Wiwynn Corporation

2019 Corporate Social Responsibility Report

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About this Report

This Report is the first "Corporate Social Responsibility Report" (hereinafter referred to as the "Report") published by Wiwynn Corporation (hereinafter referred to as "Wiwynn" or "the Company"). Wiwynn shall continue to publish CSR Reports each year to communicate information on the Company's corporate social responsibility and sustainability to stakeholders. The structure of this year's Report shall be based on chapters such as "Sustainable Governance", "Sustainable Innovation", "Sustainable Environment", "Sustainable Human Resources", and "Sustainable Society" to demonstrate to stakeholders Wiwynn's dedication and achievements in corporate governance, economic, environmental, and social aspects for sustainability.

Organization Boundaries and the Scope of Disclosure

The scope of disclosure of this Report consists mainly of Wiwynn's global operations headquarters in Xizhi District, New Taipei City, Taiwan (Wiwynn Headquarters) and the Tainan Branch located on Beiyuan 3rd Road, Southern Taiwan Science Park. The Report mainly covers information between January 1 to December 31, 2019. Certain contents also include affairs that occurred before and after 2019. Parts of the Company's management strategies, targets, and plans have also been published. Compared to 2018, Wiwynn established the Tainan Branch in the Southern Taiwan Science Park on January 25, 2019 and built the Tainan Plant on May 28, 2019 in response increased information security requirements and to disperse production capacity risks. We transferred parts of our production capacity from outsourced OEM manufacturers back to Taiwan for independent R&D and production to grasp key technologies for verification, trial production, and mass production. We leveraged the SMT production experience of Tainan Plant to enhance circuit board connection technologies and satisfy customer demands for higher quality. In terms of our overseas development, Wiwynn established Wiwynn Mexico S.A. de C.V. (WYMX) on February 14, 2019. The establishment of WYMX has brought forth exponential growth to the Company's overall operations. In terms of our corporate governance structure, Wiwynn became listed on Taiwan Stock Exchange (TWSE) on March 27, 2019. We elected an additional two Directors in the general shareholders' meeting on June 25, 2019 to strengthen the functions of the Board of Directors. The Company has nine Directors including four Independent Directors after the election.

Baseline Used for the Measurement of Data in the Report

The data and statistics disclosed in the Report are compiled from Wiwynn's independent statistical data and results of surveys. The statistics from the financial statements are public information certified by the CPA firm. The greenhouse gas inventory of the Headquarters in 2019 was certified by an impartial third-party certification unit (Taiwan Branch of British Standards Institution (BSI)) and met reasonable assurance standards under ISO 14064-1:2018. Certain data are cited from public information disclosed on websites of government institutions and disclosed through generally accepted descriptions. Data that required conversion are specified in the Report.

Contact Method

If you have any questions or suggestions about the contents of the Report, please contact us through the following methods :

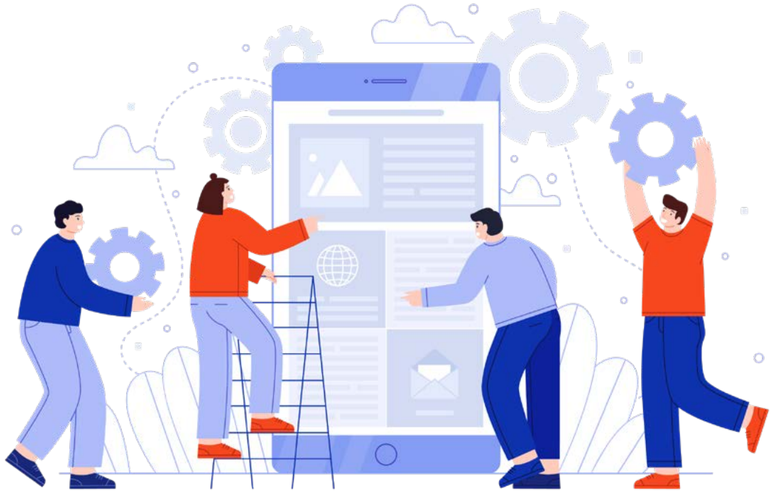
(02)6615-8888#7986

IR@wiwynn.com

https://www.wiwynn.com/esg/csr

Reporting Standards and Guidelines

The Report is compiled based on the principle of disclosure in the Core Options of the GRI Standards published by the Global Reporting Initiative (GRI). The Report also discloses the information on the results of CSR management strategies and actions for material topics on sustainability. Wiwynn also adopted the Sustainable Development Goals (SDGs) of the United Nation as guidance for the Report. This Report has not been verified/assured by an external party.



A Message from the President & CEO

To partners who care about Wiwynn's sustainable development

It has been eight years since the founding of Wiwynn Corporation. For years, we have used our innovative ODM-Direct business model to disrupt the traditional data center supply chain and brought streamlined product development, production, supply, and service processes to the cloud data center industry.

As a member on the front line of cloud services and global supply chain, we deeply understand that only common good can help promote sustainable operations and development. Common good means being friendly to employees, customers, technology partners, as well as the society and the earth's environment.

For Employees

We maintain our high-standard employee benefits, work conditions, occupational safety requirements. We also provide employees with an international stage to achieve their aspirations as we continue to expand our hyperscale data center customers.

For Customers

We have expanded production, R&D, and service sites and actively introduced security-related certifications. We disperse trade risks under globalization while ensuring information security in cloud services.
We uphold our ideals for continuous innovation and actively participate in the Open Compute Project (OCP) to respond to knowledge sharing and co-creation. We work with cloud service providers and supply chain partners to help advance technology development and power consumption efficiency for data centers.
We also continue to develop high-efficiency power conversion and cooling solutions for energy efficiency and carbon emissions reduction. We use creative technologies to expedite changes in the ecosystem to reduce the impact of data centers on the demand for the earth's energy sources.

For Society

We actively promoted industrial-academia collaborationand donated 13 high-performance AI servers to the Tainan Campus of National Chiao Tung University in 2019. The donations provided much-needed support for the academia to cultivate talents and enhance technical strengths of the industry to response the intense competition in AI research and development.
We also encourage employees to participate in social welfare activities and actively cooperate with different non-profit organizations in company activities as we seek to support the development of art and culture and provide care to disadvantaged groups in remote areas.

In the future, the Company shall continue to focus on the data center industry and use innovative concepts and technologies to achieve sustainability of Company's operations. As we expand our businesses, we shall reduce our impact on the society and environment and support the development of the society and culture to attain the goal of common good.

President & CEO
Emily Hong

2019 Sustainability Performance and Results

2014

12th Golden Torch Award

Wiwynn won the "Top Ten Enterprises with Potential Award" and "Top Ten Product with Potential Award" in ***the third year*** of its establishment

2018

CommonWealth Top 2000 Survey

Wiwynn ranked ***45th*** overall and ranked ***9th*** in the industry

2019

2019 - Wiwynn's Tainan Branch obtained Gold Certification for Validated Audit Process (VAP) from the Responsible Business Alliance (RBA)

Wiwynn is committed to cooperation and compliance with RBA Code of Conduct. We support and encourage our level 1 suppliers to comply with the same standards and adopt RBA methodology and tools appropriately while maximizing links with common goals of the industry.

Responsible Business Alliance
Advancing Sustainability Globally

Received the "Healthy Workplace Certification Health Promotion Mark" from the Ministry of Health and Welfare in 2019

Won the ERSO Award in 2019

2019 Sustainability Performance and Results

Sustainable Management Performance

- As of the end of 2019, the completion rate for the "Introduction to the RBA Code of Conduct" course was **100%**.
- Wiwynn introduced and complied with the AA1000 Stakeholder Engagement Standards (AA1000 SES 2015) and identified **7 types** of stakeholders.
- Compiled **47** sustainability issues in corporate governance, economic, environmental, and social aspects.
- Identified **22** material sustainability issues.
- The issues correspond to **9** UN Sustainable Development Goals (SDGs).

Sustainable Governance Performance

- The Company has nine Directors (including four Independent Directors) including two female Directors who account for **22%** of all Directors.
- The training hours of Directors totaled at least **6 hours** per person in 2019.
- The score of the performance evaluation of the Board of Directors in 2019 was **98 points** and the evaluation results "**exceeded standards**".
- **Zero** cases of unethical conduct or corruption were discovered in 2019.
- The Company issued 772 "Supplier Ethical Management Letters" in 2019 and Taipei Headquarters recovered 452 Letters while Tainan Branch recovered 114 Letters, culminating in a completion rate of **73.32%**.
- **99%** of new employees in 2019 completed the "Code of Conduct Training".
- Tainan Branch passed the **RBA** third-party audit on November 12, 2019 and **zero discrepancies** were found in the ethical management items which included zero illegal proceeds.
- Wiwynn was **not** subject to monetary fines or other non-monetary penalties in compliance with social and economic laws and regulations in 2019.
- There were **no** legal actions for anti-competitive behavior, anti-trust, and monopoly practices in 2019.
- The after-tax net profit of 2019 increased by 10.61% from the previous year.
- Wiwynn audited suppliers' corporate sustainability and social responsibilities in 2019 and all **26** suppliers were **qualified** in the audit results.

Sustainable Innovation Performance

- The Company exhibited **advanced cooling technologies** in the 2018/2019 Computex, OCP Global Summit, and SuperCompute 19.
- The Company designed a **48V to 12V** conversion board and exhibited the technology in the 2018/2019 Computex and OCP Global Summit. This technology will help extend services for existing investments and reduce power consumption.
- Maintained **100%** compliance with the Hazardous Substance Free standards and customer regulations.
- **100%** of product lines meet EU RoHS and related customer requirements.
- **0 cases** of specific customer complaints for health and safety issues in 2019.
- **3.4% reduction** in the click rate in the Company's social engineering exercises in the second half of 2019.
- The Company received **zero** complaints on breach of customer privacy or loss of customer information in 2019.

Sustainable Environmental Performance

- Wiwynn was **not** subject to monetary fines or other non-monetary penalties in compliance with environmental protection laws and regulations in 2019.
- Wiwynn introduced the framework recommended by the Task Force on Climate-related Financial Disclosures **(TCFD)**.
- The energy consumption intensity of Taipei Headquarters was 19.1 GJ/person in 2019 and it was a **4.3% reduction** compared to 2018.
- The greenhouse gas emissions intensity of Taipei Head Office in 2019 amounted to 2.8 ton-CO_2e/person and it was a **3.6% reduction** compared to 2018.
- Tainan Branch implemented multiple energy conservation and carbon emissions reduction measures in 2019 and estimates showed that it **reduced 89,436kWh** of electricity consumption which was equivalent to **reducing 47.67 tons CO_2e** emissions.
- The average PUE value of the rack integration test laboratory in 2019 was **1.169** which was superior than the industry average of 1.8.
- The Wiwynn Laboratory (average 85KW used in IT power consumption) reduced annual air-conditioning power consumption by **473,040 kWh** which was equivalent to **reducing 252 tons of CO_2e** emissions.
- The water consumption volume of Taipei Headquarters was 6,387m^3 in 2019 and it was a **3.7% reduction** compared to 2018.
- The water consumption intensity of Taipei Headquarters was 10.3m^3 in 2019 and it was a **13.3% reduction** compared to 2018.
- Product design meets the 3R requirements (Reuse and Recycled rate=80%, **Recovery rate=85%**).
- The total waste produced by Taipei Headquarters in 2019 amounted to 42.38 tons and the recycling rate was **64.94%**. The total waste produced by Tainan in 2019 amounted to 188.84 tons and the recycling rate was **51.98%**.

Sustainable Human Resources Performance

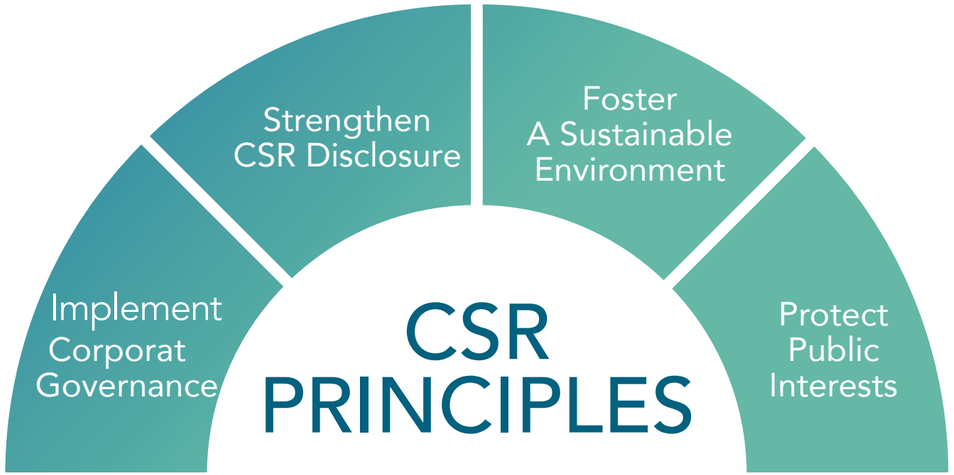
- Wiwynn signed the RBA Declaration and the "Declaration of Non-use of Conflict Minerals" with more than **50** suppliers in 2019.
- In 2019, Wiwynn **did not** violate any provision of the Labor Standards Act.
- Attained 90% in the retention rate of new recruits within six months in 2019.
- The turnover rate in 2019 was 14.92% which is within an acceptable range in the tech industry.
- Overall salary levels are maintained in the **top 25%** of the industry.
- The average salary of full-time non-managerial staff in 2019 was NT$1,612 thousand which was an **increase of 11%** compared to the previous year.
- The median salary of full-time non-managerial staff in 2019 was NT$1,302 thousand which was an **increase of 4%** compared to the previous year.
- Wiwynn's retention rate after parental leave without pay in 2019 was **100%**.
- The response rates in communication and consultation channels with employees were **100%**.
- The Company began providing employees with the Employee Assistance Program **(EAP)** in November 2019. Employees can use channels in the Company to obtain external assistance that can help resolve issues in life and help them balance work and life to make life better.
- The satisfaction rate of the new employee seminar is **4.78 (**out of 5).
- The average training fee for each Wiwynn employee in 2019 **exceeded NT$8,000** and the average training hours of full-time employees **exceeded 17 hours**.
- In 2019, Wiwynn **did not** have any incident that involved occupational casualties.
- The injury rate (IR) of Taipei Headquarters in 2019 was **reduced by 15%** compared to 2018 and the lost day rate (LDR) was **reduced by 58%** compared to 2018.
- There were **no** cases of occupational illnesses in Tainan Branch in 2019.

Sustainable Society Performance

- Since 2013, Wiwynn employees have voluntarily donated **NT$480,000** and donated **634 gift boxes**.
- Employees voluntarily organized to remote communities to help small-scale farmers and local residents in harvesting their crops.
- The Company strengthen industry-academia collaboration and donated the High Performance Computing Center (HPC Center) worth **NT$60 million** to the Tainan Campus of National Chiao Tung University.

CSR Management

The Board of Directors established the "Wiwynn Corporation Corporate Social Responsibility Best Practice Principles" on October 30, 2017 to fulfill corporate social responsibilities and promote the economic, environmental, and social advancement to achieve the Company's goal of sustainable development. In addition, Wiwynn also established the "Wiwynn Corporation Corporate Social Responsibility Report Team" in 2019 to deliver CSR ideals to all personnel of related departments through CSR training and seminars. Wiwynn published the first "Corporate Social Responsibility Report" in 2020.



Wiwynn Corporation Corporate Social Responsibility Report Team

DR. SUNLAI CHANG

Senior Vice President and Chief Technology Officer

The rise of cloud services is derived from the concept of "pay-per-use" business model which increases efficiency and reduces waste. It also provides small and medium enterprises with advanced computing resources.As a front runner in providing gears to cloud service business, Wiwynn plays an important role in the data center supply chain.

To play this role with success, Wiwynn seeks not only to satisfy customers' current demands for high-standard products but continues to unveil brand-new heat dissipation, cooling and power supply technologies to achieve the highest level of energy conservation and carbon emissions reduction. We also fully commit to the research and development of future technologies and products. We are aware that we provide services to more than just customers who operate data centers and we must also help data centers provide users with a safer information usage environment. We must therefore join forces with customers and technology partners to implement rigorous information security in our products. With the rise of 5G technologies, AI and edge computing will become increasingly popular in the future. Wiwynn is ready and has made full preparation for facing future trends. We are committed to providing safer and more energy-efficient products for applications in the new era.

ROBIN WANG

Vice President, Operation

Quality is the highest guiding principle for Wiwynn. We continue to uphold our values of placing quality first during the entirety of our production processes. At the outset, we select compliant suppliers that value corporate social responsibility as our partners. By rigorously controlling and improving onsite production processes, we continue to reduce electronic waste and our impact on the environment. We also optimize production scheduling to effectively reduce carbon emissions for transporting our products. Wiwynn is committed to becoming the benchmark of corporate social responsibility for datacenter equipment manufacturers.

STEVEN LU

Vice President, Product Management

Wiwynn is committed to continuous innovation to provide customers with high-quality products and services. We have introduced and reached international standards in the R&D and production processes to deliver zero-defect and competitive green products and services on time.

JOE CHIAO

Vice President, Sale and Account Management

In 2019, Wiwynn worked with customers to counter fluctuations in global trade based on the goal of attaining sustainability and risk dispersion. As the COVID-19 pandemic rages on, we stand our ground and continue to prioritize compliance and the welfare of employees. We work with customers to jointly satisfy the society's high demands for cloud services. We shall continue to uphold the principles of integrity and mutual benefits and establish solid long-term relationships with customers.

HARRY CHEN
Chief Financial Officer

To fulfill Wiwynn's steadfast commitment to sustainability, we have implemented and strengthened corporate governance, improved the financial structure, and remained communication with stakeholder and transparency in the disclosure of financial information. We aim to achieve information parity and uplifting the Company value.

WILLIAM LIAO
Chief of Human Resource

Employees are Wiwynn's partners. We are committed to treating employees with respect and care and building a high-quality corporate culture that helps employees and the Company grow together.

JAMES WEN
Chief of IT

Wiwynn has adopted a "cloud first" strategy for the establishment of the Company's information platform to achieve the goal of "light information server room infrastructure".
We also continuously apply cloud technologies to improve flexibility and security of corporate operations and build a solid foundation for sustainable development of the Company. Wiwynn benefits from cloud technologies and we will continue to invest in resources of the highest quality to contribute to the global public cloud ecosystem.

LOIS LIN
Chief Legal Counsel

The world faces unprecedented crises due to the COVID-19 pandemic as Wiwynn drafts its first Corporate Social Responsibility Report. Corporate integrity, ethics, and values for giving back to society were mere icing on the cake in a time of peace. However, as economic conditions turn sour, the commitment to social responsibilities while pursuing profits becomes so precious like a helping hand in times of need. Yet such commitments remain a universal practice recognized by all. We shall continue to uphold our ideals for integrity and ethics as Wiwynn continues its growth and respond to the society's expectations for the sustainable development of a first-rate enterprise.

RBA Management Committee

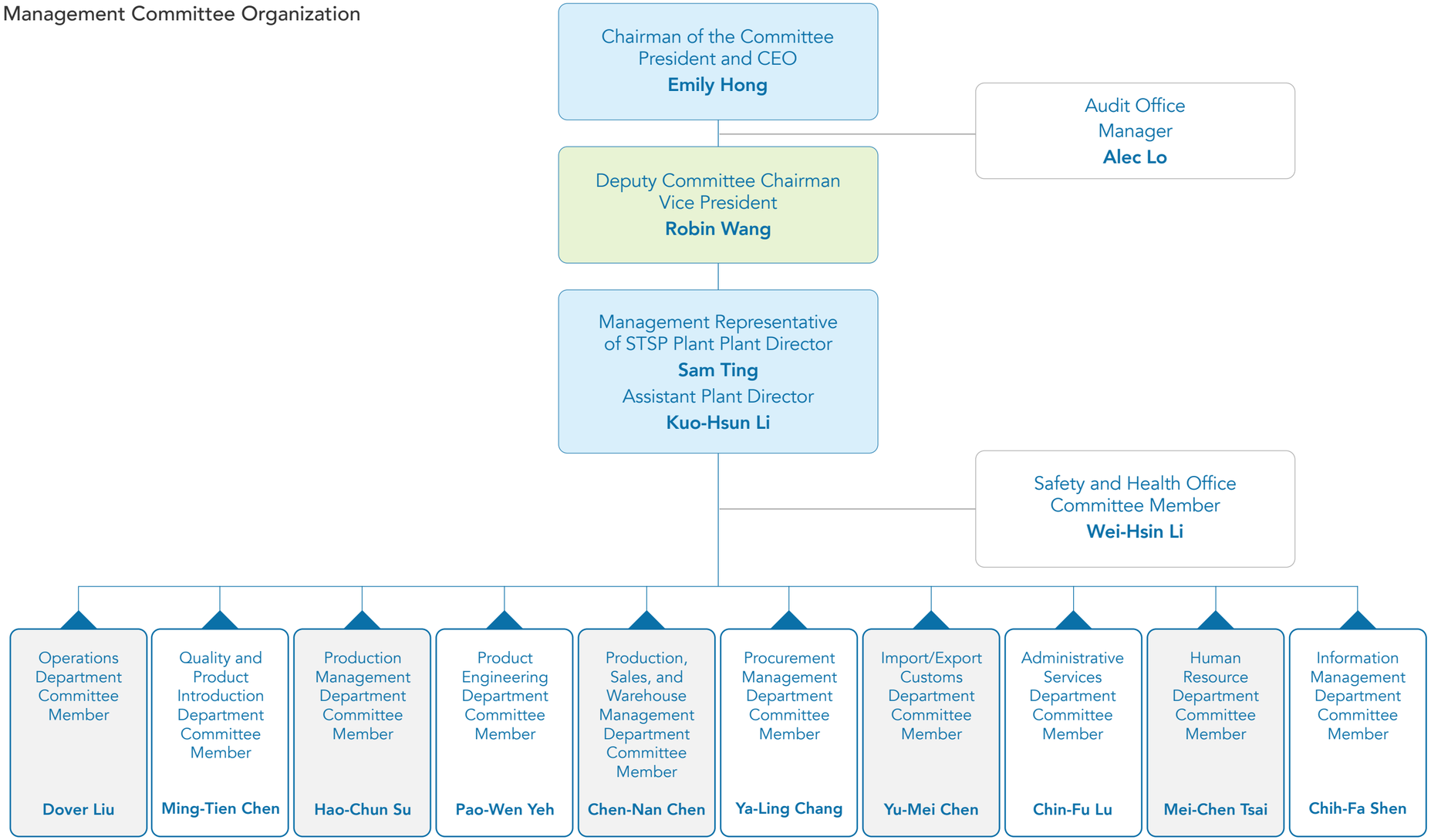
Wiwynn has successfully introduced the "RBA Code of Conduct 6.0" of the Responsible Business Alliance (RBA) and successfully completed CSR system training, system implementation, and validated audit process (VAP). We also published the "Wiwynn Corporation Responsible Business Alliance Code of Conduct Declaration" and established the "Wiwynn Corporation RBA Management Committee". Wiwynn's Tainan Branch obtained Gold Certification for Validated Audit Process in 2019.

Wiwynn is committed to cooperation and compliance with RBA Code of Conduct. We support and encourage our level 1 suppliers to comply with the same standards and adopt RBA methodology and tools appropriately while maximizing links with common goals of the industry. Wiwynn is committed to promoting CSR and meeting RBA requirements. We also help employees understand international trends, industry standards, and contents of customer requirements. As of the end of 2019, 1,275 enrollments and 212 hours were registered for the "RBA Code of Conduct" courses (including labor, human rights, health and safety, environment, ethical guidelines, and management system) and the completion rate was 100%. In addition, the "Introduction to the RBA Code of Conduct" course has been listed as a mandatory course for new employees starting from 2020 in compliance with RBA regulations. It is a key course that require annual retraining to ensure that all employees have taken the training. The training helps employees and the Company jointly understand international trends and industry standards and jointly establish an optimal environment with a friendly workplace.

Publication of the RBA Code of Conduct on the electronic bulletin board

"Introduction to the RBA Code of Conduct" course

Wiwynn RBA Management Committee Organization



Stakeholder Identification and Engagement

Stakeholder Identification

Wiwynn values interaction and communication with stakeholders. The Company engaged stakeholders in the CSR meeting for senior executives in January 2020 to identify material stakeholders and formulate communication strategies. We inventoried and identified stakeholders, formulated communication strategies, and established channels for engagement.

STEP 01

Inventory the Company's stakeholders

The Company used the definitions of stakeholders in GRI Standards and conducted an inventory of entities that have influence over Wiwynn or are influenced by Wiwynn. We also referenced stakeholder groups of competitors to identify Wiwynn's stakeholders.

STEP 02

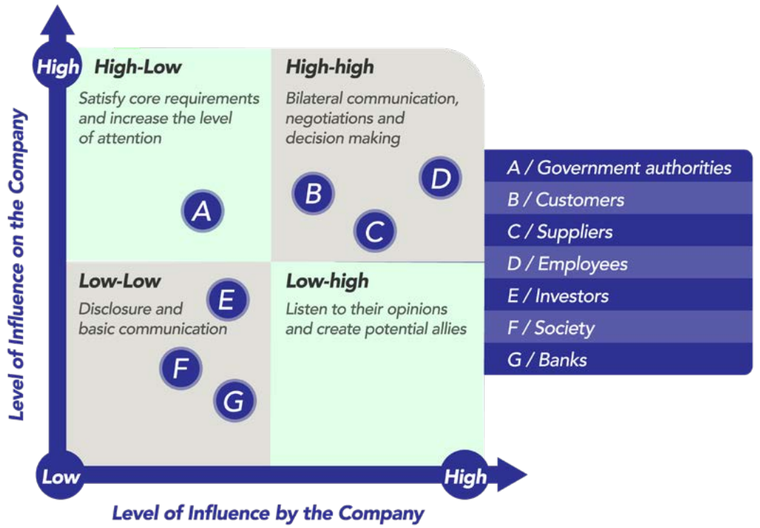
Material Stakeholder Identification

We complied with the five major principles in the AA1000 Stakeholder Engagement Standards (AA1000 SES 2015) and identified seven major categories of stakeholders based on the attributes of dependency, responsibility, influence, diverse perspective, and tension. They include employees, customers, suppliers, government authorities, investors, banks, and the society.

STEP 03

Establish Stakeholder Communication Strategy and Channels

We identified material stakeholders based on the level of influence between them and the Company and converted results into the stakeholder influence matrix. We formulated communication strategies including "bilateral communication", "satisfy core requirements", "listen to opinions", and "basic communication".



Stakeholder Engagement

Maintaining good bilateral communication with stakeholders is the key to sustainability. Wiwynn therefore employs different methods and channels to communicate with stakeholders and learn about their needs and expectations for the Company. Their opinions also serve as references for the formulation of our CSR Policy and related plans. Therefore, the Company uses opportunities in regular business communication to listen to the requirements of stakeholders and adequately manage the opinions of different stakeholders to achieve the desired communication results.

Employees	Talents are the foundation of companies. Wiwynn regards employees as important partners instead of company assets. We must maintain a safe workplace environment and treat employees with respect and care so that they can grow together with the Company. We therefore value employee opinions and hope to create a work environment that foster "happy work and joys of life".
Suppliers	Suppliers are key partners of Wiwynn. They continue to provide high-quality raw materials and services that contribute to the Company's sustainability. We shall continue to work closely with suppliers and create a responsible supply chain.
Investors	Investors are some of the most important stakeholders for Wiwynn. The Company shall protect shareholder interests and enhance corporate governance which will help foster corporate sustainability and improve value for shareholders.
Customers	Wiwynn was established to become the best innovative technology and cloud service partner for customers. We listen closely to customer requirements, monitor industry trends, and provide professional services with the aim of achieving win-win with customers in business collaboration.Therefore, customers' recognitions and feedback will always be the fuel that drives us forward and help us grow.

Stakeholder Engagement

Government Authorities

Government authorities have power over penalties and incentives for companies and, in extreme cases, they affect companies' sustainability and corporate image. Healthy bilateral communication with government authorities is therefore a cornerstone for corporate sustainability.

Banks

The financial services provided by banks help companies maintain flexibility in business strategies and interaction and communication with banks help foster mutual trust.

Society

The value of the existence of companies is to fulfill their responsibilities to society and create value of use to society. Wiwynn uses its core competencies in social engagement to jointly open up more opportunities.

Issues of Concern, Engagement Channels, and Response of Wiwynn's Stakeholders

Stakeholder	Issue of Concern	Engagement Channel	Frequency	Corresponding Chapter	Key Outcome of Engagement in 2019
Employees	• Human capital development • Occupational safety and health • Labor management • Labor-management relations • Training and education • Employer-employee relations	Occupational safety and health meetings	Quarterly	4.1 Human Resource Structure 4.2 Employee Care and Management 4.3 Harmonious Labor-Management Relations 4.4 Human Capital Development 4.5 Occupational Safety and Health	The response rates in communication and consultation channels were 100%. The Company began providing employees with the Employee Assistance Program (EAP) in November 2019. Employees can use channels in the Company to obtain external assistance and make life better. The Company organized 5 new employee seminars for 98 participants in 2019.
		Employee welfare committee	Quarterly		
		New employee seminar	Quarterly		
		Performance interview and evaluation	Semi-annually		
		Employee questionnaire survey	Immediate		
		Communication meetings of different levels	Immediate		
		Employee relationship promotion committee	Quarterly		
Customers	• Ethical management • R&D and innovation for product and services • Customer privacy • Sustainable products • Customer health and safety • Disputed procurement	Customer service hotline	Immediate	1.3 Ethical Management 1.6 Supply Chain Management 2.1 Innovation Management 2.2 Sustainable Products 2.4 Product Quality 2.5 Customer Relationship Management 2.6 Customer Privacy and Information Security	The Company participated in meetings such as the OCP Global Summit, Techday, COMPUTEX, OCP Regional Summit, and Wiwynn TechDay in Japan in 2019. No breach of customer privacy or loss of customer data were reported in 2019.
		Official website information	Immediate		
		Emails and telephone	Immediate		
		QBR (Quarterly Business Review)	Semi-annually		
		Industry technology seminars and exhibitions	Annually		
		Stakeholder area	Immediate		
Suppliers	• Ethical management • Compliance with social and economic laws and regulations • Economic performance • Risk management • Disputed procurement • Supply chain labor standards	Supplier evaluation	Annually	1.3 Ethical Management 1.4 Business Strategies and Performance 1.5 Embrace Risks and Opportunities 1.6 Supply Chain Management	The Company issued 772 "Supplier Ethical Management Letters" as of December 9, 2019 and Taipei Headquarters recovered 452 Letters while STSP Plant recovered 114 Letters, culminating in a completion rate of 73.32%. We shall continue to require suppliers to sign the "Supplier Ethical Management Letter".
		Supplier meetings	Annually		
		Face-to-face communication	Immediate		
		Procurement/sales contract	Immediate		
		Stakeholder area	Immediate		
Government Authorities	• Ethical management • Compliance with social and economic laws and regulations • Intellectual property rights • Occupational safety and health • Compliance with environmental protection regulations • Labor-management relations	Official correspondences	Immediate	1.2 Corporate Governance 1.3 Ethical Management 2.3 Intellectual Property Management 3.5 Environmental Protection Performance 4.3 Harmonious Labor-Management Relations 4.5 Occupational Safety and Health	The Company attended the 23rd National Technology Law Seminar organized by the School of Law, National Chiao Tung University in 2019.
		Participation in symposiums/seminars	Immediate		
		Market observation post system	Immediate		

Issues of Concern, Engagement Channels, and Response of Wiwynn's Stakeholders

Stakeholder	Issue of Concern	Engagement Channel	Frequency	Corresponding Chapter	Key Outcome of Engagement in 2019
Investors	• Ethical management • R&D and innovation for product and services • Corporate governance • Economic performance • Compliance with social and economic laws and regulations • Risk management	Shareholders' meeting Investor conference Annual report/financial report Market observation post system Official website information Stakeholder area	Annually Semi-annually Immediate Immediate Immediate	1.2 Corporate Governance 1.3 Ethical Management 1.4 Business Strategies and Performance 1.5 Embrace Risks and Opportunities 2.1 Innovation Management	The Company actively held and participated in 9 domestic and international investor conferences from 2018 to the end of 2019.
Banks	• Ethical management • Corporate governance • Economic performance • Compliance with social and economic laws and regulations • Risk management	Annual report / financial report Official website information Market observation post system Stakeholder area Face-to-face communication	Regularly Immediate Immediate Immediate Immediate	1.2 Corporate Governance 1.3 Ethical Management 1.4 Business Strategies and Performance 1.5 Embrace Risks and Opportunities	The Company's Board of Directors approved 5 loan application with banks for credit extension in 2019. The Company upholds principles of integrity and maintains positive relations with banks.
Society	• Compliance with social and economic laws and regulations • Compliance with environmental protection regulations • Climate change strategies • Social care	Official website information Stakeholder area Face-to-face communication	Immediate Immediate Immediate	1.3 Ethical Management 3.1 Climate Change Strategies 3.5 Environmental Protection Performance 5.1 Social Care 5.2 Common Prosperity in the Industry	The Company actively encourages employees to participate in welfare activities and began donations of gift boxes on the three traditional Chinese holidays to disadvantaged groups in 2013. We also began to provide assistance to small-scale farmers in 2019.

