

大聯大控股
WPG Holdings

2020

Corporate Social Responsibility Report

企業社會責任報告書

Report Download

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About the CSR Report

The 2020 Corporate Social Responsibility Report (hereinafter referred to as the "CSR Report") of WPG Holdings Ltd. (hereinafter referred to as "WPG") focuses on the disclosure of WPG's corporate social responsibility and the plan and implementation of sustainable development, of which information disclosure is prepared in accordance with the GRI Standards: Core option issued by the Global Reporting Initiative (GRI). The reporting period, publication period, scope, report contact information and other relevant information are as follows:



The reporting period and publication period

This report is the 7th CSR report prepared by WPG, containing information and statements for economic, social, and environment-related implementation for the fiscal year of 2020 (January 1, 2020 to December 31, 2020), of which some information is not limited to 2020 due to integration requirements). The previous report was published in June 2020, whereas the next version is expected to be published in June 2022. After that, an annual CSR report and public disclosure will be conducted every year.

Scope of the CSR Report

The scope of the CSR report covers WPG Holdings and its four subgroups, including the implementation and achievements in the corporate social responsibility of WPI, SAC, AIT, and YOSUN. The headquarter and significant locations of operation mentioned in the CSR report is WPG's headquarter in Taipei. In contrast, some disclosed information is not limited to Taipei in order to show the company's performance on business management. In order for consistency in the contents of this report, we specify relevant organizations as follows:

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

CSR Report Assurance

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

The CSR Report

Contact Information

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

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The Executive's Commitment and Philosophy

LETTER FROM THE CHAIRMAN

2020 has been a challenging year, and the global supply chains and consumer lifestyles have been significantly affected by the trade war, COVID-19 pandemic, and macroeconomic turmoil. Corporate development is closely related to global sustainable development. Corporate social responsibility (CSR) is largely associated with big companies. Entering the post-COVID-19 era, WPG upholds the core values of "Teamwork, Integrity, Professionalism and Effectiveness" to take into account business development and social and environmental responsibility. In the future, we will continue review our sustainable development strategy, hoping to contribute to a shared future for mankind and the earth. Since 2014, WPG has issued seven CSR reports with third-party verification. In 2020, Chief Sustainability Officer was appointed by the resolution of the Board of Directors, which may create a new atmosphere for WPG's sustainable development. We hope to communicate with stakeholders on WPG Holdings' value and performance through this report while reviewing the challenges, opportunities, and corporate sustainability conducts.

In terms of corporate governance, we continue to dedicate our efforts to set up an effective corporate governance structure, with main principles that include protecting shareholder interests, improving the board oversee performance, respecting stakeholder interests, and enhancing information transparency. In 2020, we continued to improve the Board of Directors' structure and added one independent director, which brings a total of 4 independent directors in the 6th term Board. WPG aims to introduce female members to increase exposure to different perspectives and opinions. Given that "Integrity" is the element for corporate sustainability and WPG's core value, we further advocated integrity to all employees through WPG's Employee Code of Conduct. In addition, in response to the impact of the COVID-19 pandemic and the process of digital transformation, we review issues such as information security and trade compliance based on the concept of risk management. Corresponding to recent trends, we continue to incorporate different sustainability issues in our corporate development strategies.

For sustainable supply chains and services, since WPG is part of the global electronic supply chain, its value-added services help to enhance information transparency of the overall value chain and add value to WPG. For smart manufacturing logistics, we dedicated efforts to building a co-opetition eco-system and continue to solve the challenges faced by customers in implementing smart manufacturing via process intelligence to achieve a win-win situation for the industry.

For environmental sustainability, the global climate crisis is the most severe risk in the world. In order to correspond to Paris Agreement, climate-related risk and opportunities governance was conducted in 2020 with reference to the Task Force on Climate-Related Financial Disclosure (TCFD). Meanwhile, the company actively developed clean technological product solutions with engineers and customers, hoping to maximize the company's added value to value chains, dedicating efforts to industrial transformation and carbon reduction. For operational management, WPG headquarter was launched in November 2020 and obtained the Taiwan EEWH Green Building Gold Certificate issued by the Ministry of the Interior. In the future, we plan to continue improve our performance in environmental management.

For talent development and transition, WPG's major blueprint for future talent cultivation involves the continual development of employee functions. We focus on creating an inclusive, diverse and innovative work environment that encourages talented employees and set competitive compensation through fair appointment of staff, performance management, talent cultivation, and compensation surveys and analysis. The company also conducts diversified education and training courses to encourage work life balance. WPG believes that employees are the most important asset. To attract and motivate talents and improve the remuneration and employee welfare system, Employee Stock Ownership Trust (ESOT) was introduced in January 2021, encouraging employees to become long-term shareholders and share the company's operating results. Given the challenges posed by COVID-19 in 2020, WPG



prioritized employee health and deployed a number of COVID-19 prevention measures via digital transformation in order to reduce the influence on business operations and to ensure occupational health and safety.

For social participation, we continued to encourage colleagues to participate in various social welfare and advocate on environmental protection and social care to achieve a positive impact cycle on society. In 2020, WPG continued to participate in coastal afforestation activities, with 4,000 saplings planted on the coastline within the past two years. WPG is committed to social welfare services for disadvantaged groups and youth training, providing WPG's abilities and resources for youth development through industry-academia cooperation, with the hope to reduce information barriers between the industry and academia, and improve the company's overall effectiveness. WPG also continued to cooperate with social welfare groups to send warm gifts at the end of the year. A total of 1,108 Christmas shoeboxes were collected and sent to children from disadvantaged families as blessings in 2020.

Going forward, we will continue to improve sustainable management and always be consistent in our business philosophy and services, with the vision of "To Become the First Choice of Industry. To Become the Benchmark of Distribution.". By comprehensively promoting the core value of "Teamwork, Integrity, Professionalism, and Effectiveness," we aim to achieve a win-win situation with our customers, employees, investors, suppliers, competent authorities, communities, NGOs, and other stakeholders. Under rising challenges of emerging risks, WPG hope to promote sustainability in global ecology and the overall industrial chain via comprehensive design and implementation of digital transformation, and jointly develop towards the perpetual goal of "Grow Together, Strive Together and Win Together."

The Executive's Commitment and Philosophy

LETTER FROM THE CEO

Since early 2020, the spread of the COVID-19 pandemic around the world has led to adjustments in the political, economic and industry status. We believe that 2020 is a turning point, as uncertainties from the COVID-19 pandemic, US-China trade war and tech war significantly affects the adjustment and structure of various industry supply chain globally. It is indeed challenging to respond to "broken chain" crisis quickly, to restruct supply chain and the same time to seize the opportunity of transformation.

WPG commenced digital transformation since 2015 and has achieved great performance in the first stage in 2020. Thanks to excellent internal and external cooperation including our front-end staff, warehouse staff, technical colleagues and IT team, WPGDADAJIA, WPGDADABANG and WPGDADATONG all achieved the target of "202020%" set by the BOD Outing in 2017, which was an outstanding performance!

In the past 5 years, WPG's front-end and back-end departments have been focusing on customer needs and seeking available tools and procedures in their professional fields for "Digitalization in Business - From Offline to Online Services". The company explored new possibilities, and provided various services to major stakeholders.

In the next decade, starting from 2021, WPG plans to develop new generation models, including LaaS (Logistics as a Service) to BPaaS (Business Process as a Service), starting from First Principle Thinking to Zero-Based Thinking, and imagine new industry business dimensions for the next decade.

WPG's core business of electronic component distribution will be based on lean operating processes and structures. Under strong ambition and service spirit, the business management team's main targets include: "Global Deployment, Large-Scale, Double Output Value, Happy Enterprise, Platform Empowerment, and Seamless Succession". The company will further develop and deepen the Objectives and Key Results (referred to as OKR) mechanism introduced in 2019 so that the front- and back-end services and teams in all regions can obtain the guidelines and planning context. The teams work together and form alliances with the hope that WPG will remain strong and resourceful under the changing business environment, and develop steadily and quickly towards the vision of "To Become the First Choice of Industry. To Become the Benchmark of Distribution.".



2020 Sustainability Performance Highlights

Governance

- The Board of Directors held 14 meetings with an attendance rate of 95.42%, and completed internal and external board performance evaluation.
- Ranked 21%-35% among listed companies of the 7th Corporate Governance Evaluation.
- Commenced the establishment of the ISO27001 information security management system, and is expected to obtain certification in July 2021.
- Introduced emerging risk management process and conducted COVID-19 risk management - identified 22 risk items and formulated control measures and SOPs for tracking.

Environment

- Comprehensive implementation of resource recycling, with total recycling of 26,706kg for office recyclable waste, whereas the recycled boxes for warehousing and logistics totaled 176,000kg.
- Introduction of the Task Force on Climate- Related Financial Disclosure (TCFD) involves identifying 5 key climate change risks and 2 key climate-related opportunities and formulating long-term and short-term response measures.
- WPG headquarter obtained Green Building Gold Certificate.

Social

- Total education and training of 52,641 hours, and average training hours per employee of 12.03 hours.
- To comply with Chemicals and Related Substances Management Policy, WPG identified 19 critical suppliers, and concluded all 19 critical suppliers are compliant with EU RoHS, REACH and other regulations.
- To comply with Conflict Minerals Regulation, WPG identified 15 critical suppliers and concluded 99.7% of material used are sourced from RMI compliant smelters and refiners/ refiners in conflict free regions.
- Sponsored "Supply Chain Management Industry-academia cooperation program" at the College of Business, National Chengchi University for 10 consecutive years, and systematically organized the know-how of Taiwan's supply chain management and cultivated supply chain management talents.



2020 Awards and Achievements

1. Nov. 2020 TCSA Taiwan Corporate Sustainability Awards - Corporate Sustainability Report (Service Industry Gold Award)
2. Nov. 2020 TCSA Taiwan Corporate Sustainability Awards - Taiwan Sustainable Corporation Outstanding Awards (Service Industry and Telecommunications Industry)
3. Electronics Supply and Manufacturing China (ESMC): Received the 2020 Award of Excellence for Electronic Component Distributors: Excellent International Brand Distributor
4. Forbes Magazine: Ranked No. 1822 in the Forbes Global 2000 by Forbes Magazine in 2020
5. CommonWealth Magazine: Ranked No. 12 in the Top 50 Enterprises
6. CommonWealth Magazine: No. 2 in the 2000 survey service industry
7. CommonWealth Magazine: No.104 in the Top 1000 enterprises in China, Hong Kong and Taiwan

1

TCSA 2020 台灣企業永續獎

企業永續綜合績效			
企業名稱	大聯大投資控股股份有限公司	獲獎內容	台灣企業永續績優獎

2

TCSA 2020 台灣企業永續獎

企業永續報告			
企業名稱	大聯大投資控股股份有限公司	獲獎內容	第一類-金獎

3



4



5



6



7



Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

Technological Empowerment and Digital Transformation

Commitment

- WPG mainly focused on "customer orientation, technology empowerment, collaborative ecosystem and era co-creation", with online platforms and offline teams responsible for responding to the supply chain adjustment needs of the original manufacturers and customers. The company has transformed into a data-driven enterprise and jointly established the smart supply chain platform ecosystem together with upstream and downstream companies.

Policy/Management system

- WPG launched WPGDADAWANT and its 5 sub-platforms WPGDADAJIA, WPGDADABANG, WPGDADAGO, WPGDADATONG, and WPGDADAPIN, which jointly developed the digital empowerment matrix to systematically visualize existing customers' cloud platforms, so that the management team, front-end colleagues and systems development team can keep track and evaluate specific real-time data, and plan key follow-up projects.

Measurement

- This year WPG has reached the first stage target of "202020%", meaning 20% of revenue come from the customers who connect with WPGDADAJIA, and 20% of total customers use WPGDADABANG platform. In 2021, the goal of "202130%" is set in order to gradually reach the final foal of "202680%", meaning 80% of revenue and 80% of customers complete orders through WPGDADAJIA and WPGDADABANG, respectively.

Creating a win-win ecosystem from altruism

WPG launched "business digitalization" revolution in 2015. The e-commerce B2C (Business-to-Customer) market in the U.S. and China has been booming, with industry giants leading the wave of the Internet, mobile and cloud. Although WPG is a B2B (Business-to-Business) electronic component distributor, we realize that given the global trend, companies will not have the opportunity to enter the digital ecosystem without digitalization. Data-driven transformation is necessary for corporates to find blue ocean opportunities.

Therefore, since the start of digital transformation in 2015, WPG has continuously explored the possibility of various front and back-end operation processes from offline to online. By 2018, WPG officially launched the WPGDADAWANT digital platform to optimize technology and tools, dedicating efforts to "creating customer needs" rather than "meeting customer needs". In 2019, the trend of the semiconductor supply chain became highly polarized. Facing rapid changes in needs, WPG focused on "customer orientation, technology empowerment, collaborative ecosystem and era co-creation", and responded to the supply chain adjustment needs through both online and offline platforms. By 2020, the company achieved outstanding results, as WPGDADAJIA, WPGDADABANG and WPGDADATONG have all reached the target of "202020%" set at 2017 BOD Outing, meaning 20% of revenue come from customers that connect with WPGDADAJIA, and 20% of the total customers use the WPGDADABANG platform. This is an outstanding achievement resulted from both internal and external support including the front-end sales, product line, technical colleagues and IT team.

The industrial chain positioning of "Succession" enables WPG to gain advantages in supply chain management and achieve outstanding results. It allows WPG to be the first company to identify future changes. WPG has been relying on WPGDADAWANT, and has gradually developed a digital platform for supply chain management with the help of technologies such as the Internet Marketing Platform, big data analysis, cloud computing, and IoTs. The company has transformed into a data-driven enterprise and jointly established the smart supply chain platform ecosystem together with upstream and downstream companies.

Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

Continual upgrade in smart manufacturing logistics services

When introducing the "WPGDADAWANT" platform to WPG's existing customers, we discover that almost every company is developing ideas and evaluating smart manufacturing and that customers are investing in smart manufacturing for production and yield improvements. However, it is easy to underestimate how material preparation and product lines shift may affect smart manufacturing efficiency. WPG believes that information flow without logistics will not be able to satisfy customers' needs along the supply chain in the future. After completion of smart warehouse construction in Hong Kong, WPG continued to establish smart warehouse in Southern China, Taiwan and Southeast Asia, reversing traditional warehouse practices by use of data management, and transparent warehouse information. With the goal of "comprehensive inbound and outbound smart logistics to become a leading OEM warehouse," we hope to invite upstream suppliers and peers to join the independent warehouse sharing platform and we aim to actively respond to the challenges faced by customers in implementing smart manufacturing, directly sending the parts needed by customers to BBP (Business to Business to Production Workshop), in order to support our customers with intelligent manufacturing logistics services, fulfill "Grow Together and Strive Together" in the industry, and achieve a win-win situation with ecosystem partners!

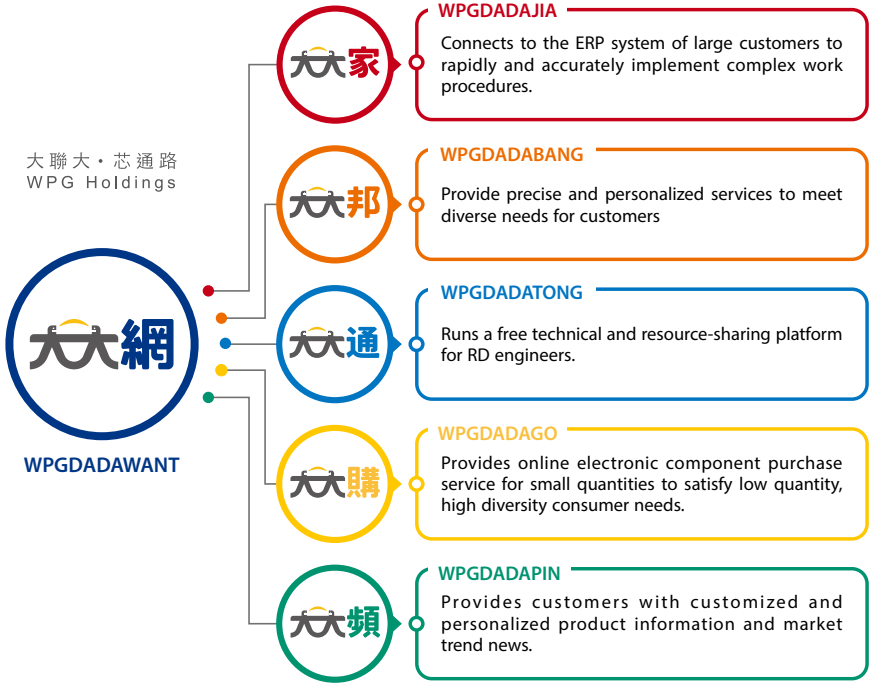
In the past 5 years, WPG's front-end and back-end departments have been focusing on customer needs, and seeking available tools and procedures in their professional fields for "Digitalization in Business - From Offline to Online Services". The company explored and created new possibilities from existing status, and provided various services to major stakeholders. The front-end and back-end staff were willing to step out of their traditional roles and comfort zone, and considered digital capabilities as important professional knowledge for self-development, which is delightful news for WPG in digital transformation.

WPG: The Importance of Business Partners

Link to WPGDADAWANT

WPG's planning for the industry chain ecosystem is currently in progress, and the needs of every partner in the industry chain are important. WPG launched WPGDADAWANT and its 5 sub-platforms WPGDADAJIA and WPGDADABANG, WPGDADAGO, WPGDADATONG, and WPGDADAPIN to jointly develop the digital empowerment matrix to systematize and visualize existing customers' usage on cloud platforms, so that the management team, front-end colleagues and systems development team can keep track and evaluate specific real-time data, and plan key follow-up projects, in order to meet different digital empowerment needs of the customers and engineers of various scales!

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



Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

WPGDADAJIA

WPGDADAJIA can efficiently connect with the ERP system of large-scale customers to provide better services. Since 2018, it has gradually developed from large-scale Taiwanese customers to medium-scale Taiwanese business customers and large-scale Chinese customers, promoting systemization mainly on 5 functions, including forecast reply (replying the delivery time according to customer needs), DDR (Data Driven Replenishment), ASN (Advanced Shipping Notice), replenishment and invoicing of hubs (customers' external warehouse).

"In the initial stage, colleagues faced challenges and increased workloads, as they are not only required to maintain the original habits, but also debug the new system, and check the correctness of data," said the WPG Holdings IT Team, as they believe that major customers have their own data access logic, and the system must be customized according to the customers. Therefore, there are many details that need to be continuously adjusted during the process after discussions with business colleagues. WPG Holdings' IT Team also explained that the first version of WPGDADAJIA was the most challenging, but the contributions will materialize when sales staff are familiar with the platform.

"WPGDADAJIA was introduced for the main purpose of achieving the real business value, solve customer problems, cultivate customer relations, and spend less time on repetitive data processing," said WPG Holdings' IT Team, as the contributions from the digitalized business platform start to materialize.

"The sales assistants worked very hard in providing services to large customers, as it takes time to sort data manually, and errors are unavoidable, which may cause losses if the wrong information is posted and sent to customers. In the past, employees often worked overtime," said the front-end sales assistant, "and we are willing to accept WPGDADAJIA's DDR (Demand-Driven Replenishment System). "

However, digital transformation is really not easy. "In the early stage, we spent great efforts to correct information and persisted on internal and external explanation." The sales assistants stated the necessity and challenges in promoting WPGDADAJIA. Firstly, it needs to comply with different habits. The DDR output data is different from the XML format used by the business staff in the past. "Why the data in the past cannot be used?" Stated the business colleagues, and they are unwilling to use the platform as they are unaccustomed to it.

However, the "past data" has been sorted manually by the assistant colleagues who worked overtime for three or four days. The sales assistant received data from customers at 9:00 p.m. and was required to send back logistical data to the customer the next morning, which means that they worked overtime and stayed up all night to compile data. Not to mention that the information received may not be correct.

There are also difficulties in matching. Since data accuracy and logic are critical to smooth system operations, converting data collected by sales personnel into machine-readable form is another major challenge on communication and processing. The process for establishing WPGDADAJIA is redundant and trivial, like puzzles, which require the ideas of colleagues and debugging.

"In the beginning, it was generally considered that the IT Team was responsible for digital transformation, but now they believe that digital transformation requires teamwork, and may be used in everyone's daily life." Although it may be difficult to change, we still have to face the challenges so that everyone can understand the advantages after the commencement of digital transformation.

Sometimes colleagues are more concerned instead of delighted about the challenges from digital transformation. Over the years, colleagues have relied on manual processing of enormous amounts of data from large-scale companies, which have always been time-consuming. Nowadays, it only takes two or three hours through WPGDADAJIA for data processing that originally takes two or three days in the past. "Without WPGDADAJIA and long-term digital transformation planning, people may still be handling data with the traditional manual methods." According to internal statistics, this can save 8 hours of work per week. As everyone can see that the change is close to hand, they are more willing to keep up with the trend and use the platform.

In the beginning, the plan of WPGDADAJIA is as follows. 8 Taiwanese companies with the largest transaction volume are selected, with TPV Technology as the first cooperative partner, while WPGDADAJIA is also adopted by leading companies including Hon Hai, Wistron, Quanta, and Pegatron. From WPG's perspective, WPGDADAJIA sets an example and is conducive to the company's market position. From colleagues' perspectives, WPGDADAJIA can instantly process more than 50% of their work. Therefore, other companies are more willing to follow up with WPG to achieve a win-win position.

Among them, some customers are on the path of digital transformation, and some customers attach great importance to digital transformation but lack support. WPGDADAJIA enables customers to develop smart aid, creating smooth flows in production. "This is same as using a smart, relatively quick and efficient method, " The needs of customers have already been satisfied by WPGDADAJIA. On top of that, "We have constantly received requests for WPGDADAJIA services in China "

We have experienced the traditional time-consuming operations, and were concerned about digital transformation as we faced challenges in the early stage of transformation. Nowadays, our efforts are beginning to bear fruit.

Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

WPGDADABANG

WPGDADABANG converts traditional offline operations that have been cumbersome into online digital operations, providing a series of digital management functions, so that customers with diversified needs can accurately keep track of logistics and information via online services. Customers can complete all operations online with WPGDADABANG, as it provides one-stop service: "Quick Order> Order Inquiry> Shipping Information". Customers can make online price inquiries, place orders, and logistics search, which is efficient, reliable, transparent, and easy to operate, just like online shopping.

The four main gaps for components purchasing of small and medium-sized enterprises include: price, delivery date, payment, and working overtime. WPGDADABANG upholds the concept of a people-oriented company, maintaining offline businesses and communication with customers, and adhere to in-person specialized and considerate services, providing a good customer experience both online and offline.

Starting from providing simple operations and accurate information, the WPGDADABANG team is committed to creating an exclusive e-commerce platform WPGDADABANG for customers. In 2018, the platform achieved excellent results and attracted 850 customers. The 2019 target is set at 1,500 customers, excluding the original Taiwanese companies, while the company tapped into China to serve more small and medium-sized customers, dividing the customer source into independent access and access by order identification technology. In 2020, WPGDADABANG will mainly focus on "maintaining old customer relationships, and creating new customer relationships", providing valuable information reports to customers, and improve the loyalty of old customers; with China as the target location in developing new customers. In addition, WPG also actively develop technical tools to improve order recognition and facilitate the actual increase in technical online customers, and achieved the challenging target of 1,800 new customers in 2020.

"In the beginning, innovation will be difficult, and there may be complaints from both customers and employees as they are already accustomed to the original working model. Therefore, WPG also sets short-term goals and discusses problems in the WPGDADABANG meeting for optimization and smoother and friendlier platform operations. We aim to make customers more willing to use WPGDADABANG, " said the dedicated sales personnel,

"Everyone initially finds it difficult." Colleagues are also concerned about possible rejections from customers. The platform requires customers to input data and access the system, "but some customers already have their own systems and may feel pressured no matter how useful the new system is, " in addition, customers feel somewhat insecure about the system. After settling the customers' doubts on personal data processing, we also face the problems of incompleteness at the initial stage, as well as data accuracy. Fortunately, the IT department set up the customer service window to help solve problems at any time, with remote systems to assist customers' operations. On top of that, colleagues in various departments also provide feedback and assist in improvements for the smooth promotion of WPGDADABANG.

With thorough preparation and promotion, WPGDADABANG enables colleagues and customers to achieve a win-win condition. Since many customers originally use traditional ordering methods without an order system, WPGDADABANG has become a smart system that solves customers' pain points, while colleagues said "the time for cut and paste effectively reduced by using WPGDADABANG. This attracts other customer groups, which is conducive to increasing the total number of customers. "

Digital transformation promotes employee innovation and provides a better customer experience. "WPGDADABANG has no time and space limitations and is relatively flexible. The launch of WPGDADABANG has solved the pain points of the company and its customers, providing comprehensive upgrades and connections within WPG Group. "

WPGDADABANG mainly provides free information flow and online logistics services to meet the needs of existing small and medium-sized customers (i.e. "long-tail customers"). Most of the long-tail customers do not have a comprehensive information system, with relatively weak digital management. The price and product specifications are usually determined through offline business and procurement by counterparties. At the same time, subsequent orders, delivery dates, shipment details and order files can be downloaded through WPGDADABANG, saving time and improves customer satisfaction.

WPG's digital transformation exhibits the brand image of "Iron Robot". The "Iron Robot" is WPG's direction of digital transformation development with reference to "Iron Man". This means that WPG will not only promote the use of high technology in customer service, but also continue to maintain in-person communication with customers, in order to provide friendly services and deliver an excellent customer experience.

Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

WPGDADATONG

In response to the gradual fragmentation and customization trend of the electronics industry, WPGDADATONG has been introduced as an online sharing platform. WPG connects the market with micro, small, and medium-sized enterprises with its online business model, as it provides more than 200 product lines, thousands of solutions, tens of thousands of interesting blog articles, and the latest news on original products. More importantly, WPG owns more than 700 R&D engineers, and WPGDADATONG is the exchange hub for mutual assistance, sharing, and problem solving. It provides technical services for development and exchanges with potential customers, creating interconnected interactions and altruistic sharing.

WPGDADATONG contents cover applications such as smart homes, smart cities, wearable devices, smart healthcare, IoV, power supplies, renewable energy, energy efficiency, pollution control, and industrial automation. In addition to WPG's original internal solutions, there are also application solutions from IDM/fabless and solutions provided by IDH Industrial Services Corporation, breaking down the barriers between customers, IDM/fabless, IDH and WPG's field application engineers (FAE), and creating technology ecosystem.

In addition to the efficient and professional support of more than 700 professional FAEs, WPGDADATONG hopes to gather external engineers to share their experiences online. Customers may quickly search, browse, ask and answer queries, and obtain technical documents, thereby shortening the time for product development and mass production by using key technology solutions.

WPGDADATONG focuses on establishing in-depth partnerships with the main IDM/fabless, through 3 major functions of WPG B2B2C fan group including IoT, forums, and e-commerce to give our customers' engineers' different service experience and thus enable them to strengthen competitive advantage.

Continuous optimization of user interface (UI) and user experience (UX)

Supply-side marketing	Opinion leaders are invited to become service providers of the platform. A membership system is established. New members are invited to join by existing members and events and activities are organized to attract engineers to join the platform as content providers. For example, campus innovation competitions are organized for its technical relevance and influence on engineers. Sufficient incentives are also provided.
Demand-side marketing	Besides word-of-mouth communication among influencers, WPG also guides online and offline activities, and obtains personal information through activities incentives. WPG also cooperates with partners from different industries to strengthen the position of the platform and attract more visits.
Develop predicting mechanism of WPGDADATONG platform marketing capability	Establish traffic analysis models and algorithms by use of traffic analysis tools, review platform effectiveness with key indicators, and adjust corresponding interactions

WPGDADATONG focuses on below operation index to maintain background information flow, improve online business capabilities and conversion rates, and meet the management needs of the IDM/fabless and front-end business.

WPGDADATONG Operation Index	Accumulated number in 2020
Number of customer registrations	15,000
Number of projects	1,200
Number of news	1,350
Number of blog articles	2,550
Number of shares	2,150
Downloads	13,150
Traffic/ Viewed Pages	Average of 120,000 per month
Number of visitors	Average of 50,000 per month

Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

The Next Decade

In the next decade, starting from 2021, WPG plans to develop new generation models, dedicating efforts to establish and explore new business models, including LaaS (Logistics as a Service) to BPaaS (Business Process as a Service), starting from First Principle Thinking to Zero-Based Thinking, and imagining the new industry business dimensions for in the next decade. We have been dedicating efforts for steady development based on the dynamic blueprint with future potential and continuous learning.

Under rapidly changing trends, WPG needs to strengthen its competitiveness and become indispensable despite of the change in the international division of labor. WPG needs to improve its performance in order to be able to care for our employees and stakeholders. With that, for the next decade, we wish to upgrade our capability among the industry chain with the support of ecosystem, and transform from selling components to providing service and supply chain solutions.

WPGDADAJIA and WPGDADABANG

After reaching the "202020%" target in the first stage, WPGDADAJIA and WPGDADABANG start to plan on key settings toward the next stage. In 2021, the OKR of "202130%" could be the springboard for challenges faced in the next phase of OKR of "202680%". For the new stage, overall goals for performance and the number of customers of WPGDADAJIA and WPGDADABANG are no longer separately set. The two platforms WPGDADAJIA and WPGDADABANG, shall complement each other to achieve 80% of turnover and 80% of the number of customers in 2026, working together to complete business tasks!

