintained, serviced, and upgraded, such as replacing automatic faucets to reduce energy consumption. Additionally, all office locations are monitored in real-time or through regular data collection to control water resource usage, implementing corresponding improvements as control measures.

#### Water Resource Management Goals

In order to achieve the above-mentioned water resources control, WPG Holdings set the following water conservation targets:

Type	Goal	Achievement	Status	2023	2024	2025
Taiwan Office Area	1% Reduced by	All offices in Taiwan have been included. The total water consumption in 2023 was 17.970 million liters, a reduction by approximately 1.2%	Yes		2% Cumulative reduction by at least	3% Cumulative reduction by at least
Logistics Warehouse	2% Reduced by	The total water consumption of the warehouses in Taiwan, Hong Kong and Dongguan was 19.070 million liters, a reduction by approximately 12.5%	Yes		2% Each year	2% Each year

Note: The base year for the office areas is 2022.

#### Statistics of Water Consumption



Note 1: In 2023, WPG Holdings achieved a water resource coverage rate of 84.37%. Statistical coverage for office areas includes Taiwan (Taipei, Kaohsiung, Hsinchu) and mainland China (Shanghai, Chengdu, Hangzhou AIT, Ningbo, Xi'an, Hefei, Xiamen, Shenzhen, Qingdao, Hong Kong), with other overseas regions including Singapore and South Korea. Statistical coverage for logistics warehouses includes Taiwan (Linkou) and mainland China (Dongguan, Hong Kong).

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 4,000 liters has been built in the Linkou warehouse. Actual water usage statistics have not yet been recorded.

#### Water Resource Intensity

Type	Region	Unit: Million Liters; Total Number of Employees	
		2023	2023
Office Area	Taiwan	0.009	
	China	0.010	
	Other overseas	0.004	
Logistics Warehouse	Taiwan	0.060	
	Hong Kong	0.005	
	Dongguan	0.921	

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 2023 is 54.05 cubic meters, monitored automatically by the internal system on a daily basis.

Note 5: The denominator used for water resource intensity is the total number of employees at each location. The office area statistics cover Taiwan (Taipei, Kaohsiung, Hsinchu); China (Shanghai, Chengdu, Hangzhou AIT, Ningbo, Xi'an, Hefei, Xiamen, Shenzhen, Qingdao, Hong Kong); other overseas areas include Singapore and South Korea. The logistics warehouse statistics cover Taiwan (Linkou), China (Dongguan, Hong Kong).

## 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.

### 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

Recyclable waste such as damaged pallets and waste plastic films will be collected and weighed first, and then recycled by the supplier. Taking 2021 as the base year, the warehousing waste has been reduced by 65.6% until 2023.

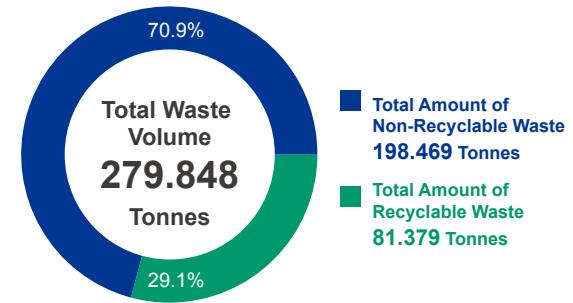
### Waste Management Goals

To achieve the control over said waste, WPG has set the following waste goals. In the future, it will proactively implement the waste reduction practices and continue to evaluate the possibility for improving the goals:

### Waste Statistics



### Waste Composition in 2023



Note 1: In 2023, the data collection scope was expanded. For office areas, it includes Taipei in Taiwan, and in mainland China, it includes Shenzhen, Shanghai, Hong Kong, Changsha, Guangzhou, Zhuhai, Dongguan, Beijing, and Suzhou. For logistics warehouses, it includes Linkou in Taiwan and Hong Kong and Dongguan in mainland China.

Note 2: Only food waste from Taipei (office area) is included in the calculation of "recyclable waste" because it is reused.

Type	2023	2024	2025
	Reduced by	Cumulative reduction by at least	Cumulative reduction by at least
Taiwan Office Area	1%	2%	3%
Logistics Warehouse	Take 2022 as the base year for the general waste and aim to reduce the waste by 8% in 2026		

Note: The base year for the office areas is 2022.

Unit: Tonnes

Total Amount of Waste

Non-Recyclable Waste

Recyclable Waste

### Waste Intensity

Type	2023
Taiwan Office Area	0.042
Logistics Warehouse	0.462

Unit: Tonnes; Total Number of Employees

### Type

2023

Taiwan Office Area

0.042

Logistics Warehouse

0.462

Note 3: For Shenzhen (office area) and Shanghai (office area), data collection mechanisms were only implemented midway through 2023, so some waste data may not cover the entire year of 2023.

Note 4: For Shenzhen (office area), there were instances of data gaps due to manual handling, resulting in missing data. For months with missing data, the calculation is adjusted as follows: Total recorded quantity for the month + (Total recorded quantity for the month/ Total recorded days for the month) \* Number of missing days in the month.

Note 5: The denominator used for waste intensity is the total number of employees at each location. The office area statistics cover Taiwan (Taipei); China (Shenzhen, Shanghai, Hong Kong, Changsha, Guangzhou, Zhuhai, Dongguan, Beijing, Suzhou). The logistics warehouse statistics cover Taiwan (Linkou) and China (Hong Kong, Dongguan).

## 3.3 Green Value Chain

### 3.3.1 Cleantech Strategy and Development

**130 People**

Number of Cleantech-  
Related Talent  
and Development  
Engineers (RD & FAE)

**90 Partners**

Number of Partners  
Involved in Intel IoT  
Aggregator Program

**25 Solutions**

Number of Smart  
Energy-Saving IoT  
Solutions Provided

**10 Labs**

Electric and  
Electronics  
Laboratories

WPG Holdings is a distributor (agency/distribution) of semi-conductor components and parts, but not involved in the manufacturing and sales of end products. However, as a part of the Green Value Chain, in response to Clean tech's growth demand and operating revenue from related applications, WPG Holdings collaborates the business partners in the upstream and downstream sectors of the supply chain to focus on the R&D, expenditure and promotion of Clean tech's applications.

Meanwhile, it establishes the WPGDADATONG solution technology sharing platform, seeks the platform information transparency, strives for users' participation in and use of clean technology solutions, creates business opportunities for each other and expands corporate profits.

WPG Holdings upholds the spirit of serving industry partners and strives to become an intermediary promoter for connecting link between the preceding and the following for the Cleantech and collaborate with partners in the industry to maintain its leading position, and plans and promotes the following three strategic directions.

#### Provide Systematic Solutions

WPG Holdings continues to collaborate with suppliers like Intel (Intel IoT Aggregator Program) to focus on the development of energy-saving and carbon-reducing technologies and low-carbon applications. With approximately 90 partners involved, the initiative offers 25 smart energy-saving solutions across eight categories in the Internet of Things (IoT), including smart healthcare, intelligent transportation and oil/natural gas energy systems, smart cities, smart retail, smart manufacturing, AIoT, and edge computing. By integrating resources from manufacturers and customers, this collaboration aims to enhance the implementation and accelerate the deployment of clean technologies.



For more information  
on IoT solutions

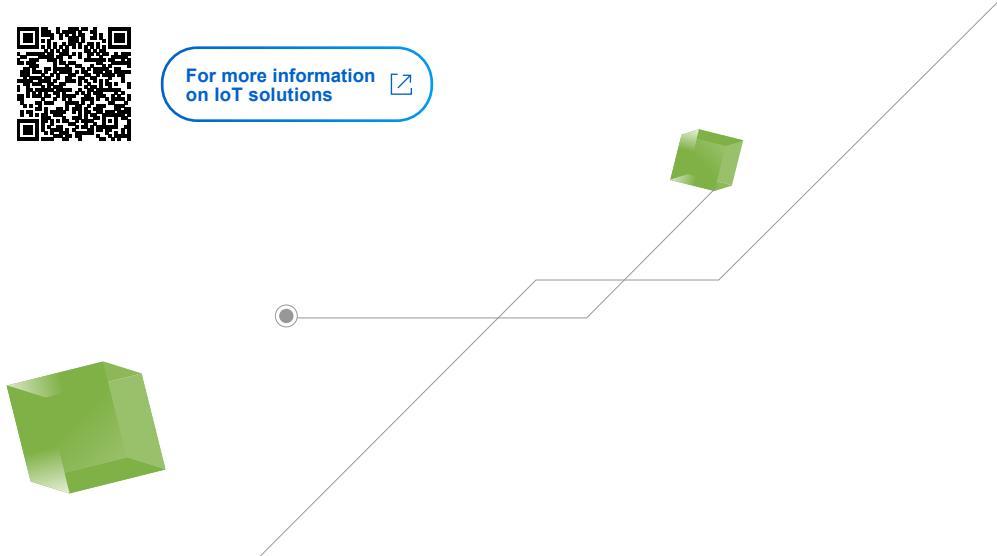
#### Promoter of WPGDADATONG Platform Cleantech Application Solutions

WPG Holdings has invested in talent for Cleantech-related applications. It has hired a total of 130 development engineers (RD & FAE). In terms of investment in hardware facilities, it builds a total of 10 electric and electronics laboratories occupying an area of 100 pings, including new energy high-voltage laboratories, environmental simulation laboratories, EMI Chamber, radio isolation laboratories and network communication laboratories, etc. In terms of investment in the WPGDADATONG website, 5 workers are trained to optimize the front-office and back-office interfaces. They can display, expose and share the same in order to link the offline needs and quickly access the Cleantech application solutions, so as to effectively reduce the additional carbon footprint arising from the physical connection.

WPG Holdings developed and also updated a total of 137 Cleantech-related solutions, covering the development of new energy, battery manufacturing or distribution, automated technology manufacturing or distribution, smart measurement device manufacturing or distribution, traditional pollution control development and distribution, and improved technology and system development or distribution, i.e. 67% of the 209 solutions available in 2023.

Among the 137 solutions, the development of energy conversion and LED lighting market has become the mainstream, and the products were mature, and customers were concentrated. Although the Company's solutions continue to be implemented, and the lighting components cover LED driver IC, LED module, LED chip, Photo LED, and Lighting sensor, the number of customers did not increase but even decrease. As a result, the sales of WPG Holdings' LED spare parts reduced by 30% from 2022, about 1.38% of the total operating revenue.

The energy conversion/energy storage market is larger and more mature relatively. In 2023, WPG Holdings' energy conversion and energy storage components included the IGBT (Insulated Gate Bipolar Transistor) (IGBT), power supply management, solar chips, and Type III semiconductors. The sales amount was equivalent to that in 2022, about 2.15% of the total operating revenue.



## Continued Promotion of Electric Vehicle Solutions

### Combining External Technology

WPG Holdings also invested NT\$75 million in an external company, AutoSys (TW) Co., Ltd., to promote the development of electric vehicle products. Two major results were achieved in 2023:

#### 1 Contribute to the ecosystem of the EV industry at the subsystem level

AutoSys (TW) Co., Ltd. focuses on the L1/L2 self-driving concept and uses the i.MX8 QM Plus, MTK2712 and SP6700 single chip distributed by WPG Holdings to complete the ADAS (Advanced Driver Assistance System) to help drivers achieve safe driving and assistance system for automatic driving. The ADAS, by detecting the environment through sensing elements, transmits the information to MCU microcontroller for analysis, and execute the acceleration, braking, steering and other actions to facilitate 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. The system has started mass production since January 2023. Until the end of June, 1,168 kits have been shipped. The end users included the famous local car maker, Luxgen URX.

#### 2 Focus on exerting the competitive strengths and create value for partners through collaboration

iMX8 QM Plus platform integrating AVM+ADAS+DMS all-in-one solutions was demonstrated in Computex Taipei May. 2023 together with NXP Semiconductors N.V. -Advanced Vehicle System. In 2H of 2023, the development of i.MX93 and i.MX95 single-chip products was continued. Meanwhile, WPH Holdings supported the hardware, and the Advanced Vehicle System was responsible for the software algorithm. NXP Taiwan has included the advanced vehicle system as an NXP partner program. On July 31, 2023, the name list of partners was created on the NXP official website, and the registration was completed online:



[NXP Partners List](#)



### Proactively Implement the Solutions Using Key Components of Electric Vehicles Made by the Original Manufacturers

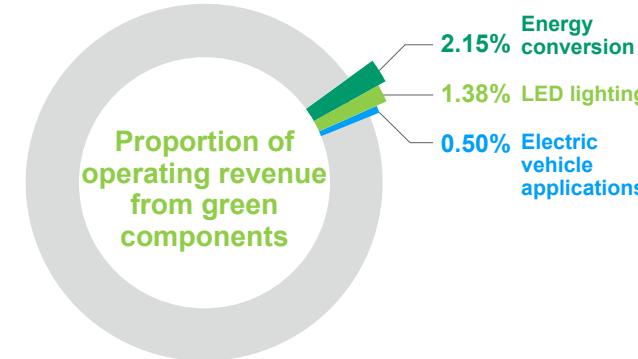
In 2023, WPG Holdings has developed 52 electric vehicle application solutions, accounting for 25% of the total solutions. Among the other things, there were a total of 25 solutions, the most, for the car body electronics including sensing components, such as lidar, millimeter-wave radar, ultra-sonic radar and photography lens, etc., followed by SiC and GaN high-efficiency automotive power supply technology based on Type 3 semiconductor, and development of battery management system, fast vehicle charger, motor power system and charging piles, etc., for a total of 16 solutions. The other 11 solutions cover vehicle body safety, in-vehicle central control and cabin communications. The sales value of the green spare parts for said solutions grew by 8% from the same period of 2022, accounting for approximately 0.5% of the total operating revenue.

### 3.3.2 Cleantech Development Results

**137 Solutions 4.02%**

137 Cleantech  
Solutions Developed  
and Updated in 2023

Green Components  
Account for 4.02% of WPG  
Holdings' Total Revenue



WPG Holdings looks ahead to the future development of clean technology, continuing to delve into and expand the field of clean technology. The company also aims to differentiate revenue or growth rate proportions based on application areas (such as automotive) or product categories (such as power and lighting), using revenue growth rates within a three-year timeframe as the target direction. This strategy is in response to global climate change and trends in energy scarcity.

Cleantech goal: Set the operating revenue growth rate within 3 years, subject to the application field or product category.



#### 1 New Energy Power

Solution Name	Solution Description
The solution based on the SPV1050 development board STEVAL-ISV019V1	Miniaturized photovoltaic energy management
High-performance DSP solution based on Microchip dsPIC33CK256MP505	250W micro inverter power supply
Decryption of Infineon using XMC4200 and coupled with the latest CFD7 series MOSFET solutions	3.3kW high power density bi-directional full bridge phase shift
High-performance DSP solution based on Microchip dsPIC33CH512MP506	11kW 3-phase totem-pole PFC power supply



#### 2 Participation in Battery Manufacturing or Distribution

Solution Name	Solution Description
Electric vehicle charging system battery energy storage based on -TN1435-STDES-DABBIDIR	25 kW dual active bridge bi-directional power converter
BMS solution using ST MCU and MPS AFE	Power allocation of renewable energy
Energy storage fire protection solution based on Safezoom An HTK129BF	Battery module should be preferably equipped with a separate detector.
AEK-POW-BMS63EN-battery management system module based on L9963E	BMS evaluation board



#### 3 Participation in Industrial Automation Technology Manufacturing or Sales

Solution Name	Solution Description
Solutions based on Nuvoton NuMaker-M467HJ emWin	AppWizard HMI
Robot arm motor control solution based on STMicroelectronics EVALKIT-ROBOT-1	Robot arm motor control
Solution based on STMicroelectronics IPS1025HF and STM32 Nucleo	Smart load management

Cleantech-related solutions cover the applications under 9 major categories. Among the other things, WPG Holdings developed and also updated a total of 137 Cleantech-related solutions, covering the development of new energy, battery manufacturing or distribution, automated technology manufacturing or distribution, smart measurement device manufacturing or distribution, traditional pollution control development and distribution, and improved technology and system development or distribution, under 7 categories, i.e. 67% of the 209 solutions available in 2023, with the operating revenue growing by 40% from the same period of 2022. Among them, green components accounted for 4.02% of the total turnover of WPG Holdings, including 1.38% from LED lighting, 2.15% from energy conversion, and 0.5% from electric vehicle applications.



