

## **Wistron NeWeb Corporation**

### **Sustainable Development Best Practice Principles**

#### **Chapter I General Principles**

- Article 1 In order to assist Wistron NeWeb Corporation (“WNC”) to fulfill its sustainable development initiatives and to promote a balance between economic, social, and environmental aspects and sustainable development, these Sustainable Development Best Practice Principles are hereby established according to the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and related laws and regulations.
- Article 2 These Principles apply to WNC, including the entire operations of WNC and its business groups. WNC shall actively pursue sustainable development in the course of its business operations so as to follow international trends and to contribute to the economic development of Taiwan, to improve the quality of life of employees, the community, and society by acting as a responsible corporate citizen and also to enhance its competitive edge based on principles of sustainable development.
- Article 3 In implementing sustainable development initiatives, WNC shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance.  
WNC shall conduct risk assessment on the environmental, social, and corporate governance issues related to company operations in accordance with materiality principles, and establish related risk management policies or strategies.
- Article 4 In the implementation of sustainable development initiatives, WNC should follow the principles below:
1. Exercise corporate governance.
  2. Foster a sustainable environment.
  3. Safeguard public welfare.
  4. Enhance disclosure of sustainable development information.
- Article 5 WNC shall take into consideration the development of domestic and international sustainability issues and corporate core business operations, and the effect of the operations of WNC and of its respective business groups as a whole on stakeholders, in establishing policies, systems, or relevant management guidelines and promotion plans for sustainable development initiatives, which shall be approved by the Board of Directors and then implemented. When a shareholder proposes a motion involving corporate social responsibility or sustainable development, WNC’s Board of Directors should review it and consider including it in the shareholders meeting agenda.

#### **Chapter II Implementing Corporate Governance**

- Article 6 WNC should follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/GTSM Listed Companies to establish an effective corporate governance framework and related ethical standards so as to enhance corporate governance.
- Article 7 The Board of Directors of WNC shall exercise the due care of good administrators to implement sustainable development initiatives, examine the results of implementation thereof from time to time, and make adjustments so as to ensure the continuing implementation of sustainable development policies. In

implementation of sustainable development initiatives, the Board should give full consideration to the interests of stakeholders, including the following matters:

1. Identifying WNC's sustainable development mission or vision and announcing sustainable development policies, systems, or relevant management guidelines;
2. Making sustainable development the guiding principle of WNC's operations and development, and approving promotion plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of sustainable development information disclosure.

Article 8 WNC should, on a regular basis, organize education and training on the implementation of sustainable development initiatives, including promotion of the matters described in paragraph 2 of the preceding article.

Article 9 For the purpose of managing sustainable development initiatives, WNC should establish an exclusively (or concurrently) dedicated unit to be in charge of implementing sustainable development governance frameworks as well as proposing and enforcing the sustainable development policies, systems, or relevant management guidelines and promotional plans and to report on the same to the Board of Directors on a periodic basis.

WNC should adopt reasonable remuneration policies to ensure that remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

The employee performance evaluation system should be combined with sustainable development policies and a clear and effective incentive and discipline system shall be established.

Article 10 WNC shall, based on respect for the rights and interests of stakeholders, identify stakeholders, establish a designated section for stakeholders on its website, and understand the reasonable expectations and demands of stakeholders through communication with them and shall adequately respond to important sustainable development issues which such parties are concerned with.

### **Chapter III Fostering a Sustainable Environment**

Article 11 WNC shall follow relevant environmental laws, regulations, and international standards to protect the environment and shall endeavor to promote environmental sustainability when engaging in business operations and internal management.

Article 12 WNC should endeavor to utilize all types of energy more efficiently and use renewable materials that have a low environmental impact so as to ensure the sustainable use of natural resources.

Article 13 WNC should establish environmental management systems based on the characteristics of its industry. Such systems shall include the following:

1. Collecting sufficient, up-to-date information to evaluate the impact of WNC's business operations on the environment.
2. Establishing measurable goals for environmental sustainability and examining whether the development of such goals should be maintained and whether that development is still relevant on a regular basis.
3. Adopting enforcement measures such as action plans, and examining execution results on a regular basis.

