



CS²R

2012 Corporate Sustainability & Social Responsibility Report

w|stron

Editorial Policy

Editorial Policy

Welcome to the fourth issue of the "Corporate Sustainability and Social Responsibility (CS²R) 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). 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 CS²R obligations in 2012.

Period Covered

The Corporate Sustainability and Social Responsibility (CS²R) Report for the preceding year is published by Wistron on an annual basis. The previous report was published in June, 2012. This report covers Wistron's CS²R management policy, key issues, actions and performance for 2012 (January 1 ~ December 31, 2012).

Boundary and Scope

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 global manufacturing plants but does not include the service centers and regional logistics centers. The scope covers the following affiliations:

- Wistron Corporation (Neihu Headquarters)
- Wistron Corporation (Hsichih Office Complex)
- Wistron Corporation (Hsinchu Plant)
- Wistron Corporation Zhongshan (Zhongshan Plant)

- Wistron Corporation Kunshan (Kunshan Plant)
- Wistron Corporation Czech Republic (Czech Plant)
- Wistron Mexico S.A. de C.V. (Mexico Plant)

Guideline for Report Preparation

The preparation of this report followed the Sustainable Reporting Guidelines Version G3.1 (GRI G3.1) published 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 G3.1 A+ level requirements.

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Performance Summary

Aspects	Performance Indicators	Unit	2012	2011	2010
Economic	Total revenue	million NTD	657,845	658,367	615,185
	Earnings per share	NTD	3.06	4.36	6.15
	Total sales volume	per unit/piece/each	65,698,195	65,543,378	54,594,480
Environmental	Total GHG emissions	ton-CO ₂ e	253,930	239,734	196,645
	- Scope 1		12,989	12,541	9,744
	- Scope 2		240,942	227,193	186,804
	GHG emission per unit-revenue	kilo-ton/billion NTD	0.39	0.36	0.32
	Total water consumption	Kilo-m ³	3,693,195	3,272,821	2,871,079
	Water consumption per unit-revenue	Kilo-m ³ /billion NTD	5.61	4.97	4.67
	Total waste generation	kilo-ton	26,711	31,028	20,208
	Waste generation per unit-revenue	kilo-ton/billion NTD	0.041	0.047	0.033
	Total environmental expenditures	million NTD	210.00	65.53	47.65
Total time spent on environmental training	hour	109,048	49,901.9	1,759	
Social	Ratio of Taiwanese to local Chinese employees in China	%	4.27	4.49	5.11
	Ratio of local employees serving as managers to all managers	%	77.9	76.9	70.5
	Ratio of local employees in the department manager (or above) positions	%	37.4	41.9	27.6
	Total amount of social investment	million NTD	57.32	61.37	40.65
	- Charity and Sponsorships		44.58	42.38	28.32
	- Charitable activities of the Employee Welfare Committee		11.80	10.86	9.75
	- Employee participation in charitable activities		0.94	8.13	2.58

A Message from the Chairman

The macro economic environment in 2012 has been very challenging. The confluence of rapid changes in the IT landscape, global economic slowdown, and vigorous market competition slowed Wistron's business growth and influenced our performance unfavorably. We started product diversification on one hand to reduce risk, and on the other we emphasized corporate sustainability and social responsibility (CS²R) and continued with our three themes of Sustainability, Innovation, and Humanity. Today, we sum these up into what we call "Benefiting Others", which is our message to all our stakeholders. Literally, it means to care about others. Besides customers, "others" includes all stakeholders such as end users, investors, employees, and other interested parties. It also encompasses our environment and society.

By carrying out the spirit of "benefiting others," Wistron has transformed from an OEM/ODM into a "Technology Service Provider." Rather than continually chase after lower manufacturing cost to secure minuscule profits, we worked on enhancing the overall added value of our products and services instead. We care about our responsibility towards the end users and the environment. We believe that providing products at a better price, developing post-delivery services, and extending product lifespan to reduce environmental burden and e-waste represent the true spirit of innovation. Environmental responsibility is a key tenet. We develop green products, use recyclable materials, comply with environmental protocols, develop power-efficient and energy-saving products, and fully reuse resources through our green recycling business so as to reduce the impact to our environment. Investors are our responsibility-- we enhance operational efficiency to maximize investment returns. In addition, we develop cloud services to provide easily accessible and efficient services, reducing the time to search for information and making life more convenient. At the same time, we ensure we do not create additional burden to society while delivering this value, and we further influence suppliers and partners to fulfill our corporate social responsibilities together.

Social concern and employee care are our unchanging commitments. Apart from monetary donations, our active involvement in social welfare and social work elicit greater employee participation and partner support to help contribute to society. This further touched and influenced the people we cared for to join us and reciprocate by

helping others, thereby creating a positive cycle. In addition, instead of it remaining just an activity, we turned charity into an enterprise endeavor. Our community services serve minority and disadvantaged groups to make them feel cared for. The charity organizations in which we invested in will add into the value of our products.

We will continue to build a holistic CS²R management system to fulfill the demands of our stakeholders. We want to present performance indicators in a clear and easy-to-understand format by establishing a database that provides real-time updates on our carbon footprint, water footprint, energy consumption, etc. By linking these key performance indicators (KPI) with a real-time management system, we can minimize after the events review through timely corrective actions. We will also publish reports to explain our various policies and disclose factual information. Lastly, we will further integrate our spirit of "benefiting others" with our business operations to ensure that the momentum is maintained to achieve corporate sustainability and vigor.



Simon Lin / Chairman & CEO
Wistron Corporation

A handwritten signature in black ink, appearing to be 'Simon Lin'.

A Message from the President

We respond to the impacts of global warming and the depletion of natural resources by making the reduction of environmental impact as our primary mission. Wistron firmly believes that in order to achieve sustainable development, we must implement and integrate corporate social responsibility into our business. We uphold our commitment to continuous improvement by constantly striving to learn and grow, promoting green products and enhancing information transparency, demonstrating corporate social influence, fulfilling our duties through feedback and contributions. Our expectation is to fulfill corporate social responsibility and become a role model for businesses.

Short-term goal: To comply with legal regulations and minimize environmental impact.

Mid-term goal: To implement energy-saving and carbon emissions reduction management, and GHG reduction.

Long-term goal: Development of green industry and new business model and establishment of targets for sustainable operation.

When implementing the CS²R management system, we emphasized energy saving and carbon emission reduction, aiming to minimize environmental impact from operations. Our worldwide plants are continuing our target for an annual reduction of 1% GHG emission density (GHG emission/revenue) by including this in their operational management. Based on the established environmental and energy policies plus training and education, we improved employee's awareness of sustainable development and enforced CS²R operations to achieve our vision of a sustainable business.

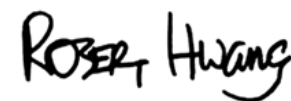
In order to prevent development and construction from damaging local natural ecology, we took the following actions. First, we used green building specifications to update our existing plants. Second, we invited experts to review the facilities, equipment, and environment of Wistron plants. Third, we drew improvement plans based on the expert's suggestions to ensure that low-energy consumption standards were met. Lastly, we implemented ecological design concepts to maintain a good balance between profit and environmental protection. We aggressively promoted and implemented the energy management system at the corporate headquarters located in Taipei, inventoried the status of high-energy-consumption equipment, and

developed various energy conservation implementation plans to effectively reduce energy consumption and enforce energy saving and carbon emission reduction.

We respect the human rights of all employees. Apart from constantly building a corporate culture featuring friendly work environment and emphasizing proper human resource management, we care about employees. We have thus established an employee welfare committee to support various aspects of employee's lives and planning of many activities for employee participation. Wistron Foundation also encourages social participation to promote interaction between employees and society. These are done to provide employees with a better life and work environment, improve their faith in Wistron, and retain more outstanding talent, so as to unite the Wistron team more closely and thereby enhance overall corporate competitiveness.

Lastly, I am grateful to all my colleagues for their efforts and suppliers and customers for their cooperation. With such efforts and cooperation, we have been able to successfully promote various activities to fulfill our corporate social responsibility. I hope the results of these efforts can win the support and recognition of more stakeholder groups. This is the drive that pushes our progress toward a benchmark enterprise of sustainable operations.

Robert Hwang / President
Wistron Corporation



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Company Profile

About Wistron

Established in 2001, Wistron Corporation provides customers with a full-spectrum of technical services and is one of the largest suppliers of IT and communications products in the world. The company is headquartered in Taiwan with global logistics and operating centers in Asia, Americas and Europe. We are committed to the development, manufacture and support of IT and communications products. Key products include portable computers, desktop computers, servers and network storage equipment, IT home appliances, communications products and green energy technology. We continued to win the trust of our customers through product quality and innovation by investing in personnel training, technology, manufacturing and outstanding service.

Wistron's customers are mostly international IT brands in the United States, Europe, China, and Japan. Through customization of products/services, Wistron endeavors to satisfy the different business strategies and product requirements of our customers. "Customer Focus," "Integrity," "Innovation," and "Pursue Excellence" are the main pillars of the Wistron corporate philosophy. We believe that dedicated employees, management and financial discipline, continuous improvement in quality and cost efficiency, and our pursuit of innovation and good customer relations will improve our competitiveness and help us continue to excel.

Our vision is to become the global leader in technical services and the provider of innovative ICT products, services and systems. In the future, Wistron will not only continue to provide high quality and innovative products but also continue to concentrate on the delivery of innovative technical services.

Wistron Quick Facts

- Established in 2001
- Industry: Information and Communications Technology (ICT)
- Services: Technology Service Provider (TSP) offering innovative ICT products, services, and system solutions.
- 2012 revenue reached NT\$657.8 billion
- Major customers are renowned global IT companies
- Headquarters located in Taipei City, Taiwan, with global operating sites in Asia, North America and Europe
- Over 60,000 employees worldwide



Products & Services

Wistron's goals are customer satisfaction and the best quality. We strive to maintain our existing customer base and expand the ratio of ODM business. The short- and medium-term goals in business development are high efficiency, high capacity utilization and reasonable profits.

In the long term, we will continue to expand our investment 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 stockholders.

Services

Design

- Wistron offers integrated product design services to consolidate various demands in production, including material/styling considerations, component selection, functionality, testing, mass production, packaging, and environmental impact.
- Development of thermal, power consumption, structural, and reliability design services for ICT products to ensure that product quality meets the standards of the global and target markets.

Manufacturing

- Wistron's manufacturing facilities offer 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 through to out-of-box (OOB) inspection, testing and analysis.

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 (CRU). All of the above services are also available for non-Wistron products.
- Through a consolidated IT platform, Wistron forms a service chain to effectively manage reverse logistics, material management, and reporting systems.

Product Portfolio

1. Notebook computers, Tablet computers
2. Smart phones and handheld devices
3. Desktop computers, All-in-One (AIO) computers
4. Multimedia players, set top boxes, digital information devices
5. LCD TVs, monitors
6. Workstations, servers, and network storage facilities
7. Industrial application devices and Rugged Portable computer systems
8. Video conferencing and Voice over Internet Protocol (VOIP) phones



Global Operations

Wistron set up global operation sites to provide customer support for various products, services, and system development solutions. Our global alignment and strategies are aimed to provide the best technical services. Wistron have set up operating sites around the world to provide our various customers a wide range of different technical services under the coordination of the headquarters in Taiwan.

We are currently engaged in the cultivation of local R&D, manufacturing and service expertise as well as the introduction of lean production in our manufacturing sites to improve efficiency and capacity utilization. More after-sales services and innovative service technologies are continually introduced to our customer service centers to boost competitiveness. In the future, our global operating sites will carry out a greater proportion of

R&D locally, continue to increase the scope of their services and introduce a higher level of process automation.

- Design, manufacturing, R&D and customer service centers are mainly located in North America, Europe and Asia, providing comprehensive product development and customer services.
- Manufacturing sites are located in Taiwan, China, Mexico and the Czech Republic.
- R&D centers are located in Taiwan, China and the Netherlands.
- Customer service centers are located in Taiwan, China, the United States, the Czech Republic, the Netherlands, Japan, Singapore, India, the Philippines, Turkey, Brazil, Mexico and Columbia, providing immediate and efficient after-sales services across three continents.

For more information of Wistron Global Operation, Please visit Wistron's website: <http://www.wistron.com>



Taizhou Plant



Hsichih Office



Chiba Japan



Kunshan Plant



Czech Plant



Hsinchu Plant



Neihu Headquarters



Mexico Plant



Zhongshan Plant

Awards & Recognition

Wistron takes an active interest in certification and CSR-related competitions/evaluations conducted by local organizations and governments, in order to improve our corporate values and business image.

2012

April

Ranked among the Forbes Global Top 2000 Businesses.

May

Ranked No. 6 among Commonwealth magazine's Top 1000 Manufacturers — 2011 Ranking by Revenue.

June

Ranked among Business Next magazine's "2012 Top 100 Technology Companies — Asia and Taiwan"

July

Ranked among the Fortune magazine 2012 Top 500 Global Businesses.

November

Wistron Foundation named winner of the "2012 New Taipei City Environmental Education Award - Group Excellence Award"



2012 New Taipei City Environmental Education Award-Group Excellence Award.



In 2012, the Mexico plant was presented with a certificate from the Mexican Secretary of Communications and Transportation for "being an environmentally friendly company that encourages employees to participate in and promote environmental education".

Site Highlights

Neihu Headquarters	In June, 2012, the Neihu Headquarters building received a distinction in the "Taipei City Gold Energy Saving Awards" for meeting green building targets.
Hsinchu Plant	During the Wistron Family Day held in May 2012, employees donated 2752 receipts and 151 kilograms of batteries to the Genesis Foundation and were presented with a certificate of appreciation from the foundation. In November, 2012, Wistron employees donated NT\$10,695 to the World Peace Association and received a certificate of appreciation.
Zhongshan Plant	The comprehensive management system was recognized by the Zhongshan City and Development Zone governments with: <ul style="list-style-type: none"> • "Torch Development Zone Top 100 Business Development Plan Award" ; • "Advanced Unit for Safe Production" ; • "Advanced Unit for Employment" ; • "Torch Development Zone Leading Enterprise for Energy Conservation and Emission Reduction" ; • "Development Zone Pioneer Unit for Cultural Promotion" and other titles.
Kunshan Plant	Named the Best Foreign Enterprise in Kunshan City for 2012, Major Kunshan City Exporter and Major Kunshan City Taxpayer.
Czech Plant	WCZ was awarded with Ethnic friendly certificate by IQ Roma service in 2011. In 2012 there was an inspection which claimed that Wistron Czech condition has not changed direction in case of ethnics. By the final report, the certificate has been extended for one more year.
Mexico Plant	To be an Environmental Responsible Company and involve and promote the Environmental education into his employees by Communications and Transportation Secretary (SCT).



Participation in External Organizations

Wistron has established a good relationship with, or become a member of many industries or multi-disciplinary organizations, including professional organizations involved in hardware/software design, environmental protection, industry development, and the research and exchange of new technology. We became a full member of the Electronic Industry Citizenship Coalition (EICC) in 2012 and have continued to expand our scope of participation in order to keep pace with the latest international developments and trends.

Wistron is currently involved with the following organizations:

- 3D Interaction & Display Alliance
- Allied Association for Science Park Industries
- Taipei Computer Association (TCA)
- Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)
- Taiwan Thermal Management Association
- Chinese Association for Industrial Technology Advancement (CAITA)
- Information Service Industry Association of R.O.C. (CISA)
- Nanotechnology and Micro System Association
- Taiwan MEMS Industrial Alliance
- Electronic Industry Citizenship Coalition (EICC)

Identifying Stakeholders

The work of identifying and communicating with stakeholders is delegated to the CS²R Implementation Committee. Members of this committee includes representatives from Investor Relations, Public Relations, the Wistron Foundation, Product and Service Business units, Manufacturing Plants, the Human Resource Division, Safety, Hygiene, Environmental Protection Organizations, Material Management, Quality Assurance and other supporting units. The committee has been identifying stakeholders and integrating their concerns into annual plans as well as daily operations since 2009. The core team of this committee seeks support from the relevant units when necessary.

In 2010, we initiated substantive analysis procedures to identify stakeholders and the issues they are interested in. We aim to achieve effective communication with stakeholders by including these issues in this report after systematic analysis. We have also looked at the definitions laid out in the GRI Guidelines V3 proposed by the Global Reporting Initiative (GRI). The two key themes and their indicators for (1) impact of the organization's operations on the economy, environment and society, and (2) evaluation of stakeholders and impact of decisions, were sorted based on the relative importance of key issues. This data was used to provide management with an assessment on the organization's ability to contribute in terms of natural, humanities and social capital. The feedback was then incorporated into the business improvement plan. The 2012 substantive analysis was performed with the help of an outside expert. Stakeholders and key issues were evaluated using the method proposed by a non-profit think tank in England.

Wistron's major stakeholders are our customers, employees, investors, suppliers and local communities. The identification of key issues was

based on these five groups. They are further divided into sub-groups in order to cover all stakeholders and their main areas of interest. Wistron has certain responsibilities to its stakeholders and has tried through different communication modes and channels to understand their needs and expectations. We then used the results to formulate our CS²R policies and related programs. We strive to achieve the set policy goals and will not shirk from fulfilling our social responsibilities even if there is a lack of firm, scientific evidence and measures. This includes measures against environmental degradation.

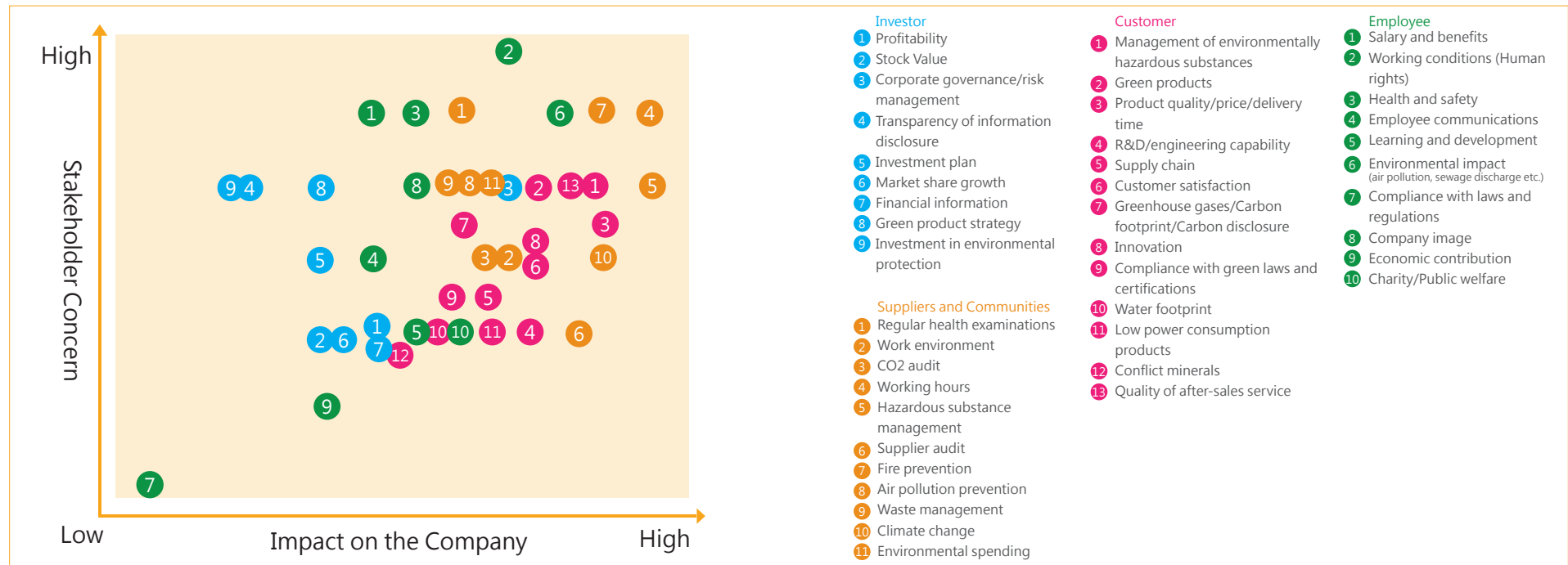
Once stakeholders are identified, the relevant departments are then invited and asked to form working groups based on the nature of the task at hand.

After creating a list of all stakeholder issues, group discussions are then conducted over the following five substantive test items in order to identify the relative priorities in stakeholder communication and issues of interest. These five items are:

1. Direct Short-term Financial Impact
2. Policy-related Performance
3. Business Peer-based Norms
4. Stakeholder Behaviors and Concerns
5. Societal Norms

Key stakeholder issues of 2012 identified using the above methods are shown in the following diagram:

Analysis of Key Stakeholder Issues



Wistron's business model is based on manufacturing and product design. Production and manufacturing, are particularly liable to give rise to potential issues. Special care is taken by Wistron to avoid causing any direct environmental impact on local communities, and we strive to reduce indirect impact from other sources such as over-consumption of energy resources. In product design, we play the role of a leader in "environmentally friendly" product design by continuing to develop products and technical services that offer "high market acceptance" and "low environmental impact" . All of our production sites conduct environmental and other evaluations based on local laws. We also host related activities, such as regular recruiting at our

plants, partnerships with local schools and re-training for current employees in order to improve the educational environment and promote employment opportunities. We also strengthen our cooperation and communication with local government agencies such as the Environmental Protection Agency and customs. These actions are intended to avoid direct and indirect impacts on the local economic environment and to ensure compliance with the law. After the 2012 stakeholder issues were discussed and identified through internal group discussions, the communication methods and frequencies are listed in the following "Summary of Stakeholder Communication Methods and Frequencies" .

List of Stakeholder Communication Methods and Frequencies

Stakeholders		Issues	Means of Communication	Frequency of Communication
Investors	<ul style="list-style-type: none"> • General stockholders • Institutional stockholders • Credit rating institutions • Financial insurance institutions 	<ul style="list-style-type: none"> • Profitability • Stock value • Corporate governance/risk management • Transparency of information disclosure • Reinvestment in CSR • Growth in market share 	<ol style="list-style-type: none"> 1. Investor conferences 2. Annual shareholder meetings 3. Online investor conferences 4. Road shows 	<ol style="list-style-type: none"> 1. More than 100 meetings a year 2. Once a year 3. Twice a year 4. On average five times a year
Customers	<ul style="list-style-type: none"> • Existing customers • Potential customers 	<ul style="list-style-type: none"> • Product quality • Service quality • Price competitiveness • On-time Delivery • Supply chain • Carbon footprint/Carbon disclosure • Management of Environmentally hazardous substances • Risk management • Customer satisfaction • Innovation • Quality of after-sales service 	<ol style="list-style-type: none"> 1. Regular business reviews with key customers 2. Customer satisfaction surveys and feedback 3. Customer audits and customer questionnaire responses 4. Meeting customer requirements and requests for improvement on environmental and social responsibility 	<ol style="list-style-type: none"> 1. Quarterly or semi-annually 2. Quarterly or semi-annually 3. According to customer requirements 4. According to customer requirements

List of Stakeholder Communication Methods and Frequencies

Stakeholders		Issues	Means of Communication	Frequency of Communication
Employees	<ul style="list-style-type: none"> • Direct employees • Indirect employees • Contract workers 	<ul style="list-style-type: none"> • Ethics/integrity management • Employee diversification • Human rights • Learning and growth • Work environment / Working conditions • Salary / Benefits • Health and safety • Career Development • Balance of work and life 	<ol style="list-style-type: none"> 1. Quarterly business briefings held by company management to communicate directly with employees 2. One-on-one interviews with managers 3. Performance communication 4. Communication meetings with new recruits 5. Employees can communicate through internal channels such as the company website, or express their opinions and suggestions to employee representatives at the "Tomato Meeting." Representatives communicate with management directly. 	<ol style="list-style-type: none"> 1. Quarterly 2. Monthly 3. Twice a year 4. Quarterly
Suppliers	<ul style="list-style-type: none"> • Key component suppliers • Contractors • Raw material suppliers • Project contractors • Cleaning / maintenance companies • Waste disposal companies 	<ul style="list-style-type: none"> • Price competitiveness • Stable supply • Supply chain management • Compliance with laws and regulations • Technical capabilities • Raw materials selection • Work environment and hygiene • Machine / equipment safety • Carbon management education and evaluation • Logistics/transportation partnership (e.g., reduced packaging and recycling) 	<ol style="list-style-type: none"> 1. Supplier workshops and annual suppliers conference 2. Suppliers consultation and auditing 3. Informing suppliers through the green product management information platform 	<ol style="list-style-type: none"> 1. Once a year 2. Once a year
Local Communities	<ul style="list-style-type: none"> • Local community associations • Local non-profit organizations • Local government agencies • Media • Non-government organizations 	<ul style="list-style-type: none"> • Environmental impact (e.g., air pollution and sewage discharge) • Company image • Economic contribution • Charity • Public welfare • Personnel development • Work environment • CO2 audit • Work hours • Management of environmentally hazardous substances • Fire prevention • Climate change • Environmental spending 	<ol style="list-style-type: none"> 1. Active participation of employees in charitable activities 2. Close cooperation with government agencies and non-profit environmental protection organizations in various charitable activities. 	<ol style="list-style-type: none"> 1. Project planning

Direct and Indirect Impacts on the Economy

Wistron has business, manufacturing and service sites all around the world. Our revenue growth, changes in profitability and increase/change in operating sites may have a direct and indirect economic impact on all stakeholders (e.g., investors, customers, employees, suppliers, local government agencies and communities). We have not yet conducted an in-depth evaluation of future indirect economic impacts.



Major Indirect Economic Impact

Investors	Investors pay taxes based on changes in stock value.
Customers	Customer productivity is improved upon receiving highly reliable, high quality ICT products and services from Wistron. This may increase customers' contributions to society through business expansion, revenue growth and better productivity. Increase in electronic waste is a negative indirect impact.
Employees	Relocation or increase/decrease in local recruitment may have certain impacts. For example, employees pay taxes to their local governments or turn their income into purchasing power.
Suppliers	Due to demand, suppliers create job opportunities. Both suppliers and their workers have income and pay local taxes that support local economic activities.
Local Government and Communities	The above changes in economic patterns bring about a better educational environment and enhance job opportunities.

Impact on Local Communities

All Wistron operations carry out environmental and other related assessments in accordance with local regulations and adhere strictly to local government requirements. Attention is paid to the balance between the plant and the surrounding environment, to greening ratio and to safety facilities at each site. We strive to reduce the consumption of energy, generation of noise and discharge of industrial effluent during the production processes. All waste emissions pass through treatment facilities to ensure compliance with emission standards and to avoid any direct or indirect impact on the local environment. Wistron has received annual certifications showing environmental compliance from the local government. All of our plants including, the Hsinchu plant in Taiwan and overseas plants, are located within designated industrial zones. These are all dedicated to the assembly of computer-related products so they do not have a major potential or actual negative impact on the local community. The Taipei and China sites all support local government or community activities. Shuttle buses are also provided for employees to relieve local traffic congestion during peak hours. In 2012, we received no complaints from local environmental protection agencies or from surrounding communities.