Materiality Analysis and Boundaries of Topics

Wiwynn's "Corporate Social Responsibility Report Team" organized the CSR Report kick-off meeting to discuss the identification of material topics for sustainability. To ensure effective communication between the CSR Report and Stakeholders, the Company complies with the guidelines for tolerance and sustainability and the materiality and comprehensive principles in the GRI Standards for the identification, sequencing, assurance, and review of material topics. We thus determined the topics and boundaries of the material CSR topics in the 2019 CSR Report.

IDENTIFICATION STAGE

Step01.

Identify stakeholders

We complied with the five major principles in the AA1000 Stakeholder Engagement Standards (AA1000 SES 2015) and referenced stakeholder groups of competitors to identify seven major categories of stakeholders based on the attributes of dependency, responsibility, influence, diverse perspective, and tension through the aforementioned analysis. They include employees, customers, suppliers, government authorities, investors, banks, and the society.

Step02.

Collect related sustainability issues

The "Corporate Social Responsibility Report Team" obtained information and collected the opinions and feedback of stakeholders on internal and external issues. It also collected 47 sustainability issues for Wiwynn in corporate governance, economic, environmental, and social aspects in accordance with international sustainability standards and regulations (GRI Standards, RBA, and DSGs), sustainability investment institutions (DJSI, CDP, MSCI, and ESG Index), internal development goals and visions, and communication with stakeholders.

ANALYSIS STAGE

Step03.

Analyze the impact of issues on the Company's operations

Wiwynn organized meetings of senior executive for CSR projects to discuss the materiality of sustainability issues and adopted a questionnaire with a five-point measurement table to evaluate the level of impact and understand the immediate or potential impact of various issues on Wiwynn (significant corporate governance, economic, environmental, and social impact) as references for sequencing material topics. We recovered a total of 25 questionnaires on the impact of the issues.

Step04.

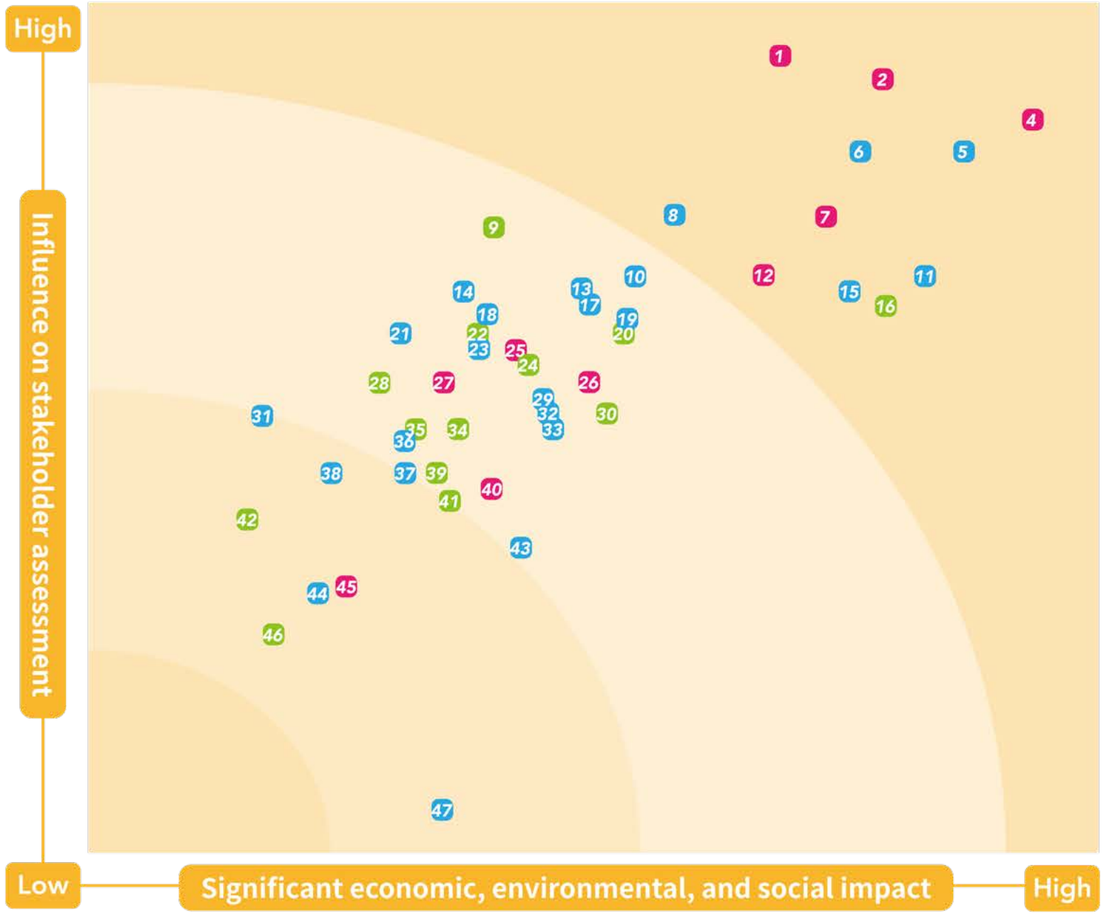
Investigate the level of concern to stakeholders

In addition, the contact person for different stakeholders in the "Corporation Corporate Social Responsibility Report Team" also evaluated the stakeholders' level of concern (impact on the evaluation and decision-making process of stakeholders) as references for sequencing material topics.

Step05.

Analyze and identify issue sequencing

The issues are sequenced based on the level of concern of stakeholders for different topics and the impact on sustainability. They are included in the matrix for evaluation and discussed in meetings of senior executive for CSR projects which identified 22 material sustainability issues and 25 secondary issues.



Economic

- 1 Ethical management
- 4 Economic performance
- 27 Market presence
- 40 Indirect economic impact
- 45 Procurement practices
- 25 Anti-corruption
- 26 Anti-competitive behavior
- 12 Risk management
- 7 Intellectual property rights
- 2 R&D and innovation for product and services

Environmental

- 30 Materials
- 28 Energy
- 9 Sustainable products
- 42 Water
- 46 Biodiversity
- 39 Greenhouse gas emissions
- 41 Air pollutant emissions
- 22 Waste water and waste
- 16 Compliance with related environmental protection regulations
- 20 Supplier environmental assessment
- 34 Climate change strategies
- 35 Clean energy opportunities
- 24 Electronic waste

Social

- 33 Employer-employee relations
- 19 Labor-management relations
- 10 Occupational safety and health
- 29 Training and education
- 32 Employment diversity and equal opportunity
- 8 Human capital development
- 14 Labor management
- 23 Non-discrimination
- 31 Freedom of association and collective bargaining
- 13 Child labor
- 21 Forced or compulsory labor
- 43 Security practices
- 38 Rights of indigenous peoples
- 37 Human rights assessment
- 44 Local communities
- 36 Supplier social assessment
- 47 Public policy
- 17 Disputed procurement
- 18 Supply chain labor standards
- 11 Customer health and safety
- 15 Marketing and labeling
- 5 Customer privacy
- 6 Compliance with social and economic laws and regulations

CONFIRMATION STAGE

Step06. Determine material topics

The "Corporation Corporate Social Responsibility Report Team" identified the corresponding material topics based on the 22 identified material issues and identified 12 GRI topics that are related to Wiwynn's industry and 10 other topics. We therefore selected 22 corresponding material topics.

Step07. Define the boundaries for each sustainability topic

The 22 selected material topics are classified into four major sustainability aspects (sustainable governance, sustainable innovation, sustainable environment, and sustainable human resources). We then identify and specify the boundaries of the impact of sustainability aspects in the supply chain to connect to 9 UN Sustainable Development Goals (SDGs) in our management strategy.

Sustainability Aspects, Material Topics, and Boundaries of the Value Chain

Sustainability Aspect	Corresponding Material Topics	Corresponding SDGs	Value Chain Impact Boundaries	Corresponding Chapters and Page Number of Management Strategies
Sustainable Governance	• Ethical Management (GRI 102) • Corporate Governance (GRI 102) • Economic Performance (GRI 201) • Socioeconomic Compliance (GRI 419) • Risk Management (GRI 102) • Disputed procurement (customized topic) • Supply chain labor standards (customized topic)		Wiwynn (indirect impact) Suppliers (business conduct impact) Customers (business conduct impact)	Sustainability Target Management (P.23) Sustainable Governance Management Strategy (P.31)
Sustainable Innovation	• R&D and innovation for product and services (customized topic) • Customer Privacy (GRI 418) • Intellectual property rights (customized topic) • Sustainable Products (customized topic) • Customer Health and Safety (GRI 416)		Wiwynn (indirect impact) Customers (business conduct impact)	Sustainability Target Management (P.23) 2.1 Innovation and R&D of Sustainable Products (P.58) 2.2 Intellectual Property Management (P.67) 2.3 Customer Privacy and Information Security (P.70)
Sustainable Environment	• Environmental Compliance (GRI 307) • Electronic waste (customized topic) • Climate Change Strategies (customized topic) • Clean energy opportunities (customized topic)		Wiwynn (indirect impact) Suppliers (business conduct impact) Customers (business conduct impact)	Sustainability Target Management (P.23) Sustainable Environmental Management Strategy (P.74)
Sustainable Human Resources	• Human Capital Development (customized topic) • Occupational Health and Safety (GRI 403) • Labor management (customized topic) • Labor/Management Relations (GRI 402) • Training and Education (GRI 404) • Employment (GRI 401)		Wiwynn (indirect impact) Suppliers (business conduct impact)	Sustainability Target Management (P.23) Sustainable Human Resources Management Strategy (P.90)

Sustainability Target Management

	Corresponding Material Topics	2019 Target	2019 Target Achievement Status	2020 Target	Medium and Long-Term Target
SUSTAINABLE GOVERNANCE	Ethical management	Require suppliers to sign the "Supplier Ethical Management Letter".	The Company issued 772 "Supplier Ethical Management Letters" as of December 9, 2019 and Taipei Headquarters recovered 452 Letters while Tainan Branch recovered 114 Letters, culminating in a completion rate of 73.32%. (Achieved)	Continue to require suppliers to sign the "Supplier Ethical Management Letter".	No employees of the Company may directly or indirectly offer, accept, or promise to offer any improper benefits or commit other unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining interests.
	Corporate governance	The results of the performance evaluation of the Board of Directors and functional committees "exceeded standards" (over 90 points).	The results of the performance evaluation of the Board of Directors and functional committees "exceeded standards". (Achieved)	The results of the performance evaluation of the Board of Directors and functional committees "exceeded standards" (over 90 points).	The Company shall continue to follow the Corporate Governance Roadmap established by the competent authority and continue to intensify the corporate governance policies.
	Economic performance	Stock dividends (payout) ratio from retained earnings of over 60%.	The stock dividends (payout) ratio from retained earnings was 65.18%. (Achieved)	Stock dividends (payout) ratio from retained earnings of over 60%.	The Company maintains a stable and robust dividend policy and continues to create long-term investment value for shareholders.
	Compliance with social and economic laws and regulations	No material violations of laws (penalties in excess of NT$1 million).	No violations of laws occurred. (Achieved)	No material violations of laws (penalties in excess of NT$1 million).	Monitor amendments of laws and regulations and review various internal regulations to implement legal compliance.
	Risk management	The Company has implemented risk assessment and management in accordance with ISO 9001, 14001, and 45001. We monitor amendments of laws and regulations and review various internal regulations to reduce compliance risks.	The Company has completed risk assessment and management in accordance with ISO 9001, 14001, and 45001. (Achieved)	The Company has implemented risk assessment and management. We monitor amendments of laws and regulations and review various internal regulations to reduce compliance risks.	The Company continues to implement risk assessment and management in accordance with management systems and monitors the effectiveness of management regulations. We continue to maintain the effectiveness of each system and implement regular risk management of related operations each year.
	Disputed procurement Supply chain labor standards	We promote audits of risky suppliers' corporate sustainability and social responsibilities.	Wiwynn audited the corporate sustainability and social responsibilities of 26 suppliers in 2019. (Achieved)	The Company aims to audit 30 risky suppliers on corporate sustainability and social responsibilities.	We shall continue to promote CSR and implement CSR issues with related suppliers of Wiwynn.

SUSTAINABLE INNOVATION

Corresponding Material Topics	2019 Target	2019 Target Achievement Status	2020 Target	Medium and Long-Term Target
R&D and innovation for product and services	Focus on the development of edge server, AI computing, and liquid cooling such as immersion cooling in accordance with industry trends and customer demand.	The Company exhibited advanced liquid cooling technologies, edge computing, and next-generation server products in international exhibitions such as the 2019 Computex and OCP Global Summit. (Achieved)	Continue innovation in product performance integration (e.g., HPC applications) to provide more advanced and superior products.	① Become the customers' value partner in cloud services business. Provide data centers with workload-optimized IT solutions for the best total cost of ownership (TCO). ② Continue to follow new regulations on product safety and hazardous substances of different countries (e.g., RoHS3 in 2021) and complete preparation for design and certification in advance. Design friendlier green products to continue to reduce the long-term health impact on employees and the environment. ③ Continue to optimize designs to reduce the long-term occupational injuries of operators. For instance, the Company shall optimize mechanical designs to increase the convenience and safety for customer operations and maintenance or reduce the noise to lower the impact on hearing. ④ During product conceptualization or preliminary development, the Company actively pays attention to customers' ideas and feedback regarding the safety in product operations and customer health issues in order to incorporate these ideas into product design and verification as early as possible to increase customer satisfaction in this respect.
Sustainable products	In terms of energy conservation, carbon emissions reduction, and environmental protection, the Company shall continue to research and develop more efficient power supply solutions (e.g., 48V) and heat dissipation technologies (e.g., CFM/Watt). The Company shall complete patent applications and maintenance for new technologies to provide customers with the best products and services in a timely and stable manner.	The 48V to 12V conversion solution designed by Wiwynn was demonstrated in the 2019 OCP Global Summit and other events. This technology will help extend services for customers' existing investments and increase power conversion efficiency for customers. (Achieved)	In terms of energy conservation and carbon emissions reduction of products (continuous introduction of new cooling technologies, power supply conversion designs, and environmentally-friendly materials), the Company shall continue to innovate in order to provide more advanced and superior products.	
Customer health and safety	① Ensure that each product meet customer requirements and the laws and regulations of the country and location of use such as requirements for Safety and EMC. Ensure prompt delivery. ② Ensure the useful life, stability, and quality of products. ③ Ensure safety in customer operations and prevent occupational injuries. The Company shall use production certification and provide the necessary training for operations and maintenance to achieve these goals.	There were 0 cases of specific customer complaints for health and safety issues in 2019. The Company maintained 100% compliance with the Hazardous Substance Free standards and customer regulations. (Achieved)	① The Company maintained 100% compliance with the Hazardous Substance Free standards and customer regulations. ② Continue innovation for ensuring product quality stability (increase stability and yield rate under more severe environments), ease of operations, and safety (avoid occupational injuries in product operations to provide more advanced and superior products.	

SUSTAINABLE INNOVATION

Corresponding Material Topics	2019 Target	2019 Target Achievement Status	2020 Target	Medium and Long-Term Target
Customer privacy	① Implement information system vulnerability scans each quarter. ② Implement information security training and social engineering exercises. ③ Implement whole disk encryption functions to prevent theft of data when a computer is lost. ④ Update anti-virus software for all employees.	① 100% of the vulnerabilities of the information system found in quarterly vulnerability scans were repaired. (Achieved) ② Compared to the baseline year for the first half of 2019, the Company's click rate in phishing exercises in the second half of 2019 was reduced by 3.4%. (Achieved) ③ Whole disk encryption has been implemented for 100% of all disks. (Achieved) ④ 100% update of anti-virus software for all employees. (Achieved)	① Strengthen information security management for R&D personnel and product managers. ② Strengthen network access safety mechanisms and introduce O365 MFA (multi- factor authentication with mobile phone and computer), VPN MFA, and RD LAN VPN. ③ Introduction of Office365 Advanced Threat Protection (ATP) to prevent penetration of phishing mail, trojan, and ransomware into the Company's intranet. ④ Strengthen the identity verification (AZURE AD) on the cloud platform.	① Continue social engineering exercises and conduct simulated phishing email exercises. ② Continue to implement whole disk encryption for the computers of all employees. ③ Focus on enhancing information security awarenessand regulations. ④ Continue to strengthen the cloud platform information structure and security mechanisms.
Intellectual property rights	Implement the Regulations on Incentives for Inventions and Innovation and encourage employees to apply for patents while protecting technologies and products newly-developed by the Company.	The Company was ranked among the top 100 domestic institutions in number of patent applications by the Intellectual Property Office in 2018. Compared to 2017, the growth in the number of patents obtained by the Company increased by nearly two-fold in both 2018 and 2019. (Achieved)	We have amended the regulations on incentives to provide special incentives for employee to directly or indirectly propose related product strategies for the Company and patents for new technologies that can be directly used in company products and increase product competitiveness. As we seek to maintain the "quantity" of patent proposals, we also seek to enhance the "quality" of proposals. Invention patents should account for more than 90% of the Company's total number of patents.	The number of the Company's valid patents shall continue to increase each year and the Company shall also consider the establishment of the Taiwan Intellectual Property Management System (TIPS) which was launched by the Ministry of Economic Affairs. The System can help us use our intellectual property more effectively and promote the integration of high-quality core patent technologies and increase our lead over competitors. It can also help us license our technologies and create higher values for our intellectual property rights.

SUSTAINABLE ENVIRONMENT

Corresponding Material Topics	2019 Target	2019 Target Achievement Status	2020 Target	Medium and Long-Term Target
Compliance with related environmental protection regulations	Tainan Branch established the ISO 14001 Management System.	Tainan Branch completed the establishment of the ISO 14001 Management System in 2019. Wiwynn did not violate any environmental laws and regulations or receive penalties in 2019. (Achieved)	Continue to update inspections and comply with environmental protection laws.	Continue to improve environmental health and safety performance and reduce environmental pollution.
Electronic waste	Design products that can be easily dismantled and recycled in accordance with Waste Electrical and Electronic Equipment Directive (WEEE) to attain 3R standards.	Ensure that product design meets 3R requirements. (Achieved)	Continue to maintain QC080000 external certification.	Design products that can be easily dismantled and recycled in accordance with Waste Electrical and Electronic Equipment Directive (WEEE) to attain 3R standards and continue to maintain QC080000 external certification.
Climate change strategies	Introduce the Task Force on Climate-Related Financial Disclosures (TCFD) framework.	Disclose the Company's climate change governance, strategies, risk management, indicators, and targets in accordance with the TCFD framework in the CSR Report. (Achieved)	Complete external certification for ISO 14064-1:2018 Greenhouse Gas Inventory.	Establish greenhouse gas inventory mechanisms and participate in the Carbon Disclosure Project (CDP). Establish annual reduction targets and implementation plans.
Clean energy opportunities	Reduce energy intensity by at least 2%	Reduced energy intensity by at 4.3%. (Target achieved)	Tainan Branch completed the external certification for the ISO 50001:2018 Energy Management System.	Continue to pay attention to energy issues. Purchase renewable energy or renewable energy certificates (RECs) to support energy policies when the regulations and market supply conditions have matured. Make solid contributions to sustainability and the environment and reduce the impact of climate change on the environment.

SUSTAINABLE HUMAN RESOURCES

Corresponding Material Topics	2019 Target	2019 Target Achievement Status	2020 Target	Medium and Long-Term Target
Human capital development Labor management Labor-management relations Training and education Employer-employee relations	Attain at least 80% in the retention rate of new recruits within six months. Maintain overall salary levels in the top 25% of the industry. Let 80% of new recruits feel that they can make use of their talents and learn in work. Make them feel happy to work at Wiwynn.	Attain 90% in the retention rate of new recruits within six months. (Achieved) Maintained overall salary levels in the top 25% of the industry. (Achieved) We collected 221 valid questionnaires in 2019. 82% of new recruits feel that they have good relations with colleagues at work and that they have a good work environment. 80% of new recruits consider their jobs to be very important. 89% of new recruits feel that they had learned and achieved growth in both work and life in the past three months.	Attain at least 80% in the retention rate of new recruits within six months. Maintain overall salary levels in the top 25% of the industry. Let 85% of new recruits feel that they can make use of their talents and learn in work. Make them feel happy to work at Wiwynn. Average training hours > 20 hours. New recruit satisfaction survey.	Effectively attract high-performing talents. Strengthen talent cultivation and increase employee organization commitments and work performance to build key talent capital for the Company.
Occupational safety and health	Complete the establishment of the ISO 45001 Management System.	Completed the establishment of the ISO 45001 Management System.	Attain 100% coverage in occupational safety and health education and training for new recruits. Attain at least 95% in compliance rate work environment measurements and legal requirements. Attain at least 95% in health examination implementation rate for new recruits. Attain 3.15 or below in the disabling frequency rate (FR) (excluding traffic accidents).	Continue to improve environmental health and safety performance and reduce the occurrence of occupational hazards.

Implementation of United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) include 17 goals and 169 targets which serve as the guidelines for global development from 2016 to 2030. Wiwynn's actions taken to achieve sustainability correspond to 9 targets specified in the Sustainable Development Goals (SDGs).

Ensure inclusive and equitable quality education and promte lifelong learning opportunities for all

Target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Employees can enhance their management/professional skills through on-the-job training and internal and external training course resources in all stages of career development. They can also use a diverse range of online courses to learn at any time and use the internal TechDay event to exchange ideas on the latest R&D and technologies.

Ensure access to affordable, reliable, sustainable and modern energy for all

Target 7.3 By 2030, double the global rate of improvement in energy efficiency.

* High-density and high electricity efficiency two-phase immersion cooling.

* Tainan Branch plans to complete the external certification for the ISO 50001: 2018 Energy Management System in 2020.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.
Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

* Wiwynn's consolidated revenue in 2019 amounted to NT$163,600,423 thousand and the net profit after tax was NT$6,169,254 thousand, a 10.61% increase from the previous year. The net profit rate after tax was 3.77% which was also a 0.69ppt increase from the previous year. The EPS was NT$36.42 and the return on equity (ROE) was 39.81%.
* Wiwynn maintains overall salary levels in the top 25% of the industry.
* Tainan Branch has completed the establishment of the ISO 45001 Management System.

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

In terms of increasing energy usage efficiency, the Company designed the 48V to 12V conversion solution and demonstrated the technology in the 2019 Computex and OCP Global Summit. This technology helps customers enjoy the conversion efficiency offered by a 48V DC power supply structure without replacing existing motherboards and extends the value and energy conservation of existing investments.

Reduce inequality within and among countries

Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Wiwynn works hard to achieve the goal of "Happy Wiwynn with a Diverse and Friendly Workplace" in the human resource policy and system. Employee shall be free of any discrimination or unfair treatment based on race, class, gender, nationality, party affiliation, religion, place of birth, sexual orientation, age, and marital status.

Make cities and human settlements inclusive, safe, resilient and sustainable

Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Design products that can be easily dismantled and recycled in accordance with Waste Electrical and Electronic Equipment Directive (WEEE) to attain 3R standards and continue to maintain QC080000 external certification.

Take urgent action to combat climate change and its impacts

Target 13.2 Integrate climate change measures into national policies, strategies and planning. Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Disclose the Company's climate change governance, strategies, risk management, indicators, and targets in accordance with the TCFD framework in the CSR Report. Establish greenhouse gas inventory mechanisms and participate in the Carbon Disclosure Project (CDP). Establish annual reduction targets and implementation plans.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Target 16.5 Substantially reduce corruption and bribery in all their forms.

Target 16.6 Develop effective, accountable and transparent institutions at all levels.

Tainan Branch passed the RBA third-party audit by TUV on November 12, 2019 and zero discrepancies were found in the ethical management items which included zero illegal proceeds. The Company issued 772 "Supplier Ethical Management Letters" as of December 9, 2019 and Taipei Headquarters recovered 452 Letters while Tainan Branch recovered 114 Letters, culminating in a completion rate of 73.32%. We shall continue to require suppliers to sign the "Supplier Ethical Management Letter".

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Target 17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

Wiwynn publishes white papers or technical columns each year and shares research results on related leading technologies in the industry with competitors. Examples include the 2-phase rack liquid cooling and 2-stage 48V solutions which were published on the website to share applications for energy conservation and demonstrate the Company's capacity for product R&D and innovation.

CHAPTER 1

SUSTAINABLE GOVERNANCE

- Sustainable Governance Management Strategy
- About Wiwynn
- Corporate Governance
- Ethical Management
- Business Strategies and Performance
- Embrace Risks and Opportunities
- Supply Chain Management
- Special Edition on Sustainable Governance– COVID-19 Business Continuity Plan (BCP)

Sustainable Governance Management Strategy

Significance of Sustainable Governance to Wiwynn and Goals of Management

Economic performance

Enterprises must pursue good financial performance improvement for corporate sustainability to create value added by the enterprise, share value with the society, the environment and stakeholders, form a positive cycle, and maintain long-term and stable profitability to protect the interests of shareholders.

Corporate governance and risk management

A sound risk management system can help provide effective supervisory mechanisms for the operations of enterprises and help them make good use of resources, improve efficiency, improve competitiveness and resilience. It is also one of the keys to the positive effects of corporate sustainability.

Ethical management and compliance

Maintaining a high level of professional ethics is the basic value of enterprises and it is the benchmark of compliance for all Wiwynn employees. All employees must abide by related laws and the Company's regulations, protect the Company's reputation, and gain the respect and trust of customers, suppliers, and individuals of all sectors.

Supply chain management

A healthy and efficient supply chain is the foundation for corporate sustainability. Wiwynn has introduced the Code of Conduct of the Responsible Business Alliance since 2019. As a member of the Responsible Business Alliance (RBA), Wiwynn fully supports the RBA's vision and goals while ensuring compliance to the supply chain labor standards and environmental protection issues to avoid disputed procurement.

Material topics included in sustainable governance:

- *Ethical Management (GRI 102)*
- *Corporate Governance (GRI 102)*
- *Economic Performance (GRI 201)*
- *Socioeconomic Compliance (GRI 419)*
- *Risk Management (GRI 102)*
- *Disputed Procurement (customized topic)*
- *Supply Chain labor Standards (customized topic)*

Corresponding SDGs for Sustainable Governance

Substantially reduce corruption and bribery

Substantially reduce corruption and bribery in all their forms.

Develop effective, accountable and transparent institutions

Develop effective, accountable and transparent institutions at all levels.

Diversification, technological upgrading and innovation of economic productivity

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.

Sustainable Governance Management Strategy

Sustainable Management Investments

Policy

The principles for ethical management and compliance include "fairness, honesty, integrity, and transparency".

The Company's governance policy includes the "protection of shareholder interests, strengthening of the roles and powers of the Board of Directors, implementation of the functions of the Audit Committee, respecting the rights of stakeholders, and increase of information transparency".

Our risk management policy includes the "effective integration of internal and external resources and adoption of suitable response measures to prevent or reduce any form of losses and achieve optimization in the allocation of internal assets".

The procurement policy is "fulfill RBA values and avoid disputed procurement".

Responsible organizations:

* "Board of Directors"
* "Audit Committee"
* "Compensation Committee"
* "Corporate Governance Unit"
* "Audit Office"
* "Human Resource Unit"
* "RBA Management Committee"
* "Supplier Quality Management (SQM)"

Management procedures:

* "Corporate Social Responsibility Best Practice Principles"
* "Ethical Corporate Management Best Practice Principles"
* "Ethical Corporate Management Operating Procedures and Code of Conduct"
* "Code of Conduct"
* "Management Procedures for Preventing Insider Trading"
* "Supplier Ethical Management Letter"
* "Corporate Governance Best Practice Principles"
* "Board of Directors Performance Evaluation Guidelines"
* "Code of Conduct of the Responsible Business Alliance"
* "Operating Procedures for Auditing Suppliers' Corporate Sustainability and Social Responsibilities"

Resources committed

* Implement the "Code of Conduct Training".
* Purchase the "liability insurance for the Company's Directors and key personnel" for Directors and key personnel to reduce the risks borne by Directors, key personnel, and the Company. To disperse business risks, the Company also applied for accounts receivable purchases from banks to offset the risks of bad debts. We also purchased various insurance policies and regularly renew them.
* We expanded the scale of supplier audits and included SQM personnel to fully implement supplier sustainability and CSR audit procedures.

Complaint mechanismst

* Create a whistleblower system and set up reporting contact persons to create an honest and transparent corporate culture and promote the sound development of the Company.
* The Company has established employee complaint channels for employees to call dedicated telephone numbers or use emails to report violations of ethical conduct to the Company's highest-ranking officer of human resource.
* The Company has established a stakeholder area on the official website to provide stakeholders, including employees, suppliers, customers, and shareholders with communication channels.

