

# Winbond Electronics Corporation

## Human Rights Due Diligence Report

***winbond***

A Global Supplier of  
Advanced Solutions

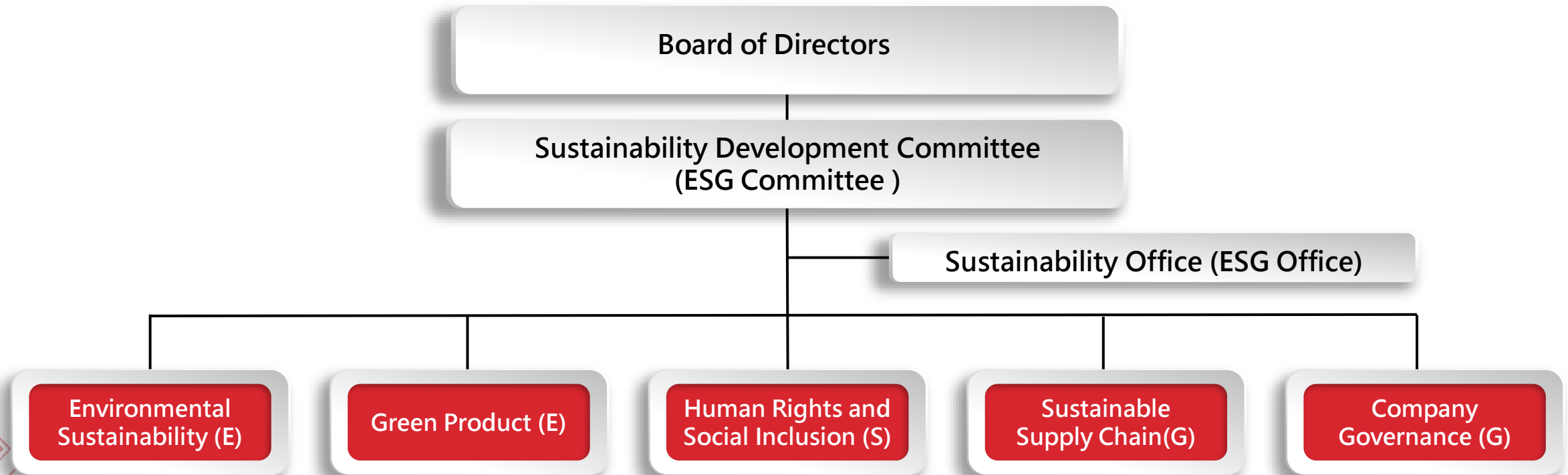
Winbond Electronics has been actively involved in human rights management for many years. By supporting and protecting human rights, we aim to provide a safe and ethical working environment, and achieve the goal of honest and sustainable operation.

To optimize human rights risk management, we updated our human rights policy by referring to relevant regulations and human rights development trends in 2022. We also commissioned a third-party to conduct human rights due diligence investigations on all of our employees located in Taiwan. By conducting human rights risk reviews, we will continuously improve our human rights management mechanism and enhance the awareness and importance of human rights among stakeholders.

# Human Rights Governance

Winbond integrates human rights management into daily operations, ensuring that all business activities respect dignity and protect human rights. The human rights governance of Winbond is managed by the Sustainability Development Committee, which consists of the Board of Directors, senior management, and relevant organizational units. Its responsibilities include planning the company's sustainable development strategy and goals, developing action plans, integrating company resources, and implementing various issues to enhance operational competitiveness.

The human rights management is under the jurisdiction of the Human Rights and Social Inclusion Team, which is subordinate to the Sustainability Development Committee. Its main responsibilities include safeguarding human rights, recruiting and retaining a diverse workforce, establishing a friendly and harmonious workplace, ensuring occupational safety and health, and engaging with the community on environmental and social issues.



# Human Rights Policy

Winbond Electronics Corp. promises to abide by internationally recognized human rights standards as the highest guiding principle, including but not limited to:

- UN Guiding Principles on Business and Human Rights
- Declaration of Fundamental Principles and Rights at Work
- UN Universal Declaration of Human Rights of the International Labor Organization

Based on the above guiding principles, Winbond manages all employees, affiliated companies, related enterprises, suppliers, contractors, and partners (customers, communities), with a commitment to respecting and protecting human rights. The following important issues are of concern:

1. To abide by local laws and regulations of the operational base and provide a safe and legal working environment.
2. To continuously promote a culture of diversity and inclusion by recruiting and developing diverse talents.
3. To protect the labor rights of disadvantaged groups such as women, indigenous peoples, foreign employees and people with disabilities so as to ensure equal employment opportunities, eliminate employment discrimination and avoid unequal pay for equal work
4. To prohibit any form of forced labor, human trafficking and child labor from being employed
5. To prohibit any form of cruel treatment, including intimidation or harassment
6. To respect the freedom of expression and participation of all individuals, without any interference or restriction that hinders their rights and lawful exercise. To maintain diverse communication channels, provide complaint mechanisms, and protect the confidentiality and anonymity of complainants
7. To promise, propose, approve, give or accept bribe or other legitimate gains are prohibited
8. To purchase minerals responsibly
9. To integrate guidelines of RBA (Responsible Business Alliance) into policies and management systems, conduct regular human rights due diligence to identify and assess risks, and promote preventive/mitigation measures and tracking mechanisms.

Chairman





# Scope and Time

The investigation scope of Winbond's human rights due diligence follows the international standards, sustainability benchmarks, and issue frameworks, including the UN Global Compact, the International Bill of Human Rights, UNGPs on Business and Human Rights, ILO-Declaration of Fundamental Right at Work, International Labor Office Tripartite Declaration of Principles, and OECD Due Diligence Guidance For Responsible Business Conduct.

## Scope

All Winbond sites : Taipei and Hsinchu offices, Taichung fab, Tainan office, and Kaohsiung fab.