Benefiting Others

The Corporate Sustainability and Social Responsibility (CS²R) Report continued with our three themes of Sustainability, Innovation, and Humanity. Today, we sum these up into what we call “Benefiting Others”, which is our message to all our stakeholders. Literally, it means to care about others. Besides customers, “others” includes all stakeholders such as end users, investors, employees, and other interested parties. It also encompasses our environment and society.

Sustainability





Accountable 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.

We will continuously advance various systems and policies to upgrade the quality and effectiveness of the Company's management and ensure full implementation of corporate governance best practices in the pursuit of maximization of stockholders' rights and corporate sustainability.

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, 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 current Chairman and CEO of Wistron, Mr. Stan Shih (Chen-Jung Shih), who is the Chairman of iD Softcapital Group, Mr. Haydn Hsieh (Hong-Po Hsieh), who is the Vice Chairman and CEO of Wistron NeWeb Corp., and Mr. Robert Huang (Po-Tuan Huang), who is the President and COO 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 Vice Chairman of Powerchip Semiconductor 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 professor at the Graduate Institute of Patent, National Taiwan University of Science and Technology, 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 holds at least one meeting each quarter and its main functions include supervision and management of Wistron. The Board oversees the management team to ensure that the team strictly abides by all regulations, enhances information transparency, and uses their extensive experiences

in major decision-making processes to direct the management team. The extensive knowledge and experiences of the Board members are expected to effectively protect the Company's values and shareholders' rights from policy errors and help the Company build corporate integrity and sustainable development. The management team regularly reports to the Board regarding the operations, development strategies, and other issues in order to maintain smooth and open communication 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.

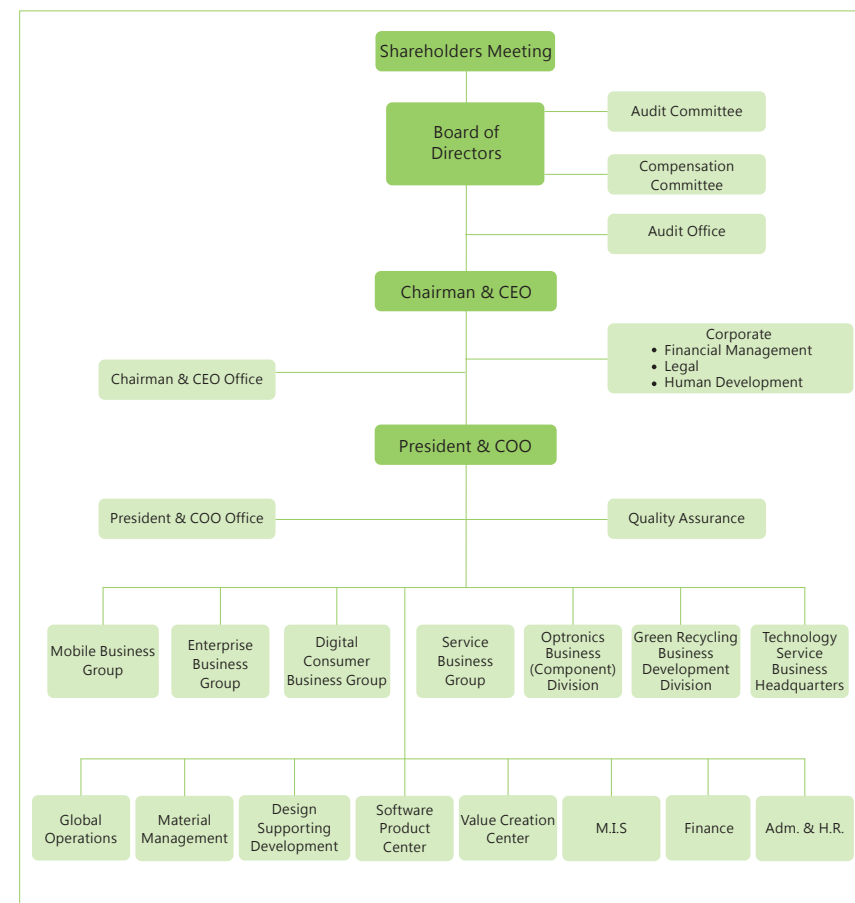
Compensation Committee

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. The compensation package for each senior manager includes a fixed component of salary, 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 meets at least twice a year. The Committee is composed of three members and two of the members are independent directors. One independent director shall be unanimously elected by the entire Committee members to serve as the convener and meeting chair, and 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.

Company Organization



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. As of today, Wistron has never been subject to any monetary or non-monetary penalties due to any failure to comply with the relevant regulations.

Integrity

Integrity is not only the core value of Wistron's business but also the most fundamental element which supports the Company's daily operation. The Company has strived to establish a strong culture with the integration of ethics issues into individual performance and responsibilities. The Company has designed and implemented a robust internal ethics program and requires all employees to have a thorough awareness of and compliance with it. The Company has also maintained strict confidentiality agreements with its clients and prohibits employees from receiving gifts or perks. The Company further extends the ethics standards to the clients, suppliers, business partners and any entities associated through a business relationship with Wistron. With respect to board meetings, directors are

asked to recuse themselves when the discussion involves personal interests. In such a circumstance, directors are prohibited from executing voting rights either in person or by proxy.

Principle of Integrity

Integrity is an important part of Wistron's business values. To provide a sound and ethical work environment, a Code of Ethics Conduct has been defined that all employees are expected to understand and obey. Strict rules are defined for key areas of interest including confidential information, conflicts of interest, personal integrity, gifts and hospitality. Finance, purchasing, supply chain management and administrative units have all been designated as units at risk. Such units are required to undergo internal audits and regular personnel rotations. In Taiwan, the issue of integrity is not just emphasized during the training of new managers; in 2012, e-learning courses on professional ethics have also been progressively introduced. Our Czech and Mexico plants require all new employees to undergo ethics training. The Kunshan plant requires all new indirect employees to undergo ethics training and sign a Pledge for Ethical Practices. EICC and SA8000 training were added in 2012. Although such courses have not been set up at the Zhongshan Plant, all new employees, including indirect and non-production direct employees, are also required to sign the "Pledge for Ethical Practice". The Pledge must also be signed again with every new assignment to ensure that all employees are fully aware of the company's ethical standards. In Wistron, all employees have a duty to report unethical and improper conduct to the Company through the appropriate channels. The Company also pledges to protect employees involved in reporting or investigation of such conduct from unfair treatment or retribution. No incidents of bribery or unethical practice have been discovered in the last three years.

Percentage of Employees that Received Ethics Training

Region	Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Percentage Trained	77.84%	44.5%	21.28%	100%	100%

Note: The statistics of Zhongshan Plant is based on the percentage of employees that signed the Pledge for Ethical Practice in 2012.

Anti-Competitive and Anti-Trust Behavior

Wistron believes ethical business practices to be a fundamental corporate social responsibility and is keenly aware of how important fair trading is in business. We adhere strictly to relevant laws and regulations in all areas. There were no lawsuits over anti-competitive behavior, anti-trust and monopolies in 2012.

Political Impartiality

Our Company has always remained politically neutral, objective and detached from public policy. We do not participate in any form of lobbying. We do not take part in the activities of political parties or related organizations. Employees have the freedom to express their political beliefs, and are encouraged to fulfill their civic duty, and vote for their preferred candidate during elections. No political contributions are made by Wistron.

Business Ethics

Honesty and integrity are a part of the Wistron culture. We have defined and implemented a sound internal control system based on Article 14 Paragraph 1 Sub-paragraph 1 of the Securities and Exchange Act as well as the "Standards for Publicly Held Companies to Establish Internal Control Systems" issued by the Financial Supervisory Commission. Our internal

control system was designed by the management, approved by the Audit Committee and passed by the Board of Directors. The management process is also carried out by the Board, managers and other organizational members. The purpose of the system is to promote the sound management of the Company and provide reasonable guarantees that the following targets will be met:

- 1.The Effectiveness and efficiency of business operations including profitability, performance and asset protection.
- 2.The Reliability of financial reports including adherence to generally accepted accounting principles for external financial statements and appropriate approvals of transactions.
- 3.Ensure proper compliance with internal controls and relevant legislation.

A self-review must be conducted by each business every year. The Audit Office double-checks the self-review results and conducts on-site inspections based on the level of risk in accordance with the annual audit plan. Recommendations are provided where necessary to help the Board and managers ensure that internal controls are working effectively. At the same time, our existing performance evaluations not only check the execution of key performance indicators for the year but also evaluate the four core specialties: customer service, integrity, innovation and excellence. We believe that dedicated employees, proper management and financial discipline, continuous improvement in quality and cost efficiency, and our pursuit of innovation and good customer relations will improve our competitiveness and help us continue to excel.

Company Image

Taiwan is the leading global supplier of IT products and Wistron is the 3rd largest OEM notebook maker in Taiwan. Wistron has however attracted the interest of foreign institutional investors and is now the most diversified

OEM ICT manufacturer. We have gradually built on our ODM foundations to become a world-leading provider of technical services such as innovative ICT products, services and systems. Our customers market products designed and manufactured by Wistron under their own brands in different markets. Wistron's customer pool consists of global brands and we strive to provide our customers with the quality service they need for product development.

Disclosure of Public Information

To establish a comprehensive, reasonable, and effective information disclosure and communication mechanism and achieve information transparency, all material information relating to Wistron is disclosed on the Company's website and the Market Observation Post System (MOPS). Non-financial performance information is also disclosed through the annual CS²R report, which aims to publicize Wistron's performance in corporate sustainability and social responsibility to all its stockholders and interested parties.

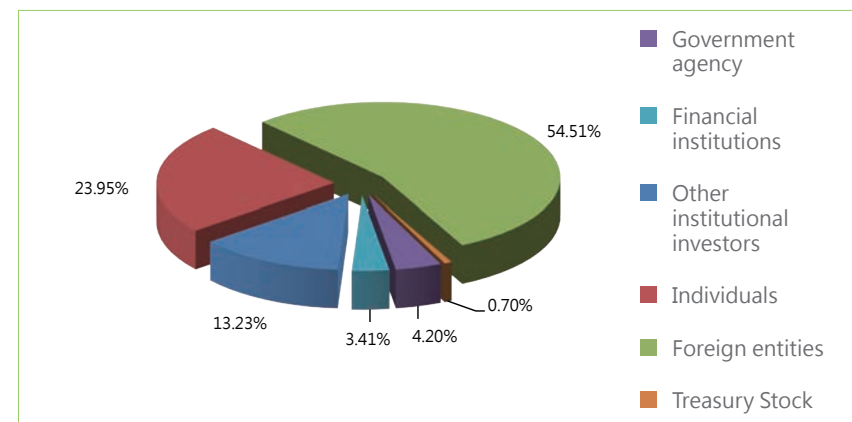
Structure of Stockholders

Wistron's current stockholders include foreign investors at 54.51% and domestic institutional investors at 20.84%. These two groups of stockholders make up a total of 75.35% of all stockholdings. Therefore, we can say that Wistron's stockholder structure is relatively healthy. We will continue to strengthen corporate governance and company performance, so as to give back to our stockholders through outstanding performance. Please visit the investor relations page on our website for more information.

Disclosure of Major Investment Information

Wistron made a total of nine major investments in 2012 (please refer to the MOPS and Wistron website for Board resolutions approving key

Chart of Shareholder Structure



investments). None of the important investment contracts signed by Wistron in 2012 contained human rights clauses. Wistron adheres to the EICC Code of Conduct. The spirit of important EICC issues such as human rights, labor, ethics, health, safety and the environment have also been incorporated into our Company guidelines on social and environmental responsibility.

Transparency and Information Disclosure

Wistron has long endeavored to build an effective corporate governance framework, protect shareholder rights, strengthen our Board of Directors functions, respect the rights of stakeholders and improve our level of transparency. As a publicly listed company, Securities & Futures Institute regulations require regular public disclosure from Wistron. Our Company's latest quarterly report, annual report, revenues, revenue report, dividend information and important announcements can be accessed by visiting the MOPS website of the Taiwan Stock Exchange Corp. and entering the stock code of 3231. Article 29 of Wistron's CSR Code of Practice also requires the Company to follow the rules on public disclosure and fully disclose reliable

CSR information to improve transparency. CSR information disclosed by Wistron includes:

- 1.The CSR management mechanisms, strategies, policies and direction as approved by the Board of Directors.
- 2.The risks and effect on Wistron operations and finance from promoting proper corporate governance, development of a sustainable environment and public welfare.
- 3.Set goals and methods for fulfilling corporate social responsibility.
- 4.The results of implementing corporate social responsibility.
- 5.Other related CSR information.

In addition to regularly disclosing our financial information in quarterly and annual reports, Wistron has published the CS²R Report on our corporate website in the middle of the year, every year since 2010, thus disclosing additional non-financial information. CS²R Reports have now been published for 2009, 2010 and 2011.

Protecting Customer Confidentiality

"Protecting customers' confidentiality and adhering to the principle of good faith" is our commitment to our customer's privacy and confidentiality. Wistron has strict policies and internal control mechanisms to protect the confidentiality of information provided by our customers. In addition to the safekeeping of all hardware and software technical information and customer information involving intellectual property rights, we also sign confidentiality agreements with our customers and suppliers to ensure safety of 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 policy in their dealings with customers. There were no violations of customer privacy rights or loss of customer data that harmed customer interests in 2012.

Operations Management

Quick View of Financial Performance

Wistron is continuing to boost customer satisfaction and quality. Efficiency, capacity utilization and reasonable profits are used as indicators of short-term business growth. In the long term, we will continue to expand our investment into businesses and products with higher gross profits.

We are positioning ourselves as a global leader in technical services, offering innovative ICT products, services, and system solutions. We will also continue to focus on providing innovative technical services and expect these services to bring profits to our customers, increase employee satisfaction rates, and create long-term profits for our stockholders. Wistron has not received any major financial assistance from the government in recent years. Relevant financial information is disclosed in the following tables:

Total Capitalization of Debt and Equity Unit: Millions of NTD

Item	Year		2012		2011		2010	
Assets	272,472	100%	254,498	100%	217,654	100%		
Shareholder Equity	61,998	22.8%	61,550	24.2%	56,870	26.1%		
Short-Term Loans (Note)	77,011	28.3%	56,009	22.0%	41,846	19.2%		
Long-Term Loans	3,629	1.3%	493	0.2%	143	0.1%		
Debt Payable	8,017	2.9%	0	0%	0	0%		

Note: Includes long-term loans due within one year

Profitability Analysis(Note)

Item		2012	2011	2010	
Profitability	Return on Assets (%)	2.93	4.17	6.28	
	Return on Equity (%)	10.78	15.31	21.72	
	Ratio to Pay-in Capital (%)	Operating Profit	37.40	50.76	69.46
		Net Profit Before Tax	41.77	55.77	77.47
	Net Profit (%)	1.01	1.38	1.96	
	Earnings per share	3.06	4.36	6.15	

Note: For more financial information, please visit the Wistron website Home/Investor Services page:
<http://www.wistron.com>



Financial Performance Overview

Unit: Millions of NTD

Item	Year		2011		2010	
	2012	2011	2011	2010	2010	2010
Revenue	657,845	100%	658,367	100%	615,815	100%
Gross Profit	32,045	4.9%	32,326	4.9%	34,524	5.6%
Operating Costs	23,824	3.6%	21,745	3.3%	20,765	3.4%
Net Profit	8,221	1.2%	10,582	1.6%	13,759	2.2%
Net Profit Before Tax	9,180	1.4%	11,628	1.8%	15,345	2.5%
Income Tax	2,519	0.4%	2,563	0.4%	3,305	0.5%
Consolidated Net Profit After Tax (including minority shares)	6,661	1.0%	9,065	1.4%	12,040	2.0%
Earnings Per Share	3.06		4.36		6.15	
Retained Earnings	25,097	3.8%	24,043	3.7%	22,262	3.6%
Personnel Expenses	20,014	3.0%	18,438	2.8%	15,760	2.6%
Employees Bonus	1,087	0.2%	1,475	0.2%	1,196	0.2%
Cash Dividends	4,573	0.7%	6,300	1.0%	5,050	0.8%
Stock Dividends	1,039	0.2%	984	0.1%	935	0.2%

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. The Balanced Score Card introduced by all business units since 2005 is an important tool for performance management. Complex strategies are translated using the four dimensions of "Finance", "Customer and Market", "Internal Processes" and "Learning and Growth" into a clear and easy to understand target that can then be put into action. Despite the European debt crisis, as well as slowing growth in US and China markets in 2012, we managed to maintain positive growth in shipments overall. Growth in notebooks, monitors and server systems remained steady, and while the market is now maturing, we must still improve our competitiveness. Customer and market factors meant that the TV segment saw negative growth. Desktop computers and handheld devices (mainly smart phones) however achieved reasonable annual growth.



Product Sales Quantity/Unit: Per units/Pcs/Items Unit: Millions of NTD

Year	2012				2011		2011		2010			
	Domestic		Export		Domestic		Export		Domestic		Export	
Product	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
NB Computer	318,857	4,452	32,394,536	434,023	202,615	4,038	31,267,607	439,140	150,077	3,955	27,517,144	400,580
Desktop PC	19,199	273	12,476,970	56,163	57,931	593	10,465,220	56,028	57,893	301	7,000,872	40,396
Other	123,536	1,211	20,365,097	102,637	101,542	988	22,570,463	85,690	319,786	2,862	19,548,708	98,533
Total	461,592	5,936	65,236,603	592,823	362,088	5,619	64,303,290	580,858	527,756	7,118	54,066,724	539,510

Risk Management

Risk Management

Wistron investments focus on our core business. We do not engage in risky highly leveraged investments. We actively evaluate the risks and benefits of introducing new technologies as part of our long-term business strategy. In response to the risks of increasing costs due to the quick-changing nature of the technology industry, we manage costs through high efficiency and a high production capacity utilization rate. These are achieved by strengthening product functions, lowering product costs, and controlling operating costs.

Financial Risk Management

The fluctuating global financial market and exchange rates often case serious challenges to businesses because small mistakes may erode profits or jeopardize shareholder equity. Our treasury department has established a set of guidelines that specify the tools and decision-making processes for cash management.

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.

Summary of ICT Security Strategies and Methods

ICT Security Issues	Methods
<ul style="list-style-type: none"> • Regularly conduct penetration testing (ethical hacking) and assessment. • Implement corrective and preventive measures targeting known weaknesses and threats. 	<ol style="list-style-type: none"> 1. Server administration permissions must be strengthened. 2. Probing of security vulnerabilities in the software/hardware. 3. Probing of security flaws in application software and programs. 4. SQL injection testing. 5. Information leakage testing. 6. Education and training of company employees, contractors and third parties should be carried out on a continuous basis. 7. Install basic information security facilities.

Information Risk Management

To protect company and personal information, internal/external communication systems as well as minimize the impact on company operations of human factors such as leak, theft, sabotage or natural disaster, Wistron conducts regular security probes of our networks and systems to manage information risk. The purpose of these probes is to understand and evaluate the security of the organizational network environment and systems, identify potential security vulnerabilities and external threats, and acquire information that can be used for risk assessment and deciding on the allocation of ICT security resources.

Climate Change Risk Management

Global warming issues are becoming increasingly serious, and climate change is causing natural disasters around the world. Appropriate "Risk Management" is therefore essential to business continuity. Wistron closely monitors climate change issues and has been checking our own greenhouse

gas emissions since 2009 to provide a reference for energy conservation and carbon reduction. Wistron also joined the "Carbon Disclosure Project" (CDP) in 2009 and now regularly publishes our GHG emission data on the CDP website for stakeholders. Hsichih was prone to flooding in the past and Taiwan was also hit by the SARS epidemic in 2003. In response, we included emergencies that may lead to loss of life or property or environmental pollution such as power outage, water stoppage, fires, flooding, typhoons, earthquakes, personnel injuries (temporary or permanently disabling injuries), food poisoning, designated infectious diseases (e.g., SARS) and water pollution into our "Emergency Response Management Procedure". Our original Emergency Response Team (ERT) is now reorganized as the

Crisis Management Team (CMT) as part of a new and more proactive stance. Wistron will gradually introduce the ISO 22301 Business Continuity Management standard to provide a formal continuity of operational structure. This will help our organization develop a business continuity plan and stay in operation after a major incident. By following this plan, we will also reduce the level of impact and quickly return to normal operations, ensuring the continuity of important products and services for our customers. In our responses to the 2012 CDP survey, we listed potential regulatory risks, physical risks, other risks and potential opportunities as follows:

Climate Change Risks Assessments

Risks		Effects/Impacts	Opportunities
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"> Promote low-carbon practices among employees Cooperate with customer/suppliers: Implement carbon management training and carbon emission audits for suppliers Choose materials carefully, reduce the number of parts, adopt common standards Promote energy-saving designs for new green factory buildings
	Global product carbon labeling regulations	Increase in all information technology and communications product costs as well as operating costs.	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.	Eco-design procedures can be integrated into te management systems.
Physical Risks	Limitations on energy purchases (e.g., oil and electricity)	Increased oil and electricity prices add extra burden to operating costs.	Reinforce internal controls and seek alternative energy sources.
	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 promote the corporation's green image in order to increase the company's revenue and market share.



Corporate Sustainability and Social Responsibility Management

Wistron CS²R Policy

Wistron is committed to establishing a CS²R 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.

"Sustainability, innovation and humanity" defines the essence of Wistron's sustainable development corporate social responsibility philosophy. At the same time, the CS²R management system constructed by Wistron will encompass the five main management systems of quality, green products, environmental protection, occupational health and safety, and social responsibility as shown below:

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 EICC Code of Conduct, we will work even harder to realize the harmonious development of "Sustainable Environment", "Role-model for Innovation" and "Humanitarian Society".

In 2008, we began planning the CS²R IT System to computerize environmental data. This system helped Wistron calculate and inventory our GHG emissions for 2008 and 2009. Starting in 2010, the GHG emissions volumes and trends for plants managed by each division were also incorporated into the management report. This facilitated the effective management of GHG emissions at the Neihu Headquarters and Hsichi Office in Taipei, Taiwan, and plants in Hsinchu, Zhongshan, Kunshan, Mexico, Czech Republic.

To realize sustainable development and better fulfill its CSR obligations, Wistron announced in February 2009 that it would expand the original Environmental and Social Responsibility (ESR) management system into the Corporate Sustainability and Social Responsibility (CS²R) management system. The system would cover the environmental, social and economic dimensions, work actively to fulfill environmental and social responsibilities, and promote activities designed to protect human health and the environment, manage employee rights and safety, and create a sustainable business model. Our Company has set up a "Corporate Sustainability and Social Responsibility Implementation Committee" (CS²R Implementation Committee) to promote the CS²R management system. The CS²R Implementation Committee is the highest body for CS²R affairs within Wistron and is chaired by the Company President personally with the rest of the Committee made up of tier-1 executives. The head of each production site also chairs their own site CS²R Committee to ensure the proper implementation of the CS²R management system. 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. In March, 2010, Wistron's Board of Directors adopted the "Code of Practices for Corporate Social Responsibility." The CEO now reports to the Board of Directors at least once a year on the implementation and performance of Wistron's corporate sustainability and social responsibility.

In response to the increase in demand from global ICT markets and customers as well as to support the future growth of the Wistron Group, we have now invested in Chengdu and Chongqing. These new investments will be included into our Company's CS²R Report in 2013.

Operation of the CS²R Management System

The CS²R Management System policy defines Wistron's commitment to establishing a management system for corporate sustainability and social responsibility 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 shareholder interests.

To ensure that the policies and resolutions of the "CS²R Implementation Committee" are implemented, Wistron has established five corresponding management systems to manage the five key issues of "quality, green products, environmental protection, occupational health and safety, and social responsibility". Through these management systems, Wistron strives to bring the company's practices into line with international standards and acquire management system certifications, thereby integrating corporate sustainability and social responsibility policies and goals into daily business operations. CS²R issues are all disclosed through the Management Committee. The CS²R management strategy is reviewed based on the latest developments and new versions published. In the future, a globally consistent management system will be established and more improvements made. See the table below for the implementation of all management systems in 2012:



CS²R Management System

2012 Summary of CS²R Management System Verification

Plant	International Standard (Version)	Date Updated
Hsichih Office	ISO16949:2009	2012.11.19
Hsinchu Plant	ISO14001:2004	2012.05.09
	OHSAS18001:2007	2012.05.09
Zhongshan Plant	ISO9001:2008	2012.09.27
	TL9000 H, R5.0/R4.0	2012.12.12
	IECQ QC080000:2005	2012.10.26
	ISO14001:2004	2012.10.12
	OHSAS18001:2007	2012.10.12
Kunshan Plant	IECQ QC080000:2005	2012.09.19
	ISO/TS16949:2009	2012.11.19
	ISO14001:2004	2012.10.12
	OHSAS18001:2007	2012.08.14
WMX	TL9000 H, R5.0/R4.5 / ISO9001:2008	2012.05.14
	OHSAS18001:2007	2012.11.09



Sustainability and Energy Management

Energy Management Practices and Performance

Low-carbon living is not just a policy option, but a common goal for all. Wistron has issued a voluntary carbon reduction strategy in response to national policies and the push for energy conservation and carbon reduction in the business community. The strategy is implemented through energy conservation management rules and improvement proposals. Within the Wistron organization, a policy awareness campaign and the promotion of carbon reduction is helping to realize the ideal of sustainable corporate development. We are gradually eliminating energy-intensive products, adopting energy-saving machinery and equipment as well as effectively managing our energy consuming systems in order to meet our energy-saving targets. In 2012, we introduced the “ISO 50001 Energy Management System” . Our Taipei office and Hsinchu plant have led the way in achieving ISO 50001 certification and energy management systems will be progressively introduced at other plants in the future.

Energy Consumption Analysis

Wistron is continuing to inventory our energy consumption and greenhouse gas (GHG) emissions in order to understand our current energy usage and GHG emissions. The main energy consumption statistics are tabled below. Results of the GHG inventory and investigation showed that electricity from power companies was our main source of GHG emissions. Wistron has therefore implemented a GHG emissions reduction policy focusing on power consumption management and reduction. Energy conservation proposals are now being prepared by each site and associated improvements carried out.

Energy Consumption Statistics

Item	Neihu Headquarters	Hsichih Office	Hsinchu Plant		Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant	Total
Electricity (Gigajoule)	19,755.33	43,252.21	44,769.53		484,903.16	371,422.67	6,122.24	82,302.06	1,052,527.19
Diesel (Kiloliter)	0.10	0.20	0.00		45.68	5.34	1.53	2.46	55.31
Natural Gas (Kilostere)	0.00	0.00	0.00		948.41	2,614.76	26.50	439.15	4,028.82

Note: The statistical period in Taiwan (Neihu headquarters, Hsichih office, and Hsinchu plant) is based on the billing dates.

