



Designing Our World

CS²R

**CORPORATE SUSTAINABILITY AND
SOCIAL RESPONSIBILITY REPORT**

Wistron Corporation



Designing Our World

Our world needs support.

While Wistron is designing products and services, at the same time we are also affecting and influencing our world. From fair treatment of our employees to diligent and continuous concern for our environment, Wistron can be a positive force in sustainability and social responsibility. Wistron aims to be not only a professional designer of products and services, but also a professional designer of programs to protect and improve our world.

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Chairman's Message

As our company grows...our social and environmental "footprint" grows as well. Our size and pace of growth means we need to pay special attention to our corporate responsibilities in various areas. We can play an important role in "designing our world" through concerted efforts at achieving high standards in the way we operate.

One area is treatment of our employees. We must provide a safe work environment—this is accomplished in various ways, including modern facilities complemented with safety awareness and training. We must enable employees to feel a sense of respect for their endeavors through competitive pay packages and advancement. We must do our part to safeguard employees' overall health through health related activities. While we work in a very competitive, demanding industry, as a company we encourage a balanced lifestyle. We provide a working "culture" that stresses this balance between work and personal life, allowing employees to understand very clearly that advancement in their careers needs not come at the expense of their overall well-being. We will continue to apply much effort in building the work environment that our employees will appreciate.

Another area is our impact on the natural environment. Our company must analyze the outcome of our business operations in order to understand how to minimize or eliminate problems caused by our activities. Due to our company business model, the key areas of focus are manufacturing and product design. Manufacturing plants represent our largest footprint with the most potential for problems. We pay special attention in this area to ensure we play our part to not directly damage the environment, while trying to limit indirect problems such as excessive energy consumption. In product design, we foresee that in the future we can play an ever increasing role in designing products which are more environment-friendly. Our large engineering base can help us to develop products which are readily accepted in the marketplace, yet are "low-impact" to the environment.

Another important focus area is our relationship with the communities in which we operate. We have been active to give back to these communities...while always aiming to support in meaningful ways. We feel that as we grow we can have even more good influence in local communities through our various charity projects, which includes both people-oriented and environment-focused activities. This means direct cooperation between Wistron and local organizations, while encouraging our employees to be involved as well. We

are lucky in that our employees are very willing to support local organizations—our role is to provide the links to organizations and supporting resources. I believe that Wistron as a company, along with its great employees, will continue to make beneficial contributions to various communities.

Overall, we are fully aware that this is actually a never-ending project. At the same time, we understand that our environment and social related activities are good for the long-term health of our company. We will take the necessary actions to accomplish our goals to make beneficial, not detrimental, "footprints" in our world...all to play our role for sustainable development.

Thank you for your interest in our CS²R report.



A stylized, handwritten signature of Simon Lin in black ink.

Simon Lin
Chairman & CEO
Wistron Corporation

1 Report Introduction

The Corporate Sustainability and Social Responsibility (CS²R) Report by Wistron serves as an easy-to-access summary of various activities and programs.

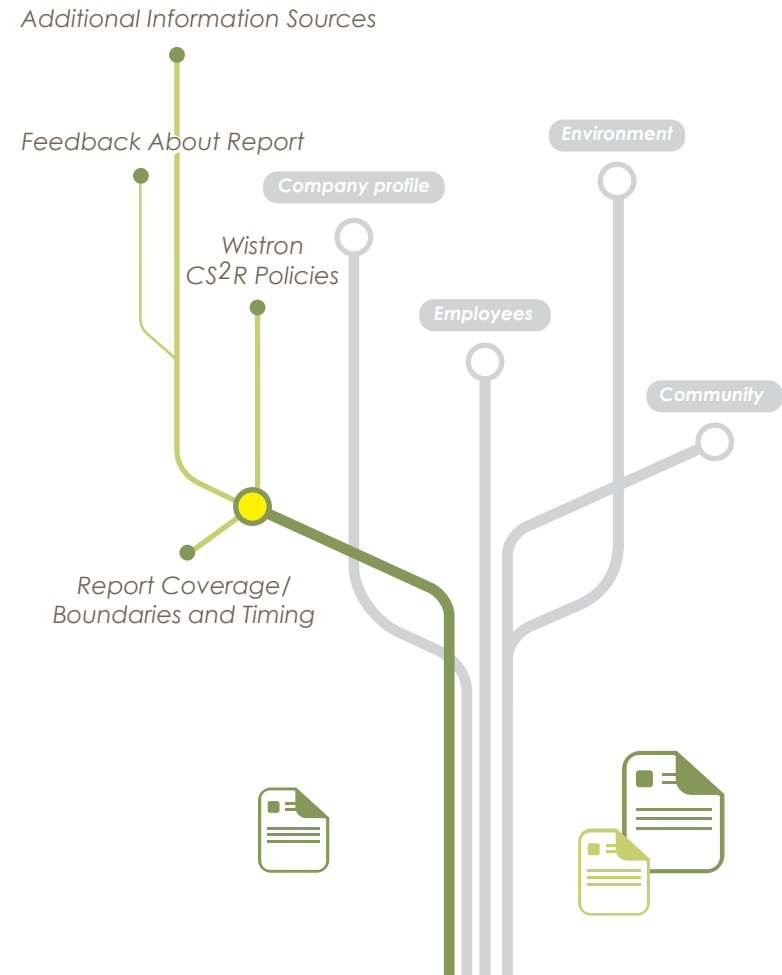
The purpose of this report is to:

- present a basic introduction of Wistron for readers unfamiliar with our company's operation
- serve as ongoing collection of corporate sustainability and social responsibility activities within Wistron
- highlight specific activities to facilitate better understanding of our related activities

Our overall aim is for this report to help readers gain insight into Wistron's corporate sustainability and social responsibility directions. We will continue to expand this report as necessary to include items which should enhance readers' understanding of Wistron activities.

This report is only available in soft file format (.pdf format). Copies are available for downloading at:

www.wistron.com



IN THIS SECTION

- 1.1 - Report Coverage/Boundaries and Timing
- 1.2 - Wistron CS²R Policies
- 1.3 - Additional Information Sources
- 1.4 - Feedback About Report

Reference information

- CS²R Implementation Committee
- Data scope usage

Report features

To supplement core information within this report, “Reference boxes” and “Information boxes” are provided to provide additional information which might clarify or supplement readers’ understanding of specific issues or activities. Terminology listed in the Glossary page are indicated in text.

1.1 Report Coverage/Boundaries and Timing

The main body of contents for the Wistron Corporate Sustainability and Social Responsibility report is as follows:

Company profile: Provides the details of the company’s business operations. Basic information is provided regarding company size, office locations, employee numbers, and business focus areas. More in-depth discussions of the company’s business operations may be found on the company website (www.wistron.com) which also contains various downloadable annual reports (for detailed financial data) as well as general company brochures.

Employees: Discusses the relationship with employees and employment related support for them. This section includes discussions of health and safety issues, as well as basic descriptions of non-work related activities as a Wistron employee.

Environment: Discusses the company’s activities with regards to protecting the natural environment. Wistron’s key roles in environment protection are provided, including our relationship with customers and component suppliers for environmental design issues.

Community: Shows various activities supported by the company with regards to charitable activities.

This report covers our parent company Wistron Corporation and direct subsidiaries. No coverage is provided for affiliated or joint venture companies. (For a full listing of subsidiaries please refer to the Wistron Annual Report available on www.wistron.com.)

Most discussion focuses on programs and systems originating from corporate headquarters in Taiwan. Where the report shows specific data/figures tables

Wistron CS²R logo

The Wistron CS²R logo is used to help in our promotion of various concepts of corporate and social responsibility.

The logo integrates several concepts:

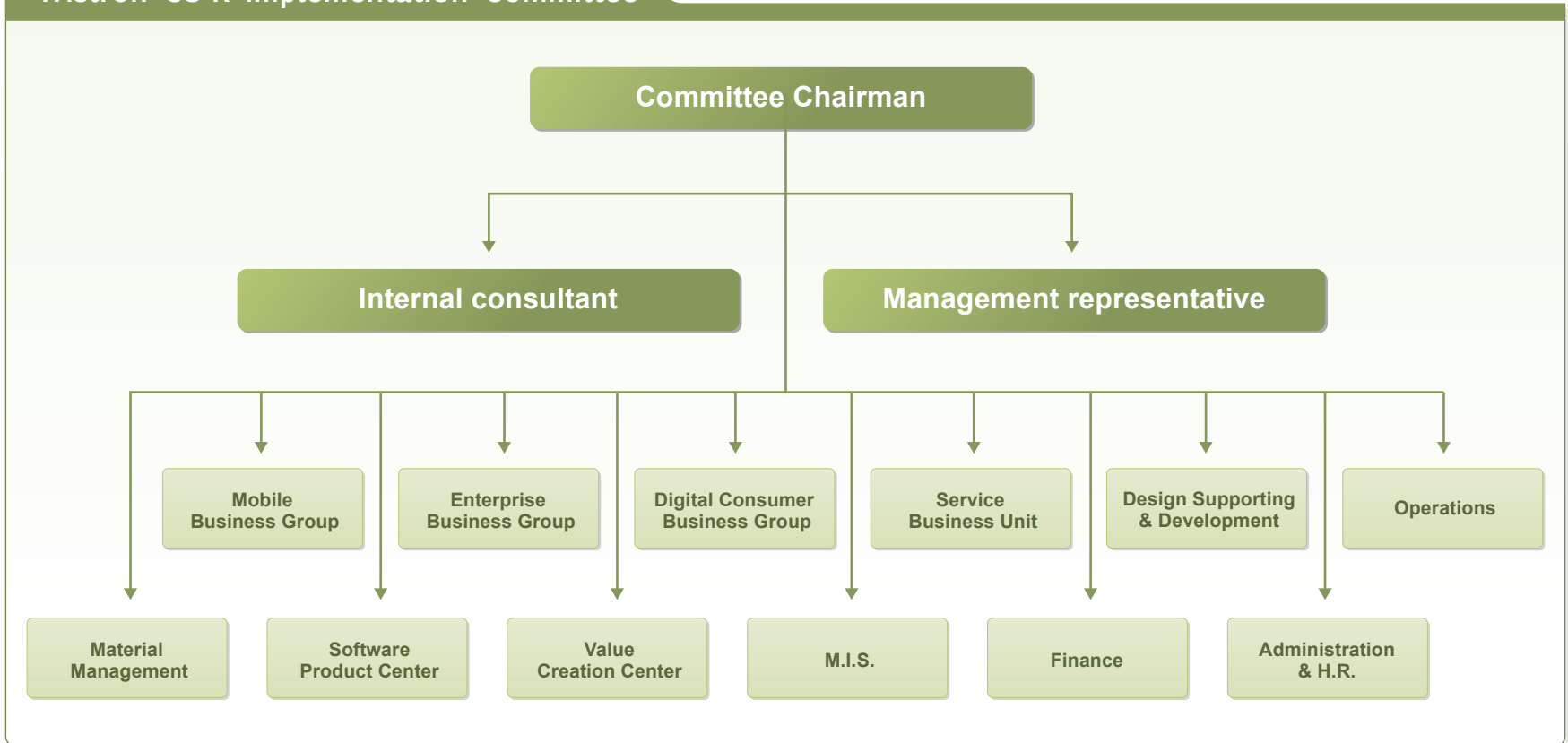
- our company’s special “i” (from our logo), representing innovation and integrity
- a person using his/her energy to support and raise our world to a higher standard
- “Designing our world” meaning we can play our role to create a better world



or charts a boundary explanation in the form of a “data scope” will be included. The data scope indication enables readers to know how much coverage the data includes within Wistron on a per employee basis percentage. For example, “data scope: 85%” indicates that the data is from facilities/offices employing approximately 85% of all Wistron employees at the time of compiling this report. [see information box: *Data Scope usage*]

The Wistron CS²R report is not based on a strict reporting period; therefore, the report is not based on an annual time period. Relevant information is added periodically, while outdated information may be deleted. Relevancy of historical data will determine how long data remains in report. Version numbers are provided to indicate that major change(s) have occurred. For readers of this report, a version tracking table is shown at end of this report, tracking major changes to this report. [see appendix: *Tracking table*]

Wistron CS²R Implementation Committee



Data scope usage

Wistron has been growing rapidly in both number of employees and offices—Wistron has 15 offices worldwide ranging in size from 5 to over 20,000 employees. We realize that focus on specific CSR related activities (e.g. energy/water conservation) at our larger operations will allow us to gain more significant, quicker results.

Within this report readers will see “data scope” indicators accompanying

some tables and charts. This data scope is a convenient indicator to allow readers to know how much coverage the data includes within Wistron on a per employee basis percentage. For example, “scope: 85%” indicates that the data is from facilities/offices employing 85% of all Wistron employees.

Example: Scope: 85%

1.2 Wistron CS²R Policies

Wistron Corporate Sustainability and Social Responsibility Policy

Wistron is committed to establishing a Corporate Sustainability and Social Responsibility Management System. To suitably uphold stakeholders' rights and interests, Wistron will adhere to ethical standards exceeding local legal requirements as we continuously develop high-quality green products/services and focus on the environment, employee health and safety, and human rights.

Social Accountability Policy: Wistron is committed to fulfilling our social responsibility. Our company will continue complying with related international regulations and local policies, safeguarding and advancing employees' rights and benefits, and building an overall healthy, safe, and ethical operating environment.

Occupational Health and Safety Policy: As a worldwide ODM supplier of PC and ICT products, Wistron is well aware of the our Occupational Health & Safety (OH&S) hazards and risks in the workplace that are affecting the well-being of all persons (including employees, temporary workers, contractor personnel, visitors, and any other persons) working under the control of the company. Focused on preventing injury and ill health, we commit to establish an OH&S management system ensuring a healthy, injury-free environment for employees.