## Time

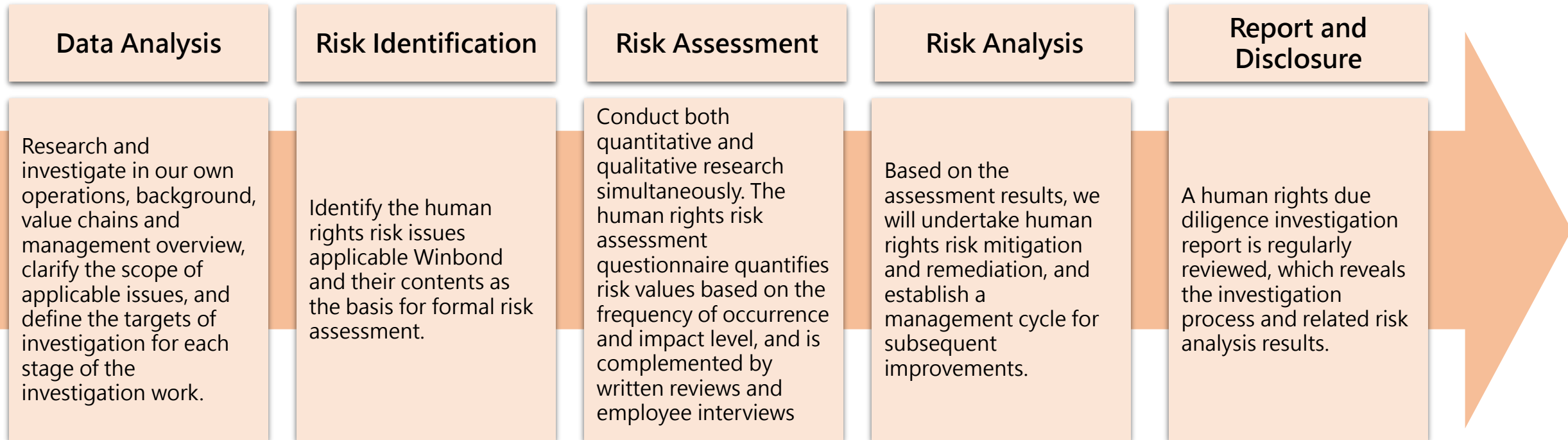
Year 2022



# Investigation Process

Based on international human rights standards and frameworks, combined with risk management and sustainability management methodologies, Winbond human rights due diligence investigation has developed a method of execution that has a complete theoretical basis and practical verification. The operational methods of each stage are adjusted according to the operational scope of the investigation target, industry type, organizational structure, and management mode.

After confirming the investigation method, Winbond invested resources from various units to actively cooperate with the investigation, and the process was rigorous in order to assess the current human rights risk situation and make improvements.



# Coverage

The human rights risk assessment questionnaire was sent to all employees of all operating locations, including the Taipei office, Zhubei office, Taichung fab, Tainan office, and Kaohsiung fab, and the human rights risk assessment scope covers 100% of the operating locations.



Location	Questionnaire Distribution	Questionnaire Response
Taipei office	V	V
Zhubei office	V	V
Taichung fab	V	V
Tainan office	V	V
Kaohsiung fab	V	V

# Summary of Human Rights Assessment

In the human rights risk identification process, a total of 37 human rights risk were identified. After assessing the available evidence, 9 issues were confirmed to have no potential violation. For the remaining 28 human rights issues in the categories of labor rights, health and safety, environment and community, and governance and ethics, a human rights risk assessment questionnaire was developed. The questionnaire evaluated the frequency and impact of each risk, and the risk score was calculated by multiplying the two factors. Based on the risk scores, a human rights risk matrix was created.





