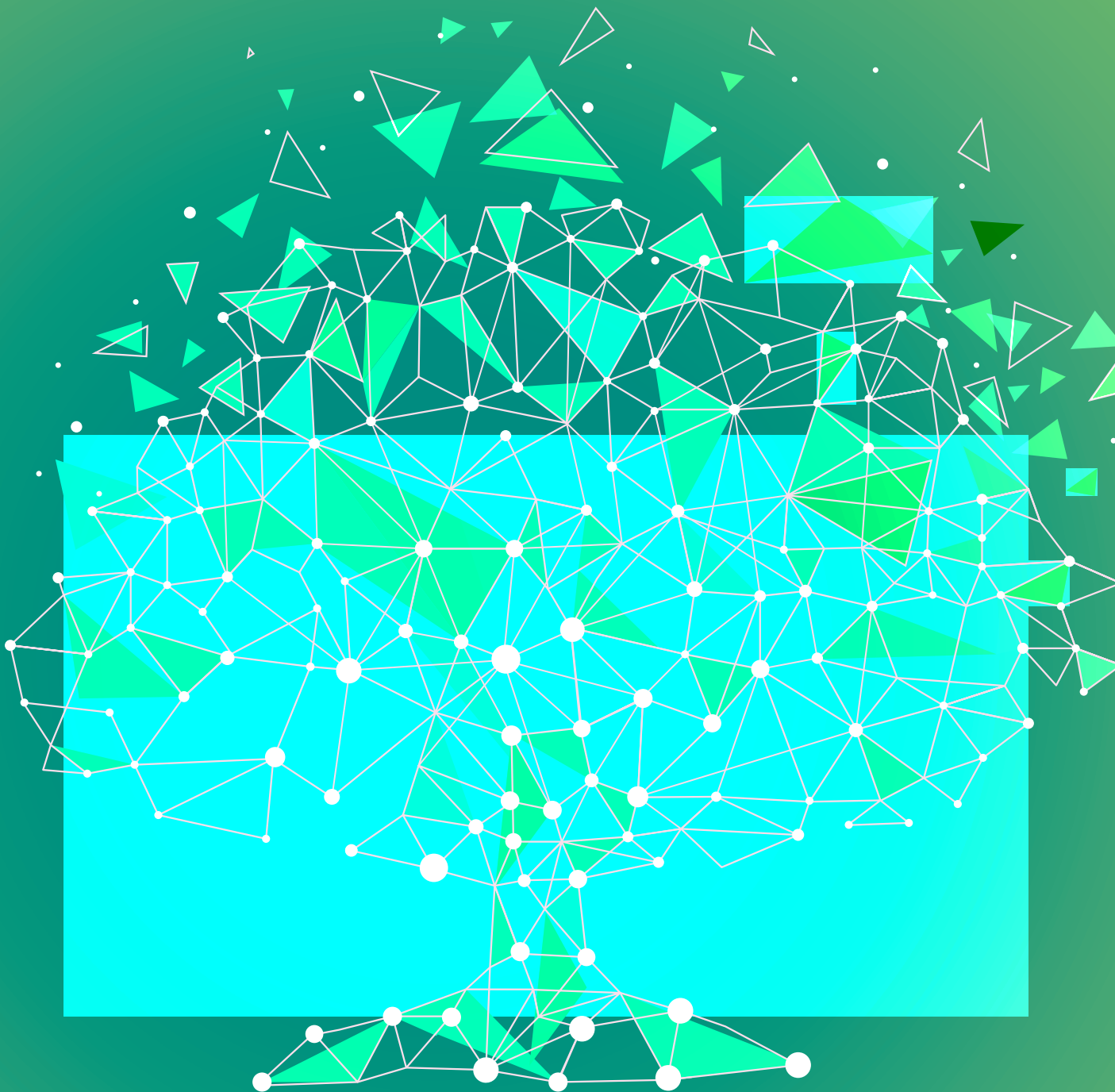


wistron

CSR

Wistron Corporation  
2018 CSR Report



## Editorial Policy

Welcome to the tenth issue of the “Corporate Sustainability and Social Responsibility (CSR) Report” published by the Wistron Corporation (Wistron). This report is published in both Chinese and English and has been posted on our website for free downloading (<https://www.wistron.com>). We hope that the greater transparency in this report will provide all stakeholders with a better understanding of Wistron's practices and achievements in fulfilling our CSR obligations in 2018.

### Period Covered

The Corporate Sustainability and Social Responsibility (CSR) Report for the preceding year is published by Wistron on an annual basis. The previous report was published in June, 2018. This report covers Wistron's CSR management policy, key issues, actions and performance for 2018 (January 1 ~ December 31, 2018).

### Scope and Boundary

The scope of the information disclosed in this report covers performance in economic, environmental and social topics with no major change comparing to the previous report. The organizational boundary of this report encompasses Wistron's operations in Taiwan and its main global manufacturing plants. The boundary covers as follows:

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

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

### Guideline for Report

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

#### Contact Wistron

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## Performance Summary

Performance Summary				
Aspects	Performance Indicators	Unit	2018	2017
Economic	Total Revenue	Millions of NTD	889,536	836,081
	Earnings per Share	NTD	1.76	1.44
	Total sales Volume	Per unit/Piece/ Items	137,832,990	140,003,995
Environmental	Total Greenhouse Gas (GHG) Emissions	Tons-CO2 equivalent (CO <sub>2</sub> e)	430,291.35	431,897.92
	- Scope 1		27,308.29	35,225.86
	- Scope 2		402,983.06	396,672.06
	GHG Emission per Unit-revenue	Kilotons/Billion NTD	0.50	0.53
	Total Water Consumption	Cubic Meter	5,394,448	5,308,034
	Water Consumption per Unit-revenue	Kilotons/Billion NTD	6.30	6.53
	Total Waste Generation	Tons	44,026.78	38,876.51
	Waste Generation per Unit-revenue	Kilotons/Billion NTD	0.051	0.048
Social	Total Environmental Expenditures	Millions of NTD	295	267
	Ratio of Local Employees Serving as Managers to All Managers	Percentage (%)	85	83.3
	Ratio of Local Employees in the Department Manager (or above) Positions		56.2	53.4
	Total Amount of Social Investment	Millions of NTD	36.47	66.29
	- Charity and Sponsorships		31.79	60.99
- Charitable Activities of the Employee Welfare Committee/Company	2.93		2.91	
- Employee Participation in Charitable Activities	1.75		2.39	

## A Message from the Chairman and CSO

Wistron's experience in global operational development has driven us, in the process of accomplishing customers' goals and business achievements, to conserve electricity, energy, and water consumption and mitigate environmental impact. We view all of these as the basic green capabilities of businesses. Wistron continues its work in such green enterprises as recycling, reuse, and re-manufacturing of green resources; in investment in ecological conservation, restoration, and environmental education; and in its cooperation with professional charity groups. The sum of these efforts is aimed at protecting the ecology and natural environment and mitigating climate change, while engaging in economic and human activities with minimal environmental influence and impact. We will soon play a more proactive role in the circular economy. In industries Wistron is involved in developing, such as electric vehicle investment, we will be more actively committed in the future to certain targets, including the use of renewable and new energy sources, reduction of the use of natural resources, and mitigation of ecological impact.

Corporate management exists in a mutually interactive relationship with human activities in society, socioeconomic issues, and the political environment. For example, companies can no longer see themselves as uninvolved in the U.S.– China trade war. We deeply acknowledge the need for businesses to balance the interests of multiple stakeholders, including investors, the environment, society, communities, countries, employees, customers, and suppliers, while also providing appropriate objective responses in order to meet the requirements of sustainability.

We have always believed that proper use of technology can improve overall quality of life for human beings. However, we have also envisaged technological risks in network security over the next ten or twenty years. In addition to fully preparing ourselves for such potential impact and being responsive to remedial actions, we must also optimize our capability to resist such impact. As the entire company's business team shifts from a digital to an intelligent mode of operation, the company must develop and prepare more precise prevention strategies for unknown changes in the environment and hone its abilities to respond to and resist external risks and influences. Crisis and opportunity are two sides to the same coin. Investment in the cyberattack prevention industry may be transformed to one that benefits society—this will become the company's direction in seeking innovative enterprises as well as a consideration for future investment. Our risk management takes into account the risks posed to the environment, technology, and society. In assessing these influences, our measures are all based on a consideration

for sustainable operation. Thus, we must emphasize the need in the future for a certain capability to prevent and respond to risks resulting from society, politics, or the economy, across various regions and countries. We also have response measures for mitigating and preventing the impact of a single region or country to businesses within the global layout. Our strategy for sustainable management of employees involves creating a fair, just, and open platform that integrates high performance, high compensation, and suitable elimination mechanisms, which enable talented employees to make contributions. The company's employee cultivation plan includes training courses in professional areas, such as the Cloud, Internet of Things, and medicine, as well as short-term exchange programs with prestigious educational institutions such as the Massachusetts Institute of Technology (MIT). Such a combination of internal and external promotion is the key to achieving the sustainable development of talent.

The company continuously disseminates its corporate values and beliefs within the organization to foster positive value systems in our employees. To foster such value systems, we create a rich and unique humanistic atmosphere through such social engagements as reading stations, charity group events, and employee welfare networks. With regard to social engagement, we are extremely focused on strategically targeting the environment and ecological balance, which is our basis for promoting humanity and ecological education. From our perspective, these actions are not only types of public welfare activities, but also an integral part of our responsibility to support the public and society.

Going forward, as we manage the company, we will strive to understand the concerns of our stakeholders; we will focus on the various sustainable development issues to the best of our ability; we will mitigate environmental influences and impacts of our economic and anthropogenic activities; and, we will strike a balance between ecology and humanity. Through these actions we can thereby attain the goals of corporate sustainable operation.

Simon Lin / Chairman & CSO  
Wistron Corporation




## A Message from the President

2018 was a dramatic turning point where external environmental factors caused increasingly severe consequences to business operations due to political, economic, environmental, societal, and technological risks, such as those arising from international trade protectionism, extreme climate effects, and cyberattacks.

Facing global market changes and challenges for corporate sustainable operations, we focused on the following areas of corporate sustainability and social responsibility (CSR) in 2018.

### Corporate Commitment

Wistron endeavors to promote digital management of human resources by providing proactive and predictive advice to the company that caters to supporting the needs of employees in three aspects: employee care, employee performance, and employee development. Wistron stresses the importance of respect for individual rights and adopts a fair, and open platform to attract and foster talent and build an environment for the continued learning and growth of its employees.

### Politics and Economy

The tariff sanctions announced by the U.S. government within the context of the U.S.-China trade war have had a degree of impact on ICT brand customers and their value chain in the ICT industry. Businesses are facing greater pressure from growing operating costs. Nevertheless, Wistron has been able to effectively satisfy customer needs and mitigate impacts, thanks largely to its extensive global operation sites. From an economic perspective, we have continued to increase our revenue by promoting digital transformation and launching innovative, high-value products and services.

### Environmental Sustainability

Wistron is committed to abiding by environmental and energy regulations that are associated with our activities, products, and services, as well as customer requirements, in order to mitigate any adverse environmental impact of the company's operations. Wistron focuses on the impact of its core competencies as the direction for the promotion of environmental sustainability, such as green energy development, further expansion of the company's investment in clean energy funds, and increases in the use of renewable energy. Wistron's own green recycling operations provide circular economy and resource reuse services for brand customers, and our investment in the development of electric vehicles utilizes new energy sources.

### Social Engagement

Wistron pays attention to the 17 Sustainable Development Goals (SDGs) of the United Nations. Upholding the corporate philosophy of "altruism," Wistron provides long-term support to professional charity partners, adopts and protects the natural habitat, and simultaneously lays the foundation required for education in the humanities and the environment. Wistron is also committed to promoting the industry-academia talent training alliance dubbed GOLF (Gap of Learning & Field), which is a cloud-based educational learning platform. Wistron and two other companies jointly offer digital courses and have called on 12 universities to participate in online professional training and offline field practice to foster a new generation of talent. Information technologies are used to integrate big data applications for providing healthcare equipment solutions.

### Technological Risks

Recently, with frequent reports of major information security incidents, we examined our own security protection systems, elevating our colleagues' awareness of information security and implementing related tests and practices. In addition, we actively strengthened self-protection systems and quick emergency response capabilities. In the meanwhile, in response to the EU's General Data Protection Regulation officially launched in May 2018, we also invited external experts to conduct various assessments (organizations, systems, procedures, safety management measures, etc.). We prioritized the action items and invested resources for improvements.

Lastly, we welcome all stakeholders to provide their suggestions and guidance after learning about our efforts and performance in CSR from these material topics communicated in this report. Going forward, Wistron will continue to strive toward its vision of becoming "the technology powerhouse for better life and environment."

Robert Hwang / President  
Wistron Corporation

ROBERT HWANG



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## Company Profile

### About Wistron

Wistron Corporation is a global leading technology service provider (TSP) supplying innovative ICT (information and communications technology) products, service solutions, and systems to top branded companies worldwide.

Our product and service lines include PCs, server and networking systems, enterprise storage solutions, display products, communication devices, after-sales services, and electronics scrap recycling, as well as cloud and display vertical integration solutions. With the development of cloud computing, Wistron combines hardware devices and cloud data systems through software services to provide technical service platforms and solutions to our customers. In addition, Wistron has been dedicated to building value chain in ICT industry and innovation platforms in the new era of education and enterprise services, IOT, and medical services.

From initial product conceptualization, volume manufacturing, and after-sales repairing to end-of-life products recycling, Wistron supports customers with the products and related services reaching international standards for innovation and quality levels.



Wistron was founded on May 30, 2001. With 80,000 employees in various R&D, manufacturing, and after-sales service facilities in North America, Europe, and Asia.

Wistron was listed as a Fortune Global 500 company in 2011, 2012, and 2018. In 2006, 2007 and 2008, Businessweek listed Wistron as one of the top 100 technology companies in the world. Since 2009, Forbes Magazine has included Wistron among the Global 2000 for 10 consecutive years (2009-2018). Forbes Magazine also ranked Wistron in the Forbes Asia FAB 50 for Asia's best publicly listed companies during 2007, 2008, and 2009.

Wistron values corporate sustainability and social responsibility. The Commonwealth Magazine presented Wistron the "Excellence in Corporate Social Responsibility" awards for 9 consecutive years from 2010 to 2018. We also won the honor of the Taiwan Stock Exchange's 2011 Corporate Social Responsibility Report for Listed Companies.

### Wistron Quick Facts

- Established in 2001
- Major OEM(Original Equipment Manufacturer)/ODM(Original Design Manufacturer) for global top-10 ICT brands
- Principal beliefs: Customer Focus, Integrity, Innovation, and Pursuit of Excellence
- Vision: To be a global leading technology service company providing innovative ICT products, services, and systems
- Revenue reached NTD 889.5 billion in 2018
- Headquarters located in Taipei, Taiwan, with global operating sites in Asia, North America and Europe
- Approximately over 80,000 employees across the world

## Products & Services

Wistron possesses strong capabilities in R&D and technical innovation. Alongside the growth driven by the development of diverse information and communication products, we provide products that are both high value-added and environmentally friendly. In recent years, Wistron has been dedicated to transforming into a well-rounded Technology Service Provider (TSP). To better fulfill the needs of our customers as the trend of cloud computing continues to thrive, Wistron offers technical service platforms and solutions, connecting hardware like computers and smart devices to cloud data systems through software services.

Current main products and technical services:

- Notebook computers
- Smart phones and handheld devices
- Desktop computers and All-in-One (AIO) computers
- Display products
- Voice over Internet Protocol (VoIP) phones
- Servers and network storage facilities
- Industrial application devices (IPC and Rugged devices)
- After-sales services
- Green recycling services
- LCM services (Display components)
- Educational technology services
- Medical devices, Medical AI and Big Data services

## Global Operations

In order to reach out to the international market, our manufacturing, after-sales services and R&D centers are mainly distributed in North America, Europe, Asia, etc., which provide comprehensive product development and customer service. Through an excellent operating system supported by the R&D center based in Taiwan and every overseas operation site, Wistron grows steadily. For more details, please visit our website (<https://www.wistron.com>).

Neihu Headquarters



Hsichih Office Complex



Hsinchu Plant



Zhongshan Plant



Kunshan Plant



Kunshan Opt Plant



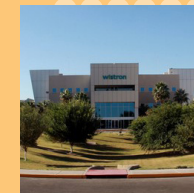
Taizhou Plant



Chongqing Plant



Chengdu Plant



Mexico Plant



Czech Plant



## Awards & Recognition

In view of promoting corporate value and social image, Wistron actively strives for certifications as well as meeting CSR-related ratings and evaluations conducted by local organizations and governments.

- Wistron ranked top 5% of “2018 (the fifth year) Corporate Governance Evaluation” and top 10% of “listed companies in the electronics industry with a market value of 10 billion TWD or more” in 2018.
- Wistron ranked No. 1564 on Forbes Global 2000 list.
- Wistron ranked No. 432 on Fortune Global 500 list.
- Wistron ranked No. 7 in revenue among Taiwan manufacturing companies on the Commonwealth Magazine 2000 list in 2017.
- Wistron ranked No. 40 in the Commonwealth Magazine top 50 list for best operating performance.
- Wistron ranked No. 46 in the Commonwealth Magazine Excellence in Corporate Social Responsibility - Large Industries category.
- Wiedu, Wistron's subsidiary in education service, received the Asian-Oceanian Computing Industry Organization (ASOCIO) ICT Education Award.

## Participation in External Organizations

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

The organizations that we have joined in 2018 are listed below:

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

## Identifying Stakeholders and Key Topics

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

### Step 1 : Identify stakeholders

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

### Step 2 : Establish communication objectives

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

### Step 3 : Collect sustainability issues

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

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

We conduct materiality questionnaire survey with identified stakeholders. A total of 210 questionnaires were collected in 2018, which were used to understand the concerns of the above stakeholders toward each issue. For the same issue, the questionnaire survey is also conducted among the committee members and internal participants. The impact on the company's operations is determined by taking the economic, environmental, and social dimensions into consideration.

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

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

### Step 6 : Review and discussion

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

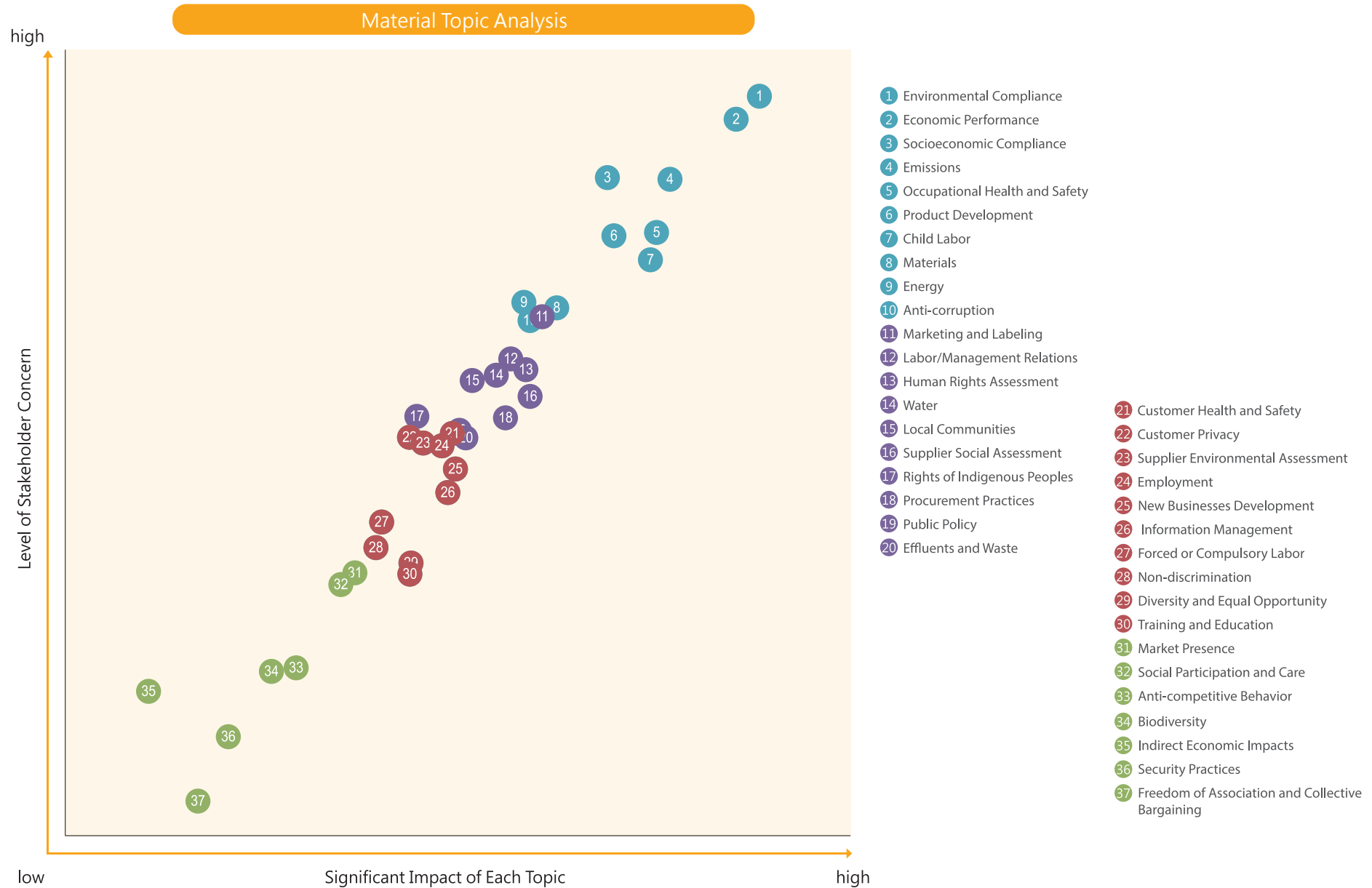


Identify the Scope and Boundary of Material Topics

Category	Material Topics	Chapter in 2018 CSR Report	Response to UN Sustainable Development Goals (SDGs)	Boundary		
				Internal	External	
					Supplier	Customer
Economic	Economic Performance	Economic Performance	SDG8 (Decent Work and Economic Growth) SDG13 (Climate Action)	V		
	Market Presence	Employment and Compensation Policies	SDG8 (Decent Work and Economic Growth)	V		
	Anti-competitive	Anti-competitive Behavior		V		V
	Anti-corruption	Anti-corruption and Principle of Integrity		V		V
Environmental	Material	Materials Management	SDG12 (Responsible Consumption and Production)	V		
	Energy	Energy Management	SDG9 (Industry Innovation and Infrastructure) SDG7 (Affordable and Clean Energy)	V		
	Water	Water Resource Management	SDG12 (Responsible Consumption and Production)	V		
	Emission	Emission Management	SDG13 (Climate Action)	V		
	Effluents and Waste	Waste and Effluents Management	SDG12 (Responsible Consumption and Production)	V		
	Environmental Compliance	Environmental Management and Compliance		V		
	Supplier Environmental Assessment	Supplier's Social Responsibility Management		V	V	
Social	Employment	New Hire and Turnover Management		V		
	Labor/Management Relations	Valuing Internal Communication Channel to Listen to Employees' Voices	SDG8 (Decent Work and Economic Growth)	V		
	Occupational Health And Safety	Staff Health and Occupational Safety	SDG3 (Good Health and Well-being)	V		
	Training And Education	Talent Cultivation and Career Development	SDG4 (Quality Education)	V		