Environmental Policy: As a worldwide ODM supplier of PC and ICT products, Wistron recognizes its activities, products, and services may impact the environment. To minimize such impact, we are committed to the zero usage of restricted and banned materials and substances, to the conservation of energy associated with the development and production of

our products and their use, and to the implementation of recycling programs for all our key waste. Through our green product program, careful selection of raw materials and suppliers will allow us to actively promote pollution reduction by adopting earth-friendly technologies wherever feasible.

Green Product Policy: In order to reduce products' impact on the environment during the product life cycle, Wistron utilizes innovative "green" product concepts: design for recycling and reuse, energy saving and carbon reduction, material reduction, and elimination of hazardous substances. Wistron complies with international regulations, directives, and customer requirements and is dedicated to simplification of design, production, and processes so as to produce environmentally friendly products.

Quality Policy: To deliver defect-free, competitive products and services to our customers on time.



CSR Committee meeting (in 2003)



CSR training session (in 2003)

Sustainability and Social Responsibility

Community relations

Treatment of employees

Occupational Health & Safety

Environmental emissions

Design for environment

Conservation

1.3 Additional Information Sources

More general information about Wistron's corporate social responsibility efforts is available on the Wistron website: www.wistron.com. This CS²R report is currently available in English and Chinese (Traditional).

More information about Wistron's business operations is available at: www.wistron.com. The website includes financial details, annual reports, Board of Director information, and general company brochures. Most website sections are in English, Traditional Chinese, and Simplified Chinese.

Wistron's annual report is available at www.wistron.com. The annual report will include more discussion of company business operations, including the operational structure of the organization. As a publicly listed company, third-party financial and industry-related analysts' reports on Wistron are available. A list of some analysts and the companies who research Wistron is shown on our website in the Investor Relations section.

1.4 Feedback About Report

Comments or questions about this report may be sent to: CSR@wistron.com.

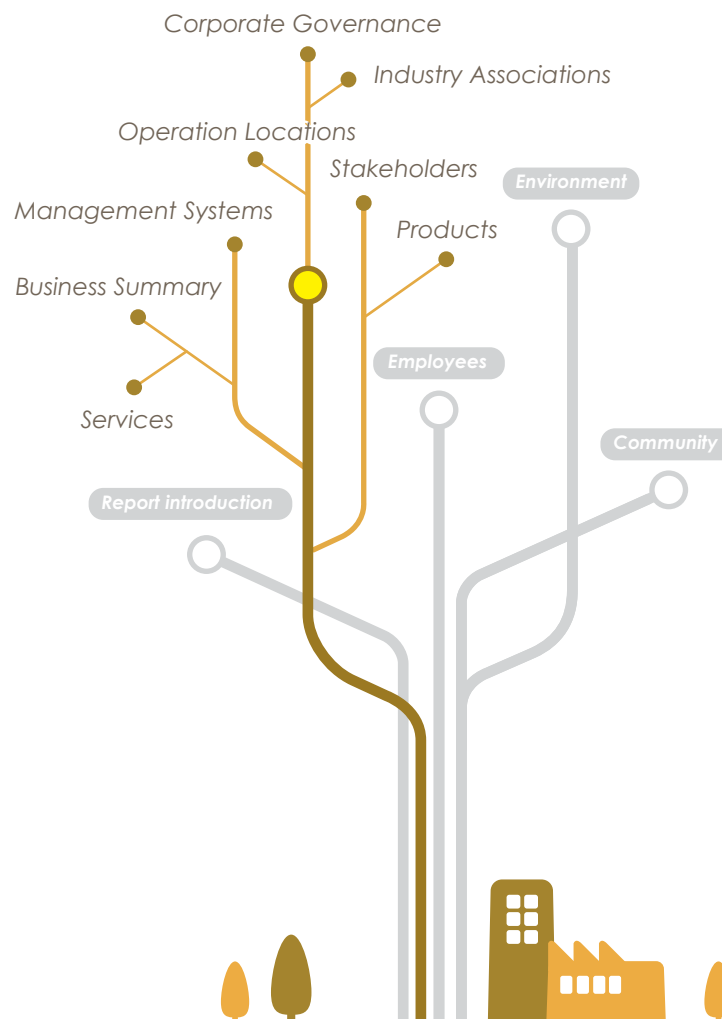


Poster for employees

2 Company Profile

QUICK FACTS

- Wistron Corporation began operations in 2001
- Company categorized as ODM supplier
- Product development focus is on information and communication technology (ICT) products, including notebook and desktop systems, servers and storage systems, IA (information appliances), LCD TV/monitors, networking and communication products
- Provides wide range of design, manufacturing and after-sales service support functions for ICT products
- Over US\$17B in revenue
- Customer base mostly comprised of global, branded IT companies
- Headquarters in Taipei, Taiwan with multiple country operating sites, including Asia, North America, and Europe
- Over 40,000 personnel
- Publicly listed company on Stock Exchange of Taiwan. (stock symbol 3231.tw)
- Joined Electronic Industry Citizenship Coalition (EICC) in 2010



IN THIS SECTION

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| 2.2 - Products | 2.6 - Corporate Governance |
| 2.3 - Services | 2.7 - Industry Associations |
| 2.4 - Operation Locations | 2.8 - Stakeholders |

Reference information

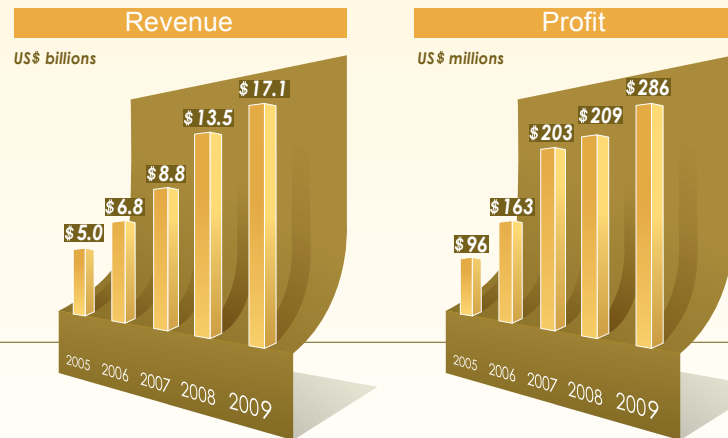
- | | |
|----------------------------|--------------------|
| ■ Revenue and profit trend | ■ Office locations |
| ■ Employee numbers | ■ Certifications |

2.1 Business Summary

Established in 2001, Wistron Corporation is an ODM (original design manufacturer) and service company providing various products and services to primarily international, branded companies in the IT (information technology) industry. The products and services focus on ITC (information and communication technology). In general, Wistron can design and manufacture products, as well as provide after-sales service support for those products. We maintain a global customer base, with customers primarily located in U.S.A., Europe, China, and Japan. Each customer requests a unique portfolio of products and services tailored to directly support their own business directions.

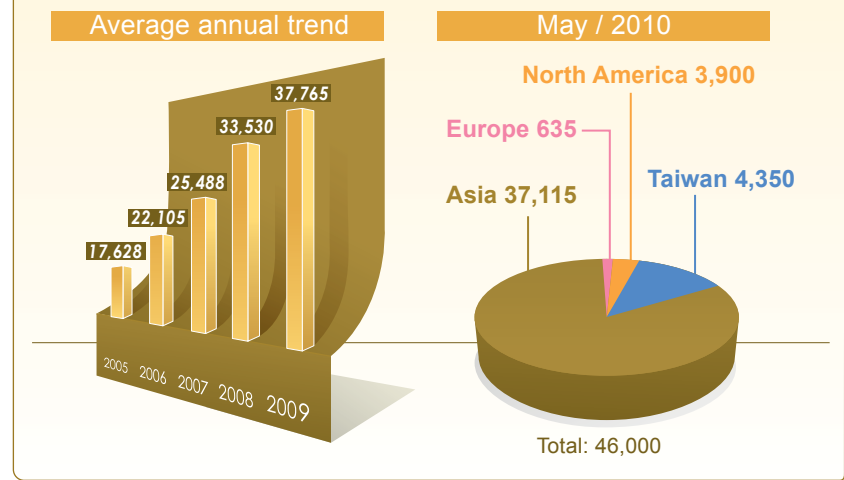
Since Wistron sells products primarily on an ODM basis we do not have our own brand-name products. As an ODM Wistron produces products for prominent vendors (customers, sometimes referred to as OEMs) who sell these products under their own brand names through global distribution systems. In general terms for product support, our business model includes providing fully designed products to customers and/or working in

Revenue and profit trend



Note:
US dollar figures provided for general reference only. Wistron's audited financials are based in NT dollar.
The US dollar figures are based on exchange rates established by company.

Employee numbers



close cooperation with customers to collaborate on designing tailored products per their marketing needs. Wistron mainly works on large volume orders for customers' current product lines, while simultaneously developing new products for future product launches. [*glossary terms: ODM, OEM*]

For product development Wistron's engineering teams also collaborate with many technology platform providers (hardware and software). Therefore, products include technology from Wistron and various outside sources. For the many components which comprise our products, Wistron utilizes a global supply chain in order to fulfill product manufacturing and assembly needs for customers. Wistron sources thousands of components from over 1200 suppliers. Key suppliers are located in U.S.A., Taiwan, China, Korea and Japan. Suppliers may provide one or many components and Wistron utilizes multiple suppliers for most components. Suppliers are selected by our customers or by Wistron—or by mutual consensus—using standard supplier qualification/approval processes. [*see information box: Wistron Business operations*]

2.2 Products

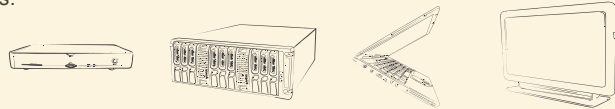
Our product portfolio covers a wide range of technology products including notebook personal computers (“PCs”), mobile communication products, server and storage systems, desktop PCs, game consoles, and other consumer electronics. Wistron is one of the largest manufacturers of notebook PCs in the world in terms of global shipment volumes and a leading manufacturer of server and storage systems. *[see information box: Product shipments]*

Product types:

- Notebook, mini-type notebook, rugged mobile and tablet PC
- Desktop computer, industrial PC (IPC), application PC
- Workstation, server, storage system
- Personal digital assistant (PDA), smart phone, and global positioning system (GPS)
- IP telephony, network game console
- LCD TV, monitor, Set-top box, and Information Appliance

Product shipment indications

According to industry analysts Wistron is normally referred to as a top ten ODM company and the world's third largest producer of Notebook PCs. On an annual basis Wistron produces approximately 25 million notebook PCs, 6.5 million desktop PCs, 2 million servers and storage, and 10 million LCD TVs and monitors.



2.3 Services

Design: Wistron provides integrated product design services to address related engineering challenges, such as material/styling considerations, component selection, functionality, testing challenges, volume manufacturing stress, packaging, and environmental impact. Comprehensive thermal, power, structural, and reliability engineering services are specifically tailored for ICT products. Simulation and compatibility test teams and labs utilize

various equipment and technology to allow for market-specific and global accreditation approvals.

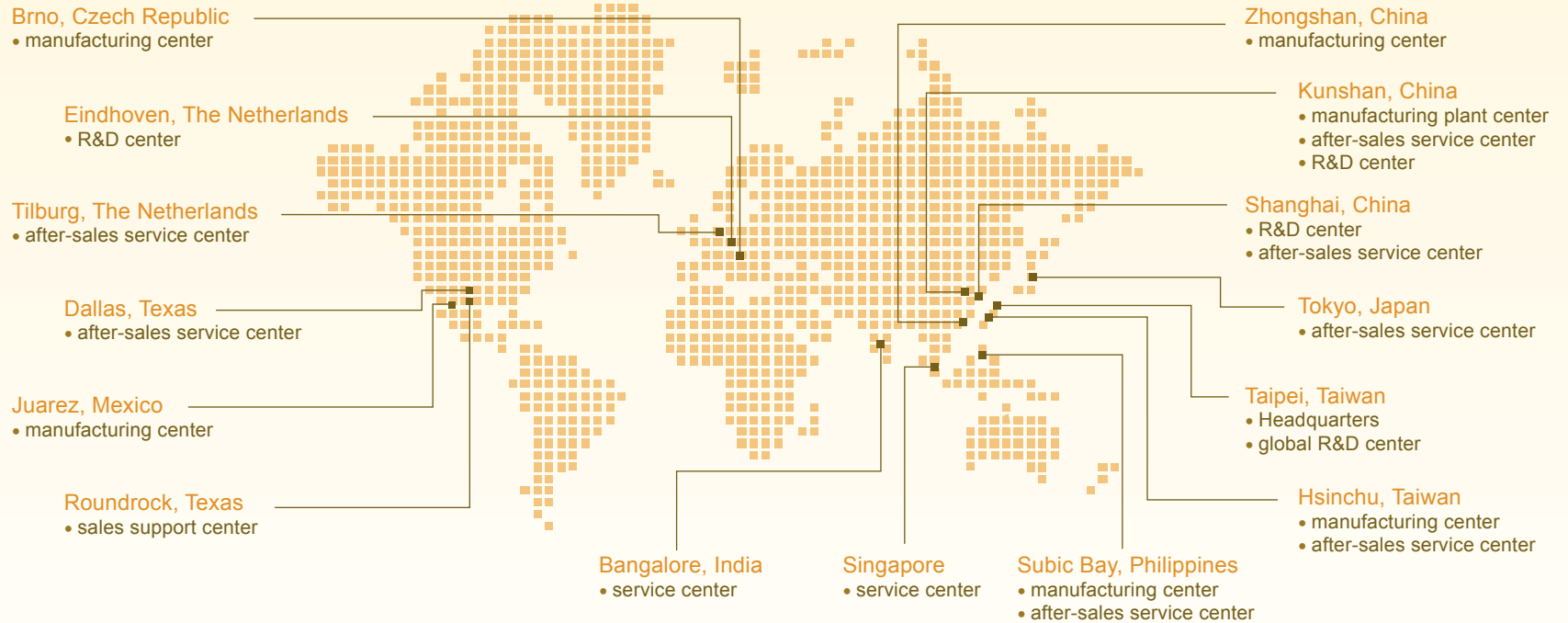
Manufacturing: Manufacturing facilities offer a complete set of services from PCB to systems assembly, including BTO/CTO. From incoming components to OOB (out-of-box) QA, a full suite of tests and analyses is conducted to ensure the quality of overall production processes and systems. Manufacturing IT systems support the manufacturing process and quality management reporting, while suppliers' portals feature procurement-related activities to support supplier performance management.