The sales and number of customers of WPGDADAJIA / WPGDADABANG have successfully reached the 20% target in 2020. The number of registrations of WPGDADATONG exceeded 10,000, and digital transformation has become a material issue in the supply chain jointly discussed by related partners. Based on the above, we will add more big data and artificial intelligence (AI) capabilities to accelerate the coverage and accuracy of various functions in 2021. At this stage, on top of a continuous increase in the number of targets, we also focus on the accuracy of various functions of WPGDADAWANT.

External Promotions

2017 - Evoke the Awareness of Industrial Transformation

- WPG and Business Weekly jointly planned the theme of "Digital Transformation", and invited 6 professionals, including the company's CEO and key upstream and downstream partners to exchange their ideas in the aim to find the core competitive value of the industry between 3.0 and 4.0 under the impact of new manufacturing

Grow together and strive together when facing changes	**Connect with the world and become Taiwan No.1 through collaboration**
Play critical role through continuous transformation	**The decade that dares to make changes and practices digitalization**
Bring value to the world through continuous improvement	**When iron robot meets the robot - utilizing Taiwan's privileges**

- With the top advertising talent Chien-Chang Lu as the director, and the famous actor Shi-Chieh Jin as the lead actor, the company sponsored the filming of the "Next Decade". We hope to create a complete collaborative ecosystem in cooperation with its partners in the next decade, which #triggered a resounding response in the Chinese-speaking population #accumulated nearly 100 million views.



Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry

External Promotions

2018 - The Initial Year of Digital Transformation

- Development of WPGDADAWANT brand - The Brand Story of "Iron Robot" IP (Intellectual Property)

Launched WPGDADAWANT Services

2019 - Strengthen WPG Digital Transformation Image

- Planned CEO presentations and invited media and partners to attend. A total of 7 speech activities planned.

WPG reveals two key points of digital transformation as we face semiconductor component industry's short chain revolution

Four secrets regarding WPG transformation - distributor revolution driven by smart manufacturing

WPG actively deploys digital transformation and offers smart manufacturing logistics service through WPGDADAWANT platform

Corporate digitalization technology is definitely a great help

- A total of 11 interviews of WPG's CEO by key Taiwan media companies such as Business Today, Business Weekly, and CommonWealth Magazine.

WPG leads and transforms all employees into iron man

Looking at 2025, WPG actively promotes digital transformation

- Participated in the interview with Tsinghua Chair Professor and Micron Chair Professor Chen-Fu Chien for the theme of "Industry 3.5 Taiwan Enterprise New May Fourth Movement" on "Taiwan Insights" of Era News #Over 10 million exposures per year



Internal Transmission

2018 - Solidify the recognition of "Iron Robot = Our Good Partner"

- 3 brand promotion plans were launched for the Online to Offline (O2O) interaction model in order to improve the internal colleagues' recognition of WPGDADAWANT

5,600 participants # Over 90% participation in the event

2019 - Implantation of digital DNA to keep in line with digital transformation in 2020

- Introduction of 15 Digital Transformation Bi-Weekly Issue, which includes in-depth interviews with leading digital transformation companies and advocacy of the achievements in digital transformation. "Love Digital Transformation - Watch Video to Win 35 Prizes" activity was organized to attract employees participation.

Participation of up to 99% of total employees

In 2020, our CEO was invited to give speech at 6 major media events, including DIGITIMES Study Group After Supply Chain Disruption, TechOrange - Clearing the fog around #AI, IBM 2020 Staff Conference, Business Weekly CEO Academy, CommonWealth Leader Campus Digital Transformation Forum, DIGITIMES_Dadu Plateau Industry Cross-Domain Innovation Summit. Four interviews were conducted by CommonWealth Magazine, Willis Towers Watson, and Feng Chia University, accumulating 7 articles and 5 video interviews exposure in the market.

Meanwhile, to support the promotion of WPGDADAWANT in China, WPG continued to cooperate with popular WeChat official accounts and industrial media, and introduced WPGDADABANG service following WFH trend in the event of the COVID-19 pandemic. Five WPGDADABANG short videos and five articles were introduced. The number of video exposures totaled 2,583,000, while the number of article readings exceeded 34,300. In addition, our social media event landed orders from a total of 891 customers, which effectively increased the number of customers and customer loyalty for WPGDADABANG.

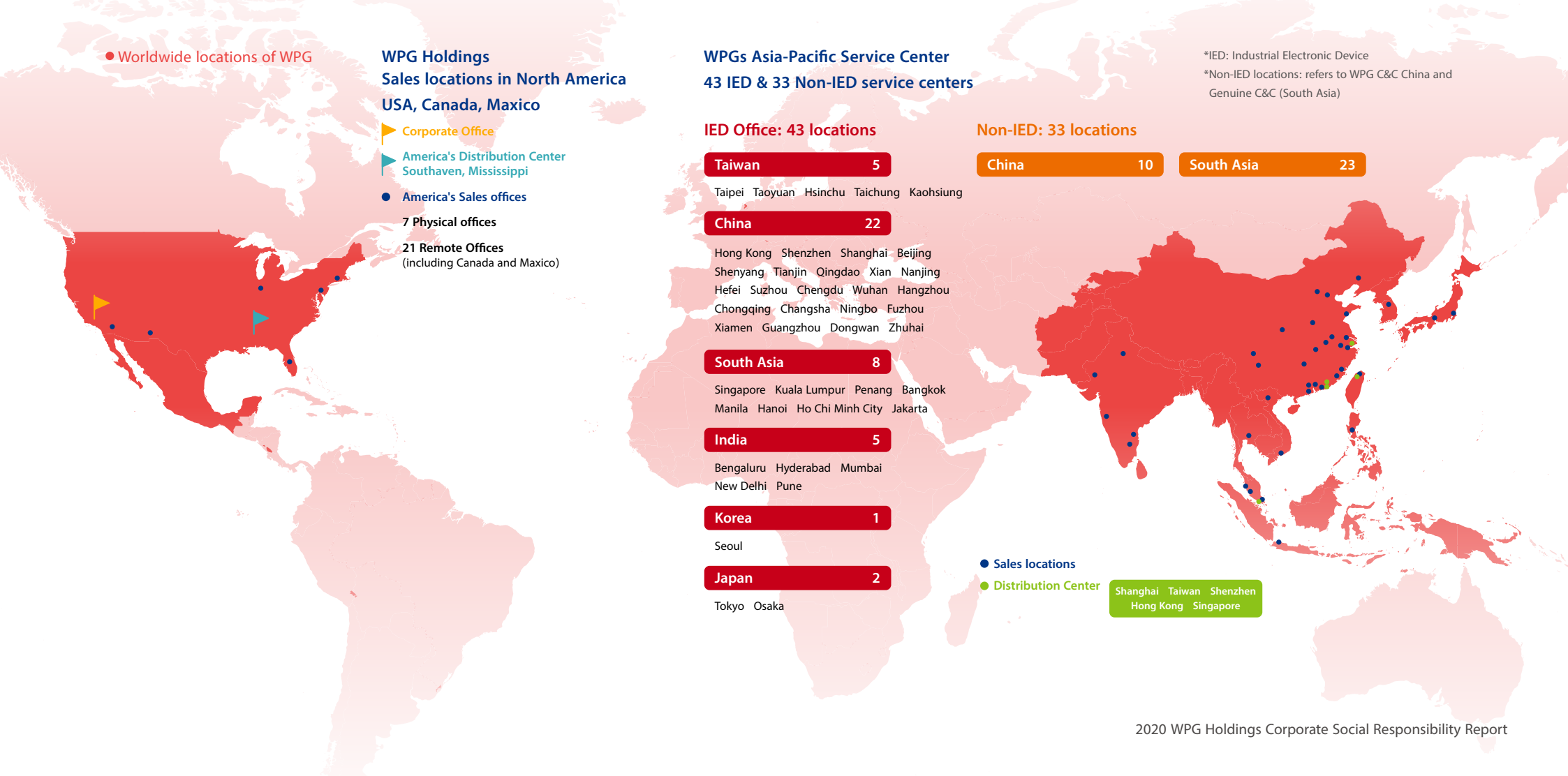
WPGDADAPIN commenced trial operation in the fourth quarter in 2020. Through the establishment of WeChat mini-programs and subscription accounts, the customers are provided with the latest news as value-added services to keep in line with industry trends. WPGDADAPIN also planned social marketing activities, which received overwhelming positive responses, with a total of 2,338,000 exposures and over 9,200 reposts.



1 Company Profile

1-1 WPG Organizational Structure
1-2 Operational Performance

WPG Holdings is the largest distributor of semiconductor components in the Asia-Pacific Region, with headquarters in Taipei, Taiwan (TSE:3702). WPG operates through four leading semiconductor components distributors (WPIg, SACg, AITg, and YOSUNg) and serves as a franchise partner for about 250 worldwide suppliers, with around 4,775 staff in about 104 sales offices globally. WPG has established the industrial investment holding platform, focusing on international operating scale and flexible localization to deeply penetrate Asia-Pacific market. By comprehensively promoting the core value of "Teamwork, Integrity, Professionalism and Effectiveness" with the vision of "To Become the First Choice of Industry. To Become the Benchmark of Distribution", WPG has been awarded the "Global Distributor Award for Outstanding Performance" for 19 consecutive years. Under the new manufacturing trend, we are committed to transform into a Data-Driven enterprise, and build online digital platform - WPGDADAWANT. We are positioned as a LaaS (Logistics as a Service) provider to advocate smart logistics and assist our customers in facing the challenges of smart manufacturing. With good faith, WPG expects to build trust through technologies, and build a co-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".



Operating Strategy and Business Plan

WPG continues its focus on industry-level value chain dynamics and trend in order to quickly make short-term business adjustment plans, and at the same time plan long-term corporate development strategies. Our business plan is briefly described as follows. For details, please refer to WPG 2020 Annual Report.

● Short term plans

Expansion of component product lines and portfolio management for better performance

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

Expansion of marketing base

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

Expand authorized distribution regions of the product line

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

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

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

Strengthen FAE and Design-in services

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

Strengthen customer relationship management (CRM), supply chain management (SCM), and horizontal organization connection by enterprise resource planning (ERP).

Enhance knowledge management and technical support for sales and product marketing engineers

Improve financial structure and organizational structure

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

● Long term plans

Become an international distributor

Expand deployment for semiconductor components distribution in the Asia-Pacific region, and actively work towards an international distributor through M&A or strategic alliances

Expand the base for distribution channels

Expand distributorship of key electronic applications to align with market trend

WPGDADAWANT and smart logistics service planning

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

Implement knowledge management

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

Internationalization of capital to reduce operating costs

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

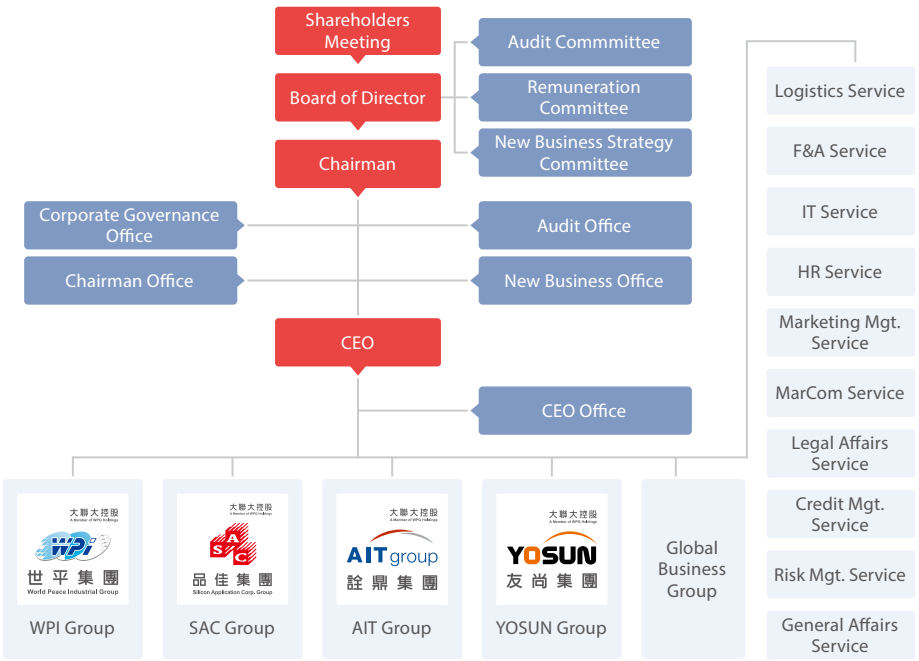
Invest in business related to electronic distribution to deepen service of component distributors

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

1-1 WPG Organizational Structure

WPG Holdings is established in cooperation with WPI Group, SAC Group, AIT Group, and YOSUN Group, and its business is characterized by cross-group, cross-region, and cross-company operations. WPG Holdings is organized in alignment with the need for an ever-changing marketplace in order to fulfill the shared vision of "To Become the First Choice of Industry. To Become the Benchmark of Distribution ". WPG Holdings focuses on the establishment of management mechanism and supervision for its affiliated subgroups and subsidiaries, and leverages back-end management and front-end coordination effectiveness through shared resource platform in order to enhance front-end effectiveness. WPG Holdings also specializes in capital market affairs, investor relations, and financing activities to ensure sustainable management.

● WPG Holdings Organization Chart



● Corporate Functions of WPG

Internal Audit Office	Responsible for conducting audits for the effectiveness of internal regulations and institutional implementation for WPG and making recommendations for improvement based on the results.
New Business Office	Responsible for evaluating and planning of new business, as well as post-investment management; established for the purpose of creating long-term competitive advantage or pursuing stable growth for new business.
Logistics Service	Responsible for matters related to finance and accounting for WPG, as well as managing investor relations; responsible for management, guidance, and supervision of each groups's corresponding function. CFO also serves as the Company's Spokesperson.
F&A Service	Responsible for matters related to finance and accounting for WPG, as well as managing investor relations; responsible for management, guidance, and supervision of each groups's corresponding function. CFO also serves as the Company's Spokesperson.
IT Service	Responsible for information management strategy, as well as planning of information management policy, optimization, and integration of information platform; responsible management, guidance, and supervision of each groups's corresponding function.
HR Service	Responsible for matters related to human resources for WPG; responsible for management, guidance, and supervision of each groups's corresponding function.
Marketing Mgt. Service	Responsible for the consistency of front-end operation, policy, and standard of each group; coordinates with contact window of each group to make recommendations, develop principles for common practice, and track results in order to improve productivity.
MarCom Service	Responsible for maintaining brand image, as well as planning, implementing, and supervising of e-marketing platform for WPG; responsible for management, guidance, and supervision of each groups's corresponding function.
Legal Affairs Service	Responsible for legal affairs of WPG; responsible for management, guidance, and supervision of each groups's corresponding function.
Credit Mgt. Service	Responsible for credit management affairs of WPG; responsible for management, guidance, and supervision of each groups's corresponding function.
Risk Mgt. Service	Responsible for building WPG Holdings' risk and crisis mechanism, coordinating risk management activities, and promoting risk and crisis management awareness, as well as responsible for Trade Compliance with WPG Holdings to ensure that all the transactions, customers, and products are well managed in accordance with the global and local trade compliance regulations.
General Affairs Service	Responsible for the WPG Holdings general administrative affairs. Also bear the responsibility of management control, policy guidance and supervision of each group's corresponding functions.

1-2 Operational Performance

*Units: NT$ thousands

Year	2018	2019	2020
Operating Revenue	545,127,804	527,601,353	**609,885,871**
Operating Cost	-521,497,383	-505,173,257	**-586,835,742**
Gross Profit	23,630,421	22,428,096	**23,050,129**
Operating Expense	-13,053,883	-12,715,532	**-13,000,261**
Income Tax Expense	-1,686,163	-1,681,643	**-1,687,049**
Consolidated Net Income	7,462,010	6,453,401	**8,123,355**
Cash Dividends	4,533,453	Common Stock: 4,029,736	Common Stock: 5,205,076
		Preferred Stock A: 115,068	Preferred Stock A: 400,000

Note: For detailed financial information, please refer to WPG's financial statements





2 Corporate Sustainability Management

2-1 WPG Corporate Sustainability Committee
2-2 Stakeholder Identification and Communication
2-3 Analysis of Material Issues
2-4 Corporate Sustainable Development Goals

Adhering to the core values of "Teamwork, Integrity, Professionalism and Effectiveness", WPG attaches great importance to all stakeholders and the corresponding main issues. As a distributor, the key to corporate sustainability and development is whether it can create maximum value for customers and build a win-win ecosystem for the value chain including upstream and downstream. In response, Corporate Sustainability Committee was established for internal coordination and sustainability planning, with six functional teams to solve sustainability issues in cooperation with the UN Sustainable Development Goals and short-, medium-, and long-term strategies. Overall, to achieve the vision of "To Become the First Choice of Industry. To Become the Benchmark of Distribution", WPG is committed to promote various transformation projects to achieve sustainable goal of "Grow Together, Strive Together, and Win Together" along with the industry value chain and the society.

Sustainability Planning and implementation

Commitment

- Establish Corporate Sustainability Committee and gradually implement corporate sustainable development through overall business operations of the company.

Policy/Management System

- The company has established "Corporate Social Responsibilities Principles" to implement corporate social responsibility and promote balanced and sustainable development of economic, social and environmental ecosystems.
- Established Corporate Sustainability Committee with 6 function groups: Sustainable Risk Management, Sustainable Corporate Governance, Sustainable Supply Chain and Customer Management, Sustainable Workplace, Sustainable Environment, and Sustainable Social Participation.
- Integrate United Nations Sustainable Development Goals (SDGs) to formulate WPG's short-, medium- and long-term goals for the sustainable work environment, and gradually promote the implementation of various feasible programs.

Assessment mechanism

- Quarterly meetings of the Corporate Sustainability Committee are held to report each stage of the CSR report, sustainability objectives and the implementation progress of feasible projects to members of the committee.

2-1 WPG Corporate Sustainability Committee

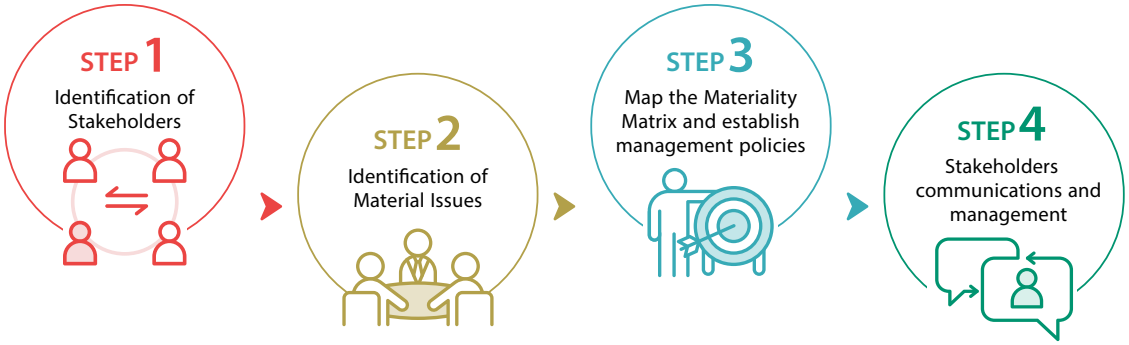
WPG established "WPG Corporate Sustainability Committee" in 2015 to implement corporate sustainability businesses and policies, with the Chairman of the Holdings company as the chairperson, and the CEO of the Holdings company as executives while the members include the CEOs of the Group. As such, WPG can effectively promote the setting and implementation of the Group's overall sustainability goals and major issues, which shall be reported to the Board of Directors Meeting on a regular basis.



The Corporate Sustainability Committee is divided into 6 large function groups, including Sustainable Risk Management, Sustainable Corporate Governance, Sustainable Supply Chain and Customer Management, Sustainable Workplace, Sustainable Environment, and Sustainable Social Participation. Top level managers of relevant functional units are in charge of promoting various projects or measures for major issues.

2-2 Stakeholder Identification and Communication

The basis for sustainable growth and long-term development of WPG is clear identification of material issues concerned by stakeholders and continued transparent and efficient communications. WPG identifies stakeholders related to its business operations through a systematic approach and assesses the effect of the issues on internal operations, economic, environmental and social impacts, regarding issues concerned by highly relevant stakeholders. WPG identified major sustainability issues and disclosed information in this report in response to stakeholders that pay close attention to the company, and to continue improve management of related issues and take specific actions to implement its commitment to corporate sustainability.



WPG's major stakeholders are identified in accordance with AA 1000 stakeholder engagement standard which include important factors such as Responsibility, Influence, Tension, Diverse Perspectives and Dependency. The questionnaire is completed by internal functional units and 12 major stakeholders were identified, including shareholders/investors, employees, customers, government institutions, IDM/Fabless, suppliers / contractors / subcontractors, the media, banks, public associations, nearby communities, non-governmental organizations and academic units.

● Importance of stakeholders to WPG

1 **Shareholders / Investors**

Provide investor-related information and hold corporate briefings on a regular basis to maintain transparency of information disclosure and protect investors' interests.

2 **Employee**

Adhere to the people-oriented concept in establishing a positive work environment and maintaining a harmonious relationship between labor and management.

3 **Customer**

Integrate the team's human resources, knowledge, and product lines, provide services with customer satisfaction, attach importance to customer opinions, and jointly create value with its customers.

4 **Government Institutions**

Ethical Corporate Management within the business scope in accordance with rules of the competent authority

5 **IDM/Fabless**

WPG cooperates closely with IDM/fabless to improve business operations and development, support the penetration to diversified customers, and offer a wide variety of products and technical services.

6 **Supplier/contractor / subcontractor**

Focusing on long-term partnerships with suppliers for general procurement, information transparency, collaboration, mutual trust and mutual benefit, and work together with partners in the pursuit of a win-win situation of sustainable development.

7 **Media**

Actively interact with the media, and maintain good relationships to enhance corporate brand image.

8 **Bank**

Develop long-term cooperation and partnerships with banks, and maintain a good reputation

9 **Public Associations**

WPG is deeply involved in public association activities to exchange knowledge with members, share resources and improve industrial competitiveness.

10 **Nearby Community**

Maintain good relationships with the community near the location of the company's business operations

11 **Non-governmental Organizations**

Invest in corporate resources to collaborate with non-governmental organizations, care for the people, society and youth education.

12 **Academic Units**

Contribute industrial knowledge and cultivate outstanding talents in the future industry through industry-academia cooperation.

● Stakeholder Communication









	Employee	Government Institutions	IDM/Fabless	Customer	Shareholders /Investors	Bank
Concerned Issues	• Code of Conducts, Ethics, Laws and Regulations • Human Rights and Equality • Operating and Financial Performance • Sustainability Planning and Implementation • Technological Empowerment and Digital Transformation	• Employee Compensation and Care • Product Trade Compliance • Smart Logistics and Smart Warehousing • Resource Management and Energy Saving • Waste and Consumables Management • Talent Utilization and Development • Occupational Health and Safety • Human Rights and Equality	• Code of Conducts, Ethics, Laws and Regulations • Product Distributorship and Customer Satisfaction • Sustainability Planning and Implementation • Trade Secret and Privacy • Product Trade Compliance	• Trade Secret and Privacy • Product Trade Compliance • Support and Integration of Supply Chain Platform • Industry Collaboration and Communication • Code of Conducts, Ethics, Laws and Regulations	• Operating and Financial Performance • Code of Conducts, Ethics, Laws and Regulations • Corporate Governance and Information Transparency • Sustainability Planning and Implementation • Product Trade Compliance	• Corporate Governance and Information Transparency • Operating and Financial Performance • Technological Empowerment and Digital Transformation • Sustainability Planning and Implementation • Code of Conducts, Ethics, Laws and Regulations • Smart Logistics and Smart Warehousing • Talent Utilization and Development • Product Distributorship and Customer Satisfaction
Communications Mechanism	• Company website (including internal websites and EIP) • Tel • E-MAIL • Employee mailbox • General meeting	• Supervision and review activities of the competent authority • Policy advocacy of the competent authority • MOPS • Company website • Meeting or seminar • Tel • E-MAIL • Written form	• Interview • Tel • E-MAIL • Written form	• Interview • Tel • E-MAIL • Written form	• MOPS • Company website • Tel • E-MAIL • Written form • Corporate briefing / seminar • Conference • Shareholders' Meeting (annual)	• MOPS • Company website • Tel • E-MAIL • Written form • Review of the extension of bank loan
Frequency of Communication	Irregularly/Regular	Irregularly	Irregularly	Irregularly	Irregularly	Irregularly
Corresponding Sections	Topic:WPGDADAWANT, a transparent platform that co-creates digital transformation of industry 1-2 Operational Performance 2-1 WPG Corporate Sustainability Committee 2-4 Corporate Sustainable Development Goals 3-2 Integrity and Ethics 6-2 Salary Appraisal 6-3 Work Environment	3-1 Corporate Governance 3-2 Integrity and Ethics 4-2 Responsible Procurement and Supply Chain Management 7-2 Industry-Academia Plan	1-2 Operational Performance 3-1 Corporate Governance 3-2 Integrity and Ethics CH4. Sustainable Supply Chain Management 7-1 Industry Interaction	1-2 Operational Performance 3-1 Corporate Governance 3-2 Integrity and Ethics 4-1 Distribution Management and Distribution Service Strategies 7-1 Industry Interaction	1-2 Operational Performance 2-1 WPG Corporate Sustainability Committee 2-4 Corporate Sustainable Development Goals 3-1 Corporate Governance 3-2 Integrity and Ethics	Topic:WPGDADAWANT, a transparent platform that co-creates digital transformation of industry 1-2 Operational Performance 2-1 WPG Corporate Sustainability Committee 2-4 Corporate Sustainable Development Goals 3-1 Corporate Governance 3-2 Integrity and Ethics 4-1 Distribution Management and Distribution Service Strategies 6-1 Talent Development

Stakeholder Communication

	Supplier/contractor/ subcontractor	Media	Public Associations	Academic Units	Nearby Community	Non-governmental Organizations
Concerned Issues	• Trade Secret and Privacy • Code of Conducts, Ethics, Laws and Regulations • Corporate Governance and Information Transparency • Risk Control and Management • Human Rights and Equality	• Sustainability Planning and Implementation • Code of Conducts, Ethics, Laws and Regulations • Technological Empowerment and Digital Transformation • Operating and Financial Performance • Employee Compensation and Care • Labor Relations • Human Rights and Equality	• Risk Control and Management • Sustainability Planning and Implementation • Employee Compensation and Care • Talent Utilization and Development • Operating and Financial Performance • Code of Conducts, Ethics, Laws and Regulations • Corporate Governance and Information Transparency • Technological Empowerment and Digital Transformation	• Sustainability Planning and Implementation • Risk Control and Management • Support and Integration of Supply Chain Platform • Smart Logistics and Smart Warehousing • Resource Management and Energy Saving • Labor Relations • Human Rights and Equality • Industry-Academia Cooperation and Social Participation	• Industry Collaboration and Communication • Operating and Financial Performance • Technological Empowerment and Smart Transformation • Employee Compensation and Care • Risk Control and Management	• Risk Control and Management • Industry-Academia Cooperation and Social Participation • Operating and Financial Performance • Resource Management and Energy Saving • Waste and Consumables Management
Communications Mechanism	• MOPS • Company website • Tel • E-MAIL • Written form • Interview • Seminar	• Company website • Tel • E-MAIL • Written form • Interview • Seminar	• Tel • E-MAIL • Written form • Meeting or seminar	• Tel • E-MAIL • Written form • Meeting or seminar	• Tel	• Tel • E-MAIL
Frequency of Communication	Irregularly	Irregularly	Irregularly	Irregularly	Irregularly	Irregularly
Corresponding Sections	3-1 Corporate Governance 3-2 Integrity and Ethics 6-3 Work Environment	Topic:WPGDADAWANT, a transparent platform that co-creates digital transformation of industry 1-2 Operational Performance 2-1 WPG Corporate Sustainability Committee 2-4 Corporate Sustainable Development Goals 3-2 Integrity and Ethics 6-3 Work Environment	Topic:WPGDADAWANT, a transparent platform that co-creates digital transformation of industry 1-2 Operational Performance 2-1 WPG Corporate Sustainability Committee 2-4 Corporate Sustainable Development Goals 3-1 Corporate Governance 3-2 Integrity and Ethics 6-1 Talent Development	2-1 WPG Corporate Sustainability Committee 2-4 Corporate Sustainable Development Goals 3-1 Corporate Governance 4-1 Distribution Management and Distribution Service Strategies 5-3 Low-Carbon Operations 6-3 Work Environment 7-2 Industry-Academia Plan 7-3 Social Prosperity	Topic:WPGDADAWANT, a transparent platform that co-creates digital transformation of industry 1-2 Operational Performance 3-1 Corporate Governance 6-2 Salary Appraisal 6-3 Work Environment 7-1 Industry Interaction	1-2 Operational Performance 3-1 Corporate Governance 5-3 Low-Carbon Operations 7-2 Industry-Academia Plan 7-3 Social Prosperity

2-3 Analysis of Material Issues

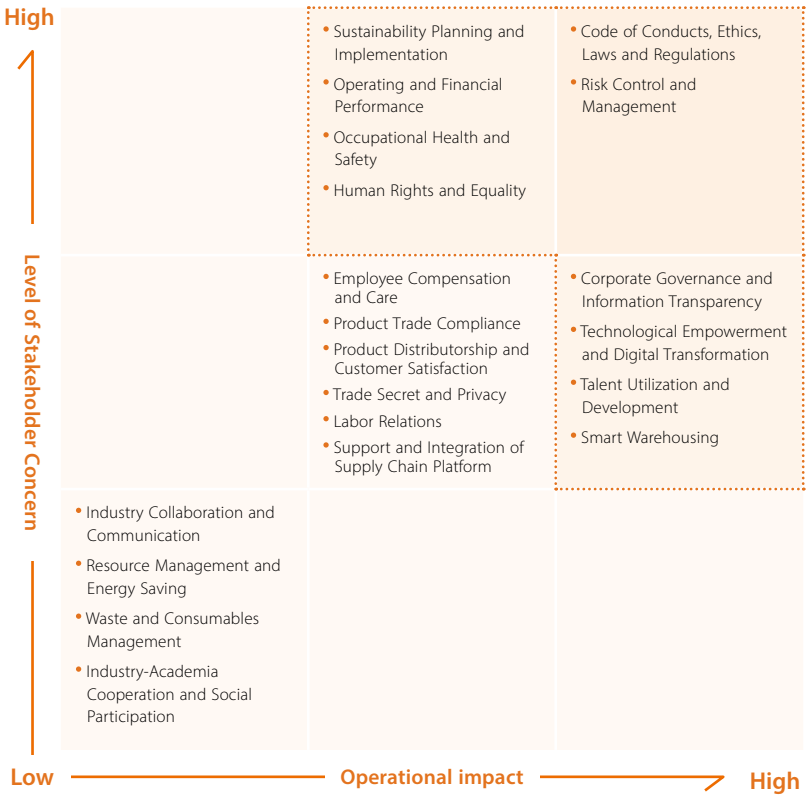
WPG regularly identifies major sustainability issues through systematic analysis to ensure that the disclosed information meets stakeholders' expectations. In 2020, WPG proposed a list of sustainability issues with reference to the analysis of past issues, themes of GRI Standards, international trends, and industrial characteristics, and collected information on the awareness of stakeholders on WPG Holdings sustainable issues. Meanwhile, the Corporate Sustainability Committee invites the Chairman and CEOs of each group to assess the operational impact and major risks. Relevant opinions are integrated, the materiality matrix was completed in 2020, and 14 material issues were selected based on the "Level of Stakeholders' Concern for the Issue" and the "Level of the impact of the issue itself on WPG's operations." The 14 major issues include the Code of Conducts, Ethics, Laws and Regulations; Sustainability Planning and Implementation; Corporate Governance and Information Transparency; Technological Empowerment and Digital Transformation; Operating and Financial Performance; Risk Control and Management; Employee Compensation and Care; Trade Secret and Privacy; Occupational Health and Safety; Talent Utilization and Development; Product Trade Compliance; Product Distributorship and Customer Satisfaction; Human Rights and Equality; Smart Logistics and Smart Warehousing.

