

Ethical Corporate Management and Discrepancies Between Actual Ethical Corporate Management and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons for the Discrepancies

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company formulate ethical corporate management policies approved by the Board and declare those ethical corporate management policies and procedures, as well as the commitment by its board and top management to actively implement such management policies in its guidelines and external documents?</p> <p>(2) Does the company establish mechanisms to assess risk of unethical conduct, regularly analyze and assess business activities with higher risk of unethical conduct within the scope of its operations, and formulate policies to prevent unethical conduct based on such mechanisms, and at least include all the listed</p>	<p>✓</p> <p>✓</p>		<p>(1) In order to demonstrate WNC’s willingness to shoulder its social and environmental responsibilities, comply with corporate ethics, enhance the company’s image, and comply with international conventions placing greater scrutiny on the development of labor, health and safety, environmental protection, and ethics standards, WNC has formulated “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, a “Code of Ethical Conduct”, “Procedures for Ethical Management and Guidelines for Conduct”, “WNC Supplier Code of Conduct”, and a “WNC RBA Code of Conduct.” All these have been approved by the Board of Directors. In addition, WNC has disclosed the company’s ethics policies and required that all of its employees and major suppliers sign a commitment to its code of ethics.</p> <p>(2) WNC has mechanisms in place to assess risks of unethical conduct and regularly analyzes and assesses business activities with higher risks of unethical conduct within the scope of business operations through implementation of the RBA management system and relevant relationships. WNC’s RBA management committee represents the company’s RBA management system and is in charge of the formulation, implementation, and maintenance of the company’s related policies. WNC has also formulated a “WNC Reporting and Handling Procedure” to stipulate the procedure and form for reporting unlawful conduct. An independent complaints mailbox</p>	None

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<p>activities stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, have the commitment to implement the policies, and regularly review and adjust such policies?</p>	✓		<p>(wnc.integrity@wnc.com.tw) has also been established on WNC's website.</p> <p>(3) With regard to units and personnel that may face situations presenting a higher potential for unethical conduct, WNC administers training and education and compiles relevant work handbooks to increase employee knowledge and provide relevant guidelines. Internal auditing, job rotation, review and adjustment are also implemented on a regular basis to reduce relevant risks. In addition, the "WNC Intellectual Property Rights Management Measures" were formulated to further protect WNC's trade secrets and intellectual property rights.</p>	
<p>2. Ethical corporate management</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company establish a dedicated unit supervised by the Board to be in charge of corporate integrity which reports regularly (at least once a year) to the Board on its policies regarding ethical management,</p>	✓	✓	<p>(1) WNC has formulated a "WNC RBA Code of Conduct" for stakeholders such as our affiliated enterprises, employees, and suppliers to follow and observe. The Code is divided into five parts: a. Labor; b. Health and Safety; c. Environment; d. Ethics; and e. Management System. WNC requires that its major suppliers sign the RBA Code of Conduct and commit to complying with the relevant provisions of the Code.</p> <p>(2) WNC has established an Integrity Office in accordance with the "Procedures for Ethical Management and Guidelines for Conduct." The Integrity Office is responsible for implementing ethical management at WNC, and is also the unit in charge of amending, interpreting, and providing advisory consultation on the aforementioned Procedures and Guidelines as well as the recording and filing of related reports. The</p>	None

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<p>prevention of unethical conduct, and supervision on the implementation of such policies?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and has the company enforced it?</p> <p>(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and do the internal auditors formulate related audit plans based on risk assessment results for unethical conduct, and audit the conformance of the prevention of unethical conduct, or are they audited by CPAs on a regular basis?</p>	<p>✓</p> <p>✓</p>		<p>Integrity Office and the Audit Office shall monitor the implementation of the aforementioned Procedures and Guidelines and submit (at least once a year) reports to the Board of Directors on the implementation status.</p> <p>WNC's achievements in implementing ethical management in 2021 are as below:</p> <p>a. All IDL employees have signed a commitment to WNC's code of ethics.</p> <p>b. 100% of employees have completed the "WNC Ethics and Anti-Corruption Code of Conduct" on-line training course.</p> <p>c. All employees who received the "Commitment to Integrity Questionnaire for Employees with Specific Job Duties" completed it.</p> <p>d. The twenty cases sent to the independent complaint mailbox, which cover topics such as honesty and integrity, workplace harassment, production line worker discipline, violation of law, and workplace ethics, have been processed. The root cause for all twenty cases were found and suitable response measures were implemented.</p> <p>(3) An independent complaint mailbox (wnc.integrity@wnc.com.tw) has been established on the WNC website. In addition, WNC has formulated the "WNC Reporting and Handling Procedure" to stipulate the procedure and form for reporting unlawful conduct.</p> <p>(4) Pursuant to legal requirements, WNC has established an Audit Office, which is independent of the company and is directly under the Board of Directors. Its business scope includes all the operations of WNC and its subsidiaries. Auditing is performed in accordance with the audit plan which has been approved by the Board of Directors. The audit plan is formulated based on identified risks. The Audit Office performs project</p>