Identify the Scope and Boundary of Material Topics

Category	Material Topics	Chapter in 2018 CSR Report	Response to UN Sustainable Development Goals (SDGs)	Boundary		
				Internal	External	
					Supplier	Customer
Social	Diversity and Equal Opportunity	Workforce Diversity	SDG8 (Decent Work and Economic Growth)	V		
	Non-discrimination	Social Responsibility Management	SDG5 (Gender Equality)	V		
	Child Labor	Child Labor and Underage Workers	SDG8 (Decent Work and Economic Growth)	V		V
	Forced or Compulsory Labor	Forced or Compulsory Labor	SDG8 (Decent Work and Economic Growth)	V		
	Customer Health And Safety	Sustainable Product Design and Development		V		V
	Products And Service Labeling	Sustainable Product Design and Development		V		V
	Customer Privacy	Protecting Customer Confidentiality		V		V
	Human Rights Assessment	Social Responsibility Management	SDG5 (Gender Equality)	V		
	Socioeconomic Compliance	Compliance		V		V
Other	Product Development	Creating Added-Value Products	SDG9 (Industry Innovation and Infrastructure)	V	V	V
	New Business Development	New Business Development		V		V
	Information Management	Information Management		V		V
	Social Participation and Care	Social Participation and Care; Wistron Foundation		V		



Stakeholders' Communication Methods and Frequency

Stake	2018 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Report Corresponding Chapters
Customers	Product quality/price/delivery time	Regular business review meetings with customers	Quarterly or semi-annually	We actively improve and respond to customers' problems and include these problems in our management focus	A Focus on Product Liability
Customers	R&D/project capacity	Regular business review meetings with customers	Quarterly or semi-annually	We actively improve and respond to customers' problems and include these problems in our management focus	Improve R&D Capabilities
Customers	Management of restricted materials	Customers provide a list of restricted materials	According to customer requirements	Wistron will incorporate customers' requirements regarding restricted materials and dates of compliance in its management focus and request that employees follow accordingly	Sustainable Product Design and Development
Customers	Green products	Customers provide green product specifications	According to customer requirements	Wistron will include customer-requested specifications in product designs	Sustainable Product Design and Development
Customers	Innovative products	We communicate requirements for innovative products in meetings with customers or through mail	According to customer requirements	Wistron will include customer requirements for innovation in product designs	Sustainable Product Design and Development
Customers	Supply chain	Customers provide the environmental and social responsibilities with which Wistron must comply	According to customer requirements	We recruit new suppliers according to customer requirements on environmental and social responsibilities, including suppliers' hazardous substance process controls and social responsibility management in our supplier assessment, and request that new suppliers sign necessary statements	Conflict Minerals and Supply Chain Management
Employees	Description of business overview	Organize business overview meetings and encourage management-level employees to participate in these meetings	Quarterly	Regular business overview meetings ensure direct communication enabling management employees to better understand the company's status	Valuing Internal Communication Channel to Listen to Employees' Voices
Employees	Welfare planning and budget resolution and implementation	Set up welfare committees in Taiwan offices and organize quarterly welfare committee meetings to review activities arranged by the committee	Quarterly	Regular welfare committee meetings ensure adequate monitoring and control over the committee's activities	Social Participation and Care
Employees	Labor meeting (Employee Relationship Promotion Committee)	Employees can express their opinions to employee representatives at the Employee Relationship Promotion Committee	Quarterly	Employees can express their opinions and suggestions to employee representatives at the Employee Relationship Promotion Committee as well as receive feedback	Valuing Internal Communication Channel to Listen to Employees' Voices

Stakeholders' Communication Methods and Frequency

Stakeholder	2018 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Report Corresponding Chapters
Employees	Supervisor training	New supervisor training is organized according to the number of new supervisors for the year to help new supervisors	Quarterly and contingent on the number of new supervisors	Regular training for new supervisors enables new supervisors to become acquainted with their job and responsibilities in the shortest time possible	Talent Cultivation and Career Development
Employees	New employee guidance	Orientation is provided to new employees on the day they report for duty. We host new employee seminars every six months to keep abreast of new employee status from their beginning day and of relevant suggestions	New employees attend orientation on the day they report for duty. New employee satisfaction is surveyed one week after they report for duty. New employee training is conducted in the month after the employee reports for duty. A new employee seminar is organized every six months	Orientation on the first day of their job provides new employees an overview of the company. Regular new employee seminars give us updates on new employees' situation and the chance to help them if necessary	Talent Cultivation and Career Development
Employees	Supervisor counseling and communication	Regular training on supervisor communication and counseling skills as well as one-on-one meetings improve the relationship and understanding between supervisors and subordinates	Monthly	Regular one-on-one meetings improve the supervisor-subordinate relationship	Valuing Internal Communication Channel to Listen to Employees' Voices
Employees	Performance communication	Before semi-annual performance reviews, supervisors must conduct performance interviews with their subordinate so that both parties obtain a full understanding of their performance status	Semi-annually	Through periodic performance interviews, supervisors and employees are able to become aware of areas of improvement in job performance	Valuing Internal Communication Channel to Listen to Employees' Voices
Employees	Employee health care	Collaborate with health management centers or hospitals to organize health checkups for employees in Taiwan	Annually	Through yearly health checks, the Company's employees are able to receive updates on their health status	Receiving Updates on Health Status, Caring for Employee Health, and Providing a Safe Workplace
Suppliers	Wistron's Supplier Green Procurement Requirements	Green Product Management (GPM) System	Semi-annually	We require our suppliers to comply with Wistron's Supplier Green Procurement Requirements	Conflict Minerals and Supply Chain Management
Suppliers	Risky supplier greenhouse gas inventory report	Supplier Questionnaire Platform (SQP) system	Annually	We require risky suppliers to submit a greenhouse gas inventory report	Conflict Minerals and Supply Chain Management

Stakeholders' Communication Methods and Frequency

Stakeholder	2018 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Report Corresponding Chapters
Suppliers	Auditing of risky suppliers' corporate sustainability and social responsibilities	Onsite inspection	Annually	We perform onsite inspections to audit suppliers' corporate sustainability and social responsibilities	Conflict Minerals and Supply Chain Management
Suppliers	Supplier corporate sustainability and social responsibilities	Supplier workshop	Annually	We require suppliers to fulfill Wistron's corporate sustainability and social responsibilities	Conflict Minerals and Supply Chain Management
Suppliers	Supplier price competitiveness and perpetual stable supply	Wistron Group Partner Conference	Annually	We require our suppliers to maintain price competitiveness and perpetual stable supply	Conflict Minerals and Supply Chain Management
Shareholders/Investment Institutions	Corporate Governance			We continue to disclose corporate governance related information via the aforementioned communication channels	Corporate governance
Shareholders/Investment Institutions	Financial performance and profitability	Company (quarterly/annual) financial reports, annual reports, investor seminars, annual shareholders' meetings, investor meetings, material information on the Market Observation Post System, corporate social responsibility reports, and the company website	Periodic or non-scheduled	We produce relevant financial statements according to international accounting standards and provide an analysis and explanation of financial figures for each period	Economic Performance
Shareholders/Investment Institutions	Business strategy and outlook/ industrial changes			We describe the Company's mid-to-long-term business goals and investment strategies	A Message from the Chairman, and A Message from the President
Shareholders/Investment Institutions	Dividend policy			We describe the Company's dividend policies and factors that influence the amount of remuneration distributed	
Competent authority for securities	Operating effects and efficiency			Official documents	Non-scheduled
Competent authority for securities	Reports are reliable, timely, transparent, and conform to relevant norms	Company website and Market Observation Post System	Non-scheduled	We submit relevant reports regularly in pursuant to the requirements of the competent authorities	
Competent authority for securities	Compliance with relevant legislations	Questionnaires and related briefings	Non-scheduled	We submit relevant reports regularly in pursuant to the requirements of the competent authorities	



Stakeholders' Communication Methods and Frequency

Stake	2018 Stakeholders' Issues of Concern	Communication Methods and Channel	Communication Frequency	Our Response	Report Corresponding Chapters
Environment and charity groups	Level of concern and support for the environment and specialized education	On-site inspection, project meeting, semi-annual/annual report	Non-scheduled	<ul style="list-style-type: none"> <li>We continue to provide sponsorship</li> <li>We solicit participation from corporate volunteers</li> </ul>	Social Participation and Care, and Wistron Foundation
Environment and charity groups	Social Care	We organize all types of charity connections and implement and promote participation of the people of Wistron in charity events through charity activities and the "Charity" section on the charity network	Non-scheduled	We continue to host charity events, which forges ties between employees and charity events	Social Participation and Care
Media	Operating performance, product innovation, technological development, and sustainable development strategy	Revenue, financial report, online investor conferences, company website, press release, news report transmission and communication	Non-scheduled	We provide information and explanations to the public in accordance with principles of transparency	
Directors (including independent directors)	Business performance, sustainable development, and core competitiveness	Board of Directors	10 times in 2018	We publish our Board meetings attendance in Annual report every year and on the MOPS	Corporate Governance
Independent directors	Business performance, sustainable development, and core competitiveness	Audit Committee	10 times in 2018	We publish our Audit Committee meetings attendance in Annual report every year and on the MOPS	Corporate Governance



# Altruism

The technology  
powerhouse for better  
life & environment.

# Corporate Governance and Sustainable Management



## Corporate Governance

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

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

## Board of Directors

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

Currently the Board is composed of nine members with rich operations experience and reputation in the industrial circle, which also includes legal and financial expertise for overall consideration, including five independent directors whose qualifications are in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The general directors include Mr. Simon Lin (Hsien-Ming Lin), who is the Chairman and CSO of Wistron, Mr. Robert Huang (Po-Tuan Huang), who is the President and CEO of Wistron, Mr. Haydn Hsieh (Hong-Po Hsieh), who is the Chairman and CSO of Wistron NeWeb Corp., and Mr. Philip Peng (Chin-Bing Peng), who is the President and Director of iD SoftCapital Corp., The five independent directors include Mr. Jack Chen (Yu-Liang Chen), who is the Chairman of Spirox Corp., Mr. S J Paul Chien (Shyur-Jen Chien), who is the Chairman of FUCHU General Contractor Corp., Mr. C.H Chen (Che-Hsiung Chen), who is the Director of ProLight Opto Technology Corp., Mr. Christopher Chang (Liang-Chi Chang), who is the Chairman of Continental Development Corp., and Mr. Sam Lee (Ming-Shan Lee), who is the Chairman of MagiCapital (Taiwan) Ltd. The company's Chairman is elected by the Board of Directors and represents the company externally. Please refer to our website and annual reports for the detailed biography of each member of the Board.

The Board is required to hold at least one meeting each quarter, and a total of 10 board meetings were held in 2018. The Board is the highest

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

## Audit Committee

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

The Audit Committee may by resolution engage lawyers, auditors and/or other professional consultants to seek independent advice within the scope of its authorization. The Audit Committee may also establish direct communication with the internal auditors, certified accountants and/or the management teams. The Audit Committee is required to hold a meeting at least once each quarter, and a total of 10 Audit Committee Meetings were held in 2018. Please refer to the Annual Report and Market Observation Post System (MOPS) for details.

## Compensation Committee

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

personnel. In the beginning of each year, the Compensation Committee sets the assessment items, goals, and weight ratios, taking internal and external development into consideration. The compensation for the managers is assessed based on personal performance and the terms are evaluated before forwarding to the Board of Directors for approval.

Wistron's Compensation Committee is required to hold a meeting at least twice a year. The Committee is composed of three members and all the members are independent directors. The independent director Mr. S J Paul Chien (Shyur-Jen Chien) was unanimously elected by all Committee members to serve as convener and Chairman of the meeting. The Committee members are required to invite the company's the Chairman of the Board to attend the meetings. However, the members of the Compensation Committee should excuse themselves from the meetings if the issues to be discussed involve personal interests. The Committee may also request directors, managerial officers of relevant departments, internal auditors, accountants, legal consultants, and other personnel to attend the meetings and provide them with pertinent and necessary information. A total of 3 Compensation Committee Meetings were held in 2018. For the attendance records, please refer to the Annual Report and Market Observation Post System.

## Compliance

Since 2001, Wistron has diligently complied with all relevant regulations to set up its internal operations and governance. After public listing, the company has tracked the development of new regulations closely and requires all subsidiaries to strictly abide by them. The company sets goals to strengthen our core values, maintain a high level of integrity, ensure that the employees observe the company's ethical standards when conducting business and daily operations, and maintain a good reputation to win the

trust and respect of our customers, suppliers and the general public. To achieve these goals, Wistron developed the Employee Code of Conduct, which serves as a set of guidelines for all employees and executives. The company keeps a continuous watch on the domestic and international policies that may have an impact on the company's finances and businesses and put in place a set of risk management procedures to respond to any potential impacts. Also, we continuously enhance employees' legal awareness through training and education. Wistron had never been subjected to any monetary or non-monetary penalties due to any failure to comply with the relevant regulations in the social and economic area in 2018.

### Anti-corruption and Principle of Integrity

Integrity is Wistron's core value as well as the foundation of its operation. The aim of an integrity-based business is to provide a working environment and atmosphere in which employees can perform their duties under ethical standards. The Company requires all employees to understand and comply with ethical practices. We respect and adhere to the confidential agreement with customers and do not accept gifts or special hospitality. We anticipate that our customers, suppliers, business partners, and other stakeholders from many sectors will understand and support our integrity management policies. To enhance corporate governance performance, we published our Corporate Governance Best Practices, Principles of Integrity, and Code of Ethical Conduct in 2014 and amended these regulations in 2016 and 2018. Please refer to Article 22 of Principles of Integrity and Article 9 of the Code of Ethical Conduct for details on the compliance and whistleblowing mechanisms for internal and external employees. Please refer to the company's website and the Market Observation Post System (MOPS) for details.

Concerning the operation of the Board of Directors, directors may express their opinions and respond to questions in regards to meeting agendas that have interest relationships with themselves or their proxy, which may conflict with the company's interest. Directors may not participate in discussions and exercise their voting rights, and they should recuse themselves from such discussions and execution of voting rights. Directors are also prohibited from exercising voting rights by proxy.

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

To strengthen its anti-corruption management system, the company conducts evaluation and self-inspection of the design and implementation of internal control systems, which is also double-checked by the auditor. Moreover, capital, procurement, supply chain management, and administrative units are listed as potential risks and are subject to internal audit or periodical job rotation. Outsiders can response by the corporate website. Human Resource department is in charge of formulating and supervising the implementation of business integrity policies and related measures and the results of our anticorruption and principles of operational integrity are regularly reported to the company Board Meeting. In 2018, we did not receive any reports of unethical behavior or business practices through our whistleblowing channel.

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

In addition, Wistron informs suppliers of its anti-corruption policies through the World Supplier Relationship Management (WSRM), and promotes its operations integrity strategies and principles during the Suppliers Meeting and Corporate Briefing. The supplier's implementation status is also reviewed every year. Thanks to the company's advocacy efforts and management system, there have been no major cases involving unethical behavior or business practice in 2018.

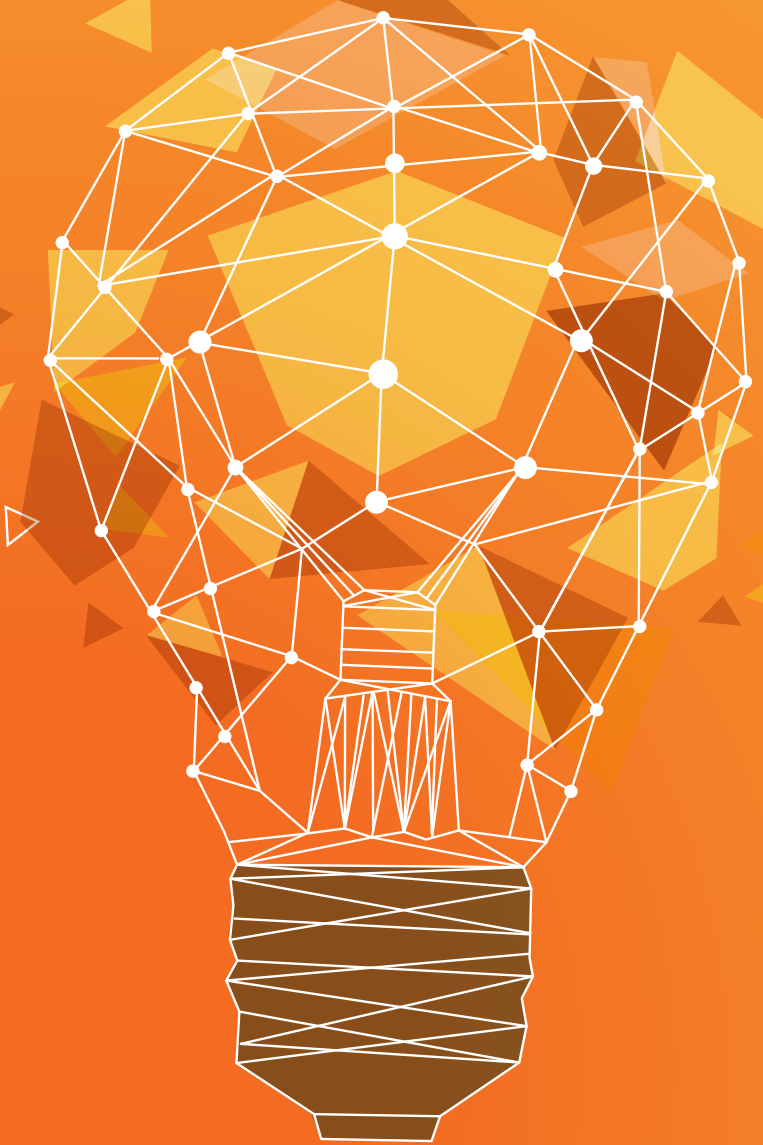
### Anti-competitive Behavior

Valuing ethical corporate management as an enterprise's most basic social responsibility, the Company has established its best practices for operational integrity, mandating that business activities shall be conducted in accordance with applicable fair trade/competition laws and regulations, without involving price fixing, bid rigging, establishment of output restrictions and quotas, or share or divide markets by allocating clients, suppliers, territories, or lines of commerce.

In business operations, Wistron fully understands that compliance with fair trade is an integral part of commercial activities. We strictly abide by applicable laws and regulations in all aspects. In 2018, Wistron was not sanctioned by the competent authority for anti-competitive behavior, anti-trust, or monopolistic practices.

### Protecting Customer Confidentiality

"Protecting customer's confidentiality and adhering to the principle of good faith" is one of our commitments. We have stipulated "Professional Ethics" and "Administration Roles for Wistron People" to establish and cultivate the value and culture of integrity among employees. We have strict policies and internal control mechanisms to protect the confidentiality of information provided by our customers. In addition to managing all hardware and software containing technical information and customer information related to intellectual property rights, confidentiality agreements will be signed with the customers and suppliers to protect confidential information. "Protecting Customer Confidentiality" has also been included as a part of the new employee training program. Through training and management, Wistron ensures that every employee adheres to our confidentiality commitment in their dealings with customers. There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in 2018.



# **Sustainability and Innovation**



# Corporate Sustainability and Social Responsibility Management



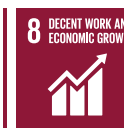
## Response to UN Sustainable Development Goals

Wistron pays close attention to the 17 Sustainable Development Goals (SDGs) of the United Nations with a focus on the following 8 items; we have begun to respond in areas including corporate governance, developing sustainable environment, and safeguarding social welfare.