After-sales service: Wistron offers a variety of customized after-sales service business models. Programs such as hub-to-hub FRU (field replaceable unit) swap, hub-to-ASP, and CRU (customer replaceable unit) complement depot options and other related programs. After-sales service teams support products produced by Wistron and other companies. Wistron works closely with customers' own service/repair teams, as well as their outsourced service partners. Integrated IT platforms are linked to all levels of the service chain to manage the reverse logistics, material management, and reporting systems.

2.4 Operation Locations

To support product development and after-sales service, Wistron employs over 40,000 personnel worldwide, located in North America, Europe, and Asia in various design, manufacturing, R&D, and after-sales services centers. Manufacturing facilities are located in China, the Czech Republic, Taiwan, the Philippines, and Mexico. Wistron manages and outsources direct management of various types of logistics facilities—comprising more than 50 logistics hubs worldwide. Our R&D centers are located in Taiwan, China and the Netherlands. The after-sales service network spans three continents in countries such as the United States, the Czech Republic, the Netherlands, China, Taiwan, Japan, Singapore, India, and the Philippines. *[See reference box: Office locations]*

Office locations



2.5 Management Systems

Wistron strives to maintain high international standards in both our product and service offerings to customers as well as our overall internal operations and responsibilities related to employment. In order to fulfill our commitment, Wistron utilizes a combination of internationally recognized quality management systems combined with a full complement of Wistron developed

quality management programs. [see reference box: *Certifications*] We use the following categories to classify outside certification programs.

- Product quality
- Green product
- Environment
- Health and safety
- Social accountability

The rapid growth of our company means we are constantly seeking related certifications in various offices and we will continue to seek accreditation for those certificate systems we feel will benefit our operations. Meanwhile, we are increasing our efforts to integrate Wistron systems to achieve consistency across our world wide operation sites. These systems cover relationships with customers, suppliers, and employees.

Certifications

Wistron facility	Certification
Taipei / Hsinchu, Taiwan	TL 9000 R4.0 ISO 14001:2004 ISO 9001:2000 IECQ QC 080000:2005 OHSAS 18001:2007
Juarez, Mexico	ISO 9001:2000 OHSAS 18001:2007
Dallas (Texas), U.S.A.	ISO 9001:2000
Brno, Czech Republic	ISO 9001:2008 ISO 14001:2004 OHSAS 18001:2007
Subic Bay, Philippines	TL 9000 R4.0 ISO 14001:2004 ISO 9001:2000 IECQ QC 080000:2005
Zhongshan, China	TL 9000 R4.0 ISO 14001:2004 ISO 9001:2008 IECQ QC 080000:2005 OHSAS 18001:2007
Kunshan, China	ISO 9001:2000 ISO 14001:2004 OHSAS 18001:2007 IECQ QC 080000:2005

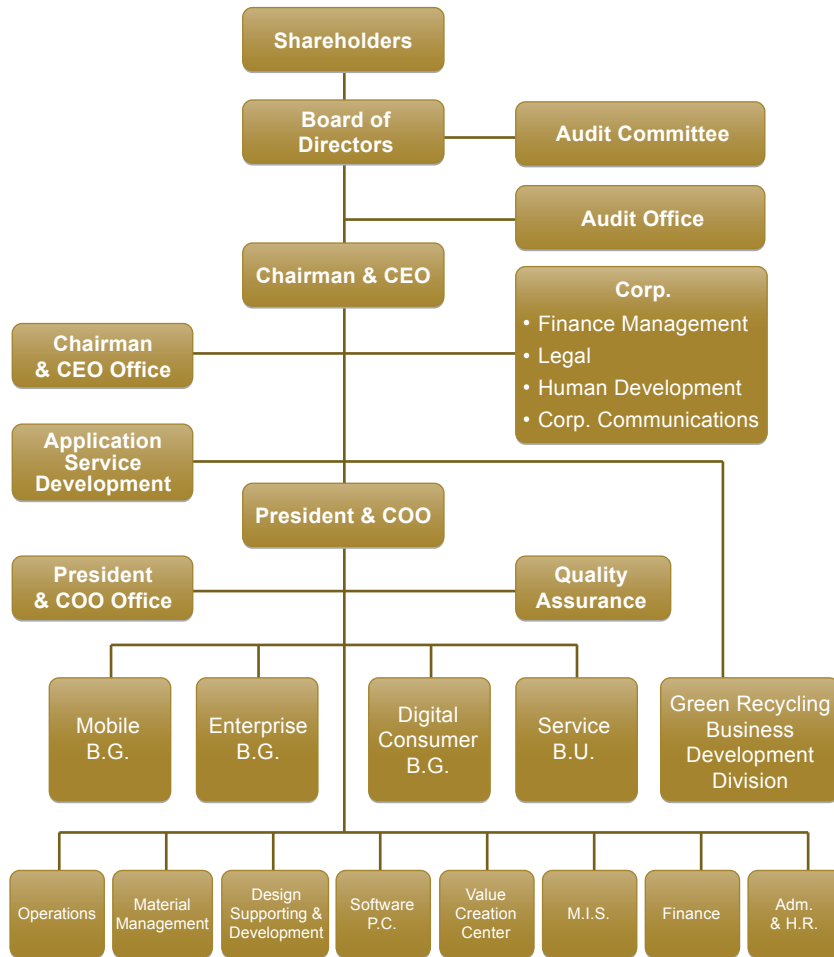
2.6 Corporate Governance

Wistron has a long-standing commitment to superior corporate governance practices. We have endeavored to develop innovative mechanisms to enhance our practices, protect benefits of shareholders, improve the structure of our board, increase the responsibilities of our board members, and respect the rights of minor stakeholders. Meanwhile we endeavor to enhance the transparency of disclosures coupled with the introduction of Ethics Code of Conducts to consistently engage with superior corporate governance practices with ultimate business goals to maximize shareholders' values and pursue prosperity of the business.

Our board deeply believes that strong board structure is the cornerstone of good corporate governance practices. Since we went public in 2003, our board always has had two independent directors and one independent supervisor, all acknowledged with outstanding reputation and respectful experiences in our industries. Their qualification and leadership have fostered a strong culture in good ethics and business conducts which further contribute to Wistron's phenomenal growth in business in past years. In 2009, the board has taken another major step to enhance our corporate governance practice. It decided to replace the supervisory board with audit committee which will solely consist of independent directors. The proposal has won overwhelming supports of our shareholders. The audit committee will be regulated by both board and audit committee by-laws. The creation of an audit committee has taken Wistron to the next stage to demonstrate our strong commitments in pursuing superior corporate governance practices.

Board of Directors: In accordance with the articles of incorporation, our board shall consist of seven to nine members. Each member serves for a term of three years and is eligible for re-election without term limits. Currently our board is composed of nine members including five non-independent and four independent directors. Mr. Simon Lin (Hsien-Ming Lin) is the current chairman and CEO along with four other non-independent directors including Mr. Stan Shih (Chen-Jung Shih), chairman of iD Softcapital Group, Mr. Haydn Hsieh (Hong-Po Hsieh), CEO, President and Director of Wistron NeWeb Corp., Mr. Robert Huang (Po-Tuan Huang), President and COO of Wistron, and Mr. Philip Peng (Chin-Bing Peng), the representative of Acer Inc. The four independent directors include Mr. Michael Tsai (Kuo-Chih Tsai), vice chairman of Powerchip Semiconductor Corp., Mr. James K.F. Wu (Kuo-Feng Wu), Partner in-Charge of Audit Practice, KPMG Taiwan, Mr. John Hsuan (Min-Chih Hsuan), Emeritus Vice

Corporate governance organization chart



Chairman of United Microelectronics Corp. and Mr. Victor C.J. Cheng (Chung-Jen Cheng), Professor of Department of Law in Shih Hsin University. The chairman shall be elected by the entire board. He or she is asked to fulfill fiduciary obligations in good faith while serving as a major representative of our company. Please refer to our website and annual reports for the detailed biography of each member.

The board shall hold at least one meeting a quarter. The main functions of the board include the appointments of senior officers and the developments of long-term strategies. The board will also oversee the management team to ensure that it strictly abides by all regulations, enhances the transparency of communications, and continuously contributes to society to build a better future. Another duty for board members is to participate in the decision-making process using personal expertise to protect shareholders' benefits and maximize their wealth. To facilitate communication, the board is authorized to invite officers to attend board meeting and provide updates on operations, strategic planning, and other relevant issues.

Another major duty of the board is to ensure an alignment of our company's performance and compensation. Our principle philosophy is to maintain a compensation system that will provide competitive incentives to retain, motivate, and attract employees to support long-term success of our business. At the end of each fiscal year, the board will review the company's overall performance and average pay practices of our industry to determine the sharing of employee bonus and director compensation and then submit their decisions for shareholders' approvals. For senior executives, compensation is composed of salary, bonus, and performance-based awards including cash, stocks, and options. The merits of salary and bonus are benchmarked to the average level of our peers. Performance-based remuneration that accounts for the majority of our executive's total compensation is determined by both individual's and company's performances which thresholds were established and communicated at the beginning of each performance period. Those thresholds include revenue targets, profit margins, growth rates, and other measurements to operation efficiency and strategy executions. All decisions on performance thresholds and payouts will need the final approval of the chairman of the board.

Audit Committee: One major function of our audit committee is to develop a risk management system and to oversee potential risks facing the company. The assessment includes: verify the adequacy and accuracy of financial statements, meet with certified accountants without management presence to ensure its independency and effectiveness, oversee the integrity of internal controls, and evaluate management performance to ensure strict compliance of laws and comprehensive assessments of potential risks in place. In addition, the committee is empowered to invite senior officers of accounting, certified accountants and auditors to attend the committee's meetings at least once every quarter to report the progress of internal audit, financial performance as well as the most recent developments in regulations.

The audit committee is also authorized to hire external lawyers, auditors and/or consultants to seek independent advice. The audit committee with its discretion may directly communicate with internal auditors, certified accountants and/or management teams. The audit committee is required to hold a meeting at least once a quarter. Established in 2009 the Audit Committee's chairman is Mr. Michael Tsai (Kuo Chih Tsai) and consists of four independent members.

Compliance: Since 2001 we have been diligently complying with all stipulations promulgated by Financial Supervisory Commission (FSC) for public companies. After listing, we have closely tracked the developments of new regulations and have asked all subsidiaries to strictly abide by. In addition, to strengthen our core values, maintain high level of integrity and further integrate those standards with individual's daily responsibilities, inspire all employees to enhance the reputation of our company, and reinforce the faith of clients, suppliers and general publics, Wistron has developed an Employee's Codes of Conduct and has asked all employees including chairman and chief executive officer to strictly comply. As of today, Wistron has never received any comment letters from FSC nor Taiwan Stock Exchange (TWSE) resulting in any financial or non-financial losses.

Anti-corruption: Integrity is not only the core value of our business but also the most fundamental element to support our daily operation. At Wistron, we have strived to establish a strong culture with the integration of ethics issues into individual's performances and responsibilities. We have designed and implemented a robust internal ethics program and required all our employees to have thorough awareness and compliance. We have also maintained strict confidentiality agreements with our clients and we do not allow our employees receiving gifts or perks. We further extend our ethics standards to our clients, suppliers, business partners and any entities associated with business relationship with us. With respect to board meetings, directors are asked to be absent when the discussion involves concerns of interest conflicts. In such a circumstance, directors are prohibited from executing voting rights either in person or in representative.

2.7 Industry Associations

Wistron has memberships or relationships with many different types of industry organizations across various specialties such as industry promotion, hardware/software design, environment protection, and new

technology research sharing. A few examples are shown below.

- 3D Interaction & Display Alliance
- American Society for Quality (ASQ)
- Association of Industries in Science Parks
- Chinese Association for Industrial Technology Advancement
- Electrostatic Discharge Association (ESDA)
- High Density Packaging User Group International, Inc (HDPUG)
- Information Service Industry Association of R.O.C.
- IPC China - Association Connecting Electronics Industries
- Nanotechnology and Micro System Association
- Taipei Computer Association
- Taiwan Electrical and Electronic Manufacturers' Association
- Taiwan MEMS Industrial Alliance
- Taiwan Thermal Management Association

2.8 Stakeholders

Stakeholder identification and communication activities are led by a CS²R Implementation Committee. The Committee identifies stakeholders and integrates stakeholder concerns into routine tasks and annual plans. The core team also seeks support from additional departments as necessary. The identification process of issues and concerns is based on the five major stakeholder groups: customers, employees, investors, suppliers, and communities. These are further divided into sub-groups that cover all of Wistron's stakeholders and their major concerns. Wistron has certain responsibilities to its stakeholders and communicates with them through various measures and channels so as to understand their needs and expectations for Wistron, while also taking these needs and expectations into account for corporate social responsibility policies and projects. [see *information box: Stakeholders*]

Indirectly, millions of consumers (i.e. end-users) use our products. However, we normally have no direct contact with end-users as our products are sold on an OEM basis for resale to end-users. In some situations we may interact directly with end-users of our products (or other companies' products) in our role as a provider of after-sales support (e.g. product repair). For more details of our business modes of operation please see the 2.1 *Business Summary* section and the information box *Wistron business operations*.

