

# 2021 Wistron ITS ESG Report





## About this Report

This is the Corporate Sustainability Report in both English and Chinese published by Wistron Information Technology Services (Wistron ITS). This report contains the sustainable strategies of Wistron ITS on Environment, Social Engagement, and Governance (ESG), we hope this transparent disclosure of data will allow stakeholders that care about Wistron ITS to gain a better understanding of our ESG performances and results during 2021.

### Scope and Boundary

The scope of this report covers Wistron ITS Taiwan & China:

Wistron ITS Taiwan Offices

Wistron ITS China Offices

The scope of the data in this report covers economic, environmental, and social performance. The methods of calculation are detailed in each chapter. The financial data in this report were compiled in accordance with the International Financial Reporting Standards (IFRS), with the currency applied being NTD. They are based on the consolidated fiscal reports audited and co-signed by KPMG Taiwan, and conform to the data reported in Wistron ITS' public annual reports. There were no significant changes in the organization and supply chain in the scope of this report, and no information has been restated.

### Report Time and Period

The Corporate Sustainability Report of Wistron ITS is published once a year. The report covers the period of January 1 to December 31, 2021.

**Standards of compilation and** guarantee this report follows the guidelines of the following standards:

Issuing Unit	Compliance standards
(Global Sustainability Standards Board, GSSB)	GRI Standards - Core Options
Taiwan Stock Exchange Corp.	<ul style="list-style-type: none"> <li>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</li> <li>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies</li> </ul>
Sustainability Accounting Standards Board (SASB)	IT Services
United Nations	Sustainable Development Goals (SDGs)

### Report Outline

The information and data in this report were provided by the respective departments. We collected domestic and international economic, environmental, and social sustainability issues, and understand the issues of concern to various stakeholders through multiple channels. The ESG task force consolidated the data, and used the process of discussion and systematic analysis to identify the major themes related to the company. Based on the themes, the ESG task force collected management and performance information and submitted them to the ESG Implementation Office to review the accuracy of the content and compiled a formal report. We hope that a more transparent and complete disclosure





of information will allow our stakeholders to better understand Wistron ITS' performance and achievements in corporate sustainability in 2021.

## Report Contact Information

Should there be any questions, comments, or suggestions regarding this report, feel free to let us know through the following channels:

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## Honors in Sustainability

### Recipient of the Sixth Taiwan Mittelstand Award



### Top 5% of companies listed in the Corporate Governance Review



### Top 5% of Small and Medium Cap Group in Corporate Governance Rating





## Key Performances

Aspects	Performance Index	Key Performances
Governance	Corporate Governance Evaluation	Top 5% of companies listed in the 7th Annual Corporate Governance Review Top 5% of Small and Medium Cap Group in the 7th Corporate Governance Rating No anti-competitive or anti-trust violations in the past three years.
Economy	Total Revenue	The total revenue of Wistron ITS in 2021 was NT\$6.178 billion. (A 21% increase compared to the year before)
	Earnings per Share	NT\$6.91
Environment	Energy Consumption	The total energy consumption in 2021 for Taiwan was reduced by 11.4% compared to 2020.
	Reduction of GHG	Total emissions in 2021 for Taiwan decreased by 12.9% compared to 2020.
Society	The male to female mid- to senior level (departmental and up) manager ratio	The ratio was 1:1
	Ratio of local supervisors	99.15%
	Starting salary for new graduates	The starting salary for new graduates in Taiwan is 2.2x that of the legal minimum salary. The starting salary for new graduates in China is 5.05x that of the legal minimum salary.





## A Message from the Chairman & CEO

Wistron ITS responded efficiently to the pandemic and the market in 2021 and returned to the path of rapid revenue growth. Demand in the Greater China market continued to be strong and was the main driver of overall revenue growth, while business in Taiwan grew steadily. In China we successfully tapped into our target customer segments, with the contribution from quality customers, revenue grew quarter by quarter and reached a record high in 2021.

Over the years, Wistron ITS has been cultivating the IT service field, and has developed the ability to provide global product services and cross-regional software development management and operation mechanism, as well as mastered the key technology service capabilities, and successfully established a cross-regional integration and global delivery of software engineering development system. In 2021, we were selected as the only information service provider to receive the Sixth Taiwan Mittelstand Award among 160 companies for our outstanding IT services and global software delivery capabilities.

As we are committed to corporate sustainability, apart from focusing on our main business operations and continuing to deliver the best possible performance, we also focused on sustainable development and ESG-related issues. We continue to focus our efforts on the environment, society, and corporate governance. In regards to the environment, we aim to become carbon neutral in response to climate change and our clients' initiatives to achieve 100% carbon neutrality in their supply chains by 2030.



In regards to society, we are focused on creating a happy work environment and promoting social diversity and inclusion. At Wistron ITS, we encourage our female colleagues to excel in their work. We aim to promote and advance their careers. As of the end of 2021, the percentage of female executives among all executives was 46.1% and the percentage of female colleagues among all employees was 34%. These numbers are a testament to the fact that we encourage women to join our company and recognize their performance, which in turn leads to our diverse and inclusive work environment and corporate culture.

In terms of corporate governance, we have actively implemented and strengthened corporate governance in recent years, enhancing the functions and diversity of the Board of Directors, focusing on stakeholder communication, and gradually promoting the improvement of systems and regulations to ensure the implementation of the spirit of corporate governance, the protection of shareholders' rights and interests, and the pursuit of sustainable operation. In 2021, Wistron ITS was ranked among the top 5% of listed companies in the 7th Annual Corporate Governance Review (2020) and among the top 5% of listed companies in the small and medium cap group, making it one of the top corporate governance companies among the 1,730 listed companies. We are fully committed to achieving the highest corporate governance goals.

IT technology and services are Wistron ITS' core competencies. In the past two years, Wistron ITS has started its digital innovation and built an operation support and digital system to support its 20,000 employees, with the aim of promoting and supporting the re-growth of the Company. The initial results have been made, allowing Wistron ITS to provide one-stop services to clients more efficiently and to ensure service quality.

At the same time, the digital employee service platform provides a friendly work environment and smooth workflow, allowing employees to focus on the production of work results and reducing the burden of related administrative matters. This year, we will enter the second phase of digital innovation to enhance operational efficiency through further optimization and development.

Looking ahead in 2022, as the use of emerging technologies will become more and more widespread and technology will enter the daily life of people, the global information service industry will develop strongly and all industries will be in need of software engineering. We are confident in the future of the information service industry and aim for double growth in revenue and profit. While we are working to actively improve our operational performance, we will also strive to protect the environment and care for society, while responding to stakeholder needs with authenticity. We will continue to create positive impacts for society, create an innovative future and a better world.

*Ching*

Ching Hsiao,  
Chairman & CEO  
Wistron Information Technology & Services Inc.







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# The Road to Sustainable Governance











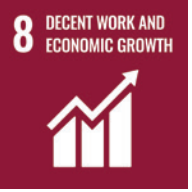

## Vision and Objective of Sustainable Development

The core values of Wistron ITS are 'Respect Clients', 'Integrity', 'Innovation' and 'Excellence'. Our vision is to adapt to the needs of the international market, to stand firm in Asia, and to become the leading global IT service provider. In response to the international environment and industry development, government regulations and policies, Wistron ITS has been communicating and cooperating with key stakeholders such as customers, employees, shareholders, government, suppliers and the general public on the path to sustainable development. We have adopted the five strategic axes of 'Sustainable Governance', 'Friendly Workplace', 'Social Engagement', 'Environment for All' and 'Digital Innovation' as the direction for sustainable development, and have aligned these with the United Nations' Sustainable Development Goals (SDGs). We will continue to deepen our environmental (E), social (S), economic and governance (G) initiatives in the hope of creating more sustainable values for society and stakeholders.

### Vision and Objective of Sustainable Development

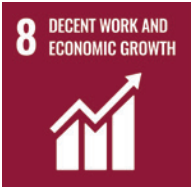

Aspects	Sustainable Development Goals (SDGs)	2030 Goals(Long-Term)	2025 Goals(Mid-Term)	2022 Goals(Short-Term)	Attainment progress
Environment Environment Friendly	  	<ul style="list-style-type: none"> <li>• Carbon neutral by 2030</li> <li>• Continuously improve water consumption intensity, waste use intensity and electricity consumption.</li> </ul>	<ul style="list-style-type: none"> <li>• Using 2020 as the base year, both the average annual water usage and the waste use intensity shall be reduced by 1% every year.</li> <li>• Using 2020 as the base year, both the average annual reduction in electricity consumption and the average reduction in greenhouse gas emissions shall be 2% every year.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete company-wide greenhouse gas inventory (Scope 1, 2, 3) and set carbon reduction targets. ◦</li> <li>• Set targets for water usage, electricity usage and waste reduction.</li> </ul>	Achieved



Aspects	Sustainable Development Goals (SDGs)	2030 Goals(Long-Term)	2025 Goals(Mid-Term)	2022 Goals(Short-Term)	Attainment progress
Social Friendly Workplace and Social Engagement	  	<ul style="list-style-type: none"> <li>Establish a variety of comprehensive career development training programs for our employees to facilitate qualitative and quantitative talent development and to ensure the establishment of a career ladder.</li> <li>Establish an international cooperation mechanism to increase the input of overseas students returning to their home countries to contribute to local projects.</li> </ul>	<ul style="list-style-type: none"> <li>Identify internal high-performing or high-potential talents, and tailor 'personal development plans' to suit different professional backgrounds, resulting in a continuous increase of 30% in the number of staff trained.</li> <li>Continue to strengthen our industry-academia relationships and multiply our cooperation programs to promote outstanding students.</li> </ul>	<ul style="list-style-type: none"> <li>Established and implemented the WITS Career Training System Chart, resulting in a 30% increase in the number of staff trained compared to the previous year.</li> <li>Establish roots in local campuses and recruit outstanding students. Sign and establish at least two WITS-specific industry-academia cooperation projects</li> </ul>	Ongoing
Governance Sustainable Governance	 	<ul style="list-style-type: none"> <li>Continued to be at the top 5% of companies listed in the Corporate Governance Review</li> <li>Maintained 100% of new employees signing the Code of Ethical Conduct.</li> <li>Our Integrity Management Course trained 3,000 staff members.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to be at the top 5% of companies listed in the Corporate Governance Review</li> <li>Maintained 100% of new employees signing the Code of Ethical Conduct.</li> <li>Our Integrity Management Course trained 1500 staff members.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to be at the top 5% of companies listed in the Corporate Governance Review</li> <li>Maintained 100% of new employees signing the Code of Ethical Conduct.</li> <li>Our Integrity Management Course trained 500 staff members.</li> </ul>	Ongoing








Aspects	Sustainable Development Goals (SDGs)	2030 Goals(Long-Term)	2025 Goals(Mid-Term)	2022 Goals(Short-Term)	Attainment progress
Innovation Digital Innovation	 	<ul style="list-style-type: none"> <li>Continued to pass ISO27001 Information Security Management System Certification and achieved zero information security incidents.</li> <li>The company's confidential and personal information protection regulations are effectively implemented, and all employees and new employees have completed education and training.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to pass ISO27001 Information Security Management System Certification.</li> <li>The company's confidential and personal information protection regulations are effectively implemented, and all non-onsite staff members have completed education and training.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to pass ISO27001 Information Security Management System Certification.</li> <li>Surveyed and optimized the company's confidentiality and personal information protection standards, and planned related education and training content.</li> </ul>	Ongoing





Note: 1.Water consumption intensity is water consumption per unit revenue  
 2.Waste intensity is waste production per unit revenue

## Response to UN Sustainable Development Goals

In 2015, the United Nations passed the Sustainable Development Goals (SDGs). Wistron ITS recognizes and supports the SDGs and comprehensively examines the relevance of the SDGs to Wistron ITS's operations, focusing on and responding to the following:


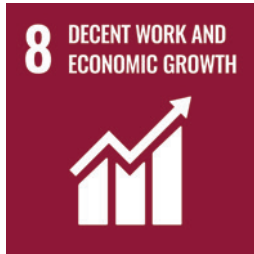

	SDGs	Wistron ITS SDGs Corresponding Action Plan	Corresponding Chapters
E Environment Friendly	 Goal 7: Affordable Clean Energy	Wistron ITS has long promoted electricity conservation, making good use of natural lighting in the office environment and using energy-efficient lighting fixtures to save energy and reduce carbon emissions.	Energy Management
	 Goal 12: Responsible Consumption and Production	Wistron ITS has implemented energy management, greenhouse gas emissions management, water resource management and waste management, as well as recycling measures. The company promotes the reduction and reuse of plastics and is gradually moving towards a paperless workplace.	Energy Management Greenhouse Gas Emissions Management Water Resource Management Waste Management
	 Goal 13: Climate Action	Each year, Wistron ITS identifies its greenhouse gas emissions, identifies and ranks the relevant risks through a climate change risk matrix, evaluates the possible impact of key risk factors on Wistron ITS' operations, and takes stock of strategies to address them.	Risk Management Greenhouse Gas Emissions Management



	SDGs	Wistron ITS SDGs Corresponding Action Plan	Corresponding Chapters
	 Goal 14: Protect Marine Ecology	Wistron ITS advocates for environmentally friendly actions, organizes trail/beach cleanup activities, and raises funds for tree planting.	Social Engagement
	 Goal 15: Protect Terrestrial Ecology		
S Friendly Workplace and Social Engagement	 Goal 3: Good Health and Well-being	Internally, Wistron ITS has set up a Talent Recruitment and Employee Service Center to care for its employees and provide annual health check-ups, with dedicated staff responsible for labor safety and hygiene management. Externally, Wistron ITS regularly organizes Social Participation and Care activities, such as blood donation, charity sales, and sponsorship of underprivileged students.	Employee Health and Workplace Safety Social Engagement
	 Goal 4: Quality Education	Wistron ITS has established a comprehensive education and training framework, offering training courses for different job levels with external lecturers. This is to help employees develop their potential and find the best job fit. We also leveraged our professional expertise to offer programming lessons to schoolchildren in rural areas.	Employee Cultivation and Career Development Cultivate and Recruit Software Talent Social Engagement





	SDGs	Wistron ITS SDGs Corresponding Action Plan	Corresponding Chapters
	 Goal 5: Gender equality	There are breast-feeding rooms at Wistron ITS and the ratio of men to women in supervisory positions is equal. The relevant rules and regulations are based on the principles of respecting human rights and preventing sexual harassment and discrimination.	Sustainable Talent Development Friendly Workplace
G Sustainable Governance	 Goal 8: Employment and Economic Growth	Wistron ITS is committed to the sustainable growth of operational performance, providing a compensation and benefits system that is superior to the Labor Standards Act, creating an inclusive and friendly workplace environment, and providing employee consultation through the Talent Recruitment and Employee Service Center and the 8855 hotline.	Operational Performance Innovation and Service Friendly Workplace
	 Goal 9: Resilient construction, sustainable industry and innovation	Wistron will combine the experience of working with our clients, to brainstorm and propose innovative solutions to strengthen the capacity of a digital transformation.	Innovation and Service



# The Structure and Operation of Sustainable Governance

In order to fulfill our corporate sustainability responsibility and contribute to economic, environmental, and social progress for sustainable development, the Board of Directors of Wistron ITS adopted the "Code of Practice for Sustainable Corporate Development" in May 2016. We have committed our company to actively practice corporate social responsibility while engaging in business operations in line with international development trends, and to enhance national economic contributions, improve the quality of life of employees, communities, and society through corporate citizenship, and promote a corporate responsibility-based competitive advantage. Wistron ITS established a Corporate Sustainability and Social Responsibility Promotion Committee as the overseeing governance body on such matters, and in October 2021 renamed it the ESG Implementation Office.

## ESG Implementation Office Operational Mechanism

The chairman of the committee is the chairman and CEO, and the committee members are the managers of business groups, business units, and supporting units. Under this committee, the Sustainable Environment, Social Inclusion, Sustainable Governance, and Sustainable Innovation Teams are established. Each team assigns the head of each department to be responsible for ESG implementation and management, specific action plans, and conducts annual implementation risk assessments, quarterly communication of implementation results, consolidates ESG information disclosure, and the compilation of the corporate sustainability reports.

The ESG Implementation Office plans, promotes and formulates the direction of Wistron ITS' sustainable development, sets short-, medium- and long-term goals, prepares relevant management guidelines, and tracks the effectiveness of implementation to ensure the execution and implementation of the company's sustainable development, based on the content submitted by the teams. The CEO will report regularly (at least once a year) to the Board of Directors, who will review the progress of the strategy and implementation and make recommendations for improvements and adjustments.

## ESG Implementation Office Structure





## Stakeholder and Key Issue Analysis

Wistron ITS uses the Global Sustainability Reporting Standards (GRI Standards) and the AA 1000 Stakeholder Engagement Standards as a framework to establish a process for identifying key corporate sustainability topics as a basis for the disclosure of corporate sustainability reports.

### Key Issue Analysis Procedure

#### Step 1: Identify Stakeholders (Sustainability)

The identification of stakeholders is mainly conducted by the Wistron ITS ESG Promotion Office. Our five principles for identifying the criteria for stakeholder engagement include dependency, responsibility, influence, multiple perspectives, and impact. The list of stakeholders is divided into eight groups: clients, employees, shareholders/ investment institutions, suppliers, government entities, non-profit organizations/ communities, media, and others.

#### Step 2: Record Sustainability Issues (Sustainability)

Using the GRI criteria indicators as the basis for consideration, Wistron ITS has continued to address the issues that have been communicated internally and externally in previous years, taking into account the sustainability development goals (SDGs), issues of concern to the Responsible Business Alliance (RBA), the Sustainability Accounting Standards Board (SASB), and the rating agencies: such as DJSI, CDP, TCFD, etc., and analyzed the industry trends to collect relevant

sustainability issues, along with Wistron ITS' corporate sustainability strategy and stakeholder communication issues, and compiled 21 potential sustainability issues.

#### Step 3: Conduct Key Issue Analysis (Significance)

In accordance with the substantive analysis process, Wistron ITS' stakeholders were asked to analyze the impact of each topic on the company in terms of the level of concern, coupled with the factors in the senior management's consideration of revenue, cost, customer satisfaction, employee recognition, reputation, compliance, and risk. Each were given a score of 1 to 5 on a scale from low to high. Based on the results, the 21 topics were evaluated and ranked for significance, and a significance analysis matrix was drawn by considering the 'level of stakeholder concern' and the 'level of impact on Wistron ITS' operations'.

#### Step 4: Determine the Scope and Boundary of Material Topics (Comprehensiveness)

Based on the 21 ranked aspects of consideration and based on whether the impacts related to Wistron ITS' activities, services, and relationships occur within or outside the organization, the value chain encompassed by Wistron ITS is assessed in its entirety.

#### Step 5: Review and Discussion (Sustainability)

Based on the results of the significance analysis, the ESG Implementation Office discussed and decided on the priority sustainability issues to be revealed. A total of six issues corresponding to the GRI Standards themes are included in the key issues for 2021.