#### 4 Participation in Improved Technology and System Development or Sales

Solution Name	Solution Description
Dual motor drive solution based on STMicroelectronics STSPIN32G4 and STDRIVE101	Two high-performance 3-phase motor drives with output current up to 10 Arms, which also provide over-current protection
Based on Infineon Psoc&TLE92108 driver solution	Grid chip motor driver
Solution for Ethernet based on STMicroelectronics STEVAL-ETH001V1	Servo drive for real-time multi-axis position control
Industry networking solutions based on Semtech FMS LoRa®	Provision of lightweight and low-cost networking
Solution based on STMicroelectronics STEVAL-PLC001V1	Industrial PLC with HMI interface
AI billboard display solution based on Qualcomm QCS610	Low-power AI terminal equipment applied to the retail industry
FaceMe face recognition solution based on Mediatek Genio series	Face recognition technology integrated into the MediaTek Genio series platform
Adapter solution based on Diodes AP3306, APR340 and AP43771V	130W ACF Gallium Nitride NB PD power adapter



#### 5 Participation in Smart Metering Devices Manufacturing or Sales

Solution Name	Solution Description
Positioning algorithm solution based on NXP NCJ29D5D UWB	Achieve the range positioning to the Key Fob using the three Anchors
Solution based on STMicroelectronics VL53L5CX	Gesture recognition of time-of-flight ranging sensor
Cloud connectivity solution based on STM32MP157A MPU from STMicroelectronics	Edge processing for industrial motor condition monitoring
Digital signal control solution based on Microchip dsPIC33EP32MC204	Drone FOC ESC
Motor vibration detection scheme based on STM32L496RET6 + LIS2DS12TR + MP34DT05TR-A	Industrial equipment testing and early warning requirements



#### 6 Participation in Traditional Pollution Prevention development and sales

Solution Name	Solution Description
Inference solution based on Metax GPU_MXN@N100	AI for Large-Scale Video Analysis and Video Transcoding
Cold chain temperature recorder solution based on FUDAN FM33LC0xxU	Cold chain transportation applications
Solution based on Walta Electronic Co. Ltd. CIU32L061N8 MCU	Smart gas meter
Low-power battery IPC solution Based on the RockChip RV1103/RV1106	AI home security system



#### 7 Participation in LED Lighting Development or Sales

Solution Name	Solution Description
Diodes AP3302 helps light up LEDs in the 21st century	The 75W LED power solution uses a two-stage structure consisting of the PFC part and the Flyback part
EVL012LED solution based on ST using STNRG012	200W LED Driver
LED solution based on ST's MASTERGAN4, HVLED002 and VIPER06XS	Dimmable high power reverse buck 500W LED
Application solution based on PI LYT SwitchTM-6 LYT6068C	35W LED lighting
Automotive tail light solution based on NXP S32K144 and NOVOSENSE NSL21912	Realization of the lighting effect of through-type tail lights

# KNOWLEDGE

## Empowering Talents Social Prosperity



- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 17 PARTNERSHIPS FOR THE GOALS

- 4.1 Talent Empowerment
- 4.2 Happiness in Workplace
- 4.3 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.



**92.4%** ESOT coverage rate



**20.12**  
Hours  
Average training  
hours per person



**160**  
Videos  
Recorded 160 videos for  
experience sharing and  
transmission series of courses



**13**  
Years

Supported NCCU Supply  
Chain Management Program  
for 13 consecutive years



**22**  
Years

WPI Group affiliated  
nursery school  
operational for 22 years



## Stakeholders Recommended for Priority Reading

- Customers
- Upstream Suppliers (IDM/Fabless/IC Design)
- Employees



## Material Topics

- Talent Attraction and Retention
  - \* The information in this chapter also covers the basic topics "Human Capital and 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\$21,173,906, an increase of 11% from last year. 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



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



Established Employee Stock Ownership Trust (ESOT)



The MISA Academy has planned a variety of management courses. In 2023, a total of 8 online and offline speeches were organized, attended by a total of 2,644 persons



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



The IMV competition has selected 35 winner groups, awarded NT\$9.45 million and successfully assisted winning companies to obtain external funds totaling about NT\$100 million

## 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

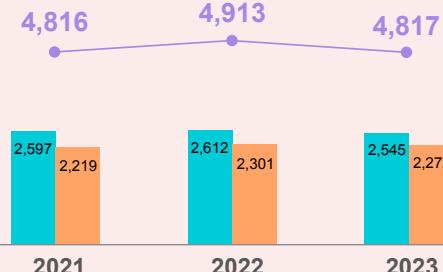
### Diverse Distribution of Talent Structure

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 2023, WPG Holdings had a total of 4,817 full-time employees. In response to the company's development strategy, the layout of the organization and manpower had been organized, the personnel had decreased slightly compared with 2022. There has been little change in labor allocation and structure. In terms of gender, there were 2,272 female employees, accounting for 47.17% and 2,545 male employees, accounting for 52.83% of the workforce of WPG Holdings. In terms of age, the majority are 41~50 years old, accounting for 35.17%, followed by 31~40 years old, accounting for 33.76%. In terms of education level, employees holding bachelor's degrees were the most common, accounting for 85.16%. In terms of the employees' diversity policy, 13 persons with physical and mental challenges were employed, accounting for 0.27% of the total employees. In terms of turnover, there were 426 new hires in 2023, with a new hire rate of 8.76%; there were 566 resigned, with a departure rate of 11.64%.

### Gender vs. Employee Ratio

Unit: Person


● Male   ● Female   ● Total

Note: Full-time Equivalent (FTE) is used for headcount.  
The scope of statistics ends on 2023/12/31.

### Gender and Positions for Full-time Employees in Different Regions

Unit: Person


● Male   ● Female   ● Total  
Manager: ● Male   ● Female  
Non-manager: ● Male   ● Female

Note: Full-time Equivalent (FTE) is used for headcount. The statistical range ends on 2023/12/31.

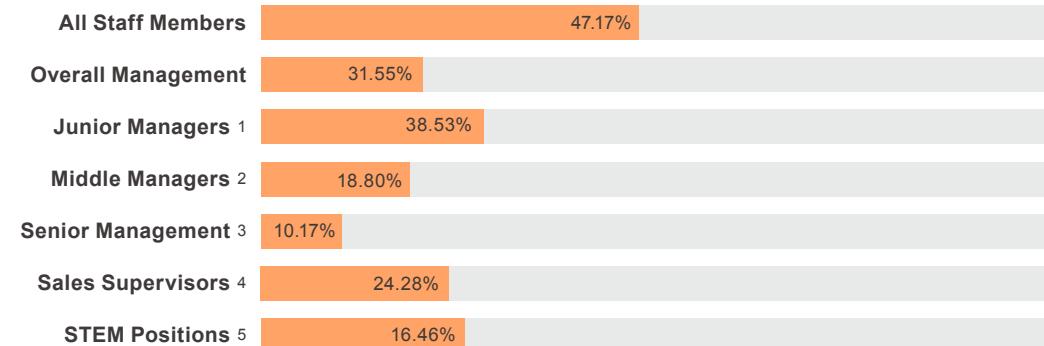
### Gender and Position Distribution of Full-time Employees with Different Ages and Education Levels

Unit: Person; %

Item	Age Profile	Gender		Title		Total	Percentage
		Female	Male	Manager	Non-manager		
Age	Under 30 yrs old	444	423	8	859	867	18.00%
	31-40 yrs old	874	752	165	1,461	1,626	33.76%
	41-50 yrs old	736	958	495	1,199	1,694	35.17%
	Above 51 yrs old	218	412	324	306	630	13.08%
Education	Under high school	153	173	30	296	326	6.77%
	College/University	2,015	2,087	835	3,267	4,102	85.16%
	Master degree	104	282	125	261	386	8.01%
	Ph.D.	0	3	2	1	3	0.06%
Total		2,272	2,545	992	3,825	4,817	-

### Distribution of Female Employee Positions

Unit: %



Note 1: Junior management refers to managerial positions at the same level as or below the position of Manager.

Note 2: Middle management refers to managerial positions at the same level as Associate Managers and Directors.

Note 3: Senior management refers to managerial positions at the same level as or above the position of CXO.

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

Note 5: STEM positions refer to positions related to science, technology, and engineering within the company (e.g., IT, FAE, R&D personnel).

## Workforce Structure

Unit: Person



## Number of New/Resigned Full-Time Employees

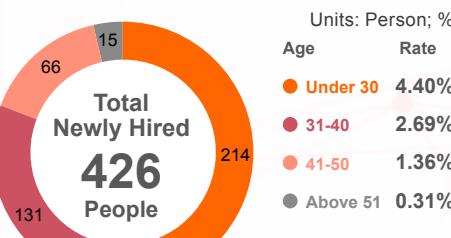
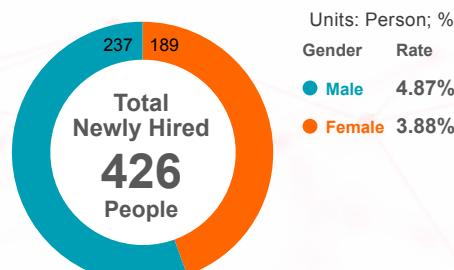
Unit: Person



Note 1: The scope of statistics ended on 2023/12/31.

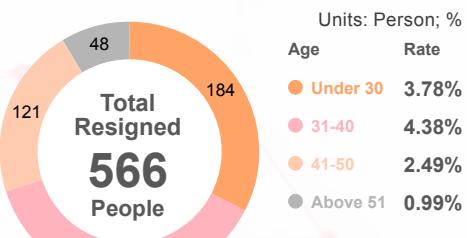
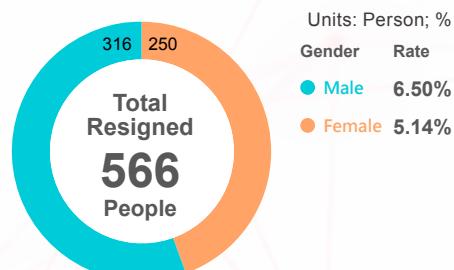
Note 2: Due to statistical limitations, the current non-term contract employee includes employees in China who have signed three-year fixed-term labor contracts in accordance with local regulations.

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

 Number and Rate of Newly Hired Employees  
(by Age and Gender)

 8.76%  
Total Newly Hired Rate


Note 1: The scope of statistics ended on 2023/12/31.

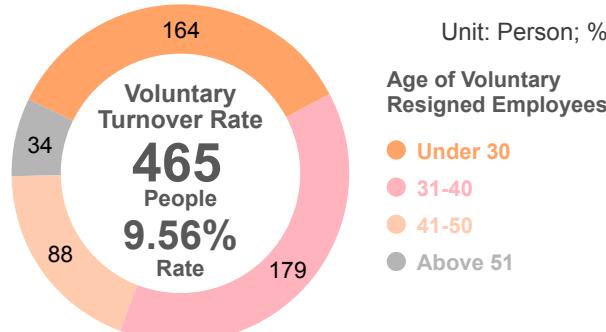
Note 2: The calculation method of the newly hired rate is the number of new employees in the current year/(the number of employees at the beginning of the current year + the number of employees at the end of the current year) /2.

 Number and Rate of Resigned Employees  
(by Age and Gender)

 11.64%  
Total Resigned Rate


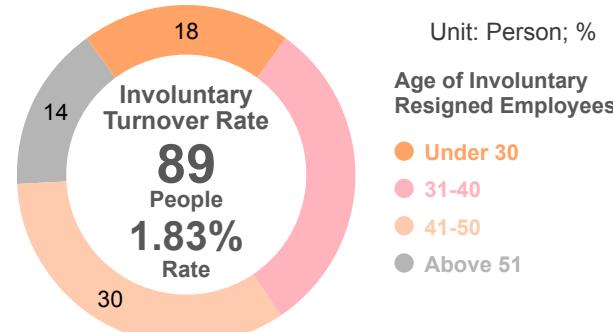
Note 1: The scope of statistics ended on 2023/12/31.

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

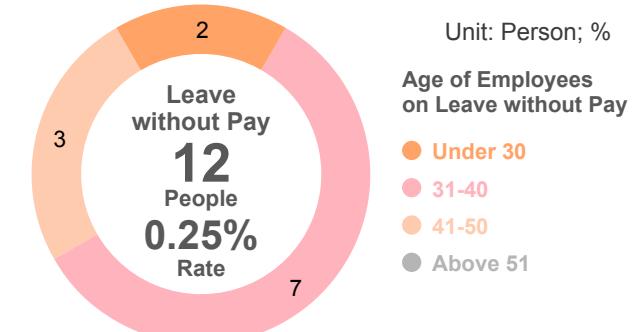
### Number of Voluntary Resigned Full-time Employees (by Age)



### Number of Involuntary Resigned Full-time Employees (by Age)



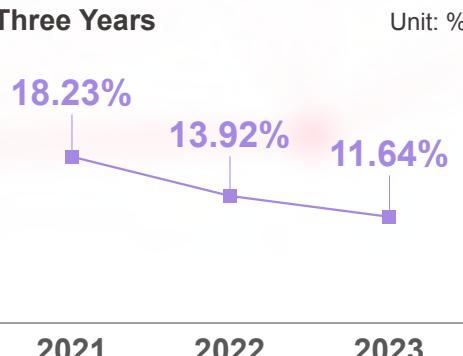
### Number of Full-time Employees on Leave without Pay (by Age)



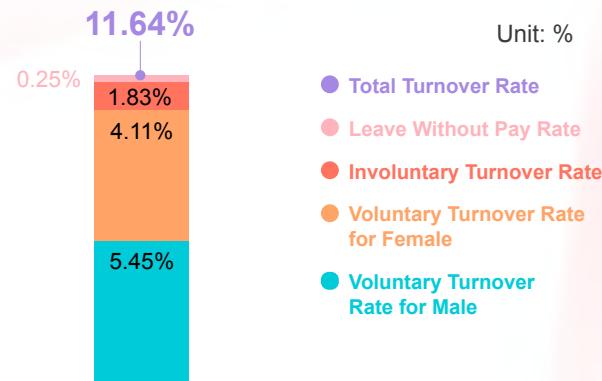
Note 1: The scope of statistics ended on 2023/12/31.

Note 2: The calculation method of the turnover rate is the number of employees who resign voluntarily 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.

### Turnover Rate in the Past Three Years



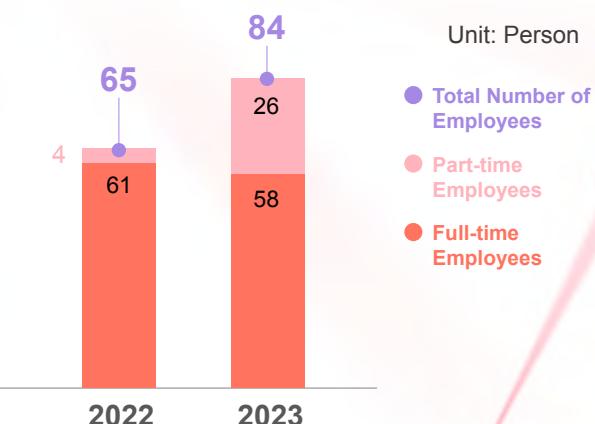
### Turnover Rates for 2023 by Types



Note 1: The scope of statistics ended on 2023/12/31.

Note 2: The calculation method of the turnover rate is the number of employees who resign voluntarily 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



Note: Including fixed-term contractors engaged in long-term cooperation, such as, person in charge of property management, security and cleaning personnel, resident nurses and clinical physicians by contract, administrative back-office personnel in response to short-term manpower needs and professional consultants.

## 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, 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. Especially, WPG Holdings is moving towards corporate sustainability and has to cultivate the next generation leaders without delay. The third Elite Development Program planned in 2023 will last for three years. In the first year, the plan is performed mainly in the form of courses and mobile learning. Different from the previous learning method, the mobile learning solves major strategic issues faced by the Company. The inter-group teams may observe self-reflection and team leadership under the observation and guidance of the mobile learning coaches, hoping to break through the past thinking and bring Innovative perspectives to not only improve individual leadership, but also help the organization's growth.