IT Energy Conservation

IT equipment forms the core of Wistron's routine operations and production systems. We have embraced green design principles in our IT energy conservation efforts by designing new IT server rooms that adopt new energy-saving technologies to reduce power consumption. IT server rooms contain large numbers of servers and storage devices that consume massive amounts of power. Current management focus is therefore on reducing energy loss and improving Power Usage Effectiveness (PUE). We started out by gathering data on server room power consumption and costs then monitored server room power consumption over time. We also adopted servers/storage equipment that has an industry reputation for high-energy efficiency (e.g., Blade systems/SAN storage) in our server rooms. Virtualization technology was adopted to consolidate systems/applications that had previously run on their own independent server machines with the proviso that there would be no interruption to services. The move improved the utilization of individual servers, decreased the number of servers required and reduced energy consumption. The introduction of the Cold-Hot Aisle concept helped improve the efficiency of air-conditioning systems and lowered power loss. Server room equipment is now inspected on a regular basis and idle equipment is turned off to reduce unnecessary energy

consumption. Server/storage equipment service lives are now regularly checked. Equipment over 5 years old or those that are more power intensive are assigned a higher priority for replacement. In 2012, we introduced the ISO 50001 Energy Management System in Taiwan and worked actively to promote energy saving initiatives. The Cold-Hot Aisle improvement project for the server room of the Hsichih office reduced PUE from 2.02 to 1.74 and met the target set during the introduction of ISO 50001.

Energy Saving Actions

Wistron's energy-saving actions are conducted across the entire company. In addition to improving the energy efficiency of IT equipment, reduction of energy loss in working and living environments were also given high priority. We have focused our energy saving efforts on energy management at large production centers. Different energy saving strategies and actions were adopted based on each plant's particular circumstances. Using our energy management committees, we gathered outside trends in energy-saving and issued recommendations on energy-saving policy, targets and direction. Plant managers were appointed as the executives for energy-saving actions with responsibility for planning and executing their department's energy saving actions. The energy saving actions of each plant is tabled below:

Energy Saving Actions at Each Plant

Strategy Plant	Electricity Management	Air-conditioning Management		Energy Efficiency Improvement	Change User Habits
Neihu Headquarters	<ul style="list-style-type: none"> • Comparison of each floor's power consumption published each month. • Turn off office lights during lunch hours from 12:00 to 13:00. 	<ul style="list-style-type: none"> • Adjust the chiller temperature according to room temperature. • Set the temperature in public areas to 26° C during the summer. 		<ul style="list-style-type: none"> • Added chemical treatment to the air conditioner cooling water. 	<ul style="list-style-type: none"> • Installed LED lighting in stairwell. • Installed water-saving devices on faucets
Hsichih Office Complex	<ul style="list-style-type: none"> • Turn off office lights during lunch hours from 12:00 to 13:00. • Set timer on lunchbox steamer. 	<ul style="list-style-type: none"> • Replace old air conditioner proportional valves in the offices. • Air conditioners stay on during overtime until 21:00 from August to October. During all other periods, air conditioners are turned off immediately after office hours. 		<ul style="list-style-type: none"> • Replaced PL light tubes with energy saving T5 tubes. 	<ul style="list-style-type: none"> • Ask employees to turn off lights and air conditioning on the way out of the office.
Hsinchu Plant	<ul style="list-style-type: none"> • Turn off office lights during lunch hours. • Regular inspections of all power-using areas. 	<ul style="list-style-type: none"> • Increased the chiller output temperature to 50 °F (10° C) . Each degree Celsius translates into a 6% power saving or 22KW/hr. • Setting adjustments (use automatic load-reduction) 		<ul style="list-style-type: none"> • Replaced the air compressors to improve energy efficiency and reduce electricity consumption. 	<ul style="list-style-type: none"> • Additional promotion of energy conservation measures.
Zhongshan Plant	<ul style="list-style-type: none"> • Reduced illumination. Light tubes reduced from 3 to 2 per tray. 	<ul style="list-style-type: none"> • Air-conditioning in the office areas set to 27° C or higher during the summer to reduce power consumption. 		<ul style="list-style-type: none"> • Lighting for rain shelters, motorcycle shelters and guard posts changed from T8 to T5 light tubes. Halogen street lights replaced by LED street lights. • Copper conduits of chiller condenser cleaned with chemical treatment. Water tower filler replaced and water pump changed to variable-frequency model to improve the efficiency of the air-conditioning system. 	<ul style="list-style-type: none"> • Pull-rope switches added to plant offices. Employees required to turn off their lights when away from their seat to improve their energy conservation awareness.
Mexico Plant	<ul style="list-style-type: none"> • Perform illumination study on the manufacturing & warehouse to ensure this meets legal requirement, and disconnect not need lamps. 	<ul style="list-style-type: none"> • Maintain the temperature inside of buildings during summer season at 26-28 C degree. • Maintain the temperature inside of buildings during winter season at 22-24 C degree. 		<ul style="list-style-type: none"> • Install sky light domes on the warehouse areas to turn-off no needed lamps during the day. 	<ul style="list-style-type: none"> • Promote on cafeteria TV' s to take care the energy conservation.

Energy Saving Actions at Each Plant

Strategy Plant	Electricity Management	Air-conditioning Management		Energy Efficiency Improvement	Change User Habits
Kunshan Plant	<ul style="list-style-type: none"> Adjust the quantity of electricity using equipment based on production line status. Regularly inspect electricity-using areas and turn off unused equipment. Establish an energy consumption audit mechanism. Calculate the daily electricity consumption figures. Review the water and power consumptions figures every week to identify waste. Produce monthly power consumption analysis report. 	<ul style="list-style-type: none"> Chiller output temperature increased from 9°C to 10° C. Adjust hot water temperature in winter according to changes in the outdoor temperature. Set the air conditioner temperature to no lower than 26 ° C in summer and no higher than 18° C in winter. Set up a shift patrol audit system. 		<ul style="list-style-type: none"> Clean the water boiler every year to improve thermal conduction efficiency. Clean the cold water condenser and water tower heat sink to improve heat exchange efficiency. Plate heat exchanged used instead of chiller in winter for air-conditioning. Recovery of waste heat from air compressor. 	<ul style="list-style-type: none"> Adjust air conditioning systems according to the season. Energy conservation education. Continue to introduce new energy saving equipment and make energy-saving upgrades.
Czech Plant	<ul style="list-style-type: none"> Production lines - Turn off of production lines during break time and immediately after the shift. Lights - During break time all lights are switch off. After the end of the shift, security employees walk around the factory building to make sure no light is on Water heating - In building 1 of LCD plant, water is heated in electrical boiler. Its thermostat is set for lower temperature of hot water. There are two boilers, but only one is always in use. Unused devices permanently turned off. Water electrical boilers at unoccupied areas of building are off. Lights - Halogen discharge tubes (400W) were replaced with energy saving fluorescent lamps (36W). 6 fluorescent lamp can substitute 1 halogen light. 	<ul style="list-style-type: none"> Air-conditioning system is checked once a year based on Czech local law, which assures that air-conditioning system works effectively, well and that no refrigerant has leaked. Air conditioning is usually used during summer months. Temperature inside building is set normally up at 22-26 °C. After 5pm (2 hours after shift end) all air conditionings are automatically turned off and they are automatically turned on at 7am next day. Skylight in building 1 are painted by light blue color. It reduces the penetration of sunlight during summer months and helps to reduce temperature below the roof about 5 degrees, which partially reduces usage of air-condition Air-con filters are regularly cleaned. Clean filter has lower resistant against air flow and AC is operating efficiently. Unused areas are not heated nor cooled. From 4 heating branches are 2 on and 2 off. 		<ul style="list-style-type: none"> Building 1: Special foil is placed on the big glass window (e.g. in locker rooms) is used to block infrared rays, which keeps place cooler a bit. Fresh air ventilator used in toilets is automatically turned off after 5 minutes of the usage Install screen saver on each employees' laptop and desktop which will switch on after 5 minutes of no use When temperature outside is not under 15°C special heater above entrance door are turned off. Central heating is turned off. Door air curtains at main entrance to prevent hot air leakage outside during winter time. ime plan for building heating and water heating. Heating is on during working time 6AM-15PM. 	<ul style="list-style-type: none"> WCZ team leaders and supervisors remind often to all employees that they should switch off all electrical equipment after use (lights, printers, air-conditioning etc.) Promote on cafeteria TV' s to take care the energy conservation. Eliminate opening of windows in the offices to avoid cold air coming in winter time and warm air coming in the building in summer time. (saving energy for heating and air-condition)

Green Building

To realize an energy-saving, waste-reducing and healthy environment, Wistron has developed a plan for systematically upgrading our equipment and building facilities. The goal is to construct a work environment with a low ecological impact. We strive to apply green building concepts, such as energy-saving designs, use of green building materials/equipment, waste reduction, water-saving designs and ecological conservation to our existing buildings. Although our factories and offices are yet to apply for the Green Building Mark, more green building concepts will be introduced into new building designs in the future. We will also continue to enhance the quality of the living environment for our employees. In 2012, we invited green building experts to diagnose and provide improvement suggestions for our Zhongshan and Kunshan plants. We plan to begin implementing items that offer more significant returns in 2013. The energy conservation measures at each plant, as well as green building-based improvements to existing plant buildings and facilities, are listed below along with their outcomes.

Greening was adopted as the rooftop insulation solution for the Neihu Headquarters building



Energy Conservation and Green Building Improvement Actions at the Taipei Office	
Building Design, Planning and Improvement	<ol style="list-style-type: none"> 1. Greening was adopted as the rooftop insulation solution for the Neihu building. Combined with the existing vegetation planted around the building, this created an overall greening effect. 2. Green building materials and paint used to reduce pollution.
Energy Saving Measures	<ol style="list-style-type: none"> 1. Public education on energy management system. 2. Improvement to server room equipment to reduce PUE. 3. Power monitoring system implemented. 4. Controls placed on zone lighting. Natural lighting used in the toilets during daytime. 5. Double-glazed low-emissivity glass used for the facade to reduce energy consumption. 6. LED energy-saving lighting adopted throughout the Neihu offices. 7. Air-conditioning system's hours of operation adjusted and chiller water treatment system added.
Waste Reduction	<ol style="list-style-type: none"> 1. Dry partitions used in the office. 2. Waste must now be properly sorted and waste generation tracked monthly.
Water Resource Management	<ol style="list-style-type: none"> 1. Rainwater recovery system: Rainwater is collected from drains around the building and channeled into the rainwater recovery pipe. The water then flows into the underground irrigation/ firefighting water tank for reuse. 2. Water-saving equipment: These include sensor-controlled taps, sensor-triggered urinals and two-stage water-saving toilets.
Future Improvements	<ol style="list-style-type: none"> 1. Introduced the "ISO 50001 Energy Management System" with independent certification achieved in January, 2013. Wistron will to continuemonitor energy utilization and promote energy-saving measures. 2. Neihu: The air-conditioning system will in the future be shut down an hour earlier during winter. 3. Hsichih: In the future, PL lamps in some areas will also be replaced by T5 lamps.

Zhongshan Plant - Summary of Energy Conservation and Green Building Improvements

<p>Building Design, Planning and Improvement</p>	<ol style="list-style-type: none"> 1. Waste rubble used for laying temporary foundations during construction. Excavated soil was used to backfill the football field. 2. Green bricks used for the new factory building and brick formwork used for constructing the basement to reduce waste. 3. TB2 plant's exterior wall uses Low-E glass and insulated external cladding to reduce power consumption by air conditioning. 4. Rainwater recovery system and centralized water treatment system set up for TB2 plant. 5. New factory building and dormitories fitted with Class 1 energy-efficient air conditioning. 6. All dormitories fitted with high-efficiency solar water heating. The solar water heating panels help reduce the cost of gas water heaters.
<p>Energy Saving Measures</p>	<ol style="list-style-type: none"> 1. Energy-saving policy, targets and directions set with the plant manager responsible for planning and implementing the energy-saving actions for their department. 2. Number of lighting fixtures reduced and restrictions placed on lighting times. 3. Pull ropes added to the lighting fixtures of TB2 and TB5 plant offices. A total of 1,215 sets were fitted. 4. Halide lamps replaced by LED lamps along the main road and around TB3/TB5 plants. 5. User-pays model adopted for dormitory's electricity bill to make employees more aware of energy-saving.



Zhongshan Plant - Summary of Energy Conservation and Green Building Improvements

<p>Water Resource Management</p>	<p>Promotion Management</p>	<ol style="list-style-type: none"> 1. Posters displayed in the toilets asking for employees to report any broken taps for repair immediately to avoid wasting water resources. 2. Put up environmental posters to promote conservation. 3. Training and education during recruit orientation training. 4. Improvement proposal scheme introduced to encourage and reward employees for suggesting water-saving actions. 5. Strict controls on hazardous waste to prevent chemical waste from being poured into drains and polluting the water supply. 6. User-pays model adopted for washing machines. Employees encouraged to wash their clothing by hand to save on water consumption.
	<p>Improvement</p>	<ol style="list-style-type: none"> 1. Rainwater recovery system adopted by Science Park buildings. Approximately 1,354m³ of rainwater is expected to be recovered each year. Recovered rainwater will mainly be used for on-site cleaning and 1F toilets. 2. Improved the resource utilization of the reception center pond. When pond water is replaced, approximately 80m³ is used for watering the plants. 3. The water taps in the Science Park and Optoelectronics Park were changed from the stream to spray type. 4. Locks fitted to the taps on Science Park boundaries to prevent waste by unauthorized personnel. 5. The domestic sewage from the Science Park is treated by the local city sewage treatment plant. Application has been filed to suspend the operation of the dormitory's own sewage treatment plant in order to save on power and maintenance costs.
	<p>Outcomes</p>	<ol style="list-style-type: none"> 1. Zhongshan Plant commissioned a local licensed testing organization to test our domestic sewage and the result was far lower than the local regulatory standards. 2. In 2012, the taps in the Science Park and Optoelectronics Park were replaced with water-saving taps and reduced water consumption by approximately 40%.

Zhongshan Plant - Summary of Energy Conservation and Green Building Improvements

Future Improvements

1. The glass facades of the factory and living areas will be fitted with insulation to achieve air-conditioning energy savings of up to 24%.
2. Slats to be fitted to the plant skylights in order to keep out direct sunlight and reduce the power consumption of the air conditioning. (Once the upgrade is completed for plants TB2 and TB5, this should reduce the power consumption of the air conditioning by 30%).
3. Gradually eliminate energy-intensive products and replace them with energy-saving products.
4. Recover heat from air compressors for use in the dormitory's hot water system. This is expected to save 387,755m³ of natural gas each year.
5. New energy management and monitoring system added to plants TB3 and TB5 to manage the power consumption of the air-conditioning system.



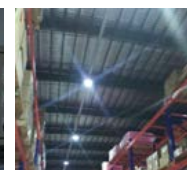
Hsinchu Plant - Summary of Energy Conservation and Green Building Improvements

Energy Saving Measures

1. Consolidation of production capacity. Some of the equipment is shut off during the night shift (19:30-07:30).
2. Bay lighting in the warehouse (400W per lamp) replaced by LED lamps (40W & 80W).
3. Factory lighting changed from T8 to T5 fluorescent lamps.
4. Increased the chiller output temperature to 50° F (10° C). Each degree Celsius translates into a 6% power saving or 22KW/hr.
5. Regular cleaning of the cooling tower. Set system to automatically reduce load when usage is low.



Ventilator capacity concentrated in the 19:30-07:30 period. The OFF record sheet is also shown here.



Bay lighting in the warehouse



Cooling tower

Water Resource Management

Promote the use of products or accessories that feature the water-saving mark. Plant water pipes are regularly checked for leaks and repaired.



Future Improvements


1. Introduced the "ISO 50001 Energy Management System" with independent certification achieved in January, 2013. Wistron will continue to monitor energy utilization and promote energy-saving measures.
2. T8 fluorescent lamps replaced by T5 fluorescent lamps to save energy and reduce carbon emissions.

Czech Plant - Summary of Energy Conservation and Green Building Improvements

<p>Building Design, Planning and Improvement</p>	<ol style="list-style-type: none"> 1. We are using energy savings lamps in the manufacturing part of the building, newer and more efficient ventilation-heating-AC system, etc. 2. User friendly control system is more flexible in the sense: You can set the time of closing of heating, lighting, etc.
<p>Energy Saving Measures</p>	<ol style="list-style-type: none"> 1. Provide the internal projects to the analysis of individual issues associated with austerity measures in building operations in the areas of electricity, heat, gas, water, waste management. We derive a plan of operation inspection and maintenance for the next period to help prevent losses. 2. We are doing the regular meter readings of all of these readings and subsequent invoices are made reports. 3. The data obtained is used to set the optimal technology. 4. Operation of the building is set depending on the production of both plants DT/SV and TV, as lighting, cleaning services, heating, stand-by mode, the machine and the device of course replicates the operating time of the production.
<p>Water Resource Management</p>	<ol style="list-style-type: none"> 1. Facility employees check regularly water consumption. All water consumption is regularly monitored. 2. Used water from bathroom and canteen is discharged to municipal pipes and go to sewage treatment plant. 3. Urinals (toilet for men only) are equipped by regulator of using water necessary for flushing. Normal toilet has two possibilities of flushing water amount: small and big flush. It is up to employee which one will use
<p>Outcomes</p>	<p>At new WCZ campus are installed energy efficient light tubes in Production area and warehouse. Replacement of previously used halogen lights by light tubes results to reduction of energy consumption for lighting in Production and Warehouse areas about 50%. °</p>

Kunshan Plant - Summary of Energy Conservation and Green Building Improvements

<p>Energy Saving Measures</p>	<ol style="list-style-type: none"> 1. Independent central chiller added to B5 for supplying the reflow oven heat exchanger. This minimizes waste heat from the oven into the workshop while also increasing cooling efficiency. Annual savings in CO₂ emissions: 312.5 tons 2. Ventilators turned on only during office hours and when the production line is running. 3. Regularly update and monitor energy-saving projects and their outcomes in partnership with the QC department. 4. Turn on the hot air system in winter between December and March each year when outdoor temperatures drop below 10° C. 5. Turn on the cold air system during the hot season between April and October each year when outdoor temperatures rise above 22° C. 6. Air conditioning regulators added to B7' s split-type air conditioning. Condensed water is used to reduce the load on the condenser and realize energy-savings in the air-conditioning. This will reduce CO₂ emissions by 10.77 tons a year. <div data-bbox="1422 973 2016 1173" data-label="Image"> </div> <div data-bbox="1422 1189 2016 1388" data-label="Image"> </div>
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Kunshan Plant - Summary of Energy Conservation and Green Building Improvements	
Building Design, Planning and Improvement	<ol style="list-style-type: none"> 1. Double-glazed glass used for the exterior wall to reduce solar radiation. 2. A variety of vegetation, such as tall trees, short trees, bushes, grass, moss and fallen leaves, used to create bio-diversity. These are maintained by professional personnel to ensure proper growth. 3. Permeable walkways and grass bricks used so rainwater can soak into the soil, the plants and regulate the climate. 
Water Resource Management	<ol style="list-style-type: none"> 1. Toilet equipment is checked every day and any problems rectified immediately. 2. Use energy-saving hygiene equipment: <ul style="list-style-type: none"> • Pedal-type flush mechanism for crouch-type toilet. • Adoption of 6L water-saving sitting-type toilet. • IR-sensor-triggered urinals. • Sensor-triggered taps for the hand basins.
Future Improvements	<ol style="list-style-type: none"> 1. Air conditioner's regional pumps will be switched to variable frequency control and will automatically adjust the pump output based on user demand. 2. T8 fluorescent lighting (3 primary tones) will be replaced by more efficient LED lighting to reduce CO₂ emissions by 3,000 tons a year.



Mexico Plant - Summary of Energy Conservation and Green Building Improvements	
Building Design, Planning and Improvement	<p>Illumination study was performed in all WMX Site during 2012 to verify compliance with Mexico Legislation, and identified areas with opportunity for improvement have been completed .</p>
Energy Saving Measures	<ol style="list-style-type: none"> 1. WMX is using natural illumination on warehouse to save energy. Also, facility department is controlling the temperature levels to make more efficient Heating-AC system. 2. There is a daily inspection of energy usage, to prevent interruptions and wasteful operations. 3. Facility department is doing the regular meters readings and these readings have been checking with the invoice, then elaborating reports. 4. The buildings Operation is depending on the production requirements of Servers, LCD TV and handheld devices, as lighting, cleaning services, heating/AC, stand-by mode, the machine and the device of course replicates the operating time of the production
Water Resource Management	<p>Facility department is responsible to measure water consumption by checking meters installed on the extraction pump. Meters are certified and calibrated.</p>

We strove to increase our energy efficiency in 2012. Apart from making improvements to existing plant buildings and facilities based on the green building concept, we also introduced an energy management system based on international standards in order to save energy and reduce our carbon emissions. At the Zhongshan plant, for example, our various energy-saving initiatives have produced excellent results. The Czech plant also introduced an eco-friendly heating system in its buildings as an energy-saving measure.



Czech Plant - Introduction of More Efficient Ecological Heating Systems
 One of initiative for year 2012 in energy saving field is optimization of building heating together with hot water warming. New campus is using ecologic way of heating and water warming. Hot steam from heating plant is distributed to surrounding plants. Hot steam is converted to hot water. WCZ plant is connected to this heating system and will use this ecologic heating way for heating during winter 2012/2013

Zhongshan Plant - Promotion of Energy Conservation and Carbon Reduction Measures

	Energy-Saving Proposal	Expected Outcome
Current Proposals	A total of 216 sets of lighting fixtures replaced (T8 replaced by T5) on the rain shelter of all plant docks.	Will reduce carbon emissions by 26.03 tons a year.
	22 sets of street lighting around plants TB3 and TB5 docks replaced by LED lighting.	Will reduce carbon emissions by 19 tons a year.
	81 sets of car shelter and guardroom lighting fixtures replaced (T8 replaced by T5).	Will reduce carbon emissions by 9.11 tons a year.
	Lighting set to timer control.	Will reduce carbon emissions by 9.11 tons a year.
	One Class-1 central air conditioning machine added to plant TB2.	Will reduce carbon emissions by 273.34 tons a year.
	Three energy-saving air compressors added at plant TB2.	Will reduce carbon emissions by 104.13 tons a year.
	The air-conditioning box on Plant TB2, 2F's electrode wetting system replaced with 4 twin-fluid atomizer Make-up Air Units (MAU).	Will reduce carbon emissions by 976.2 tons a year.
	 	
Future Proposals	Replace TB1 and TB3's T8 lighting with T5 (replace 7,419 lamps).	Expected to reduce power consumption by 2,129,574 kWh a year.
	Plants TB2, TB3 and TB5's coolant pumps, chiller pumps and regional pumps fitted with variable-frequency drives. The introduction of these energy-saving pumping systems will greatly reduce the energy consumption of the coolant, chiller and regional pumps.	Expected to reduce power consumption by 2,407,506 kWh a year.
	Replace plants TB3 and TB5's cooling water heat-sinks to improve air conditioner efficiency.	Expected to reduce power consumption by 2,407,506 kWh a year.
	Variable frequency blower systems introduced for plants TB2, TB3 and TB5's cooling tower fans and large air conditioning fans. This will reduce the energy consumption of the fans.	Expected to reduce power consumption by 8,273,693 kWh a year.



Environmental Management System

As a corporate citizen, Wistron has long paid attention to environmental issues. Our environmental management policy is based on the spirit of pollution prevention and continuous improvement. We have defined a management procedure that focuses on prevention at every step and controls at the source. In this way, every link in our business activities, products and services are committed to preventing our business operations impacting on the environment.

Key Environmental Performance Indicators

Category	Indicators	Unit	2012	2011	2010
Climate Change	GHG emissions		253,930	239,734	196,645
	Scope 1	Ton-CO2e	12,989	12,541	9,744
	Scope 2		240,942	227,193	186,901
Environmental Management	Water consumption	m ³	3,693,195	3,272,821	2,871,079
	Waste generation	Ton	26,711	31,028	20,208
	Environmental training	Hours	109,048	49,902	1,759
	Environmental expenditures	NTD millions	210	65.53	47.65

Climate Change

The United Nations Framework Convention on Climate Change (UNFCCC) requires all signatories to provide a national register of GHG emission sources, producers and absorbers in order to promote the exchange of information on, and responses to, climate change. Faced with global warming, as well as an international push toward energy conservation and GHG emission reduction, Wistron has conducted a GHG inventory as part of our CSR. We hope this inventory will give us a clear understanding of

our company's GHG emissions, identify room for internal reductions and ultimately, improve our energy efficiency and reduce our GHG emissions.

Carbon Management Targets

Environmental issues have continued to gain traction while consumers have become more environmentally aware as well. It's not just product quality and prices that matters now, but the 'value' of the product itself as well as its carbon footprint over the product's entire lifecycle. We promise to provide our customers with low-carbon services, establish a green design capability, set up green factories and realize a low-carbon supply chain. As such we have adopted the carbon emission reduction plans of developed countries committed to the Kyoto Protocol and implemented related goal management. Carbon efficiency for the supply chain management system is currently divided into the Organizational GHG Inventory and the Product Carbon Footprint Audit. Wistron has launched the following action plans aimed at GHG emission reduction for the company as a whole and carbon reduction for individual products.

Organizational Greenhouse Gas Inventory

Item	
Target	Apply data in the execution of reduction analysis, monitoring the reduction targets and validating reduction outcomes.
Internal Controls	Data is collected and GHG emission tracked based on the GHG Protocol and ISO 14064 standard in conjunction with the existing ISO 14001 environmental management system.
Supplier Requirements	Continued to provide internal training courses on supplier inventory and counseling in 2012.
Setting Targets	The current reduction plan calls for a 1% GHG emission reduction each year. Higher reduction targets can be set if there are special customer requirements. We will review the reduction targets every year to see if they have been met and propose corresponding improvement plans.

Product Carbon Footprint Inventory

Item	
Target	To understand the carbon emissions generated by a product throughout its lifecycle. Process improvements and raw material reductions are then used to reduce carbon emissions during production and realize the goal of GHG reduction.
Internal Controls	In 2012, the ISO/DIS 14067 and PAS2050:2011 standards were used to set up the Carbon Footprint Management (CFM) system. The system enabled more effective management of product carbon footprint data so it can be used as a reference for further reductions. The system has been validated by an independent certification company. We worked with our brand customers to establish their product carbon footprints through this system and to look for reduction opportunities. This helped maximize the effectiveness of product reduction efforts.
Supplier Requirements	A total of 41 suppliers took part in the product carbon footprint inventory in 2012.
Setting Targets	We are continuing to import more product carbon footprint information into the CFM system and this will be used as a reference for future product carbon footprint reduction efforts.