Effectiveness Evaluation Mechanisms	We regularly report the implementation results of ethical corporate management to the Board of Directors each year and implement ethical corporate management in accordance with regulations established by the Company.
	Major decisions of the Company regarding business policies, investments, endorsements and guarantees, and banking facilities are evaluated and analyzed by designated units and reported to the Audit Committee and Board of Directors for resolution. Related personnel also implement training, management guidelines, and operating procedures to create a disciplined yet constructive control environment.
	The audit unit formulates annual audit plans for evaluation and rigorous implementation. It also submits results to the Audit Committee to monitor the implementation of various risk management measures and implement supervisory mechanisms.
	The Audit Committee assesses the effectiveness of the Company's internal control policies and procedures (including control measures such as finance, operation, risk management, information security,compliance, etc.) and reviews the reports of the Company's audit department and CPAs to inspect the appropriateness of related risk management structures.
	The Compensation Committee regularly reviews the compensation system of Directors and managerial officers and seeks to achieve balance between the Company's sustainability and risk management.
	The Company conducts related evaluations and audits on RBA items of Wiwynn's suppliers based on the operating procedures for sustainability and social responsibility audits for suppliers to prevent disputed procurement

Sustainability Performance Outcomes	Tainan Branch passed the RBA third-party audit by TUV on November 12, 2019 and zero discrepancies were found in the ethical management items which included zero illegal proceeds.
	The Company issued 772 "Supplier Ethical Management Letters" as of December 9, 2019 and Taipei Headquarters recovered 452 Letters while Tainan Branch recovered 114 Letters, culminating in a completion rate of 73.32%. We shall continue to require suppliers to sign the "Supplier Ethical Management Letter".
	Implementation status of the "Code of Conduct Training" for new employees in 2019: As of December 9, 2019, 713 of 716 new employees (IDL: 250; DL: 463) had received training for new employees.
	The use of electronic voting in the general shareholders' meeting in 2019 reached 83.78% of the shares in attendance and the proportion of electronic voting has increased each year.
	The score of the performance evaluation of the Board of Directors in 2019 was 98 points/"exceeded standards". The Company shall continue to establish targets for the roles and powers of the Board of Directors and use each indicator to evaluate results for providing recommendations and improvements in order to intensify the performance of the Board of Directors.
	The Company held and participated in 9 domestic and international investor conferences from 2018 to the end of 2019 to ensure that investors enjoy sufficient rights to ask and learn about the Company's financial and business information and help the public evaluate the true value of the Company more effectively.
	Wiwynn's consolidated revenue in 2019 amounted to NT$163,600,423 thousand and the net profit after tax was NT$6,169,254 thousand, a 10.61% increase from the previous year. The net profit rate after tax was 3.77% which was also a 0.69ppt increase from the previous year. The EPS was NT$36.42 and the return on equity (ROE) was 39.81%.
	No violations of laws occurred in 2019.
	Wiwynn audited suppliers' corporate sustainability and social responsibilities in 2019 and all 26 suppliers were qualified in the audit results.

1.1 About Wiwynn

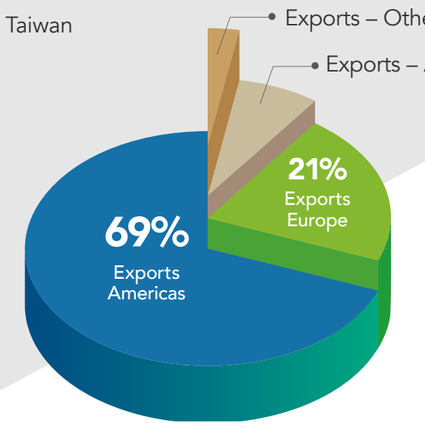
wiwynn® Wiwynn Corporation

Wiwynn Corporation (Wiwynn) is a subsidiary of Wistron that provides cloud IT infrastructure solutions for hyperscale data centers . Wiwynn was established to become the best innovative technology service partner for customers. We aim to achieve win-win with customers in business collaboration. Wiwynn has adopted an ODM direct sales model and continues to develop workload-optimized products and technologies fordata centers to achieve the best total cost of ownership. We also work with key technologies partners and major international software companies to quickly incorporate the latest technologies to respond to the rapid growth in market demands. Our sales regions are spread across the globe and the Americas remain our primary sales region. The revenue from the Americas account for 74.65% of total revenue in 2019.

Wiwynn has a good reputation in the industry which helps the Company continue to expand to customers of various types of cloud data center including social media, electronic transactions, Internet services, telecommunication service providers, and web services. We shall continue to develop new customers and incrementally disperse sources of revenue. We shall also continue to improve product quality, brand management, sales, and after-sales services to demonstrate the value of our customer services and increase customer loyalty.

8F, No. 90, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan

2019 Capital	NT$1.746 billion
Date of Establishment	2012/03/03
Date of Listing	2019/03/27 (Stock Code: 6669)
Chairman	Simon Lin
President and CEO	Emily Hong
Number of Employees	1,133 (as of December 31, 2019)



2019
PROPORTION OF WIWYNN SALES BY REGION

Vision

Bceome a value partner for customers in cloud service business

Mission

Provide best TCO and workload optimized IT solutions for data center

Wiwynn Beliefs

Forward-Looking and Risk Taking

We pride ourselves in foreseeing changes in the environment and industry. We embrace change and remain courage in proposing solutions for change. We challenge the unknown and explore different approaches without fear of risks or failure. We pursue or try different kinds of new knowledge, technologies, tools, and processes. We encourage creativity and exchange of ideas and we support proposals for innovation.

Pursue Excellency

We constantly challenge ourselves to attain new heights and we aim to be the benchmark in the industry. We pursue superior work deliverables and product quality standards. We believe that there is no such thing as the best thing because things can only get better. We have confidence in ourselves but we also recognize our imperfections.

Execution with Speed

We quickly complete our work tasks and pursue results. We carefully consider all details and aspects of our mission and succeed in our first try. We regularly review and assess results and we make adjustments when required to pursue better results.

Teamwork makes the Dreamwork

We respect other professionals and we accept constructive challenges to our professionalism. We believe in teamwork and we work together to complete greater missions. We regard team members as partners and we take pride in their achievements.

Locations of Operations

Wiwynn delivers products to hyperscale data centers across the world. We deployed operations strategically across the world to provide solutions from product design, integration, optimization, and establishment of after-sales services. We use sales and services between different operations to achieve team work and support and maximize synergy. Our integrated one-stop service effectively increases overall efficiency and productivity to provide customers with precise and rapid solutions that meet their needs.

Wiwynn's Global Operations
(entities included in the consolidated financial statements)

Relationship with Wiwynn	Company Name	Date of Establishment	Location	Main Business or Product
Subsidiary	Wiwynn Technology Service Japan, Inc. (WYJP)	01/03/2013	Japan	Trading of electronics products
Subsidiary	Wiwynn International Corporation (WYUDE)	11/02/2013	U.S.A	Trading of electronics products
Subsidiary	Wiwynn Mexico, S.A. de C.V.	14/02/2019	Mexico	Provision of human resource services
Subsidiary	Wiwynn Technology Service Hong Kong Limited (WYHK)	11/09/2013	Hong Kong	Investment holding and trading of electronics products
Subsidiary	Wiwynn Korea Ltd. (WYKR)	03/05/2016	Korea	Trading of electronics products
Subsidiary	Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	13/072017	Malaysia	Trading of electronics products
Sub-subsidiary	Wiwynn Technology Service (Kunshan) Ltd. (WYKS)	12/02/2014	China	Trading of electronics products
Branch company	Wiwynn Corporation Tainan Branch	25/01/2019	Southern Science Park, Taiwan	Production of electronics products

Wiwynn Core Businesses and Services

Companies need integrated solutions suitable for the characteristics of their industries and IT integration. Wiwynn established alliances with world-class cloud software companies and we make use of our R&D capacity to satisfy customer demands for the establishment of corporate clouds, public clouds with integrated architecture, and hybrid clouds. As companies seek to improve their operation capacity, they demonstrate their core values and gain opportunities for developing innovative business models.Our infrastructure service solutions include various high-density servers and storage equipment needed for data centers for telecommunication and data center operators to quickly establish various cloud computing services. We also offer a cost-efficient solution in the form of integrated corporate cloud racks with top cloud software to reduce the entry barriers to cloud computing for companies.

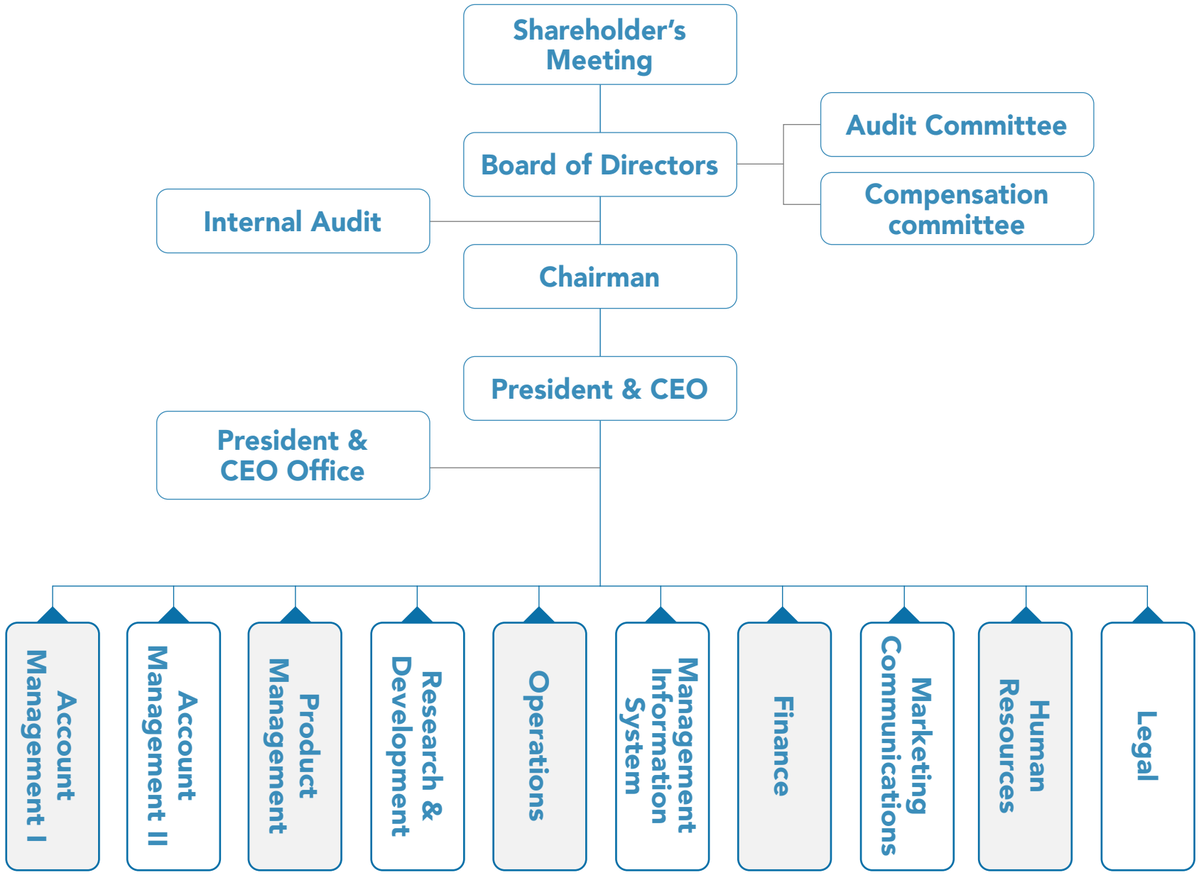
In terms of services for hyperscale data centers, Wiwynn provides customized products and services that meet low-power consumption and reduces the carbon footprint. We provide customers with a one-stop shopping service to effectively reduce the operating cost and ensure friendliness for the environment.
Wiwynn upholds the spirit of innovative technical services to provide optimized cloud technology services and convert customers into the most effective cloud enterprises. We not only provide customers with comprehensive cloud applications and solutions but also increase the competitiveness of hyperscale data centers. Our current main customers include renowned global social network websites, search engines, instant messaging services, and telecommunication companies.

1.2 Corporate Governance

Ethical corporate management and compliance are the foundations for corporate sustainability and corporate social responsibility. Wiwynn upholds the principles of "fairness, honesty, integrity, and transparency" and we are committed to the "protection of shareholder interests, strengthening of the roles and powers of the Board of Directors, implementation of the functions of the Audit Committee, respecting the rights of stakeholders, and increase of information transparency".

Corporate Governance Structure

Wiwynn's Board of Directors is the highest-ranking governance unit of the Company and its main duty is to exercise supervision, make decisions, and strengthen management. The Board of Directors oversees the Audit Committee and the Compensation Committee which help the Board of Directors with decision-making. Board meetings are convened at least once every quarter and 5 meetings were held in 2019. The management team regularly reports the Company's operations, development strategies, or other important issues to the Board of Directors and maintains smooth and good communication with the Board of Directors. Board members are required to supervise the management team for compliance with regulations to increase information transparency. They provide the management team with guidance for major decisions and prevent damage to the Company's interest caused by poor policies to protect shareholder interests.



Composition of the Board of Directors

Wiwynn appoints seven to nine Directors who serve three-year terms in accordance with the Articles of Incorporation. The Directors are elected based on a candidate nomination system. According to related laws and regulations, shareholders holding more than 1% of the Company's outstanding shares may submit a list of candidates to the Company. Shareholders are therefore permitted to participate in the nomination procedures of the candidates for Directors and they also elect Directors from the list of candidates published by the Company. Directors may be re-elected.

Wiwynn added two Directors (including one Independent Director) in the general shareholders' meeting in 2019 to strengthen the roles and powers of the Board of Directors. After the election, the Company has nine Directors (including four Independent Directors) including two female Directors who account for 22% of all Directors. The Chairman of the Board of Directors is elected by the Board of Directors. The Chairman serves as the chair of board meetings and represent the Company externally. The Chairman does not serve concurrently as the President or CEO. All board members have extensive experience and professional qualifications in business, legal affairs, finance, accounting, or skills necessary for the Company's business development. The independence of Independent Directors also meets related regulations in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". In addition, the Company arranges continuing education for Directors in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" and helps them acquire new knowledge. Each Director took at least 6 hours of courses in 2019. Detailed information on the Directors' education, experience, background, concurrent roles in other companies, attendance in board meetings, and continuing education has been disclosed on the company website or the Annual Report.(See: https://www.wiwynn.com/investors/corporate-governance#BoardofDirectors)

Composition of the Board of Directors of Wiwynn

Name	Gender	Age			Title
		55 or Below	56-65	Over 66	
Simon Lin	Male			★	Chairman/Wistron Corporation Representative
Emily Hong	Female		★		Director/President and CEO
Frank FC Lin	Male		★		Director/Wistron Corporation Representative
Dr. Sunlai Chang	Male		★		Director/Senior Vice President and Chief Technology Officer
Steven Lu	Male		★		Director/Vice President
Paul Lin	Male			★	Independent Director/Audit Committee Member/ Compensation Committee Member
Simon Dzeng	Male		★		Independent Director/Audit Committee Convener/ Compensation Committee Member
Cathy Han	Female	★			Independent Director/Audit Committee Member/ Compensation Committee Convener
Victor Cheng	Male			★	Independent Director/Audit Committee Member

Audit Committee

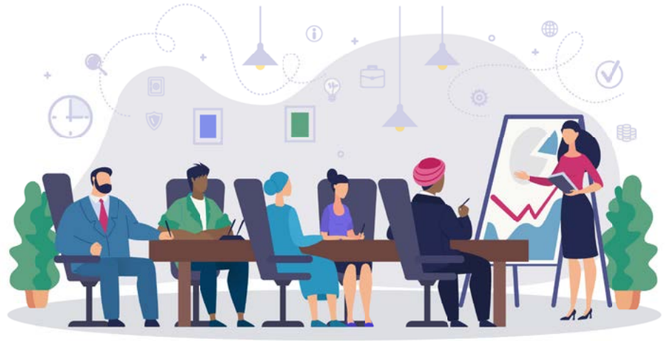
Wiwynn appointed Independent Directors and established the Audit Committee in the special shareholders' meeting in 2018. The Audit Committee currently consists of four Independent Directors and meetings are regularly convened each quarter before meetings of the Board of Directors. A total of five meetings were held in 2019. Please refer to the Annual Report or the Market Observation Post System for the attendance of members of the Audit Committee.

The goal of the operations of the Audit Committee is to conduct supervision and establish risk control and management measures. The scope includes adequate expression of the Company's financial statements, appointment (dismissal) of CPAs and review of their independence and performance, effective implementation of the Company's internal controls, ensuring that the Company follows relevant laws and regulations, and assessing possible and potential risks to the Company. The chief auditor, chief accounting officer, and CPA attended meetings of the Audit Committee each quarter to report updated information on internal audits, financial conditions, and related laws and regulations. The establishment of the Audit Committee facilitates good division of labor for the duties of the Board of Directors and it maintains an impartial and independent position to assist the Board of Directors with decision making.

Compensation Committee

Wiwynn's second-term Compensation Committee consists of three Independent Directors whose term is from January 17, 2018 to January 16, 2021. The Compensation Committee convenes at least 2 meetings each year and the Chairman is invited to attend the meetings, provided that the Chairman is required to recuse himself from discussions on issues involving his interest. The Committee may request Directors, managers of relevant departments, internal auditors, CPAs, attorneys, or other personnel of the Company to attend the meeting as non-voting participants and provide pertinent and necessary information. A total of three meetings were held in 2019. Please refer to the Annual Report or the Market Observation Post System for the attendance of members of the Audit Committee.

The duties of Wiwynn's Compensation Committee are to establish and regularly review the Company's compensation policy for Directors and managerial officers and ensure suitable connection between the Company's business performance and operation targets to attract and retain high-quality talents and increase corporate competitiveness. The compensation payment policy for Directors of Wiwynn is established in accordance with Article 21 of the Company's "Articles of Incorporation". If the Company makes a profit in the current year (profits refer to income before tax and before compensation distribution to employees and Directors), no more than 1% shall be allocated as compensation for Directors and such compensation shall be distributed in cash. The salary compensation of the Company's President and Vice Presidents is based on the achievement rate of the business performance and targets of the management team. The Company also considers the standards of industry peers, their positions, responsibilities, and reasonable connections with future risks.
The procedures for determining the compensation are established in accordance with the Company's "Board of Directors Performance Evaluation Guidelines" and "Regulations Governing the Compensation System, Structure, and Business Performance Evaluation of Directors and Managerial Officers". Related performance evaluations and the reasonableness of compensation are reviewed by the Compensation Committee and submitted to the Board of Directors for approval before implementation. They shall also review the actual business operations and related laws to maintain a balance between sustainability and risk management.



Board Performance Evaluation

Wiwynn established the "Board of Directors Performance Evaluation Guidelines" to implement corporate governance, establish targets for the performance of the Board of Directors Performance, and enhance board functions. The Board of Directors passed an amendment on November 6, 2019 to include functional committees into the scope of the evaluation. The Board of Directors (including functional committees) shall conduct at least one performance evaluation every year. The evaluation period is January 1 to December 31 of the current year. Annual evaluations shall be conducted in accordance with the evaluation procedures and evaluation indicators established in the Guidelines and results shall be delivered to each functional committee and the Board of Directors within the first three months of the following year.

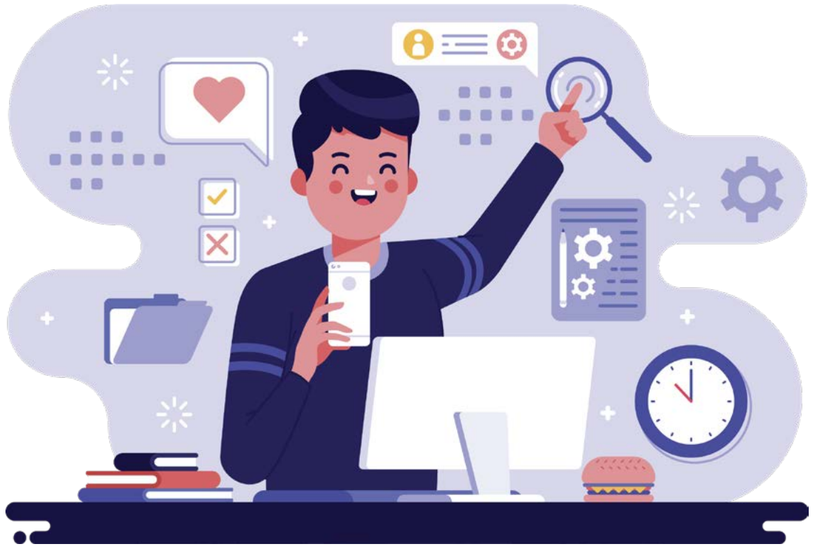
The performance evaluation items of the Board of Directors of the Company include the following five categories: Degree of participation in the Company's operations, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the Directors, and internal control.
The self-evaluation items of board members include the following six categories: The evaluation includes the familiarity with the goals and missions of the Company, knowledge of the duties of Directors, degree of participation in the Company's operations, management of internal relations and communication, professional and continuous education of Directors, and internal control.
The performance evaluation items of the functional committees of the Company include the following five categories: Degree of participation in the Company's operations, knowledge of the duties of the functional committee, improvement of the quality of functional committee decisions, functional committee composition and election of members, and internal control.

The performance evaluation of the Board of Directors and functional committees is processed by the respective meeting organization unit. The execution units compile related information on the operations of the Board of Directors and functional committees each year and produce questionnaires in accordance with the evaluation indicators including questionnaires for self-evaluation by board members and self-evaluation by meeting organization units of the Board of Directors and functional committees. The execution units evaluate results based on various indicators and record the evaluation results. They also provide recommendations and improvements based on the evaluation results for each indicator to establish targets for the roles and powers of the board and improve the performance of the board. The results of the performance evaluation of the Board of Directors and functional committees for 2019 have been disclosed in the Company's Annual Report.(See: https://www.wiwynn.com/investors/corporate-governance#BoardofDirectors)

2019 Performance Evaluation Results of the Board of Directors and Functional Committees

The methods for compiling the results of the performance evaluation of the Board of Directors and functional committees include two parts, namely, the self-evaluation questionnaires of Directors and functional committee members and the internal self-evaluation of the Board of Directors and functional committees, which account for 50% each. The evaluation items in the questionnaires range from 1 to 5 points. If total points exceed 90 points (inclusive), the performance evaluation results are deemed as "exceeded standards".

If the score is over 80 points (inclusive) and less than 90 points, the evaluation results are deemed as "met standards". If the score is less than 80 points, the evaluation results are deemed as "improvements required". After compiling scores in accordance with the aforementioned procedures, the score of the performance evaluation of the Board of Directors in 2019 was 98 points and the evaluation results "exceeded standards"; the score of the performance evaluation of the Audit Committee was 98 points and the evaluation results "exceeded standards"; the score of the performance evaluation of the Compensation Committee was 97 points and the evaluation results "exceeded standards".



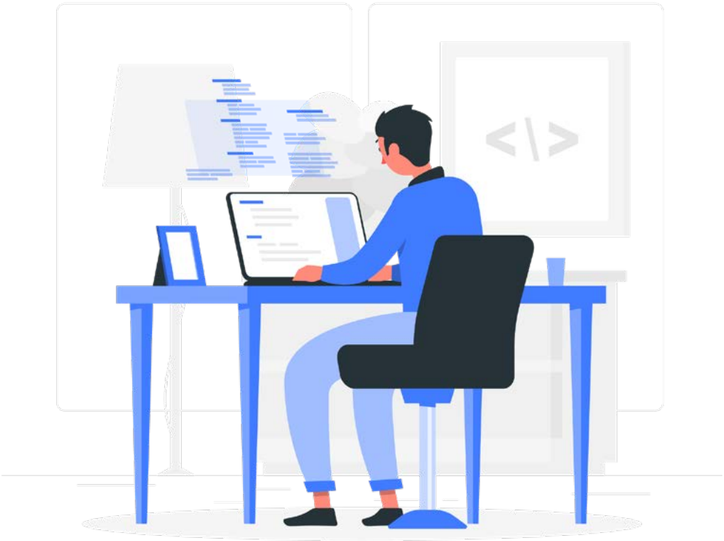
1.3 Ethical Management

Ethics and Anti-Corruption

Integrity is Wiwynn's core value as well as the foundation of its operation. We embed the integrity into the DNA of the company and we aim to build a high-quality company to proper with the society. The aim of an integrity-based business is to provide a working environment and atmosphere in which related personnel can perform their duties under ethical standards. The Company requires all employees to understand and comply with ethical practices and maintain personal integrity. All employees must bear the important responsibility for maintaining high moral standards and the Company's reputation.

Wiwynn established internal operating procedures in accordance with related laws and regulations and we continuously monitor the amendments of related regulations for adjustments of internal operating procedures. The Company has established the "Corporate Governance Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", and "Management Regulations for the Prevention of Insider Trading" to strengthen corporate governance and effectively implement corporate social responsibility. These regulations were implemented after the approval of the Board of Directors. The Company also revised the "Corporate Governance Best Practice Principles" in 2019 in accordance with amended regulations and submitted to the meeting of the Board of Directors on May 2, 2019 for approval. In addition, Wiwynn maintains the highest ethical standards in operations and infuses integrity and moral values into the Company's business strategies. We established the "Ethical Corporate Management Best Practice Principles" and "Code of Conduct" in 2019. The human resource unit is responsible for the establishment, supervision, and implementation of ethical corporate management policies and related measures and it reports to the Board of Directors at least once every year. No violations of ethical conduct or cases of corruption were found in 2019 and there were no politi cal donations in 2019.

Concerning the operation of the Board of Directors, Directors may express their opinions and respond to questions in regard to meeting agendas that have interest relationships with themselves or their proxy, which may conflict with the company's interest. Directors may not participate in discussions and exercise their voting rights, and they should recuse themselves from such discussions and execution of voting rights and they are also prohibited from exercising voting rights on behalf of other Directors. The recusal of Directors for agenda items due to conflicts of interests in 2019 has been disclosed on the Company's website or in the Annual Report.
(https:// www.wiwynn.com/investors/corporate-governance#BoardofDirectors)



Wiwynn 2019 Ethical Corporate Management Implementation Status

Supplier commitment

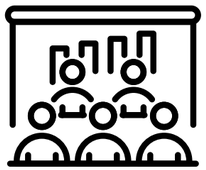
Suppliers are important partners of Wiwynn's implementation of professional ethics and legal compliance. We use meetings and real actions to deliver the Company's ideals for high professional and moral standards and we require suppliers to adopt the same ethical standards for business conduct as Wiwynn.

We require suppliers to sign the "Supplier Ethical Management Letter" each year for use as part of the procurement contract between the Company and suppliers. Suppliers must pledge that they shall not offer any direct or indirect promises, bribe, inappropriate gifts, entertainment, or other transmission of illegal interest to the Company's employees or their family members or associates. The Company issued 772 "Supplier Ethical Management Letters" in 2019 and Taipei Headquarters recovered 452 Letters while Tainan Branch recovered 114 Letters, culminating in a completion rate of 73.32%. We shall continue to require suppliers to sign the "Supplier Ethical Management Letter".

Promote ethical corporate management and establish the "anti-corruption and anti-bribery reporting system"

(I)
The Company has published the "anti-corruption and anti-bribery" reporting telephone number and website information on the Company's TV walls since August 2, 2018. All employees are obligated to report such violations to the Company and the Company also provides whistleblower protection to employees who report or cooperate with investigation. This protects employees from unfair retribution or treatment.

(II)
The Company has published the "Ethical Corporate Management Best Practice Principles" and "Code of Conduct" on the Company's employee information portal since August 28, 2018.



Education and training

The Company organized the "Code of Conduct Training" for new recruits to ensure employees fully understand related regulations. Among the 739 new employees in 2019, 732 completed the "Code of Conduct Training" and the achievement rate was 99%.

Amendments of the "Code of Conduct", passage in external RBA audits, and promulgation of regulations on acceptance of gifts

(I)
The Board of Directors passed the amendments of the "Code of Conduct" on November 6, 2019.

(II)
Tainan Branch passed the RBA third-party audit on November 12, 2019 and zero discrepancies were found in the ethical management items which included zero illegal proceeds.

(III)
The Company made an internal announcement on October 9, 2019: The Company reiterated that all employees must comply with related regulations on the acceptance of gifts.

Reporting and Protection

Wiwynn pledges to comply with related regulations in the Code of Conduct and Ethical Corporate Management Best Practice Principles. We established a complaint mailbox and dedicated telephone number for violation of the code of conduct. We use a smooth reporting system to accept complaints from internal and external entities. The reports received in the Company's reporting channels are properly recorded and tracked for processing. The Company also established the "Management Procedures for Whistleblower Protection and Prevention of Retribution" for bona fide whistleblowers or those who participate in investigations to adopt suitable protection measures to prevent retribution.

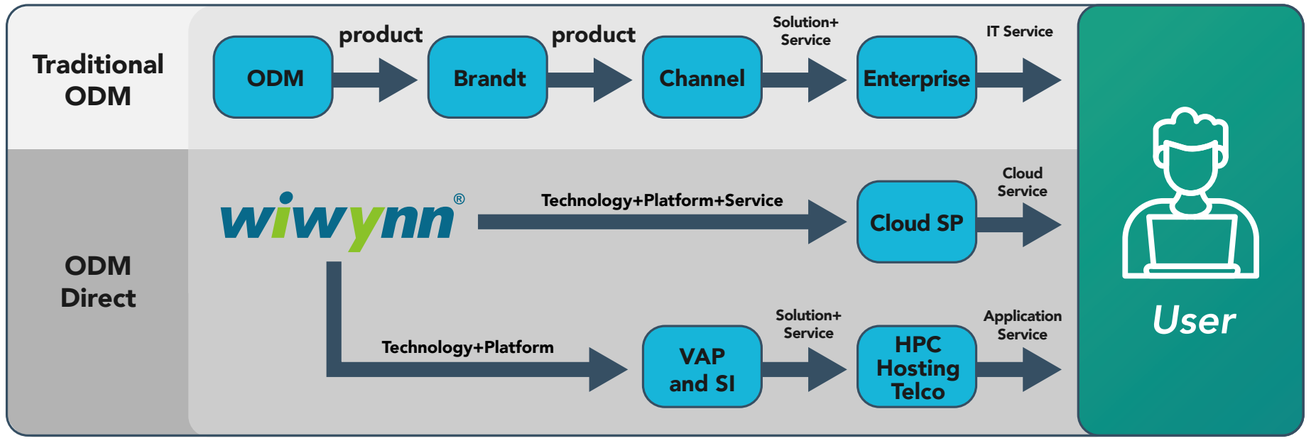
Compliance

Wiwynn complies with related standards and established an audit unit to formulate annual audit plans for evaluation and rigorous implementation. It also submits results to the Audit Committee to monitor the implementation of various risk management measures. The Audit Committee evaluates the effectiveness of the Company's internal control policies and procedures (including finance, business, risk management, information security, and legal compliance control measures). Wiwynn was not subject to monetary fines or other non-monetary penalties in compliance with environmental protection, social, and economic laws and regulations in 2019. The Company was also not involved in any legal actions for anti-competitive behavior, anti-trust, and monopoly practices.

1.4 Business Strategies and Performance

Business Strategies

Wiwynn uses the innovative ODM-Direct business model with high flexibility and rapid response to changes to quickly gain access to the market. We provide superior scalability to optimize workload and provide superior performance and we deliver precise and rapid solutions that meet the needs of the cloud data center industry. The ODM and ODM Direct business models are illustrated below:



The Company remains committed to the ODM direct sales model as a long-term goal and we continue to develop high-efficiency and energy-saving power conversion, cooling and heat dissipation solutions and provide workload-optimized new products and technologies to large data centers. We seek to provide data centers with the best total cost of ownership. We also work with key technology partners and major international software companies to quickly incorporate the latest technologies to respond to the rapid growth in market demands.