Main Contents of Courses	Course Goals	Courses Offered in 2023
<b>General Training Program</b> (Newly-employed personnel, The whole staff)	Including a presentation of our Company, an introduction to the concept of "shared 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"> <li>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</li> <li>To deliver the core value of the company and establish a culture of T.I.P.E.</li> <li>To strengthen soft skills and improve work efficiency</li> </ul>
<b>Professional Training Program</b> (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	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Management Training Program</b> (Top, Middle, General management team)	Curriculum planning and arrangement for management, trends, and mindset aspects for the top, middle, and general levels	<ul style="list-style-type: none"> <li>Continue to develop capabilities of top, middle and general management in accordance with the requirements of organizational developments, operational competitions, and human resource layouts</li> </ul>

NT\$ 21,173,906

Total Training Investment  
for 2023

11%

11% Increase in  
Training Costs  
Compared to 2022

160 Videos

Over 160 Self-  
produced Online  
Learning Videos

11%

11% Increase in  
Total Training Hours  
Compared to 2022

## Education and Training Statistics for 2023

Unit: Hour; Person

	Male	Female	Manager	Non- manager
Total Training Hours	52,294	44,627	22,748	74,173
Number of Employees	2,545	2,272	992	3,825
Average Training Hours	20.55	19.64	22.93	19.39
Training People	51,435	51,192	19,114	83,515

Note 1: The total training hours are calculated based on the hours of full-time employees in Greater China.

Note 2: The number of employees is based on the full-time employees employed as of 12/31 of that year.

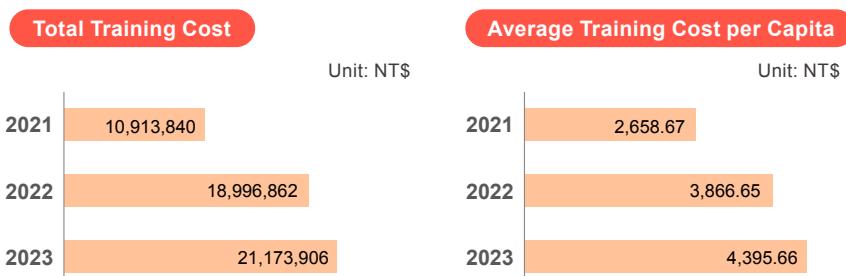
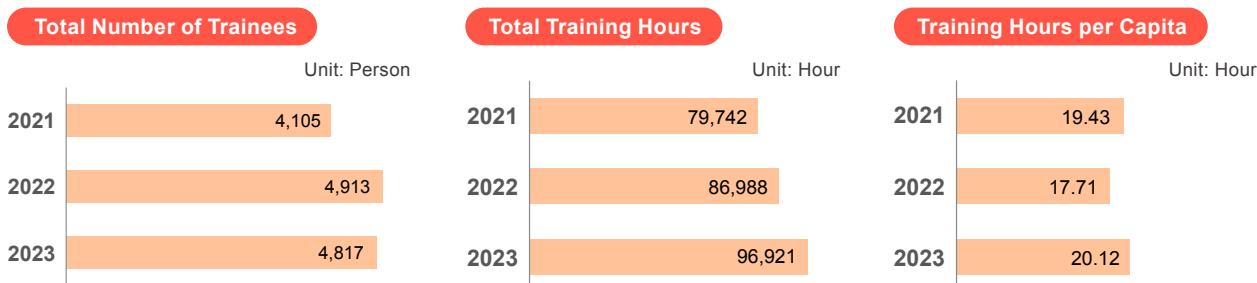
Note 3: The number of training people includes full-time employees who have completed the training successfully.

## 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 160 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 2023, WPG Holdings invested NT\$21,173,906 on training, an increase of 11% in training costs, 11% in total training hours compared to 2022.

## Statistics of Education and Training in Recent Years



Note 1: The statistical scope is for full-time employees in the Greater China region as of 2023/12/31. The scope covered the Greater China region in 2021 and expanded to the entire group starting from 2022.

Note 2: The total training hours are calculated based on the training hours of full-time employees in the Greater China region.

## #MyDay Livestreaming Events

3 Events 12,000 People 91.2%

Number of  
Livestream EventsTotal Cumulative Online  
ViewersParticipation  
Rate

In 2023, a course system covering three major categories including business practice, management leadership and workplace skills was established. 160 videos were made available to all employees for online learning. All of the trainers were the senior executives of the company. Meanwhile, the internal senior executives are invited to serve as trainers of physical courses after employees complete the online courses, in order to ensure the learning results.



- The senior executives act as the internal trainers to transfer their practical experience.



Teamwork



Integrity



Professionalism



Effectiveness

## Deepening Corporate Culture and Experience Inheritance

Since its establishment, WPG Holdings has been committed to the shared values of "Teamwork, Integrity, Professionalism and Effectiveness," which are harnessed to build consensus and serve as a guideline for all employees of WPG Holdings. In response to the digital transformation and future market changes, the definitions of the behaviors based on the four shared core values "Teamwork, Integrity, Professionalism and Effectiveness" have been re-arranged and implemented into the Company's system and employees' conduct step by step.

Meanwhile, in order to deepen the brand value of WPG Holdings in 2026, a series of #MyDay livestreaming events are planned based on the CEO's 24-word motto. In 2023, based on "#Global Operations" as the theme, WPG Holdings invited IT and logistics managers to share how they help the front end to serve customers in order to achieve. #Brandinternalization and #Homogeneousresonance. A total of 3 livestreaming sessions were held and watched by more than 12,000 people online cumulatively. The participation rate attained 91.2%.

WPG Holdings understands that the importance of experience transfer lies in its ability to help the organization effectively preserve and share knowledge, skills and experience. Passing on the experience to the new generation employees can help the employees master the knowledge and skills required for their job duty soon, thereby improving work efficiency and performance. to help the organization avoid repeating the same mistakes, reducing the likelihood of errors and maintaining a competitive advantage at the same time.



- AIT Group organized the presentation workshop and Chief Sustainability Officer, K.D. Tseng, served as the trainer in person. Through the workshop, participants will learn to interpret the importance of briefing and structure and key points of the briefing. These skills will be helpful for communication between customers and the original manufacturers. The presentations under different simulated scenarios help them seize business opportunities, improve the communication performance and obtain business results.

## 4.2 Happiness in Workplace

### 4.2.1 Employee Compensation and Benefits

**1.15:1**

The ratio of standard employee salary to local minimum wage for junior staff (regardless of gender) in Taiwan in 2023

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 2023 was 1.15:1, which is better than the local base salary.

#### 2023 Gender Remuneration Ratio Unit: %

	Manager	Non-manager
Male	1.30	1.29
Female	1	1

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

### 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".

#### 1 Position-based Salary

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

#### 2 Skill-based Salary Adjustment

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

#### 3 Performance Appraisal

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

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

Unit: Person; NT\$ thousand

Item	2022	2023	Difference
Number of Non-managerial Full-time Employees	954	330	-624
Average salary of Non-managerial Full-time Employees	1,550	1,408	-142
Median salary of Non-managerial Full-time Employees	1,364	1,290	-74

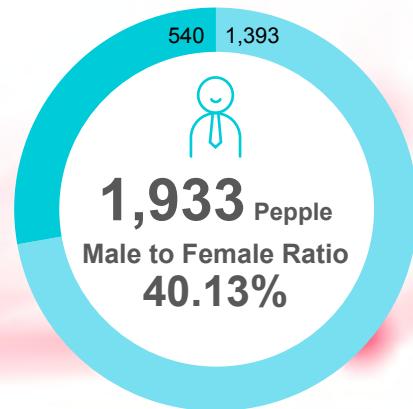
Note 1: The 2022 reporting was prepared based on the holding company as the basis. Its statistical scope covered the Company and its important subsidiaries.

Note 2: The 2023 reporting was prepared based on the general industry company as the basis. Its statistical scope covered the Company.

## Performance Evaluation Mechanism

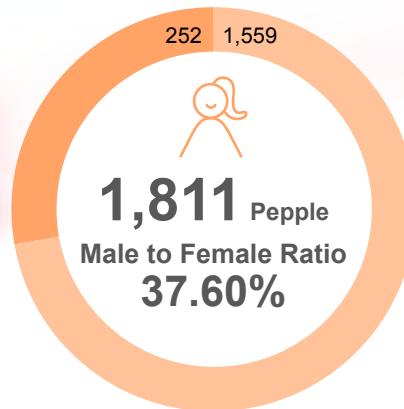
WPG Holdings adopts the spirit of PDCA for the performance appraisal, setting goals at the beginning, tracking the progress of the work, adjusting the goals in the middle, and evaluating at the end of the year. In 2020, WPG Holdings introduced the performance management system, with the aim to transform 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 2023, 100% of the qualified employees in Greater China completed the performance appraisal.

## Employee Statistics Under Regular Performance Appraisal



Units: Person; %

**Ratio of Male Employees in the Group**  
● Manager 11.21%  
● Non-manager 28.92%



Units: Person; %

**Ratio of Female Employees in the Group**  
● Manager 5.23%  
● Non-manager 32.56%

Note 1: The statistical scope is the Greater China region of the WPG Holdings.

Note 2: The employee statistics under regular performance appraisal rate is calculated as the number of employees in Greater China under regular performance appraisal / Total number of employees in the 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 9.25:1. 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 0.21:1. In the future, WPG Holdings will carefully review relevant remuneration information through various indicators, fully consider the operation and sustainability aspects and implement corporate social responsibility as its mission.

9.25:1

Annual Total Remuneration Ratio

0.21:1

Ratio of Annual Total Remuneration Increase

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 full-time 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).

## Best Employer Performance Incentive Award

Participation in the 10th Shenzhen Growth Enterprise Best Employer Award in 2023

Employee Stock Ownership Trust in 2023

92.4%

Coverage Rate

71.05%

Cumulative Return Rate

## 22 Years

WPG Holdings' Taiwan-based Preschool Has Been Established for 22 Years

NT\$1,039,980,182

Net Assets

## 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. In 2023, WPG Holdings participated in the 10th Shenzhen Growth Enterprise Best Employer Award and won the "Best Employer Performance Incentive Award".



© WPG China (SZ) Inc. won the "Best Employer Performance Incentive Award".

## Basic Welfare



### Festival Bonus<sup>1</sup>

Red envelopes on the first business day of the Chinese New Year, Dragon Boat Festival, Moon Festival, Labor Day, employee birthdays



### Allowance and Subsidies

Wedding bonus, maternity bonus, injuries consolation, funeral subsidy and hospitalization consolation



### Travel Subsidies

Company trips, application of travel subsidies



### Recreational Activities<sup>2</sup>

Family day, Sports Day, Year-end Gala Dinner, Festival Events



### Social Activities

Subsidies for Social activities



### Group Insurance<sup>3</sup>

Free group insurance for employees and dependents, including fixed-term life insurance, critical illness insurance, accidental injury insurance, accidental medical limit insurance, hospitalization insurance, cancer health insurance, business travel insurance, etc



### Other Welfare

- Regular health checkups for employees
- Exclusive merchant benefits for employees and corporate group purchase programs, etc

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 from time to time, depending on the actual localities.

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 22 years, and in 2023, 57% 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.



● The kindergarten held Halloween event at the headquarters buildings of WPG Holdings in Nangang District, Taipei.

Starting in 2022, the Mainland 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 share employees' stress of parenting in the summer and winter breaks, the Shenzhen Office organized the "Big Summer and Winter Childcare Classes." In 2023, a six-week summer school was held with an average of 666 employees' children attending daily, which was well received by the employees and greatly enhanced the sense of employee satisfaction.



● The Big Summer and Winter Child Care Program was held in Shenzhen in 2023.

## Parental Leave

Unit: Person; %

Statistics of Parental Leave	Male	Female	Total
Number of employees eligible for parental leave in 2023	50	60	110
A: Total number of applications for parental leave in 2023	1	8	9
B: Number of applicants for reinstatement in 2023	3	7	10
C: Actual number of reinstatements in 2023	2	7	9
D: Number of people who have continued to work for one year after parental leave in 2022	0	7	7
E: Number of reinstatements 2022	0	9	9
Reinstatement rate % = C / B	66.67%	100%	90%
Retention rate % = D / E	N/A	77.78%	77.78%

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. The pension expenses and pension liabilities for the year 2023 are detailed in the 2023 consolidated financial statements. 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 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 Sustainability Talent Group of the ESG and Sustainable Development Committee of WPG Holdings is responsible for formulating the management and monitoring mechanism, regularly reviewing the human rights policy and guidelines and updating them in a timely manner. Any adjustments need to be approved by the Board of Directors. The policies and 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, WPG Holdings conducts various promotion and training programs. Continue to monitor corporate human rights risks to avoid negative impacts on human rights issues during operations, sales and services.

Take employees as an example. There shall be no gender or sexual orientation discrimination in WPG Holdings during recruitment. It 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. Meanwhile, when addressing the human right issues, the suppliers and other stakeholders may follow the alternative policies on the same issue, including the "Supplier Code of Conduct" and "Conflict Minerals Policy".



Human Rights Policy  
of WPG Holdings

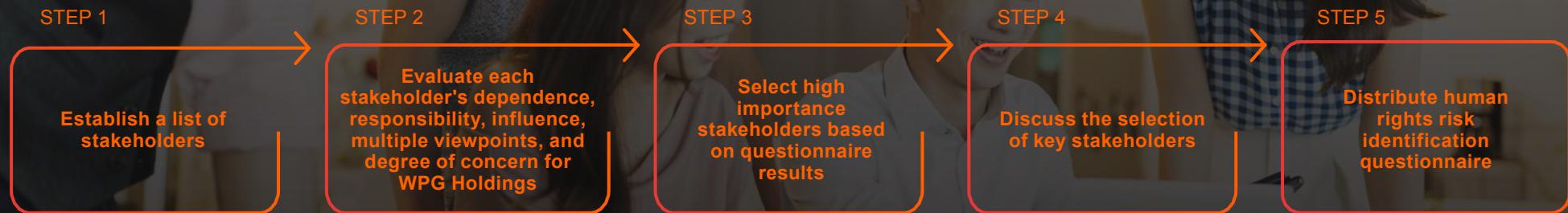
### Human Right Management Process of WPG Holdings

Aspects	Item	Description
Corporate Policy	Incorporate Human Rights into Corporate Policy Commitments	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 and integrate the human right issues into the internal management process.
Implement the Due Diligence of Human Rights and Mitigation and Remedial Measure	Screening the List of Human Rights Risk Issues	Based on the human rights risk issues of industry supply chain partners and the United Nations human rights issues list, a list of major joint human rights risk issues is selected.
	Identify and Assess Significant Corporate Human rights risks	Conduct due diligence on the own operations and prioritize the severity and probability of adverse human rights impacts based on the degree of severity and probability of occurrence and regularly review significant human right risk issues.
	Introduce Mitigation and Adaptation Measures	Develop the mitigation and remedial measures against various human rights issues to prevent and mitigate negative impacts and include the follow-up on effectiveness into the Company's internal management processes; regularly follow up the implementation status, measure the implementation results and use the measurement results to make improvement on a rolling basis.
	Communication and Information Disclosure	Implement the human rights-related education and training with respect to the Company's internal stakeholders and promote the implementation of human right risk management. Help external stakeholders understand the status of implementation of human rights issues by WPG Holdings through the regular disclosure of policy announcements and sustainability report. Meanwhile, communicate with suppliers about the expectation toward the human right issue from time to time.

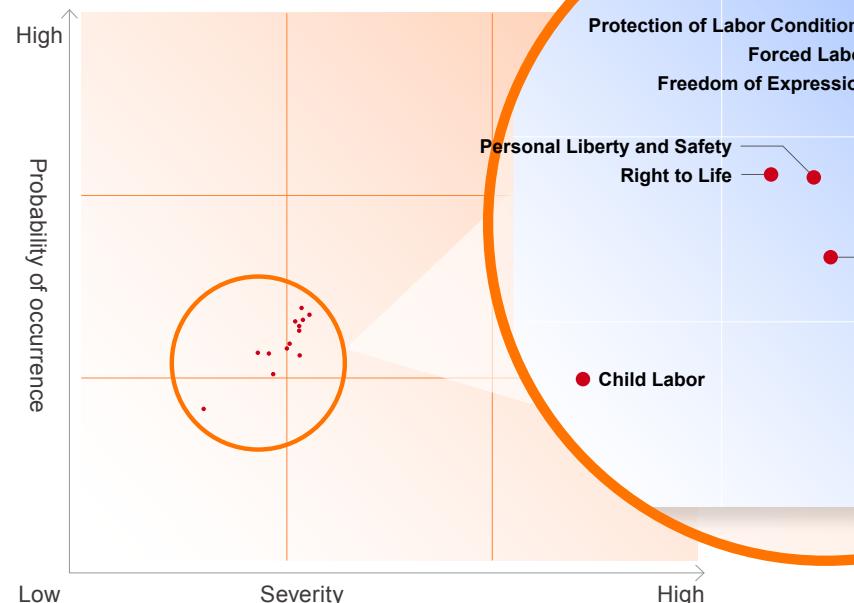
## Identification of Material Human Rights Risks

By identifying international human rights issues and trends and referring to the development of human rights issues of concern upstream and downstream in the 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. In 2023, the human right issue was not re-identified.