Carbon Disclosure

Wistron is improving the energy efficiency of our products through two strategies: 'Self-Control' and 'Green Design'. As the energy consumed during the operation of an electronic product accounts for the largest proportion of its energy consumption throughout the product's lifecycle, Self-Control is used to optimize the process management system and reduce energy waste. Wistron began planning our CS²R IT system in 2008 in order to computerize the collection of environmental information. Our GHG Inventory IT Platform was also used to introduce a GHG inventory procedure for systematically gathering and calculating GHG emissions. This helped us understand our main emission sources and analyze the direction for future reductions.

GHG emissions at our Neihu headquarters, Hsichih office, Hsinchu plant, Zhongshan plant, Kunshan plant, Mexico plant and Czech plant are now under monitoring. In 2009, we began responding to the Carbon Disclosure Project (CDP) questionnaire and voluntarily disclosed our climate risks, future development opportunities, emission information and management strategies. At the same time, we used the CFM system to inventory our products' carbon footprint. We also conducted education and training for our suppliers while also promoting the product carbon footprint concept and calculation method. We have now compiled the carbon footprint information of two products. The main GHG emission sources and volumes from previous years were as shown in the table below.

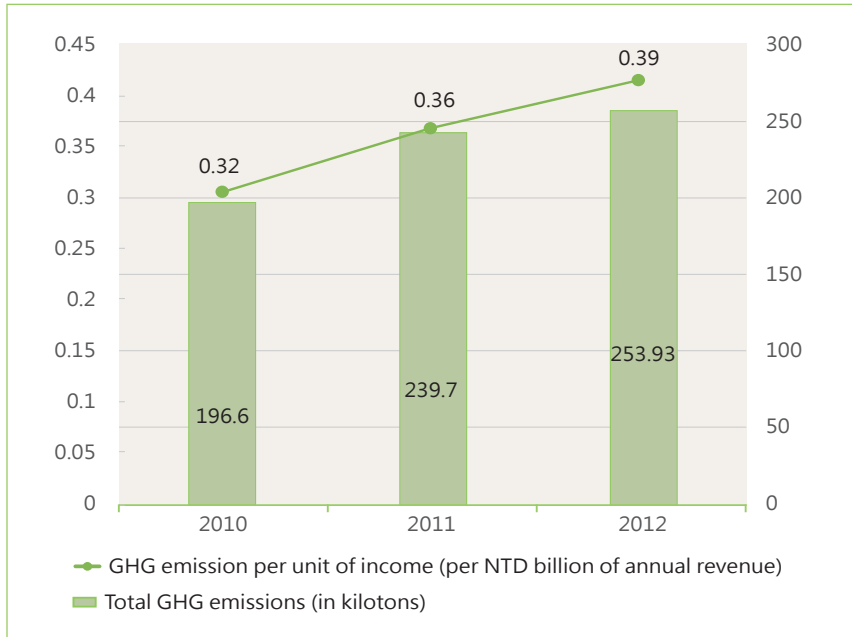


Greenhouse Gas Emissions Unit: Kilotons of CO₂ equivalent

Plant	2012	2011	2010
Total Emissions	253.93	239.73	196.64
Neihu Headquarters	3.17	2.89	
Scope 1	0.0003	0.03	N/A
Scope 2	3.17	2.86	
Hsichih Office	6.69	8.01	8.64
Scope 1	0.26	0.38	0.32
Scope 2	6.42	7.63	8.32
Hsinchu Plant	6.74	7.46	6.68
Scope 1	0.07	0.15	0.03
Scope 2	6.67	7.31	6.65
Zhongshan Plant	129.04	109.93	92.46
Scope 1	3.18	2.92	2.85
Scope 2	125.86	107.01	89.61
Kunshan Plant	92.90	95.60	88.85
Scope 1	7.84	7.85	6.54
Scope 2	85.06	87.75	82.31
Czech Plant	2.02	3.38	
Scope 1	0.07	0.33	N/A
Scope 2	1.95	3.05	
Mexico Plant	13.38	12.46	
Scope 1	1.56	0.88	N/A
Scope 2	11.82	11.58	
GHG emission per unit-revenue (Per NTD billion of annual turnover)	0.39	0.36	0.32

As GHG emissions vary, due to factors such as continued corporate growth, our corporate revenue is also used in evaluating our company's overall performance as shown below:

Greenhouse Gas Emission Statistics



Wistron cares about the effect that GHG emissions have on climate change. Apart from calculating our own GHG emissions, we also conducted an analysis of GHG emissions during the product lifecycle. The product carbon footprint system was developed for this purpose. We provide suppliers with education and training to promote the product carbon footprint concept and calculation method. We also use this system to calculate the carbon footprint of products and found that the carbon footprint for a 15.6" notebook computer from manufacturing to delivery was 144kg CO_{2e}. This result has been verified by an independent third-party.

Case Study: Analysis of GHG Emissions Throughout the Product Lifecycle

Product Carbon Footprint Verification Statement

Statement: CO 50231557 0001
 Verification Report No.: 14002600 001

wistron 緯創資通股份有限公司
 Wistron Corporation

21F., No.88, Sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City 22181, Taiwan (R.O.C.)
 No.5, Hsin-Ann Rd., Hsinchu Science Park, Hsinchu 300, Taiwan (R.O.C.)
 No.168, First Avenue, Kunshan Export Processing Zone, Kunshan, Jiangsu, China

The inventory of product life cycle greenhouse gas emissions of 15.6" Notebook (Model: BAD50_HR) of Wistron Corporation has been verified in meeting ISO/DIS 14067 and PAS2050: 2011 requirements.

Following activities were conducted during verification:

- Document review
- Interview
- Site visit
- Recalculation

Based on the information we have received and evaluated, it was verified by TÜV Rheinland Taiwan that:

- System boundary of this product: cradle-to-gate
- Product carbon footprint inventory report period: 2011/10/1 to 2011/12/31
- The total GHG emissions for one 15.6" Notebook is 144 kilograms of carbon dioxide equivalent (kgCO_{2e}).

Date of Issue 2012/06/27
 TÜV Rheinland Taiwan Ltd.
 11F., No. 758, Sec. 4, Bade Rd., Taipei 105, Taiwan, R.O.C.
 This statement is valid from 2012/06/27 until 2014/06/26

Jason J. S. Wu
 TÜV Rheinland Systems Greater China
 2012/06/27

This Verification Statement is based on the information made available to TÜV Rheinland Taiwan and the engagement conditions detailed above. Therefore, TÜV Rheinland Taiwan can not guarantee the accuracy or correctness of this information. TÜV Rheinland Taiwan can not be held liable by any party relying or acting upon this Verification Statement.

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 Precisely Right.

Product Carbon Footprint Verification Statement for a Notebook

Environmental Management

Environmental Management System Operation

Wistron strives to minimize our impact on the environment by realizing goals for pollution prevention and continuous improvement. This is achieved by formulating an environmental policy, setting targets, implementing the policy, and by audits and reviews. Environmental management systems are being rolled out at all of our production sites. The systems are being progressively certified by international independent bodies to ensure compliance with the ISO 14001 international standard. Wistron's production process does involve the use of ODS (Ozone Depleting Substances), although air conditioning units use ODS refrigerants, these are sealed inside closed-loop equipment and no leaks have been reported so there is no risk of depleting the ozone layer. The plant's generators may emit nitrogen oxide (NOx) or sulfur oxide (SOx), but are only used for emergency power generation.

We adopt forms of transportation that have less impact on the environment. At the Neihu headquarters, Hsichih office and Hsinchu plant, commuter shuttles have been organized and company employees are encouraged to take public transportation. We also require transportation contractors to ensure that their vehicle or shipping emissions conform to regulatory standards and have been in service for less than 15 years. Internal audits and external reviews are conducted every year to ensure that all regulatory requirements are met during the transportation process. As of 2012, none of Wistron's production plants worldwide have been penalized for violation of environmental regulations. No emergency incidents, such as chemical leaks, were reported either. Wistron also implements education and training to raise employee awareness of environmental issues. The following table shows the hours of education and training sessions implemented.

Hours of Environmental Protection Training by Plant

Item	Taipei Office and Hsinchu Plant	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant	Total Hours
Number of Environmental Education Training Man-Hours (Unit: Hours)	2167.5	20,339.5	77,327.5	278.5	8,935.3	109,048.3

Note: Man-hours is calculated using "Man * Hours" .

Summary of ISO 14001 Audit

ISO 14001 Audit	No. of Internal Audits	No. of Nonconformities Identified in the Internal Audit	Result of External Audit
Taiwan Offices	1	4	Passed
Zhongshan Plant	1	18	Passed
Kunshan Plant	2	13	Passed
Hsinchu Plant	1	11	Passed
Mexico Plant	1	10	Passed
Czech Plant	1	23	Passed

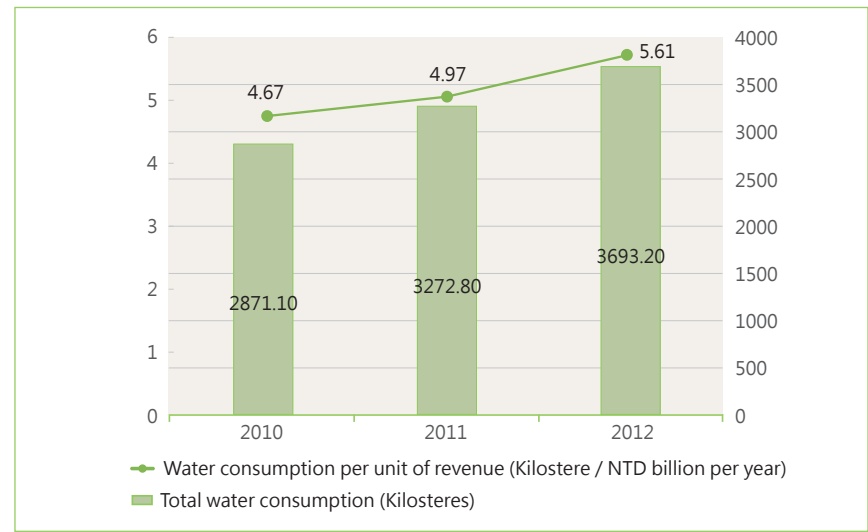
Water Resource Management

Water resource management is an issue with economic, social, natural, humanitarian and energy supply dimensions. Effective use of water resources is a key challenge for the 21st century. Water influences economic development and quality of life, and so is considered by countries to be the most important component in national infrastructure. Water also plays a role throughout the production process. Wistron does not produce wastewater during production, nor make extensive use of water or organic solvents. The main source of wastewater is domestic sewage, and this is

disposed of in accordance with local regulations. There were no serious leaks in 2012 and the domestic sewage from our offices and plants is all piped to city sewage treatment plants and not discharged directly into the water supply. This prevents any impact from our domestic sewage on water sources, habitats of protected species, or local biodiversity. This in turn means a biodiversity impact assessment is unnecessary. Our water resource management emphasizes water conservation. In addition to upgrading equipment operations, securing new sources of water and reuse facilities, the Kunshan plant was presented with the Water-Saving Enterprise certificate by the Jiangsu Construction Department in 2008. Please refer to the chapter on Green Buildings for examples of action plans at each plant. The statistics for water resource management are shown in the following table.

We have combined this with revenue data to determine the company's overall performance as shown below:

Water Resource Statistics Graph



Water Usage and Wastewater Generation Statistics, 2012

Item	Neihu Headquarters	Hsichih Office	Hsinchu Plant	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant	Total
Total Water Usage (M ³ /Year)	20,612	51,592	100,464	1,749,776	1,625,708	4,044	140,999	3,693,195
(a) Surface water	0	0	0	0	0	0	0	0
(b) Ground water	0	0	0	0	0	0	140,999	140,999
(c) Rainwater	0	0	0	1354	0	0	0	1,354
(d) Other wastewater produced by the organization	0	0	0	0	0	0	0	0
(e) Tap water	20,612	51,592	100,464	1,748,422	1,625,708	4,044	0	3,550,842
Water consumption per unit of revenue (m ³ /NTD Billion)	0.03	0.08	0.15	2.66	2.47	0.01	0.21	5.61
Total Volume of Wastewater (M ³ /Year)	16,490	41,274	80,372	1,748,42	1,625,708	4,044	140,999	3,657,309
Volume of Wastewater Per Person (M ³ /Year)	14.8	11.3	42	116.8	66.2	3.5	26.3	69.4
Total Water Usage (M ³ /Year)	0	0	0	80	0	0	0	80

Note 1: The Mexico plant uses water from underground sources.

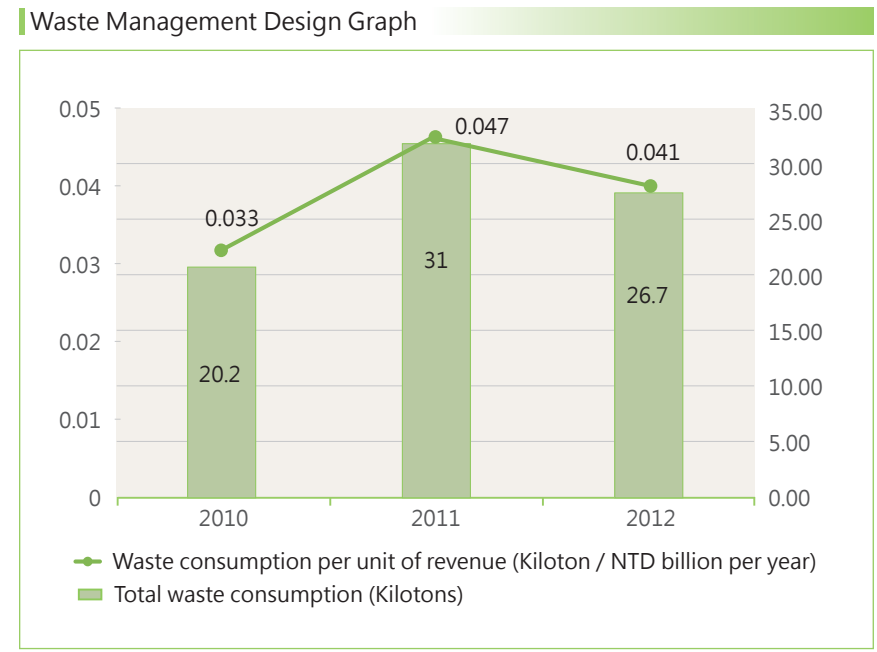
Note 2: Wastewater volume for Taiwan is 80% based on government convention.

Note 3: Total water consumption = Surface water + ground water + rainwater + other wastewater produced by the organization + tap water

Waste Management and Recycling

Wistron's waste management strategy emphasizes waste reduction during the production process and pollution prevention. To meet the goals of waste management, we follow the three R's principle of waste recycling: reduction, recovery and reuse. As described in the development of new businesses, we place a strong focus on research and we lead the industry in this area. Recycled waste is reengineered and reused to create new product value. The purchasing of raw materials must take potential waste output into account and is bound by the Basel Convention. Our company produces no hazardous waste as proscribed by the Basel Convention and our main sources of waste are the packaging of incoming components and outgoing final products. To cope with this waste, we have defined clear categories including general waste, resource waste, and hazardous waste. Control techniques have also been developed and employees educated about the importance of practicing resource recycling and reduction in their everyday work. The ideals of waste reduction are therefore enforced to the fullest possible extent. We closely follow all waste and pollution-related legislation. All waste is removed for local disposal and not shipped to another country. The waste statistics for each plant are as follows.

We have combined this with the revenue data to determine the company's overall performance as shown below:



Volume of Waste by Location

Item	Neihu Headquarters	Hsichih Office	Hsinchu Plant	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant	Total
Total waste (tonne)	19.2	22.8	91.1	7,689.4	12,906.3	1,344.7(Note)	4,638	26,711.4
General waste (tonne)	12.1	7.9	58.7	1,158.7	1,325.9	30.6	45.6	2,639.5
Resource waste (tonne)	7.1	8.7	17.7	6,397.4	10,818.1	1,238.7	4,555.5	23,043.2
Hazardous waste (tonne)	0	6.2	14.6	133.2	762.3	15.3	36.9	968.5

Note: The total waste of WCZ site include industrial waste.

Zhongshan Plant - General Waste Disposal

General waste consists mainly of domestic waste that cannot be recycled. Current disposal is via qualified waste disposal companies. Starting on July 1, 2012, manual waste handling was replaced by waste hoppers.

Zhongshan Plant - Waste Recycling and Reuse

Case	Some of the production lines reprocess waste of the same material into new products. Plastic waste, for example, can be reprocessed by the factory into blister packs.
Future Targets	The following points have been targeted for appropriate recycling: 1. Recovery of waste PCB trimmings. 2. Defining an SOP for waste solder extraction to improve the recovery rate.

Zhongshan Plant - Disposal of Recyclable Waste

Contracted cleaning companies assist with the sorting of resource waste for disposal/recycling (including paper, polystyrene/foam, plastic, pallets, waste metal needles etc.). The income from recycling is donated to charity.



Kunshan Plant - General Waste Disposal

Resource waste is recycled, waste is sorted and paper consumption has been reduced. Packaging is also recovered by suppliers for reuse.



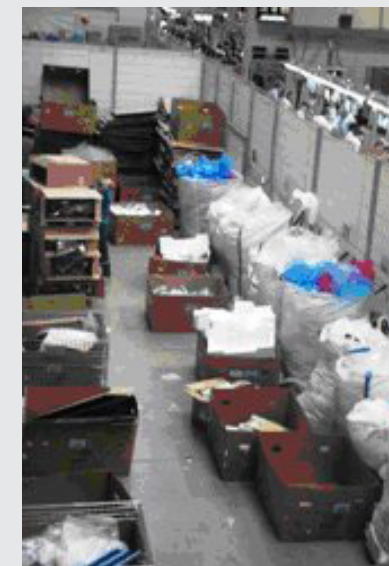
Czech Plant - Resource Waste Disposal



Waste separation is done on different levels. Incoming material for production is pre separated by PD material handlers.



In offices, canteen and locker rooms there are both types of waste: separated (plastic bottles, plastic cups from coffee machine and drink cans) and mixed communal waste.



Then packing is transferred to waste area, where waste company employees separate packing material more properly.

Mexico Plant - Resource Waste Diposal



Waste separation is done on different levels. Incoming material for production is pre separated by PD material handlers.



The recycling company are classifying the material from manufacturing areas on Mexico Plant.



All employees in WMX cafeteria are separating the waste (paper, plastic, aluminum, and foam) and put them inside of identified containers.



WMX material handlers are collecting the recyclable materials and put inside of identified containers.

Each Plant - Hazardous Waste Disposal



Zhongshan Plant -Recovery of PCB scraps, wiping cloths/gloves, and waste solder paste boxes.



Mexico Plant - Empty chemicals containers and cleaning rugs impregnated with chemicals are collected in special containers and submitted to temporary storage hazardous waste.



Czech Plant - WCZ produces also some dangerous waste, but only in very small amount. Used batteries are collected in two special bins.

Expenditure and Benefits Associated with Environmental Protection

The benefits associated with environmental protection are predominately profits from recycling. The following is a summary of expenditure and benefits associated with environmental protection in 2012.

Table of Environmental Protection Expenditure and Benefits

Unit: NTD

Item		Neihu Headquarters	Hsichih Office		Hsinchu Plant	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant	Total
Expenditures	Environmental Management System Certification	0	0		0	760,396	530,106	342,938	6,363	1,639,804
	Environmental Testing and Hazardous Substance Control	9,000	14,000		51,975	151,389	900,668	33,423	197,064	1,357,520
	Promotion, Education and Training	0	0		16,500	102,322	45,023	10,599	60,423	234,867
	Maintenance of Environmental Protection Equipment/Facilities	0	0		0	46,761	772,398	0	0	819,159
	Waste Disposal	0	0		78,030	111,289,740	9,890,644	5,322,646	1,033,477	127,614,536
	Cost of Improvements to Energy Efficiency	320,000	0		0	13,373,646	2,844,462	0	0	16,538,108
	Personnel Cost for the Environmental Protection Division	0	0		0	7,955,065	2,876,129	378,341	961,488	12,171,023
	Cost for Environment-Related Maintenance	3,547,550	5,891,715		0	3,664,192	21,201,594	0	0	34,305,051
	Other Costs	0	0		0	15,328,676	0	0	0	15,328,676
	Total	3,876,550	5,905,715		146,505	152,672,187	39,061,024	6,087,947	2,258,815	210,008,743
Benefits	Waste Recycling	0	1,144,854		2,803,795	29,036,478	98,068,914	5,520,793	2,526,470	139,101,303
	Other	0	0		0	18,182,883	0	0	0	18,182,883
	Total	0	1,144,854		2,803,795	47,219,361	98,068,914	5,520,793	2,526,470	157,284,186

Note: Exchange rates are NTD: CZK (1: 1.5405); NTD: MXN (1: 2.2462); NTD: CNY (1: 4.6761).

Biodiversity Management

No Wistron offices or production sites are currently part of any protected or rehabilitated habitats, nor do they host any species on the International Union for Conservation of Nature's 'Red List' or the national conservation registry. Wistron has always valued its corporate image, so we carefully check the infrastructure design of our production sites. The construction of all production sites, as well as their production activities, products and services must go through an environmental impact assessment process. The biodiversity of the environment is treated as a key consideration and we follow all legal requirements on the use of protected habitats. The management at the Zhongshan Plant has launched a Happy Farm program to raise employees' environmental awareness and inspire them to fulfill their duty to the environment through participation. Trees are planted at all plant sites based on ecological design. Greening enhances the outdoor environment and creates a good work environment too. The Czech and Mexico plants are located close to industrial areas and all of the equipment conforms to local environmental protection regulations. Hazardous waste from the production process is all disposed of by qualified contractors and does not affect the local environment. We are also continuing to strengthen our environmental education and training, make contributions to ecological conservation and do our bit for the environment by sponsoring charity events and adopting conservation areas.



Kunshan Plant gives great importance of greening of the plant



Green Event for Mobilizing Employees at the Zhongshan Plant

Battery Hill Nature Reserve at the Zhongshan Plant

Battery Hill sits on the grounds of the Zhongshan plant and has been designated a protected area by the local Zhongshan City government and is a model ecological park in China. The park features a green hill with good ecological conditions and we have done our best to protect the local environment.



1. Storage of hazardous or radioactive chemicals is prohibited in the surrounding area.
2. Climbing up the Canon Fortress Nature Reserve and unauthorized removal of plants are prohibited.
3. Littering and the use of flammable materials are prohibited.
4. Replenish plants regularly and implement daily care.
5. A landscaping company has been contracted to trim the foot of the hill every quarter and the planted kudzu is trimmed into a hedge shape.

Optoelectronics Park Nature Reserve at the Zhongshan Plant

49,671 m² of lawn was planted along with 3,160 trees and 1,600 saplings. We plan to also plant kudzu along the fence line of the Optoelectronics Park in the spring of 2013 to improve security and park landscaping.



Kunshan Plant - Protecting the Natural Environment

1. Greening of the plant in support of the local government. Total greening area was 30,091m² or 20% of the plant area.
2. All wastewater and emissions are treated and have been tested by a testing agency.
3. Hazardous waste is disposed of by qualified contractors.
4. No environmental laws have been violated or administrative penalties incurred.



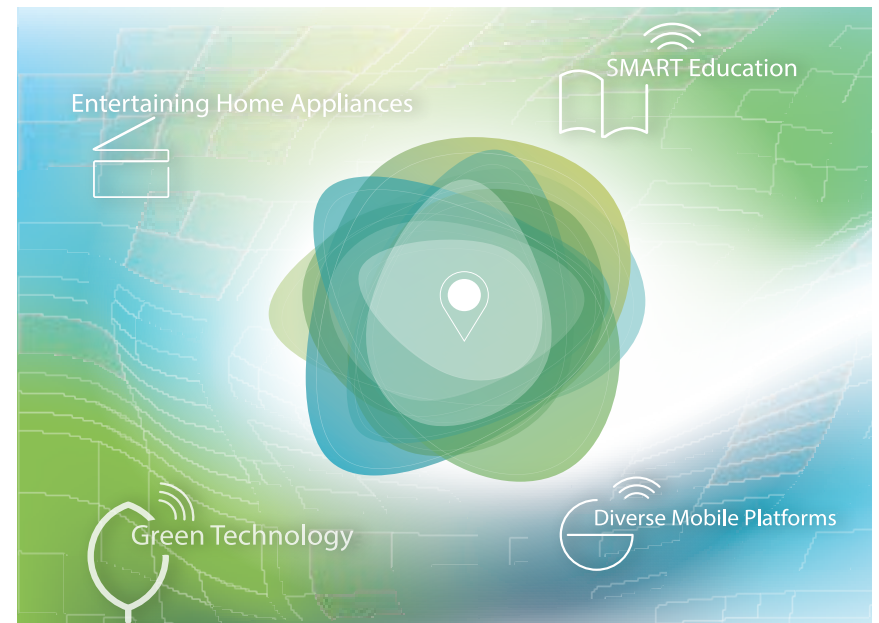
Innovation



New Businesses Development



Wistron's current product diversification strategy was intended to spread the risk of our ODM services over the past decade. We are now positioning ourselves to become a 'technology services provider' in the next decade. Our current technical services cover display applications, cloud services, after-sales services and green resource recycling. These are all handled by their respective business groups. It is no longer enough to just provide after-sales service. The last mile in the PC industry chain depends on recovering waste electronic products to add new value. For 2011 to 2013, we are actively engaged in investment and strategic positioning in order to increase the proportion of revenue from technical services every year. This is not expected to produce significant revenue or profits in the short-term, but we have our sights set on the big picture. Our vision is to become the leader in global technical services and provide innovative IT and communications products, services and systems.



After-Sales Services

CSD Service Innovation

Wistron strives to deliver high-quality after-sales services. Our goal is to become better at meeting the needs of both end users and corporate users alike. To better serve our local customers, all of our overseas service sites offer center-to-center parts exchange, center-to-authorized-repairer parts exchange, and a customer-replaceable parts service. A more diverse and customized after-sales logistics and repair service is planned for the future. Due to constant advances in technology we are also planning to expand the scope of our product services by expanding from the PC industry into LCD TVs/panels, smartphones and other electronic products. We may even support products not manufactured by Wistron.

Using an integrated IT platform, we can now effectively and comprehensively manage the entire service chain including logistics, warehouse management, parts delivery, inventory management and notification systems. We have appointed dedicated personnel to collect information regarding the supply of spare parts and maintenance rates for motherboards, and upload this information to system databases. Through regular monthly evaluations and quarterly business reviews (QBR), management can propose improvement strategies for goals that have not been achieved. These items are monitored and followed up to ensure that all service indicators meet customer targets.