# Human Rights Risk Identification

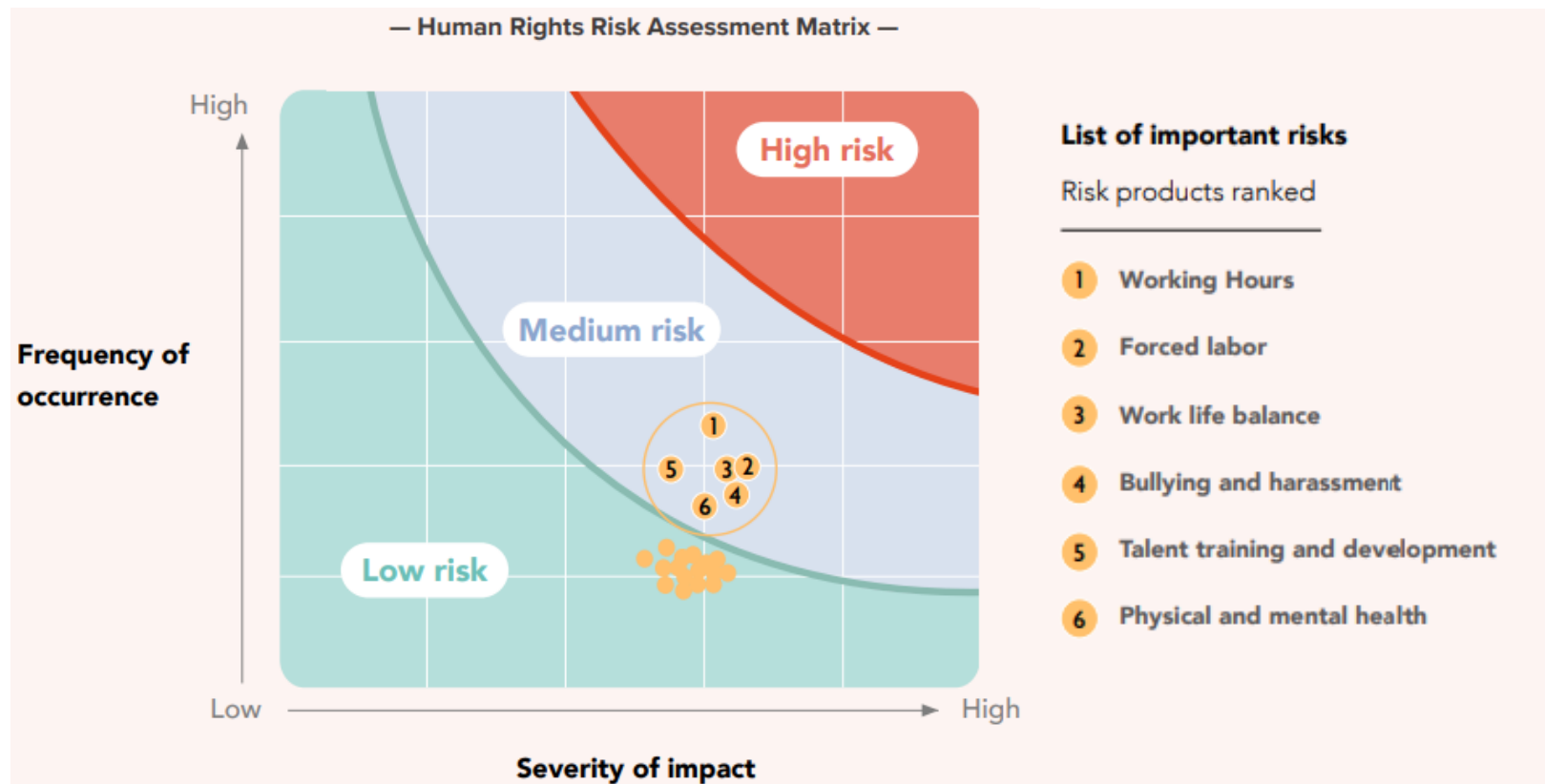
Labor Rights			Health and Safety			Environment and Community			Governance and Ethics		
Code	Risks	Groups	Code	Risks	Groups	Code	Risks	Groups	Code	Risks	Groups
1	Human Trafficking		19	Occupational Injury and Illness		23	Biodiversity		30	Harmful Products/Services	
2	Forced Labor		20	Sanitation, Food, and Housing		24	Material Control		31	Protection of Identity and Non-Retaliation	
3	Talent Training and Development		21	Safe Operations Information		25	Local Community Rights		32	Personal Data and Privacy Protection	
4	Working Hours		22	Occupational Safety		26	Pollution Prevention and Resource Reduction		33	Intellectual Property	
5	Wages and Benefits					27	Harmful Substance		34	Human Rights Ethical Principles	
6	Maternity Protection					28	Land Use and Property Rights		35	Fair Business, Advertising and Competition	
7	Diversity and Inclusion					29	Cultural, spiritual and religious influences		36	Responsible Sourcing of Minerals	
8	Freedom of Speech and Expression								37	Product Testing	
9	Physical and Mental Health										
10	Work-Life Balance										
11	Disability Protection										
12	Freedom of religion										
13	Sex Discrimination										
14	Employment and Occupational Discrimination										
15	Child Labor										
16	Freedom of Association										
17	Collective Bargaining										
18	Bullying and Harassment										

Groups at risk of human rights issues identified:

Own employees 	Women 	Suppliers 	Customers 	Candidates 
Children and young people 	Indigenous people 	The public 	Local communities 	Miners in conflict zones 


# Human Rights Risk Matrix



Based on the survey results, a human rights risk matrix was created. The matrix defines each issue as high, medium, or low risk based on the risk product of impact and frequency of occurrence. Low risk is located to the left of the green line, medium risk is between the green and red lines, and high risk is located to the right of the red line. According to the survey results, out of the 28 issues, 22 were categorized as low risk and 6 were categorized as medium risk. The medium risk issues included working hours, forced labor, work-life balance, bullying and harassment, talent training and development, and physical and mental health. This indicates that employees generally perceive a low likelihood of human rights violations occurring at Winbond, and that the potential impact on individual rights is low.




# Improvement and Monitoring



Although there were no high-risk issues identified in this survey, for the medium-risk issues, Winbond has taken continuous improvement actions to reduce the occurrence and impact of these risks. The action plans taken for the 6 human rights issues are shown in the table below and implemented at Taipei and Hsinchu offices, Taichung fab, Tainan office, and Kaohsiung fab.

 : Own employees


Multiplication Ranking	Risk	Groups	Risk Mitigation Measures	Risk Remediation Measures
1	Working Hours		<ul style="list-style-type: none"> <li>Regularly reviewing capacity and manpower needs to prepare for recruitment and flexibility adjustments.</li> <li>Analyzing and addressing issues through the implementation of a working hours management mechanism and system, assisting department managers and colleagues in addressing working hours issues.</li> <li>Annual scheduling of regular training on working hours education to enhance awareness of working hours management.</li> </ul>	<ul style="list-style-type: none"> <li>If there are any relevant incidents, internal investigations and disciplinary actions will be implemented, and employee rights will be restored.</li> </ul>
2	Forced Labor		<ul style="list-style-type: none"> <li>Arranging annually training and education on forced labor issues for managerial employees to enhance management awareness.</li> </ul>	<ul style="list-style-type: none"> <li>If there are any relevant incidents, internal investigations and disciplinary actions will be implemented, and employee rights will be restored.</li> </ul>



# Improvement and Monitoring

 : Own employees

Multiplication Ranking	Risk	Group	Risk Mitigation Measures	Risk Remediation Measures
3	Work-life balance		<ul style="list-style-type: none"> <li>Regularly organizing parenting seminars, wellness workshops, and other activities to provide employees with information and support in their personal lives, enhancing work-life balance.</li> </ul>	<ul style="list-style-type: none"> <li>Providing Employee Assistance Program (EAP) channels, through which a team of consultants offers professional advice in areas such as interpersonal relationships, mental and physical health, finance, legal matters, and management, assisting employees in restoring work-life balance."</li> </ul>
4	Bullying and Harassment		<ul style="list-style-type: none"> <li>Strictly implementing measures to prevent workplace misconduct and sexual harassment.</li> <li>Regularly conducting anti-bullying and harassment management courses. Arranging communication skills training courses to actively establish and cultivate a friendly work interaction model.</li> <li>Regularly promoting awareness of the prohibition of workplace misconduct through channels such as email, bulletin boards, or posters to ensure that colleagues understand company regulations.</li> <li>The organization has established a complaint channel internally and has established follow-up and resolution procedures to provide employees with adequate recourse.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing a complaint channel and follow-up tracking and resolution procedures to provide employees with ample recourse.</li> <li>If there are any relevant incidents, appropriate protection and placement will be provided to victims of bullying and harassment.</li> <li>For suspected incidents, internal investigations and disciplinary actions will be implemented.</li> </ul>