## Stakeholder Engagement

Stakeholder	Meaning to Wistron ITS	Main Concerns	Communication Methods and Channels	Communication Frequency	Corresponding Chapters
Customer	Wistron ITS strives to be a long-term and trustworthy partner for our customers and to establish long-term mutually beneficial relationships with them. The sustainability of our customers is the key to our continued growth, and the greatest benefit to our customers is the source of Wistron ITS' achievements.	Customer Services Customer Privacy Talent Recruitment Sustainable Supplier Management	<ul style="list-style-type: none"> <li>• Hold regular business review meetings with customers</li> <li>• Customer satisfaction survey and response</li> <li>• Customer audit and customer questionnaire response</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly or every 6 months</li> <li>• Quarterly or every 6 months</li> <li>• Per client's request</li> </ul>	Customer Services Information Management Talent Cultivation and Career Development Sustainable Supplier Management
Employees	Employees are the most important partners of the company, as well as the basis of sustainable development. Wistron ITS aims to establish a diverse, equal, and healthy work environment, where our employees and grow and develop with the company, and so both parties may achieve higher performance and values.	Labor/Management Relations Employee Development Human Rights Talent Retention Employee Care	<ul style="list-style-type: none"> <li>• Employee Welfare Committee</li> <li>• Operation seminars</li> <li>• Employer-Employee Meeting</li> <li>• Supervisor and Employee Training</li> <li>• Supervisor Coaching and Communication</li> <li>• Employee Health Care</li> <li>• Performance Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Quarterly</li> <li>• Quarterly</li> <li>• Quarterly</li> <li>• Monthly</li> <li>• Annually</li> <li>• Every 6 months</li> </ul>	Sustainable Talent Development Talent Cultivation and Career Development Employee Health and Workplace Safety Friendly Workplace



Stakeholder	Meaning to Wistron ITS	Main Concerns	Communication Methods and Channels	Communication Frequency	Corresponding Chapters
Suppliers	Establishing long-term partnerships with suppliers, the company will assist suppliers in evaluating potential risks and opportunities in line with global sustainability trends, and work together to achieve sustainable development and create greater benefits for our customers.	Sustainable Supplier Management Information Management Customer Privacy Anti-corruption and Integrity Economic Performance	<ul style="list-style-type: none"> <li>• Supplier Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> </ul>	Sustainable Supplier Management Information Management Governance Operational Performance
Shareholder/ Investment Institutions	The support of shareholders is the strength of Wistron ITS' steady growth, and the company's mission is to create maximum benefits for shareholders. We aim to utilize capital appropriately to create a positive cycle, and disclose operational and financial information transparently.	Economic Performance Anti-corruption and Integrity Customer Services Information Management Talent Recruitment Human Rights	<ul style="list-style-type: none"> <li>• Corporate Financial Report</li> <li>• Annual Report</li> <li>• Investor Conference</li> <li>• Shareholders' meeting</li> <li>• Investor Meeting</li> <li>• Market Observation Post System</li> <li>• Important Information</li> <li>• Corporate Sustainability Report</li> <li>• Company Website</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly/Annually</li> <li>• Quarterly</li> <li>• Regular or as needed</li> <li>• Annually</li> <li>• Regular or as needed</li> <li>• Monthly</li> <li>• As Needed</li> <li>• Annually</li> <li>• As Needed</li> </ul>	Operational Performance Governance Customer Services Information Management Sustainable Talent Development Friendly Workplace
Government/ Competent Authorities	Government and authorities are important supporters of business development. Comply with government regulations, actively cooperate with national policies, maintain good communication channels with the government, and create local employment opportunities and tax revenue sources.	Anti-corruption and Integrity Labor/Management Relations Legal Compliance	<ul style="list-style-type: none"> <li>• Official Documentation</li> <li>• Market Observation Post System</li> <li>• Regulatory Explanation Sessions</li> <li>• Information Sessions</li> <li>• Seminars</li> </ul>	<ul style="list-style-type: none"> <li>• As Needed</li> </ul>	Governance Environmental Management and Regulation Compliance Friendly Workplace

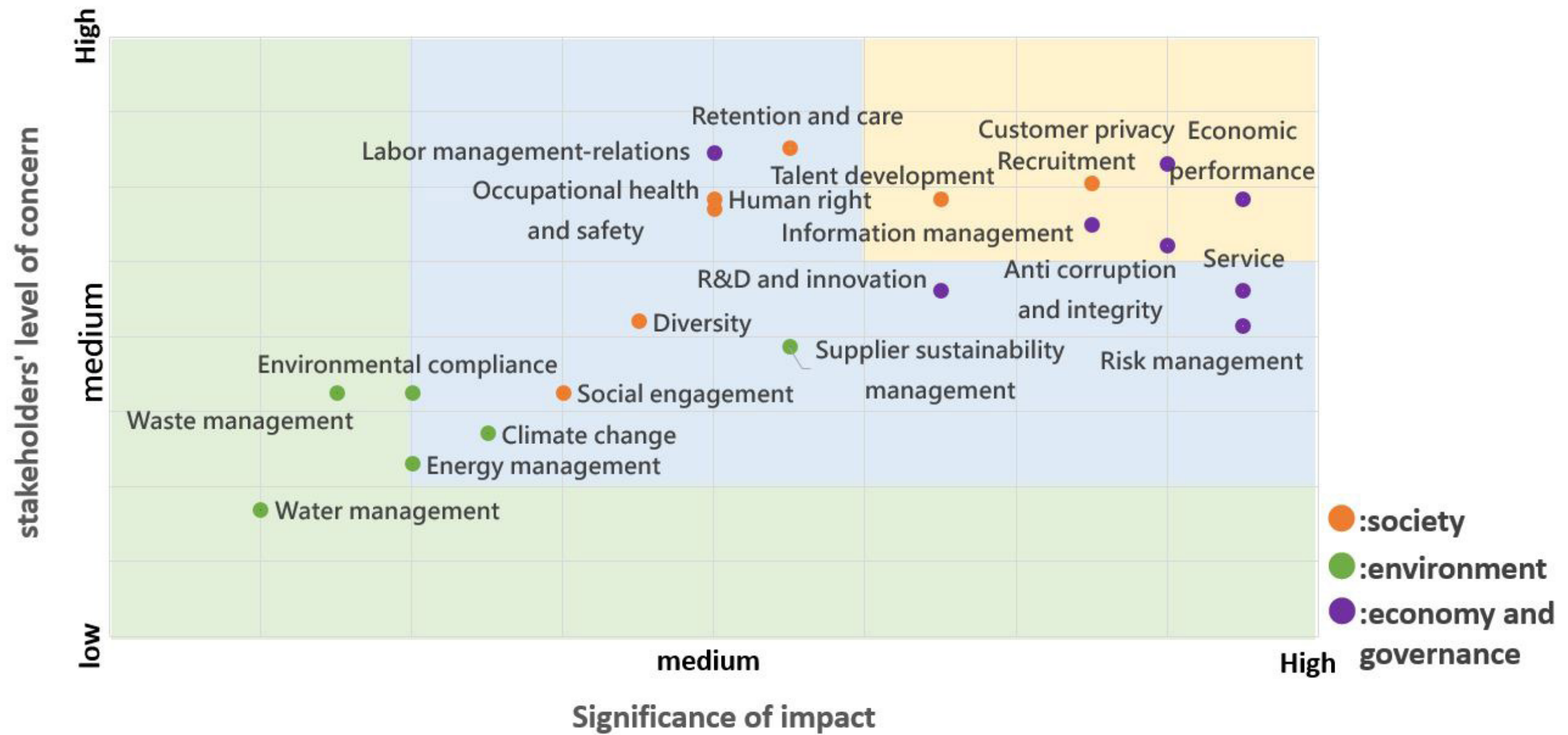


Stakeholder	Meaning to Wistron ITS	Main Concerns	Communication Methods and Channels	Communication Frequency	Corresponding Chapters
Non-profit Organizations /Community	Building long-term partnerships with non-profit organizations and maintaining good engagement with the local community, we aim to give back to the community with Wistron ITS' core digital capabilities and impart the company's sustainable impact.	Social Engagement Occupational Health and Safety	<ul style="list-style-type: none"> <li>• Project Meeting</li> <li>• Charitable Activities</li> <li>• External Communication Email</li> </ul>	<ul style="list-style-type: none"> <li>• As Needed</li> </ul>	Social Engagement Employee Health and Workplace Safety
Media	Maintain good communication with the media and continue to convey the company's brand image to the public, which helps to promote the company to a wider range of stakeholders.	Economic Performance Customer Privacy Anti-corruption and Integrity Labor/Management Relations	<ul style="list-style-type: none"> <li>• Corporate Presentation</li> <li>• Press Conferences</li> <li>• Press release</li> </ul>	<ul style="list-style-type: none"> <li>• As Needed</li> </ul>	Operational Performance Governance Information Management Friendly Workplace
Directors (including Independent Directors)	The Directors are the core governance unit of Wistron ITS, pursuing the maximization of shareholders' rights and the sustainable operation of the Company.	Economic Performance Research, Development & Invocation	<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Functional committees</li> </ul>	<ul style="list-style-type: none"> <li>• As needed in accordance with requirements and organizational procedures.</li> </ul>	Economic Performance Innovation and Service



## Significant Issues Analysis

We define the content of our reports in accordance with the four principles of the GRI Standards: stakeholder inclusiveness, sustainability context, significance and comprehensiveness. Through the four steps of collecting sustainability issues, investigating the level of concern, analyzing significant issues, and review and discussion, we perform significance analysis as the basis for compiling and disclosing this corporate sustainability report, and take stock of the company's current status of sustainability development.







## Boundaries of Material Issues

● : Direct Impact ○ : Indirect Impact

Aspects	Significant Issue	The significance and impact of significant issues on WITS	Corresponding GRI Subject	Value Chain (Boundary Identification)					Corresponding chapters
				Internal		External			
				Company operation	Employees	Supplier/ Contractor	Customer	Social/ Community	
Economy	Economic Performance	The financial performance of the operation has a direct impact on the company's internal and shareholders'/investors' economic interests.	Economic Performance (201)	●	●	●	●		Operational Performance
	Anti-corruption and Integrity	Establish a good corporate governance system and implement various ethical policies and risk control mechanisms with suppliers, customers and related stakeholders to maintain the company's sustainable operation and value creation	Anti-corruption (205)	●	●	●	●	○	Governance Risk Management
Society	Employee Development	Providing diversified learning channels and training systems to effectively enhance organizational competitiveness and functional development of employees	Training and Education (404)	●	●	○	○		Talent Cultivation and Career Development
	Talent Recruitment	Employees are an important asset. By continuing to bring in high potential talent and providing a friendly workplace environment for employees to continue to contribute and grow within the organization, the company will retain its competitive advantage.	N/A	●	●	○	●		Sustainable Talent Development Friendly Workplace
Information Services	Customer Privacy	Maintain client's private information to build a stronger trust relationship with them.	Customer Privacy (418)	●	●	●	●		Information Management
	Information Management	Robust data security management measures to deter any illegal cyber-crimes and reduce information security risks.	N/A	●	●	●	●		Information Management



## Management Approach of Material Issues

Aspects	Significant Issue	Management Approach	Responsible unit	Assessment Method	Performance result
Economy	Economic Performance	We are committed to providing world-class software services and information outsourcing services to our clients, reducing their operating costs and improving service quality for their maximum benefit, and becoming an international IT service provider.	Finance HQ	The highest decision-making team of the Board of Directors is responsible for overseeing the overall operations of the Company and the results of policy implementation.	In 2021, Wistron ITS' consolidated revenue grew at a rapid pace, posting an impressive 21% annual growth rate and setting a new record high.
	Anti-corruption and Integrity	We manage our employees through our "Code of Ethical Conduct" and "Integrity Management Principles", and strengthen their awareness through training.	HR & Administration HQ	<ul style="list-style-type: none"> <li>Code of Ethical Conduct Signing Rate</li> <li>Integrity Management Trainee Numbers</li> </ul>	No corruption or ethics violations occurred in 2021.
Society	Employee Development	Through the three training systems of new employee training, functional specialties, and management skills training, we help employees plan their career development.	HR & Administration HQ	<ul style="list-style-type: none"> <li>Average employee training hours</li> <li>Construction and statistics of Employee Career Development System</li> </ul>	The average employee training hours was 41 hours in 2021. 30% increase in recruitment in 2021 compared to last year
	Talent Recruitment	We are committed to offering competitive salaries, incentives, and development programs to attract and retain talent.	HR & Administration HQ	The number of employees and the turnover of employees are compiled by the human resources department.	
Information Services	Customer Privacy	We manage our business through internal regulations such as the "Rules Governing the Management of Confidential Information," "Rules Governing the Management of Financial and Non-Financial Information," and "Rules Governing the Protection of Personal Information."	Legal Affairs Office, Digital Innovation Office	Through education and training, strengthen employees' awareness of business secrets and personal information protection.	There were no violations of customer privacy or losses of customer information that harmed the rights of clients in 2021.
	Information Management	Effective control of internal data security through 'ISO 27001 Information Security Management'	Digital Innovation HQ	The 'Information Security Committee' is responsible for information security risks. The Committee conducts annual risk assessment and arranges consultant consultation, technical services and information security education training.	No security incidents occurred in 2021, and all scans and probes from external sources were detected and intercepted.



# Operation and Governance





## Company Profile

Wistron ITS is the leading global IT Technology service provider in Taiwan and China. In the Asian-Pacific region as well as in the US, we boast a total of 17 offices, including Taipei, Hsinchu, Taichung, Tainan, Wuhan, Beijing, Dalian, Shanghai, Zhuhai, Guangzhou, Shenzhen, Chengdu, Hangzhou, Hong Kong, Tokyo, Osaka, and California. Our clients include Fortune 500 world-renowned companies as well as industry leaders both domestically and internationally. Wistron ITS aims to be our clients' long-term, trust-worthy partner in a sustainable business relationship.

The professional services we provide include: software R&D, development services, software testing services, system operation & maintenance services, business process outsourcing services, and product globalization services.

We have a wide range of technical resources to meet the diverse needs of our clients. We adopt an offshore development work model of cross-regional integration and global delivery to enhance the efficiency and quality of project development. To ensure the quality of our projects and services, we have obtained CMMI level 5 certification, as well as ISO9001 quality control system, ISO27001 information security management system, ISO20000 information technology service management system, ISO22301 business continuity

management system, and other international certifications. We use the most stringent standards for software development, quality control, and information security management.

### WITS Quick Facts

- Founded in 1992
- Industry leader of information services
- Core values: Respect clients, integrity, innovation, and excellence.
- Vision: To adapt to the needs of the international market, to stand firm in Asia, and to become the leading global IT service provider.
- The total revenue of Wistron ITS in 2021 was NT\$6.178 billion.
- The company is headquartered in Taiwan, and has global operations with offices in China, Japan, and the United States.
- As of 2021, there are over 8,044 employees worldwide.





## Primary Services

The main services of Wistron ITS include: Software R&D services, software testing services, system operation & maintenance services, business process outsourcing services, and product globalization services. We have a wide range of technical resources to meet the different needs of our clients. We adopt an offshore development work model with cross-regional integration and global delivery to enhance the efficiency and quality of project development.

### Software Development Services

For over 20 years, Wistron ITS has been providing software development services to clients in various industries. Based on our deep understanding of the relevant industries and comprehensive mastery of IT technologies, we cover a wide range of servers, operating systems, middleware, development languages, etc. We provide software development services according to clients' needs under a scientific development process, including product pre-research, requirement development, design, software development, testing and delivery, deployment, product recurring computing, and other services. We are involved in banking, insurance, securities, communications, manufacturing, healthcare, and IT industries.

### Software Testing Service

Wistron ITS's software testing services are designed to meet the needs of our clients to improve the quality of their products. We provide a one-stop solution to our clients' testing needs, including test consulting, test process system building, test tool procurement and training, test project outsourcing, performance testing, automation testing, and knowledge base building.

## System Operation & Maintenance Service

We help our clients across industries to meet the challenges of increasingly complex IT infrastructures and application system operations and maintenance. We leverage the latest technologies such as cloud computing, big data, artificial intelligence, and industry experience to build unified systems of operation and maintenance management platforms for clients. We also provide professional system operation and maintenance services including: infrastructure (servers, storage, network equipment, server room equipment, etc.) operation and maintenance, operating system and intermediary software (Webserver, database, etc.) operation and maintenance, and application system operation and maintenance. Our services greatly reduce the difficulty of operating and maintaining the clients' systems and effectively improves their availability and security.

### Business Process Outsourcing Services

For international markets such as Japan, Europe, America, Taiwan, and China, Wistron ITS provides multi-lingual and multi-category business process outsourcing services. They involve IT, banking, communications, IT, manufacturing, consumer goods, finance, and many other fields. By leveraging automation technology, optimized processes, intelligent tools, and highly skilled professionals with a full understanding of the industry to speed up the delivery cycle, as well as unified project management processes, methodological tools, frameworks and metrics, and proven industry standards, work can be assigned to the most capable and cost effective delivery centers, ensuring project delivery quality and helping clients increase operational efficiency and core competitiveness.



## Product Globalization Services

Wistron ITS has been offering product globalization services for more than 20 years, serving many of the world's top 500 companies and providing services covering almost all major languages in Asia, Europe, and the Americas. Our services cover IT, automation, marketing, medical, entertainment, IT, and other industries. We provide a wide range of services including engineering, translation, typesetting, testing, and multimedia, making us one of the top 30 localization companies in Asia.

## Excellent Delivery Capability

The quality and quantity of delivery are the keys to information services. Wistron ITS has 17 offices, and three R&D centers around the world. We combine innovative technologies, R&D capabilities, and global delivery capabilities and advantages to provide services to customers. The company specializes in the flexible application of manpower and resources in multiple delivery centers in Taiwan, China, Japan, and the U.S. By interacting or combining onshore, nearshore, and offshore delivery models, we ensure the efficiency and quality of delivery.

## Global Locations

Wistron ITS's 17 global offices are located in Taiwan, China, Japan, and the U.S. We have achieved solid operational results under a professional division of labor. For more information, please refer to Wistron ITS's website (URL:[www.wistronits.com](http://www.wistronits.com)).

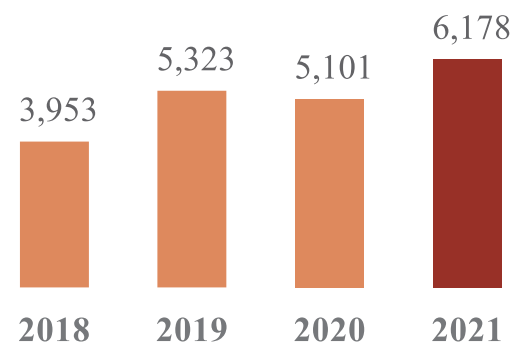




## Economic Performance

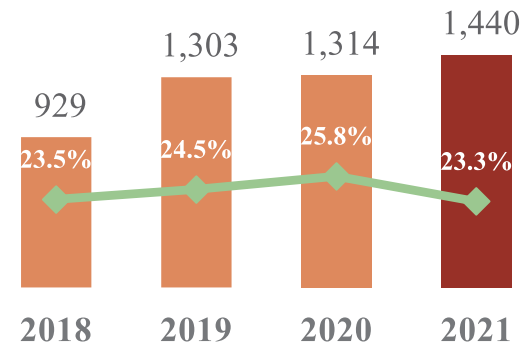
Operating Income

(Unit: NTD\$ Million)



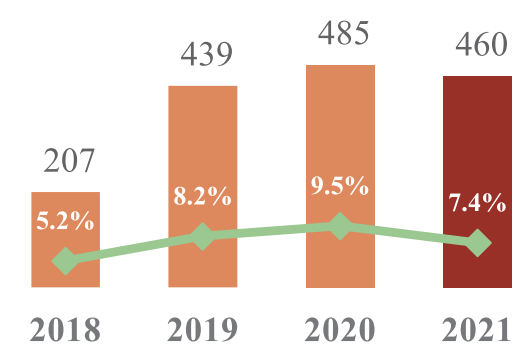
Operating Margin

(Unit: NTD\$ Million)



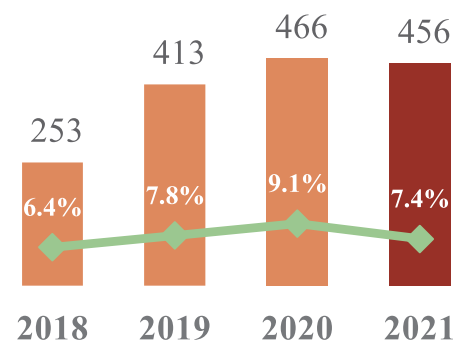
Operating Profit

(Unit: NTD\$ Million)



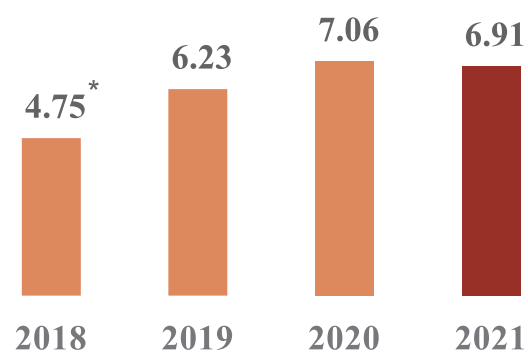
Net Profit after Tax

(Unit: NTD\$ Million)

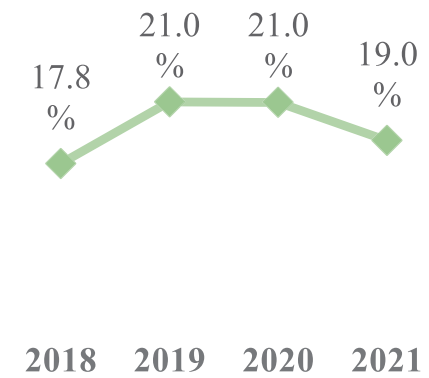


Earnings per Share

(Unit: NTD\$)



Return on Equity (ROE)







In 2021, Wistron ITS' consolidated revenue grew at a rapid pace, posting an impressive 21% annual growth rate and setting a new record high. Earnings performance was driven by revenue, with operating income, net income after tax and basic earnings per share posting the second highest performance on record. Wistron ITS continues to enhance client satisfaction and improve service quality, with high quality and reasonable profitability as short-term business development indicators. For the long term, we will strengthen our core competencies, continue to evolve with the trends in information services, and create long-term value for shareholders. The relevant financial information is disclosed in the following "Financial Performance Snapshot".