Article 14 WNC should establish a dedicated unit and assign dedicated personnel for the drafting, promoting, and maintaining of a dedicated management system and action plans and should hold environmental education courses for managers and other employees on a periodic basis.

Article 15 WNC should take into account the effect of business operations on eco-efficiency, promote and advocate sustainable consumption concepts, and conduct research and development, procurement, production, operations, and provide services in accordance with the following principles so as to reduce impact of its

business operations on the natural environment and on the people that live in it:

1. Reduce resource and energy consumption of its products and services.
2. Reduce emissions of pollutants, toxins, and wastes, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16 To improve water use efficiency, WNC shall use water resources in a sustainable manner and establish relevant management measures.

WNC shall construct and improve environmental protection treatment facilities to avoid generating water, air, and land pollution and make best efforts to reduce adverse impact on human health and the environment by adopting optimal pollution prevention and control measures.

Article 17 WNC should evaluate potential risks and opportunities posed by climate change to the company, and shall implement related response measures.

WNC should adopt standards or guidelines generally used in Taiwan and abroad to implement a greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by WNC.
2. Energy indirect greenhouse gas emissions: emissions resulting from the generation of purchased electricity, heating, or steam.
3. Other indirect greenhouse gas emissions: these emissions are a consequence of the activities of WNC, but occur from sources not owned or controlled by WNC.

WNC should compile data on the total amount of its greenhouse gas emissions, total amount of water usage, and total weight of waste produced, as well as establish policies regarding energy conservation, carbon reduction, greenhouse gas reduction, water usage reduction, and waste management. WNC shall also incorporate the obtaining of carbon credits into its carbon reduction strategy and take related actions in order to reduce the effect of WNC's operations on climate change.

#### **Chapter IV Safeguarding Public Welfare**

Article 18 WNC shall comply with relevant laws and regulations and the International Bill of Human Rights with respect to gender equality, the right to work, and prohibition of discrimination. To fulfill its responsibility to protect human rights WNC shall adopt relevant management policies and processes, including:

1. A corporate policy or statement on human rights.
2. Impact evaluation of WNC's business operations and internal management on human rights and corresponding handling processes.
3. Regular review of the effectiveness of company policies or statements on human rights.
4. In the event of any infringement of human rights, WNC shall disclose processes for addressing matters arising with respect to the stakeholders involved.

WNC shall comply with internationally recognized human rights concerning labor, including freedom of association, the right of collective bargaining, caring for vulnerable groups, forbidding child labor, eliminating all forms of forced labor, and eliminating recruitment and employment discrimination, and shall ensure that its human resources policies do not allow differential treatment based on gender, race, socioeconomic status, age, marital status, and family status to achieve equality and fairness in terms of employment, employment conditions, remuneration, benefits, training, evaluation, and promotion

opportunities.

WNC shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force in order to ensure equality and transparency. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The company shall respond to any employee's grievance in an appropriate manner.

Article 19 WNC shall provide information to its employees so that they have knowledge of the labor laws and rights they enjoy in the countries in which the company conducts its operations.

Article 20 WNC should provide a safe and healthy work environment for its employees, including necessary health and first aid facilities and shall endeavor to curb any danger to employees' safety and health and to prevent occupational accidents.

WNC should organize health and safety training for its employees on a regular basis.

Article 21 WNC should create an environment conducive to career development and establish effective training programs to foster career skills.

WNC shall establish and implement a reasonable employee benefits program (covering items such as salary, compensation, leave, and other benefits) and appropriately reflect business performance or achievements in employee remuneration to ensure the recruitment, retention, and motivation of employees and to achieve sustainable operations objectives.

Article 22 WNC should establish a platform to facilitate regular two-way communication between management and employees for employees to obtain relevant information and express their opinions on WNC's operations, management, and decisions.

WNC shall respect the employee representatives' rights to bargain for changes in working conditions and shall provide employees with necessary information and equipment to improve negotiation and cooperation among employers, employees, and employee representatives.

