

wistron

# CSR

Wistron Corporation  
2017 CSR Report



## Editorial Policy

Welcome to the ninth issue of the “Corporate Sustainability and Social Responsibility (CSR) Report” published by the Wistron Corporation (Wistron). This report is published in both Chinese and English and has been posted on our website for free downloading ([www.wistron.com](http://www.wistron.com)). We hope that the greater transparency in this report will provide all stakeholders with a better understanding of Wistron's practices and achievements in fulfilling our CSR obligations in 2017.

### Period Covered

The Corporate Sustainability and Social Responsibility (CSR) Report for the preceding year is published by Wistron on an annual basis. The previous report was published in June, 2017. This report covers Wistron's CSR management policy, key issues, actions and performance for 2017 (January 1 ~ December 31, 2017).

### Scope and Boundary

The scope of the information disclosed in this report covers performance in economic, environmental and social aspects. The organizational boundary of this report encompasses Wistron's operations in Taiwan and its main global manufacturing plants. The boundary covers as follows:

- Wistron Corporation (Neihu Headquarters)
- Wistron Corporation (Hsichih Office Complex)
- Wistron Corporation (Hsinchu Plant)
- Wistron InfoComm (Kunshan) Co. (Kunshan Plant)

- Wistron InfoComm (Taizhou) Co. (Taizhou Plant)
- Wistron InfoComm (Zhongshan) Co. (Zhongshan Plant)
- Wistron InfoComm (Chongqing) Co. (Chongqing Plant)
- Wistron InfoComm (Chengdu) Co. (Chengdu Plant)
- Wistron Mexico S.A. de C.V. (Mexico Plant)
- Wistron InfoComm (Czech Republic) s.r.o. (Czech Plant)
- Wistron Optronics (Kunshan) Co., LTD (Kunshan Opt Plant)

### Guideline for Report

The preparation of this report followed GRI Standards developed by the Global Reporting Initiative (GRI). The contents of this report have been verified by an independent third party based on the AA1000 standards and comply with GRI Standards core level requirements.

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## Performance Summary

Performance Summary				
Aspects	Performance Indicators	Unit	2017	2016
Economic	Total Revenue	Millions of NTD	836,081	659,908
	Earnings per Share	NTD	1.48	1.20
	Total sales Volume	Per unit/Piece/ Items	140,003,995	123,818,805
Environmental	Total Greenhouse Gas (GHG) Emissions	Tons-CO2 equivalent (CO <sub>2</sub> e)	431,897.92	343,004.45
	- Scope 1		35,225.86	29,055.43
	- Scope 2		396,672.06	313,949.02
	GHG Emission per Unit-revenue	Kilotons/Billion NTD	0.53	0.55
	Total Water Consumption	Cubic Meter	5,308,034	4,164,118
	Water Consumption per Unit-revenue	Kilotons/Billion NTD	6.58	6.75
	Total Waste Generation	Tons	38,876.51	35,122.34
	Waste Generation per Unit-revenue	Kilotons/Billion NTD	0.053	0.063
	Total Environmental Expenditures	Millions of NTD	267	216
Social	Ratio of Local Employees Serving as Managers to All Managers	Percentage (%)	83.3	82.8
	Ratio of Local Employees in the Department Manager (or above) Positions	Percentage (%)	53.4	50.2
	Total Amount of Social Investment	Millions of NTD	65.23	49.72
	- Charity and Sponsorships		60.64	40.45
	- Charitable Activities of the Employee Welfare Committee/Company		2.23	2.73
- Employee Participation in Charitable Activities	2.36		6.54	

## A Message from the Chairman and CSO

Wistron has always upheld the corporate philosophy of "altruism," with a focus on the vision of becoming "the technology powerhouse for better life and environment" to walk steadily and honestly toward sustainable development. To effectively communicate with the international community and the industry sector, Wistron transformed its original CS<sup>2</sup>R Report into a Corporate Sustainability Report (CSR) in order to continue to disclose the Company's strategic approaches, management practices, and performance outcomes in sustainability and social responsibility. With respect to long-term sustainable development plans, the Company internally reduces the effects that each stage of its operational processes have on the environment; and externally the Company uses technology enabling our products and services to provide a positive influence on the quality of life and the environment. A more extensive approach to achieving sustainable development is understanding and selecting existing products and customers, choosing investment goals and partners that are in line with the Company's corporate visions, and keeping abreast of market trends and stakeholders' needs and expectations to strengthen technological capacity.

With respect to corporate sustainability and innovation, Wistron focuses its new business development on electric cars, solutions to the Internet of Things, and medical equipment. We also use innovative investments to seek partnerships and sustainable development directions and gradually intensify development strategies in other industries. In addition, the Company continues to monitor domestic and foreign policy changes, particularly the impacts arising from a change in the labor environment and investment conditions in Taiwan and China. Wistron assesses and responds to possible risks and opportunities, and capitalizes on its advantages per region to develop a competitive edge and thus reduce effects from unfavorable risks. With respect to environmental protection, Wistron increases use of green energy and reduces reliance on traditional fossil fuels. In addition to installing solar panels on the rooftops of its primary plants to lower greenhouse gas emission, the Company also complies with the local governments' green energy policies and actively purchases green electricity in support of environmental sustainability. Social engagement must consider cultural, social, and environmental factors, help develop humanitarian values with an awareness of environment protection, and prevent unintentional harm to the environment. Projects should, in their essence, provide continuity, and must accumulate knowledge and exert influence over long periods of hard work. For

instance, long-term support for a project that traces industrial waste helps the public sector fight operators who process industrial waste illegally. The scope of the tracking stretches from the south to the north of Taiwan and the project can be expanded to include industrial and general waste. The depth and breadth of social engagement allows us to reach high levels of value for our sustainability activities.

With respect to employee care, in addition to complying with legal requirements, Wistron organizes many kinds of activities to satisfy employees' spiritual and cultural needs. For example, our "energy leave" enables employees to plan family outings or self-improvement activities with consecutive holidays. Our "family day" gives employees the opportunity to strengthen their relationships with their children. We arrange regular health examinations and health care services as well as different kinds of talks and seminars to help employees achieve balance between their work and life. With respect to talent cultivation, Wistron's global talent acquisition chooses the right people with the right skills. All skilled employees are given the opportunity to contribute to corporate and personal advancement. Supervisors of all units are responsible for recruiting and fostering successors through a systematic training program that helps the company to retain talented employees and ultimately achieve sustainable development.

Going forward, challenges to corporate sustainability will mainly come from two areas. The first area is dynamic changes in laws, regulations and living conditions as well as people's varied requirements resulting from the economic development of different regions. The second area is the feasibility and economic benefits of green technology. Facing these different circumstances, we will create greater opportunities and value for sustainable development by fostering a broader and more comprehensive way of thinking.

Simon Lin / Chairman & CSO  
Wistron Corporation




## A Message from the President and CEO

This year I propose and anticipate pursuing the following goals.

### Employees and society:

Wistron will respect employees' rights and interests and provide a fair, just, and open platform to attract, develop, and retain talented staff and teams. Internally, Wistron offers an environment where continual learning, growth, and contribution are embraced—this environment provides employees with both tangible and intangible incentives that inspire each and every one of them to become a valuable member of the Company. Externally, through collaboration with charity groups and participation in events for social welfare, employees are granted the opportunity to enrich their minds, develop their moral characters, and achieve a more comprehensive way of thinking.

### Environmental protection and renewable energy:

Wistron is committed to abiding by environmental and energy regulations that are associated with our activities, products and services, as well as customer requirements. With the aim of performing above and beyond the relevant standards, Wistron continues to promote environmental management systems in order to mitigate any adverse environmental impact of the company's operations. Several of Wistron's plants in China have begun using renewable energy in place of traditional energy. We are committed to continuing to increase our use of renewable energy.

### Supplier management:

Wistron is committed to environmental protection. The Company has established a mechanism to manage environmentally hazardous substances and has carefully selected suppliers to become green partners. To date, over one thousand suppliers have signed Wistron's "Controlled Hazardous Substances Declaration" stating that all of their raw materials have been reasonably verified to contain no prohibited substances and are sourced from reliable suppliers.

In addition, our primary business this year focuses on the following:

1. Reinvigorate the core businesses for competitiveness (including PC and server). Our actions will focus on adjusting customer and product portfolios for profit improvement, building closer customer relationships, strengthening leadership in technology and service value, and improving operation efficiency in order to achieve leading operational performance.
2. Scale new business areas for increased growth and profitability. Our action will focus on executing the current growth opportunities (including LCM and smartphone), building new services and solution businesses (including handset service, education and enterprise services), building new technology verticals (including IPC, IoT, medical, enterprise storage, and automotive electronics) and creating innovation platforms.
3. Drive digital transformation. Our actions will focus on accelerating digital operation improvement initiative (including manufacturing, inventory, and R&D), building Wistron's Industry 4.0 capabilities, and building the digitalized system for performance management across projects, personnel, operation models, and functions.

Going forward, in addition to promoting digital transformation, ensuring effective collection and use of information, and improving the company's operational quality and business performance, company executives will improve their professional and psychological qualities of leadership, pay attention to economic, social, and environmental issues, and strengthen the outstanding values that Wistron provides to its stakeholders.

Robert Hwang / President & CEO  
Wistron Corporation

ROBERT HWANG



# Table of Content

1	Editorial Policy
3	Performance Summary
5	A Message from the Chairman and CSO
7	A Message from the President and CEO
9	Company Profile
11	About Wistron
13	Products & Services
17	Global Operations
17	Awards & Recognition
19	Participation in External Organizations
21	Identifying Stakeholders and Significant Aspects
35	Altruism

## 37 Sustainability and Innovation

39	Corporate Governance and Sustainable Management
40	Corporate Governance
41	Board of Directors
42	Audit Committee
43	Compensation Committee
44	Compliance
45	Anti-corruption and Principle of Integrity
47	Protecting Customer Confidentiality
48	Risk Management
48	Operational Risk Management
49	Financial Risk Management
49	Information Management
52	Climate Change Risk Management
53	Corporate Sustainability and Social Responsibility Management
57	Creating High Shareholder Returns
58	Economic Performance
60	Product Sales
61	New Business Development
65	Creating Added-Value Products
65	A Focus on Product Liability
66	Improve R&D Capabilities
67	Conflict Minerals and Supply Chain Management
71	Supplier's Social Responsibility Management

## 75 Environmental Protection and Green Products

77	Sustainable Product Design and Development
81	Implementing Environmental Protection
83	Environmental Management and Compliance
87	Materials Management
89	Energy Management
105	Emission Management
105	Greenhouse Gas Emission
110	Other Air Emissions
111	Water Resource Management
116	Waste and Effluents Management
116	Waste Management
121	Effluents Management
124	Environmental Protection

## 127 Humanity and Social Care

129	Recruiting and Cultivating Talent and Teams
130	Workforce Diversity
131	New Hire and Turnover Management
132	Local Hiring
133	Talent Cultivation and Career Development
143	Social Responsibility Management
145	Employment and Compensation Policies
146	Parental leave and Retention
147	Human Rights and Anti-discrimination
148	Child Labor and Underage Workers
148	Forced or Compulsory Labor
149	Employee Care
150	Staff Health and Occupational Safety
150	Workplace Safety Management
165	Caring for Employee Health by Providing a Safe Workplace
171	Valuing Internal Communication Channel to Listen to Employees' Voices
173	Social Participation and Care
175	Caring for Society
176	Encouraging Employee Participation: Extending Social Care
181	Wistron Foundation
183	Environment and Education
189	Humanity and Education
191	Documenting the Nature and Humanities of Taiwan
193	Statement
197	GRI Index Table

## Company Profile

### About Wistron

Wistron Corporation is a global leading technology service provider (TSP) supplying innovative ICT (information and communications technology) products, service solutions, and systems to top branded companies worldwide. Our product and service lines include PCs, server/storage/networking systems, display products, communication devices, after-sales services, and electronics scrap recycling, as well as cloud and display vertical integration solutions. From initial product conceptualization, volume manufacturing, and after-sales repairing to end-of-life products recycling, Wistron supports customers with the products and related services reaching international standards for innovation and quality levels.

Wistron was listed as a Fortune Global 500 company in 2011 and 2012. In 2006, 2007 and 2008, Businessweek listed Wistron as one of the top 100 technology companies in the world. Since 2009, Forbes Magazine has included Wistron among Global 2000 for 9 consecutive years (2009-2017). Forbes Magazine also ranked Wistron in Forbes Asia FAB 50 for Asia's best publicly listed companies during 2007, 2008, and 2009.

Wistron values corporate sustainability and social responsibility gravely. The Commonwealth Magazine presented Wistron the "Excellence in Corporate Social Responsibility" awards for 8 consecutive years from 2010 to 2017. Wistron was also recognized among Top 25 in "Channel News Asia Sustainability Ranking" in 2014 and 2015.



### Wistron Quick Facts

- Established in 2001.
- Major OEM(Original Equipment Manufacturer)/ODM(Original Design Manufacturer) provider for global top-10 ICT brands.
- Principal beliefs: Customer Focus, Integrity, Innovation, and Excellence.
- Vision: To be a global leading technology service company providing innovative ICT products, services, and systems.
- Revenue reached NTD 836.1 billion in 2017.
- Headquarters located in Taipei, Taiwan, with global operating sites in Asia, North America and Europe.
- Approximately 80,000 employees across the world.
- Please refer to the Company's annual reports for details on ownership and institutionalization.

## Products & Services

As a whole, we consider providing the best quality as our core principle. We distinguish ourselves through innovation, so as to provide customers with the most comprehensive, efficient and trustworthy products and technical services. Customers can enjoy our one-stop service including specification, R&D, design, manufacturing, information management system construction, maintenance and global operating support.

### Product Portfolio

- Notebook computers
- Desktop computers/All-in-One (AIO) computers
- Smart phones/Handheld devices
- LCD TVs/Monitors
- Servers
- Voice over internet protocol (VoIP) phones and network storage facilities
- Industrial application devices and rugged portable computer systems

### Design Services

- Wistron offers integrated product design services to consolidate various demands in production, including industrial design, electronics, software, mechanical design and functionality, reliability engineering testing, and packaging/development considerations.
- Development of product heat conduction, vibration, radiation, power consumption, structure, and reliability design services for ICT products to ensure that product quality meets the standards of the global and target markets.
- Consideration of initial concept ideas, user interface, materials, styling, component selection, prototyping and engineering samples during product development to embody environmental requirements of the green design concept.

### Manufacturing Services

- Supply of a complete set of manufacturing services from printed circuit board assembly (PCBA) to system assembly.
- Rigorous control over production process and quality from incoming components to out-of-box (OOB) inspection, testing and analysis.
- Grasp of each link of the entire supply chain to obtain the most desirable procurement plan for a component and complete products delivery.

### After-sales Services

- Provision of diversified and customized after-sales services. The service centers and other service solutions provide our customers center-to-center component swaps, center-to-authorized service center swaps, and customer replaceable units (CRUs). All of the above services are also available for non-Wistron products.
- Through a consolidated IT platform, a service chain is formed to effectively manage reverse logistics, material management, and reporting systems.

Customer satisfaction and the best product quality are our goals. We strive to maintain our existing customer base and expand the ratio of our ODM operations. Our short-term and medium-term goals in business development include high efficiency, high capacity utilization and reasonable profits.

In the long term, we will continue to expand our investments into other businesses and products with higher gross profit margins. We have positioned ourselves as a global leader in technical service that offers innovative ICT products, services and system solutions. We will also continue to focus on providing innovative technical services that will boost value for our customers while increasing employee satisfaction to create long-term profits for our shareholders.

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## Global Operations

In order to reach out to the international market, our manufacturing, after-sales services and R&D centers are located in North America, Europe, Asia to provide comprehensive product development and customer service. Through professional and close cooperation between our headquarters based in Taiwan and overseas operation sites, Wistron achieves steady growth and good operation results. For more details, please visit our website ([www.wistron.com](http://www.wistron.com)).



Kunshan Plant



Chongqing Plant



Chengdu Plant



Zhongshan Plant



Taizhou Plant



Mexico Plant



Czech Plant



Hsinchu Plant



Neihu Headquarters



Hsichih Office Complex



Kunshan Opt Plant



## Awards and Recognition

Wistron actively strives for various certifications as well as meeting CSR-related rating and evaluations conducted by local organizations and governments, to promote corporate value and social image.

### 2017

- Wistron ranked No. 1667 on Forbes Global 2000 List
- Wistron ranked 7th in revenue among Taiwan manufacturing companies on the CommonWealth Magazine 2000 list in 2007.

- Wistron ranked No.36 in the CommonWealth Magazine Excellence in Corporate Social Responsibility – Large Industries category.
- Wiedu, Wistron's subsidiary in education service, received the Special Reviewer Award in the 16th Business Startup Award organized by the Small and Medium Enterprise Administration, MOEA (Ministry of Economic Affairs, R.O.C.).
- Wiedu, Wistron's subsidiary in education service, received the 2017 Top 100 Innovative Product awards.



## Participation in External Organizations

Wistron establishes memberships and good relationships with cross-industrial and interdisciplinary organizations, and broadens communication and participation levels so as to grasp the international pulse and trends. Close relationships with outside organizations supports our continuous growth in various areas.

The organizations that we have joined in 2017 are listed below:

- Responsible Business Alliance (RBA)
- Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)
- Taipei Computer Association (TCA)
- Allied Association for Science Park Industries
- Information Service Industry Association of R.O.C. (CISA)
- Taiwan Academia Industry Consortium (TAIC)
- International Electronics Manufacturing Initiative (iNEMI)
- Diagnostics and Healthcare Alliance (Dx-Hc)
- Trans Regional Biotechnology Association
- Nanotechnology and Micro System Association (NMA)
- Electronics Mfg & Quality Tech
- Network Intelligence Camera Ecosystem (NICE)



## Identifying Stakeholders and Significant Aspects

In order to communicate with different stakeholders effectively, we have initiated materiality analysis procedures since 2010. For 2017, the scope and boundary of identifying aspects were included by referring to GRI Standards. The key steps are shown as follows:

### Step 1 : Identify stakeholders

This is mainly performed by Wistron's Corporate Sustainability and Social Responsibility (CSR) Promotion Committee. We refer to the five principles used to identify the stakeholders by AA1000 SES (Stakeholder Engagement Standards) (2011), including dependency, responsibility, influence, diverse perspectives and tension. Based on the average weight on each principle, the stakeholders are classified into eight groups in total, including customers, employees, shareholders/investment institutions, suppliers, government units, non-profit organizations/communities, media and others.

### Step 2 : Establish communication objectives

"Sustainability, innovation, and humanity" is the main axis and essence emphasized and delivered by Wistron under the corporate philosophy of "altruism." It upholds the belief that "benefiting others is benefiting us sustainably." We practice and cultivate each level of sustainability, co-existence, innovative value, and humanistic care in our practical actions and reports.

### Step 3 : Collect sustainability issues

Utilizing various aspects of GRI Standards indexes as the foundation, we have added important communication issues over the past years to form the scope of sustainability issues in Wistron.

### Step 4 : Conduct materiality analysis and determine priorities

We conduct materiality questionnaire survey with identified stakeholders. A total of 217 questionnaires were collected in 2017, which were used to understand the concerns of the above stakeholders toward each issue. For the same issue, the questionnaire survey is also conducted among the committee members and internal participants. The impact on the company's operations is determined by taking the economic, environmental, and social dimensions into consideration.

### Step 5 : Identify the scope and boundary of material topics

The organization shall completely include all topics of the value chain covered by Wistron based on its activities, products, services and whether the relationship-related impacts occur internally or externally.

### Step 6 : Review and discussion

After the materiality analysis results, the Report Compiling Team will conduct a discussion to determine the sustainability issues that should take priority for disclosure.



Material Topics and Their Boundaries						
Category	Material Topics	Chapter in 2017 CSR Report	Response to UN Sustainable Development Goals (SDGs)	Boundary		
				Internal	External	
					Supplier	Customer
Economic	Economic Performance	Economic Performance	SDG8 (Decent Work and Economic Growth) SDG13 (Climate Action)	V	V	
	Market Presence	Employment and Compensation Policies	SDG8 (Decent Work and Economic Growth)	V		V
	Anti-corruption	Anti-corruption and Principle of Integrity		V	V	V
Environmental	Material	Materials Management	SDG12 (Responsible Consumption and Production)	V	V	V
	Energy	Energy Management	SDG9 (Industry Innovation and Infrastructure) SDG7 (Affordable and Clean Energy)	V	V	V
	Water	Water Resource Management	SDG12 (Responsible Consumption and Production)	V		
	Emission	Emission Management	SDG13 (Climate Action)	V		V
	Effluents and Waste	Waste and Effluents Management	SDG12 (Responsible Consumption and Production)	V		V
	Environmental Compliance	Environmental Management and Compliance		V	V	V
	Supplier Environmental Assessment	Supplier's Social Responsibility Management		V	V	
Social	Employment	New Hire and Turnover Management		V		
	Laber/Management Relations	Valuing Internal Communication Channel to Listen to Employees' Voices	SDG8 (Decent Work and Economic Growth)	V		
	Occupational Health and Safety	Staff Health and Occupational Safety	SDG3 (Good Health and Well-being)	V		
	Training and Education	Talent Cultivation and Career Development	SDG4 (Quality Education)	V		

Material Topics and Their Boundaries						
Category	Material Topics	Chapter in 2017 CSR Report	Response to UN Sustainable Development Goals (SDGs)	Boundary		
				Internal	External	
					Supplier	Customer
Social	Diversity and Equal Opportunity	Workforce Diversity	SDG8 (Decent Work and Economic Growth)	V		
	Non-discrimination	Social Responsibility Management	SDG5 (Gender Equality)	V		
	Child Labor	Child Labor and Underage Workers	SDG8 (Decent Work and Economic Growth)	V		V
	Forced or Compulsory-Labor	Forced or Compulsory Labor	SDG8 (Decent Work and Economic Growth)	V	V	
	Customer Health and Safety	Sustainable Product Design and Development		V		V
	Marketing and Labeling	Sustainable Product Design and Development		V		V
	Customer Privacy	Protecting Customer Confidentiality		V		V
	Socioeconomic Compliance	Compliance		V		V
Other	Product Development	Creating Added-Value Products	SDG9 (Industry Innovation and Infrastructure)	V	V	V
	New Business Development	New Business Development		V		V
	Information Management	Information Management		V		V
	Social Care	Social Participation and Care ; Wistron Foundation		V		



Stakeholders' Communication Methods and Frequency					
Stakeholder	2017 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Chapter in the Report
Customers	Product quality/price/delivery time	Regular business review meetings with customers	Quarterly or semi-annually	We actively improve and respond to customers' problems and include these problems in our management focus.	A Focus on Product Liability
Customers	R&D/project capacity	Regular business review meetings with customers	Quarterly or semi-annually	We actively improve and respond to customers' problems and include these problems in our management focus.	Improve R&D Capabilities
Customers	Management of restricted materials	Customers provide a list of restricted materials	According to customer requirements	Wistron will incorporate customers' requirements regarding restricted materials and dates of compliance in its management focus and request that employees follow accordingly.	Sustainable Product Design and Development
Customers	Green products	Customers provide green product specifications	According to customer requirements	Wistron will include customer-requested specifications in product designs.	Sustainable Product Design and Development
Customers	Supply chain	Customers provide the environmental and social responsibilities with which Wistron must comply	According to customer requirements	We recruit new suppliers according to customer requirements on environmental and social responsibilities, include suppliers' hazardous substance process controls and social responsibility management in our supplier assessment, and request that new suppliers sign necessary statements.	Conflict Minerals and Supply Chain Management
Customers	Innovative products	We communicate requirements for innovative products in meetings with customers or through mail	According to customer requirements	Wistron will include customer requirements for innovation in product designs.	Sustainable Product Design and Development
Employees	Description of business overview	Organize business overview meetings and encourage management-level employees to participate in these meetings	Quarterly	Regular business overview meetings ensure direct communication enabling employees to better understand the company's status quo.	Valuing internal communication to listen to employees' voices
Employees	Welfare planning and budget resolution and implementation	Set up welfare committees in Taiwan offices and organize quarterly welfare committee meetings to review activities arranged by the committee	Quarterly	Regular welfare committee meetings ensure adequate monitoring and control over the committee's activities.	Social Participation and Care
Employees	Labor meeting (Wistron Employee Relations Committee)	Employees can express their opinions to employee representatives at Wistron Employee Relations Committee	Quarterly	Employees can express their opinions and suggestions to employee representatives at Wistron Employee Relations Committee as well as receive feedback.	Valuing internal communication to listen to employees' voices
Employees	Supervisor training	New supervisor training is organized according to the number of new supervisors for the year to help new supervisors quickly understand their duties and role as supervisors	Quarterly and contingent on the number of new supervisors	Regular training for new supervisors enables new supervisors to become acquainted with their job and responsibilities in the shortest time possible.	Talent Cultivation and Career Development