Financial Performance Snapshot					Unit: NT\$ million
Items	2021		2020		
Operating Income	6,178	100%	5,101	100%	
Operating Margin	1,440	23%	1,314	26%	
Operating Expenses	-980	16%	-829	-16%	
Operating Profit	460	7%	485	10%	
Net Profit Before Tax	515	8%	549	11%	
Consolidated Net Income After Tax (incl. Minority Equity)	456	7%	466	9%	
Basic Earnings per Share (EPS)	6.91		7.06		
Retained Surplus	1,198		1,070		
Staff Costs	4,767		3,583		
Employee Remuneration	57		56		
Cash Dividend	305		329		
Stock Dividend	-		-		



Total Capitalization of Debt and Equity					Unit: NT\$ million
Items	2021		2020		
Assets	4,017	100%	3,644	100%	
Shareholders' Equity	2,458	61%	2,335	64%	
Short-term Loans (Note)	116	3%	8	0%	
Long-term Loan	56	1%	64	2%	

(Note) Including long-term loans due within one year

Profitability Analysis				Unit: NT\$ million
Items		2021	2020	
Profitability	Return on Assets (%)	12.00%	13.44%	
	Return on Shareholders' Rights (%)	19.01%	20.97%	
	Ratio of Net Income Before Tax to Paid-in Capital (%)	76.98%	82.34%	
	Net Profit Rate (%)	7.38%	9.13%	
	Earnings per Share (NTD)	6.91	7.06	

(Note) For related financial information, please refer to the Company's website homepage/Investor Services (URL: [www.wistronits.com](http://www.wistronits.com)).



## Government Subsidies

In addition to providing software development services to customers in various industries, Wistron ITS provides software development services based on a deep understanding of the corresponding industry domain knowledge and a comprehensive grasp of IT technology, in accordance with customer needs. Relying on our many years of technical talent, R&D management, and industry experience, we provide flexible and diversified product development technical services to help our customers improve R&D efficiency, shorten the idea to product time frame, and win market opportunities. Our services are mainly to provide technical services to customers in the stages of product planning, pre-research, R&D, testing, etc. We can also provide customers with services such as R&D team building, technical capability development, and R&D process management system construction, etc. We were awarded the 6th Taiwan Mittelstand Award announced by the Ministry of Economic Affairs. In the fiscal year 2021, Wistron ITS received a total of NT\$53,118,000 in government subsidies from the government and other related entities.

## Product (Service) Sales Status

In 2021, Wistron's revenue was mainly driven by the IT high-tech, financial and manufacturing industries. The IT high-tech industry revenue is dominated by the leading technology industry target group in China, including e-commerce platforms, multinational technology enterprises, and the Internet. Revenue in Mainland China has been increasing quarter on quarter, driven by revenue contributions from quality customers, coupled with solid business growth in Taiwan and continued strong demand in the Greater China market, boosting overall revenue performance.

Unit: NT\$ million

Region \ Year	2021		2020	
	Sales Amount	Proportion (%)	Sales Amount	Proportion (%)
China	3,870	63%	2,769	54%
Taiwan	1,016	16%	810	16%
Japan	710	12%	853	17%
Other Countries	582	9%	669	13%
Total	6,178	100%	5,101	100%

## Participation in External Organizations

Wistron ITS works with and has joined cross-industry and cross-domain groups and organizations to help businesses grow sustainably.

Organizations we joined in Taiwan in 2021 include:

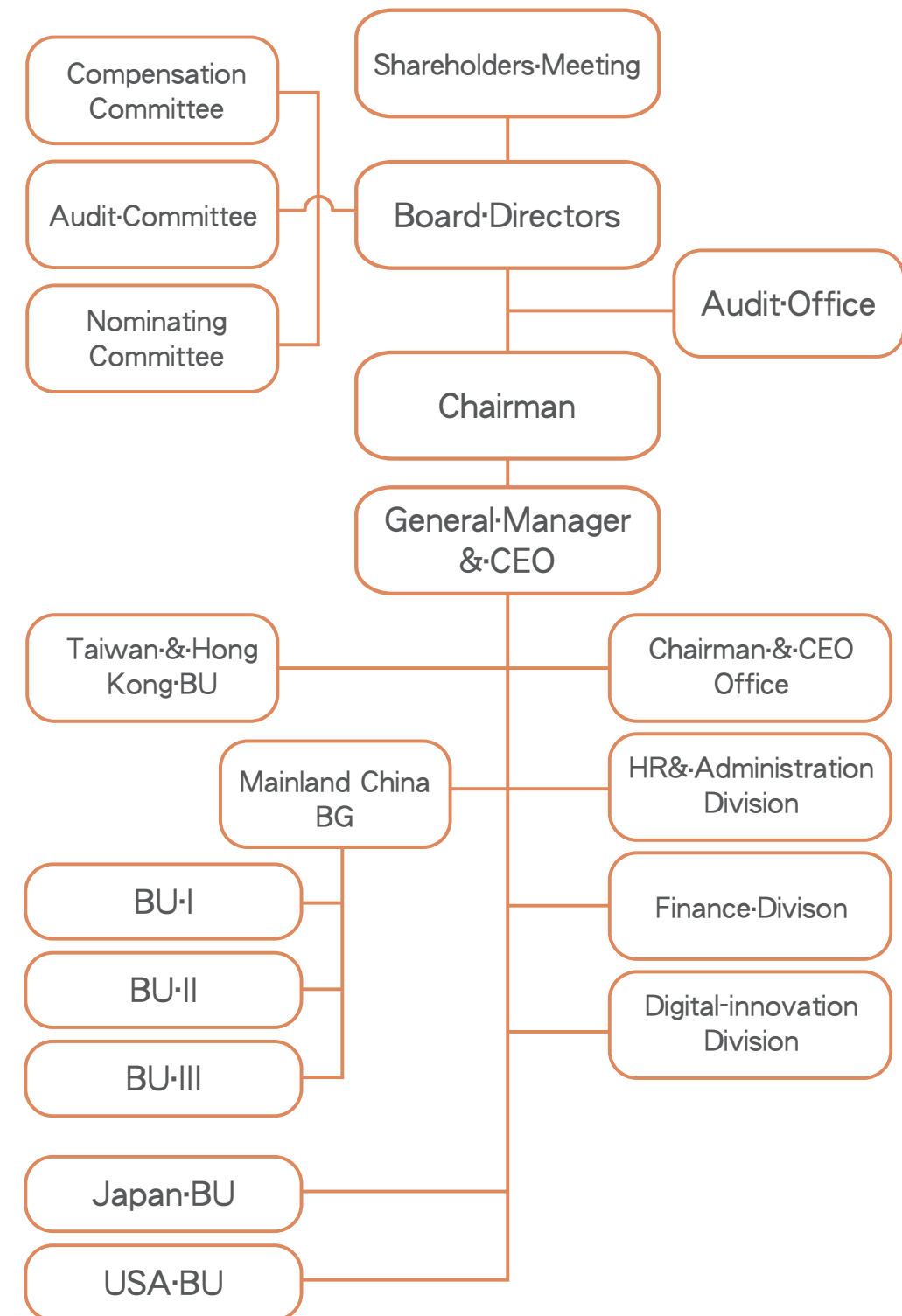
- Taipei Computer Association (TCA)
- Information Service Industry Association of R.O.C. (CISA)
- Member of Responsible Business Alliance (RBA)



## Corporate Governance

Wistron ITS is committed to the principles of establishing an effective corporate governance structure, protecting and respecting shareholders' rights and interests, strengthening the functions of the Board of Directors, and enhancing information transparency. Complying with the domestic legal requirements for company governance and its practical principles, we have established the Board of Directors and its various functional committees, with the Board deciding to establish the position of Head of Governance. We will continue to gradually implement various systems and methods to continuously enhance the quality and effectiveness of corporate governance to ensure the implementation of the spirit of corporate governance and the pursuit of maximizing shareholders' equity and the sustainable operation of the enterprise. Wistron has been ranked in the top 5% of listed companies in the 7th (Year 2020) Annual Corporate Governance Review, fully demonstrating our determination to proactively achieve our highest corporate governance goals.

## Company Organization Diagram





## Operation of the Board of Directors

The Board of Directors is the highest governance body of the Company. Based on the Articles of Incorporation, the Board of Directors consists of five to nine Directors, each office term amounting to three years, who will be elected by the shareholders' meeting via the candidate nomination system. The Board will hold meetings at least once each quarter. In 2021 a total of 5 Board meetings were held. The main purpose of the Board is to improve the oversight and enhance the governance of the Company. Board members are required to supervise the management team's compliance with laws and regulations, enhance information transparency, and provide guidance to the management team on major decisions based on their own experience to avoid erroneous policies that would undermine the company's value in order to establish good ethics and fulfill corporate responsibility to achieve sustainable business operations and protect the interests of shareholders. The management team also reports regularly to the Board of Directors on the Company's operations, development strategies or other important issues, and maintains a smooth and good communication channel with the Board of Directors.

In order to improve the corporate governance mechanism and considering the importance of directors and key employees in exercising their rights and fulfilling their obligations, and to effectively reduce the legal and financial risks borne by directors and the Company, the Company shall purchase Directors' and Supervisors' and Key Employees' Liability Insurance for directors and key employees every year.

The Company regularly arranges continuing education courses for directors each year. In 2021, all directors of the Company completed the continuing education requirements of said year. In order to refine the functions of directors, we encourage directors to pursue continuing education and from time to time provide information on various courses or seminars organized by external organizations,

such as courses on ESG-related issues, legal compliance, financial reporting information, risk management, to name a few.

In December 2019, the Company's Board of Directors approved the amendment to the Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees. The performance evaluation of the Board of Directors and functional committees is performed annually. Evaluations related to the operations of the Board of Directors, the Audit Committee, the Remuneration Committee and the Nomination Committee have been completed in 2021, and the results have been presented at the second Board of Directors' meeting in 2022 as a basis for review and improvement.

## Independence and Diversity of the Board

The 13th Board of Directors of the Company is comprised of nine members. All of the directors have extensive experience and good reputations in the industry, of whom four are Independent Directors, accounting for 44% of the Board. Their independence is in compliance with the 'Regulations for the Establishment of Independent Directors and Matters to be Followed by Public Companies'. To ensure that the independent directors can exercise their duties and responsibilities objectively, none of the independent directors of the Company has been elected for a consecutive term of more than nine years.

The Board of Directors is comprised of five general directors: Mr. Ching Hsiao (Chairman and CEO), Mr. Frank Lin, Mr. David Lee, Mr. Marty Chiou, and Mr. Philip Peng, while the four Independent Directors are Mr. Frank Juang, Mr. Allen Fan, Mr. C.K Chieng, and Ms. Yen Ling Fang.

The Company's Code of Corporate Governance Practices establishes guidelines for board structure and membership diversity policies. In order to actively implement the diversification of the Board of Directors' composition, the Company has taken into account the balance of professionalism and gender, and hopes to

enhance brainstorming and optimize decision-making through different backgrounds and perspectives. The Company is committed to increasing the number of female directors, with one female director in 2021, representing 11% of the total board. The Board of Directors is composed of two members aged 61-65 and seven members aged 66-70, all of whom are nationals. Considering the multiple aspects of governance, the Board of Directors of the Company are all experienced in business judgment and management, crisis management, leadership and decision-making skills, and have a broad international perspective. Mr. Ching Hsiao Chairman of the Board of Directors, has extensive experience in the industry; Mr. Marty Chiou, Mr. David Lee and Mr. Allen Fan are regional general managers of multinational information enterprises with extensive industry knowledge; Mr. Frank Lin, Mr. Philip Peng, Mr. Frank Juang and Ms. Yen Ling Fang have professional background in accounting and financial analysis; Mr. C.K. Chieng has background in legal expertise and can provide professional advice to the Company from different perspectives. Detailed information about the board members' academic experience, concurrent positions in other companies, attendance and background is disclosed on the company's corporate website and annual report.

## Operations of the Functional Committees

The Company's Board of Directors has three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Their operations are carried out in accordance with the "Rules and Regulations of the Audit Committee", "Rules and Regulations of the Remuneration Committee" and "Rules and Regulations of the Nomination Committee", respectively. It is hoped that they can monitor and complement each other with the Board of Directors to enhance the capacity of corporate governance. Information on the operation of each committee for the year 2021 is available on the Company's corporate website and in the annual report.

Wistron ITS is committed to strengthening the company's sustainable management system. In order to ensure the implementation of our corporate sustainability policy, we plan to establish a Corporate Sustainability Committee in 2022 to promote the implementation of sustainable development and strengthen the supervision and management of sustainable management.

Committee	Committee Members	Scope of Function	Number of meetings in 2021
Audit Committee	All Independent Directors	Supervise the presentation of the Company's financial reports, appointment (dismissal), independence and performance of CPAs, the effective implementation of the Company' s internal controls, the Company' s compliance with related laws and regulations, and management of existing and potential risks for the Company	4 times
Remuneration Committee	Three Independent Directors	Stipulate and review regularly the remuneration policies, systems, standards and structures, and performance of directors and managers. Regularly evaluate and stipulate the remuneration of directors and managers.	2 Meetings
Nomination Committee	Two Directors and Three Independent Directors	Responsible for the selection and review of candidates for directors, managers, and members of various committees under the Board of Directors, establishing and reviewing the structure and operation of various committees under the Board of Directors, as well as set and review the continuing education program of members of the Board.	1 Meeting





## Linking Remuneration with Sustainable Performance

By appropriately aligning the remuneration of our management with the company's operational performance and goals, we aim to attract and retain high quality personnel and enhance corporate competitiveness. This includes a combination of the fixed items of base salary, annual bonuses and benefits, and variable bonuses, dividends (cash/stock) and stock options, with the variable items being the primary consideration. The fixed items are based on the principle of maintaining the Company's average competitiveness in the industry. The variable items are based on the consolidated results of the Company and its individual operations. The better the operating performance of the company and its individuals, the higher the ratio of variable items. The performance evaluation criteria are based on the achievement of annual financial (turnover, profit, etc.), market/customers, organizational and personnel growth/development, and other comprehensive objectives. At the beginning of each year, the evaluation items, objectives and weightings are determined based on the development of the internal and external business environment. The remuneration of managers shall be based on individual performance and shall be reviewed and evaluated individually by the Remuneration Committee and recommended to the Board of Directors for approval.

## Corporate Compliance

Since its public offering in 2010, the Company has complied with the relevant regulations of public companies in formulating various internal operating procedures. Since its listing on the Taiwan Stock Exchange, the Company

has also followed up on amendments to the Companies Act, the Securities and Exchange Act, the Personal Data Protection Act and other laws and regulations related to corporate governance and operations to appropriately adjust internal operating procedures, norms and processes. In addition, in order to implement the Company's core values, uphold a high level of professional ethics, the Company aims to incorporate confidentiality obligations, prohibition of infringement into labor contracts, and establish regulations regarding the management of personal data protection, and information security management for all employees. The Company's management team has been closely monitoring any domestic and international policies and regulations that may affect the Company's operations, finances and business, and has established relevant risk management procedures to enhance employees' awareness of compliance through continuous education and training. Looking back at 2021, the Company acted in accordance with the law and therefore did not suffer any significant monetary fines or other non-monetary penalties.

## Anti-corruption and Integrity

Wistron ITS is committed to an integrity policy and has established procedures to prevent insider trading, a code of ethical conduct, and a code of ethical business practices, which clearly set forth procedures for the avoidance of conflicts of interest, the handling of gifts and business entertainment, political contributions, and donations or sponsorships, and programs to be followed by relevant personnel to prevent dishonest behavior. In order to manage the Company's business with integrity, the department of human resource and administration is responsible for formulating and supervising the implementation of integrity management policies and corresponding prevention plans, and for reporting the



annual operations to the Board of Directors on a regular basis (once a year), the operation of 2021 was reported to the Board of Directors on November 4, 2021, with no anti-corruption and integrity infringements. For more details, please refer to our website and Public Information Bulletin.

## Training and Advocacy

All employees, including new employees, are required to receive industry ethics training to ensure that they fully understand the regulations. All employees have a responsibility to report unethical conduct to the Company through the appropriate channels, and the Company protects its employees from unfair retaliation or treatment when they report or participate in the investigation of incidents.

Externally, before establishing a business relationship with an agent, supplier, customer, or other business counterpart, the Company must evaluate the agent's legality, integrity policies, and record of dishonest behavior. In the course of engaging in business activities, the Company shall explain to the other party the Company's integrity management policy and related regulations, and shall expressly refuse to offer, promise, demand, or accept, directly or indirectly, any form or name of improper benefits, and upon discovering any dishonest behavior, the Company shall immediately cease to deal with the other party and shall be listed as a rejecting party. Compliance with the anti-corruption policy is also included in the terms and conditions of business contracts, including: clear and reasonable payment, handling of cases involving dishonest behavior, and violation of contract terms prohibiting commission, kickbacks or other benefits.

In addition, Wistron ITS aims to fully communicate our anti-corruption policy and advocate the company's principles and beliefs on integrity in order to ensure that our employees, clients, suppliers, business partners and other parties with whom we do business understand and support our integrity policy.

Integrity and Ethics Training Enforced					
Target	Methods	Table of Contents	Number of Staf/Achievement Rate		Outcome
			2020	2021	
New Employees	Sign the Code of Ethical Conduct	Party B shall comply with Party A's internal rules and regulations, including but not limited to the various rules, regulations, key points and guidelines (e.g., Code of Ethical Conduct, Integrity Management Principles) established by Party A.	100%	100%	As a result of the advocacy measures and management mechanism, no corruption or ethics violations occurred in 2021.
	New Recruit Integrity Management Training	Promotion of Anti-corruption and Integrity Principles and Report Hotline Email	100%	100%	
Existing Employees (Note 1)	Integrity Management Training	Corporate governance and risk management, compliance with integrity management laws and regulations, confidentiality of material information, as well as the causes of insider trading, the identification process and examples of transactions	21 people	101 people	
Directors and Management	Signing the Statement of Integrity	Affirming to comply with the Company's Code of Conduct for Integrity, the regulations related to listed companies and other laws and regulations related to integrity management.	0%	100%	
Suppliers (Note 2)	Signing the Suppliers Corporate ESG Self-Assessment Form	We expect our suppliers to jointly observe and practice the following issues: human rights, environmental protection, occupational safety, code of conduct, etc.	8 companies	7 companies	

Note 1: In 2020, we focused on supervisory staff in Taiwan, and in 2021, we focused on supervisory staff in Taiwan and China; in 2022, we will invite lecturers from Taiwan and China respectively, and provide online courses to ensure the course penetration rate increases. ◦

Note 2: In 2020 and 2021, the inventory of suppliers in Taiwan was the main focus, and in 2022, the inventory of suppliers in China will be included.





## Communication Channels

The Company has established a 'whistleblower' system to implement the Code of Ethical Conduct and the Code of Business Integrity in order to strengthen its policy of integrity management and to eliminate internal fraud and bribery. The Company accepts reports from internal colleagues, clients, suppliers, contractors, shareholders, investors and related stakeholders of the Company and its subsidiaries, and encourages the reporting of any illegal or unethical conduct or violations of the Code of Ethical Conduct or the Code of Integrity.