# Improvement and Monitoring

 : Own employees

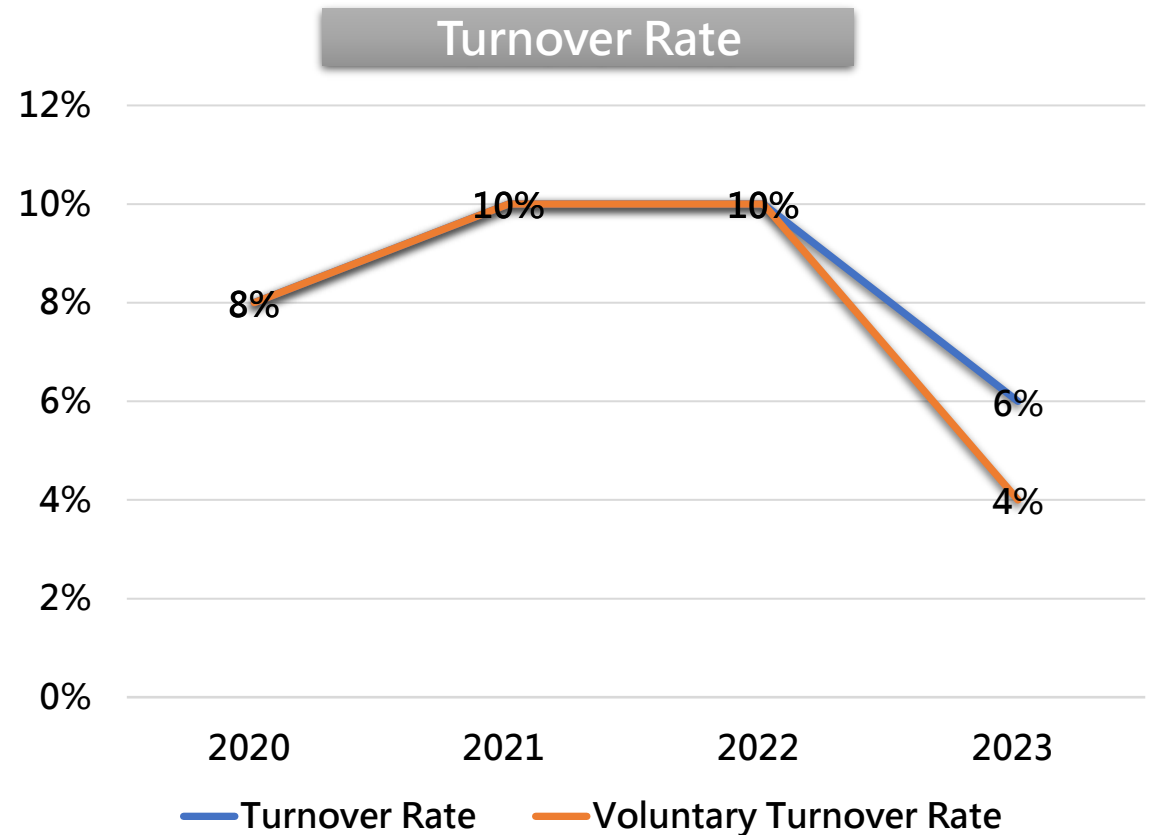
Multiplication Ranking	Risk	Group	Risk Mitigation Measures	Risk Remediation Measures
5	Talent training and development		<ul style="list-style-type: none"> <li>Developing comprehensive training and development programs based on the company's strategic vision and core culture. Please refer to Page 14 for details.</li> <li>Periodically announcing internal rotation opportunities and provide channels for employees to apply.</li> <li>Implementing succession planning for key management positions, focusing on long-term cultivation of talent.</li> </ul>	<ul style="list-style-type: none"> <li>In response to training needs for job requirements, if employees indicate that the training content is insufficient, the responsible unit will assess their needs based on the relevant topics and provide solutions.</li> <li>Promoting training on internal transfer regulations.</li> </ul>
6	Physical and mental health		<ul style="list-style-type: none"> <li>Regularly organizing diverse health promotion activities, providing accurate health information, and enhancing employees' ability to manage and improve their own health.</li> <li>Regularly assessing employee health risks through workload assessment scales and employee health check-up evaluations, with timely reminders and assistance for improvement.</li> <li>Reducing absenteeism caused by illness and injury. In 2022 and 2023, the absenteeism rates were 1.27% and 1.19% respectively, both achieving the target of below 1.5%."</li> </ul>	<ul style="list-style-type: none"> <li>If violations of laws and regulations are found regarding shift schedules, rest periods, epidemic prevention policies, etc., investigations and disciplinary actions will be implemented for the violations, ensuring the restoration of employee rights.</li> </ul>



# Recruitment and retention

Winbond values workplace diversity and actively attracts talented individuals from different regions and age groups, as well as various fields, through various recruitment channels such as job platforms, campus recruitment, social media, industry-academia collaborations, and internal referrals. Hua Bang also has an internal transfer system that encourages colleagues to rotate positions and develop according to their aptitude, allowing talented individuals to showcase their strengths in suitable roles. Average hiring cost per new hire is NTD 82,809.