Stakeholders' Communication Methods and Frequency					
Stakeholder	2017 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Chapter in the Report
Employees	New employee guidance	Orientation is provided to new employees on the day they report for duty. We host new employee seminars every six months to keep abreast of new employee status from their beginning day and of relevant suggestions	New employees attend orientation on the day they report for duty. New employee satisfaction is surveyed one month after they report for duty. A new employee seminar is organized every six months	Orientation on the first day of their job provides new employees an overview of the company. Regular new employee seminar gives us updates on new employees' situation and the chance to help them if necessary.	Talent Cultivation and Career Development
Employees	Supervisor counseling and communication	Supervisors are asked to have a one-on-one meeting with each employee of their department so as to improve the relationship and understanding between supervisors and their subordinates	Monthly	Regular one-on-ones improve the supervisor-subordinate relationship.	
Employees	Performance communication	During performance reviews, supervisors are asked to conduct performance interviews with their subordinate so that both parties obtain a full understanding of their performance status	Semi-annually	Through periodic performance interviews, supervisors and employees are able to become aware of areas of improvement in job performance.	
Employees	Employee health care	Collaborate with health management centers or hospitals to organize health checkups for employees	Annually	Through yearly health checks, the Company's employees are able to receive updates on their health status.	We care for employee health and provide a safe workplace
Suppliers	Wistron's Supplier Green Procurement Requirements	Green Product Management (GPM) System	Semi-annually	We require our suppliers to comply with Wistron's Supplier Green Procurement Requirements.	Conflict Minerals and Supply Chain Management
Suppliers	Risky supplier greenhouse gas inventory report	SQP system	Annually	We require risky suppliers to submit a greenhouse gas inventory report.	Conflict Minerals and Supply Chain Management
Suppliers	Auditing of risky suppliers' corporate sustainability and social responsibilities	Onsite inspection	Annually	We perform onsite inspections to audit suppliers' corporate sustainability and social responsibilities.	Conflict Minerals and Supply Chain Management
Suppliers	Supplier corporate sustainability and social responsibilities	Supplier workshop	Annually	We require suppliers to fulfill Wistron's corporate sustainability and social responsibilities.	Conflict Minerals and Supply Chain Management
Suppliers	Supplier price competitiveness and perpetual stable supply	Vendor conference	Annually	We require our suppliers to maintain price competitiveness and perpetual stable supply.	We require our suppliers to maintain price competitiveness and perpetual stable supply

Stakeholders' Communication Methods and Frequency					
Stakeholder	2017 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Chapter in the Report
Shareholders/Investment Institutions	Corporate governance	Company (quarterly/annual) financial reports, annual reports, investor seminars, annual shareholders' meetings, investor meetings, material information on the Market Observation Post System, corporate social responsibility reports, and the company website	Periodic or non-scheduled	We continue to disclose corporate governance related information over the aforementioned communication channels.	Corporate governance
Shareholders/Investment Institutions	Financial performance and profitability			We produce relevant financial statements according to international accounting standards and provide a descriptive analysis of financial figures for each period.	Economic Performance
Shareholders/Investment Institutions	Business strategy and outlook/ industrial changes			We describe the Company's mid-to-long-term business goals and investment strategies.	A Message from the President and CEO
Shareholders/Investment Institutions	Dividend policy			We describe the Company's dividend policies and factors that influence the amount of remuneration distributed.	
Competent authority for securities	Operating effects and efficiency	Official documents	Non-scheduled	We submit relevant reports regularly pursuant to the requirements of the competent authority.	
Competent authority for securities	Reports are reliable, timely, transparent, and conform to relevant norms	Company website and Market Observation Post System	Non-scheduled	We submit relevant reports regularly pursuant to the requirements of the competent authority.	
Competent authority for securities	Compliance with relevant legislations	Questionnaires and related briefings	Non-scheduled	We submit relevant reports regularly pursuant to the requirements of the competent authority.	
Environment and charity groups	The environment and diversified education, and the support on these issues	Project meeting, semi-annual/ annual report	Non-scheduled	We continue to support and solicit participation from corporate volunteers.	
Media	Business performance, product innovation and technological development, corporate governance, and sustainable development strategy	Deliver and communicate through financial report, online investor conferences, company website, press conference, news release	Non-scheduled	We provide information and explanations to the public in accordance with principles of transparency.	
Directors (including independent directors)	Business performance + sustainable development + core competitiveness	Board of Directors	8 times in 2017	We release board of directors meeting minutes on the company website and in annual report every year.	Corporate governance
Independent directors	Business performance + sustainable development + core competitiveness	Audit Committee	8 times in 2017	We release board of directors meeting minutes on the company website and in annual report every year.	Corporate governance



# Altruism

The technology powerhouse for  
better life & environment.



# Sustainability and Innovation

# Corporate Governance and Sustainable Management



## Corporate Governance

Wistron has a long-standing commitment to superior corporate governance practice. We have endeavored to build an effective company management framework, protect shareholder rights, improve the structure of our Board of Directors, respect the rights of associated partners, and enhance information transparency. We believe a good structure of the Board of Directors is the cornerstone of good corporate governance practice. Therefore, to reinforce the management mechanism of the Board of Directors, independent directors and supervisors have been included on the Board since Wistron's initial public offering in 2003. The independent directors and supervisors are highly experienced and respected professionals in the industry and they ensure that the company adheres to the ethics and legal regulations while pursuing increased growth.

In 2009, Wistron took a major step to enhance corporate governance by replacing the Supervisory Board with an Audit Committee, which is formed by the panel of independent directors under the Board and began operation under the governance of the Board of Directors Meeting Guidelines and Audit Committee Charter. And with the understanding that the compensation system for the directors and management is a key link between the company and risk management, in 2011, Wistron's Board of Directors made a resolution to set up the Compensation Committee and the Compensation Committee Charter. Establishment of this Committee brought Wistron's corporate governance practices a step forward.

## Board of Directors

In accordance with the Articles of Incorporation, Wistron's Board of Directors consists of seven to nine Directors, who will be elected by the shareholders' meeting from the director candidate list via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected.

Currently the Board is composed of nine members with rich operations experience and reputation in the industrial circle, which also includes accountants and lawyers for overall consideration, including five independent directors whose qualifications are in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The general directors include Mr. Simon Lin (Hsien-Ming Lin), who is the Chairman and CSO of Wistron, Mr. Stan Shih (Chen-Jung Shih), who is the Chairman of StanShih Foundation, Mr. Haydn Hsieh (Hong-Po Hsieh), who is the Chairman and CSO of Wistron NeWeb Corp., and Mr. Robert Huang (Po-Tuan Huang), who is the President and CEO of Wistron. The five independent directors include Mr. John Hsuan (Min-Chih Hsuan), who is the Vice Chairman Emeritus of United Microelectronics Corp., Mr. Michael Tsai (Kuo-Chih Tsai), who is the Chairman of Maxchip Electronics Corp., Mr. James K.F. Wu (Kuo-Feng Wu), who was a former partner of KPMG Taiwan, Mr. Victor C.J. Cheng (Chung-Jen Cheng), who is a doctor of Jurisprudence from Stanford University, and Mr. Duh-Kung Tsai, who is the Chairman and CEO of Powertech Technology Inc.. The company's Chairman is elected by the Board of Directors and represents the company externally. Please refer to our website and annual reports for the detailed biography of each member of the Board.

The Board is required to hold at least one meeting each quarter, and a total of 8 board meetings were held in 2017. The Board is the highest government unit in the company, which is mainly responsible for improving

supervision function and strengthening the management mechanism. The Board members oversee the operations team to ensure that the team strictly abides by all regulations and enhances information transparency. Moreover, it instructs the operation teams in major decision-making instances by using its own experience, so as to achieve sustainable operations for the company and further guarantee the shareholders' rights and interests. If any board member or the represented entity has a stake in any matter of the meeting, which may cause harm to the corporate benefits, the said member shall not join the discussion and voting, nor practice the voting right on behalf of another board member. The management team regularly reports to the Board regarding the operations, development strategies, and other important issues, so as to maintain smooth and open communications with the Board.

## Audit Committee

One of the major functions of Wistron's Audit Committee is to develop a risk management system that monitors the company's potential risks. The scope of this mandate includes verifying the adequacy and accuracy of financial statements, appointing (and dismissing) certified public accountants and assessing their independence and performance, overseeing the integrity of internal controls, evaluating the company's compliance with legal or regulatory requirements, and monitoring the company's existing or potential risks. In addition, the general auditor, senior accounting officers, and certified accountant must attend the Committee's meetings every quarter to report on the status of internal audits and financial performance, as well as the most recent developments in pertinent regulations.

The Audit Committee may by resolution engage lawyers, auditors and/or other professional consultants to seek independent advice within the scope of its authorization. The Audit Committee may also establish direct communication with the internal auditors, certified accountants and/or the

management teams. The Audit Committee is required to hold a meeting at least once each quarter, and a total of 8 Audit Committee Meetings were held in 2017. Please refer to the Annual Report and Market Observation Post System (MOPS) for details.

## Compensation Committee

Wistron's Compensation Committee is given the authority to establish and review compensation policies for the company's directors and senior management. The policies are linked with the company's performance and goals, designed to recruit and retain high quality personnel and enhance competitiveness. The compensation for Wistron's directors is set up according to the Article of Incorporation and the actual payments are made according to the duties, attendance rate at the Board meetings, and performance of each director. In case of any revisions, they shall be submitted for resolution at the Shareholder's Meeting, so as to evaluate the management performance of the highest governing unit. The compensation package for each senior manager includes a fixed component of wage, three Chinese festival grants paying, and benefits and a variable component of bonus, dividends (cash/stock) and stock options. The fixed terms aim to maintain the company's competitiveness at a certain level and the variable terms are considered based on the company's and the individual's performance. When the company and individual's performance is higher, the ratio of the variable terms to the fixed terms will also be higher. The assessment standards are based on the extent to which the annual goals are achieved, which include annual financial targets (revenues, profits, etc.), market/customer, and the growth and development of the organization and personnel. In the beginning of each year, the Compensation Committee sets the assessment items, goals, and weight ratios, taking internal and external development into consideration. The compensation for the managers is assessed based on personal performance and the terms are evaluated before forwarding to the Board of Directors for approval.

Wistron's Compensation Committee is required to hold a meeting at least twice a year. The Committee is composed of three members and all the members are independent directors. The independent director Mr. Xuan Mingzhi was unanimously elected by all Committee members to serve as convener and Chairman of the meeting. The Committee members are required to invite the company's the Chairman of the Board to attend the meetings. However, the members of the Compensation Committee should excuse themselves from the meetings if the issues to be discussed involve personal interests. The Committee may also request directors, managerial officers of relevant departments, internal auditors, accountants, legal consultants, and other personnel to attend the meetings and provide them with pertinent and necessary information. A total of 3 Compensation Committee Meetings were held in 2017. For the attendance records, please refer to the Annual Report and Market Observation Post System.

## Compliance

Since 2001, Wistron has diligently complied with all relevant regulations to set up its internal operations and governance. After public listing, the company has tracked the development of new regulations closely and requires all subsidiaries to strictly abide by them. The company sets goals to strengthen our core values, maintain a high level of integrity, ensure that the employees observe the company's ethical standards when conducting business and daily operations, and maintain a good reputation to win the trust and respect of our customers, suppliers and the general public. To achieve these goals, Wistron developed the Employee Code of Conduct, which serves as a set of guidelines for all employees and executives. The company keeps a continuous watch on the domestic and international

policies that may have an impact on the company's finances and businesses and put in place a set of risk management procedures to respond to any potential impacts. Also, we continuously enhance employees' legal awareness through training and education. Wistron had never been subjected to any monetary or non-monetary penalties due to any failure to comply with the relevant regulations in 2017.

## Anti-corruption and Principle of Integrity

Integrity is Wistron's core value as well as the foundation of its operation. The aim of an integrity-based business is to provide a working environment and atmosphere in which employees can perform their duties under ethical standards. The Company requires all employees to understand and comply with ethical practices. We respect and adhere to the confidential agreement with customers and do not accept gifts or special hospitality. We anticipate that our customers, suppliers, business partners, and other stakeholders from many sectors will understand and support our integrity management policies. To enhance corporate governance performance, we published our Corporate Governance Best Practices, Principles of Integrity, and Code of Ethical Conduct in 2014 and amended these regulations in 2016. Please refer to Article 9 of the Code of Ethical Conduct for details on the compliance and whistle-blowing mechanisms for internal and external employees. Please refer to the company's website and the Market Observation Post System (MOPS) for details.

Concerning the operation of the Board of Directors, directors may express their opinions and respond to questions in regards 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. Directors are also prohibited from exercising voting rights by proxy.

To help employees understand related regulations, Wistron requires all new employees in overseas manufacturing sites to undergo employee ethics training. Its Taiwan office requires new employees to undergo online ethics training. Moreover, all employees at various plants in Mainland China are required to sign the Pledge for Ethical Practices. All employees have a duty to report unethical and improper conduct to the company through appropriate channels. The company also pledges to protect employees who report or cooperate with the investigation of such cases to prevent any unfair retribution or treatment.

To strengthen its anti-corruption management system, the company conducts evaluation and self-inspection of the design and implementation of internal control systems, including its accounting system, which is also double-checked by the auditor. Moreover, capital, procurement, supply chain management, and administrative units are listed as potential risks and are subject to internal audit or periodical job rotation. In addition, we also invite professional departments to educate and train our supervisors so as to raise their awareness on ethical management. The results of our anti-corruption and principles of operational integrity are regularly reported to the company Board Meeting. In 2017, we did not receive any reports of unethical behavior or business practices through our whistleblowing channel.

In terms of external relationships, regulatory compliance, integrity and non-compliance records must first be evaluated before any business relationship can be established with agents, suppliers, customers or other business partners. During the business process, the company shall explain its operation integrity strategies and related regulations. It will also reject any direct or indirect form of promise, favor or unjustified incentive. If any integrity or compliance violation should occur, the business relationship shall be immediately terminated and the entity involved would be placed on the blacklist. Compliance together with the anti-corruption policy is included in the contract which covers the following: clear and reasonable payment terms, handling of integrity issues, and violation of the terms and conditions related to illegal commissions, rebates or other interests.

In addition, Wistron informs suppliers of its anti-corruption policies through the World Supplier Relationship Management (WSRM), and promotes its operations integrity strategies and principles during the Suppliers Meeting and Corporate Briefing. The supplier's implementation status is also reviewed every year. Thanks to the company's advocacy efforts and management system, there have been no major cases involving unethical behavior or business practice in 2017.

## Protecting Customer Confidentiality

"Protecting customer's confidentiality and adhering to the principle of good faith" is one of our commitments. We have stipulated "Professional Ethics" and "Administration Roles for Wistron People" to establish and cultivate the value and culture of integrity among employees. We

have strict policies and internal control mechanisms to protect the confidentiality of information provided by our customers. In addition to managing all hardware and software containing technical information and customer information related to intellectual property rights, confidentiality agreements will be signed with the customers and suppliers to protect confidential information. "Protecting Customer Confidentiality" has also been included as a part of the new employee training program. Through training and management, Wistron ensures that every employee adheres to our confidentiality commitment in their dealings with customers. There were no violations of customer privacy rights or loss of customer data that harmed customer interests in 2017.

## Risk Management

### Operational Risk Management

To protect stakeholders' rights and benefits, Wistron focuses on the performance of its core businesses and never engages in risky and high-leverage investments. Meanwhile, it actively evaluates the risks and benefits of introducing new technologies and strengthens the competitiveness of its core businesses. Wistron also controls operating costs by ensuring a high utilization rate of its extant equipment to elevate production capacity and productivity. It expedites business development by endeavoring to transform into a comprehensive technical service provider. Thus, more convenient, appropriate high value-added services are provided in response to the advancement of cloud applications, thereby increasing Wistron's gross profit. Wistron regularly holds strategic development conferences to discuss long-term business development strategies.

## Financial Risk Management

The drastic fluctuation in the global financial market, exchange rates, interest rates, and even product prices have instigated more challenges to business operations because a slight negligence may erode profits and subsequently jeopardize shareholder equity. In response, our financial department has established Guidelines for the Management of Derivative Transactions, in which hedging instruments, evaluation procedures, and various financial instruments (including forward exchange, swap contracts, and options) are stipulated for risk mitigation. As export products account for approximately 99% of Wistron's revenue, and most exported products and raw materials procurement are quoted in U.S. dollars, most of our foreign currency transactions are offset against regular payments for the incoming materials procurement to achieve automatic currency hedging. Remaining funds are converted into New Taiwan Dollars according to capital requirements. In the future, we will reinforce the mechanism of automatic currency hedging through offsets of payments and collections, and use tools, such as derivatives and other financial products (forward exchange or swap contracts), to conduct risk hedging under the terms of proper risk management regulations.

## Information Management

### Key Application Systems can Maintain Function to Guarantee Uninterrupted Corporate Operation

To ensure the company's key application system (Service Class 2 – Business Critical) can maintain its function to guarantee uninterrupted business operation, system design and practice are as follows:

- Develop Service Level Agreements (SLA)
- Design High-Availability (HA) structures
- Build Backup Data Center (BDC) in Hsinchu
- Conduct a yearly Disaster Recovery (DR) Rehearsals in BDC

- A DR Rehearsal was completed between 08/07/2017 and 08/09/2017. The results were as follows:

BDC Policy	Rehearsal Result
RPO of SC2 Services <= 4 hours	1.73 hours
RTO of SC2 Services <=24 hours	21.13 hours

[ Note 1 ] RPO: Recovery Point Objective

[ Note 2 ] RTO: Recovery Time Objective

In the next 2 years, we plan to assess the integration of cloud technological applications and include it as a platform for continued operations in the future.

### Effectiveness and Future Planning of Information Security

Wistron obtained the Information Security Management System ISO27001:2013 certification in August of 2017, which shows Wistron's long-term commitment in information security management and its performance and resolution to improving information security. In the future, the Company will continue to elevate its information security management and practices, using secure means to control and manage the enterprise's business secrets and key application systems, thereby guaranteeing the smooth operation of the information system essential to business continuity.

Based on 14 controls, 21 objectives were established to ensure confidentiality, integrity, and availability of information assets. In addition, Wistron follows a management model based on the plan-do-check-act (PDCA) system. With an institutional, document-based, and systematic management mechanism, we continue to supervise and inspect management performance; we constantly improve our employee base, service process, and management methods for a sound internal control system.

### Social engineering simulation and campaign

To ingrain the concept of information security in the minds of every employee, an interactive e-learning program was provided in 2016. All of Wistron's employees completed training and passed tests on the concepts and practices of information security. Additionally, social engineering simulations and rehearsals were conducted periodically to assess the vulnerability of employees to phishing scams; advocacy in this respect was strengthened. Wistron conducted social engineering simulations and rehearsals once every six months in 2017 to strengthen information security advocacy.

### Future Plan for Information Security

1. Set up an Information Service Management Committee and establish a service-oriented information service management system;
2. Develop a standard service management process and enhance the ability of employees to manage information services;
3. Introduce ISO20000-based information service management system and obtain ISO20000 certification.

### Climate Change Risk Management

We listed potential regulatory risks, actual risks as well as other potential risks as follows:

Climate Change Risks Assessments		
Risks	Effects/Impacts	Opportunities
The Legislative Yuan passed the Greenhouse Gas Reduction and Management Act following three readings.	The total gas emission will be regulated and emission amount will be specified, thereby limiting business production expansion. In addition, businesses that provide false information shall be penalized; for severe cases, the competent authority may request the business operator to cease operation, cease construction, or close down his/her business.	Consider increasing the proportion of software and service sales according to the carbon reduction target.
Regulatory Risks National governments now looking at levying a carbon, energy or environment tax.	Increase in cost of production. Global commodity and energy prices will increase.	<ol style="list-style-type: none"> <li>1. Promote low-carbon practices among employees.</li> <li>2. Cooperate with customers/suppliers: Implement carbon management training and carbon emission audits for suppliers.</li> <li>3. Choose materials carefully and simplify designs (e.g., reduce the number of parts, adopt common standards).</li> <li>4. Promote energy-saving plans for new green factory buildings.</li> </ol>
Global product carbon labeling regulations.	Increase in all information technology and communications product costs as well as operating costs.	Discuss with customers the possibility of disclosure of product lifecycles and environmental information can be integrated.
Product energy efficiency regulations and standards. (e.g., Energy Stars, ErP, etc.)	Increased costs of procuring raw materials and spare parts, and longer time for design and product verification.	Increase the differentiation of product energy efficiency and regulations.

	Risks	Effects/Impacts	Opportunities
Physical Risks	Limitations on energy purchases. (e.g., oil and electricity).	Fluctuation of oil and electricity prices influences operating costs.	<ol style="list-style-type: none"> <li>1. Reinforce internal controls and seek alternative energy sources.</li> <li>2. Purchase green electricity, assist with encouraging Taiwan government and corporations to develop renewable energy sources.</li> </ol>
	Global warming generates climate anomalies that lead to more severe and more frequent hurricanes, flooding and droughts.	Direct or indirect impact on production and transportation. (e.g., employee commutes, business trips, unstable power supply leading to suspension of production, or even loss of life and property). Post-disaster reconstruction costs time, manpower and money.	Execute assessment of physical risks in regions where Wistron offices, plants, and supply chains are located.
Other Risks	Change in consumption patterns. (e.g., awareness of green consumption).	Consumers will gradually give importance to and choose low emissions and environmentally friendly products.	Actively develop more energy-efficient, environmentally friendly, and cost-effective products or services and promote the corporation's green image in order to increase the company's revenue and market share.

## Corporate Sustainability and Social Responsibility Management

Wistron is committed to establishing a corporate sustainability and social responsibility (CSR) management system that will exceed local regulatory and ethical standards. The development of high-quality green products and services will also be complemented by protection of the environment as well as employee health, safety and human rights in order to protect stakeholders' interests. In addition, Wistron will make corporate governance/investor relations, customer satisfaction, supply chain management, employee rights and care, and community participation the five functional areas in CSR communication. Apart from conforming to the basic requirements of the RBA Code of Conduct, we will work even harder to

realize the harmonious development of "Sustainable Environment", "Role-model for Innovation" and "Humanitarian Society".

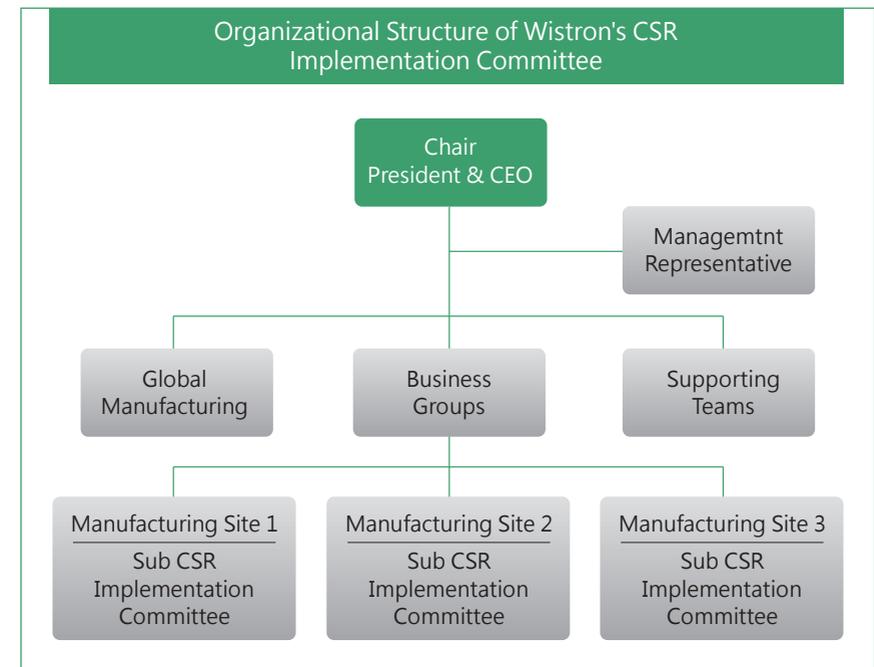
To achieve the goal of CSR, we employed the CSR Management System, which integrates the five key management practices of quality control, green product, environmental protection, occupational safety and health, and social responsibility to build a globally consistent management system. This system ensures ongoing assimilation of daily business operations and realizes continuous improvement creating a sustainable management model.