Whistleblowers can report through letters, emails, phone calls, etc. The internal auditing unit plays the role of the window for coordinating the handling of reported complaints by the Company. Upon receipt of the report, the receiving unit will report the case to the Chief Executive Officer for prompt investigation and, if the case is substantiated, it will be dealt with in accordance with the law and the Company's relevant regulations. If the reported case involves a director or a senior executive, or if the case is found to be a material violation or the Company is in danger of being materially damaged, the independent directors will be notified in writing.

The Company handles whistleblowing cases in a confidential manner, and will protect against unfair reprisals or treatment of persons who are involved in the investigation process in which they are reported or cited.

In 2021, there was one reported case of compensation dispute, which was verified to be an issue of difference in perception between employees and clients, and after the company's staff intervened and negotiated, both parties reached an understanding and agreement.

Whistleblower Hotline Email Address: [audit@wistronits.com](mailto:audit@wistronits.com)

## Internal controls and internal audits

Wistron ITS has an independent audit department that reports directly to the Board of Directors/Audit Committee. In addition to reporting audit operations to the Audit Committee on a regular basis, the Head of Audit shall attend the Board of Directors' meetings for reports and report to the Chairman and Audit Committee whenever necessary.

The Company has established an accounting system and an internal control system in accordance with laws and regulations. The internal audit unit has set up implementation details for internal audits in accordance with the internal control system, specifying that the internal audit department shall review the appropriateness of the design of the internal control system and the effectiveness of the implementation of general operations, implement and measure the effectiveness of the current control system and procedures and the degree of compliance with them, and submit reports; the scope of its audits shall cover all operations of the Company and its subsidiaries.

At the end of each year, the audit department prepares an annual audit plan based on the company's operation and policy guidelines, and submits it to the audit committee for review and approval by the Board of Directors for implementation, and performs ad hoc audits or reviews as necessary. The effectiveness of the design and implementation of the internal control system, including the accounting system, is evaluated and self-checked by each department annually, in order to establish a robust anti-corruption management system. The audit department will then review and assess the self-check report of each department, business unit and subsidiary, and report its finding to the Board of Directors. This will serve as the main basis of the assessment of the effectiveness of the overall internal control system, as well as the statement of the internal control report.



## Management of Intellectual Property Rights

### Trademark Rights Management Plan

In response to the expansion of the Company's business and the increase of its business scope, the Company needs to apply for trademarks for its major service categories in order to increase its corporate image and visibility. The trademarks are associated with the overall professional image and identity of the Company to the public. In order to maintain the overall image of the Company to the public, the marketing department shall be responsible for visual image design, defining the categories and countries where applications should be made, while the legal department shall be responsible for the registration, application defense and other operational procedures, as well as managing and maintaining the results and status of trademark rights applications in each country.

### Trade Secret Management Plan

The Company has established the 'Confidential Information Management Regulations' to regulate the classification standards of informational documents, the level of access to each category, and the text to be marked. The Company has also established internal regulations such as the 'Rules for the Management of Financial and Non-Financial Information' and 'Rules for the Protection of Personal Information' for specific matters, which serve as the basis for the handling of confidential information by each unit within the Company.

Employees are required to sign employment contracts and confidentiality agreements and other legally binding documents at the time of employment. During their employment, supervisory personnel and staff who have access to confidential information in their duties are also required to receive regular education and training on the protection of trade secrets in order to raise their awareness of the protection of confidential information and to reduce the risk of leakage of such. In addition, the Human Resources Department and the Information Technology Department will be asked to conduct random checks from time to time to confirm whether the employees have actually fulfilled the confidentiality measures. For example, whether personnel drawers are locked,

whether computer screens are covered, whether important documents and information are marked with the appropriate level of confidentiality and covered, whether non-essential personnel are excluded from meetings, and whether the meeting location is soundproof.

### Copyright Management Plan

According to the copyright laws of Taiwan, the United States, and Japan, the author of a work acquires original copyright upon completion of the work. In the Employment Agreement between the Company and our employees, it is agreed that the Company will be the author of all creative works performed by the employees in their duties to ensure that the Company obtains the original copyright of the contents of the work performed by the staff in their duties. In the case of co-development with customers, an agreement will be made in advance to determine the ownership of the copyright of the software results.

In China, copyright ownership is also granted under the original acquisition system. However, if a copyright owner registers their copyright in computer software, it is not only beneficial to prove the copyright ownership, but also beneficial in applying for recognition as a high-tech enterprise and tax relief. At present, the Beijing administrative unit is responsible for completing the registration of computer software. The relevant departments will register these copyrighted works upon completion in order to protect the Company's interests.

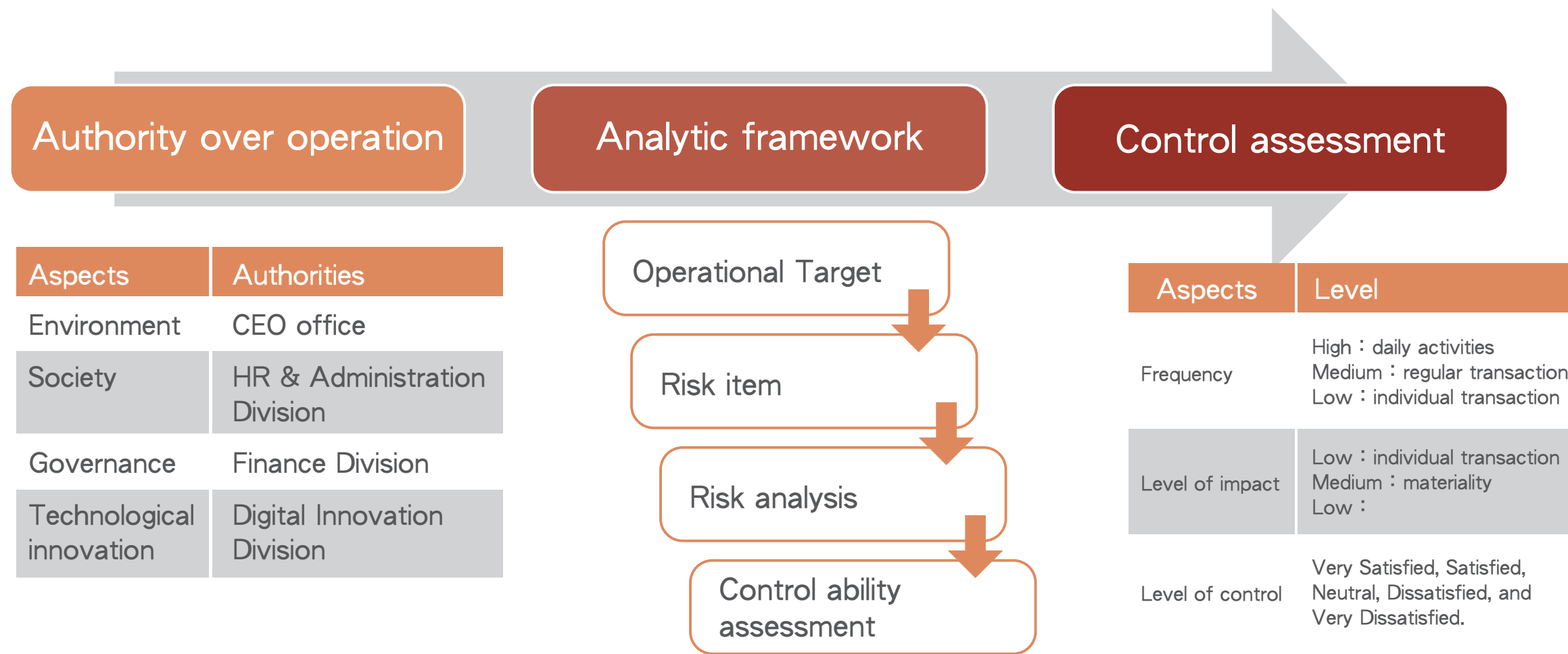
### Patent Management Plan

The essence of a patent is to encourage the applicant to disclose the technology. The patent application must first disclose the content of the invention to the patent inspection authority to examine whether it is patentable, with an early publication system 18 months after filing, in which the details of the application must be published before the patent right is obtained. Due to the nature of the Company's industry, software products often contain information that is not suitable for public disclosure, such as software data structure design, data storage location, specially developed algorithms, and confidential client information, etc. Therefore, the software industry should carefully discuss the application for patent rights on a case by case basis.

# Risk management

## Risk Management Policies and Procedures

The Company has established the "Risk Management Policy" as the highest guiding principle for risk management of the Company. The Company regularly evaluates risks every year and prepares risk management policies for each item of risk, covering mechanisms such as management objectives, organizational structure, attribution of authority and responsibility, and risk management procedures, and implements them in order to effectively identify, measure, and control each of the Company's risks and to control risks incurred from business activities within an acceptable range.



## Key Risks and Their Management

The Risk Task Force covers corporate governance, legal affairs, finance, corporate public relations, information management, business, human resources, and general affairs departments to assess and collect risk events, sources and consequences in relation to actual operational activities. After internal evaluation and discussion, risk identification is conducted for environmental, social, corporate governance and technological innovation. 9 risk items above the primary, intermediate and advanced risk levels are determined through the risk evaluation process based on the significance principle, including intermediate and advanced risk items such as regulatory environment, information security risk, economic environment and climate change risk. The corresponding risk treatment is then developed by the designated responsible unit, which the ESG Implementation Office will be including in the defined and reviewed risk management program of the Company on a regular basis. After assessing the risks, the following risk management policies or strategies have been stipulated:

Aspects Involved	Type of Risk	Impact	Risk Management Policies or Strategies
Environment	Risk of climate change and non-compliance with environmental and climate related regulations and other international regulatory agreements	Failure to comply with the regulations may fail to meet clients' expectation	<p>The information services sector is the most important target for climate change mitigation, with energy use being the most important. Wistron ITS tracks and audits its energy usage in Taiwan and China and sets energy usage reduction targets.</p> <p>In response to climate change, Wistron ITS continues to track the financial impact or contribution of various risks and opportunities every year and conducts reviews and improvements. For details please refer to the following risk descriptions.</p> <p>The Company is in the information service industry and has no physical products that have an impact on the environment. However, the Company still considers the legal requirements and management status, formulates plans and programs for implementation, and regularly tracks and reviews the progress of each project to ensure that objectives are met.</p> <p>We are committed to improving the efficiency of resource utilization and reducing the burden on the environment by implementing waste separation and recycling, gradually adopting a paperless work environment, and initiating environmental protection activities such as mountain and beach clean-ups.</p>
	Pandemic's Impact on Customer Demands	With the Covid-19 Pandemic, clients are facing major changes in environment and regulations, and changes in demand profile and approach.	We have set up a customer service hotline and communication website and regularly conduct customer service satisfaction surveys to strengthen the cooperation relationship with our customers.





Aspects Involved	Type of Risk	Impact	Risk Management Policies or Strategies
Society	Legal Risk	Refers to the risk of potential loss due to invalidity of the contract or failure to bind the counterparty to perform its obligations in accordance with the contract due to the lack of legal validity, ultra vires acts, omission of terms and conditions, and inadequate regulations.	Integrating business and legal affairs through information systems to improve contract review and control operations.
	Pandemic Impact on Employees' Physical and Mental Health	Restrictions on working conditions, commuting, and interpersonal contact due to the effects of the global Covid-19 pandemic have caused some changes in the delivery of the Company's service activities.	We have configured sufficient hardware and software for adequate remote communication, implemented remote delivery of work management, and encouraged employees to balance working from home and outdoor health activities in a compliant environment.
Governance	Market risks	External changes such as domestic and international economic factors, technology, environment, and changes in consumer patterns have impacted the Company's industry.	Wistron ITS is deeply committed to quality customers, grasping client needs and strengthening the Company's delivery capabilities in pursuit of stable growth and win-win value creation with our clients.
	Investment risk	This includes fluctuations in the market price of short-term investments and the operational management of long-term investments in investee companies. Such as interest rates, exchange rates, and financial and capital lending risks to others.	In response to the growth of the Company's regions, the working capital requirements of each region change accordingly. Some of the cross-country delivery operations result in changes in exchange rates. The Company's finance department maintains close contact with financial institutions to fully grasp the trend and changes in international exchange rates and adjust the capital position in a timely manner.
	Credit risk: (Risk of Accounts Receivable)	The risk of loss due to the failure of a counterparty to meet its obligations or contracts. Such as credit control, etc.	Integrate business, personnel, and financial information to establish a business support platform and improve operations such as pre-evaluation (deep cultivation of quality clients), mid-event management (improve delivery management), and post-event control (assist clients in sorting out processes).
	Operational Risk	This refers to losses incurred by the Company as a result of internal control lapses, human mismanagement or errors.	Establishing an integrated business and accounting platform through the establishment of a governance organization and the implementation of an internal control mechanism will enhance system collusion and cascading, and reduce the burden of manual input and review.
Technology Innovation	Information Security Risk	Industry technology is changing rapidly and the demand for operations is growing dramatically, so the prevention of vulnerabilities comes along with it.	Implementation of ISO27001 certification in each region, promotion of information security awareness of all employees, and implementation of the system.

In response to the global trend of ESG regulation, the Company is facing more challenges in environmental protection, social responsibility and corporate governance. In 2022, the Company intends to establish a Corporate Sustainable Development Committee to review risk management policies and procedures.

## Climate Risk

Wistron ITS focuses on global climate change issues. We have been recognizing our own greenhouse gas emissions annually since 2015 as a basis for energy saving and carbon reduction. Based on the Task Force on Climate-related Financial Disclosures (TCFD), Wistron ITS takes stock of key climate change risks in terms of governance, strategy and risk management indicators and targets. We also disclose the progress and results of Wistron ITS' climate change management work according to the TCFD recommendation framework.

Governance	Strategy	Risk Management	Objective and Indicator
<ul style="list-style-type: none"> <li>Monitoring of Climate Related Risks and Opportunities</li> <li>Management's Role in Evaluation and Management</li> </ul>	<ul style="list-style-type: none"> <li>Short-, Mid- and Long-term Climate Risks and Opportunities</li> <li>Risk and Opportunity Impact on Business, Strategic and Financial Planning</li> <li>Strategic Resilience and Climate Context</li> </ul>	<ul style="list-style-type: none"> <li>Climate Risk Identification and Assessment</li> <li>Climate Risk Management Process</li> <li>Integration of Climate Risk into Overall Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Climate Risk Assessment Indicators</li> <li>Greenhouse Gas Emission Inventory</li> <li>Risk and Opportunity Targets and Performance</li> </ul>
<p>In order to promote sustainable management and commit to environmental conservation practices, the Company has established an ESG Task Force, which reports to the ESG Implementation Office. The director of the ESG Implementation Office is the chairman of the Board of Directors and CEO, and the members of the ESG Implementation Office are the senior executives of each business unit and support unit. The ESG Implementation Office is responsible for approving sustainable development management policies and setting objectives, as well as coordinating the implementation of risk assessment and countermeasures in various aspects of environmental, social and corporate governance, including but not limited to the promotion of climate change-related issues. The ESG Implementation Office will be conducting regular performance tracking and reporting the implementation status to the Board of Directors at least once a year.</p> <p>The Company expects to establish a Corporate Sustainability Committee under the Board of Directors in 2022 to serve as the highest level of internal oversight for climate risks and opportunities for the Company and to report to the Board of Directors on the results of implementation and future planning for corporate sustainability, including issues related to climate change.</p>	<p>The Company's ESG Task Force will identify the risks and opportunities associated with climate change by following the standardized process of the Company's internal risk management practices.</p> <p>The Company is in the information services industry, and the most significant impact of physical disasters on operations is due to natural disasters and rising temperatures that cause power outages or equipment failures, resulting in increased repair and maintenance costs and interruptions in operations or services. At the same time, policies and regulations as well as customers' requirements for carbon reduction increases the cost of operation.</p> <p>Therefore, the Company has set a greenhouse gas reduction target commitment to effectively control greenhouse gas emissions and take stock of the impact of the regulations and the current status of implementation, and plan in advance for the response. The risk of service interruptions caused by natural disasters and equipment failures is also incorporated into ongoing operational plans and disaster recovery drills.</p>	<p>Based on TCFD's recommendations and industry characteristics, the Company has identified the transformation and physical risks of its Taiwan and China locations, established a climate risk inventory, and evaluated the impact potential and degree of impact of climate change risks and opportunities to formulate relevant strategies and take countermeasures.</p> <p>The Company determines and manages significant risks through the results of risk assessments. Management practices include tracking the impact or contribution of each risk and opportunity to the finances, and conducting reviews and improvements.</p> <p>Our climate-related risks are integrated into Wistron ITS' overall risk management plan. Please refer to the aforementioned description of the risk management process for details related to significant risk management.</p>	<p>Our company conducts greenhouse gas emission inventory according to ISO14064 and has passed third-party verification. Meanwhile, with a vision of carbon neutrality, the Company is setting short-, medium- and long-term carbon reduction targets and regularly managing greenhouse gas emissions in various areas, for details, please refer to the 'Environment Friendly' chapter.</p>



## Climate Risk Identification Process



Based on TCFD's recommendations and industry characteristics, we created a list of climate risks based on 'probability of occurrence' and 'effects of impacts'. The transformation risks include policy and regulatory risks, technology, market, and business reputation, and physical risks include immediate and long-term climate risks. The assessment is then based on the likelihood and magnitude of impact of climate change risks and opportunities. Responses and improvement measures for the major risks are formulated and the climate risks and opportunities of Wistron in 2021 analyzed as follows:

## Climate Change Risk Analysis

Risk Item		Potential Financial Impact	Response Measures	
Transformation Risk (transformation risks associated with low carbon economy)	Policy and Regulatory Risk	<ul style="list-style-type: none"> <li>• International agreements governing the carbon reduction commitments and policies of countries around the world, and Taiwan's implementation of the "Regulations for Implementation of the Greenhouse Gas Reduction and Management Act".</li> <li>• Governments of various countries are discussing carbon, energy or environmental taxes.</li> </ul>	<ul style="list-style-type: none"> <li>• There may be more stringent GHG emission control to increase the corporate GHG emission reduction liability.</li> <li>• May lead to higher operating costs for businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Set greenhouse gas reduction target commitment, effective control of greenhouse gas emissions.</li> <li>• Take stock of the impact of regulations and the current status of enforcement, and plan in advance for solutions.</li> <li>• Strengthen energy monitoring and management systems to reduce overall electricity consumption by upgrading energy efficiency through equipment replacement and upgrades.</li> </ul>
	Reputational Risks	<ul style="list-style-type: none"> <li>• Stakeholders and outside groups expect companies to improve environmental performances</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet the expectations of interested parties, resulting in damage to the company's image</li> </ul>	<ul style="list-style-type: none"> <li>• To create a company that respects the rights of individuals and can use technology to improve human life and the environment, and to enhance the willingness of long-term investment of investors.</li> </ul>





Risk Item		Potential Financial Impact	Response Measures
Physical Risks	Immediate Risks	<ul style="list-style-type: none"> <li>• Increase in the frequency of strong typhoons, extreme rainfall or snowfall.</li> <li>• Increased repair and maintenance costs due to power outages or equipment failures caused by typhoons or extreme rainfall or snowfall, as well as operational or service disruptions</li> <li>• Disaster and post-disaster response resulted in an increase in operating expenses for Wistron ITS.</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly review whether property insurance coverage needs to be adjusted to address the impact of climate change</li> </ul>
	Long-term Risks	<ul style="list-style-type: none"> <li>• Rise in average temperature</li> <li>• Have to pay higher electricity bills to maintain a constant temperature for equipment.</li> <li>• High temperatures may increase repair and maintenance costs</li> </ul>	<ul style="list-style-type: none"> <li>• Use of more efficient equipment</li> <li>• Strengthen energy monitoring and management systems to reduce overall electricity consumption by upgrading energy efficiency through equipment replacement and upgrades.</li> </ul>

### Climatic Change Opportunity Analysis

Opportunities		Potential Financial Impact	Response Measures
Resource Efficiency	Energy, water resources and waste management	<ul style="list-style-type: none"> <li>• Lower Operational Cost</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen energy monitoring and management systems to reduce overall electricity consumption by upgrading energy efficiency through equipment replacement and upgrades, in order to contribute in the global effort of reducing carbon emission.</li> </ul>
Energy Source	Use of low-carbon alternative or renewable energy sources Adopt an incentive policy	<ul style="list-style-type: none"> <li>• Potential future annual energy cost savings as the cost of alternative energy sources falls</li> <li>• Reduce the risk of greenhouse gas emissions and therefore reduce sensitivity to changes in the price of carbon trading.</li> </ul>	<ul style="list-style-type: none"> <li>• Progressively assess the use of renewable energy when the market supply and demand are mature.</li> </ul>

## Information Management

Wistron ITS' core business is information services and we understand the importance of implementing information security. In December 2008, Wistron ITS obtained the international standard ISO/IEC27001:2005 for information security management systems, which was transitioned to ISO/IEC27001:2013 certification in 2013. Wistron ITS' continuous efforts in the field of information security management and its determination to improve the performance of information security are thus demonstrated. We also follow the management model of 'Plan-Do-Check-Act Cycle' to improve audit deficiencies. We regularly conduct internal audits of information security to review the implementation of information security to ensure that the company implements the ISO 27001 management mechanism, and we also perform the re-certification process every three years to continuously maintain the effective certification of ISO 27001.