Cloud Computing Services

Innovative Technology Services

Wistron has set up a dedicated cloud business headquarters for delivering cloud services. The cloud headquarters is responsible for integrating internal resources and external technology platforms for the joint development of Cloud OS and hardware architecture. Since 2010, the cloud business headquarters has leveraged the manufacturing expertise of our other business groups to collaborate with the Industrial Technology Research Institute (ITRI) of Taiwan on the joint development of Cloud OS. We are presently moving from being an Infrastructure as a Service (IaaS) provider to being a Platform as a Service (PaaS) provider. In April 2012, Wistron set up Wiwynn, a 100%-owned subsidiary that specializes in providing products and system solutions for cloud services and mega data centers. The company can also develop custom operating systems and management services for customers.

As businesses need integrated solutions that combine their industry characteristics with IT, Wistron offers a complete enterprise cloud management and resource platform that satisfies customer needs for building private clouds or integrating public clouds with private clouds. The improvements to their business model will highlight their core values and offer the chance to develop a more innovative business model. Infrastructure service solutions include not only high-density servers, storage and IaaS management platforms for data centers, but also mobile data centers that allow telecommunication service providers and data center operators to rapidly roll-out cloud computing services. Application service solutions provide digital signage and content pushcast application solutions that satisfy cloud users' needs for digital content playback and management services. For mega data center services, Wiwynn offers a range of custom products and integrated systems while completely satisfying the

push toward low energy consumption and carbon footprint reduction. We provide our customers with a one-stop shopping service that effectively reduces operating costs while being friendly to the environment. In keeping with the spirit of innovative technical services, Wiwynn provides optimized cloud services that enable businesses to transform themselves into efficient cloud enterprises. Wiwynn therefore not only provide customers with turn-key cloud application solutions, but also help to boost the competitiveness of mega data centers.

Green Recycling Business

Circular Economy and Closed-loop Manufacturing

The harmonious co-existence between mankind and nature is no longer just a dream, it can now become a reality. Beginning in the middle of the 20th century, mass production and mass consumption was at the core of modern society. These developments boosted economies and brought modern conveniences to society but also generated significant waste. Continued wasteful practices are not sustainable since they pollute the environment, damage the ecology and exhaust finite resources. For sustainable growth, society must create ways to reduce the impact of development on the environment and base future activity on circulation and symbiosis guided by the concepts of "optimal production, optimal consumption and minimal waste".

Closed-loop manufacturing is a production process whereby post-consumer scrap is collected, recycled and used to make new products. It is comprised of 4 building blocks as summarized below:

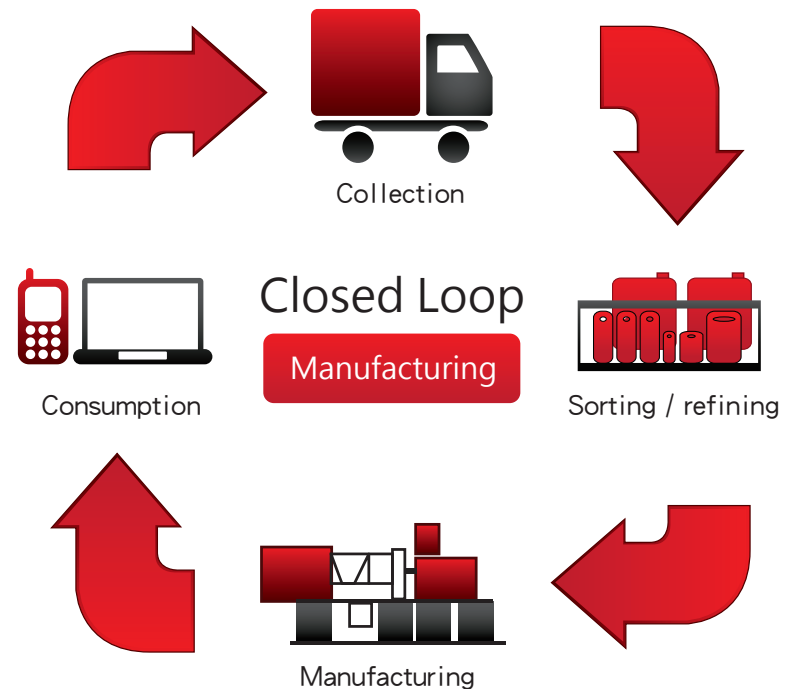
Collection: At the end of a products useful life, it is retired and collected for recycling or disposal.

Sorting/Refining: The post-consumer scrap collected is sorted, processed and refined into suitable raw materials.

Manufacturing: Manufacturing plants create new products from recycled materials and ship these products to consumers as new products.

Consumption: Consumers purchase and use new products from recycled materials. Consumers "close-the-loop" when these products reach the end of their useful life and are collected for recycling in the first step.

Closed Loop Manufacturing



The "Green Cycle Solution" provided by Wistron Advanced Materials (Kunshan) Co., Ltd (WAM) embraces the new model of a circular economy and the best practice of closed-loop manufacturing. WAM is a producer of post consumer resin (PCR) plastic materials. The incoming material received by WAM is baled mixed plastic. This material is primarily from dismantled end of life consumer electronics that contain "engineered plastic resins" such as ABS, PC/ABS, PC and HIPS. It is not easy to separate and sort this material manually or by machine. The "traditional" practice is to sort the plastic manually, by visual inspection or by burning the plastic to identify the resin by flame color and smell. This method is not efficient and can be harmful to the operators. Unlike this traditional method, WAM utilizes state-of-the-art optical sorting technology and a hydro-purification process to sort and separate scrap plastic automatically. WAM consolidates the multiple steps of bale-breaking, shredding, sorting, purification, modification, color matching, compounding and pelletizing under one roof. The QA/QC lab is equipped with advanced instrumentation and testing machines to ensure that the PCR plastic produced by WAM meets the stringent characteristics and tolerances required for use in manufacturing new parts for electronic products. Since each process step is performed in one facility, WAM's PCR production is easily audited or certified by third parties. The PCR produced

by WAM will be used as raw material to make new consumer electronics. The WAM manufacturing process consumes minimal energy, utilizes minimal resources, emits minimal carbon and discharges minimal waste; truly a solution that contributes to the ideals of sustainable development and a circular economy.

Wistron Advanced Materials is based in Kunshan, a custom and duty free zone, with footprint of 57,016 square meters (i.e. 613,720 square feet). WAM' s mission is to produce customized high quality post consumer resins (such as ABS, PC/ABS and HIPS). Construction has been completed and the first commercial run at the facility is planned for January of 2013. This state-of-the-art facility demonstrates Wistron' s commitment to Corporate Social Responsibility and Sustainability. During each step of the process, from the building design, construction, facility installation and plant operation, Wistron has adopted green building concepts and practices to conserve resources, save energy and minimize waste. In addition, the plant is open to the public. Through education and demonstrating "best practices", we plan to inspire employees, customers and visitors to re-think, re-design and build a sustainable future.



Wistron Advanced Material Kunshan PCR Refining Plant

An illustration of a hand holding a glowing lightbulb. The hand is rendered in shades of blue and green, with fingers wrapped around the base of the bulb. The lightbulb is yellow and white, with a glowing effect. The background is a gradient of yellow and white, with a blue and green abstract shape at the bottom left.

Product Development and Quality Control Systems

Wistron plays the role of an environmentally-friendly company that provides innovative ICT products, services and systems in order to meet customer and end user needs. We have set up a reward scheme to stimulate the creative minds of our employees and encourage them to pursue innovation and patent applications. We also work closely with our customers, factories and parts suppliers to development green products that have a low environmental impact. At the same time, we are upholding our commitment to continuous improvement by ensuring quality at every step from beginning to end. From operations management to supply chain management, product design to manufacturing, recycling and scrapping, we have introduced management systems as necessary to improve management efficiency and quality. Our excellent quality of service is used to win customer satisfaction and our insistence on providing quality products and services to our customers and users is why they continue to support us.

Upgrade in R&D Capacity

Wistron attaches great importance to our company' s development and design capabilities for products and technologies. Apart from investing in R&D, we are also actively strengthening our R&D engineering personnel and their abilities in order to provide more competitive products and services.

Strategy for R&D Engineering Personnel and Abilities

We recruit R&D engineering manpower through a variety of channels. A strong emphasis is placed on the cultivation of talented personnel and complete education & training so that newly-recruited R&D personnel can

quickly develop the skills they need. Mid- and high-end R&D personnel are given key positions and development opportunities based on their ability and performance. R&D Master Forums are hosted at regular intervals, with internal and outside experts invited to share their professional knowledge, techniques and experience. We also cooperate with or participate in external technology leader technical training programs (e.g. Intel, Microsoft, Google, AMD, Qualcomm, TI etc.) and these have produced good results. The following statistics show that we are continuing to increase our R&D spending and number of patent applications. We have therefore been successful in encouraging our employees to be creative, to actively engage in innovative R&D, and/or develop new designs and techniques. The growing number of approved patents is a testament to this.



The R&D team worked with a customer to jointly develop the world's first ultrabook with touch controls. The product has now been mass produced and shipped, winning strong market acceptance and many awards.

Strategies for Upgrading R&D Capabilities

Item	Method
Recruitment	The first stage in the upgrade of R&D capabilities is to find the right people. This can be achieved in several ways, including diversified recruitment, recruitment through internal and external recommendations, co-op programs with educational institutions, scholarships and grants, and participation in the substitute military service program.
On-the-job Training and Skills Upgrades	Help newly recruited R&D personnel to develop the required abilities; assist mid-level R&D personnel to develop professional and management abilities; push forward the System Technical Manager (STM) development program; match the right person with the right job.
Establishment of Advanced R&D Centers	Wistron has set up R&D centers worldwide, including in Taiwan, China and the Netherlands. In addition to having an R&D department for current product development, each R&D center also performs research and development of future products and technologies.
Cross-industry and Cross-domain Technology Cooperation	Establish good relationships with, or become a member of, many cross-industrial or cross-field organizations, including professional organizations involved in hardware/software design, environmental protection, industry development, and the research and exchange of new technology. Through participation in these organizations, Wistron gains opportunities to expand its scope of exchange and acquires first-hand information from international society. In so doing, Wistron strives to continually grow and develop. Wistron's active involvement in the Cloud Computing project has successfully developed a Cloud Container system that uses the Industrial Technology Research Institute's Cloud operating system. This Cloud Container system has been recognized in the industry and has been adopted for use. In addition, The R&D team worked with a customer to jointly develop the world's first Ultrabook computer with touch screen. The product has now been mass produced and shipped, winning strong market acceptance and many awards.

Quality Management for Products and Services

Product Quality

Wistron has introduced the ISO 9001 Quality Management System and the TL9000 Communications Electronics Industry Quality Management System to guarantee the quality of our products and services. We are also introducing other related quality control systems, such as ISO/TS16949 Automobile Industry Quality Control System and ISO 13485 Medical Devices Quality Control System in response to customer requirements. By analyzing

past mistakes and estimating potential risks, we have set up prevention mechanisms that reduce risk and deviation that may lead to non-conforming products. We have also defined different product development procedures tailored to different product characteristics or customer requirements, including the quality management required during product R&D, design, validation, pilot production and mass production in order to reduce potential errors. We follow a quality policy of 'delivering defect-free products and services to our customers on time'. Audits are carried out by different inspection units in order to meet internal and customer quality targets. The management strategy is described in the table below.

Product Quality Management Strategy Summary

Quality Management Strategy	Description
Product Requirements Validation	The requirements specified by the customer in the Product Requirement Document (PRD) must have a corresponding validation method during the product development process. By monitoring the validation results and communicating with the customer, we do our best to meet all of the customer's product requirements.
Failure Mode and Effects Analysis	Known or predicted potential failure modes (e.g. product malfunctions) are evaluated to determine the level of risk and the potential causes of failure so that the corresponding preventive or control measures can be implemented to reduce these risks. Failure Mode and Effects Analysis (FMEA) tools have now been introduced at the design and manufacturing stage. Design FMEA (DFMEA) and Process FMEA (PFMEA) are also used to manage the risks of product failure during the development phase.
Product Design Validation	The product design must be validated on its functionality, compatible environments, and reliability. To ensure that products are easy to produce, and will meet the quality requirements, they must satisfy the Design for Manufacture / Assembly / Testing / Service (DFx) standard.
Supplier Quality Management	Design, material and production processes are the three factors that decide product quality. Through supplier quality management, control over supplier materials, and by paying attention to their quality management systems, we ensure the quality of materials and reduce impact on product deadline from quality issues.
Product Production Quality Management	Wistron's factory provides the design team with production experience so the product design can be improved. The personnel, equipment, materials (and parts) and methodology (testing method and operating procedure) of non-conforming products are analyzed to identify causes of failure. Improvements are then made to the production process as quickly as possible with controls over quality to improve the yield.
Early Warning Mechanisms	Early Warning Mechanisms are an effective improvement on user feedback response.

Service Quality

To ensure that repair of returned mainboards meets our quality standards, Wistron has defined quality operating procedures and processes that QC personnel are required to follow and effectively execute. We have strengthened training for repair technicians and set up a management mechanism to ensure that we meet quality targets. At the start of each year, the target score for each indicator is set through executive review meetings. For the quality of after-sales repair service, we have set the standard at: Repair Yield Rate = 95%, Second Return Rate = 5% and mainboard turnaround time TAT = 10 days. The target completion rate is reviewed at monthly meetings to ensure the stability and yield of product repairs.

Customer Satisfaction Management

Customer Satisfaction Performance

'Respect for the customer' is one of the four core values at Wistron, and customer satisfaction is an indicator of product quality performance. We have defined a Wistron Customer Satisfaction Management Process for the regular collection and calculation of customer satisfaction data. Improvement plans are proposed when appropriate to maintain the customer's faith in our service quality. All business groups (BG) and business units (BU) meet regularly with the customer to review and define quality targets such as DOA, AFR (Annual Failure Rate), QBR (Quarterly Business Review), FPYR (First Pass Yield Rate), repair service quality improvement completion rates, and timely shipment of after-sales parts completion rates. Internal quality meetings are used to review improvements and take any actions as necessary.

Quality Practices

Service Quality Management	Actual Practice
Quality Checkpoints	Set up quality checkpoints for mainboard repair: OBE (after the mainboard has been repaired and passed testing but before entering inventory) and OBA (before the mainboard is shipped)
Internal Check	<ol style="list-style-type: none"> The relevant units are convened every day to inspect the checkpoints. For any non-conformities, the root cause must be identified and corrected. All global sites are required to provide their QC weekly in dex to the Hsinchu plant for confirmation and to share their experiences as part of the push for common improvement.
Customer DOA Rate Feedback Mechanism	<ol style="list-style-type: none"> When customer feedback indicates that the Dead on Arrival (DOA) rate has reached the threshold, the heads of all relevant departments are immediately notified. If the non-conformity is identified to be due to operator error, then corrective action is immediately taken to reduce further occurrences. Once all DOA mainboards have been returned, a dedicated FA team is assigned to analyze the root cause and provide regular analysis and improvement reports for customer confirmation.
Internal Second Return Mainboard Control and Feedback Mechanism	<ol style="list-style-type: none"> Second return mainboards are analyzed for quality improvements and as a quality indicator. Regular feedback is provided on top of RMA repair issues to the relevant production departments and to help the factory make corresponding improvements in the design and processes.

As the Mobile BG accounts for the highest proportion of company revenue we use it as an example below.

Customer Satisfaction Management of the Mobile BG

Customer satisfaction management practices:

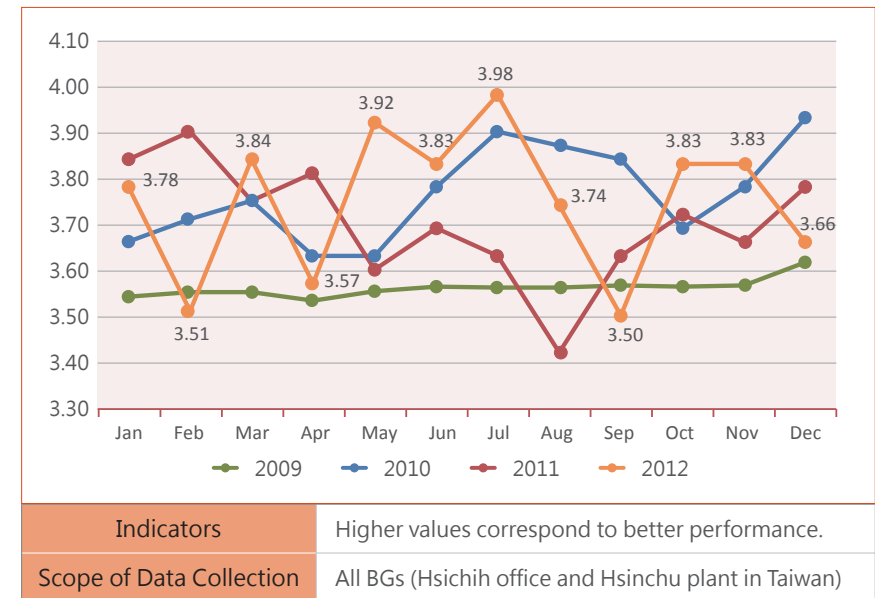
1. The BG regularly meets with the customer to review customer feedback indicators. For unmet customer targets, or customer complaints, root cause analysis is carried out and a solution is developed.
2. The BG is required to report relevant customer satisfaction indicators, major issues and serious customer complaints, as well as progress on these incidents.
3. The BG will assign support personnel as necessary and require continuous reporting on the progress of improvements until the issues are fully resolved.

Customer Satisfaction Management Table

Category	Management Indicators	Goals	Effectiveness
Customer Feedback Indicators	DOA (Dead On Arrival)	Must exceed customer requirements	Most of the customer requirements were met
	AFR (Annual Failure Rate)	Must exceed customer requirements	Most of the customer requirements were met
	QBR (Quarterly Business Review)	Ranked No. 1	Ranked No. 1 for 63% of customers, ranked No. 2 for 12% of customers and ranked No. 3 for 25% of customers

It is our responsibility to establish a channel for communicating with the customer and end-user in good faith. We have also set up the Customer Satisfaction Performance Index (CSPI) after taking into account factors such as product quality, on-time delivery, technology, cost and customer communications. Almost all indicators met customer requirements. The data for 2012 is shown in the following graph.

CSPI - Customer Satisfaction Performance Index



On-time Delivery

Wistron's quality policy is defined as delivering defect-free products and services to our customer on time. In particular, fulfilling our delivery dates upholds our commitment to the customer. Our practices, management and performance in new product development and mass production are as follows:

1. The BG commits to a time-to-market deadline for new products under development.

For a new product, the BG convenes regular meetings to review the new product's progress and quality to ensure that it will meet the target date. Situations encountered at the factory during pilot and mass production are also reported to the development side for resolution and to ensure that the mass production can commence on time. All Wistron product units include on-time product delivery as part of their annual performance review. In 2012, the target rate was 87.05% for all product BGs.

2. The production unit produces the customer order and delivers it on time to the customer.

Each customer's order quantity, delivery time and delivery method is confirmed in advance so that the proper planning and preparations can take place. For order production, the purchasing and management of materials and parts must be carried out properly. This ensures sound production quality and lowers the failure rate during production, which in turn shortens the production time and reduces waste. For the delivery time and method, once the customer's delivery time has been confirmed, the production status is checked, transportation is organized and the weather is monitored. Careful assessment helps to eliminate waste due to early or late delivery. The transportation type (budget) and method (environmental issues) are also considered as well. In 2012, the on-time delivery rate was 91.78% for all product BGs.

As the lead time for customer orders and deliveries is becoming shorter, we must coordinate the ordering and shipping process with the customer to shorten the processing time and meet our customer's delivery requirements. In the future, target NPI product design, development and on-time delivery rates will all be 100%.

Price Competitiveness

Price competitiveness is one of the key parameters in product design. During the product design process, modular management is used to improve product quality and to also provide competitive product pricing at the same time. The increase in a product's price competitiveness boosts both product visibility and profit margins. When a customer requirement is received, we evaluate the product pricing from three dimensions to ensure that its price competitiveness meets standards.

The Three Dimensions of Product Pricing Evaluation:

Product Information	Cost Analysis	Overall Analysis
A. Identify customer needs, schedules and potential business opportunities. B. Evaluate customer needs, including production, management, costs, customer service, intellectual property and legal issues. C. Clarify issues and make proposals. D. Confirm the business model.	A. Assess the feasibility of lowering costs. B. Identify market prices. C. Analyze costs. D. Assess costs not associated with the product, including machinery, equipment, manufacturing and other special requests from the customer.	Compare all product pricing information and proposals.

In Wistron's contract manufacturing service, many of the factors involved in product pricing originate from customer requirements. Nevertheless, we continue to improve the price competitiveness of the product through the choice of raw materials, process improvements and quality improvements with the proviso that customer requirements and product quality are not affected.

Supply Chain Management

Wistron always sees its suppliers as valuable partners. We expect to build a supply chain with long-term stability through cooperative relationships. We therefore consider not only the suppliers' technical abilities, product quality, on-time delivery and price competitiveness, but also request our suppliers to fulfill their corporate social responsibilities by paying special attention to the well-being of the environment, health and safety, and human rights. We have also actively worked to raise the proportion of locally-procured packaging materials and mechanical parts while maintaining the same price and quality. This policy aims to upgrade material supply efficiency and achieve the goal of energy-saving carbon emission reductions. We also hope that qualified local suppliers can be introduced through a strict

supplier evaluation and price comparison process. Two mechanical and ten packaging companies have now been certified by the Mexico plant, three mechanical and nine packaging companies by the Czech plant, and 60 mechanical and 32 packaging companies have been certified in China. In accordance with the Electronic Industry Citizenship Coalition's (EICC) Code of Conduct, we began evaluating our suppliers in 2012. A total of 200 companies were audited, including 97 electronics parts companies, 37 critical component suppliers and 66 mechanical companies. The requirements and management practices are tabled left.

Summary of Supplier Requirements and Management Practices

Requirement	Management Practice
Green Products	A GPM management system is used to inspect parts and check that they conform to the specifications. High-risk parts are subjected to random spot checks using XRF, ICP and UV-VIS instrumentation at plant labs.
Management of Environmentally Hazardous Substances	Suppliers are required to sign the Declaration of Controlled Hazardous Substances Compliance. More than 500 suppliers have signed the declaration as of the end of 2012.
Labor Rights	All suppliers, especially new suppliers, are required to sign the Pledge of the EICC. At the end of 2012, more than 600 suppliers have signed and returned the pledge.
Human Rights	Suppliers are required to sign the Declaration of Non-use of Conflict Minerals. A total of 924 companies have signed the declaration.
Annual CS ² R Audit	CS ² R audits are arranged for high-risk suppliers each year to ensure that they conform to the relevant requirements.

Supplier Carbon Disclosure and Water Resource Inventory

Wistron conducts a GHG inventory of our key suppliers every year based on the GHG-PIDC organizational GHG inventory form provided by the Plastics Industry Development Center. In 2010, 39 companies were inspected while 119 companies were inspected in 2011. Apart from increasing the scope of the inventory every year, we also partnered with 11 companies in 2012 to develop methods for reducing GHG emissions and the initial results showed that we have reduced emissions by 7.3 kilotons CO₂. For environmental protection, in addition to GHG emission controls, another new trend is disclosure of the water footprint. Starting with blue water (tap water + ground water), we have expanded the scope of the inventory in 2012 and carried out a blue water footprint inventory at 117 companies. The results showed that total blue water footprint in 2012 amounted to 188 billion liters.

An illustration on the left side of the page shows two hands shaking. The hand on the left is dark green, and the hand on the right is yellow. The background is a gradient of yellow and green. The text 'Green Product Management' is written in a bold, orange-red font over the yellow part of the background.

Green Product Management

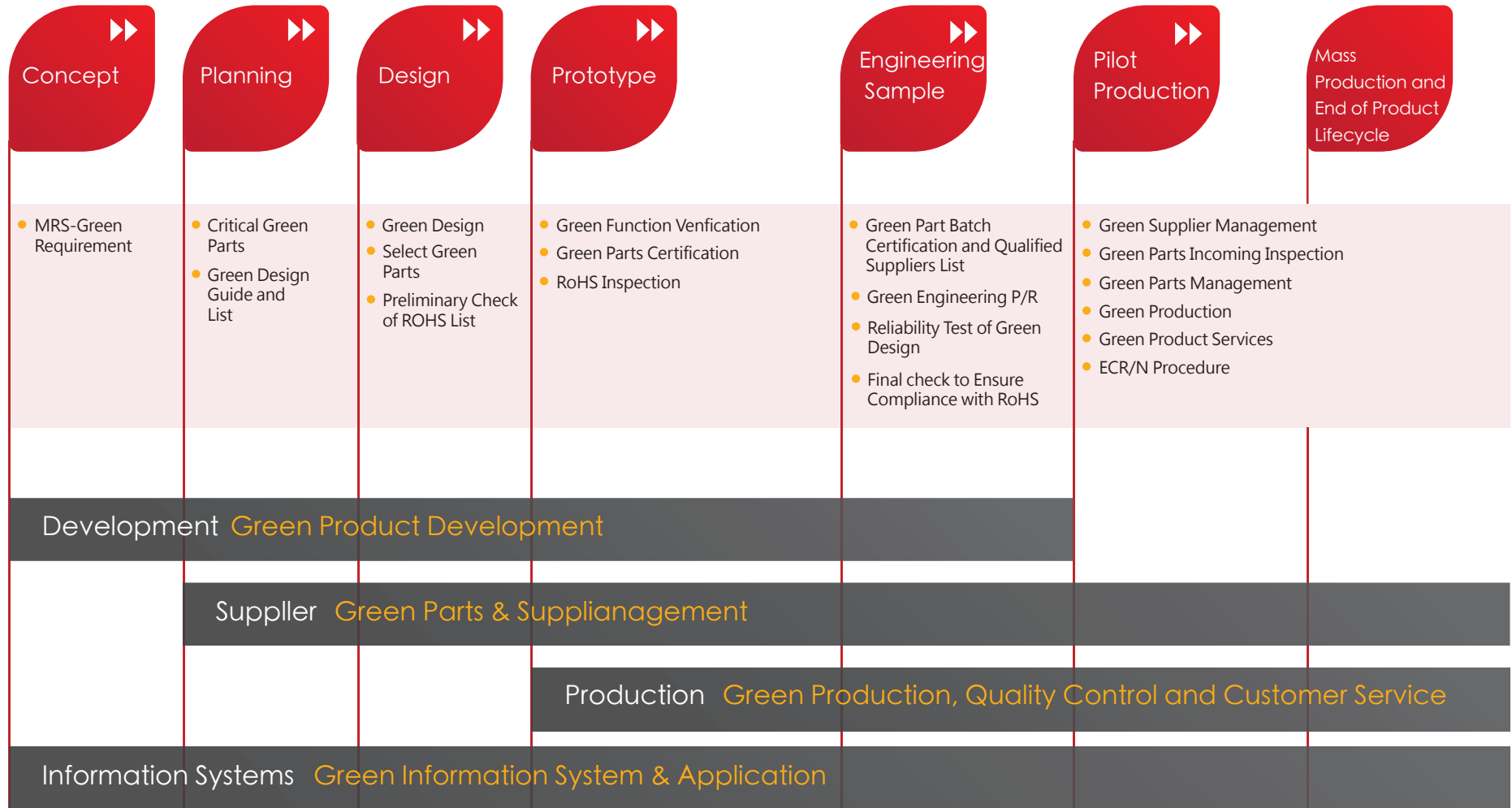
Wistron is not only a professional product design, manufacturing and after-sales service company, but also a provider of technical services. Equally our product development system encompasses not only product development, manufacturing and services, but also green product processes. These processes ensure that our products meet our customer's environmental requirements and regulatory standards. The product development system covers product proposal, planning, R&D and design, prototyping, engineering samples, pilot production, mass production, and the end of the lifecycle. All environmental tasks are carried out in the above stages to ensure that the product is environmentally friendly.