### Response to 8 UN Sustainable Development Goals in 2018 CSR report

Governance and Economic



- The revenue of Wistron continues to grow for four consecutive years.
- Top 5% of "2018 ( the fifth year ) Corporate Governance Evaluation"
- Corporate governance and sustainable management
- Corporate Sustainability and Social Responsibility Management
- Risk Management
- Conflict Minerals and Supply Chain Management
- New Businesses Development
- Top Management Statement

**Social**

- 3 GOOD HEALTH AND WELL-BEING**
  - Employee Care
  - Social Participation and Care
  - The number of employees in Wistron has continued to grow for three consecutive years
- 4 QUALITY EDUCATION**
  - New Businesses Development - Education technology service business
  - Social Responsibility Management
    - ✓ Employment and compensation Policies
    - ✓ Human Rights and Anti-discrimination
- 5 GENDER EQUALITY**

**Environmental**

- 7 AFFORDABLE AND CLEAN ENERGY**
  - Climate change and energy management
    - ✓ Greenhouse Gas Emission
    - ✓ Energy management
  - Implementing Environmental Protection
- 13 CLIMATE ACTION**
  - Environmental Protection and Green Products
  - Responsible Business Alliance
  - Carbon Disclosure Project
  - Wistron Foundation
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

## Corporate Sustainability and Social Responsibility Management

Wistron is committed to establishing a corporate sustainability and social responsibility (CSR) 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/

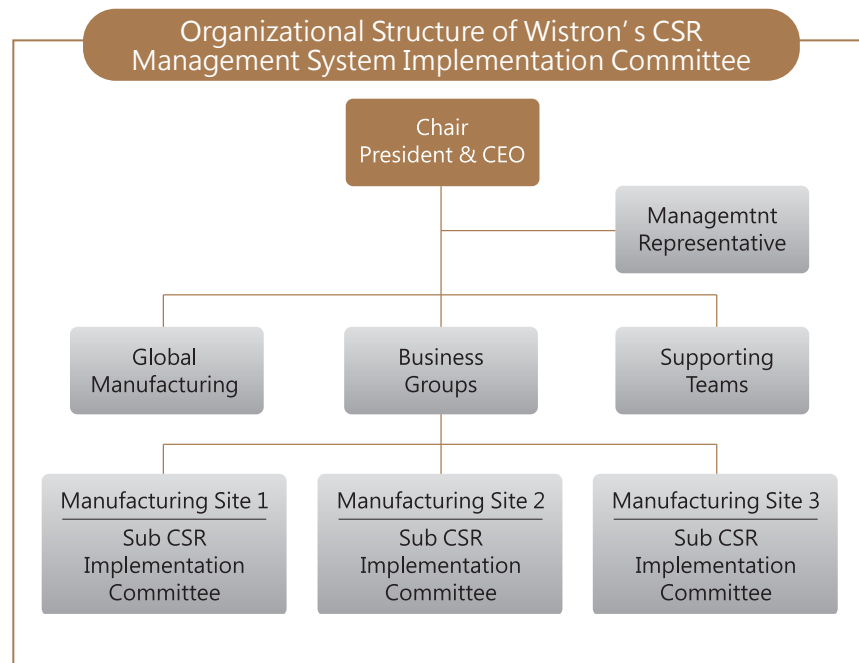
services and focus on the environment, employee health and safety, and human rights. In addition, Wistron will make corporate governance/investor relations, customer satisfaction, supply chain management, employee rights and care, and community participation the five functional areas in CSR communication. Apart from conforming to the basic requirements of the RBA Code of Conduct, we will work even harder to realize the harmonious development of "Sustainable Environment", "Innovation Paradigm" and "Humanitarian Society."

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

The CSR Management System Implementation Committee is the highest body for CSR affairs within Wistron and is chaired by the company President & CEO of the Company, with the rest of the Committee composed of tier-1 executives. The committee is responsible for coordinating and formulating policies, objectives and directions of the CSR management system as well as monitoring the implementation of CSR. The head of each production site also chairs its site CSR Committee to ensure the proper implementation of the CSR Management System. The CSR Promotion Committee updates and publishes its organization and responsibilities at the beginning of each year and convenes a "kick-off" meeting to announce the direction and plan for the system for that year. Based on the management system's spirit of continuous improvement, internal audits are planned and executed each year to verify that the management system is being implemented as needed; the results of which are reported to upper management.

Wistron is committed to developing and maintaining a system that promotes employee rights, complies with local regulations, and supports internationally relevant labor and human rights practices. Such as the ILO Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights, the UN Global Compact, and the Code of Conduct for Responsible Business Alliances, that including employee health, work safety, and all other work-related rights. All management systems are in compliance with local seditious laws and regulations, and the relevant systems are announced on the company's internal website for peer review.

Wistron established the “Code of Practices for Corporate Social Responsibility” in accordance with the laws and regulations and handling guidelines of the competent authority. The President & CEO shall report to the Board of Directors annually on the implementation and performance of the Wistron CSR program as well as the plans and goals for the coming year. To pursue corporate sustainability and fulfill social responsibility, all such economic, environmental, and social issues deserve our continued attention.



• Wistron CSR Management System

# Risk Management



## Operational Risk Management

To protect stakeholders' rights and benefits, Wistron focuses on the performance of its core businesses and never engages in high-risk investments. We endeavor to use existing facilities to improve our production capacity and quality and ensure rigorous assessment of the risks and benefits of new technologies. We also have proper response measures in place for protection of information security.

The prevalence of cloud applications prompts Wistron to not only accelerate our business development but also convene annual strategic development meetings to discuss future long-term development operating strategies that facilitate transforming Wistron into a comprehensive provider of products and services.

## Financial Risk Management

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

## Information Management

### Mission Critical Application Continue to Operate to Support Business Continuity

To ensure the company's mission critical application (Service Class 2 – Business Critical) can continue to operate to support business continuity, IT execute disaster recovery plan for mission critical application once a year. The results are as follows:

Policy of Backup Data Center	Rehearsal Result		
	2016	2017	2018
RPO of SC2 Services <= 4 hours	0.92 hours	1.73 hours	1.35 hours
RTO of SC2 Services <=24 hours	22.17 hours	21.13 hours	22.5 hours

\*RPO: Recovery Point Objective (Maximum tolerable data loss time)

\*RTO: Recovery Time Objective (Maximum tolerable information service recovery time)

## Effectiveness and Future Planning of Information Security

### I. Network and system penetration test

To protect company and personal information as well as internal/external communication systems and minimize the impact on company operations caused by human and natural factors such as leakage, theft, sabotage or other incidents, Wistron will conduct regular penetration tests on our network and systems to reduce information risk. The purpose of these probes is to understand and evaluate the security of the organizational network environment and systems, identify current security level and effectiveness as well as acquire information that can be used for security vulnerabilities elimination, technology improvement and security consolidation.

Summary of Information Risk Management Strategies and Methods

Information Risk Management Issues	Strategies and Methods
<ul style="list-style-type: none"> <li>• Conduct regular penetration test for assessment.</li> <li>• Develop remedial measures to correct vulnerabilities or threats.</li> <li>• Implement education and training programs for internal employees and inform contractors of the Wistron Information Security Statement.</li> <li>• Establish basic information security facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Define factors that threaten organizational information and assets security so as to understand potential risks and problems.</li> <li>• Test whether internal information suffers from possible disclosure, manipulation, or leakage.</li> <li>• Ensure the most effective allocation of the hardware and software resources of basic information security equipment to improve the effective application of information security.</li> <li>• Ensure periodical security strategies or information security investment costs.</li> <li>• Provide information security assessment to strengthen overall safety of networks and systems.</li> </ul>

II. Continue to maintain the operation of the ISO 27001 Information Security Management System

After obtaining the Information Security Management System ISO/IEC 27001:2013 certification in August 2017, Wistron has conducted self-inspection once every six months to ensure the implementation of ISO 27001 management systems. With an institutional, document-based, and systematic management mechanism, we continue to supervise and

inspect management performance; we constantly improve our employee skills/concept, internal processes, and management mechanism; to maintain our ISO/IEC 27001 certification.

III. Continue to maintain the operation of the ISO 20000 Information Technology Service Management System Wistron obtained the Information Technology Service Management System ISO/IEC 20000:2011 certification in February 2018, the first-class IT service management and internationally IT management standards for enterprise. ISO/IEC 20000 can change how internal or outsourced IT services are executed. The benefits are:

1. Achieving best practice standards for international IT management.
2. Supporting IT services to realize enterprise goals.
3. Integrating personnel, processes, and technologies in support of enterprise goals.
4. Using control measures to assess and maintain the service standard.
5. Achieving ISO/IEC 20000 and ITIL compatibility for continuous improvement

IV. Social engineering simulation and awareness

To ingrain the concept of information security in the minds of every employee, the company provides an interactive e-learning program and conducts social engineering simulations and rehearsals semi-annually to enhance employees' awareness and vigilance in information security.

## Climate Change Risk Management

We listed potential regulatory risks, physical risks, other risks as well as potential opportunities as follows:

Climate Change Risks Assessments

	Risks	Effects/Impacts	Opportunities
Regulatory Risks	Through the Paris Agreement, Parties agreed to a long-term goal for a sustainable low carbon future, and the Enforcement Rules for Greenhouse Gas Reduction and Management Act implemented in Taiwan	Potentially more rigorous greenhouse gas emission control and increased responsibility and risks relating to reduction of corporate greenhouse gas emissions	<ol style="list-style-type: none"> <li>1. Establish commitment to reduction of greenhouse gas emissions.</li> <li>2. Modify product designs, production, supply chains, and mode of operation.</li> </ol>
	National governments now considering levying a carbon, energy or environment tax.	Possibly cause increased corporate operating costs.	<ol style="list-style-type: none"> <li>1. Advocate and promote low-carbon practices among employees.</li> <li>2. Cooperate with customers/suppliers: Implement carbon management education, training, assistance, and carbon emission audits for suppliers.</li> <li>3. Choose materials carefully and simplify designs (e.g., reduce the number of parts, adopt common standards).</li> <li>4. Promote energy-saving plans for new green factory buildings</li> </ol>
	Global product carbon labeling regulations.	Possibly cause increased corporate operating costs.	Discuss with customers the possibility of disclosure of product lifecycles and environmental information can be integrated.
	Product energy efficiency regulations and standards. (e.g., Energy Star, Renewable Energy Development Act, etc.)	Possibly cause increased costs of procuring raw materials and spare parts and longer time for product development	Increase the differentiation of product energy efficiency and regulations
Physical Risks	Failure to mitigate and adapt to climate change	Increased frequency and strength of extreme climate incidents and natural disasters generate an impact on enterprise operations, employees, and supply chains, and may even endanger the lives and properties of personnel.	<ol style="list-style-type: none"> <li>1. Continue to develop green designs, green production, green supply chains, energy management, and value-added innovation.</li> <li>2. Optimize global manufacturing systems and increase the use of automated manufacturing practices to disperse risks.</li> <li>3. Execute assessment of physical risks in regions where Wistron offices, plants, and supply chains are located.</li> </ol>
	Limitations on outside energy purchases. (e.g., oil and electricity)	Fluctuation of oil and electricity prices influences operating costs	<ol style="list-style-type: none"> <li>1. Reinforce internal controls and seek alternative energy sources.</li> <li>2. Pay attention to green energy development, expand investments in clean energy funds, and increase the use of renewable energy.</li> </ol>
Other Risks	Change in consumption patterns (e.g., awareness of green consumption)	Consumers will gradually give importance to and choose low emissions and environmentally friendly products.	Actively develop more energy-efficient, environmentally friendly, and cost-effective products or services and promote the corporation's green image in order to increase the company's revenue and market share.
	Company image and reputation	Stakeholders and external groups anticipate improved environmental performance	Shape a corporate culture in which individual rights are respected and technologies are used for bettering human life and environment

# Creating High Shareholder Returns



## Economic Performance

Despite shortages of raw material supplies, price increases, and the continuous escalation of the trade war between the United States and China in 2018, Wistron's consolidated revenue increased around 6.4% from the previous year. The net profit after tax increased slightly from the previous year and the overall financial structure remained stable. From the operation management point of view, we continued to enhance operational efficiency, improve material cost management and production efficiency, and accelerate product innovation and digital transformation to adapt to the intense competition in the industry.

Relevant financial information of the Company is disclosed in the Financial Performance Overview; our annual report may also be referred to.



Financial Performance Overview Unit: Millions of NTD

Item	Year		2018		2017	
Revenue	889,536	100%	836,081	100%		
Gross Profit	37,559	4%	31,639	4%		
Operating Costs	26,793	3%	25,726	3%		
Net Profit	10,766	1%	5,914	1%		
Net Profit Before Tax	9,659	1%	6,158	1%		
Income Tax	2,374	-	1,797	-		
Consolidated Net Profit After Tax (including minority shares)	7,285	1%	4,361	1%		
Earnings Per Share	1.76	-	1.44	-		
Retained Earnings	22,322	-	21,327	-		
Personnel Expenses	36,050	-	36,046	-		
Employees Bonus	711	-	615	-		
Cash Dividends	3,208	-	3,042	-		
Stock Dividends	802	-	761	-		

Total Capitalization of Debt and Equity Unit: Millions of NTD

Item	Year		2018		2017	
Assets	339,103	100%	326,653	100%		
Shareholder Equity	73,532	22%	66,421	20%		
Short-Term Loans [Note]	61,013	18%	90,729	28%		
Long-Term Loans	20,234	6%	733	-		

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

## Profitability Analysis

Item	Unit	2018	2017
Return on Assets	%	3.26	2.11
Return on Equity	%	10.41	6.49
Ratio to Pay-in Capital	%	33.98	22.40
Net Profit	%	0.82	0.52
Earnings per share	NTD	1.76	1.44

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

## Product Sales

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

In 2018, Wistron's key growth drivers were data center, internet phone, desktop, and components module business, while other product lines maintained the same level or a slight decline compared with the previous year.

Product Sales									
		2018				2017			
Year	Sales	Domestic		Export		Domestic		Export	
Product		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
3C products		691,958	8,118	76,911,174	795,187	354,426	4,306	79,576,203	753,006
Other		37,763	621	60,192,095	85,610	28,309	333	60,045,057	78,436
Total		729,721	8,739	137,103,269	880,797	382,735	4,639	139,621,260	831,442

Quantity/Unit: Per units/Pcs/Items Value Unit: Millions of NTD

## Creating Added-Value Products

### A Focus on Product Liability

In the rapidly changing business environment of today, Wistron deeply acknowledges that product quality is a significant determinant of a company's operating status and the foundation of the company's competitiveness. To ensure the quality of our products, Wistron has established a PDCA process based on the ISO 9001 Quality Management System for all of our product development and manufacturing practices to implement quality-related monitoring, measurement, analysis, and improvements and to continue to obtain evaluations and certifications from international verification units. The Company also complies with the core value of its quality policy, namely "to deliver competitive zero-defect products and services to customers on time," in formulating C Check Lists for different types of products. In addition, Wistron includes the following quality aspects in the scope of its management practice:

### Product Design Quality Verification

Prior to mass production, Wistron's product designs must be tested to verify their functions, compatibility, reliability, and other environmental standards. This series of verification is aimed at ensuring that the product design meets customer requirements and specifications. Wistron has also established a Lessons Learned database which contains an accumulation of experiential knowledge for constant improvement of Wistron's ability to design products. Furthermore, our plants have provided participating design teams in the early experimental stage with product production experience, so that our product designs can meet the Design For Manufacture/Assembly/testing/Service (DFx) requirements for easier production and better product quality.

### Supplier Quality Management

Material quality correlates positively with the quality of the products produced. Wistron ensures that raw materials are in compliance with specifications and quality requirements before using these materials in the production process. Material quality is a key focus in supplier assessment. Quality management auditing is also performed on suppliers. Wistron requests suppliers to improve non-conforming items in quality management or auditing by a specific deadline, and concurrently conducts quality control on materials and supply chains in order to ensure that the quality of the products produced adheres to customer requirements and specifications.

### Time to Market

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

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

Historical Statistics of  
Patent Applications and Certifications

Unit: number

Patent Applications		Certifications					
Year	2018	2017	2016	Year	2018	2017	2016
Taiwan	163	124	89	Taiwan	134	179	487
China	167	122	90	China	181	314	287
U.S.	138	122	112	U.S.	125	190	326
Other Regions	27	9	0	Other Regions	6	15	11
Annual Number of Patent Applications	495	377	291	Annual Number of Patent Awarded	446	698	1,111

## New Business Development

To achieve Wistron's vision "to be a global leading technology service company providing innovative ICT products, services, and systems," we not only continued to refine our core business performances, but also demonstrated main progress in after-sales service, green recycling business, and educational technology service business in 2018 as below:

Name of New Business Units	Annual Progress
After-Sales Services (Service Business Group)	<p>Wistron' s Service Business group offers an after-sales maintenance plan that provides a variety of product solutions to extend product lifespan and prevent from disposal too earlier</p> <ul style="list-style-type: none"> <li>• System Integration/Artificial Intelligence System                             <ol style="list-style-type: none"> <li>1. Repair centers in the Philippines, China, Czech, and India used a second-generation customer service system to establish a web-based user interface and an integrated database comprising global service information that facilitates data analysis.</li> <li>2. Developed the Cheetah system that integrates internal system information of customer service business to quickly produce formatted reports with fewer labor costs.</li> <li>3. Developed the Eagle Eye system for more precise prediction of customer demand and inventory, thereby reducing inventory and disposal volumes.</li> <li>4. Developed the Golden system, which automatically allocates the inventory of our Chongqing Plant in China according to the requirements of individual repair centers and simultaneously issues manufacturing orders (MO) for packaging and shipment.</li> <li>5. Developed the SPOS system that automatically calculates repair demand and orders.</li> </ol> </li> <li>• Continued to develop automated processes, which reduces human error and increases output stability, in response to the Industry 4.0 trend.                             <ol style="list-style-type: none"> <li>1. Developed Automated Optical Inspection (AOI) equipment to accelerate motherboard and LCD panel receiving and inspection operations.</li> <li>2. Developed automated function testing (ATS) equipment to accelerate the testing operations for LCD panel and SATA HDD/SSD.</li> <li>3. Developed thermal imaging repair interpretation system to improve the productivity and yield rate of motherboard repairs.</li> </ol> </li> </ul>
Green Recycling Business	<p>As part of our due diligence to fulfill social responsibilities, Wistron Green Recycling team provides recycling and reuse service with most environmental friendly process to maximize profit in the circular economy for our branded customers.</p> <ul style="list-style-type: none"> <li>• Wistron GreenTech Texas (WGTX)                             <p>WGTX is dedicated to resource reusing services. After six years of diligent work, WGTX was highly praised by both the U.S. Environmental Protection Agency and Harvard Business Review for its efforts and contributions to the circular economy of its OEM clients. Additionally, WGTX received the Outstanding Enterprise Performance Award for its local contributions to the city of McKinney, Texas. WGTX successfully disposed of 10,046 metric tons of electronic wastes in 2018, provided Close-Loop Gold applications for recycling and reuse of motherboards, and expanded its service targets from the ICT industry to including the medical and aviation industries.</p> </li> </ul>

Name of New Business Units	Annual Progress
Green Recycling Business	<ul style="list-style-type: none"> <li>• Kunshan Recycling Plant The Kunshan Recycling Plant is committed to reusing close-loop resources. The Plant delivered 17,320 metric tons of post-consumer recycled (PCR) plastics in 2018, which reflects an annual growth of 38% and a supply of materials for making 14 million display cases. Product lines that use renewable plastic materials include monitor displays, TVs, desktop computers, Internet telephony, and other information technology products. The Kunshan Recycling Plant reduced new plastic use by roughly 6,062 metric tons in 2018, which reflects roughly a reduction of 15,155 metric tons of CO<sub>2</sub>e emissions based on an average carbon footprint of 2.5 kg/kg CO<sub>2</sub>e for recycled plastics.</li> </ul>
Educational Technology Service Business	<p>Wistron emphasizes the importance of learning. It has teamed up with high-caliber experts in industry, government, academia, and research sectors to develop a total solution for the future of the smart campus program and build an educational platform that facilitates improving the educational quality of campuses in Taiwan.</p> <ul style="list-style-type: none"> <li>• Wistron and the Ministry of Education collaborated in the development of the Fun Education Platform <ol style="list-style-type: none"> <li>1. As of the end of December 2018, this system has attracted 7,000 registrations and over 500,000 visitors.</li> <li>2. Fun Education is a large-scale self-learning platform of open online courses established by the Ministry of Education that provide personalized learning services for students and teachers from elementary and junior high schools. It offers a diverse range of tools accompanying the study of teachers and students in Taiwan.</li> <li>3. The Fun Education platform integrates excellent online course resources of multiple platforms and comprises courses on the major subjects of elementary to senior high schools. It offers cloud-based services encompassing 8,000 5-to-10 minute micro-video courses and exercises that can effectively help students to learn on their own.</li> </ol> </li> <li>• A rapid increase in the number of registrations and visitors to Taipei Cooc Cloud developed by Wistron <ol style="list-style-type: none"> <li>1. As of the end of December 2018, the Cooc Cloud application has attracted nearly 260,000 registrations and over 10,830,000 visitors.</li> <li>2. In 2018, Wistron continued to maintain the operation and optimization of its Cooc Cloud platform with the goal of providing equal educational opportunities endorsed by quality education. We have attained excellent outcomes in this regard.</li> </ol> </li> </ul>

Name of New Business Units	Annual Progress
Educational Technology Service Business	<ul style="list-style-type: none"> <li>• Wistron collaborated with the Ministry of Education and Kaohsiung City Government to develop the Dr. Live self-learning platform               <ol style="list-style-type: none"> <li>1. As of the end of December 2018, the Dr. Live self-learning platform has attracted nearly 60,000 registrations and over 1,960,000 visitors.</li> <li>2. To foster autonomous learning and active exploration of their interests in students, Wistron and the Kaohsiung City Government have co-operated in the planning and building of the Dr. Live platform, which not only facilitates self-learning but also offers live education videos, realizing a one-teacher-to-many-students teaching model that increases learning accessibility in rural areas and inspires learning motives and effectiveness.</li> </ol> </li> <li>• Wiedu developed the Cloud Digital Learning Service System               <ol style="list-style-type: none"> <li>1. The penetration and visibility of the TibaMe program increased. As of the end of 2018, the program has attracted nearly 137,000 registrations, becoming the largest information cloud training website. As a result, Wistron was invited to act as a key private institution for the Ministry of Economic Affairs responsible for AI training.</li> <li>2. Wistron promoted the Gap of Learning &amp; Field (GOLF) and created the CSR value. 42 digital courses are offered by four enterprises, and 12 universities are participating in online corporate courses in 2018.</li> </ol> </li> </ul>
Cloud Products: Wiyynn Corporation (Wiyynn)	<p>Wiyynn is a subsidiary of Wistron that provides cloud IT infrastructure solutions, including server, storage and rack integration, for hyperscale data centers.</p> <ul style="list-style-type: none"> <li>• Wiyynn worked with customers to build the online quality information exchange platform which provides a comprehensive communication channel to enhance supply chain and quality management.</li> <li>• In response to the fast growing business scale, Wiyynn's Reverse Logistics Department maintains high customer satisfaction through continuous service process optimization and efficiency improvement.</li> <li>• In 2018, Wiyynn contributed 8 product designs to OCP Foundation. To date, it has contributed 22 designs and will continue to invest in open IT technologies for the data center community.</li> <li>• Wiyynn has developed energy-efficient power conversion and cooling solutions to expedite the eco-friendly data center development and ease the burden of energy demand to the Earth.</li> <li>• Wiyynn continues to exhibit in target markets (USA, Germany, Japan and Taiwan) in an effort to promote the benefits of new IT infrastructures on reducing data center carbon footprint.</li> <li>• Wiyynn was listed on TWSE on March 27, 2019, and is under the supervision of the authorities and investors.</li> </ul>

# Conflict Minerals and Supply Chain Management



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

Wistron provides services on R&D and manufacturing of electronic products. And the major supply chain involves suppliers which come from Taiwan, China, Japan, Korea, Philippines, Indonesia, Thailand, U.S., and Europe, to provide components including electronic and mechanical parts. The types of suppliers include manufacturers, agents and distributors. The industrial characteristics of the supply chain are technology intensive, capital intensive and labor intensive.