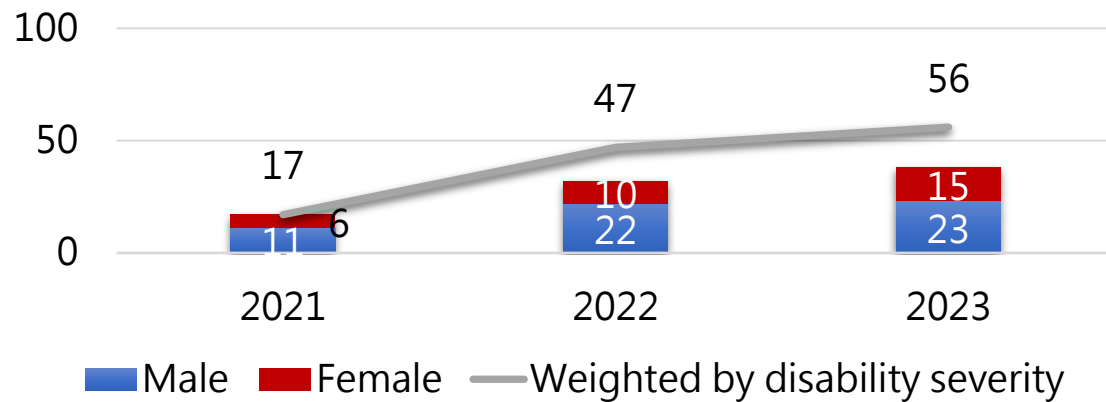
To maintain a healthy talent mobility, Winbond maintains a strong retention rate, particularly in comparison to industry peers in Taiwan. The attrition rate for new employees has consistently improved each year, indicating the significant success of talent retention policies focused on new employee training and fostering corporate culture.



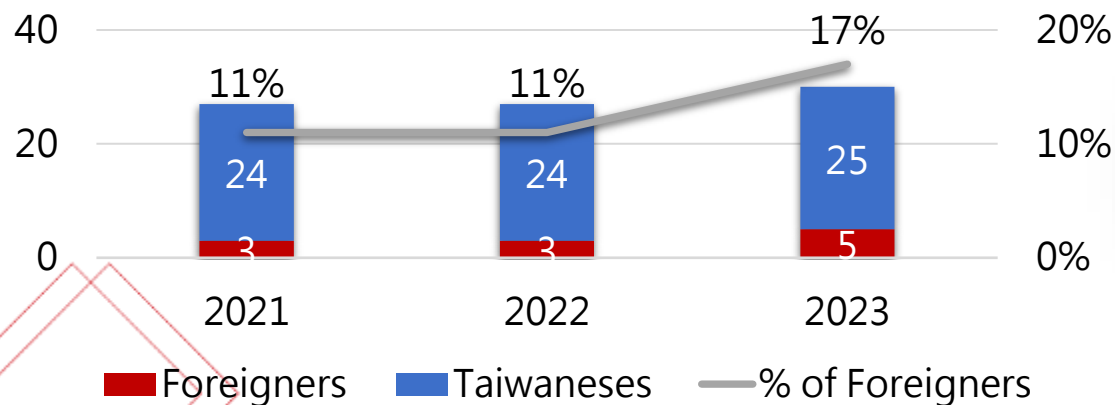
# Diverse Talent Composition

Winbond committed to creating a diverse and inclusive workplace, providing an equal working environment. We believe that a diverse management team and employee composition help us grasp market trends, understand customer needs, stimulate innovative outcomes, and maintain a competitive advantage.