Green Product Design

Green Product Management System

The Wistron engineering team plays an important role in the environmental optimization of product designs. The key areas in green product design and management are: (1) energy efficiency; (2) material reduction; (3) recycling and reuse; and (4) restrictions on hazardous substances (e.g. the EU RoHS2/REACH directives). To manage these environmental processes, we have established and modified our IT management systems to ensure that the entire product lifecycle, from the start of a project to R&D, prototyping, mass production, after-sales service and the end of the product lifecycle, are all monitored by our systems. This naturally includes management of environmental quality requirements for suppliers. The new Green Product Management (GPM) system in particular is crucial to managing the review of product specifications for green products. This comprehensive management system ensures the effectiveness and completeness of these environmental processes. We have also leveraged our unique C Product Development Process to implement controls at every stage of development for eco-friendly green products.

Wistron's C Product Development Process



Summary of Green Product Management Practices

Item	Description
Design of Green Energy-saving Product	<ol style="list-style-type: none"> 1. Provide a variety of power-saving modes and low-power standby modes. 2. Improve the power conversion efficiency of electronic devices.
Environmentally Hazardous Substance Control Standards	<ol style="list-style-type: none"> 1. Define the Environmentally Hazardous Substances Control Standards. 2. Set up a laboratory to inspect incoming materials.
Comprehensive RoHS Management Process	Define the RoHS Management Process.
RoHS Management System	The entire process is managed through an IT system for effective RoHS controls.
Packaging Reduction	<ol style="list-style-type: none"> 1. Use green and recyclable materials that contain no RoHS substances. 2. Use recycled paper for manuals. 3. Recycle packaging.

We actively cooperate with the customer on providing documentation required for certification applications. Green marks that we have acquired so far include the Electronic Product Environmental Assessment Tool (EPEAT), Energy Star, TCO, IT-ECO and the Taiwan Environmental Protection Mark. There were no violations in 2012 and we will continue to make zero violations our target in the future in order to fulfill our responsibility to the environment.

Safety and Health Assessment During Product Development

Wistron considers the impact of products and services on health and safety to be a matter of great importance throughout every stage of their lifecycle. The lifecycle concept is therefore introduced during product design and development in order to consider the environmental impact as well as potential hazards from the procurement of raw materials to the product's final disposal. We use the product development procedure of the C Process Management System (C System 2005) and introduced the QC080000 management system to monitor the entire process. Green product design concepts are introduced during product design so that reduced materials, energy consumption, recycling and reuse of product and packaging, non-use of hazardous substances, ease of recycling, ease of disassembly and ease of storage are all incorporated into the product's design requirements. Special environmental requirements may also apply based on customer requirements. With the help of our IT management systems, such as the Product Development Management (PDM) system for the R&D and design phase, the GPM management system for verifying a material's environmental specifications, the supplier management system, as well as SAP, SCT and SFCS management systems used during production and manufacturing, we maintain strict checks at every stage to avoid any oversights. We also conduct an internal and external audit of QC080000 every year to ensure that the entire evaluation process is continuous and effective.

We hope that products developed by Wistron will meet customers' environmental standards and legal requirements. We also work to effectively reduce the impact on the environment at every stage of the product lifecycle. Further analysis of these impacts is illustrated in the table below. In 2012, no violations of product and service standards, relevant health and safety standards, or voluntary agreements were reported.

Impact on Health and Safety in Each Stage of the Product / Service Lifecycle

Stages in Product Lifecycle	Assessment Implemented
Development of product concept	Yes
R&D	Yes
Certification	Yes
Manufacturing and production	Yes
Marketing and promotion	N/A (note)
Storage distribution and supply	N/A (note)
Use and service	Yes
Disposal, reuse or recycling	Yes

Note: Wistron is an ODM company and not a branded company, so the impacts of these stages are not taken into consideration.

Product Design & Development Principles

Ease of Recovery	Ease of Disassembly
1. The product design uses recyclable materials. 2. The accessories box is made from recycled cardboard. 3. The manual is printed on recycled paper. 4. Non-use of difficult to recover materials.	1. Standard, common parts/components (EE/ME components) used in the product design. 2. Easy to separate design used for electronic parts. 3. Reduced use of bolts. 4. Easy disassembly design: The product can be broken down using normal tools (e.g. screwdriver, soldering iron).

Ease of Recovery and Disassembly

Ease of disassembly and recovery has always been one of the key product design principles at Wistron. The ease of disassembly and recovery concept is introduced during product design and the environmental impact of the product from procurement of raw materials to its final disposal is taken into account. To reduce the environmental impact of our products after disposal, we require our product development process (C System 2005) to follow the design principles laid out in the Product Green Design Guide and Review Procedure.

Elimination of Hazardous Substances from Products

The green design management system at Wistron is based on the QC080000 hazardous substance management system and is used to manage and eliminate environmentally hazardous substances. We have set up the IECQ QC080000 hazardous substance management system and ISO 14000 environmental management system at our production sites. Annual internal audits and independent third-party certification are conducted to ensure the effective operation of the system. We also require all of our parts suppliers to pass our company's green parts certification process and verify that they conform to international environmental regulations. Examples include: RoHS Directive, Packaging Directive, Battery Directive, REACH (Registration, Evaluation, Authorization and Restriction of Chemical Substances) etc. The use of certain hazardous substances are also avoided during product design if requested by the customer in order to conform to BFR/CFR/PVC-free, PFOS and PAH specifications.

Summary of QC080000 Audit

QC080000 Audit	No. of Internal Audits	No. of Nonconformities Identified in the Internal Audit	Result of External Audit
Taiwan Offices	1	0	Passed
Zhongshan Plant	1	11	Passed
Kunshan Plant	2	1	Passed
Hsinchu Plant	1	0	Passed
Czech Plant	1	13	Passed
Mexico Plant	N/A	N/A	N/A

Hazardous Substance Management During Manufacturing

Wistron is committed to the elimination of hazardous substances and materials. We carefully select our raw materials and suppliers through our green product program to reduce environmental impact. To effectively manage hazardous substances; we defined the "Environmentally Hazardous Substance Control Standards" to define the requirements for hazardous substance control. During the production phase, our IT systems automatically check all parts for compliance with environmental specifications to ensure that the right materials are used. We also require our suppliers to progressively restrict or ban the use of hazardous chemicals to reduce environmental pollution and health hazards of waste electronic products. This is backed by education, awareness campaigns and audits. Our production sites in Asia, the Americas and Europe have set up six professional RoHS test labs. In 2012, these labs tested more than 46,000 samples. Stricter controls will be implemented in the future through management and audits. We will continue to update our control standards to reduce the environmental pollution and health hazards caused by waste electronic products. Our sustainable design concept will gradually converge with international environmental laws or trends. If we can synchronize with laws and trends, while reducing environmental hazards, we will not only establish a lead over our competitors but also receive early warnings on how future environmental trends will impact on products and thus be able to take appropriate actions.



Kunshan RoHS Laboratory

RoHS Information Platform

The RoHS lab blog is used by Wistron's global RoHS labs for important announcements, sharing of knowledge and plant communications.



Zhongshan RoHS Laboratory and Results



The laboratory has received ISO 17025 laboratory accreditation from the China National Accreditation Service for Conformity Assessment (CNAS).



1. Research into halogen testing accuracy improved recovery rate from 87% to 95%. This meant savings on outside laboratory checks.
2. A new PBDEs extraction method reduces solvent consumption and improves efficiency. This method is now in use.
3. Passed CNAS review and certification is renewed.

Material-Saving Recyclable Design

Use of Green Materials

After taking into account customer requirements, costs and regulatory standards, Wistron now gives preference to plastics and paper that contain a certain amount of recycled content. Recycled paper and electronic manuals are used as well. The Design for Six Sigma (DFSS) method is also used to reduce the quantity and weight of parts. The Green Design Guide and Review Checklist, for example, cover waste reduction, recovery, processing and recycling in order to reduce the consumption and waste of raw materials. The pallets and cartons used during transportation are reused as much as possible if conditions permit. Internal auctions are regularly held to sell off unused equipment in order to maximize their utilization.

Wistron has set up a comprehensive management mechanism for the management and disclosure of data on materials usage. The data from the Kunshan plant in China, for example, is based on the customs clearance and shipping system. The weight of the packaging materials is based on the data provided to the purchasing unit by the packaging supplier and this is used to calculate the gross weight of packaging materials imported for the year. The amount of product materials used is the gross weight of all raw materials imported excluding the packaging materials. At the Zhongshan plant, the other production site in China, the plant supervisors began tallying the amount of raw materials used each month in 2010. The current unit of measurement is metric tons. In 2012, the Office of Management Systems at the Zhongshan Plant began compiling the material consumption data from personnel responsible for customs clearance for future reference/use. We will continue to increase the proportion of recycled materials and reduce the amount of materials used in the future.

Volume of Product Materials and Packaging Materials (Unit: Tons)

Material Year	Volume of Material Usage (Tons)		Volume of Packaging Material Usage (Tons)	
	2012	2011	2012	2011
Zhongshan Plant	138,362.23	200,009.87	45,100.88	44,986.41
Kunshan Plant	117,708.65	141,643.49	17,562.17	13,671.60
Total	256,070.88	341,653.36	62,663.05	58,658.01

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: The percentage of recycled materials used is not disclosed because of the wide variety of materials involved and there is currently no way to track the reuse of previously recycled materials.

Energy Efficiency Improvements

The Wistron R&D team is focusing on improving energy efficiency and working to develop low-power electronic products. During the initial product design, we look at the requirements of different energy labels, such as Energy Star, Eco-design of Energy-related Products (ErP), Korea's E-standby standard, China's CECP certification, and carbon footprints in order to meet energy conservation targets. We also consider power consumption during use for the personal computers that we manufacture. We actively work with technology platform providers to improve energy conversion efficiency, lower circuit loss and incorporate outstanding power management technologies to reduce power consumption during standby. Our new products all conform to the Energy Star and ErP standards to ensure that energy efficiency satisfies international environmental requirements. We also offer products with different kinds of Eco-labeling upon customer request.

Humanity



Social Responsibility Management



Wistron's core value lies in being a people-centric organization that emphasizes human rights and equal opportunities. We promise to obey CSR-related international standards and local regulations while continuing to enhance the rights and benefits of our employees. In so doing, we aim to build an honest, healthy, safe operating environment, as well as embrace the EICC and SA8000 international standards in order to fulfill our social responsibilities. All of our plants host classes on human rights and our courses, such as management training and targeted selection, all cover issues such as sexual harassment, human rights violations, and discrimination to ensure that managers and their subordinates are familiar with our company's human rights principles. Wistron introduced the Social Responsibility Management System at Taipei offices, Hsinchu plant and Zhongshan plant in 2011. The system is being rolled-out at the Kunshan and Mexico plants starting in 2012 as well. At the Czech plants, dedicated units and labor unions monitor the company's practices regarding child and underage workers, forced labor, discrimination, sexual harassment, and freedom of expression. They also serve as advocates for employee welfare and human rights. We uphold the principle of equality in our personnel management policy and we do not discriminate based on gender, age, nationality, race, religion or marital status, nor tolerate sexual harassment in any form. There were no incidents of sexual harassment, human rights violations or discrimination in 2012.

Human Rights Training for Wistron's Global Employees in 2012

Course Name	No. of Sessions	No. of Hours (hour)	Attendance
New Manager Training	30	93.5	1153
Target Selection	4	52	63
Coaching for Empowerment	31	406	313
EICC/SA 8000	52	93	30
Job Relations	4	20	4

Human Rights Training for Security Personnel in 2012

Item	No. of Employees
Number of Security Personnel who Received Relevant Training	616
Total Number of Security Personnel	683
Percentage : 90%	

Management of Child, Underage Workers and Forced Labor

The use of child and forced labor is prohibited by Wistron due to human rights and labor safety. 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. Underage workers are only used in less-hazardous positions and are subject to enhanced management for their safety. The status of child and underage workers are as follows.

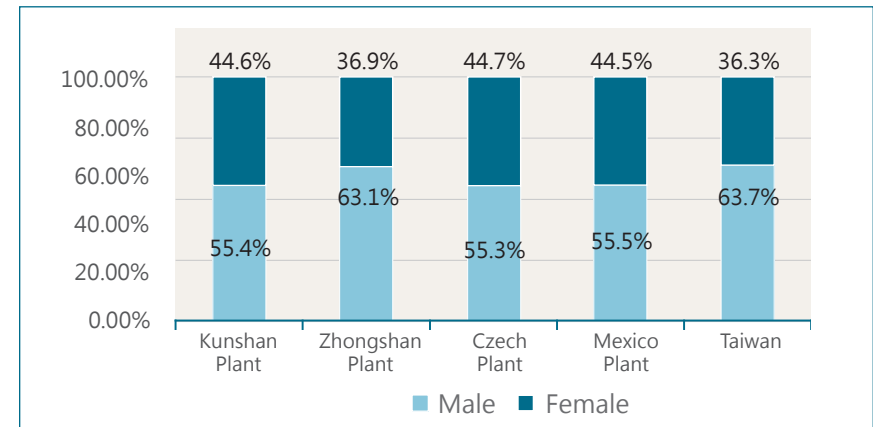
Statistics of Child and Underage Workers in 2012

Employment Type	Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Child Workers (Persons)	0	0	0	0	0
Underage Workers (Persons)	251	5,516	5,067	2	0

Management of Discrimination and Sexual Harassment

Wistron upholds the principle of equality and prohibits all forms of discrimination based on race, ethnic group, social background, lineage, religion, physical disabilities, gender, sexual preference, family obligations, marital status, labor union membership, political opinions or age. Wistron's global female employees represented 41.2% of all Wistron employees at the end of 2012. The gender distribution of Wistron employees is shown below.

Distribution of Female and Male Employees by Region



Compensation and Statutory Benefits

All compensation and benefits provided by Wistron conform to national regulatory requirements and are never lower than the legal minimum wage. All employees have access to statutory insurance and pension plans. We offer the same pay for the same work regardless of race, nationality, origin, social status, lineage, religion, physical disability, gender, sexual orientation, family responsibility, marital status, union membership, political opinion or age. We have also designed a reward system within the overall remuneration package. This package includes salary, benefits, bonuses and dividends. All employees receive two performance evaluations each year. The results serve as the basis for personnel bonuses, employment, promotions and other personnel management activities. We also conduct a salary survey every year and adjust salaries accordingly based on the economy, company operations and personal performance to ensure that our employees' salaries are fair and in line with market standards. All part-time and contract workers are provided with access to statutory insurance and benefits from the first day of employment. Compensation at each region is as follows.

Ratio of Entry Level Wage and Statutory Minimum Wage in Each Region

Region	Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Ratio	1.06	1.38	1.09	1.5	1.08

Note: Calculation of the ratio is based on starting salary/statutory minimum wage

The compensation ratio for men and women in each country is shown in the table below. The discrepancy in men and women's compensation at certain levels is due to the seniority of male employees and the nature of their work (technical roles are mainly dominated by men).

Comparison of Men and Women's Compensation in Each Region (by management level and male : female ratio)

Region		Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Indirect Employees	Division Head and Above	1 : 0.92	1 : 1.05	1 : 0.91	1 : 0.72	1 : 0.71
	Section Level	1 : 1.01	1 : 0.95	1 : 0.98	1 : 0.89	1 : 1.07
	Non-Management	1 : 0.9	1 : 0.92	1 : 0.96	1 : 0.66	1 : 0.93
Direct Employees		1 : 1.16	1 : 1.01	1 : 1.07	1 : 0.83	1 : 0.77

We respect the rights of pregnant workers and provide parental leave to employees that care for infants and young children. We automatically ask employees if they wish to return to their job one month before the end of parental leave. In 2011, there were 21 parental leave applications in Taiwan and 26 parental leave applications at the Czech plant. In 2012, there were 30 applications in Taiwan and 14 applications at the Czech plant. There is currently no parental leave legislation in China, while Mexico will introduce parental leave in 2013. As a result, there were no applications in these two regions in 2012. The number of parental leave applications in Taiwan and the Czech Republic , as well as the number of returning employees, is shown in the table below.

Applications for Parental Leave in 2012 and the Number of Workers Who Returned to Work in the Past Three Years

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Number of Applications for Parental Leave in 2012	5	25	0	14
Number of Workers Who Returned to Work in the Past Three Years	1	16	0	0
Number of Workers Who Applied for Parental Leave in the Past Three Years and Have Returned to Work for Over 12 Months	1	7	0	0

Social Participation and Care



Social Participation

At Wistron, we encourage employees to participate in social welfare activities. Our Taiwan offices' intranet has a charity section that shows information, such as charity sales and micro-donations, as well as information from domestic charity groups. A "New Home for Old Favorites" second-hand goods drive is also organized on the second day of every month. Employees are asked to donate second-hand goods to thrift stores or charity sales organized by domestic charity groups. This activity encourages employees to recycle in support of charitable causes. In 2012, a total of 330 cartons containing more than 66,000 pieces were collected. Beneficiaries included the Catholic Kuang Jen Social Welfare Foundation, St. Joseph Social Welfare Foundation, Taoyuan Spinal Cord Injury Foundation, Genesis Social Welfare Foundation and Hsinchu County Shakeng Elementary School. The table below summarizes the social care contributions made by the Taipei office, Hsinchu plant, Zhongshan plant, Kunshan plant, Mexico plant and Wistron Foundation in 2012.

Summary of Wistron's Social Investments in 2012 Unit: NTD

Item	2012	2011	2010
Corporate Participation and Public Welfare Sponsorships (including Wistron Foundation)	44,578,191	42,383,264	28,316,800
Charitable Activities of the Employee Welfare Committee	11,796,515	10,856,828	9,753,049
Employee's Voluntary Participation in Company-initiated Social Welfare Activities	942,128	8,132,789	2,576,103
Total Amount of Social Investment	57,316,834	61,372,881	40,645,952

Note: The above figures include the Taiwan sites, Kunshan plant, Zhongshan plant, Mexico Plant and Czech plant as well as the Wistron Foundation

Community Scholarships and Grants

Wistron has plants in both Kunshan (Eastern China) and Zhongshan (Southern China). To give back to society and promote education, the company donated RMB 500,000 in scholarships in 2012 to support children from disadvantaged families in Kunshan and encourage outstanding students. Our plant in southern China took part in the annual Zhongshan Charity Parade and donated RMB 800,000 to the Red Cross Society of China for helping the poor. We also supported the Zhongshan Torch Development Zone’s charity drive by donating RMB 300,000 toward the Guangdong assistance program. A further RMB 380,000 was also donated to the school assistance program to purchase desks and chairs for the Zhangcuo Village Elementary School in Jiayi Township, Lufeng City, Guangdong Province.

Delivering the Holiday Spirit through Charity Sales

Wistron and its Employee Welfare Committee have made widespread use of charity merchandise at event giveaways. Employees can therefore enjoy the benefits and also participate in charitable events. Over NTD 7 Million was spent on the purchase of charity merchandise in 2012. These included:

- Complementary rice dumplings for the Dragon Boat Festival were purchased from the Blind Foundation (Taipei Office)
- Valentine's Day chocolates were purchased from the Garden of Hope Foundation (Taipei Office)
- Daifuku rice cakes purchased from Children Are Us Foundation given away as a Winter Solstice gift (Taipei Office)
- Orbis moon cake and Tung Foundation Wistron-branded Easycards purchased as Mid-Autumn Festival gifts (Taipei Office)
- The Wistron Family Day T-shirt used polo shirts made out of recycled plastic bottles from the Tzu Chi Foundation (Taipei Office and Hsinchu Plant)

Voluntary Employee Participation

- The Taipei office has set up a charity area featuring the donation details of domestic and foreign charity units. Employees are encouraged to participate and in 2012 over 1 million NTD was raised.
- The Taipei office launched the Donate Receipts for Charity event. The proceeds are donated to the Genesis Foundation for the construction of a separate branch. More than 10,000 receipts were donated for the year.
- Employees at our Taiwan offices took part in second-hand charity sales by donating 66,000 everyday items such as second-hand clothing, empty ink cartridges, and second-hand PC products donated to the Genesis Foundation and the Taoyuan County Spinal Injury Potential Center.
- In southern China, the Wistron Cycling Club uses bicycles to deliver charity clothing donated by plant employees as well as purchased stationery & sports products to the Lieyi Elementary School in Yemu County, Sichuan Province.
- The Taiwan offices regularly host the 'Donate One Bag of Blood, Save One Life' event. Over 800 people took part this year and donated 2,894 bags of blood. The Zhongshan plant in southern China also hosts regular blood donation drives. Employee participation is encouraged and more than 300 people donated blood.

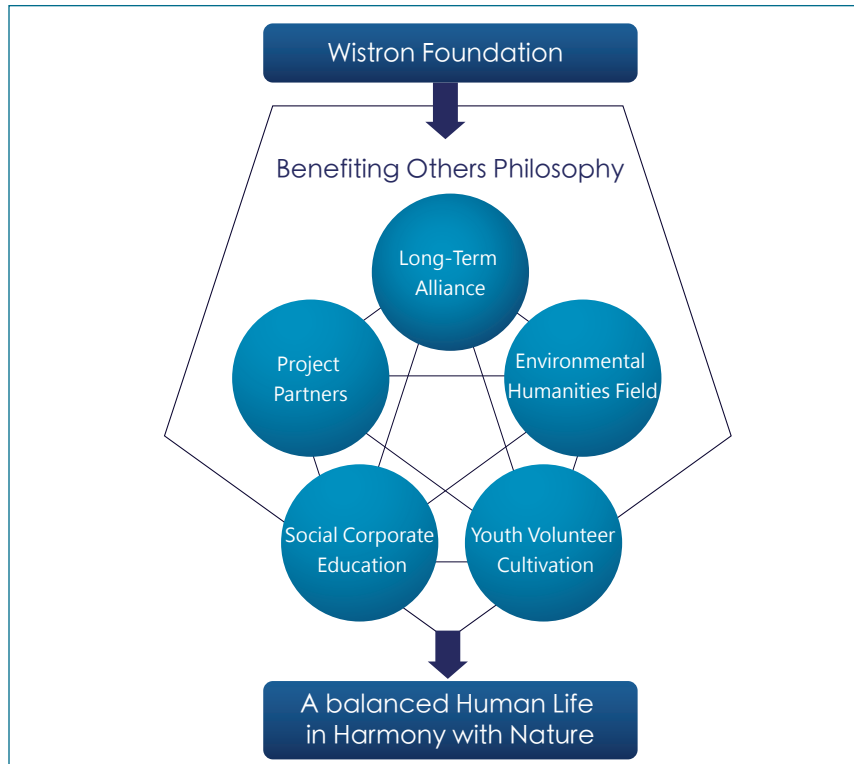


The Wistron Foundation

<http://www.wistron-foundation.org>

The Wistron Foundation was established in 2010 with Mr. Simon Lin, the chairman of Wistron, as its chairman. The mission of the Wistron Foundation is to be the 'catalyst and promoter of humanity and environment balance'. Guided by the philosophy of 'benefiting others', we coordinate with the resources of experienced, capable and professional partners in social welfare

Wistron Foundation: The Catalyst and Promoter for Humanity and Environment



under the mission of 'maintaining a balanced ecosystem' and 'enhancing the value of humanities' to invest in a variety of different environmental protection projects, nature conservation initiatives, environmental humanities stations developments, social education promotions, volunteering and supporting disadvantaged groups in rural communities. The investment in the humanities will gradually blossom over time and have a positive influence on the community, social groups and society. The harmony of the humanities and nature, as well as the symbiosis between mankind and the environment, is the goal of our corporate sustainability and social responsibility efforts.

Integration Linkage Efficiency Improvement



Public Welfare- Environmental Education and Awareness [A Happy Natural Childhood – Children’s Nature Camp]

The partnership between the Wistron and the Society of Wilderness first began in 2003’s Family Day. From 2004 onwards, Wistron began sponsoring the annual SOW Children’s Nature Camp for disadvantaged groups. The activities are organized in conjunction with child welfare organizations, schools, and disabled associations throughout eight regions of Taiwan including Taipei, Taoyuan, Hsinchu, Yunlin, Tainan, Kaohsiung, Hualien, and Yilan. Over 6,300 children from disadvantaged families or with special needs have participated in the nature observation activities to date.

After Typhoon Morakot, a joint program was set up with SOW to provide long-term companionship for disadvantaged children in the disaster areas. In cooperation with nine organizations from around Taiwan, SOW used one-day activities held every two months, and one overnight camp, to extend support for the Morakot disaster area to other children’s welfare groups. Apart from continuing to introduce the children to nature and the land so they can discover its beauty and surprises, we also encourage them to take the actions in protecting planet Earth.



[An Emerald City Gem - Fuyang Eco Park]

As a follow-up to the Children’s Nature Camp, we teamed up with the Society of Wilderness again to adopt Taipei City’s Fuyang Eco Park in 2006. The adoption program is now in its 7th year. To protect this rare piece of greenery in Taipei City, we have continued to invest in volunteer recruitment and the rehabilitation program to strengthen the protective network. At the same time, we also organize nature events and community lectures to expand the scope of community participation. To protect the biodiversity and rich natural resources of Fuyang, we continued to strengthen efforts against invasive species and working to promote biodiversity. As of 2012, we have trained over 210 corporate and community volunteers. Through environmental education, nature seminars and guided eco tours, we have spread our influence to more than 12,000 students and members of the general public.

[Youth Volunteers - Think the Earth]

For volunteer development in other areas, we cooperated with Global Views Monthly magazine on the ‘Think the Earth’ environmental volunteer program. The program encouraged high school students to participate in environmental conservation volunteer activities. The inspiration and



participation provided an opportunity for young students to become the potential long-term environmental volunteers. The young environmental volunteer actions was expanded in 2012 with six events held throughout the year that gave young students the opportunities 'to change the world through your actions' and cultivate future environmental volunteers for Taiwan.