## Stakeholder Identification Process



## Results of Human Rights Risk Management Matrix



## Human Rights Issues of Individual Concern to Stakeholders



## Complaints and Feedback on Human Rights Issues

WPG Holdings has established transparent and effective channels of communication to respond to the needs and suggestions of our stakeholders, including employees. Internal and external stakeholders can report possible human rights issues through multiple channels in the [Stakeholders Area](#) of the Company's official website. Upon receipt of a report, the relevant authority will immediately kick off the investigation process. Meanwhile, WPG Holdings prohibits threats or retaliation against employees who whistle blow cases or make suggestions in good faith. Effective remedies will be provided through legal procedures if the complaints and reported cases are proven to be true.

## Employees - Mitigation and Remedial Measures

	Mitigation Measures	Remedial Measures
Right to Health	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Employee health checkups are conducted regularly, and the results are used as a basis for employee health management.</li> <li>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 (CO<sub>2</sub>) 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 CO<sub>2</sub> measurements.</li> <li>Investigation, analysis and records of potential hazards are regularly conducted by occupational safety personnel in the warehousing area.</li> <li>Implementation of work injury notification process and emergency reporting mechanism.</li> <li>Establish an employee care hotline to enable a professional third party to provide emotional expression and psychological counseling resources each year.</li> </ol>	<ol style="list-style-type: none"> <li>In the event of an accident in the workplace, work is immediately suspended and the occupational safety unit assists in medical treatment.</li> <li>Provide employees with medical assistance, legal advice and compensation of wages in the event of an occupational disaster.</li> <li>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.</li> <li>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.</li> </ol>
Right to Privacy	<ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>Plan personal data risk simulations, develop teaching manuals and SOPs and conduct annual self-evaluation exercises to review the status of personal data implementation to effectively protect the security of customers' and employees' personal data.</li> <li>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.</li> <li>Obtain ISO/IEC 27001: Certification obtained in 2013 to improve overall information system security and self-audit at least once a year.</li> <li>Fulfill personal data disclosure obligations and require all employees to sign the "Personal Data Notification Form".</li> <li>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.</li> <li>For employees' personal belongings or departmental documents, the Company provides personal cabinets or public cabinets with locking function to protect privacy and security.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>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".</li> <li>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.</li> </ol>
Forced Labor	<ol style="list-style-type: none"> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> </ol>
Right to Family Life	<ol style="list-style-type: none"> <li>There is a breastfeeding room in the workplace, ensuring a friendly environment to female employees.</li> <li>Employees' offspring are given priority to attend kindergartens run by the World Peace Industrial Group and are provided with subsidies for tuition and miscellaneous fees.</li> </ol>	<ol style="list-style-type: none"> <li>Employees that require parental leave can apply for parental leave without pay in accordance with the law.</li> <li>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.</li> </ol>
Protection of Labor Conditions	<ol style="list-style-type: none"> <li>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.</li> <li>Regular labor-management meetings are held to facilitate two-way communication.</li> <li>Set up multiple channels for employee grievances, listen to employees' feedback and be open to employee feedback in any form.</li> <li>We have established regulations on maximum working hours and continuous working hours for employees and conduct regular workload assessment and counseling for abnormal workloads.</li> </ol>	<ol style="list-style-type: none"> <li>Set up diverse complaint channels to ensure that matters can be dealt with immediately and properly when employees' labor rights are damaged.</li> <li>For work abnormalities, the human resources unit will conduct follow-up tracking, workload assessment and counseling work.</li> </ol>

## Customer - Mitigation Measures

Mitigation Measures	
<b>Right to Privacy</b>	<ol style="list-style-type: none"> <li>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.</li> <li>2. Plan personal data risk simulations, develop response strategies and SOPs and conduct regular self-assessment operations to review the status of personal data protection execution in order to effectively safeguard the security of customers' and employees' personal data.</li> <li>3. Establish a personal data protection team to receive inquiries, complaints, report on the personal data subject's exercise of related rights and emergency notification and appoint external consultants as the personal data protection officer (DPO) to assist the Company in personal data compliance.</li> <li>4. Obtain ISO/IEC 27001: Certification obtained in 2013 to improve overall information system security and self-audit at least once a year to enhance personal data protection.</li> <li>5. Disclose stakeholder affairs contact window and third-party grievance reporting channels.</li> </ol>
<b>Protection of Labor Conditions</b>	<ol style="list-style-type: none"> <li>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.</li> </ol>
<b>Forced Labor</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>



[WPG Human Rights Policy](#)



[WPG Conflict Minerals Policy](#)

## Upstream suppliers - Mitigation Measures

Mitigation Measures	
<b>Right to Health</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>
<b>Freedom of Expression</b>	<ol style="list-style-type: none"> <li>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.</li> </ol>
<b>Protection of Labor Conditions</b>	<ol style="list-style-type: none"> <li>1. Commitment to responsible procurement in human rights policy.</li> </ol>

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

Unit: Hour; Person; %

2023 Human Rights Advocacy Training	Total Training Hours (hours)	Number of Participants (persons)	Participating Employees as a Percentage of Total Employees (%)
Lectures on Prevention of Abuse in the Workplace	164	164	3.4%
Sexual Harassment Prevention and Control Measures	10.44	88	1.83%
Employee Code of Conduct Promotion	50.4	252	5.23%
Personal Data Protection Seminar Series	2,970	2,970	61.66%

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

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.



## 4.2.3 Labor-Management Communication

### 0 Case

Number of Discrimination or Harassment Complaints in the Past Three Years

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 2023, there were three labor disputes that had undergone labor arbitration, two of which were resolved through mediation with employees and one of which is still pending mediation with the employees. Then, no other internal complaints have been filed by employees.

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 complaint channels to listen to the "New voices and Voices from the 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

Through employee engagement surveys or other forms of surveys, the Company understands what employees think and lay the foundation for a Happiness

### Workplace Sexual Harassment Reporting 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 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 the work rules and other relevant regulations, with subsequent follow-up and supervision to avoid recurrence of harassment or retaliation.
- If criminal liability is involved, WPG shall assist the complainant in filing a complaint.
- If the sexual harassment was proved to be a false accusation, the company may, depending on the severity of the circumstances, punish the complainant in accordance with the Work Rules and other relevant regulations.

**Employee Opinion Surveys****3,052**

Total Responses Collected

**71.8%**

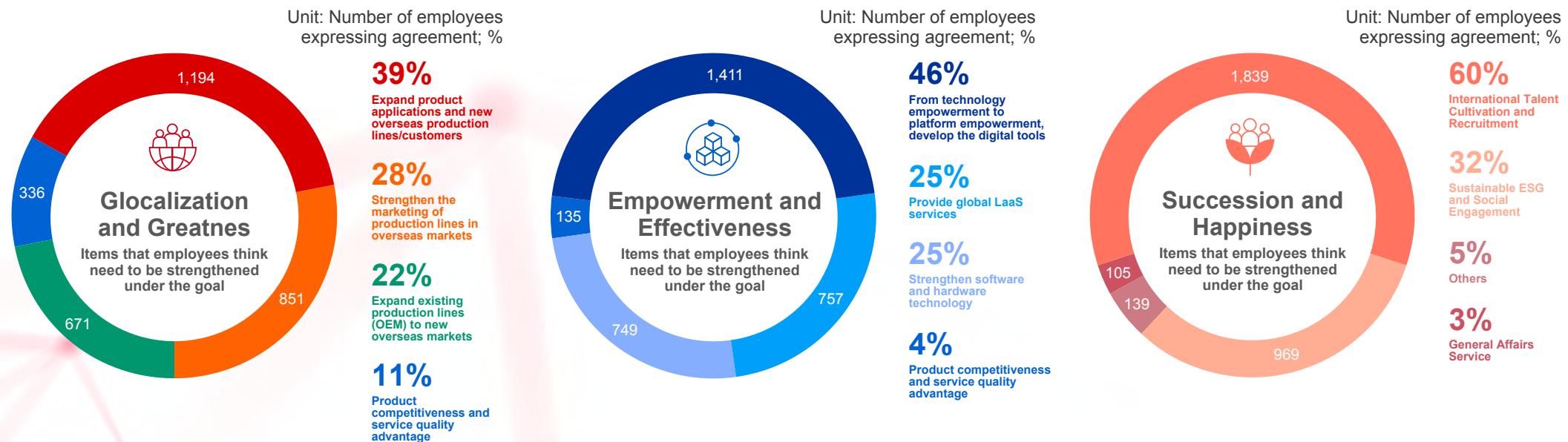
Response Rate

**532**

Number of Employees Responded to via Letters, Announcements, and Live Broadcasts

**Implementing Employee Opinion Surveys**

Through an effective “listening mechanism”, WPG Holdings aims to identify problems, listen to employees’ voices, and identify action points to enhance employee experience and move toward a sustainable and happy company. Through the “Mike Tree Cave” activity, employees are provided with a channel to express their opinions to the CEO of WPG Holding, Mike, so that each employee’s opinions can be heard. In 2023, Mike has internalized and implemented the brand based on his 24-word motto, activated the opinion survey to ensure that the common philosophy and value were rooted in the team and bridged the gap between both parties. Guide the entire staff toward a greater vision. The survey lasted for two weeks (2023/08/22~2023/08/23) and collected 3,052 responses, i.e. the response rate of 71.8%. Meanwhile, 532 employees’ encouragement and suggestions were responded to one by one through letters, announcements, and live broadcasts. This effectively built a good communication between the Company and employees to achieve the goal for a happy enterprise.



## 4.2.4 Occupational Health and Safety

**0 Case**

Number of  
Occupational  
Accidents in 2023

**Grade A**

WPG Holdings  
Headquarters Received  
the Gold Certification  
for Air Quality in Public  
Office Areas in 2023

**5,965 People**

Total Number of  
Participants in  
Health Promotion  
Seminars in 2023

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. In 2023, WPG Holdings installed AEDs in the workplace, and organized 2 automated external defibrillator (AED) equipment teaching and general first aid training programs, which were included in the regular training courses.

### 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.

Scenario	Management and Control	Measures
Employee Transportation Accident	<ul style="list-style-type: none"> <li>Promote public transportation</li> <li>Establish a smooth internal notification mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Setting up medical consultation room with an on-site physician/nurse</li> <li>Employee leave and work accident reporting</li> <li>Assist employees in insurance reporting</li> <li>Employee health tracking</li> </ul>
Workplace Accidents	<ul style="list-style-type: none"> <li>Regular equipment maintenance</li> <li>Fire safety inspection according to law and regulation</li> <li>Disaster prevention drills</li> <li>Establishing Call Tree crisis reporting mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Equipment troubleshooting</li> <li>Office building emergency evacuation</li> <li>Initiate crisis reporting to confirm employee safety</li> </ul>

### Occupational Safety Education Training

Unit: Hour; Person

2023 Occupational Safety Education Training	Total Training Hours	Number of Participants
Advocacy for emergency response measures	3,640	260
General safety and health education and training	1,185	158
Fire prevention group training	3,451	493

Unit: Session; Person

2023 Emergency Response and Fire Drill	Sessions Held	Number of Participants
Fire safety drill at headquarters building	7	2,511
Fire safety drill at logistics warehouses	5	227
Warehouse operations business continuity management drill	2	32

## Occupational Accidents Statistics Table

### Employee Absence Rate of WPG Holdings in 2023

0.30%	0.76%	0.56%
Male Employees	Female Employees	Total

## Occupational Accidents

Worker Type	Employees of WPG Holdings		
	Male	Female	Total
Total working days	241,211	251,000	492,211
Total working hours	1,929,688	2,008,000	3,937,688
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 data covers Taiwan; the scope does not include workplaces such as 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 annual calendar 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 2023, there were no severe occupational injuries (unable or difficult to return to pre-injury health status within six months) or occupational injury-related fatalities.

## 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.

## Promotion of Laboratory Safety Standards

WPG Holdings has formulated relevant standards on laboratory environmental safety to ensure the quality of laboratory environmental safety. Clear guidelines and standard operating procedures are applied to instruct the laboratory staff on how to properly handle chemicals, equipment, and laboratory operations to mitigate the risk over accidents. Meanwhile, the standards also include emergency response plans, such as fire escape procedures and first-aid measures. To ensure effective response in case of emergency and establish the laboratory emergency reporting channel for prompt handling in case of emergencies.



● 紫外線 ○ 負離子  
 ○ 光觸媒 ● 其他：過濾玻璃  
 室內空氣品質認證場所

**IAQ** Indoor Air Quality Certification

In 2023, WPG Holdings' Headquarters applied for the "Indoor Air Quality Certification Promotion Plan" with the Department of Environmental Protection. We have received Gold Level Certification for Office Common Areas, ensuring a healthy workplace for our employees and a friendly environment.

## WPG Holdings Collaborated with External Traditional Chinese Medicine in China in 2023

**8 Sessions 1,900 People**

Number of Free  
Medical Consultations  
for Employees

Number of  
Employees Served

## Health Promotion Seminar 2023

Type	Course	Number of Participants
Health Promotion Seminar in Taiwan	1. Office Soreness Relief Prescription	590
	2. Workplace Conflict Resolution Skills: Communication and Self-defense Practice	648
	3. Assessment and Management of Autonomic Nerve Disorders	578
	4. Key Factors for Vision Protection	753
Low carb Activity Series	1. Know Your Golden Code	578
	2. 168 Keto: Which Weight Loss Method is Right for Me?	548
	3. The Devil is in the Details: 10 Must-Know Weight Loss Tips	629
	4. The Best Way to Protect the Heart and Brain	543
	5. Gut, Brain, and Heart Diets that Enhance Immunity in the Post-Pandemic Era	517
	6. Diet During the Maintenance Period	536
Health Promotion in China	1. My Mandala	20
	2. Coach good Children Calmly	25

## 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 (breast, cervical and colorectal cancers), physical fitness tests, blood donation activities, and on-site consultation with resident doctors, etc.

In 2023, WPG Holdings organized a three-month low carb competition in Taiwan. Through the professional teaching and assistance from nutritionists, employees with diabetes and abnormal physical health index could adopt a healthy diet to lose weight, help them improve posture, and prevent the occurrence of chronic diseases. A total of 60 employees participated in the competition. At last, they lost weight by 5% averagely, 3% in body fat percentage average, 5% in Glycated Hemoglobin (HbA1c) averagely, and 7% in waistline averagely. The highest fat reduction percentage attained 8.92%. Apparently, they achieved remarkable results.



● Low carb competition award ceremony of WPG Holdings.



In 2023, 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. A total of 8 sessions were organized to provide the service to about 1,900 employees.

● Happy Enterprise~ TCM diagnosis and treatment - Serving more than 30 persons per day/per location.

A health consultation room is set up at the headquarter, equipped with diagnosis and treatment beds, and first aid kits for injured and ill employees to temporarily rest. Designated medical personnel is available to assist with general emergency treatment, health care consultation, health education, and preventive healthcare. Nursery rooms are set up both at the headquarter and Linkou warehouse to ensure the health and rights of female employees. Smoking is prohibited in all office areas in accordance with the law. In order to encourage employees to maintain good health and promote employee friendships, each group provided subsidies to set up sports clubs, including softball clubs, badminton clubs, yoga clubs, and fitness clubs. The employees can borrow the training classroom on the 20th floor of WPG's headquarter building as a venue for club activities during off-duty hours, in order to relieve stress and improve physical fitness.



● Health promotion seminar 1: Office Soreness Relief Prescription, the instructor taught sitting exercise.



● Health Promotion seminar 2: Communication and Self-defense Practice. The instructor demonstrated simple self-defense skills on site.

## 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 participation in the hope of creating a virtuous cycle. Meanwhile, WPG Holdings is also concerned about environmental issues and participates in various green initiatives. Considering "Caring for the Disadvantaged and Reclaiming the Spirit of Skills and Craftsmanship" as the main focus, the Holdings focuses on social care and skill cultivation, in the hope of injecting positive momentum into society and laying the foundation for sustainable development in the future.

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.