In addition, the Company also actively invests in the development of network function virtualization infrastructure (NFVI) with the aim of expanding server products to a wider range of applications. We continue to work with network communities, telecommunications operators, equipment vendors, and third-party software developers to provide open or optimized solutions for partners or customer and help accelerate their development, deployment, or network upgrades.

Financial Performance

Wiwynn's consolidated revenue in 2019 amounted to NT$163,600,423 thousand and the net profit after tax was NT$6,169,254 thousand, a 10.61% increase from the previous year. The net profit rate after tax was 3.77% which was also a 0.69ppt increase from the previous year. The EPS was NT$36.42 and the return on equity (ROE) was 39.81%. In addition to an increase in the net profit after tax, the overall financial structure also gradually improved. For instance, the debt ratio fell from 88% in 2017 to 62% in 2018 and it continued to fall in 2019 to 58%. Wiwynn did not obtain financial assistance from government in 2019.

Item	Financial Performance in the Past Two Years (Unit: thousang NTD)	
	2018	2019
Operating revenue	181,064,815	163,600,423
Gross profit	10,647,156	11,348,552
Operating expenses	3,546,614	3,188,474
Operating profit	7,100,542	8,160,078
Pre-tax profit	7,093,468	7,758,270
Income tax expense	1,515,891	1,589,016
Current period net profit	5,577,577	6,169,254
Retained earnings	6,229,893	9,602,400
Personnel expenses	1,037,656	1,805,409
Employee bonus	368,000	407,000
Cash dividends	2,792,685	4,021,131
Stock dividends	-	-
Payments made to the government	74,338	96,149
Community investment	2,572	29,572

Item	Profitability in the Past Two Years	
	2018	2019
Gross profit margin (%)	5.88	6.94
Net profit margin (%)	3.08	3.77
Pre-tax income to paid-in capital ratio (%)	466.59	444.25
Return on assets (%)	21.52	16.84
Return on equity (%)	80.87	39.81
Earnings per share (NTD)	38.00	36.42

1.5 Embrace Risks and Opportunities

Units of Wiwynn serve as the first-level risk management units for matters within their scope of work. The second-level risk management strategy and command unit is the President and CEO Office. The final control and decision-making unit is the Board of Directors which includes the Audit Committee and the Compensation Committee. They ensure a good division of labor for the duties of the Board of Directors and help the Board of Directors in decision-making. To reduce the risks borne by Directors, key personnel, and the Company, the Company has purchased the liability insurance for the Company's Directors and key personnel and reports the insurance policy to the upcoming board meeting each year after renewing the insurance policy. To disperse business risks, the Company also purchases group insurance for employees and property insurance for assets, and applies for accounts receivable purchases from banks to offset the risks of bad debts.

The Company conducts a self-evaluation of the internal control system (including the design and implementation results) to improve the risk management policy. The audit units are responsible for the review and the formulation of audit plans. They continue to follow up on irregularities and improvements and report the audit results to the Audit Committee. They also engage in positive bilateral communication with board members to effectively implement supervision mechanisms.

Wiwynn's Risk Management Organization

Key risk assessment items	First-level control and management mechanisms	Second-level control and management mechanisms	Third-level control and management mechanisms
	Direct risk control unit (Business organizing unit)	Risk management and strategic directions	Ultimate control unit for risk management strategies
Interest rate and exchange rate fluctuations and financial risks	Finance	President and CEO Office	Board of Directors
Engagement in high-risk and high-leverage investments, loans to other parties, endorsements, guarantees, or derivatives transactions	Finance		
Management of R&D plans, patents, and intellectual property rights	Product development and legal		
Important domestic and international policies and legal risks	Legal		
Changes in technologies and industries	Product management and product development		
Investments, reinvestments, and mergers/acquisitions	Finance		
Expansion of facilities or production	Operations		
Concentration in purchase or sales	Operations and sales		
Significant transfer of stock ownership by Directors and major stockholders and changes in management rights	Finance		
Human capital, employer-employee relations, environmental and workplace safety, and compensation system	Human resource		
Information security	IT		
Other operations	Individual units		

Audit Committee
The Audit Committee is responsible for reviewing the execution of the Company's internal control system and internal audits and material financial and business actions as well as reviewing the appropriateness of the risk management structure.

Compensation Committee
The Compensation Committee regularly reviews the compensation system of Directors and managerial officers and reviews the compensation policies based on business conditions and regulatory systems to achieve balance between the Company's sustainability and risk management.

Audit unit
The audit unit executes and supervises the audit plan and follows up on irregularities and improvements. It reports results and monitors the implementation of various risk management measures to implement supervisory mechanisms.

Wiwynn's Risks and Countermeasures	
Interest rate risks derived from interest rate and exchange rate fluctuations and financial risks	▪ The Company closely monitors the impact of interest rate changes in the financial market on the Company's funding to take appropriate response measures at all times. We maintain good relations with banks to obtain more preferential interest rates and we evaluate all possible interest rate risks for debts to adjust the capital structure and evade all possible interest rate risks for debts. ▪ To effectively reduce the impact of exchange rate fluctuations on revenue and profitability, the Company retains an appropriate amount of USD positions from sales revenue to pay for procurement expenditures in USD and achieve natural hedging. We also pay close attention to exchange rate trends and engage in transactions of derivative financial instruments for appropriate hedging. ▪ The Company implements a budget system and internal controls to effectively control operating costs and expenditures within a reasonable scope. We also continue to reference the research reports and related economic data from major domestic and foreign economic research institutions and professional investment institutions to adjust policies based on future inflation. These measures prevent the impact of inflation on the Company's finance and operations.
Engagement in high-risk and high-leverage investments, loans to other parties, endorsements, guarantees, or derivatives transactions	▪ The Company focuses on operations within its own industry and values the research and development of technologies as well as business and marketing expansion in the industry. We have adopted a principle of stable business development and a healthy financial system as guidelines and we do not engage in high-risk or high-leverage investments. ▪ The loans provided for other entities, endorsements and guarantees, and transactions in derivatives are processed in accordance with the regulations and response measures set forth in the Company's "Procedures for Loaning of Funds to Others", " Procedures for Making Endorsements and Guarantees", "Procedures for Transactions in Derivative Products", and "Table of Authorized Transaction Volume for Derivative Products". ▪ The Company's transactions in derivative financial instruments are mainly conducted to evade exchange rate risks derived from business activities and all transaction counterparties are reputable financial institutions. The Company regularly evaluates the appropriateness of measures taken to offset risks, pays close attention to transaction and profit and loss status at all times, and takes necessary response measures when appropriate to effectively control risks.
Management of R&D plans, patents, and intellectual property rights	▪ The Company continues to develop fundamental technologies, such as those that help with electricity efficiency and heat dissipation, and develops products meeting the needs on the market and those of customers, such as computing accelerators, edge computing and high-speed computing servers. On top of the products and technologies currently owned or being developed by the Company, new specifications are introduced and applied. Respective applications are planned separately to proactively explore new business opportunities. ▪ For intellectual properties such as business secrets, trademarks, patents, and copyrights, there is the legal unit to take care of their management, in accordance with the internal processing procedure.
Important domestic and international policies and legal risk	Operations of the Company are in compliance with applicable domestic and international laws and regulations and attention is paid at all times to developments in domestic and international policies and regulatory changes. In addition, the Company is configured with the legal affairs department to control legal risk and to help evaluate the legal risk that various operations, legal documents, and contracts may involve.
Changes in technologies and industries	The Company values the development of R&D talent and that of product technologies, continues to follow closely changes on the market and trends in the development of related technologies, keeps track of industrial dynamics at all times in order to stipulate related strategies, and closely monitors the market for AI, IoT, edge computing, and 5G applications.
Investment, re-investment, and mergers/acquisitions	Proposals of the Company on important investments, re-investments, and mergers/acquisitions are all carefully responsible units before they evaluated by are submitted to the Audit Committee and the Board of Directors to be finalized.

Wiwynn's Risks and Countermeasures	
Expansion of facilities or production	Various capital expenditures and taxation planning are carefully evaluated, sufficiently taking into consideration the investment efficacy associated with the expansion of the facilities or production to decentralize the throughput risk.
Concentration in purchases or sales	▪ The Company maintains a long-term strategic partnership with major suppliers and keep optimal interactions with them while at the same time strategically developing secondary suppliers in order to have steady sources of supply and quality. ▪ Customers of the Company are world-class corporations that have strong and stable demand in the global market. They are in an optimal collaborative relationship with the Company. In addition, the R&D capabilities, product quality, and after-sale service of the Company are deeply recognized by customers around the world and hence a good business reputation is in place. It helps with continuous expansion of the cloud data center customer bases. We are continuing to plan substantially to address future business developments and potential customer demand.
Significant transfer of stock ownership by Directors and major stockholders and changes in management rights	The Company keeps track of the changes in shareholding among directors and major shareholders through the monthly internal shareholding variation report and also the major shareholders and their ultimate controllers through the shareholder roster prepared by the authorized professional registrar.
Human capital, employer-employee relations,environmental and workplace safety and compensation system	▪ The Company abides by applicable labor laws and regulations and has established its personnel management rules in accordance with applicable labor laws and regulations. All labor conditions, such as employment,appointment, related welfare, and retirement, are complaint with applicable laws and regulations. The rights of workers are respected. The systems and regulations of the Company are revised concurrently reflective of the revisions made to applicable labor laws and regulations in order to protect the legal rights of employees. ▪ Labor-management meetings are held periodically and bilateral talks take place with employees in order to maintain a harmonious employer-employee relationship. ▪ Management systems are enforced and there are environmental safety specialists to reinforce environmental maintenance and staff safety management throughout the Company, including environmental testing and maintenance, waste management and declaration, confirmation over compliance with regulatory requirements in environment, safety, and health management, access management measures, employee health examinations, and labor safety and health educational training is provided to new employees to help enhance awareness of hazards among the staff and to reduce their incidence. ▪ The Compensation Committee reviews the rewards paid to directors and managers to ensure the legitimacy of the compensation structure and sustainable operation of the Company.
Information security	To reinforce information security management, the Company has information security policies such as the Information Operation Management Procedure, the Classified Information Management Guidelines, the Information Resources Safety Management Policy, and the Employee Information Security Code of Conduct in place and continues to promote respective information security protection mechanisms and measures, such as information security communication and social engineering rehearsals or periodic software inspections. In order to reinforce information security and the protection of intellectual properties of the Company, Bitlocker is introduced for office equipment for comprehensive encryption; it helps reduce the incidence of disclosure of sensitive information and prevent against data theft or malicious leaks to ensure reinforced information security management.
Other operations	Prior to performing respective tasks, each unit will thoroughly review respective risk management guidelines and precisely follow the various types of risk management regulations.

Emergency Response Plan

Wiwynn Corporation has a separate Emergency Response Plan Management Procedure in place. Upon occurrence of various types of disasters and emergency incidents such as industrial safety and environmental protection-related events (including traffic accidents), fires, gas or chemical leaks, natural disasters, major production accidents, major labor-management disputes, or negative media coverage of products that undermines the Company's image or interest, it will be quickly understood and kept track of in order to facilitate quick assistance in the management and to reduce losses as well as environmental impacts.

Fire prevention workshop at the Taipei Headquarters

Fire prevention workshop at the Taipei Headquarters

Finding shelter inside the plant

Gathering of staff outside the plant

Head counting and report/confirmation

Emergency evacuation

1.6 Supply Chain Management

Wiwynn Corporation focuses on providing various product and system solutions for hyperscale data centers and cloud infrastructures. The main supply chain consists of suppliers of product materials, including key components, electronic materials, and mechanical materials. There are approximately over 100 suppliers. They are mainly located in Taiwan, China, Japan, Korea, the US, and Europe. The suppliers include manufacturers, agents, and distributors. The supply chain features technology intensity, capital intensity, and labor intensity, among others. Suppliers are important business partners of Wiwynn and are quality related. The compliance and conformity of suppliers in terms of the environment, labor practice, human rights, social impacts, and local laws and regulations directly or indirectly impact the stability, product quality, and lead time and company reputation, etc. of Wiwynn.

New Supplier Evaluation

Wiwynn Corporation currently has one Supplier Evaluation Group that is formed jointly by related units, namely design and development, procurement, and supplier quality management. It is responsible for performing supplier evaluation, among other tasks. In terms of new supplier evaluation, new suppliers that are qualified through the Supplier Management and Supply Capability Evaluation, the Technical Capability Development Assessment, and the Partner Quality Assurance System Evaluation Form (that covers control over processes involving harmful substances and social responsibility management), among others, are asked to sign the Declaration over Non-use of Environmentally Hazardous Substances, the RBA Letter of Undertaking, the Declaration over Non-use of Conflict Minerals, and the Integrity Policy Letter in order to ensure that the requirements and details of control stated in applicable international laws and regulations and applicable regulations of Wiwynn over environmental protection shall apply now and in the future and that the suppliers are not violating the freedom of employees to assembly, the ban over use of child labor and forced labor, and the right to collective negotiation. New suppliers of Wiwynn are required to be ISO 9001, ISO 14001, IECQ QC 080000, and OHSAS 18001(ISO 45001) qualified and sign and complete the RBA Letter of Undertaking, and the Declaration over Non-use of Conflict Minerals. Except for customer-specified suppliers, all are asked to sign the Affidavit over environmental and labor safety, human rights, and morality. The RBA Letter of Undertaking as well as the Declaration over Non-use of Conflict Minerals were signed with more than 50 suppliers in 2019 and the RBA Letter of Undertaking alone was signed with some suppliers to ensure that they comply with the RBA management system.

Supply Chain Risk Management

Wiwynn will evaluate suppliers as a whole (including their basic operation, their management performance over the past three years, their relationships with their upstream and downstream partners, their main customer distribution, the distribution of their plants and equipment) and will investigate their operational and financial situations periodically and from time to time and pay attention to high risk groups in order to prevent against them going out of business without warning to impact shipment or give rise to disputes, among others.
In addition, major risks of the suppliers are surveyed. For the risk of shortage in materials, a financial storm, labor disputes, and changes in the politico-economic settings, among other special incidents as a result of COVID-19, suppliers in areas that are affected will be investigated and their response capabilities will be comprehensively examined or suitable response will be communicated with the suppliers so that the most appropriate preventive measures may be adopted in the supply chain to prevent against operational hazards that undermine the rights of stakeholders.

Supply chain operational risk assessment

Major risk survey

Supplier Audit

Wiwynn takes suppliers as crucial partners, and cooperate with them to establish a long-term stable supply chain. In addition to considering the technical skills, quality, delivery dates, and price competitiveness of our suppliers, it requires suppliers to endeavor to protect the environment, ensure the safety and health of the environment, emphasize the importance of human rights, and work with us to fulfill corporate social responsibilities (CSR). The CSR management system is adopted to manage five major aspects of product quality, green products, environmental protection, occupational safety and health, and social responsibility. In addition to incorporating this system into daily business operations, suppliers are asked to work with us in implementing various requirements. The following supply chain management system will be adopted for the implementation.

Supply Chain Management System	
Supplier Survey	In accordance with the Procurement Management Operating Procedure, our new suppliers are managed and evaluated. The evaluation covers quality, environmental protection, employee health and safety, and human rights, among others.
CSR Management System	The Supplier Quality Management (SQM) Department audits and verifies corporate sustainability and social responsibilities of suppliers by visiting the manufacturing sites of suppliers.
Quality System Audit (QSA)	Suppliers' quality assurance systems are audited and verified through visits to their manufacturing sites in accordance with the Supplier Quality Assurance System Audit Operating Procedure.
Quality Process Audit (QPA)	Suppliers' process quality is audited and verified through visits to their manufacturing sites in accordance with the Supplier Process Quality Audit Operating Procedure.
Supplier Performance Management (SPM)	Product quality, cost, lead time, and service are evaluated of each supplier in accordance with the Supplier Performance Rating Specification.

Supplier Corporate Sustainability and Social Responsibilities Management

Wiwynn decides annual risky suppliers each year and implements the Corporate Sustainability and Social Responsibilities Audit Plan to audit and evaluate the suppliers. Among the items to be verified during new supplier evaluation, respect for human rights, caring for workers, environmental protection, and social responsibilities management are included. The accomplishments are described as follows:

1. The 2019 corporate sustainability and social responsibilities audit was performed among a total of 26 risky suppliers in phases. Visits were paid to these suppliers' manufacturing sites for site audits and verification. All the results were Approved.

2. During the annual group-wide Partner Conference, Wiwynn's belief in corporate sustainable operation and management is communicated and suppliers are encouraged to honor the essence of corporate sustainable operation and management.

Controversial Procurement

Minerals such as tin, tungsten, tantalum, and gold (3TG) that are illegally mined in the Congo Republic and its surrounding countries are often used to support armed conflicts, resulting in national and social turmoils. The electronic technology products rely highly on such minerals as their raw materials. A professional cloud server manufacturer, Wiwynn Corporation makes it explicit to suppliers that the Company does not support nor use conflict minerals and parts of its products may not contain conflict minerals, either, and suppliers are asked to sign the Declaration over Non-use of Conflict Minerals. More than 50 of them have signed the declaration and strictly abide by it. Violators will have their Wiwynn supplier qualification canceled immediately. No suppliers violated it in 2019. Wiwynn continues with the non-purchase of conflict metals policy and supports the strategy and practice of RMI in conflict metals and has adopted the conflict mineral report template and package management tool released by RMI in investigating if the Company's suppliers fulfill the above-mentioned policy and the quality management unit summarizes results of the survey. Suppliers must truthfully disclose results of their conflict mineral survey findings to the Company. The said survey form is the CMRT template updated from time to time by RMI (it was CMRT Version 5.12 in 2019). When suppliers are found and verified with one of the following conditions, the purchase unit needs to ask them to suspend their upstream of the supply chain or discontinue doing business with them and the quality management unit will inform related suppliers of making improvements and follow up with them. If it is a customer-designated supplier, the customer will be notified and asked about how it shall be handled.

A. The supplier reports CMRT survey findings and indicates that a specific mineral comes from a conflicting area.

B. The location where the minerals provided by the suppliers are purchased does not exist, is not correct, or involves the deception risk.

Special Edition on Sustainable Governance–COVID-19 Business Continuity Plan (BCP)

Since the outbreak of COVID-19 in Wuhan, preventive measures were been communicated in respective offices/plants on January 20, 2020.

The Epidemic Prevention Command Centers were established on January 30, 2020 in the Taipei Headquarters and the Tainan Branch and the emergency response procedure for communicable diseases was activated.

Commander in Chief	**Emily Hong**	1. Command all actions for all Wiwynn offices and manufacturing sites. 2. Rule the start of emergency measures at all levels. 3. Internal and external communications.
Executive Director General	**William Liao** (Office Management)	1. Collect outbreak information for the commander in chief to suggest contingency measures. 2. Define employee attendance & biz trip policy. 3. Monitor the implementation of follow-up actions. 4. Government liaison window.
	Robin Wang (Operations)	1. Keep the commander in chief updated on the outbreak in worldwide sites and outsourcers for contingency measures. 2. Develop follow-up action plans with all sites. 3. Closely watch supply chain situations and prepare for contingency plans.

Epidemic Prevention Command Center

Executive Unit I	Executive Unit II	Executive Unit III
WYTN (Tainan site) Management Sam Ting	Continuous Supply & Logistics Jacky CY Liu	IT James Wen
Sub-contract Factory Management Dover Liu	NPI/Pilot Run Steven Lu	Engineering Sunlai Chang
Supplier Management Amy Yu	Customer Interface Communication Joe Chiao Min Chao (Resigned in 2020)	

Pre-warning Mechanism - Communicable Disease Follow-up and Management Mechanism

The epidemic pre-warning mechanism and important preventive measures are defined for offices/plants in accordance with the follow-up and management mechanism criteria of the Central Epidemic Command Center and respective action items are enforced reflective of the alert level released and are constantly followed up and reported in order to prevent against spread of the disease and to reduce the losses to a minimum.

Blue

Outbreak in Taiwan

Closely monitor for outbreak updates from the government.

- Promote good personal hygiene and public health awareness.
- Employees returning from China shall be quarantined for 14 days.
- Employees with body temperature above 38°C shall be isolated at home and seek medical treatment.
- Visitors and suppliers from China are not allowed to enter the offices.
- Advise employees to wear masks.

Orange

Employee in contact with an nCoV case

- Report to the health authorities.
- Separate the personnel and activate staff monitoring/isolation.
- The IT department ensures that colleagues may access the Company's Intranet through an outside network.
- Distribute the Instructions for Working from Home for Home Isolation and the VPN Connection Manual.
- Remote backup.

Yellow

Outbreak in the city of offices or factory sites

In addition to the measures mentioned above for a blue level :

- Wearing surgical masks is compulsory.
- Temperature measurement is a must. People with body temperature above 38°C must seek medical treatment immediately.
- Every corner of the company shall be sanitized.

Red

Confirmed cases are identified in offices/factory sites.

- Offices/sites are closed. No entry for personnel.

Disease Prevention Measures

Temperature is taken at entrances/ exits of the Company every morning.

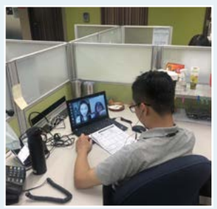
Each colleague of Wiwynn performs self inspection and provides the information on the website each day.

Alcohol is provided at each entrance/ exit of the office to facilitate hand disinfection.

* Related information of the outbreak is released and health education is provided through the Company's internal system from time to time.

Control Rules for Colleagues to Attend Mandatory Face-to-Face Meetings.

Meetings through Teams during the outbreak.

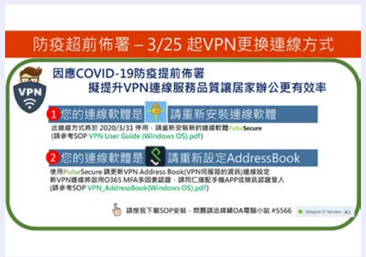


Interview conducted through video conference.

Disease prevention partitions set up in the restaurant .

Disease prevention exclusive office.

Disease prevention exclusive office layout.



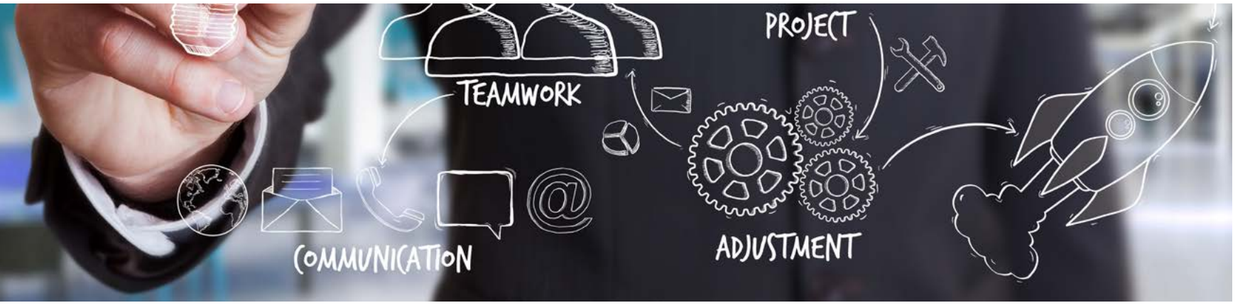
Change of connection for VPN starting March 25 as advance deployment to prevent against an outbreak.

Advance deployment to prevent against an outbreak.

CHAPTER 2
SUSTAINABILITY AND INNOVATION

- Product Innovation, Research and Development, and Management
- Management of Customer Relations
- Special Edition on Sustainability and Innovation– High-Density and High Electricity Consumption Efficiency Two-Phase Immersion Cooling Solution

2.1 Product Innovation, Research and Development, and Management



Significance of innovation, research, and development of products for Wiwynn and purpose of management:

Wiwynn Corporation c continues to provide innovative and leading technologies and cloud IT infrastructure solutions for hyperscale data centers. Continuous innovations and investment in the research and development of products and services helps enhance the Company's competitiveness on the cloud market. By effectively verifying that the devoted resources and the developed new products involve innovative and leading technologies in the industry, more advanced and more efficient cloud applications will be able to be provided to data center and cloud customers and it will bring about differentiation and competitive advantages for the products of the Company. The life span of a product is ensured through design, qualification, and management. Optimized energy conservation and electricity-saving efficiency, selection and management of harmless raw materials and supplies, and the design and planning of recycling and reuse of resources ensure the performance of the Company is providing sustainable products and also improve the visibility and competitiveness of products in terms of sustainability. Besides ensuring the stability throughout the life cycle of a product and the operational safety, Wiwynn cares about the opinions and feedback from customers and avoids any risk or hazard that products and materials might have on the human body and the environment so as to constantly ensure the health and safety of customers and to enhance the confidence and recognition that customers have about products for sustainable competitiveness of products.

Significant topics included in sustainable product innovation, research, and development:

Corresponding SDGs of sustainable product innovation, research, and development

Upgrade all industries and infrastructures to realize sustainability

Upgrade infrastructures and transform the industries to realize sustainable developments before 2030. Enhance the energy use efficiency and comprehensively adopt clean and environmentally friendly technological and industrial processes. All countries shall act reflective of their respective capabilities.

Knowledge sharing and collaboration for the sake of science, technology, and innovation

In terms of science, technology, and innovation, enhance the north hemisphere-south hemisphere, south hemisphere-south hemisphere, and triangle regional and international collaboration and use publicly recognized terminologies to enhance the knowledge level. It is done through, without limitation, improving the coordination among existing mechanisms, particularly the UN level, and through a desirable global technology promotion mechanism.

Enhancement of energy efficiency by one fold

Improve the global energy efficiency by one fold before 2030.

R&D management policy for sustainable product innovation

Devotion to sustainable management

Policy

- The vision of the Company is to"become a value partner of customers in cloud service business."
- The mission of the Company is to"provide the data center with workload-optimized IT solutions and the best total cost of ownership (TCO).
- The Company's quality and no harmful substance policy is to"deliver zero-defect and competitive green products and services on time to customers."

Accountability organization

- The highest person in charge of product research, development, and innovation is the Senior Vice President, who integrates new technologies in the industry and feedback from customers while setting the new product research and development introduction schedule and trying to get new technologies patented.
- There is the quality and no hazardous substance management system in place to help maintain quality and the health and safety of customers.
- There is a quality-related department in the Company to safeguard the stability and safety of products and ensure the health and safety of customers:

1. Product development and qualification department: qualifies product research, development, and design to ensure the health and safety of customers.
2. Product operation department: ensures product manufacturing quality to ensure the health and safety of customers.

Management procedure

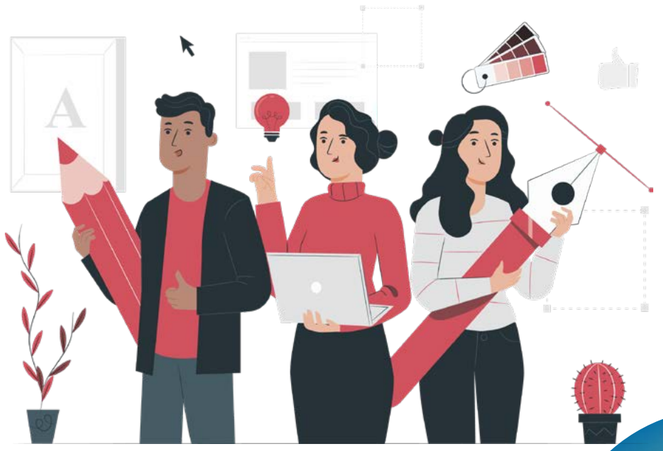
- Project Management System
- Invention and Innovation Incentive Guidelines
- Engineer Journal System
- Quality Management System ISO 9001
- Hazardous Substance Management System QC 080000
- Green-design Guide
- Product Lifecycle Management System
- Green Product Management System
- Restriction of Hazardous Substances (RoHS) Directive
- Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)
- International safety standard regulations, such as UL, CSA,TUV, Nemko, CB, GS, and BSMI, among various types of certifications

Resources devoted

- Under the product development unit are, according to their function, seven specialized R&D departments at the office level, including hardware, firmware, software, and product qualification. The R&D manpower accounts for around 70% and more of all staff of the Company.
- Invention and innovation incentive budget is appropriated to encourage colleagues to come up with inventions and innovations. Budget is also appropriated each year to help colleagues apply for patents.
- NT$ 30 million is invested in the construction of the rack integration test laboratory to qualify energy-saving design and efficacy of product life cycles.
- Additional NT$ 10 million is invested to build a large thermostatic and humidity static laboratories and measurement equipment that can accommodate cabinets in order to qualify the energy-saving efficacy of thermal fluid design and product stability under environmental conditions.
- In order to accomplish energy-saving design and qualification, procurement and investments in measurement equipment and instruments are continued, too, such as the oscilloscope, the direct current power supply, the thermal simulation tool, and the wind tunnel laboratory, among other equipment.
- Necessary budget for product research and development, qualification or certification, and customer experience are appropriated.

Complaint-filing mechanism

- The product sales office is the main contact window for complaints about product quality and safety. The product manager will help take the complaints. In cases of emergency and significant events, the complaints may be filed with a higher-ranking official shown on the list provided by the Company.



Effective evaluation mechanism

Wiwynn Corporation plans new products in the coming year during the fourth quarter of each year. They are reviewed by the management to ensure that the planned are competitive R&D innovative products and the corresponding R&D manpower and equipment budget are appropriated to support the cause.

Product roadmap meetings are held each month where the cross-disciplinary team consisting of members from the product department, the R&D department, and the management jointly discuss and confirm if the schedule of new products planned, the required budget, and human resources, among others, need to be modified and adjusted.

Optimize the design reflective of the expectations and satisfaction of customers while using the Company's products through their experience with the products and by visiting them periodically.

Perform PDCA validity assessments each year through internal and external audits and management review procedures of Hazardous Substance Management System QC 080000 and Quality Management System ISO 9001.
Closely monitor advice and feedback from customers regarding this issue through the quarterly or semi-annual business review or questionnaire, among other means, to ensure accomplishments regarding this topic. Manage customer feedback and fulfillment of the goals being evaluated through the product yield rate presented each month in the quality management system.

Sustainable performance output

The Company showcased advanced cooling technologies during Computex, OCP Global Summit, and SuperCompute 19.

The 48V-to-12V coversion solution is designed and was displayed during the 2019 Computex and the OCP Global Summit. It enables reduction of power consumption and waste with existing hardware investments.

Compliance 100% with applicable laws and regulations and customer requirements for the absence of hazardous substances in products continue to be maintained.

In 2019, in terms of customer health and safety, 0 complaints were filed. For the time being, QBR and bilateral communication with customers and management of feedback from customers and improvements according to the quality management system remain to be a continuous effective practice.

Green product design

Product life cycle evaluation and qualification

Each product of Wiwynn is ensured to be compliant 100% during the life cycle evaluation according to the stability standard Telcordia SR-332 system. There is the secondary product aging qualification to ensure that the delivered product is able to fulfill the duration of use and low annual failure rate as desired by customers.

Power supply selection

Power supply used for Wiwynn's products are of the highest two levels (platinum and titanium) certified in the industry (80 PLUS); they bring about optimal conversion efficiency and reduce waste heat that dissipates.