[Citizen Scientists for Frogs - Taiwan Amphibian Conservation Volunteer Program]

In 2011 we began sponsoring the Taiwan Amphibian Conservation Volunteer Program organized by the Amphibian Conservation Laboratory of National Dong Hwa University. Citizen scientists were trained to help with data collection, scientific analysis and publication of results. The citizen scientist program involved more than just the gathering of data. The project also helped to make the public aware of the threat to biodiversity and promoted public participation. Key activities for 2012 included helping to maintain the amphibian database, training courses, general volunteer meetings and assisting with the operation of the volunteer team. As of 2012, the amphibian database has accumulated 20,000 effective entries. Assistance was given by more than 360 volunteers in 43 conservation teams contributing to the conservation of Taiwan's amphibian species.



[Protecting the Floating Island - Shuanglianpi Eco Classroom in Yilan County]

Apart from adopting the Fuyang Eco Park, in 2010 we also partnered with the Society of Wilderness to establish and adopt the Shuanglianpi Eco-Classroom in Yilan County. Shuanglianpi has been designated a national wetland by the Forestry Bureau of the Council of Agriculture and has also been declared a Wildlife Reserve by Yilan County. Its unique floating wetland ecology and abundant natural resources are representative of Taiwan's unique ecosystem. In 2012, we continued to promote environmental education, environmental awareness, conservation surveys and guided nature tours. We also cooperated with the community to utilize public spaces and launch the Friendly Farmer Market featuring pesticide-free agricultural produce. Over 6,200 individuals visited the wetland or participated in the activities by the end of 2012.

[Protecting the Water Bird Paradise - Wu-wei-gang Environmental Humanities Station]

The Wu-wei-gang Wetland in Yilan County has also been designated as water bird refuge and important wildlife habitat by the Council of Agriculture. In 2012, the Wistron Foundation utilized the Water Bird Information Center at Wu-wei-gang in Suao and developed the concept of



Wu-wei-gang Conservation & Environmental Education Center from 2011 to link the Great Wu-wei-gang community, school campuses and Wu-wei-gang Waterbird Refuge into a natural environmental education site. We have continued to cooperate with Yueming Elementary School on collaborative education, set up the Yilan Bat Rescue Station in partnership with the Bat Conservation Society of Taipei, assisted the Animal and Plant Disease Control Center of Yilan County with taking care of wounded fledglings as well as organized experiencing camps and outdoor environmental education. These activities help to promote environmental education through the beauty of life and nature. They also serve as an opportunity to experience the harmony between nature and mankind.

[Mini Noah's Ark Project - Tree Fern Spore Bank Program]

The common Taiwan tree fern has numerously wilted on several occasions over the past five years. In 2011, Wistron established a partnership with the Taiwan Society of Plant Systematics and sponsored the Mini Noah's Ark Spore Bank Program. At 26 collection points in 12 local regions, the program collected tree fern spores from around Taiwan and the offshore islands for spore preservation and population surveys. Environmental education and training on tree ferns was also launched. This long-term program combines conservation, rehabilitation and education.



[River Protection and Land Justice - Water Resource Investigation and Supervision Center]

In 2011, we sponsored the establishment of the Water Resource Investigation and Supervision Center by the Research & Development Association of Tainan Community University. The Center surveyed and documented the water catchment areas in the mountains while also participating in water resource engineering field surveys and meetings, investigating waste recycling, compiling information for task force agenda and designing environmental education programs. We have continued to support citizen participation and social justice in order to introduce more people to public affairs and encourage them to help protect the Taiwanese environment. In 2012, a total 1,240 people attended 33 environmental education sessions.

The Wistron Foundation's contributions to environmental concerns and education was recognized with the 2012 1st New Taipei City Environmental Education Award.



Public Welfare-Education and Concern of Humanities

[Experimental Education and Reforms - Ci-Xin Waldorf School]

The Yilan County Ci-Xin Waldorf School is an experimental school for compulsory education sponsored through private funding. The school aims to build confidence in education reform and serve as a model for the education sector in Taiwan. Wistron began sponsoring the construction of the new classroom buildings and promotion of specialty education in 2010. In 2012, Wistron renewed its sponsorship for the Teacher Training System and Professional Teacher Cultivation Plan. The teacher training systems enable trained teachers to learn through continuous self-development, self-learning and from each other's feedback. The system equips teachers to target individual student needs while maintaining their acute observation skills, creative skills and sense of responsibility at all times.

[The WAY Giving Project Youth Volunteering - Sponsorship for College Student's Social Dedication]

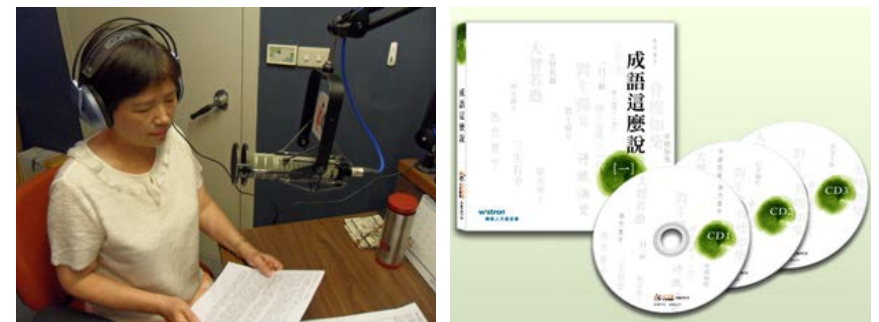
To encourage creative thinking and active participation in social welfare and nature preservation, Wistron launched a "Sponsorship for College Student's Social Dedication". This sponsorship aims to encourage college students to change society through creative thinking. We believe in the



boundless passion and creativity of youth. The energy and spirit of sacrifice of these youths deserve to be recognized. In 2012, Wistron organized the WAY Giving Project Competition, attracting more than 120 college student competitors in 30 teams. Through training courses and competitions, we help college students complete and execute their plan as well as build their team rapport. We believe that activities like this will help more young people realize their dream of making a contribution to society. At the end of 2012, over 99 teams had been sponsored and more than 13,000 people affected.

[Promotion of Chinese Education - 'Idioms Easy Say' 'Taiwanese Proverbs Selection']

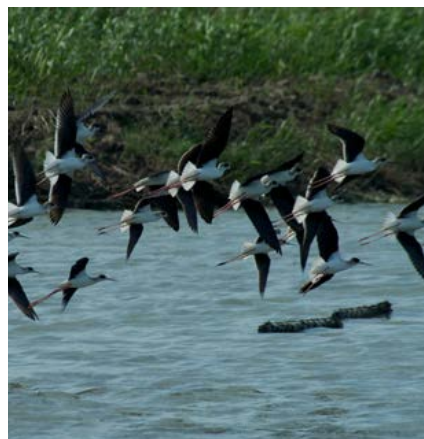
To promote Mandarin education and enhance the value of humanities, the Hsinchu radio station IC Broadcasting, the winner of 14 Broadcasting Golden Bell Awards, began producing the Idioms Easy Say radio program. Every day, the program introduced the story behind one Chinese idiom to the audience. The narration helped familiarize the audience with common idioms and Chinese history. Apart from Idioms Easy Say, we also launched the Taiwanese Proverbs Selection program in 2012. The program introduces meaningful Taiwanese sayings and witticisms that reflect everyday life in Taiwan. Listening to the broadcasts is like opening a book. Reading out Chinese idioms and Taiwanese sayings as well as their cultural implications



to the audience can also help bringing out the essence of the stories. To extend the reach of the quality program Idioms Easy Say, a specially edited and produced audio book was published in 2012. Two sets were donated to remote schools. A total of 1,456 audio book CDs were donated to 728 remote elementary schools.

[My Dear Stilt]

In 2012 Wistron sponsored the production of My Dear Stilt by Winter Bird Films and The 3rd Vision Films to encourage the development of quality domestic films. My Dear Stilt was directed by Tsai Yin-chuan, the winner of the 19th Ten Outstanding Young Women Award, who is an artist also an author. The film took three years to complete and went on to win the best script and top 10 audience's choice awards at the 2012 Taipei Film Festival. In the film, the camera recorded the breeding and raising of young by the Black-winged Stilt with Taiwan's unique wetlands as the backdrop. The story of brotherhood and commitment in a family brought together by migratory birds and a human family created a great film that combined ecological concern with a heart-warming story. The Foundation organized a special



premiere and employee-only screenings for My Dear Stilt. The audience included the Foundation's charity partners, volunteers and company employees. Over 1,600 persons joined in viewing this film on ecology and the humanities.

[Taiwanese Ecology and the Humanistic Virtues - Natural Humanities Series]

The Natural Humanities Series was launched in 2011 and is aimed at introducing the role-models and outstanding charity partners that we sponsor in ecology and the humanities fields to high-tech workers through participating activities. The local history, ecological workers and academic experts are also invited to introduce participants to the sophisticated local culture in Taiwan, visit actual habitats with environmental workers, and to pay attention to ecological issues. Sustainable travel is emphasized in this activity series and participants will hopefully try to reduce their environmental impact and view the link between mankind and the land in a new sight. The event had 240 participants and they helped us with recruiting environmental volunteers.



[The Charity Alliance - Cultivation in Hualien and Taitung]

The Cultivation of Hualien-Taitung project launched by The Alliance Cultural Foundation began receiving our sponsorship and support in 2011. We hope that the integration of resources, the building of platforms, cooperation between the public and private sectors, as well as the participation of elite professional teams will generate synergies that help to pass down and popularize the precious resources of the Hualien-Taitung region. In 2012, space makeover projects, hospitality industry counseling, art and crafts workshops and tour guide training were carried out in the Hualien-Taitung region. We also engaged in rural education development and took over the management of Junyi School's elementary and junior high school branches. We organized the Donate Your Old Camera event in conjunction with many charity groups and private enterprises, and the event received over 3,900 donated cameras. The second-hand camera education classes were held throughout Taiwan's remote rural communities. These cameras were used as "Children's Other Eye", exhibited new and touching life stories that helped 107 remote rural schools create a new life for the second-hand cameras. These were exhibited at the Shin Kong Mitsukoshi Taipei Department Store and Eslite Bookstore Taitung.



[Connecting Arts and Cultural Industry - Arts Up Project]

The National Culture and Arts Foundation promoted the development and consolidation of the arts and culture industries, independent culture and art businesses that present the values of society, and professional human resources. We became a sponsor of the Arts Up Project in 2011 and were among the first to support the Cooperation of Arts and Enterprise. For the year-end banquet, we managed to invite the performing group Cloud Gate Dance Theatre. This helped promote the artistic social enterprise and allowed both parties to build an effective culture and art value chain. The result will be a mutually beneficial outcome for businesses, society, arts and culture. In 2012 we focused on promoting quality arts activities, and this allowed Wistron to become a happy enterprise through employees that appreciate, love and enjoy arts and culture.

Wistron actively engages in social support activities. Apart from encouraging production sites and employees to voluntarily participate in charitable activities, the Wistron Foundation also actively develops events and goods donations. These in turn help build up local consensus and give back to the community.



Corporate Participation

- Sponsorship of the Hsichih Matthew and Luke Church's After-school Class for Disadvantaged Children.
- Sponsorship of the ToSun Foundation's Half-way House for School Dropouts program.
- Sponsored the Boyo Welfare Foundation's After-school Class for Disadvantaged Elementary and Junior High School Students in Remote Areas.
- Sponsored Taiwan Wilderness Education Association's 2012 Subadults Wilderness Education Project.
- Sponsorship of the Sustainable Campus Partially Rebuild Project and the Indigenous Students - Golf Requires Sporting Cultivation at Dili Elementary School in Xinyi Township, Nantou County.



- Sponsorship of the Crime Free City program organized by The Association for No Crime, R. O. C.
- Sponsorship of the TLPGA Taiwan Ladies' Golf Tournament.

Charity Drives

- In response to the 2012 KPMG Happiness 101 event, Wistron donated 200 LCD monitors to disadvantaged groups and social welfare organizations in remote areas.
- To support the ADOC 2.0 Digital Hope Train, a mobile action van was donated to Yilan to help reduce the digital divide.



Human Resource Development and Cultivation

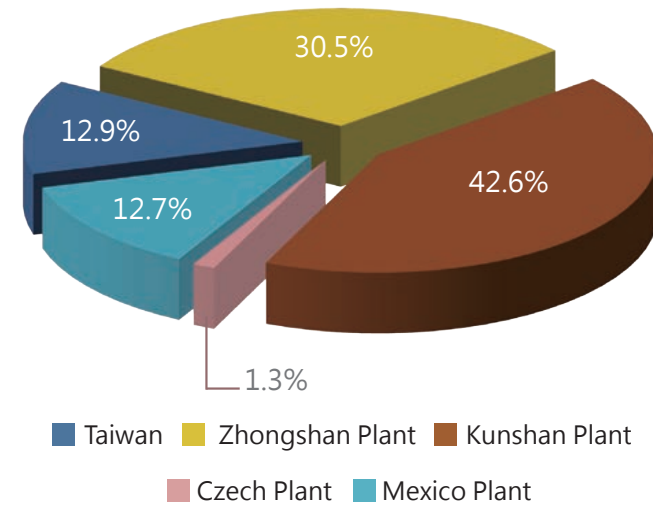


Workforce Diversity

Wistron is a caring organization that encourages participation and development of personal skills. We value diversity in the workforce, suppliers and the communities we operate in. To search for talented people, we use a variety of recruiting channels including general recruitment, campus recruitment, employee referrals and head-hunting companies. In 2012 we employed 50,275 people around the world, down 13% from 2011.

2012 Statistics of Employees by Region

Region	Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Number of Employees	6,493	15,313	21,421	651	6,397



Each of Wistron's sites has a different employee structure due to the different demands in operation and production. The employees in Taiwan and China are mostly regular employees, but due to production needs, the workforce in the Czech and Mexico plants is characterized by contract workers and outsourced providers. Nonetheless, we must declare that Wistron has never intentionally used employees under short-term contract or any other employment type that could deprive them of their rights to entitled benefits. For all short-term or part-time employees, Wistron provides all the necessary insurance and benefits required by law from the first day of employment. The structure of Wistron's workforce and distribution of employees are summarized in the table below.

New Hire and Turnover Management

Wistron emphasizes fairness and diversity in our employee structure. Through a fair promotion system and continuous training, we encourage employees' career development because such development builds up the company's competitiveness. 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 2012 sorted by gender and age group. Turnover includes voluntary resignation and other reasons. Most were concentrated in direct employees under the age of 30.



Types of Employment at Each Region

Form of Employment	Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Full-time (%)	98.4	97.1	95.8	52.1	19.4
Contract (%)	1.2	2.9	4.2	47.9	2.5
Outsourced (%)	0.3	0.0	0.0	0.0	78.1
Total (%)	100	100	100	100	100

Distribution of Worldwide Workforce by Form of Employment and Gender

Form of Employment	Worldwide Distribution	
	Male	Female
Full-time (%)	51.2	35.0
Contract (%)	2.2	1.6
Outsourced (%)	5.4	4.6
Total (%)	58.8	41.2

Worldwide Indirect Employees by Level, Gender and Age Group Unit: Percentage

Age Group	Division Level and Above		Department Level		Section Level		Non-Management		Subtotal		Total
	M	F	M	F	M	F	M	F	M	F	
< 30	0.0	0.0	0.0	0.0	1.3	0.7	31.7	21.1	33.0	21.9	54.9
30-50	1.0	0.1	4.9	1.1	3.6	1.6	21.4	9.3	30.9	12.1	43.0
> 50	0.7	0.0	0.5	0.1	0.1	0.0	0.5	0.2	1.8	0.3	2.1

Total Number of New Hires and Turnover at Each Region in 2012

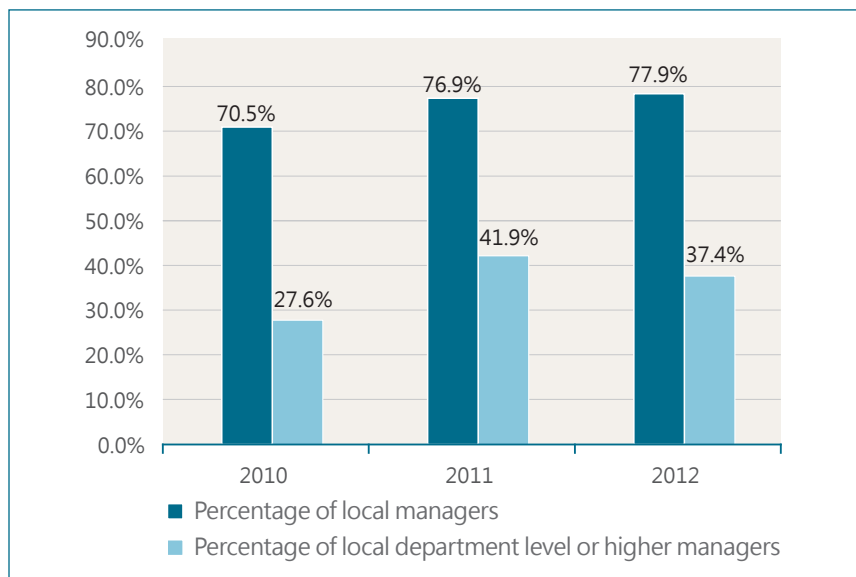
Item	Age Group	Taiwan		Zhongshan Plant		Kunshan Plant		Czech Plant		Mexico Plant		Global Total	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2012 New Hires	< 30	590	306	14,403	7,835	30,523	20,700	69	60	2,424	2,115	48,009	31,014
	30-50	318	159	382	363	219	235	18	18	1,075	1,156	2,012	1,931
	>50	7	0	0	0	0	0	7	3	29	23	43	26
	Total	1,380		22,983		51,677		175		6,822		83,035	
2012 Turnovers	< 30	696	311	14,773	8,347	32,824	23,262	395	251	1,407	1,345	50,095	33,516
	30-50	477	187	377	360	257	276	238	367	708	873	2,057	2,063
	>50	14	4	0	2	0	0	61	140	26	9	101	155
	Total	1,689		23,859		56,619		1,452		4,368		87,987	
New Hires that Departed in 2012	< 30	209	113	9,578	5,003	23,087	15,277	30	34	829	932	33,733	21,359
	30-50	80	42	197	213	107	161	12	6	378	519	774	941
	>50	1	0	0	0	0	0	5	1	12	3	18	4
	Total	445		14,991		38,632		88		2,673		56,829	



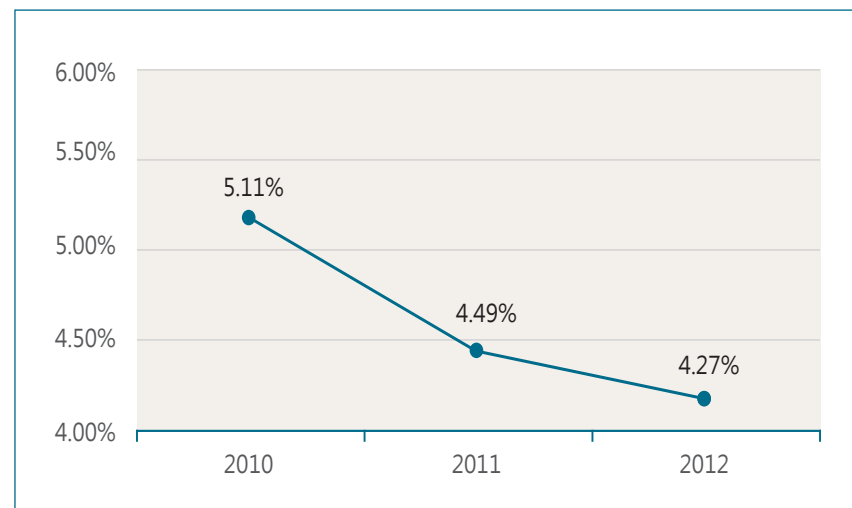
Local Hiring

The Wistron philosophy is to employ on merit and we actively recruit the best talent in each country. In addition to respecting the cultural diversity of our employees, customers, suppliers and sites, we also hope that the fusion of different cultural backgrounds will stimulate innovative thinking. The continued cultivation of local management expertise is a key goal and we have embraced a philosophy of talent localization. The proportion of local indirect employees made up of personnel dispatched from Taiwan has been decreasing over the past three years. The proportion of management roles held by local personnel has also increased over the same period. The creation of new units in 2012 meant that additional personnel were assigned by Taiwan leading to a slight drop in the number of local personnel in department level of higher positions. The relevant data is shown below.

Percentage of Local Employees in Management Positions over the Past Three Years



Percentage of Personnel Dispatched from Taiwan over the Past Three Years

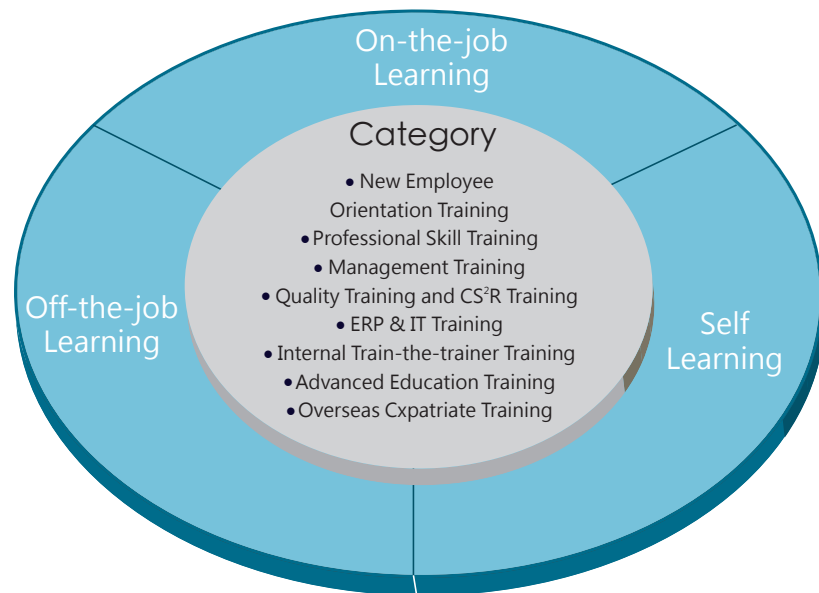


Education, Training and Career Development

Nurturing talent is the foundation for the sustainability of a business. In our pursuit of profitable growth, Wistron is also committed to helping employees grow with the company and has created a working environment to ensure their continuous learning and career growth. We have adopted integrating business needs with employee career development as our main operating direction, and provided employees with opportunities to enhance their professional skills. Moreover, in addition to helping employees find appropriate career development direction, we also list talent management and development as an important management indicator, so that employees can grow together with the company.

In this regard, we are actively promoting relevant education and training, and have divided our training program into 8 distinctive categories in three modes of "On-the-job learning", "Off-the-job learning" and "Self learning", so that our talent development can be conducted in a more oriented and systematic manner (Overseas manufacturing sites possess 6 distinctive categories. Advanced education training and overseas expatriate training are not included.)

Wistron Training Structure



Through the eight training systems, between 2005 and 2012, 630 employees have completed the Six Sigma training courses, 19 internal instructors were added, and 138 training projects have been implemented. The average return on investment for each project is NTD15 million in savings. No Training System Notes.

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 requirements; aim to promote the functioning of professional knowledge and skills; including marketing, research development, manufacturing, materials, marketing, finance, etc.
3	Management Training	Training for general employees, new managers, mid-level managers, senior managers, line supervisors and group leaders to establish culture of consensus and management skills.
4	Quality Training and CS²R Training	For CS²R-related employees and managers and employees and managers that have a direct impact on product quality, provide training on quality problem solving and customer satisfaction training, CS²R -related training; establish company-wide quality process improvement and CS²R concept.
5	ERP & IT Training	For employees making direct 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.
8	Overseas Expatriate Training	For employees assigned or willing to go on overseas assignments, provide necessary training before assignments to assist them to better adapt to psychological and environmental issues.

E-learning Platform

To assist our employees in achieving fast, systematic and real-time learning, Wistron has introduced an electronic learning management system. Through this e-platform, we are able to provide digital e-Learning courses to every employee. Within this e-platform, there are currently 10 new employee courses, and 37 R&D courses in Taiwan. The CS²R training, including labor safety education, environmental hazardous substance, test report reading, and process for green project courses, has also been launched, aiming to ensure that all Wistron's employees are equipped with the relevant knowledge.

The Wistron Training and Development Center also assists relevant departments in establishing their own learning platforms and department-specific training courses, to meet the learning needs of different departments. Our effort on e-learning for employee has won us several awards from the government agencies. For four consecutive years, Wistron was conferred the Excellence in Enterprise e-Learning Implementation Performance Award. In 2010, we were invited by the Ministry of Economic Affairs to serve as part of a jury in judging the "Employee Innovation Award" for large companies.



In addition to the internal e-training courses offered to our employees, through the online e-learning system we have also offered two courses, "Supplier Quality Engineering Training" and "Strategy and Actions to Product Compliance with RoHS," to all our component suppliers, in order for them to understand our quality requirements and delivery needs. This effort not only helps reduce the product defect rate and suppliers' costs of rejects, but also decreases our need for human resources and time in incoming material inspection, and is thus a truly win-win action.

Wistron is currently investing over NTD10 million in employee education and training each year. Including planning and offering of training courses, 99% of our courses are conducted by internal trainers. On average, we offer over ten thousand online and on-site training courses with more than 360,000 hours in total, and over 360,000 employees have participated in the courses.

Statistics of Training Courses in 2012

Category		No. of courses	Hours	Attendance	Training hours per person
Employee Category	Direct	153,732	327,676	135,424	2.42
	Indirect	21,229	33,923	230,461	0.15
Gender	Male	87,874	192,873	205,844	0.94
	Female	92,559	178,754	160,041	1.12

Nurturing Future Leaders

Facing the rapidly changing global business environment, fast rising emerging markets and the new global trend in competition, the hi-tech manufacturing industry is expecting to meet these unprecedented business challenges.