Wistron places high regard on suppliers as crucial partners, and by going through cooperation with each other to establish a long-term stable supply chain. In addition to considering the technical skills, quality, delivery dates, and price competitiveness of suppliers, we also require suppliers to endeavor to protect the environment, ensure the safety and health of the environment, emphasize the importance of human rights, and work with us to fulfill corporate sustainability and social responsibilities (CSR). To achieve this goal, we have established a supply chain management process, in which a supplier quality management office is set up to formulate a Standard Inspection Procedure (SIP) according to the R&D ratified specifications, manage and supervise our suppliers, and evaluate items such as quality, costs, delivery dates, human rights, forced labor, and services. Furthermore, to protect the environment, ensure the health, safety, and human rights of our employees, and secure the rights and interests of our stakeholders, we adopted a CSR management system that manages five major aspects of

product quality, green products, environmental protection, occupational safety and health, and social responsibility. In addition to incorporating this system into daily business operations, we also request our suppliers to work with us in implementing various requirements.

In product developments, Wistron persists in adhering to energy conservation and carbon reduction principles, reducing material use, avoiding the use of hazardous substances, and recycling resources to mitigate the environmental impact of its products at all stages of their life cycle.

Wistron complies with international laws, regulations, and directives, as well as customer requirements, and endeavors to simplify its design, production, and processes to build a product-friendly environment where sustainability is embraced. Currently, we are using a variety of management systems and mechanisms to execute supply chain management, the details of which are described as follows:

1. Supplier investigation: We manage and evaluate new suppliers in accordance with the Supplier Evaluation Operating Procedure, focusing on the following assessment items: quality, environmental protection, employee health and safety, and human rights.
2. CSR management system: In accordance with the Supplier CSR Audit Operating Procedure, Supply Quality Management (SQM) visits the production base of our suppliers to audit and determine their corporate sustainability and social responsibilities.

3. Quality System Audit (QSA): In accordance with the Supplier Quality System Audit Operating Procedure, we visit the production base of our suppliers to audit and determine their quality systems.
4. Quality Process Audit (QPA): In accordance with the Supplier Quality Process Audit Operating Procedure, we visit the production base of our suppliers to audit and determine their process quality.
5. Supplier Performance Management (SPM): In accordance with the Supplier Performance Evaluation Regulations, we evaluate the suppliers' product quality, costs, delivery date, and service items.

Summary of Supply Chain Management Mechanisms

Item	2016	2017	2018 Target	2018 Hit Rate	Time / Frequency
Supplier Assessment	38 Suppliers	28 Suppliers	21 Suppliers	100%	Import of None AVL suppliers
CSR Management System	120 Suppliers	100 Suppliers	100 Suppliers	100%	Annual
Quality System Audit, QSA	120 Suppliers	100 Suppliers	100 Suppliers	100%	Annual
Quality Process Audit, QPA	120 Suppliers	100 Suppliers	100 Suppliers	100%	Launch new project
Supplier Performance Management, SPM	391 Suppliers	406 Suppliers	407 Suppliers	100%	Monthly



## Supplier's Social Responsibility Management

Annually, Wistron prepares CSR audit plans for risky suppliers (for Taiwan/China), which are listed under the Department KPI for supplier audit and assessment. The following items are listed under the assessment criteria for new suppliers; namely, respect for human rights, care for labor, environmental protection and fulfillment of social responsibilities. The 2018 achievements are described below:

1. Wistron prepared the 2018 CSR audit plans for 100 suppliers, which were conducted in stages. A site audit and confirmation were also made at the suppliers' premises. Finally, the audit results were approved (Note).

2. In the annual Wistron Group Partner Conference, we commend suppliers, who were reported in the Corporate Sustainable Management and Social Responsibility and Greenhouse Gas Inventory Report as having showed outstanding performance. We invited third-party GHG auditors, third-party RoHS inspectors, and GHG guidance companies to the 2018 CSR/GHG Supplier Conference to conduct educational training. We also communicated corporate sustainable management and social responsibility management policies, and provided complaint channels to the suppliers located in Taiwan and China region.

3. Until 2018, 91 suppliers have been registered as Wistron's supplier in RBA Online website.

[Note] The audit result with lower than 60 points is Not Approved. In this case, the supplier is required to take corrective action for the unfavorable audit. It also needs to provide feedback on its improvements within one

month and apply for re-audit. If the re-audit result is still Not Approved, it cannot submit an application again within 6 months. If there is a problem in the quality of the supplied material, an alternative material/supplier would be considered as replacement..



● Speech by the Chairman & CSO at the 2018 Wistron Group Partner Conference



● Speech by the President at the 2018 Wistron Group Partner Conference.

## Summary of Supplier Requirements and Management Practices in 2018

Item	Management Practice
Human Rights	<ul style="list-style-type: none"> <li>• In accordance with the RBA regarding suppliers' management of human rights, 100 suppliers were evaluated and were found to have met the requirements. This reflects a 100% compliance rate, which is adjusted on a yearly basis depending on requirements.</li> <li>• In accordance with the RBA, suppliers are encouraged to guarantee employees freedom of association and collective bargaining rights to avoid ill-communication or adverse suppression. No violation incidents occurred for the year.</li> <li>• Suppliers are required to clearly define and support the humane treatment provision specified in the RBA and convey it to laborers, and sign the Declaration of Non-use of Conflict Minerals. A total of 916 companies have signed the declaration and abide by it. Those who violate it will have their Wistron supplier qualification canceled. No suppliers violated it in 2018.</li> <li>• All new suppliers (except for customer-designated suppliers) have obtained ISO 9001 Quality Management System/ISO 14001 Environmental Management System certifications, as requested by Wistron.</li> <li>• In 2018, new suppliers will be required to acquire ISO 9001/ISO 14001, IECQ QC 080000, and OHSAS 18001(ISO 45001) verification systems.</li> </ul>
Labor Care	<ul style="list-style-type: none"> <li>• In accordance with the RBA, no child laborers are allowed to be employed. Juveniles under 18 years of age are not allowed to engage in any work that may harm their health and safety. If such conditions have been discovered, the suppliers will lose their Wistron supplier qualification. As of the end of 2018, 91 suppliers can access their performance through RBA Online website. No such violation by suppliers has been detected.</li> <li>• Wistron hosts supplier communication meetings and demands suppliers never to employ child labor as a solution for manpower shortage or wage issues.</li> </ul>
Environmental Protection	<ul style="list-style-type: none"> <li>• Wistron supports its suppliers to reduce their GHG emission.</li> <li>• Suppliers are required to provide their GHG inventory reports. These were provided by 190 suppliers in 2018, 58 suppliers provided verification statements, and 47 suppliers provided CSR reports while 3 suppliers submitted carbon disclosure reports. The target for 2019 is set to 190 suppliers.</li> <li>• New suppliers are required to sign the RBA Code of Conduct to ensure that they will monitor and sort waste before disposal so as to minimize environmental pollution.</li> <li>• Wistron will continue to increase local procurement and reduce GHG emissions.</li> </ul>
Social Responsibility	<ul style="list-style-type: none"> <li>• Wistron uses the requirements of social responsibility listed in RBA Code of Conduct as the criteria to choose suppliers. New suppliers must pass the CSR audit and sign the RBA agreement.</li> <li>• Suppliers are required to strictly follow RBA Code of Conduct and will be monitored by our CSR audit.</li> <li>• Wistron encourages suppliers to issue CSR reports. Approximately 58 suppliers issued CSR reports.</li> </ul>



# Environmental Protection and Green Product

Key Environmental Management Performance of Wistron in 2018

1. Green energy consumption: 26,960,324 kWh  
(solar power and hydropower)
2. Total electricity saved: 10,834,618 kWh
3. Total carbon emission reduced: 33,054.56 tons of CO<sub>2</sub>
4. Waste recovery rate (%): 87.64%

# Sustainable Product Design and Development



Wistron promises that the products it produces do not endanger customer health and safety. Wistron develops product designs in accordance with the IECQ QC 080000 for hazardous substance process management system. Hazardous substance process management system uses the concept of product life cycle assessment, which takes into account the raw material selection, manufacturing process, product use, waste disposal, environmental influence, and potential hazards, so that customer health and safety are not affected.

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

All of Wistron's product lines comply with EU RoHS regulations and requirements stipulated by customers and regional laws. In 2018, Wistron was not involved in violations of health or safety laws or regulations concerning products and services.

### Elimination of Hazardous Substances

Wistron incorporates green product management practices in accordance with the ISO9001 Quality Management System and has obtained IECQ QC 080000 management system certification. The raw materials of Wistron parts must abide by international or regional environmental regulations (e.g., RoHS, REACH, etc.), local government environmental policies (e.g., China RoHS, Japan RoHS, California Proposition 65, etc.), voluntary environmental regulations (China Compulsory Certificate (CCC), Electronic Product Environmental Assessment Tool (EPEAT), etc.), and special environmental regulations (e.g., conflict minerals, etc.) All of Wistron's product lines comply with EU RoHS regulations.

### Compliance with Energy and Safety Regulatory Requirements

Wistron develops products in compliance with customer requirements, local energy laws and regulations, and safety regulation labels from different regions, such as Energy Star. These labels are then affixed on product exteriors, packaging, or instruction manuals. In 2018, Wistron was not involved in violations of voluntary regulations as well as laws and regulations concerning product information labeling.

### Using Recycled Materials and Eco-Friendly Materials

In addition to avoiding use of prohibited materials, Wistron also uses a portion of post-consumer plastics. To reduce waste generation, Wistron products (NB/DT/AIO/MNT/TV) are required to comply with the Waste Electrical and Electronic Equipment Directive (WEEE). Wistron uses cardboard boxes or product instruction manuals that either contain a fixed amount of recycled paper or conform to the procurement regulations of the U.S. Environmental Protection Agency. Moreover, green printing techniques are used.

### Customer Satisfaction Management

Wistron endeavors to deliver zero-defects and competitive products and services to customers on time. Customer satisfaction is a key customer feedback indicator. We regularly collect information and suggestions regarding customer satisfaction or feedback on the needs of our customers from our quarterly business review (QBR) and use them as items for continuous improvements to pursue 100% customer satisfaction.

# Climate Change and Energy Management



The increasingly severe problems of climate change have made climate-related issues (e.g., extreme weather events and climate change) one of the five biggest corporate risks according to the latest 2018 Global Risks Report and the World Economic Forum (WEF). Factors causing climate change problems are closely related to energy use and carbon emissions. Effective energy management is therefore a material issue that every enterprise should actively address.

## Wistron's Policy

Wistron's policies and commitments relating to climate change and energy are summarized below:

Wistron is committed to purchasing efficient energy equipment to increase our energy performance and actively conserve all types of energy sources. We abide by energy regulations that are associated with our activities, products, and services, as well as customer requirements, with the aim of meeting and surpassing the relevant standards. Please visit our website for the full content of our policies: <https://www.wistron.com/CMS/Page/14>

## Management Systems and Certification

- ISO50001 Energy Management System:
  - Obtained before 2018: Taipei Headquarters, Hsinchu Plant
  - Newly incorporated in 2018: Chengdu Plant, Kunshan Plant, Zhongshan Plant, and Chongqing Plant
- Greenhouse Gas Inventory: All plants have fully incorporated ISO14064

### Key Focus of Management

- We abide by and support local energy policies:
  - 1.Taiwan: Greenhouse Gas Reduction and Management Act, Energy Management Act
  - 2.China: 13th Five-Year Plan for Energy Conservation, Interim Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Transactions
  3. European and American regions: law 73/2012 Sb. about GHG
- Designated department: We have also appointed power-saving task forces for Wistron's plants and convene regular meetings to review the plants' status in power consumption, examine the effectiveness of power-saving projects, share power-saving experiences, and implement improvements in a timely manner.
- Practice management: Energy monitoring , onsite equipment patrol, and meter measurement records.
- Promotional activities: Unscheduled energy and water conservation promotion.

Target Goals and Outcomes			
Goals	Unit	2018 Outcome	2020 Long-Term Target
Reduce 8% power consumption by 2020 compared with 2016	1,000 kWh/ Billion NTD	Reduce 5.88%	Reduce 8%
Reduce 6% greenhouse gas emission by 2020 compared with 2016	1,000 tons equivalent CO <sub>2</sub> / Billion NTD	Reduce 11.48%	Reduce 6%
Use 8% less water by 2020 compared with 2016	1,000 tons/Billion NTD	Reduce 8.58%	Reduce 8%

[ Note ] Wistron has recalculated its target values after including the Kunshan OPT Plant in the scope of its goal since 2018, and simultaneously updated the method by which it sets its GHG targets.

## Energy Management

### Wistron's Energy Management and Renewable Energy Strategy

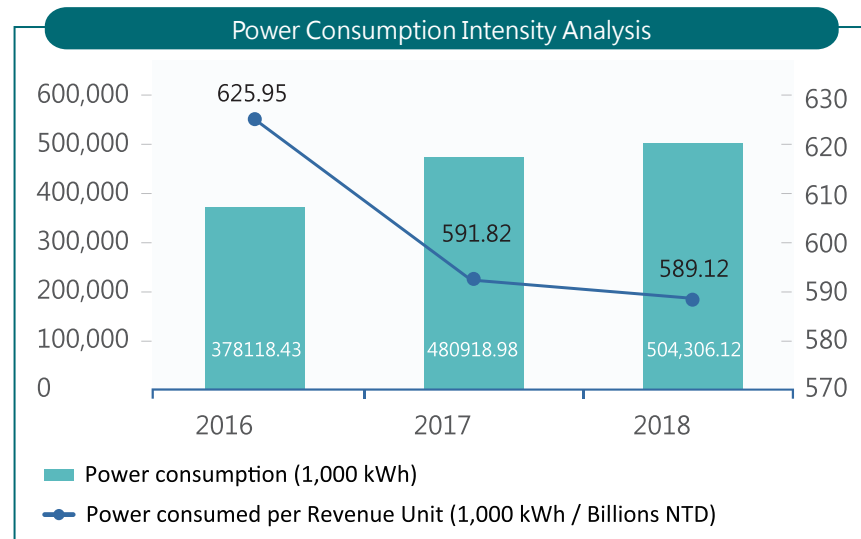
Wistron adopts energy efficiency upgrades and the promotion of energy conservation activities as the basis for key energy management guidelines. We implement energy management as a part of our business operations and supplement energy needs by utilizing renewable energy such as built solar panels in our plants and purchasing hydropower to reduce impacts on the environment. The main source of energy consumed was electricity and partially fossil fuel because of the industry and process characteristics of Wistron: Regarding energy management issues concerning diesel fuel and gasoline, Wistron plants regularly convene energy task meetings to examine energy management practices and share experiences. Various power-saving projects are actively implemented according to the current operating status of each plant. Online energy dashboard are also used to instantly monitor energy information and keep abreast of plant power consumption status to facilitate immediate handling of unusual situations. Wistron also continuously adopts the ISO 50001 Energy Management System. In addition to Taipei Headquarters and Hsinchu Plant, our Kunshan Plant, Chengdu Plant, Chongqing Plant, and Zhongshan Plant have completed the adoption of this system in 2018. By maintaining the operation of our management systems, Wistron effectively identifies power-consuming hot spots in each plant to increase our energy efficiency. As to renewable energy, we installed solar panel equipment in Zhongshan, Kunshan, and Kunshan OPT plants in China. In Chengdu and Chongqing plants we purchase a certain proportion of hydropower by contract. In the future, Wistron will continue to follow the international renewable energy trends, by self-production or purchasing of renewable energy to increase the proportion of renewable energy used.

### Analysis of Current Energy Management Status and Goals

Wistron aims to reduce energy consumption by 8% per revenue unit by 2020 compared to 2016. Please refer to the graph below for an analysis of power consumption intensity and achievements in 2018. We consumed 504,306,118kWh in 2018, 26,960,324 kWh of which were generated by green energy, accounting for 5.34%of the total power consumed. The amount of power reduced by 5.88% compared to 2016. All of our plants had attempted to expand their production capacity in 2018 by introducing a number of new equipment, which also increased the number of people working inside the plants and revenue. In the future, we will continue to implement our energy conservation policies and plans to the best of our abilities and strive toward our goals for 2020.

### Introducing ISO50001 Energy Management System

To increase the energy efficiency of Wistron and reduce energy waste, our Taipei Headquarters and Hsinchu Plant acquired ISO50001 Energy Management System in 2013 and implemented a plan-do-check-action (P-D-C-A) system for continuous improvements combined with energy inventory form to manage their energy usage and enforce plans to improve energy-consuming hot spots within the plants. We will continue to implement energy management systems in our plants to strengthen the energy management capabilities of these plants. In 2018 to 2019, we will complete the introduction of management systems in the Zhongshan Plant, Kunshan Plant, Chengdu Plant, and Chongqing Plant, acquire certifications, and implement energy management in these plants.



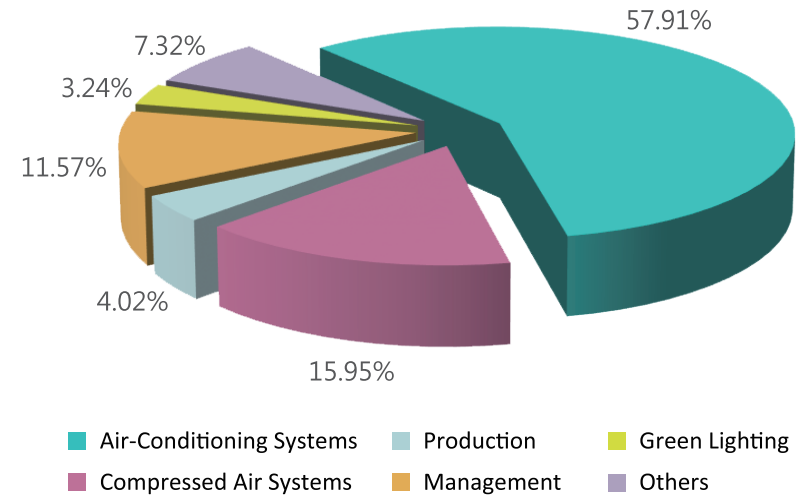
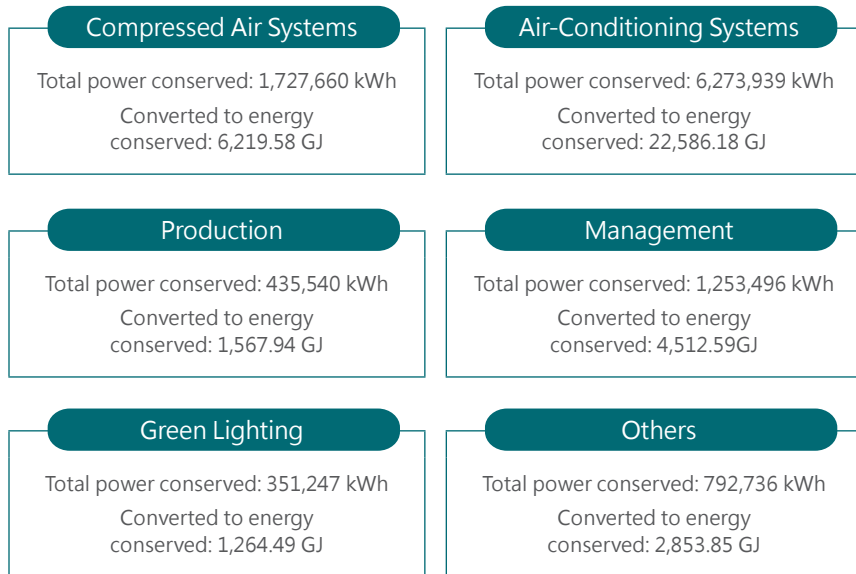
[Note1]Consumption intensity: Based on the power consumption of Wistron’s main manufacturing plants around the world/plant revenues.

[Note2]We updated the method of revenue calculation for Mexico Plant in 2018, the intensity of power consumption in 2016 and 2017 has been modified as well.

### Plant and Office Energy Conservation Measures

To ensure that all of our plants can effectively implement energy management and energy conservation projects, we have appointed energy task forces for Wistron's plants and convene regular meetings to review plant status in energy management, examine the effectiveness of power-saving projects, share power-saving experiences, and implement improvements in a timely manner. Wistron's energy-saving measures are focused on the six categories of air conditioning systems, compressed air systems, production, management, green lighting, and others. The energy savings in different categories by percentage for 2018 and the effectiveness of power-saving projects are summarized below.