Based on this matrix, WPG has presented relevant performance and management results in 2020 CSR report and set 2021 strategic goals for corporate sustainability implementation.



	Issues raised by stakeholders (Evaluated by external and internal stakeholders)	Issues raised by executives (Evaluated by the Chairman and CEOs of various Groups)
1	Human Rights and Equality	Code of Conducts, Ethics, Laws and Regulations
2	Sustainability Planning and Implementation	Operating Models and Market Development
3	Code of Conducts, Ethics, Laws and Regulations	Corporate Governance and Information Transparency
4	Occupational Health and Safety	Talent Utilization and Development
5	Operating Models and Market Development	Risk Control and Management
6	Product Trade Compliance	Smart Logistics and Smart Warehousing
7	Talent Utilization and Development	Employee Compensation and Care
8	Risk Control and Management	Sustainability Planning and Implementation
9	Trade Secret and Privacy	Product Distributorship and Customer Satisfaction
10	Operating and Financial Performance	Support and Integration of Supply Chain Platform
11	Employee Compensation and Care	Occupational Health and Safety
12	Corporate Governance and Information Transparency	Operating and Financial Performance
13	Labor Relations	Product Trade Compliance
14	Smart Logistics and Smart Warehousing	Trade Secret and Privacy
15	Product Distributorship and Customer Satisfaction	Human Rights and Equality
16	Support and Integration of Supply Chain Platform	Labor Relations
17	Industry Collaboration and Communication	Industry Collaboration and Communication
18	Resource Management and Energy Saving	Industry-Academia Cooperation and Social Participation
19	Industry-Academia Cooperation and Social Participation	Resource Management and Energy Saving
20	Waste and Consumables Management	Waste and Consumables Management

Materiality Matrix



Based on this matrix, WPG has presented relevant performance and management results in 2020 CSR report and set 2021 strategic goals for corporate sustainability implementation.

"Technology Empowerment and Digital Transformation", "Smart Logistics and Smart Warehousing", "Human Rights and Equality" and "Occupational Health and Safety" are newly identified material issues in correspondence with WPG's progress on "Digital Transformation" and the impact of COVID-19 pandemic in 2020.

No.	Material Issue	Business Impact and our Approach
1	Code of Conducts, Ethics, Laws and Regulations	WPG promotes core value "Teamwork, Integrity, Professionalism and Effectiveness," while adhering to the basis of ethical management and corporate sustainability.
2	Sustainability Planning and Implementation	WPG established sustainable development blueprint, set short, middle and long-term goals and implemented specific economic, environmental and social performance in accordance with the goals.
3	Corporate Governance and Information Transparency	WPG's sound corporate governance operations include protection of shareholders' rights and interests, maintenance of investor relations, development of the Board of Directors, establishment of the codes of conduct and relevant laws and regulations, and sustainable communications with stakeholders to ensure information transparency.
4	Technological Empowerment and Digital Transformation	WPG makes effective use of emerging digital technologies, optimizing the internal and external technologies, processes, and staff skills, with business development towards digital transformation and industrial upgrading
5	Operating and Financial Performance	In order to achieve sustainable development, the company has focused on related performances such as operating profits, investment profit and loss, financial status and operating costs, as well as economic impacts generated by the operating process.
6	Risk Control and Management	WPG focuses on integrated risk management. It actively operates various businesses to raise its operating income under an acceptable risk level, ensuring that appropriate risk culture is established and maintained throughout the organization.
7	Employee Compensation and Care	WPG provides employees with fair and competitive compensation, bonuses, welfare benefits and care mechanisms.
8	Trade Secret and Privacy	WPG conducts relevant information security management in order to protect corporate confidentiality, transaction security and customer/employee privacy.
9	Occupational Health and Safety	In order to provide good work environment, WPG has formulated measures and policies related to Occupational Health and Safety, including workplace safety and maintenance, workplace emergency risk management, employee health management programs, and health exams.
10	Talent Utilization and Development	Corresponding to the needs of digital transformation and business development, WPG has set up goals on talent cultivation and development, promoted comprehensive education and training programs, and assisted in employee development
11	Product Trade Compliance	WPG sets relevant management objectives, internal control mechanism and practical operating procedures to ensure that trade of products are in compliance with relevant laws and regulations in different countries.
12	Product Distributorship and Customer Satisfaction	As a distributor of semiconductors components, WPG is responsible to provide sufficient range of products and maintains supply stability to meet customer demands and improve overall service efficiency in order to enhance customer satisfaction and maintain customer relationships.
13	Human Rights and Equality	Create a friendly and high-quality workplace through WPG's value chain to reflect its commitment to corporate sustainability, and set up the basis for a competitive industry ecosystem
14	Smart Logistics and Smart Warehousing	To meet the shipments and orders of upstream and downstream companies, WPG has established a smart commercial logistics system, with digital tool management, smart logistics and distribution for efficient operations, so that it can accurately keep track of various management indicators and equipment status, with no delays in order shipments and effective cost management

Material Issues and Major GRI Topics

Material Issue	Major GRI topics	Corresponding Sections	Disclosure Number
Code of Conducts, Ethics, Laws and Regulations	Anti-corruption Environmental compliance Socioeconomic compliance	3-2 Integrity and Ethics 8-6 Sustainable Data	GRI 205-2 GRI 307-1 GRI 419-1
Operating and Financial Performance	Economic performance	1-2 Operational Performance	GRI 201-1
Employee Compensation and Care	Market presence	6-1 Talent Development 6-2 Salary Appraisal	GRI 202-1 GRI 202-2
	Employment	6-1 Talent Development 6-3 Work Environment	GRI 401-1 GRI 401-2 GRI 401-3
Occupational Health and Safety	Occupational health and safety	6-3 Work Environment 8-6 Sustainable Data	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9
Talent Utilization and Development	Training and education	6-1 Talent Development	GRI 404-1
Trade Secret and Privacy	Customer privacy	3-2 Integrity and Ethics	GRI 418-1
Product Trade Compliance	Socioeconomic compliance	3-2 Integrity and Ethics	GRI 419-1
Product Distributorship and Customer Satisfaction	Marketing and labeling	3-2 Integrity and Ethics	GRI 417-2 GRI 417-3
Human Rights and Equality	Non-discrimination Freedom of association and collective bargaining Child labor Forced or compulsory labor Rights of indigenous peoples	6-3 Work Environment	GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 411-1

Self-determined Material Issue	Corresponding Sections
Sustainability Planning and Implementation	2-4 Corporate Sustainable Development Goals
Corporate Governance and Information Transparency	3-1 Corporate Governance
Technological Empowerment and Digital Transformation	Topic: WPGDADAWANT, a transparent platform that co-creates digital transformation of industry 6-1 Talent Development
Risk Control and Management	3-1 Corporate Governance 5-1 Climate Governance
Smart Logistics and Smart Warehousing	4-1 Distribution Management and Distribution Service Strategies

● Internal and External Boundaries of Material Issues

Material Issue		Impacts and boundaries						
		WPG Holdings	Sub-groups	Shareholder	IDM/ Fabless	Customer	Supplier / Contractor / Subcontractor	Nearby Community
Economics and governance	Operating and Financial Performance	●	●	●	●	●	●	
	Code of Conducts, Ethics, Laws and Regulations	●	●	●	●	●	●	●
	Sustainability Planning and Implementation	●	●	●	●	●	●	●
	Product Trade Compliance	●	●		●	●	●	
	Trade Secret and Privacy	●	●		●	●	●	
	Product Distributorship and Customer Satisfaction	●	●		●	●	●	
	Smart Logistics and Smart Warehousing	●	●		●	●	●	
	Corporate Governance and Information Transparency	●	●	●				
	Technological Empowerment and Digital Transformation	●	●		●	●	●	
	Risk Control and Management	●	●	●	●	●	●	●
Social	Occupational Health and Safety	●	●				●	
	Employee Compensation and Care	●	●					
	Talent Utilization and Development	●	●					
	Human Rights and Equality	●	●				●	

Note: ● includes direct and indirect impact on operation

2-4 Corporate Sustainable Development Goals

WPG not only pursues profit maximization, but also actively implements various strategies to maximize overall societal value in compliance with the UN's Sustainable Development Goals (SDGs). In 2020, WPG focused on six functional groups of the Corporate Sustainability Committee, evaluated potential sustainable contributions, and concentrated on 8 sustainability goals as follows:

Chapter	Major Issue	2020 Implementation Results	2021 Objectives	Mid/Long-term Objectives	SDG
CH3. Corporate Governance	Code of Conducts and Ethics	• Advocacy of the Employee Code of Conduct and commitments	• Amendment of the WPG Code of Conducts and Ethics • Implement Employee Code of Conduct and arrange themed education and training courses • Promote anti-corruption education and training for all employees • Optimize whistleblower protection mechanism	• Strengthen Ethics Committee management mechanism for ethical management	
	Intellectual Property Management	• Formulation of the intellectual property management plan (Greater China) • Report intellectual property management plan to the Board of Directors, and disclose the implementation status in the Annual Report or company website	• Obtained the Certificate of Taiwan Intellectual Property Management System (TIPS)	• Continue to promote relevant education and training	
	Information Security Management	• Introduction of ISO 27001 Information Security Management System	• Obtained ISO27001 Information Security Management System Certification	• Continue to obtain ISO27001 Information Security Management System Certification	
CH4. Sustainable Supply Chain Management	Transparent Supply Chain Management	• Complete disclosure of environmental standard information regarding distributed product (REACH/ RoHS/ conflict minerals)	• Improve the Regulations Governing Product Environmental Information	• Continue to expand the scope of verification for better transparency of the value chain	
CH5. Sustainable Environment	Climate Risk	• Assessment of climate risk in accordance with the Task Force on Climate-related Financial Disclosures (TCFD)	• Completion of climate risk assessment in accordance with TCFD followed by public disclosure	• Assessment of transformation risk and entity risk using scenario analysis including 2DS and RCP8.5 • Quantitative risk and opportunity assessment	

Chapter	Major Issue	2020 Implementation Results	2021 Objectives	Mid/Long-term Objectives	SDG
CH5. Sustainable Environment	Service Supplier Management	• Issuance and receipt of Supplier Code of Conduct Declaration and Self-Evaluation Form • Calculation of green procurement amount	• Issuance and receipt of the English version of Supplier Code of Conduct Declaration and Self-Evaluation Form • Set the green procurement amount and proportion target	• Continue to increase the proportion of green procurement	
	Work Environment Management	• Office building electricity/ water/ carbon emissions/ waste statistics calculation and disclosure • Set annual energy saving target of 1%	• Plan the statistical method for new office building electricity/ water/ carbon emissions/ waste calculation • Set annual energy saving target of 1% • Set annual water conservation target of 1% • Installation of electric vehicle charging devices and evaluations to correspond to the EV100 global initiative	• Continue to expand the scope of environmental data statistics • Set waste reduction targets • Go paperless in the office	
CH6. Talent Transition	Friendliness and equality in the workplace	• Introduce Human Rights Policy • Promote WPG's Employee Code of Conduct	• Introduce Human Rights Assessments and promote related policy • Establish employee health management mechanism: Set up medical consulting rooms and special care centers • Introduce Employee Stock Ownership Trust (ESOT)	• Positive indicators of employee engagement survey reach 70% by 2026	
	Environment for Better Performance	• Promote online learning -- Common Wealth Leader Campus (CWLC) • Promote 2025 Competency	• Continue to promote 2025 Competency • Establish e-learning platform • Promote business vision and core values	• For 2026, we aim to strengthen the digital application ability of employees, and establish talent cultivation and evaluation mechanism for seamless succession	
	Fair and reasonable salary appraisal	• Introduction of online performance management system	• Continue to optimize and implement performance management	• Employees satisfaction rate regarding salary appraisal indicators achieve 70% by 2026	
CH7. Social Participation	Industry-academia collaboration	• Continue promotion of Supply Chain Industry-Academia Collaboration Program	• Continue to promote the Supply Chain Industry-Academia Collaboration Program • Provide internship program for young students	• Give back to society using the company's industry knowledge by cultivating talents and supporting diversified industry-academia collaboration • Expand influence and jointly provide social care together with its supply chain	
	Care for the disadvantaged	• Continue the planning of social welfare activities to care for the disadvantaged	• Continue the planning of social welfare activities to care for the disadvantaged		
	Regain the Spirit of Technical Education	• Support and sponsor sports events	• Continue sports events sponsorship • Support athlete training program • Invest in public welfare related to technical talent development		



3 Corporate Governance

3-1 Corporate Governance
3-2 Integrity and Ethics

Code of Conducts, Ethics, Laws and Regulations

Anti-corruption

Commitment

- WPG promotes the core value of "Teamwork, Integrity, Professionalism and Effectiveness" while adhering to the basis of ethical management.

Policy/Management System

- Establish "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedure for the Management and Prevention of Insider Trading," and disclose on WPG Holdings' official website to protect investors and corporate interests.
- Provide information on the prevention of insider trading and anti-corruption at new employee training courses. At the same time, the sub-group conducts anti-corruption advocacies on an irregular basis for case reviews.
- Share anti-corruption and control experiences and improve internal control management mechanism in project meetings.

Grievance Mechanism

- Grievance email address: wpghac@wpgholdings.com
- Public disclosure of "Procedures for Handling Stakeholders' Opinions and Complaints by the Audit Committee".

Assessment Mechanism

- The Procedure for the Management and Prevention of Insider Trading is included in the audit control mechanism

Operating and Financial Performance

Economic performance

Commitment

- The Audit Committee was established in 2008, with all the independent directors in place in order for better corporate governance, audit supervision, and robust managerial function, and has adopted IFRS to prepare financial statements since 2013.
- Since its establishment, WPG has established Chinese and English versions of the official website to provide relevant financial information, financial reports, and investor conference. Since the beginning of 2012, the company also simultaneously disclosed Chinese and English versions of quarterly financial reports on its official website. Since December 2014, Chinese and English versions of material information are simultaneously disclosed on MOPS. Both Chinese and English versions of the Shareholder Meeting Agenda and Meeting Minute are provided in the same year, whereas both Chinese and English Annual Report were available since 2015.

Policy/Management System

- Discuss the company's domestic and international market trends and competitive advantages in annual strategic meetings, and set up an annual strategic direction.
- Disclose financial information as major issues, in financial reports and annual reports on a regular basis, hold regular corporate briefings, and disclose the relevant information on the company's official website and MOPS.

Assessment Mechanism

- The annual financial report must be certified by the CPA and reported to the competent authority.
- Disclose Chinese and English versions of major issues, financial reports and annual reports, and hold quarterly corporate briefings to announce the company's operational and financial performance.



Risk Control and Management

Risk Control and Management

Commitment

- Integrated risk management is the goal of WPG Holdings. The risk management units at each level include risk management in the operation 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 . We will also conduct internal education and training for risk management to be deeply rooted in corporate culture.

Policy/Management System

- Regular tracking and reporting of latest risk assessment results, in order to ensure WPG's level of risk management.
- Conduct projects such as sustainable office operations, early warnings for abnormal transactions and key risk indicators, and continue to implement the company's overall risk management effectiveness.

Assessment Mechanism

- The Risk Mgt. Service review and keep track of major risks identified by the company's various departments on a regular basis, develop assessment mechanisms in response to major risks, and achieve effective risk control under regular tracking.
- Keep in line with the development of international and domestic risk management systems for reviews and improvements.

Corporate Governance and Information Transparency

Corporate Governance and Information Transparency

Commitment

- WPG has established and implemented a comprehensive corporate governance structure, improved transparency in information disclosure, and actively communicated with stakeholders.

Policy/Management System

- Adopted internal regulations such as the "Corporate Governance Policy", "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles" and "Corporate Social Responsibilities Principles"
- Based on responsibilities and professional specializations, the management units review recent regulatory compliance at any time in order to establish internal management policies.

Assessment Mechanism

- The company's internal code of conduct is reviewed and updated on a regular basis in compliance with current company policies and procedures.
- Publicly disclose the number and amount of penalties or fines imposed by government institutions for failure to comply with corporate governance, social or environmental protection regulations.

Trade Secret and Privacy

Customer Privacy

Commitment

- WPG has implemented operations in accordance with the Personal Information Protection Act.

Policy/Management System

- Adopted the "Regulations on Information Security Management of WPG Holdings" to ensure information security of WPG and its customers.
- The "Guidelines on Management Procedures for the Protection of Personal Data" was resolved by the Board of Directors due to improvement needs on internal control processes such as "The Authorization of User's System".

Assessment Mechanism

- The audit unit conducts annual audits to ensure the effectiveness of implementations according to its management mechanism.

3-1 Corporate Governance

3-1-1 Rights and Responsibility of Corporate Governance Organization

Board of Directors

On June 24, 2020, WPG's 6th term Board of Directors was elected in the Shareholders' Meeting, for a three-year term of office beginning on June 24, 2020 and ending on June 23, 2023. The 6th term Board of Directors consists of 11 members (including 4 independent directors), and currently consists of 10 members (including 3 independent directors). The overall professional backgrounds of the Board include electronic components, investment management, strategic management, financial accounting, law, and global market mindset. Among the Board, 2 members are concurrent employees (including appointed manager) (20% of the Board), and 3 members are independent directors (30% of the Board). There are currently no female directors, but the company aims to have at least 1 female director in the future. In terms of age, 2 members are over 70 years old, while the remaining 8 members are in the age group of 50-70 years old. There are 2 independent directors with tenure of less than 3 years, and 1 independent director with tenure of more than 9 years.

The 3 independent directors include lawyer Jack J. T. Huang, former director of Jones Day, accountant Charles Chen, and associate professor Weiru Chen of China Europe International Business School. Among them, Mr. Jack J.T. Huang has served on the board for more than three consecutive terms. Given Mr. Huang's expertise in law and mergers and acquisitions, as well as his extensive experience in related law practice and business management, Mr. Huang's forward looking and fair advice are often applied. The Company also relies on Mr. Huang's professional advice and supervision toward functional committees to continually improve our corporate governance. Therefore, Mr. Jack J. T. Huang was elected as an independent director at Annual Shareholders' Meeting. The directors' industry experience/ professional distribution are as follows:

	Nationality	Gender	Age		Tenure of independent director		Business Management	Decision-Making	Industrial Knowledge	Finance and Accounting	Law	Human Resource	Risk Management	Global Market Mindset	Investment Management
			50-70	Above 70	Less than 9 years	Over 9 years									
Simon Huang	R.O.C.	Male	●				●	●	●	●		●	●	●	●
Frank Yeh	R.O.C.	Male	●				●	●	●			●	●	●	●
K. D. Tseng	R.O.C.	Male		●			●	●	●			●		●	●
Mike Chang	R.O.C.	Male	●				●	●	●			●		●	●
T. L. Lin	R.O.C.	Male	●				●	●	●					●	●
K. Y. Chen	R.O.C.	Male	●				●	●	●			●		●	●
Fullerton Technology Co., Ltd. Representative: Richard Wu	R.O.C.	Male	●				●	●	●			●		●	
Jack J. T. Huang	R.O.C.	Male	●			●	●	●	●		●	●	●	●	
Charles Chen	R.O.C.	Male		●	●		●	●		●	●	●	●		●
Weiru Chen	Singapore	Male	●		●		●	●	●			●	●		

Note: 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.

The board has the responsibility to supervise the overall operations and affairs of the company and make decisions for major investment and M&A matters. Three functional committees operate under the Board of Directors: Audit Committee, Remuneration Committee and New Business Strategy Committee.

The Board of Directors convened 14 meetings in 2020, with an attendance rate of 95.42% (excluding attendance by proxy), and directors' interests were avoided in accordance with relevant regulations. Please refer to WPG's Annual Report for detailed information.

Major Issues of the Board of Directors in 2020

1. Resolved to donate to WPG Education Foundation
2. Resolved to convene the 2020 Annual Shareholders' Meeting
3. Approved 2019 Business Report and Financial Statements
4. Approved the proposal of 2019 earnings distribution
5. Approved the proposal of 2019 remuneration of employees and Directors.
6. Resolved to propose a list of candidates for the sixth term of directors and independent directors of the company
7. Approved the amendments to the Company's Articles of Incorporation
8. Resolved to amend the company's "Rules and Procedures of Board of Director Meetings" and "Audit Committee Charter"
9. Resolved to conduct public tender offer for ordinary shares of T3EX Global Holdings
10. Resolved to acquire Preferred Shares A issued by WT Microelectronics Co., Ltd.
11. Resolved to issue Preferred Shares B for capital increase
12. Resolved to pass the change of the company's location
13. Resolved to approve the appointment of the next Chief Executive Officer of the company and the appointment of the Chief Executive Officer of the sub-group

WPG attaches great importance to corporate governance, with the Board of Directors as the head of governance, while the Chairman is responsible for supervising various corporate governance affairs. In addition to independent directors, each committee is also responsible for the company's major operating issues. The responsibilities of the Chairman and CEO are clearly defined, of which a professional manager is appointed as the CEO to execute decisions of the Board of Directors, and is responsible for the overall business results in the scope of authority. In addition, the Board of Directors also supervises the management team, and keeps track of changes in relevant local and international laws and regulations.

WPG participated Corporate Governance Evaluation conducted by the Taiwan Stock Exchange and the Securities and Futures Institute and actively strengthens corporate governance in compliance with various indicators.

Corporate Governance Evaluation Results

1st edition (2014)	Awarded top 20% amongst 798 listed companies
2nd edition (2015)	Ranked between 6% to 20% amongst 824 listed companies
3rd edition (2016)	Ranked between 6% to 20% amongst 843 listed companies
4th edition (2017)	Ranked between 6% to 20% amongst 861 listed companies
5th edition (2018)	Ranked between 6% to 20% amongst 868 listed companies
6th edition (2019)	Ranked between 6% to 20% amongst 901 listed companies
7th edition (2020)	Ranked between 21% to 35% amongst 1,154 listed companies

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. Since 2007, the company has designed an opinion survey questionnaire for board members before the external board meeting. With reference to board evaluation institutions in foreign countries (UK, USA, Canada) and the content of questionnaires of external board meetings in previous years, the Secretary Office of the Board of Directors (now referred to as the Corporate Governance Office) reported a new questionnaire to the Board of Directors on June 29, 2010, in the hope to broadly understand the opinions of board members on evaluating the overall board performance and performance of individual board members. The questionnaire survey results are reported to the board members at the external Board of Directors meeting every year.

The above questionnaire has been applied in surveys until the "Procedures for the Performance Evaluation of the Board of Directors" was formulated in the Board of Directors meeting in December 2015, which stipulated that the internal performance evaluation shall be performed 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.

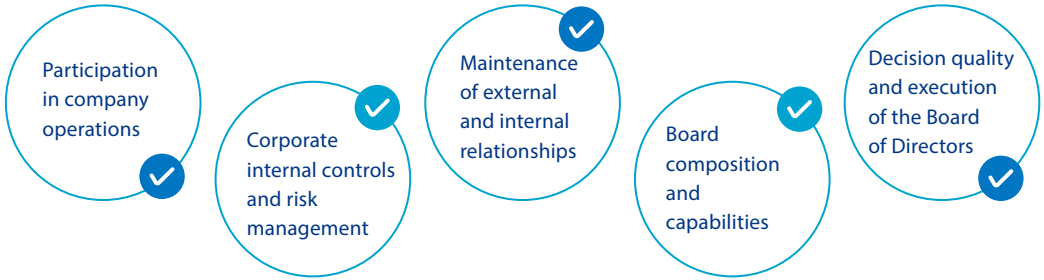
Regulations Governing the Performance Evaluation of the Board of Directors

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. The board members should individually fill in the self-evaluation form on internal performance and their individual performance at the board. The 2020 performance evaluation of the Board of Directors and the committees was submitted to the board on January 26, 2021, and disclosed on the company website

2020 Performance Evaluation Results of the Board of Directors

Perspectives of board performance evaluation



External Performance Evaluation of the Board of Directors

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

2019 External Performance Evaluation Results of the Board of Directors

Audit Committee

The Audit Committee was established in July 2008, and the Committee this term (6th term) is composed of three independent directors, who took office on June 24, 2020, with independent director Charles Chen as the convener of the Committee. The 6th term work target was established on November 10, 2020, and reported to the Board of Directors on December 29, 2020. Audit Committee aims to assist the Board of Directors in implementing supervising functions for better corporate governance, sounder audit supervision, and robust management. Matters under review include corporate financial statements, corporate policy and procedures for auditing and accounting, corporate internal control mechanism, major acquisition or disposal of assets, appointment/dismissal/compensation of certifying accountant, and other material corporate affairs or items required by competent authorities.

WPG Holdings has formulated the Procedures for Handling Stakeholders' Opinions and Complaints by the Audit Committee in July 2010, and has set up the Audit Committee mailbox: wpghac@wpgholdings.com. Independent directors take turns to deal with complaints or suggestions of all internal and external stakeholders, while the whistleblower protection mechanism is set up under clear handling procedures. The Procedures for Handling Stakeholders' Opinions and Complaints by the Audit Committee has been disclosed on the company's official website. The Audit Committee is convened no less than once a quarter, and has convened 13 meetings in 2020, with an attendance rate of 98.46% (excluding attendance by proxy).

Procedures for Handling Stakeholders' Opinions and Complaints by the Audit Committee

Remuneration Committee

The Remuneration Committee was established in July 2008. The Committee this term (6th term) is composed of three independent directors, with independent director Jack J. T. Huang as the Committee's convener. The 6th term work target was established on October 27, 2020, and reported to the Board of Directors on December 29, 2020. The purpose of the remuneration committee is to assist the Board of Directors in the deliberation and formulation of director and managerial personnel remuneration, assessment of companywide remuneration policies, and the transaction of remuneration evaluation affairs. The remuneration committee is convened no less than two times a year and has convened 5 meetings in 2020, with an attendance rate of 100% (excluding attendance by proxy).

● The Compensation Structure of CEO and Senior Management

The compensation structure of managers is highly correlated with performance. The remuneration policies and performance evaluation policies and standards are reviewed by the Remuneration Committee, and submitted to the Board of Directors for resolution. The remuneration and performance of managers are measured based on aspects including the implementation of corporate core values, senior management functions and behaviors, leadership and management capabilities, related business performance, and other special achievements.

Aspects of measurement	Items and weights	Description
Performance Indicators	Financial indicators — 65%	Indicators for profit growth and operational management quality improvement: Profit After Tax, Return on Working Capital, Net Working Capital/ Sales
	Comprehensive management indicators — 35%	• Implementation of the company's business philosophy, corporate culture and core values, and realization of corporate vision of "Grow together, Strive together, and Win together" • Organizational leadership and management capabilities • Human resource management and talent development • Innovation and integration, risk management, legal compliance, and sustainable development strategies
	Other special contributions or major events are also evaluated	



New Business Strategy Committee

The New Business Strategy Committee was established in Oct. 2013. The Committee this term (6th term) is composed of four directors and one independent director, with Director Simon Huang as the convener of the Committee.