The CSR Implementation Committee is the highest governance body for CSR affairs within Wistron and is chaired by the company President & CEO personally, with the rest of the Committee comprised of tier-1 executives. The committee is responsible for coordinating and formulating policies, objectives and direction of CSR management system as well as monitoring the implementation regarding CSR activities. The head of each production site also chairs its site CSR Committee to ensure the proper implementation of the CSR Management System. The CSR Implementation Committee updates and publishes the implementing organization and responsibility



with hosting kickoff meeting to announce the implementation direction and plan at the beginning of each year. Based on the management system's spirit of continuous improvement, internal audits are planned and executed each year to verify that the management system is being properly implemented and the results are reported to upper management.

Our board of directors adopted and amends the "Code of Practices for Corporate Social Responsibility." The President & CEO shall report to the board of directors at least once a year on the implementation and performance of the Wistron CSR program as well as the plans and goals for the coming year. To pursue corporate sustainability and fulfill social responsibility, all such economic, environmental, and social issues deserve our continued attention.



# Creating High Shareholder Returns



## Economic Performance

In 2017, Wistron's consolidated revenue increased around 27%. The net profit after tax increased slightly from the previous year and the overall financials remained stable. From the operation management point of view, we continued to enhance operation efficiency through improving material cost management and production efficiency. In addition, we continued to accelerate innovation and adjustments in our business portfolio in order to cope with competition and market changes. Relevant financial information is disclosed in the following tables, or refer to our annual report:

Financial Performance Overview					Unit: Millions of NTD	
Item	Year	2017		2016		
Revenue	836,081	100	659,908	100		
Gross Profit	31,639	4	31,645	5		
Operating Costs	25,726	3	25,632	4		
Net Profit	5,914	1	6,012	1		
Net Profit Before Tax	6,158	1	4,757	1		
Income Tax	1,797	-	1,764	-		
Consolidated Net Profit After Tax (including minority shares)	4,361	1	2,993	1		
Earnings Per Share	1.48	-	1.16	-		
Retained Earnings	21,327	-	21,344	-		
Personnel Expenses	36,046	-	28,890	-		
Employees Bonus	615	-	496	-		
Cash Dividends	3,042	-	2,905	-		
Stock Dividends	761	-	726	-		

Total Capitalization of Debt and Equity Unit: Millions of NTD					
Item	Year	2017		2016	
		Assets	326,653	100%	282,755
Shareholder Equity	66,421	20%	67,968	24%	
Short-Term Loans [ Note ]	90,729	28%	46,203	16%	
Long-Term Loans	733	-	11,568	4%	

[ Note ] Includes long-term loans due within one year.

Profitability Analysis			
Item	Unit	2017	2016
Return on Assets	%	2.11	1.56
Return on Equity	%	6.49	4.36
Ratio to Pay-in Capital	%	22.40	17.95
Net Profit	%	0.52	0.45
Earnings per share	NTD	1.48	1.16

## Product Sales

Wistron does not own any brands, so we use annual growth in output in place of market share. In addition to soliciting orders from international manufacturers, another key to maintaining market competitiveness is to maintain a stable rate of gross profit amid intensifying price wars.

Regarding Wistron's product performance in terms of shipments in 2017, key growth drivers were smartphones, rugged handhelds, smart appliances and (VOIP) Internet telephony, whereas the sales of notebooks, desktop computers, server, monitors, and LCD TVs held steady or declined slightly.

Product Sales									
Year	Sales	2017				2016			
		Domestic		Export		Domestic		Export	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		65,823	1,006	20,323,575	243,033	104,546	1,545	21,259,535	257,648
		85,260	524	12,882,131	89,021	102,094	600	11,782,420	69,053
		231,652	3,109	106,415,554	499,388	293,867	2,726	90,276,343	328,336
		382,735	4,639	139,621,260	831,442	500,507	4,871	123,318,298	655,037

## New Business Development

To achieve Wistron's vision, "to be a global leading technology service company providing innovative ICT products, services, and systems," we not only continued to refine our core business performances, but also

demonstrated main progress in after-sales service, green recycling business, educational technology service business, and cloud product business in 2017 as below:

Name of New Business Units	Annual Progress
<p>After-Sales Services (Service Business Group)</p>	<p>Wistron's Service Business Group offers an after-sales maintenance plan that provides a variety of product solutions to extend product life span.</p> <ul style="list-style-type: none"> <li>• System Integration                             <ol style="list-style-type: none"> <li>1. To connect customer systems (electronic data interchange [EDI]) with the company' s internal system (enterprise application integration [EAI]).</li> <li>2. To reduce manual operation and standard operating procedures to expedite end-to-end process.</li> <li>3. To establish a real-time tracking spreadsheet that facilitates accurate and efficient decision-making.</li> <li>4. To develop a second-generation customer service system that features a web-based user interface and an integrated database comprising global service information that facilitates data analysis and decision-making.</li> <li>5. To make use of existing database and develop an automated management report sheet.</li> </ol> </li> <li>• Continual development of automated processes, which reduce human error and increase output stability                             <ol style="list-style-type: none"> <li>1. Install Return Materials Authorization (RMA) automated goods receiving systems in the Hsinchu and American/European branch offices.</li> <li>2. Develop mobile phone/notebook automated testing systems/programs.</li> <li>3. Introduce spare part automatic packaging system to the Chongqing plant in China.</li> </ol> </li> </ul>
<p>Educational Technology Service Business</p>	<p>Wistron emphasizes the importance of learning. It has teamed up with high-caliber experts in industry, government, academia, and research sectors to develop a total solution for the future of the smart campus program and build an educational platform that facilitates improving the educational quality of campuses in Taiwan.</p> <ul style="list-style-type: none"> <li>• Taipei CooC Cloud                             <ol style="list-style-type: none"> <li>1. Integrated in an educational setting, the CooC Cloud reading service expands and strengthens the CooC application in greater depth and breadth.</li> <li>2. As of the end of 2017, the CooC Cloud application has attracted nearly 220,000 registrations and over 6,000,000 visitors.</li> </ol> </li> <li>• The Kaohsiung Dr. Live autonomous learning platform                             <ol style="list-style-type: none"> <li>1. Wistron has established a Dr. Live platform, using open MOOC courses to develop new course outlines, establish diversified teaching and learning methods, and realize the vision of teaching resource sharing.</li> <li>2. Wistron offers live education videos, realizing a one-teacher-against-many-students teaching model that increases learning accessibility in rural areas, actualizes remote learning, and enhances learning motivation and effectiveness.</li> </ol> </li> </ul>

Name of New Business Units	Annual Progress
Green Recycling Business	<p>As part of our due diligence to fulfill social responsibilities, Wistron Green Recycling team provides recycling and reuse service with most environmental friendly process to maximize profit in the circular economy for our corporate customers.</p> <ul style="list-style-type: none"> <li>• Wistron GreenTech Texas (WGTX) WGTX is dedicated to resource reusing services. After five years of diligent work, WGTX was highly praised by both the U.S. Environmental Protection Agency and Harvard Business Review in 2016 for its efforts and contributions to the circular economy of its OEM clients. Additionally, WGTX received the Outstanding Enterprise Performance Award for its local contributions to the city of McKinney, Texas. WGTX successfully disposed of 11,350 metric tons of electronic wastes in 2017 and expanded its service targets from the ICT industry to including the medical and aviation industries.</li> <li>• Kunshan Recycling Plant The Kunshan Recycling Plant is committed to reusing close-loop resources. The Plant delivered 12,500 metric tons of post-consumer recycled (PCR) plastics in 2017, which reflects an annual growth of 25% and a supply of materials for making 10 million display cases. Product lines that use renewable plastic materials include monitor displays, TVs, desktop computers, Internet telephony, and other information technology products. The Kunshan Recycling Plant reduced new plastic use by roughly 4,375 metric tons in 2017, which reflects roughly a reduction of 10,938 metric tons of CO2e emissions based on an average carbon footprint of 2.5 kg/kg CO2e for recycled plastics.</li> </ul>
Cloud Products: Wiwynn Corporation (Wiwynn)	<p>Wiwynn is a subsidiary of Wistron that focuses on providing server, storage and rack for hyperscale data centers and cloud infrastructures.</p> <ul style="list-style-type: none"> <li>• In August 2017, Wiwynn was certified with ISO 9001:2015 it improved corporation's overall quality and efficiency.</li> <li>• Wiwynn continues to improve its global service and strengthen its close business ties with its customers. In 2017, Wiwynn continued to maintain a high customer satisfaction rate of 98%, particularly with regards to quality and delivery.</li> <li>• In 2017, Wiwynn contributed the product designs of 4 servers and 1 server rack to OCP Foundation. To date, it has contributed 16 product designs and will continue to promote the global data center technology with Open Rack concept.</li> <li>• Wiwynn utilizes the OCP design concepts of vanity-free, front-access, and tool-less features into its product lines, developing infrastructure products that are power saving, energy efficiency and earth friendly.</li> <li>• Wiwynn expands the scope of its participation in large-scale exhibitions (USA, Germany, France, Czech, United England, Japan, and Taiwan) in an effort to promote the benefits of novel infrastructures on environmental carbon footprint to the international community.</li> <li>• In 2017, Wiwynn was publicly listed on Taiwan Emerging Board, and is under the supervision of the authorities and investors.</li> </ul>

## Creating Added-Value Products

### A Focus on Product Liability

Quality is the foundation of winning customer trust and of the Company's ability to produce products of the finest quality. To ensure the quality of our products, Wistron has established a PDCA process based on the ISO9001 Quality Management System and the TL9000 Telecommunication Industry Quality Management System to implement quality-related monitoring, measurement, analysis, and improvements and to continue to obtain evaluations and certifications from international verifying units. The Company also complies with the core value of its quality policy—"to deliver competitive zero-defect products and services to customers on time," in formulating check lists for different types of products. In addition, Wistron includes the following quality aspects in the scope of its management practice:

#### Product Design Quality Verification

Through strict verification of product functions, reliability, and compatibility, as well as other international standards, Wistron ensures that its product designs are in line with customer requirements and specifications, and conducts overall monitoring of first pass yield rate (FPYR) by analyzing the cause of product defects based on four dimensions: people (personnel), machinery (equipment and tools), material (materials and components), and method (test and operational regulations). In addition, improvement and preventive measures based on the analysis result are implemented in order to continuously improve the production process.

#### Supplier Quality Management

Material quality correlates closely with the quality of the products produced. Wistron also performs quality assessment and management auditing on

its suppliers to ensure that the quality of the products produced adheres to customer requirements and specifications.

#### Time to Market

Wistron is obligated and committed to ensuring the best time to market for its customers. The product unit regularly reviews new product development progress and quality, monitors any unachieved quality goals in the plant during the pilot run and mass production, and conducts analysis and design improvements in order to ensure that products can be delivered on time.

### Improve R&D Capabilities

Wistron encourages employees to become better at developing engineering technologies; therefore, it has set up the Wistron Invention Creation Reward Regulation, which motivates employees to propose creative ideas and research technologies and patent their findings as intellectual properties. Wistron has undergone patent applications and received certification in Taiwan, China, the United States, and other regions.

Historical Statistics of Patent Applications and Certifications							
Unit: number							
Patent Applications				Certifications			
Year	2017	2016	2015	Year	2017	2016	2015
Taiwan	124	89	140	Taiwan	179	487	541
China	122	90	143	China	314	287	242
U.S.	122	112	210	U.S.	190	326	372
Other Regions	1	0	3	Others Regions	15	11	7
Annual Number of Patent Applications	377	291	496	Annual Number of Patents Awarded	698	1,111	1,162

# Conflict Minerals and Supply Chain Management



As a member of RBA, Wistron roots for RBA's vision and objectives. We promise that all global operation sites will coordinate and comply with RBA's codes of conduct. Furthermore, we will support and encourage the affiliated first level suppliers to adhere to the same codes. In conformation to the common goal, we will pertinently utilize RBA's methods and tools as much as possible.

Wistron provides electronic product R&D and manufacturing services. The major supply chain involves suppliers that provide product materials and components, including electronic and mechanical materials and parts. More than approximately 900 raw material suppliers come from Taiwan, China, Japan, Korea, Philippines, Indonesia, Thailand, U.S., and Europe. The types of suppliers include manufacturers, agents and distributors. The industrial characteristics of the supply chain are technology intensive, capital intensive and labor intensive. For the manufacturing sites in China and other overseas regions, the budget ratio of purchasing from local suppliers is 40%.

Wistron places high regard on our suppliers as our crucial partners, in order to establish a long-term stable supply chain through cooperation with them. In addition to considering the technical skills, quality, delivery dates, and price competitiveness of our suppliers, we also require our 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 sustainability and social responsibilities (CSR).

To achieve this goal, we have established a supply chain management process, in which a supplier quality management office is set up to formulate a Standard Inspection Procedure (SIP) according to the RD-ratified specifications, manage and supervise our suppliers, and evaluate items such as quality, costs, delivery dates, human rights, forced labor, and services. Furthermore, to protect the environment, ensure the health, safety, and human rights of our employees, and secure the rights and interests of our stakeholders, we adopted a CSR management system that manages 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, we also request our suppliers to work with us in implementing various requirements. In product developments, Wistron persists in adhering to energy conservation and carbon reduction principles, reducing material use, avoiding the use of hazardous substances, and recycling resources to mitigate the environmental impact of its products at all stages of their life cycle. Wistron complies with international laws, regulations, and directives, as well as customer requirements, and endeavors to simplify its design, production, and processes to build a product-friendly environment where sustainability is embraced.

Currently, we are using a variety of management systems and mechanisms to execute supply chain management, the details of which are described as follows:

- Supplier investigation: We manage and evaluate new suppliers in accordance with the Supplier Evaluation Operating Procedure, focusing on the following assessment items: quality, environmental protection, employee health and safety, and human rights.

- CSR management system: In accordance with the Supplier CSR Audit Operating Procedure, Supply Quality Management (SQM) visits the production base of our suppliers to audit and determine their corporate sustainability and social responsibilities.
- Quality System Audit (QSA): In accordance with the Supplier Quality System Audit Operating Procedure, we visit the production base of our suppliers to audit and determine their quality systems.
- Quality Process Audit (QPA): In accordance with the Supplier Quality Process Audit Operating Procedure, we visit the production base of our suppliers to audit and determine their process quality.
- Supplier Performance Management (SPM): In accordance with the Supplier Performance Evaluation Regulations, we evaluate the suppliers' product quality, costs, delivery date, and service items.

Summary of Supply Chain Management Mechanisms					
Item	2015	2016	2017 Target	2017 Hit Rate	Time / Frequency
Supplier Assessment	37 Suppliers	38 Suppliers	28 Suppliers	100%	None AVL New suppliers Disqualified suppliers
CSR Management System	140 Suppliers	120 Suppliers	100 Suppliers	100%	Annual
Quality System Audit, QSA	140 Suppliers	120 Suppliers	100 Suppliers	100%	Annual
Quality Process Audit, QPA	140 Suppliers	120 Suppliers	100 Suppliers	100%	Launch new project
Supplier Performance Management, SPM	386 Suppliers	391 Suppliers	406 Suppliers	100%	Monthly

## Supplier's Social Responsibility Management

Annually, Wistron prepares CSR audit plans for risky suppliers, which are listed under the Department KPI for supplier audit and assessment. The following items are listed under the assessment criteria for new suppliers; namely, respect for human rights, care for labor, environmental protection and fulfillment of social responsibilities. The 2017 achievements are described below:

- Wistron prepared the 2017 CSR audit plans for 100 suppliers, which were conducted in stages. A site audit and confirmation were also made at the suppliers' premises. Finally, the audit results were approved [Note].

[ Note ] The audit result with lower than 60 points is Not Approved. In this case, the supplier is required to take corrective action for the unfavorable audit. It also needs to provide feedback on its improvements within one month and apply for re-audit. If the re-audit result is still Not Approved, it cannot submit an application again within 6 months. If there is a problem in the quality of the supplied material, an alternative material/supplier would be considered as replacement.

- In the annual Vendor Conference, we commend vendors, who were reported in the Corporate Sustainable Management and Social Responsibility and Greenhouse Gas Inventory Report as having showed outstanding performance. We invited third-party GHG auditors, third-party RoHS inspectors, and GHG guidance companies to the 2017 CSR/GHG Supplier Conference to conduct educational training. We also communicated corporate sustainable management and social responsibility management policies, and provided complaint channels to the vendors located in Taiwan and China region.
- Until 2017, 91 suppliers have been registered as Wistron's supplier in RBA Online website.



• Wistron Group Vendor Conference 2017



• Wistron Group Vendor Conference 2017

Summary of Supplier Requirements and Management Practices in 2017	
Item	Management Practice
Human Rights	<ul style="list-style-type: none"> <li>• In accordance with the RBA regarding suppliers' management of human rights, 100 suppliers were evaluated and were found to have met the requirements. This reflects a 100% compliance rate, which is adjusted on a yearly basis depending on requirements.</li> <li>• In accordance with the RBA, suppliers are encouraged to guarantee employees freedom of association and collective bargaining rights to avoid ill-communication or adverse suppression. No violation incidents occurred in 2017.</li> <li>• Suppliers are required to clearly define and support the humane treatment provision specified in the RBA and convey it to laborers, and sign the Declaration of Non-use of Conflict Minerals. A total of 1,064 companies have signed the declaration and abide by it. Those who violate it will have their Wistron supplier qualification canceled. No suppliers violated it in 2017.</li> <li>• All new suppliers (except for customer-designated suppliers) have obtained ISO 9001 Quality Management System/ISO 14001 Environmental Management System certifications, as requested by Wistron.</li> <li>• From 2017, except ISO9001/ISO14001, new suppliers will be required to acquire IECQ QC 080000 and OHSAS 18001(ISO 45001) certification as well.</li> </ul>
Labor Care	<ul style="list-style-type: none"> <li>• In accordance with the RBA, no child laborers are allowed to be employed. Juveniles under 18 years old are not allowed to engage in any work that may harm their health and safety. If such things have been discovered, the suppliers will lose their Wistron supplier qualification. As of the end of 2017, 91 suppliers can access their performance through RBA Online website. No such violation by suppliers was detected in 2017.</li> <li>• The company hosts supplier exchange meetings and demands suppliers never to employ child labor as a solution for manpower shortage or wage issues.</li> </ul>
Environmental Protection	<ul style="list-style-type: none"> <li>• The company supports its suppliers to reduce their GHG emission</li> <li>• Suppliers are required to provide their GHG inventory reports. These were provided by 180 suppliers in 2017, and 31 suppliers provided ISO 14064-1 verification statements issued by third parties, while 6 suppliers submitted carbon disclosure reports. The target for 2018 is set to at least 190 supplier to provide such information.</li> <li>• New suppliers are required to sign the RBA Code of Conduct to ensure that they must monitor and sort waste before disposal so as to minimize environmental pollution.</li> <li>• Wistron will continue to increase local procurement and reduce GHG emissions.</li> </ul>
Social Responsibility	<ul style="list-style-type: none"> <li>• The company uses the requirements of social responsibility listed in RBA Code of Conduct as the criteria to choose its suppliers. New suppliers must pass the CSR audit and sign the RBA agreement.</li> <li>• Suppliers are required to strictly follow RBA Code of Conduct and will be monitored by our CSR audit</li> <li>• Wistron encourages suppliers to issue CSR reports. Approximately 58 suppliers issued CSR reports.</li> </ul>



# Environmental Protection and Green Product

# Sustainable Product Design and Development



Wistron promises that the products it produces will not impact customer health or safety. Wistron develops product designs in accordance with the QC080000 for hazardous substance process management system, which incorporates the concept of life cycle assessment that takes into consideration the raw material selection, manufacturing process, product use, waste disposal, environmental influence, and potential hazards, all in consideration of protecting customer health and safety.

In the product development/design phase, Wistron employs a green-design guide to assess the effects of its products on customer health and safety. With this guide, Wistron is able to gain insight on product risks during the design phase. When selecting raw materials, Wistron uses the green product management (GPM) system to ensure that each spare part and packaging material are in compliance with international environmental requirements and customers' regulations for hazardous substances, including but not limited to: international or regional environmental protection regulations (RoHS Directive, Packaging Directive, Battery Directive, REACH (Registration, Evaluation, Authorization and Restriction of Chemical substances)), the environmental requirements of local governments (China RoHS, Japan RoHS, and California Proposition 65), voluntary environmental regulations (China Compulsory Certification (CCC), Electronic Product Environmental Assessment Tool (EPEAT), etc.), and other requirements (e.g., conflict minerals). Currently, all of Wistron's product lines comply with EU RoHS regulations and requirements stipulated by customers and regional laws. In 2017, Wistron was not involved in violations of health or safety laws or regulations concerning products and services. We also need to ascertain that auxiliary materials used in the manufacturing process conform to customer and regulatory requirements.

Product use designs are verified in accordance with safety specifications, standard certifications, or energy consumption requirements of different countries, including but not limited to the American Underwriter Laboratories Inc. and Energy Star label. These labels are then affixed on product exteriors, packaging, or instruction manuals. In 2017, Wistron was not involved in violations of voluntary regulations as well as laws and regulations concerning product and service information labeling. The development of product designs takes into consideration the final stage of waste disposal, incorporating environment-friendly elements (e.g., recyclable and modularized designs) that prolong product life cycle. Wistron also uses a portion of post-consumer plastics. To reduce waste generation, Wistron products (NB/DT/AIO/MNT/TV) are required to comply with the Waste Electrical and Electronic Equipment Directive (WEEE). Wistron uses cardboard boxes or product instruction manuals that either contain a fixed amount of recycled paper or conform to the procurement regulations of the U.S. Environmental Protection Agency. Moreover, green printing techniques are used.



# Implementing Environmental Protection



Overview of Environmental Performance for 2017				
Topic	Goals	Unit	Target	Performance in 2017
Water	Use 10% less water per revenue unit by 2020 (Baseline Year: 2015)	Kilotons/Billion NTD	<7.16	6.58
Energy	Reduce energy consumption by 10% per revenue unit by 2020 (Baseline Year: 2015)	1,000 kWh/Billion NTD	<583.10	574.16
Reduction of Greenhouse Gas Emissions	Reduce 1% of GHG emission density (Baseline Year: Previous year)	Kilotons CO <sub>2</sub> e/Billion NTD	<0.54	0.53
Waste Management	Increase the overall average waste recycling rate to 90% by 2020	Percentage (%)	>90%	89.55%
Compliance	Zero violation of environmental regulations	Number of incidents	0	0

[ Note 1 ] Because the same data were used to establish the target year and compile the report, the above assessments of water resources, energy, and GHG reduction exclude those of the Kunshan OPT Plant.

[ Note 2 ] Unit revenue is based on the revenue data of Wistron plants

## Environmental Management and Compliance

Fast-paced industrial and technological developments have incurred irreversible damage to our current living environment. Therefore, enterprises in pursuit of business expansion and economic development should simultaneously consider environmental and societal factors to incorporate the concepts of sustainable development. Environmental issues are gradually maturing, attracting the attention of increasing numbers of stakeholders. As a result, penalties are no longer the only price to pay for violating environmental laws; the price will also include an impact on corporate image, causing loss of intangible capital. We should therefore make adjustments to the best of our abilities and comply with environmental protection laws with a strict and proactive mindset.

### Environmental Management and Policy

Wistron is committed to abiding by environmental and energy regulations that are associated with our activities, products and services, as well as customer requirements in order to achieve our set goals and targets. With the aim to perform better than the relevant standards, Wistron continues to promote environmental management systems with the hope of mitigating the environmental impact of the company's operation. Auditing is conducted using certified environmental management systems to ensure legal compliance and prevent environmental violations.

To ensure that the Company's environmental policy is implemented, we have set up an environmental management promotion committee as well as environmental safety and health management departments in Wistron's plants. The committee and departments will assist with implementing various environmental protection and management projects in order to continue to improve Wistron's performance in environmental management.

### Environmental Management Activities

In addition to imposing strict controls over air pollution, wastewater discharge, and waste generation, Wistron is also committed to organizing environmental management activities such as the monthly eco-friendly activity, during which employees are encouraged to participate in environmental safety protection activities. For example, a poster competition, tree-planting activity, and exhibitions to showcase handcrafts made with recycled materials. Such activities are all aimed at raising employees' awareness of environmental protection. Furthermore, the Taizhou Plant was even named a Green Enterprise by the Taizhou Environmental Protection Bureau in 2017.



● Taizhou plant - Green Enterprise certificate



● Chongqing plant employees taking a quiz at the monthly eco-friendly activity

Environmental Management System

To facilitate the effective operation of all environmental issues, we continue to implement the ISO 14001 environmental management system, ISO14064 Greenhouse Gas Inventory and Verification standards, and IECQ QC080000 for hazardous substance process management systems. The Company's environmental management-related systems are regularly assessed through internal and external audits and third-party verification institutions to identify problems and resolve them immediately. This ensures that these systems operate effectively and in accordance with applicable laws and regulations.