Stakeholder relationship

Interests/concerns of stakeholder groups

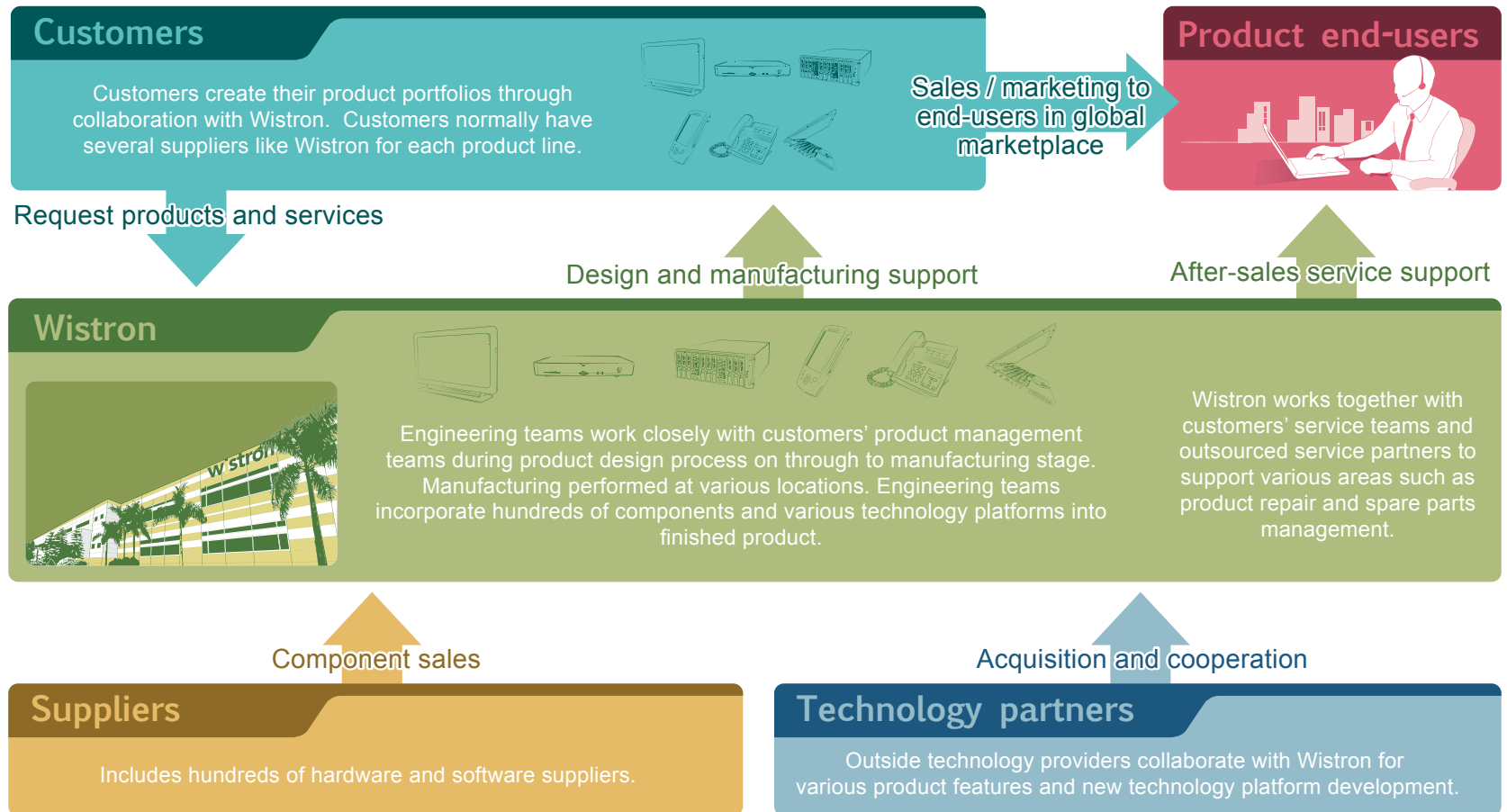
Customers	Employees	Investors	Suppliers	Communities
Product quality and cost competitiveness	Career development	Profitability	Regulation compliance	Environmental impacts (e.g. air pollution, wastewater)
Fulfillment/Supply chain	Compensation/benefits	Market share/growth	Recognition of green product components	Economic contribution
R&D/Engineering performance	Health and safety	Corporate governance	Supply chain management	Regulation compliance
Service	Human rights	Corporate social responsibility implementation	Continuity of supply	Social welfare
Green product	Employment terms and conditions		Cost competitiveness	
EICC status	Business integrity			
Use of restrictive substances	Work/Life balance			
Risk management	Industrial and academic cooperation			
	Learning and growth			

Responsibility and communication to stakeholder groups

	Customers	Employees	Investors	Suppliers	Communities
Responsibilities	<ul style="list-style-type: none"> • Provide safe, high-quality products and services • Raise satisfaction • Cooperate to fulfill product environmental and social responsibility 	<ul style="list-style-type: none"> • Respect human rights • Fair performance evaluation • Fair and recognized Compensation • Learning and development • Safe and healthy working environment 	<ul style="list-style-type: none"> • Provide accurate information in finance and corporate governance • Provide reasonable return on investment 	<ul style="list-style-type: none"> • Supply chain management • Communication of Wistron CS²R policy and approaches • Assist in corporate social responsibility implementation practices 	<ul style="list-style-type: none"> • Respect local culture and customs • Prevention of incidents and accidents • Participate in public/social welfare activities • Comply with regulations
Communication Channels and Efforts	<ul style="list-style-type: none"> • Periodic business review from/with major customers • Customer satisfaction survey • Cooperate with customers' product environmental and social responsibility surveys and improve where necessary 	<ul style="list-style-type: none"> • Incentive/Recognition program • Total management framework • Employee satisfaction survey • Wistron internal communication channels 	<ul style="list-style-type: none"> • Investor meetings • Annual shareholders meeting • Teleconferences 	<ul style="list-style-type: none"> • Supplier information platform • Supply chain management forum/vendor conference • Supplier management including annual audit 	<ul style="list-style-type: none"> • Staff participation in community support programs. • Company working with local government department and NGOs on a variety of eco protection activities or charitable activities

Wistron business operations

Below is a general representation of the flow of Wistron business activities. Customers choose from a variety of products and services available from Wistron. Before, during, and after the product development stages, Wistron collaborates with various component and technology platform suppliers. Customers use their own market channels to sell products to end-users.



Images of services

Design



Manufacturing



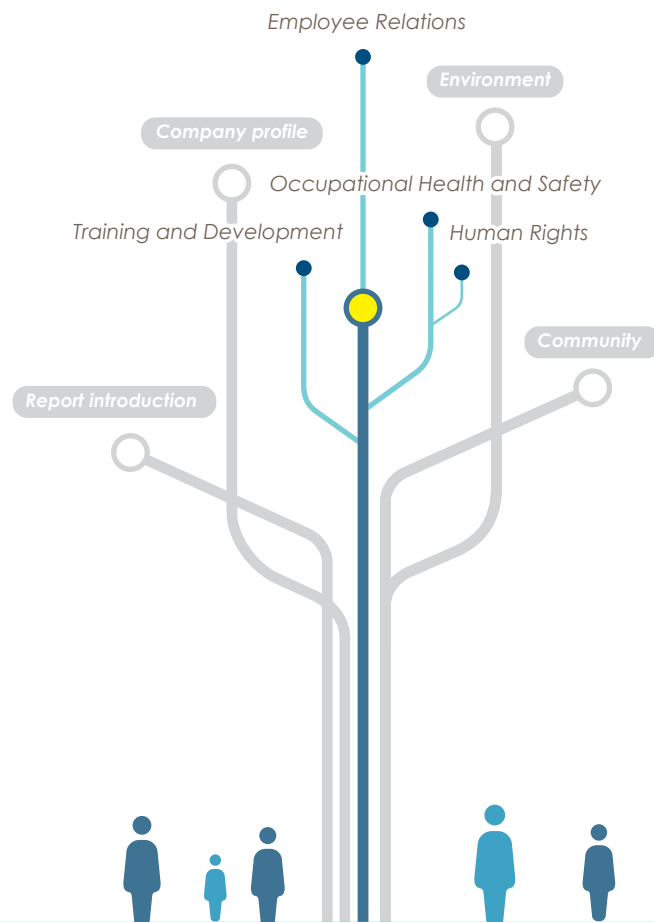
After-sales service



3 Employees

Wistron strives to develop an organization based on valuing employees. Open communication channels, employee health and safety, fair/equitable compensation, professional development, and overall quality of work environment are aspects of management's strategy to create a sustainable employee relationship model. Wistron recognizes very clearly the value of our strong workforce to our overall company success and how our support for employees contributes to their overall well-being.

Due to our rapid growth in employee numbers and geographic expansion many challenges exist. We are diligently working to keep pace with employee needs. Very important is our implementation of employee related systems/processes, as well as physical infrastructure, to help us ensure we achieve our support goals for employees. We must continue to evolve our employee relations to ensure we are adequately meeting the expanding needs of our workforce.



IN THIS SECTION

- 3.1 - Employee Relations
- 3.2 - Occupational Health and Safety
- 3.3 - Training and Development
- 3.4 - Human Rights

Reference information

- Female employee statistics

Section key focus notes

- **Safety systems for large manufacturing operations**
- **Living environment on on-campus staff**
- **Systems to keep pace with fast growth**

-Our manufacturing operations are not considered high-risk to employees. However, with a large number of employees directly involved in manufacturing services, special focus is paid to working environment for our manufacturing operations.

-A large number of staff chooses to live in company accommodations. Therefore, the company can influence employees' non-work related living environment as well. The company pays much attention to enhancing employees' personal non-work related needs.

-Wistron has been growing rapidly in both employee numbers across various countries. The current set of systems in place at company inception are being improved and migrated to new offices to ensure adequate employee support.

3.1 Employee Relations

Communication

With the recognition of the challenges facing development of suitable relations with employees across various countries, Wistron implements various forms of communication with employees. Overall, Wistron maintains and emphasizes an “open door” policy allowing employees, regardless of position, to communicate directly with management. Wistron strictly follows a policy of not reprimanding employees for issues raised to management and adequately addressing such issues when raised. Meanwhile, Wistron trains managers on listening and communication skills with employees—we feel extra emphasis must be placed on efficient communication due to our multi-cultural, international operations.

A key element of communication is the Wistron's “Employee Representation Committee” system. The system allows employees to provide confidential suggestions, requests, and questions to top management. Wistron is expanding this representation system model throughout Wistron with a key focus on manufacturing operations due to the large percentage of our employees employed in manufacturing and the larger variety of issues which may arise compared with a standard office environment.



Q&A session with management



Employee representation meeting

Meanwhile, Wistron is expanding the types of communication vehicles within various offices. Our employee intranet system has always been a key type of communication tool and this is supplemented by company activities/status update meetings (e.g. quarterly reviews, annual “kick-off” meetings). Larger offices publish newsletters to summarize key activities and directions. We are also beginning to utilize in-circuit television broadcasts at our manufacturing campuses which we intend to incorporate an emergency broadcast system as well.



Policy bulletin board

Freedom of association

Wistron respects all laws concerning an individual's freedom and rights and maintains specific internal policies stating employees are not prohibited or hindered from freedom of association. Our employees make these decisions without any interference or attempt to influence by Wistron. We hope that our company fosters an environment of open communication which allows for any problem areas to be highlighted to management without fear of reprisal or intimidation, while also receiving adequate focus by management to solve problems.

As part of our efforts, Wistron provides fair, competitive, and comprehensive compensation packages, employee development programs, and good work environments—all aimed to enhance employee job satisfaction and work engagement. We want employees to feel the company is working across various areas—work, health, and life issues—to provide employees with employment opportunities comparable to and hopefully exceeding other companies' offerings. Due to our rapid expansion in number of employees we realize we must be diligent in our efforts to satisfy employee needs.

Wistron campuses

Some of Wistron's operation locations are called "Wistron campuses". These campuses include facilities such as dormitories and cafeterias.



Employee environment

While Wistron has 15 offices worldwide, a majority of employees are in our larger manufacturing centers and headquarters office. These larger operations employ from 3,000 to 20,000 persons and some manufacturing centers also provide optional employee accommodation facilities. Wistron has expended much effort to design, maintain, and upgrade facilities to support these large operations. These facilities play a major role in our support for employees.

Our manufacturing campuses (factory plus accommodations) also include related support infrastructure as a convenience to employees. Campuses include recreation facilities, cafeterias, and various stores (e.g. food, sundry items, and internet cafes) located near employee accommodations. Transportation to and from work is provided in some offices via buses arranged by the company. For employees on business trips, we are expanding our employee accommodations to provide a more comfortable living environment rather than hotel rooms, which is especially important for employees on longer duration business trips.