The 6th term work target was established and reported to the Board of Directors on December 27, 2020. The purpose of the Committee is to assist the company with the development of new businesses in order for elevated strategy-making and beneficial outcomes. The New Business Strategy Committee is convened no less than four times a year and has convened 5 meetings in 2020, with an attendance rate of 96.67% (excluding attendance by proxy).

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 manager 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.

The managers' four main responsibilities based on WPG's actual operational needs are as follows:

1. Assist the operation of the Board of Directors meeting of WPG Holdings in accordance with law.
2. Assist the operation of various committees according to laws and purposes.
3. Maintain WPG Holdings' shareholders equity for its investment in subsidiaries
4. Assist the Board of Directors in enhancing and implementing corporate governance.

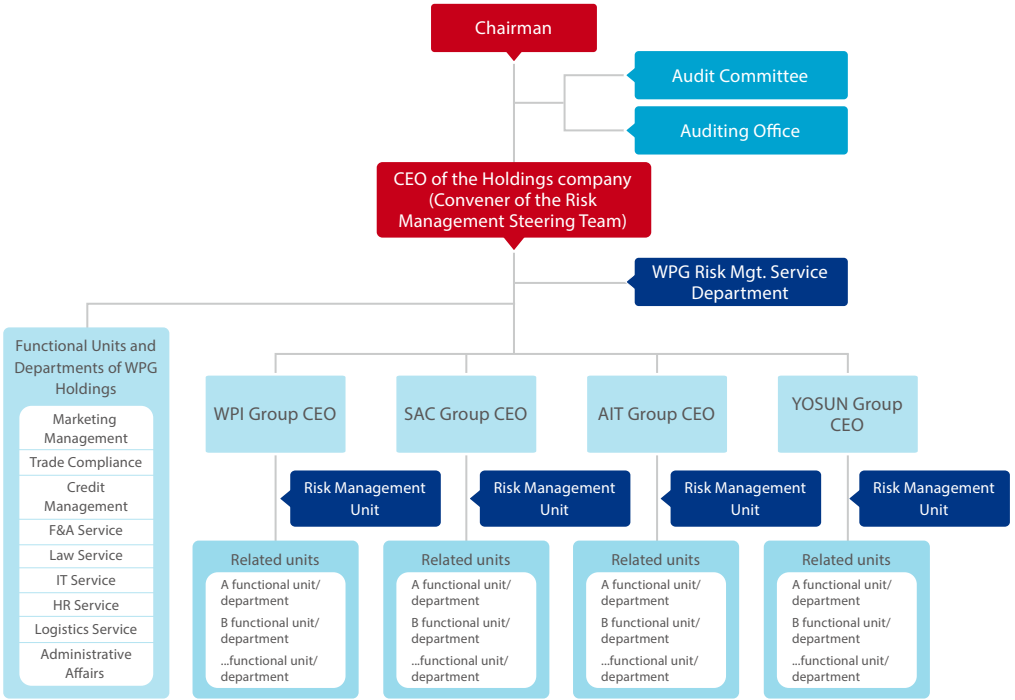
3-1-2 Risk Management

Integrated risk management is the goal of WPG. The risk management units at each level include risk management in the operation 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 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 risk culture within the organization.

Since the establishment of the Risk Management Service Department in 2017, WPG continued to monitor risk identified by each function and 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.

Risk Management Organizational Structure

WPG's highest decision-making unit 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. Risk Management Service Department is an independently operating entity.



Risk Management Process

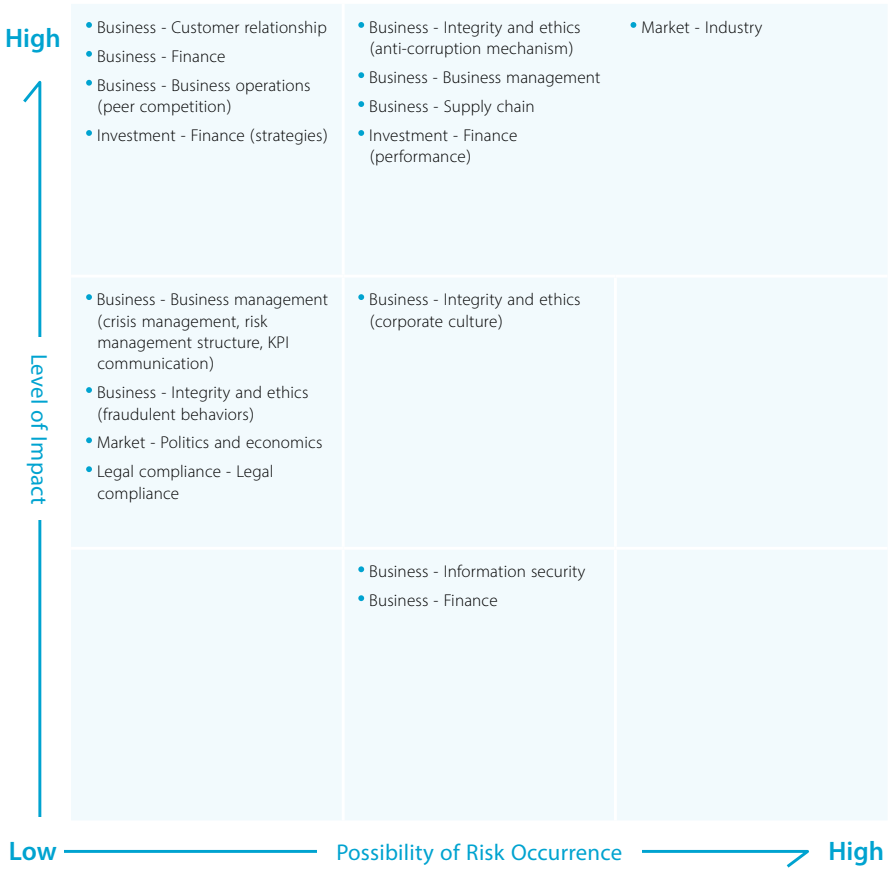
Risk Identification

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

Risk type	Description
Market risk	• Politics and economics: Domestic and foreign regulations and complex tax policies. • Industry: Industrial change and disintermediation.
Business Risk	• Business management: Concentrated product line, business interruption, horizontal competition, incomplete risk management structure and crisis management mechanism, KPI setting and communication, and cybersecurity. • Integrity management: Fraud, anti-corruption detection and prevention mechanism, and shaping corporate culture. • Supply chain: Outsourced business interruption. • Customer relationship: Customer complaints not handled in a timely manner. • Finance: Management of accounts receivable. • Information security: Digital security and data protection regulations.
Investment risk	• Finance: No clear M&A strategy; performance not as expected.
Legal risk	• Legal compliance: Failing to comply with import and export laws and related regulations.
Environmental risk	• Business operations: Business interruption caused by natural disasters.

Risk Evaluation

WPG Risk Management Service Department and each functional unit established a risk matrix based on the probability of occurrence and level of impact of various risk factors, identifying key risk items by quantitative measurement.



Risk Monitoring

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

Risk Response and Tracking

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

Identification of Key Risks and Risk Control Measures in 2020

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

Risk Management Project

In 2020, WPG Risk Management Service Department focused on the Group's major development strategies and the continuous major emerging risks during business operations. The 3 main aspects include "establishment of quantitative risk assessment mechanism", "establishment of risk warning and notification mechanism", and "continuous tracking of outsourced smart warehouse risk management".

Establishment of quantitative risk assessment mechanism (management of key risk indicators)

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

Establishment of risk warning and notification mechanism (abnormal transaction analysis and early warning project)

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

Continuous tracking of outsourced smart warehouse risk management

WPG's smart warehousing is commissioned to a third party, and thus pays great attention to related risk factors. Starting from 2019, Risk Management Service is responsible for risk identification of outsourced smart warehousing, while the functional units are responsible for risk evaluations. A total of 13 risk items have been identified, of which WPG implemented relevant risk control measures for 6 key risk items. In 2020, Risk Management Service continued to keep track the implementation of key risk control measures.

Emerging Risk Management

With the increase in the number of global emerging risk types and the probability of occurrence, WPG also includes identifying and managing emerging risks in the risk management process. WPG's identification and assessment of emerging risks in 2020 mainly focused on COVID-19 Risk Management.

● COVID-19 Risk Management

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

3-1-3 Internal Audit

WPG established 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 auditor mainly focuses on the routine audits of the annual audit plan and performs project audits when necessary to find out deficiencies of 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 audit manager 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 on internal control statements for the Board of Directors and Audit Committee together with the audit report.

Responsibilities of the internal auditors:

Understand the overall control environment
Verify operational and financial activities as well as objectives of the organization.

Observe and identify possible operational risks
Understand and identify the existing and potential risks through observation and analysis of the business environment.

Monitor risks and provide 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.

Provide consulting services and improve 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.

Assist the management in improving corporate governance
Report the company's overall control effectiveness to senior managers in a timely and objective manner to enhance information transparency and assist in improving corporate governance.

Internal audit procedures:

1. **Risk considerations and settings**
   Identify possible risks of each business according to inherent risks
2. **Identify standard operations**
   Laws, internal control, rules and regulations, authorities, etc.
3. **Understand actual practices**
   Actual operating procedure, systems operation, usage of forms
4. **Process and System Analysis**
   System process design and the effect analysis of risk control
   Inability of systems management and manual confirmation
5. **Set up a review process**
   Set key audit matters and their implementation based on risk control

3-2 Integrity and Ethics

Since integrity governance is an essential element for corporate sustainability, "Integrity" is one of WPG's core values for corporate governance and employee conduct. In January 2013, WPG formulated the Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct as the important basis for the company to implement integrity management, which clearly stipulates the provisions on avoiding the conflict of interests, grievance mechanism and punishment. The company also established Ethics Committee in order to manage and plan integrity governance strategy. In order to promote ethical behavior provisions, WPG formulated the "Employee Code of Conduct" and "Employee Consent" to implement its ethical concept of "Self-Discipline for the Good of Others" for all employees.

Ethical Corporate Management Best Practice Principles

Code of Ethical Conduct

3-2-1 Code of Conducts and Ethics

Ethics Committee

WPG established "Ethics Committee" in 2017 to implement the ethical management best practice principles, with WPG's CEO and the CEO of each group as members of the committee. Ethics Committee held 4 quarterly meetings in 2020, with an attendance rate of 100%, which discuss matters relative to ethical management, and promote workplace ethics to all employees.

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

Considering that "Integrity" is among WPG core value T.I.P.E., the T.I.P.E Meeting has been held on a monthly basis since 2016 for cross-group exchanges on the process of procurement, sales, inventory and accounts receivable, attended by risk management units and functional units of each group, including business management, credit management, legal affairs, logistics, IT, and accounting. Each group's risk management unit regularly reports at the meeting the countermeasures for abnormal occurence 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.

Preventive Advocacy

WPG has formulated the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and the "Corporate Governance Policy" to regulate the duties, precautions, and concepts for all WPG's employees, including management and general staff. The Company also integrates the DNA of integrity management into the daily operations through continuous education and training, internal advocacy, and auditing systems, in order to achieve stable development in corporate governance.

WPG initially planned relevant training courses from the perspective of risk management for issues related to anti-corruption and anti-competitive behavior. Apart from professional legal advisory and supervision, the Legal Affairs Service provides relevant information or advocacies in the education and training for new employees or monthly meetings, in order for them to understand the laws and obligations they should abide by in their duties and have basic legal knowledge such as confidentiality obligations, anti-corruption and prevention of insider trading.

In 2020, our Education on the Code of Conducts and Ethics included the establishment of an internal platform to advocate on the Code of Conducts and Ethics to employees, and conducting online education with themes covering ethical behavior standards and its implementation.

Education on the Code of Conducts and Ethics



Organizational Governance Unit (Board of Directors)

Number of directors: 10

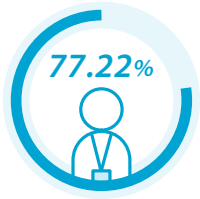
Number of directors completed training: 10



Employee Type (Managerial)

Number of employees: 859

Number of employees completed training: 651



Employee Type (Non-Managerial)

Number of employees: 3,916

Number of employees completed training: 3,024

WPG Employee Code of Conduct

In 2020, WPG advocated the 32 articles of WPG Employee Code of Conduct by using an animated promotion video, with the main theme of space mission game mode, which allows employees to understand WPG Employee Code of Conduct watching a video. At the end of the video, employees are guided to view and complete the signing of the Employee Code of Conduct. As of December 2020, there were a total of 3,675 employees who completed the signing.

The violations in 2020 are as follows. Relevant punishments and improvements have been made, with improvements in employee education and advocacies for relevant incidents.

Type of Violation	Corruption and Bribery	Confidentiality of Information	Anti-Money Laundering	Insider Trading	Conflict of Interest	Discrimination / Workplace Violence	Violate Privacy Laws
Number of Reported Cases	0	0	0	0	0	1	0
Number of Substantiated Cases	0	0	0	0	0	1	0
Follow-up and Improvement						Punishment based on work rules; The Legal Affairs Service recorded sexual harassment prevention videos, and conducted education and training on discrimination and harassment in the workplace.	



Information Security Management System

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 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.

WPG Holdings established the ISO27001 information security management system in September 2020 and is expected to obtain ISO27001 certification in July 2021.

Information Security Management System

To manage information security incidents, WPG control measures are as follows:

- Perform internal audit every six months
- Regularly arrange DR drills and backup testing and recovery plans every year
- Formulate information security incident report procedures

There have been no information security-related incidents and financial shocks in the past three years, and there were no incidents involving leakage of customer data.



Prevention

- Cybersecurity Equipment Deployment
- Cybersecurity Alert Management - Collection of Warnings (Recorded by the monitoring system)
- Formulate disaster prevention, emergency response measures and recovery plans
- Implement mechanisms such as security audits, network monitoring, and personnel security management (authorization management) on a regular basis.



Monitoring

- Real-time monitoring of system resource usages such as CPU, memory, disk and network usage



Tracking

- Information Incident Reporting
- Evidence collection and analysis
- PDCA cycle to support continuous improvement of processes

Information Security Advocacy and Training

Instructions of information security related education, training and advocacies:

New employee education and training

The IT department conducts training courses related to information security.

Company-wide training

Advocates on precautions related to recent information security incidents on an irregular basis, including topics such as identifying phishing messages, through WPG Teams Channel.

Education and training for staff involved in the introduction of ISO27001:

Training Courses	Total Training Hours	Total number of employees attended
Introduction of ISO 27001 standard	22	22
Education and training on information asset inventory	22	22
Business impact analysis meeting and education and training	24	24
Introduction to ISO documentation requirements	22	22

Personal Data Protection Management System

Informed consent and rights protection measures related to the use of customer data.

In view of the implementation of the Personal Data Protection Act in 2012, WPG Holdings and its subsidiaries formulated the "WPG Group General Data Protection Regulation" in October 2012 and established a group personal data protection team in November 2012 for its implementation. In 2014, corresponding to the amendments to the Regulations Governing Establishment of Internal Control Systems by Public Companies, the company incorporated

personal data protection management in the internal control system, while the Board of Directors approved the "Guidelines on Management Procedures for the Protection of Personal Data" in 2014 as the internal control guidelines of personal data protection management, conducting self-inspection and internal audits of the internal control system for personal data protection management. Since 2012, WPG Holdings has published the "Notice of Personal Information and Personal Privacy Protection" and the "Privacy Policy" on its official website, which describes the nature and purpose of the collection of customers' personal data, the method of personal data collection, usage, storage and processing, the expiry date of personal data, the way which WPG protects personal data, the contact window for personal rights and interests, and the management policy of disclosing personal data to outsourced companies. As of the end of 2020, WPG has not received any complaints related to personal rights and interests.

Since 2020, corresponding to WPG's global deployment plan, the company has started to revise the personal data protection policy for legal compliance with personal data protection laws and regulations of various countries around the world. With reference to laws and regulations including OECD's Basic Principles of National Application and APEC Privacy Framework, EU's GDPR, CCPA in California, New York Shield Act, PIPA in South Korea, Personal Data (Privacy) Ordinance in Hong Kong, PDPA in Singapore, and Japan's Personal Data Protection Act, WPG has implemented relevant procedures for personal data protection in various jurisdictions. Personal Data Protection Statement enables customers and employees to fully understand the definition and scope of personal data, the purpose of collection, data preservation and deletion, data transmission, international data transfers, and the rights of data subjects. In addition, the Personal Data Protection Team annually conducts self-assessment through advocacies, education, and training to review the current personal data management status and effectively protect customer privacy and employees' personal data. The above amendments would be submitted to the Board of Directors for approval in 2021.

In order to implement the aforementioned personal data protection policies, 2 courses of "Legal Compliance Education and Training" have been held for employees in the Greater China region in 2020 (please refer to the "Advocacy of Legal Compliance" of the Annual Report). The advocacy on personal data protection allows employees to fully understand the laws and regulations related to personal data management, and raise employees' awareness on legal compliance to protect investors' rights and interests and achieve corporate sustainability.

3-2-2 Legal Compliance

Establishment of Trade Secret Management System

Trade secret is certainly one of the company's intellectual property, and is an important basis for the company's sustainable development and core competitiveness. In order to maintain its core competitiveness, ensure legal protection, and improve responsive measurements for infringements, WPG established confidential information (including trade secrets) management system in 2018, and classified information by identifying potential risks in daily businesses. This has strengthened employees' knowledge on confidential information (including trade secrets) management for the purpose of advanced prevention and subsequent evidence accumulation. In 2018, we performed interviews on the information flow of each unit. To set up the system, we continued to conduct internal data inventory, classification and discussion in 2019. At the end of 2020, we procured the management tool and organized the "Protection of Confidential Information - Live Streaming Education and Training" course to promote usage of management tools, so that the data protection and advanced compliance functions of the management tool can be used as the basis for data protection and control. Starting from 2021, WPG will fully implement its management system to comply with the intellectual property management plan in the Greater China region.

Intellectual Property Management Plan

In order to comply with TWSE's amendment of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the indicator 2.27 of intellectual property of the 2020 (7th Term) Corporate Governance Evaluation, the Legal Affairs Service formulated intellectual property management plan that is connected to WPG's operational target, which was then reported to the Board of Directors on December 29, 2020. The report is disclosed in the "Investors Section" of the company's official website. In 2020, in addition to the inventory of intellectual property and interviews, all members are required to watch the online videos Intellectual Property U anD ME (Taiwan) and Intellectual Property U anD ME (China). WPG also held two education and training courses, with a total of 4,100 participants.

WPG has formulated operating procedures for intellectual property management for more comprehensive management, protection and use of intellectual assets (such as keeping records, and evidence preservation). WPG's intellectual property management systems and measures in 2021 will focus on the following: Improve intellectual property management policy, introduce TIPS intellectual property management operating procedures, and management tools introduction and training.

Strengthen Business Risk and Legal Knowledge

Following the "Self-Reliance for Sales Part I-IV" course in 2015, 2016, 2017 and 2019, the Legal Affairs Service continued to conduct business risk training, including WPI's "Sales Basic Legal Knowledge Course". There were a total of 58 participants for online courses in the Greater China Region in 2020. There were a total of 3 "Order Compliance and Source Promotional Course" arranged by AIT Group and YOSUN Group in the Greater China Region in 2020, with a total of 271 participants.

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 conducted Legal Compliance Education and Training live streaming courses for employees in the Greater China region in 2020. In addition to the training courses related to "establishing the management system of confidentiality" and the "Intellectual Property Management Plan", WPG also advocated on Personal Data Protection and Management, and conducted legal compliance courses related to the Anti-Monopoly Law, including Global Privacy Compliance and Risk Response Measure, and "How Companies Respond to the Anti-Monopoly Law - Quanta Storage Case Study with online tests after each live streaming course to deepen the legal concept of employees. The average number of participants in each course is approximately 3,000.

The Company also set up a special section for the Legal Compliance Education and Training course, which provides live streaming of the course and online tests, so that employees in the Greater China region can learn and take tests at any time, and view their learning outcomes online, while new employees in the Greater China region and other regions can also learn by watching the video.

2020 Legal Compliance Education and Training:

* Listed in the order of live stream schedule

Session	Region	Course
1	Great China	Global Privacy Compliance and Risk Response Measures
2	Great China	How Companies Respond to Anti-Monopoly Law - Quanta Storage Case Study
3	Great China (Mandatory for certain employees)	Essential Technical Achievement Protection Measures for Distributors/Agents
4	Great China	Trademark and Copyright Issues encountered by Distributors/Agents
5	Great China	Confidential Information Protection- Live Stream Training for All Employees

3-2-3 Product Trade Compliance

WPG established a dedicated unit for trade compliance in 2015, in order to achieve the goal of transaction security management and corporate sustainability based on international export compliance. Since 2016, WPG conducted the basic system management mechanism for basic data compilation and export control, and actively participated in exchange seminars of neighboring countries for further knowledge of export control regulations of other countries. In 2017, WPG started to set up advanced management mechanism for export control, and organized internal training courses on a regular basis to strengthen employee professionalism and familiarity with trade compliance. WPG began reviewing trade compliance management in 2018 and optimized the trade compliance digital transformation system in 2019-2020.

WPG conducts internal trade compliance training courses every year, especially in face of the impact of the US-China trade war in 2020. WPG 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 trade compliance policy, management mechanisms and systems control, and new requirements from suppliers and partners on trade compliance. WPG holds annual education and training courses in various regions, including Hong Kong, Taiwan, Southeast Asia, South Korea, China, and the United States. Nearly 30 sessions were held in 2020, with a total of more than 3,500 participants and an attendance rate of over 80%.





4 Sustainable Supply Chain Management

4-1 Distribution Management and Distribution Service Strategies

4-2 Responsible Procurement and Supply Chain Management

Smart Logistics and Smart Warehousing

Smart Logistics and Smart Warehousing

Commitment

- Collaborate with professional logistics partners to integrate intelligent warehousing solutions through the technology of professional logistics planning to support cost reduction and enhance market competitiveness of the Group.

Policy/Management System

- Gradually achieve digital transformation through information technology capabilities, professional and smart equipment, and process optimization

Assessment Mechanism

- Regularly review efficiency of each smart warehouse through indicators including productivity, delivery accuracy, delivery timeliness, inbound and outbound quantity, and inventory. Other effective indicators are gradually added to the evaluation process.

Product Trade Compliance

Compliance with Social and Economic Regulations

Commitment

- WPG guarantees operations to be in line with international export compliance and ensures transaction security

Policy/Management System

- Ensure product sales are in line with international regulations through the Trade Compliance Unit.
- Conduct education and training on trade compliance to enhance employee awareness.

Assessment Mechanism

- Establish trade compliance supervision and management mechanism
- Number and amount of penalties or fines imposed by government institutions for failure to comply with product regulations

Product Distributorship and Customer Satisfaction

Product Distributorship and Customer Satisfaction

Commitment

- WPG upholds customer-oriented attitude and assists customers in solving problems related to supply chain management.

Policy/Management System

- Immediate response by relevant units upon receiving request/opinion from customer or IDM/Fabless

Grievance Mechanism

- Customers or IDM/Fabless may contact the company through various channels, including e-mail, telephone and regular meetings. The company regularly reviews to ensure smooth communication

Assessment Mechanism

- Ensure products and services meet the requirements of the customers and IDM/Fabless through meeting discussions

4-1 Distribution Management and Distribution Service Strategies

4-1-1 Customer-centered Distribution Experience

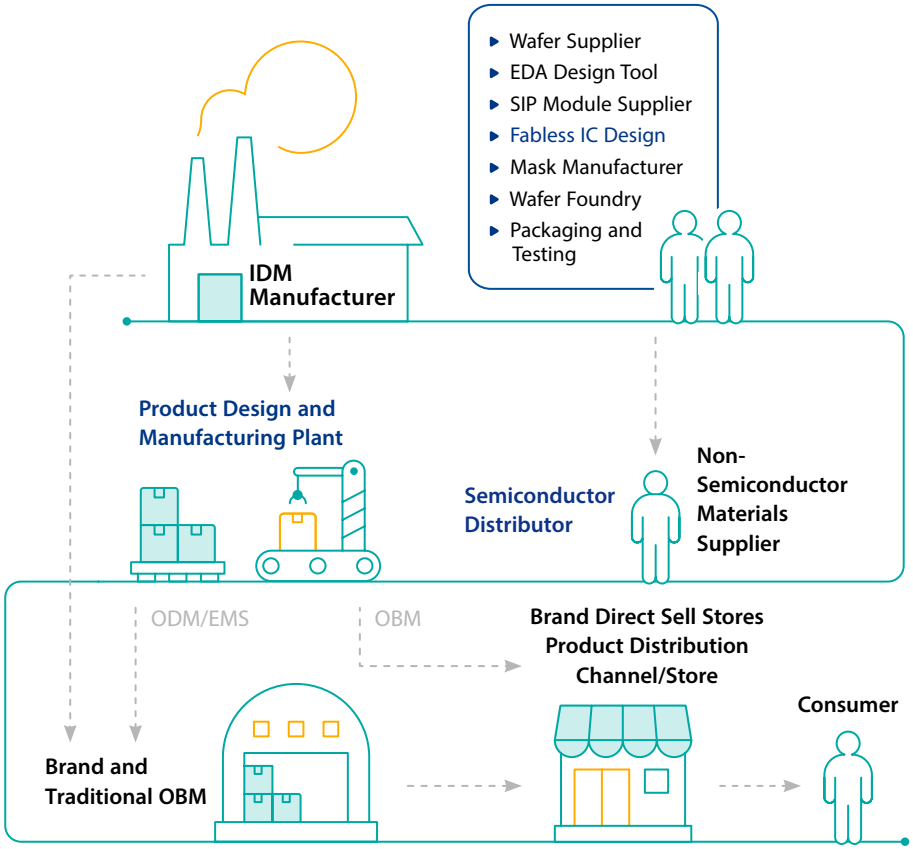


Figure: Semiconductor Supply Chain Analysis. Source: WPG.

For upstream semiconductor suppliers, the role of semiconductor distributors is to support suppliers' sales of semiconductor components; for downstream product manufacturers, the main function of semiconductor distributors is to assist customers in purchasing semiconductor components that are indispensable to manufacturing. In addition to dealing with various semiconductor components with complex specifications that are irreplaceable, the supplementary value added services provided cover an even more extensive range that includes financial services, material management, logistics, and technical support, etc. The analysis of the seven major aspects is as follows:



Product Promotion

To deliver semiconductor components to a large number of customers in the shortest possible time, upstream suppliers must cooperate with professional regional distributors. As the transactions involve specialized semiconductors products and professional buyers, 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. In recent years, due to shortened product life cycle, our customers have been facing the challenge of insufficient R&D personnel. Thus WPG continued to cooperate with IDM/Fabless and introduce various Total Solutions to assist our customers develop new product.

Order Management

Due to the limited resources, upstream suppliers usually only provide direct services to a few large customers. Orders from many other small and medium customers thus need to be handled through distributors for efficient and instant services. After collecting the actual demand and demand forecast from many small and medium customers, distributors place orders collectively to suppliers for batch production. This greatly relieves the suppliers' stress on order management, and also helps suppliers maintain the stability and efficiency of their semiconductor manufacturers, ensuring that customers receive the agreed semiconductor components on the specified delivery dates in a predetermined quantity.

Inventory Management

Due to requirement of semiconductor manufacturing, the standard lead time for upstream semiconductor suppliers averages around 8~12 weeks. Yet, for most of the customers, it is difficult to predict the exact demand 8~12 weeks beforehand. To close the huge gap in between and maintain continuous operation of the industry, distributors become critical to keep appropriate level of safety stock.

In recent years, due to fierce competition in the electronic information industry, customers have predicted shorter and more varied demand. 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 of inventory manager.

Information Management

Semiconductor suppliers' core competencies lie in semiconductor component research and development, manufacturing, and industry standard specification. Professional sales representatives and technicians are required to help collect market information and integrate customer needs to assist them in maintaining the core competencies. In this regard, distributors play an indispensable role in consolidating suppliers' specialties with sufficient local professionals. For customers, they can voice their needs collectively through distributors so that suppliers can provide more suitable products to help customers design and manufacture next-generation electronics.

The underlying role of semiconductor distributors is to serve as a bridge between suppliers and customers. In addition to standing on the front-line for suppliers, distributors serve as suppliers for customer to jointly tackle the challenges in the everchanging markets. In addition to these two roles, distributors have to stay cautious with their own operations and profits, so as to maintain long-term viability in the ever-changing electronics industry.

Financial Management

In order to purchase semiconductor components directly from semiconductor suppliers, besides meeting considerable purchase quantities, buyers must have a certain level of credit rating and collateral, and also the ability to bear shorter payment terms. However, not all customers have the ability or willingness to pay such a price to complete the purchase of semiconductor components. As a result, distributors play critical role as financiers.

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, person in charge's character, and usual transaction records, and provide payment terms better that 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 Asia market.