Introduction of high-performance power conversion design on motherboard

RD staff would design motherboards with optimized power conversion efficiency technology. Actual results are consistently superior to the standards asked by customers. In terms of the CPU TDP, for example, the conversion efficiency when 30%~50% and 70%~90% loaded is >91% and it is >93% at 50%~70%.

Introduction of high airflow efficiency design

The high airflow efficiency design is introduced for Wiwynn's products; the results are consistently superior to the required criteria of customers. Note: airflow efficiency (CFM/Watt) is the amount of air required to cool each unit of heat; a smaller value means that it is more electricity-saving.

Recycling for re-utilization

Recyclable packing materials or mechanical parts are designed so that customers can choose them or apply them to fulfill the purpose of protecting environmental resources and saving money.

No hazardous substance

All products meet international or regional environmental protection regulatory requirements, such as RoHS, and the regulations governing hazardous substances and continue to catch up with or comply with the latest international environmental protection laws and regulations reflective of product application.

Product release and exhibition

Wiwynn was honored by the ERSO Award in 2019:

The Pan Wen Yuan Foundation has set up the ERSO Award since 2007. It is to continue the spirits of pioneering technology industry development in Taiwan, and cultivating talents to drive the development of new technologies. Outstanding leaders are selected among Taiwan industries from the perspectives of innovation and industry pioneering. Wiwynn's President & CEO, Emily Hong, was one of the four award receipents for the ERSO Award 2019. The ERSO Award recognized Wiwynn's focus on the development of the cloud IT infrastructure for hyperscale datacenters under the leadership of Emily Hong .

In 2019, Wiwynn released advanced technologies and products at exhibitions around the world:

U.S. OCP Global Summit in March 2019

1 Immersion Cooling Tank: The high-density and high-power-efficiency two-phase immersion cooling system suitable for the OCP server was released.

2 The new-generation server-SV6100G3 that is based on Open19 specification was released to help data center providers realize quick and efficient deployment and maintenance.

3 The new server fleet based on the latest 2nd-Generation Intel®Xeon® Scalable Processors was released.

4 ST5100 was released. It can accommodate the NVMe storage system with EDSFF SSD.

5 GPU server and computing accelerator that can satisfy the artificial intelligence high computing performance demand: SV500G3, XC200G2.

6 Remote management software, Wiwynn® Cluster Manager, with NVMe over Fabric (NVMeoF) based on Intel®Rack Scale Design (Intel®RSD) was demonstrated.

7 Wiwynn held five speeches and engineering workshops to facilitate joint exploration and exchange with attending technical experts of the latest cloud data center technologies.

The Netherlands OCP Regional Summit in September 2019

The 5G/NFVI edge computing solution –EP100, based on the OCP openEDGE specification, was demonstrated with integration of the Intel® Speed Select technology.

Taiwan Computex Taipei 2019 in June 2019

1 The first edge server EP100 was released. The brand new 5G edge computing platform is based on the OCP openEDGE specification. The flexible and high-efficiency design enablaes communications service providers to address diverse low-latency data processing demands of Cloud RAN and modern central offices (COs).

2 The two-phase immersion cooling system, collaborated with 3M, was released. The system is designed in a way that it can be easily maintained and no fans, heat sinks, or facility air-conditioning is needed yet better PUE (Power Usage Effectiveness) is achieved. In addition, it avoids system failure triggered by air, dust, and static electricity. The design can satisfy the required power consumption and computing density of a data center of the next generation.

Japan Wiwynn TechDay in Japan in August 2019

5G, AI (SV500G3, 4U 8GPU Training Server), and Edge solution were introduced.

Intellectual Property Management

Significance of intellectual property management for Wiwynn and purpose of management :

Disputes over intellectual property rights, if any, can result in delayed marketing of products, reduced competitive advantages, and direct or indirect business reputation and financial losses. Therefore, the Company takes very seriously issues about intellectual property rights. Wiwynn Corporation deploys intellectual property rights to make them the defensive assets of the Company and to prevent against its technologies being copied. Real-time application for patents is encouraged through the emphasis and promotion of intellectual property rights. Along with the new product design and development deployed by the Company, it helps prevent against new technologies being copied and giving rise to disputes, ensure online introduction of competitive new products to the market, and increase competitive advantages on the market.

Significant topics covered in intellectual property management : Intellectual property rights (Custom topic)

Knowledge sharing and collaboration for the sake of science, technology, and innovation

In terms of science, technology, and innovation, enhance the north hemisphere-south hemisphere, south hemisphere-south hemisphere, and triangle regional and international collaboration and use publicly recognized terminologies to enhance the knowledge level. It is done through, without limitation, improving the coordination among existing mechanisms, particularly the UN level, and through a desirable global technology promotion mechanism.

Devotion to sustainable management → Effective evaluation mechanism → Sustainable performance output

Intellectual property management policy

Devotion to sustainable management

Policy

Besides continuing to encourage colleagues to successfully" apply effectively"for patents that are included in the application "to be disclosed", incentives are further provided to particularly encourage colleagues to proactively propose patents for strategies and new technologies related to the Company's products directly or indirectly to facilitate direct application to Company's products and primarily increase the competitive advantages of the products. The consideration has also changed from the "quantity"in the past to the"quality"now of patents proposed.

Accountability organization

- The R&D Unit and the Legal Unit are jointly responsible for intellectual property rights. The R&D Unit is in charge of the research and development of technologies and proposing patents. The Legal Unit helps apply for patents and establish and enforce the Intellectual Property Management System.

Management procedure

- Invention and Innovation Incentive Guidelines
- Engineer Journal System
- Patent Management System

Resources devoted

- Invention and innovation incentive budget is appropriated to encourage colleagues to come up with inventions and innovations. Budget is also appropriated each year to help colleagues apply for patents.
- The patent maintenance budget is appropriated. The R&D Unit and the Legal Department periodically review and maintain the effectiveness of patents on a yearly basis.
- The Engineer Journal System is developed to help colleagues effectively record ideas and creativities.

Complaint-filing mechanism

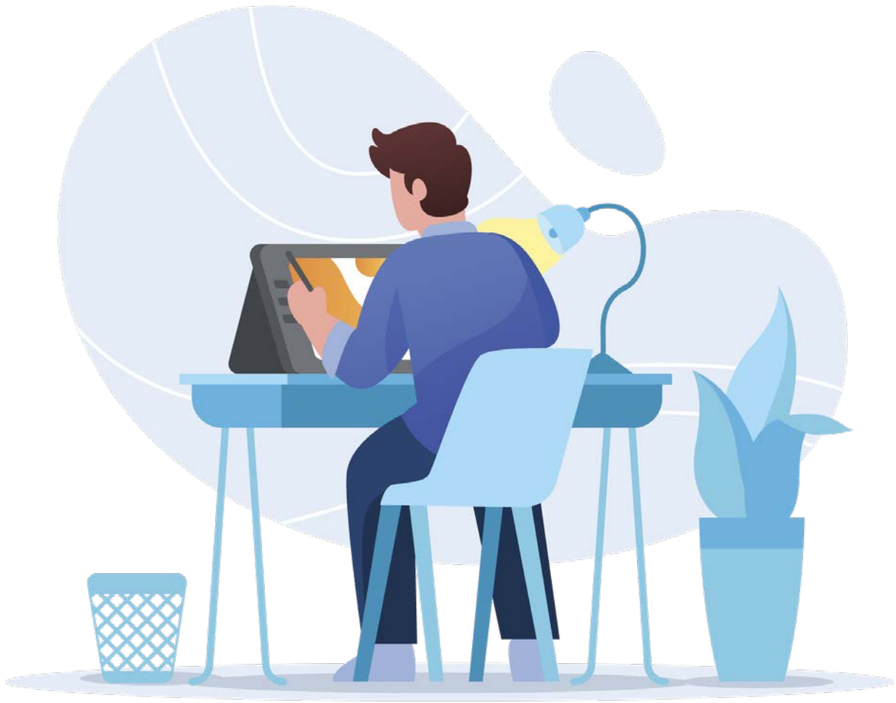
- Disputes over patent rights, copyrights, and other intellectual properties may be filed with the Legal Department.

Effective evaluation mechanism

Patent review meetings are called for periodically to discuss proposals made by applicants and to categorize them as internal or external invention or procedure-related proposals before they are evaluated accordingly and patent applications are submitted subsequently.

Sustainable performance output

The number of patent proposals continued to grow in 2019 for the Company. In the future, the focus will be placed on the steady increase in the quantity of proposals and the quality of patents and a primary goal is to be able to apply them to the Company's products. Meanwhile, the Invention and Innovation Incentive Guidelines of the Company will be revised to encourage proactive proposals from the colleagues. Patents that are inventions in nature shall reach 90% or more of the overall patents of the Company.



2.2 Management of Customer Relations

The Company looks to become a strategic partner of its customers and understands deeply that the maximum interests for both parties may only be created by thinking about things from the perspective of the customer, being customer demand-oriented, and helping customers solve problems. In order to know what customers need at a depth, besides visiting them in person and arranging meetings to facilitate communication and coordination, the QBR (Quarterly Business Review Meeting) is called for periodically so that joint review and evaluation with customers of the quality of products, process and technology, after-sales service, lead time, price of the final product, innovation, risk management, and customer communication, among others, may be done. Results of the survey will serve as important reference for mid-to-long-term operational plans and policies so that services and products reflective of trends on the market and customer demand may be provided for the ultimate goal of accomplishing customer satisfaction and sustainable operation.

Honored by the Microsoft Supplier Excellence–Annual Winner, recognition by customers and partners

Customer Privacy and Information Security

Significance of customer privacy and information security for Wiwynn and purpose of management :

Wiwynn Corporation, as the best partner of customers in providing cloud technology service, will inevitably obtain the various classified information while doing business with them. Failure to protect such classified information can lead to reduced trust that the customers have in Wiwynn and undermine the corporate image. Besides direct economic outcome (such as penalties and fines), disclosing classified information of customers may involve reputation, customer loyalty, and satisfaction risks. In order to provide customers with a professional and safe service environment, the Company has been constantly improving its information security management since its establishment. Employees are educated on the protection of the product, technology, and information privacy of customers with a high level of emphasis. A sound customer data safety maintenance system helps reduce the legal risk for the Company and protect the rights of customers as well as enhance a good image of the Company.

Significant topics covered in customer privacy and information security :
Customer privacy (GRI 418)

Devotion to sustainable management → Effective evaluation mechanism → Sustainable performance output

Customer privacy and information security management policy

Devotion to sustainable management

Policy

The Company's information resources security management policy is to "sufficiently protect the Company's information resources to accordingly protect the confidentiality, integrity, and usability of business operation information."

Accountability organization

- For customer privacy and information security, the President & CEO approves the Information Resources Security Management Policy. The highest-ranking supervisor of information security is responsible for enforcing the policy. The highest-ranking supervisor of the Human Resource Unit is responsible for providing employees with information security educational training.

Resources devoted

- The Office 365 Cloud Service is introduced to effectively reduce human negligence, viral attacks, and to ensure non-interruption of operation. Complete mail security, audit, and archiving backup mechanisms precisely protect customers' classified information.

Management procedure

- Information Resources Security Management Policy
- Staff Information Security Code of Conduct
- Information Resources Security Management Guidelines

Complaint-filing mechanism

- In case of infringement upon customers' privacy or if a customer has any advice or any complaint, besides approaching the sales representative or filing with the specific supervisor directly, the customer may also file the complaint through the Stakeholder Section on the Company's website. Stakeholders include employees, suppliers, customers, and shareholders. If the Company's employees have a complaint to be filed, it may be reported to the head of the Human Resource Unit. The Company will handle it confidentially.

Effective evaluation mechanism

In order to protect the effectiveness of the information security management system, the Company performs internal reviews periodically each year. The review covers the sales and receivables cycles, the procurement and payables cycles, the production cycle, the investment cycle, the R&D cycle, and the computerized information system cycle, among other tasks. By constantly improving to satisfy customers' requirements, it also helps reduce the threats and impacts brought about by information security events.

Sustainable performance output

Compared to the first half of 2019 as the baseline, the second half of 2019 already saw a reduction of 3.4% in social engineering rehearsals for the Company.
The Company did not receive any complaint about infringement upon customer's privacy or loss of customer data in 2019.

Customer privacy and information security measures

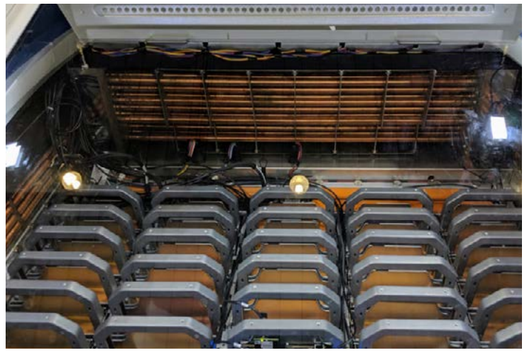
In response to the global trends in data protection laws and regulations and in order to strengthen the security of classified information of customers and the Company, prevention against theft of classified data in the hard disk drive (HDD) when the computer is lost and the HDD is accessed is required. The Company mandates that all assigned Windows personal computers have the Windows Bitlocker HDD encryption activated. Meanwhile, MFA (Multi-Factor Authentication) is comprehensively introduced in 2020. When employees are using Microsoft Office 365, including Outlook, Teams, OneDrives, and SharePonit, they need to enter the second dynamic password that is sent through the mobile APP or SMS to be successfully logged in. The Company provides the SOP instructions and arranges batch-based online access for authentication settings. If users are unable to be completely authenticated, they will be unable to use Microsoft Office 365 until they are. This avoids disclosure of customers' classified data as a result of disclosure or theft of a password.

In terms of the hardware, in order to effectively control access to office areas, laboratories, and conference rooms, employees, upon accessing laboratories, need to swipe the general access card and also pass through the second check point (dual access control). This avoids unqualified people following employees and accessing laboratories to theft data. All visitors to Wiwynn Corporation, by the same token, need to complete the Visitor Registration Form, indicating the name of the visitor, the cause of the visit, and the unit in the Company as well as the specific colleague being visited. In addition, employees need to use a specialized computer while processing customers' intellectual property-related data. In case of any demand for remote access, on the other hand, prior log-in to the domain designated by the Company is required in order to be successfully connected.

As far as the staff is concerned, the Company requires that all new employees sign the Employment/Confidentiality Agreement that specifies confidentiality, non-competition pledge, intellectual property rights and non-infringement pledge, and default liabilities, among others. Resigned employees are also required to sign the Exit Procedural Form and Affidavit. This requirement enables employees to know that business operations or customer information they are aware of while performing tasks all belong to the Company or the specific customer and that they must precisely abide by the confidentiality requirement and fulfill their duty in protection them and that they may not use or disclose related classified information while in service or after they resign. Except for new employees who are completing basic information security-related training upon reporting to work, the Company periodically holds email social engineering rehearsals as part of the educational training on information security knowledge concerning the receipt and sending of emails provided to employees. Unsafe files or links are sent in the name of the supervisor or a customer, for example, in the simulation, to enhance awareness among colleagues about information security and to reduce the risk associated with employees clicking malicious mails by accident.

For customers, on the other hand, Wiwynn Corporation has established a set of management guidelines that may be followed. Once it is agreed with a customer upon mutual disclosure of one's own products and related data, the Company will sign the MUTUAL NON-DISCLOSURE AGREEMENT that clearly documents the object to be kept confidential, the use restrictions and confidentiality measures, contract power, and default penalties, among others. For all the data that we are asked to keep confidential by the customer and the project-based confidentiality agreement signed with the customer, we ensure that colleagues performing related tasks honor the confidentiality principle while performing them. By protecting business secrets, infringement upon customers' rights may be avoided. For documents that are related to products and projects, on the other hand, besides having the file confidentiality class set, their access is controlled. The project manager is in charge of their review. Unrelated project staff may not browse or download them.

Special Edition on Sustainability and Innovation–High-Density and High Power Efficiency Two-Phase Immersion Cooling Solution



In May 2019, Wiwynn Corporation showcased the two-phase immersion system which integrated with the Open Compute Project (OCP) server and the 48V technology, with 3M™Fluorinert™ fluid at Computex Taipei. It is to address the fast-growing power consumption and computing density by providing power and cooling efficiency, serviceability and reliability advantages.

The two-phase immersion cooling system of Wiwynn is equipped with high computing density and can support up to 100 OCP TiogaPass server boards. The system provides high compute density and serviceability while eliminating the need for fans, heat sinks and facility air conditioning. It also reduces system failures caused by air, dust and static electricity This allows lower PUE with higher compute density of up to 100 two-socket servers and provides a solution that air cooling cannot meet. With Wiwynn's 48V technology and power pooling, it provides high power efficiency and optimizes energy utilization.
Choice of immersion cooling fluid has been critical to enabling the performance requirements of immersion cooling tanks. Wiwynn has been working closely with 3M, the leading company of immersion cooling fluid, to enable such performance capabilities and showcase at Computex. 3M fluids are non-conductive dielectric fluids designed for heat transfer for immersion cooling and enable a more energy-efficient data center compared to conventional air-cooling.

In addition, Wiwynn introduces safety designs to prevent against clipping and dissipation of the coolant and other technologies such as sensors for historical data monitoring and remote management to optimize the convenience and safety of the overall liquid cooling solution. Wiwynn will continue to make the best of this technology in order to provide the data center with the optimal total cost of ownership (TCO) while ensuring system performance and reliability.

CHAPTER 3

SUSTAINABLE ENVIRONMENT

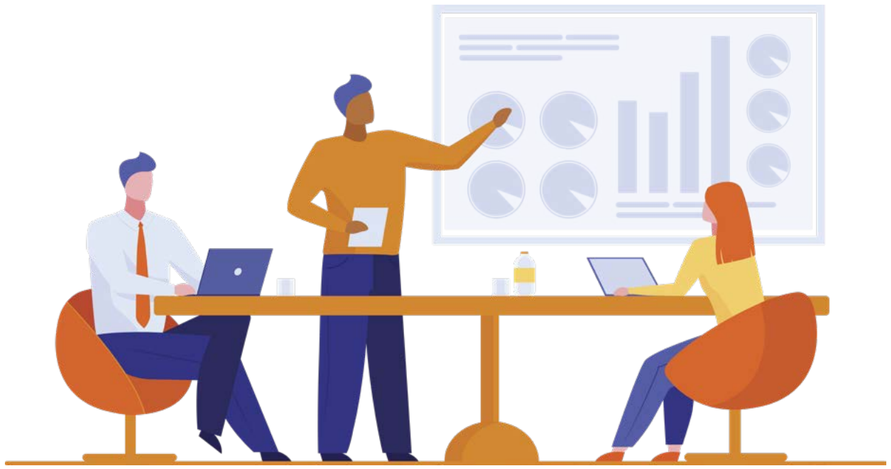
- Sustainable Environmental Management Policy
- Climate Change Strategy
- Energy and Greenhouse Gas Emission Management
- Water Resource Management
- Electronic Waste Management
- Environmental Protection Performance
- Special Edition on Sustainable Environment - Energy-Saving Rack Laboratory

Sustainable Environmental Management Policy

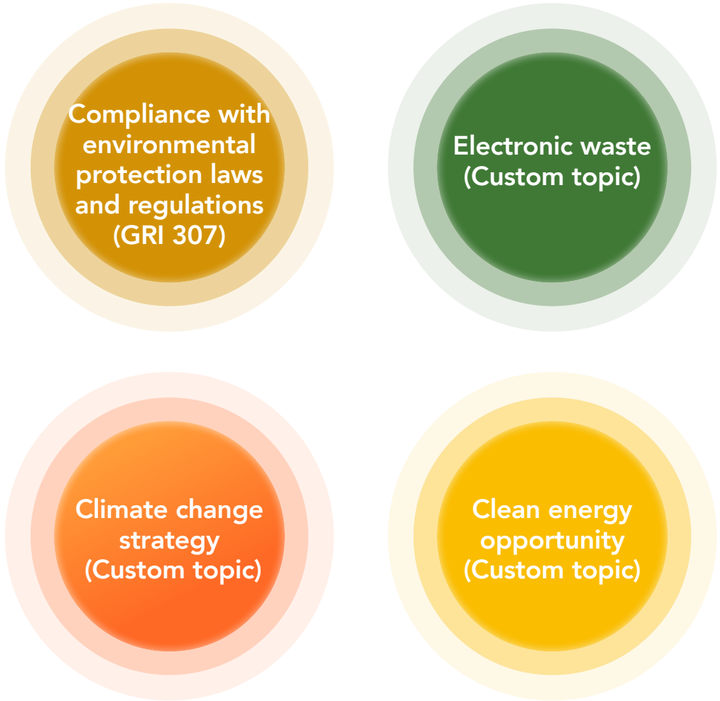
Significance of sustainable environment for Wiwynn Corporation and purpose of management :

In the face of climate change and the gradually worsening natural environment, Wiwynn Corporation believes that enterprises shall be aware of environmental protection in order to be sustainable and co-exist with the Earth. The Company is committed to abiding by laws and regulations governing the environment, safety, and health and other requirements from stakeholders while at the same time enforcing waste recycling and worker consultation and involvement in order to constantly improve the environmental performance and to reduce environmental pollution as well as to be compliant with applicable environmental protection laws and regulations for an enhanced positive image of the Company in the promotion of environmental protection. Impacts on the environment caused by global warming are comprehensive issues now. Only by proactively responding to the risk brought about by climate change can an enterprise keep track of the opportunities during transition to a low carbon economy and become more competitive. The capital can be effectively configured accordingly to make the enterprise more resilient on the path to sustainable operation.

Wiwynn Corporation promises that climate change risk management procedures and mechanisms will be reinforced in order to improve its management capability and operational performance and will proactively promote respective energy-saving and carbon reduction measures, reduce greenhouse gas emissions, and fulfill its corporate social responsibilities. Meanwhile, the use of renewable energy is gradually becoming a global trend and decentralized renewable energy investments are increasing. Driven by the various types of environmental protection regulations around the world and the requirement for environmental protection at the customer end, large international enterprises are demanding that green energy be used throughout the global supply chain system. Taking advantage of energy transformation and properly planning green electricity can bring about positive benefits for operational activities, maintain balanced developments of the environment and the economy, boost the capability of an enterprise to run flexibly, and reduce the risk of a price hike in case of shortage in energy in the future.



Significant topics included in sustainable environment



Corresponding SDGs of sustainable environment

Significantly reduced waste

Significantly reduce the amount of waste generated through prevention,volume reduction, recycling, and re-use by 2030.

Climate change measures as part of the policy and planning

Include climate change as part of the national policy, strategy, and planning.

Formation of knowledge and skills to cope with climate change

Improve education, enhance awareness, and boost the capabilities of people and institutions in risk reduction, adaptation, reduction of impacts, and early warning of climate change.

Enhancement of energy efficiency by one fold

Improve the global energy efficiency by one fold before 2030.

Sustainable environmental management policy

Devotion to sustainable management

Policy

- Wiwynn Corporation is committed to abiding by laws and regulations governing environmental protection and other requirements from stakeholders while at the same time enforcing waste recycling and worker consultation and involvement in order to constantly improve environmental performance and to reduce environmental pollution.
- Evaluate risks and opportunities associated with climate change, stipulate the greenhouse gas inventory check and reduction plan, optimize energy use efficiency for products, reinforce corporate resilience, and form an environmental sustainability culture.

Accountability organization

- Quality and No Hazardous Substance Management System/Environment, Safety, and Health Management System Promotion Committee.

Management procedure

- Environmental Management System ISO 14001
- Hazardous Substance Management System QC 080000
- Green-design Guide
- Product Lifecycle Management System
- TCFD Climate-related Financial Disclosures Framework

Resources devoted

- Appropriate budget to support the introduction of related environmental protection systems and external certifications.

Complaint-filing mechanism

- Residents in surrounding neighborhoods can file complaints with the Company's Environment and Safety Department by talking to them face to face, calling them, or sending them an email.
- The Energy Complaint Management Regulations are available for the Tainan Branch. Colleagues throughout the Company can file complaints with the Company's Environment and Safety Department by talking to them face to face, calling them, or sending them an email.

Effective evaluation mechanism

The PDCA effectiveness evaluation is performed on emission management each year according to the ISO 14001 internal management and review procedure.
Regulatory evaluations and risk assessments are performed according to the QC 080000 standards and internal and external audits are completed.

Sustainable performance output

There was no violation of environmental protection laws and regulations or penalty imposed by the competent environmental protection authority in 2019.
The Tainan Branch was established in 2019 and ISO 14001 configuration was completed.
The product design meets 3R requirements (Reuse and Recycled rate=80%, Recovery rate=85%).
The TCFD climate-related financial disclosures framework was introduced.
The mean value of PUE of the rack integration test laboratory was 1.169 in 2019, superior to the industrial mean of 1.8.

3.1 Climate Change Strategy

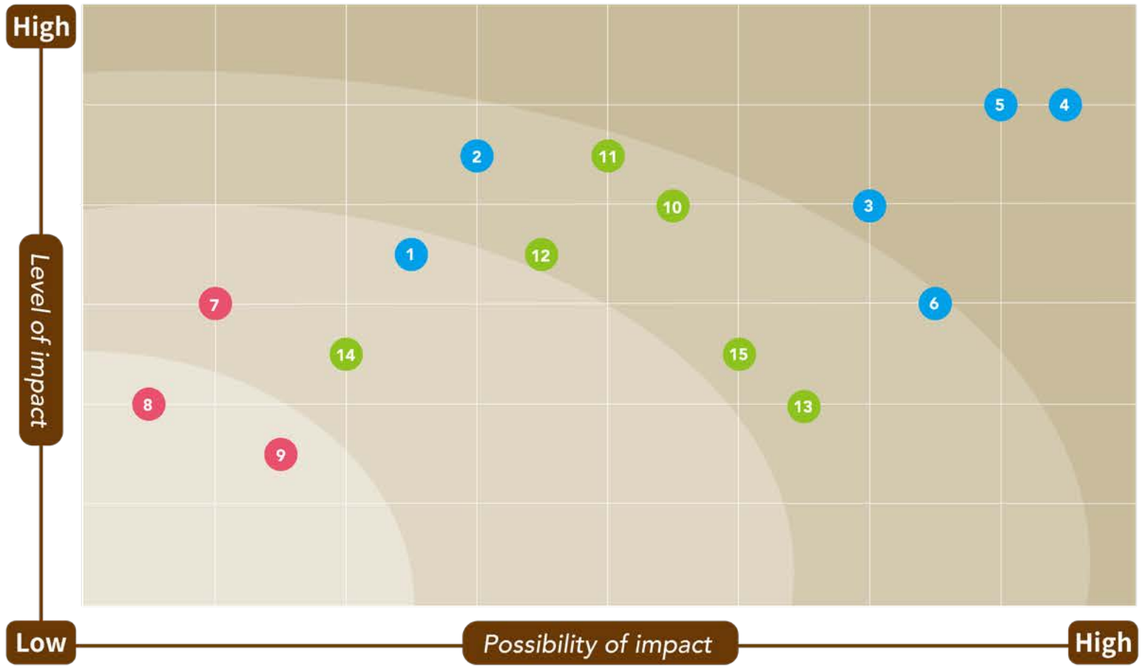
Under the impacts of climate change over the past few years, ideas about how energy available on earth shall be used are changing and it poses challenges for economies in terms of operation. Wiwynn Corporation, based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework, evaluates the risks and opportunities brought about by enterprises transforming towards low carbon economy and the possible resultant financial impacts.

Wiwynn Corporation will continue to cope with the operational challenges and opportunities brought about by climate change by implementing respective plans while at the same time introducing climate change-related information into operational and investment decisions. We will continue to develop even more advanced low power consumption and more widely used high power supply products as well as novel high-efficiency heat dissipation systems in order to reduce the ownership cost of customers, to enhance customer satisfaction, and work together with suppliers in the devotion to green procurement to help minimize hazards of processes to the environment and contribute to the realization of a climate change solution as well as to devote to the reduction of greenhouse gas emissions and fulfillment of corporate social responsibilities.

Wiwynn's Corresponding TCFD Framework

Governance	The Finance Unit of the Company is the unit to evaluate climate change-related financial impacts.
Strategy	For climate-related risks and opportunities after identification, response strategies are discussed with related departments and the impacts on the finance of Wiwynn are evaluated.
Risk management	Wiwynn Corporation performs evaluations based on the climate-related risks and opportunities provided by the TCFD. Climate-related risks are divided into two major categories: (1) Transformational risks related to low carbon economy and (2) physical risks related to impacts of climate change. Opportunities created for the organization by adapting to climate change include enhanced resources use efficiency and saved costs, adoption of low carbon energy, development of new products and services, market entry, and enhanced resilience of the supply chain, etc. The Finance Unit of the Company evaluates climate-related risks and opportunities according to the impacts on the Company's operation and the possibility of their occurrence.
Indicator and objective	ISO 14064-1:2018 (Greenhouse gases inventory check management system) will be introduced and CDP (carbon disclosure project) will be taken part in in order to build the capability to perform the annual greenhouse gases inventory check and make carbon footprint the criterion for internal environmental management.