● Kunshan OPT plant - Monthly eco-friendly poster competition



● Kunshan plant - Exhibition to showcase handcrafts made with recycled materials



● Kunshan OPT plant - Monthly eco-friendly poster competition

Environmental Compliance

In the area of regulatory compliance, Wistron monitors environmental laws and regulations on a quarterly basis, assesses the Company's legal compliance, and adopts response measures accordingly. In addition, we inspect the environment periodically as required by local laws and regulations. For example, we sample and test the wastewater and exhaust gas produced by Wistron and ensure that these wastes are discharged pursuant to statutory requirements. Wistron also schedules environmental training and activities on a regular basis to establish the company's environmental awareness. In 2017, no violation of environmental laws or regulations was reported in Wistron. There were neither illegal acts committed nor significant fines incurred related to environmental protection [ Note ] .

[ Note ] Wistron defines a fine of NT\$10 million or more as a significant fine.

Environmental Grievance

We accept internal and external supervision from governmental departments, local communities, employees, and other stakeholders regarding complaints concerning environmental problems around our plants. We have established the following reporting channels and management mechanisms. No environmental incidents were reported in 2017.

1. Employees may report any environmental problems to the CSR Promotion Committee.
2. Suppliers and customers can report environmental problems directly to the responsible department, which then reports to the CSR Promotion Committee.
3. The Committee accurately records the reported problem, formulates solutions, and takes action to facilitate the handling process. Subsequently, the entire reported incident is documented and archived.
4. Wistron also arranges environmental-related training for its employees and suppliers

## Materials Management

New and diverse electronic products are constantly introduced with the evolution of technology, subsequently shortening the life cycle of electronic products. The mining of raw materials, manufacturing, product use, and waste disposal have severely threatened human health and the living environment. Therefore, using non-toxic or recyclable materials and eco-friendly designs to develop electronic products with green production technologies inevitably poses a major opportunity and challenge for the electronic industries.

### Management of Prohibited Substances

Wistron is committed to avoiding the use of prohibited substances. In addition to regularly updating the Company's internal lists of prohibited or restricted substances and raw materials, we have also established a GPM system that requires all materials and elements used in a project to be confirmed by the reviewer of the GPM system. Regarding high-risk substances, we request our suppliers submit corresponding test reports or company inspection results, which serve to ensure that the content of these substances meets customer requirements, legal regulations, and documented standards and prevent misuse of any prohibited substances. Moreover, Wistron also continues to undergo IECQ QC 080000 certification and make use of its management system to uphold the goal of preventing the use of prohibited substances.

### Resource Recycling

We carefully select raw materials and suppliers through green product plans, and manage raw materials and packaging materials by using the Import/Export Customs Declaration System. We opt to use recyclable materials and invest in recycling technological development to convert electronic wastes (e.g., plastics and motherboards) into usable materials, while maintaining the functionality of products. Apart from raw materials, Wistron cooperates with part suppliers to recycle and reuse suitable packaging materials, which in turn reduces resource waste and lowers material costs. Packaging materials that cannot be recycled and reused are classified by their waste property in order to facilitate resource recycling and reuse.

Product Materials and Packaging Materials used by Weight				
Unit: Tons				
Material	Volume of Material Usage		Volume of Packaging Material Usage	
Year	2016	2017	2016	2017
Zhongshan Plant	138,607.35	145,464.99	36,810.56	35,030.97
Kunshan Plant	29,699.97	52,110.00	6,289.03	9,057.14
Kunshan OPT Plant	9,226.37	7,299.27	2,270.43	1,802.50
Taizhou Plant	1,465.05	4,060.80	444.08	1,499.41
Chongqing Plant	21,179.55	24,217.00	1,562.57	1,743.00
Chengdu Plant	29,075.89	32,811.29	1,637.19	1,912.08
Total	229,254.19	265,963.36	49,013.87	51,045.11

[ Note 1 ] Both materials and packaging materials use gross weight. Gross weight refers to the weight of the entire shipment including all transportation packaging.

[ Note 2 ] Volume of Material Usage = Weight of Product + Weight of Packing Material weight

[ Note 3 ] Volume of Packaging Material Usage = Weight of Packing Material weight

Recycled Material used by Percentage	
Site	Percentage of Recycled Material
Zhongshan Plant	24.08%
Kunshan Plant	17.38 %
Kunshan OPT Plant	24.69%
Taizhou Plant	36.92 %
Chongqing Plant	7.20%
Chengdu Plant	5.83%

[ Note ] Percentage of recycled raw material = (Total recycled input materials used/Total input materials used) x 100%

## Energy Management

Energy shortage is a pressing global concern. Loss of energy supply may influence economic development. Increasing use of energy is often accompanied by an elevation of GHG, causing considerable environmental impact. Therefore, more attention should be paid to energy conservation and structural reform because it not only avoids energy waste and lowers operating costs but also brings about positive benefits to the society and the environment as a whole.

### Implementation of Energy Management

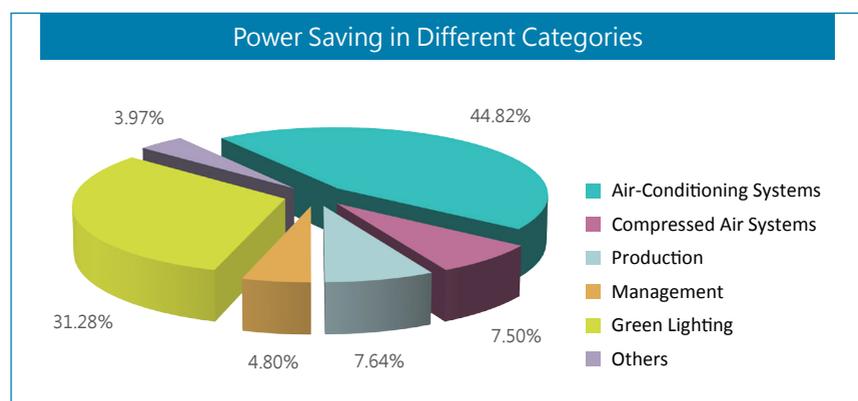
Wistron is fully aware that an effective energy management is a crucial topic that all enterprises must address. In wake of the increasing energy price, we consider various plans for energy conservation to reduce energy load in response to future challenges. Wistron is committed to purchasing energy-efficient equipment to increase energy performance, conserve all types of energy, adhere to energy regulations, ensure continual improvements, and maximize the energy-use efficiency of Wistron's business operations.

Wistron's headquarter in Taipei and its Hsinchu plant has integrated the ISO 50001 energy management system through which the Company improves its energy management efficiency and continues to improve the way the organization uses energy. In the future, Wistron will continue to introduce the ISO 50001 energy management system to its manufacturing plants and increase the use of renewable energy, in the expectation of reducing energy consumption by 10% per revenue unit by 2020 compared to the baseline year (2015).

### Plant and Office Energy Conservation Measures

We abide by and support local policies, such as the Energy Management Act and the 13th Five-Year Plan for Energy Conservation. We have also appointed power-saving task forces for Wistron's plants and convene regular meetings to review the plants' status in power consumption, examine the effectiveness of power-saving projects, share power-saving experiences, and implement improvements in a timely manner. Thanks to its excellent performance in energy conservation and technological modifications, our Chengdu plant received the 2017 Energy-Saving Technological Modification Subsidy to the value of RMB250,000 from the Shuangliu County Technology and Economic Development Bureau in Chengdu City.

Wistron's energy-saving measures are focused on the six categories of air-conditioning systems, compressed air systems, production, management, green lighting, and others. By the end of 2017, Wistron has saved 8,952,100 kWh in power, translating to a reduction of approximately 7627.18 metric tons of carbon emissions. The power savings in different categories by percentage for 2017 is summarized below.



Wistron hopes to infuse the concept of energy conservation in the Company's culture. Therefore, we also encourage our employees to brainstorm more energy-saving opportunities. Wistron has an incentive mechanism in place to reward employees who provide significant contributions to energy conservation. Through an activity wherein participants come up with ways to save energy, Wistron collects energy-saving proposals submitted by employees, evaluates their feasibility, and select 12 of the proposals for implementation, which is expected to save more than 126,000 kWh of energy every year.

Site	Energy Conservation Measure	Amount of Energy Saved (in units of 10,000 kWh)
Zhongshan Plant	Replacing lighting to LED lamps in Workshop T5 at the Science and Technology Park and OPT Plant	192.64
Kunshan Plant	Optimizing energy-saving performance of the central air-conditioning system in B5 (variable flow, water pump, water tower variable-frequency joint control)	75.94
Kunshan Plant	Optimizing energy-saving performance of the central air-conditioning system in B3 (variable flow, water pump, water tower variable-frequency joint control)	58.22
Zhongshan Plant	Installing process ventilation variable-frequency control in TB2	56.13
Kunshan Plant	Optimizing energy-saving performance of the central air-conditioning system in B2 (variable flow, water pump, water tower variable-frequency joint control)	53.57
Taizhou Plant	Conserving energy in the effective management of FFU in the LCM-1F cleanroom	43.92
Kunshan Plant	Improving the performance of compressors	39.60
Chongqing Plant	Removing redundant light bulbs/tubes in the E section of the plant	36.50
Zhongshan Plant	Adding variable-frequency control in the air conditioners in TB1	34.23
Chengdu Plant	Installing LED lighting in the cafeteria and outdoor corridors	34.03
Hsinchu Plant	Replacing 400RT with 250RT in air-conditioning chiller (continuation from the previous year)	28.43
Kunshan Plant	Building a solar power station (the installed capacity of B5 solar panel station is 337 kW)	24.12
Zhongshan Plant	Replacing IR sensor LED lights in the walkways and corridors of the Science and Technology Park and OPT Plant	20.10
Zhongshan Plant	Installing re-flow furnace compartment in TB2	16.52
Wistron Plants	58 other measures not listed	181.26
Total Energy Saved (in units of 10,000 kWh)		895.21
Total Energy Saved (GJ)		32,227.65

[ Note ] Wistron has implemented numerous energy conservation measures; therefore, only those saving 80% of energy were listed

### Energy Information Monitoring System

Wistron has established an integrated energy information monitoring systems in its Chengdu, Kunshan, and Chongqing plants. The system integrates information on plant equipment, smart power meter, smart water meters, and environmental data to facilitate energy management operations and real-time monitoring of equipment operations. Relevant personnel may enter the system at any time to access the plants' status in power and water consumption and effectively control equipment operation status. The real-time system can provide a reference for correcting the optimal control procedure of the system to achieve energy-saving and high-performing operations in Wistron's air-conditioning systems and plant facilities.



• Kunshan Plant - Energy Management System

**WCD**  
**Y2017第一届节能金点子**  
活动时间:3/2~3/15  
金点子提案活动范围: 针对厂区用水、用电、用气(如照明、空调、生产线设备、用水、天然气等)提供节能改善之建议,提升公司能源利用效率

特等奖(1名): 现金 800元
一等奖(1名): 现金 600元
二等奖(2名): 现金 400元
三等奖(3名): 现金 200元

参与方式: 联系各部门ISO50001干事, 由ISO50001干事负责提案收集

**节能金点子 让亮起来**  
还在为满脑子点子无处提交烦恼吗? 快来参加“金点子”活动吧!  
提案活动范围: 针对夏季全厂用水用电用气(如照明、设备用电、用水、空压气体等)提供改善建议,收集节能口号

一等奖(1名): 400元	二等奖(1名): 200元	三等奖(1名): 100元	入选奖(10名): 50元购物卡
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参与方式: 联系各部门 ISO50001 干事, 由 ISO 干事负责提案收集

• Chengdu Plant - Posters of Energy Conservation Ideas



• Chengdu plant - Energy Billboard System

### Use of Renewable Energy

Wistron continues to promote the use of renewable energy. In 2017, the total consumption of renewable energy was 20,544,100 kWh (please refer to the table below). In July 2017, the Chongqing plant signed the fossil-fuel power transfer agreement, transferring 3,698,000 kWh of its power to hydropower, which accounts for 36% of the power consumption in the plant. The Chengdu plant outsourced 16,604,900 kWh of hydropower, and 70% of the power consumed in the plant was renewable energy.

Wistron's Zhongshan plant installed solar panels in 2017 to supply power for use by the plant. To date, it has completed 2,340 solar panels, taking up 8,250 square meters of land, which is expected to produce 700,000 kWh of electricity annually. These solar panels will commence operation at the end of 2017. In addition, Wistron also continues to build large-scale solar panels on the roof of its employee dormitories as a water heating facility to reduce natural gas use. This facility can reduce approximately 1,425.92 metric tons CO<sub>2</sub>e of carbon emission annually.

Similarly, Wistron's Kunshan plant started installing solar power devices in 2017 for use inside the plant, and began operating these devices in May of the same year. To date, the plant has installed approximately 1,115 solar panels, taking up roughly 4,000 square meters of land. The conversion efficiency of the solar power system is about 80%; the annual power output was roughly 241,200 kWh, and roughly 195.64 metric tons CO<sub>2</sub>e of carbon emissions can be reduced.

By 2019, we anticipate completing the solar panel installation project, installing 5,500 solar panels which occupy 18,000 square meters of land. Furthermore, the Kunshan plant will integrate the power consumption of the solar panels and monitoring data into the energy monitoring system, which will display the information on the billboard in the factory hall, thereby ensuring transparency of solar operations and providing the most direct real-time monitoring information.

Statistics on Use of Renewable Energy at Wistron					
Item	Chongqing Plant	Chengdu Plant	Zhongshan Plant	Kunshan Plant	Total
Green Energy	Outsourced Hydropower	Outsourced Hydropower	Solar Water Heater	Solar Power Generation	
Green Energy Consumption (10,000 kWh/year)	369.80	1,660.49	[Note]	24.12	2,054.41
Total Carbon Emissions Reduced (tons CO <sub>2</sub> e/year)	3,518.64	15,799.56	1,425.92	195.64	20,939.76
Solar Panel Area (m <sup>2</sup> )	/	/	6,910	4,000	10,910.00

[ Note ] The solar water heater in the Zhongshan plant heats water directly using solar energy and does not directly produce electricity



• Zhongshan plant - Solar water heaters for employee dormitories



• Zhongshan plant - Solar power device (distant view)



• Kunshan plant - Solar power device



• Kunshan plant - Bird's-eye view of the solar power device



• Kunshan plant - Solar power information billboard in the factory hall



• Zhongshan plant - Solar power device

Increasing Production Efficiency and Curbing Energy use Through Digital Transformation and Industry 4.0

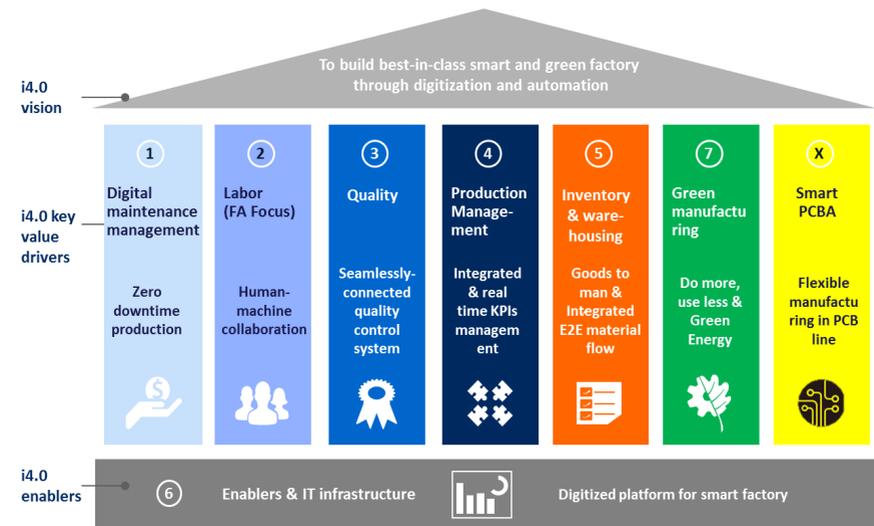
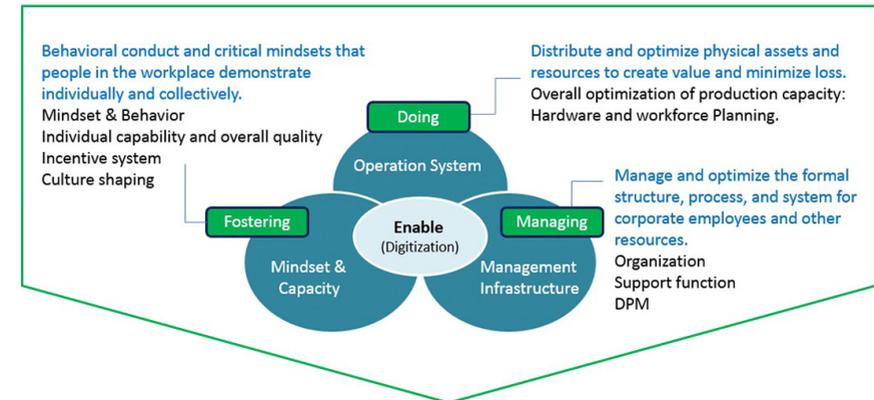
To refine production efficiency, Wistron hopes to shape and improve its corporate culture and spirit through digital transformation on its existing solid foundation to bolster its plants' abilities to identify, solve, and prevent problems. Therefore, in 2016, we established the M360 Team through integration and refinement in three major dimensions. The M360 applies problem trees, visual management, and the pyramid principle in scientific approaches and logical thinking to develop solutions to problems. Thus, the standards of each team member and management of all levels are gradually improved, transforming a command-based practice to science-based management. The overall utilization rate of the equipment increased 6.4% from 2016 to 2017, elevating personnel efficiency by 34% and improving product yield by 2.3%.

In response to the wave of Industry 4.0 and to comprehensive increases in the Company's competitiveness in manufacturing, Wistron has since 2016 launched the smart factory plan and founded a panel of experts, formulating the vision of the smart factory through an all-bases-covered digital diagnosis. On this foundation, we developed a multidisciplinary promotion taskforce to build a cyber-physics system through the use of IOT, Big Data, and relevant technologies and subsequently developed a diversified smart management infrastructure which facilitates real-time management, automated warning feedback, and self-process optimization, thereby bringing automation to a new level of smart automation:

1. Comprehensive use of logistic robots and a smart logistic system effectively reduced raw material inventory and the demand for managerial personnel. This steers us toward the goal of just-in-time production and an unmanned warehouse that can switch off lights without the physical presence of personnel
2. Widespread use of smart power meter/water meter/sensor created a smart energy consumption management system for the whole plant. Every year, this application reduced the energy consumption per unit of production, thereby creating an environmentally friendly factory
3. In the future, Wistron will use artificial intelligence (AI) technology in the scope of optical testing, natural language processing, predictive repair and maintenance, and quality analytical models to enhance the plant's ability to operate digital

The promotion of a smart factory involves using a powerful IT infrastructure as the cornerstone, gathering experts of different domains from Wistron's IT manufacturing factory, and following Wistron's eight major pillars. The

Wistron head office has setup a steering committee that formulates the goals of each pillar and KPI through the organization of its plants across the globe. The committee regularly reports the progress of promotion to high-level executives (chairman, CEO, and chief of Wistron plants around the world) and corrects work directions and goals.



The non-renewable energy used by Wistron's plants and offices includes natural gas, diesel, gasoline and heat, with consumption data shown as 「Statistic of Energy Consumption within Wistron for 2017」

For energy consumption intensity, Wistron based its calculation on the amount of energy consumption (GJ) per revenue unit (billion NTD).

Energy Consumption Intensity for 2017		Unit : GJ
Item	Energy Consumption	
a. Non-renewable fuel consumed	153,261.13	
b. Electricity from renewable energy source [ Note 1 ]	73,958.70	
c. Electricity from nonrenewable energy sources	1,657,349.64	
Total energy consumption	1,884,569.47	
Energy Intensity (GJ/Billions of NTD) [ Note 2 ]	2,254.05	

[ Note 1 ] Including the hydroelectric power consumption of the Chongqing and Chengdu plants, and the solar power generation of the Kunshan plant.

[ Note 2 ] The energy intensity is based 2017 revenue (see Financial Performance Overview table)

Statistic of Energy Consumption within Wistron for 2017													Unit: GJ
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
Non-Renewable Energy	a. Diesel	0.00	180.63	10.92	1,617.76	698.83	0.00	218.38	375.26	50.45	69.15	47.66	3,269.04
	b. Natural Gas	0.00	0.00	0.00	21,705.04	42,222.67	19,831.16	27,953.77	11,608.60	1,465.60	5,516.29	0.00	130,303.12
	c. Gasoline	0.10	2,729.77	9.38	5,276.38	2,103.20	1,069.76	1,610.02	1,763.48	1,409.83	124.14	30.22	16,126.30
	d. Hear	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,562.67	3,562.67
e. Electricity	21,760.33	42,210.80	20,586.57	467,480.23	277,008.23	93,580.47	566,240.39	100,040.90	85,396.57	48,672.39	8,331.46	1,731,308.34	
Total Energy Consumption =a+b+c+d+e	21,760.43	45,121.20	20,606.88	496,079.42	322,032.93	114,481.39	596,022.56	113,788.23	88,322.45	54,381.97	11,972.01	1,884,569.47	

[ Note 1 ] The energy consumption statistics are based on the bills sent by the Power Plant and the Natural Gas company, as well as amount of purchased fuel and usage record

[ Note 2 ] 1 kilowatt hour = 1000 W \* 1hr = 0.0036 GJ (Use GJ converter from GRI G3.1)

[ Note 3 ] 1 natural gas (kilostere) = 39.01 GJ (Use GJ converter from GRI G3.1)

[ Note 4 ] 1000L diesel = (0.84 ton/1000 L) \* (43.33 GJ/ton) = 36.3972 GJ (Use the density of diesel from CPC product specification 0.82 ~ 0.86 Kg / L, and take the median calculation. Use GJ converter from GRI G3.1)

[ Note 5 ] 1000L gasoline = (0.7475 ton/1000 L)\*(44.8 GJ/ton) = 33.488 GJ (Use the density of gasoline from CPC product specification 0.72~0.775 Kg / L, and take the median calculation. Use GJ converter from GRI G3.1)

[ Note 6 ] Wistron has not acquired the energy consumption data from its upper and lower suppliers, so no external energy consumption is disclosed.



• Chengdu plant - Replacing LED lights in outdoor corridors



• Taizhou plant - Replacing energy-saving lights in cafeterias with LED lights



• Chengdu plant - Use highly energy-efficient water pump



• Zhongshan plant - Update air-conditioning systems



• Taizhou plant - Installing zero-loss automated water discharging device in the compressor



• Taizhou plant - Installing vertical blinds outside the M-LCM



• Zhongshan plant - Using energy-saving lighting



• Hsinchu plant - Updating chillers

## Emission Management

### Greenhouse Gas Emission

The activities of humans have generated a considerable amount of GHGs, which increase the greenhouse effect on earth and cause global warming. The greenhouse effect not only raises the global atmospheric temperature but also indirectly leads to such environmental issues as rise in sea level, extreme climate, and desertification. Hence, international communities have successively entered into climate agreements in an effort to mitigate the climate problem. The United Nations Climate Change Conference held in December 2015 approved the Paris Agreement, which clearly defines the goals for improving global warming: Maintain the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The Agreement was ratified in 2016 by 55 countries, accounting for 55% of global greenhouse gas emissions, demonstrating the world's determination to fix global warming.

Wistron is committed to reducing all types of energy consumption to achieve the purpose of curtailing GHG emissions. Wistron conducts GHG inventories in accordance with ISO 14064 standards to identify the major sources of GHG emissions in organizational activities. Our GHG inventories are verified by a third-party certification unit. Wistron's goal regarding GHG emissions: to reduce GHG emission density each year by 1% from the previous year (GHG emissions/operating revenue). Moreover, Wistron's plants also adhere to GHG management regulations applicable to their location of operation to implement GHG management activities:

- Taiwan: Greenhouse Gas Reduction and Management Act
- China: Work Plan for Greenhouse Gas Emission Control during the 13th Five-Year Plan Period, and Interim Measures for the Administration of

Voluntary Greenhouse Gas Emission Reduction Transactions

- European and American regions: law 73/2012 Sb. about GHG

GHG emissions by Wistron are summarized in the 2017 Statistics of GHG Emissions, which shows that Scope 2 GHG Emissions chiefly involve purchased electrical power, accounting for more than 90%. Therefore, we must conserve electricity to lower carbon emissions. In response, we have developed a series of energy management processes contributing to GHG reductions through all types of energy-saving activities.