### Information Security Objectives and Implementation

Items	Goal	Short-Term	Mid-Term	Long-Term
Information Security	Maintenance of ISO27001 information security management system	Certification through External Audits	Certification through External Audits	Certification through External Audits

#### 2021 Specific Result

- Over 17 million external scans and probes successfully intercepted in 2021!!
- In 2021, we offered more than 5 hours of information security courses with 1,143 participants.
- The number of information security incidents is 0.

## Wistron ITS' Information Security Policy

### Purpose of Information Security Policy:

1. Ensuring Information Integrity
2. Safeguarding Corporate Confidentiality
3. Ensure Smooth Company Operations
4. Protecting the Company's Reputation
5. Maintain Credibility in Project Development for Delivery to Client

### Vision of Information Security Policy:

1. Enhance Employees' Awareness of Information Security.
2. Avoid Disclosure of Confidential Information.
3. Implementation of Daily System Maintenance.
4. Ensure Zero Down-Time Service.
5. Data Protection Optimization.
6. Improve Business Continuity Plan.

## Information Security Governance System and Organizational Operation

To enhance information security governance, the Information Security Management Committee was established in July 2008 with one committee director, an information security officer and 6 committee members. An information security task force was established under the committee, and information security auditors. The Information Security Task Force is composed of information technology experts and file control personnel, as well as members from support units such as the Legal Department, General Administration Department, and Education and Training Department.

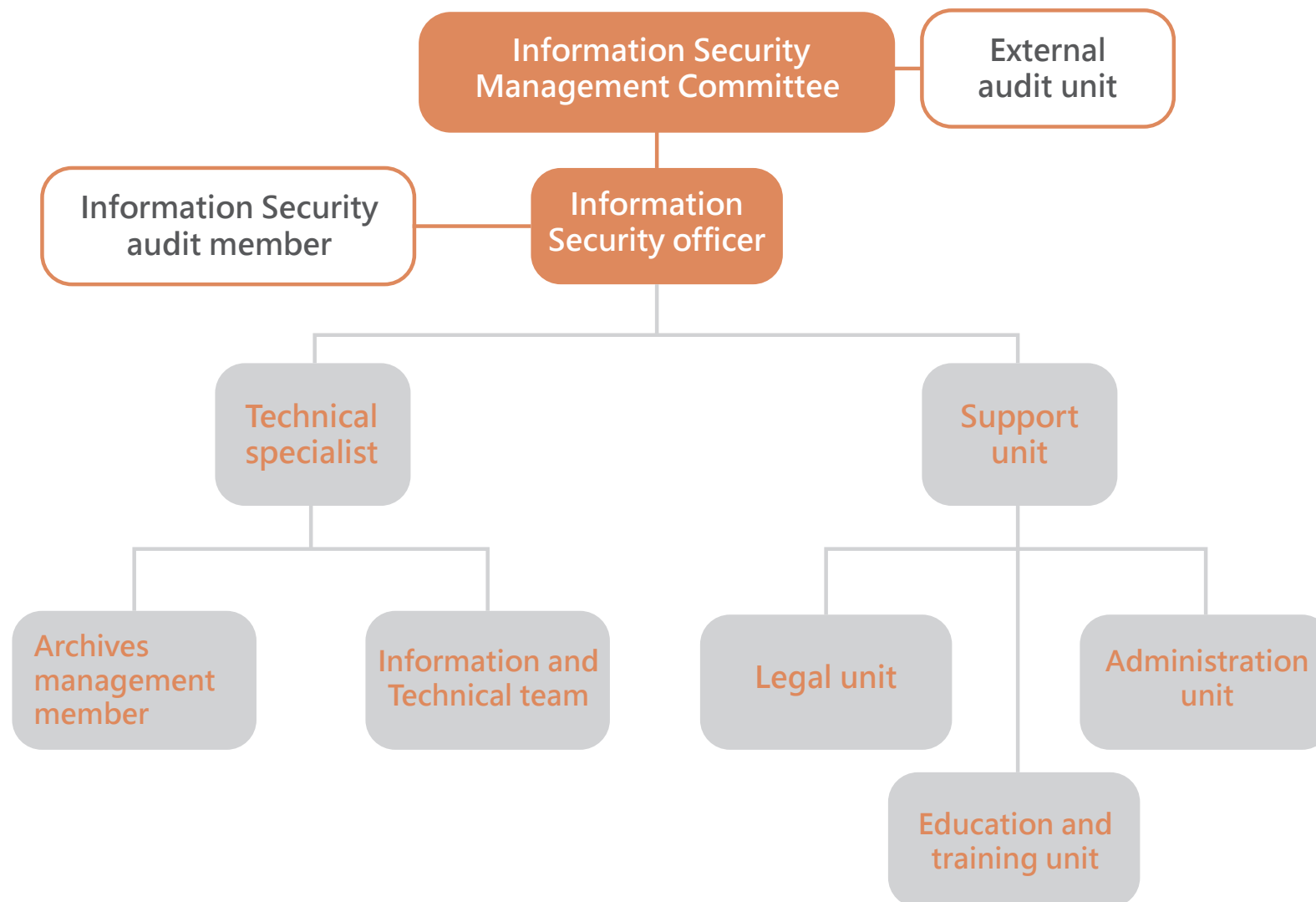
The Information Security Management Committee is responsible for defining the scope of information security management, establishing the framework and system of risk management, supervising the operation of the information security management system, analyzing and evaluating the operational risks faced by the

Company, regulating the rights and responsibilities of personnel involved in information security operations, reviewing and monitoring the investigation and handling of major security incidents, performing information security management reviews, and communicating and conveying the importance of information security internally. In 2021, three meetings were held for discussion.

### Education and Training on Information Security

All new employees are required to complete a 40-minute information security course. In 2021, external courses on Information Security - Social Engineering and Information Security Incident Case Studies were held for a total of 5 hours, with 1,143 attendees. Among the participants, the number of those who passed the information security test was 546, with an average score of 93.

### Organizational Structure of Wistron ITS' Information Security Committee





## Organization and Operation of the Information Security Management Committee



## Information Security Risk Exercises

In order to continue to improve employee awareness of email security, the Company conducts social engineering exercises every year. In early 2021, the Company conducted a social engineering exercise using phishing attacks and randomly selected 51 accounts to participate in the test, of which a certain percentage still clicked on malicious links. The Company will enhance the strength of information security education training and testing in the future.

In the meantime, in order to ensure that the company's critical applications (Mail Server, SAP ERP Server, BPM Server, OSS) and critical network MPLS-VPN can continue to operate to ensure uninterrupted business operations, the system design and related practices are as follows:

- Specify the Business Impact Analysis (BIA)
- HA (High Availability) Architecture Design
- Conduct annual DR Rehearsals for critical applications and networks.

SAP ERP DR Rehearsal Impact Analysis Requirements completed in October 2021 with the following drill results:

Key Network Policy	Rehearsal Result
RTO of SAP ERP <=4 hours	10m

[Note] SAP ERP Policy content: RTO: Recovery Time Objective



## Information Security Risk Remediation

In the meantime, in order to ensure that the company's critical applications (Mail Server, SAP ERP Server, BPM Server, OSS) and critical network MPLS-VPN can continue to operate to ensure uninterrupted business operations, the system design and related practices are as follows:

1. Enhanced email filtering mechanism : Significantly block new types of malicious email attacks.
2. Detect potential network threats to reduce risk: detect targeted attacks and strengthen monitoring.
3. Maintain the security of core applications: block external malicious attacks and avoid disruption of core applications due to attack events.

## Information Security Incident

No security incidents occurred in 2021, and all scans and probes from external sources were detected and intercepted. Therefore, there have been no personally identifiable information (PII) leaks and no victims.

## Summary of Information Security Planning and Response Practices

Information Security Planning	Response Practices
<ul style="list-style-type: none"> <li>• Enhancing staff education and training on information security</li> <li>• Implementation of information security related procedures</li> <li>• Business Continuity Plan (BCP) maintenance and exercise plan scheduling</li> </ul>	<ul style="list-style-type: none"> <li>• Through regular social engineering simulation exercises, we learn about the sensitivity of employees to fishing letters and enhance their awareness of information security.</li> <li>• Risk is reduced by following crisis management procedures.</li> <li>• Ensure the continuity of critical applications to ensure uninterrupted business operations, disaster recovery drills are arranged on a regular basis.</li> </ul>

## Customer Privacy

"Strictly observing customer confidentiality and adhering to the principle of good faith" is our commitment to customer privacy. In regards to information provided by the clients, the Company has established the 'Confidential Information Management Regulations' to regulate the classification standards of informational documents, the level of access to each category, and the text to be marked. The Company has also established internal regulations such as the 'Rules for the Management of Financial and Non-Financial Information' and 'Rules for the Protection of Personal Information' for specific matters, which serve as the basis for the handling of confidential information by each unit within the Company. The Company has signed a confidentiality agreement with each of our employees at the time of their arrival, and through training and management, we ensure that each employee is able to maintain confidentiality when dealing with customers. Under the specific control mechanism, there was no violation of customer privacy or loss of customer information that harmed the rights of customers in 2021. At the same time, in order to further strengthen employees' awareness of trade secrets and personal information protection, the Company has set the goal of enhancing relevant education and training.

### Data and Client Privacy Protection Objectives and Implementation

Items	Goal	Short-Term	Mid-Term	Long-Term
Data/Privacy Protection	Strengthen employees' awareness of business secrets and personal information protection.	Surveyed and optimized the company's confidentiality and personal information protection standards, and planned related education and training content.	The company's confidential and personal information protection regulations are effectively implemented, and all non-onsite staff members have completed education and training.	The company's confidential and personal information protection regulations are effectively implemented, and all employees and new employees have completed education and training.

In addition to the Company's policy and strict internal control mechanism to control all software and hardware containing technical data and information that may involve clients' intellectual property rights and trade secrets, we also sign confidentiality agreements with clients and suppliers to protect the security of clients' confidential information. We obtained the Taiwan Intellectual Property Management Standards (TIPS) certification in 2016 to effectively manage our intellectual property in accordance with TIPS specifications, thereby protecting our customers' privacy and safeguarding their interests. The management of our intellectual property has been certified by the state, which also enhances our clients' trust in our company. ◦



A close-up photograph of several hands stacked together in a circle, symbolizing teamwork and partnership. The hands are of various skin tones and are wearing business attire, including a blue and white striped shirt and a dark suit jacket. The background is a bright, out-of-focus window with a view of a cityscape, creating a bokeh effect with light blue and white circles.

# **Innovation and Partnerships**





# Innovation and Service

## Improving Technical Services

In addition to the mainstream technologies that our clients are demanding, currently we are also foraying into new technologies such as AI, big data, cloud computing, IoT, and 5G application.

Keeping with our previous big data strategy, Wistron ITS is continuing work in big data warehousing, assisting our clients in digital behavior analysis, digital process optimization, and digital channel expansion, in order to help them personalize financial services and realize the idea of data-driven decision-making. Guided by the trends of financial technology, when collaborating with clients to develop systems, we have placed great emphasis on developments in areas such as big data, Open API (application programming interface), and enterprise middle platform construction. Thinking outside of the box, we have been breaking through the existing framework of the financial system, developing innovative application systems at rapid speed, and quickly making modifications according to market feedback data. This has allowed us to ensure that the functions and services we provide can meet the needs of our clients, and enhance the power of our digital services.

In addition, as 3D AR/VR (augmented reality/virtual reality), IoT, cloud computing, and AI/ML (machine learning) are trending in the industry, we plan to use our own IP to create real-time 3D visualization application products that integrate AR/VR, with the final goal of industrial automated production.

## Research, Development, and Innovation (RD&I)

Wistron ITS has three main Research and Development Centers in Taipei, Wuhan, and Dalian, accumulating great RD&I capabilities in service of our Global

500 clients. Combining our experience collaborating with clients, our teams work together to brainstorm ideas and research technological trends. We have also established reward schemes to encourage project teams to bring out innovative solutions and explore different possibilities. Wistron ITS implements innovation with different strategies according to the aspects listed below:

### • RD&I at the Project Team Level

As our project teams work and interact with clients on a daily basis, they fully understand the client' s industry and needs. Wistron ITS encourages our teams to formulate RD&I plans according to the client' s needs/pain points, helping the client gain advantages and create strategic value, which in turn allows Wistron ITS to improve our IT service capabilities and remain competitive. This client-centric innovation approach not only increases Wistron ITS' competitiveness, but also creates value for the clients in their target market. For example, we have successfully applied this approach in fields such as visualization, cloud migration, and industrial automation.

### • RD&I at the Innovation Center Level

Wistron ITS is focused on RD&I in areas such as AI, big data, cloud, financial technology, IoT, 5G application, and AR/VR, conducting our research from a broader enterprise (client) perspective. For example, as 3D AR/VR, IoT, cloud computing, and AI/ML are trending in the industry, we have set goals in various aspects according to these trends, in order to establish the roles we can play as well as the value and services we can provide. We then formed small teams to construct proofs of concept (PoC). In long-term collaborations, we consider our clients' projects and needs, and combine them with current trends to build tangible results for our clients, in order to seek more business collaboration opportunities at a larger scale. In addition, we are able to leverage the innovative work of our Innovation Centers and add them into the client' s ecosystems for discussion. This allows us to substantially modify and complete PoC along with basic implementation plans, and implement





them in the client's business ecosystem. We have successfully applied this approach in areas such as IoT, 3D visualization, and multi-cloud integration.

#### ▪ **RD&I at the Strategic Collaboration Level**

In the future, Wistron ITS will collaborate and interact with various partners and relevant business ecosystems through our Innovation Centers, in order to use our own IP to create real-time 3D visualization application products that integrate AR/VR, with the final focus of industrial automated production.

### **Digital transformations**

In the midst of the digital transformation trend, Wistron ITS has continued to strengthen its internal digital transformation capabilities and goals. Currently, the digital transformation is divided into three stages: information digitization, digital upgrade and digital transformation. The three major directions are data commercialization, business digitization and digital governance, respectively, for optimization and transformation. The specific objectives are as follows.

#### **Promote information applications:**

closely follow the business needs and pain points, assist in sorting out the operation process, choose to develop/import suitable application systems, daily application system maintenance and operation, as well as data value-added application support; adopt the digital transformation method to reconstruct the application system with a platform idea.

#### **Take care of the information environment:**

maintain the proper operation of software, hardware, systems, networks and communications, regularly review the information environment in line with the Company's operational status, and flexibly adjust the resources of the infrastructure and reduce the impact of any unexpected events on daily operations.

#### **Strengthen information security:**

Cross-departmental cooperation to implement the necessary education, training and promotion to strengthen and internalize employees' awareness of information security, and to continuously strengthen the security of information software and hardware systems and network architecture.

### **Creating Service Value**

In addition to our performance, we continue to improve the professionalism and quality of our information services. Since 2005, we have obtained CMMI (Capability Maturity Model Integration) Level 3, ISO 9001, ISO 27001 and TIPS certifications. By optimizing the use of intellectual property and systematically managing the company's intellectual property, it makes the company more competitive and increases clients' trust. In 2017, Wistron ITS further passed ISO20000 Information Technology Service Management System, ISO22301 Business Continuity Management System and many other ISO series certifications. As the same time, in 2020 Wistron ITS attained CMMI Level 5 certification, the highest level of certification offered by the CMMI Institute. This achievement illustrates that our capabilities in software development processes, organization, technology research and development, project management, solution delivery, and other areas meet the highest level of global standards. This marks Wistron ITS' software development, quality control, and service management standards as industry leaders.



# Customer Service

## Emphasis on Service Responsibility and Quality

To enhance the quality of our services, we also manage the quality of our services through customer satisfaction surveys and customer interviews. In 2021, there were no violations of laws and regulations in connection with the provision of our services.

## Client Satisfaction Management

Client satisfaction is an important indicator of customer feedback on the services provided by Wistron ITS. We use clients' satisfaction evaluations and recommendations as the basis for internal operational improvements. At the same time, we are able to adjust the direction of our services in a timely manner in order to achieve maximum benefits for our customers. In order to enhance client satisfaction, we regularly collect client satisfaction data and suggestions through "Client Satisfaction Survey", and provide the relevant information and results to internal organizations for analysis, review and propose follow-up improvement measures to avoid the recurrence of similar problems, so as to maintain clients' trust in the quality of our products and services and become a long-term and trustworthy partner of our clients.

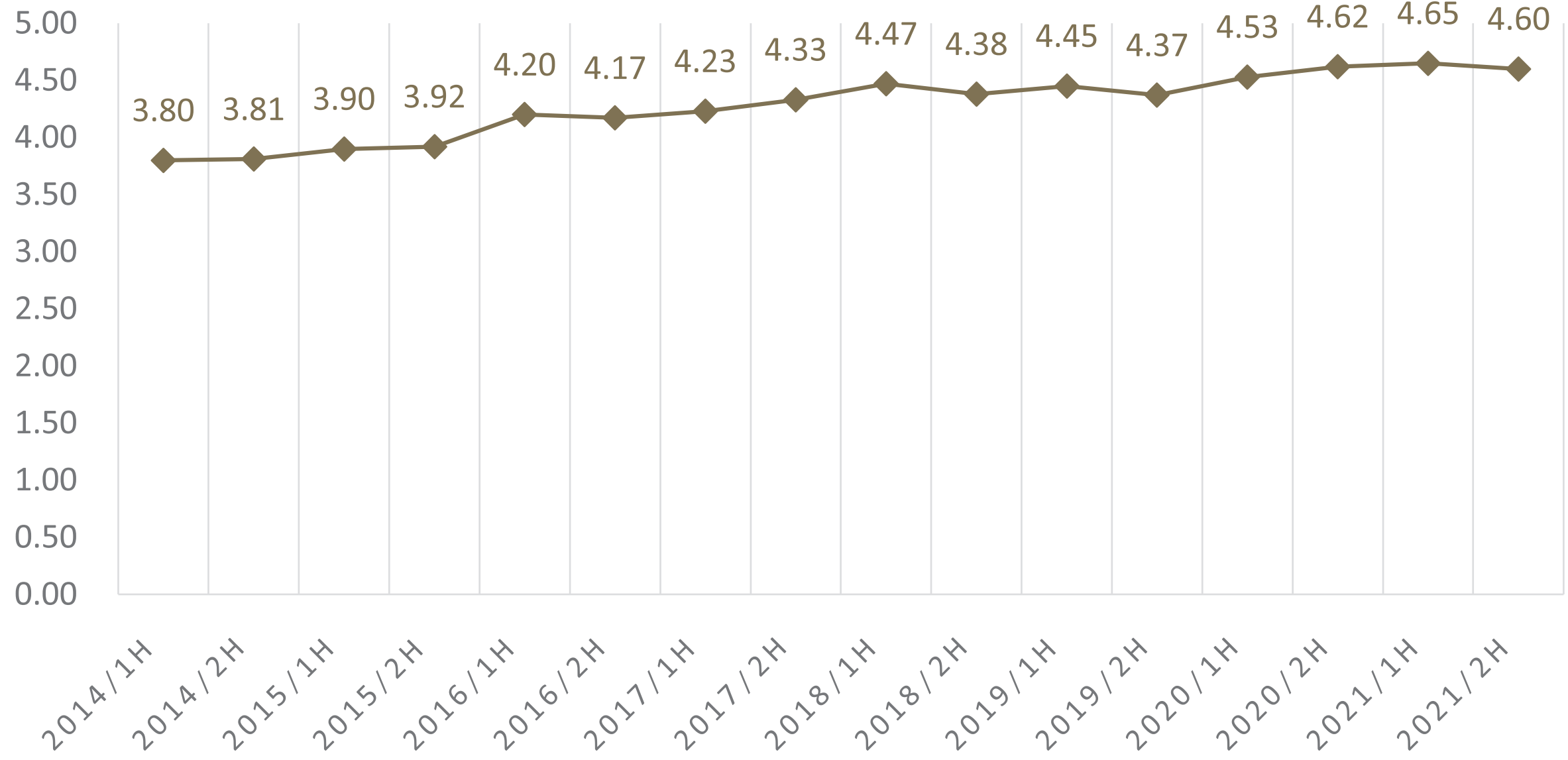
Wistron ITS' client satisfaction rating is divided into five levels: excellent (5 points), good (4 points), acceptable (3 points), poor (2 points), and inferior (1 point). The rating is based on overall evaluation, project management, professional competence of personnel, service and support, cost/quality/delivery, and cooperation relationship. For clients with low client satisfaction, we will ask the responsible department to propose improvement plans and track the results in a timely manner. In addition, we also conduct client interviews for important clients or major projects to hear our clients feedback.