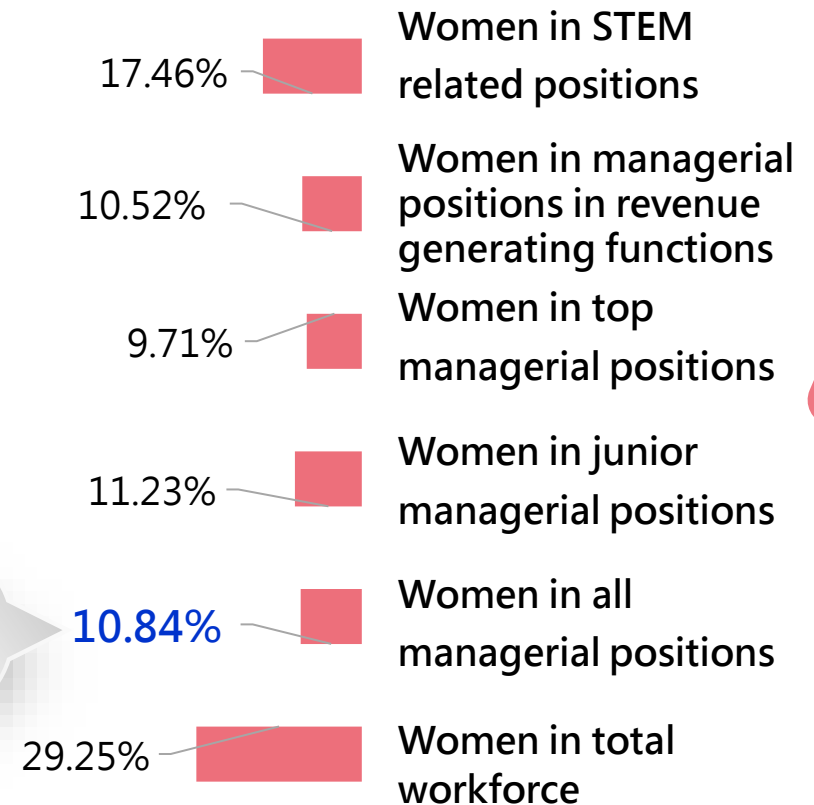
Number of employees with disabilities



Percentage of foreign executives in decision-making positions



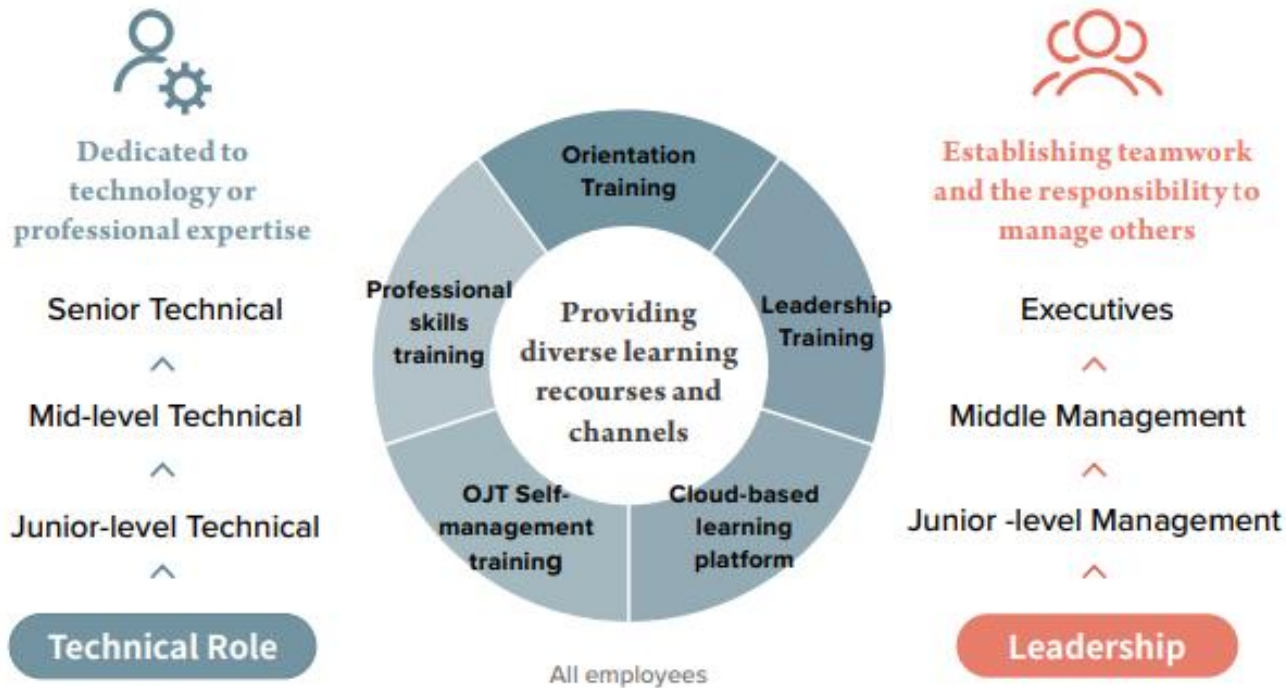
Percentage of female managers and employees



Reach 15% in 2030.

# Diverse Talent Development

Every year, based on Winbond's strategy, vision, business decisions, and core culture, supplemented by training needs assessments, various training and development programs are planned and implemented according to organizational levels, professional capabilities, and specific target groups. Under the 'dual-ladder' talent development system, employees can choose to continuously enhance their managerial skills or deepen their expertise based on their individual development and job requirements. Winbond continues to prioritize digital transformation, establishing AI learning maps and certification systems, promoting tools such as data analytics, and fostering a diverse and inclusive concept in the workplace.



Winbond is committed to promoting a diverse and inclusive friendly work environment through various measures such as language assistance programs, curriculum development, and organizing seminars."

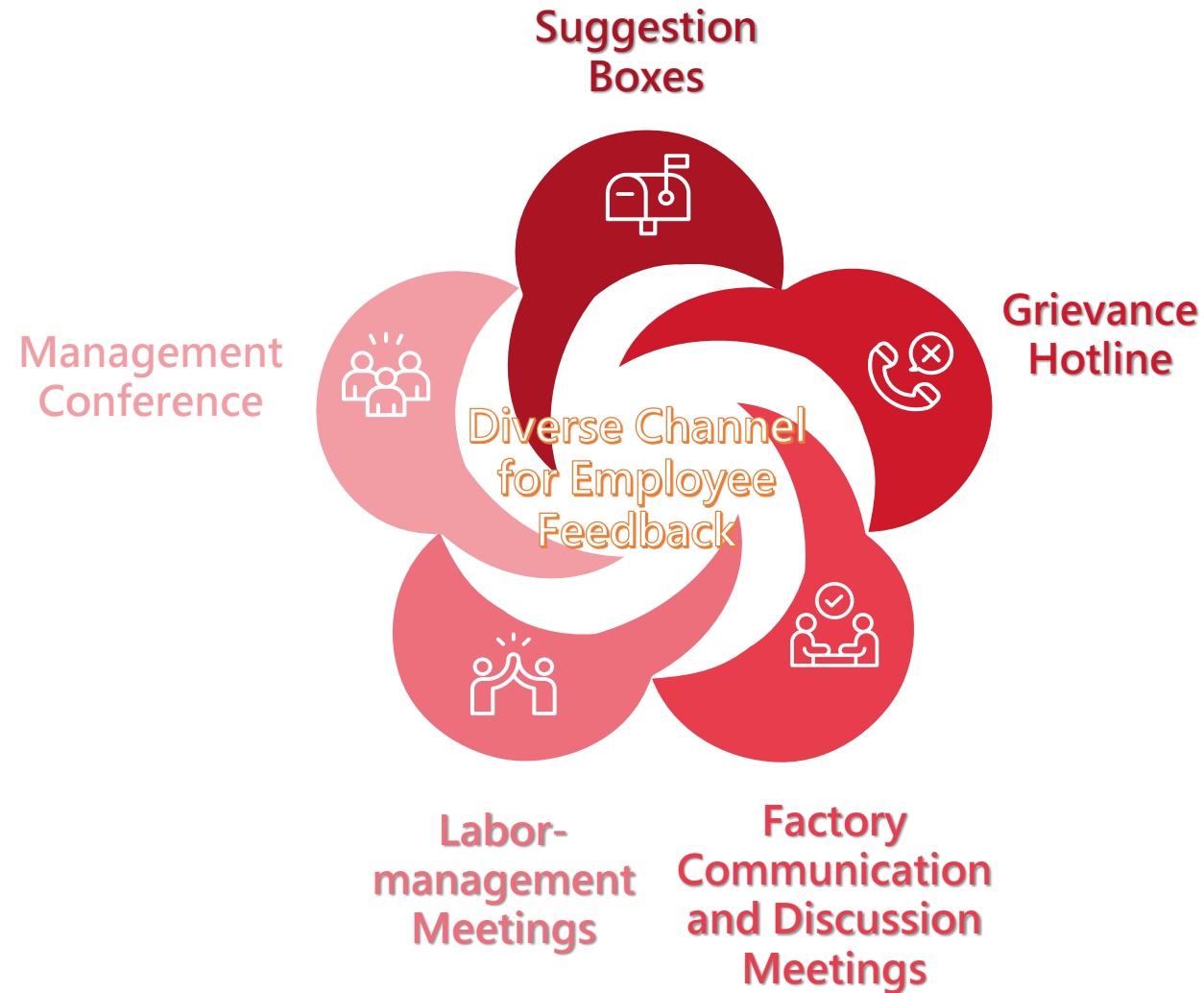
- 01 ESG training courses
- 02 Language learning resources for English, Japanese, and Korean.
- 03 Lectures on English and Japanese culture and conversation
- 04 "Cross-Generational Dialogue and Leadership" course.
- 05 The 'Unconscious Bias Introduction' course.
- 06 Seminars and courses on women's empowerment and leadership