### Keeping Abreast of Scope 3 GHG Emissions Information—Emissions from Transportation

Since 2015, Wistron has launched investigation projects on GHG emissions from transportation. The proposed improvement strategies are described below:

1. Unify the data on the logistic infrastructure of each plant:
  - Defined place of departure, port of departure, port of destination, destination, and place of delivery by using the United Nations Code for Trade and Transport Locations (UN/LOCODE)
2. Include transportation by land:
  - Extended the scope of calculation to include "domestic transportation of country of departure" and "domestic transportation of country of destination" in addition to port-to-port transportation (airport/port of departure to airport/port of destination), and included domestic transportation in GHG emission calculation
3. Avoid repeated calculation of site-to-site (transfers between plants) data or data between customers/suppliers and the Company
  - The distance used for calculation for the scope3 GHG emission related to upstream and downstream transportation is using the distance between the plants and locations where the cargos are transferred from/to forwarders.

4. Reduce human error and increase computational speed:

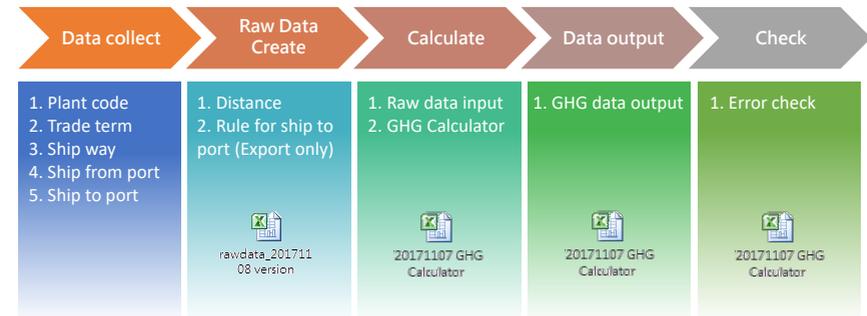
Used tools to calculate the transportation aspect of Scope 3 GHG emissions, which reduced human error and increased computational speed (no error occurred after the calculation tool was verified; the tool can process 20,000 sets of data in approximately 5 minutes)

Initially, Wistron conducted statistical analysis of Scope 3 GHG emissions from business travel from Taipei Headquarter and Hsinchu plant employees and product shipping by air and sea. The scope of investigation was extended to the six plants in China in 2016 and further to land transportation in 2017. It enabled us to conduct a complete statistical analysis of GHGs emitted by transportation activities (by land, sea, and air).

Report	Departure Port	Destination Port	Vehicle Type	Emission Factor	Activity Data		GHG Emissions (metric tonnes CO <sub>2</sub> e)
					Distance Travelled (KM)	Total Weight of Freight (Tonne)	
26	CNCTU	JPNRT	Air - Long Haul	0.6900595235	3,427.00	7.92137	18.73
27	CNCTU	USPHX	Air - Long Haul	0.6900595235	11,979.00	0.02800	0.23
28	CNCTU	USBFI	Air - Long Haul	0.6900595235	10,200.00	0.01495	0.11
29	CNCDU	PLLOZ	Air - Long Haul	0.6900595235	7,048.00	3.06249	14.89
30	CNCTU	BRCPO	Air - Long Haul	0.6900595235	17,034.00	0.04210	0.49
31	CNCTU	USSCZ	Air - Long Haul	0.6900595235	11,104.80	0.01500	0.11
32	CNCTU	TWTTT	Air - Long Haul	0.6900595235	1,912.00	0.00650	0.01
33	CNCTU	MYPEN	Air - Long Haul	0.6900595235	2,825.00	0.24229	0.47
34	CNCTU	VNSGN	Air - Long Haul	0.6900595235	2,206.00	0.00050	0.00
35	CNCTU	IDCGK	Air - Long Haul	0.6900595235	4,072.00	0.00060	0.00
36	CNCTU	ZAGRM	Air - Long Haul	0.6900595235	10,224.70	0.29549	2.08
37	CNSHA	USBNA	Watercraft - Shipping	0.0373282630	13,491.00	8,351.44759	4,205.75
38	CNSHA	USTOA	Watercraft - Shipping	0.0373282630	10,571.00	4,244.58674	1,674.90
39	CNSHK	INICD	Watercraft - Shipping	0.0373282630	7,320.00	195.58148	53.44
40	CNSHK	INMAA	Watercraft - Shipping	0.0373282630	5,612.00	1,119.65768	234.55
41	CNSHK	INBOM	Watercraft - Shipping	0.0373282630	7,206.00	223.33050	60.07
42	CNSHK	INLPH	Watercraft - Shipping	0.0373282630	5,907.00	519.97606	114.65
43	CNSHK	FEDEX	Watercraft - Shipping	0.0373282630	9,098.00	3,149.32912	1,089.55

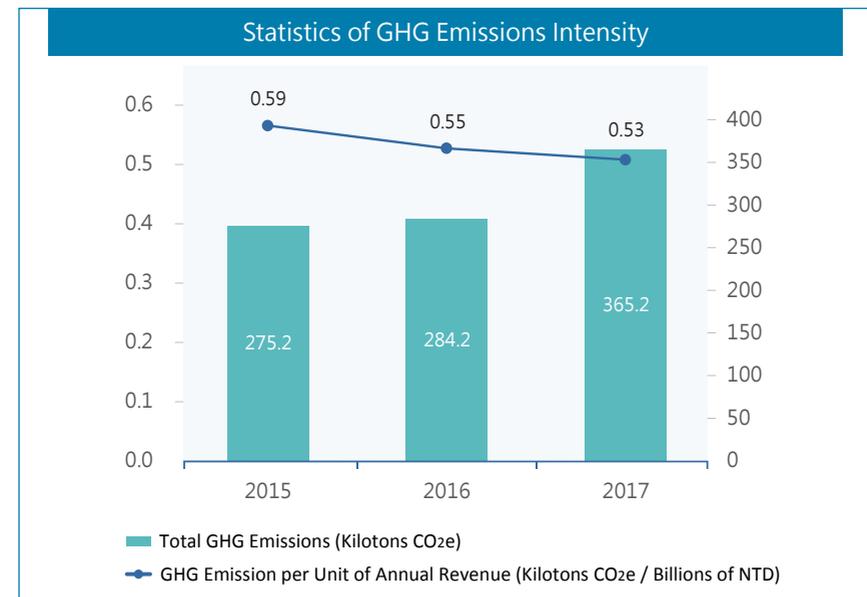
Integrate data 1  
Integrate data 2  
GHG Summary

• GHG Scope3 Calculator



• Flow of GHG Scope3 Calculation

GHG emission intensity are calculated by GHG emission (Kilotons CO<sub>2</sub>e) per unit of revenue (billion NTD).



[ Note 1 ] To compare with 2015 performance, the statistical scope of GHG emissions Intensity includes Wistron's operations in Taiwan and its main global manufacturing plants (but excludes Kunshan OPT Plant)

[ Note 2 ] Total amount of GHG emission = Scop1 + Scope2

2017 Statistics of GHG Emissions												Unit: Tons-CO <sub>2</sub> e
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Scope 1	0.01	213.00	95.06	13,466.31	4,315.25	1,481.47	6,625.40	7,893.92	778.09	351.56	5.79	35,225.86
Scope 2	3,197.56	6,202.64	3,025.08	105,143.22	62,419.19	21,086.80	140,915.21	22,922.72	22,570.79	6,758.70	2,430.15	396,672.06
Total of GHG	3,197.57	6,415.64	3,120.15	118,609.53	66,734.43	22,568.27	147,540.61	30,816.64	23,348.88	7,110.26	2,435.94	431,897.92

[ Note 1 ] The based year of each site is listed below. Please refer to our annual CSR report for the based year emission for each site.

- Neihu Headquarter, Hsichih Office Complex, Hsinchu Plant and Taizhou Plant: 2015
- Zhongshan plant, Kunshan plant, Mexico plant and Czech plant chose: 2012
- Chongqing Plant and Chengdu Plant: 2013
- Kunshan OPT Plant :2016

[ Note 2 ] Use IPCC Fifth AR GWP (100yr)

[ Note 3 ] Using operational control to define calculation boundary

2017 GHG Scope3 Emission			Unit: Tons-CO <sub>2</sub> e
Item	Business Travel (Aircraft only)	Product Transportation - Import	Product Transportation - Export
Taipei Office Complex	3,222.87	0.00	0.00
Hsinchu Plant	440.18	108.25	671.64
Kunshan Plant	381.61	616.35	1,132.18
Kunshan OPT Plant	24.63	91.39	7.59
Taizhou Plant	62.97	23.82	908.64
Zhongshan Plant	306.72	804.77	28,184.44
Chongqing Plant	42.72	33.44	6,704.61
Chengdu Plant	77.25	228.71	103,089.25
Total	4,558.95	1,906.73	140,698.36

[ Note 1 ] Taipei Office Complex includes Neihu Headquarter and Hsichih Office Complex

[ Note 2 ] Business Travel only calculated the emission of air flight; Product Transportation only calculated the emission of air, sea, and truck shipping

## Other Air Emissions

Investigation of Wistron's production process reveals that only its air-conditioning systems, constant temperature/humidity testers, and laboratories use coolants containing Ozone Depleting Substances (ODS). However, all these devices are sealed and work cyclically without any leakage. Therefore, no statistics was performed on ODS coolants. The source of NO<sub>x</sub> and SO<sub>x</sub> emissions is diesel power generators and electrical furnace, the former of which is used only as emergency power supply in the event of power outage. Since no precision detection technologies are available for measuring the emissions of ODS, SO<sub>x</sub>, and NO<sub>x</sub> gases, the actual emissions of these gases were not calculated, but we will do so when feasible technologies become available. Due to its process characteristics, our Taizou Plant needs to use hydrofluoric acid and oil ink, wherein acidic gases (e.g., hydrofluoric acid) are generated during the micro-etching process. These gases are transported via the ventilator to the acidic gas scrubber for processing until they reach the standard for emission. Organic waste gases are generated during the screen printing process, and these gases are processed in the activated carbon adsorption tower until they reach the standard for emission. The emission requirements conform to relevant laws and regulations, and third party units are commissioned to conduct emission testing annually.

## Water Resource Management

Fresh water resources are necessary for sustaining human life and indispensable for human survival and development. However, fresh water resources around the world are limited and distributed unevenly in different regions. Industrial development has also drastically increased the human need for fresh water. Excess or improper use of water resources will further endanger the ecosystem on earth. Effective use of water resources is a company's major responsibility to protect fresh water resources from the negative effects of human and product activities.

### Management of Plant Water Consumption

Wistron adheres to national water resource laws, reduces water pollution, and simultaneously protects water resources and the ecosystem. Additionally, we continue to raise employee awareness of water conservation by devising water conservation plans to enhance the efficiency of water resources. By 2020, Wistron aims to use 10% less water per revenue unit than that in 2015.

A number of plants and offices at Wistron typically use tap water, except for its Mexico plant, where groundwater is used. The Mexico plant is located in an industrial park which is not a preservation zone or water supply reservoir; therefore, water usage does not affect the local environment or biodiversity. The production lines at Wistron, except for those in Taizhou plant and Kunshan OPT plant, are primarily composed of the assembly line, which does not require the use of water. The plants primarily use water resources in domestic activities and cooling towers and water replenishment for air conditioners. Large volumes of pure water are used in the processes of the Taizhou plant, accounting for 12.81% of total water consumption.

We effectively manage our water usage by taking the following actions:

Propagate	<ul style="list-style-type: none"> <li>• Making promotional posters and strengthening water conservation advocacy among employees</li> </ul>
Maintain and Improve Equipment	<ul style="list-style-type: none"> <li>• Taking records on the water meter on a daily basis, tracking water levels, and responding immediately to any leakages or irregularities</li> <li>• Retrofit old and water-consuming equipment</li> <li>• Using equipment with water conservation labels</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Cleaning water towers every year;</li> <li>• Inspecting the quality of drinking water every year</li> </ul>

### Water Conservation Plans and Projects

To achieve our goal in water conservation, we have devoted robust efforts to promoting all types of water-conserving projects, including: The Taipei Headquarters and Hsinchu plant plan to use a raft foundation water collection engineering to collect rainwater for reuse in cooling towers, thereby reducing the use of tap water and lowering overall water consumption. Our Mexico plant is also planning and constructing a water treatment facility to process domestic wastewater for reuse in irrigation.

We introduced water recycling measures to several plants to reduce their water consumption. They recycled 173,650 tons of water in a single year, which accounts for 3.27% of their total water consumption. Compared with 2016, this reflects a reduction of 2.55% based on water consumption per revenue unit (km<sup>3</sup> water consumed/NTD billions of revenue). Furthermore, we have also started to develop a product water footprint inventory method with reference to ISO 14046 to monitor the influence of our products on water resources.

Water Recycling Methods	
Plants	Management Practice
Kunshan Plant	Recycle and reuse RO wastewater from plant areas
Kunshan OPT Plant	Install reclaimed water recycling system for cooling tower water supply and greening
Taizhou Plant	Install reclaimed water recycling system for toilets use in the plant area
Zhongshan Plant	1. Install rainwater recycling system for toilets used in Zhongshan Plant 2 2. Collect wastewater from drinking fountains in office areas for toilet use
Chongqing Plant	Modify the central drinking water processing system, and collect the water during the water-producing process for use as sanitation water

integrates smart water meter signals into the energy billboard management system to display the plant's water consumption status, thus enabling administrators to monitor and analyze the consumption of water in different regions, identify the cause of irregular consumption, and devise a proper solution.



- Use of an energy management system in the Kunshan plant to monitor water consumption in the plant

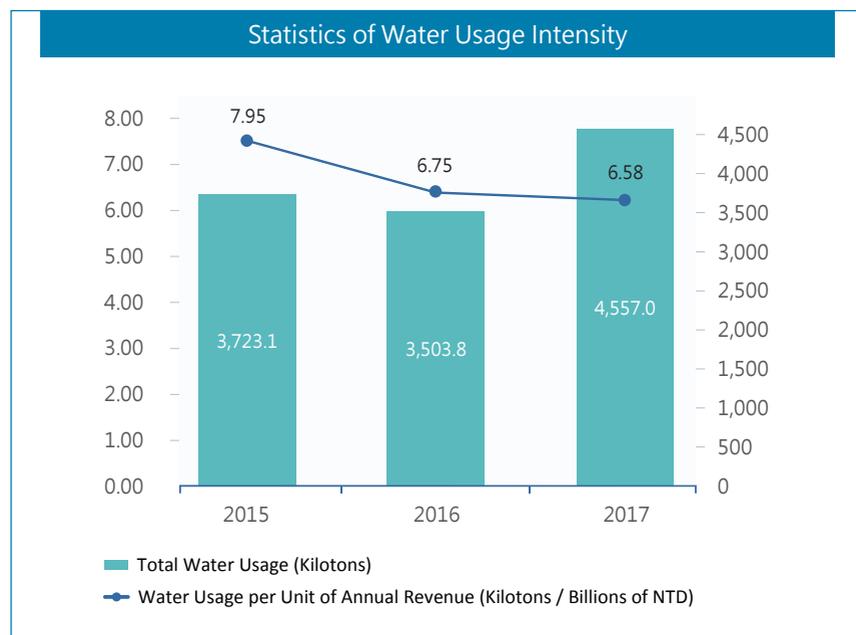
Strengthened Water Resource Management by Using a Smart Water Meter  
For a more effective water management, our Chengdu, Kunshan, and Chongqing plants have initiated a smart water meter project, which

Statistics of Water Usage												Unit: m <sup>3</sup>
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Total water usage	18,154	53,402	42,957	1,754,538	751,041	439,985	1,826,646	231,483	123,756	63,349	2,723	5,308,034
a. Surface Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Ground Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,349	0.00	63,349
c. Rainwater	0.00	0.00	0.00	0.00	0.00	0.00	820	0.00	0.00	0.00	0.00	820
d. Waste Water from Another Organization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Tap Water	18,154	53,402	42,957	1,754,538	751,041	439,985	1,825,826	231,483	123,756	0.00	2,723	5,243,865

[ Note 1 ] Total water consumption = Surface water + ground water + rainwater + other wastewater produced by the organization + tap water

[ Note 2 ] The Mexico Plant uses water from underground sources

[ Note 3 ] Data collection method: water bills and water meters



[ Note ] To compare with 2015 performance, the statistical scope of Water Usage Intensity includes Wistron's operations in Taiwan and its main global manufacturing plants (but excludes Kunshan OPT Plant)

## Waste and Effluents Management

The evolution of technology has made people increasingly reliant on the benefits of using electronic information products. However, if the wastewater and wastes produced when manufacturing these electronic products are not properly disposed of, they will severely influence human health and the ecosystem of the environment. In addition to strict compliance with environmental laws and regulations, a corporate must also manage its waste and wastewater properly to effectively protect the environment.

### Waste Management

Wistron adheres to waste and pollutant related laws and regulations, properly disposes of its waste, promises to avoid the use of prohibited substances and materials, and increases waste recycling rate and decreases waste production by implementing waste recycling plans to mitigate its environmental impact. We will continue to promote the ISO 14001 Environmental Management System and manage wastes in accordance with local waste-related laws and regulations. By 2020, Wistron aims to increase the overall average waste recycling rate to more than 90%.

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Volume of Recycled and Reused Water (m <sup>3</sup> )	0.00	0.00	0.00	9,846	163,474	0.00	330	0.00	0.00	0.00	0.00	173,650
As a Percentage of Total Water Usage (%)	0.00%	0.00%	0.00%	0.56%	21.77%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	3.27%

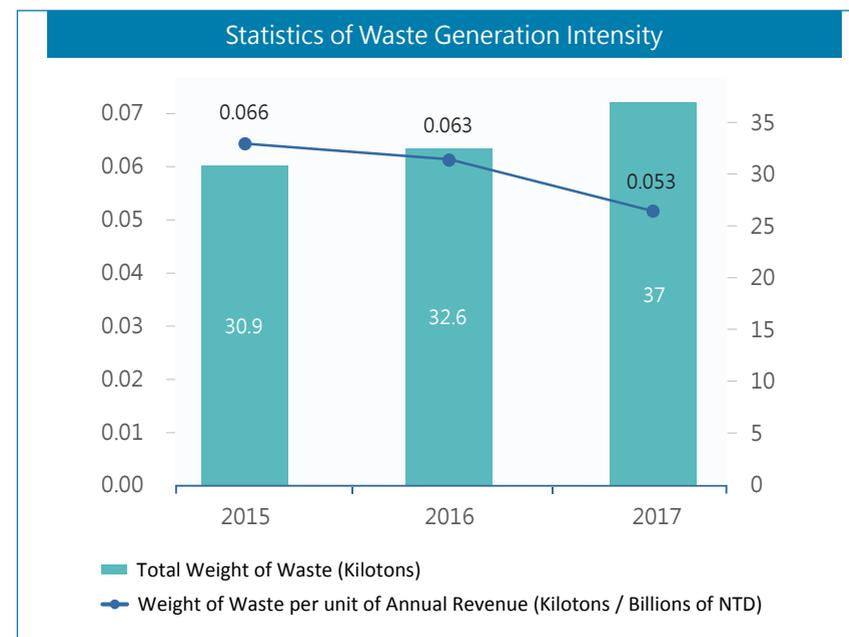
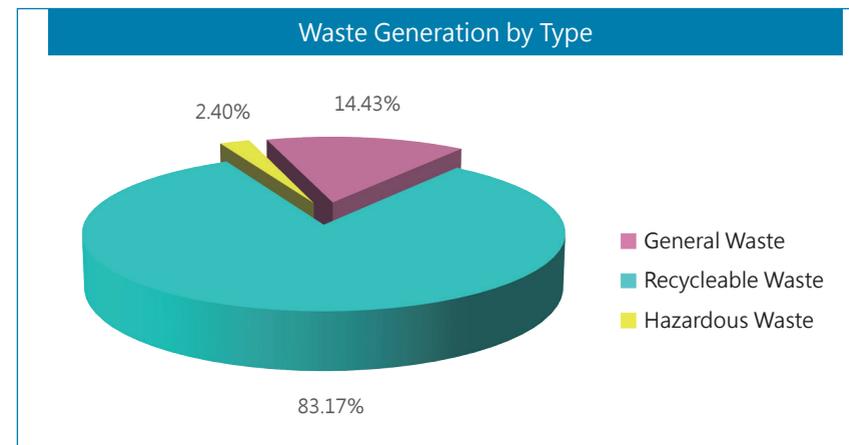
[ Note ] Data collection method: water meters

Wistron classifies waste into general waste, resource waste, and hazardous waste. Monthly production of waste is tabularized to monitor the flow of wastes. The overall average waste recycling rate was 89.55% in 2017. Wastes in all categories are controlled, classified, and recycled. Specialized and authorized hazardous waste treatment companies are commissioned to clear and process waste.

To reduce the production of plant wastes, we implemented the Zero-Waste project in the Kunshan plant and Kunshan OPT plant, which is aimed at increasing waste conversion rate. Our Chongqing plant, Zhongshan plant, and Kunshan plant have also continued to implement the "clear your plate" campaign, which encourages employees to reduce food waste by putting less food on their first plate and only going for more if needed.

Wistron's specific waste management practices are as follows:

Classify & Recycle	<ul style="list-style-type: none"> <li>Produce waste classification billboards in recycling areas to avoid mixing different wastes.</li> <li>Rubbish bins are categorized and labeled.</li> </ul>
Reuse	<ul style="list-style-type: none"> <li>Cooperate with part suppliers to recycle packaging materials for reuse and reduce waste generation.</li> </ul>
Propagate	<ul style="list-style-type: none"> <li>Play video clips, put up posters, and host monthly eco-friendly activities as means of advocating resource conservation and waste reduction.</li> </ul>
Auditing	<ul style="list-style-type: none"> <li>Authorized vendors are commissioned to handle waste. Onsite auditors are appointed to conduct onsite auditing whenever required to prevent mixing valuable and non-valuable waste.</li> <li>The legitimacy of its hazardous waste treatment companies is evaluated to ensure that these companies adhere to regulatory requirements when treating waste.</li> </ul>



[ Note ] To compare with 2015 performance, the statistical scope of Waste Generation Intensity includes Wistron's operations in Taiwan and its main global manufacturing plants (but excludes Kunshan OPT Plant)

Statistics of Waste by Type													Unit: Tons
Item	Neihu Headquarter	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
General Waste	Incineration	7.89	21.07	27.69	863.53	291.27	183.92	0.00	0.00	19.62	0.00	0.00	5,610.14
	Landfill	0.00	0.00	4.29	0.00	0.00	0.00	1,449.93	93.10	0.00	148.88	18.00	
	Deep Well Injection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	On-site Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Other (Kitchen Waste)	0.00	0.00	10.73	1,013.54	415.60	117.67	538.91	225.80	158.70	0.00	0.00	
Recyclable Waste	Composting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,332.79
	Reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Recycling	1.88	65.41	48.15	5,089.93	1,163.72	583.88	12,999.23	4,969.10	4,977.34	1,821.54	612.61	
Hazardous Wastes	On-site Storage	0.00	0.00	0.60	0.00	26.97	0.00	0.00	24.15	41.18	0.00	0.22	933.58
	On-site Treatment and Discharge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Off-site Transport to TSDF (Treatment Storage and Disposal Facility)	0.00	2.16	0.00	178.44	12.96	45.76	290.95	212.56	94.38	3.04	0.22	
Total Weight of Waste	9.78	88.64	91.46	7,145.44	1,910.52	931.23	15,279.02	5,524.71	5,291.22	1,973.46	631.05	38,876.51	
Waste Recovery Rate (%)	19.27%	73.79%	64.38%	85.42%	82.66%	75.34%	88.61%	94.03%	97.07%	92.30%	97.08%	89.55%	

[ Note 1 ] All of our sites do not import, export or transport hazardous waste as prescribed by the Appendix Articles I · II · III · VIII of the Basel Convention

[ Note 2 ] Waste recovery rate (%) = ((Other General Waste + Recycling Waste)/ Total Weight of Waste) X 100%

[ Note 3 ] Information of the waste disposal method are provided by the waste disposal contractors

## Effluents Management

Wistron upholds the principle of continual improvements and pollution prevention. Wistron maintains favorable wastewater systems operation and discharge management in accordance with national policy and laws as well as customer requirements. Wistron applies for waste water permits to prevent waste leakage and environmental complaints and punishments. Wistron's plants were not involved in any incidents of leakage in 2017.

Except for the Taizhou plant and Kunshan OPT plant, all our manufacturing plants are involved in assembly processes, which do not require water. These plants primarily generate domestic wastewater. Our Taizhou plant and Kunshan OPT plant both have installed monitoring instrument at their wastewater discharge outlets and connected their discharge warning system to the Environmental Protection Administration (EPA). All of the wastewater is transported through an underground sewage system into a wastewater treatment plant, where it is processed until it reaches the discharge standard before being discharged.

Therefore, the effluent does not influence the water bodies, habitat characteristics, surrounding areas, conservation status, or biodiversity. Furthermore, we also continue to implement wastewater management projects of all categories. For example, the Chengdu plant plans to assess the feasibility of recycling and using rainwater and domestic water.