Wistron implemented 76 energy-saving projects in 2018, saving a total of 10,834,600 kWh of power, which is a reduction of 8,957.74 tonnes of carbon emissions. Meanwhile, we have also determined the power-saving directions for 2019 as the highest guiding principles for the energy conservation of Wistron plants:

1. Changes to energy conservation practice: Replace old equipment with new equipment, improve the efficiency of equipment used in the plants, and introduce new energy-saving concepts
2. Collect more data by incorporating the existing concepts of Industry 4.0 and Internet of Everything, define power consumption standards, use systems for real-time monitoring and warning, and instantly prevent wasting of electricity.

3. Increase the operating efficiency of plant and production equipment for reasonable control of power consumption based on the concepts of Industry 4.0 and Internet of Everything
4. Promotion and assessment of daily power-saving management activities: Such as energy conservation idea contests and power-saving proposal assessments
5. Ensure reasonable regulation of production schedules, merge production lines, centralize production activities, centralize office activities, reschedule inspection of basic power consumption during weekends and holidays, and reduce use of power on non-working days.

### Examples of Energy Conservation Measures Adopted by Wistron in 2018

- Zhongshan Plant: Replacement of coolant used in the cooling tower (1,320,000 kWh of electricity saved)  
Coolant used in the cooling tower of central air conditioning systems was replaced, improving the cooling effect of the water tower, which increased the cooling efficiency to 30% according to calculations.
- Chengdu Plant: Implementation of zero-loss adsorption dryer (496,000 kWh of electricity saved)  
The original micro-heated adsorption dryer was replaced with an adsorption zero-loss dryer, which improved the gas waste problem in the gas tank during adsorption without the need for a refrigerated dryer.
- Neihu Office: Adjustment of pipeline designs of air-conditioning systems (400,000 kWh of electricity saved)  
The pipeline design of the air-conditioning units was adjusted so that the connecting pipes of the units would open at a certain outer air temperature. This design adjustment reduced pump operation and the power consumed by the pump and air-conditioning units, saving roughly 1.4 million kWh of electricity in one year. A total investment of NT\$2.16 million can be recovered within two years.
- Kunshan Plant: An energy-saving plan was implemented to adjust the inlet pressure of the nitrogen gas cabinet used for production lines. (393,600 kWh of electricity saved)  
The pressure of the variable-frequency compressor in the gas cabinets was adjusted according to the operating status of the plants to reduce the compressor load, thereby conserving energy.
- Chongqing Plant: Energy consumed by the air-conditioning systems in the plant was conserved. (365,000 kWh of electricity saved)  
The outer air temperature was monitored so that when the dew point temperature falls below the default value, outer air is introduced to reduce the load on chillers.

### Use of Renewable Energy: Solar Power and Water Heater

#### Equipment

Wistron implemented solar power generation plans in its Zhongshan Plant, Kunshan Plant, and Kunshan OPT Plant by installing solar panels on the roof of these plants. To date, the capacity of the solar panel devices installed by Wistron was 2,137.7KW, covering a total area of 11,325 m<sup>2</sup>. The total solar power generated in 2018 was 2,379,781 kWh, which can reduce 1,939.92 tons of carbon emissions. In addition to solar power, solar panels were also used for water heating at employee dormitories. Consumption of natural gas was reduced by 818,898 m<sup>3</sup> in 2018.

We continued to increase the use of renewable energy within the plants. Wistron invested RMB 11,846,000 in 2018 to install new solar panels:

- Zhongshan Plant: Solar panels were installed in the TB2 plant at the end of 2017 and commenced operation in 2018. The installed capacity of these solar panels is 725 KW, supplying 783,454 kWh of power per year.
- Kunshan Plant: Solar panels were installed in the B3 plant, providing an installed capacity of 585.9 KW and supplying 649,363 kWh of power per year.
- Kunshan OPT Plant: Solar panels were installed in the Fab2 plant, providing an installed capacity of 489.8 KW and supplying 562,700 kWh of power per year.



• Solar panels in the Zhongshan Plant



• Solar panels in the Kunshan OPT Plant

Use of Renewable Energy: Hydropower

Wistron also continues to encourage its plants to use other renewable energies, in addition to solar power. The Chongqing Plant outsourced 8,776,484 kWh of hydropower in 2018, which accounted for 36% of the power consumption in the plant. The Chengdu plant outsourced 15,804,060 kWh of hydropower; 70% of the power consumed in the plant was renewable energy. Wistron used 24,580,544 kWh of hydropower in 2018, which is equivalent to a reduction of 22,156.9 tons of carbon emissions.

Overview on The Current Use of Renewable Energy at Wistron

Solar power/Water heater	
Zhongshan Plant	Installed capacity of solar power: 725 KW Coverage of solar water heater: 7,750 m <sup>2</sup>
Kunshan Plant	Installed capacity of solar power: 922.9KW
Kunshan OPT Plant	Installed capacity of solar power: 489.8KW 308 solar water heater units

Hydropower	
Chengdu Plant	70% of power consumed in the plant
Chongqing Plant	36% of power consumed in the plant

Smart Energy Management Pilot Project by the Industrial Development Bureau

Our Taipei Headquarters and Hsinchu Plant participated in the Smart Energy Management Pilot Project, which was organized by the Industrial Development Bureau of the Ministry of Economic Affairs, and received NT\$180,000 in funding for promotion of intelligent energy conservation projects. Both parties were invited to act as representatives to present their results on the topics of "Digital Power Consumption Management Platform" and "Automatic Switching System of an Automatic Control Transformer for Power Monitoring" in the 2018 Manufacturing Department Energy Performance Enhancement Program and share their experiences in installing power-saving technologies.

The non-renewable energy fuels used in Wistron manufacturing plants and office area include are: natural gas, diesel, gasoline, etc., as shown in the "Total energy consumption within Wistron in 2018."



- Digital Power Consumption Management Platform (Hsinchu Plant)
- Automatic Switching System of an Automatic Control Transformer for Power Monitoring (Taipei Headquarters)

Total Energy Consumption Within Wistron in 2018													Unit : Giga-Joule,GJ
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
Non-Renewable Energy	Diesel	25.48	112.88	14.56	27.08	12,753.58	0.00	907.75	194.36	82.00	109.19	3.73	14,230.60
	Natural Gas	0.00	0.00	0.00	19,080.22	31,656.19	24,909.25	30,152.31	11,785.70	3,047.58	9,366.89	0.00	129,998.13
	Gasoline	0.00	2,648.64	5.02	4,633.47	2,049.33	955.93	1,536.51	1,800.82	1,490.02	123.51	9.32	15,252.58
	Hear	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,119.95	2,119.95
Renewable Energy	Hydropower	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,595.34	56,894.62	0.00	0.00	88,489.96
	Solar Power	0.00	0.00	0.00	3,721.06	2,025.72	0.00	2,820.43	0.00	0.00	0.00	0.00	8,567.21
Purchased Electricity		20,572.94	42,707.58	24,991.14	346,877.11	330,634.11	96,007.61	667,675.34	66,236.62	24,383.41	81,811.93	16,547.07	1,718,444.86
Electricity		20,572.94	42,707.58	24,991.14	350,598.16	332,659.83	96,007.61	670,495.78	97,831.96	81,278.02	81,811.93	16,547.07	1,815,502.02
Total Energy Consumption		20,598.42	45,469.10	25,010.72	374,338.93	379,118.92	121,872.79	703,092.34	111,612.84	85,897.63	91,411.52	18,680.07	1,977,103.29

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

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

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

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

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

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

Energy Consumption Intensity in 2018		Unit : Giga-Joule,GJ
Item	Energy Consumption	
a. Non-renewable energy	161,601.26	
b. Renewable energy	97,057.17	
c. Electricity	1,718,444.86	
Total energy consumption = a+b+c	1,977,103.29	
Energy Intensity (GJ/Billions of NTD)	2,222.62	

[ Note 1 ] The energy intensity is based 2018 revenue (see Financial Performance Overview table)

[ Note 2 ] Item b include the hydroelectric power consumption and the solar power generation

## Emission Management

### Wistron Greenhouse Gas Emission Management

At Wistron, GHGs are primarily emitted from the use of electricity. In terms of GHG management, Wistron conducts a GHG emissions inventory on a yearly basis using the ISO 14064 standard to determine the main source and amount of GHG emissions from its organizational activities. Wistron also implements GHG reduction plans in accordance with the company's

reduction goals and the GHG management policy (see table below) adopted in the country in which each plant is located.

- Taiwan: Greenhouse Gas Reduction and Management Act
- China: Work Plan for Greenhouse Gas Emission Control during the 13th Five-Year Plan Period, and Interim Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Transactions
- European and American regions: law 73/2012 Sb. about GHG

Current Status and Goals of Greenhouse Gas Emissions at Wistron

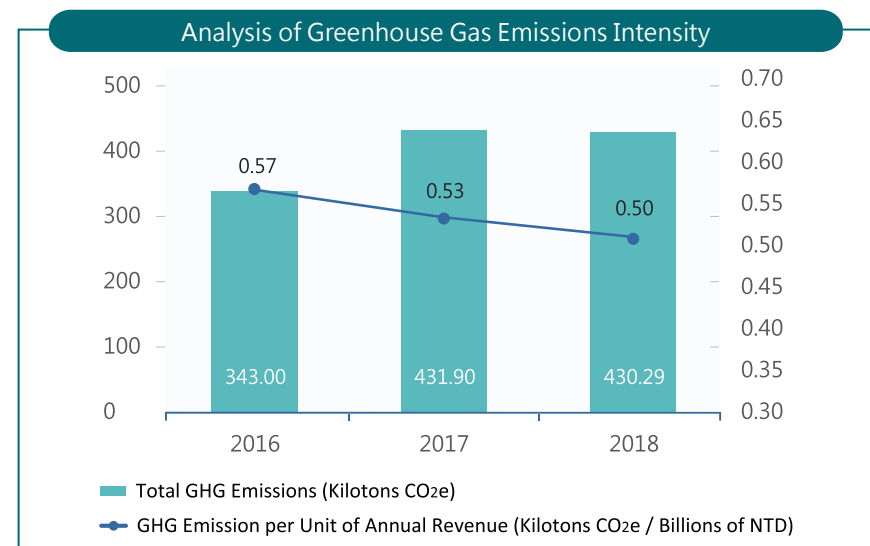
Wistron's goals regarding GHG emissions: To reduce GHG emissions intensity by 6% by 2020 compared with 2016 (GHG emissions/operating revenue). GHGs are mainly emitted from electricity. Thus, our primary reduction strategy involves promoting various types of energy conservation practices to reduce our emission of GHGs. Our GHG emissions in 2018 amounted to 430,291 tons, which is equivalent to 503 tons per billion NTD in emissions intensity and a reduction of 11.48% compared to that in 2016. We will continue to promote electricity conservation to continually exceed our ultimate GHG reduction goal for 2020.

Scope 3 GHG Emissions Information—Emissions from Business

Trips and Transportation

Since 2015, Wistron has launched investigation projects on GHG emissions from transportation to ensure the completeness of its statistics on GHG emissions information. Transportation-related GHG emissions were included in a stage-based inventory to keep us informed of information on GHG emissions from product transportation by land, sea, and air and from employees' business travel by air.

- 2015 project: Greenhouse gas inventory of employee business travel by air and product transportation by air and sea (offices and manufacturing plants in Taiwan)China: Work Plan for Greenhouse Gas Emission Control during the 13th Five-Year Plan Period, and Interim Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Transactions
- 2016 project: Greenhouse gas inventory of employee business travel by air and product transportation by air and sea (offices and manufacturing plants in China)
- 2017 project: Greenhouse gas inventory of land transportation of product



[ Note 1 ] Greenhouse gas emissions intensity and target: Based on the GHG emissions of Wistron' s main manufacturing plants around the world/plant revenues  
 [ Note 2 ] GHG emissions for Scopes 1 and 2 only.  
 [ Note 3 ] For Taiwan area, 2017 Electricity emission factor announced by the Energy Bureau is used and the recalculation using revised electricity emission factors of previous years has been done. The difference is less than 0.8% with no major impact to the energy intensity results, Thus, the data published in corresponding reports remains the same.  
 [ Note 4 ] We updated the method of revenue calculation for Mexico Plant in 2018, the intensity of greenhouse gas emissions in 2016 and 2017 has been modified as well.

### Carbon Management: Carbon Disclosure Project

Wistron has participated in the Carbon Disclosure Project (CDP) since 2010. We have disclosed information on the company's management strategies, reduction goals, and performance on the risks and opportunities of GHGs, including climate issues, as well as information on GHG emissions. We received a C rating in 2018 for our performance in the CDP. This result shows that Wistron should strengthen the relevance of its climate risk and

opportunity issues to the company's governance, situational analysis, and identification and management.

Wistron's recent performance ratings in the CDP climate change program:

- 2018: C
- 2017: B
- 2016: B

#### Direct (Scope 1) and Energy Indirect (Scope2) GHG Emissions in 2018

Unit: Tons-CO<sub>2</sub>e

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Scope 1	1.94	198.72	115.19	6,296.67	6,469.05	2,230.69	7,649.34	2,111.95	1,299.91	611.32	323.52	27,308.29
Scope 2	3,165.95	6,572.22	3,845.86	77,527.03	73,896.72	21,457.70	155,178.88	24,496.04	20,351.11	11,976.36	4,515.19	402,983.06
Total of GHG	3,167.89	6,770.94	3,961.05	83,823.70	80,365.77	23,688.39	162,828.22	26,607.99	21,651.02	12,587.67	4,838.71	430,291.35

[ Note 1 ] The based year of each site is listed below:

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

[ Note 2 ] The GWP values from the IPCC Fifth assessment reports based on a 100-year timeframe is used

[ Note 3 ] The scope of emission includes factories and dormitories

[ Note 4 ] Operational control criterion is used to define calculation boundary

[ Note 5 ] The calculation of scope 2 for Chengdu Plant and Chongqing Plant include hydropower and purchased electricity

#### GHG Scope3 Emission in 2018

Unit: Tons-CO<sub>2</sub>e

Item	Taipei Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Total
Business Travel (Aircraft only)	4,145.13	325.20	429.35	37.44	44.25	379.10	31.72	99.32	5,491.51
Product Transportation - Import	0.00	211.48	700.69	195.48	101.52	1,244.43	308.23	115.73	2,877.56
Product Transportation - Export	0.00	811.15	2,272.75	14.05	695.72	34,298.48	6,872.30	85,823.03	130,787.49

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

[ Note 2 ] Business Travel only calculated the emission of air flight; Product Transportation only calculated the emission of air, sea and land shipping operated by Wistron.

### Ozone Depleting Substances (ODS) and Other Gas Emissions

Wistron includes ODS as an item of hazardous substance management. We stipulate that all materials supplied to Wistron may not be adulterated deliberately and require all suppliers to sign a statement or declaration proving that their materials are environmentally friendly materials that conform to regulations. Regarding the management of other gas emissions, Wistron adheres to internal standard procedures and external laws and regulations in managing its gas emissions and facilities. Production processes of Wistron primarily emit heat and tin fume, which are collected through pipes and discharged after proper treatment through equipment for active carbon extraction. Other gas emissions, such as nitrogen oxides and sulfur oxides are combusted and emitted only during the emergency use of power generators and are therefore not considered a main source of emissions. Wistron also regularly conducts emission sampling analysis to determine whether the composition and concentration of gas emissions conform to requirements.

## Water Resource Management

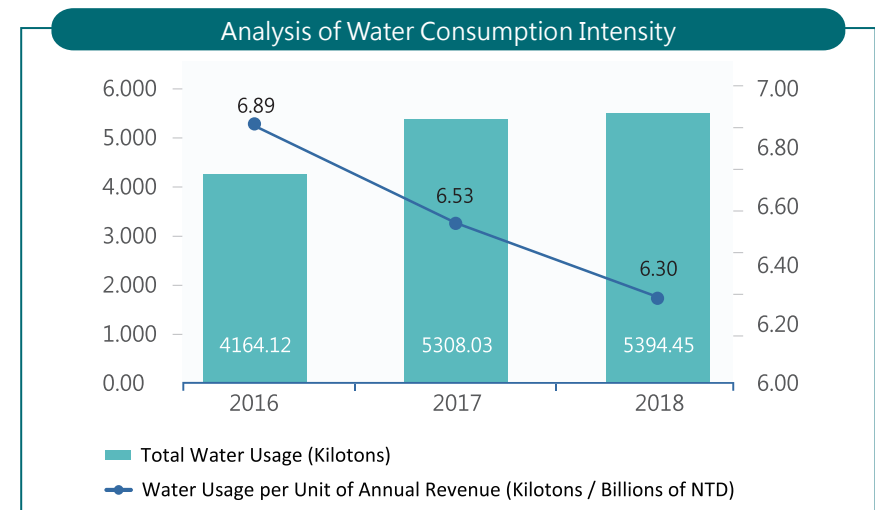
### Water Resource Management at Wistron

A number of plants and offices at Wistron typically use tap water, except for its Mexico Plant, where groundwater is used. The Mexico Plant is located in an industrial park which is not a conservation area or water supply reservoir; the manufacturing process mainly involves assembly lines, which do not need large quantities of water. Therefore, water usage at the Mexico Plant does not greatly affect local water resources or the ecosystem of the water

supply reservoir. In addition, Wistron encourages its plants to recycle various types of water resources (e.g., rainwater, domestic water, and process water) with the aim of achieving effective use of water resources.

### Current Status and Goals of Water Resources at Wistron

Wistron aims to reduce water consumption intensity by 8% per revenue unit by 2020 compared to 2016. Wistron consumed 5,394,448 tons of water in 2018, which equates to 6,302 tons per billion NTD in water consumption intensity. Water consumption was reduced by 8.58% compared to that in 2016, we will continue to promote water conservation and recycle activities to continually exceed our ultimate water usage reduction goal for 2020.



[ Note 1 ] Water consumption intensity: Based on the water consumption of Wistron's main manufacturing plants around the world/plant revenues.

[ Note 2 ] We updated the method of revenue calculation for Mexico Plant in 2018, the intensity of water consumption in 2016 and 2017 has been modified as well.

### Water Conservation Plans and Projects

To effectively conserve water resources and achieve our target, Wistron endeavors to promote various types of water conservation projects. Our water recycling measures adopted in each plant can recycle 266,308 m<sup>3</sup> of water throughout the year, which accounts for 4.94% of the total water consumed.

#### Water Recycling Methods

Plants	Management Practice
Hsinchu Plant	Raft foundation water collection (reusing rainwater in cooling tower)
Zhongshan Plant	Install rainwater recycling system for toilets used in Zhongshan Plant TB2
Kunshan Plant	Recycle and reuse RO wastewater from plant areas
Chongqing Plant	1. Modify the central drinking water processing system, and collect the water during the water-producing process for use as sanitation water 2. Recycle condensed water from air conditioners
Kunshan OPT Plant	Install reclaimed water recycling system for cooling tower water supply and greening

#### Water Recycling and Reuse in 2018

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Volume of Recycled and Reused Water (m <sup>3</sup> /year)	0	0	7	8,273	258,028	0	0	0	0	0	0	266,308
As a Percentage of Total Water Usage (%)	0.00%	0.00%	0.02%	0.64%	29.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.94%

[ Note ] Data collection method: Water meters



### Examples of Water Conservation Measures Adopted in 2018

- Hsinchu Plant: Raft foundation - Rainwater collection for water recycling and reuse  
Rain water collected in existing raft foundations underneath plant office areas is transported to the rooftop where it is filtered for use in cooling towers. Thus, water is recycled and reused, thereby achieving the goal of water conservation. This project was implemented in November 2018 and facilitated the saving of seven tons of water in the end of the year.
- Kunshan OPT Plant: Grinding wastewater recycling system  
The recycled water after proper treatment of grinding wastewater can be used in pure water system, and the grinding glass chips can be recovered simultaneously, so as to achieve the purposes of water recycling and waste classification and recycling. The plant conserved 209,956 tons of water in 2018.
- Zhongshan Plant: Smart water meter project  
Thirty-nine smart water meters were installed to strengthen the monitoring of water consumption in plant buildings.

### Water Footprint Project

To understand the effects of product production on water resources, we implemented a water footprint inventory project in the Kunshan OPT Plant. Inventory was conducted in stages. The water footprint inventory report for the first plant is expected to be completed in 2019.

- 2017 project: Established methodologies for water resource/water footprint projects
- 2018 project Completed water resource survey report on the water consumption inventory and equilibrium diagram for the Kunshan OPT Plant
- 2019 project Complete water footprint inventory and review future promotion plans

Water Usage in 2018												Unit: m <sup>3</sup>
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Total Water Usage	20,382	61,125	42,463	1,295,992	876,044	569,030	2,060,070	269,081	120,305	76,728	3,228	5,394,448
Surface Water	0	0	0	0	0	0	0	0	0	0	0	0
Ground Water	0	0	0	0	0	0	0	0	0	76,728	0	76,728
Rain Water	0	0	7	0	0	0	435	0	0	0	0	442
Waste Water from Another Organization	0	0	0	0	0	0	0	0	0	0	0	0
Tap Water	20,382	61,125	42,456	1,295,992	876,044	569,030	2,059,635	269,081	120,305	0	3,228	5,317,277

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

[ Note 2 ] Water usage data is collected from water bills

# Implementing Environmental Protection



In the current commercial society, increasingly more stakeholders are evaluating corporate performance by considering not only the financial operations of enterprises but also how these enterprises manage the environmental impact of their operations. If enterprises wish to achieve sustainable development, they must take into consideration the environment, including complying with environmental laws and requirements and implementing environment-friendly operating strategies on a voluntary basis, in order to survive and excel as they wade into a fiercely competitive environment where international business and investment models are constantly changing.