In such an environment, future senior managers will have to evolve from experts in a single discipline to masters of interdisciplinary knowledge. They

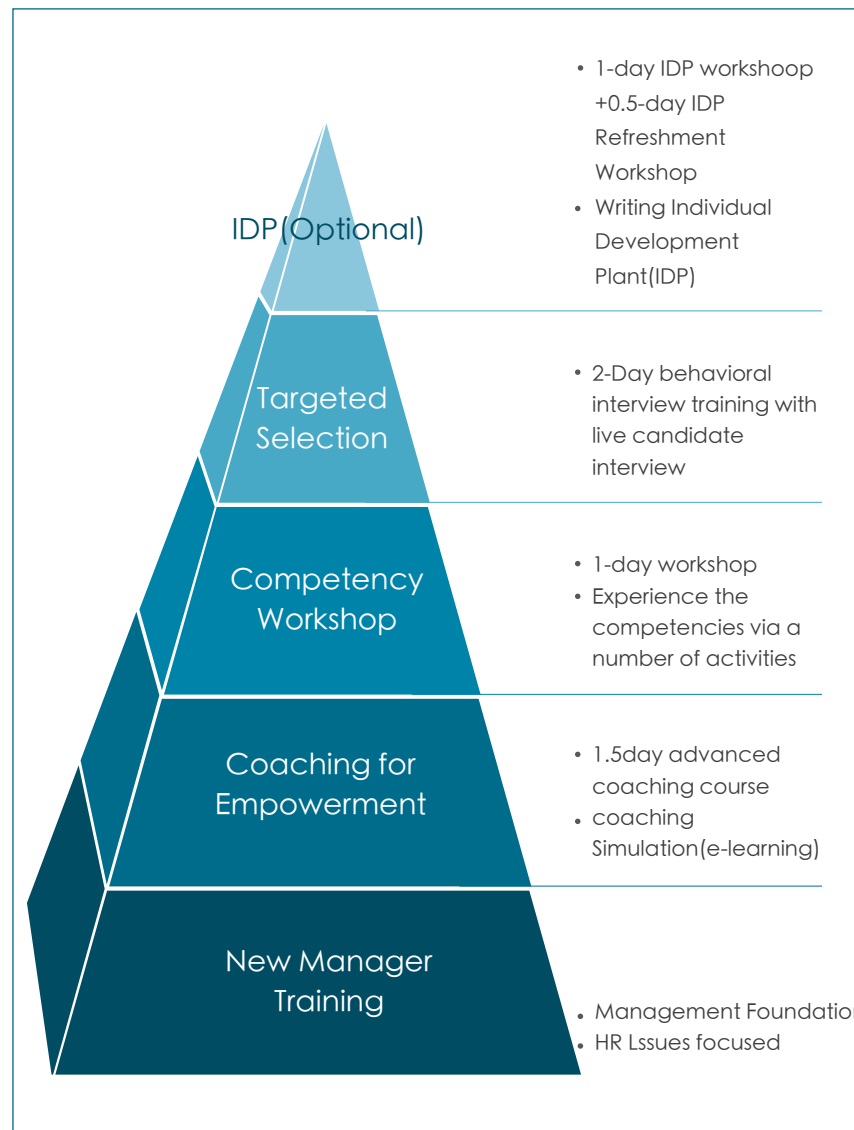
also need to have international vision and business management capacity in order to lead in this changing environment and help businesses create new patterns to continue growth and development.

In response to the needs of nurturing future talent and outstanding leadership, we have included the cultivation of talent into the operating performance assessment standards. To nurture leaders, especially in the business and manufacturing management functions, the key performance indicator Rotation-Readiness Rate is set to greater than 20% to ensure the effectiveness of nurturing future talent and leaders..

In this regard, 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. In addition, 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.

After the five stages of management training and development, as of 2012, we have nurtured high-level business talent, and we will continue with this training approach and apply them continuously throughout the organization.

Management Training Roadmap



Coaching for Empowerment

After training, if there is no follow-up tracking measure in place, the results will usually not last long, and the investment in learning and development will be wasted. Therefore, in our planning for training, we will integrate classroom training with real job assignments and managers' daily coaching all together to establish an interconnected working and training environment.

During this process, managers' coaching to their subordinates becomes very important. Therefore, when managers are receiving the Coach for Empowerment training, they will need to go through the following four-step assessment process:

After four years of implementation, employee satisfaction with managers' coaching has improved from 4.02 points in 2008 to 4.12 points (out of 5 points) in 2012. The response rate has increased from 85% to 91% as well, showing that times of coaching and the quality of interactions between managers and employees

have been improved and indirectly achieved the goal of talent retention.



1. Pre-class survey

Conduct pre-class survey on turning course content into management behavior, including Coach times, length, topic, issues quality, etc. Before class, the subordinates will fill our the coach satisfaction questionnaire survey.

2. Classroom course

Managers attend courses. Before the end of courses, questionnaire survey results will be released.

3. E-learning

Managers participate in the interactive simulation course with in 12 selected case studies.

4. Periodic follow-up survey

Conduct company-wide Coach satisfaction survey every six months. Results listed as on of the important factors in deciding promotion.

Health and Safety Management



Treating employees as the most valuable corporate asset is one of the core values at Wistron. Employee health and safety is important to us so we have established a systematic and regulated health and safety management system together with a people-centric sustainable business model. In 2004, we set up the "Occupational Health and Safety Management System (OHSAS18001)" in order to ensure the safety of all employees through continuous improvement in the management system. This system covers education, training, consultation, prevention and risk monitoring of serious diseases for employees, their families and the community.

Education, Training, Counseling, and Prevention of Fatal Diseases and Risk Monitoring Plan

Project Availability Target	Education/ Training		Consultation		Prevention/ Risk Monitoring		Treatment	
	Y	N	Y	N	Y	N	Y	N
Employees	All Plants	-	All Plants	-	All Plants	-	All plants except for Mexico	Mexico Plant
Employee Families	-	All Plants	-	All Plants	-	All Plants	-	All Plants
Communities	-	All Plants	-	All Plants	-	All Plants	-	All Plants

Workplace Safety Management

It is the responsibility of Wistron to protect the lives and safety of our employees by providing a safe and healthy workplace while preventing workplace accidents and occupational injuries. Strict checks and controls are placed on hazards (e.g. dangerous heights, open flames, organic solvents, lead, noise etc.) and other special operations (e.g. chemical use, sealed spaces, forklift driving etc.).

Machinery Safety

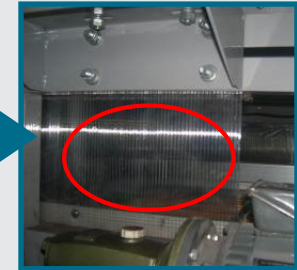
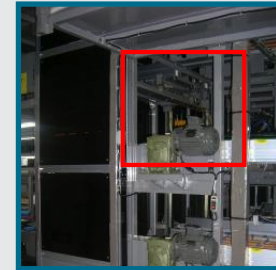
All of our global plants comply with local regulations and actively work to improve workplace and machinery safety. Standard operating procedures have been defined for machinery operations with employees required to understand the equipment and follow operating instructions. We have continued to strengthen our personnel safety training through first aid training, emergency response, and evacuation drills. In 2012, the Kunshan plant launched the sunshine engineering initiative and set up a mentor scheme to effectively educate employees about occupational safety and health as well as to prevent safety incidents. Analysis of employee injuries found that most were caused by traffic accidents. We now publish traffic accident cases every month to reduce their occurrence. The disabling injury statistics for all Wistron plants in 2012 are shown in the table below.

Statistics for Disabling Injuries

Item	Neihu Headquarters	Hsichih Office	Hsinchu Plant	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Injury Rate (IR)	0.40	0.20	1.13	0.14	0.32	1.12	0.45
LostDay Rate (LDR)	3.90	0.40	25.62	4.25	5.95	42.33	12.04
Occupational DiseasesRate (ODR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Absentee Rate (AR)	173.20	178.80	3.2	579.07	153.79	338.65	108.00

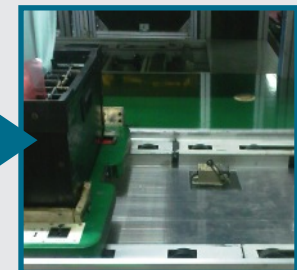
Note: The above statistics are based on the 2,000,000 work hours specified in GRI.

Kunshan Plant - Machinery Safety Improvements



Elevator Improvement

The large size of the run-in elevator means that fitting acrylic panels will help to keep employees from accidentally getting caught inside the elevator.



Line Improvement 1

Cover added to prevent employees or objects from being caught in the chains.



Line Improvement 2

Cover added to prevent employees or objects from being caught in the chains.

Zhongshan Plant - Machinery Safety Improvements

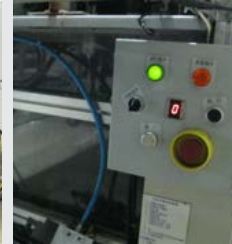


- 1. Warning labels attached to strengthen operator safety awareness.
- 2. Warning labels increased in size and warnings are in both Chinese and English.



- [Before] The right side of the forming machine was not protected and may lead to accidents.
- [After] Stainless steel shielding added to the chains to prevent risk of injury.

Zhongshan Plant - Machinery Safety Improvements



- [Before] Pneumatic elevator without covers. (left picture)
- [After] Acrylic panels now protect employees against crush injuries. (right picture)



- [Before] Chains are not enclosed thus increasing the risk of injury. (left picture)
- [After] Chains are now enclosed to eliminate the risk of employee injury. (right picture)

Operators now wear high-voltage insulating gloves and stand on high-voltage insulating mats when working to enhance safety and prevent workplace accidents.



Safety hooks added to over-head catwalks to prevent falls during maintenance.



Protective fencing for the ladders.

Zhongshan Plant - Machinery Safety Improvements



The plant's forklifts are now padlocked to prevent unauthorized operation. (Keys are held by inventory management.)

Mexico Plant –First Aid Practical Training Provided to WMX Safety Brigade.



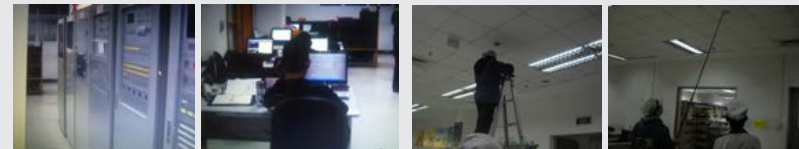
Czech Plant – Machine/ Equipment Safety Improvement



Fire Prevention

Wistron believes that emergency response and prevention is an important capability. Fire safety regulations are followed rigorously in order to prevent accidents. Every year we undergo fire safety inspections, inspect automatic firefighting systems (including indoor/outdoor fire hydrants, automatic alarms, fire PA system, sprinkler system, smoke evacuation system, safety and evacuation facilities, pump room and control equipment), organize safety education and training, and host regular fire drills to improve employee disaster prevention awareness and emergency response skills. Fire safety management has also been strengthened by establishing a firefighting system management platform with the operations center staffed 24 hours a day. An internal fire emergency response team (including the firefighting section, first aid section, communications section, security section and evacuation section) has been set up along with pre-defined emergency notification procedures, emergency notification methods, and emergency response procedures to reduce damage in the event of an accident.

Kunshan Plant - Fire Drill



Fire safety is managed from the central control room

Monthly inspection and maintenance of fire safety equipment



Annual firefighting exercises

Worldwide Offices - Fire Management Training



Taipei Office



Hsinchu Plant

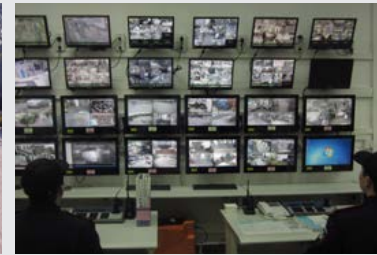


Mexico Plant



Czech Plant

Fire drill at the Zhongshan Plant



A total of 1,350 people have now undergone fire safety education and training and have received a firefighting certification

Employee Healthcare

Employee health and safety is an important management issue at Wistron. We believe that business efficiency is closely linked to the provision of a safe and clean work environment for employees. Our study found that employees in our Taiwan offices sit for long periods in the office and do not get enough exercise so have an above-average BMI. The Taipei office began hosting weight loss classes in December and professional weight loss assistance is provided to employees with a BMI of over 24:

1. Cultivate the habit of exercising
2. Health lectures on proper weight loss techniques
3. Nutritionist hired to provide dietary advice
4. Employees encouraged to engage in physical activity to lose more weight

We hope that correct and effective weight loss techniques will lead to better employee health. The first Healthy Weight Loss activity was attended by 60 people and more than half realized their personal weight loss targets. In the future, more Healthy Weight Loss events will be held and a health promotion system will be set up to help more employees maintain their personal physical health.



Medical Care	Life and Leisure
<ol style="list-style-type: none"> 1. All plant employees (including underage workers) undergo standard health checks every year. Personnel involved in special and hazardous operations undergo special health exams. 2. Employees are encouraged to participate in the various health-related training courses and activities that we organize, e.g. first aid training, hepatitis training, first aid general knowledge, blood donation etc. 	<ol style="list-style-type: none"> 1. Provide quality drinking water. Drink dispense filters are replaced regularly and the water quality is checked. All drink dispensers in the Taipei offices satisfied health standards in 2012. 2. Visually-impaired masseuses invited to provide head, neck and shoulder massage services at our offices/plants (Taiwan office). 3. Nursing rooms provided for female employees with young babies. 4. The company has set up various internal clubs with employees encouraged to engage in club activities. These recreational activities after work help employees to relax and unwind.

Health Checkup and Consultation

To remind employees about the importance of personal health, the Taiwan offices and plants not only organize regular health check-ups for all employees but have also set up a healthcare system to provide regular reminders about health checkups and self-care for employees that require special medical assistance. At our overseas offices, we have set up a clinic to provide health services.

- Annual health checkups for all employees. (Taipei office and Hsinchu plant)
- Medical consultation hotline: health consultations are provided by external professional partners. (Taipei office)
- Specialists invited each month to provide one-to-one consulting service. (Taipei office)
- Set up clinic to provide medical services. (Zhongshan plant/Mexico plant)

- Professional therapists employed to organize health promotion activities and services. (Taipei office, Hsinchu plant and Kunshan plant)
- Set up healthcare network to provide employees with health management and medical assistance. (Taipei office)

Taking Care of Employees through Health Promotion Activities

Sound health promotion activities improve employee health and energy levels, leading to even better performance at work. Health promotion activities are therefore organized on a regular basis to take care of our employees' physical and mental health as well as help employees practice proper personal health management. All Wistron sites worldwide regularly organize health promotion activities including:

- Health seminars: outside experts invited to talk about new health

- information. (All worldwide offices/plants)
- Physical activity: individual or team sports competitions are organized to improve fitness and reduce stress. (All worldwide offices/plants)
- First aid training: first aid certification can be used to help yourself and other people. (All worldwide offices/plants)
- Pregnancy health seminars: Pregnant employees received help to learn to care for themselves. (All worldwide offices/plants)
- Exercise facilities: exercise facilities are provided at offices and plants. These include basketball courts, football fields and fitness centers. These encourage employees to exercise more for their own health.
- Employees are encouraged to participate in external competitions, including large-scale competitions such as marathons, the Sun-Moon Lake Swim and the International Dragon Boat Competition. (Taiwan office)



Importance of Employee Welfare



Listening to Employees - Internal Employee Communications Management

Wistron respects the rights of its employees and believes that unimpeded internal channels of communication can be used to develop a consensus between employees and the company. All of our offices around the world provide a platform for the free and open exchange of opinions. We have a comprehensive scheme and friendly policies in place to learn about our employees' expectations. An employee relations promotion committee (the 'Tomato Meeting') has been set up at the Neihu headquarters, Hsichih office, the Zhongshan plant and Kunshan plant. The company also convenes regular employee/employer communication meetings to facilitate two-way communication. These meetings are attended by the chairman, administrative managers and employee representatives. Employee representatives are free to speak on work and management-related issues without fear of retaliation, threats or harassment. Employee feedback mailboxes, a 24-hour employee hotline and a CEO mailbox have also been set up at the Huadong and Huanan plants. Every worker in the company can be certain that their questions and suggestions will be answered. The employee communications channels available in each region are listed below. Once a resolution has been passed at a Tomato Meeting, the meeting minutes are posted on the intranet within seven days. Changes to company procedures are announced in weekly notices by the relevant units. We believe that employees work most productively when they have a good communications environment. We will therefore continue to focus on the efficiency of each communication channel to realize the benefits. In 2012, more than 400 employee responses and recommendations on improvements were processed. None of these involved human rights issues.

The main suggestions and responses were as follows:

- Suggestions for improvements to the office environment.
- Suggestions on cafeteria, dormitory and commuter bus arrangements.
- Suggestions on employee recreational spaces and activities.
- Suggestions on the company's participation in environmental protection and public welfare events.
- Subjects related to health and safety.

Employee Communication Channels in Each Region

Communications Channel	Taipei Office	Hsinchu Plant	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Employee Relations Promotion Committee	√		√			√
CEO Mailbox			√	√	√	√
Employee Suggestions Box		√	√	√	√	√
Employee Hotline			√	√		
Employee Complaints Hotline			√	√		
New Employee Seminar	√	√				
Labor Union					√	

Note: "√" indicates that this communications channel is available in the respective region.

Balance Between Work and Life

Wistron does not encourage overtime work. Our overtime policy balances operational demands and employees' quality of life. Overtime work is only arranged if it is efficient, meaningful and voluntary. To promote balance in work and life, a wide range of activities are organized at each of Wistron's global sites (e.g., sports, clubs and arts). Wistron also arranges regular health checkups and seminars to promote healthy living. The overtime system was restored in Taiwan in 2012 to ensure that employees receive

proper compensation for working overtime. Out of concern for employees' physical and mental wellbeing, a swipe-card attendance system has also been installed to track employee attendance records. Employees that work too much overtime are reported to their managers and corrective action required through executive meetings. This measure is intended to prevent harm to employees' quality of life and physical/mental wellbeing.

Comprehensive Welfare System

Wistron cares about our employees and employee welfare is important to us. Apart from complying with statutory requirements on basic benefits, we also strive to enhance the quality of life for our employees. Different types of benefits are provided to employees based on their country, region, age and gender in order to realize the target of balancing life and work. All Taiwan sites have established an employee welfare committee funded by employee contributions and full-time personnel are assigned to organize employee welfare services. At overseas plants, dedicated units and personnel are assigned to planning employee welfare and activities in order to take proper care of our employees.



Statement

INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

BUREAU VERITAS Certification Taiwan has been engaged by Wistron Corporation to conduct an independent assurance of its "2012 Corporate Sustainability & Social Responsibility CS²R Report". This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the "2012 Corporate Sustainability & Social Responsibility CS²R Report" are the sole responsibility of the management of Wistron Corporation. Bureau Veritas Certification Taiwan was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

Scope of work

Wistron Corporation requested Bureau Veritas Certification Taiwan to verify the accuracy of the following:

Data and information included in the 2012 Corporate Sustainability & Social Responsibility CS²R Report -for the year 2012;

Evaluation of the Report against the main principles of the AA1000 Assurance Standard;

- o Completeness (principle of inclusivity)
- o Materiality
- o Responsiveness

Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timeliness and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Guidelines G3.1.

Excluded from the scope of our work is any verification of information relating to:

activities outside the defined verification period;

positional statements (expressions of opinion, belief, aim or future intention by Wistron Corporation) and statements of future commitment.

The report does not assure the information comes from the locations beyond Taiwan and China and Mexico and Czech Republic sites, which places are not in the assurance scope.

Methodology

As part of its independent verification, Bureau Veritas Certification Taiwan undertook the following activities:

1. Interviews with relevant personnel of Wistron Corporation – 41 employees interviewed.
2. Review of documentary evidence produced by Wistron Corporation including the public quarterly finance reports.

3. Visits to sites located at Taipei, Hsinchu and New Taipei cities in Taiwan and Jiangsu-Kunshan, Guangdong-Zhongshan in China and Benito Juarez city in Mexico and Brno city in Czech Republic to assure the information correctness.
4. Sample-based review of performance data that Wistron described in the report.
5. Review of Wistron Corporation systems for quantitative data and qualitative analysis by sample-based checks of the processes for gathering and managing the data included in the report.
6. Review of the stakeholder engagement process, but Bureau Veritas does not take part in the stakeholder engagement activity.
7. Understanding and interview on the policies, and review of the relationship between the opinions from the stakeholder and the policies.
8. Observing the AA1000 APS, and assuring the scope of work to be in compliance with the AA1000AS.

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. For this assignment, we have used the International Standard on the GRI Reporting Framework and of AA1000 Typell.

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:

1. The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement;
2. The information is presented in a clear, understandable and accessible manner;
3. The "2012 Corporate Sustainability & Social Responsibility CS²R Report" provides a fair and balanced representation of activities during the year 2012.;
4. The information in the "2012 Corporate Sustainability & Social Responsibility CS²R Report" allows readers to form a balanced opinion of Wistron Corporation activities and performance during the year 2012.;
5. Wistron Corporation has established appropriate systems for the collection, aggregation and analysis of relevant information;
6. The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard principles of Inclusivity, Materiality and Responsiveness in its operations. Further detail is provided below;

Alignment with the principles of AA1000AS

Materiality

- We cannot point out any substantial aspects of "2012 Corporate Sustainability & Social Responsibility CS²R Report" missed by the company's management when making the Report or omitted purposely from reporting.
- The report is a balanced exposition of substantial economic, environment and social aspects of Wistron Corporation's activity, determining indicators of the company's sustainable

Statement

development considering potential and the conditions of development of the regions of operational activity.

- Information presented in the Report and on the corporate web site is significant for stakeholders and can have an impact on their future decisions and behavior toward the company. The Report addresses the range of environmental, social and economic issues of concern that Wistron Corporation has identified as being of material importance.
- The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The performance is the result from their system management result. The Materiality issue is concerning about the focus on clients.

Completeness

- Proceeding from our verification, we cannot name any unit/object of Wistron Corporation which is substantial for social reporting but not reflected in the Report's consolidated information.
- We think that the initial data of Wistron Corporation about the key indicators of performance were united and presented in the Report correctly. We did not find out any failures which might influence the completeness of disclosing activity indicators in the Report.
- Alongside with this we think that in describing management approaches, the company could have revealed more completely the general organizational objectives in relation to effectiveness with regard to each category of aspects.
- The Report accurately reflects the Wistron Corporation's understanding and management of the material issues it has identified. All areas and activities over which the organisation exercises influence or control have been considered for inclusion, without undue omission. Completeness of information has been pursued via established governance, customer focus and risk management processes.

Responsiveness

- We are not aware of the areas which could have been reflected but were not reflected in the Report and in which the company would not be able to respond to the well-founded requirements of stakeholders.
- Responding to the needs of the regions of operational activity is exercised by way of realizing certain projects in the sphere of charity and sponsor activity. A Wistron-Foundation of Wistron Corporation has been established under the governance of Wistron corporation to manage and oversee these activities.
- 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.

GRI report Structure

Wistron Corporation does fully provide the information to achieve the GRI grade A+, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Protocols.

Key areas for ongoing development

Based on the work conducted, we recommend Wistron Corporation to consider the following:

- Verify the quantification description throughout the report with an effective methodology.
- Extend the stakeholder engagement process to formally capture stakeholders' concerns and views in a structured manner across the organisation and also invite the 3rd party to participate the process. (MATERIALITY);

- A consistent approach to consultation with key stakeholders should continue to be a focus for improvement, to further reduce the possibility of unintentional exclusions to the scope of reporting (MATERIALITY);
- Enhance Corporate Responsibility awareness through internal workshops and leadership programmes over all entities falling within the scope (COMPLETENESS);
- Enhance, in the information system, the methodology of collecting and verifying information to ensure correctness.

Limitations and exclusions

Excluded from the scope of our work is information relating to:

- activities outside the defined reporting period and scope;
- statements of commitment to, or intention to, undertaking action in the future;
- statements of position, opinion, belief and / or aspiration;
- additional content on www.wistron.com.tw/about/cs2r.htm;
- any information hyperlinked from the web-based Report.

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, and an annual turnover in 2012 of 3.9 billion EURO.

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 Tawian

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



Technical Reviewer:

Date: 09/May/2013

Assurer

Date: 09/May/2013

GRI Mapping Table

	GRI	Response
Strategy and Analysis	1.1	5~8
	1.2	46~52
Organizational Profile	2.1	1
	2.2	13~14
	2.3	17~42
	2.4	17~18
	2.5	17~18
	2.6	15
	2.7	13~14
	2.8	48~52
	2.9	48~52
	2.10	19~20
Report Parameters	3.1	1~2
	3.2	1~2
	3.3	1~2
	3.4	1~2
	3.5	22~24
	3.6	1~2
	3.7	1~2
	3.8	1~2
	3.9	1~2
	3.10	1~2
	3.11	1~2
	3.12	203~206
Governance, Commitments, and Engagement	4.1	36~45
	4.2	36~45
	4.3	36
	4.4	25~28
	4.5	36~45
	4.6	36~45
	4.7	36~45
	4.8	7~8, 36~45, 60~62

GRI Mapping Table

	GRI	Response
Governance, Commitments, and Engagement	4.9	36~45, 60~62
	4.10	36~45,60~62
	4.11	48~52, 60~62
	4.12	21
	4.13	21
	4.14	36
	4.15	36
	4.16	36
Economic Performance	4.17	36
	EC1	3~4
	EC2	53~56
	EC3	140
	EC4	46~47
Market Presence	EC5	143~144
	EC6	123~124
Indirect Economic Impact	EC7	171~172
	EC8	143
	EC9	29
Materials	EN1	138
	EN2	137
Energy	EN3	65~66
	EN4	65~66
	EN5	67~68
	EN6	67~68, 81~82
	EN7	65~82
Water Resources	EN8	92~94
	EN9	92~94
	EN10	92~94
Biodiversity	EN11	103~106
	EN12	103~106
	EN13	103~106
	EN14	103~106
	EN15	103~106

GRI Mapping Table

	GRI	Response
Emissions, Effluents & Waste	EN16	88
	EN17	88
	EN18	67~68
	EN19	91
	EN20	91
	EN21	92~94
	EN22	95~96
	EN23	91
	EN24	95
Products & Services	EN25	92~93
	EN26	125~136
Compliance	EN27	137
	EN28	91
Transport	EN29	91
Overall	EN30	101~102
Employment	LA1	166~168
	LA2	167~170
	LA3	140
Labor/Management Relations	LA4	196~198
	LA5	196~198
Occupational Health & Safety	LA6	58~62
	LA7	183
	LA8	182
	LA9	191
Training & Education	LA10	176
	LA11	171~180
	LA12	176~178
Diversity & Equal Opportunity	LA13	168
	LA14	143
	LA15	143~144
Investment & Procurement Practices	HR1	45~46
	HR2	125
	HR3	140~141

GRI Mapping Table

	GRI	Response
Non-Discrimination	HR4	140
Freedom of Association and Collective Bargaining	HR5	58~62, 125
Child Labor	HR6	141
Forced & Compulsory Labor	HR7	125,141
Security Practices	HR8	141
Indigenous Rights	HR9	167
	HR10	45~46
	HR11	140
Community	SO1	30
	SO2	41
Corruption	SO3	41~43
	SO4	41~43
Public Policy	SO5	43
	SO6	43
Anti-Competitive Behavior	SO7	43
Compliance	SO8	39
	SO9	30
	SO10	30
Customer Health & Safety	PR1	133
	PR2	133
Product & Service Labeling	PR3	138
	PR4	133
	PR5	122
Marketing Communications	PR6	Note (Not Applicable)
Customer Privacy	PR7	Note (Not Applicable)
Compliance	PR8	47
	PR9	47

Note: Due to Wistron's B2B business model there is no marketing communications activity.