3.2 Occupational Health and Safety

Health care

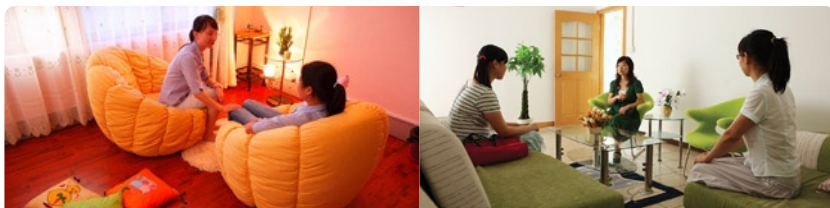
Employee health is a top priority and the company provides a wide range of support services to employees. While following all related local requirements Wistron attempts to develop a company-specific, comprehensive approach to health management. As we expand our services across more offices, Wistron is looking to establish an efficient methodology appreciated by employees. These activities go beyond our standard health systems related directly to work activities.



On-site medical care



Emergency evacuation practice



Emotional counseling offices

While not mandatory, health examinations are provided to a majority of our staff and are an important building block of our overall health programs for staff. Specialized examinations are provided for specific job functions (e.g. higher exposure to noise). For speed and convenience, Wistron is expanding our on-site medical facilities to support a range of employee health issues. These facilities are especially important at our large facilities, providing added efficiency to address issues. Beyond physical problems, we are also expanding our on-site Wistron “Heart Spas” which provide free and easy-to-access mental health counseling. We feel that the company is in unique position to provide this counseling due to our deep understanding of their work and, for some employees, living environment.

Meanwhile, we are expanding our own health-related information communication and resources to employees. We supplement health facilities with various support services like the “Wistron Health Information Network”, and “Family Physician Counseling Hotline,” providing daily information employees might need. We provide various health related information such as individual health protection tips, occupational hazard prevention “know-how”, CPR, and related first aid methods. We establish good working relationships with local health care providers (e.g. doctors, hospitals) for medical treatment and consultations services for employees. Using company influence with local health care providers we hope to acquire the best and most cost effective health care for our employees.

Injury prevention

Wistron aims to provide a healthy and injury free work environment to all employees. While no injury is acceptable, we are pleased that occupational injuries are rare and no major cases have been incurred at Wistron operations. Though our employees are not in high-risk jobs, we have placed added attention on our manufacturing operations where large numbers of employees work. We perform thorough analysis of all problems in order to make improvements, if necessary, in existing safety procedures. With large

concentrations of employees in some operations/functions we recognize the need for proper diligence.

Wistron has implemented related internationally recognized systems (see Certifications reference data in Company Profile section). In addition to these outside organizations’ systems, Wistron has implemented company-designed processes and actions to help prevent injury in the workplace. For all manufacturing activities employees are provided the training and preventive measure systems to help eliminate various types of injuries. Basic work safety rules and standards are implemented to ensure efficient response (e.g. emergency escape drills, first aid training). For more sensitive areas—such as elevated operations, applied heat usage, solvent application, machinery noise, limited space, or cargo moving (e.g. forklifts)—strict application and control procedures are implemented. Proper training and related discipline of implementation is considered essential.

Training programs are very important to teach best practices for proper arrangement of workplace activities and proper ergonomics to reduce worker strain while limiting or eliminating injury. Most of the equipment used in our operations can be safely operated with basic training—employees are required to undergo specific training programs for each type of equipment. We note that newer versions of some equipment include more safety features lowering the potential of injuries from operating our assembly equipment and we believe the overall safety environment in our facilities will continue to improve.

Emergency management

Wistron pays particular attention to emergency management. Basically, emergencies can be categorized into two major types: 1)internal operational emergencies and 2)external generated emergencies. While all offices require professional emergency management, Wistron operates several facilities with over 3,000 employees which mandate the proper preparation of systems/procedures to handle various types of emergencies on a large scale to protect employees. These offices have high concentrations of employees making emergency management especially important to limit potential damage/problems.

Wistron’s emergency handling planning covers all possible emergency incidents which may occur in the workplace such as emissions of harmful gases, large leaks of solvents, fire, explosions, and environmental pollution. Wistron’s emergency handling teams have responsibility for areas such as

alarm broadcasts, security and protection, fire fighting, medical treatment/first aid, and emergency escape guidance. At major facilities Wistron has various fire-fighting equipment and devices for our specific types of facilities, including gas concentration measuring and monitoring, paging systems, personal protective equipment, leak handling apparatus, eye wash, and warning devices.

Externally generated emergencies include natural disasters (e.g. typhoons, earthquakes) and disease outbreaks (epidemics). While natural disasters can utilize some of the same management methodologies as used for internal operational emergencies, disease outbreaks require additional activities and support services for employees. For such cases, the company must continuously monitor related outside information, provide employees with instructions and basic health items, coordinate outside support resources, monitor employee health patterns with specific screenings/examinations, utilize special work arrangements, and make key decisions on timely basis to properly match current situation.

Due to SARS in 2003 and H1N1 in 2009, Wistron utilized various aspects of our emergency management system in our China and Mexico offices. Wistron coordinated with local government offices to hold informational meetings, arranged special support from hospitals, arranged health screenings for employees with related subsequent work arrangements, maintained travel and outside visit restrictions, and provided health kits to employees (e.g. masks, hand disinfectant). We will use experience gained to support future emergency response measures.



Philippine office newsletters

Campus life

Non-work related activities are important for all employees. Wistron “campuses” include a variety of facilities and activities for employees’ benefit.



Social/recreational activities

To encourage employees to actively maintain and improve their well-being, Wistron provides a variety of social and health related activities and facilities for employee convenience. Recognizing that many of our employees are busy, we hope through company organized activities we can inspire participation through easily accessible activities. We hope that as our offices grow we are able to provide an expanding selection of social/recreational activities for employees.



Manufacturing teams take a break to watch World Cup football

Activities are tailored to meet local employee interest and may include “family day” gatherings, year-end parties, nature training, “singles” events, and seminars (e.g. book author speeches, health/cooking lectures, etc.). Much emphasis is also placed on physical activities like exercise classes, bicycling, basketball, and softball, as well as support for hobby clubs. We supplement these non-work related activities with inspirational/motivational, or just plain fun, activities through programs like “Power Teams” which are designed to let employees spend more quality time together to enhance team building and interpersonal relationships.

To support this direction Wistron has built and expanded various relaxation, entertainment, and fitness facilities in various offices, examples include exercise rooms, dance rooms, billiard tables, table tennis rooms, basketball courts, and reading rooms. We also encourage employees to organize their own clubs for activities with other employees with common interests, examples include clubs for mountain climbing, swimming, and bicycling.

3.3 Training and Development

Striving to create an overall strong training and development environment, Wistron aims to match the varying needs of our diversified employees. We provide a wide range of trainings which we hope will allow employees to develop their skills and capabilities for overall career and personal development. The continued improvement of our employees is essential for Wistron to maintain its competitiveness, as well as enabling employees to

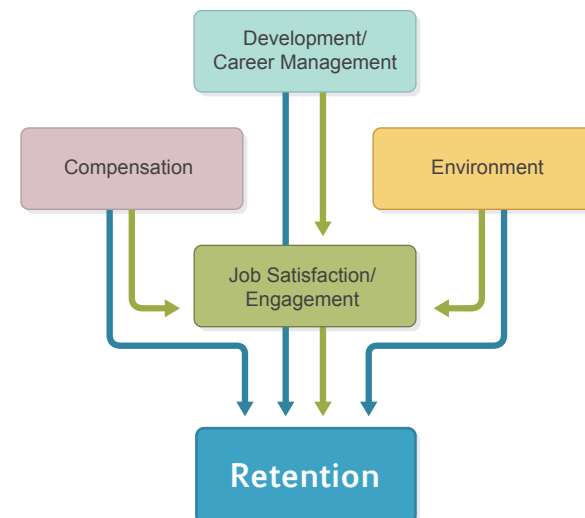
keep pace with our industry direction. In Taiwan offices alone, since 2003 Wistron has offered over 2,700 training courses, accounting for over 8,000 training hours and 160,000 class participants. Since 2005 the focus on Six Sigma training has yielded over 120 qualified (green and black belts) participants.



Wistron Philippine staff supporting Mexico office

Career development

Wistron aims to increase the overall competitiveness of employees, while enhancing their job satisfaction and potential job advancement. Our training classes range from basic company culture training and interview training to in-depth engineering topics. Employees should be provided training to let them not only understand management of job requirements but also the additional skills to feel confident and comfortable in their career development. Employees can take advantage of our close cooperation with many outside industry partners and organizations to attend their specialized classes. Meanwhile, employees are provided opportunities for cross-country or cross-location training, increasing their internal exposure and cultivating knowledge diversification.

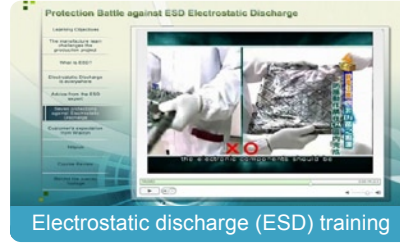




Classroom training



On-line training



Electrostatic discharge (ESD) training



Restriction on hazardous substance (RoHS) training

Training systems

Wistron is building on a strong base of training developed in the early years after our formation. We are continuously expanding the talent cultivation and e-learning system as well as introducing the knowledge management portal across various offices. Wistron has received various government awards and recognition for training programs developed in Taiwan. Awards and recognition include the “Corporate e-Learning Best Practice,” for four consecutive years, “AA Corporate e-Learning Service Quality Award,”



Coaching skills training



New product introduction (NPI) training

Wistron training architecture



the “Corporate e-Learning Flagship Implementation Award,” and “National HRD InnoPrize.”

In order to further satisfy external customers’ requirements, Wistron utilizes its e-learning systems to integrate suppliers’ quality and RoHS requirements into its e-learning courses, namely, “Supplier Joint Quality Engineer Training,” and the “Product Compliance with RoHS Strategies and Operations.” These two courses are opened for access the component suppliers, and at the same time, they are required to learn these courses so as to enhance the competitiveness of the whole IT industry chain.

Awards

As part of career development, while encouraging and recognizing employee contributions, Wistron uses various internal award programs and applies for external awards for employees. In 2008, a total of over 4000 employees globally have received internal awards comprising approximately 11% of the total employee population. With company support, Wistron employees have won a variety of national level awards.



Training system awards

3.4 Human Rights

Beyond basic issues such as safe working environment, career development, and health protection, the respect for human rights is a cornerstone element of our relationship with employees. Due to our growing employee numbers, various nationalities employed, and large manufacturing base, we must strictly enforce the basic concept of human rights, as well as respect changing expectations regarding treatment of employees from outsiders and employees themselves. Wistron does not discriminate based on ethnicity, nationality, age, gender, gender orientation, race, disability, pregnancy, religious belief, political affiliation, union association, or marital status.

Hiring and compensation

During the hiring process, Wistron does not discriminate. Applicants are not required to undergo biased medical examinations (e.g. pregnancy, AIDS, etc).

Wistron complies with all employment laws and regulations, and regularly monitors prevailing business standards and practices in order to set and adjust its hiring and compensation/welfare system. Compensation plans are country-specific and align with local practices and applicable laws. Wistron believes employee compensation is competitive in local markets and is based on performance with professional tracking and assessment systems in place supporting fair analysis.

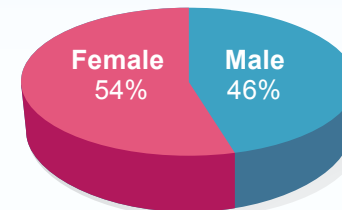
Discrimination, harassment, and equal opportunity

Wistron strives to prevent any form of discrimination from occurring in all areas of our relationship with employees—hiring, salary determination, training, promotion, and employment termination—with the focus on equal opportunity according to ability and contribution. Wistron will not tolerate any form of harassment or unfair disciplinary action in the work place. Employee behavior or company disciplinary action involving insult, threat/intimidation, and/or physical, verbal, or mental abuse is not tolerated.

Equal opportunity plays a critical role to ensure employee career development. Physically disadvantaged employees are actively recruited. Wistron especially emphasizes gender equality such that females enjoy the same rights and opportunities in all aspects. At Wistron the numbers of female managers and male managers are relatively equal while the number of female employees elected as outstanding employees is higher compared with males.

Female employee statistics

	Female indirect %	Female managerial %
2008	33.96%	15.01%
2009	32.79%	19.07%



Global total employee ratio

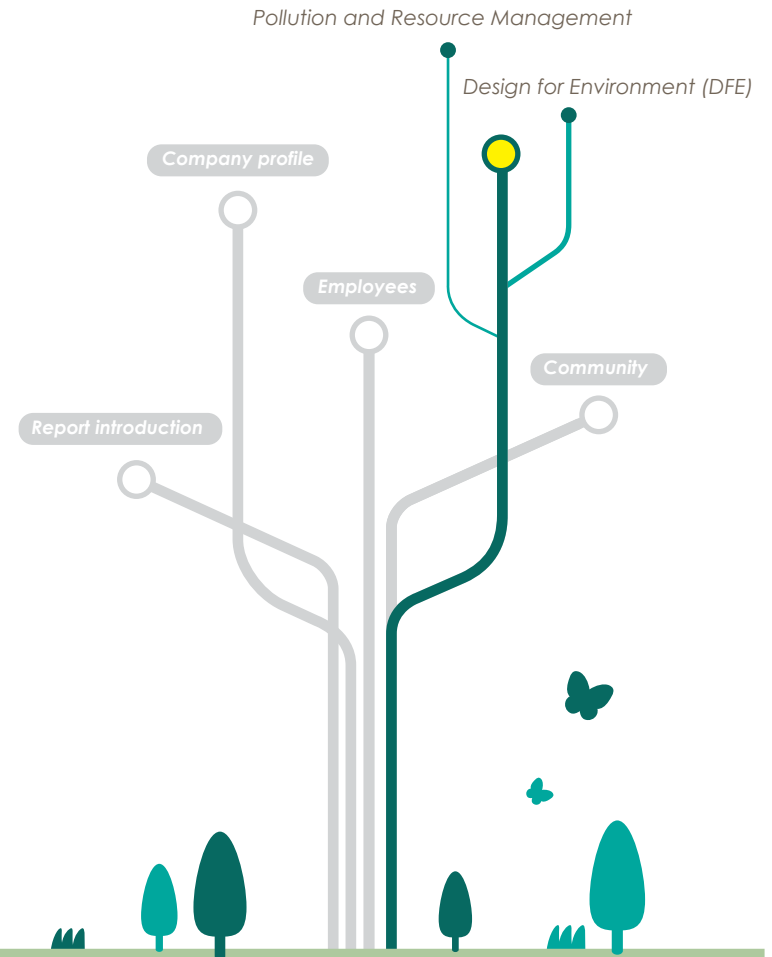
Child, forced, and controlled labor

While following respective local laws and regulations, Wistron strictly prohibits the use of child or forced labor across all facilities worldwide. Due to possible misrepresentation by prospective employees, Wistron maintains checking procedures for identification documents during the hiring process. We believe we are successful in preventing child labor in our operations but realize we must diligently implement our systems to ensure no child labor exists within our operations. Wistron in no circumstances shall use financial or other means to obtain controlling relationship over the employees (e.g. withholding bank savings, demand penalties for breach of employment contract, holding identification documents).