## Vision and Strategy of Social Engagement





## 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 Subject
Taiwan Listed Companies Association	Chairman	Aiming 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 Holding Association	Chairman	Encouraging 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	Gathering Taiwan's business gurus/industry experts and imparting decades of refined business wisdom for growing and transitioning business leaders to pass on precious business management wisdom in an expanded manner.
Taipei Electronic Components Suppliers' Association (TECSA)	Executive director	Co-organizing relevant reports and courses in cooperation with the TECSA to promote the development of electronic component related industries.
Taiwan M&A and Private Equity Council	Managing supervisor and convenor	Assisting in developing a sound M&A and private equity investment environment in Taiwan.
Sinocon Industrial Standards Foundation	Managing supervisor	Jointly developing cross-strait industrial standards in pursuit of a win-win situation.
Taiwan Corporate Governance Association	Director	Strengthening internal and external mechanisms of corporate governance in the hope to be on par with international standards.
Cross-Strait CEO Summit	Candidate supervisor	Aiming to support the construction of the new platform for cross-strait business cooperation and cross-strait communications for economic and trading strategies.
Monte Jade Science and Technology Association (Taiwan)	Member	Aiming to establish a community of "Technology, Talent, Entrepreneurship and Investment - Technology Communication Networking Entrepreneurship Knowledge" with Monte Jade Science and Technology Association and committing efforts by adhering to the spirit of wisdom, persistence, and innovation of Chinese entrepreneurs.
Taiwan Japan Association for Business Communication	Member	Aiming to enhance business communications between Taiwan and Japan, build a long-term, sound, and stable relationship in economics and trade, and setting up a cooperation mechanism to achieve a mutually beneficial and win-win situation.
Taiwan Institute of Directors	Member	Improving corporate governance and board operations to achieve the goal of corporate sustainable development.
Taiwan Semiconductor Industry Association	Member	Aiming to 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	Aiming to 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.
Taiwan Association of Green Energy Transition	Member	Expecting to participate in the activities of the Association to promote the domestic green power market mechanism and innovative applications of green energy together with the Association to accelerate the transformation to green energy and net zero.

## Industry Co-Creation

Subject	Content
Taipei Electronic Components Suppliers' Association (TECSA)	Organized supply chain and business management related courses and held 10 seminars on insight sharing in 2023, with 670 participants.
Chinese Management Intelligence Sharing Association (MISA)	Organized the business management-related courses, 117 sessions of corporate counseling, 7 batches of specialized business management classes, and 1 batch of intensive courses on investment and M&A practices.
Taiwan Industrial Holding Association	Published 1 book and report and founded the Podcast channel "Industrial Holding Interview Room".

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

To promote on-the-job learning for practitioners in the electronic component 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 2023, WPG Holdings invited the senior executives of WPG Holdings, industry experts, famous entrepreneurs, and scholars to be speakers, and invited a total of 670 persons including the employees of our members and industrial practitioners to participate.

### The Following Lectures Were Offered by WPG

Topic	Lecturer	Attendance
Positive management mindset - attitude towards others and how to change your mind	K.D. Tseng Chief Sustainability Officer, WPG Holdings	70 People

## Chinese Management Intelligence Sharing Association (MISA)

Based on the experience transfer as the core value, the Chief Sustainability Officer of WPG Holding, K.D. Tseng, serves as the Chairman of MISA, and a number of veteran entrepreneurs serve as business gurus to pass on management wisdom to growth and transformation business leaders. The MISA Academy planned a rich and diversified management curriculum, and via the "MISA Multimedia Academy," the online/offline learning leads the entrepreneurs to accelerate the growth of transformation. In 2023, new innovation service workshops and ESG international leadership classes and other speeches were added, expecting that the corporate leaders may follow the trend and grow rapidly.

## Courses Organized in Collaboration with WPG Holdings:

Topic	Number of Participants
1. MISA Guru Class	130
2. MISA Business Management Class	94
3. MISA Guru Lecture	651
4. M&A Practice Workshop	258
5. Innovative Service Workshop	228
6. MISA Alumni Saloon	266
7. ESG International Leadership Workshop & SSDA Sustainability Strategy Dynamics Analyst	831
8. KD Workshop	186

## Taiwan Industrial Holding Association (TIHA)

Since its establishment in 2005, the Taiwan Industrial Holding Association (TIHA) 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 industrial cooperation or various strategic alliances.

The Association regularly communicates with government departments on sustainability issues. In the "Taiwan Industrial Holdings Association's Suggestions Project Conference" convened by Vice Premier Cheng Wen-Tsan of the Executive Yuan in March 2023, the Securities and Futures Bureau provided the supplementary explanation to the Ministry of Finance in writing, indicating that "An investment holding company is engaged in control of operations in nature, not trading of securities as its profession." In July, the Ministry of Economic Affairs officially announced the added business item code "IH01010 Industrial Holding Company." According to the instruction from Executive Yuan, the Administration of Commerce, the Ministry of Economic Affairs organized the symposium on "Questions about Recognition of Expenses by Ministry of Finance" to respond to the uniform practices on the issue about recognition of expenses.

Taiwan Industrial Holding Association continues to promote the knowledge of industrial holding, gathers experts and scholars in various fields for reviewing and releasing the "Overview of Industry Holding Portfolios" as the basis for professional knowledge in industrial holding. Meanwhile, it found the Podcast channel "industrial holding Interview Room." In Season 1 episodes, the M&A attorney-at-Law, Jack J.T. Huang, securities expert, Hsien-Hua Huang, and chairmen of WPG sub-groups, K.Y. Chen, K.D. Tseng and Min-Jen Hsu, and Chairman Simon Huang were invited to have an excellent conversation about the process of forming an industrial holding company, respectively. WPG Holdings also continues to conduct brilliant exchanges on industrial holding concepts through seminars on industrial holding issues. In 2023, the Association was honored to invite Honorary Professor Jung-Jui Du of College of Management, National Taiwan University as a special consultant to develop the "Pre- and post-industrial holding e-book teaching material framework" and work with the team to launch the "e-book teaching material project" and courses.



© The Chief Sustainability Officer of WPG Holding, K.D. Tseng (left), and Chairman Simon Huang (middle) recording the Podcast channel program "Industrial Holding Interview Room." Source: Taiwan Industrial Holdings Association.

## Published "TIHA Mission Promotion Report" Supported by Taiwan Industrial Holding Companies

**83**  
Suppliers      **101**  
Members

**NT\$500,000**

The Tech Friends  
Maniac Campus Design  
Competition awarded  
NT\$500,000 to each of the  
10 winning teams

## Experience Inheritance Published Work

To promote the development of the industrial holding model in Taiwan, the Association expands the investment by the industrial holding companies in Taiwan, roots in Taiwan, arranges international operation layout through the industrial holding headquarters, constructs the perspectives and expectations for the development of the industrial holding headquarters in Taiwan and puts forward relevant policy recommendations. The Association gathered Chairman Simon Huang, Chairman Feng-Chiang Miao of Chinese National Federation of Industries, and President Chien-Yi Chang of Taiwan Institute of Economic Research to have a wonderful talk on the consensus reached in the Association's Headquarters. We were also honored to have the Vice Premier Cheng Wen-Tsan of the Executive Yuan write the foreword to support the discussion. As a result, we received the support from 83 suppliers, totaling 101 members, to publish the "TIHA Mission Promotion Report."

## Youth Training

WPG Holdings hopes to be a support for young people, providing young people with resources to make themselves become the best guides in solving social problems, and continue to promote various youth science and technology competitions, to stimulate young people's innovative capabilities, and take root for Taiwan's science education. It also continues to provide scholarship to colleges and universities every year to subsidize the R&D and training of future scientific and technological talents.

## Tech Friends Maniac Campus Design Competition

### Industry-academia Collaboration to Practice ESG Sustainable Talents

#### Reason for Promotion

With the rapid advancement of technology, it is necessary to inject new momentum. The "2023 Tech Friends Maniac Campus Design Competition" was organized by YOSUN Group held by WPG Holdings, and co-organized by WPGDADATONG. Through the cooperation between the enterprise and campus, the MCU Creative and Power Supply Design Competition was organized to create an exclusive stage for students based on their own core competence. WPG Holdings hopes to root the corporate brand in the students' mind and make it the first choice for technology. Meanwhile, it helps students and engineers communicate with each other via the WPGDADATONG platform to achieve a win-win situation.

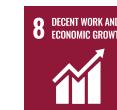
#### Highlights of Promotion

- Entering the campus:** Building a stage exclusive for students to help them win at the starting point of technology.
- Industry-academia contact:** Products are made based on the development version of semiconductor manufacturers, and both parties may communicate with each other via the digital platform "WPGDADATONG" of WPG Holdings.
- Innovative thinking:** Through the communication with FAE, creativity may be inspired by each other.
- Achievements:** The reputation of WPG Holdings roots in the campus to help students accumulate works and train young people's abilities.
- Recruitment of talents:** Students learn from each other to find the optimal freshmen in the workplace for enterprises.

#### Implementation Results

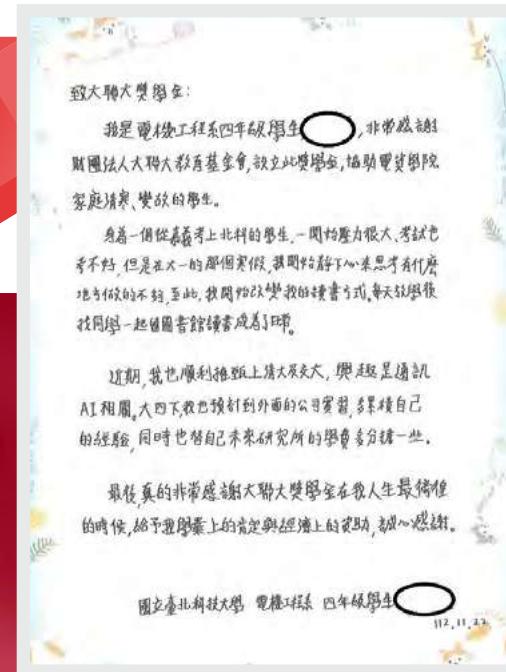
1st Tech Friends Maniac Campus Design Competition was attended by a total of 35 teams consisting of participants from the colleges/universities in Taiwan. During the Competition, products were made based on the development version of the original manufacturer, through communication via WPGDADATONG platform, and creativity was inspired by each other during the exchange with the FAE. It helped the students accumulate works and find the optimal freshmen in the workplace for enterprises. Finally, 10 teams of winners were selected, and each was awarded NT\$500,000.

## SDGs Goals:



## Scholarship and Internship Projects

In 2023, WPG Holdings provided scholarships, internship projects and laboratory projects in many universities. It not only encourages young people to study but also provides excellent students with practical experience. At the end of studies, the students may become formal employees; therefore, a win-win situation may be created between WPG Holdings and students.



Project	Partner	Number of Students	2023 Project Performance
WPG Holdings Scholarship/ Fellowship for Students from Low-income Family	National Taipei University of Technology	10	The scholarship totaling <b>NT\$500,000</b> has been awarded
Sponsored the Supply Chain Management Program	National Chengchi University	117	WPG Holdings supply chain internship scholarship, <b>NT\$200,000</b>
Holding Company IT Intern Program	National Yunlin University of Science and Technology National Taipei University of Technology Soochow University	11	<b>45%</b> of students may become formal employees
AIT Group Product Assistant Intern Program	National Yunlin University of Science and Technology	1	<b>100%</b> students may become formal employees
YOSUN Group Laboratory Project	National Taiwan Normal University National Taipei University of Technology Ming Chi University of Science and Technology	14	In 2023, it sponsored 3 university laboratories with a total of <b>NT\$3.5 million</b> to develop the electric EVL420W AC/DC battery charger solution and the high-power HPL400W micro-inverter solution
Off-campus Internship Education Plan of YOSUN Group	Taipei City University of Science and Technology	2	<b>50%</b> of students may become formal employees



### WPG Holdings Scholarship/fellowship for Students from Low-income Family in the College of Electrical Engineering and Computer Science, National Taipei University of Technology

Since 2011, the WPG Holdings 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 each semester in 2023. 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.

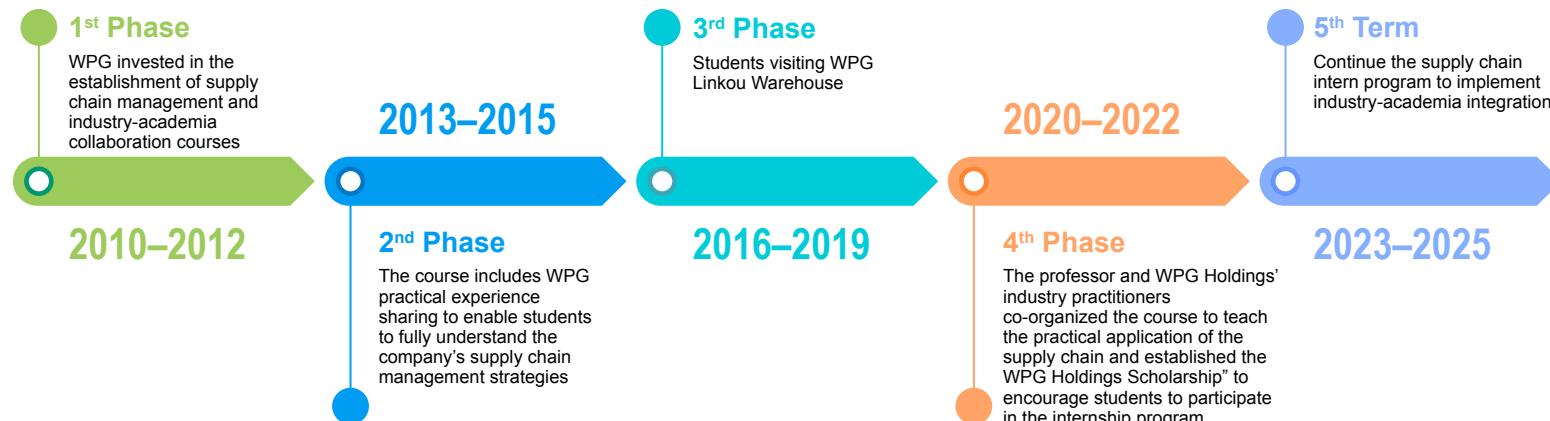
- 感谢信来自获得WPG Holdings奖学金/助学金的学生，表达了对他们经济困难时期的感谢和支持。

## “Supply Chain Management Program” Industry-Academia Project

WPG Holdings has partnered with the College of Business, National Chengchi University since 2010 to sponsor and support the “Supply Chain Management Industry-Academia Collaboration Project.” As of 2023, the Project has entered its 13th anniversary. The Collaboration aims to organize the knowledge of supply chain management in Taiwan and create a complete set of supply chain management teaching materials and plans, in order to provide supply chain management talents to Taiwan’s industries as the ultimate goal.



◎ The cooperation with National Chengchi University's Supply Chain Program won the silver medal from the Ministry of Education in 2023.



### “Information Technology Internship Program,” National Yunlin University of Science and Technology and National Taipei University of Technology

The Information Technology Internship Program has been implemented under the cooperation with National Yunlin University of Science and Technology and National Taipei University of Technology for many years. In 2023, Soochow University 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 2023, eleven IT interns were recruited and five of them were directly transferred to full-time employees after the internship, achieving the goal of campus career integration.



### “Laboratory Project” of Ming Chi University of Technology, National Taiwan Normal University, and National Taipei University of Technology

Based on the practical application of semi-conductor components as the core, YOSUN Group held by WPG Holdings cooperated with Ming Chi University of Technology, National Taiwan Normal University, and National Taipei University of Technology, respectively, in certain laboratory projects. Professors lead students to conduct research including High Power LAB, EV-Power LAB and AI LAB to develop solutions for high-power electricity management and motor control, micro power management and artificial intelligence for vehicles, computer vision and signal processing, and implement the experimental results into the industry for practical application and promotion.

## 4.3.2 Social Impact

### Impact Investment

through investment, hoping to create positive impact through foundations and social innovation enterprises, etc. The Holdings invested in B Current Fund II and B Current Fund III in 2017 and 2020 respectively. By the end of 2023, the B Current Impact Investment Fund team had invested in 21 early-stage social innovation companies in the areas of environmental technology, sustainable agriculture, healthy life and inclusive economy. 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 investors in corporate governance, business development, and talent cultivation, creating a vibrant ecosystem of influence.

In terms of the 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. and participated in two capital increase projects successively, amounting to NT\$205 million cumulatively, in order to continue supporting the SRF power generation plant's industrial development. 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 Enterprise Co., Ltd. expects that after the future Changbin and Taoyuan plant enters operations, the annual processing SRF capacity can reach 267,000 tons and the annual power generation capacity 129.6 million kWh, which is equivalent to 36,000 households' electricity consumption and replaces about 125,000 tons of coal consumption.

### Social Investment

In 2023, WPG Holdings invested more than NT\$29.43 million in social engagement causes. In 2023, WPG Holdings connected start-ups to organize public welfare activities, and won the Buying Power Awards combined Social Procurement and Public Procurement for Start-ups-Support Award from the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs.