Logistics Management

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

Sales Management

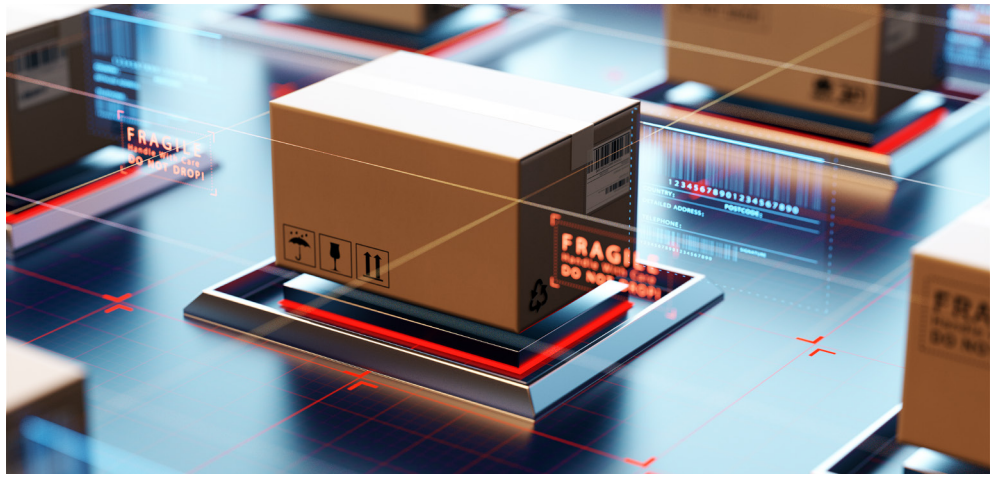
Except for a few large-scale product manufacturers, most small and mid-sized customers do not have enough orders to negotiate with semiconductor suppliers. This is where distributors weigh in. Through centralized orders, distributors can manage to lower the prices for small and mid-scale customers; for suppliers, price is maintained through distributors, thus achieving the purpose of sales management.

4-1-2 Smart Logistics and Warehousing

WPG 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.

To achieve ideal human-computer cooperation, WPG established a transparent platform that connects internal and external information, transfered routine work to 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 enhanced our warehouse efficiency. Coupled with integration of real-time information on management dashboard, all management indicators and equipment status can be accurately tracked.

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



Mobile Digitalization of "Box Complete" Function

Schedule: Launched in April 2020

Scope: Offline “Box Complete” function

Implementation: Transer offline “Box Complete” function to the new mobile platform and solve previous encountered systematic problems on PDA platform.

Specific Achievements: Optimize platform interface to enhance usage convenience .

Mobile Digitalization of Warehouse Operations

Schedule: Launched in November 2020

Scope: Order picking operations

Implementation: Utilize mobile device to locate products within storage to increase order picking efficiency. Delivery and receipt data upon outbound are also recorded in the system.

Specific Achievements: Mobile digitalization of order picking process and receipt data digitalization

Optimization of Inbound Product Allocation Operation

Schedule: Launched in June 2020

Scope: Product allocation operation

Implementation: Upon receipt of goods, classify each product into Category A, B, or C according to outbound frequency data, and allocate accordingly to enhance order picking efficiency.

Specific Achievements: Order picking rate increased by 22.87%

4-2 Responsible Procurement and Supply Chain Management

4-2-1 Chemical Safety and Conflict Minerals Management

As a distributor/agent in the semiconductor component supply chain, WPG does not participate in product manufacturing processes, and thus doesn't have clear knowledge or reasonable control over product content and composition. However, as a member of the value chain, WPG actively keeps track and verifies whether the products we distribute meet environmental and social requirements. Through information disclosure, WPG aims to maximize our impact along the value chain. We aim to strengthen information transparency and consumer awareness along value chain, and jointly create a sustainable global electronics supply chain.

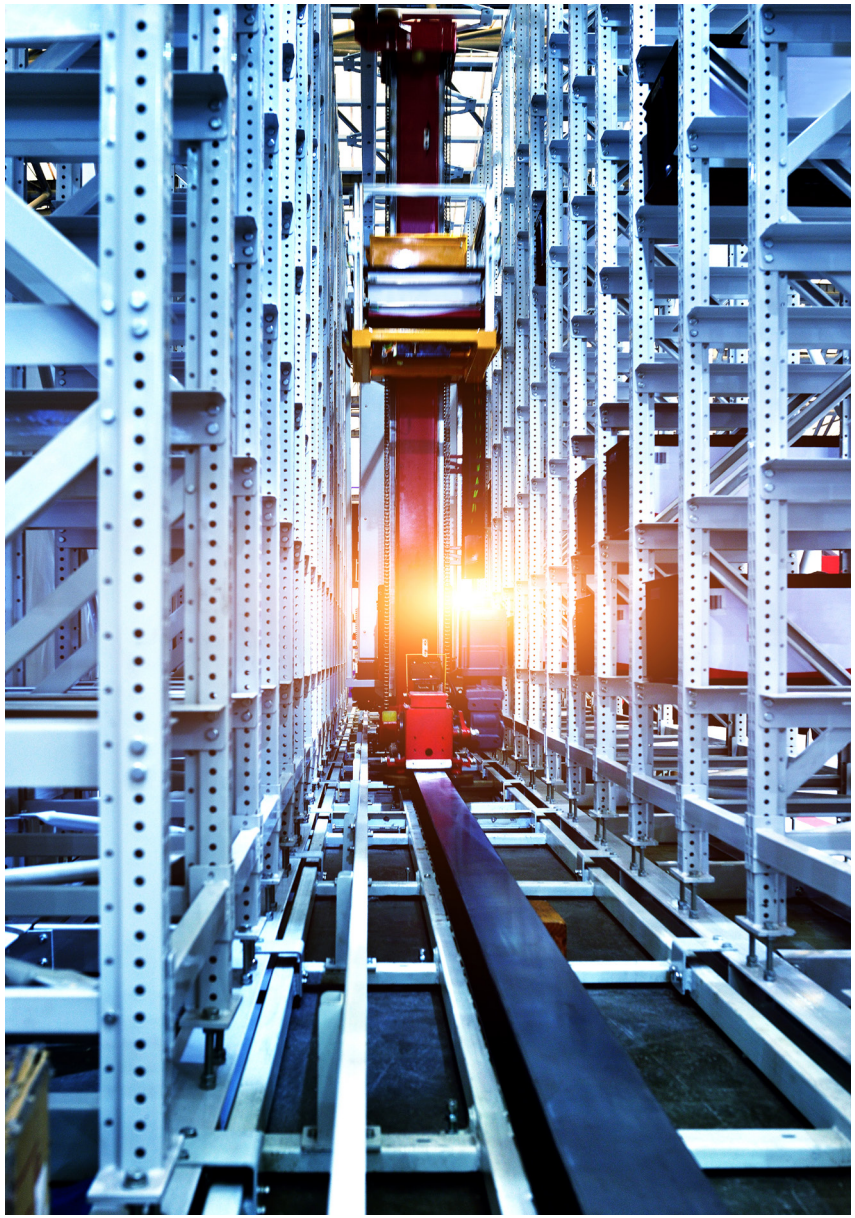
Chemical Safety Management

Regarding the management and identification of hazardous chemicals and related substances, WPG's daily management system is in compliance with global industry standards.

Our daily management includes the identification, registration, usage records and alternative options for chemicals and related substances. 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) issued by the International Electrotechnical Commission, WPG's warehouse adopts batch identification management mechanism on a daily basis, recording whether each purchased item meets the aforementioned chemical requirements in the IT system based on supplier information, so as to provide customers alternative options for chemical substances with very high concern. WPG ensures main chemical composition of semiconductor components can be clearly identified along the process from procurement, inventory, to sales management.

Based on our chemicals and related substance management policy, WPG identified 19 critical suppliers (identified by sales revenue) and concluded 100% compliance with EU's Restriction of Hazardous Substances Directive (RoHS), China RoHS, the Halogen Free Guideline (HF) issued by the International Electrotechnical Commission, the EU's Registration, Evaluation, Authorization, and Restriction of Chemicals Act (REACH), and the EU's Perfluorooctanesulfonic acid Directive (PFOS).

WPG will continue to pay close attention and comply with regulations that prohibits or restricts related hazardous substances, and dedicate efforts to promote products in compliance with environmental protection laws and regulations (WEEE, RoHS, PFOS, REACH, Halogen-Free standards, and China RoHS), in order to jointly create a sustainable global electronics supply chain and to contribute to global environment protection.



WPG critical suppliers' environmental protection regulations compliance summary is disclosed below, in alphabetical order.

Brand	RoHS	China RoHS	HF	REACH	PFOS
AMD	●	●	●	●	●
BROADCOM	●	●	●	●	●
INFINEON	●	●	●	●	●
INTEL	●	●	●	●	●
KIOXIA	●	●	●	●	●
MEDIATEK	●	●	●	●	●
MICRON	●	●	●	●	●
NEXPERIA	●	●	●	●	●
NOVATEK	●	●	●	●	N/A
NXP	●	●	●	●	●
OMNIVISION	●	●	●	●	●
ON	●	●	●	●	●
REALTEK	●	●	●	●	●
SAMSUNG	●	●	●	●	●
SAMSUNG SDI	●	●	●	●	N/A
ST MICRO	●	●	●	●	●
TOSHIBA	●	●	● Certain parts Contain halogens	●	●
TI	●	●	●	●	●
WINBOND	●	●	●	●	●

Source: Information provided and publicly disclosed by the suppliers and compiled by WPG

Note:

RoHS: The Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive listed hazardous substances including lead, cadmium, mercury, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP, and DIBP

HF (Halogen Free): International Electrochemical Commission's industry standard for halogen-free materials

REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals

PFOS: Directive on the Restriction of Sale and Use of Perfluorooctanesulfonic acid

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 issue 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 complies with the Dodd-Frank Act passed by the US Congress and relevant regulations of the Securities and Exchange Commission. Although we did not participate in the product manufacturing process, we have actively cooperated with upstream product suppliers and communicated our requirements for conflict minerals, hoping to encourage suppliers to manage and disclose conflict minerals information. WPG does not directly purchase any conflict minerals from any source and does not knowingly procure any product containing conflict minerals from the Covered Countries.

WPG has established conflict minerals Regulations, dedicating efforts to avoid the use of conflict minerals in the products distributed, and to promote supply chain transparency and customer awareness through information disclosure. We conduct due diligence to ensure our critical suppliers' products are conflict-free to fulfill corporate social responsibility, and we aim to create a sustainable electronic supply chain along with customers and suppliers. In the future, WPG will continue to conduct supply chain due-diligence annually to meet supply chain management targets.

Conflict Minerals Management Process



Due Diligence

Due Diligence Procedure and Scope

Since WPG does not participate in product manufacturing processes, due diligence is primarily conducted through documentary reviews. Supply chain survey is distributed to collect information if upstream suppliers' public information is not available.

WPG's due diligence measures specified supplier risk assessment factors include whether supplier is a member of RBA, whether Conflict Minerals Management Policy is formulated, whether raw material's country of origin is traced, and whether smelters and refiners due diligence is conducted. Upon completion of risk assessment, corresponding supplier engagement approach is adopted according to risk level, and due diligence results are disclosed to reflect WPG's commitment to mitigate the risk of contributing to human rights abuses related to mineral extraction in the Convered Countries.

Due Diligence Results

WPG conducted due diligence on the 19 critical suppliers previously noted and plans to expand the scope in the future. All 19 critical suppliers are identified as low risk suppliers according to due diligence measure.

	Number of Suppliers	Supplier Engagement Approach
Low Risk	19	• Continue to track the proportion of raw materials from non-conflict countries/regions and proportion of verified smelters and refiners
Medium Risk	0	• Communicate WPG's Conflict Minerals Policy and encourage disclosure of conflict minerals management system, or conduct due diligence through supply chain survey
High Risk	0	• Communicate WPG's Conflict Minerals Policy and encourage disclosure of conflict minerals management system, or conduct due diligence through supply chain survey • Place on "supplier watchlist" and track progress on a regular basis

Proportion of minerals from non-conflict countries/regions and proportion of validated smelters and refiners of WPG critical suppliers.

	Whether traces country of origin	Whether conducts smelter and refiner due diligence	Whether discloses the proportion of validated smelters and refiners
Critical Supplier Proportion	100%	100%	79%*

*Among 19 critical suppliers, 79% (15 out of 19 suppliers) disclosed the proportion of validated smelters and refiners. Among the 15 critical suppliers that disclosed related information, 99.7% of materials used are processed from smelters and refiners verified as conflict-free. One of the 4 critical suppliers who did not disclose validated smelters and refiners' proportion is a RBA member.

4-2-2 Selection and Management of General Affairs Suppliers

WPG values sustainable development and thus it is important for us to collaborate with our partners and promote mutual growth and corporate sustainability.

WPG Supplier Code of Conduct

Since 2018, in order to effectively implement supplier management, WPG Holdings and its subsidiaries have formulated WPG 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.

1. In terms of the **labor,** suppliers shall protect and respect the human rights of workers (including temporary workers, migrant workers, students, contract workers, direct employees, and others).
2. In terms of **health and safety**, suppliers shall comply with local regulations and take necessary measures to provide healthy and safe work environment and maintain physical and mental health of workers.
3. In terms of **environment**, suppliers shall reduce the negative impact on the environment in compliance with local laws and regulations, and reduce resource consumption and pollution emissions.
4. For **ethics**, suppliers shall expand businesses in compliance with code of ethical conduct and related laws and regulations.
5. As for **management systems**, suppliers shall establish management system to ensure implementation.

WPG Supplier Code of Conduct

WPG initiated promotion of "WPG Supplier Code of Conduct" in Taiwan region starting from 2019 followed by China region promotion in 2020. Suppliers are encouraged to complete self-evaluation form in accordance with WPG Supplier Code of Conduct. Through continuous promotion and communication, WPG wishes to raise awareness on various aspects including labor, health and safety, environment, ethics, and management system among our suppliers, and ultimately optimize operations accordingly.

In 2020, "WPG Supplier Code of Conduct" response rate achieved 100% in Taiwan and 100% in China. "WPG Supplier Code of Conduct Self-Evaluation Form" response rate achieved 90% in Taiwan and 100% in China.

General Affairs Supplier Evaluation

Since 2017, to implement supplier management, WPG continued to perform supplier evaluation covering multiple aspects with the aim to ensure and enhance service quality, and at the same time assist our suppliers identify internal problems and develop relevant improvement measures. In 2020, supplier evaluation score averaged 3.5 points (total of 5 points), approximately reaching excellent standard.

Local and Green Procurement

In terms of procurement and outsourcing policy, WPG prioritizes local and green procurement. In 2020, local suppliers accounted for 100% of the total general affairs procurement, and 100% of the total IT-related procurement. The proportion of green procurement is 2%.





5 Sustainable Environment

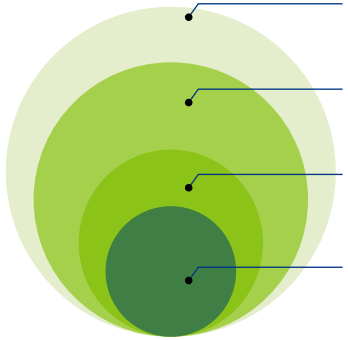
5-1 Climate Governance
5-2 Cleantech Opportunities
5-3 Low-Carbon Operations

5-1 Climate Governance

5-1-1 Climate Risks and Strategies

As a global corporate citizen, WPG supports and responds to the Paris Agreement, dedicating efforts to reduce greenhouse gas emissions with the vision of low-carbon sustainability. WPG considers legal compliance as one of its basic requirements. There were no material legal incidents in environmental area in 2020. We attach great importance to environmental protection in daily operations and are committed to mitigate impacts towards local ecological environment.

In 2020, Task Force on Climate-Related Financial Disclosures (TCFD) framework, including governance, strategy, risk management, and metrics and targets, proposed by the Financial Stability Board (FSB) was used to identify climate risks and opportunities.



Governance	Governance of climate-related risks and opportunities
Strategy	The actual and potential impact on the company's operations, strategies, and financial plans from climate-related risks and opportunities
Risk Management	Processes used by companies to identify, assess and manage climate-related risks
Mertrics and Targets	Metrics and targets for identifying, evaluating and managing climate-related risks and opportunities

Factor Authentication of Climate Risks/ Opportunities
- Policies and laws
- Technology
- Market
- Reputation
- Rapid
- Slow

Scenario Analysis
- BAU (Maintaining the existing operating method)
- 2DS (limiting average global temperature increase to 2°C)

Assessment of Climate Risks/ Opportunities
- Possibility of occurrence
- Level of Impact
- Advance warning

Design of Control Measures
- Risk aversion
- Risk transfer
- Loss control
- Risk retention

Strategy and Disclosure
- Climate strategy planning
- Target setting
- Public disclosure

5 Key Climate Risks

1. Increase in operating expense due to energy price hike resulting from global temperature rise
2. Network service interruption due to extreme weather and natural disasters
3. Warehouse flooding, equipment damage and humidification caused by heavy rain
4. Interruption of large-scale regional transport network and supply chain disconnection due to climatic factors
5. Increased greenhouse gas emissions due to rising temperature and longer air conditioner operations in the summertime

2 Key Climate Opportunities

1. Rising demand for non-toxic and non-hazardous electronic components
2. Business opportunities in renewable energy-related electronic component (solar energy, wind energy, hydro energy, biomass energy, and geothermal energy) due to regulations formulated by various countries.

WPG has formulated management plans for the 7 key climate risks and opportunities as follows:

Logistics Warehouse
Install intelligent monitoring equipment and promote composite transport model

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

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

WPG Risk Mgt. Service is responsible for the assessments, tracking, and management of key climate risks and opportunities and reports to the Board of Directors on a regular basis.

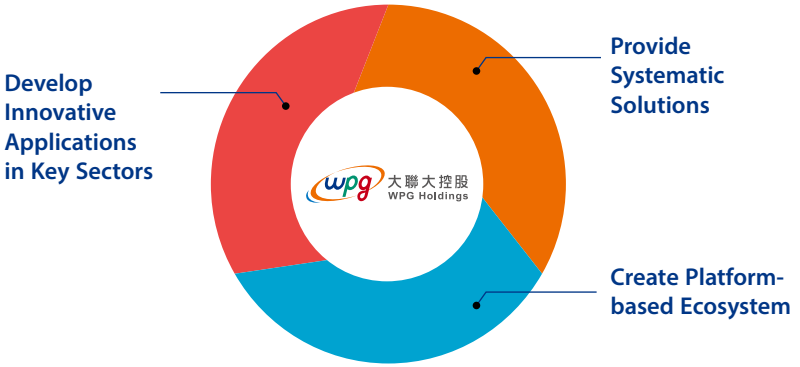
5-2 Cleantech Opportunities

5-2-1 Cleantech Development Strategy

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

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





Provide Systematic Solutions

Develop the ecosystem on a systematic level including technology, talents and capital instead of solely energy-saving and carbon reduction technology to enhance overall application efficiency and increase the possibility for the solution to be adopted. Systematic solution also connects internal and external resources in a more efficient way.

Develop Innovative Applications in Key Sectors

Focus on key niche market and develop high performance and low energy consumption product solutions. In 2020, WPG focused on two key sectors including platinum level power supply and lithium battery management systems for electric vehicles, and both achieved outstanding results.

Create Platform-based Ecosystem

Establish Cleantech Section on WPGDADATONG platform to connect upstream supplier (IDM/fabless) and downstream customers' information and resources to create a sharing ecosystem, and at the same time raise awareness for cleantech solutions. In 2020, cleantech-related solutions were developed for 13 upstream suppliers (IDM/fabless) among 90 product items.

5-2-2 Cleantech Development Results

A total of 112 cleantech-related solutions were developed and published on WPGDADATONG platform in 2020, accounted for nearly 10% of total solutions WPG developed. The 112 cleantech-related solutions covered 9 major application categories, including solar energy generation, wind energy generation, battery manufacturing, smart grid development, industrial automation technology development, smart metering devices manufacturing, LED lighting development, traditional pollution prevention development, and technology and system optimization. In the future, WPG will continue focus on cleantech-related sectors and applications in response to the trend of global climate change and energy shortage.



Application Type of Solutions	Solutions Description
Solar energy generation	80W solar energy charging solution, solar energy boost converter, and low-power consuming solar photovoltaic charging control board solution…etc.
Wind energy generation	Wind energy monitoring solution…etc.
Battery manufacturing	Battery management system (BMS) solutions, electric vehicle BMS solutions, electric tool BMS solutions, modular BMS for high power battery…etc.
Smart grid development	Fronthaul optical module solutions, 10W smart meter power solutions, smart city renewable energy data transmission application…etc.
Industrial automation technology development	Smart composite lock applications, facial recognition for edge computing, mesh smart lighting solutions…etc.
Smart metering devices manufacturing	BLDC bladeless fan solutions, brushless DC motor ceiling fan solutions, wireless Bluetooth headset guage solutions, BLDC water heater exhaust fan solutions, wearable devices SDNN detecting solutions…etc.
LED lighting development	Dimmable LED lighting solutions, high efficiency THD LED lighting solutions, high efficiency 50W LED lighting engine solutions, 35W flyback LED lighting power supply solutions, automobile high and low beam LED headlight solutions…etc.
Traditional pollution prevention development	EV charging solutions, electric motorcycles controlled by permanent magnet synchronous motors, 240W power adapters for PC gaming consoles…etc.
Technology and system optimization	LED lighting energy-saving power adapter solutions, 700W electric wrench solutions, 60W automotive electric water pump solutions, 90W PD3.0/QC4.0 power adapter solutions, high efficiency active power rectifier solutions, 30W wall plug-in adapter solutions, Class 1 TWS Bluetooth speaker design, and ADAS application domain control solution…etc.

5-3 Low-Carbon Operations

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







Major Environmental Management Projects:

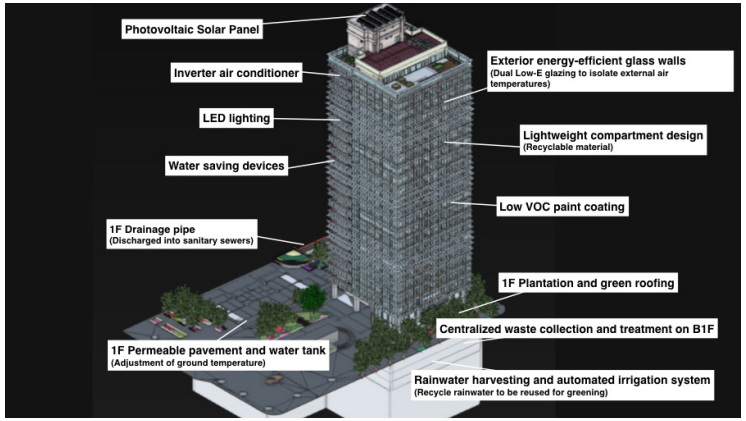
- Set waste reduction targets, and implement waste sorting, recycling and reuse projects
- Regular inspections on water and electricity usage to reduce unnecessary waste
- Promote paperless operation in the office
- Continue to expand the scope of environmental data statistics

5-3-1 Green Building and Office Management

TPE One Building

In 2016, WPG's Board of Directors approved to launch the TPE One Building project and set up headquarter in the new office building. The renovation of the headquarter building was completed in 2020. In November 2020, subsidiaries located in various locations in Taipei City had successively moved into the headquarter for a centralized workforce. By adhering to the concept of "One Building", WPG not only shortened the distance between employees of each group, improved the efficiency of data transmission and communication, but also implemented resource concentration and resource sharing to maximize the use of resources, avoid using unnecessary energy, and reduce carbon emissions to further implement energy conservation and environmental protection.





Green Building Gold Certificate

WPG's headquarter building was designed in 2016 and commenced construction in 2017. With the aim to obtain the Green Building Certificate, the Company used various environmental friendly green building materials and installed energy-saving facilities and equipment. In 2020, WPG successfully obtained Green Building Gold Certificate issued by the Ministry of the Interior.

Energy-saving Equipment and Green Building Material

The green building construction of WPG's headquarter include: dual Low-E glazing for the exterior wall to effectively isolate external air temperatures, reduce energy consumption and CO2 emissions from air conditioning, and uses low-pollution green building materials including low VOC paint for the entire building, gypsum board, calcium silicate board, and laminate hard plastic sheet, with LED panel light ceiling frame and lightweight partition design, as well as 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 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 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 on waste disposal and flow. Sewer and discharge pipe are built on the first floor to discharge all wastewater to the municipal sanitary sewer, and thereby reducing environmental pollution. On the ground floor, centralized waste storage room was established for the classification and treatment of general garbage and recycling, and the refrigerated storage for food waste was set up to increase the value of food waste recycling.

Smart Energy Management

To meet the requirement of Green Building, smart facilities and equipment are installed, such as AI facial recognition access control systems, building energy consumption (water, electricity) and air quality monitoring environmental control system, BIM (Building Information Modelling) smart property management platform, smart multi-functional business machine, smart meeting room, and electric vehicle charging stations. 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.

Office Waste Management

Due to the nature of our business, WPG doesn't produce hazardous waste, and our office waste and storage waste are exempted from the Standards for Defining Hazardous Industrial Waste.

Nevertheless, WPG attaches great importance to office waste management. We encourage and enhance employees' environmental awareness through clear waste separation and recycling and various environmental management measures, in the hope that everyone would take part and dedicate efforts to environmental protection.

Since 2017, WPG Holdings and its sub-groups have advocated resource recycling and carried out classification and weighing of recycled resources to understand the recycling status and implementation results. Nowadays, employees have gradually become more aware of resource recycling. According to quantitative statistics in 2020, the total recyclable waste in the office was 26,706 kg.

Charity organizations such as Tzu Chi Foundation are given the priority for waste and resources recycling (excluding confidential documents, which professional document shredding companies shall handle), while the rest are treated by legal waste disposal companies.

In response to waste reduction, energy saving and carbon reduction, personal trash cans aren't provided at manager's office and employees' workspaces started from November 2020. Trash cans are only be placed in public areas (such as the pantry and toilets), with recycling bins (also for food waste) in the pantry of each floor. Managers and employees are encouraged to sort their personal garbage (including food waste) at any time, which shall then be discarded at the pantry. We hope to strengthen employees' green awareness, and encourage self-management and daily habits to protect the environment.

5-3-2 Environmental Management Data

Statistics of Scope 2 Greenhouse Gas Emission

Unit: Carbon Dioxide Equivalent (tons CO_2e)

Type	Region	2018	2019	2020
Office	**WPG Holdings and its groups**	2,057.57	1,883.97	2,163.97
Logistics warehouse	**Taiwan**	530.55	482.43	488.23
	Hong Kong	840.01	757.92	583.50
	Shenzhen	132.80	N/A	N/A
Total		**3,560.93**	**3,124.32**	**3,235.70**

Note 1: The data collection method is based on the operational control, and Taiwan's calculation standard in 2018 is based on the 2018 discharge coefficient of electric force of 0.533 kg CO2e/kWh released by the Bureau of Energy, Ministry of Economic Affairs, while Taiwan's calculation standard in 2019 and 2020 is based on the 2019 discharge coefficient of electric force of 0.509 kg CO2e/kWh; Hong Kong's calculation standard is based on 2018, 2019, and 2020 discharge coefficient of electric force released by CLP Group, which are 0.51, 0.5, and 0.37 kg CO2e/kWh, respectively; and Shenzhen's calculation standard is based on the latest discharge coefficient of electric force released by China Electricity Council, which is 0.5271 kg CO2e/kWh.

Note 2: GHG emissions in the office area in 2020 covers offices and the headquarter building, excluding overseas offices.

Statistics of Energy Usage

Unit: kWh

Type	Region	2018	2019	2020
Office	**WPG Holdings and its groups**	3,860,363	3,701,306	4,251,414
Logistics warehouse	**Taiwan**	995,400	947,800	959,200
	Hong Kong	1,647,086	1,515,837	1,577,024
	Shenzhen	251,946	N/A	N/A
Total		**7,482,238**	**6,164,943**	**6,787,638**

Note 1: Shenzhen warehouse has moved to an outsourced warehouse in late 2018.

Note 2: The electricity consumption in the office area in 2020 covers the Group's offices and the headquarters building, excluding the solar power panels of the headquarters building and overseas offices.

Units: Gigajoules (GJ)

Type	Region	2018	2019	2020
Office	**WPG Holdings and its groups**	13,897.3	13,324.7	15,305.1
Logistics warehouse	**Taiwan**	3,583.4	3,412.1	3,453.1
	Hong Kong	5,929.5	5,457.0	5,677.3
	Shenzhen	907.0	N/A	N/A
Total		**24,317.2**	**22,193.8**	**24,435.5**

Note: Conversion of 1kWh to 0.0036GJ

Statistics of Water Consumption

Units: 1,000,000 Liters

Type	Region	2018	2019	2020
Office	**WPG Holdings and its groups**	23.107	27.909	36.789
Logistics warehouse	**Taiwan**	5.881	4.669	6.537
	Hong Kong	3.045	1.320	1.358
	Shenzhen	2.950	N/A	N/A
Total		**34.983**	**33.898**	**44.684**

Note 1: 100% of the company's water resources are from water for people's livelihood. According to the WRI Aqueduct tools, water withdrawal is divided based on water-stressed regions. Please refer to Appendix 8-6 for the analysis results.

Note 2: Shenzhen warehouse has moved to an outsourced warehouse in late 2018. There is a sharp drop in water consumption in the Hong Kong warehouse due to reduced work shifts from three to two shifts and reduced number of staff.

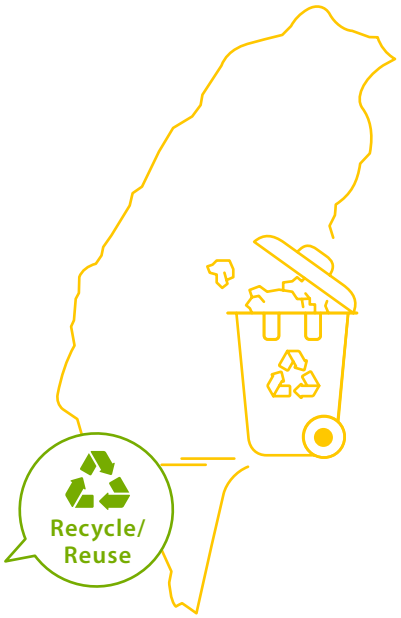
Note 3: Water consumption in the office area in 2020 covers the Group's offices and the headquarter building, but excludes overseas offices, SAC Group, and AIT Group, which shall be incorporated into management in the future to improve operational efficiency.