Wiwynn Climate Change Risk Matrix



Transformation risk	*1 Corporate greenhouse gas emission reduction liability and announcement obligation* *2 Carbon tax and carbon trading system* *3 Low carbon and energy-saving product development cost* *4 Stricter product material and energy consumption specification requirements* *5 Renewable energy use trends* *6 Impacts of ESG management capability on corporate image*
Physical risk	*7 Typhoon, flood* *8 Drought* *9 Increased temperature*
Opportunity	*10 Promotion of optimized processes for low carbon production* *11 Involvement in carbon trading/renewable energy market* *12 Development of the market for low carbon products and services* *13 Enhanced customers satisfaction and formation of long-term strategic partnership* *14 Enhanced corporation operational resilience* *15 Incentives from the public sector for enhanced corporate competitiveness*

Wiwynn Climate-related Risks and Opportunities Evaluation and Financial Impacts

Type of risk		Evaluation	Financial impact
Risk	Policy and law	The global issue of climate change has brought about policy and regulatory reforms for countries. Special laws are established for control purpose. Carbon tax and energy tax, among others, are to be levied, too. Besides the additional responsibility of enterprises to reduce greenhouse gas emissions and their obligation to announce the emissions, enterprises can be fined by the competent authority and faced with the litigation risk due to failure to comply with regulatory requirements or to sufficiently disclose information.	In order to cope with greenhouse gas emissions, enterprises must improve the energy efficiency at their operational sites by replacing or purchasing additional equipment. Their assets can be scrapped early as such and be decreased or damaged accordingly. The costs or capital expenditure is increased. In addition, impacted by the potential carbon tax and carbon trading system, among others, the operational cost can be increased, too.
	Technology	Green energy, sustainable products, and green consumption are the trends in the future. Products that are associated with low carbon emissions, can be recycled, and feature resources renewals and re-utilization will gradually replace existing products and services. Technology will be low-carbon oriented. The development and use of emerging technologies featuring energy efficiency and renewable energy will turn around some of the existing economic systems to impact production, the supply chain, and the production/distribution configuration.	If more low-carbon products and services become available to replace existing one, corporate profitability is likely to be impacted. In order to gain competitive advantages on the market, enterprises must embark on the development and use of carbon reduction technologies. Devotion of extensive R&D costs, change in production, equipment, and procedures, and adjustment of the supply chain will be required and they will lead to increased operational cost.
	Market	Governments are supporting the development of the green industry, seeking a business model where economic developments and environmental protection can co-exist, and establishing ever strict product material and energy consumption specifications. RoHS 2.0 revisions are recently announced by the European Union change the number of substances under control from the original six to ten. All electronic and electrical products (except for medical care and monitoring equipment) exported to Europe need to fulfill the restrictive requirements. Starting on July 22, 2021, medical care (including extra-corporeal) and monitoring (including industrial) equipment will be included in the control, too.Besides products, customers' awareness of sustainability is increasing. International heavyweights are joining the International Climate Group RE100 and declaring a goal of using 100% renewable energy.	Faced with the environmental protection barrier set by the European Union, requirements are reinforced for the control of materials, all materials need to be re-investigated and test items are updated. Suppliers are to provide updated green material test data. This might lead to an increase in the costs for enterprises in the procurement of raw materials and parts, the development timeframe of products, and the operational cost. If a product does not meet RoHS/REACH requirements, it will be unable to be sold to Europe and America and it will impact corporate profitability. In addition, if a product is non-compliant, it can be rejected, confiscated, fined, or subject to criminal liability, which will increase the operational cost and litigation risk, too. The use of a renewable energy certificate is one of the ways that an enterprise proves that green electricity is used. If no such green electricity certification is available, the opportunity to work with an international heavyweight can be lost and it will impact profitability.
	Reputation	More and more communities or institutions are setting indicators for ESG (Environmental, Social and Corporate Governance) to quantify the impacts so that enterprises may be rated. As far as an enterprise is concerned, the enforcement of ESG can impact the corporate operational stability and reputation to a certain extent. For the investors, an enterprise that emphasizes ESG usually is more transparent financially and relatively stable, too, with low operational risk, making it an ideal target to be invested in.	Unsound ESG management or lagging in indicators, and being unable to address the expectations and requirements that the stakeholders have about related issues will likely affect the trust that customers have in the enterprise and damage corporate good will too further impact corporate profitability.
	Physical	**Immediate impacts** Increased severity of extreme weather incidents such as typhoons and floods **Mid-to-long-term impacts** Global warming, sea-level rise, and unstable rainfall lead to the food crisis and interfere with ecological balance.	Physical damages can endanger employee safety, affect corporate labor management and planning, damage equipment, expedite asset depreciation, and increase infrastructure cost. If power supply is interrupted, it will lead to all factory equipment unable to function and result in discontinued corporate operations and impact profitability. Extreme weathers can lead to imbalance between the supply and demand of energy/resources, increase the supply chain risk, and result in increased production cost. Fluctuation of oil and electricity prices leads to increased or decreased operational cost.

Type of risk		Evaluation	Financial impact
Opportunity	Effective utilization of resources	In order to reduce greenhouse gases, enterprises are optimizing processes, enhancing equipment energy use efficiency, minimizing water (electricity) consumption and waste, effectively controlling hazardous substances, and renewing and re-utilizing raw materials and water resource so that they can be more effectively utilized.	Optimized processes, enhanced equipment and energy use efficiency, and implementation of the energy policy can effectively enhance the throughput, reduce the operational cost, and increase profitability.
	Energy	To fulfill global carbon reduction goals, governments continue to promote respective renewable energy policies. The trend for enterprises to adopt low-carbon alternative energies is quickly growing and the willingness to invest in renewable energy devices is gradually climbing. The exposure to the risk of a price hike for fossil fuels in the future as well as the risk of greenhouse gas emissions may be reduced.	By using low carbon energy, enterprises are not only gaining economic benefits and reducing operational cost but also shaping a good corporate image and increasing their opportunities to work with international heavyweights to bring about income.
	Product and service	Green design is introduced to reduce carbon footprint and to reinforce product advantages, switching customers' preferences, and improving competitiveness. Transforming to a low carbon economy and developing high-performance energy storage products bring about cost-effectiveness for customers/end users and also the benefits of sustainable development as a whole for the environment.	Products meeting international standards can reach out to more areas for distribution and improve profitability. Researching and developing high-performance energy storage products reduces the use cost for customers and improves customer satisfaction to bring about income.
	Market	Transforming to a low-carbon economy can bring about new business opportunities for an enterprise or help an enterprise enter a new market.	By developing green or low-carbon products, it helps expand the customer base or explore the market, form a long-term strategic partnership with customers, and bring about income.
	Flexibility	In response to global impacts, such as shortage in energy and environmental pollution, use renewable energy and adopt energy-saving measures, design new processes, and develop new products so that enterprises may be able to adapt to climate change, manage related risks, and keep track of opportunities.	Diversified use of energy and resources improves the operational capability of an enterprise under different conditions to remain competitive and boosts the capability of the enterprise in terms of sustainable operation.

3.2 Energy and Greenhouse Gas Emission Management

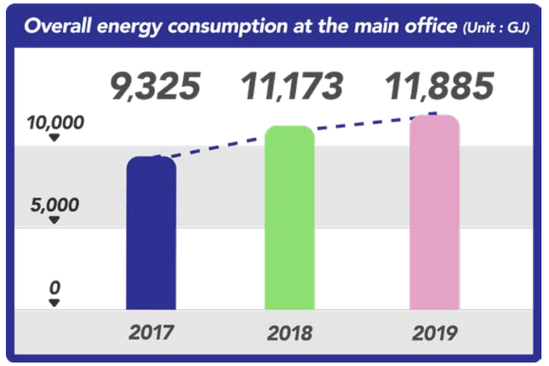
Wiwynn Corporation looks at the environment as part of corporate development and integrates green operation as part of daily operation. Management systems such as ISO 14001:2015 (Environmental Management System) and IECQ QC 080000:2017 (Hazardous Substance Procedure Management System) are introduced and in the future, ISO 14064-1:2018 (Greenhouse Gases Inventory Check Management), ISO 50001:2018 (Energy Management System), and involvement in the CDP (Carbon Disclosure Project) will be fulfilled, too, to build the capability for annual greenhouse gas inventory checks. Carbon footprint is adopted as the criterion for internal environmental management. Processes are improved and energy use efficiency is enhanced. The market demand (such as carbon trading) for corporate pollution control may be fulfilled in the future.

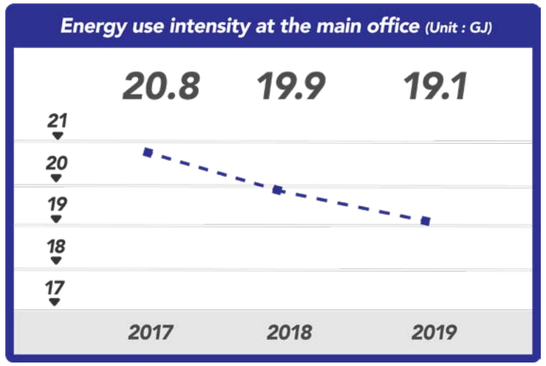
Energy use

The energy used at the Taipei Headquarters is mainly externally purchased electricity. Energy consumption throughout 2019 totaled 11,876 GJ. A growth of 6.3% from the previous year primarily because of the increase in the number of employees. The energy use intensity in 2019 was 19.1 GJ/person, a reduction of 4.3% from the previous year.

Statistics of energy consumption at the main office in Taipei

	2017	2018	2019
Electricity	2,590,234 kWh	3,103,651 kWh	3,259,993 kWh
Gasoline	0 L	0 L	4,554 L
Total	9,325 GJ	11,173 GJ	11,885 GJ
Total number of employees in the headquarters	448 Person	561 Person	623 Person
Energy use intensity	20.8 GJ/person	19.9 GJ/person	19.1 GJ/person





Note:

1. Energy consumption is already converted to GJ. 1 GJ=10^9 joules.
2. The energy conversion coefficient is based on the EPA's gas emission coefficient management table Version 6.0.4. One kWh = 3,600 KJ and 1 liter of gasoline =7,800 Kcal.
3. The energy intensity unit for the headquarters is: GJ/Total number of employees in the headquarters at the end of the year.

The Tainan Branch was established in 2019 and the energy used was mainly externally purchased electricity and air-conditioning cold water supplied by a third party. The energy consumption of 2019 was 12,683 GJ and the energy use intensity was 30.0 GJ per thousand units produced.

Greenhouse gas emission

The overall greenhouse gas emissions at the Wiwynn Taipei Headquarters throughout 2019 totaled 1,772 tons of CO_2e, a growth of 7.1% from the previous year primarily because of the increase in the number of employees. The greenhouse gas emission intensity in 2019 was 2.8 tons of CO_2e/person, a reduction of 3.6% from the previous year. The Headquarters also conducted the Scope 3 inventory check that covered greenhouse gas emissions from the input electricity grid, water consumption, transport of waste, and overseas business travel. The overall Scope 3 emissions came to 846.55 tons of CO_2e/person.

For the greenhouse gas emissions at the Tainan Branch, only indirect emissions in Scope 2 were calculated. The overall greenhouse gas emissions throughout 2019 came to 1951.82 tons of CO_2e and the greenhouse gas emission strength was 4.6 tons of CO_2e per thousand units produced.

	2017	2018	2019
Scope 1: Direct greenhouse gas emission	0 Tons of CO_2e	0 Tons of CO_2e	34 Tons of CO_2e
Scope 2: Indirect greenhouse gas emission	1,435 Tons of CO_2e	1,654 Tons of CO_2e	1,738 Tons of CO_2e
Overall emissions = Scope 1 + Scope 2	1,435 Tons of CO_2e	1,654 Tons of CO_2e	1,772 Tons of CO_2e
Total number of employees in the headquarters	448 Person	561 Person	623 Person
Energy use intensity	3.2 Tons of CO_2e/person	2.9 Tons of CO_2e/person	2.8 Tons of CO_2e/person

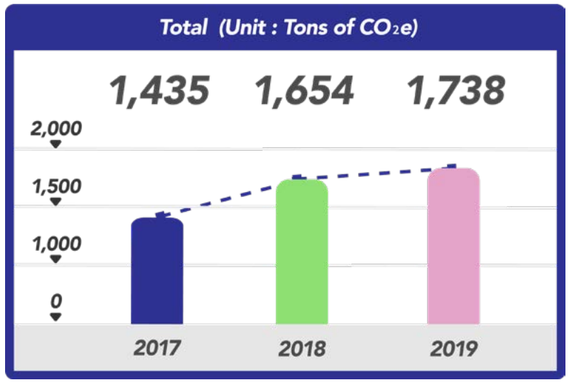
Statistics of energy consumption at the Tainan Branch

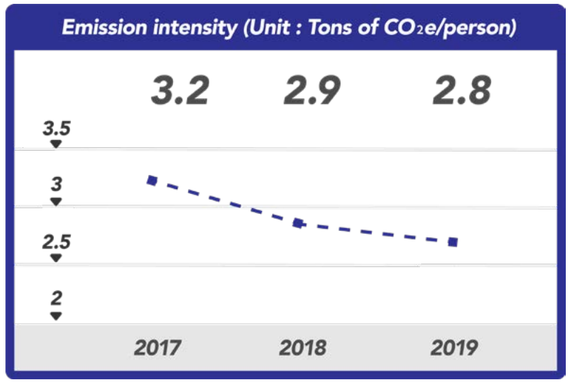
	2019
Electricity	2,105,444 kWh
Gasoline	975,134 L
Total	12,683 GJ
Total number of employees in the headquarters	422 Person
Energy use intensity	30.0 GJ/person

Note:
1.Energy consumption is already converted to GJ. 1 GJ=10^9 joules.

2.For the energy conversion coefficient, one kWh = 3,600 KJ and one M^3 of the air-conditioning cold water supplied by a third party = 1.4538 kWh.

3.The energy intensity unit for the Tainan plant is: GJ per thousand units produced.





Note :

1. The greenhouse gas emissions of Wiwynn in 2019 followed the ISO 14064-1:2018 procedure for the inventory check and it has been certified by an external third party. For the greenhouse gas emission coefficient, the EPA's greenhouse gas emission coefficient management table Version 6.0.4 was referred to. The electricity coefficient adopted in the Scope 2 calculation was 0.533 kgCO_2e/kWh.
2. The source of the global warming potential (GWP) adopted in this table is the fourth IPCC evaluation report (2007).
3. Greenhouse gases include N_2O, CH_4, CO_2, HFCs, PFCs, SF_6, and NF_3, among others.
4. The energy intensity unit for the headquarters is: tons of CO_2e/Total number of employees in the headquartersat the end of the year The energy intensity unit for the Tainan Branch is: tons of CO_2e per thousand units produced
5. The greenhouse gas volume was summarized applying the operational control law.

Statistics of Scope 3 greenhouse gas emissions at the Taipei Headquarters

Input electricity grid		Water consumption		Transport of waste		Overseas travel		Total
348.82 Tons of CO_2e	+	4.04 Tons of CO_2e	+	1.05 Tons of CO_2e	+	492.64 Tons of CO_2e	=	846.55 Tons of CO_2e

Energy-saving and Carbon Reduction Measures

The Wiwynn Tainan Branch enforced multiple energy-saving and carbon reduction measures in 2019. Estimates show that they would help reduce the consumption of up to 89,436 kWh of electricity, which is equivalent to a reduction of 47.67 tons of CO_2e.

Energy-saving and carbon reduction statistics at the Tainan Branch in 2019

Energy-saving measure	Estimated energy conserved	Energy-saving kWh (kWh/year)	Reduced greenhouse gas emission (tons of CO_2e/year)
1.Production line lights	Electricity consumed by a single set of lights: 20W*3 = 60W Energy-saving on holidays with 72 sets of lights turned off: 60W*72/1,000 = 4.32 KW Monthly savings: 4.32KW*24 hours *8 days = 829 KWH Yearly savings: 829KWH*12 months = 9,948 KWH	9,948	5.30
2.Exhaust converter with a reduced load to save energy, adjusting from 50HZ to 45HZ	Actually detected current: (33A-26A)*380V*1.732/1,000=3.9KW Monthly savings (KWH): 3.9KW*24 hours *30 days = 2,808 KWH Yearly savings (KWH): 2,808KWH*12 months = 33,696 KWH	33,696	17.96
3.MAU converter with an operating frequency adjusted from 58HZ to 55HZ	MAU motor Actually detected current: (8.5A-7A)*380V*1.732/1,000*2 units = 1.9 KW 2KW*24 hours *30 days = 1,440 KWH MAU heater Actually detected current: (115V-110V)*380V*1.732/1,000=3.3KW 3.3KW*24 hours *30 days = 2,376 KWH Total monthly savings: =3,816KWH Yearly savings: 3,816KWH*12 months = 45,792 KWH	45,792	24.41
	Total	89,436	47.67

3.3 Water Resource Management

Water resource at the Wiwynn Corporation Taipei Headquarters is for use by internal staff only. No ground water or water from other natural water bodies is used; there are no significant impacts on natural sources of water. There is no industrial water, either. The generated waste water is limited to general waste water only, which can be discharged into the city sewer system. The Taipei Headquarters is committed to water conservation. The amount of water used throughout 2019 was 6,387 M^3, a reduction of 3.7% from the previous year. The water consumption intensity in 2019 was 10.3 M^3, a reduction of 13.3% from the previous year.

Statistics of water consumption at the Taipei Headquarters

2019	*Water consumption (tap water)*	6,387 M^3
	Total number of employees in the headquarters	623 Person
	Water use intensity	10.3 M^3/person
2018	*Water consumption (tap water)*	6,631 M^3
	Total number of employees in the headquarters	561 Person
	Water use intensity	11.8 M^3/person
2017	*Water consumption (tap water)*	4,948 M^3
	Total number of employees in the headquarters	448 Person
	Water use intensity	11.0 M^3/person

Water consumed at the Tainan Branch of Water consumption includes tap water and recycled rainwater. There are no significant impacts on the sources of natural water. Water conservation is communicated. Water consumption throughout 2019 came to 15,053 M^3 and the water use intensity was 37.1 M^3 per thousand units produced. The Tainan Branch is not a source of water pollution that is regulated. The amount of water discharged in 2019 was around 5,153 M^3.

Statistics of water consumption at the Tainan Branch

2019	*Water consumption (tap water)*	15,053 M^3
	Water consumption (recycled rainwater)	600 M^3
	Total	15,653M^3
	Per thousand units	422 produced
	Water use intensity	37.1 M^3 per thousand units

3.4 Electronic Waste Management

Green-design Guide

The raw materials devoted to production that are unique of the cloud server industry that Wiwynn Corporation is in are mainly divided into three categories; they are electronic (including key components), mechanical, and pack materials. The material acknowledgment procedure is followed and they meet environmental protection laws and regulations, international product recycling regulations, and waste packing material laws and regulations. An overview of the procurement of raw materials throughout 2019 shows that electronic ones (including key components) accounted for a majority (94%), followed by mechanical ones (5%), and packing materials (1%). According to the Green Design Guide of Wiwynn, all product cartons/bubble bags/foams, among other packing materials, are made of recyclable renewable materials and the cartons are printed with the "recyclable" mark. The Company plans to gradually introduce more renewable materials for specific customer models first in the second quarter of 2020, such as plastic mechanical parts.

WEEE Waste Electrical and Electronic Equipment Directive

Wiwynn Corporation, in compliance with WEEE, designs products that are easy to dismantle and can be recycled in order to fulfill 3R standards and introduces product design that makes recycling/dismantlement easy in accordance with the Green Design guide in order to reduce the volume of electronic waste and to meet applicable environmental protection regulatory requirements in the shipping destination.

Internal Waste Treatment

The Wiwynn Taipei Headquarters does not generate harmful waste. The general business waste is treated domestically 100%. The overall waste volume throughout 2019 was 42.38 tons and 64.94% of them were recyclable. For the business waste at the Tainan plant, it is exclusively treated by the qualified contractor. The overall waste volume throughout 2019 was 188.84 tons and 51.98% them were recyclable.

Statistics of waste treatment at the Taipei Headquarters

Item	Treatment method	2019 (tons)
General waste	Incinerated	14.856
Paper	Recycled	4.8912
PET bottles	Recycled	0.258
Iron and aluminum cans	Recycled	0.11448
Aluminum foil	Recycled	0.13752
Glass	Recycled	0.03744
Kitchen leftover	Incinerated	1.2996
Plastics	Recycled	1.1424
Iron	Recycled	18.192
Mixed hardware	Recycled	0.769
Motherboard	Recycled	0.679
	Total	42.38
	Recycling rate	64.94%

Statistics of waste treatment at the Tainan Branch

Item	Treatment method	2019 (tons)
Recyclable waste	Recycled	83.629
General business waste	Incinerated	90.285
Waste solution with a flash point below 60°C (excluding alcohol-based waste containing less than 24% of ethanol)	Incinerated	0.06
Other inflammable business waste mixture	Incinerated	0.33
Waste printed circuit boards and their chips that contain metals	Physical treatment	14.514
Other mixed hardware waste applying the physical treatment approach	Physical treatment	0.019
	Total	188.84
	Recycling rate	51.98%

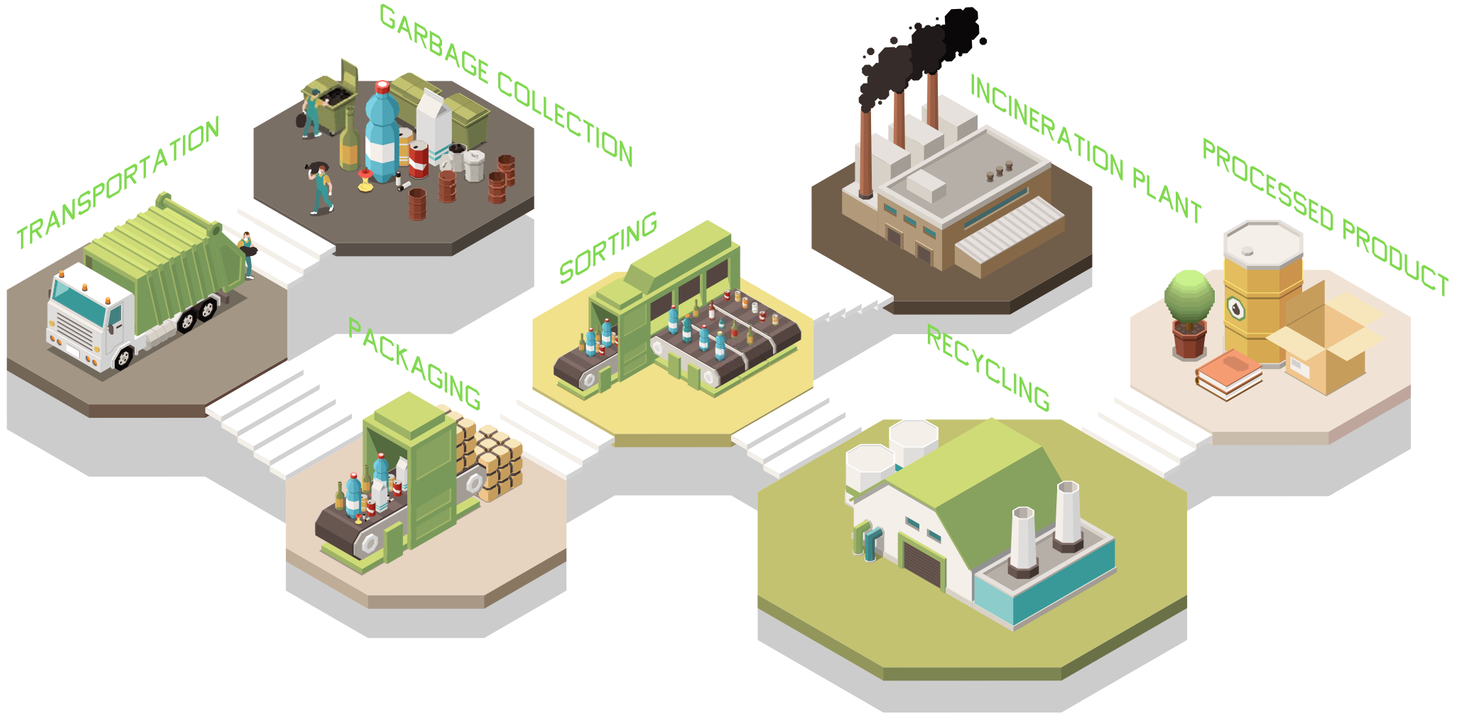
3.5 Environmental Protection Performance

Compliance with Environmental Protection Laws and Regulations

Wiwynn has introduced the ISO 14001 Environmental Management System. Compliance with applicable environmental protection laws and regulations is examined in accordance with the management procedure. The Taipei Headquarters and the Tainan Branch are not sources of water or air pollution regulated by the Environmental Protection Administration (EPA). No incidents of emissions of substances that would damage the ozone layer or serious leaks occurred in 2019. There were no violations of environmental protection laws and regulations subject to penalties, either.

Protection of Nature

Wiwynn Corporation started its plantation plan in 2019. To be educational and entertaining, it is planned to educate colleagues on how to protect our natural environment and make it sustainable. There were events where colleagues could bring their families along (the minimum age requirement is 6 years old) and learn together the environment in Taiwan and the lifestyles in respective areas while planting.



Special Edition on Sustainable Environment - Energy-Saving Rack Laboratory

Wiwynn took the lead to introduce the energy-saving technology that is synchronized with a world-class data center and designed the novel rack integration laboratory. Fresh air, the cold/hot aisle design, and the programmable settings of aisle temperature are applied to reduce demand in the laboratory for cold air and waste of resources. Meanwhile, R&D staff of Wiwynn can have a better understanding of the application setting and world-class energy-saving ideas of its products in customers' data centers.

While the natural cooling laboratory was being designed, it was found that the rapid changes in temperature and humidity in northern Taiwan needed to be addressed and so did the limited construction conditions in an industrial building. As a result, constant monitoring, adjustment, and verification of many parameters were required during design in order to realize optimal energy-saving efficacy. Eventually, Wiwynn realized the goal of primary natural air cooling and secondary custom cooling in a room of 36 pings (1 ping = 3.305785 m^2). The automatic fire prevention and automatic environmental control were set as well. It can, in particular, automatically adjust air inlet/outlet and the cooling mode when there is a typhoon and automatically estimate and display the average PUE. The laboratory as a whole can support the integration testing of up to 34 racks and render extremely good air-conditioning and energy-saving efficacy.

Appearance of laboratory

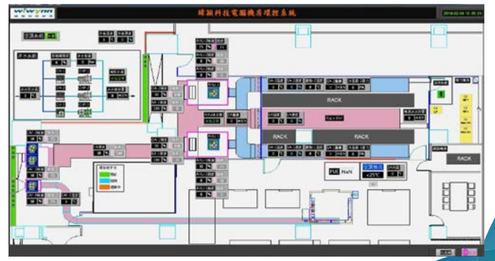
Hot aisle: Hot air evacuation and air pressure, temperature, and humidity monitoring

Cold aisle: Natural air-mixed cold-air supply and air pressure, temperature, and humidity monitoring

Remote Monitoring Management and Programmable Modulation Management System:

Cold water temperature and motor activation volume, heater and air ventilator status, laboratory temperature, humidity, and temperature, automatic fire prevention equipment status, and laboratory air-conditioning and IT electricity consumption are monitored in order to experiment and adjust optimal parameters to accomplish electricity conservation with the optimal PUE value.

Natural air intake within the applicable range of temperature and humidity was properly used. The use of a heater to bring down the relative humidity was minimized. The temperature in the cold channel during non-working hours was flexibly adjusted. Besides the above-mentioned key techniques, the parameters were observed and laboratories studies took place for several months in a row to eventually render natural air intake laboratory optimized parameters that are suitable for an island climate to significantly enhance the PUE (Power Usage Effectiveness). From the PUE mean of 1.8 for a traditional machine room to an annual mean of 1.16, the electricity consumption efficiency was enhanced by 35%.



CHAPTER 4

SUSTAINABLE MANPOWER

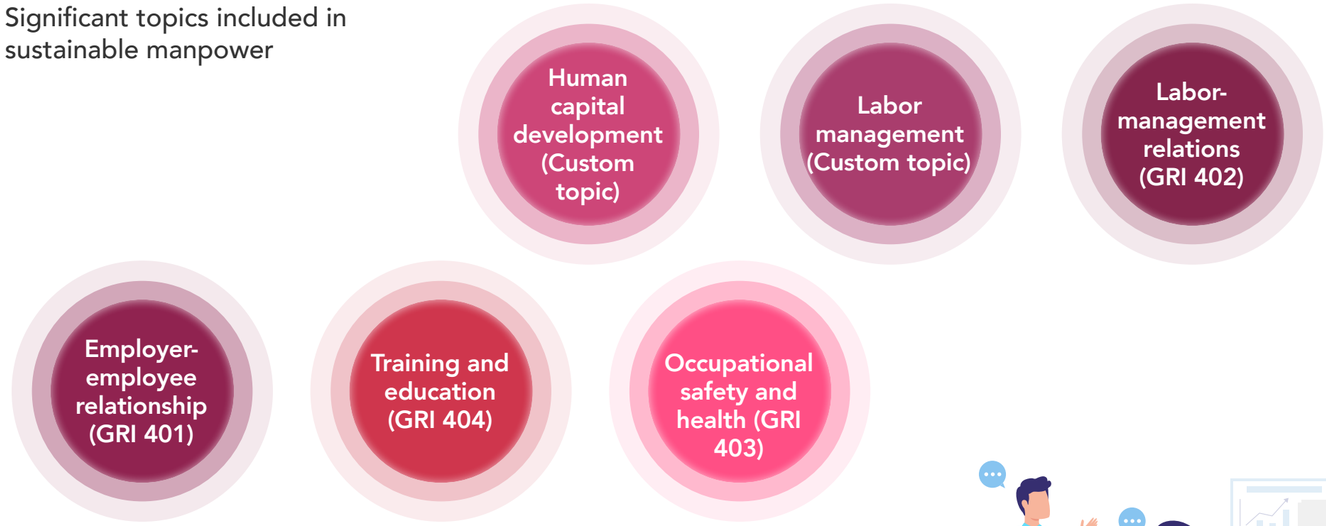
- Sustainable Manpower Management Policy
- The Wiwynn Family
- Happy Wiwynn
- Human Capital Development
- Occupational Safety and Health
- Special Edition on Sustainable Manpower – Employee Assistance Program (EAP)

Sustainable Manpower Management Policy

Significance of sustainable manpower for Wiwynn Corporation and purpose of management

As the global business of Wiwynn grows actively, a diversified friendly workplace become relatively important for the Company. Only by consolidating the reasonable, worry-free, and respectful culture of Wiwynn among employees, constructing a challenging and innovative quality workplace that enables diversified learning, and enabling employees to cope with challenges and pursue self fulfillment through teamwork and experience sharing and strike a balance between work and physical/mental health can outstanding talent be effectively attracted, talent development be reinforced, and employees' commitment to the organization and performance at work be enhanced; they are the key talent capital of the Company.

Significant topics included in sustainable manpower



Corresponding SDGs of sustainable environment

Full employment and equal pay for equal work

Realize employment with comprehensive productivity by 2030. All men and women have a decent job, including young people and those with disabilities and equal pay for equal work.

Protect the rights of workers and promote a safe workplace

Protect the rights of workers and promote a safe workplace, including migratory workers, particularly women and workers engaged to perform dangerous tasks.

Add the number of people with related successful financial skills

Increase the numbers of youths and adults working in related fields, with a good job, and in business administration capacity, including technical and occupational skills, by 2030.

Reduced Inequalities

By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Sustainable manpower management policy

Devotion to sustainable management

Policy

- The manpower development policy of the Company is "Happy Wiwynn and Diversified Friendly Workplace".
- Improve manpower quality to meet the growth demand of the Company.
- Combine organizational performance, personal performance management, and incentive and reward systems.

  Committed to abiding by laws and regulations governing safety and health and other requirements from stakeholders while at the same time enforcing worker consultation and involvement in order to constantly improve safety and health performance and to reduce occupational hazards.

Accountability organization

- In honor of "Happy Wiwynn and Diversified Friendly Workplace", Wiwynn has its Human Resource Unit to take charge, with the Chief Human Resource Officer as the convener.
- Quality and No Hazardous Substance Management System/ Environment, Safety, and Health Management System Promotion Committee.

Management procedure

- In order to realize effective management at the Company in honor of "Happy Wiwynn and Diversified Friendly Workplace", the RBA system has been introduced and certified internationally.
- Rotation mechanism.
- 360 competency review.
- Top seven training systems by the core management competency/professional competency.
- In order to manage safety and health effectively, the Company has introduced the ISO 45001 occupational safety and health international management system.

Resources devoted

- The Company has a Human Resource Unit and recruitment, training, compensation, and employee relations departments with devoted manpower to take charge of the implementation.
- Perform occupational safety and health educational training and employee health examination.