Wistron ITS Client Satisfaction Level	Scores
Excellent	5 points
Good	4 points
Acceptable	3 points
Poor	2 points
Inferior	1 points

Wistron ITS Client Satisfaction Management Indicators	Description
Project Management Capabilities	Project planning skills, client communication skills, risk awareness and judgment, and confidentiality.
Professional Competence	Adequate project staffing, professional skills, service attitude, and work attitude of expatriates
Service and Support	The performance of Wistron ITS contacts, the ability to respond immediately to customer needs, the ability to solve problems, and the ability to handle change requests.
Cost/Quality/Delivery	Competitive price, product quality, on-time delivery



### Client satisfaction survey and results



(Note)The results of this survey are the overall results of the 2014-2021 client satisfaction survey in Taiwan and China.



## Sustainable Management of Suppliers

Wistron ITS has long been concerned with social responsibility, environmental protection, labor rights, Occupational Health and Safety, and has made reference to international initiatives and requirements, including the "Responsible Business Alliance Code of Conduct", the "Universal Declaration of Human Rights", and the "UN Guiding Principles on Business and Human Rights", to establish a code of conduct for suppliers.

Wistron ITS' current vendor management mechanism is as follows:

- New supplier selection: New suppliers are selected based on internal and procurement-related control processes and procurement practices, as well as respect for human rights and labor rights.
- Supplier assessment: Conduct supplier audits and spot checks from time to time, and include supplier quality, performance, and information security quality in the assessment scope.
- It is confirmed in the supplier contract that the company should follow the Code of Ethical Conduct, the Code of Ethical Management, the current environmental protection, labor safety and health laws, and cooperate with the government to promote environmental protection, energy saving and carbon reduction, and enhance corporate sustainable development policies, to jointly protect the rights and interests of employees and increase profits for clients, in order to create a win-win-win situation for clients, manufacturers, and employees.

### Sustainable Assessment of Suppliers

Wistron ITS provides information-related services. We view our suppliers as important partners and hope to build a long-term, stable supply chain through

mutual cooperation. The main supply chains are information service providers, with local supply being the main focus of the local suppliers. In addition to considering suppliers' technical capabilities, quality, and competitive pricing, we require Wistron ITS' suppliers to comply with the following items:

- Consideration of human rights: No forced labor, no child labor, no use of foreign illegal workers, including wages and labor conditions, and safety and health standards require compliance with the laws and regulations of the country and region where they are employed.
- Endorsement of clean procurement: fair and equitable dealings.
- Ensuring Information Security: The proper handling and secure and prudent management of customer information requires that vendors adopt the same level of information security as Wistron ITS.

The supplier audit management indicators are as follows:

Management Indicators	Description
Management Systems	Whether the supplier has education and training programs, and whether the supplier provides employee training from time to time.
Employee Management	Whether or not there are written labor regulations, and advocate that suppliers should not employ child labor, should not discriminate, and should provide reasonable and lawful humane treatment to workers.
Environment Management	Providing a safe workplace, remind the supplier of their environmental responsibility and requires suppliers to be held accountable as well.
Ethics Management	All suppliers have signed contracts, respect the employment ethics, fair trade, clean business, comply with confidentiality agreements and anti-corruption.

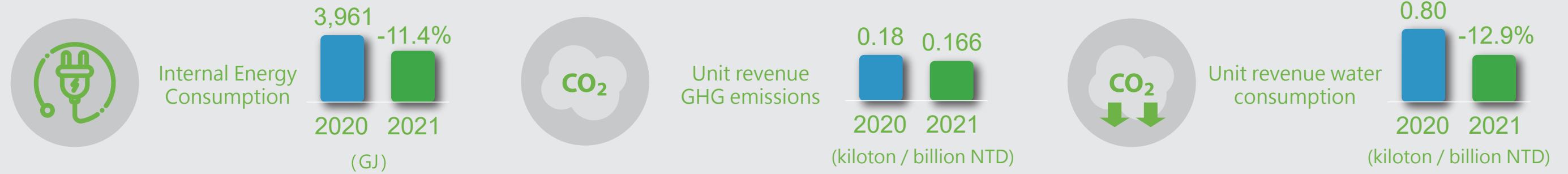




**Eco-Friendly**



## Key Environmental Indicators



## Environmental Management and Regulation Compliance

Our company is mainly engaged in information services, no physical products have an impact on the environment, but we are still committed to improving the use of resources and reducing the impact of environmental burdens. In addition to formulating waste management strategies and measures, we also promote water and electricity conservation, and waste separation and disposal to our employees in the workplace. In 2021, there were no violations of environmental laws and regulations and no environmental violations or large fines.

## Energy Management

As an information service provider, Wistron's main source of energy is electricity, which is 100% generated from the power grid of the power company and does not use renewable energy. Greenhouse gas emissions are mainly from Category 2 (Purchased Electricity).

2021 Internal Energy Consumption Statistics					Unit: GJ
Category	Items		Taiwan	Mainland China	Total
Direct Energy Consumption (Scope 1)	Non-Renewable Energy Fuel Type (Unit: GJ)	a. Diesel	0.00	0.00	0.00
		b. Gas	0.00	0.00	0.00
		c. Petrol Fuel	16.14	0.00	16.14
Other Energy Consumption	d. Renewable Energy Fuel Type		0.00	0.00	0.00
Indirect Energy Consumption (Scope 2)	e. Electricity (kWh) Energy Consumption (Unit: GJ)		159,325	969,901	1,129,226
			574	3,492	4,066
Total Energy Consumption (Unit: GJ) (=a+b+c+d+e)			590.14	3,492	4,082

(Note 1) Energy consumption statistics are based on billing invoices from the power company.

(Note 2) Unit heat value conversion coefficient: Ministry of Economic Affairs, Bureau of Energy: Electricity 860 Kcal/kWh; Gasoline 7800 Kcal/L; 1 Kcal= 4.187 KJ.

(Note 3) (Electricity/Gasoline ) Energy Consumption = (Electricity/Gasoline) Usage x Unit Heat Value Conversion Factor x 4.187x10<sup>-6</sup>(GJ/KJ)



2021 Energy Consumption Intensity			Unit: GJ
Items	Energy Consumption (Giga-Joule; GJ)		
	Taiwan	Mainland China	
a. Non-renewable energy	16.14	0.00	
b. Electricity (from non-renewable energy)	574	3,492	
Total Energy Consumption = a + b	590.14	3,492	
Energy Intensity (GJ/Billion NTD)	95.52	565.23	

(Note) Energy Intensity is calculated based on 2021 operating income (see Financial Performance Snapshot)

## Energy Saving Management and Effectiveness

### Wistron ITS' electricity consumption management goal: to reduce annual average electricity consumption by 2 % based on 2020 electricity consumption.

Wistron ITS continues to implement energy-saving measures within our company and increase the energy usage efficiency of our facilities. These include: using eco-friendly and energy-saving LED lights in all offices, setting the environment control system to turn off all lights during lunch hour, activating motion sensors for lighting after work hours to save electricity, as well as using a high-efficiency central air conditioning system for our office building.

In the future, we will continue to implement various energy-saving measures, increase energy usage efficiency of our facilities, and improve management of electricity usage, in order to reduce unnecessary waste and consumption of energy resources, as well as lower greenhouse gas emissions, so as to achieve the ultimate goal of energy conservation/carbon reduction and reducing the impact of climate change.

The growth of the IT business and the increase in equipment construction have made

it difficult to control the growth of equipment power consumption, but we are still committed to promoting energy saving measures and improving the energy efficiency of equipment to achieve carbon reduction:

- All offices are equipped with energy-efficient lighting.
- The use of environmental control system with power timing control energy-saving measures to control the lights and air-conditioning switches to reduce unnecessary power wastage.
- Turn off the lights during lunch break.
- Prioritize the procurement of electricity equipment that meets the energy efficiency label.

Energy consumption in Taiwan was reduced by 76 GJ, or 11.4%, in 2021 compared to 2020. In 2021, due to the impact of the COVID-19 pandemic, Taiwan adopted home to work prevention measures, in addition to energy conservation control measures, which resulted in a relative reduction in electricity and energy consumption. Compared to 2020, Wistron ITS' electricity and energy consumption in Taiwan decreased by 85 GJ or 13% in 2021, while energy consumption in China increased by 443 GJ compared to 2020, due to the expansion of office locations and headcount.



## Greenhouse Gas Emissions Management

**Wistron ITS' greenhouse gas emissions management target: 2% reduction in annual average emissions based on 2020 greenhouse gas emissions.**

Wistron ITS has established a phased greenhouse gas inventory task force to compile annual greenhouse gas emission figures. According to the international standard "ISO 14064-1 Greenhouse Gas Inventory", we identified the greenhouse gas emission situation and significant emission sources as shown in the table below. In order to expand the scope of greenhouse gas emissions inventory, all parent and subsidiary companies of the Company from 2020 onwards, in addition to Direct Greenhouse Gas Emissions (Category 1) and Energy Indirect Greenhouse Gas Emissions (Category 2) inventories, added the inventory Other Indirect Greenhouse Gas Emissions (Category 3), to better understand the emissions of employee commute and business travels, this has been verified by a third party organization (BSI).

### 2021 Greenhouse Gas Emissions

Category		Total (metric tons CO2e/year)
Type 1 (Category 1) Greenhouse Gas Emission (metric tons CO2e/year)	Fixed combustion emissions	
	Mobile combustion emissions	1.1641
	Production emissions	
	Fugitive emissions	13.5130
	Land use change and forests	
Type 2 (Category 2) (metric tons CO2e/year)	Energy Indirect Emissions	1,015.2881
	(Electricity)	

Category		Total (metric tons CO2e/year)
Type 3 (metric tons CO2e/year)	Emissions from upstream transportation and distribution of goods	
	Emissions from downstream transportation and distribution of goods	
	Emissions from staff commuting	1,444.6973
	Emissions from client and visitor transportation	
	Emissions from business travel	245.6209
Type 4 Interconnected greenhouse gas emissions of products used by the organization (metric tons CO2e/year)	Emissions from procured goods	
	Emissions from capital goods	
	Emissions from solid and liquid waste treatment	104.6445
	Emissions from asset usage	
	Emissions from the use of services not described in the above subcategories (counseling, cleaning, maintenance, postal, banking, etc.)	115.3833
Type 5 Emissions of indirect greenhouse gases generated by the use of the organization's products (metric tons CO2e/year)	Emission or removal of product use phase	
	Emissions from downstream leased assets	
	Emissions at the end of product life	
	Emissions from investments	
Type 6 Emissions of indirect greenhouse gases from other sources (metric tons CO2e/year)	No	
Total Emission (metric tons CO2e/year)		2,940.3112

(Note 1) Greenhouse gas emissions covers all parent and subsidiary companies

GHG Emissions Comparison			
Year	Scope 1 (Metric tons CO2e)	Scope 2 (metric tons CO2e)	Unit turnover emissions (kiloton CO2e/ billion NTD)
2020	13.1021	907.3664	0.18
2021	14.6771	1,015.2881	0.166

(Note 1) Scope covers all parent and subsidiary companies

As an information service provider, Wistron ITS' main GHG emissions come from Category 2 (Electricity Operation Use). Wistron ITS reduces greenhouse gas emissions through energy management and promotes awareness of energy conservation among employees to reduce GHG emissions by an average of 2% per year. Emissions per unit turnover in 2021 was 0.166 kiloton CO2e per billion NTD, a 7% reduction from 0.18 in 2020, the future plan is set to achieve a carbon neutral pathway, demonstrating the Company's vision for a better environment.

Energy Saving and Carbon Reduction Achievements in Taiwan and China in 2021		
Items	Taiwan	Mainland China
Reduce Electricity Energy Consumption (GJ)	85	-443
Reduce Greenhouse Gas Emissions (metric tons CO2e)	11.84	-61.81

(Note 1) Energy efficiency and greenhouse gas reduction coefficients are measured and theoretically calculated.

(Note 2) For GJ conversion, please refer to the statistics of the Energy Bureau, Ministry of Economic Affairs.

Compared to 2020, Wistron Taiwan has reduced its electricity and energy consumption by 85 GJ or 13% in 2021, while reducing greenhouse gas emissions by 11.84 metric tons of CO2e or 12.9% compared to 2020. In the future, we will focus more on reducing energy consumption in Greater China region.

## Water Resource Management

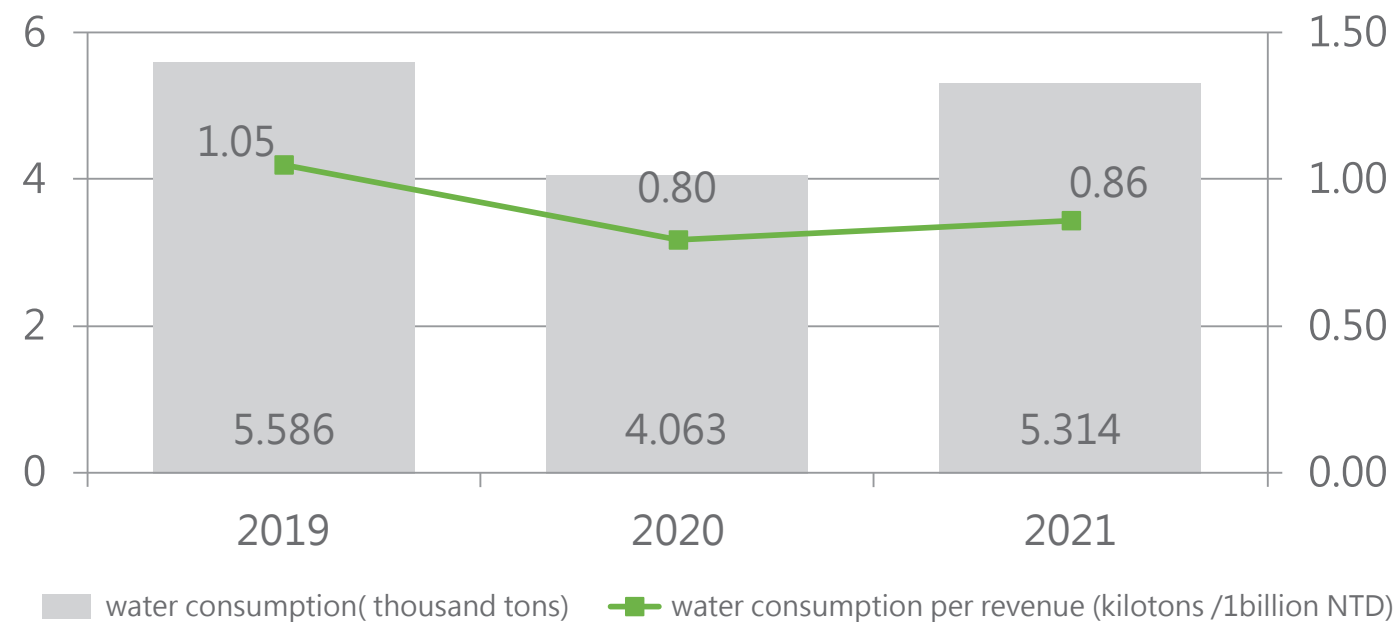
Water conservation and care of water resources is one of the important responsibilities of a company. No groundwater or other sources of water are used in the operation. No additional wastewater is generated other than general sewage.

### Water Resource Management Measure and Result

Our water usage in Taiwan is mainly affected by the entire office building's communal water usage, of which we share a portion, and therefore is more difficult to control. In 2021, due to the COVID-19 pandemic, we consumed more water than in the previous year. We will continue to actively promote water conservation and turn off water as we go, and we have set a mid-term goal of reducing water consumption by 1% per year on average per unit of turnover, with 2020 as the base year. Specific measures are as follows:

- To educate employees on the concept of water conservation and on the practice of turning off water when appropriate.
- Set up a notification mechanism and contact the maintenance personnel immediately when water supply equipment is found to be damaged to avoid long time wastage of water.
- Regularly inspect and maintain drinking water equipment and replace filter materials to improve the efficiency of water equipment.
- Use automatic sensor water taps, adjust toilet flushing volume, and use sanitation facilities with a water efficiency label, in order to conserve water

### Historic Water Intake and Intensity Statistics





## Waste Management

Wistron ITS mainly provides information services and software outsourcing services, and mostly generates general office waste and toxic waste. Waste sorting and recycling is enforced at our offices, and general waste is delivered to a landfill or incinerator by a professional waste disposal company. Recyclable waste is properly sorted and transferred to a qualified recycling company for disposal.

2021 Waste Weight Statistics				Unit: metric tons
Items		Taiwan	Mainland China	Total
General Waste	Incineration	5.46	21.542	27.002
	Landfill	0.00	0.00	
	Other	0.00	0.00	
Resource Waste	Reuse	0.00	0.48	1.606
	Recycled	0.523	0.603	
Hazardous Waste	Direct Disposal by the Organization	0.00	0.00	0.015
	Disposal by Waste Disposal Contractors	0.00	0.015	
Waste Total		5.98	22.64	28.62
Waste Recycling Rate%		8.74%	4.78%	13.52%

(Note 1) Waste Recycling Rate: Amount of recycled waste/total waste

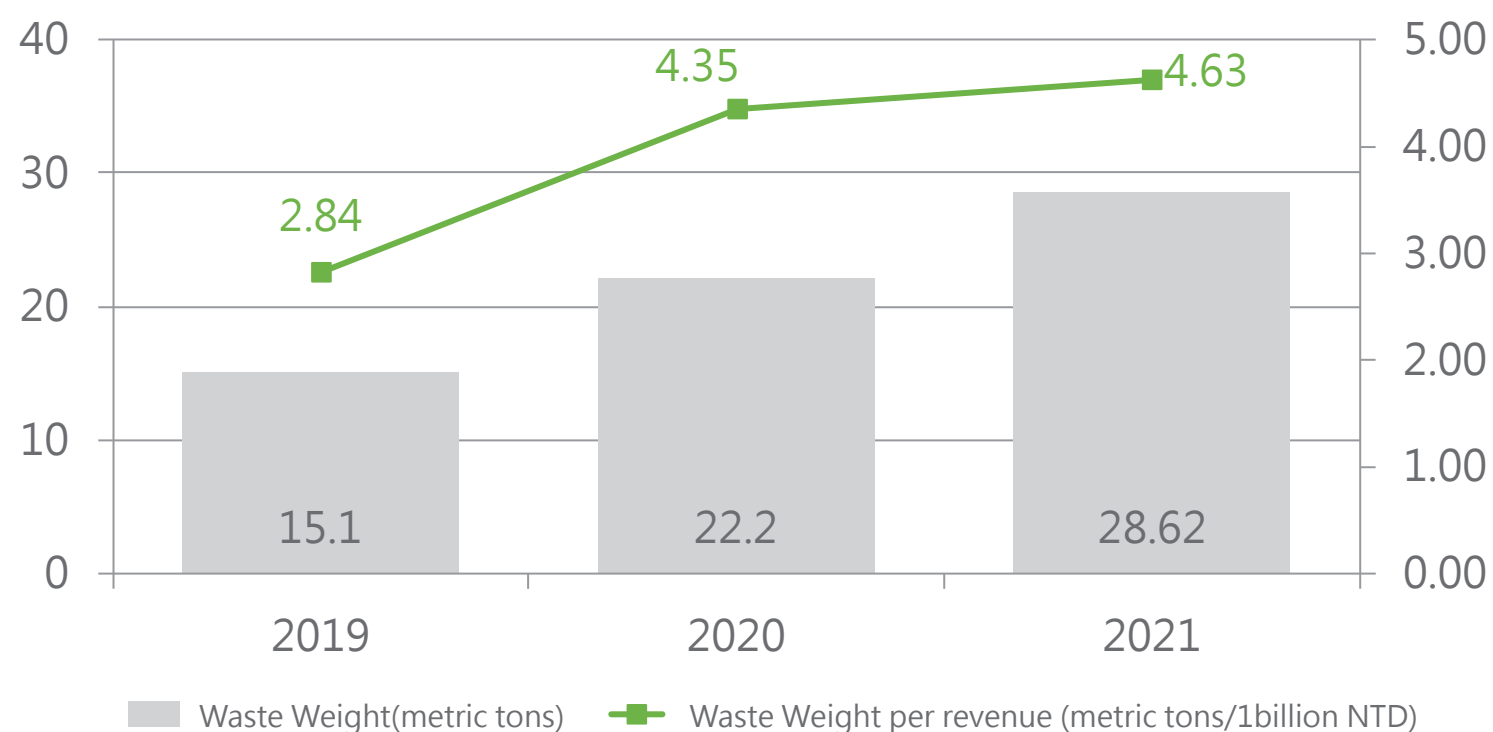
## Waste Management Measures and Results

The Company is focused on source reduction and management of general waste and toxic waste. We have set a mid-term target of reducing waste volume by 1% per year on average per unit of turnover, with 2020 as the base year. Specific measures are as follows:

- Promote the concept of domestic waste reduction and recycling to employees. Such as: reduce the amount of disposable products, bring your own tableware and tea utensils, and reduce the use of disposable tableware and paper cups.
- We require our employees to sort garbage and recycle all kinds of resources, and to do environmental protection on the go.