支持獎

大聯大控股股份有限公司

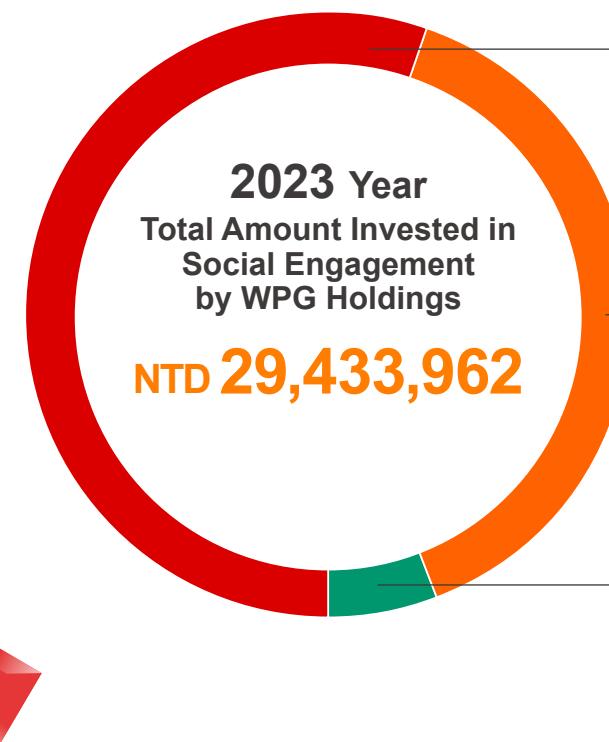
「112年Buying Power社會創新產品及服務獎勵-支持獎」  
特頒此狀，以資鼓勵。



王美花

中華民國112年11月15日

- Received the Buying Power Awards combined Social Procurement and Public Procurement for Start-ups-Support Award in 2023.



55.46%

### Philanthropy Linked to Business Operations

Amount of investment

NTD 16,323,088

38.80%

### Long-term Community Engagement

Amount of investment

NTD 11,420,000

5.74%

### One-time Charitable Activities

Amount of investment

NTD 1,690,874

# 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.

## Highlight Performance

### Adopted a Community Park

#### 2 Areas

Adopted two green areas in a park

### WPG Carbon Reduction Campaign

#### 2,596 Items 2,132 kg

Collected 2,596 second-hand unused items, which were donated to social welfare groups reduced carbon by 2,132 kg accordingly

## Social Participation

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.

## Highlight Performance

### Supported the Youth Training Project from the "Puren Youth Care Foundation"

#### NT\$1.2 Million

Donated NT\$1.2 million

### Supported Youth Center Dream Benchmark School - Academic Improvement Program from the "House of Dreams Foundation"

#### NT\$200,000

Donated NT\$200,000

### Supported the "Taipei Music Foundation for the Visually Impaired" to organize the 30th Music Festival "EYE Music ETFE"

#### NT\$100,000

Donated NT\$100,000

### Supported the "Spread Wings Choir" Charity Tour of the Visually Impaired Angels

#### NT\$150,000

Donated NT\$150,000

### Supported "National Keelung Special Education School" to improve the educational environment for students with physical and mental disabilities and special needs

#### NT\$400,000

Donated NT\$400,000

### Launched a second-hand computer donation campaign and donated to the Puren Youth Care Foundation

#### 3 Laptops

Donated 3 used laptops

### Held year-end activity "Christmas Shoebox Gifting" to share love for 7 consecutive years

#### 195 Gifts

195 Christmas shoebox gifts were collected

### Charity Dream Project for Rural Children

#### 62 Gifts

Adopted all 62 wishing gifts by employees in total

## Technical Training

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

## Highlight Performance

### Organized the WPG Ladies Open for four consecutive years

#### 23 Partners

23 supply chain partners were invited to participate in the grand event

### Long-term sponsorship of the PGA Tech Cup Tournament

#### NT\$300,000

Donated

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

#### NT\$2.6 Million

Donated NT\$2.6 million



## Green Action

### Taiwan Region

#### Park Adoption

Ongoing adoption of Nangang Xiangyang Park since 2011

#### Street Tree Adoption

Adoption of street trees in front of the WPG Nangang headquarters building since 2021

#### 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 TPE One 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.

**2,596 Items**

2023 Second-hand Items Collection for Social Welfare Groups

**2,132 kg**

Total Carbon Reduction from Material Collection Activities

#### WPG Love • WPG Carbon Reduction Campaign

For the first time, WPG held a material donation activity in 2022, 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. In 2023, it has collected 2,596 second-hand unused items, which were donated to social welfare groups, and reduced carbon by 2,132 kg accordingly.

#### "Unity X Meet the Low-Carbon Era and Create Sustainable Value" Lecture

**463 People**

The Number of Participants in Taiwan Region

**261 People**

The Number of Participants in Mainland China



◎ Acceptance of cases for carbon reduction activities for donation, and results of donation.

#### Sustainable Living Seminar and Activities

In order to encourage all employees to implement energy saving and carbon reduction actions, set global environmental climate as the main theme, WPG Holdings adopted the online seminar in 2023, in order to guide employees to realize that sustainability issues are not out of reach actually, which may be practiced through even small changes in life, and also encourage employees to pursue the sustainable lifestyles.

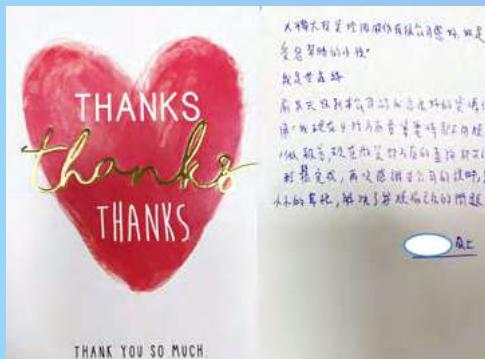


## Love Charity Action



### Used Computer Collection

A total of 3 used laptops were collected in 2023 and donated to the Puren Youth Care Foundation.



◎ Thank you notes from the children of Puren Youth Care Foundation.

### Charity Dream Project for Rural Children

This is the first time WPG Holdings has held the charity dream project. Through the sustainability rally organized by WPG Holdings, it hopes to implant ESG gene into children in order to accumulate the sustainable experience for children continuously, so that children may learn to care for the planet. Participating students only need to complete "Reading x Character x Green Action" to collect the bonus points, and then they can make a wish for gift. Then, they are guided to participate in the eco-friendly actions. WPG Holdings invited employees to fulfill the wishes made by the rural children. All gifts were prepared by employees for the children in the two rural areas in Chiayi, in order to accompany the rural children's growth.



◎ Upon receipt of the gifts, the child students in the rural areas in Chiayi returned letters to the employees of WPG Holdings.

### Christmas Love Sharing

**195 Items**

**1,773 Items**

195 Charity Shoeboxes  
Raised for Disadvantaged  
Juveniles in 2023

1,773 Charity  
Shoeboxes Accumulated  
Over 7 Years

Since 2017, WPG Holdings has partnered with House of Dreams Foundation 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 donated by WPG Holdings' employees. In 2023, 195 charity shoeboxes were raised for the disadvantaged juveniles and 1,773 charity shoe boxes have been accumulated over the past seven years.



◎ "Christmas Shoebox Gifting" Campaign in Partnership with House of Dreams Foundation.

### Long-Term Support for Puren Youth Care Foundation

AIT Group, part of WPG Holdings, 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 the society. Our love continues to grow with an annual donation of NT\$1.2 million for more than 15 years now.

**NT\$1.2 Million**

Annual Donation of  
NT\$1.2 Million for 15  
Consecutive Years

## Cultivating the Spirit of Skills and Craftsmanship



**NT\$10 Million**

Total Prize Money of the  
Tournament

**11 Million Times**

Overall Publicity Reached  
More Than 11 Million Times

**108 Plays**

Over 108 Domestic  
and Foreign Players  
Invited to Participate

### WPG Ladies Open

WPG Holdings is concerned about the development of sports and athletes in Taiwan. The event was sponsored by WPG Holdings and its subsidiaries. In 2020, WPG Holdings cooperated with Taiwan Ladies Professional Golf Association (TLPGA) for the first time to hold the "WPG Ladies Open" to build a stage for professional golfers, enhance the international visibility of Taiwanese golfers, and demonstrate commitment to giving back to society. In 2023, WPG Holdings continued to sponsor the TLPGA and promote ESG. WPG Holdings invited over 23 original manufacturers to join us to create better opportunities for Taiwanese golfers. At the same time, the total prize money of the tournament reached NT\$10 million, and the specifications of the competition were upgraded after 3 rounds were changed to 4 rounds (72 holes for stroke play). The overall publicity of the tournament reached more than 11 million. More than 108 domestic and foreign players were invited to participate in the tournament, including 39 foreign professional players (from Thailand/Japan), 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 Guidance on social responsibility 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 I-XIII Comparison Table**
- 5.6 Sustainability Accounting Standards Board (SASB) Index**
- 5.7 Climate-Related Information of TWSE Listed Company**
- 5.8 Sustainable Data**
- 5.9 Disclosure Coverage**

## 5.1 Assurance Opinion Statement

**Deloitte.**

**勤業眾信**

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### INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

WPG Holdings Limited

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of WPG Holdings Limited ("the Company") for the year ended December 31, 2023.

#### Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

#### Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), SASB Standards published by the Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

#### Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 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 whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting 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:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, and observation to obtain evidence supporting limited assurance.

#### Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to 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 Control

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 is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which 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 we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

#### Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Chang, Ya-Yun.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

June 24, 2024

#### Notice to Readers

*For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.*



SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Subject Matter Information			Corresponding Section	Applicable Criteria
● Statistics of Water Consumption					
	Type	Region	Units: 1,000,000 liters	3-2-6 Water Resource Management	• GRI 303-3: 2018
Office area	Taiwan		17,970		• Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Appendix I-13, Number 2
	China		16,600		
	Other overseas		0.823		
Logistics warehouse	Taiwan		5,296		
	Hong Kong		0.885		
	Dongguan		12,899		
	Total		54,463		

Note 1: In 2023, WPG Holdings achieved a water resource coverage rate of 84.37%. Statistical coverage for office areas includes Taiwan (Taipei, Kaohsiung, Hsinchu) and mainland China (Shanghai, Chengdu, Hangzhou AIT, Ningbo, Xi'an, Hefei, Xiamen, Shenzhen, Qingdao, Hong Kong), with other overseas regions including Singapore and South Korea. Statistical coverage for logistics warehouses includes Taiwan (Linkou) and mainland China (Dongguan, Hong Kong).

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 4,000 liters has been built in the Linkou warehouse. Actual water usage statistics have not yet been recorded.

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 2023 is 54.05 cubic meters, monitored automatically by the internal system on a daily basis.

APPENDIX

(Continued)

#	Subject Matter Information		Corresponding Section	Applicable Criteria
● Environmental data				
	Water withdrawal from all regions (1,000,000 liters)	Water-stressed region	5-8 Sustainable Data	
	Total volume	0.054 0		
	Freshwater (TDS < 1,000 mg/L)	0.054 0		
	Other water source (TDS > 1,000 mg/L)	0 0		
	Surface water			
	Total volume	0 0		
	Freshwater (TDS < 1,000 mg/L)	0 0		
	Other (TDS > 1,000 mg/L)	0 0		
	Groundwater			
	Total volume	0 0		
	Freshwater (TDS < 1,000 mg/L)	0 0		
	Other (TDS > 1,000 mg/L)	0 0		
	Seawater			
	Total Volume	0 0		
	Freshwater (TDS < 1,000 mg/L)	0 0		
	Other (TDS > 1,000 mg/L)	0 0		
	Produced water			
	Total volume	0 0		
	Freshwater (TDS < 1,000 mg/L)	0 0		
	Other (TDS > 1,000 mg/L)	0 0		
	Third party water			
	Total Volume	54,409 7,930		
	Freshwater (TDS < 1,000 mg/L)	54,409 7,930		
	Other (TDS > 1,000 mg/L)	0 0		
	Total third party water withdrawal is based on the water source	Surface water/ Groundwater/ Seawater/ Production water	N/A <sup>Note 1</sup>	N/A
	Total water withdrawals		54,463	7,930

Note 1: Water sources are all domestic water and 100% freshwater, and the amount of water extracted from water stress areas is analyzed according to the WWF Water Risk Filter tool. In 2023, identified areas with moderate or higher water resource stress include: China (Hefei, Xi'an, Shanghai, Qingdao) and other overseas regions (South Korea).

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

Note 3: The third-party water source is tap water; the surface water source is rainwater.

Note 4: The statistical scope are Taiwan (Taipei, Kaohsiung, and Hsinchu), China (Shanghai, Chengdu, Hangzhou AIT, Ningbo, Xi'an, Hefei, Xiamen, Shenzhen, Qingdao, Hong Kong), and other overseas regions such as Singapore and South Korea. Logistics warehouses include Taiwan, Hong Kong, and Dongguan.

The water consumption for the year 2023 was 0 million liters.

5-5 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Appendix I-XIII - Conjunction Table

(Continued)

- 3 -

- 4 -

- 5 -

#	Subject Matter Information		Corresponding Section	Applicable Criteria
● Waste Statistics				
	Type of waste	2023	3-2-7 Waste Management	GRI 306-3-2020
	Non-recyclable waste	115,389		
	Recyclable waste	41,194		
	Total waste volume	156,583		
	Non-recyclable waste	83,080		
	Recyclable waste	40,185		
	Total waste volume	123,265		
	Non-recyclable waste	198,469		
	Recyclable waste	81,379		
	Total waste volume	279,848		

Note 1: In 2023, the data collection scope was expanded. For office areas, it includes Taipei in Taiwan, and in mainland China, it includes Shenzhen, Shanghai, Hong Kong, Changsha, Guangzhou, Zhuhai, Dongguan, Beijing, and Suzhou. For logistics warehouses, it includes Linkou in Taiwan and Hong Kong and Dongguan in mainland China.

Note 2: Only food waste from Taipei (office area) is included in the calculation of "recyclable waste" because it is reused.

Note 3: For Shenzhen (office area) and Shanghai (office area), data collection mechanisms were only implemented midway through 2023, so some waste data may not cover the entire year of 2023.

Note 4: For Shenzhen (office area), there were instances of data gaps due to manual handling, resulting in missing data. For months with missing data, the calculation is adjusted as follows: Total recorded quantity for the month + (Total recorded quantity for the month/Total recorded days for the month) \* Number of missing days in the month.

(Continued)



#	Subject Matter Information						Corresponding Section	Applicable Criteria																																																	
In terms of turnover, there were 426 new hires in 2023, with a new hire rate of 8.76%; there were 566 resigned, with a departure rate of 11.64%.																																																									
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Units: Person; %																																																									
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(Continued)

#	Subject Matter Information				Corresponding Section	Applicable Criteria																																																							
4.1-1 Talent Structure																																																													
GRI 401-1: 2016																																																													
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<p>The 7th Term Board of Directors of WPG Holdings was elected by the shareholders' meeting on May 31, 2023 for a three-year term from May 31, 2023 to May 30, 2026. There are 8 male directors (89%) and 1 female director (meeting the goal, 11%). 3 directors attain the age more than 70 years old (33%), and the other 6 directors less than 70 years old (67%).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Nationality</th> <th>Title</th> <th>Gender</th> <th>Age</th> </tr> <tr> <th></th> <th></th> <th></th> <th>50-70</th> <th>Above 70</th> </tr> </thead> <tbody> <tr> <td>Simon Huang</td> <td>Republic of China</td> <td>Chairman</td> <td>Male</td> <td>●</td> </tr> <tr> <td>Frank Yeh</td> <td>Republic of China</td> <td>Vice-chairman</td> <td>Male</td> <td>●</td> </tr> <tr> <td>K.D. Tang</td> <td>Republic of China</td> <td>Director</td> <td>Male</td> <td>●</td> </tr> <tr> <td>Mike Chang</td> <td>Republic of China</td> <td>Director</td> <td>Male</td> <td>●</td> </tr> <tr> <td>T.L. Lin</td> <td>Republic of China</td> <td>Director</td> <td>Male</td> <td>●</td> </tr> <tr> <td>Jack J. T. Huang</td> <td>Republic of China</td> <td>Independent director</td> <td>Male</td> <td>●</td> </tr> <tr> <td>Charles Chen</td> <td>Republic of China</td> <td>Independent director</td> <td>Male</td> <td>●</td> </tr> <tr> <td>Kathy Yang</td> <td>Republic of China</td> <td>Independent director</td> <td>Female</td> <td>●</td> </tr> <tr> <td>Joseph Yu</td> <td>Republic of China</td> <td>Independent director</td> <td>Male</td> <td>●</td> </tr> </tbody> </table>								Nationality	Title	Gender	Age				50-70	Above 70	Simon Huang	Republic of China	Chairman	Male	●	Frank Yeh	Republic of China	Vice-chairman	Male	●	K.D. Tang	Republic of China	Director	Male	●	Mike Chang	Republic of China	Director	Male	●	T.L. Lin	Republic of China	Director	Male	●	Jack J. T. Huang	Republic of China	Independent director	Male	●	Charles Chen	Republic of China	Independent director	Male	●	Kathy Yang	Republic of China	Independent director	Female	●	Joseph Yu	Republic of China	Independent director	Male	●
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5. (Continued)																																																													

5. 2-1-2 Diversity of the Board of Directors and Performance Evaluation

#	Subject Matter Information				Corresponding Section	Applicable Criteria														
4-1-1 Talent Structure																				
GRI 404-1: 2016																				
<ul style="list-style-type: none"> <li>Gender vs. Employee Ratio</li> </ul>																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2">Units: Person</th> </tr> <tr> <th></th> <th>2023</th> <th></th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>2,545</td> <td></td> </tr> <tr> <td>Female</td> <td>2,272</td> <td></td> </tr> <tr> <td>Total</td> <td>4,817</td> <td></td> </tr> </tbody> </table>							Units: Person			2023		Male	2,545		Female	2,272		Total	4,817	
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Note: Full-time Equivalent (FTE) is used for headcount. The scope of statistics ends on 2023/12/31.																				