Statistics of Office Waste

Units: Kg

Statistics of Warehouse Waste	2018	2019	2020
IC products	1,680	145	1,840
Paper	13,789	13,401	24,006
Bottles / plastics	559	596	663
Iron aluminum can	210	219	197
Total waste volume	16,238	14,361	26,706



Note 1: There were no statistics on the volume of general waste incineration

Note 2: The data does not include overseas offices



Statistics of Warehouse Waste

Units: Ton

Type of Waste	Process	Region	2018	2019	2020
General Waste	Incineration	Taiwan	51	51	57
		Hong Kong	142	140	150
Recyclable Waste	Recycle and Reuse	Taiwan	24	28	21
		Hong Kong	190	191	195
Total Waste Volume			**407**	**410**	**423**

Note: Disclose relative information only for warehouses in Taiwan and Hong Kong since Shenzhen warehouse has moved to an outsourced warehouse in 2018.

Statistics of Paper Usage

Unit: Number of Papers

Year	2018	2019	2020
Taiwan (number of papers)	**4,176,486**	**4,025,591**	**3,686,828**

Statistics of Recycled Cardboard Boxes

Units: Kg

Recycled Cardboard Boxes	Region	2018	2019	2020
Consumption	Taiwan	48,000	37,000	35,000
	Hong Kong	128,000	150,000	141,000
	Shenzhen	42,250	N/A	N/A
Total		**218,250**	**187,000**	**176,000**

Note 1: Consumption of warehouse in Taiwan reduced by 19% in 2019 compared to 2018 due to decreased inbound volume.

Note 2: For the Hong Kong warehouse, enhanced education and advocacies to employees on a regular basis in recent years have raised employees' environmental and recycling awareness, which led to an increase in the effectiveness of recycling boxes usage relatively.

Note 3: Shenzhen warehouse moved to an outsourced warehouse in late 2018.



6 Talent Transition

6-1 Talent Development

6-2 Salary Appraisal

6-3 Work Environment

Employee Compensation and Care

Market Position and Labor Relations

Commitment

- Follow local labor related laws and regulations
- Build a sustainable workplace and happy enterprise

Policy/Management System

- Establish personnel rules and regulations and welfare policies
- Attach great importance to the rights and interests of employees, advocate and internalize the concept of human rights
- Improvement of remuneration policy

Policy/Management System

- Physical mailbox
- Complaints mailbox: wpgh_hr@wpgholdings.com

Assessment Mechanism

- Review and ensure full compliance with local labor regulations on a regular basis
- Internal audit and internal control to review whether operations comply with the payroll cycle regulations
- Appoint external consultants to conduct compensation surveys in Greater China to ensure external competitiveness of the company's compensation levels

Talent Utilization and Development

Training and Education

Commitment

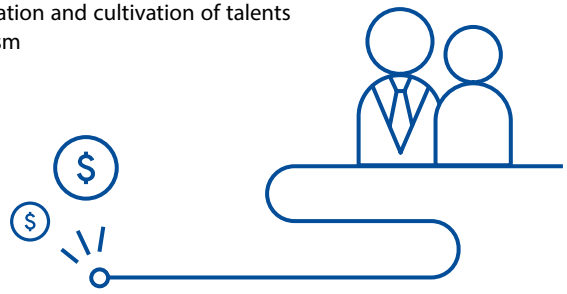
- Cultivation of industry talents

Policy/Management System

- Improve organizational capabilities by changing mindsets, enhancing capabilities, and establishing mechanisms
- Enhance self-learning through online learning platform
- Plan relevant development and training for employees of different functions and fully implement the plan

Assessment Mechanism

- Evaluate the achievements on utilization and cultivation of talents via performance appraisal mechanism



Occupational Health and Safety

Occupational Health and Safety

Commitment

- Provide care for the physical and mental health of employees, and create a friendly and safe work environment

Policy/Management System

- Formulate health promotion measures and arrange regular employee health check-ups
- Set up medical consulting room, and designate nursing staff to provide employees with daily health care and consultation

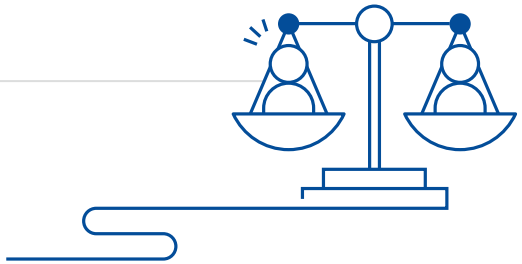
Grievance Mechanism

- Collect employee opinions and feedback via online questionnaires
- Complaints email address: wpgh_hr@wpgholdings.com

Assessment Mechanism

- Optimize measures and environmental facilities by collecting employee opinions and feedback
- Regular health check-up for employees by professional medical staff

Human Rights and Equality



Non-Discrimination/Freedom of Association and Collective Bargaining/ Child labor/Forced or compulsory labor/Rights of indigenous peoples

Commitment

- Establish work environment with diversification, dignity and equality
- Track and manage cooperative partners' implementation of human rights in the value chain

Policy/Management System

- Regular supplier evaluation and management
- Respect labors' basic rights and equality in the work environment

Assessment Mechanism

- Evaluate suppliers' work environment through questionnaires
- Implement labor rights in compliance with relevant laws and regulations

In correspondence to corporate vision of "the First Choice of Industry; the Benchmark of Distribution", WPG's vision on Human Resources Management is to become" the first choice of the workplace; the benchmark of talents". The human resource management aims to: 1. Improve organizational capabilities: Enable best organizational performances. 2. Support employee value: Establish good talent management and development mechanisms, and achieve a win-win outcome for the organization and employees.

According to Professor Kuo-An Yang's Y-Triangle Theory (as the figure below), organizational skills mainly focus on three aspects: employee capabilities, employee concept, and employee governance. Hence, based on these three aspects, the plans for talent development are as follows:



Employee Mindset

We hope that our employees develop positive attitude when facing challenges and rapid changes in the business environment, competition, demands, technologies, and policies. In 2020, WPG promoted growth mindset by providing a list of reading topics on the external learning platform every quarter, with special lectures for employees to develop positive attitude at work and grow together with the company.

Employee Capabilities

In 2019, WPG conducted interviews, discussions, and analysis among top level management with the support of an international management consulting company, and established organizational capabilities in compliance with WPG strategies. "2025 WPG Competency" covers 6 main talent development topics including "VUCA Resilience", "Customer Value Creation", "Decision-Making and Implementation", "Innovation and Collaboration", "Recognition", and "Talent Development". In 2020, relevant promotions and training for WPG Holdings, logistics support centers in China, and logistics units in the Greater China Region were conducted.

Employee Governance

"Employee Governance" focused on creating atmosphere and mechanism that stimulates and encourages the development of "Employee Mindset" and "Employee Capabilities," with the aim to strengthen "Organizational Skills". In 2020, by introducing performance management system modules, WPG's performance management gradually switched from "control-oriented" to "development-oriented". In addition to attaching great importance to "performance results", WPG's supervisors also pay more attention to cultivating employees' "ability to achieve performance goals." In 2020, WPG further promoted the OKR spirit and mechanism, so that in addition to paying attention to the KPI of "doing things right," WPG's top level management gather team consensus from future perspectives and concepts to reach the goal of "doing the rights thing for the future" together with the team.

6-1 Talent Development

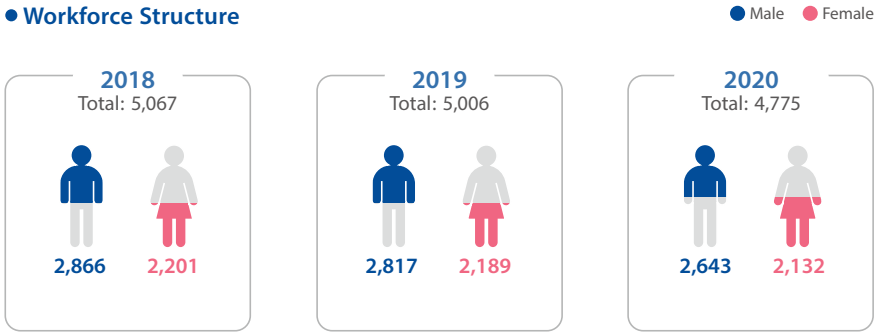
6-1-1 Human Resources Structure

In order to ensure equal employment opportunities, the appointments of WPG and its subsidiaries 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 2020, WPG had a total of 4,781 employees, of which 4,775 are full-time employees. Due to manpower allocation optimization, the total number of employees in 2020 is lower than 2019. There has been little change in labor allocation and structure. In terms of gender, the total number of women and men were 2,132 and 2,643 respectively, accounting for 44.65% and 55.35% of total employees. In terms of age, the majority of employees are within 31-40 years old, accounting for 39.92% of total employees. In terms of education level, employees mainly graduated from colleges and universities, accounting for 84.10% of total employees.

In terms of turnover, there were 450 new employees in 2020, which represented 9.42% of total employees, while a total of 671 employees resigned, with a turnover rate of 13.71%. Among them, WPI Group's human resources management policy in 2020 focused on internal talents transfer for recruitment needs. Therefore, WPI Group's new employment proportion is lower than employee resignations rate.

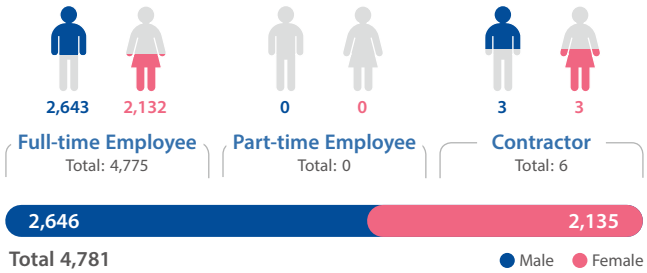
● Workforce Structure

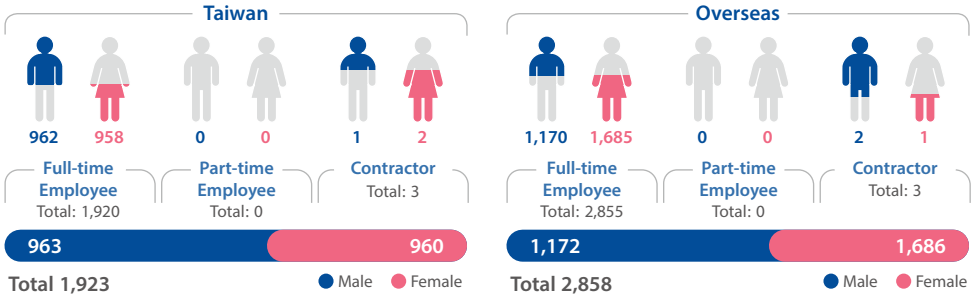


● Employment Rate of the Disabled

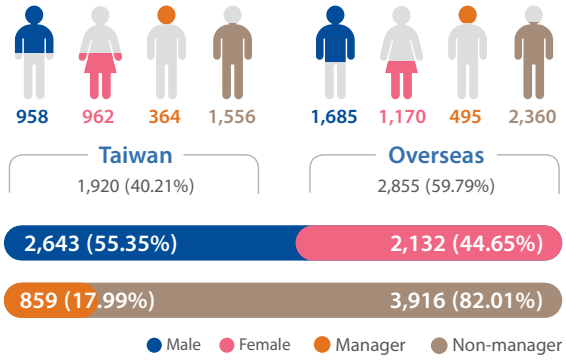
Year	2018	2019	2020
No. of employment/employment rate of the disabled (Taiwan)	8/0.42%	8/0.42%	9/0.47%

● Workforce Structure by Contract Type





Gender and Positions for Full-Time Employees in Different Regions



Distribution of Female Employees Positions

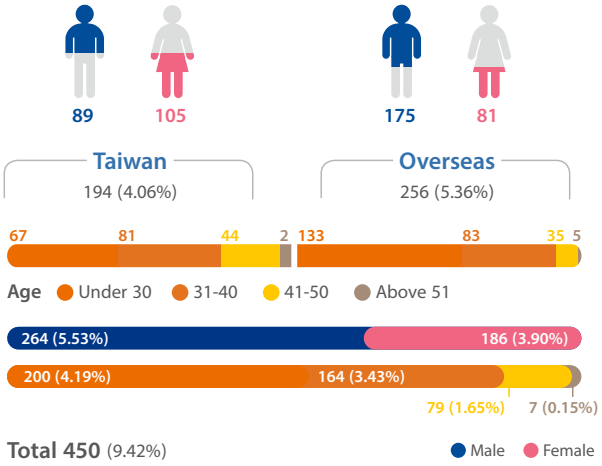
Title	Ratio
All staff members	44.65%
Overall management	29.80%
Junior Management[1]	36.35%
Middle Management[2]	19.25%
Senior Management[3]	8.93%
Sales Supervisors[4]	24.68%
STEM positions[5]	14.85%

Note 1: Junior management refers to the managerial position which is the same or below the position as Managers
Note 2: Middle management refers to the managerial position, which is the same as Associate Managers and Directors
Note 3: Senior management refers to a managerial position which is the same or above the position as CXO
Note 4: Sales supervisors refer to front-end business units such as the sales department, but does not include administrative units (such as the HR, IT, and legal affairs departments)
Note 5: STEM positions refer to positions related to science, technology, and engineering (such as IT, FAE, R&D personnel and logistics engineering professionals)

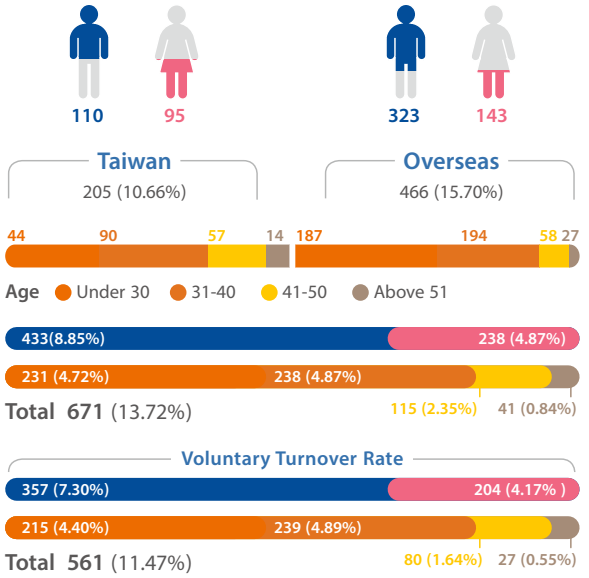
Gender and Position Distribution of Full-time Employees with Different Ages and Education Level

Item	Age Profile	Gender		Age		Total	Percentage (%)
		Female	Male	Manager	Non-manager		
Age	Under 30	476	439	6	909	915	19.16%
	31-40	901	1,005	187	1,719	1,906	39.92%
	41-50	618	892	435	1,075	1,510	31.62%
	Above 51	137	307	231	213	444	9.30%
Education	Below high school	169	208	38	339	377	7.90%
	Bachelor's degree	1,866	2,150	705	3,311	4,016	84.10%
	Master's degree	96	282	114	264	378	7.92%
	PhD degree	1	3	2	2	4	0.08%
Total		44.65%	55.35%	17.99%	82.01%	100%	100%

Number of Newly Hired Full-time Employees



Number of Resigned Full-time Employees



6-1-2 Talent Development Framework

Given rapid changes in the current business environment, competition, demand, technology and policies, WPG provides future thinking courses for top level management in cooperation with college professors. The current decisions and actions often affect our attitude towards the future. Therefore, to be prepared for the future, we have to understand it and consider it. Through this course, senior management may learn how to stay proactive, predict opportunities and crises, and solve problems with forward thinking mindset, thus leading the organization to formulate innovative strategies, enhancing organizational consensus and momentum, and creating competitiveness with new concepts.

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

● Implementation of Professional Skills Cultivation

The cultivation of employee's competitiveness and the creation of an 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.

General training program
Newly-employed personnel

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

Course goal: To help the newly-employed personnel understand the company and function as a team to gradually develop professional expertise at their workplace, and to familiar them with information tools to enhance work outputs and effectiveness.

Professional training program
Products staff / Business staff

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.

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

Management
Middle and top level management

Middle and top level management courses, trends and mindset.

Course goal: Continue to develop capabilities of middle and top level management in accordance with the requirements of organizational developments, operational competitions and human resource layouts.

● Training hours, number of participants and costs in recent years

Unit: NT$

Year	Number of Participants	Total Training Hours	Total Training Cost	Average Training Hours per employee	Average Training Cost per employee
2018	5,067	52,377.09	12,013,350	10.34	2,370.90
2019	5,006	50,617.20	14,784,796	10.11	2,953.42
2020	4,374	52,641.00	7,827,037	12.03	1,789.45

Unit: NT$

2020		Total Training Hours	Number of Employees	Average Training Hours per employee	Number of Employees Attended Traninig
Gender	Female	22,927	2,132	10.75	14,491
	Male	29,714	2,643	11.24	17,031
Title	Manager	10,561	859	12.29	4,804
	Non-manager	42,080	3,916	10.75	26,718

6-1-3 Education and Training of Each Group

Due to each WPG Holdings' subsidiaries' unique characteristics on business policies and organizational cultures, different training and development resources are used to present a variety of learning features.

WPG Holdings

The advancement of technology has led to rapid changes in the market with unpredictable external factors. In response, WPG Holdings needs to improve employees' comprehensive thinking and ability to face future challenges. The main focus of training development in 2020:

Quarterly Soft Skills Lecture

In the first quarter, lecturers shared how to face challenges in life with enthusiasm and courage. In the second quarter, lecturers share how to face environmental and organizational changes with positive attitude without being affected by functional fixedness. In the third quarter, we lead you on a journey on discovering your unknown self. In the fourth quarter, the company plays movies as a medium for self-exploration of participants, so that they have the incentive to make changes, and learn from the story.

Goal Setting and Performance Management Course

Training courses on goal setting and performance management for middle management and management associates, in order to improve their management concepts and skills in goal setting, competency, and performance appraisal interviews and monitoring.

Competency Experience and Talent Development Course

In 2019, WPG set the 2025 Competency together with the world-renowned management consulting firm. In 2020, we conducted training and promotions for WPG Holdings, logistics support centers in China, and logistics units in the Greater China Region. We will also train supervisors to observe and evaluate employee behaviors and functions to formulate plans for employee development.

WPG Elite Class - Business Environment Analysis Workshop

In order to cultivate future talents, WPG continued to appoint professors to guide the Elite Class in decision-making and future development in 2019 with strategic thinking to study possible business models. In 2020, corresponding to COVID-19 pandemic and dramatic changes in the business environment, participants of WPG's elite class discussed and analyzed the changes and opportunities in the business environment after the COVID-19 pandemic using business model design techniques. This enables WPG to discuss methods of helping customers to solve problems and cultivate company's successors.



Application of Digital Tools

Due to the COVID-19 pandemic in 2020, in-person lectures have switched to live streaming, and the number of participants in each session increased from 100 to over 300. After the lecture, the video is opened to individuals who were unable to participate. Students in the elite class learn to use different digital tools for online discussions, while live streaming can quickly enhance their competency experience. The COVID-19 pandemic has accelerated digital learning and education, reflecting the 2020 theme of soft power and developing growth mindset when facing future changes.





Operational Performance Impact of Education and Training

Course	Course Goals	Operational Efficiency	Participants	Evaluation of Training Results
Competency Experience and Talent Development Course	Training supervisors to evaluate employee behaviors and functions to formulate plans on employee development	Evaluate employee skills with consistent standards, establish long-term talent utilization strategies for sustainable development in the organization	Holding company: Junior/ middle/ senior management, a total of 89 employees.	Course satisfaction rate of 4.38 out of 5, and the trained managers' usage of competency indicators to identify outstanding employees

WPI Group

Taiwan Managers' Exchange Conference

To implement E-work, WPG not only promoted the WPGDADAWANT digital platform, but also performed analysis and transformation, redefined its value, optimized its business model, and executed strategies. Seamless information flow between physical and virtual channels emphasized the idea of cutting cost to reduce unnecessary waste of time in trading between customers and enterprises, which created new highs for business operations via top level management strategic thinking, exchanges in business management concepts, and common language between managers. In 2020, a total of 4 sessions were held with 296 participants.

Introduction of Product Lines

Help business personnel understand WPG's major product lines, including the brand history, location, revenue, market position, organization, product type, and ordering method. Help sales staff increase market knowledge and provide more solutions when dealing with customers with higher distributor/agent value. In 2020, 7 product lines lectures were conducted, with a total of 2,431 participants.

New Supervisor Training

In order to enable first-time managers to understand the main points of administrative operation management from the perspective of management and improve work efficiency, the education and training unit invites logistics personnel to explain the purpose of general approval forms, and procedures and work items that require supervision and control during operations, as well as educates the manager on interpreting management data. In 2020, a total of 4 themes were held with 86 participants.

Professional Training

Managers share their work experience to help employees reduce operational risks, and improve work efficiency, functions, professional knowledge, sales skills and overall workplace capabilities, thereby achieving better customer and IDM/Fabless satisfaction and loyalty, and become an efficient organization as the first choice of IDM/Fabless and customers. In 2020, a total of 15 themes were held with 1,306 participants.

Operational Performance Impact of Education and Training

Course	Course goals	Operational Efficiency	Participants	Evaluation of Training Results
Introduction of Product Lines	• Increase sales' general knowledge on the product line and the basic information and main products of each product line • WPG's sales promote product together with PMs, providing customers with more selections, and showing the value of distributor/agents.	• Help establish a common company language between the PM and sales for better communication and work efficiency. • Support sales in understanding the market trends and products, enabling them to provide customers with more services and thereby seize more business opportunities.	Non-management level sales and sales assistants of WPI Group	Course satisfaction rate of 4.83 out of 5, translating to an average test score of 88.89 (total of 100 points). This effectively enhances the sales' general understanding of the product line and customer service quality while gaining customer recognition and loyalty

SAC Group

To strengthen SAC's management talent skills and team consensus in response to the rapidly changing external environment and the organization's future development needs, SAC's training this year mainly focused on talent evaluation and function building to establish SAC management functions and strengthen the concept of business models, in order to achieve mutual assistance within the team, and in the hope that SAC's management talents will lead the organization towards its goals.

Talent Evaluation Project

To ensure all management levels have the skills required for the organization's future development, the Company has set up management functions for all of SAC's management levels. It evaluates existing management talents from multiple perspectives. The inventory results will be the main focus of SAC's management talent development in 2020-2025.

Develop Group-level Functions

Begin with the end in mind and from the perspective of organizational strategy, the company believes that employees should have specific skills for specific positions, with talent development for skills in the next position, skills on daily management, and to solve existing problems.

270° Multi-dimensional Assessment

Provide objective views of the current situation of internal talents by use of multiple tools and methods for better cultivation of the company's internal talents, and provide feedback from the perspectives of different talents for talents to become aware of their strengths and weaknesses for future development.

Departmental Product Training

The product department arranges product training courses for relevant business units on a regular basis, sharing the latest product-related information and industry trends via online courses, so that sales staff can understand product information and identify product features.



AIT Group

Introduction of Product Lines to New Employees

In response to market and product change, a special product course is conducted to introduce production lines to new employees, so that new production assistants, sales assistants, PM, and sales can quickly understand product line, and become more familiar with the company businesses.





Region	Session	Number of participants	Training hours
Taiwan	2	79	143.5

Office Software Applications

Continue to provide Excel and presentation courses to strengthen practical Microsoft Office skills of colleagues.



Region	Session	Number of participants	Training hours
Taiwan	8	244	374
China	3	89	411.5
Total	11	333	785.5

Digital Education and Training

Some courses were conducted using e-learning platforms to comply with COVID-19 pandemic control regulations and to reduce clusters. Set up Teams channel to provide online learning courses on the platform for autonomous learning. The course content contains detailed operation instructions and video-based operating instructions to provide more diversified and flexible learning methods. The course mainly focused on basic Excel skills, including Excel spreadsheet application and practical tools.



Operational Performance Impact of Education and Training

Course	Course goals	Operational efficiency	Participants	Evaluation of Training Results
Office software application - Excel practical skills	Employee digital skills training, education on digital tools and practical operations for employees to work effectively with the correct tools available	Support employees to apply the skills in their professional fields and improve work efficiency	All employees of AIT Group	Course satisfaction rate of 4.9 out of 5. Based on course feedback, the contents are similar to work requirements. Function learning was practical, and digital tools may effectively improve work efficiency.

YOSUN Group

Talent Training for Middle Level Management

Training focused mainly on accountability and leadership to achieve YOSUN's business strategies and to cultivate new generation of potential middle level management. In response to COVID-19 pandemic, live streaming was adopted for online lectures, with 38 mandatory participants. Video records are provided for all employees as optional courses.

- The start of accountability - clear definition of key results
- Outcome pyramid: Outcomes/ actions/ faith/ experiences
- Show personal accountability: Accountability steps - below/ above standard levels
- Motivation of accountability: The Accountability Cycle - Inner/ Outer Circle

Forward-looking Elite Class



In order for inheritance and internalization of the high-quality cultural/ hard power of YOSUN's employees, a two-day course for Forward-Looking Elite Class was planned for potential front-end staff including PM, sales and FAE planned based on horizontal thinking and Xmind tool. Participants are divided into teams for group discussions and expert analysis. In the future, the courses will be conducted in the form of annual refresher training and thematic courses, with 26 participants as the first class of training.

PM/SALES Professional Training: Practical Exercises and Experience Sharing

In order to enhance the professionalism of YOSUN's PM and sales staff, we arranged offline internal/ external lectures, which include internal experience sharing, and external marketing strategy practices. In addition, we set up online courses during the spread of the COVID-19 pandemic including DDR inventory management software practices for improvement in the professional capabilities of YOSUN's PM and sales staff. There were 5 courses, with a total of 207 participants.

Line Mgr is HR Mgr Professional Training

For front-end managers, the training includes recruitment, selection and interview skills, OKR management by objectives, and goal setting concepts to develop the connotation of management. Six in-person courses were conducted with a total of 249 participants. On the other hand, the new online course involves performance appraisals and remuneration policies.



Soft Skills Lecture





Leading employees to face challenges, appoint high-quality professional lecturers, with "Change" as the main theme, and invite all employees to use online live broadcasts to encourage self-development during the COVID-19 pandemic. The maximum number of viewers reached 271 during a premier live online broadcast. The lecture also provided video replay on an online learning platform.

YOSUN i-Learning Training Platform

YOSUN established the i-Learning training platform so that education and training will not be interrupted by the COVID-19 pandemic, with more diversified ways of sharing. Horizontally structure involves four aspects: Live broadcast review, online fun learning, business notes, and YOSUN e-lecture hall, which horizontally connects physical courses including: PM/SALES Professional Training_Practical Exercises and Experience Sharing, and Line Mgr is HR Mgr professional training. The experience sharing series include Sales DDR inventory management system application, the keys for inventory management, and sales customer relationship management skills. Business notes included 9 shared

YOSUN Group

articles. YOSUN's e-lecture hall is a dedicated section for Live Streaming, which provides diverse learning environment for employees during the COVID-19 pandemic, enabling the continual development of employee skills. In the first year after the website is set up, there were a total of 3,051 views from 630 viewers (participated and accessed by 96.5% of YOSUN Group's employees).

Operational Performance Impact of Education and Training

Course	Course goals	Operational efficiency	Participants	Evaluation of Training Results
Talent training for middle level management	Accountable leadership	The consumer electronics industry has a meticulous division of labor, as the workers focus on individual tasks and closely cooperate with each other. This is similar to ship crews having different roles and important tasks on a ship to ensure smooth operations, in order to meet the technical requirement and to be on schedule, and ensure the ship's successful arrival at port	Outstanding staff of YOSUN Group that has been selected by CXO and head of division	Course satisfaction rate of 88.96 out of 100, which motivates employees on accountability by facing reality (See it) and taking responsibility (Own it) based on their professional maturity. The last two steps of accountability are as follows: Solve it and Do it

WPG Hackathon

In 2020, the 2nd WPG Hackathon was held for IT companies to foster the intellectual excitement of IT personnel and to enhance employee creativity and technical skills. The competition themes are specified according to various IT departments' internal needs, focusing on three aspects: Microsoft Office 365 Productivity Tools, streaming workflow, and data analysis.

Pre-hackathon webinar

Date	Theme	Hours (h)	Number of viewers
May 6	DSU Course Introduction	0.5	127
May 8	Data source storage – File vs. DB	0.5	138
May 22	Data source storage - Graph DB	0.5	101
June 5	Data Explore	0.5	93
June 19	Data Explore II	0.5	58
July 3	Data Model	0.5	60
July 17	Data Model II	0.5	54
July 31	Data Visualization I - Data Studio	0.5	52
August 14	Data Visualization II - Power BI	0.5	54
August 28	Version Control for Code	0.5	56
September 11	Version Control for Data & Model	0.5	45

There are **11** courses, with a total of **145** participans

a total of ***838*** views

WPG Hackathon

10 teams participated in this year's Hackathon, including IT teams from Taiwan, China, and Singapore. Each team discussed and implemented 10 different topics in 2 weeks, and exhibited their results on site and by live streaming on December 5, 2020. There were about 85 on-site participants and 136 online participants. 3 industry and academic experts were invited as judges, and 3 top award winning teams and 1 Popularity Award team were selected from 10 teams. Hackathon solutions can solve practical problems related to products, and be adopted in the automated processes. The Hackathon activitiy also allows employees to take up challenges to better adapt digital transformation and future changes.