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(5) Does the company regularly hold internal and external educational trainings on ethical corporate management?			<p>audits when necessary and provides management personnel with information regarding existing faults or potential risks in a timely manner. The Audit Office reports its auditing activities to the Audit Committee on a regular basis and attends board meetings to report to the Chairman and the Audit Committee when necessary.</p> <p>(5) WNC provides “WNC Supplier Code of Conduct” e-learning courses to suppliers and offers counseling (training and field visits) to major suppliers. For employees, WNC administers a “WNC CSR & RBA introduction” e-learning course to enable employees to understand WNC’s sustainable development and the WNC RBA Code of Conduct Manual.</p> <p>Since 2017, WNC has provided a “WNC Ethics and Anti-Corruption Code of Conduct” e-learning course for management integrity training. In 2021, the total number of participants was 5,637 and the total number of training hours was 5,637.</p>	
<p>3. Operation of reporting channels</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Will a designated person conduct follow-up on the accused party?</p> <p>(2) Does the company establish measures to protect confidentiality and standard operating procedures for investigating accusations as well as the subsequent</p>	<p>✓</p> <p>✓</p>		<p>(1) WNC’s Human Resources Administration Division is tasked with establishing complaints channels and handling employee complaints and disciplinary matters.</p> <p>In addition to the written reporting mechanism, an independent complaints mailbox (wnc.integrity@wnc.com.tw) has also been established on the WNC website.</p> <p>(2) WNC has formulated a “WNC Reporting and Handling Procedure” that clearly specifies the responsible person for handling reported matters, the reporting and handling procedure and the violation report form, that the investigation process will be conducted on a confidential basis, and prescribes that the reporting and handling procedure and the violation report form be utilized to detail the handling procedure and record the issue and handling results in writing. After the</p>	None

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<p>measures after investigations are closed?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	✓		<p>investigation is concluded, follow-up measures are taken in accordance with the severity of the matter concerned. When necessary, the matter is reported to the competent authority or transferred to judicial units for investigation.</p> <p>(3) The “WNC Reporting and Handling Procedure” specifies that the responsible unit will ensure the identities of reporting parties will be kept secret, and that reporting parties are not subject to retaliation.</p>	
<p>4. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and the Market Observation Post System?</p>	✓		<p>WNC publishes the “Ethical Corporate Management Best-Practice Principles,” “Code of Ethical Conduct,” and “Procedures for Ethical Management and Guidelines for Conduct” on the company’s internal website for employees to check at any time.</p> <p>WNC publishes a WNC Sustainability Report to elaborate on its ethical management policies and implementation results, and the information is disclosed on the company website at https://csr.wnc.com.tw/index.php/zh/downloads/.</p> <p>WNC also publishes its “Ethical Corporate Management Best-Practice Principles” and “Code of Ethical Conduct” on the MOPS.</p>	None

5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.

There have been no discrepancies.

6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).

WNC clearly discloses its ethics policies through education and training (including orientation), announcements on the company's internal website, integration of new practices into the company's work regulations, and formal announcements. WNC also requires that all its employees (including newly recruited members) and major suppliers sign the commitment to a code of ethics and uphold the highest ethical standards during business interactions. Any/all forms of corruption, extortion, blackmail, embezzlement, and misappropriation of public funds and/or company property are prohibited. Also, bribes or any other form of improper advantage must not be provided or accepted.