WNC shall, by reasonable means, inform employees of operational changes that might have material impact on them.

Article 22-1 WNC shall treat customers or consumers of its products and services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. WNC shall also develop relevant strategies and specific measures for implementation.

Article 23 WNC shall assume responsibility for products and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, WNC shall ensure the transparency and safety of products and services. The company further shall establish and disclose policies on consumer rights and interests and enforce them in the course of business operations in order to prevent products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 WNC shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of the industry.

WNC's products and services shall comply with relevant laws, regulations, and international guidelines in the areas of customer health and safety, client privacy, marketing, and advertising, and shall not deceive, mislead, defraud, or engage in any other acts which would betray consumers' trust or damage consumer rights and interests.

Article 25 WNC should evaluate and manage all types of risk that could cause interruption to operations so as to reduce impact on consumers and society.

WNC should provide a clear and effective procedure for handling consumer complaints in a timely manner, comply with relevant laws and regulations related to the Personal Information Protection Act for respecting consumers' privacy rights, and protect personal data provided by consumers.

Article 26 WNC should assess the impact its procurement has on society as well as the environment of the

community that it is procuring from and cooperate with its suppliers to jointly implement sustainable development initiatives.

WNC shall establish a supplier management policy and require its suppliers to comply with related regulations regarding environmental protection, occupational health and safety, and labor rights. Prior to engaging in commercial dealings with suppliers, WNC shall assess whether suppliers' actions have impact on the environment and society and avoid conducting transactions with suppliers whose actions violate sustainable development policies.

When WNC enters into a contract with a major supplier, the content should include terms stipulating mutual compliance with sustainable development policies and that the contract may be terminated or rescinded at any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 WNC shall evaluate the impact of its business operations on the community and employ qualified personnel in the location of its business operations to enhance community acceptance. WNC should, through equity investment, commercial activities, non-cash property endowments, volunteering, or other free professional services, dedicate resources to organizations that resolve social or environmental issues, participate in events held by citizen organizations, charities, and local government agencies relating to community development and community education.

Article 27-1 In order to promote cultural development WNC should dedicate resources to cultural and artistic activities and/or the cultural and creative industries through donations, sponsorships, investment, procurement, strategic cooperation, corporate volunteering of technical support, or other means of support.

## **Chapter V Enhancing Disclosure of Sustainable Development Information**

Article 28 WNC shall disclose information according to relevant laws and regulations and its Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to sustainable development to improve information transparency.

Relevant information relating to sustainable development which WNC shall disclose includes:

1. Policies, systems, or relevant management guidelines and promotion plans for sustainable development initiatives resolved by the Board of Directors
2. The risks and the impact on corporate operations and financial conditions arising from exercising corporate governance, fostering a sustainable environment, and safeguarding public welfare.
3. Goals and measures for realizing the-sustainable development initiatives established by the company and performance in implementation
4. Major stakeholders and their concerns
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues
6. Other information relating to sustainable development initiatives

Article 29 WNC shall adopt widely recognized international standards or guidelines when producing sustainability reports disclosing the implementation status of its sustainable development initiatives. Third-party assurance or verification of reports should be obtained to enhance the reliability of the information. The reports should include:

1. Policies, systems, or relevant management guidelines and promotion plans for implementing sustainable development initiatives.
2. Major interested parties and their concerns.

3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare, and promotion of economic development.
4. Future improvement directions and goals.

#### **Chapter VI Supplementary Provisions**

Article 30 WNC shall at all times monitor the development of domestic and foreign sustainable development standards and the changes in the business environment so as to examine and improve its established sustainable development framework and to obtain better results from the implementation of its sustainable development policies.

Article 31 These Principles are implemented after approval by the Board of Directors. The same procedure shall apply to any amendment.

Article 32 These Procedures were enacted on May 9, 2013.  
The first amendment was made on March 18, 2015.  
The second amendment was made on Nov. 9, 2016.  
The third amendment was made on March 11, 2020.  
The fourth amendment was made on March 9, 2022.  
The fifth amendment was made on March 10, 2023.