Complaint-filing mechanism

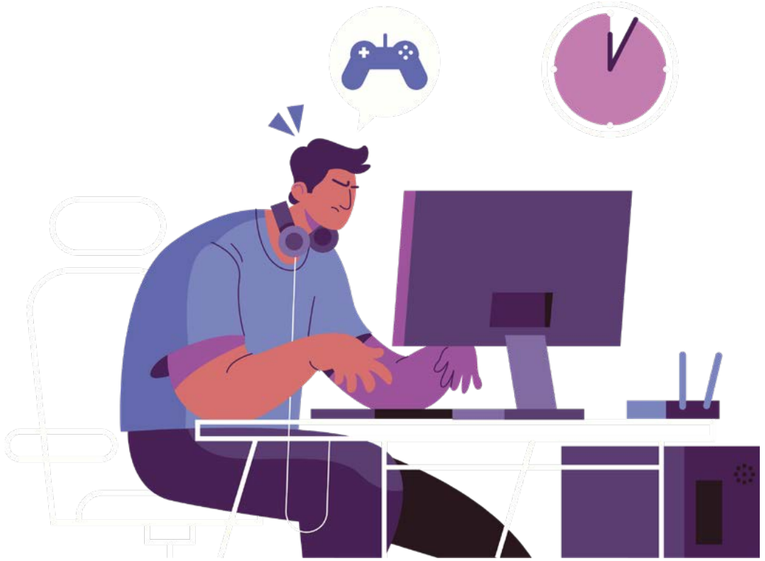
- The Company has an employee complaint channel in place where employees may file a complaint with the highest-ranking official for human resource at the Company over the phone or by email.

Effective evaluation mechanism

- The Company provides the CEO and first-level supervisors with the Semi-annual Reports on respective topics once every six months in accordance with the internal management and review procedure for their reference while performing the management evaluation.
- The PDCA effectiveness evaluation is performed on occupational safety and health management according to the ISO 45001 internal management and review procedure.

Sustainable performance output

- The Company set up the Tainan Branch in 2019 where more than 600 were recruited, meeting the annual goal set by the Company.
- The retention rate among the new hires within six months is greater than 80%.
- Satisfaction with the workshop for new hires was 4.78 (out of 5).
- The overall compensation remained at a Top 25% level in the industry.
- The Tainan Branch completed the configuration of the ISO 45001 management system.



4.1 The Wiwynn Family

Manpower structure

Manpower quality is a key indicator of a company's competitiveness. Wiwynn's number of employees in Taiwan grew from 169 when it was established to 1,133 in December 2019 by nearly 6.7 folds. Among them, 405 employees hold a master's degree and seven have a doctorate. R&D manpower accounts for 65% of all employees in the Company, including 134 in hardware, 68 in mechanics, and 101 in software. Since it was established, the Company continues to recruit outstanding talent around the world to expedite Wiwynn's global expansion. The ages of its staff are mainly between 24 and 40.

The Company is also very willing to hire graduates from graduate schools/universities to cultivate. Wiwynn applies with the government to offer positions of R&D substitute services each year and has been constantly working to improve the quality of its manpower and service. Employee educational training is reinforced and respective management systems are consolidated to help increase appreciation and additional value for Wiwynn's customers and technology development.

In 2019, non-staff workers of Wiwynn, including the employees of construction contractors at the Tainan Branch totaled around 264. There were 149 production line operators at the Tainan Branch and four housekeepers at the Taipei Headquarters.

The hiring of people with disability is based on the requirements in Article 38 of the People with Disabilities Rights Protection Act. The number of people with disabilities who are capable of working at enterprises may not be below 1% of the overall number of employees. For those with severe or higher-severity disabilities, each person hired may count as two people. If the overall weighted value falls short of 1%, enterprises need to pay the "differential subsidies" to the local municipal, county (county-level city) competent labor authority where they are located periodically.

The value is calculated by the difference multiplied with the monthly base wage. To go with the government policy, the weighted hiring rate of people with mild to moderate disabilities at the Company throughout 2019 accounted for 1% of the overall number of employees in Taiwan. The hiring ratio fulfilled the regulatory requirement. In October, however, due to the quick expansion in manpower at the Tainan Branch and in December, where the whole group of foreign workers were hired, the weighted hiring ratio of disabled people fell short of 1% of all employees; the differential subsidies were paid as required by law. The Company will continue to provide disabled people with jobs and it is expected that the difference will be made up for in the first quarter of 2020.

Statistics of Wiwynn employees in 2019

Region	Direct/indirect employees	Full-time		Contract-based	
		Male	Female	Male	Female
Xizhi	Indirect employees	422	201	14	8
Tainan	Indirect employees	71	37	1	1
	Direct employees	179	199	0	0
Sub-total		672	437	15	9
Total		1,133			

Talent Recruitment and Retention

Depending on the job openings, besides the traditional ways, such as the company website, campuses, manpower banks, and head hunters, Wiwynn has many other diversified options to help with recruitment, such as TAITRA and LinkedIn. The Company also encourages employees to refer their relatives and friends. For those qualified and hired, the introducer will receive the referral bonus. The Tainan Branch was established in 2019 and the same strict talent recruitment system was applied. All supervisors were trained on how to hold a talent recruitment interview and the annual recruitment plan was successfully completed.

"Happy Wiwynn and Diversified Friendly Workplace" is something that Wiwynn works for in terms of its human resource policy and system. There is no discrimination or unfair treatment due to ethnicity, class, gender, nationality, partisan affiliation, religion, birth place, sexual orientation, age, or marital status. As the talent generation transforms, technologies advance around the world, and new business models emerge, the Company may only fulfill and exceed customers' expectations living up to its belief in "forward-looking adventures, excellent quality, efficiency, and teamwork" and recruiting, developing, and retaining innovative talent in terms of research and development, manufacturing, and service and become a key partner of customers in cloud service business. 2019 marked the base year for Wiwynn to go public and the plant in the Tainan Science Park was established. The number of employees constantly grew, with a resignation rate of 14.92%; it is within an acceptable range in the technology industry.

Talent recruitment and retention goal

New hires need to go through strict talent recruitment criteria, including English proficiency, professionalism, and competency tests and interviews, to make sure that they carry the essence that Wiwynn looks for. The Behavioral Event Interview (BEI) is adopted; supervisors may find applicants that suit the needs of Wiwynn through systematic interview tools.

The retention rate among new hires within six months is greater than

80%.

The overall compensation remained at a level in the industry.

Top 25%

Statistics of new hires at Wiwynn in 2019

Age/Gender	Male	New hires (%)	Female	New hires (%)
Below 30 years old	147	75.65%	161	83.42%
30~-50 years old	216	49.88%	179	72.47%
50 years and above	6	25.00%	3	50.00%
Subtotal of new hires	739			
Total number of employees	1,133			
Overall ratio of new hires (%)	65.23%			

Note:
1. New hires (%) = Number of people newly hired for the said year in the said category/Total number of employees for the said year in the said category by the end of the year.
2. The number of new hires includes those having resigned early.

Statistics of resignations at Wiwynn in 2019

Category	Age/Gender	Male	Resignation (%)	Female	Resignation (%)
IDL indirect employees	Below 30 years old	42	25.93%	18	18.75%
	30-50 years old	54	16.77%	26	17.93%
	50 years and above	2	8.33%	1	16.67%
	Sub-total	98	19.29%	45	18.22%
DL direct employees	Below 30 years old	5	7.35%	4	4.12%
	30-50 years old	5	4.50%	11	11.34%
	50 years and above	0	0	1	100%
	Sub-total	10	8.33%	16	16.67%
Subtotal of new hires		169			
Total number of employees		1,133			
Overall resignation (%)		14.92%			

Note:
1.Resignation (%) = Number of people having resigned for the said year in the said category/Total number of employees for the said year in the said category by the end of the year.

2.The number of employees having resigned include those who resigned spontaneously or were dismissed, retired, or died while on duty.

Emphasis over Human Rights

Wiwynn knows deeply that employees are important assets of the Company and has been devoted to applying applicable laws and international standards in hiring for the sake of protecting the right of work of employees. Employees are entitled to equal treatment regardless of their gender, sexual orientation, age, ethnicity, religious belief, pregnancy, marital status, club affiliation, and political stance. Applicable requirements under the Labor Standards Act are followed regarding the minimum time to pre-warn employees of any change in operation, too.

Wiwynn continues to communicate the prevention and control of sexual harassment and provides employees with specific complaint-filing channels and respects the freedom of employment of its people. It is prohibited to hire forced labor and child labor. Everyone should work voluntarily. Under reasonable notice, employees have the freedom to resign.

The Company has the management systems against penalized or forced labor and imprisonment of workers, to meet the demand for freedom of assembly and religious belief, and against discrimination, among others, in place to be followed and provides colleagues with an assuring and sound workplace.

Wiwynn complies with local laws and regulations at operation sites around the world and follows the human rights criteria defined in the International Bill of Human Rights and has been certified by the RBA; it respects all employees, contractors and temporary staff, and interns, among others. Meanwhile, in order to comply with RBA regulations, starting in 2020, courses on the introduction to the RBA Code of Conduct are mandatory for new hires and also are prioritized as part of the annual refreshing program so that all employees are trained in this regard and employees and the Company get to know the international trends and industrial criteria together and jointly build an optimal friendly workplace.

Wiwynn did not have any violations of the Labor Standards Act in 2019.
Wiwynn values the human rights of non-staff workers, too, and asks suppliers to clearly define and support RBA humane treatment provisions and convey it to laborers, and sign the Declaration of Non-use of Conflict Minerals. More than 50 of them have signed the declaration and strictly abide by it. Violators will have their Wiwynn supplier qualification canceled immediately. No suppliers were disqualified as such in 2019.

Wiwynn's policy on human rights

Safe and healthy workplace

Wiwynn promises that it will provide a safe and healthy workplace, promote physical and mental health among its people, and configure nurses to provide special protection, health care, and ensure health promotion and assistance is available around the clock for employees; it is a comprehensive management solution.

No illegal discrimination and protection of equal employment

Government laws and regulations on labor are followed. The "Anti-discrimination Management Procedure" is in place to eradicate illegal discrimination against one's ethnicity, class, language, thought, religion, partisan affiliation, nationality, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, and disability, etc.

No child labor

Government laws and regulations on labor are followed and the "No Child Labor and Relief Procedure" is established to eradicate the use of child labor.

No forced labor

Government laws and regulations on labor are followed and the "Anti-penalized or Forced Labor and Imprisonment of Labor Procedure" is established to ensure that all employees of the Company are hired based on their free will; no compulsory nature is allowed. It is also specified in the Code of Conduct that approval from employees is required if working overtime is needed and such overtime shall be paid or employees shall be given additional time off afterwards.

Physical and mental health and work-life balance of employees

Diversified events are available, including arts and culture, sports, family-related ones. Inter-personal interactions among the colleagues are encouraged through participation in clubs, too, in order to ensure a balance between work and life. The issue about child care is addressed for colleague, too. There is the 24-hour Employee Assistance Program (EAP) where colleagues can receive consultation and service regarding education for their children so that they can work with assurance.

Prevention against sexual harassment

The prevention and control of sexual harassment is communicated on the TV wall of the Company to help employees get the idea about sexual harassment and how to prevent against it and about how sexual harassment will be addressed at the Company. The contact window as well as the mailbox and hotline for sexual harassment are available. The head of human resource is in charge of taking complaints from colleagues.

Employee communication

Wiwynn values the opinions from its people and has multiple channels in place for employees to express their opinions. The highest-ranking supervisor of human resource is responsible for safeguarding them and addressing them quickly and confidentially in order to ensure transparent and open communications between supervisors and their subordinates. The Company holds labor-management meetings periodically as required by law and there are the mailboxes and hotlines for employees to express opinions or file complaints and communication meetings at respective units to facilitate reflection of issues at any time by employees.

Human rights-related educational training available for security guards at Wiwynn

Time: 2019.11.04~05
Venue: 3F employee lounge (entrance for the production line)
Contents: RBA (Responsible Business Alliance) Code of Conduct
Number of trainees: Four

4.2 Happy Wiwynn

The spirit of Wiwynners is "Work Smart, Play Hard. They take their work seriously and work efficiently. In terms of daily life, they also make the best of it by exposing themselves to the great nature. A balance between work and life is their paramount principle! Wiwynn provides employees with an even more diversified learning environment and a quality workplace where they can devote themselves to taking on challenges and pursuing self-fulfillment through teamwork and experience sharing. Wiwynn people not only pursue excellence and innovation but also are entitled to envying energizing vacation and diversified events thanks to the various high-quality welfare events and clubs available at the Company to help them accomplish a balanced life where their work and physical and mental peace are taken care of.

Employee compensation

The overall compensation of employees is based on the Company's operational goal and profitability and also the specific employee's professional knowledge and skills, responsibilities at work, and performance. Reasonable compensation and salary welfare solutions are available so that employees can grow together and share profits with the Company. The compensation criteria for new hires are defined according to the education and experience required of specific talent for specific function. Once hired, the employees are entitled to a salary raise and promotion reflective of their performance at work and the corresponding compensation will be provided. The minimum salary for direct employees is identical to that defined in laws and regulations while that for indirect employees is 1.21 times the statutory minimum wage. The compensation as a whole remains at a Top 25% level in the industry. The mean full-time employee compensation for non-managerial positions in 2019 was NT$ 1,612 thousand, a growth of 11% from the previous year. The median full-time employee compensation for non-managerial positions in 2019 was NT$ 1,302 thousand, a growth of 4% from the preceding year.

In terms of employee care, the Labor Standards Act and the Labor Pension Act are followed while the expected pension fund is set aside or appropriated. For colleagues for whom that the new system applies, the pension fund is set aside on a monthly basis. The appropriation rate is 6% for the part of the Company and that spontaneously set aside by employees is 0~6%.

For those for whom that the old system applies, the Company will also set aside 2% of their compensation as required by law and hand it to the Labor Pension Reserve Supervisory Committee to ensure that the rights of the colleagues are protected.

Overview of employee compensation information disclosure （Unit : NT$ 1,000）

Number of full-time employees in non-managerial positions Note 1	603	Mean salary of full-time employees in non-managerial positions	1,612
Total salary of full-time employees in non-managerial positions Note 2	972,076	Median salary of full-time employees in non-managerial positions	1,302

Note 1 :
Full-time employee: is someone with working hours reaching the normal working hours specified by the Company or the statutory working hours. If the normal working hours are not specified, anyone that works more than 35 hours a week on average can generally be considered as a full-time employee. Otherwise, he/she will be considered as a part-time employee (who may be working part-time or on hourly pay, or can be a work-study employee as part of industry-academia collaboration).

Note 2 :
Total salary: is the annual earnings of an employee for the specific year. It follows the accrual principle and covers the regular earnings (the base salary plus the fixed allowance and bonus), overtime and non-regular earnings (bonus and prize that are not released on a monthly basis). In addition,employee compensation (cash or stock) assigned as required by the Articles of Incorporation shall be included as the total salary, too. The rating value paid on the basis of shares (such as employee stock option and transfer of the treasury stock to employees), however, is not included.

Note 3 :
Non-managerial position: refers to the general staff except for managers. By “manager”, the scope of application is as follows :
(1) President/CEO and equivalent;
(2) Vice President and equivalent;
(3) Associate manager and equivalent;
(4) Head of Finance;
(5) Head of Accounting; (6) Other people taking care of management and with the right to give a signature

Note 4 :
The table above is based on the salary earnings of employees at operation sites throughout 2019 (including the Taipei Headquarters and the Tainan Branch).

Ratio of employee compensation by the gender at Wiwynn in 2019

	Female	Male
Managerial and higher-ranking supervisor	1.0	1.15
Indirect manpower	1.0	1.14
Direct manpower	1.0	1.07

Note : For the managerial and higher-ranking supervisors and indirect employees, R&D accounts for a majority and the seniority of men in the industry and the Company is consistently higher than that of women. As such, the compensation ratio among men is higher than that among women.

Unpaid child care leave

Throughout 2019, five employees in total applied for unpaid child care leave. The reinstatement rate in the said year from child care leave was 50% and the retention rate was 100%

Statistics of unpaid child care leave in 2019

Gender/Subtotal	Male	Female	Total
Number of applicants qualified for child care leave A	34	11	45
Actual number of applicants for unpaid child care leave in the current year B	3	3	6
Number of employees to be reinstated from unpaid child care leave in the current year C	1	1	2
Number of employees actually reinstated from unpaid child care leave in the current year D	0	1	1
Number of employees actually reinstated from unpaid child care in the preceding year E	1	1	2
Number of employees actually reinstated from unpaid child care leave in the preceding year and having been working for a year F	1	1	2
Reinstatement rate of employees from unpaid child care leave in the current year% (D/C)	0	100	50
Retention rate of employees from unpaid child care leave in the current year% (F/E)	100	100	100

Happy Vacation

▲ Energizing Vacation

The Company has been providing four days of energizing vacation since 2017. The so-called energizing vacation means that all staff takes days off at the same time. (For the Tainan Branch, to meet the production line demand, it may be flexibly adjusted.)

▲ Disease prevention care leave/working from home for disease prevention

During COVID-19, the Company provides half-paid disease prevention care leave for colleagues with children under the age of 12. In addition, those with demand for autonomous health management because of business trips can apply for the brand new two types of leave, namely, working from home for disease prevention and disease prevention-oriented isolation. For those who need autonomous health management or isolation due to personal reasons, video conferences may be requested for those working from home to get connected with colleagues in the Company.

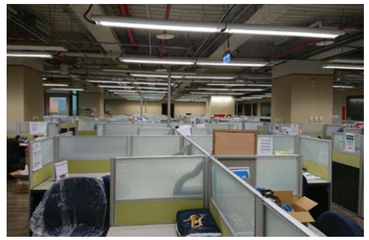
▲ Teamday

Starting in 2012, the plenary consensus team competition for half a day or a full day has been available on a yearly basis at the Company in order to inspire creativity and make the competition fun and accordingly further bond the colleagues and build solidarity and team awareness.

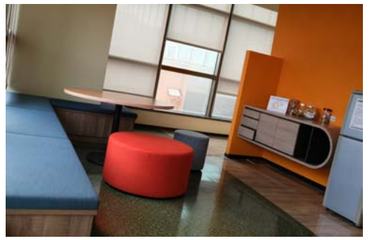
Quality Workplace

A quality environment available for colleagues to take care of their work and life has been a goal that Wiwynn tries to accomplish and hopefully will bring about more delight and growth for its people.

The fitness center offers personal fitness testing, personal exercise prescription, aerobic classes, and multiple fitness devices. The nursery room is available for breast-feeding mothers and people with disabilities are arranged to provide paid massage service.


Bright and comfortable workplace

Multi-purpose conference room


Pantry room

Spacious laboratory

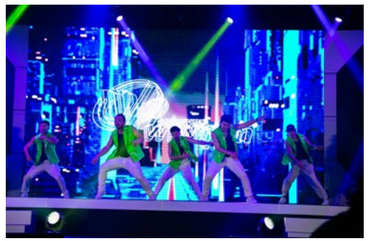
Fitness center

Nursery room

Staff lounge at the Tainan Branch

Creative diversified activity

By holding diversified activities, it helps colleagues get involved in different parts in life and encourage them to go out of the Company and take part in the events that are available in society.



Year-end Party

Power Team Day

Voice of Wiwynn

Employee tea time

Wiwynn club

Employee handicraft event

Swimming through the Sun Moon Lake

Triathlon

Charity run

Family Day

Club activities

Wiwynn believes that employees have a lot of potential to be discovered. In 2019, it was encouraged to form clubs. As a result a total of ten clubs were created and among them, six were sports-oriented. Besides internal activities periodically hold by each club, there are also interactions between external clubs (friendly matches between the softball, table tennis, and badminton clubs and external ones and those at the parent company). Besides sports ones, there are hobbies-oriented clubs, namely, eSports, Pokemon, and fishing clubs. In 2020, in Tainan, the Audio-visual Club and the LOHAS club were formed, too. Their accomplishments were presented during the year-end party. Employee prove that they are living their life seriously besides work. Laughters of colleagues are the demonstration of a happy Wiwynn.

4.3 Human Capital Development

Improve manpower quality to meet the growth demand of the Company

- Enhance employee functions: Plan educational training resources, take advantage of the E learning platform and shape the learning environment to facilitate practice so that personal career development may be combined with the development of the Company.
- Boost the international horizon and competitiveness of employees: The Company deals with mostly international customers and hence developing international talent and adequately authorizing the opportunities for creativity will help employees perform and grow and learn to communicate and make decisions on the basis of the international horizon.
- Cross-departmental knowledge platform encourages employees to get exposed to knowledge from different units through project- based team operation and develop different specialties, such as the rotation mechanism – from product development (RD) to product management (PM) and from product management (PM) to sales.
- Introduce outstanding talent to join Wiwynn to fill critical positions and to excel in key capabilities that help expedite the organizational development pace.

Combine organizational performance, personal performance management, and incentive and reward systems

- The organizational performance reaches out from top down to ensure that someone is there to undertake organizational KPI.
- The Company has the performance prize and employee bonus systems in place where the prize and bonus are released to individuals according to their performance and the operational status of the Company.
- Employee stock option: It is released to hopefully closely combine personal career planning of employees with the operational prospects of the Company by enabling them to share both the risks and operational accomplishments. Qualified employees are issued appropriate shares according to suggestions from their supervisors reflective of their competency, loyalty, and importance to the Company in its long-term development as well as their influence.
- Peer reviews take place throughout the Company on a yearly basis. Colleagues with growth potential will be entitled to more opportunities to grow, to take part in decision-making, to have enhanced functions and responsibilities, to expand the scope of their work and their position at work.

Encourage employees to be brave to innovate and implement innovations

Wiwynn cares about the employee development and hopes that all employees can be innovative. In addition to each project execution, employees are encouraged to apply innovation in their daily life, too. They do not have to be afraid of failure and each implementation is an innovative experience. The Company holds contests from time to time to inspire colleagues' creativity and potential. Each event is backed with the deepest expectations and anticipations of the Company. In 2019, Wiwynn formed teams to take part in Hackathon jointly held by Wistron and Microsoft. Among the 35 teams, Wiwynn won the championship and the second place. The colleagues showed off the Company's bravery in innovation and taking challenges.

Creativity contest

Presentations

Value employee communication to hold the team together

Kick-off Meeting	In the beginning of each year, two kick-off meetings are held for supervisors at the department or a higher level and all employees so that the supervisors can know where the Company is headed and its goals to ensure consistency in the execution of goals. For all employees, they can also know the operational status and goals of the Company.
Workshop for new hires	The Company cares about helping new hires get on board quickly after they start working for the Company. Besides periodic questionnaires that are distributed through the system at one week, one month, and three months following initiation of their work, for colleagues that have worked for the Company for at least three months, there are the workshop for new hires. New colleagues are invited to attend it and provide advice or bring forth their inquiries about the Company during the workshop that is participated in also supervisors such as the President and the CEO, the Chief Technology Officer, and the head of human resource and they will get feedback from the attending supervisors. Satisfaction with the workshop for new hires was 4.78 (out of 5).
One-on-One Meeting	High-ranking supervisors throughout the Company will give an hour to meet with departmental heads each month where the latter can pass over what their subordinates have to say or suggest. High-ranking supervisors can also take advantage of the one-on-one meeting to know what these heads are thinking and share with them management tips. Periodic meetings help move away communication blocks.

Complete training system and opportunity to learn and develop

Wiwynn cares about the diversified career development and planning of talent and employees in all functions. Employees' managerial and professional capabilities are enhanced through the Top 7 training systems to help with core managerial/professional functions.

Diversified language learning channels and themed workshops are provided to enhance the international competitiveness of colleagues. Meanwhile, there is the internal lecturer system to fulfill knowledge relay and realize learning while teaching. Experiential learning featuring guidance for new people and cultural shaping helps new hires shorten their learning curve and quickly get integrated in the corporate culture.

Employees can enhance the required managerial/professional talent during respective stages of career development through in-service training and internal/external training resources and learn and enrich themselves at any time taking advantage of the diversified online program. The latest R&D technologies are exchanged through internal TechDay. Wiwynners are eager to learn, share, innovate, work as a team, and seek common good!

On-job-training

External lecturers or technology partners are invited from time to time to give a speech at the respective department. And there are the internal presentation and group seminars to share experiences.

Sponsorship for language courses

English learning is free. Colleagues can sign up for the Company held internal English courses or improve their English with online resources. English tests take place twice a year to help colleagues to understand their ability periodically.

Countless free workshops

Health preservation tips, presentation skills, emotional management, among other diversified topics.

Counselor

Each new hire is assigned a counselor to help with quick knowledge of the Company and to save the time needed for learning and adaptation so that all new hires can quickly get integrated in the corporate culture.

Training for supervisors

Kick off Meeting

Training on presentation skills

The President and CEO grooms to and develops many successors and most of them are already working for the Company as first-line supervisors. She lectures in person during training sessions and shares experiences. All colleagues can feel the vibes demonstrated by the President and CEO in class and the passion demonstrated about cultural relay and the effort in developing succeeding generations. This is also why supervisors at Wiwynn pay attention to what they do and say. High-ranking supervisors also highly value the relay of experiences. Therefore, they appear as lecturers in many training courses and the internal training courses organized by respective units. They spare no effort in developing succeeding generations. Besides lecturing in person, the President and CEO care about the overall educational training throughout the Company, too. The training program is reviewed reflective of the needs of respective department and those of the Company in its development on a yearly basis and a training program worth over NT$1 million is introduced from outside the Company. It is Wiwynn's culture to encourage colleagues to learn. In case of any training program on a transfer, the supervisor will help arrange proxies at work so that employees can attend it. As such, the number of training hours fulfilled by each colleague is superior to the industrial requirement. Wiwynn believes that training is an important indicator of enhanced manpower quality and also better defines the future for employees in their future career development.

2019 training accomplishments

Each employee of Wiwynn receives training that is worth NT$ 8,000 on average in 2019. The number of training hours fulfilled for managerial functions exceeded 30, the mean among indirect staff as a whole over 20, and that among full-time staff exceeding 17.

Employees trained throughout 2019 by the category and gender and the mean number of training hours fulfilled

Item/Gender		Total number	Total training hours	Mean training hours
Managerial function	Male	70	2275.6	32.51
	Female	19	911.35	47.91
Indirect manpower	Male	438	7048.51	16.09
	Female	228	5182.71	22.73
Direct manpower	Male	179	2029.9	11.47
	Female	199	2318.49	11.53

Calculation formula: Mean training hours for the year in the said category = Total training hours for the year in the said category/total number of people for the year in the said category.

Mean cost of training for employees in 2019

Item	Overall cost (NT$)	Mean cost (NT$)
Male	5,560,274	8,094
Female	3,609,726	8,094
Total	9,170,000	8,094

Calculation formula: Mean cost for the year in the said category = Total cost for the year in the said category/total number of people for the year in the said category.

Emphasis over training for R&D staff

The Company has designed diversified face-to-face, online, external R&D professional training courses that are required or elective for new R&D people depending on their function. In addition, the R&D team invites contractors to give speeches on latest knowledge or products in the Company from time to time and will hold project workshops to exchange opinions that enhance their knowledge and skills in research and development.

1 Engineer to stand on the stage and demonstrate his/her own design

For those who aim to work in the IT industry of Taiwan, Wiwynn is definitely a stage that enables them to express their ideas and opinions and to have the products of their design to be extensively utilized and shine. The whole value chain of the IT industry has gone through a lot of changes because of the appearance of cloud computing and it has re-defined the IT industry in Taiwan, too. A majority of the production value in the IT industry of Taiwan came from ODM business model. The OEMs decide the specifications of products and engineers did not have much autonomy over the specifications and could not control why the products were designed. As a result, despite the improving ODM capability, the autonomous perspective was gradually tamed by the brand owner. Eventually, they lost the ability to innovate.

Unlike ODM, Wiwynn had the opportunity to get exposed to users of products directly and could see proudly how the servers they designed being used! Besides dealing with customers and gets involved while each customers' application is being designed, the employees of Wiwynn have to accommodate the access habits of social media users by designing cloud servers that are energy and electricity saving and with excessive audiovisual features and pictures that are beyond imagination for the eventually enhanced storage and computing efficacy. By discussing specifications and design proposals, R&D staff will feel that each of their products is given life and know what they are working for and the specific application.

2 Cross-disciplinary learning and the bravery in breaking through encouraged

Having insights over the demand of cloud application for servers and designing a product that meets the needs of international customers are required skills expected of Wiwynn's R&D staff. In other words, professionalism is no longer limited to the original major that they are good at. They, including the engineers, need to communicate with foreign customers and must spontaneously expand the width of learning beyond boundaries. A software engineer, for example, must also have a further understanding of hardware design and care about hardware applications in order to be prepared for questions from customers in different fields. Therefore, Wiwynn's employees are encouraged to be brave and to work with talent in different fields and must be willing to break through learning boundaries. During in-service training, Wiwynn encourages its people to be engaged in cross-functional learning and thinking and to apply them to design in order to quickly accumulate knowledge and to effectively enhance the speed and quality of research and development.

Company Product Show Room

Laboratory

Performance management and development

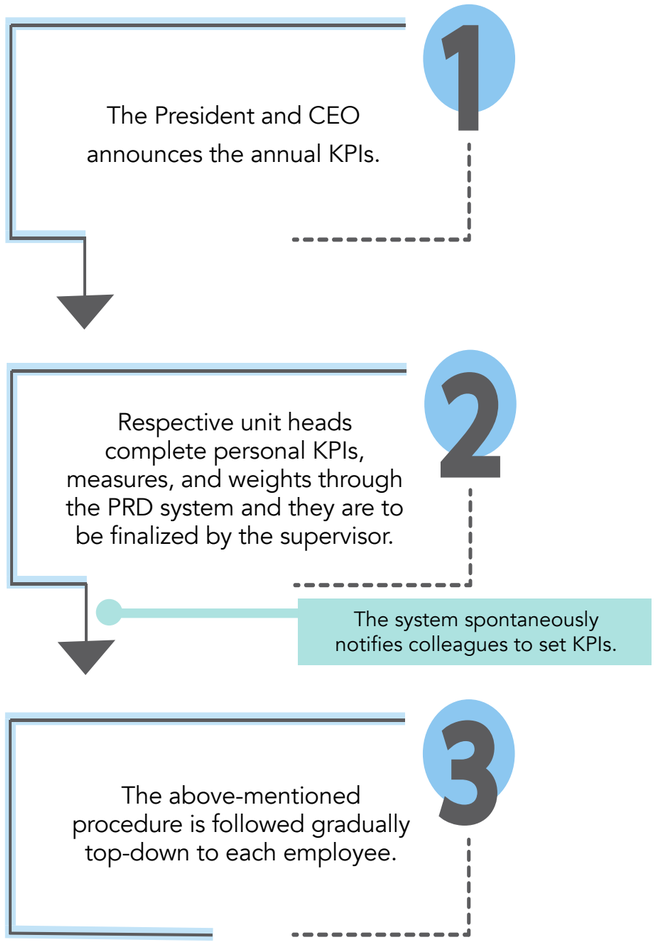
The goal management and performance evaluation at Wiwynn include "goal-setting in the beginning of term" and the periodic semi-annual performance evaluation and interview and is meant to examine the performance of its people at work and to provide adequate incentives or promotions. All employees of the Company are entitled to the performance evaluation. Except for colleagues yet to have worked for the Company for three months during performance evaluation, the requirements shall apply to all the other employees and aim to develop phased employee core specialties that help with comprehensive enhancement of the competitive advantages of the organization and strengthen the proactive bilateral communication between employees and supervisors and assist in the individual performance of employees and their professional career development for enhanced organizational efficacy.