6-1-4 Digital Talent Training and Transition

WPG upholds the concept that "the basis of corporate transformation often starts with the introduction of digital tools. Tools can change behavior, behavior can change ideas, and ideas can change thinking patterns." Since the digital transformation in 2015, various units have successively introduced digital tools for their work. The recent global COVID-19 pandemic has accelerated the implementation of WPG's digital and online education and training, using cloud systems, live streaming, and online digital tools and functions such as questionnaires/ tests, allowing education and training to break through limitations of time and place, and greatly reduce corporate training costs.

● Application of Digital Tools

In response to COVID-19 and the introduction of Microsoft Office 365, the IT Service Center conducted Employee IT Skills Courses and used digital tools to switch from offline to online education and training.

Themed courses	Sessions/ number of participants
Introduction of O365 new functions - Front-end businesses	22 sessions/ 580 participants
Group Teams M365 Education and Training	15 sessions/ 571 participants
New employee training in the Greater China region (IT system and digital tools)	12 sessions/ 87 participants
Nangang Headquarters - Smart Meeting Room Practice Seminar	10 sessions/ 222 participants
Information Service Center Monthly Live Streaming Conference	8 sessions/ total of 10,820 participants

2020 Live Streaming		Number of participants
April	File transfer seminars and transfer suggestions	2,108
May	WPGH IT Public Website	908
June	Instructions for M365 Phase 2 Introduction	1,582
July	Teams Functions & SSO	1,270
August	More Teams Functions & Self-Service Password	990
September	Easy-To-Do Forms and Questionnaires	1,034
October	TW One Building	1.225
December	Microsoft Information Protection (MIP) (with legal affairs)	1,703
Total		**10,820**

In a work environment with technological empowerment, the IT department and all other units actively trained talents in digital skills. For example, the training course of WPG's financial department in 2020 includes "Power BI data interface and Power Query application training" and "VBA application training". The Marcom marketing team also conducted digital learning courses such as "Google Analytics (GA)" and "GAIQ Chinese Exam Discussion".

● Digital Learning Resources

Introduce external resources by subscribing electronic magazines, such as Business Review, Business Weekly, and Business Next, in order to broaden employees' learning perspectives and enable them to keep in line with new digital knowledge and global trends. Encourage self-regulated learning, create a digital learning culture, and join the corporate digital learning platform — Common Wealth Leader Campus (CWLC), accessed by 1,066 people in 2020, while 122,012 articles have been read.

● Online Education and Training

The company's internal education and training gradually changed from in-person to online courses. WPI Group organized digital training courses for new employees and first-time managers on the LMS system. WPG's routine training courses included annual trade compliance training, legal services, knowledge popularization and advocacies, which have all switched to online lectures. Meanwhile, we developed themed courses related to professional training and innovation, such as legal planning, protection of confidential information, legal compliance education and training courses and "Intellectual Property U anD ME" in Taiwan and China.

6-2 Salary Appraisal

6-2-1 Salary Planning

● WPG Remuneration Policy

WPG has dedicated efforts in formulating the "Talent Policy" and "Remuneration Policy" under a win-win situation for the company, employees, investors and other stakeholders. These two policies are the two cornerstones for creating a "sustainable workplace" based on the company's sustainable development goals.

WPG's "Talent Policy" emphasizes that "talent attraction" and "talent cultivation and retention" are equally important, focusing on both "performance" and "growth". Thus, WPG's remuneration policy not only emphasizes fair and open "clear rewards and punishments", but also focuses on three major principles: "position-based salary", "skill-based salary adjustment", and "performance appraisal".

Position-based Salary

WPG's "guaranteed salary" is based on job positions and related knowledge and skills in order to attract talents.

Skill-based Salary Adjustment

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

Performance Appraisal

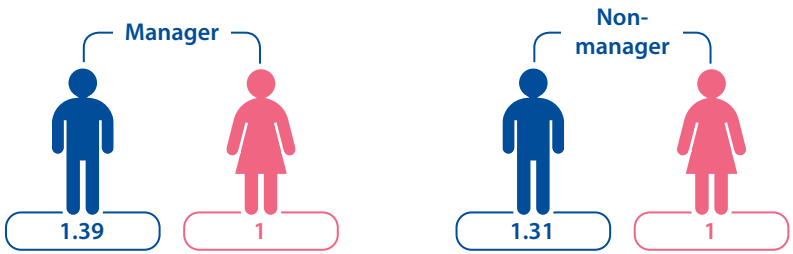
Since WPG promotes the core value of "Teamwork", WPG's "Variable Pay" is based on the concept of "Grow Together, Strive Together, and Win Together", with the first priority of pursuing overall benefits and performance, followed by the performance of each sub-group and the individual performance. "Salary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

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

In 2020, the ratio of the standard salary for junior level employees (no difference between genders) to the minimum wage in Taiwan was 1.09:1, which is higher than the local basic salary.

● 2020 Gender Pay Ratio

Note: The statistical range covers WPG (Taiwan).



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

Item	2019	2020	Difference
Number of Non-managerial Full-time Employees (units: person)	976	993	17
Average Salary of Non-managerial Full-time Employees (Units: NT$ thousand)	1,329	1,262	-67
Median Salary of Non-managerial Full-time Employees (Units: NT$ thousand)	1,037	1,067	30

Note: The statistical range covers WPG, WPI and YOSUN Group.

6-2-2 Performance Appraisal

● Appropriate Performance Evaluation Mechanism

For WPG's performance appraisal, goals are set at the beginning, assessments are then carried out, and appraisal is conducted at the end of year. In 2020, WPG 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 in all management levels so that the goals of employees are consistent with that of the organization. Furthermore, 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 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 2020, 97.89% of the qualified employees completed the performance appraisal.

6-3 Work Environment

6-3-1 Diversified Employee Welfare

WPG 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, such as employees' birthday leave, employee health checks, flexible working policies and various leisure activities, subsidies for car loans, vehicle maintenance, fuel, and vehicle depreciation of front-end personnel. The basic welfare items meet employees' working requirements. Diversified welfare creates 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 on their work performances.

In order to make up for the lack of social insurance coverage for employee retirement in Taiwan, WPG encourages employees to plan for retirement in advance. In 2020, Employee Stock Ownership Trust was introduced. All WPG employees with over one year of work experience may enroll as committee members and deposit fixed amount every month, where WPG Holdings and its subsidiaries in Taiwan offer matching amount as additional benefit. This provides better retirement life for employees and provides diversified profit sharing mechanism to attract and retain talents, encouraging employees to work together with the company to achieve a win-win situation. 91.1% of total eligible employees have participated in the first round of application.



Note: All employees in Taiwan enjoy basic welfare

Since WPG is committed to providing a child-raising friendly workplace, parental leave measures in accordance with relevant laws and regulations are formulated, nursing rooms are set up. WPG's WPI Group kindergarten has operated for 19 years to provide childcare for employees' children. Employees may work without worrying about their children and see their children grow up healthily.

● Parental Leave

Statistics of Parental Leave	Male	Female	Total
Number of employees eligible for parental leave in 2020	113	116	229
A: Total number of applicants for parental leave in 2020	0	8	8
B: Number of applicants for reinstatement in 2020	1	4	5
C: Actual number of reinstatement in 2020	1	3	4
D: Number of applicants who extends the reinstatement deadline in 2020	0	1	1
E: Number of people who continue to work for over a year after reinstatement in 2019	0	9	9
F: Number of reinstatement in 2019	0	9	9
Employee reinstatement rate%= C/ (B-D)	100%	100%	100%
Retention rate%= E / F	N/A	100%	100%

● Retirement System

Retirement reserves are allocated on a monthly basis: WPG Holdings and its sub-groups are subject to the pension provisions of the Labor Standards Act and allocate pensions on a monthly basis under the supervision of the company's Labor Pension Fund Supervisory Committee. The pension fund is deposited in the Bank of Taiwan, which is responsible for handling receipts, expenditure, custody, and utilization.

Individual labor pension accounts: The pension systems of WPG Holdings and its sub-groups are subject to the Labor Pension Act. The company shall deposit a labor pension of no less than 6% of the employees' monthly salary as approved by the Executive Yuan in the employee's individual labor pension account set up by the Bureau of Labor Insurance.

6-3-2 Human Rights and Labor-Management Communication

WPG Holdings attaches great importance to employee rights and interests, and has formulated and announced the "WPG Human Rights Policy" in 2020 with reference to relevant regulation of "The United Nations Universal Declaration of Human Rights", "The United Nations Global Compact" and "International Labor Organization Convention". WPG has dedicated efforts in safeguarding the basic human rights of employees, suppliers and stakeholders, with strict compliance with local laws and regulations, and continued to improve the management of human rights issues in cooperation with its partners, while conducting human rights education and training courses to establish a more favorable, free, fair and respectful work environment. (Note: Human rights related education and training were not implemented in 2020.)

WPG Human Rights Policy

WPG has established labor-management communication mechanism to consider employees' opinions and review and improve the company's business management based on their opinions. With that, the company can develop a better organizational communication culture, establish a basis for mutual trust between the company and employees, and continuously improve and learn from each other to achieve sustainability in the company's management and employee development.

Create a diversified and public grievance mechanism. There were no labor disputes and employee complaints in 2020.

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

Instantly publish announcement through internal portal
Publish immediate announcement or major announcements through internal portal.

Set up grievance channels to listen to the "New voices & Voices from Heart" of employees
Allow employees to express their opinions and provide feedback in any kind, including orally, internal website/ complaints mailbox, or by sending e-mail to the HR Department.

Labor-management quarterly meetings are held on a regular basis
Relatively important labor issues are discussed at the meeting to reach consensus between employers and employees. In response to COVID-19 pandemic, several meetings were conducted online.

● Protection and Advocacy of Human Rights

Human Rights Policy Statement

"WPG Human Rights Policy" is announced on the website

Announcement of Work Rules

The work rules released can be reviewed by employees, stipulating human rights protection measures including the prohibition of forced labor and child labor, protection of women's rights, anti-discrimination, and anti-harassment.

Employee Code of Conduct

Sexual Harassment Prevention

● Workplace Sexual Harassment Prevention



Advocacy or training

358 **trained employees**

● Workplace Sexual Harassment Reporting Process

Employees can appeal to the Human Resource Department when they encounter sexual harassment in the workplace. The company has set up a complaints mailbox for employees to submit their appeals orally, in writing or 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 for Workplace Sexual Harassment

If sexual harassment was verified to be true after investigations, the company may, depending on the severity of the case, punish the complainant's counterpart in accordance with Work Rules and other relevant regulations, with subsequent follow-up and supervision to avoid 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 Work Rules and other relevant regulations.

Number of discrimination or harassment complaints in 2020: 1

6-3-3 Employee Health and Safety

● Friendly and Safe Workplace

WPG attaches great importance to employee health and safety, and dedicates efforts in maintaining the environment and equipment repair, including office cleaning, disinfection, and driveway skid prevention maintenance. Meanwhile, public safety advocacy courses are arranged from time to time, including general safety and health education, occupational accident prevention, disaster prevention, and fire drills, to strengthen employees awareness and knowledge on safety management.

2020 education and training course	Training hours	Number of participants
Disaster prevention knowledge for new employees	194	194
General safety and health education and training	104	104

WPG headquarter office building in Nangang Software Park was launched in November 2020, with a total of 2,000 employees of WPG Holdings and its sub-groups, achieving the milestone of "TPE One Building" to provide a more friendly and safe work environment.

Headquarter Building Structure and Facilities

The construction of headquarter building was completed in 2020. During construction, WPG entrusted professional units to conduct inspections in accordance with relevant laws and regulations, such as foundation investigation and structural assessment (including the analysis of load capacity, earthquake resistance and wind resistance). In addition, fire safety equipment was installed in the building according to the regulations, including fire protection (fire extinguishers, automatic sprinklers), alarms (automatic fire alarm and emergency broadcasting system), evacuation equipment (exit signs, emergency lighting, and escape sling) to ensure the safety of the structure and facilities of the building. Meanwhile, the company established a disaster prevention center in accordance with laws and regulations, and installed display devices and controls of various disaster prevention equipment in the disaster prevention center (including CCTV stand on the entrance and exit) to facilitate real-time monitoring, decision-making and processing.

The headquarter building was built to meet product line testing and R&D requirements in compliance with laws and regulations. In addition to dedicated laboratory space on the floors of each group, the company also formulated a special plan to build laboratories with professional functions on specific floors (including computer rooms) so as to optimize the use of resources, which is conducive to special lab space, and the use of safety and health configuration, such as voltage, exhaust, and fire protection, to ensure safe usage.

Smart Logistics and Information Management

In order to accurately and effectively grasp the building's current status, WPG has set up BIM (Building Information Modelling) smart property information management platform in order to integrate the information of the disaster prevention center with the information of various systems installed in the building (fire protection, AI facial recognition, access control, CCTV, and environmental control systems) for information visualization and digitization. Data collection and response support not only support data analysis and management, but also allow real-time judgments and warnings upon abnormal situations to maintain workplace safety.

Quality Work Environment

In addition to the aforementioned facilities, to provide employees with a better work environment, WPG has set up barrier-free toilets, 2 shower rooms and 2 breastfeeding rooms for employees, and installed water heater to supply warm water at the wash basin, counter and shower room in its headquarter according to relevant laws and regulations. Furthermore, for food safety and clean drinking water, WPG maintains and replaces water dispenser filter, and installs additional reverse osmosis (RO) water filtration system (no drinking raw water concerns) at the pantry on each floor of the building, and cleans the refrigerator once every week. Employee' desks are equipped with screens and hidden desk lamps. Ergonomic office chairs (also for meeting rooms) are also used for all employees.









All floors are equipped with balconies, and except for lab floor, open discussion areas are available at each floor. A comprehensive library, coffee shop, and outdoor garden are available on the 23rd floor for diversed activities need. In addition, as employee convenience is considered as the first priority, the first floor of the headquarter building is leased to convenience stores to meet employees' needs.

● Emergency Response Measures

Workplace Emergencies Measures

In response to changes in internal/external risks, WPG 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 was formulated to prepare for disasters such as fires, earthquakes, and infectious diseases. In addition, the company established a crisis and emergency response center, and Call Tree crisis reporting mechanism, which can be activated immediately upon natural disasters or major emergencies, to ensure immediate control on employees' safety status.

Since 2017, WPG has launched an emergency response plan, and regularly conducted emergency response drills and related education training every year. The training course includes emergency response procedures, fire safety knowledge and facilities, call tree instructions, and fire prevention group training. In 2020, on-site drills and training were replace by online sharing of emergency response measures in response to COVID-19 pandemic.

2020 education and training course	Training hours	Number of participants
Advocacy on emergency response measures	207	207
Fire drills	98	98*
Fire prevention group training	93	93

Note: In 2020, only logistics warehouses conducted fire drills in response to COVID-19 pandemic.

● WPG Pandemic Prevention Policy

In response to COVID-19 pandemic in 2020, WPG launched a number of COVID-19 prevention measures and considered employee health as priority. With advanced digital transformation deployment, influence on business operations was reduced. Meanwhile, the Company also ensured employee health and safety throughout the pandemic.

In 2017, WPG had set up crisis reporting mechanism in the Greater China region, and established crisis and emergency response center. During COVID-19 pandemic in 2020, the company continued to keep track with the latest updates of COVID-19 pandemic of all regions and announced relative contingency

measures immediately. Employees of all regions were able to collaborate though digital tools such as Microsoft Office 365 and thus ensure operation continuity. Employees in China officially resumed work, remotely, on February 10, 2020 and used online tools and software prepared in advance during digital transformation and thus maintained usual operations, reducing the influence of COVID-19 to minimal level.

Since April 2020, WPG Taiwan started A/B team operations. Employees took turn to work in office and work from home (WFH). In May 2020, due to pandemic slowdown, all employees returned to office but kept social distance at workplace to reduce cluster infection risks.

Employees returning from overseas are required to quarantine for 14 days regardless of the COVID-19 situation in Taiwan. WPG Taiwan employees are subject to the regulations of the Central Epidemic Command Center (CECC). All overseas employees who arrive Taiwan should conduct self-health management for another 7 days after their 14 days quarantine period terminates before returning to office.

COVID-19 Pandemic Prevention Deployment and Implementation

Since the spread of the COVID-19 pandemic at the beginning of 2020, WPG emergency response team discussed the COVID-19 pandemic prevention and response measures. Immediate pandemic prevention goods inventory count (such as masks, alcohol, and forehead thermometers) was conducted in each office for resource allocation followed by required procurement on necessary needs including infrared body temperature detectors, ultraviolet sterilization sticks, and forehead thermometers. In addition, COVID-19 pandemic prevention notice is announced at the entrances and exits, with the latest update of the COVID-19 pandemic.

Several COVID-19 pandemic prevention and control took place during the pandemic. For example, body temperature measurement is required upon entrance (including visitors). Those exceeding 37.5°C are prohibited from entering. All employees are required to see the doctor for treatment or conduct self-health management at home if they don't feel well. Meanwhile, the company's relevant units would keep track on employees' health symptoms. Unless necessary, conferences with external visitors shall be replaced by online meetings. Real-name registration is required for visitors to enter office building, and pandemic prevention questionnaire is required to fill out. Visitors are also prohibited from entering the office area but only to designated areas to reduce workplace risk exposure.



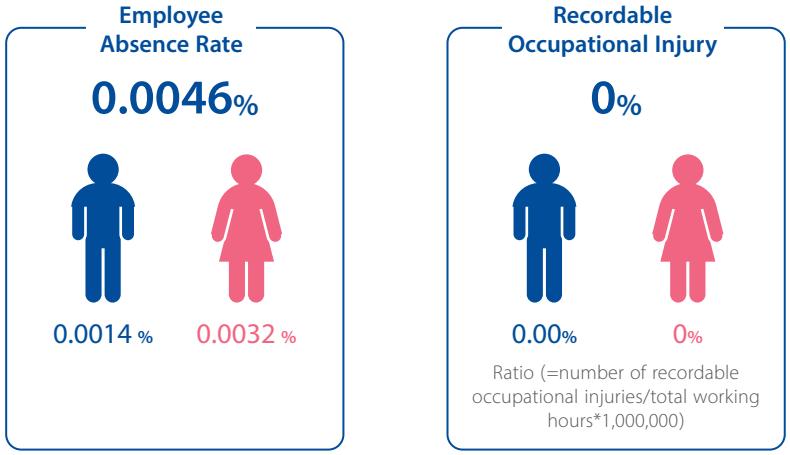
Workplace Safety Measures

WPG implements 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. WPG's industry is classified as low occupational health and safety risk industry. Inter-departmental units are responsible to maintain employees' health and safety in the workplace. Occupational Health and Safety Management System has not yet been introduced. Yet, it may be introduced together with the Occupational Health and Safety Committee and other mechanisms in response to environmental changes in the future to provide employees with a safer work environment.

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. WPG also provides free group insurance for employees, including accident insurance, hospitalization insurance and other related claims and subsidies.

Risk Identification	Management and Control	Measures
Employee transportation accident	• Promote public transportation • Establish smooth internal notification mechanism	• Set up medical consultation room with on-site physician/ nurse • Employee leave and work accident reporting • Assist employees in insurance claims • Employee health tracking
Workplace accidents	• Regular equipment maintenance • Fire safety inspection according to law and regulation • Disaster prevention drills • Establish Call Tree crisis reporting mechanism	• Equipment troubleshooting • Office building emergency evacuation • Initiate crisis reporting to confirm employee safety

Occupational Safety Index



Note 1: Operational statistics scope is Taiwan. The scope of statistics does not include contractors or other workers under the control of WPG Holdings

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

Note 3: The total working hours is estimated at 9,550,000 hours based on the company's calendar year working days

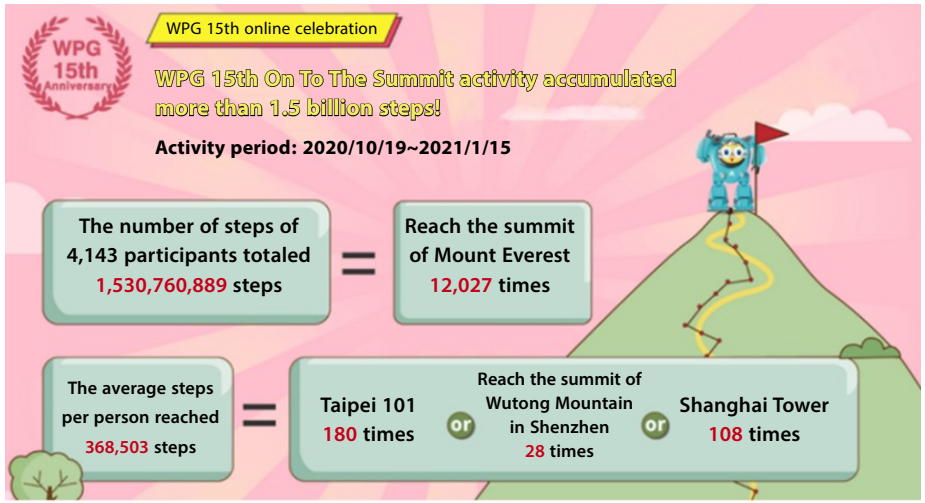
Note 4: In 2020, there were no serious occupational accidents (unable or had problems in returning to the original health status before the injury within six months) or fatal occupational injuries.

Employee Health Promotion

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

Health consultation room is set up at 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 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 health and rights of female employees. Smoking is prohibited in all office areas in accordance to law.

In response to COVID-19 pandemic, corporate events and employee welfare in 2020 also covers health and COVID-19 pandemic prevention, such as providing pandemic prevention items and other welfare products. The employees' year-end banquet has been replaced by online live stream staff lottery. The theme of WPG 15th anniversary focused on health walk. The activity lasted four months and the average number of steps per employee was 368,503 steps.



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.







7 Social Participation

7-1 Industry Interaction

7-2 Industry-Academia Plan

7-3 Social Prosperity

WPG 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 integration in the hope of creating a virtuous cycle.

As industry benchmark, WPG focused on industry feedback as 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. In terms of social welfare, we focus on "Caring for the Disadvantaged and Regaining the Spirit of Technical Education", dedicating efforts to social care and technical education, hoping to energize the industry and thus lay foundation for sustainable development.



7-1 Industry Interaction

7-1-1 Inbound Marketing

Value Creation through Inbound Marketing

In response to online community trend, WPG continues to integrate interactive mobile marketing, emphasizes digital transformation content, and applies full-coverage interactive marketing mechanism through Key Opinion Leader (KOL). At the same time, inbound marketing effectiveness index (i.e. Inbound AD Value) was established to measure marketing promotion effectiveness. As of the end of 2020, promotion value totaled over CNY 640M, which has increased by 28% YoY. To enhance self-media operation, we have effectively used social media resources such as Weibo KOLs(key opinion leader), WeChat KOLs, social media and viral campaigns. By executing the marketing activities below, perceivable cross-marketing services are provided among upstream and downstream customers along supply chains to continuously improve customer loyalty.

WPG Weibo

The number of fans and posts both outnumbered industrial peers. Number of fans reached 612,267 and 3-5 posts are updated daily, covering diversified topics including monthly popular projects, industry trends, new technology, WPG news, etc. WPG also holds 3 online demoboard evaluation activities annually to interact with fans continuously.

WPG WeChat

The first IC micro portal though WeChat continues to lead the peers with 164,471 precised fans. Four broadcast messages are regularly sent every month, accumulating over 531,892 reads and 43,332 shares. IC industry trends are promoted to the general public through in-depth market trends articles, latest industry updates, interpretations, and brand contents are summarized in order to gain precise exposure of WPGDADAWANT digital transformation platform, maximize influence and coverage. In addition, HR service is available to provide real-time recruitment information for job seekers.

PR Exposures

5,013 news exposures including 1,113 Investor Relations news exposures, exceeding all peers and of 4 times of the second place.

7-1-2 Participation in Industry Associations

WPG actively participated in industrial associations, and provided instant communication service platform through various activities to assist the sharing of knowledge resources to members, and to increase members' external strategic alliances and potential alliances. The company aims to enhance the industrial network position and height of Taiwan's distributors, actively supports the development of supply chain management, and fulfills corporate social responsibility.

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

Note: Chairman Kuo-Tung Tseng of YOSUN Group as the Chairman of Taipei Electronic Components Suppliers' Association (TECSA) (until June 2020)

7-1-3 Industry Support and Feedback

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

Subject	Description
Taipei Electronic Components Suppliers' Association (TECSA)	Held courses related to supply chain and corporate management, of which 735 people had participated in the courses and seminars in 2020.
STP Seed Talent Program	Provide students with internship opportunities and mentor's guidance. A total of 7 students participated in WPG's program in 2020.
National Taipei University of Technology	Provide 5 scholarship awards each semester in the College of Electrical Engineering and Computer Science
National Chengchi University	Supported and sponsored the Supply Chain Management project for 10 consecutive years

● Taipei Electronic Components Suppliers' Association (TECSA) lecture hall

Taipei Electronic Components Suppliers' Association (TECSA) has set up the "Distributors' Lecture Hall" to promote in-service education and enhance talent training in the electronic components distribution industry, as well as pass on knowledge and experiences of the supply chain and distribution industry. The association invited members and supervisors of TECSA, senior managers of WPG, industry experts, well-known entrepreneurs, and scholars to lectures and held training lessions for employees of member companies and industry practitioners. There was a total of 426 participants in 2020.

WPG Holdings Lecture Courses:

Date	Theme	Lecturer	Number of participants
August 25	Achieve Win-Win in the Workplace	Kuo-Tung Tseng, Chairman of YOSUN Group	64

● STP Seed Talent Program "WPG New Employee T.I.P.E. Core Value Video"

The 15th STP Seed Talent Program, hosted by WPG's Human Resource Service, is different from the World Café Leaders Forum in the past, where students and companies communicate with each other. Instead, the actual company project of the students' team enables students to learn soft and hard powers in the workplace in advance under the guidance of corporate mentors and STP's diversified and innovative training courses, closing the gap between industry and academia, and cultivate outstanding students to become management associates (MAs). 12 companies participated in the WPG New Employee T.I.P.E. Core Value Video program in 2020, while the company recruited a total of 8 students for creative ideas and video shooting. In addition, the Human Resources Service arranged corporate mentors to jointly complete the video "Let's T.I.P.E. Newcomer Competition" with students.



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

Since 2011, the WPG Scholarship has been set up in the Taipei Tech College of Electrical Engineering and Computer Science to provide financial assistance to the disadvantaged students to prevent students dropping out of school due to financial difficulties or sudden changes and be able to graduate with the help of social care. Five scholarship applications were provided each semester in 2020. To encourage students in developing professional skills, the company formulated scholarship application rules in the first semester of 2020, including learning plan as selection criteria, in the hope to help students learn and develop in additional to economic relief.

7-2 Industry-Academia Plan

● NCCU College of Commerce Supply Chain Management Plan

Since 2010, WPG Holdings sponsored and supported three-year period "Supply Chain Management Plan" of NCCU College of Commerce for the 10th consecutive year. Combining theory and practice in industry-academia collaboration to systemize the knowledge of Taiwan's supply chain management while setting up a complete set of supply chain management teaching materials to cultivate supply chain management professionals in the industry.

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

During the Supply Chain Management Practices course of National Chengchi University in 2016, WPG supported four undergraduates of the department of management information systems of National Chengchi University on winning the 2016 CERPS E-System Innovative Application Excellence Award, and ranked 2nd in the 2016 ORSTW Thesis Competition by the theme of preliminary decision support system, which was regarded as a successful case of industry-academia cooperation.

In 2019, corresponding to the globalization trend, the company conducted "Supply Chain Integration - Asia/ Pacific Region Practice Course" and brought students to visit a number of well-known companies in Japan for more international exchange opportunities, strengthening the students' global vision.

In 2020, in order to encourage students to study supply chain management and provide opportunities for students to accumulate work experience, the supply chain management plan set up the WPG Scholarship and internship opportunities for students to implement industry-academia collaboration.

WPG will continue to support the industry-academia collaboration plan for supply chain management to share industry knowledge and achieve industry-academia collaboration.

	Period	Content
1st phase	2010~2012	WPG invested in the establishment of supply chain management and industry-academia collaboration courses
2nd phase	2013~2015	The course includes WPG practical experience sharing to enable students to fully understand the company's supply chain management strategies.
3rd phase	2016~2019	Students visiting WPG Linkou Warehouse
4th phase	2020~2022	Set up "WPG Scholarship" to encourage students to participate in internship programs

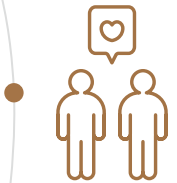
7-3 Social Prosperity

WPG Holdings established "WPG Holdings Education Foundation" with the vision of fulfilling social responsibility through core competence, aiming to enhance knowledge economy, construct high quality educational environment, promote academic and practices research over business management, and care for arts, culture, and environment education. At the same time, we focus on social participation to "Regain the Spirit of Technical and Vocational Education" and strive for high-quality educational environment through industry-academia collaboration and relevant education groups in the hope of cultivating young students and enhancing international competitiveness.



Industry Feedback

To enhance distribution industry knowledge and provide practical operating experience and innovative knowledge concepts through industry-academia cooperation platform in order to cultivate supply chain talents, develop the ability to solve problems, and become global professional in supply chain management, thus demonstrate specific implementation of giving back to the society.