# Open Employer-Employee Communications

Winbond respects the freedom of assembly and association for employees and their collective bargaining rights. There are various functional regular communication meetings such as quarterly labor-management meetings, supervisor management discussions, production management meetings, quality re-education meetings, etc. Winbond also provides diverse, open, and transparent communication channels, including physical suggestion boxes, the 75234 (complaint hotline), the Care complaint mailbox, the Sexual Harassment Employee Complaint Committee, the Employee Welfare Committee, and the Environmental and Safety Committee. Employees can express their opinions or provide suggestions through the aforementioned communication channels, either anonymously or by name.

The handling process and content of complaint cases are kept strictly confidential. Personnel handling the cases and relevant supervisors are required to maintain absolute confidentiality regarding the identity of the complainant/whistleblower and the details of the complaint.

Winbond also collects employee feedback through focus groups and individual interviews. This feedback is used as a basis for management policies and service quality improvement. Additionally, training courses are provided to all new employees or unit supervisors to ensure that colleagues are well-informed about the relevant channels and procedures.





# Awards

Winbond adheres to internationally recognized human rights standards as the highest guiding principles and complies with relevant labor laws and regulations. The company is committed to upholding the rights of employees to freedom of association and expression. Discrimination based on factors such as race, age, gender, sexual orientation, disability, pregnancy, political beliefs, or religion is strictly prohibited. Winbond strives to create a workplace environment that is free from discrimination.

Winbond upholds the principle of "people-oriented" and complies with international human rights conventions and relevant labor laws and regulations. The company has established a comprehensive personnel system to ensure the practice of diversity, equality, and human rights protection. In both 2020 and 2022, Winbond received a perfect score in Responsible Business Alliance (RBA) VAP certification. In 2022, the company completed a human rights due diligence investigation and issued its first independent human rights due diligence report in 2023. Winbond continues to optimize and mitigate risks, conducts employee surveys on core values and dedication, and enhances human rights management measures. In 2023, the company received the Taiwan Corporate Sustainability Awards (TCSA) for Human Rights Practice and Development Leadership, Talent Development Leadership, and Workplace Well-being Leadership. Winbond also received the Gold Award in the Technology Research and Development category at the 1111 Human Resources Bank Annual Happiness Enterprise Awards.



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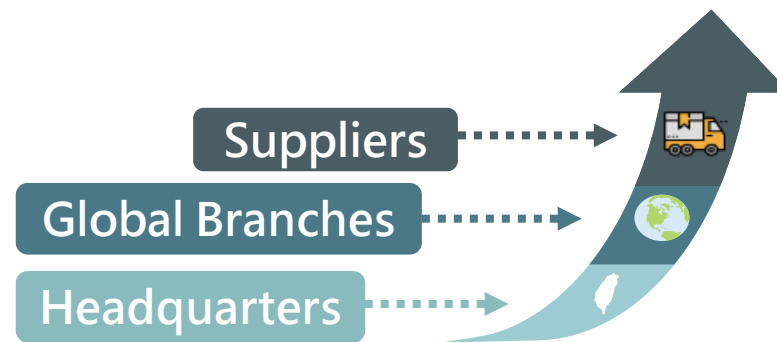


# Global Human Rights Training

To cultivate human rights knowledge, shape a workplace culture that respects human rights, and promote the correct understanding of human rights globally, Winbond conducts annual "Human Rights and Labor Ethics Training" for employees in the Taiwan headquarters and global subsidiaries, including those in the United States, Japan, Germany, Israel, China, and other countries. The training covers two main areas: labor rights and governance, and ethics. The goal is to achieve a 100% training rate globally.

In 2024, Winbond invites global administrative colleagues to attend a human rights seminar in Taiwan, allowing them to truly experience the company's efforts in promoting human rights training.

In addition to Winbond itself, human rights training is also extended to suppliers. The training continues through the "Sustainable Supply Chain Upgrade Forum," which includes discussions on global trends in human rights laws and analysis of human rights risks. Through diverse communication and exchange, Hua Bang advocates for the importance of human rights issues and aims to drive improvement and optimization together with its suppliers.