6. Gender and Positions for Full-time Employees in Different Regions

#	Subject Matter Information				Corresponding Section	Applicable Criteria																		
4-1-1 Talent Structure																								
GRI 405-1: 2016																								
<ul style="list-style-type: none"> <li>Gender and Positions for Full-time Employees in Different Regions</li> </ul>																								
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Note: Full-time Equivalent (FTE) is used for headcount. The statistical range ends on 2023/12/31.																								

7. Gender and Position Distribution of Full-time Employees with Different Ages

#	Item	Age Profile	Gender	Title	Unit: Person	Percentage
			Female	Male	Manager	Non-manager
	Under 30 years old	444	423	8	859	86.7
	31-40 years old	874	752	165	1,461	1,626
	41-50 years old	736	958	495	1,199	1,694
	Above 51 years old	218	412	324	306	610
	Total	2,272	2,545	992	3,825	4,817

Note: Full-time Equivalent (FTE) is used for headcount. The statistical range ends on 2023/12/31.

(Continued)

- 6 -

- 7 -

- 8 -



#	Subject Matter Information	Corresponding Section	Applicable Criteria										
6.	<ul style="list-style-type: none"> <li>• IDM/Fabless/IC Design Suppliers</li> </ul> <p>By the end of 2023, WPG Holdings has represented over 250 IDM/Fabless/IC design suppliers. Based on the "guiding revenue share," the key suppliers were identified. The top 30 major suppliers, which accounted for more than 80% of WPG Holdings' total revenue, were mainly located in the United States (11 companies), Taiwan (7 companies), China (4 companies), Europe (4 companies), Korea (2 companies) and Japan (2 companies). The U.S. suppliers ranked the first in terms of the turnover, while Taiwan suppliers ranked the second.</p> <p>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.</p> <ul style="list-style-type: none"> <li>• IDM/Fabless/IC Design Supplier Assessment</li> <li>• Chemical Safety</li> </ul> <p>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:</p> <table border="1"> <thead> <tr> <th>Approved/Certified</th> <th>International Regulations and Guidelines for the Management of Chemicals and Related Substances</th> </tr> </thead> <tbody> <tr> <td>28 approved (93%)</td> <td> <ul style="list-style-type: none"> <li>Global: Halogen Free Guide (HFG) published by the IEC European Union:</li> <li>• Restriction of Hazardous Substances Directive (RoHS) <ul style="list-style-type: none"> <li>• Registration, Evaluation, Authorization, and Restriction of Chemicals Act (REACH)</li> <li>• Perfluorooctanesulfonic acid Directive (PFOS)</li> </ul> </li> <li>China: <ul style="list-style-type: none"> <li>• RoHS</li> </ul> </li> </ul> </td> </tr> <tr> <td>28 suppliers have obtained certification (93%)</td> <td>RoHS, China RoHS, HF, REACH, PFOS standards</td> </tr> <tr> <td>9 companies</td> <td>Not applicable to PFOS standard, but one of which applies to PFOA and the other applies to RoHS.</td> </tr> <tr> <td>8 companies</td> <td>Not applicable to ROHS standard of China</td> </tr> </tbody> </table>	Approved/Certified	International Regulations and Guidelines for the Management of Chemicals and Related Substances	28 approved (93%)	<ul style="list-style-type: none"> <li>Global: Halogen Free Guide (HFG) published by the IEC European Union:</li> <li>• Restriction of Hazardous Substances Directive (RoHS) <ul style="list-style-type: none"> <li>• Registration, Evaluation, Authorization, and Restriction of Chemicals Act (REACH)</li> <li>• Perfluorooctanesulfonic acid Directive (PFOS)</li> </ul> </li> <li>China: <ul style="list-style-type: none"> <li>• RoHS</li> </ul> </li> </ul>	28 suppliers have obtained certification (93%)	RoHS, China RoHS, HF, REACH, PFOS standards	9 companies	Not applicable to PFOS standard, but one of which applies to PFOA and the other applies to RoHS.	8 companies	Not applicable to ROHS standard of China	1-3-4 Supply Chain Management	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 1, Paragraph 1, Appendix 1-13, Number 6
Approved/Certified	International Regulations and Guidelines for the Management of Chemicals and Related Substances												
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(Continued)

#	Subject Matter Information	Corresponding Section	Applicable Criteria
7.	<ul style="list-style-type: none"> <li>• Conflict Minerals Management</li> </ul> <p>With the aim of implementing the requirements of WPG Holdings on conflict minerals, we checked 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.</p> <p>WPG Holdings' Conflict Minerals Management Process is as follows:</p> <ul style="list-style-type: none"> <li>1. Conflict Minerals Management Regulations Establishment</li> <li>2. Key supplier identification</li> <li>3. Repeat Public Information Investigation</li> <li>4. Public Disclosure</li> </ul> <p>After the disclosure of the information related to the conflict minerals tracked by WPG Holdings Among the key suppliers, the percentage of publicly disclosed qualified smelters was 77% (23 out of 30 suppliers), and among these 30 key suppliers, the average percentage of raw materials from qualified smelters was 98.7%. 3 of the 7 key suppliers that do not publicly disclose the percentage of qualified smelters are RBA members and are stated on the website.</p> <p>Among the 30 key suppliers, the proportion percentage of materials used that were procured from qualified smelters was 98.7%.</p> <p>Note: The average proportion of raw materials from certified smelters = (certified proportion announced by key suppliers * number of key suppliers with individual certified proportions) / number of key suppliers who have disclosed certified proportions.</p> <p>No anti-competitive, anti-trust or monopoly-related lawsuits or judgments in 2023</p>	5-5 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Appendix I-XIII, Comparison Table	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

(Concluded)

## 5.2 GRI Standards Disclosure Comparison Table

**Statement of Use:** WPG Holdings has published its 2023 Sustainability Report in accordance with the GRI Standards for the period from January 1 to December 31, 2023.

**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	2 17
2-2	Entities included in organization's sustainability reporting	About the Sustainability Report	2
2-3	Reporting period, frequency and contact point	About the Sustainability Report	2
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	2 120
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 Strategies	17 20 32
2-7	Employee	4.1.1 Talent Structure	87
2-8	Workers who are not employees	4.1.1 Talent Structure	87
2-9	Governance structure and composition	1.2.2 Sustainability Governance Structure 2.1.1 Board of Directors Structure	23 42
2-10	Nomination and selection of the highest governance body	2.1.2 Diversity of the Board of Directors and Performance Evaluation	44
2-11	Chair of the highest governance body	2.1.2 Diversity of the Board of Directors and Performance Evaluation	44
2-12	The role of highest governance bodies in overseeing the management of impacts	1.2.2 Sustainability Governance Structure 1.2.4 Stakeholder Identification and Communication	23 29

GRI 2 General Disclosures 2021		Corresponding Chapter and Explanation	Page No.
2-13	Delegation of responsibility for managing impacts	1.2.2 Sustainability Governance Structure	23
2-14	Role of the highest governance body in sustainability reporting	About the Sustainability Report 1.2.3 Analysis of Material Topics	2 24
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 Shareholders Meeting Annual Report - Directors' Information, the Company's Shareholders Meeting 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	44
2-16	Communicating of critical concerns	1.2.2 Sustainability Governance Structure 2.1.2 Diversity of the Board of Directors and Performance Evaluation	23 44
2-17	Collective knowledge of the highest governance body	2.1.2 Diversity of the Board of Directors and Performance Evaluation	44
2-18	Evaluation of the performance of the highest governance body	2.1.2 Diversity of the Board of Directors and Performance Evaluation	44
2-19	Remuneration policies	2.1.2 Diversity of the Board of Directors and Performance Evaluation For the remuneration policy of the Board of Directors, please refer to the Shareholders Meeting Annual Report - Directors, Supervisors, President and Vice President Remuneration Policy, Standards and Packages, Procedures for Determining Remuneration, and Association with Operating Performance and Future Risks. Please refer to p.26-27 of the Shareholders Meeting Annual Report	46
2-20	Process to determine remuneration	2.1.2 Diversity of the Board of Directors and Performance Evaluation	46

## Specific Topics

### GRI 200: Economic Series

GRI 2 General Disclosures 2021		Corresponding Chapter and Explanation	Page No.
2-21	Annual total remuneration ratio	4.2.1 Employee Compensation and Benefits	93
2-22	Statement on sustainable development strategy	About the Sustainability Report 2023 Sustainability Performance Highlights Corporate Sustainable Development Goals	2 7 10
2-23	Policy commitments	2.2.1 Ethical Corporate Management 2.2.5 Legal and Trade Compliance 4.2.2 Human Rights Protection	49 58 97
2-24	Embedding policy commitments	1.2.2 Sustainability Governance Structure 1.2.3 Analysis of Material Topics 2.2.1 Ethical Corporate Management	23 24 49
2-25	Processes to remediate negative impacts	1.2.4 Stakeholder Identification and Communication 4.2.2 Human Rights Protection 4.2.3 Labor-Management Communication	29 97 101
2-26	Mechanisms for seeking advice and raising concerns	1.2.4 Stakeholder Identification and Communication 4.2.2 Human Rights Protection 4.2.3 Labor-Management Communication	29 97 101
2-27	Compliance with laws and regulations	2.2.5 Legal and Trade Compliance No violations of regulations in 2023	58 -
2-28	Membership associations	4.3.1 Industry Promotion	108
2-29	Approach to stakeholder engagement	1.2.4 Stakeholder Identification and Communication	29
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 and Explanation	Page No.
3-1	Process to determine material topics	1.2.3 Analysis of Material Topics	24
3-2	List of material topics	1.2.3 Analysis of Material Topics	26
3-3	Management of material topics	1.2.3 Analysis of Material Topics	27

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
<b>GRI 201: Economic Performance (2016)</b>			
201-1	Direct economic value generated and distributed	1.1.2 Operational Performance 4.3.2 Social Impact	20 113
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	64 72
201-3	Defined benefit plan obligations and other retirement plans	4.2.1 Employee Compensation and Benefits	96
<b>GRI 202: Market Presence (2016)</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1.3.4 Supply Chain Management 4.2.1 Employee Compensation and Benefits	39 93
<b>GRI 203: Indirect Economic Impacts (2016)</b>			
203-1	Infrastructure investments and services supported	3.3.2 Cleantech Development Results	83
203-2	Significant indirect economic impacts	1.2.3 Analysis of Material Topics	25
<b>GRI 204: Procurement Practices (2016)</b>			
204-1	Proportion of spending on local suppliers	1.3.4 Supply Chain Management	39
<b>GRI 205: Anti-corruption (2016)</b>			
205-2	Communication and training about anti-corruption policies and procedures	1.3.4 Supply Chain Management 2.1.2 Diversity of the Board of Directors and Performance Evaluation 2.2.1 Ethical Corporate Management	39 44 49
205-3	Confirmed incidents of corruption and actions taken	2.1.2 Diversity of the Board of Directors and Performance Evaluation 2.2.1 Ethical Corporate Management	48 49
<b>GRI 206 Anti-Competitive Behavior (2016)</b>			
206-1	Legal actions against anti-competitive behavior, anti-trust, and monopoly practices	No anti-competitive, anti-trust or monopoly-related lawsuits or judgments in 2023	-

## GRI 300: Environmental Disclosures Series

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
<b>GRI 302: Energy (2016)</b>			
302-1	Energy consumption within the organization	3.2.4 Energy Management	76
302-3	Energy intensity	3.2.4 Energy Management	77
<b>GRI 303: Water and Effluents (2018)</b>			
303-3	Water withdrawal	3.2.6 Water Resources Management	79
<b>GRI 305: Emissions (2016)</b>			
305-1	Direct (Scope 1) Greenhouse Gas Emissions	3.2.3 Greenhouse Gas Management	73
305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	3.2.3 Greenhouse Gas Management	74
305-3	Other indirect (Scope 3) Greenhouse Gas emissions	3.2.3 Greenhouse Gas Management	75
<b>GRI 306: Effluents and Waste (2016)</b>			
306-3	Significant spills	3.2.7 Waste Management	80
<b>GRI 308 Supplier Environmental Assessment (2016)</b>			
308-2	Negative environmental impacts in the supply chain and actions taken	1.3.4 Supply Chain Management	37

## GRI 400: Social Disclosures Series

GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
<b>GRI 401: Employment (2016)</b>			
401-1	New employee hires and employee turnover	4.1.1 Talent Structure	88
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	95
401-3	Parental leave	4.2.1 Employee Compensation and Benefits	96
<b>GRI 403: Occupational Health and Safety (2018)</b>			
403-2	Hazard identification, risk assessment, and incident investigation	4.2.4 Occupational Health and Safety	103
403-3	Occupational health services	4.2.4 Occupational Health and Safety	103
403-5	Worker training on occupational health and safety	4.2.4 Occupational Health and Safety	103
403-6	Promotion of worker health	4.2.4 Occupational Health and Safety	105
403-9	Work-related injuries	4.2.4 Occupational Health and Safety	104
<b>GRI 404: Training and Education (2016)</b>			
404-1	Average hours of training per year per employee	4.1.2 Talent Cultivation	91
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.2 Talent Cultivation	91
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.1 Employee Compensation and Benefits	94
<b>GRI 405: Diversity and Equal Opportunity (2016)</b>			
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	44 87



GRI Standards	Disclosed Items	Corresponding Chapter and Explanation	Page No.
<b>GRI 406: Non-discrimination (2016)</b>			
406-1	Incidents of discrimination and corrective actions taken	2.2.1 Ethical Corporate Management 4.2.3 Labor-Management Communication	49 101
<b>GRI 407: Freedom of Association and Collective Bargaining (2016)</b>			
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	37 97
<b>GRI 408: Child Labor (2016)</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	1.3.4 Supply Chain Management 4.2.2 Human Rights Protection	37 97
<b>GRI 409: Forced or Compulsory Labor (2016)</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2.2 Human Rights Protection	97
<b>GRI 411: Rights of Indigenous Peoples (2016)</b>			
411-1	Incidents of violations involving rights of indigenous peoples	No violations of the rights of indigenous peoples occurred in 2023	-
<b>GRI 415: Public Policy (2016)</b>			
415-1	Political contributions	1.1.2 Operational Performance No political contributions were made in 2023	20
<b>GRI 416: Customer Health and Safety (2016)</b>			
416-2	Incidents of non-compliance concerning the health and safety	No violations of health and safety regulations related to products and services occurred in 2023	-
<b>GRI 417: Marketing and Labeling (2016)</b>			
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 2023	-
417-3	Incidents of non-compliance concerning marketing communications	No violations of marketing and communications regulations in 2023	-
<b>GRI 418: Customer Privacy (2016)</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1.2 Diversity of the Board of Directors and Performance Evaluation	48