## Wistron's Policy

Wistron's policies and commitments relating to environmental protection are summarized below:

Wistron is committed to avoiding the use of prohibited substances and raw materials and recycling wastes. We carefully select raw materials and suppliers through green product plans and endeavor to reduce pollutant emissions by employing environmentally friendly technologies. We abide by environmental regulations that are associated with our activities, products and services, as well as customer requirements, with the aim of meeting and surpassing the relevant standards. Please visit our website for the full content of our policies: <https://www.wistron.com/CMS/Page/14>

### Management Systems and Certification

- Environmental Management System: All plants have fully incorporated ISO 14001.
- Hazardous substance process management system: All plants have fully incorporated IECQ QC 080000.

### Key Focus of Management

- Compliance: Wistron strictly abides by and supports local environmental laws and regulations concerning air pollution, water pollution, waste, and toxic substances
- Designated unit: All plants have organized environmental safety and health management committees to continue to promote management systems
- Practice management: Regular monitoring of laws and regulations, facility patrol and inspection, and occasional environmental protection promotional activities

Target Goals and Outcomes		
Goals	2018 Outcome	Long-Term Target
Increase the overall average waste recycling rate to 90% by 2020	87.64%	90%
Zero violation of environmental regulations	0	0

## Environmental Management and Compliance

### Wistron's Environmental Management and Policy

In pursuing operational and management performance, Wistron also strictly abides by the core values of environmental management in its effort to reduce the environmental impact and effects of production activities, comply with the environmental protection policies and laws of the local government, implement environmental activities and projects in accordance with ISO 14001 Environmental Management System, and continuously improve our performance in environmental management.

### Environmental Compliance and Goals

Wistron aims to comply with environmental laws and regulations by achieving zero violation of environmental regulations. To this end, we regularly monitor laws and regulations, carefully evaluate our compliance with laws, and adopt measures in response to applicable laws and regulations. In 2018, no violation of environmental laws or regulations was reported in Wistron. There were neither illegal acts committed nor significant fines incurred related to environmental protection [Note].

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

### Environmental Issue Communication and Grievance

Wistron has corresponding communication channels in place for all of its stakeholders, including customers, employees, shareholders, suppliers, governmental units, non-profit organizations, and media. Necessary information is also disclosed on Wistron's website. We will follow standard internal procedures to handle and respond to any environment-related communication issues received.

### Eco-friendly Month

The eco-friendly month activity is Wistron's annual internal activity organized by each plant in the second half of the year and employees are encouraged to participate. In 2018, these activities comprised tree planting, challenge games, mind games, quizzes, mini classes, etc. and was aimed at raising the environmental awareness of employees in a vivid and fun way.

### Tree Planting at The Czech Plant

Wistron's Czech Plant has cooperated with a non-profit organization Sazime stromy every year since 2016 to plant trees. Sazime stromy is responsible for providing seeds, tools, patrol and professional techniques, among other services. The Czech Plant is in charge of collecting funds and gathering volunteers. Volunteers may invite their family members and friends to the tree-planting activity and contribute to the greening of the local environment, forging stronger ties between employees and their family and friends in the process. The Czech Plant planted 30 trees and 200 shrubs in 2018.



● Taizhou Plant - Employees participating in a quiz at the eco-friendly month activity



● Chongqing Plant - Employees participating in a quiz at the eco-friendly month activity



● Kunshan Plant - Eco-friendly month challenge games



● Chengdu Plant - Eco-friendly award ceremony



● Czech Plant - Tree-planting activity



### Green Factory Project

Wistron's Kunshan Plant is an active supporter of local policy: Made in China 2025, which aims to build thousands of green factories by 2020. In 2018, the Kunshan Plant completed registration, third-party onsite evaluation, review by local authorities, and review by the Ministry of Industry and Information Technology. Finally, it has successfully acquired the Green Factory Evaluation Standard certification and was included in the list of the third batch of green manufacturing factories in November, with the goal of promoting low-carbon transformation among Chinese industries through green practices, energy conservation, and environmental protection.



## Materials Management

### Wistron's Materials Management

Wistron integrates the concept of circular economy into its materials management practice. When developing product designs, Wistron chooses recyclable materials that will not compromise product functionality. We also continuously cooperate with part suppliers and recycle reusable packaging materials to increase the reuse ratio of resources. In addition, we constantly pay attention to international and customer requirements for environmental friendly materials and hazardous substances, adjust the plants' material selection regulations as needed, and inspect materials by using the green

product management (GPM) system combined with the IECQ QC 080000 management system to achieve the goal of preventing the use of prohibited substances.

### Current Status of Material Use at Wistron

We monitor the usage of product materials and packaging materials at Wistron by employing an import/export custom system. In 2018, we used 254,458.58 tons of materials for products and 51,788.64 tons of packaging materials. Usage of recyclable materials for the Taizhou Plant was 39.93%, which was the highest among all other plants.

Product Materials and Packaging Materials used in 2018				
				Unit: Tons
Material	Volume of Material Usage		Volume of Packaging Material Usage	
Year	2017	2018	2017	2018
Zhongshan Plant	145,464.99	132,657.17	35,030.97	35,408.26
Kunshan Plant	52,110.00	34,291.30	9,057.14	6,698.84
Kunshan OPT Plant	7,299.27	7,894.12	1,802.50	1,992.22
Taizhou Plant	4,060.80	6,013.47	1,499.41	2,400.98
Chongqing Plant	24,217.00	43,399.00	1,743.00	3,243.00
Chengdu Plant	32,811.29	30,203.52	1,912.08	2,045.35
Total	265,963.36	254,458.58	51,045.11	51,788.64

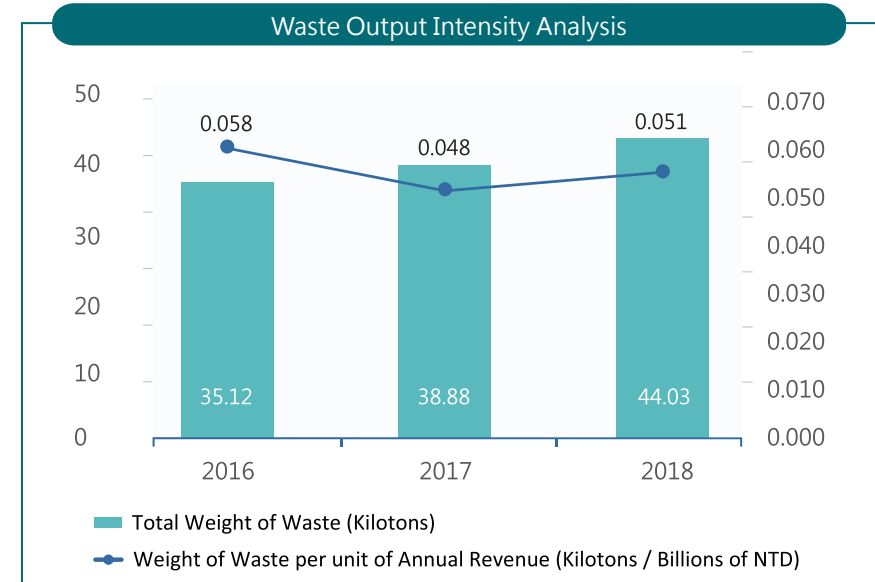
[ Note 1 ] Both materials and packaging materials use gross weight. Gross weight refers to the weight of the entire shipment including all transportation packaging.

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

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

Recycled Material Used in 2018	
Site	Percentage of Recycled Material
Zhongshan Plant	26.69%
Kunshan Plant	19.54%
Kunshan OPT Plant	25.24%
Taizhou Plant	39.93%
Chongqing Plant	7.47%
Chengdu Plant	6.77%

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



[ Note1 ] Waste Output Intensity: Based on the waste output of Wistron's main manufacturing plants around the world/plant revenues.

[ Note2 ] We updated the method of revenue calculation for Mexico Plant in 2018, the intensity of waste output in 2016 and 2017 has been modified as well.

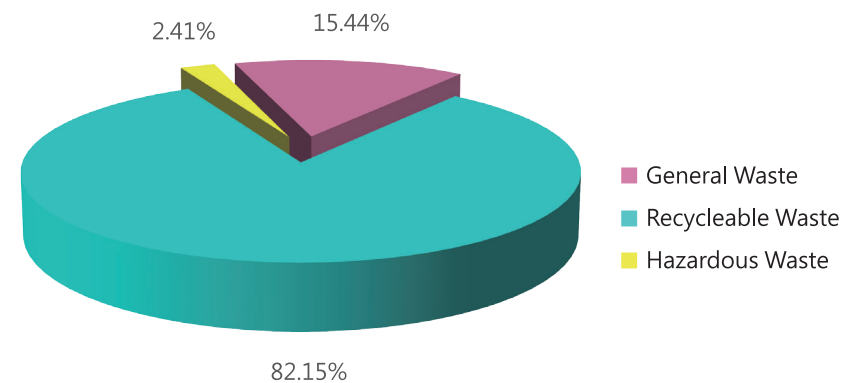
## Waste and Effluents Management

### Wistron's Waste Management

Wistron manages wastes in accordance with local waste laws and regulations. We reduce waste at the source, adopt resource recycling plans, and sort our wastes properly into: general waste, recyclable waste, and hazardous waste. By implementing waste management through resource recycling, we attempt to generate less wastes and have our wastes handled by qualified waste disposal companies. For waste contractors, we have devised auditing plans to ascertain the ultimate flow of our wastes.

### Current Status and Goals of Waste Output at Wistron

Our waste reduction goal is: To increase the overall average waste recycling rate to 90% by 2020. In 2018, we generated 44,026 tons of waste, which is equivalent to 51 tons per billion NTD, and recycled 87.64% of our waste on average.



Waste by Type and Disposal Method in 2018													Unit: Tons
Item	Neihu Headquarter	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
General Waste	Incineration	7.98	22.22	30.23	1,446.79	273.20	226.45	1,943.95	0.00	20.67	0.00	0.00	6,796.71
	Landfill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.10	0.00	251.35	26.28	
	Deep Well Injection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	On-site Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Other (Kitchen Waste)	0.30	14.76	13.73	1,009.75	415.58	148.28	391.51	261.99	162.60	0.00	0.00	
Recyclable Waste	Composting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	506.51	237.62	36,167.97
	Reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Recycling	1.75	80.76	54.13	4,286.95	2,143.80	690.10	11,787.21	7,634.97	5,492.39	2,439.92	811.85	
Hazardous Wastes	On-site Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,062.11
	On-site Treatment and Discharge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Off-site Transport to TSDF (Treatment Storage and Disposal Facility)	0.00	1.02	11.05	294.05	73.95	23.96	325.41	146.11	183.22	3.34	0.00	
Total Weight of Waste	10.03	118.76	109.15	7,037.54	2,906.53	1,088.79	14,448.07	8,172.17	5,858.88	3,201.11	1,075.75	44,026.78	
Waste Recovery Rate (%)	20.44%	80.43%	62.18%	75.26%	88.06%	77.00%	84.29%	96.63%	96.52%	92.04%	97.56%	87.64%	

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

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

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

### Waste Management Projects

In addition to recycling waste resources, we also promote other waste management activities to reduce our waste output. For example, we attempt to reduce kitchen wastes (Clear Your Plate Campaign) by encouraging employees to reduce food waste by serving themselves less food and only adding more if needed. The Taizhou Plant clearly defined the standards for the Clear Your Plate campaign and gave out awards (foods and beverages) to employees who achieved the goals of the Clear Your Plate campaign.

Kunshan OPT Plant: In 2018, the plant introduced an automatic wipe project for cover glass cutting machines in order to reduce the plant's use of towels during the manufacturing processes. The machine automatically wipes and cleans the cover glass, which ensures reduced contact by hand, shortens the exposure time of the cover glass, increases surface cleaning efficiency, and ensures the efficient use of towels. Preliminary calculation shows that this project could reduce the usage of towels by 17.51 tons.

### Wistron's Wastewater Management

Most of Wistron's manufacturing plants are assembly plants that do not need to use water during production activities. The wastewater generated by these plants is primarily domestic wastewater. All wastewater are collected by specific water pipes and then transported through a sewage system into

a wastewater treatment plant, where it is processed before being discharged. Therefore, the effluent does not influence bodies of water, habitat characteristics, surrounding areas, conservation status, or biodiversity.

For production purposes, the Taizhou Plant and Kunshan OPT Plant have installed pure water processes in their production lines. Hence, wastewater stations and online real-time monitoring facilities are available inside the plants for immediate handling of abnormalities. Irrespective of whether the plants discharge process wastewater, we regularly conduct effluent tests to determine the quality of effluents.

### Current Status and Goals of Wastewater Management at Wistron

Our waste management practice is based on the ISO 14001 Environmental Management System to prevent waste leakage and environmental complaints and penalties. Wistron's plants were not involved in any incidents of leakage in 2018. In 2018, we generated 260,026 m<sup>3</sup> of wastewater (process wastewater was discharged from only the Taizhou Plant and Kunshan OPT Plant)

Statistics of Industrial Wastewater in 2018 <span style="float: right;">Unit: m<sup>3</sup>/year</span>			
Item	Kunshan OPT Plant	Taizhou Plant	Total
Total Industrial Wastewater Discharge	54,018	206,008	260,026



● Kunshan OPT Plant - Waste management training activity



● Kunshan OPT Plant - Exterior of the wastewater treatment station



● Taizhou Plant - Exterior of the wastewater treatment station



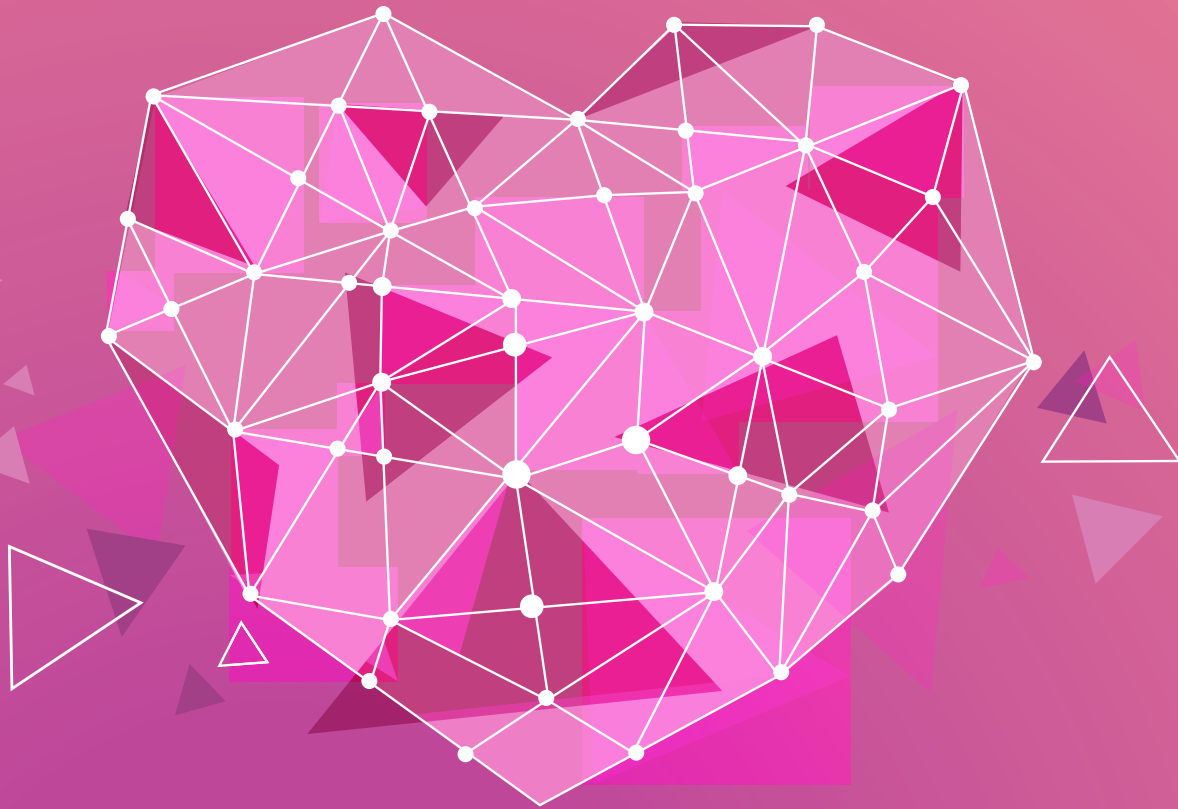
## Expenditure and Benefits Associated with Environmental Protection

Following the environmental protection measures as required by relevant regulations and customers, we have established environmental protection

equipment and took the necessary response to avoid and reduce negative impacts of company activities on the environment. We also calculated environmental protection-related expenditures on a regular basis. The income from environmental protection is mainly generated by waste recovery. Expenditure and benefits associated with environmental protection in 2018 are as follows:

Environmental Protection Expenditure and Benefits													
												Unit: NTD	
Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chengdu Plant	Chongqing Plant	Mexico Plant	Czech Plant	Total	
Expenditures	Environmental Management System Certification	0	0	0	848,540	266,852	217,632	841,484	569,105	200,461	279,810	115,320	3,339,204
	Environmental Testing and Hazardous Substance Control	6,563	12,075	147,600	2,306,596	1,403,508	294,380	3,005,671	566,598	342,600	294,038	6,435	8,386,065
	Promotion, Education and Training	0	0	0	298,344	34,775	15,440	0	37,894	0	33,209	143,566	563,228
	Maintenance of Environmental Protection Equipment/Facilities	0	0	18,900	6,433,727	7,443,563	143,216	4,180,067	475,835	305,229	312,405	438,873	19,751,815
	Waste Disposal	0	0	94,286	3,776,311	2,232,411	6,479,001	14,548,046	642,288	1,155,652	485,164	2,303,660	31,716,818
	Cost of Improvements to Energy Efficiency	344,400	237,342	2,053,010	18,618,080	0	741,161	31,368,780	5,618,758	734,958	0	0	59,716,488
	Personnel Cost for the Environmental Protection Division	0	0	0	4,651,818	2,036,160	781,624	21,221,701	1,980,704	2,433,868	864,504	0	33,970,379
	Cost for Environment-Related Maintenance	3,868,000	7,600,463	6,021,476	35,326,066	16,056,026	4,688,976	51,272,928	1,515,646	6,886,714	6,662	68,170	133,311,127
	Other Costs	0	0	0	4,112,726	89,762	0	0	35,421	0	141,878	238,633	4,618,421
	Total (NT)	4,218,963	7,849,880	8,335,272	76,372,208	29,563,056	13,361,432	126,438,676	11,442,249	12,059,482	2,417,670	3,314,658	295,373,545
Benefits	Waste Recycling	0	184,523	1,583,611	35,276,650	12,458,317	1,683,603	56,732,436	31,265,779	40,478,357	9,622,327	1,049,085	190,334,688
	Other	0	0	0	0	0	0	60,709,469	0	0	0	0	60,709,469
	Total (NT)	0	184,523	1,583,611	35,276,650	12,458,317	1,683,603	117,441,905	31,265,779	40,478,357	9,622,327	1,049,085	251,044,158

[ Note ] Exchange Rate: RMB : 4.4755, USD : 30.733, CZK : 1.3634 , MXN : 1.5591, EUR : 35.1401



# Humanity and Social Care

# Recruiting and Cultivating Talent and Teams



## Workforce Distribution and Diversity

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

2018 Statistics of Employees										Unit: Person
Region	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant	Total
Male	4,726	14,826	16,483	9,816	2,218	3,663	789	175	1,124	53,820
Female	2,274	5,720	8,535	4,015	1,164	1,731	596	178	635	24,848
Total	7,000	20,546	25,018	13,831	3,382	5,394	1,385	353	1,759	78,668

[Note] 1. Taiwan = Neihu Headquarter, Hsichih Office Complex, and Hsinchu Plant

Types of Employment										Unit: Person
Form of Employment	Taiwan	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Czech Plant	Mexico Plant	Total
Indefinite or permanent contract	6,693	2,688	632	81	199	108	55	148	1,759	12,363
Fixed term or temporary contract	307	17,858	24,386	13,750	3,183	5,286	1,330	205	0	66,305
Total	7,000	20,546	25,018	13,831	3,382	5,394	1,385	353	1,759	78,668
Full-time	6,970	20,546	25,018	13,831	3,382	5,394	1,385	337	1,759	78,622
Part-Time	30	0	0	0	0	0	0	16	0	46
Total	7,000	20,546	25,018	13,831	3,382	5,394	1,385	353	1,759	78,668

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

Worldwide Indirect Employees by Level, Gender and Age Group								Unit:%
Age Group	Division Level and Above		Department Level		Non- Management		Total	
	Male	Female	Male	Female	Male	Female		
< 30	0.03	0.01	0.67	0.37	25.96	13.90	40.94	
30-50	5.65	1.33	5.00	2.03	28.48	13.76	56.25	
> 50	1.30	0.20	0.03	0.03	0.90	0.36	2.81	
Total	6.97	1.54	5.70	2.43	55.34	28.01	100.00	

Comparison of Non-managerial Full-time Staff in Taiwan			
	2017	2018	Difference
Number of People	5,782	6,013	231

## New Hire and Turnover Management

When an employee resigns, we fully respect his/her decision regardless of their reason. We then try to find out their reason for leaving and use this as an opportunity to identify problems for further improvement. The table below shows the statistics of new hires and turnovers in 2018 sorted by gender and age group. Turnover includes voluntary resignation and other reasons. Most were concentrated in direct employees under the age of 30.