Social Participation

We care for the underprivileged, educate on cultural performance, and assist the underprivileged people or organizations in resources used for charity, emergencies, and other public welfare activities. We attach importance to technical and professional training and development, and support sports events.



Environmental Protection

Emphasize environmental protection, energy conservation and carbon reduction, and no damage to the environment, and participate in external long-term cultivation of environmental protection activities, including mountain clean-up, beach clean-up, wetland protection, tree planting, etc., with our employees and their families to practice the practical experience.

In 2020, WPG Holdings donated a total of $16,743,141 to National Chengchi University, National Taipei University of Technology, and House of Dreams Foundation.

7-3-1 Social Care and Involvement

WPG Holdings cooperates with various organizations including foundations, social enterprises and social welfare organizations in response to activities including arts and cultural education, social welfare and environmental protection, in order to assist in promoting relevant concepts and actions in all aspects to create a better society.

Type	Organization	Description
Environmental Protection	Tse-Xin Organic Agriculture Foundation	Total Coastal Tree Planting of 4,000 Trees
	Society of Wilderness	Earth Hour
Social Welfare	Happy Mount House	Material donation
	Puren Youth Care Foundation	Love box donation
Education for the Vulnerable Ones	House of Dreams	House of Dreams' Standard School of Dreams – Academic Improvement Plan
Education of Art and Humanities	Music Foundation for the Blind in Taipei	The 28th Visually Impaired Music Festival - Love in Taipei; Happy in Taipei Charity Concert
	ChanChi Choir	Sing Blindly, Sending Love to All Charity Tour
	PGA Golf Technology Innovation Competition	Long-term sponsorship of the PGA Golf Technology Innovation Tour
	Taiwan Ladies Professional Golfers' Association (TLPGA)	1st term WPG Ladies Open
	UDN Fund X Skills for U	Combing technical education with charity: The Youth Athletics to Light Up Our Home Country

Environmental Protection

Plantation and Forest Protection - Coastal Afforestation

In response to energy conservation, carbon reduction, tree plantation and forest protection, WPG has planted a total of 4,000 saplings in Zhongjiaoshazhu Bay, New Taipei City, in cooperation with Tse-Xin Organic Agriculture Foundation in 2019-2020, in order to protect the windbreak forest and coastline.

21 Days of Green Life

Corresponding to Earth Day, Taiwan Environmental Information Association jointly organized the "21 Days of Green Life" activity with Greenvines. In 2020, WPG encouraged colleagues to participate in the "21 Days of Green Life" activity with the theme of "Declaration on Climate Change" for three consecutive years, so that the green ideas implemented in personal daily life can be shared with the public.

Earth Hour

In response to the World Wildlife Fund (WWF), Wilderness Foundation and other Earth Hour Events, WPG has gathered employees to exert influence on turning off lights on their way out of the office and carbon reduction. According to the Bureau of Energy of the Ministry of Economic Affairs, each person participating in the one-hour lights-off event can reduce carbon emissions by 0.25kg. WPG aims to advocate the concept and attitude of carbon reduction, and lead more employees to participate with their family and friends.



• Participating in the one-hour lights-off event.

Social Care; Park and Green Space Adoption

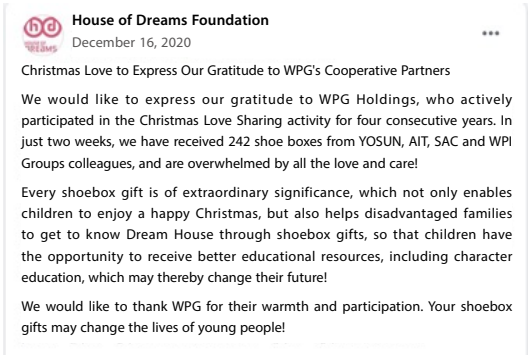
The government has encouraged citizens to participate in green space adoption. As such, WPG's WPI Group has adopted Nangang Xiangyang Park since 2011 to create a diverse urban landscape and work with residents to maintain green communities and protect the earth.



Charity Collaboration

Dream House; Christmas Love Sharing

Since 2017, we have cooperated with the Dream House in the "Christmas Shoebox Gifting" event to send blessings to children of disadvantaged families at the end of the year. WPG colleagues prepared a total of 242 love shoe boxes, which the Dream House volunteers then distribute to disadvantaged youth in 2020.


House of Dreams Foundation
December 16, 2020

Christmas Love to Express Our Gratitude to WPG's Cooperative Partners

We would like to express our gratitude to WPG Holdings, who actively participated in the Christmas Love Sharing activity for four consecutive years. In just two weeks, we have received 242 shoe boxes from YOSUN, AIT, SAC and WPI Groups colleagues, and are overwhelmed by all the love and care!

Every shoebox gift is of extraordinary significance, which not only enables children to enjoy a happy Christmas, but also helps disadvantaged families to get to know Dream House through shoebox gifts, so that children have the opportunity to receive better educational resources, including character education, which may thereby change their future!

We would like to thank WPG for their warmth and participation. Your shoebox gifts may change the lives of young people!



Foundation for the Visually Impaired - Charity Concert

WPG supported the 28th Blind Music Festival - Love in Taipei; Happy in Taipei charity concert, inviting colleagues to participate with their family and friends. A total of 21 tickets have been sold.

Puren Youth Care Foundation - Love Donation

WPG's AIT Group has long supported the Puren Youth Care Foundation and agreed with the purpose of continuously promoting youth care, and guiding the youth to care for the society. We continuously provided love and care by donating NT$1.2 million every year, and participated "NT$1 for love box donation" every day over the past 13 years.



- Puren Love Donation

Welcome all AIT employees to donate one invoice receipt per day/NT$1 per day

Happy Mount House Material Donation

AIT Group invested NT$50,000 and gathered 93 employees to help raise a total of NT$108,500 to subsidize consumer products of the disadvantaged group in Taipei Happy Mount. The AIT employees have been supporting these children while inspiring employees to cherish life and treasure whatever they possess now.

To reduce clusters in response to the COVID-19 pandemic, our CSR staff visited Happy Mount on behalf of WPG, and made short videos subsequently to share with all employees.





Video URL

Sunfund Foundation; Procurement of to Sunfund Rice

To support organic planting, we continued to purchase 1,000kg of white rice cultivated by small farmers in 2020, and launched the "WPG Healthy Small Farmer Rice" in conjunction with the 15th WPG Anniversary, in order to provide healthy and safe food for colleagues.





- We Appreciate the Support from Neicheng Sunfund Rice!

Charity events that reflects craftmanship

WPG Ladies Open Golf Tournament

WPG Holdings attaches great importance to the development of sports events and cultivation of sports talents in Taiwan, subsidizing charity sports events together with its sub-groups. In 2020, the company organized the WPG Ladies Open in cooperation with TLPGA for the first time, providing opportunities for professional players, increasing the visibility of Taiwanese players.

Technical and Vocational Charity Activities "The Youth Athletics that Light Up Our Homeland"

By adhering to public welfare concept of regaining technical and vocational spirit, WPG Holdings Education Foundation organized the Technical and Vocational Charity Activity with the support of UDN Fund's news exposure and International Skill Development's professional skills. We held a two-day camp for skills players to visit rural area in Ruifang and lead local students to renovate surrounding campus by picking up marine litter for public lighting designs and setting up lighting for the Ruifang community to give back to society.







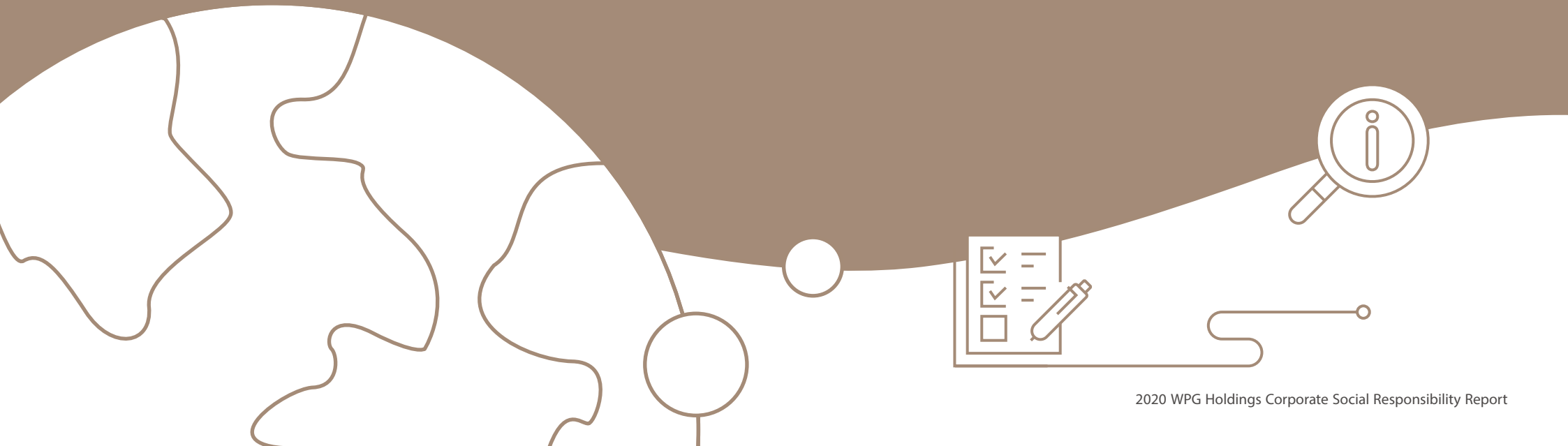
2020 WPG Ladies Open

The Youth Athletics that Light Up Our Homeland



8 Appendix

8-1 Assurance Opinion Statement
8-2 GRI Standards Disclosure Comparison Table
8-3 ISO 26000 Social Responsibility Guidance Comparison Table
8-4 United Nations Global Compact Comparison Table
8-5 Sustainability Accounting Standards Board (SASB) Index
8-6 Sustainable Data



8-1 Assurance Opinion Statement

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
WPG Holdings Limited

We have performed a limited assurance engagement on the selected subject matter information (see Appendix A) in the Corporate Social Responsibility Report ("the Report") of WPG Holdings Limited ("the Company") for the year ended December 31, 2020.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies and GRI Standards published by the Global Reporting Initiatives (GRI) and other applicable rules according to its sector features, and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

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

We conducted our work on the selected subject matter information (see Appendix A) in the Report in accordance with the Statements of Assurance Engagements Standards No. 1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on the preparation, in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

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

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

Inherent Limitations

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

Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Auditing Standard No. 46 "Quality Control for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

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

Other Matters

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

The engagement partners on the limited assurance engagement is Shih-Tsung Wu.

Shih Tsung Wu

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 16, 2021

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected 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 selected subject matter information shall prevail.

APPENDIX

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Rules/Standards	Descriptions of Indicators	Corresponding Sections	Applicable Criteria
1.	GRI 303-3:2018	Water withdrawal	5-3-2 Environmental Management Data 8-6 Sustainable Data	The calculation results of water withdrawal breakdown of all areas and all areas with water stress by the source (running water).
2.	GRI 305-2:2016	Energy indirect (Scope 2) GHG emissions	5-3-2 Environmental Management Data	The GHG emissions (Scope 2) calculated by indirect energy consumption (externally purchased electricity) and electricity carbon emission factors published by Bureau of Energy, Ministry of Economic Affairs.
3.	GRI 403-9:2018	Work-related injuries	6-3-3 Occupational Health and Safety 8-6 Sustainable Data	The number and ratio of fatalities as a result of work-related injuries, the number and ratio of high-consequence work-related injuries, the number and ratio of recordable work-related injuries, the main types of work-related injuries, and the number of hours worked, by employee categories.
4.	GRI 405-2:2016	Ratio of basic salary and remuneration of women to men	6-2-1 Salary Planning	The ratio of basic salary and remuneration (including bonuses, dividends, etc.) of women to men for managerial position and none-managerial position.
5.	GRI 401-1:2016	New employee hires and employee turnover	6-1-1 Human Resources Structure	The total number and ratio of new employee hires, and the total number and ratio of employee turnover, by age groups and genders.
6.	GRI 404-1:2016	Average hours of training per year per employee	6-1-2 Talent Development Framework	The average hours of training per year per employee by genders and employee categories.

8-2 GRI Standards Disclosure Comparison Table

*Material topics in 2020

General Disclosure		Corresponding Chapter and Explanation	Page No.
Organizational profile (2016)			
102-1	Name of the organization	About the CSR Report	2
102-2	Activities, brands, products, and services	CH1 Company Profile	15
102-3	Location of headquarters	About the CSR Report	2
102-4	Location of operations	CH1 Company Profile	15
102-5	Ownership and legal form	About the CSR Report	2
102-6	Markets served	CH1 Company Profile	15
102-7	Scale of the organization	CH1 Company Profile 6-1-1 Human Resources Structure	15 67
102-8	Information on employees and other workers	6-1-1 Human Resources Structure	67
102-9	Supply Chain	CH4. Sustainable Supply Chain Management 4-1-1 Customer-centered Distribution Experience 4-2-2 Selection and Management of General Affair Suppliers	46 48 53
102-10	Significant changes to the organization and its supply chain	There are no significant changes in 2020	-
102-11	Precautionary Principle or approach	3-1-2 Risk Management	37
102-12	External initiatives	There are no external initiatives signed in 2020	-
102-13	Membership of associations	7-1-2 Participation in Industry Associations	86
Strategy (2016)			
102-14	Statement from senior decision-maker	The Exeecutive's Commitment and Philosophy	3
102-15	Key impacts, risks, and opportunities	3-1-2 Risk Management	37
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of behavior	3-1-1 Rights and Responsibility of Corporate Governance Organization	33
Governance (2016)			
102-18	Governance structure	2-1 WPG Corporate Sustainability Committee 3-1-1 Rights and Responsibility of Corporate Governance Organization	20 33
102-19	Delegating authority	3-1-1 Rights and Responsibility of Corporate Governance Organization	33
102-20	Executive-level responsibility for economic, environmental,and social topics	3-1-1 Rights and Responsibility of Corporate Governance Organization	33
102-22	Composition of the highest governance body and its committees	3-1-1 Rights and Responsibility of Corporate Governance Organization	33
102-23	Chair of the highest governance body	3-1-1 Rights and Responsibility of Corporate Governance Organization	33
Stakeholder engagement (2016)			
102-40	List of stakeholder groups	2-2 Stakeholder Identification and Communication	21
102-41	Collective bargaining agreements	WPG does not have collective bargaining agreements but is devoted to promoting labor-management conferences	-
102-42	Identifying and selecting stakeholders	2-2 Stakeholder Identification and Communication	21
102-43	Approach to stakeholder engagement	2-2 Stakeholder Identification and Communication	21
102-44	Key topics and concerns raised	2-2 Stakeholder Identification and Communication 2-3 Analysis of Material Issues	21 24
Reporting practice (2016)			
102-45	Entities included in the consolidated financial statements	About the CSR Report	2
102-46	Defining report content and topic boundaries	About the CSR Report 2-3 Analysis of Material Issues	2 24
102-47	List of material topics	2-3 Analysis of Material Issues	25
102-48	Restatements of information	There are no restatements of information for the previous report	-
102-49	Changes in reporting	There were no major changes to the material topics and topic boundaries this year	-
102-50	Reporting period	About the CSR Report	2
102-51	Date of most recent report	About the CSR Report	2
102-52	Reporting cycle	About the CSR Report	2

General Disclosure		Corresponding Chapter and Explanation	Page No.
102-53	Contact point for questions regarding the report	About the CSR Report	2
102-54	Claims of reporting in accordance with the GRI Standards	About the CSR Report	2
102-55	GRI content index	8-2 GRI Standards Disclosure Comparison Table	94
102-56	External assurance	About the CSR Report 8-1 Assurance Opinion Statement	2 93
Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	2-3 Analysis of Material Issues	24
103-2	The management approach and its components	CH1 Company Profile CH2 Corporate Sustainability Management CH3 Corporate Governance CH4 Sustainable Supply Chain Management CH5 Sustainable Environment CH6 Talent Transition CH7 Social Participation	-
103-3	Evaluation of the management approach	CH1 Company Profile CH2 Corporate Sustainability Management CH3 Corporate Governance CH4 Sustainable Supply Chain Management CH5 Sustainable Environment CH6 Talent Transition CH7 Social Participation	-

Economic Aspect		Corresponding Chapter	Page No.
***GRI 201: Economic Performance (2016)**			
201-1	Direct economic value generated and distributed	1-2 Operational Performance	18
***GRI 202: Market Presence (2016)**			
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	6-2-1 Salary Planning	77
202-2	Proportion of senior management hired from the local community	6-1-1 Human Resources Structure 100% Taiwanese Employees	67

Economic Aspect		Corresponding Chapter	Page No.
GRI 203: Indirect Economic Impacts (2016)			
203-1	Infrastructure investments and services supported	7-3-1 Social Care and Involvement	89
GRI 204: Procurement Practices (2016)			
204-1	Proportion of spending on local suppliers	4-2-2 Selection and Management of General Affair Suppliers	54
***GRI 205: Anti-corruption (2016)**			
205-2	Communication and training about anti-corruption policies and procedures	3-2-1 Code of Conducts and Ethics 8-6 Sustainable Data	41 99

Environmental Aspect		Corresponding Chapter	Page No.
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	5-3-2 Environmental Management Data	60
GRI 303: Water and Effluents (2018)			
303-3	Water withdrawal	5-3-2 Environmental Management Data 8-6 Sustainable Data	61 99
GRI 305: Emissions (2016)			
305-2	Energy indirect (Scope 2) GHG emissions	5-3-2 Environmental Management Data	60
GRI 306: Effluents and Waste (2016)			
306-2	Management of significant waste-related impacts	5-3-2 Environmental Management Data	62
GRI 307: Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	There is no such situation.	-

Social Aspect		Corresponding Chapter	Page No.
***GRI 401: Employment (2016)**			
401-1	New employee hires and employee turnover	6-1-1 Human Resources Structure	68
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6-3-1 Diversified Employee Welfare	78
401-3	Parental leave	6-3-1 Diversified Employee Welfare	79
***GRI 403: Occupational Health and Safety (2018)**			
403-1	Occupational Health and Safety Management System	6-3-3 Occupational Health and Safety	80
403-2	Hazard identification, risk assessment, and incident investigation	6-3-3 Occupational Health and Safety	80
403-3	Occupational Health Services	6-3-1 Diversified Employee Welfare 6-3-3 Occupational Health and Safety	78 81
403-4	Worker participation, consultation, and communication on occupational health and safety	6-3-2 Human Rights and Labor-Management Communication 6-3-3 Occupational Health and Safety	79 80
403-5	Worker training on occupational health and safety	6-3-3 Occupational Health and Safety	80
403-6	Promotion of worker health	6-3-3 Occupational Health and Safety	80
403-7	Prevention and mitigation of Occupational Health and Safety impacts directly linked by business relationships	6-3-3 Occupational Health and Safety	80
403-9	Work-related injuries	6-3-3 Occupational Health and Safety 8-6 Sustainable Data	83 100
***GRI 404: Training and Education (2016)**			
404-1	Average hours of training per year per employee	6-1-2 Talent Development Framework	69
GRI 405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	3-1-1 Rights and Responsibility of Corporate Governance Organization 6-1-1 Human Resources Structure	33 67
405-2	Ratio of basic salary and remuneration of women to men	6-2-1 Salary Planning	77

Social Aspect		Corresponding Chapter	Page No.
***GRI 406: Non-discrimination (2016)**			
406-1	Incidents of discrimination and corrective actions taken	There is no such situation.	-
***GRI 407: Freedom of Association and Collective Bargaining (2016)**			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There is no such situation.	-
***GRI 408: Child Labor (2016)**			
408-1	Operations and suppliers at significant risk for incidents of child labor	There is no such situation.	-
***GRI 409: Forced or Compulsory Labor (2016)**			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There is no such situation.	-
***GRI 411: Rights of Indigenous Peoples (2016)**			
411-1	Incidents of violations involving rights of indigenous peoples	There is no such situation.	-
***GRI 417: Marketing and Labeling (2016)**			
417-2	Incidents of non-compliance concerning product and service information and labeling	There is no such situation.	-
417-3	Incidents of non-compliance concerning marketing communications	There is no such situation.	-
***GRI 418: Customer Privacy (2016)**			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There is no such situation.	-
***GRI 419: Socioeconomic Compliance (2016)**			
419-1	Non-compliance with laws and regulations in the social and economic area	8-6 Sustainable Data	100

8-3 ISO 26000 Social Responsibility Guidance Comparison Table

Classification	Main Issues	The CSR Report	Page No.
Organizational Governance	Make decisions and implement the system for carrying out an objective	CH2 Corporate Sustainability Management	20
		CH3 Corporate Governance	31
	Corporate Social Responsibility Philosophy	CH2 Corporate Sustainability Management	20
		CH3 Corporate Governance	31
	Due diligence	CH4 Sustainable Supply Chain Management	47
		CH6 Talent Transition	64
Human Rights	Human right risks situations	CH4 Sustainable Supply Chain Management	47
		CH6 Talent Transition	64
	Avoidance of complicity	CH3 Corporate Governance	31
	Resolving grievances	CH6 Talent Transition	64
	Discrimination and vulnerable groups	CH6 Talent Transition	64
	Civil and political rights	CH6 Talent Transition	64
	Economic, social and cultural rights	CH6 Talent Transition	64
	Fundamental principles and rights at work	CH6 Talent Transition	64
Labor Practices	Employment and employment relationships	CH6 Talent Transition	64
	Conditions of work and social protection	CH6 Talent Transition	64
	Social dialogue	CH6 Talent Transition	64
	Health and safety at work	CH6 Talent Transition	64
	Human development and training in the workplace	CH6 Talent Transition	64
Environment	Prevention of pollution	CH5 Sustainable Environment	56
	Sustainable resource use	CH5 Sustainable Environment	56
	Climate change mitigation and adaptation	CH5 Sustainable Environment	56
	Protection of the environment, biodiversity and restoration of natural habitats	CH5 Sustainable Environment	56

Classification	Main Issues	The CSR Report	Page No.
Fair Operations	Anti-corruption	CH3 Corporate Governance	31
	Responsible political involvement	CH3 Corporate Governance	31
	Fair competition	CH3 Corporate Governance	31
	Promote social responsibility in the value chain	CH4 Sustainable Supply Chain Management	47
	Respect for property rights	CH3 Corporate Governance	31
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	CH4 Sustainable Supply Chain Management	47
	Protecting consumers' health and safety	CH4 Sustainable Supply Chain Management	47
	Sustainable consumption	CH4 Sustainable Supply Chain Management	47
	Consumer service, support, and complaints and dispute resolution	CH4 Sustainable Supply Chain Management	47
	Consumer data protection and privacy	CH3 Corporate Governance	31
	Access to essential services	CH3 Corporate Governance	31
	Education and awareness	CH4 Sustainable Supply Chain Management	47
Social Participation and Development	Community involvement	CH7 Social Participation	88
	Employment creation and skills development	CH7 Social Participation	85
	Technology development and access	CH7 Social Participation	85
	Wealth and income creation	CH7 Social Participation	85
	Education and culture	CH7 Social Participation	88
	Health	CH7 Social Participation	88
	Social investment	CH7 Social Participation	88

8-4 United Nations Global Compact Comparison Table

Classification	Main Issues		The CSR Report	Page No.
Human Rights	Principle 1	Businesses should support and respect internationally recognized human rights	CH4 Sustainable Supply Chain Management CH6 Talent Transition	46 63
	Principle 2	Make sure that they are not complicit in human rights abuses	CH4 Sustainable Supply Chain Management CH6 Talent Transition	46 63
Labor Standards	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	CH6 Talent Transition	63
	Principle 4	The elimination of all forms of forced and compulsory labor	CH6 Talent Transition	63
	Principle 5	The effective abolition of child labor	CH6 Talent Transition	63
	Principle 6	The elimination of discrimination in respect of employment and occupation	CH6 Talent Transition	63
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	CH5 Sustainable Environment	55
	Principle 8	Undertake initiatives to promote greater environmental responsibility practices	CH5 Sustainable Environment	55
	Principle 9	Encourage the development and diffusion of eco-friendly technologies	CH5 Sustainable Environment	55
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	CH3 Corporate Governance	30

8-5 Sustainability Accounting Standards Board (SASB) Index

SASB Metric		Response	Page No.
Water Management			
TC-ES-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	5-3-2 Environmental Management Data 8-6 Sustainable Data	61 99
Waste Management			
TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	5-3-1 Green Building and Office Management	59
Labor Practices			
TC-ES-310a.1	(1) Number of work stoppages and (2) total days idle	No such circumstances	-
Labor Conditions			
TC-ES-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	8-6 Sustainable Data NMFR was not recorded in 2020.	100
TC-ES-320a.2	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Not applicable. (WPG Holdings is in service industry. There is no manufacturing activities involved but only operation locations for logistics and sales services. No relevant raw materials are provided either. Thus, not appliable to relevant regulations of RBA.)	-
TC-ES-320a.3	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Not applicable. (WPG Holdings is in service industry. There is no manufacturing activities involved but only operation locations for logistics and sales services. No relevant raw materials are provided either. Thus, not appliable to relevant regulations of RBA.)	-
Product Lifecycle Management			
TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	Not applicable. (WPG Holdings is in service industry. There is no end-of-life products and e-waste.)	-
Materials Sourcing			
TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	4-2-1 Chemical Safety and Conflict Minerals Management	51
Activity Metric			
TC-ES-000.A	Number of manufacturing facilities	Not applicable. (WPG Holdings is in service industry. There is no manufacturing activities involved but only operation locations for logistics and sales services.)	-
TC-ES-000.A	Area of manufacturing facilities	Not applicable. (WPG Holdings is in service industry. There is no manufacturing activities involved but only operation locations for logistics and sales services.)	-
TC-ES-000.C	Number of employees	CH1 Company Profile	15

8-6 Sustainable Data

Environmental Data

Water withdrawal				
			All regions (1,000,000 liters)	Water-Stressed Region (1,000,000 liters)
Water withdrawal by source	Surface water	Total	0	0
		Freshwater (TDS ≤ 1,000 mg/L)	0	0
		Other (TDS > 1,000 mg/L)	0	0
	Groundwater	Total	0	0
		Freshwater (TDS ≤ 1,000 mg/L)	0	0
		Other (TDS > 1,000 mg/L)	0	0
	Seawater	Total	0	0
		Freshwater (TDS ≤ 1,000 mg/L)	0	0
		Other (TDS > 1,000 mg/L)	0	0
	Produced water	Total	0	0
		Freshwater (TDS ≤ 1,000 mg/L)	0	0
		Other (TDS > 1,000 mg/L)	0	0
	Third party water	Total	42.571	0
		Freshwater (TDS ≤ 1,000 mg/L)	42.571	0
		Other (TDS > 1,000 mg/L)	0	0
	The total third party water withdrawal is based on the water source	Surface water / Groundwater / Seawater / Produced water	N/A (Note3)	N/A
Total water withdrawal			**42.571**	**0**

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

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

Note 3: The source of third party water is tap water

Social Data

A. Communication and training about anti-corruption policies and procedures

Communication about anti-corruption policies and procedures	Number of directors/ employees	Number of directors/ employees completed training	Percentage
Organization Governance Unit (Board of Directors)	10	10	100%
Employee Type (Managerial)	1,031	733	71.10%
Employee Type (Non-Managerial)	4,495	3,384	75.28%
Business Partner	61	61	100%

Note 1: Statistics in the Greater China region

Note 2: Business partners are counted by number of units

Anti-corruption training	Number of directors/ employees	Number of directors/ employees completed training	Percentage
Organizational Governance Unit (Board of Directors)	0	0	0
Employee Type (Managerial)	172	82	47.67%
Employee Type (Non-Managerial)	579	360	62.18%

Note: Statistics in the Greater China region

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

2020 Fine events					
Date	**Content**	**Violation of regulations**	**Fine amount**	**Penalty unit**	**Improvement measures**
August 12, 2020 (Note 1)	Extending working hours without pay, violating relevant regulations	Paragraph 1, Article 24 of the Labor Standards Act	300,000	Department of Labor, Taipei City Government	Optimize applications and advocate that employees can apply for overtime pay for extended working hours

Note 1: There are no violations of customer privacy, data leakage, discrimination, child labor, violation of the rights of indigenous peoples, and forced or compulsory labor incidents

Note 2: There are no non-fined events of social and economic laws and regulations violation in 2020

C. Work-related deaths

Number of deaths	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Trend
Employee	0	0	0	0	All events are associated
Contractor	-	-	-	-	-

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

	Number of substantiated cases
Information leakage or losses of customer data	0
Violate customer privacy	
Source of complaints or reports	Number of substantiated cases
Customer	0
Government Institutions	0
Supplier	0
Media	0

E. Statistics for violation of product and service information and labeling/ marketing communication laws and regulations

	Violation of product/ service information and label specifications	Violation of marketing regulations
Fines or other unfavorable disposition	0 (cases)	0 (cases)
Disciplinary action in the form of a warning	0 (cases)	0 (cases)
Violation of voluntary standards	0 (cases)	0 (cases)





To Become the First Choice of Industry.
To Become the Benchmark of Distribution.

大聯大核心價值觀
WPG Shared Values

團 隊	誠 信	專 業	效 能
Teamwork	Integrity	Professionalism	Effectiveness

大聯大投資控股股份有限公司 WPG Holdings Limited
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