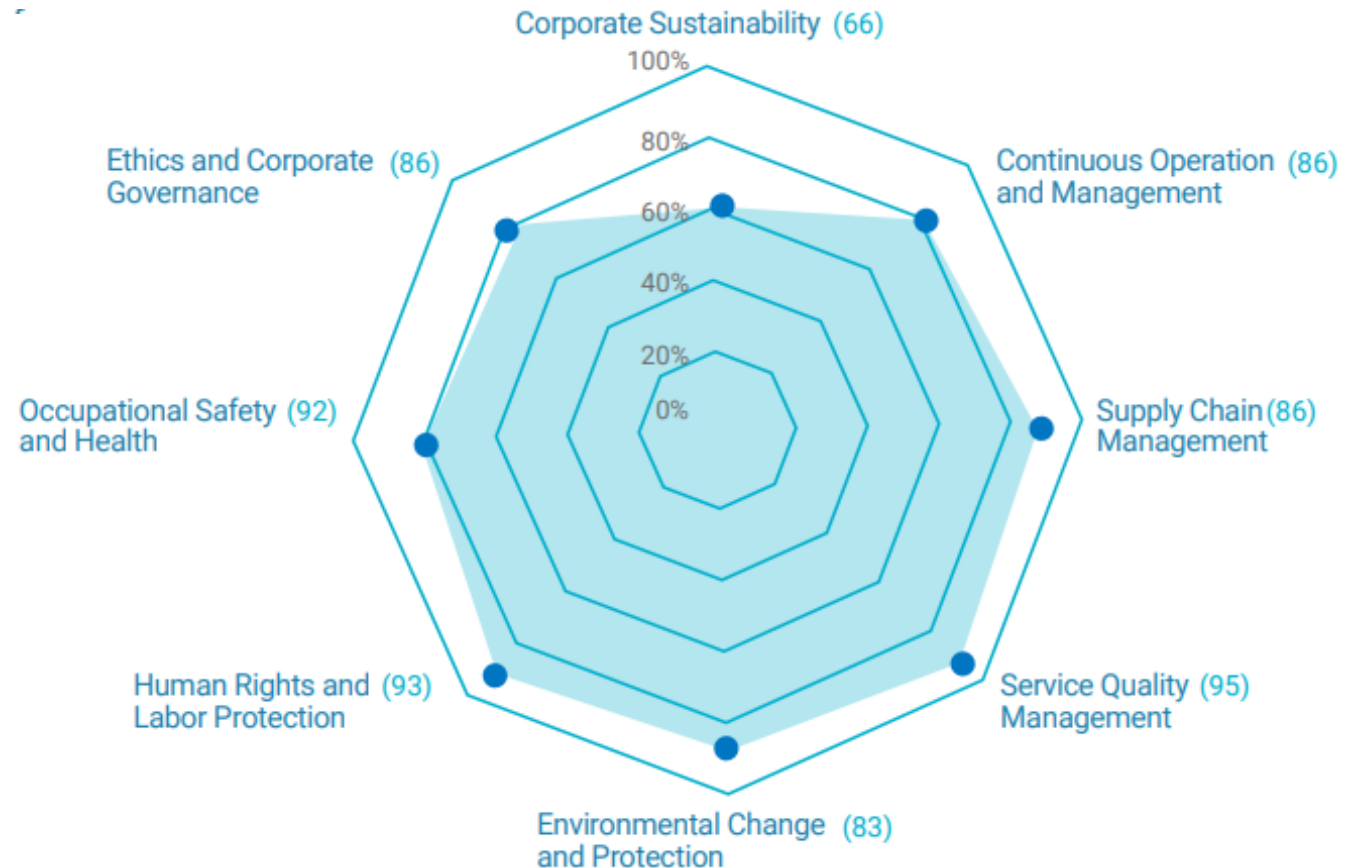
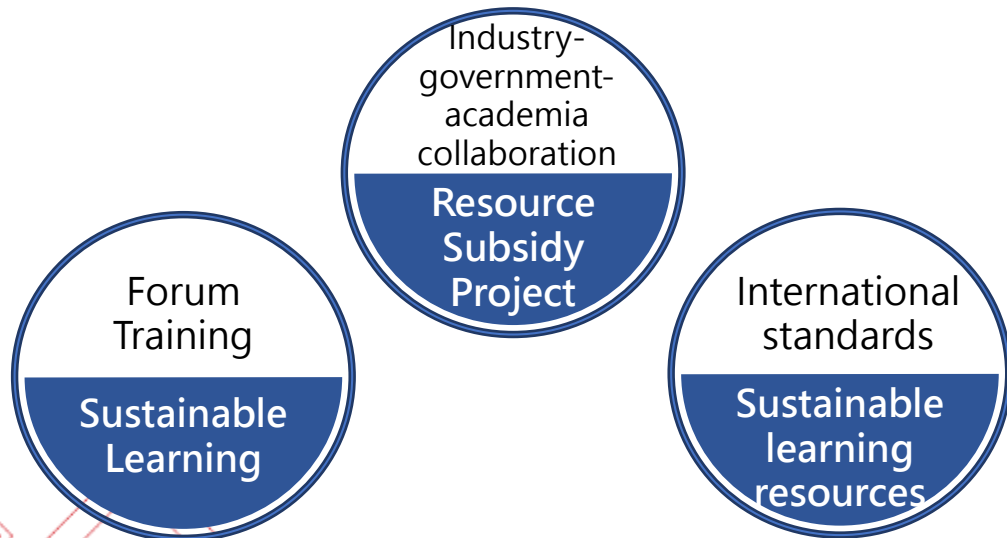


# Supply Chain Sustainable Risk Assessment- Human Rights and Labor Protection

Winbond employs RBA 7.0 and ISO 20400:2017 Sustainable Procurement as the core frameworks to establish the content of supplier ESG sustainable risk assessment, which includes occupational health and safety, human rights, and labor protection.

In 2023, Winbond conducted surveys targeting tier 1 critical suppliers, including raw materials, packaging and testing, critical spare parts (such as quartz, photomasks, PAD), with significant procurement amounts and direct relevance to production and manufacturing. The response rate exceeded 90%. The overall average ESG score was 84.2 points, with higher scores observed for raw material suppliers and outsourcing assembly and testing partners. For the first-tier critical suppliers, that most suppliers performed well in areas such as service quality management, occupational health and safety, human rights, and labor protection, with average scores ranging from 92 to 95 points.

## Supplier Sustainability Risk Improvement Strategy







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