4 Environmental Protection

From a purely product perspective, as a large ODM supplier of electronics equipment, Wistron can play an important role in lessening the environmental impact of products. Although most of our products are produced to meet customers' specifications, our professional engineering knowledge can lessen the difficulty in product development for products which are more environmentally friendly. Wistron's product engineering teams work closely with customers, component suppliers, technology platform providers, and related research organizations across a variety of areas to support "greener" products.

From an overall company operations perspective, Wistron can analyze various areas to determine and limit the impact of our operations on the environment. We analyze areas where we can prevent or reduce pollution from our operations and reduce our usage of materials, water, and electricity. While we are looking internally, at the same time, we can actively influence two key stakeholders—suppliers and employees. We hope that using this concerted effort will bring maximum results with Wistron enjoying a smaller "environmental footprint".



IN THIS SECTION

- 4.1 - Pollution and Resource Management
- 4.2 - Design for Environment (DFE)

Reference information

- Environmental related reference data
- Waste types statistics
- Supplier ownership statistics data

Section key focus notes:

- Major designer of IT products and related product packing
- Majority of company environment footprint at manufacturing centers

-Wistron is directly involved in the design of IT products and can apply both outside partners' technology and Wistron-propriety technology into designs for "greener" products. Product packaging design is important element due to high number of products produced. [see information box in Company Profile section: Product shipment indications]

-A high concentration of employees and product assembly are at the larger manufacturing centers. Some centers also include employee accommodations as well. Therefore, company efforts focused at these centers include both work and lifestyle related actions to protect the environment and yield relatively significant results.

4.1 Pollution and Resource Management

Energy conservation

Energy consumption is a key control element for Wistron. While efforts to reduce energy are an ongoing endeavor, the key focus is on larger manufacturing facilities where a majority of Wistron's employees work and energy use occurs (4 facilities account for approximately 88% of total employment). These larger manufacturing campuses also include standard office areas, as well as employee accommodations. Therefore, a comprehensive approach applying even basic conservation methods for energy conservation can yield significant improvements.

Some methods/measures utilized for energy conservation:

- Power system improvement in electric equipment and line setup
- Higher efficiency light bulbs (internal research indicates 42% electricity reduction for T5 lights)
- Monitoring of air conditioning systems (internal research indicates 6% electricity reduction for each 1°C temperature change)
- Adjusting coolant systems for air conditioning (internal research indicates 30% electricity reduction)
- Use of power-saving mode and turning off electricity consuming

equipment when not in use, including office equipment, power supply room equipment

- Solar water heating (primarily for employee accommodations and restaurants)
- Improvements in building wall design and shading panels

To improve overall awareness for energy conservations, Wistron uses various communication methods with employees to promote "energy awareness". At the same time, Wistron will take advantage of new technologies to implement in our future buildings. We believe with a combination of increased energy awareness and "greener" buildings we can make significant inroads into reduction of electricity consumption. [see information box: "Green building" plans]

Greenhouse gas (GHG) reduction

Wistron is implementing a greenhouse gas emission verification (GHGEV) inventory system for data collection to allow the company to effectively track GHG emissions. Our overall goal is to utilize data for related reduction analysis and monitor results versus reduction targets. The primary focus is on our larger manufacturing centers where the majority of our GHG emissions will occur. We utilize the collection methods promoted by outside organizations, such as Intergovernmental Panel on Climate Change (IPCC).

Our direct GHG emissions primarily include emissions from liquefied petroleum



Environment related posters

gas used in heaters, diesel oil used for backup generators, and gasoline used in vehicles. Indirect GHG emission sources are primarily from electricity purchased outside. Not unexpectedly, from our emission inventory results we note that our key emission source is indirect emissions from purchased electricity (estimated at 97%). As such, Wistron continues to promote the most direct and most effective way of saving power at each facility. [see information box for reference data: Environmental related reference data]

Water management

Wistron’s business operations do not make any special use of water (e.g. for manufacturing processes) so we do not use a relatively higher amount of water than other companies. However, a large portion of employees choose company accommodations so they are both working and living in Wistron provided facilities. This gives Wistron an opportunity to encourage water conservation across both work and life activities for employees. Wistron focuses on water reuse as well as water use reduction. [see information box

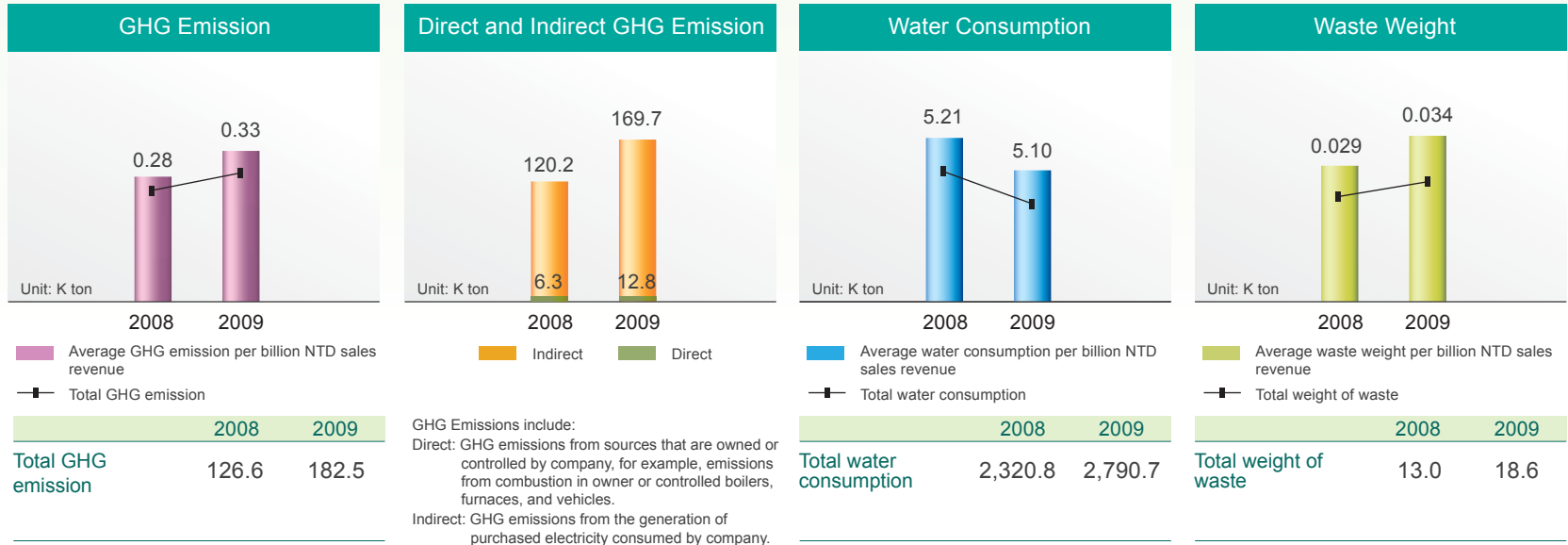
for reference data: Environmental related reference data]

Some methods/measures utilized for water conservation:

- Rainwater recycling systems
- Water saving faucets and toilets
- Water regeneration systems (bath water processed and reused in toilets)
- Water conservation promotion to employees
- Equipment enhancement and inspection/monitoring (e.g. water cooling systems)
- Water management analysis (identifying and utilizing water recovery points for possible recycling or reusing)

For water pollution directly attributed to manufacturing facilities, our operations conform to local government regulations and we perform our own

Environmental related reference data

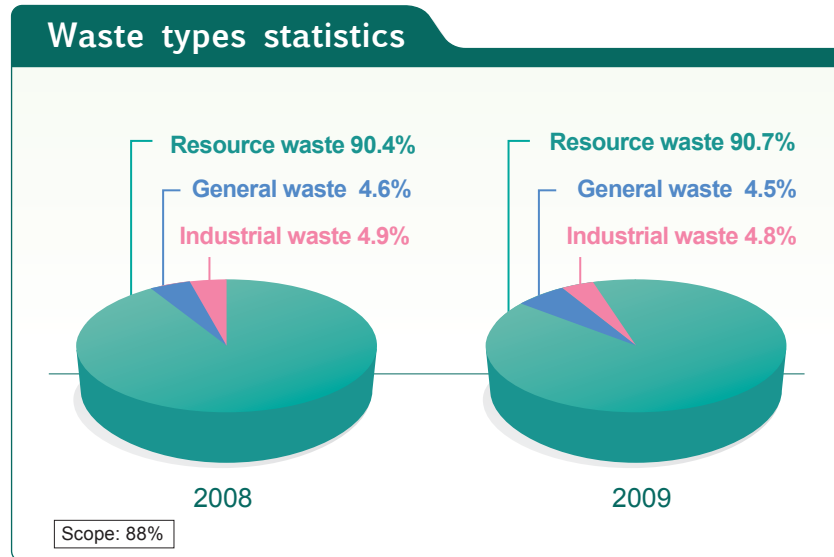


Scope: 88%

tests to detect abnormal release of wastewater. As mentioned, Wistron's business operations do not make any special use of water (e.g. for manufacturing processes) so our water pollution, per se, is primarily from general sewage. We are implementing systems to limit pollution (e.g. anaerobic mode of sewage treatment at our own campus sewage treatment facilities and more efficient grease traps for restaurants) which we hope will limit our water pollution emissions.

Air and waste management

For manufacturing centers we conform to a variety of waste/pollution regulations and diligently meet those requirements while implementing our own air and waste management systems. Wistron does not release significant amounts of air pollution through normal business operations (e.g. for manufacturing processes) nor do we have relatively higher amount of waste water discharge than other companies. However, our manufacturing operations do require significant amounts of packaging material for the many incoming components and outgoing finished goods. In addition, a large number of employees choose to live in company provided accommodations which allow us to attempt to instill waste reduction habits into their lifestyle. Overall, we aim for improvements in all areas of 3R (reducing, recycling, and reusing). [see information box for reference data: *Environmental related reference data*]



Wistron uses three classifications of waste materials.

- **General waste**
Primarily generated from daily life and not recyclable
- **Resource waste**
Recyclable and reusable (e.g. bottles, paper, aluminum foils, metal cans, cartons, plastic bags, batteries, left-over food)
- **Industrial waste**
Generated from the production process (e.g. solder residues, ICs, iron, aluminum, scrapped PCBs, organic solvents, wipers, fluorescent tubes, solvent empty containers, packaging materials)

Some methods/measures utilized for air and waste management:

- Proper disposal of all waste through collection and transportation to professional waste management companies to utilize proper waste disposal/processing
- Promotion of various methods of waste reduction to employees
- Reducing paper usage across all facilities (e.g. office administration functions)
- Promoting and enforcing waste segregation to enhance recycling
- Packaging material recycling and reuse, active cooperation with components suppliers for packaging reuse

4.2 Design for Environment (DFE)

Wistron's engineering teams play an important role in design for environment (DFE) for our product offerings. Our role is primarily in design for 1)energy efficiency, 2)reduction of materials, 3)recycling and reuse, and 4)restricted substances management (e.g. as defined by EU RoHS directive). [glossary term: *RoHS*] For all of these areas, cooperation with customers, technology platform providers, and component suppliers is important as most of our products are a combination of components and technologies supplied by Wistron and outside parties.

Wistron must meet customers' specific environmental standards in product design related specifications. Our customers expend much effort to collaborate with Wistron to ensure product designs incorporate the latest technology to allow for increasingly "environment-friendly" products. Customers also conduct

Environmental design challenges

DFE presents many challenges to engineers. Key examples in our industry are the removal and reduction of lead, bromated flame retardants (BFRs), and polyvinyl chloride (PVC) materials in products. Printed circuit boards (PCBs) contain lead and various cables' wiring contains BFRs and PVC (using halogen).

From an engineering and manufacturing perspective, to reduce or remove these substances from existing products creates various design concerns. Some new components and parts must undergo significant changes (e.g. solder without lead for PCBs) to meet new standards. Even if components and parts produced without lead or halogen match current functionality specifications/requirements, the new products must match or exceed previous products quality reliability in the marketplace. However, at this time these new components and parts lack long-term actual marketplace usage. Engineers must ensure new products with major changes in types of components and parts will not eventually have higher failure rates.