Total Number of New Hires and Turnover in 2018				Unit: Persons
Item	Age Group	Male	Female	
2018 New Hires	< 30	130,564	43,192	
	30-50	22,597	8,289	
	>50	69	45	
Total		204,756		
2018 Turnovers	< 30	128,228	42,137	
	30-50	23,144	9,014	
	>50	78	46	
Total		202,647		

## Local Hiring

Based on its recruitment policy, Wistron employs the best talents found in various countries. It also considers the "Cultivation of Local Management Talents" as a key goal of implementing talent localization. In 2018, local talents who work as managers accounted for 85%, with 56.2% assuming positions higher than Director. The data showing local employees who work as managers is presented below:

Percentage of Local Employees in Management Positions			
Region	China	Mexico Plant	Czech Plant
Percentage of local managers	85.0	72.3	76.9
Percentage of local department level or higher managers	55.6	69.0	58.3

Percentage of Local Employees in Management Positions in China Region				
Year	2015	2016	2017	2018
Percentage of local managers	81.5	83.6	84.1	85.0

cultivation and professional skills training are crucial training indicators. In the beginning of each year, Wistron confirms the annual training report with each business group's management in an effort to continuously perfect the learning and growth environment for employees. Contents and practices are described below:

### I. Comprehensive Training Framework

Wistron has established a complete training framework and e-Learning system to train employees. The employee training framework includes 7 different systems (6 systems for overseas plants, excluding the 7th system: advanced education and training). There are three educational modes: "On-the-job training", "Learning during training" and "Self learning," each considering different courses to use different modes and achieve better learning results. With these systems, we can cultivate talent in a more goal-oriented and systematic manner and offer training courses of various domains to help our employees plan their career paths.

## Talent Cultivation and Career Development

Wistron is committed to becoming a sustainable organic entity. Wistron not only focuses on its business growth and profitability, but also values the importance of culture shaping. Moreover, talent development and cultivation is the cornerstone of business sustainability. We emphasize the synchronous growth of employees and the company. Therefore, in addition to operating courses under a complete training framework, we will also introduce training programs and project activities of various domains that are in line with the company strategies and annual directions to build the learning and growth environment for employees. Furthermore, elite talent



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

Comparison of Non-managerial Full-time Staff in Taiwan			
Category		Total Number of Training Hours Provided to Employees (hr)	Average Hours of Training Per Employee (hr/person)
Employee Category	Direct	2,922,763.0	49.0
	Indirect	904,792.1	47.5
Gender	Male	2,769,775.9	51.5
	Female	1,056,714.9	42.5

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

## II. Internal lecturer Sharing their Experiences and e-Platform

In 2018, Wistron planned and organized numerous training courses, 99% of which were held by internal employees as trainers. The courses are aimed at encouraging the transfer of internal experience. Moreover, each business unit's high-level managers are invited to play the role to trainer for management courses, which enables them to serve as role models and share their experiences. According to the number of trainers, the training center organizes training of internal trainers based on teaching skills, methods, and preparatory tasks before a class. In addition, practical exercises and mutual assessments are adopted to fully prepare trainers before the official lecture takes place. For example, the training center has organized three Internal Training the trainer to train sessions in 2018, namely, new R&D/AM course and supervisor exploratory counseling skills. Thirty-five trainers have been certified in total.

An e-Learning system is used to assist our employees in achieving fast, systematic learning. There are currently 12 new employee courses, and 40 professional courses in Taiwan. We also incorporate CSR training, including labor safety and health education, code of ethical conduct, environmental hazardous substance, test report reading, and process for green project courses, to ensure that all Wistron's employees are equipped with the relevant knowledge.

### III. Building Innovation Culture

In response to the needs of nurturing future talent and outstanding leadership, we established core and management competencies and integrated the core competency with actual work content to assist our employees in applying what they have learned during training to actual work practice. We applied the management competencies to management training courses, such as talent selection, coaching for management, and performance management, to improve the competency of our employees.

In addition, Wistron has been nurturing future business teams and leaders for its business units since 2007 by devising individual development



- The training center has organized R&D/AM course and supervisor exploratory counseling skills training sessions

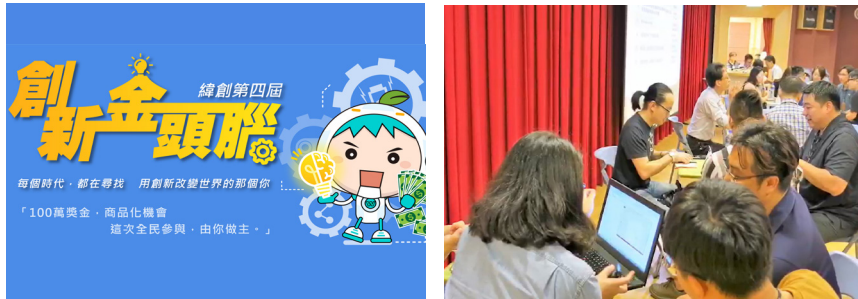
plans (IDP) for managers of all business units, according to organizational requirements, job demands, personal strengths, and development needs of key personnel. Thirty-three percent of the supervisors who participated in the development program have been promoted to a new position.

### IV. Building Innovation Culture

Wistron always emphasized belief in "innovation." To inspire more innovative ideas for Wistron's products and services, Wistron has held an Innovation Golden Brain Award competition since 2015 to grant employees the opportunity to propose their own ideas for innovation. This year, the competition included the following activities:

1. Established an open proposal platform and increased reward bonus: The platform can be used to propose ideas and seek team members with similar interests. Employees who have not yet submitted a proposal may use the platform to obtain information on the competition and offer valuable suggestions. The reward bonus was raised to 1 million NTD as an incentive to stimulate the involvement of participating teams.
2. Meeting with facilitators: Teams that passed the preliminary stage respectively introduced their proposals to facilitators, who can then provide their greatest support for the team.
3. Sharing mid-term results: By sharing their progress, entrants can not only practice their pitching skills, but also observe and understand how other teams are progressing and performing and obtain valuable suggestions from different facilitators.

4. Post-competition incubation: Two winning teams are selected for the final stage; members of these teams are then invited to the CTO office to formulate subsequent incubation and investment plans. After the aforementioned planning activities, the products produced this year were significantly more mature compared to those of previous years and were highly praised by the high-level management of the company.



The focuses and achievements of the Golden Brain Award competition over the years:

Year	Achievements
2015	<ol style="list-style-type: none"> <li>1. Focus: Promotion of innovation culture                             <ul style="list-style-type: none"> <li>- Over 170 proposals were submitted, highlighting employees' willingness to continue to generate creative ideas, even outside of their working time</li> </ul> </li> </ol>
2016	<ol style="list-style-type: none"> <li>1. Increase the quality and quantity of proposals                             <ul style="list-style-type: none"> <li>- Over 70% of the teams' proposals were showcased on Wistron Tech Day</li> </ul> </li> <li>2. Establishment of an internal ecosystem                             <ul style="list-style-type: none"> <li>- BG Innovation Committee was established; the committee provides teams with greater opportunities to gain hands-on experiences and coordinates departmental communication and resource allocation</li> <li>- Financial and patent departments were also invited to participate in this activity to increase the feasibility of the teams' proposals</li> </ul> </li> </ol>
2017	<ol style="list-style-type: none"> <li>1. Stressing innovation direction:                             <ul style="list-style-type: none"> <li>- Five major directions were used for the year as the directions for the Golden Brain Award competition</li> <li>- All employees were welcome to sign up to participate in lectures, courses, and activities, which attracted over a hundred employees to understand the company's culture of innovation through different means</li> </ul> </li> <li>2. Increase the feasibility of proposals:                             <ul style="list-style-type: none"> <li>- The Hackathon competition was the first round of the competition. Proposals were approved by reviewers. The feasibility and applicability of the submitted proposals improved significantly from the past two years.</li> </ul> </li> </ol>
2018	<ol style="list-style-type: none"> <li>1. Stimulate the depth of participation and enthusiasm:- Five major directions were used for the year as the directions for the Golden Brain Award competition                             <ul style="list-style-type: none"> <li>- The scope was the company's future development direction. The reward bonus was raised to 1 million NTD to attract employee involvement and participation. An open proposal platform was established to give those who have not yet submitted proposals a chance to provide suggestions.</li> </ul> </li> <li>2. Increase the maturity of proposal results:                             <ul style="list-style-type: none"> <li>- Preliminary entrants were granted opportunity to meet with their facilitators and receive professional guidance to increase the maturity of products during the final stage of the competition.</li> </ul> </li> </ol>



# Social Responsibility Management

Wistron's core value lies in being a people-centric organization that emphasizes human rights and job equality. The company has formulated social responsibility policies that to commit to complying with CSR-related international standards and local regulations, continuously enhance employees' rights and benefits, establish an honest, healthy, and safe working environment, and fulfill social responsibilities. Our personnel management policies and related regulations are established in accordance with the aforementioned policy, upholding the principle of fairness, in which any forms of discrimination and sexual harassment are prohibited. Related policies and management systems are separately described in the following chapters. We also examine the implementation status of issues concerning the use of child and minor labors, forced labor, discrimination, sexual harassment, and freedom of expression, to manifest our emphasis on employee rights and interests as well as human rights issues. In 2018, Wistron achieved its' goal with no involvement in any sexual harassment, infringement of human rights, and discrimination.

## Employment and Compensation Policies

Wistron's compensation and benefits comply with the requirements as well as laws and regulations of each country. The company does not offer wages below the minimum legal requirement. All employees have access to statutory insurance and pension plans. Wistron also offers the same pay for the same work regardless of race, nationality, origin, social status, lineage, religion, physical disabilities, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation or age. It has also designed a rewards system as part of the overall remuneration

package, which includes wage, benefits, bonuses and dividends. All employees have two performance evaluations each year. The results serve as the basis for personnel bonuses, employment, promotions, and other personnel management activities.

Wistron also conducts a wage survey every year and adjusts wage based on the economy, company operations and personal performance to ensure that employee wage are fair and in line with market standards. All part-time and short-term contract workers are provided access to statutory insurance and welfare since the first day of employment. Compensation per region is indicated below. The average salary of full-time non-managerial staff in Taiwan will be reported at the end of April this year in accordance with regulations (it will be disclosed on the Market Observation Post System at the end of June).

Ratio of Entry Level Wage and Regional Minimum Wage

Region	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant
Ratio	1.09	1.13	1.04	1.04	1.34	1.42	1.04	1.23	1.30

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

[Note] Use the data on 2018/12/31

## Parental Leave and Retention

We respect the rights of pregnant workers and provide parental leave to employees that care for infants and young children; and, automatically ask employees if they wish to return to their job one month before the end of their parental leave. In 2018, there were 32 parental leave applications in Taiwan and 2 applications at the Czech Plant.

Total Number of Employees that Took Parental Leave in 2018

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total number of employees that applied for parental leave	7	25	0	2

[Note] This data only shows the number of applications for parental leave in 2018, not including the number before 2017.

Total Number of Employees Who Returned to Work after Parental Leave Ended in 2018

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total number of employees who returned to work after parental leave ended	5	24	0	5

Total Number of Employees Who Returned to Work after Parental Leave Ended Who Were Still Employed Twelve Months after Their Return to Work

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total number of employees that applied for parental leave in 2017 and were still employed 12 months after their return to work	3	24	0	0

The Return to Work and Retention Rates of Employees Who took Parental Leave

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Return to work and retention rates of 2017 (%)	27	71	0	40
Retention rates of 2017 (%)	100	96	0	0

## Human Rights and Anti-discrimination

Wistron is dedicated to developing and maintaining systems that promote employee rights and benefits, comply with relevant local laws and regulations, support, and respect international labor-related human rights norms, such as the ILO Tripartite Declaration of Principles, OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights, the UN Global Compact, and the Code of Conduct for Responsible Business Alliances, including employee health, work safety, and other work-related rights and benefits. All management systems conform to local labor laws. Applicable systems are announced on the company website for employees' reference. Moreover, it is committed to rooting out any behavior that curtails human rights directly or indirectly. The company prohibits any form of employment discrimination. In terms of employment, compensation, training, promotion, unemployment and resource distribution, Wistron shall not show any distinction or preference regardless of race, nationality, origin, social status, lineage, religion, physical disabilities, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or union relationship. Instead, it shall decide based on competency and contribution in order to provide a fair opportunity for all employees.

Wistron also strives to eliminate and prevent discrimination within the organization by extricating itself from the recruitment process or dealing with employment agencies (i.e., HR agencies.) The company also promotes anti-discriminatory practices to external parties, including customers, suppliers and the general public. To ensure that managers and their subordinates fully understand the company' s human rights principle, we provide related training courses on sexual harassment, human rights violation, discrimination, etc.

## Child Labor and Underage Workers

Wistron doesn' t engage in child labor and verifies the actual age of applicants during recruitment. In some areas, however, workers older than the minimum working age but under the age of 18 are employed to fill the need for expanded production capacity, but they will only work in less-hazardous positions and are subject to enhanced training, care and management for their safety and health. The status of underage workers in 2018 is as follows:

Underage Workers in 2018									
Employment Type	Taiwan Offices	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant
Underage Workers	57	54	1,435	4,331	3	5,288	976	0	0

Unit: Persons

## Forced or Compulsory Labor

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

# Employee Care

## Staff Health and Occupational Safety

Employees are a company's most valuable asset. Building a safe and healthy workplace is fundamental to the sustainable operation of a company. Wistron's occupational safety policy is to comply with applicable occupational safety regulations and other requirements. All staff members working in the restricted areas of the company are made aware of their obligations in occupational safety and health to reduce the risk of accident. Please visit our website for the full content of our policies: <https://www.wistron.com/CMS/Page/14>

### Occupational Safety Management System

To effectively implement Wistron's occupational safety policies, we introduced the OHSAS 18001 Occupational Safety and Health Management System, which covers Wistron offices and plants. Based on the provisions of the management system, Wistron upholds the core value of continuous improvement to protect employees in a healthy and safe workplace. Our actions for ensuring the occupational safety of employees include risk identification, health protection, participation in communication, training and awareness, contingency practices, protective measures, and supply chain management. We protect the occupational health of our employees by establishing severe disease educational materials, training programs, counseling, prevention, and risk monitoring plans.

Actions Relating to Occupational Safety	
Category	Actions
Risk Identification	<ul style="list-style-type: none"> <li>• Regularly assess risk factors and the legal compliance of operating procedures</li> <li>• Revise those that do not comply with laws</li> </ul>
Health Protection	<ul style="list-style-type: none"> <li>• Medical check-up for employees</li> <li>• Regularly inspect operating environments</li> <li>• Set up a medical room or doctor station</li> </ul>
Participation in Communication	<ul style="list-style-type: none"> <li>• Labor safety committee</li> <li>• Internal communication and reporting procedures</li> </ul>
Training and Awareness	<ul style="list-style-type: none"> <li>• Implement labor safety education courses for new employees</li> <li>• Organize special risk or first aid training for operating staff</li> <li>• Provide environmental safety and health training for environmental safety and health officers and provide regular retraining programs every year</li> <li>• Arrange health-related seminars by inviting experts to give talks and answer employees' questions concerning health and medical insurance</li> </ul>
Contingency Practice	<ul style="list-style-type: none"> <li>• Occupational safety evacuation drills every year (day/night, earthquake)</li> <li>• Contingency training, such as fire drills, training in confined spaces, and chemical leakage drills</li> </ul>
Protective Measures	<ul style="list-style-type: none"> <li>• Implement strict application and control guidelines for special jobs (e.g., welding, chemical operations, noise, etc.), and formulate relevant management practices and solutions for different risk levels</li> <li>• Continuous improvement in protective equipment</li> <li>• Provide personal protective equipment</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>• Ensure that new suppliers, when introduced into the Company, meet the basic requirement of having obtained occupational safety and health management system certification</li> <li>• Include occupational safety management systems in regular supplier auditing</li> </ul>

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

Percentage of Total Workforce Represented in Formal Joint Management-worker Labor Safety Committees in 2018

Item	Taiwan	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant
Workforce Represented:	27	102	25	33	123	26	32	40	10
Total Number of Labor Safety Committee Members	33	197	56	47	148	55	52	52	No committee
Percentage (%)	81.82%	51.78%	44.64%	70.21%	83.11%	47.27%	61.54%	76.92%	-

[Note ]Workforce represented:

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

Taiwan: Employee representatives in Employee Relationship Promotion Committee meetings (Tomato Meetings)

### Safety Committee and Employee Communication

Wistron has established labor safety committees for each plant and appointed labor representatives who act as the main communication channel for employee participation in occupational safety management. Employees may report problems or express opinions relating to occupational safety to department representatives or communicate directly with committee members or high-level management. For occupational safety incidents such as emergencies, non-conformance, or false alarms, we have communication procedures in place that allow employees to file reports at all times.

### Workplace Risk Identification and Investigation

To protect employees and prevent occupational injuries, we implemented a set of risk identification and risk assessment operating procedures, in which qualified personnel identify risks and quantify risk factors for risk assessment. Safety and health managing units review and classify the risk level, control risky operations, and set improvement targets. Finally,

the identified risks are included in regular monitoring to ensure constant elimination of occupational risks latent in the workplace.

Wistron has handling and investigation management regulations in place to investigate and track any occupational injuries sustained by employees or contractors. We will determine the extent of damage and occupational injury based on the incident. Investigation reports must be completed and presented for approval. Improvement plans must be implemented. The safety and health managing units will continue to supervise and track the improvement progress in order to reduce losses and prevent recurrence.

### Wistron's Occupational Safety Goals

We are committed to ensuring that employees work in a healthy and injury-free working environment and adhere to applicable occupational safety and health regulations, with the goal of achieving zero major occupational safety events. There were no reports of death in 2018.

[Note] Wistron defines death as a major occupational safety event.

Statistics of Health and Safety of Employees in 2018

Statistics of Disabling Injuries	Neihu Headquarters		Hsichih Office Complex		Hsinchu Plant		Kunshan Plant		Kunshan OPT Plant		Taizhou Plant		Zhongshan Plant		Chongqing Plant		Chengdu Plant		Mexico Plant		Czech Plant	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Types of Disabling Injuries	Traffic accident	Traffic accident	Traffic accident	Traffic accident	Traffic accident	Traffic accident	Machine-caused injury	Traffic accident	Accidental slip and fall	Traffic accident	Traffic accident	None	Accidental cuts	Accidental sprain	Machine-caused injury	Machine-caused injury	Crushed by equipment	Traffic accident	Finger injury	Back pain	Finger cut	Finger cut
Injury Rate, IR	1.14	0.87	0.52	0.98	1.92	1.43	0.09	0.10	0.08	0.08	0.30	0.00	0.18	0.08	0.24	0.13	0.26	0.06	1.37	0.49	0.00	1.43
Occupational Disease Rate, ODR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Rate, LDR	10.68	1.73	15.46	8.51	3.95	3.40	6.12	3.37	0.58	2.37	8.60	6.52	4.13	3.70	8.39	0.18	10.92	2.32	27.28	4.72	0.00	22.84
Absentee Rate, AR	80.33	316.35	66.55	181.17	827.45	1423.10	899.75	1,423.60	898.71	1,457.54	993.22	2517.91	900.31	1,365.95	747.57	1,215.82	116.39	190.38	227.00	38.00	5,742.26	13855.48
Total Number of Work-Related Fatalities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[Note1] IR = (Total # of injuries/Total hours worked) x 200,000; Calculations of minor injuries: Only the Zhongshan/Czech/Mexico plant calculates minor injuries in IR, and all other factories exclude minor injuries.  
 [Note2] ODR = (Total # of Occupational diseases cases/Total hours worked) x 200,000;  
 [Note3] LDR = (Total # of lost days/Total hours worked) x 200,000; Days: Calendar days are used only for Kunshan/Kunshan OPT/Zhongshan/Mexico plant, while scheduled working days are used for the rest of the plants.  
 [Note4] AR = (Total # of missed (absentee) days over the period/Total # of workforce days worked for same period) x 200,000;  
 a) Total # of working days of each month = monthly required working days \* number of people of the month  
 b) Absentee days only include work-related injury leave and sick leave  
 c) Chengdu/Czech plant used the day that the injury was reported, and the rest plants used the first day of the injury leave.  
 [Note5] In Czech Republic, employees are entitled to go to visit their doctor during working time (frequency of their visits at doctors is NOT limited and the length of time spent at the doctors is also covering the time spent on the way), or stay at home longer time during their illness.

The statistics regarding health and safety from Wistron’s contractors in 2018 is shown below. All of Wistron’s plants comply with the regulations of local governments. The Czech plant is the only plant which can efficiently receive and manage the health and safety information from contractors. Other plants did not receive any health and safety information from contractors in 2018.

Statistics of Health and Safety of Contractor at Czech plant in 2018

Czech Plant	Injury rate (IR)	Occupational disease rate (ODR)	Lost day rate (LDR)	Absentee rate (AR)	work-related fatalities
male	3.43	0.00	51.46	14,030.78	0.00
female	0.00	0.00	0.00	22,052.86	0.00

Statistics for Disabling Injuries of Contractor at Czech plant in 2018



● Czech Plant - Fire drill



● Hsinchu Plant - Evacuation drill



● Kunshan OPT Plant - Emergency aid rehearsal



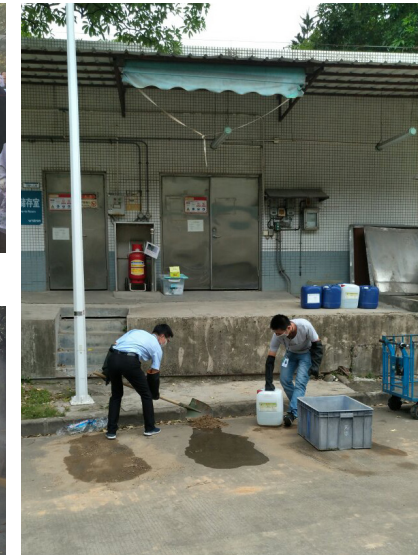
● Chongqing plant - Evacuation drill



● Taizhou Plant - Fire drill



● Kunshan Plant - Fire drill



● Zhongshan Plant - Chemical leakage drill



## Caring for Employee Health by Providing a Safe Workplace

Employee health is the foundation for a company's healthy development. Healthy employees ensure positive productivity. The Company values employee health as key to caring for employees. In addition to fully understanding how sources of danger and risks inherent in a workplace can endanger any person in a company (including employees, temps, contractors, visitors, and others), the Company is committed to establishing an occupational safety and health management system (OHSAS18001) that provides full compliance with applicable regulations and correct knowledge in all employees to ensure that employees work in a healthy and injury-free working environment. Therefore, valuing employee health and creating a safe workplace are the keys to caring for employees at Wistron.