The Chongqing plant aims to assess the applicability of installing a leakage alarm system that can immediately identify abnormalities. The Hsinchu plant will recycle RO wastewater from drinking fountains and FCU coolants for use in cooling towers.

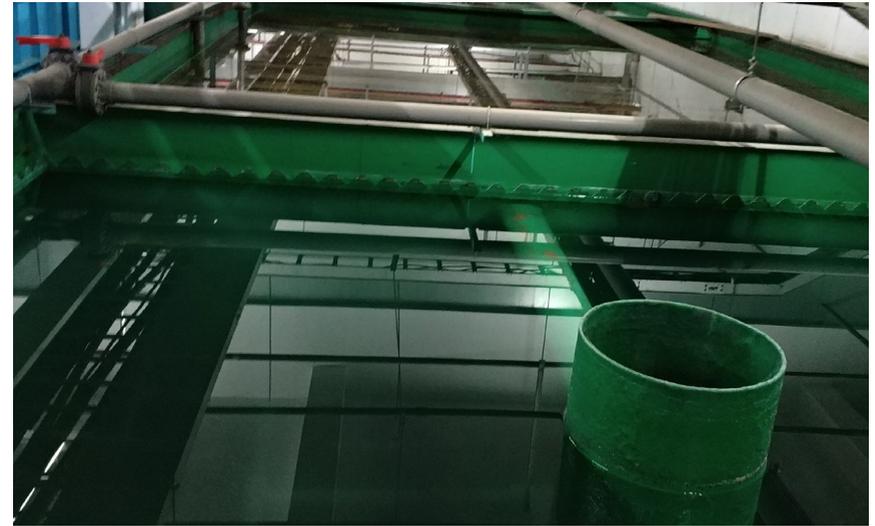
Effluents primarily treated as follows:

Isolation and Control	<ul style="list-style-type: none"> <li>Separately collect rainwater and effluent so that rainwater can be transported in rainwater pipeline to prevent water-logging and pollution.</li> <li>Waste acid is collected and stored in the waste acid storage pool, separate from rainwater.</li> </ul>
Continual Monitoring	<ul style="list-style-type: none"> <li>Conduct monthly statistics and management of wastewater discharge.</li> <li>Ensure that annual wastewater inspection complies with national standards.</li> </ul>
Management and Control	<ul style="list-style-type: none"> <li>Prohibit pouring pollutants into rainwater pipelines.</li> <li>Prohibit placing chemicals, oil products, solid waste, and other pollutants around the rainwater pipeline.</li> <li>Request all units to strengthen control over chemicals during torrential rain, and patrol chemical storage rooms at regular interval so that any abnormalities can be reported immediately to the administrator who can isolate the area for immediate handling.</li> <li>Clean the septic tanks every three months to prevent blockage and ensure uninterrupted discharge.</li> </ul>

Statistics of Industrial Wastewater												Unit: m <sup>3</sup>
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Total Industrial Wastewater Discharge	0	0	0	0	44,038	125,880	0	0	0	0	0	169,918



• Kunshan OPT plant - Wastewater treatment station



• Kunshan OPT plant - Internal units of the wastewater treatment station



• Kunshan OPT plant - Discharge outlet (Basel Sink)

## Expenditure and Benefits Associated with Environmental Protection

Following the environmental protection measures as required by relevant regulations and customers, we have established environmental protection equipment and took the necessary response to avoid and reduce negative impacts of company activities on the environment. We also calculated environmental protection-related expenditures on a regular basis. The income from environmental protection is mainly generated by waste recovery. Expenditure and benefits associated with environmental protection in 2017 are as follows:

Environmental Protection Expenditure and Benefits												Unit: NTD	
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
Expenditures	Environmental Management System Certification	0	0	0	273,462	527,187	140,583	398,591	481,739	424,421	196,670	196,174	2,638,827
	Environmental Testing and Hazardous Substance Control	6,250	11,500	156,000	2,576,410	228,048	212,658	4,049,521	1,217,870	420,012	39,011	22,314	8,939,594
	Promotion, Education and Training	0	0	0	52,945	0	16,345	0	0	40,410	25,750	41,350	176,799
	Maintenance of Environmental Protection Equipment/Facilities	0	0	12,600	1,144,514	139,554	840,083	5,830,632	158,511	231,409	11,014	426,638	8,794,955
	Waste Disposal	0	0	0	903,670	5,615,213	5,172,803	14,979,701	995,104	665,419	238,796	1,436,543	30,007,250
	Cost of Improvements to Energy Efficiency	685,125	312,501	1,831,032	27,471,641	1,527,546	132,006	31,798,498	228,665	2,402,369	0	0	66,389,383
	Personnel Cost for the Environmental Protection Division	0	0	0	3,359,338	1,879,288	718,648	12,822,966	1,843,607	1,478,571	0	0	22,102,418
	Cost for Environment-Related Maintenance	3,805,000	7,313,640	4,714,625	34,016,057	14,123,389	4,755,463	45,278,938	7,045,797	6,664,730	1,667	55,784	127,775,088
	Other Costs	0	0	0	0	0	0	0	0	20,015	165,438	465,421	650,874
	Total (NT)	4,496,375	7,637,641	6,714,257	69,798,037	24,040,225	11,988,591	115,158,846	11,971,292	12,347,355	678,346	2,644,224	267,475,190
Benefits	Waste Recycling	0	356,805	1,234,350	33,753,228	8,511,963	1,376,729	54,757,662	24,818,473	22,552,061	4,594,831	1,060,841	153,016,944
	Other	0	0	0	0	0	0	65,374,910	0	0	0	0	65,374,910
	Total (NT)	0	356,805	1,234,350	33,753,228	8,511,963	1,376,729	120,132,572	24,818,473	22,552,061	4,594,831	1,060,841	218,391,854

[ Note ] Exchange Rate: RMB : 4.5733, USD : 29.848, CZK : 1.3946, MXN : 1.515, EUR : 35.6445

# Humanity and Social Care



# Recruiting and Cultivating Talent and Teams



## Workforce Diversity

As of the end of 2017, the total number of Wistron's global employees and staff distribution based on gender and employment type per region is presented below. There is a male/female ratio of 68: 32. Employment types depend on the country's legal, operational, and capacity demands. All employees with all employment types have legal rights and interests since the first day of employment. Global employee distribution based on gender and employment type per region is shown below:

Statistics of Employees										Unit: Person
Region	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant	Total
Male	4,638	13,523	22,304	3,554	2,658	2,811	855	123	1,031	51,497
Female	2,098	5,253	10,523	2,386	1,283	1,374	579	86	533	24,115
Total	6,736	18,776	32,827	5,940	3,941	4,185	1,434	209	1,564	75,612

Types of Employment										Unit: Person
Form of Employment	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant	Total
Indefinite or Permanent Contract	6,509	2,347	436	41	37	72	30	117	1,560	11,149
Fixed Term or Temporary Contract	227	16,429	32,391	5,899	3,904	4,113	1,404	92	4	64,463
Total	6,736	18,776	32,827	5,940	3,941	4,185	1,434	209	1,564	75,612
Full-time	6,696	18,776	32,827	5,938	3,655	4,185	1,434	203	1,564	75,278
Part-time	40	0	0	2	286	0	0	6	0	334
Total	6,736	18,776	32,827	5,940	3,941	4,185	1,434	209	1,564	75,612

Wistron puts emphasis on diversification and is dedicated to providing a working environment where employees are rewarded and encouraged for their participation and individual talent. Through fair employment and sound operations, the company continuously cultivates and trains various employees. These excellent employees with different backgrounds and talents can help create corporate competitiveness. As for global indirect labor, the number of employees according to management level, gender and age are listed below:

Worldwide Indirect Employees by Level, Gender and Age Group Unit:%							
Age Group	Division Level and Above		Department Level		Non- Management		Total
	Male	Female	Male	Female	Male	Female	
< 30	0.03	0.02	0.88	0.43	30.20	15.25	46.81
30-50	5.28	1.27	4.37	1.79	25.95	11.93	50.59
> 50	1.28	0.15	0.04	0.02	0.76	0.35	2.60
Total	6.59	1.44	5.29	2.24	56.91	27.53	100.00

## New Hire and Turnover Management

When an employee resigns, we fully respect his/her decision regardless of their reason. We then try to find out their reason for leaving and use this as an opportunity to identify problems for further improvement. The table below shows the statistics of new hires and turnovers in 2016 sorted by gender and age group. Turnover includes voluntary resignation and other reasons. Most were concentrated in direct employees under the age of 30.

Total Number of New Hires and Turnover Unit: Persons					
Item	Age Group	Male		Female	
		Numbers of Employee	Proportion	Numbers of Employee	Proportion
2017 New Hires	< 30	132,565	63.64%	49,892	23.95%
	30-50	18,294	8.78%	7,497	3.60%
	> 50	48	0.02%	26	0.01%
Total		208,322 (100%)			
2017 Turnovers	< 30	131,542	63.87%	48,309	23.46%
	30-50	18,440	8.95%	7,556	3.67%
	> 50	74	0.04%	29	0.01%
Total		132,565			

## Local Hiring

Based on its recruitment policy, Wistron employs the best talents found in various countries. It also considers the "Cultivation of Local Management Talents" as a key goal of implementing talent localization. In 2017, local talents who work as managers accounted for 83.3%, with 53.4% assuming positions higher than Director. The data showing local employees who work as managers is presented below:

Percentage of Local Employees in Management Positions Unit: %			
Region	China	Mexico Plant	Czech Plant
Percentage of Local Managers	84.1	64.7	70.8
Percentage of Local Department Level or Higher Managers	52.9	62.9	54.5

Percentage of Local Employees in Management Positions in China Region Unit:%			
Year	2015	2016	2017
Percentage of Local Managers	81.5	83.6	84.1

# Talent Cultivation and Career Development

In response to Wistron's commitment to becoming a sustainable organic entity, Wistron not only focuses on its business growth and profitability, but also values the importance of culture shaping. Moreover, talent development and cultivation is the cornerstone of business sustainability. We emphasize the synchronous growth of employees and the company. Therefore, in addition to operating courses under a complete training framework, we will also introduce training programs and project activities of varying domains that are in line with the company strategies and annual goals. In the beginning of the year, Wistron confirms the annual training report with each business group's management in an effort to continuously perfect the learning and growth environment for employees. Contents and practices are described below:



## I. Comprehensive Training Framework

Wistron establishes a complete training framework to offer training courses of various domains and help our employees plan their career path. The employee training framework includes 7 different systems in three modes of "On-the-job learning", "Off-the-job learning" and "Self learning", considering different courses to use different modes and achieve better learning results.

No	System	Description
1	New Employee Orientation & Training	Mainly offered to new employees to help them better understand and identify with Wistron.
2	Professional Skills Training	Provide different training courses based on the unit's professional skill needs; aim to promote the functioning of professional knowledge and skills; including marketing, research development, manufacturing, materials, marketing, finance, etc.
3	Management Training	Build cultural consensus and management skills by the training of common management to new promoted, frontline, mid-level and high level managers.
4	Quality Training and CSR Training	For CSR-related employees and managers that have a direct impact on product quality, provide training on quality problem solving and customer satisfaction training, CSR-related training; establish total quality management, process improvement and CSR concept.
5	ERP & IT Training	For employees who directly use of Enterprise Resource Planning (ERP) systems. Familiarize them with ERP systems and ensure they are capable of using work related software applications.
6	Internal Train-the-trainer Training	Provide internal train-the-trainer training to managers or employees with professional skills and selected by managers to facilitate the transmission of experience and knowledge within the company.
7	Advanced Education Training	Available for all employees located in Taiwan; the main purpose is to improve employees' capability in engineering technology, management skills, and language proficiency.

Statistics of Training Courses			
Category		Total Number of Training Hours Provided To Employees (Hr)	Average Hours of Training Per Employee (Hr/Person)
Employee Category	Direct	7,307,302	130.71
	Indirect	4,284,461	217.42
Gender	Male	7,674,421	149.03
	Female	5,463,862	226.58

[Note] Average training hours per employee= Total number of training hours provided to employees/ Total number of employees

### II. Internal Speakers Sharing their Experiences and Supervisor Responsibilities

In 2017, Wistron planned and organized numerous training courses, 99% of which were held by internal employees as trainers. The courses are aimed at encouraging the transfer of internal experience. Moreover, each business unit's high-level managers are invited to play the role to trainer for management courses, which enables them to serve as role models and



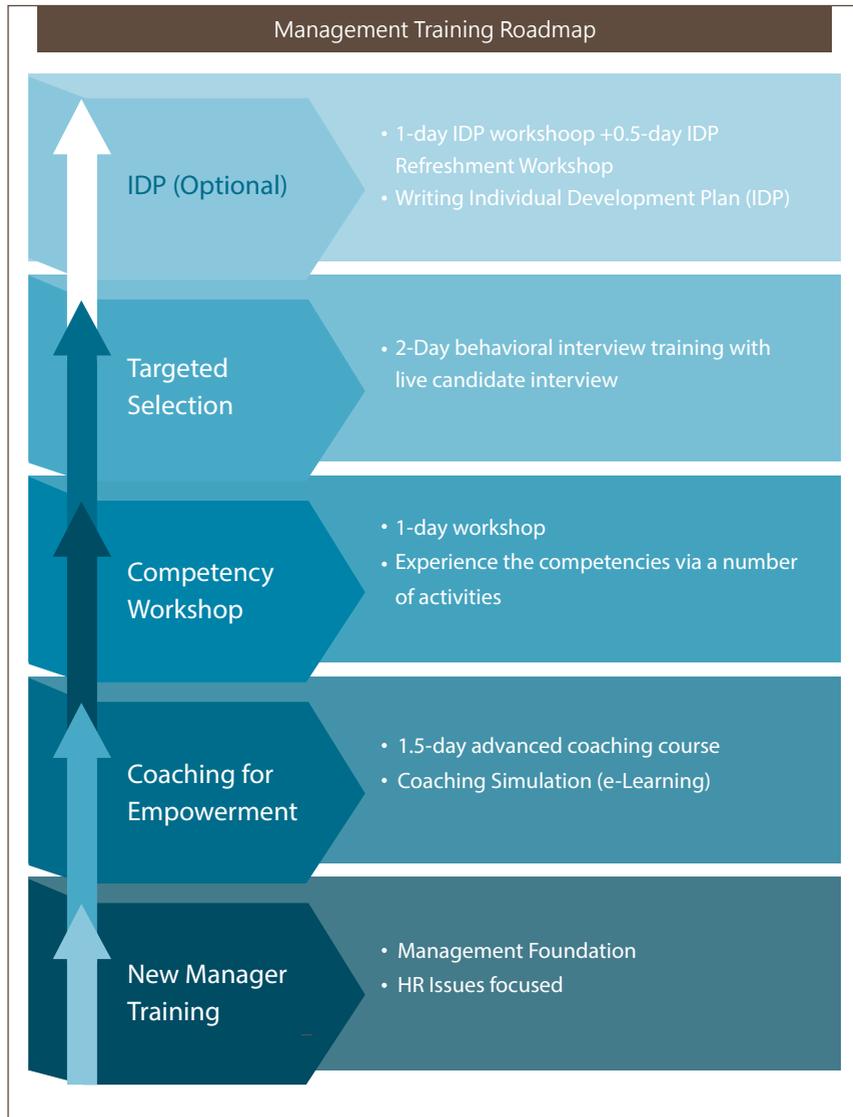
- The training center cooperated with the DDI consulting company in organizing a 4-day supervisor teaching skill training sessions

share their experiences. According to the number of trainers, the training center will organize training of internal trainers on teaching skills, methods, and preparatory tasks before a class (including methods to compile teaching materials). In addition, practical exercises and mutual assessments are adopted to fully prepare trainers before the official lecture takes place. For example, the training center has organized three train-the-trainer sessions in 2017, namely, new R&D/AM course, supervisor teaching skills, and competency workshop. Twenty-one trainers have been prepared in total.

### III. Elite Training Future Fussiness Teams and Leadership Training

In response to the needs of nurturing future talent and outstanding leadership, we introduced the Management Core Competency Analysis, and applied it to management training courses. Courses such as Targeted Selection, Coaching for Empowerment and individual development plan (IDP) were all conducted by using the core competency approach. Meanwhile, we have integrated the core competency with actual work content and assisted our employees in applying what they have learned during training to actual work practice.

In addition, Wistron has been nurturing future business teams and leaders by devising individual development plans for managers of all business units, according to organizational requirements, job demands, personal strengths, and development needs of key personnel. Since 2007, almost 30% of the supervisors who participated in the development program have completed training, passed certification, and been promoted to a new position.



IV. Building Innovation Culture

Wistron has always emphasized belief in "innovation." To inspire more innovative ideas for Wistron's products and services, Wistron has held an Innovation Golden Brain Award competition since 2015 to grant employees the opportunity to propose their own ideas for innovation. In line with the spirit of innovation, the Innovation Golden Brain Award competition organized by the training center differs slightly each year. The competition designed for 2017 is described below:



- The 2017 Innovation Golden Brain Award competition was promulgated through four types of activities.

1. A large-scale innovation seminar, where the chairman and president shared their experiences with employees so that employees could, at the closest range, understand the company's original intention of encouraging continuous innovation and existing policies that support innovation operations.
2. Tools that are easy to learn and use for creating ideas were promoted, developing into a common language shared within the organization. Workshops were held to grant employees the chance to share and exchange information and ideas as well as brainstorm even more creative ideas.
3. Wistron collaborated with Hackathon Taiwan to host Hackathon Taiwan x Wistron as the first round of the Innovation Golden Brain Award competition.



● Employees attend lectures to better their understanding of the chairman and president's thoughts regarding innovation

4. A more complete course and counseling mechanism was planned for six outstanding teams to help them propose innovation topics that more closely reflected the requirements of the environment and market.
5. Now that the first and second place of this year have been elected, the CTO office will continue with the incubation and investment program and coordinate tasks assigned to team members in the original and innovative projects.



● In Hackathon Taiwan x Wistron, teams engaged in hands-on activities, discussion, and information sharing



● There was a fun and relaxing pizza night after a full day of brainstorming

We hope that innovation is not merely an idea but an opportunity to be realized in practice. The activities are designed to encourage more proactive and assertive commitments among team members; the team members are then motivated to realize their ideas in a progressive manner.

Based on the aforementioned discussion, the table below summarizes the focuses and achievements of the Innovation Golden Brain Award competition over the years:

Year	Achievements
2015	<ol style="list-style-type: none"> <li>Promotion of innovation culture                             <ul style="list-style-type: none"> <li>Over 170 proposals were submitted, highlighting employees' willingness to continue to generate creative ideas, even outside of their working time.</li> </ul> </li> </ol>
2016	<ol style="list-style-type: none"> <li>Increase the quality and quantity of proposals                             <ul style="list-style-type: none"> <li>Over 80% of teams have already attracted target customers;</li> <li>Over 70% of teams have proposed feasible ideas; their works have been displayed on Wistron Tech Day.</li> </ul> </li> <li>Establishment of an internal ecosystem                             <ul style="list-style-type: none"> <li>A BG Innovation Committee was established; the committee provides teams with greater opportunities to gain hands-on experiences and coordinates departmental communication and resource allocation;</li> <li>Financial and patent departments were also invited to participate in this activity to increase the feasibility of the teams' proposals.</li> </ul> </li> </ol>
2017	<ol style="list-style-type: none"> <li>Stressing innovation direction                             <ul style="list-style-type: none"> <li>CTO's five major directions for the year were used as this year's focus in the Golden Brain competition, and a brief meeting was held for the first time to give every employee the chance to understand the company's primary goals;</li> <li>All employees were welcome to sign up to participate in this year's lectures, courses, and activities, which attracted over hundreds of employees to understand the company's culture of innovation through different means and venues.</li> </ul> </li> <li>Increase the feasibility of proposals                             <ul style="list-style-type: none"> <li>The Hackathon competition was the first round of the competition. Proposals were approved by reviewers. The feasibility and applicability of the submitted proposals improved significantly from the past two years.</li> </ul> </li> </ol>

# Social Responsibility Management



Wistron's core value lies in being a people-centric organization that emphasizes human rights and job equality. The company has formulated social responsibility policies that to commit to complying with CSR-related international standards and local regulations, continuously enhance employees' rights and benefits, establish an honest, healthy, and safe working environment, and fulfill social responsibilities. Our personnel management policies and related regulations are established in accordance with the aforementioned policy, upholding the principle of fairness, in which any forms of discrimination and sexual harassment are prohibited. Related policies and management systems are separately described in the following chapters. We also examine the implementation status of issues concerning the use of child and minor labors, forced labor, discrimination, sexual harassment, and freedom of expression, to manifest our emphasis on employee rights and interests as well as human rights issues. In 2017, Wistron achieved its' goal with no involvement in any sexual harassment, infringement of human rights, and discrimination.



## Employment and Compensation Policies

Wistron’s compensation and benefits comply with the requirements as well as laws and regulations of each country. The company does not offer wage below the minimum legal requirement. All employees have access to statutory insurance and pension plans. Wistron also offers the same pay for the same work regardless of race, nationality, origin, social status, lineage, religion, physical disabilities, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation or age. It has also designed a rewards system as part of the overall remuneration package, which includes wage, benefits, bonuses and dividends. All employees have two performance evaluations each year. The results serve as the basis for personnel bonuses, employment, promotions, and other personnel management activities.

Wistron also conducts a wage survey every year and adjusts wage based on the economy, company operations and personal performance to ensure that employee wage are fair and in line with market standards. All part-time and short-term contract workers are provided access to statutory insurance and welfare since the first day of employment. Compensation per region is indicated below.

Ratio of Entry Level Wage and Statutory Minimum Wage									
Region	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant
Ratio	1.09	1.21	1.00	1.00	1.39	1.42	1.03	1.23	1.30

[Note] Ratio = entry level wage / statutory minimum wage.

[Note] Use the data on 2017/12/31

## Parental Leave and Retention

We respect the rights of pregnant workers and provide parental leave to employees that care for infants and young children; and, automatically ask employees if they wish to return to their job one month before the end of their parental leave. In 2017, there were 52 parental leave applications in Taiwan and 17 applications at the Czech Plant.

Statistics of Parental Leave and Retention				
Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total Number of Employees That Took Parental Leave	3	24	0	2
Total Number of Employees Who Returned to Work After Parental Leave Ended	10	27	0	3
Total Number of Employees Who Returned to Work After Parental Leave Ended Who Were Still Employed Twelve Months After Their Return to Work	8	12	0	3

The Return to Work and Retention Rates of Employees Who Took Parental Leave				
Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Return to Work and Retention Rates (%)	63%	82%	/	60%
Retention Rates (%)	100%	96%	/	100%

## Human Rights and Anti-discrimination

Wistron is dedicated to developing and maintaining systems that promote employee rights and benefits, Comply with relevant local laws and regulations, support, and respect international labor-related human rights norms, such as the ILO Tripartite Declaration of Principles, OCED Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights, the UN Global Compact, and the Code of Conduct for Responsible Business Alliances, including staff health, work safety, and other work-related rights and benefits.

Moreover, it is committed to rooting out any behavior that curtails human rights directly or indirectly. The company prohibits any form of employment discrimination. In terms of employment, compensation, training, promotion, unemployment and resource distribution, Wistron shall not show any distinction or preference regardless of race, nationality, origin, social status, lineage, religion, physical disabilities, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or union relationship. Instead, it shall decide based on competency and contribution in order to provide a fair opportunity for all employees.

Wistron also strives to eliminate and prevent discrimination within the organization by extricating itself from the recruitment process or dealing with employment agencies (i.e. HR Agency.) The company also promotes anti-discriminatory practices to external parties, including customers, suppliers and the general public. To ensure that managers and their

subordinates fully understand the company' s human rights principle, we provide related training courses on sexual harassment, human rights violation, discrimination, etc.

## Child Labor and Underage Workers

Wistron doesn' t engage in child labor and verifies the actual age of applicants during recruitment. In some areas, however, workers older than the minimum working age but under the age of 18 are employed to fill the need for expanded production capacity, but they will only work in less-hazardous positions and are subject to enhanced training, care and management for their safety and health. The status of underage workers in 2017 is as follows:

Statistics of Underage Workers									Unit: Persons
Employment Type	Taiwan: Offices	Zhongshan: Plant	Kunshan: Plant	Kunshan: OPT Plant	Taizhou: Plant	Chongqing: Plant	Chengdu: Plant	Mexico: Plant	Czech: Plant
Underage Workers	69	104	1,325	649	30	1,670	392	2	0

## Forced or Compulsory Labor

In addition to standard work-related agreements, Wistron will not use financial means or other methods (e.g., detaining payments or identification documents) to impose limitations on the relationship between Wistron and its employees. Within the scope of legal regulations, employees have the right to terminate their labor contracts.