## 5.3 ISO 26000 Guidance on Social Responsibility Comparison Table

Classification	Main Issues	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	22 42
	Corporate Social Responsibility Philosophy	About the Sustainability Report	2
	Due diligence	4.2.2 Human Rights Protection	97
	Human right risks situations	4.2.2 Human Rights Protection	97
	Avoidance of complicity	4.2 Happiness in Workplace	93
	Resolving grievances	4.2 Happiness in Workplace	93
Human Rights	Discrimination and vulnerable groups	4.2.2 Human Rights Protection	97
	Civil and political rights	4.2.2 Human Rights Protection	97
	Economic, social and cultural rights	4.2.2 Human Rights Protection	97
	Fundamental principles and rights at work	4.2.2 Human Rights Protection	97
	Employment and employment relationships	4.1.2 Talent Cultivation	90
Labor Practices	Conditions of work and social protection	4.2.2 Human Rights Protection	97
	Social dialogue	4.2.3 Labor-Management Communication	101
	Health and safety at work	4.2.4 Occupational Health and Safety	103
	Human development and training in the workplace	4.1.2 Talent Cultivation	90
Environment	Prevention of pollution	3.2 Low-Carbon Operations	70
	Sustainable resource use	3.2 Low-Carbon Operations	70
	Climate change mitigation and adaptation	3.1 Climate Change Strategy and Management	63
	Protection of the environment, biodiversity and restoration of natural habitats	CH3 Nature Common Good In Environment Sustainable Value-Added	61

Classification	Main Issues	Corresponding Chapter	Page No.
Fair Operations	Anti-corruption	2.2.1 Ethical Corporate Management	49
	Responsible political involvement	4.3.1 Industry Promotion	107
	Fair competition	2.2.1 Ethical Corporate Management 2.2.5 Compliance with Laws and Trade Regulations	49 58
Consumers Issues	Promote social responsibility in the value chain	1.3 Distribution Integration and Innovation	32
	Respect for property rights	2.2.5 Legal and Trade Compliance	58
	Fair marketing, factual and unbiased information and fair contractual practices	1.3 Distribution Integration and Innovation	32
Community Participation and Development	Protecting consumers' health and safety	1.3 Distribution Integration and Innovation	32
	Sustainable consumption	1.3.4 Supply Chain Management 3.3 Green Value Chain	37 81
	Consumer service, support, and complaints and dispute resolution	1.3 Distribution Integration and Innovation	32
Community Participation and Development	Consumer data protection and privacy	2.2.4 Information Security Management	55
	Access to essential services	1.3 Distribution Integration and Innovation	32
	Education and awareness	4.3.1 Industry Promotion	107
Community Participation and Development	Community involvement	4.3 Social Prosperity	106
	Employment creation and skills development	4.3.1 Industry Promotion	107
	Technology development and access	4.3.1 Industry Promotion	107
Community Participation and Development	Wealth and income creation	4.3 Social Prosperity	106
	Education and culture	4.3.2 Social Impact	113
	Health	4.2.4 Occupational Health and Safety	105
Community Participation and Development	Social investment	4.3 Social Prosperity	106

## 5.4 United Nations Global Compact Comparison Table

Classification	Main Issues		Corresponding Chapter	Page No.
Human Rights	Principle 1	Businesses should support and respect internationally recognized human rights	4.2.2 Human Rights Protection	97
	Principle 2	Make sure that they are not complicit in human rights abuses	4.2.2 Human Rights Protection	97
	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	97
Labor Standards	Principle 4	The elimination of all forms of forced and compulsory labor	4.2.2 Human Rights Protection	97
	Principle 5	The effective abolition of child labor	4.2.2 Human Rights Protection	97
	Principle 6	The elimination of discrimination in respect of employment and occupation	4.1.1 Talent Structure 4.2.2 Human Rights Protection	87 97
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	CH3 Nature Common Good In Environment Sustainable Value-Added	61
	Principle 8	Undertake initiatives to promote greater environmental responsibility practices	CH3 Nature Common Good In Environment Sustainable Value-Added	61
	Principle 9	Encourage the development and diffusion of eco-friendly technologies	3.3 Green Value Chain	81
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	2.2 Corporate Governance	49

## 5.5 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Appendix I-XIII Comparison Table

No	Indicator	Indicator Type	Unit	Corresponding Chapter and Explanation	Page No.
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	Gigajoules (GJ), percentage (%)	3.2.4 Energy Management	76
2	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (m³)	3.2.6 Water Resources Management. The water consumption for the year 2023 was 0 million liters.	79
3	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), percentage (%)	3.2.7 Waste management: Generation of industry-type non-hazardous waste	80
4	Types, number of employees in and rate of occupational accidents	Quantitative	Percentage (%), quantity	4.2.4 Occupational Health and Safety	104
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled	Quantitative	Metric tons (t), percentage (%)	Since WPG Holdings is the distribution service industry, there are no end-of-life waste products or 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	37
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	No anti-competitive, anti-trust or monopoly-related lawsuits or judgments in 2023	-
8	Production by product category	Quantitative	Varies by product category	Since WPG Holdings is the distribution service industry, and does not involve in actual production, it only has warehouses and sales offices, and does not provide related production output.	-

## 5.6 Sustainability Accounting Standards Board (SASB) Index

WPG Holdings makes the disclosures based on the applicable indicators in terms of 11 Sectors and 77 Industries in the Materiality Map of SASB:

**Sector:** Technology & Communications

**Industry:** Electronic Manufacturing Services & Original Design Manufacturing

Disclosed Items	Corresponding Chapter and Explanation	Page No.
<b>Water Resources Management</b>		
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 5.8 Sustainable Data	79 133
<b>Waste Management</b>		
TC-ES-150a.1 ① Amount of hazardous waste from manufacturing, ② percentage recycled	3.2.7 Waste Management	80
<b>Labor Practices</b>		
TC-ES-310a.1 ① Number of work stoppages and, ② total days idle	No suspension of work occurred in 2023	-
<b>Workforce Conditions, Health &amp; Safety</b>		
TC-ES-320a.1 ① Total recordable incident rate (TRIR) and ② near miss frequency rate (NMFR) for ③ direct employees and ④ contract employees	4.2.4 Occupational Health and Safety	103
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 ③ all facilities and ④ high-risk facilities	Not applicable (Since WPG Holdings is the distribution service industry, no actual production is involved, only warehouses and sales offices are operated, and no relevant raw materials are provided, therefore, the evaluation is not applicable to the 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 ③ priority nonconformances and ④ other nonconformances, disaggregated by (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Not applicable (Since WPG Holdings is the distribution service industry, no actual production is involved, only warehouses and sales offices are operated, and no relevant raw materials are provided; therefore, the evaluation is not applicable to the relevant regulations of RBA.)	-
<b>Product Lifecycle Management</b>		
TC-ES-410a.1 Weight of end-of-life products and e-waste recovered; percentage recycled	Since WPG Holdings is the distribution service industry, there are no end-of-life products and electronic waste.	-
<b>Materials Sourcing</b>		
TC-ES-440a.1 Description of the management of risks associated with the use of critical materials	1.3.4 Supply Chain Management	37
<b>Activity Indicators</b>		
TC-ES-000.A Number of manufacturing facilities	WPG Holdings has no manufacturing plants but 6 logistics and warehousing facilities.	-
TC-ES-000.B Area of manufacturing facilities	WPG Holdings has no manufacturing plants. Its logistics warehousing occupied an area of 992,658.5 square feet.	-
TC-ES-000.C Number of employees	4.1.1 Talent Structure	87

## 5.7 Climate-Related Information of TWSE Listed Company

Item	Corresponding Chapter and Explanation
Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	3.1 Climate Change Strategy and Management
Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-, mid-, and long-term).	3.1 Climate Change Strategy and Management
Describe the financial impact of extreme climate events and transformation actions.	3.1 Climate Change Strategy and Management
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1 Climate Change Strategy and Management
If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	3.1 Climate Change Strategy and Management
If there is a transformation plan in place to manage climate-related risks, specify the contents of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	3.1 Climate Change Strategy and Management
If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Currently, internal carbon pricing has not been implemented. It will be considered based on actual needs in the future, serving as one of the strategic tools for our company to achieve net-zero emissions goals and aligning with international carbon reduction trends.
If climate-related targets have been set, the activities covered, the scope of Greenhouse Gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	3.1 Climate Change Strategy and Management 3.2.3 Greenhouse Gas Management
Greenhouse Gas inventories, assurance status, and reduction goals, strategies, and concrete action plans.	3.2.3 Greenhouse Gas Management Appendix 5.7

### Carbon Emission Intensity

 Unit: Tonnes CO<sub>2</sub>e/Million NTD

	2021	2022	2023
Scope 1	0.001	0.001	0.002
Scope 2	0.004	0.007	0.009

Note: The intensity of Greenhouse Gas emissions is calculated per unit of revenue. The revenue for the years 2023, 2022, and 2021 was NT\$671.888 billion, NT\$775.232 billion, and NT\$778.572 billion, respectively.

### Greenhouse Gas Emission Verification Information

 Unit: Tonnes CO<sub>2</sub>e

	2021	2022	2023
Scope 1	819.251	970.459	1,135.213
Scope 2	2,772.123	5,499.059	5,395.993
Scope 3	6,392.793	22,350.969	16,926.395
Total	9,984.167	28,820.487	23,457.601
Proportion of Total Emissions	95.34%	98.12%	66.06%
Assurance Institution	BSI Taiwan		
Explanation of Verification Situation	ISO 14064-3:2006 standard verification is adopted. Verification for Category 1 and Category 2 is conducted at the "reasonable assurance" level, while verification for Category 3 and Category 4 is conducted at the "limited assurance" level	ISO 14064-3:2006 standard verification is adopted. Verification for Category 1 and Category 2 is conducted at the "reasonable assurance" level, while verification for Category 3 and Category 4 is conducted at the "limited assurance" level	ISO 14064-3:2019 standard verification is adopted. Verification for Category 1 and Category 2 is conducted at the "reasonable assurance" level, while verification for Category 3 and Category 4 is conducted at the "Agreed upon procedures (AUP)" level.
Opinion and Conclusion of Verification	Unqualified opinion	Unqualified opinion	Unqualified opinion (Excluding Agreed upon procedures (AUP))

## 5.8 Sustainable Data

### Environmental Data

Water withdrawal by source	Water withdrawal from all regions (1,000,000 liters)		Water-Stressed Region
	Total Volume	Freshwater (TDS ≤ 1,000 mg/L)	0
Surface water	Freshwater (TDS ≤ 1,000 mg/L)	0.054	0
	Other water source (TDS > 1,000 mg/L)	0	0
	Total Volume	0	0
Groundwater	Freshwater (TDS ≤ 1,000 mg/L)	0	0
	Other (TDS > 1,000 mg/L)	0	0
	Total Volume	0	0
Seawater	Freshwater (TDS ≤ 1,000 mg/L)	0	0
	Other (TDS > 1,000 mg/L)	0	0
	Total Volume	0	0
Produced water	Freshwater (TDS ≤ 1,000 mg/L)	0	0
	Other (TDS > 1,000 mg/L)	0	0
	Total Volume	0	0
Third Party Water	Freshwater (TDS ≤ 1,000 mg/L)	54.409	7.930
	Other (TDS > 1,000 mg/L)	0	0
	Total third-party water withdrawal is based on the water source	Surface water/Groundwater/Seawater/ Production water	N/A <sup>Note 1</sup>
<b>Total Water Withdrawal</b>		<b>54.463</b>	<b>7.930</b>

Note 1: Water sources are all domestic water and 100% freshwater, and the amount of water extracted from water stress areas is analyzed according to the WRI Aqueduct tool. In 2023, identified areas with moderate or higher water resource stress include: China (Hefei, Xi'an, Shanghai, Qingdao) and other overseas regions (South Korea).

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

Note 3: The third-party water source is tap water; the surface water source is rainwater.

Note 4: The statistical scope are Taiwan (Taipei, Kaohsiung, and Hsinchu), China (Shanghai, Chengdu, Hangzhou AIT, Ningbo, Xi'an, Hefei, Xiamen, Shenzhen, Qingdao, Hong Kong), and other overseas regions such as Singapore and South Korea. Logistics warehouses include Taiwan, Hong Kong, and Dongguan.

### Social Data

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

Year	2021	2022	2023
Cases	1	1	0

Note 1: In 2021, WPG Holdings was not involved in any non-penalty matters related to violation of laws and regulations in the social and economic fields. Notwithstanding, there was 1 violation by the affiliated company of laws and regulations ruled against the company subordinated to the WPG sub-groups in the labor inspection results for the violation of Article 30, Item 6 of the Labor Standards Act, for which WPG Holdings was fined NT\$50,000. WPG Holdings has reviewed its management and operation procedures and strengthened communication and promotion.

Note 2: 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 3: In 2023, according to the Ministry of Labor's Labor Law Violation Business (Employer) Inquiry System, no violations were found during the reporting period of 2023/01/01~2023/12/31.

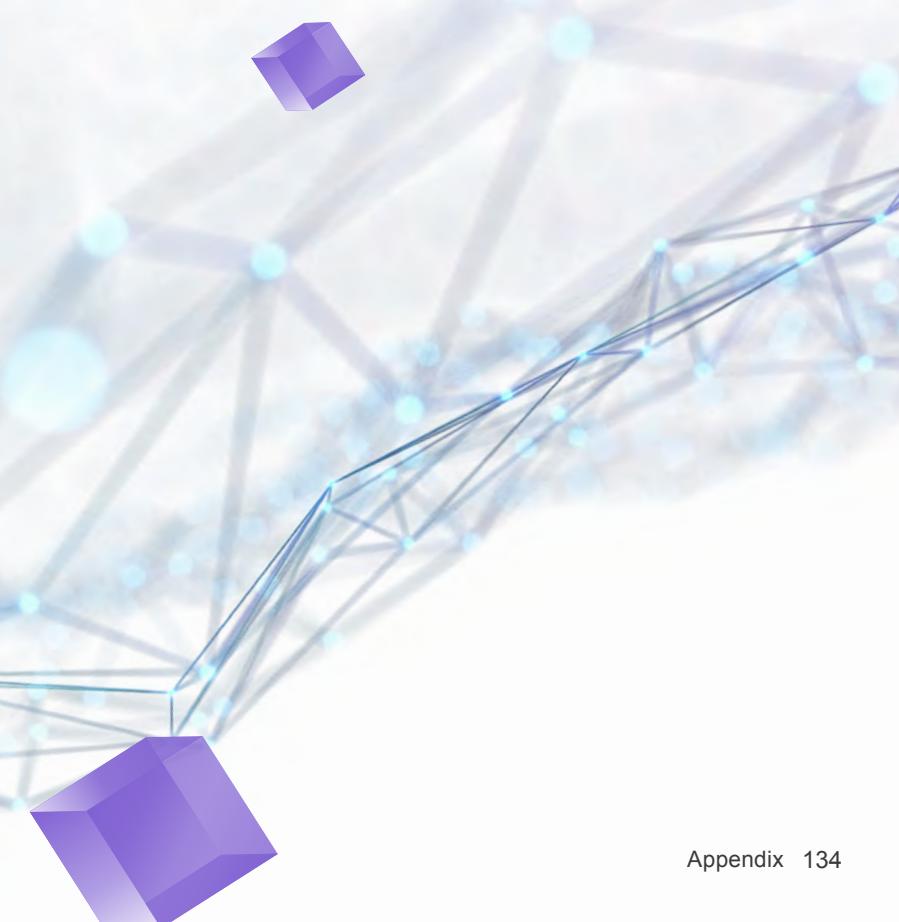
#### B. Statistics on the Number of Confirmed Cases of Violation of Customer Privacy or Loss of Customer Information for the Most Recent Three Years

Source of Complaints or Reports	Number of Substantiated Cases		
	2021	2022	2023
Information leakage or losses of customer data	0	0	0
Violate Customer Privacy	Regulatory Authority	0	0
	Other (External Parties)	0	0

## 5.9 Disclosure Coverage

● ● ● : All    ○ ○ ○ : Locations in Singapore only

Operating Locations	Taiwan	China (including Hong Kong)	South Asia	India	South Korea	North America	United Kingdom
<b>Governance</b>							
Financial Performance	●	●	●	●	●	●	●
Ethical Corporate Management Education	●	●					
Information Security Education and Training	●						
Compliance Training	●	●					
Trading Compliance Training	●	●	●		●	●	
Information Security Management System	●	●					
<b>Environment</b>							
Greenhouse Gas Emission	●	●	●	●	●	●	●
Energy Management	●	●	●	●	●	●	●
Paper Resource Management	●	●	○		●		
Water Resources Management	●	●	○		●		
Waste Management	●	●		●			
Environmental Management System	●	●	●				
<b>Social</b>							
Talent Structure	●	●	●	●	●	●	●
Education and Training	●	●					
Compensation and Benefits	●						
Workplace Safety Training	●	●					
Human Rights Advocacy Training	●						





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