Wistron develops modified manufacturing processes and related reliability testing processes to aim for equal or improved product reliability when compared with existing products. For example, Wistron developed new manufacturing process methodologies for lead-free PCBs and related reliability testing to ensure long-term reliability of the PCBs to withstand end-users' applications. Wistron works very closely with key component suppliers to ensure thorough analysis of the performance and reliability of newer, more "environmental-friendly" components. Wistron hopes that this type of cooperation and internal design efforts will reduce the difficulties in introducing other types of components and related design elements in the future.

their own specific certification audits to verify that our products and systems match their requirements.

Due to our high volume of products shipped into the market, much effort is expended on DFE. Even small improvements in power supply consumption and reduction in packaging materials and size can have significant impacts. We closely align product designs to follow current and upcoming industry standards (e.g. Energy Star and European Union EuP/ErP). [\[glossary term: EuP, ErP\]](#) Examples of energy consumption related designs are TVs with standby mode using less than 1 watt (26% improvement versus previous product) and monitors with ultra-low standby power mode using less than 0.1 watt. Wistron was the first company to design CULV notebooks (using low voltage power-saving CPU). [\[glossary term: CULV\]](#)



Recyclable items for return to vendors

A variety of training programs are in place for product development teams to understand engineering challenges for environmental design. Product development teams also access various databases focusing on environmental design issues. Any alternative design (e.g. using different materials or processes) must meet or exceed certain standards and expectations across various areas—mechanical and electrical properties, safety, reliability, availability, and cost. Designs must be ready for volume manufacturing. Examples of design considerations are designs that 1) fail in the marketplace one or two years later, 2) are simply too costly for market acceptance, or 3) surpass current technology or related production methods. [\[see information highlight: Environmental design challenges\]](#)

Wistron studies standards for various eco-labels but is not directly involved in individual country certifications of products. From our understanding, products developed in cooperation with our customers have achieved standards allowing for the use of "eco-labels" in various countries, including Blue Angel (Germany), PC Green Label (Japan) and Taiwan Green Mark. [\[glossary terms: Blue Angel, PC Green Label, Taiwan Green Mark\]](#)

Controlled substances and material composition declaration items in Green Product Management IT System

“Green building” plans

Approximately 90% of our employees work in facilities designed to be large enough to integrate manufacturing operations with manufacturing support functions. These relatively large facilities offer Wistron the opportunity to focus any environment-related actions, such as energy saving, where results can be seen quickly and make the largest beneficial impact on our overall “environment footprint”.

We are actively making changes in existing facilities and planning for new facilities to be more environmentally-friendly. New facilities will utilize external wall construction methods designed to reduce heat conduction, double-layered glass, and shading panels/verandas. Water related systems include rainwater recycling, solar water heaters, and water regeneration systems. More efficient lighting systems are being implemented, as well as more advanced coolant temperature control systems.

Restricted substances management

A key area of DFE is restricted substances management. Various international bodies (e.g. European Union—EU) as well as our customers have issued restricted substances guidelines. Recycling or discarding products should have limited environmental impact: managing the elemental substances which comprise products is important to prevent or reduce end-of-life environmental problems. An example is use of lead in solder for printed circuit boards and flame retardants (containing halogen) used in wiring. The removal or reduction of lead and halogen will lower the environmental impact of improper recycling or discarding of PCBs and wiring.

Our customers expect Wistron to produce products meeting their strict environmental standards. Some of our customers base their standards on the European Union (EU) RoHS Directive restricting the use of certain substances (in general terms: lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr⁶⁺) and Polybrominated biphenyls (PBBs) and Polybrominated diphenyl ethers (PBDEs)) in electronic products sold in the EU. Most of Wistron’s products are within the categories of products affected by the RoHS Directive; however, not all of our products are sold in EU countries by our customers.

To match increasingly strict requirements, Wistron works closely with customers, technology platform providers, suppliers, and industry research

Material Analysis Center

Wistron’s Material Analysis Center (MAC) manages specialized in-house laboratories to support various environmental related product design activities. Product development teams utilize the MAC for screening related to restricted substance levels in a variety of items such as housing, printed circuit boards, cable/connectors, mechanical parts, components, as well as packaging materials including cartons and packing tape. Analysis is performed across most elements comprising these items (e.g. plastics, paints, inks, wiring, and platings). In addition, the MAC provides consultation services for chemical process/system management to help prevent and find potential problem areas (e.g. inadvertent contamination) across design and manufacturing activities. Therefore, the actual items, as well as how restricted substances may enter the items during product development activities, are closely examined by MAC for use by related product development teams. Wistron MAC has obtained the ISO 17025/CNAS certification. [\[glossary term: ISO 17025/CNAS\]](#)

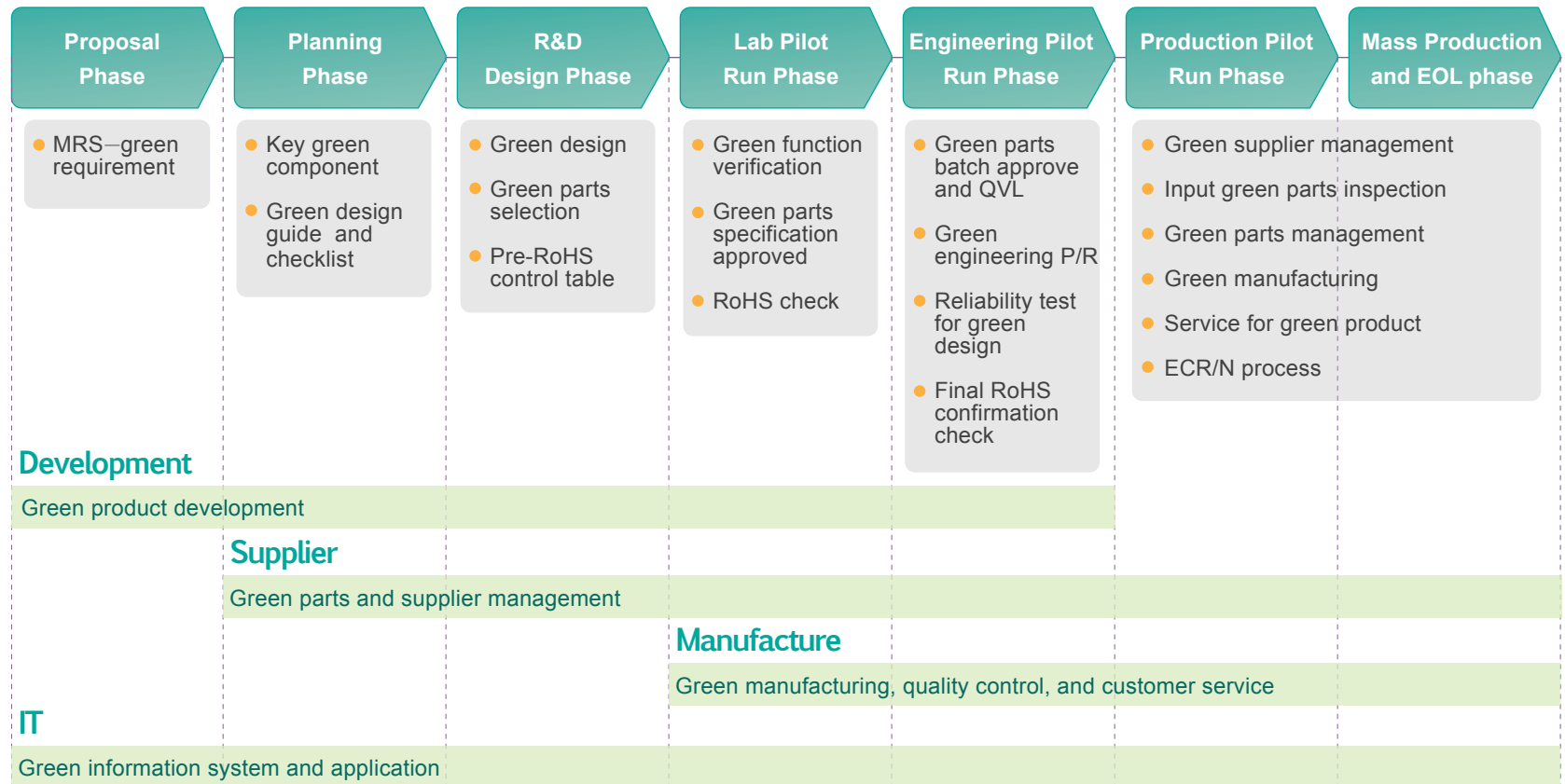


groups. An example of an important research group is the High Density Packaging User Group (HDPUG). Wistron is a project member for the HDPUG halogen-free project. HDPUG members include Wistron customers as well as competitors—environmental related issues bring together all related parties to find suitable solutions.

Specialized in-house laboratories test various items to ensure compliance with customers' specific requirements, international and significant national organizations' reference standards (e.g. RoHS, EPEAT), and our internal specifications. In-house laboratories ensure higher levels of confidence in screening restricted substances and advancing in-house expertise to meet

Green product management system

Wistron integrates design for environment (DFE) elements into all phases of product development. Related teams and functions play specific DFE roles to incorporate environment related specifications into product designs.



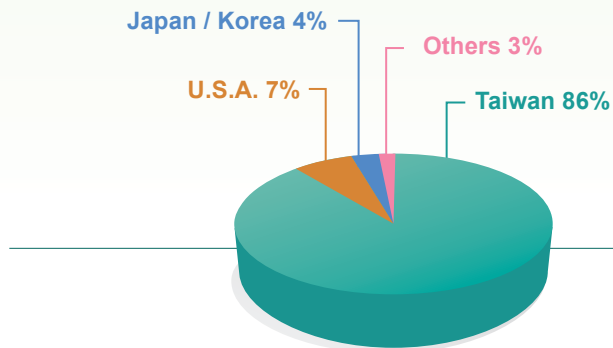
evolving concerns about environmental-friendly products. Due to the high volume of related items across our various product lines, over 15,000 sample inspections were tested in 2009. [see information highlight: *Material Analysis Center (MAS)*]

Supply chain cooperation

To meet environmental related product standards, we must efficiently manage the over 100,000 parts/components used in our various products lines sourced from over 1200 suppliers/vendors. Supplier company types include display, ICs, storage, memory, PCBs, power, connectors, cables, and mechanical parts.

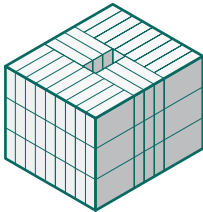
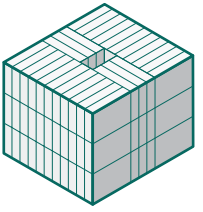
Wistron utilizes a qualification process to select the component suppliers able to meet our standards. Wistron issues the "Wistron RoHS Specifications" to suppliers which clearly outlines in-depth the exact restricted substance levels allowed for specific materials (in parts/components). We work closely with suppliers to ensure they fully understand the specifications and subsequent revisions. Part of this process includes vendors signing Wistron's "Declaration of Controlled Hazardous Substances Confirmation and Compliance" as confirmation of their understanding and compliance with our "Controlled Hazardous Substances" specifications. At the same time, Wistron has established extensive testing methodologies for incoming components to confirm pre-agreed standards are achieved. Wistron also

Supplier ownership statistics



Packaging design

Due to high volume of products produced, changes in packaging design have significant impact on product's "green footprint". Key focus areas are reducing packaging material (with related transportation savings) and utilizing recyclable materials. Examples below illustrate reduction in packaging design results at Wistron.

Notebook PC packaging	Old design	New design
Cushioning material	paper + EPE	paper
Carton volume	15,708 cm ³	12,578 cm ³
Shipping quantity per pallet (1200 x 1000mm)	72 units 	84 units 

TV size	EPS Weight (g)		Weight reduction (g)	Percentage improvement
	Old model	New model		
19"	163.0	136.0	27.0	16.50%
22"	239.5	206.0	33.5	13.90%
26"	259.5	207.0	52.5	20.20%
32"	285.0	220.5	64.5	22.60%
40/42"	482.0	295.0	187.0	38.70%
46"	583.0	330.0	253.0	43.30%

5 million units (of various sizes) approximate estimated EPS reduction:
500,000,000 grams (1,102,000 pounds)

[glossary terms: EPE, EPS]

Environment related expense/savings

Related to overall actions/steps for reducing our company's environmental impact is the analysis of related costs and benefits. Examples for 2009 are shown below.

Expense for environmental protection

Unit: NT\$

Description	Expense
Certification fee for environmental management system	797,522
Testing cost for factories to comply with environmental regulations and monitor products for hazardous substance control (e.g RoHS)	4,246,769
Promotion and training for environmental awareness	1,342,400
Maintenance cost for equipment and facility used for environmental protection	3,114,289
The treatment fee for waste	10,538,240
Cost for improving energy efficiency and resource consumption	318,660
Personnel expense of dedicated environmental departments	19,006,518
Environmental maintenance cost	2,659,950
Others	92,117
Total	42,116,466

Recycling savings

Unit: NT\$

Recycling of industry waste	Savings
<ul style="list-style-type: none"> • Resource waste: (e.g. PET bottles, cartons, fluorescent lamps) • Production waste: (e.g. components, packing materials, solder paste residue, printed circuit board) • Scrap: (e.g. scrapped production materials) 	99,913,000

Scope: 88%



Environment award presented to component supplier



RoHS related forum conducted for suppliers

informs suppliers about substances “under consideration” by Wistron to be banned or restricted in the future. Wistron's Green Product Management (GPM) website includes suppliers' test reports issued by third parties verifying compliance with Wistron's specifications.