# Employee Care



## Staff Health and Occupational Safety

### Workplace Safety Management

Providing a safe and healthy workplace for employees is an essential responsibility of an enterprise. Effective implementation and maintenance of occupational safety and health management not only reduces the chance of exposing employees to risks of occupational safety incidents, occupational diseases, and financial loss, but also facilitates the stable operation of the enterprise.



Wistron understands how sources of danger and risks inherent in a workplace can influence every person in a company. To prevent employee injury and illness, we are committed to ensuring that employees work in a healthy and injury-free working environment and adhere to applicable occupational safety and health regulations, with the goal of achieving zero major occupational safety events [Note].

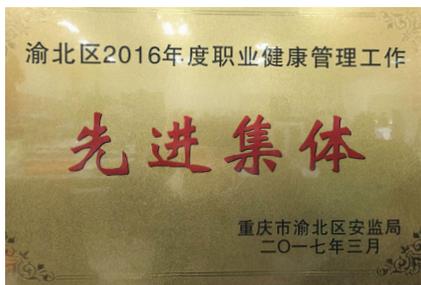
[Note] Wistron defines major occupational safety events as fatalities.

Wistron established its labor safety committee for each of its plants and implements the OHSAS 18001 occupational health management system. Wistron continues to apply for certification and conducts adequate management, supervision, and training to control risks resulting from unhealthy and unsafe actions and environments. Wistron conducts OHSAS18001 audits every year to identify deficiencies in its making of improvements, thereby providing a safe and healthy operating environment for its employees. To respond to and communicate occupational safety related problems, we set up a labor safety committee and convene labor meetings (Tomato Meetings) in Taiwan, allowing employees to communicate through internal channels to express their opinions and suggestions to department representatives, who then communicate with management directly.

Actions Relating to Occupational Health and Safety	
Risk Assessment	<ul style="list-style-type: none"> <li>• Regularly conduct risk assessment of hazard factors, implement strict application and control guidelines for special jobs (e.g., welding, chemical operations, noises, etc.), and formulate relevant management practices and solutions for different risk levels</li> <li>• Assess the legal compliance of operating procedures and revise those that do not comply with laws</li> </ul>
Education and Training	<ul style="list-style-type: none"> <li>• Implement labor safety education courses for new employees</li> <li>• Provide first aid training</li> <li>• Provide environmental safety and health training for environmental safety and health officers and provide regular retraining programs every year</li> <li>• Stipulate the need to obtain qualifications and certifications to engage in high-risk operations, such as forklifts and radiation-emitting equipment</li> <li>• Gather health-related information and communicate it to employees through websites and posters</li> <li>• Arrange health-related seminars by inviting experts to give talks and answer employees' questions concerning health and medical insurance</li> </ul>
Protective Measures	<ul style="list-style-type: none"> <li>• Introduce automated operations to reduce manual operations</li> <li>• Increase protective devices for dangerous operations</li> <li>• Provide personal protective equipment</li> </ul>
Preventive Rehearsals	<ul style="list-style-type: none"> <li>• Hold occupational safety evacuation drills every year (day/night, earthquake)</li> <li>• Contingency training, such as fire drills, training in confined spaces, and chemical leakage drills</li> </ul>

Improving Workplace Safety

To ensure that employees may continue to work in a safe environment, we continuously seek and identify all possible fail-safe models in a workplace and immediately implement improvements. In 2017, the Chongqing plant was rated as an A-Grade Enterprise (highest rating) in the Occupational Health Supervision Quantitative Graded Management Assessment and as an Advanced Entity in the Annual Occupational Health Management Assessment by the Yubei District Safety Supervision Bureau.



● Chongqing plant—2016 Advanced Entity in the Annual Occupational Health Management Assessment



● Chongqing plant— A-Grade Enterprise (highest rating) in the Occupational Health Supervision

In 2017, we proposed a variety of improvement plans for high-risk areas to continue to provide a safe workplace.

Production Line Safety Improvement/Protection Measures		
Site	Item	Description
Taipei Office Complex	Speed-reduction pads in parking lot	Speed-reduction pads are deployed in the parking lot, which slows the car speed to <40 km/h to prevent and reduce traffic accidents
Hsinchu Plant	Safety control rod next to the router machine	In a router machine operation, when an emergency situation occurs during router wire placement requiring the emergency button to be pressed, a safety control rod can be used to hold the door cover to prevent the machine from crushing the operator
Kunshan Plant	Robotic arm protection	Grating is provided around the robotic arm operation site so that when a person touches the grating, the alarm goes off to prevent the possibility of accidental injury
Taizhou Plant	Machine cylinder chain lock device	When a machine door is opened, the chain lock device is activated, and the cylinder stops operating to prevent injury
Kunshan OPT Plant	Warning signage on the wire box cover in the workshop	The ground wire protective cover in the workshop protrudes from the ground, and a warning message is stuck on the cover with hazard tape around it to prevent tripping

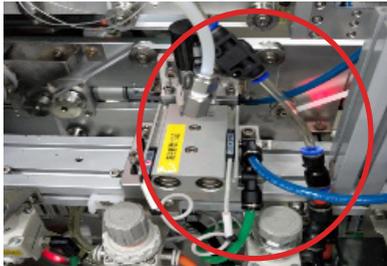
Production Line Safety Improvement/Protection Measures		
Site	Item	Description
Chengdu Plant	Robotic arm grating	Grating is installed at the entrance/exit of the ATS robotic arm station so that when a person enters the area, the robotic arm slows down. The person is then asked to leave the area. The robotic arm must be reset manually to resume operation
	Safety modification to the production line elevator	<ol style="list-style-type: none"> <li>1. An emergency stop button is placed next to the elevator on the second layer of the run-in; this button can be pressed when a situation occurs to immediately stop the elevator</li> <li>2. Grating is installed inside of the elevator; if a person enters the area, the elevator stops immediately, and when the person leaves, the elevator must be reset manually to resume its normal operation</li> <li>3. Holes are sealed to prevent injuries caused by unauthorized entry</li> </ol>
	Grating on auto-screw-driving machine	Grating is installed on the auto-screw-driving machine so that the X/Y/Z axis stops when an operator extends his/her arm into the machine. After completing the action, the operator resumes the X/Y/Z axis operation by pressing the power button
Chongqing Plant	Improvement to the screw-driving machine	When there is an object in the way during the screw-driving process, the newly installed safety grating will stop the screw-driving machine, which resumes operation when the object is removed from 2S
	Improvement to the ATS machine	The ATS machine was modified with a double-hand control switch instead of a single-hand control switch; both hands must touch the machine in order to activate the ATS machine. This mechanism reduces the risk of injury to the hands
	Glass lamination machine improvement	The equipment safety grating was modified from a 4-pair ray to 8-pair ray, increasing the ray intensity and preventing fingers from getting inside the equipment

Zhongshan Plant	Improvement to the automatic loader	A baffle is placed in the lift bare area of the automatic loader to ensure that the hand cannot access the bare area when using the loader; this prevents the machine from crushing the operator
	Tin stove door improvement	A part of the tin stove door was replaced with a rod with an end that has a staggered slot; this prevents the tin stove door from falling onto the operator

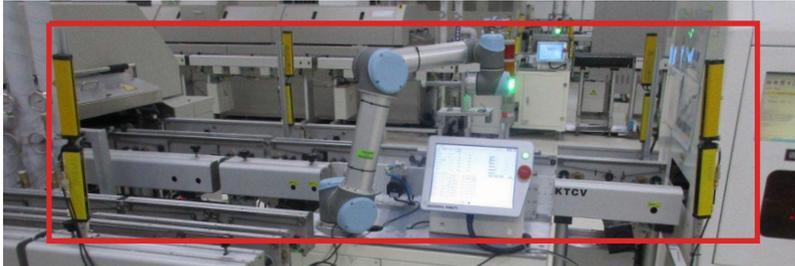
**Production Line Safety Improvement/Protection Measures**



● Hsinchu plant—Safety control rod next to the router machine



● Taizhou plant—Machine cylinder chain lock device



● Kunshan plant—Robotic arm protection

Production Line Safety Improvement/Protection Measures



• Kunshan plant—Warning signage on the wire box cover in the workshop



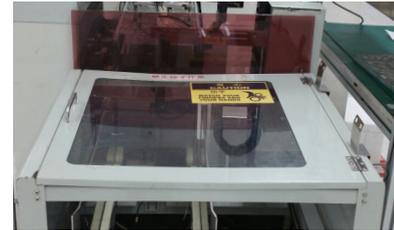
• Chengdu plant—Safety modification to the production line elevator



• Chengdu plant—Robotic arm grating



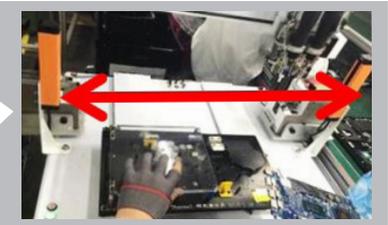
• Chengdu plant—Grating on auto-screw-driving machine



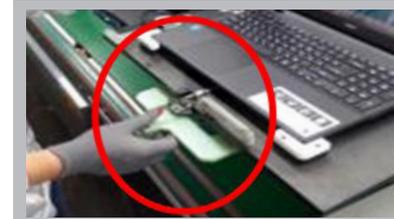
• Zhongshan plant—Improvement to the automatic loader



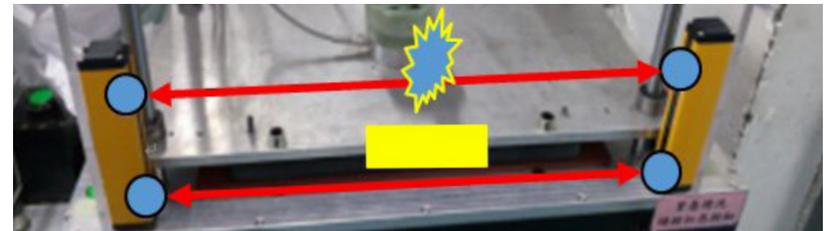
• Zhongshan plant—Improvement to the tin stove door



• Chongqing plant—Improvement to the screw-driving machine



• Chongqing plant—Improvement to the ATS machine



• Chongqing plant—Improvement to the glass lamination machine

Education, Training, Counseling, and Prevention of Fatal Diseases and Risk Monitoring Plan									
Target	Plan	Education/Training		Consultation		Prevention/Risk Monitoring		Treatment	
		YES	NO	YES	NO	YES	NO	YES	NO
Employees	All plants	—		All plants	—		All plants	—	
Employees' Families	Chongqing Plant	All plants except Chongqing Plant		Chongqing Plant	All plants except Chongqing Plant		—	All plants	—
Communities	—	All plants		—	All plants		—	All plants	—

2017 Statistics for Disabling Injuries of Employee																						
Statistics of Disabling Injuries	Neihu Headquarters		Hsichih Office Complex		Hsinchu Plant		Kunshan Plant		Kunshan OPT Plant		Taizhou Plant		Zhongshan Plant		Chongqing Plant		Chengdu Plant		Mexico Plant		Czech Plant	
	Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Injury Rate, IR	1.87	0.89	0.49	0.87	1.46	1.90	0.10	0.09	0.12	0.11	0.07	0.13	0.12	0.10	0.15	0.18	0.17	0.06	0.59	0.83	2.51	0.00
Occupational Disease Rate, ODR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Rate, LDR	3.16	0.44	4.02	2.60	4.03	16.66	1.82	2.04	2.42	0.04	0.00	15.53	2.69	2.70	1.01	1.74	1.14	4.65	8.83	17.34	194.5	0.00
Absentee Rate, AR	52.08	170.15	67.62	144.35	694.33	1248.94	638.43	872.83	770.77	1345.39	1093.31	2908.82	873.48	1873.86	702.22	1169.15	103.92	199.86	79.00	156.00	7126.85	11515.35
Total Number of Work-Related Fatalities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[Note1] IR = (Total # of injuries/Total hours worked) x 200,000

Only the Zhongshan Plant, Mexico Plant and Czech Plant include minor (first-aid level) injuries

[Note2] ODR = (Total # of Occupational diseases cases/Total hours worked) x 200,000

[Note3] LDR = (Total # of lost days/Total hours worked) x 200,000

Used "calendar days" for calculation: Kunshan Plant, Kunshan OPT Plant, Zhongshan Plant, and Mexico Plant; the other sites used "scheduled work days" for calculation

[Note4] AR = (Total # of missed (absentee) days over the period/Total # of workforce days worked for same period) x 200,000

a) Total # of workforce days = working Days \* number of employee

b) Total # of missed (absentee) days = leaves due to industrial injury and sickness, excluding personal leave and bereavement

c) Czech Plant and Chengdu Plant used the date industrial injury reported as the first day for lost day, which other plants the date industrial injury happened

[Note15] In Czech Republic, employees are entitled to go to visit their doctor during working time (frequency of their visits at doctors is NOT limited and the length of time spent at the doctors is also covering the time spent on the way), or stay at home longer time during their illness.

There is no disabling injury occurred in Wistron' s plants in 2017, except the Czech plant.

2017 Statistics for Disabling Injuries of Contractor at Wistron Czech plant					
Czech Plant	Injury Rate (IR)	Occupational Disease Rate (ODR)	Lost Day Rate (LDR)	Absentee Rate (AR)	Work-Related Fatalities
Male	1.25	0.00	73.83	17453.17	0.00
Female	3.91	0.00	557.06	37721.81	0.00

Percentage of Total Workforce Represented in Formal Joint Management–Worker Health and Safety Committees										
Item	Taiwan	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Workforce Represented (Person)	27	216	31	35	137	65	74	44	10	639
Total Workforce (Person)	6,736	32,827	5,940	1,434	18,776	4,185	3,941	1,564	209	75,612
Percentage (%)	0.40%	0.66%	0.52%	2.44%	0.73%	1.55%	1.88%	2.81%	4.78%	0.85%

[Note ]Workforce represented:

China: Committee members except chairman, vice chairman, EHS management representative and department managers

Taiwan: Employee representatives in Employee Relationship Promotion Committee



● Chengdu plant—Monthly eco-friendly poster: Details of the activity



● Kunshan OPT plant—Monthly eco-friendly poster



● Chongqing plant—Monthly eco-friendly poster

Our Offices and Plants Across the Globe Regularly Organize First Aid Training and Fire Drills to Ensure Employee Safety in the Workplace



● Chongqing plant—Emergency evacuation drill



● Chongqing plant—Emergency evacuation drill



● Mexico Plant\_ Fire Drill



● Kunshan OPT plant \_Fire drill



● Kunshan OPT plant Chemical leakage drill



● Kunshan OPT plant Chemical leakage drill (gas mask demonstration)

## Caring for Employee Health by Providing a Safe Workplace

As a global leading ICT industry technical service provider (TSP), Wistron fully understands how sources of danger and risks inherent in a workplace can endanger any person in a company (including employees, temps, contractors, interviewers, and other personnel). We are committed to establishing an occupational safety and health management system (OHSAS18001) that ascertains full compliance with applicable regulations and correct knowledge in all employees to ensure that employees work in a healthy and injury-free working environment.

Health is equivalent to productivity. Employee health is the foundation for a firm's healthy development, and being healthy ensures an increase in productivity. Therefore, valuing employee health and creating a safe workplace are the keys to caring for employees.

## Establishing a Healthy Lifestyle for Ensuring the Physical Health of Wistron Employees

Health promotion activities can keep employees healthy, which enables employees to excel at work. Therefore, Wistron's offices and plants across the globe emphasize the importance of employees' physiological and psychological health. Wistron has

a dedicated unit in place that regularly hosts health promotion activities to help employees properly manage their health. A comprehensive range of health management and health promotion activities are implemented to realize Wistron's care for employee health.

Health supplies the energy needed for work. Our offices and plants across the globe regularly hold health-promotion talks to educate employees about health and healthy living. In addition to reminding employees to value their health in their daily lives, these talks also enable employees to learn the skills for taking care of themselves and keep themselves away from diseases.

## Encouraging employees to exercise regularly and build a strong physique

Health is equivalent to productivity; being healthy is conducive to productivity. An effective health-promoting activity can make employees healthier, energetic, and perform excellently at work. Our offices and plants across the globe regularly host team physical activities, such as basketball, soccer, badminton, volley ball, and softball. Employees are also encouraged to establish physical fitness clubs (e.g., cycling, basketball, badminton, and hiking clubs), so that they could leverage the power of small groups to drive the sports culture of the company.

The Chengdu plant organized a nighttime marathon in 2017 to encourage employees to go jogging. The Taipei Office provides monetary rewards for employees who complete a road-running competition. This reward is aimed at encouraging employees to participate in road-running activities and develop a habit of exercising through these activities. In 2017, more than 460 employees participated in a marathon (>10 km). Wistron will continue to promote this activity in 2018 with the hope that the number of participants will increase by 50%.

Wistron has incorporated physical fitness exercise into its employee activities to help employees develop the habit of exercising regularly and to realize the corporate social responsibility of caring for employees. Wistron's offices and plants across the globe will continue to invest in the iSports activity and encourage employees to foster the habit of exercising regularly.

#### Care for Employees' Physical and Mental Health

Corporate competitiveness stems from employee health management. Our offices and plants across the globe have set up healthcare rooms, medical rooms, or consultation services that are provided by health professionals to service employees and offer daily health-related advices. Wistron's Chongqing plant

and Chengdu plant have established a green emergency health care channel that provides health care service to employees. A comprehensive range of health management and health promotion activities are implemented to realize Wistron's care for employee health.

To ensure employee health, Wistron's office areas and plants across the world not only regularly arrange health examinations for its employees, but also periodically organize special health checks for employees who work in specialized environments (e.g., high noise, high dust level, and exposure to X-ray and tin dioxide). Moreover, specialists are also hired to provide regular checkup reminders and medical assistance to employees with abnormalities in their health conditions.

Our offices and plants across the globe arrange specialists to undergo effective health management. Through the company's people-centric healthcare platform, health specialists regularly conduct follow-ups, telephone interviews, reminders to seek medical attention, medication use, or medical consultation according to individual medical health needs or improvement goals. These specialists also hold health-promoting talks.

For employees with major illnesses, medical arrangements and subsequent medical assistance are provided. Each plant provides employees with a comprehensive medical nursing care by setting up a physician health care service center or medical rooms that are serviced by nurses.

#### Care for the Physical and Mental Health of Pregnant Employees

Wistron's offices and plants worldwide regularly organize health talks and health checks for female employees. The Headquarters in Taiwan arranges free cancer screening tests during its annual health examination, thus enabling employees to conveniently utilize existing resources to have their personal health condition checked.

Our offices and plants across the globe also provide special health consulting services for pregnant employees. The office in Taiwan has also setup a Good Luck Mommy website that provides personal health care knowledge and the most adequate care for pregnant women in a timely manner.



#### Regular health education: Health education for individuals with abnormal health conditions and high-risk individuals

Imparting correct health knowledge to employees is the most effective care that can be given to a person. Wistron's offices and plants worldwide have different health-promotion plans of action in place for employees in different age groups and areas. For employees with health abnormalities (e.g., liver function or blood pressure) and employees at high risk for cardiovascular disease, Wistron provides them with information that educates them on ways to take care of themselves. In addition, these employees are reminded every 3 or 6 months to return for a follow-up exam. For flu seasons, the Hsinchu plant produces health-information films. The Chongqing plant and Taizhou plant publish "Healthy World," a weekly newsletter that reminds employees to take care of their own physical health. Thus, correct knowledge regarding disease prevention can be imparted to achieve effective self-care. Employees are a company's most crucial asset. In the future, we will continue to manage employees' health more effectively and strengthen health-promotion and care activities that enable employees to lead a healthy lifestyle as a habit.

## Valuing Internal Communication Channel to Listen to Employees' Voices

Wistron respects personal liberty and individual rights. Its offices and plants across the world have taken the initiative to keep lines of communication open for suggestions from employees, to fully understand the needs and expectations of employees with regard to workplace safety and health. Employees are free to give their suggestions, requests or feedback. All opinions and comments are treated sensitively and confidentially.

Wistron's offices and plants worldwide have set up Employee Relationship Promotion Committees, which regularly hold labor communication

meetings. The highest executives and unit employees are assigned to attend these meetings as representatives of their office or plant. During these meetings, company operations and employee opinions are communicated bilaterally. The Employee Relationship Promotion Committees also set up its official websites. Meeting agendas and meeting minutes are posted on the company's portal website (EIP) within 7 days of a meeting. Any changes to company operations are announced by relevant units.

We respect our employees because valuing employee opinions can encourage employees to express more constructive opinions and continuously invest positive strength in company growth. Providing employees with a safe working environment creates a consensus that yields mutually beneficial outcomes for employees and the company. Thus, employees could grow with the company and share the outcomes of the company's business performance.

Employee Communication Channels										
Communications Channel	Taipei Office	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant
Employee Relations Promotion Committee	V	V	V	V	V	—	V	V	V	V
General Manager Mailbox	V	V	V	V	V	V	V	V	V	V
Employee Suggestions Box	V	V	V	V	V	V	V	V	V	V
Employee Complaints Hotline	V	V	V	V	V	V	V	V	—	—
New Employee Seminar	V	V	—	V	V	V	—	V	—	—

[Note ] "V" indicates that this communications channel is in place.

# Social Participation and Care



Companies value social participation because it not only draws in competitive advantage for the firm but also enhances the corporate value of the enterprise. Wistron fulfills its corporate, environmental and social responsibilities and has set up the Wistron Charity Management Guidelines, listing the following two directions for social welfare activities participation:

- 1.Environment: Dedicate effort in to the care, protection and sustainability of the natural environment and ecology;
- 2.People: Provide humanistic and social concern as well as assistance and support, especially for children and disadvantaged groups.

The company established the Wistron Foundation in 2010, which serves to contribute to education for humanities and the environment. In addition to supporting the actions and plans of charity groups in Taiwan, Wistron leads its employees to participate in charity events and inject more wisdom and love into these events. This expands the scope of social care, fulfills corporate citizen responsibility, and contributes to society.

The company strongly encourages its employees to participate in social charity events. We instruct our administration units around the world to designate personnel to take charge of planning and implementation tasks. With the collective efforts of our offices and plants all over the world in continuously promoting charity events, we encourage employees to proactively organize social groups and leverage their creativity in charity events and take action in contributing to society.

Summary of Wistron' s Social Investments			Unit: NTD
Item	2017	2016	2015
Corporate Participation and Public Welfare Sponsorships (including Wistron Foundation)	60,645,930 (including Wistron Foundation 13,880,073 )	40,519,547 (including Wistron Foundation 22,877,692 )	45,431,642 (including Wistron Foundation 28,793,352)
Charitable Activities of the Employee Welfare Committee/the Company	2,227,289	2,732,067	532,425 (including Wistron Foundation 44,604)
Employees' Voluntary Participation in Company-initiated Social Welfare Activities	2,359,704	5,874,457	3,240,990
Total Amount of Social Investment	65,232,922	49,126,071	49,205,057

[Note1] The above table includes the Taiwan office, Kunshan Plant, Taizhou Plant, Zhongshan Plant, Chengdu Plant, Chongqing Plant, Mexico Plant and Czech Plant as well as Wistron Foundation

[Note2] Exchange Rate: RMB: 4.5733 , USD: 29.848, CZK: 1.3946, MXN1.5150: , EUR: 35.6445

## Caring for Society

### Contributing to society

To contribute to the community and encourage learning, Wistron offers scholarships to communities neighboring its plants, encouraging underprivileged learners and those who have shown outstanding school performance. In 2017, the Kunshan plant and

Taizhou plant donated scholarships to the value of RMB343,500 and RMB150,000, respectively. The Huanan plant participated in the Zhongshan Ten Thousand Walk Charity Event, donating RMB250,000 for use in supporting the impoverished.

## Encouraging Employee Participation: Extending Social Care

### Encouraging establishment of social groups: Learning to warm the lives of others

The Company encourages employees to form social groups as a way of community contribution. Its Chongqing, Kunshan, Zhongshan, and Mexico plants have all set up a Loving Community, in which members regularly visit social welfare institutions (e.g. nursing homes and orphanages), make donations, provide companionship to elderly adults or orphans regularly, or organize performances and shows to spend time with them on special occasions. The Hsinchu plant in Taiwan has established a Handcraft Arts Club, in which club members hand-make art works after their working hours; these art works are then sold in the company, and the money made is donated to community orphanages. During offwork hours, employees

from the Hsichih office complex volunteer to provide academic guidance and companionship to underprivileged children. Volunteers also provide companions to children from children's homes on holidays and weekends. These volunteers participating in charity events have devoted their love to bringing emotional warmth to these children, and the experience has also enriched their own lives.