In order to boost the personal career development of employees, employees are encouraged to get exposed to knowledge from different units through project-based team operation and develop different specialties. The Company is devoted to promoting internal talent flows, such as the rotation mechanism –from product development (RD) to product management (PM) and from product management (PM) to sales; up to 24 people rotated their jobs internally throughout 2019.

Performance review and development

Assistance is provided to employees in truly enforcing key performance indicators (KPIs), developing core competencies expected of them, communicating with their supervisors regarding performance, and enhancing their extent of involvement in and sense of affiliation with the performance system. Finally, it is hoped that assistance may be provided to employees so that they may improve their performance at work and successfully develop their career for enhanced organizational efficacy. In order to fulfill/accomplish the annual goals of the organization, the Company prepares the annual unit/personal goals (KPIs) according to the annual organizational goals and the goals for high-ranking supervisors. Such KPIs are also the criteria for performance evaluation in the middle and at the end of the year for employees in order to ensure the specificity and fairness of performance evaluation. When setting annual KPIs, supervisors and employees can discuss their career development together. During the annual KPI review, the implementation status of employees is also understood. Employees can also ask about the opinions and feedback from supervisors through the system.

Performance review and development implementation procedure



4.4 Occupational Safety and Health

Industrial safety management framework and system

The Wiwynn Taipei Headquareters has an Occupational Safety and Health Committee that meets on a quarterly basis where issues inside the Company about occupational safety and health are discussed. The Committee consists of occupational safety and health managers, health managers, and labor representatives, 9 members in total; among them are three labor representatives, which is one-third of all members. The Occupational Safety and Health Committee at the Tainan Branch consists of eight labor representatives, that is, more than one-third of all members.

Occupational safety and prevention against injuries

No industrial casualties occurred at the Taipei Headquarters and the Tainan Branch of Wiwynn throughout 2019. The ISO 45001 Occupational Safety and Health Management System was introduced at Wiwynn. The occupational safety and health educational training is enforced 100% for new hires and the Occupational Safety and Health Committee meeting is called for periodically to communicate safety and health-related matters. The casualties at the Taipei Headquarters dropped 15% in 2019 from the preceding year and the rate of missed work dropped 58%. There were no disability and injury-related incidents at the Tainan Branch in 2019. The industrial injury rate was 0.

Statistics of occupational hazards at the Taipei Headquarters

Year	Calculation rule	2017	2018	2019
Industrial injury rate (IR)	(Total disability and injury-related incidents among women/total hours worked among women)*200,000	0	0	0
	(Total disability and injury-related incidents among men/total hours worked among men)*200,000	0.66	0.28	0.24
	(Total disability and injury-related incidents/total hours worked)*200,000	0.50	0.20	0.17
Occupational disease rate (ODR)	(Total occupational diseases among women/total hours worked among women)*200,000	0	0	0
	(Total occupational diseases among men/total number of hours worked among men)*200,000	0	0	0
	(Total occupational diseases/total hours worked) * 200,000	0	0	0
Ratio of days lost due to missed work rate (LDR)	(Total days lost at work among women/total hours worked among women)*200,000	0	0	0
	(Total days lost at work among men/total hours worked among men)*200,000	30.42	1.12	0.49
	(Total days lost at work /total hours worked)*200,000	22.97	0.81	0.34
Absence rate	(Days missed at work among women/total working days throughout the year among women)*100%	0.84	0.97	3.98
	(Days missed at work among men/total working days throughout the year among men)*100%	0.35	0.45	1.40
	(Days missed at work/total working days throughout the year among all employees)*100%	0.48	0.60	2.17
Number of deaths throughout the year		0	0	0

Note:
1.The industrial injury rate does not include traffic accidents to and back from work.
2.Days missed at work refer to those on industrial injury leave and sick leave.

Statistics of occupational hazards at the Tainan Branch

Year	Calculation rule	2019
Industrial injury rate (IR)	(Total disability and injury-related incidents among women/total hours worked among women)*200,000	0
	(Total disability and injury-related incidents among men/total hours worked among men)*200,000	0
	(Total disability and injury-related incidents/total hours worked)*200,000	0
Occupational disease rate (ODR)	(Total occupational diseases among women/total hours worked among women)*200,000	0
	(Total occupational diseases among men/total number of hours worked among men)*200,000	0
	(Total occupational diseases/total hours worked) * 200,000	0
Ratio of days lost due to missed work rate (LDR)	(Total days lost at work among women/total hours worked among women)*200,000	0
	(Total days lost at work among men/total hours worked among men)*200,000	0
	(Total days lost at work /total hours worked)*200,000	0
Absence rate	(Days missed at work among women/total working days throughout the year among women)*100%	1.55%
	(Days missed at work among men/total working days throughout the year among men)*100%	0.76%
	(Days missed at work/total working days throughout the year among all employees)*100%	1.11%
Number of deaths throughout the year		0

Note:
3.The industrial injury rate does not include traffic accidents to and back from work.
4.Days missed at work refer to those on industrial injury leave and sick leave.

Health monitoring and promotion

For the Tainan Branch of Wiwynn, a total of 24 people involved in ionizing radiation operations needed to complete the special health examination. They have completed the said special health examination and no one was diagnosed with occupational disease in 2019. For the Taipei Headquarters, on the other hand, there is the annual general health examination and a headcount of 511 people in total completed the examination in 2019.

General health examination items	Number of people having completed the general health examination	Cost of general health examination
Physical exam, ophthalmology, general performance, blood, urine, stool, cancer indicators, heart, lung, hepatobiliary, and kidney function tests	2017 387 person 2018 476 person 2019 511 person	NT1,800 NT1,800 NT1,900

In 2019, employees took part in a total of eight marathons co-organized by the Group and they completed the runs from start to end every time.

In 2019, there were the pressure-relieving DIY workshop and the comforting workshop for the heart and the mind. There was the sleep workshop. Employees took part in the Group's Power Cup sports event and won the third place in softball and second place in table tennis.

The fat loss event was held in 2019, with 137 participants in total. They lost 239 kg of body fat combined.

Dietitians were invited to lecture on a healthy diet and host the workshop. There was the healthy salad can DIY.

The blood donation campaign took place at the Dongke Building in April 2019 and charity blood donation took place at the Tainan branch in November. The goal was to collect 70 bags of blood but it turned out that the actual amount of blood reached 77 bags in total.

Involvement in science park-wide occupational safety-related campaigns

Time	Name of meeting	Participating units and number of participants
October 14, 2019	Hands-on operation training for the creation of the earthquake pre-warning and smart disease prevention system database.	ESH and FAC, three in total
August 30, 2019	Southern Taiwan Science Park health risk evaluation form instructions.	ESH, 1
January 31, 2020	The Southern Taiwan Science Park Administration's "COVID-19 Prevention and Control" Campaign.	ESH, 1

Special Edition on Sustainable Manpower – Employee Assistance Program (EAP)

Wiwynn cares about the health of each employee on the job market and has been planning since 2018 and started to enforce the Employee Assistance Program (EAP) at the end of 2019. The EAP is designed for the workplace and meant to help employees solve personal issues that affect their performance at work, such as troubles in life, financial planning, insurance issues, among others. The Company provides employees with consultation, information, and referrals so that they can receive adequate supportive service.

In light of the professionalism of each type of service and to respect employees' privacy, it is outsourced and is kept confidential throughout the process; this is to prevent against colleagues feeling embarrassed as the latter will hinder addressing of their troubles in life. Colleagues can feel assured while seeking assistance this way.

This solution helps care for employees concurrently so that they can steadily grow with the Company, promotes harmony in the workplace, and enhances competitive advantages of the organization so that colleagues can reach a balance between work and life. The ultimate goal is to boost the overall development of the Company.

CHAPTER 5

SUSTAINABLE SOCIETY

- Social Care
- Industrial Co-prosperity
- Special Edition on Sustainable Society - Wiwynn Donates to High Performance Computing Center of National Chiao Tung University to Reinforce Industrial-Academy Collaboration

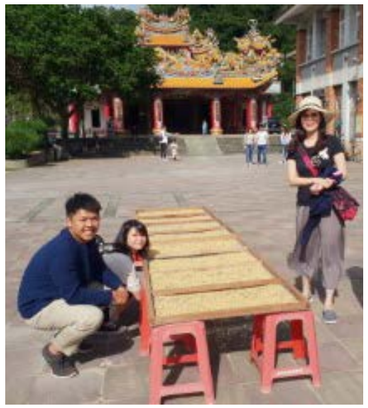
5.1 Social Care

Starting in 2013, Wiwynn has been donating together with Wistron every Moon Festival and Dragon Boat Festival and making other donations regularly on a yearly basis. Since 2013, 634 boxes of gifts have been given away and colleagues spontaneously donate each year to have accumulated NT$480 thousand in total.

Honey souvenir co-produced by Taiwan Good Foundation and small farmers in 2018.

During the Dragon Boat Festival, together with Wistron, 54 portions of rice dumplings were donated to the Christian Fund for Children and Families and the Hondao Senior Citizen Welfare Foundation and additional 42 portions to the Family Support Center in Xizhi.

During the Moon Festival, together with Wistron, 52 boxes of moon cakes were donated to Christian Church, the Christian Fund for Children and Families and the Hondao Senior Citizen Welfare Foundation for disadvantaged families.



November 2019
Colleagues of Wiwynn visited the Chaoyang Community in Yilan to understand people's life there and help them harvest coffee and let it dry in the sun. They experienced how to bake the coffee beans, too.

November 2019
Colleagues of Wiwynn went to the Shanshuimi Community in Miaoli to help local farmers harvest and process rice.

December 23 through 25, 2019
Charity commodities were purchased from the Syin-Lu Social Welfare Foundation, Eden Social Welfare Foundation, and Child Welfare League Foundation and given away as gifts during the Christmas season to colleagues through the gashapon.

5.2 Industrial Co-prosperity

Proactive involvement in the industry

Wiwynn proactively takes part in international organizations in order to make the best of its influence on the industry and to keep track of the latest technological developments at all times. On the other hand, we take part in related business associations to sufficiently exchange with counterparts and form a reciprocal collaborative relationship, including membership of external organizations, such as the Open Networking Foundation (ONF), the Open Compute Project (OCP), the O-RAN Alliance, the Cloud Computing & IoT Association in Taiwan, the Taipei Computer Association, and the Allied Association for Science Park Industries.

Open Compute Project

The President and CEO of Wiwynn, Ms. Emily Hong is the chairperson of the Taiwan chapter of the Open Compute Project (OCP) in 2019 (stepped down already). The OCP is an organization for the technical development of an open framework of data centers. Through the open source software and hardware design of data centers, OCP attracts companies in the industry to jointly develop and design technologies to enhance the efficiency and reduce energy consumption for data centers. Taiwan is known to the world for its IT hardware design and manufacturing capabilities. In terms of the design and manufacture of servers, in particular, it possesses the technicality and market share unparalleled around the world. By promoting within OCP community will help include the technologies that Taiwan specializes in in the OCP standards. The open source community brings in business opportunities in the data center supply chain. It also assists community members to expand the international market and keep track of the cutting-edge hardware standards, specifications and technology trends effectively for the developmental of the next generation cloud data centers.

Special Edition on Sustainable Society - Wiwynn Donates to High Performance Computing Center of National Chiao Tung University Tainan Campus to Reinforce Industrial- Academia Collaboration

Jointly with two Taiwanese companies, Wiwynn donated to the Tainan Campus of National Chiao Tung University the High Performance Computing Center (HPC Center) worth NT$ 60 million for use in teaching and research by the College of Artificial Intelligence and Green Energy and the College of Photonics. The Company attended the donation ceremony at the Tainan Campus of National Chiao Tung University on the afternoon of November 18, 2019. The industry and the academia work together to contribute to the development of artificial intelligence technology in Taiwan.

The President and CEO of Wiwynn, Ms. Emily Hong indicated that: "Wiwynn continues to invest and develop in the cloud data center industry and constantly work with the academic community to cultivate advanced technology development. Personally I am honored to be able to work with National Chiao Tung University. The high performance computing server designed for artificial intelligence and advanced computing helps with the research and development of the National Chiao Tung University in the AI field and supports related teaching in order to develop outstanding talent and to enhance the overall industrial technical capabilities. In the future, Wiwynn will continue to invest in Tainan by getting involved in more industry-academia collaboration projects. Combining the advanced laboratory of Wiwynn's Tainan Branch and the abundant academia-industry-research institutions such as the National Chiao Tung University in Tainan, we can create the innovation center that covers R&D, manufacturing, and product maintenance in Tainan."

Acting President Sin-Horng Chen of National Chiao Tung University indicated that "The National Chiao Tung University has a solid foundation in academic research in the field of AI. The College of Artificial Intelligence and Green Energy was set up on the Tainan campus with consolidation of shred innovation, development, and practical research as its core belief. I would like to thank the industry and alumni for closely following on and generously supporting the construction of the HPC Center, which will not only help with the development of the Tainan campus but also significantly enhance the overall competitive advantages of the National Chiao Tung University."

Wiwynn invested in and set up the branch office in the Tainan Park of the Southern Taiwan Science Park in January 2019 and started mass production of servers in June. Besides continuing to expand and optimize the production capability, the Company configured the smart R&D laboratory, new product introduction (NPI) lines, global product failure analysis laboratory, and Asia-Pacific after-sales service and maintenance center at the same time.

Wiwynn donated a total of 13 high performance computing servers - SV500G3 which is designed for artificial intelligence/deep learning applications. By combining Wiwynn's advanced cloud data center infrastructure technologies, the server cluster provide more than 11.6 Peta Flops computing power within only two racks and 36KW power consumption. The server cluster enables large-scale parallel AI computing in the most effective way and create an advanced HPC Center featuring both power efficiency and computing efficacy.

CHAPTER 6

APPENDIX

- Appendix 1: GRI Sustainability Reporting Standards (the GRI Standards) Reference Table
- Appendix 2: Reference Table of Items to be Disclosed as Defined in the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies of the Taiwan Stock Exchange.

6.1 Appendix 1: GRI Sustainability Reporting Standards (the GRI Standards) Reference Table

"*" means important topic

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
Organizational overview					
GRI102 General disclosure: Core	102-1	Name of organization	About this Report	2	
	102-2	Activities, brands, products, and services	1.1 About Wiwynn	34	
	102-3	Location of headquarters	1.1 About Wiwynn	34	
	102-4	Location of operations	1.1 About Wiwynn	34	
	102-5	Ownership and legal form	1.1 About Wiwynn	34	
	102-6	Markets served	1.1 About Wiwynn	34	
	102-7	Scale of the organization	1.1 About Wiwynn	34	
	102-8	Information of employees and other workers	4.1 The Wiwynn Family	93	
	102-9	Supply chain	1.6 Supply Chain Management	51	
	102-10	Significant changes to the organization and its supply chain	About this Report	2	
	102-11	Precautionary Principle or approach	1.5 Embracing Risks and Opportunities	47	
	102-12	External initiatives	About this Report 2019 Sustainability Performance and Results	2、5	
	102-13	Membership of associations and societies	5.2 Industrial Co-prosperity	116	
Strategy					
GRI102 General disclosure: Core	102-14	Statement from senior decision-maker	A Message from the President & CEO	4	
GRI102 General disclosure: Comprehensive	102-15	Key impacts, risks, and opportunities	1.5 Embracing Risks and Opportunities	47	
Ethics and Integrity					
GRI102 General disclosure: Core	102-16	Values, principles, standards, and norms of behavior	1.3 Ethical Management	43	
GRI102 General disclosure: Comprehensive	102-17	Mechanisms for advice and concerns about ethics	1.3 Ethical Management	43	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
Governance					
GRI102 General disclosure: Core	102-18	Governance structure	1.2 Corporate Governance	37	
GRI102 General disclosure: Comprehensive	102-22	Composition of the highest governance body and its committees	1.2 Corporate Governance	37	
	102-23	Chair of the highest governance body	1.2 Corporate Governance	37	
	102-24	Nominating and selecting the highest governance body	1.2 Corporate Governance	37	
	102-25	Conflicts of interest	1.3 Ethical Management	43	
	102-26	Role of highest governance body in setting purpose, values, and strategy	1.3 Ethical Management	43	
	102-27	Collective knowledge of highest governance body	1.2 Corporate Governance	37	
	102-28	Evaluating the highest governance body's performance	1.2 Corporate Governance	37	
	102-30	Effectiveness of risk management processes	1.5 Embracing Risks and Opportunities	47	
	102-35	Remuneration policy	1.2 Corporate Governance	37	
	102-36	Process for determining remuneration	1.2 Corporate Governance	37	
Communication with Stakeholders					
GRI102 General disclosure: Core	102-40	List of stakeholder groups	Stakeholder Identification and Engagement	14	
	102-41	Collective bargaining agreements	-		No labor union
	102-42	Identifying and selecting stakeholders	Stakeholder Identification and Engagement	14	
	102-43	Approach to stakeholder engagement	Stakeholder Identification and Engagement	14	
	102-44	Key topics and concerns raised	Stakeholder Identification and Engagement	14	
Reporting Practice					
GRI102 General disclosure: Core	102-45	Entities included in the consolidated financial statements	1.1 About Wiwynn	34	
	102-46	Defining report content and topic Boundaries	About this Report Materiality Analysis and Boundaries of Topics	2、19	
	102-47	List of material topics	Materiality Analysis and Boundaries of Topics	19	
	102-48	Restatements of information	About this Report	2	
	102-49	Changes in reporting	About this Report	2	
	102-50	Reporting period	About this Report	2	
	102-51	Date of most recent report	About this Report	2	
	102-52	Reporting cycle	About this Report	2	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
GRI102 General disclosure: Core	102-53	Contact point for questions regarding the report	About this Report	2	
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report	2	
	102-55	GRI content index	6 Appendix	118	
	102-56	External assurance	About this Report	2	
Specific Topic Standards: 200 Series (Economic Topics)					
*** Economic performance**					
GRI103 Economic performance management policy	103-01	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	102-02	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	102-03	Evaluation of the management approach	Sustainability Target Management Sustainable Governance Management Policy	23、31	
GRI201 Economic performance topic disclosure	201-1	Direct economic value generated and distributed	1.4 Business Strategies and Performance	46	
	201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Strategy	78	
	201-3	Define benefit plan obligations and other retirement plans	4.2 Happy Wiwynn	98	
	201-4	Financial assistance received from government	1.4 Business Strategies and Performance	46	
Market position					
GRI202 Market position topic disclosure	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2 Happy Wiwynn	98	
	202-2	Proportion of senior management hired from the local community	4.1 The Wiwynn Family	93	
Indirect economic impact					
GRI203 Indirect economic impact topic disclosure	203-1	Infrastructure investments and services supported	5.1 Social Care / 5.2 Industrial Co-prosperity	115、116	
	203-2	Significant indirect economic impacts	-		None
Anti-corruption					
GRI205 Anti-corruption topic disclosure	205-2	Communication and training about anti-corruption policies and procedures	1.3 Ethical Management	43	
	205-3	Confirmed incidents of corruption and actions taken	1.3 Ethical Management	43	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
Anti-competitive Behavior					
GRI206 Anti-competitive behavior topic disclosure	206-1	Legal actions for anti-competitive behavior,anti-trust, and monopoly practices	1.3 Ethical Management	43	
Specific Topic Standards: 300 Series (Environmental Topics)					
Supplies					
GRI 301 Topic disclosure on supplies	301-1	Materials used by weight or volume	3.4 Electronic Waste Management	86	
	301-2	Recycled input materials use	3.4 Electronic Waste Management	86	
	301-3	Reclaimed products and their packing materials	3.4 Electronic Waste Management	86	
Energy					
GRI302 Topic disclosure on energy	302-1	Energy consumption within the organization	3.2 Energy and Greenhouse Gas Emission Management	82	
	302-3	Energy intensity	3.2 Energy and Greenhouse Gas Emission Management	82	
	302-4	Reduction of energy consumption	3.2 Energy and Greenhouse Gas Emission Management Special Edition on Sustainable Environment -Energy-Saving Rack Laboratory	82、88	
	302-5	Reductions in energy requirements of products and services	2.1 Sustainable Product Innovation, Research and Management	58	
Water					
GRI 303 Topic disclosure on water	303-1	Water withdrawal by source	3.3 Water Resource Management	85	
	303-2	Water sources significantly affected by withdrawal of water	3.3 Water Resource Management	85	
	303-3	Water recycled and reused	3.3 Water Resource Management	85	
Biodiversity					
GRI 303 Biodiversity topic disclosure	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	None
	304-2	Significant impacts of activities, products, and services on biodiversity	-	-	None
	304-3	Habitats protected or restored	3.5 Environmental Protection Performance	87	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	None

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
Emission					
GRI 305 Topic disclosure on emission	305-1	Direct (Scope 1) GHG emissions	3.2 Energy and Greenhouse Gas Emission Management	82	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Energy and Greenhouse Gas Emission Management	82	
	305-3	Other Indirect (Scope 3) GHG emissions	3.2 Energy and Greenhouse Gas Emission Management	82	
	305-4	GHG emissions intensity	3.2 Energy and Greenhouse Gas Emission Management	82	
	305-5	Reduction of GHG emissions	3.2 Energy and Greenhouse Gas Emission Management	82	
	305-6	Emissions of ozone-depleting substances (ODS)	3.5 Environmental Protection Performance	87	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.5 Environmental Protection Performance	87	
Waste sewage and waste					
GRI 306 Waste sewage and waste topic disclosure	306-1	Waste generation and significant waste-related impacts	3.3 Water Resource Management	85	
	306-2	Management of significant waste-related impacts	3.4 Electronic Waste Management	86	
	306-3	Waste generated	3.5 Environmental Protection Performance	87	
	306-4	Waste diverted from disposal	3.4 Electronic Waste Management	86	
	306-5	Waste directed to disposal	3.5 Environmental Protection Performance	87	
*** Compliance with applicable environmental protection laws and regulations**					
GRI 103 Compliance with applicable environmental protection laws and regulations management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Environmental Management Policy	74	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Environmental Management Policy	23 、74	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Environmental Management Policy	23 、74	
GRI 307 Compliance with applicable environmental protection laws and regulations topic disclosure	307-1	Non-compliance with environmental laws and regulations	1.3 Ethical Management 3.5 Environmental Protection Performance	43 、87	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
Supplier environmental assessment					
GRI 308 Supplier environmental assessment topic disclosure	308-1	New suppliers that were screened using environmental criteria	1.6 Supply Chain Management	51	
	308-2	Negative environmental impacts in the supply chain and actions taken	1.6 Supply Chain Management	51	
Specific Topic Standards: 400 Series (Social Topics)					
*** Employer-employee relationship**					
GRI 103 Employer-employee relationship management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Manpower Management Policy	90	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
GRI 401 Employer-employee relationship topic disclosure	401-1	New employee hires and employee turnover	4.1 The Wiwynn Family	93	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Happy Wiwynn	98	
	401-3	Parental leave	4.2 Happy Wiwynn	98	
*** Labor-management relations**					
GRI 103 Labor-management relations management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Manpower Management Policy	90	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
GRI 402 Labor-management relations topic disclosure	402-1	Minimum notice periods regarding operational changes	4.1 The Wiwynn Family	93	
*** Occupational safety and health**					
GRI 103 Occupational safety and health management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Manpower Management Policy	90	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Manpower Management Policy	23、90	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
GRI 403 Occupational safety and health topic disclosure	403-1	Workers representation in formal joint management–worker health and safety committees	4.4 Occupational Safety and Health	111	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.4 Occupational Safety and Health	111	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	4.4 Occupational Safety and Health	111	
	403-4	Health and safety topics covered in formal agreements with trade unions	-		No labor union
* Training and education					
GRI 103 Training and education management policy	103-1	Explanation of the material topic and its Boundary	Sustainable manpower management policy	90	
	103-2	The management approach and its components	Sustainability Target Management Sustainable manpower management policy	23、90	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable manpower management policy	23、90	
GRI 404 Training and education topic disclosure	404-1	Waste generation and significant waste-related impacts	4.3 Human Capital Development	103	
	404-2	Management of significant waste-related impacts	4.3 Human Capital Development	103	
	404-3	Waste generated	4.3 Human Capital Development	103	
Employee diversification and equal opportunity					
GRI 405 Employee diversification and equal opportunity topic disclosure	405-1	Diversity of governance bodies and employees	1.2 Corporate Governance 4.1 The Wiwynn Family	37、93	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Happy Wiwynn	98	
Non-discrimination					
GRI 406 Non-discrimination topic disclosure	406-1	Incidents of discrimination and corrective actions taken	4.1 The Wiwynn Family	93	
Freedom of assembly and group negotiation					
GRI 407 Freedom of assembly and group negotiation topic disclosure	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1 The Wiwynn Family	93	
Child labor					
GRI 408 Child labor topic disclosure	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 The Wiwynn Family	93	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
Forced or compulsory labor					
GRI 409 Forced or compulsory labor topic disclosure	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1 The Wiwynn Family	93	
Security practice					
GRI 410 Security practice topic disclosure	410-1	Security personnel trained in human rights policies or procedures	4.1 The Wiwynn Family	93	
Rights of indigenous people					
GRI 411 Topic disclosure on the rights of indigenous people	411-1	Incidents of violations involving rights of indigenous peoples	4.1 The Wiwynn Family	93	
Human rights assessment					
GRI 412 Human rights assessment topic disclosure	412-1	Operations that have been subject to human rights reviews or impact assessments	CSR management / 4.1 The Wiwynn Family	9、93	
	412-2	Employee training on human rights policies or procedures	CSR management / 4.1 The Wiwynn Family	9、93	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	4.1 The Wiwynn Family	93	
Local community					
GRI 413 Local community topic disclosure	413-1	Operations with local community engagement, impact assessments, and development programs	5.1 Social Care / 5.2 Industrial Co-prosperity	115、116	
	413-2	Operations with significant actual and potential negative impacts on local communities	-		None
Supplier Societal Assessment					
GRI 414 Supplier social assessment topic disclosure	414-1	New suppliers that were screened using social criteria	1.6 Supply Chain Management	51	
	414-2	Negative social impacts in the supply chain and actions taken	1.6 Supply Chain Management	51	
Public policy					
GRI 415 Public policy topic disclosure	415-1	Political contributions	1.3 Ethical Management	43	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
*** Customer's health and safety**					
GRI 103 Customer's health and safety management policy	103-1	Explanation of the material topic and its Boundary	2.1 Product Innovation, Research and Development, and Management	58	
	103-2	The management approach and its components	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23 、 58	
	103-3	Evaluation of the management approach	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23 、 58	
GRI 416 Customer's health and safety topic disclosure	416-1	Assessment of the health and safety impacts of product and service categories	2.1 Product Innovation, Research and Development, and Management	58	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.3 Ethical Management	43	
*** Marketing and labeling**					
GRI 417 Marketing and labeling topic disclosure	417-1	Requirements for product and service information and labeling	2.1 Product Innovation, Research and Development, and Management	58	
	417-2	Incidents of non-compliance concerning product and service information and labeling	1.3 Ethical Management	43	
	417-3	Incidents of non-compliance concerning marketing communications	1.3 Ethical Management	43	
*** Client privacy**					
GRI 103 Customer privacy management policy	103-1	Explanation of the material topic and its Boundary	2.2 Management of Customer Relations	67	
	103-2	The management approach and its components	Sustainability Target Management 2.2 Management of Customer Relations	23、67	
	103-3	Evaluation of the management approach	Sustainability Target Management 2.2 Management of Customer Relations	23、67	
GRI 418 Customer privacy topic disclosure	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.2 Management of Customer Relations	67	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
*** Compliance with socioeconomic laws and regulations**					
GRI 103 Socioeconomic laws and regulations management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Governance Management Policy	23、31	
GRI 419 Compliance with socioeconomic laws and regulations topic disclosure	419-1	Non-compliance with laws and regulations in the social and economic area	1.3 Ethical Management	43	
*** Custom topic**					
*** Integrity-based management**					
GRI 103 Integrity-based management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Governance Management Policy	23、31	
*** Corporate governance**					
GRI 103 Corporate governance management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	103-3	Evaluation of the management approach	Sustainablity Target Management Sustainable Governance Management Policy	23、31	
*** Risk management**					
GRI 103 Risk management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Governance Management Policy	23、31	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
*** Controversial procurement**					
GRI 103 Controversial procurement management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Governance Management Policy	23、31	
*** Supply chain labor standards**					
GRI 103 Supply chain labor standards management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Governance Management Policy	31	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Governance Management Policy	23、31	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Governance Management Policy	23、31	
*** Product and service research, development, and innovation**					
GRI 103 Product and service research, development, and innovation management policy	103-1	Explanation of the material topic and its Boundary	2.1 Product Innovation, Research and Development, and Management	58	
	103-2	The management approach and its components	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23、58	
	103-3	Evaluation of the management approach	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23、58	
*** Intellectual property rights**					
GRI 103 Intellectual property right management policy	103-1	Explanation of the material topic and its Boundary	2.1 Product Innovation, Research and Development, and Management	58	
	103-2	The management approach and its components	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23、58	
	103-3	Evaluation of the management approach	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23、58	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
*** Sustainable product**					
GRI 103 Sustainable product management policy	103-1	Explanation of the material topic and its Boundary	2.1 Product Innovation, Research and Development, and Management	58	
	103-2	The management approach and its components	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23、58	
	103-3	Evaluation of the management approach	Sustainability Target Management 2.1 Product Innovation, Research and Development, and Management	23、58	
*** Electronic waste**					
GRI 103 Electronic waste management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Environmental Management Policy	74	
	103-2	The management approach and its components	Sustainablity Target Management Sustainable Environmental Management Policy	23、74	
	103-3	Evaluation of the management approach	Sustainablity Target Management Sustainable Environmental Management Policy	23、74	
*** Climate change strategy**					
GRI 103 Climate change strategy management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Environmental Management Policy	74	
	103-2	The management approach and its components	Sustainablity Target Management Sustainable Environmental Management Policy	23、74	
	103-3	Evaluation of the management approach	Sustainablity Target Management Sustainable Environmental Management Policy	23、74	
*** Clean energy opportunity**					
GRI 103 Clean energy opportunity management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Environmental Management Policy	74	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Environmental Management Policy	23、74	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Environmental Management Policy	23、74	

GRI Standards Category/Topic	No.	Information disclosed by the GRI Standards	Corresponding section	Page number	Omitted/ Remarks
*** Human capital development**					
GRI 103 Human capital development management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Manpower Management Policy	90	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
*** Labor management**					
GRI 103 Labor management policy	103-1	Explanation of the material topic and its Boundary	Sustainable Manpower Management Policy	90	
	103-2	The management approach and its components	Sustainability Target Management Sustainable Manpower Management Policy	23、90	
	103-3	Evaluation of the management approach	Sustainability Target Management Sustainable Manpower Management Policy	23、90	

6.2 Appendix 2: Reference Table of Items to be Disclosed as Defined in the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies of the Taiwan Stock Exchange.

Article 4 Paragraph 4	Corresponding section	Page number
The Company shall disclose the number of full-time employees not holding a managerial position, the mean salary and the median salary of the full-time employees not holding a managerial position, and the differences the foregoing three elements between this year and the preceding year.	4.2 Happy Wiwynn	98
Corporate governance status of climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, evaluate, and manage climate-related risks and the indicators and goals in the assessment and management of climate-related issues.	3.1 Climate Change Strategy	78