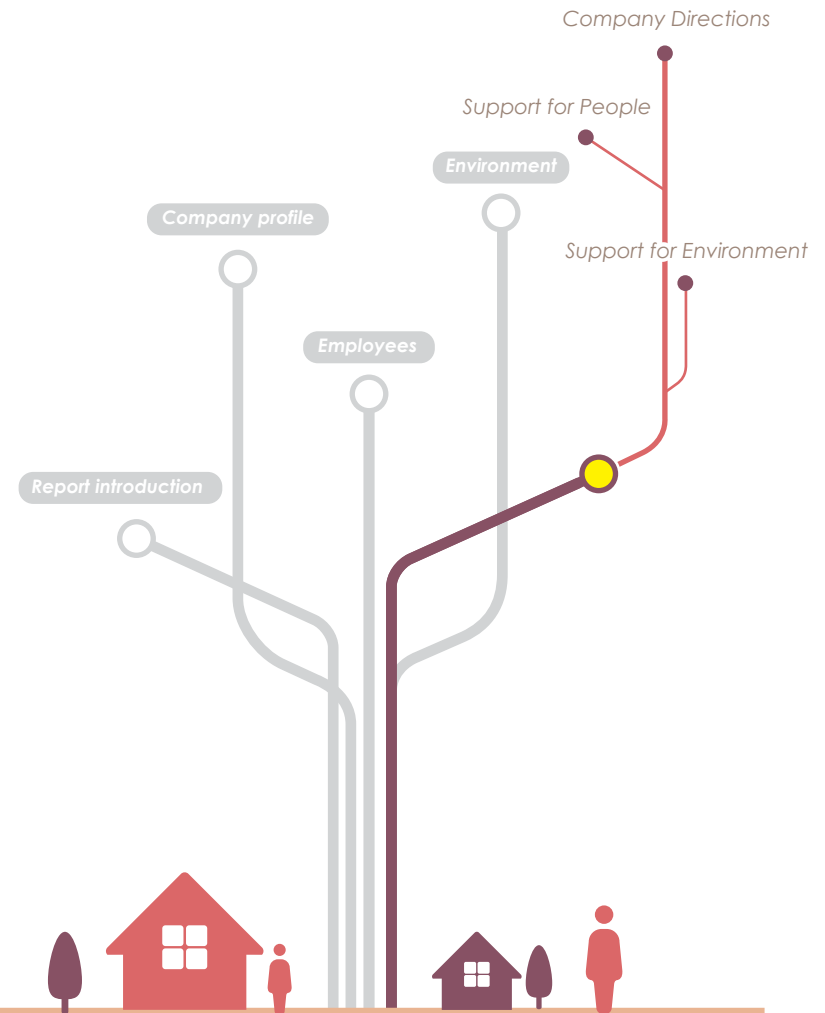
Since 2007, Wistron visits and performs audits on high risk suppliers according to our annual planning to increase cooperation with our supply chain. When audit results do not meet our requirements, we work with suppliers to develop appropriate solutions. We audited 290 suppliers in 2009 with 6 suppliers failing audit, requiring improvement to obtain “passed” status. Audits directly enhance the effectiveness of the over 800 supplier surveys conducted.

Training and basic information sharing is important for Wistron and suppliers to maintain common knowledge about industry trends and regulations. To help suppliers understand the specifications and effects of new regulations, Wistron holds forums and invites critical vendors to attend to discuss details of new requirements and implementation schedules. Our annual Vendor Conference reiterates the importance and necessity for environment protection and is our venue for recognizing suppliers with good performance.

5 Community Support

Wistron believes that support for our local communities directly helps the long-term sustainability of our corporation. Wistron is committed to play an active role by participating in social contribution efforts. To enhance our efforts and establish stronger relationships with local communities, the Wistron Foundation will allow us to more efficiently focus our support for charity activities.

Based on this concept of building a sustainable company operation, Wistron feels that the long-term health of the company is dependent upon the long-term health of the local communities. We can contribute to community health by direct involvement through supporting various local organizations and by nurturing a “giving attitude” among our employees. We hope this combined effort—Wistron and employees—can make a meaningful impact.



IN THIS SECTION

- 5.1 - Company Directions
- 5.2 - Support for People
- 5.3 - Support for Environment

Reference information

- Social contribution activities

5.1 Company Directions

Wistron actively seeks cooperation with professional organizations for various forms of charitable activities. We attempt to identify the most suitable partner and methodology for company involvement. Wistron aims to have a long-term relationship with various professional organizations so that over time we can have more in-depth understanding of their special needs. We hope that this long-term viewpoint gives our charity partners confidence that Wistron is truly looking to be involved and find the best way to support them. In this way, we build up cooperation efficiency so more energy/effort is spent directly on community support. The range of activities is broad but, in general, falls within the following areas.

Support for people

Provide assistance and support for humanitarian and social concerns, especially children and disadvantaged minorities.

Support for environment

Care for ecological environment, protection, and sustainable development.

To increase the overall impact of selected charity activities, Wistron actively encourages employee participation. We are very fortunate to have a very caring group of employees who support our initiatives—many activities involve our employee's participation. Participation can be through employees providing financial support to specific organizations or through spending their time to help. We always feel encouraged by the level of support our employees are willing to give.

An example is sales of charity organizations' products on our company's intranet site and using this intranet site to provide charity organizations' information. In Taiwan, employees have purchased over 10,000 items from charitable organizations. We are always greatly encouraged by their charitable attitude. For employees who have established their own volunteer groups, we try to support by letting employees leverage our facilities and by communication with other employees to gather support. Volunteer groups cover such areas as environmental protection and gifts/donations to economically disadvantaged children and students.

Social contribution activities

Wistron's community support is seen across a wide variety of activities with some examples of support types and affected groups shown below.

PEOPLE

- Assisting troubled youth
- University student scholarships, aid, and employment incentives
- Aid for underprivileged elementary students
- Christmas celebration for homeless children
- Supporting farmers through sponsorship of area produce
- Disaster relief donations
- Fund raising for ethnic children's elementary school
- Support for schools reading program through funds and book donations
- Shoe collection for elementary school children

ENVIRONMENT

- Nature learning courses for elementary students
- Nature learning camp
- Support management of eco-park
- Shelter for animals and plants in wetlands
- Clean up shoreline
- Tree planting
- Restore and reuse of items for charity
- Battery proper disposal collection for charity purpose

5.2 Support for People

Wistron's support for people ranges across a wide variety of areas. Across these areas we try to leverage our existing company resources and identify those groups who may need specific types of support.

We make every effort to leverage our existing company needs to create a charity support opportunities. With activities involving 300 to 5000 people and offices ranging from 5 to 20,000, we feel this is a good method to quickly and directly support selected groups and organizations. One example is sponsoring the purchase of oranges from 4.8 hectares (11.8 acres) to support a farming community. Another example is purchasing 16,000 "moon cakes" (for employee gift and charity concept promoted to employees) to help support ORBIT International "Flying Eye Hospital". Since 2006 we also have supported a tea growing community trying to recover from an earthquake—their tea is one of our standard corporate gifts.

Our employee intranet site also serves as a charity promotion system allowing daily to annual support for selected local charity and health organizations, as well as local ethnic groups. Employees not only have an easy way to understand various organizations' goals but also have an simple and convenient way to contribute and see the results of their efforts. Even for small cases such as the purchasing of 200 ethnic dolls from aboriginal students, employees can feel a sense of satisfaction knowing their support was deeply appreciated. Blood donation drives are part of our standard offerings to employees and helps these organizations feel they have a dependable partner.

Due our operations in various parts of the world we are more acutely aware of suffering caused by natural disasters or overall poor conditions in some local communities. We hope our contributions for regional calamities (such as the 2005 South Asia tsunami and 2008 Sichuan China earthquake) will help ease plights of local people. We wish to make the lives of local people—whether economically disadvantaged or simply in need of human contact—better through our support. Whether hosting a Christmas party for homeless children or bringing much needed school and/or daily living supplies to poorer communities, we hope our small contributions can make an impact on peoples' lives.

For student and youth support, we have organized support in various areas. Scholarships and aid incentives are provided to students for monetary support and encouragement. We also support students through a "Read for

Hope and Realize Changes" program. For those students who leave school for various reasons or have caused problems for their families or society, we also have provided encouragement for their efforts to make modifications to their lives. We want these students to see that a large company is interested in them and supports their efforts to improve their lives.



Education and youth support



Special and ethnic group support



Utilizing company purchases to support local farmers

5.3 Support for Environment

Beyond our standard environment protection actions related to product design and resource use and management, Wistron aims to also participate in various activities to support our natural environment.

In Taiwan, Wistron cooperates in various ways with the Wilderness Society of Taiwan (“SOW”), which focuses on environment-related education and nature preservation. Since 2006, Wistron has sponsored SOW’s management of the FuYang Eco Park, Taipei’s first ecological park preserved as a nature education area. Wistron’s sponsorship includes many areas aimed at not only preserving the park but increasing appreciation for nature. Nature guide training is provided for interested employees to be Eco Volunteers who provide assistance with park educational tours. SOW provides presentations to teachers and school children to teach proper ways to view nature when outdoors and visiting this park. Neighbors of the park are welcome for training as well, as they are often frequent park visitors and very aware of the park’s environment. These interested neighbors act as volunteers to help watch over the park and provide assistance such as data collection for various research. The Fuyang Eco Park website (www.fuyang.sow.tw) is sponsored by Wistron. Over 5,000 people have visited the park on tours, with many more visiting on their own.

Since 2004, Wistron has provided financial support for economically and physically disadvantaged children to attend SOW’s annual Environment Summer Camp (over 1500 participants since inception). Wistron employees’ children may join as well, with over 100 participants for this educational activity focused on nature. In addition, Wistron sponsors activities to directly involve employees in nature learning and preservation. Wistron employees and their families join environment tours arranged in various locations in Taiwan hosted by SOW nature guides. Earth Day activities included wetlands preservation and cleanup activities—over 1,000 employees and staff participated in 2007 and 2008. Wistron employees have enjoyed nature presentations held at Wistron’s office and a collection of nature related books are available for staff to borrow at our headquarters’ office.



Nature training courses for children



Nature awareness for company event



Cooperation with Wilderness Society in Taiwan



Nature training for company event

Glossary

Blue Angel certification

A German eco-label for products and services based on environmental criteria (e.g. product design, energy consumption, chemical emissions, noise, recyclable design, and take-back programs).

CULV

A term (Consumer Ultra-Low Voltage) often used to describe notebook PCs using lower voltage power system.

Eco-label

A standardized symbol/logo used to indicate that the product using the label matches or surpasses environmental-related requirements. Normally issued by countries' governments to encourage and promote more environmentally-friendly products.

Electronic Waste or E-waste

A broad term referring to electronic devices ranging from large household appliances such as refrigerators, air conditioners, hand-held cellular phones, personal stereos, and consumer electronics to computers (also includes printers and monitors).

EPEAT

An evaluation tool (Electronic Product Environmental Assessment Tool), managed by the Green Electronics Council, helping purchasers compare electronics products based on environmental attributes.

EPE and EPS

Expandable Polyethylene (EPE) and expanded polystyrene (EPS) foam are packaging material used to cushion and protect products during distribution.

ErP / EuP

The Energy-Related Products (ErP) directive (replacing the Energy Using Products (EuP) directive) from the European Union defines power consumption for energy related products.

Halogen

Any of a group of five chemically related nonmetallic elements including fluorine, chlorine, bromine, iodine, and astatine.

IECQ QC080000

Quality assessment system for hazardous substance process management for electrical and electronic components and products.

ISO 9001

A quality management standards system established by the International Organization for Standardization.

ISO 14001

An environmental management system (EMS) established by the International Organization for Standardization.

ISO 17025/CNAS

A accreditation system from the China National Accreditation Service regarding laboratories' use of quality management system to maintain competency to conduct related laboratory work (e.g. test, calibrations, sampling).

ODM

An "original design manufacturer" company designs and manufactures products for customers who then use their own brand names to sell into marketplace.

OEM

An "original equipment manufacturer" company manufactures products for resell by another company (original definition) but now is also used to describe a company buying products from others for resell under its own brand name (e.g. OEM buying from ODM).

OHSAS 18001

Guidelines for occupational health and safety systems, created through cooperation by various national standards bodies, certification bodies, and specialist consultancies.

PC Green Label (Japan)

An environmental label implemented in Japan (established by the Japan Electronics and Information Technology Industries Association (JEITA)) used on personal computers meeting certain relevant standards, such as environmentally sound design and structure to provide consumers with related environmental information.

RoHS Directive

The RoHS (Restriction of Hazardous Substances) Directive adopted by the European Union restricts the use of certain hazardous substances in various types of electrical and electronic equipment.

Taiwan Green Mark

A Taiwan eco-label program to promote recycling, pollution reduction, and resource conservation in order to guide consumers in purchasing 'green' products.

TL 9000

TL9000 is a quality management system developed for the telecommunications industry by the QuEST forum (The Quality Excellence for Suppliers of Telecommunications Leadership).

CSR information sources

The information sources listed are provided to readers who wish to learn more about CSR related issues.

Vision and Strategy	Website	Note / Comment
Carbon Disclosure Project	www.cdproject.net	
Electronic Industry Citizenship Coalition (EICC)	www.eicc.info	
GHG Protocol Initiative	www.ghgprotocol.org	also see: - WRI - WBCSD
Global Reporting Initiative (GRI)	www.globalreporting.org	
International Labour Organization	www.ilo.org	
International Organization for Standardization (ISO)	www.iso.org	
RoHS Directive	www.rohs.eu	RoHS: restrictions on hazardous substances
U.N. Global Compact	www.unglobalcompact.org	
World Business Council for Sustainable Development (WBCSD)	www.wbcSD.org	
World Resources Institute (WRI)	www.wri.org	

Report changes tracking table

This table tracks the key changes in information shown in each version of this report.

Key changes from previous version	Page



Designing Our World