### Gifts of warmth: Collective efforts of Wistroners on special occasions

Wistron has extensively used charity sale items, which are collected from charity groups, as gifts for company activities. Thus, resources are properly used for charity purposes, enabling employees to enjoy heartwarming benefits whilst participating in charity events. Wistroners care for underprivileged families. Many employees of its office complex in Taiwan have taken the initiative to donate festive gift boxes provided by the Welfare



● Employees from the Chengdu Plant showing care for children on Children's Day

Committee, delivering their love to the Hsichih and Hsinchu Children and Family Centers. Thus, the children in these homes could celebrate the festive season with warmth and love. The Loving Communities of the Zhongshan plant and Chengdu plant have also visited community welfare institutions and participating schools to spend time with members on special occasions.

### Encouraging Employees to Attend Charity Events

Wistron's office complex in Taiwan has set up a public area on the company website, provided small donations and items for charity sales for charity groups in Taiwan, and encouraged employees to take actions in supporting charity groups by making donations or purchasing charity sale items. In 2017, more than NT\$1.3 million in donations were collected.

Our offices and plants across the globe, including the Kunshan plant, Chengdu plant, Chongqing plant, Zhongshan plant, Hsinchu plant, Hsichih Office complex, and Heihu Headquarters regularly hold blood donation activities and encourage employees to help save lives by donating their blood. Over 1800 employees from Wistron's offices and plants donated blood in 2017, accumulating 3000 bags of blood.

### Working at ease and living happily

Wistron holds high regard and cares for its employees by offering them a safe workplace. We are committed to improving employees' quality of life and building a happy enterprise where every employee can work happily and at ease.

Our offices and plants across the globe arrange all types of employee care activities. Chengdu plant provides employee care services at least 30 times in a year; other office complexes and plants organize activities as needed or employ types of assistance programs to provide care and support for employees or their family in a timely manner. Only happy employees are capable of serving the community and contributing to the society, and they in turn will motivate others to join in the fun.

Social participation requires the engagement and long-term commitment of an enterprise in order to be sustainable and exert its influence. We realize that CSR must be included in a corporate management strategy. Promoting CSR can not only bring competitive advantages for the company, but also benefit the company and enhance our corporate social value. In the future, the Wistron Foundation will continue to support culturally rich projects and the Company will also actively motivate employee participation to motivate more people in society to protect the earth's resources and care for underprivileged groups in the community, thereby creating a more harmonious and beautiful living environment.



- Employees from the Chongqing Plant encouraged to donate blood as part of social responsibility



- Hsinchu Handcraft Arts Club converting their hobbies into charitable contributions.



- The Loving Community at the Chengdu Plant regularly visiting children sheltered at local charity institutions

# Wistron Foundation



Established in October 2010, the Wistron Foundation upholds the spirit of "altruism" focusing on issues related to nature—specifically, the habitat—and humanity. In providing long-term support to professional charity partners, the Foundation hopes to preserve the natural habitat and foster professional administrators through continuous investment and cultivation and make them protectors of nature. The Foundation aims to lay the foundation required for environmental education and promotes the concepts of conservation and preservation to the general public, in hopes of positively influencing their ways of thinking and behavior in environmental experiences. Regarding humanity and education, Wistron Foundation sponsors teacher training and professional teacher cultivation programs to support greater outstanding teachers who can devote their efforts in education to help rural and disadvantaged children access the educational resources they need. Teachers and schools who are committed to developing diversified education can also contribute greater possibilities and innovative elements to education.



## Environment and Education

Habitat protection ensures the sustainability of various species. The Wistron Foundation and multiple charity partners have worked together to protect various habitats, from Fuyang Park in Taipei (a complete low-altitude ecosystem rarely found in an urban setting) to Shuanglianpi in Yilan County (boasting a world-class ecology of floating islands). In addition to protecting northern Taiwan, Wistron extends its reach into western Taiwan by continuously conducting investigations and tracking toxic waste. We not only value the ecology of the natural habitat but also the safety of the environment and land. We also believe that a basic investigation of indicator species best reflects environmental changes. For seven consecutive years, we have funded the Taiwan Amphibian Conservation Volunteer Program organized by the Amphibian Conservation Laboratory of National Dong Hwa University. While protecting the habitat we also lay the foundation for environmental education for all age groups to cultivate volunteers who are fully aware of the need to protect the environment.

The Foundation protects the natural ecology and habitat through a wide range of activities relating to environmental education.

### Children's Nature Camp

The children's camp that we support is focused on an educational plan called Protecting the Seedling. In 2017, 550 children were guided to explore, learn, experience, and understand nature. Through these activities, the ability to investigate and observe is cultivated in children, enabling them to protect

the environment and establish a sense of responsibility and identification toward their growth environment in the future. Moreover, these children will be guided to deliberate on environmental problems. Since 2004, the Wistron Foundation has cooperated with the Society of Wilderness (SOW) in hosting the annual Children's Nature Camp for Disadvantaged Children, combining SOW's resources (volunteers and nature education) throughout Taiwan. To date, over 10,500 children from disadvantaged families in Taiwan have participated in this camping program.

### Shuanglianpi Environmental Education Center protects the eco-wetland of Shuanglianpi

Shuanglianpi is a low-altitude wetland rarely found in Taiwan that boasts a rich diversity of rare and valuable species. When it became a Wild Animal Conservation Area and a National Wetland, Shuanglianpi had already been subjected to frequent damage from human beings. Since 2010, with the support of Wistron, SOW rented the rights from the Yilan County Government to manage the Shuanglianpi Eco Classroom in Yilan County.



Based on the concept of a “wetland conservation school,” Wistron continues to improve and develop the physical and non-physical facilities of the Shuanglianpi Eco Classroom, providing a learning environment where wetland education and conservation tasks can be performed during holidays and weekends. Ultimately, Wistron hopes to gradually restore the ecological diversity of Shuanglianpi and its surroundings through habitat preservation, ecological monitoring, and environmental education. By the end of 2017, 58,000 citizens have participated in the nature promotion activity, which is held in the Shuanlianpi Ecological Classroom.

### The Actions of Volunteers

In 2017, the Wistron Foundation called upon the employees of Wistron to volunteer in preserving the habitat and ecology of Shuanlianpi on holidays and weekends to create and maintain a protected zone for native aquatic plants and engage in lake gradient restoration tasks. Through actual participation, Shuanglianqi is given more resources to increase the capacity of habitat protection and also to enable technologists to gain a more profound understanding of the importance of safeguarding Shuanlianpi and its habitats. Following a year of gradient restoration, we are pleased to witness the rebirth of sessil marshweed in the lake area.

Achievements of 2017 and Planned Targets for 2018		
Execution details	2017 Outcome	2018 Target
Restore aquatic plants in Shuanglianpi	<ol style="list-style-type: none"> <li>Established a Beiti Gradient Restoration Experimental Zone, 75 m long and 5 m wide. A comparison of the restored and non-restored zone shows that improving the habitats enabled four species of near-extinct aquatic plants to regenerate and proliferate. Other accompanied aquatic plants also grew steadily.</li> <li>Established a Seed Protection Experimental Zone. Five zones were built this year, and 43% of aquatic plants were able to regenerate independently.</li> </ol>	<ol style="list-style-type: none"> <li>Completed 200 m of Beiti Gradient Restoration Experimental Zone and track and investigate the status of restoration to make timely adjustments</li> <li>Establish 7 Seed Protection Experimental Zones</li> </ol>
Use of friendly farming techniques to engage in friendly farming	Wistron has adopted and supports 0.4 hectare out of the 0.7 hectare of land which is using friendly farming techniques in Shuanglianpi. The agricultural products cultivated are directly donated to the Eden Social Welfare Foundation and family support centers.	Wistron will continue to support and adopt land
Environmental Education	A total of 212 sessions were held; 9,700 people participated.	Adjust lesson plans and activity plans and host 40 sessions.

### Taiwan Land Protection Plan; Let's Learn Together in the Park Plan

Land is safe when it is nourished with healthy soil and water, and only with safe land can we produce high-quality food. People live on food; therefore, the environment and people are closely related. Since 2010, the Wistron Foundation has partnered with the Tainan Community University Research & Development Association. In 2017, they continued to engage in the investigation and tracking of toxic wastes, water resources, and forested environments. Using the samples they collected from years of investigation, we planned mobile education exhibition modules to display and store the collected samples. We also combined environmental issues into a Teacher Education Program for Tainan Community University to fosters working groups who take action to protect the environment. Only by safeguarding healthy water, soil and environment can we ensure a clean and safe environment for people.

In 2017, we continued to implement the "The Park and the Tree: Let's Learn Together in the Park" plan in century-old Tainan Park. By using research on Tainan Park topics, we designed educational activities that encourage citizens to manage and care for nature. As we gain more practical experience, we have extended our reach to more parks in the eastern and southern areas of Tainan. We plan to use parks as the starting point to care for urban ecology and cultivate a citizenship community that increases scope and action to improve natural spaces in urban cities.

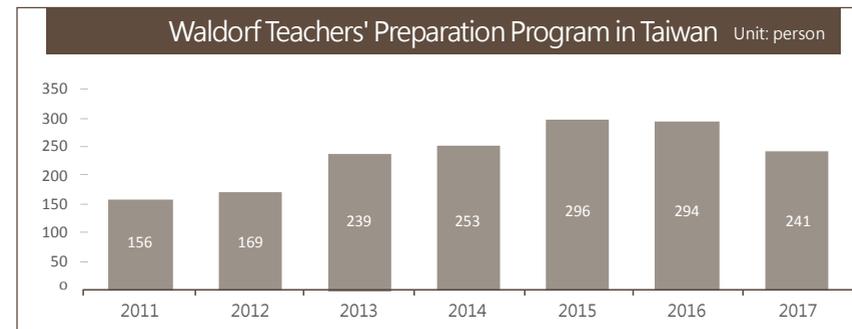
Achievements of 2017 and Planned Targets for 2018		
Execution details	2017 Outcome	2018 Target
Investigation and research	<ol style="list-style-type: none"> <li>1. Conduct pollution investigation and tracking on the following areas: Longci District in Tainan, Erren River, Madou District, Linbian Township in Pingtung, Qingshui in Taichung, Xinfeng in Hsinchu, Kouhu Township in Yunlin, and Dadu Estuary in Changhua</li> </ol>	Protect the mudstone landscape in Longci and supervise the clearing and restoration of the polluted sites
Amend and promote policies	<ol style="list-style-type: none"> <li>1. Conduct research on incinerator bottom ash and engage in policy discussions and amendments</li> <li>2. Integrate and conduct research on foreign and domestic practices in the disposal of industrial wastes</li> </ol>	Attend conferences and propose NGO perspectives; prompt amendments to relevant laws and regulations
Environmental Education	<ol style="list-style-type: none"> <li>1. Exhibited a display titled "The Last Dish" in the Kaohsiung Museum of Fine Arts and Tainan Wuyuan to present the current status of the land and food problems in Taiwan</li> <li>2. Exhibited "Exploring the Paradise of Tainan" in Tainan Wuyuan to introduce the beauty of Niupu in Longci</li> <li>3. Organize the cross-strait environmental protection exchange event in Tainan</li> </ol>	<ul style="list-style-type: none"> <li>• Arrange camps for environmentalists</li> <li>• Plan conventional exhibits and layouts for samples of investigation, equipment, and other educational exhibit modules</li> </ul>

## Humanity and Education

The Foundation is committed to improving education, and has long supported teacher education training, which aims to develop distinct education-related vision and competencies through teacher cultivation programs. The Wistron Foundation is focused on investing in resources for disadvantaged families and rural children. By supporting and sponsoring the Boyo Social Welfare Foundation and Glory Church in Hsichih, the Foundation promotes accompanied-studying classes and tutorials to reduce the difficulties (e.g., lack of resources) that children experience during their basic yet critical learning period.

### Experimental Education and Reform: Ci-Xin Waldorf School

Since inception in 2010, the Wistron Foundation has supported the construction of new classroom buildings for the Yilan Ci-Xin Waldorf School. Every year, the Foundation continues to fund the "Teacher training campaign and professional Waldorf teacher preparation and training program." This private teacher training center not only became a crucial channel through which the Waldorf School fosters different teachers, but it also helped the education system of the school to extend its reach from preschool, elementary school, and junior high school, to high school. Combined with international Waldorf teachers and educational resources, the Waldorf teacher training courses and achievements in Taiwan are regularly shared and exhibited in seminars held in Taiwan, China, and Asia Pacific regions, which exert a profound influence on the development of diversified education at home and abroad.



### Cultivating Education in Huatung: Training Local Young Talent

Wistron Foundation agrees with the Alliance Cultural Foundation's vision of improving rural education in Hualien and Taitung and, therefore, has consistently supported the Huatung Project. In 2017, the Foundation realized the teaching principle of "students as the entity of education" and continued to engage in rural education projects. The Foundation also worked with partners to design theme camps, which aim to foster young adults who are passionate about Huatung education, with the expectation that they will become leaders who take actions to improve education in



rural areas. Integrating professional resources, the Foundation has created greater opportunities for local young adults to learn and work, thereby discovering and cultivating a pool of young, capable, and outstanding talent with international perspectives in Hualien and Taitung.

### Taiwanese Proverbs Selection

Beginning in 2011, Wistron Foundation has been working with IC Broadcasting, a radio station that has won numerous Golden Bell Awards, in producing broadcast shows. In 2017, Wistron supported the show—Taiwanese Proverbs Selection, which is hosted by Meng Yu-hsien and which introduces listeners to Taiwanese proverbs. Taiwanese, or Southern Min, is an active language that plays a vital role in the everyday lives of Taiwanese people. Through the show, listeners are introduced to the true meaning, cultural background, and stories of Taiwanese adverbs commonly spoken in the language of Taiwan or, as they say, the "Ho-lok" language of Minnan. Click the following link to listen to the broadcast show: <http://www.ic975.com/AOD/?id=111>

## Documenting the Nature and Humanities of Taiwan

The Foundation wishes to influence the relationship between people and nature by supporting the production of informative documentaries and films regarding humanities and environment. Since 2010, the Foundation has sponsored the production of 10 films/documentaries, with the hope of showing media images through the sincerity of the director's eyes to

inspire greater reflective thinking among audiences of all age groups and with different backgrounds. Such diverse forms of media influence is not only confined to audiences in Taiwan. Broadcasting these informative documentaries in other countries has also raised international awareness on environmental and humanity issues.

In 2017, Wistron organized a movie day at Tainan Dajen Community Activity Center especially for students and teachers from Daguang Elementary School and Chenggong Junior High School. During the event, the film *Cycling Angels* was played for the audiences, and the film director as well as the director of the orphanage in the film were invited to interact with the teachers and students in attendance. The purpose of this event was to convey the positive energy of life education through the film.

In 2017, the Creative Consultation Company produced a film called *The Crane's Return of a Favor*, which tells the story of the local efforts devoted to creating friendlier habitat for a Siberian white crane that appeared in Jinshan Taiwan. This story even attracted an expression of gratitude— "Thank you, people of Taiwan" —on the front page of a Russian Siberian newspaper.

## Corporate Participation

- International Cultural Exchange Activities of "Bird and Water Dance Ensemble" by Visual Disability Dance Regiment
- Finding Myself on the Map of the World charity project by Global View Magazine
- 2017 TLPGA and Royal Open
- Funded the construction of dormitories for graduates and I-House housing center for National Chiao Tung University Tainan Campus

# Statement

## INDEPENDENT ASSURANCE STATEMENT

### To: The Stakeholders of WISTRON CORPORATION

#### Introduction and objectives of work

**Bureau Veritas Certification Taiwan** has been engaged by **WISTRON CORPORATION** to conduct an independent assurance of its **2017 Corporate Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **2017 Corporate Sustainability Report** are the sole responsibility of the management of **WISTRON CORPORATION**. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

#### Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard AA1000AS (2008) Type 2 assurance. The scope of work included:

- Data and information included in **2017 Corporate Sustainability Report** for the **1<sup>st</sup> January, 2017 to 31<sup>st</sup> December, 2017**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)<sup>1</sup>
  - Inclusivity
  - Materiality
  - Responsiveness
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as moderate level assurance.

#### Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of **WISTRON CORPORATION**;
2. Review of documentary evidence produced by **WISTRON CORPORATION**;
3. Review performance data listed in report with sampling basis;
4. Visits to 9 sites located in Taiwan (Taipei City, Hsinchu City, New Taipei City) and China (Jiangsu-Kunshan, Jiangsu-Taizhou, Guangdong-Zhongshan, Sichuan-Chengdu and Chongqing City);
5. Review of **WISTRON CORPORATION** data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

#### Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in **2017 Corporate Sustainability Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **WISTRON CORPORATION's** activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over **WISTRON CORPORATION's** performance and status during the **1<sup>st</sup> January, 2017 to 31<sup>st</sup> December, 2017**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (2008) principles of Inclusivity, Materiality and Responsiveness in its operations. Further detail is provided below;
- **WISTRON CORPORATION** has established appropriate systems for the collection, aggregation and analysis of relevant information;

#### Alignment with the principles of AA1000AS (2008)

##### Inclusivity

**WISTRON CORPORATION** has processes in place for engaging with a range of key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2017 covering a range of material topics such as Economic, Social and Environment.

##### Materiality

The Report addresses the range of environmental, social and economic issues of concern that **WISTRON CORPORATION** has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

##### Responsiveness

**WISTRON CORPORATION** is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

#### Key areas for ongoing development

Based on the work conducted, we recommend **WISTRON CORPORATION** to consider the following:

## Statement

Much of the operating financial data in this Report is taken from Wistron Corporation, Annual Reporting and accounts, which is separately audited by an external auditor and therefore excluded from the scope of the Bureau Veritas assurance.

- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

### Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 185 years history in providing independent assurance services. Bureau Veritas 2015 full year revenues reached 4.6 billion euros. The Group's adjusted net profit for 2015 reached 420 million euros.

No member of the assurance team has a business relationship with Wistron Corporation, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.

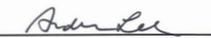
Bureau Veritas Certification Taiwan

3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.



Technical Reviewer: 

Date: 25/May/2016

Assurer: 

Date: 25/May/2016

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	001	No omission
	102-2 Activities, brands, products, and services	013-014	No omission
	102-3 Location of headquarters	001	No omission
	102-4 Location of operations	001	No omission
	102-5 Ownership and legal form	012	No omission
	102-6 Markets served	017	No omission
	102-7 Scale of the organization	012	No omission
	102-8 Information on employees and other workers	130-131	No omission
	102-9 Supply chain	068	No omission
	102-10 Significant changes to the organization and its supply chain	068	No omission
	102-11 Precautionary Principle or approach	048-054	No omission
	102-12 External initiatives	019、068	No omission
	102-13 Membership of associations	019	No omission
	102-14 Statement from senior decision-maker	005-008	No omission
	102-16 Values, principles, standards, and norms of behavior	045-047	No omission
	102-18 Governance structure	040-044 053-056	No omission
	102-40 List of stakeholder groups	029-034	No omission
102-41 Collective bargaining agreements	171-172	No omission	
102-42 Identifying and selecting stakeholders	029-034	No omission	

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
	102-43 Approach to stakeholder engagement	029-034	No omission
	102-44 Key topics and concerns raised	029-034	No omission
	102-45 Entities included in the consolidated financial statements	017	No omission
	102-46 Defining report content and topic Boundaries	023-026	No omission
	102-47 List of material topics	023-026	No omission
	102-48 Restatements of information	001	No omission
	102-49 Changes in reporting	001	No omission
	102-50 Reporting period	001	No omission
	102-51 Date of most recent report	001	No omission
	102-52 Reporting cycle	001	No omission
	102-53 Contact point for questions regarding the report	002	No omission
	102-54 Claims of reporting in accordance with the GRI Standards	002	No omission
	102-55 GRI content index	196-202	No omission
	102-56 External assurance	193-195	No omission
Key Topics			
Economic Performance			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	058-060	No omission
	103-3 Evaluation of the management approach	058-060	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	058-060	No omission
	201-2 Financial implications and other risks and opportunities due to climate change	051-054	No omission
	201-3 Defined benefit plan obligations and other retirement plans	145	No omission
Market Presence			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	132 · 145	No omission
	103-3 Evaluation of the management approach	132 · 145	No omission
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	145	No omission
	202-2 Proportion of senior management hired from the local community	132	No omission
Anti-corruption			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	045-047	No omission
	103-3 Evaluation of the management approach	045-047	No omission
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	045	No omission
	205-2 Communication and training about anti-corruption policies and procedures	045-047	No omission
	205-3 Confirmed incidents of corruption and actions taken	047	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Materials			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	087-089	No omission
	103-3 Evaluation of the management approach	087-089	No omission
GRI 301 Materials 2016	301-1 Materials used by weight or volume	088	No omission
	301-2 Recycled input materials used	089	No omission
	301-3 Reclaimed products and their packaging material	089	No omission
Energy			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	089-104	No omission
	103-3 Evaluation of the management approach	089-104	No omission
GRI 302 Energy 2016	302-1 Energy consumption within the organization	101-102	No omission
	302-2 Energy consumption outside of the organization	101-102	No omission
	302-3 Energy intensity	101	No omission
	302-4 Reduction of energy consumption	092	No omission
	302-5 Reductions in energy requirements of products and services	092	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Water			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	111-116	No omission
	103-3 Evaluation of the management approach	111-116	No omission
GRI 303 Water 2016	303-1 Water withdrawal by source	113-114	No omission
	303-2 Water sources significantly affected by withdrawal of water	111	No omission
	303-3 Water recycled and reused	115-116	No omission
Emissions			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	105-110	No omission
	103-3 Evaluation of the management approach	105-110	No omission
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	109-110	No omission
	305-2 Energy indirect (Scope 2) GHG emissions	109-110	No omission
	305-3 Other indirect (Scope 3) GHG emissions	109	No omission
	305-4 GHG emissions intensity	108	No omission
	305-5 Reduction of GHG emissions	092	No omission
	305-6 Emissions of ozone-depleting substances (ODS)	110	No omission
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	110	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Effluents and Waste			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	116-124	No omission
	103-3 Evaluation of the management approach	116-124	No omission
GRI 306 Effluents and Waste 2016	306-1 Water discharge by quality and destination	121-122	No omission
	306-2 Waste by type and disposal method	119-120	No omission
	306-3 Significant spills	121	No omission
	306-4 Transport of hazardous waste	119-120	No omission
	306-5 Water bodies affected by water discharges and/or runoff	121	No omission
Environmental Compliance			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	083-086	No omission
	103-3 Evaluation of the management approach	083-086	No omission
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	086	No omission
Supplier Environmental Assessment			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	068-074	No omission
	103-3 Evaluation of the management approach	068-074	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	070	No omission
	308-2 Negative environmental impacts in the supply chain and actions taken	073-074	No omission
Employment			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	130-132 145-147	No omission
	103-3 Evaluation of the management approach	130-132 145-147	No omission
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	132	No omission
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	145	No omission
	401-3 Parental leave	146-147	No omission
Labor/Management Relations			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	171-172	No omission
	103-3 Evaluation of the management approach	171-172	No omission
GRI 402 Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	171-172	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Occupational Health and Safety			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	150-170	No omission
	103-3 Evaluation of the management approach	150-170	No omission
GRI 403 Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	161-162	No omission
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	159-160	No omission
	403-3 Workers with high incidence or high risk of diseases related to their occupation	152	No omission
Training and Education			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	133-142	No omission
	103-3 Evaluation of the management approach	133-142	No omission
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	135	No omission
	404-2 Programs for upgrading employee skills and transition assistance programs	134	No omission
	404-3 Percentage of employees receiving regular performance and career development reviews	145	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Diversity and Equal Opportunity			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	130-131 · 145	No omission
	103-3 Evaluation of the management approach	130-131 · 145	No omission
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	131	No omission
	405-2 Ratio of basic salary and remuneration of women to men	145	No omission
Non-discrimination			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	144 · 147-148	No omission
	103-3 Evaluation of the management approach	144 · 147-148	No omission
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	144	No omission
Child Labor			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	071-074 · 148	No omission
	103-3 Evaluation of the management approach	071-074 · 148	No omission
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	074 · 148	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Forced or Compulsory Labor			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	071-074 · 148	No omission
	103-3 Evaluation of the management approach	071-074 · 148	No omission
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	074 · 148	No omission
Customer Health and Safety			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	078-079	No omission
	103-3 Evaluation of the management approach	078-079	No omission
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	078-079	No omission
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	078	No omission
Marketing and Labeling			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	078-079	No omission
	103-3 Evaluation of the management approach	078-079	No omission

GRI Index Table			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	078-079	No omission
	417-2 Incidents of non-compliance concerning product and service information and labeling	079	No omission
Customer Privacy			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	047-048	No omission
	103-3 Evaluation of the management approach	047-048	No omission
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	047-048	No omission
Socioeconomic Compliance			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	023-026	No omission
	103-2 The management approach and its components	044-045	No omission
	103-3 Evaluation of the management approach	044-045	No omission
GRI 419 Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	044-045	No omission