The weight of waste increased from 22.2 metric tons in 2020 to 28.62 metric tons in 2021. The increase in general waste is mainly due to the fact that in order to reduce the risk of employees contracting the new coronavirus by eating out, employees are encouraged to order lunch boxes for delivery, and as more people ate in the office, the amount of waste increased. In addition, due to the pandemic in Mainland China, the number of workers at the office decreased in 2020 due to the diversion of work, and the amount of waste decreased accordingly; in 2021, the amount of general waste increased due to the absence of this situation and the expansion of the number of office locations.

## Statistics of waste production and intensity over the years





# Friendly Workplace and Social Engagement





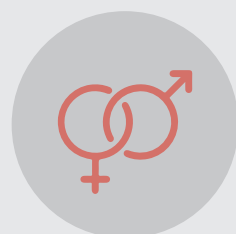


## Key Social Indicators



Ratio of local supervisors

99.15%



The male to female to employee ratio

1:1



The starting salary for new graduates in Taiwan vs. legal minimum salary.

2.2

The starting salary for new graduates in Mainland China vs. legal minimum salary.

5.05



Direct training hours

+30%

Indirect training hours

+30%

## Sustainable Talent Development

### Staff Distribution and Diversity

As of December 31, 2021, the distribution of employees by gender and employment type in each region is presented in the table below, with a male to female ratio of 1.9:1, accounting for 97.5% of regular manpower and 2.5% of contract manpower. All employees are entitled to the benefits of the law from the first day of their employment. The distribution of employees by gender and type of employment by region is as follows:

Gender Statistics by Region			
Items	Taiwan	Mainland China	Total
Male	69%	63%	66%
Female	31%	37%	34%
Total	100%	100%	100%

Employment Type by Region			
Employment Type	Taiwan	Mainland China	Total
Full-Time	100%	95%	97.5%
Contract	0%	5%	2.5%
Total	100%	100%	100%

(Note 1): Contract staff includes: fixed-term contract staff, part-time staff, work-study students, etc.





## Keeping up with the Times, Everyone is a Hero

Wistron ITS believes in 'Keeping up with the Times, Everyone is a Hero', we encourage all of our employees to keep up with the times in terms of customers, expertise, new technologies, and service models. We are committed to providing a working environment that is inclusive, participatory, and that brings out the best in individuals. through fair appointments and promotions, we are able to recruit outstanding employees with different backgrounds and expertise to build our company's competitiveness. The number of employees by management level, gender, and age group in each region is as follows.

As of the end of 2021, Wistron ITS has 7,526 employees, with the majority of them under the age of 30, accounting for 67% of the workforce, and the majority of them with an education level of college or higher, accounting for 98% of the workforce.

The Company places emphasis on professional management skills in the promotion of managerial positions. The ratio of male to female supervisors at the department level and above is 1:1, and 43% of female supervisors at the division level.

Indirect Employees by Management Level, Gender, and Age Group in Each Region									Unit:%
Age	Department Head Level or Above		Team Lead Level		Non-supervisory		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Subtotal
Under 30 years old	0%	1%	2%	6%	43%	26%	42%	25%	67%
30 - 50	37%	41%	47%	34%	19%	11%	19%	12%	31%
Over 50	13%	7%	7%	3%	1%	0%	1%	0%	1%
Subtotal	50%	50%	57%	43%	62%	38%	62%	38%	100%
Total	1%		1%		98%		100%		

(Note) The above statistics include all of Wistron ITS' branches in Taiwan and Mainland China

Education Level					
Education	Sales Personnel	Software and Technical Staff	Recruitment Personnel	Administration Personnel	Total
Ph.D.	0%	0%	0%	1%	0%
Masters	9%	5%	1%	14%	5%
Bachelors or equivalent	89%	93%	98%	82%	93%
High school or equivalent	2%	2%	1%	3%	2%

(Note) The above statistics include all of Wistron ITS' branches in Taiwan and Mainland China



## Staff Turnover

Our employees are our most valued asset. The total number of new entrants in 2021 was 5437 across all regions. Due to the characteristics of our information service industry, the majority of our recruits are information technology professionals, with males accounting for 62% and females 38%, and new employees under the age of 30 accounting for 80%.

When an employee requests to leave the company, no matter what the reason is, we will always be sympathetic and respectful, and take the initiative to understand the reason for their departure so that we can identify opportunities for improvement in the future. The number of departures includes employees who left at their own initiative and for other reasons. The 2021 departures were mostly employees under the age of 30. Details regarding the number, gender, and age of recruits and departures are as follows:

Staff Recruits Table by Region												
Age	2019				2020				2021			
	Male		Female		Male		Female		Male		Female	
	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
Under 30 years old	1708	45.8%	1108	29.7%	1,734	48.0%	1,001	27.7%	3564	48.6%	2298	31.3%
30 - 50	605	16.2%	274	7.4%	581	16.1%	286	7.9%	959	13.1%	494	6.7%
Over 50	27	0.7%	8	0.2%	7	0.2%	1	0.04%	16	0.2%	5	0.1%
Total	3,730 (100%)				3,610 (100%)				7,336 (100%)			
Staff Departures Table by Region												
Under 30 years old	1487	44.22%	978	29.08%	1,414	44.51%	827	26.03%	2309	42.8%	1637	30.3%
30 - 50	570	16.95%	301	8.95%	633	19.92%	297	9.35%	989	18.3%	442	8.2%
Over 50	22	0.65%	5	0.15%	6	0.19%	0	0.00%	18	0.3%	4	0.1%
Total	3,363 (100%)				3,177 (100%)				5,399 (100%)			

(Note) The above statistics include all of Wistron ITS' branches in Taiwan and Mainland China



## Employ Local Talent

We're a talent-driven organization and actively employ a wide range of talented people and continue to place emphasis on "nurturing local management talent" as a key objective to realize the concept of localization of talent. Overall, 99.2% of Wistron's local employees held supervisory positions in 2021, of which 99.95% of supervisors at the department level or above were local employees. By region, in 2021, 98.4% of local employees held supervisory positions in Taiwan, including 100% of local employees among supervisors at the department level and above. Local employees accounted for 99.9% of the supervisory positions in Mainland China, of which 99.9% were at the department level or above. The ratio of local employees in supervisory positions is as follows:

Statistics on Local Employees Holding Supervisory Positions		
Region	Taiwan	Mainland China
Percentage of Supervisory Positions	98.4%	99.9%
Percentage of Supervisory Positions of Department Level and Above	100%	99.9%



## Friendly Workplace

Wistron ITS places heavy focus on the quality of life, welfare and rights of our employees, our communities and our society. All management policies and personnel rules and regulations are formulated upholding the principle of fairness and not allowing any form of discrimination and sexual harassment. The relevant policies and management systems are explained in the following sections. We are also constantly reviewing the implementation of issues related to child and underage labor, forced labor, discrimination, sexual harassment, freedom of expression, etc., to ensure that the rights of our employees and human rights issues are taken seriously. There were no incidents of sexual harassment, human rights violations, discrimination, etc. in 2021.

### Human Rights and Anti-Discrimination

Wistron ITS adheres to the laws and regulations of each location where we operate, and follows internationally recognized human rights standards such as the International Bill of Human Rights, the International Labor Organization - Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Compact, treating all employees, contracted and temporary staff, and interns with dignity and respect.

Wistron ITS is committed to developing and maintaining a system that promotes the rights of our employees, including their health, safety, and all other work related rights. Wistron ITS is committed to eliminating human rights violations, whether direct, interest-related or acquiescent, and to avoiding any form of discrimination in employment relationships, whether in hiring, pay, training, promotion, termination or resource allocation, without distinction or preference

based on race, national or social origin, social class, ancestry, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinion, age or union affiliation. Rather, it is based on ability and contribution to promote equal opportunities for all employees.

Wistron ITS is also committed to eliminating and avoiding any form of discrimination against ourselves and our partners, such as employment agencies, in the hiring process. Whenever possible, Wistron ITS continues to promote our anti-discrimination policies to external parties, including clients, suppliers and the general public. Wistron ITS released the "Workplace Sexual Harassment Prevention, Complaint and Disciplinary Measures" to protect employees from the threat of sexual harassment and to create a friendly work environment.

### Child and Underaged Workers

Wistron ITS prohibits the use of child labor and conducts age-appropriate screening during the recruitment process. The employment of child and underage workers under the age of 18 is prohibited. There were no cases of child labor in 2021.

### Forced and Compulsory Labor

Except for standard employment contracts, Wistron ITS does not use financial or other means to limit an employee's employment relationship with Wistron ITS, including the withholding of deposits or identification documents, and employees have the right to terminate their employment contracts at their discretion, subject to legal requirements. There were no incidents of forced and compulsory labor in 2021.





## Employment and Salary

Wistron ITS' remuneration and benefits comply with Taiwan's legal requirements, and are no less than the legal basic wage. All employees are covered by statutory insurance and pension plans. Wistron ITS adopts a policy of equal pay for equal work, regardless of race, ethnic or social origin, social class, ancestry, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinion, or age. The remuneration system is based on the concept of total remuneration, which includes salaries, benefits, bonuses, employee compensation, and so on. All employees are required to undergo performance appraisal twice a year, and the results of the appraisal will be used as the basis for bonus, appointment, promotion and personnel management.

In addition, Wistron ITS conducts annual salary surveys in the industry and adjusts salaries and performance bonuses based on changes in the external environment, the company's operations and individual performance to ensure that salaries are in line with market standards and fairness. The Company is actively increasing the income level of its employees by improving operational efficiency. For short-term or part-time employees, insurance and benefits as mandated by law are provided from the first day of employment. The salary status of each region is as follows.

Starting Salaries of New Recruits by Region		
Region	Taiwan	Mainland China
Proportion	2.2	5.05

(Note 1) Calculation method: starting salary/statutory basic wage (minimum wage in Mainland China)

(Note 2) Based on the average starting salary of employees recruited during the entire year of 2021.

Staff Base Salary				
Items	Taiwan		Mainland China	
	Male	Female	Male	Female
Employee Gender				
Sales Representatives	1	1	1.3	1
Software and Technical Staff	1.1	1	1.3	1
Recruitment Staff	1.5	1	1	1
Administrative Staff	1.4	1	1.7	1



## Employee benefits

Wistron ITS attaches importance to employee health and provides a welfare system to improve work morale, and attract talented employees. The welfare system is as follows:

Items	Description
Salary	<ul style="list-style-type: none"> <li>Better than the Labor Law and other related labor regulations</li> </ul>
Group Insurance	<ul style="list-style-type: none"> <li>Employees: from the date of employment, are to be covered by the company's fully paid-up insurance, including term life, injury, medical injury, hospitalization and cancer health insurance.</li> <li>Spouse and children: Hospitalization insurance at the Company's full expense.</li> </ul>
Work and Leave System	<ul style="list-style-type: none"> <li>Flexible Work Hours.</li> <li>A leave system superior to the Labor Standards Act.</li> <li>Weekly one-day work from home application system.</li> </ul>
Welfare Committee	<ul style="list-style-type: none"> <li>Responsible for the planning and implementation of various welfare programs, including marriage, childbirth, funeral, hospitalization and birthday subsidies, and holding Family Day activities every year.</li> </ul>
Club Grants	<ul style="list-style-type: none"> <li>Subsidizes employees to set up various arts and sports clubs, such as volunteer club, mountain hiking club, and trekking club, etc., to promote employee communication and physical and mental development.</li> </ul>
Retirement scheme	<ul style="list-style-type: none"> <li>Taiwan                             <ul style="list-style-type: none"> <li>The Company contributes 2% of the total salaries and wages of all employees retained under the old system to a pension fund, which is administered by the Labor Pension Fund Supervisory Committee and deposited in an account with the Bank of Taiwan. The pension payment is calculated based on the length of service and average monthly salary for the six months before the retirement date.</li> <li>The employees are subject to the pension plan under the Labor Pension Act and are required to contribute 6% of their monthly salary to a personal pension account at the Bureau of Labor Insurance.</li> </ul> </li> <li>Mainland China                             <ul style="list-style-type: none"> <li>In accordance with local government regulations, each subsidiary contributes a certain percentage of its employees' salaries and wages to a pension fund, which is deposited in a separate account for each employee. Employees who have reached the legal retirement age and have accumulated 15 years of contributory service are entitled to basic pension insurance benefits.</li> </ul> </li> </ul>



## Open lines of communication and listen to staff

Wistron ITS respects the rights of employees and does not prohibit or impede their freedom of association. In order to coordinate employment relations and promote employment cooperation, we not only convene regular meetings of senior executives and key executives, at the same time, the Company also complies with relevant government regulations and holds regular employment meetings in accordance with the 'Regulations for the Implementation of Employment Meetings' to communicate with each other and to resolve problems in accordance with the principle of harmony and honesty. In the event of major operational changes, changes in labor conditions, company organization, personnel, systems, and other issues for clarification and communication, a workforce consultation meeting will be convened and communicated when necessary, and a notice period will be given to complete the notification process in accordance with local government regulations to protect employees' rights at work.

We are willing to listen to the concerns of our employees. In order to provide an open channel for employees to express their ideas and opinions, Wistron ITS has set up an "Employee Feedback Mailbox" to allow employees to express their opinions and respond to problems in a confidential manner. By encouraging our employees to express constructive opinions, we hope to bring positive growth to the company.

Various Communication Channels of Wistron ITS Offices		
Communication Channel	Taiwan	Mainland China
Employer-Employee Meeting	Y	N
Staff Feedback Mailbox	Y	Y
Staff Service Hotline	Y	Y
Staff Service Center	Y	Y
Company Publication	Y	Y



## Parental Leave and Return to Work Status

Wistron ITS respects the rights and interests of expecting employees and provides them with parental leave in accordance with the law, and we proactively inquire about their wishes about returning to work one month before the end date of their parental leave. The number of applications in Taiwan for 2021 is 7, with 42.8% of applications from male employees.

### Parental Leave Application and Return to Work Statistics for the Past Three Years in the Taiwan Region

Number of people eligible for parental leave		
	Male	Female
Number of eligible candidates in 2021	19	10

Actual Number of Parental Leave Applicants		
	Male	Female
Number of Applicants for Parental Leave in 2020	0	9
Number of Applicants for Parental Leave in 2021	3	4
Application Rate for Parental Leave in 2021	15.7%	40%

Total number of employees who returned after parental leave		
	Male	Female
Number of Reinstatements in 2020	0	6
Number of Reinstatements in 2021	1	3

Total number of employees who remained employed at the company 12 months after returning from parental leave		
	Male	Female
Number of persons who applied for parental leave in 2020 and remained in employment for 12 months after return to duty	0	3

Proportion of staff who remained employed at the company after taking parental leave		
	Male	Female
Reinstatement rate after taking parental leave in 2020	0%	67%
Retention rate after taking parental leave in 2020 (Note)	0%	50%
Reinstatement rate after taking parental leave in 2021	34%	75%

(Note) Retention rate after parental leave = Total number of employees who have completed parental leave and are still working after 12 months of reinstatement / Total number of employees who have actually returned to work after parental leave





## Talent Cultivation and Career Development

In addition to business growth and profitability, building a positive workplace culture is also an important aspect in Wistron ITS's commitment to becoming a sustainable organization. Wistron ITS' core competency is information services, which requires a high level of employee quality. The development and training of human resources is the cornerstone of sustainable business operations. Therefore, talent cultivation and talent turnover are important management indicators to enable employees to grow with the company. The contents or practices related to Wistron ITS' talent training and career development are described below:

Development Item	Goal	Short-Term	Mid-Term	Long-Term
Employee Development	According to the needs of managerial functions at each level, a modular training system is established for supervisors who are likely to face management difficulties, teaching effective management methods, and upward and downward communication skills.	Established and implemented the WITS Career Training System Chart, resulting in a 30% increase in the number of staff trained compared to the previous year.	Identify internal high-performing or high-potential talents, and tailor 'personal development plans' to suit different professional backgrounds, resulting in a continuous increase of 30% in the number of staff trained.	Establish a variety of comprehensive career development training programs for our employees to facilitate qualitative and quantitative talent development and to ensure the establishment of a career ladder.

### Comprehensive Education and Training Framework

Wistron ITS is committed to helping employees and the company grow together, and to creating an environment for continuous learning and growth. We have established a comprehensive training framework to assist our employees in planning their career paths. The framework for staff education and training is divided into the following three major systems:



System	Training Objective	Training Content	
New Recruit Training	<ul style="list-style-type: none"> <li>• Introduce the history, organization, and future prospects of the company in order to establish new hires' correct understanding and recognition of the company.</li> </ul>	<ul style="list-style-type: none"> <li>• Company Organization</li> <li>• Human Resources, Information Technology and Finance</li> <li>• Information Security</li> <li>• Intellectual Property Rights</li> <li>• Code of Ethical Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Integrity</li> <li>• Teamwork Training</li> <li>• Office Lifestyles Guide</li> <li>• Pre-employment Training</li> </ul>
Competency-based Professional Training System	<ul style="list-style-type: none"> <li>• To improve the professional knowledge and skills of each functional staff by providing different training courses for different target groups in order to improve the results and performance of their professional work.</li> </ul>	<ul style="list-style-type: none"> <li>• Sales and Marketing Staff Trainings</li> <li>• Human Resources, Information Systems, Administrative Support Staff Trainings</li> <li>• Finance Personnel Trainings</li> <li>• Consultant, Analyst and Programmer Trainings</li> <li>• Product knowledge, productivity improvement, quality improvement, and software development tool training</li> </ul>	
Management Skills Training	<ul style="list-style-type: none"> <li>• Understand the Company's policies and directions, enforce the Company's rules and regulations, and adhere to and implement the Company's discipline.</li> <li>• Enhance interpersonal communication, coping skills and teamwork for communication and coordination.</li> <li>• Develop decision making and problem solving skills.</li> <li>• Employee development programs, incentive communication and retention.</li> </ul>	<ul style="list-style-type: none"> <li>• General Management Training</li> <li>• Middle and Senior Management Training</li> </ul>	



## Education and Training Results

Wistron ITS provides its employees with a rich and diverse learning experience. In addition to outsourced staff training, we also provide various internal training courses. The "Micro Courses" are a series of courses that focus on three main areas: general trends, work practices, and professional skills. In addition to inviting renowned lecturers from various professional fields to teach in our company, we also invite speakers from within our company who are experts in their respective fields, to share their successful practical experience. In order to create a learning atmosphere, we encourage our colleagues from all units to take the initiative to participate. In addition to professional skills such as job analysis and effective recruiting officer courses, we also hold health seminars for employees such as one resistant band, as well as insider trading prevention, integrity management, financial report interpretation and analysis, **and ESG practice mini-classes**, in which employees and supervisors are widely invited to participate, so that employees can better understand the Company's ethical management philosophy.

In order to build Wistron ITS' future talent pipeline, we hold a series of Leadership Management courses, including: Leadership, Communication for the Whole Talent Management Process, From Professional to Management Master, MOT Internal Training Session, and Problem Analysis and Solution. These sessions offer insight into how to communicate with and coordinate a team, how to resolve conflicts, and how to empathize with employees, and effectively manage relevant issues. In order to provide opportunities for software engineers, who work on client premises most of the time, to learn professional skills and network with colleagues, Over the course of two years, both the session structures and our employees' enthusiasm for learning have seen significant improvement. The themes of these sessions mainly focus on technical practice and technological trends, allowing our engineers to share work experience with colleagues from other projects in a relaxed environment, as well as learn practical software programming skills from renowned technology consultants in the industry face-to-face. This provides our employees with the opportunity for technical exchange, and strengthens the ties between our company and employees.

Summing up the above, the 2021 education and training outcomes are collated below:

2021 Training Results			
Category		Course Personnel Hours (Hours)	Average Training Hours (Hours/Person)
Employee Type	Direct	30,620	12.23
	Indirect	8,506	29.02
Employee Gender	Male	24,418	19.98
	Female	14,708	21.75

(Note) Average number of training hours = course staff hours/number of staff





## Wistron ITS Micro-Classes







《Job Analysis》











## Wistron ITS' Other Educational Training Courses

### Leadership and Management Programs













## Cultivate and Recruit Software Talent

Under the trend of global digital transformation, the government and enterprises are actively promoting digital transformation, and the demand for information software talents is rapidly increasing. Wistron ITS' core competency is information services, and we have been seeking professional digital talents for our clients for a long time. The development and cultivation of talents is the cornerstone of Wistron ITS' sustainable operation. Therefore, Wistron has made talent cultivation an important management indicator and expects to invest more resources in software talent cultivation programs, in the hope of cultivating more outstanding software talents for Taiwan and enhancing the digital competitiveness of the country and enterprises. The objectives or practices related to the cultivation of talents at Wistron ITS are described as follows:

Development Item	Goal	Short-Term	Mid-Term	Long-Term
Talent Recruitment	Provide the necessary training programs for the functions of various personnel by utilizing local and multinational resources	Establish roots in local campuses and recruit outstanding students. Sign industry-academia cooperation projects.	Continue to reach out to the campuses and establish training mechanisms for various functions.	Utilize the advantages of being an international enterprise, establish a multinational cooperation mechanism, and cultivate Wistron ITS talents with international vision and capabilities.

### Industry-Academia Cooperation

Wistron ITS has signed Memoranda of Understanding (MOU) with universities to create a software talent cultivation platform and promote the sustainable development of the IT services industry. Wistron ITS provides its employees with rich and diverse learning experiences. Dedicated industry-academic training classes will be planned to provide students with career development and employment counseling, as well as skills training for internship and employment, in order to connect the school curriculum with practical experience in the industry. This will enhance students' digital learning capabilities, employability, and competitiveness, and help them plan their careers and prepare their core competencies for the workplace in advance, thus realizing the connection between learning and application.

## Employee Health and Workplace Safety

Wistron ITS' employees work mainly in information services with low work safety risks. For employees, Wistron ITS has dedicated staff to manage labor safety and health, implement work environment improvements, and ensure employee safety. In addition, the Company will organize safety and hygiene related courses from time to time to enhance the awareness of employees on the health and environment.

### Environmental Education Promotion and Safety Training

Wistron ITS' Occupational Health and Safety Practices	
Category	Description of Practice
Education and Training	First Aid Training. Training for Labor Safety Personnel.
Consultations	Arrange health talks or doctors' clinics to answer questions about health and wellness. Provide specific practices in the field of staff health advice.
Disease Prevention and Risk Control	Provide employees with specific practices for staff disease prevention and risk control.
Health and Safety Precautions	Video promotion

## Health Management and Promotion

Wistron ITS attaches importance to employee health and provides a welfare system to take care of our employees' physical and mental health, improve work morale, and attract talented employees. From time to time, Wistron ITS also organizes related activities with incentives to encourage employees to participate. Health management, welfare system and activities are as follows:

Items	Description
Health Management	<ul style="list-style-type: none"> <li>Employee Health Check: Conducted on an annual basis, with follow-up checks based on the results, enabling employees to keep track of their own health.</li> <li>Healthcare: Providing physical and mental health consultations and organizing health lectures, allowing employees to gain knowledge on basic preventative healthcare.</li> </ul>
Promotional Activities	<p>The year 2021 is the Year of Health Promotion at Wistron ITS, with a series of health talks and activities planned:</p> <ul style="list-style-type: none"> <li>Healthy Weight Loss Challenge: During the competition period, health targets must be achieved every week, and the percentage of weight loss used as the ranking index. The highest weight loss percentage was awarded with a prize.</li> <li>Health Lectures: independent training (resistant band), weight loss and healthy diet, muscle building and fat loss lectures, how to avoid and improve high blood pressure, high cholesterol and high blood sugar, healthy physical fitness and vision care.</li> </ul>







## Diverse Social Activities

Wistron ITS provides subsidies for activities, and the FSC also provides subsidies for traveling expenses and club activities to encourage units and colleagues to organize or participate in various leisure, travel and club activities. These include badminton, yoga, mountain hiking, running, trekking, and board game clubs.

## COVID-19 Prevention and Management

The outbreak of the COVID-19 pandemic in early 2020 has had a significant impact on the overall operating environment. In response to the changes in the pandemic, Wistron ITS has taken the following measures to manage our staff:

1. Staff education and awareness of pandemic prevention is improved, office environment and staff disinfection measures are strengthened, and work shifts are adopted when the pandemic is serious in order to reduce the risk of staff infection.
2. Implemented company entrance/exit diversion, set up body temperature measurement stations, disinfection equipment, and provide rapid screening, reduce business visits by employees, clients, and suppliers; managed personal footprint information daily through computerized information system to ensure the safety of personnel paths.
3. For employees who need vaccination, self-isolation or family care, we provide various leaves so that employees can have peace of mind and ensure their personal health and safety.

## Social Engagement

Wistron ITS aims to implement corporate sustainable development, aside from sponsoring charity events, we also encourage our employees to engage in social participation, to care for the community, and to give back to society by taking action. Wistron ITS' social participation activities correspond with the UN' s Sustainable Development Goals (SDGs), with a main focus on “social ” and “environmental ” aspects. For the social aspect, the emphasis is on humanitarian care, while the environmental aspect focuses on eco-friendly activities. By engaging in these activities, Wistron ITS’ employees not only give their service, but also gain fulfilling rewards.

Unit: NTD\$

Wistron ITS Social Investment Statistics 2020					
Items	2017	2018	2019	2020	2021
Charity Sponsorship	NT\$100,000	NT\$150,000	NT\$400,000	NT\$200,000	NT\$440,000
Staff Community Charity Activities	1 event	6 event	4 event	7 event	16 event

(Note 1) The above statistics for 2017 only encompass Taiwan and 2018-2021 includes both Taiwan and Mainland China.

(Note 2) Exchange rate: RMB:4.37



In 2021, our employees actively participated in the following charitable activities:

Response to UN Sustainable Development Goals	Items	Social Charity Results	Location
SDG3 Good Health and Well-being	Wistron ITS organized blood drives to help alleviate blood shortages caused by the pandemic	In March 2021, the pandemic caused people in Taiwan to stay at home more; this, along with the rule that people who recently travelled from high-risk countries should refrain from donating blood, caused a blood shortage in all of Taiwan's blood banks. Wistron ITS organized a blood drive, inviting our employees and neighboring companies at our Taipei headquarters to donate blood in aid of the blood shortage. A total of 87 bags of blood was donated through this event.	Taipei
	Plastic reducing lifestyle, protecting the Earth with small changes	In pursuit of sustainable living, Wistron ITS promotes plastic reduction and slow living, reducing the need to use plastic, so that our marine life can live in a plastic-free ocean.	Taipei
	Supporting the Down Syndrome Foundation Abrazo Store Through Practical Actions	With the pandemic still in full swing, Wistron ITS employees are not limited by physical visits. Actions were taken so that the Down Syndrome Foundation's Abrazo shop was patronized, and handmade cookies made by people with Down and other mental disabilities were purchased.	Taipei
	Supporting the Rainbow Angel Café and providing long term support for hearing-impaired children	Business at the Rainbow Angel Café, which was built to support older hearing-impaired children, has been significantly impacted by the COVID-19 pandemic. Wistron ITS not only donated tables and chairs, and ordered their products regularly, but also created a special corner in our office for hearing-impaired children to bake sweets and pastries, offering our long-term support for organizations for hearing-impaired people.	Beijing
	Visiting victim families and community volunteers to focus on the wellbeing of the society	Wistron ITS volunteers visited 11 families in the Biguiyuan Yiyun Community and Baiyangshan Community, many of which are elderly people living alone who cannot take care of themselves, elderly party members who are over or close to 100 years old, and sick people who are stricken with disease. With the guidance of the community social workers, our visitors brought basic living necessities such as rice, oil, laundry detergent, and talked about the living conditions with these elderlies.	Wuhan
SDG14 Marine ecology	Beach cleanup at Xinhai Park for marine ecology conservation	Visited Dalian Xinghai Park Beach to hold a beach clean-up event to support environmental protection activities.	Dalian



Response to UN Sustainable Development Goals	Items	Social Charity Results	Location
SDG15 Terrestrial ecology	Movie Night with Enigma: The Chinese Crested Tern	A documentary by director Liang Chieh Te, lasting over 20 years and shot in 6 different countries, tries to showcase the Chinese Crested Tern which has become a myth amongst birdwatchers for the last 60 years in front of the audience. It also showcases issues such as pollution and ecological extinctions.	Taipei
	Turn off the Light for 1-hour Earth Hour Event	Wistron ITS participating in the Earth Hour movement, turning off lights when not needed and advocating the issue of climate change, putting protecting our environment into practice.	Taipei
	Use environmentally friendly materials and recycle resources	In line with the environmental protection action, use environmentally friendly materials for packaging during festivals, and recycle the outer packaging	Dalian
	Online tree planting and personal carbon reduction activities in response to the reduction of carbon emissions	Online Tree Planting Event leading to a personal carbon emission reduction of 1121628g, indirectly amounting to 7 trees planted and donated. In addition, the lights are turned off in the hallway and non-office areas for 1 hour each 1st day of the month.	Dalian
	The Great Wall Cleaning Activity	Wistron ITS along with the Taiwanese Association of Haidian District, Beijing City, jointly arranged the 'save the old, bring the 'new" 2021 The Great Wall Cleaning Activity Maybe we cannot clean up the Earth as a whole, but we can clean up a stretch of the mountain and leave only nature for the next visitor to find. The Great Wall Cleaning Event is still ongoing...	Beijing
	Cherish the Three Mountains and Five Parks, Contributing to the Protection of Earth	2021 is the fourth consecutive year of the 10 year tree planting program, aside from 2020, the year of the pandemic, Wistron ITS will sponsor saplings at Xiangshan every spring, hoping to contribute to the Green Homestead vision with practical gestures. In total, close to 20 smoke trees have been planted in Xiangshan Park. Wistron ITS (Beijing) has sponsored and identified all the saplings, hoping that the greenery on land will result in clean air above the city. Wistron ITS has created significant impacts on promoting green living as well as environmental protection, in addition, our staff have benefited in getting close to nature and gained better awareness in green living.	Beijing
	Wistron ITS Wuhan organized a Bafen Mountain Clean Up drive, inviting both employees and their families to participate, as well as proposing the 'leave no trace' (LNT) initiative..	This event brought every participant close to nature, allowed them to learn from the LNT principles, and understand waste categorization knowledge.  This also promoted the idea that every little bit helps in reducing our footprint, bring our rubbish with us, allowing nature a chance to replenish and heal.	Wuhan





Wistron ITS organized blood drives to help alleviate blood shortages caused by the pandemic



Turn off the Light for 1-hour Earth Hour Event







Movie Night with Enigma: The Chinese Crested Tern



Providing gifts for female employees on Women's Day



Rainbow Angel Cafe (Health and Welfare)



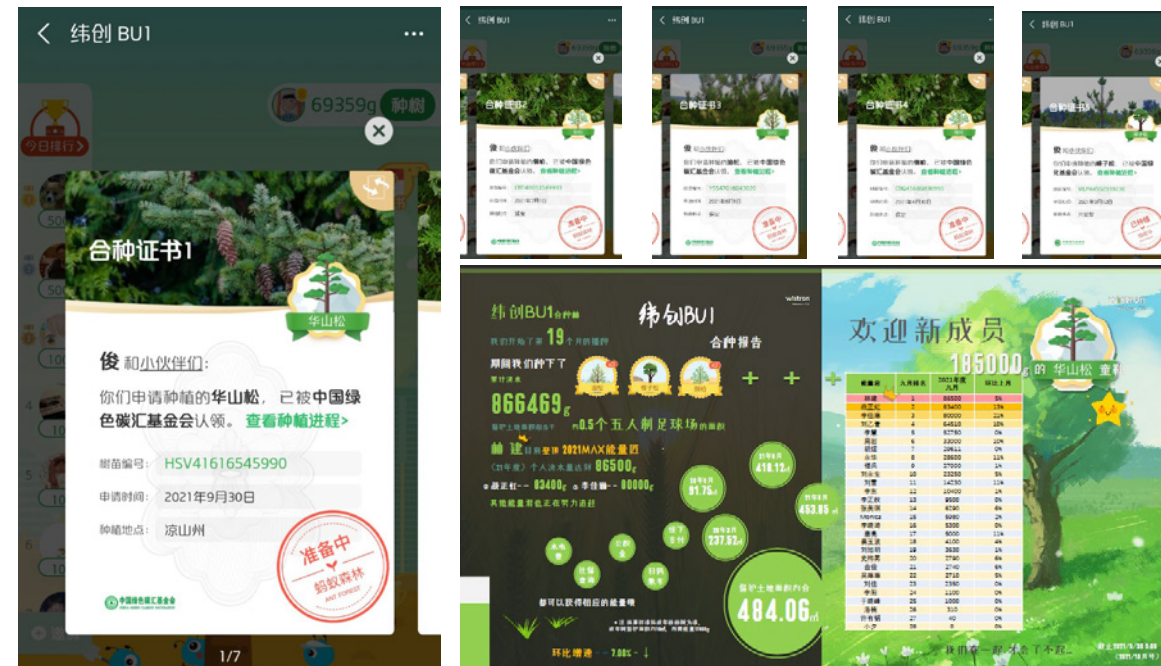
Xinhai Park Beach Clean-Up Event in Dalian, supporting environmental friendly initiatives







Online Tree Planting Event leading to a personal carbon emission reduction of 1121628g, indirectly amounting to 7 trees planted and donated



2021 Tree Planting Charity Event 1 (Terrestrial Ecology)



In line with the environmental protection action, use environmentally friendly materials for packaging during festivals, and recycle the outer packaging



The lights are turned off in the hallway and non-office areas for 1 hour each 1st day of the month.



2021 Tree Planting Charity Event 2 (Terrestrial Ecology)





Visiting victim families and community volunteers to focus on the wellbeing of the society



Bafen Mountain Clean Up drive, and the Leave No Trace (LNT) initiative



The Great Wall Clean-Up Charity Event 1 (Terrestrial Ecology)



The Great Wall Clean-Up Charity Event 2 (Terrestrial Ecology)





# Appendix

## GRI Correspondence Table

GRI Standards	Subject	Disclosure Content	2021 Report Page Numbers
GRI 102: General Disclosures 2016	Organizational profile	102-1 Name of the organization	45
		102-2 Activities, brands, products and services	47-49
		102-3 Location of headquarters	46
		102-4 Location of operations	50
		102-5 Ownership and legal form	46
		102-6 Markets served	45-49
		102-7 Scale of the organization	45-49
		102-8 Information on employees and other workers	131-132
		102-9 Supply chain	107-108
		102-10 Significant changes to the organization and its supply chain	1, No significant changes
		102-11 Precautionary Principle or approach	75-79
		102-12 External initiatives	58
		102-13 Membership of associations	58
	Strategy	102-14 Statement from senior decision-maker	8-10
	Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior	65-70
102-17 Mechanisms for advice and concerns about ethics		69-71	
Governance	102-18 Governance structure	60	

GRI Standards	Subject	Disclosure Content	2021 Report Page Numbers		
	Communication with Stakeholders	102-40 List of stakeholder groups	31-36		
		102-41 Collective bargaining agreements	No union was established		
		102-42 Identifying and Selecting stakeholders	29-30		
		102-43 Approach to stakeholder engagement	31-36		
		102-44 Key topics and concerns raised	39-42		
	Reporting practices	102-45 Entities included in the consolidated financial statements	1		
		102-46 Defining report content and topic Boundaries	1		
		102-47 List of material topics	39-40		
		102-48 Restatements of information	1		
		102-49 Changes in reporting	1		
		102-50 Reporting Period	1		
		102-51 Date of most recent report	1		
		102-52 Reporting cycle	1		
		102-53 Contact point for questions regarding the report	3		
		102-54 Claims of reporting in accordance with the GRI Standards	2		
		102-55 GRI content index	185-194		
		102-56 External assurance	N/A		
		GRI 103: Management Approach 2016	Management approach	103-1 Explanation of the material topic and its Boundary	39-42
				103-2 The management approach and its components	39-42
103-3 Evaluation of the management approach	39-42				



GRI Standards	Subject	Disclosure Content	2021 Report Page Numbers
Economy	GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	51-56
		201-2 Financial implications and other risks and opportunities due to climate change	81-86
		201-4 Financial assistance received from government	57
	GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	141-142
		202-2 Proportion of senior management hired from the local community	137-138
	GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	66
		205-2 Communication and training about anti-corruption policies and procedures	66-70
Environment	GRI 302: Energy 2016	302-1 Energy consumption within the organization	113-114
		302-2 Energy consumption outside of the organization	113-114
		302-3 Energy intensity	115-116
		302-4 Reduction of energy consumption	115-116
	GRI 303: Water and Effluents 2016	303-1 Interactions with water as a shared resource	123-124
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	117-118
		305-2 Energy indirect (Scope 2) GHG emissions	117-118
		305-5 Reduction of GHG emissions	121-122
	GRI 306: Effluents and Waste 2016	306-3 Waste generated	125-126
		306-5 Waste directed to disposal	127-128
	GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	111
	GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	107-108

GRI Standards	Subject	Disclosure Content	2021 Report Page Numbers
Society	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	135-136
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	143-144
		401-3 Parental leave	147-148
	GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	145-146
	GRI 403: Occupational Health and Safety 2016	403-3 Occupational health services	171-172
		403-4 Worker participation, consultation, and communication on occupational health and safety	171-172
		403-5 Worker training on occupational health and safety	171-172
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	153-154
		404-2 Programs for upgrading employee skills and transition assistance programs	149-152
	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	133
		405-2 Ratio of basic salary and remuneration of women to men	142
	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	139
	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	140
	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	140
	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	107-108
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	95-96	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No major violations	

## SASB Sustainability Accounting Standards Board

Category	Subject	Code of Standards	Title of Standards	Page number
Information Services	Data Privacy & Freedom of Expression	TC-SI-220a.1.	Description of policies and practices relating to behavioral advertising and user privacy	73-74
	Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	93
		TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cyber-security standards	87
	Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed (GJ) (2) percentage grid electricity (%) (3) percentage renewable (%)	113-114