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

Other than occupational safety and health, the Company believes that healthy lifestyle and behavior are both key to staying healthy. Health-promoting activities can thus improve the physical health of employees. Therefore, Wistron's offices and plants across the globe emphasize the



importance of employees' physiological and psychological health. Wistron has a dedicated unit in place that regularly hosts health promotion activities. Wistron's office complex in Taiwan organizes annual health checks for its employees so that employees can understand their health conditions, take care of themselves properly, and seek medical attention immediately. After health checks, health specialists are also available to provide disease-related information and consultation for employees.

Our offices and plants across the globe regularly hold health-promotion talks to educate employees about health and healthy living. These talks include topics on exercise, diet, lifestyle, psychological stress, and other disease prevention knowledge. In addition to reminding employees to value their health in their daily lives, these talks also enable employees to learn the skills for taking care of themselves and keep themselves away from diseases.

### Encouraging Employees to Exercise Regularly

Exercise is a key to staying healthy. The Company expects its employees to work toward developing good exercise habits or interests in exercising. Therefore, our offices and plants regularly host team-based physical activities, such as basketball, soccer, badminton, volley ball, and softball, so that employees may engage in sports outside of their working time. Employees are also encouraged to establish social groups, such as: cycling,



basketball, badminton, hiking, jogging, table tennis, and soft ball clubs, so that they can leverage the power of small groups to drive the sports culture of the Company.

In 2018, our office complex in Taipei launched the iSports activity combined with private sports competitions. Employees are encouraged to participate as a team or alone in competitive events such as iron man competitions or marathons. Subsidies are provided to encourage employees to cultivate a habit to play sports. In 2018, close to 500 employees participated in marathons (>10 km). Wistron will continue to promote this activity in 2019 with the hope that more people will participate. Wistron's offices and plants across the globe will continue to invest in the iSports activity and encourage employees to foster the habit of exercising regularly.

### 24/7 Care for Employees' Physical and Mental Health

To provide 24/7 health care for employees, our offices and plants across the globe have setup healthcare rooms, medical rooms, or consultation services that are provided by health professionals. Wistron's Chongqing Plant and Chengdu Plant have established a green emergency healthcare channel that provides daily health care consultation and service to employees.

Our offices and plants across the globe arrange specialists to undergo effective health management. Through the company's people-centric healthcare platform, health specialists regularly conduct follow-ups, telephone interviews, reminders to seek medical attention, medication use, or medical consultation according to individual medical health needs or improvement goals. Employees with major illnesses are reminded to return for a follow-up examination every 3 months or 6 months. Medical arrangements and subsequent medical assistance are provided. Each plant provides employees with a comprehensive medical nursing care by setting

up a physician health care service center or medical rooms that are serviced by nurses.

### Regular Health Checks as a Constant Reminder for Employees to Pay Attention to Their Physical Health

Our offices and plants regularly hold health checks and educate employees with abnormal health conditions on how to improve their self-care skills. We regularly host health conferences and talks on weight reduction and diet, exercise remedies, tricks for eating take-out, and dietary plans to help employees to develop a healthy lifestyle.

Wistron not only regularly arranges health examinations for its employees, but also periodically organizes special health checks for employees who work in specialized environments (e.g., high noise, high dust level, and exposure to X-ray or tin dioxide). Moreover, specialists are also hired to provide regular checkup reminders and medical assistance to employees with abnormalities in their health conditions.

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

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

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

### Regular Health Education for Stronger Health Awareness

People are responsible for their own health. The Company strongly believes that employees should have correct health knowledge in order to take care of themselves properly. Our offices and plants around the world have planned a wide variety of health care initiatives for improving employees' common knowledge on health. For example, talks, posters, personal mailboxes, and apps are used to disseminate health-related information on common diseases or seasonal illnesses, thereby achieving disease prevention.

Corporate competitiveness is dependent on how employees manage their health. Wistron is committed to creating a workplace that embraces employees' health. Consequently, we received the Sports Enterprise Certification by the Sports Administration of the Ministry of Education in recognition of our efforts in arranging personalized and comprehensive health management and health promotion activities to care for employees' health.

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

Communication is how a company improve its execution capability and competitiveness. Communication connects all members of an organization and steer them toward the same goal. Communication is the sole key to ensuring smooth organizational operation and greater competitiveness.

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

### Complete Communications Channel

Uninterrupted communication relies on an effective mechanism. Therefore, Wistron's office areas and plants worldwide have set up an Employee Relationship Promotion Committee, which holds quarterly labor communication meetings (referred to as Tomato Meetings in Taiwan) where the highest executives and employee representatives communicate with each other, listen to their peers, and promptly handle reported problems in order to achieve harmonious labor-management relations. The Employee Relationship Promotion Committee has also set up its official website. Meeting agendas and meeting minutes are posted on the company's portal website (EIP) within 7 days of a meeting. Any changes to company operations are announced by relevant units.

### Benefits of Better Communication

In addition to regular Employee Relationship Promotion Committee meetings to better understand employees' problems, quarterly business overview meetings are also held to disclose the company's business conditions and business objectives and engage in face-to-face communication with employees. Wistron has also created a zero-distance communication environment, CEO mailbox, and communication app that facilitates interactive communication in kick-off meetings and other activities so that employees can express their opinions on company operations at any time.

We respect our employees because valuing employee opinions can encourage employees to express more constructive opinions and continuously invest positive strength in company growth. Providing employees with a safe working environment creates a consensus that yields mutually beneficial outcomes for employees and the company. In the future, we will continue to implement a communication channel to maintain 100% response communication.

- Organize quarterly business overview meetings and encourage management-level employees to participate in these meetings.
- Regular training on supervisor communication and counseling skills as well as one-on-one meetings to improve the relationship and understanding between supervisors and subordinates.
- Before semi-annual performance reviews, supervisors must conduct performance interviews with their subordinate so that both parties obtain a full understanding of their performance status

Employee Communication Channels										
Communications Channel	Neihu Headquarters and Hsichih	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Zhongshan Plant	Taizhou Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant
Employee Relationship Promotion Committee	V	V	V	V	V	V	V	V	V	V
CEO Mailbox	V	—	V	V	V	V	V	V	V	V
Employee Suggestions Box	V	V	V	V	V	V	V	V	V	V
Employee Complaints Hotline	V	V	V	V	V	V	V	V	—	—
New Employee Seminar	V	V	V	V	V	V	V	V	—	V
Onsite Interview by Production Line Counselors	—	—	V	V	V	V	V	V	—	V
WeChat Platform—Wistron Micro-service	—	—	V	—	V	V	—	V	—	—
Company Publications	—	—	—	—	—	—	—	—	—	V

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

# Social Participation and Care

Wistron has been aiming at achieving corporate sustainable operation ever since its inception in 2001. Sustainable operation not only secures revenues and profits but it is also a cornerstone for forging stronger ties with the society. Social participation is the best plan of action for achieving this goal. Wistron fulfills its corporate, environmental and social responsibilities and has set up the Wistron Charity Management Guidelines, listing the following two directions for social welfare activities participation:

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

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

The Company not only provides sponsorship and donations to social charity events, but also encourages employees to participate and support these events. To actively arrange for our employees to participate in social charity events, we instruct our administration units around the world to designate personnel to take charge of planning and implementation tasks. We actively promote charity events according to local characteristics and needs with the collective efforts of our offices and plants all over the world. Moreover, we encourage employees to proactively organize social charity groups to spread love to everyone.

2018 Summary of Wistron's Social Investments <span style="float: right;">Unit: NTD</span>			
Item	2018	2017	2016
Corporate Participation and Public Welfare Sponsorships (including Wistron Foundation)	31,793,631 (including Wistron Foundation 18,034,876)	60,994,690 (including Wistron Foundation 13,827,005)	40,519,547 (including Wistron Foundation 22,877,692 )
Charitable Activities of the Employee Welfare Committee/the	2,933,011	2,906,892	2,732,067
Employees' Voluntary Participation in Company-initiated Social Welfare Activities	1,748,120	2,385,004	5,874,457
Total Amount of Social Investment	36,474,762	66,286,585	49,126,071

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

[Note2] Exchange Rate: RMB: 4.4755, USD: 30.733, CZK: 1.3634, MXN: 1.5591, EUR: 35.1401

## Caring for Society

### Contributing to Society

Education provides disadvantaged groups a ray of hope for the future. To contribute to the community, support disadvantaged groups, and encourage learning, Wistron will offer scholarships as needed to communities that are situated in Wistron's business locations around the world. The Kunshan Plant and Taizhou Plant in Mainland China have offered scholarships every year as a form of encouragement to underprivileged learners and those who have shown outstanding school performance. Employees of our Hsinchu Plant in Taiwan have donated a total of NT\$86,000 from their year-end bonus to underprivileged learners. In 2018, the Kunshan Plant and Taizhou Plant each donated scholarships to the value of RMB150,000. The Zhongshan Plant participated in the Zhongshan Charity Parade, donating RMB250,000 for use in supporting the impoverished.

### Wistron Supports Hualien Earthquake Relief Efforts

The largest earthquake since 1972 struck Hualien in February 2018; the magnitude 7 earthquake resulted in toppled buildings, multiple deaths, and more than 300 injuries. Upholding its value for benevolence and compassion, Wistron donated NT\$10 million with the hope of helping disaster victims to recover from their injuries and rebuild their homes.

## Encouraging Employee Participation: Extending Social Care

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

The Company encourages employees to form social groups as a way of community contribution. Its Chongqing, Kunshan, Zhongshan, and Mexico plants have all set up Loving Communities, in which members regularly visit social welfare institutions (e.g., nursing homes and orphanages), make donations, provide companionship to elderly adults or orphans, or organize performances and shows to spend time with them on special occasions. The Hsinchu plant in Taiwan has established a Handcraft Arts Club, in which club members hand-make crafts after their working hours; the crafts are then sold in the company, and the money made is donated to community orphanages. Twenty-two charity sales in total were held in 2018, a year in which an atmosphere of kindness and warmth spread throughout the plant.

### Gifts of Warmth: Collective Efforts of Wistroners on Special Occasions

Employees are given festive gifts on festive occasions, such as the Dragon Boat Festival, Moon Festival, and the end-of-year party. Wistron has extensively used charity sale items, which are collected from charity groups, as gifts for company activities. Employees are also encouraged to donate festive gifts to economically disadvantaged families. For example,

employees have shown acts of kindness every year by donating sticky rice dumplings and mooncakes to disadvantaged families. In 2018, more than 2,000 employees of its office complex in Taiwan took the initiative to donate festive gift boxes provided by the Employee Welfare Committee, delivering their love to the Hsichih and Hsinchu Children and Family Centers. Thus, the children in these homes can celebrate festive seasons with warmth and love. The Loving Communities of the Kunshan Plant, Zhongshan Plant, and Chengdu Plant have also visited community welfare institutions and participating schools to spend time with members on special occasions.

### Encouraging Employees to Attend Charity Events

Wistron's office complex in Taiwan set up a public area on the company website in 2007, which provides information on small donations and charity sale items for charity groups in Taiwan, and encouraged employees to take action in supporting charity groups by making donations or purchasing charity sale items. In 2018, NT\$890,000 in donations were collected. Over NT\$10 million in proceeds were collected from small donations and charity sales from 2007 to 2018.

### Blood Donations for The Love of Humanity

A bag of blood could potentially save a person's life—so roll up your sleeves and show some love. Blood donation has been one of the basic charity activities of the Company. Blood donation activities have been regularly held by our offices and plants around the globe, including: the Kunshan Plant, Chengdu Plant, Chongqing Plant, Hsinchu Plant, Hsichih Office Complex, and Neihu Headquarters. To encourage employees to donate blood, the

Hsichih Office Complex and Neihu Headquarters provide gifts, which are purchased from charity sales, to employees who have donated their blood. More than 2,000 employees participated in 2018, donating 3,278 bags (820,000 ml) of blood.

### Working at Ease and Living Happily

Employees are a company's greatest asset. Wistron places high value on creating a workplace that is full of hope and energy where employees can not only work productively but also lead a harmonious life, both physically and mentally. Through care projects, relief systems, and company activities, employees are able to live and work happily. In addition to care and support systems for employees or their families, our offices and plants also plan unscheduled events, such as monthly birthday celebrations, employee travel, employee welfare activities, and new employee orientation. All types of talks and DIY courses on everyday activities are held to show employees what they can experience in life outside of work. Our offices and plants organized a total of 400 activities in 2018, which were attended by more than 20,000 participants.

Wistron strongly believes that happy employees are capable of serving the community and contributing to the society, and they in turn will motivate others to join in the fun. If employees value a company that contributes to the society, then they will not only bring competitive advantage to the company but also increase the corporate value of the company, forming a triple-win situation: for employees, the company, and society. In the future, Wistron and the Wistron Foundation will still continue to support culturally rich projects and the Company will also actively motivate employee participation to motivate more people in society to protect the earth's resources and care for underprivileged groups in the community, thereby creating a more harmonious and beautiful living environment.



● Taiwan - Employees handing out Dragon Boat Festival gift boxes to economically disadvantaged families.



● Hsichih Office Complex - Passionate Wistron employees donate their blood.



● Wistron Czech - President leads a group of employees provide community medical assistance and support by cleaning hospital wards for local hospitals.



# Wistron Foundation

The environmental impact of global climate change, frequent natural disasters, and the closely interconnected system among people and the ecosystem have prompted us to confront the impacts from these disasters. Since inception in 2010, the Wistron Foundation has upheld the value of environmental sustainability and established altruistic relationships with different charity partners. The Wistron Foundation has adopted long-term strategies and actions in the promotion of ecological balance and humanity education so that members of the public will have a deeper understanding of environmental crises. The sustainable development of mankind and the environment is only possible if everyone recognizes the importance of our ecosystem, mitigates environmental impact, and lives in mutual dependence with the environment.



● Wistron volunteers hard at work restoring the habitats of Shuanglianpi.

### Wetland Conservation—The Shuanglianpi Eco Classroom

Designated as a Wild Animal Conservation Area by the Council of Agriculture, Shuanglianpi is home to 112 species of aquatic plants (more than a third of the native aquatic plants in Taiwan); 58 species of aquatic insects, specifically dragonflies; and 206 species of terrestrial insects. Based on the ratio of unit area and species, Shuanglianpi is one of the wetlands with the highest species abundance in the world. Shuanglianpi also houses Taiwan's only floating island landscape, making this piece of wetland the best place for educating people on the environment of wetlands.

The Foundation has cooperated with the Society of Wilderness and has adopted the Shuanglianpi Eco Classroom since 2010. In 2018, the Foundation continued to conserve habitats by improving and restoring habitats to their original biologically diverse states. Large-scale ecological surveys were conducted, and permanent sampling areas and continuous survey methods have been established. Subsequently, the direction of habitat conservation and species restoration was adjusted according to

survey data. The Foundation introduced academic resources to organize wetland restoration discussion meetings for improving the professional and theoretical foundation of restoration efforts and surveys.

Environmental education activities including outdoor teaching, working holidays, volunteer training, and professional workshop were also organized and attended by 7,000 people. This year we also invited lecturers from the U.S. Institute for Earth Education (IEE) to visit Shuanglianpi and foster a total of 32 seed teachers for the Earth Keeper program.

To improve the water quality problem at Shuanglianpi friendly farming methods were promoted to protect water sources in Yilan. In addition to supporting farmers who adopt environmentally friendly practices, we also invited farmers to provide food and agricultural education in field studies with the goal of encouraging stronger ties between local communities and the agricultural industry.



- Harvesting crops and practicing friendly farming techniques to the Shuanglian Pond Environmental Education Center.



- Providing environmental education to children at the Shuanglian Pond Environmental Education Base.

Wistron Foundation also calls on corporate volunteers to participate in optimizing, rebuilding, and restoring the Shuanglianpi sanctuary and Beiti gradient zones. Due to abnormal weather conditions, that is, drought in the first half of 2018, delayed growth and hence population decline were observed in a number of species. Thanks to volunteer efforts in habitat restoration and man-made sanctuaries, five aquatic plant species have increased populations and two new autogenic plant species (floating fern and eriocaulon buergerianum) now grow there. The Shuanglianpi Eco Classroom has been visited by 65,000 visitors between 2010 and 2018.

### Protecting the Seedling—Nature Camp for Children

The Foundation provides disadvantaged children a chance to receive environmental education and engage in diverse independent learning. The Foundation has worked with the Society of Wilderness since 2004. After a series of discussions, the Society selects social welfare institutions that meet the inclusion criteria or chooses schools that have limited resources or higher numbers of disadvantaged students. Combining the efforts of local volunteers and natural educational resources, we launched the Protecting

the Seedling project in 2018 which involves taking children on a field trip to learn, experience, and understand nature. Activities are organized to cultivate students' abilities to survey and observe the ecosystem and to think about environmental problems which can in turn help them to establish a sense of responsibility and identification toward the environment. This year, we have two executing teams: the Hsinchu team and Chiayi team. The Hsinchu team is responsible for the theme My City, My Home which involves exploring the sources of the Zhudong Canal and continuously observing and documenting the species found in the Zhudong Ecopark. The Chiayi team is responsible for the theme Ecological Xianghu Is My Home. Participants in the project explore Xianghu Park, including measuring trees, calculating carbon sequestration, and observing and surveying park species. Children are designated as interpreters of the findings and engage in environmental education services.

Between 2004 and 2018 over 10,850 children from disadvantaged families in Taiwan have participated in this camp.



● Teaching children about ecosystem observation methods during the children's camp activity.



● Children observing the environment and recording their observations during the children's camp activity.

## Focusing on Environmental Pollution—Tainan Community University

The Environment Taskforce of Tainan Community University serves to protect all living organisms and is focused on environmental issues such as pollution, river protection, and old tree preservation. In 2010, the Foundation began collaborating with the Tainan Community University Research & Development Association to launch the Land Protection project, and established an investigation task force that works with NGOs and governmental sectors to conduct surveys and follow-up investigations to highlight problems resulting from toxic waste disposal and pollution. Regarding waste treatment policies, environmental groups were gathered to propose suggestions for policy amendments. The annual Land Pollution Map was completed in 2018 (published every year). Meanwhile, a record of the Tainan Longci landscape and an ecological survey was conducted in an effort to develop a natural geological park in Tainan.

The Foundation also supports another project of the Tainan Community University—Protect the Park and Learn by Doing. In addition to allowing public participation in Tainan old tree surveys, the project also serves to restore the century-old Tainan Park. A park task force was established who, in a collaboration between the private and public spheres, created a blueprint of the park, specifically of the Bauhinia in the west side of the park. The task force also compiled four years of experience in managing the habitat of Bauhinia in Tainan Park into a journal titled "A Day in the Life of Tree Citizens." Faculty staff from Tainan Community University have also designed a range of open courses based on relevant project information to develop a citizen education system that inspires everyone to participate in and understand public issues.

## Conservation of Low-elevation Mountain Species—Secrets of The Pangolin

In 2018, the Foundation cooperated with the Discovery channel to produce a documentary on the activities of pangolins in Luanshan Village on Dulan Mountain of Taitung. This film was a collaborative effort of director Zhen-Long Feng, who has long been involved in directing films on the ecology and humanity of Taiwan, and Ching-Min Sun, a PhD student at the Graduate Institute of Bioresources of the National Pingtung University of Science and Technology. The documentary made a deep investigation of the natural tribes of Taiwan, showing how indigenous peoples and local native pangolins strike a balance as they co-exist in nature. The Foundation hopes that the show can raise people's awareness on the importance of coexistence between humans and wildlife as well as the ecological conservation problems of pangolins and low-elevation mountain ecologies.



● Detecting trash on a beach by researchers from Tainan Community University.



● Research documentary: Secrets of The Pangolin.

### Supporting Specialized Education Teacher Training as an Alternative to Basic Education

In 2010, Wistron Foundation began supporting the Anthroposophy Education Foundation to initiate a teacher training campaign and professional Waldorf teacher preparation and training program. Beginning in 2011, the Foundation has supported the charity platform Huatung Project, which is a part of the specialized school education project, introducing experimental high schools, academies, and vocational schools to indigenous tribes and fostering talented citizens living in Hualien and Taitung.

By collaborating with charity partners, the Foundation continues to implement teacher cultivation programs and promotes environmental and humanities courses in schools to expand the different perspectives in education, help students to establish a basis for core learning, as well as accumulate knowledge in their professional field.

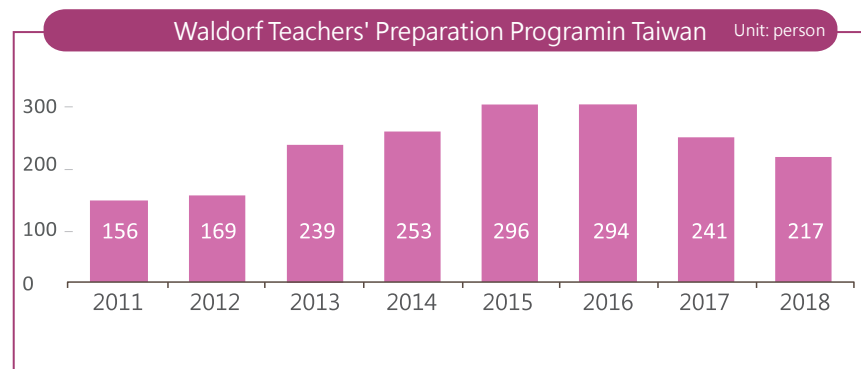
### Seeing Taiwan—Chi Po-Lin Foundation

In 2018, the Foundation supported the Chi Po-Lin Foundation in the establishing of a Chi Po-Lin Space in Tamsui. A large batch of aerial images

taken by Director Chi Po-Lin over the past 25 years were digitalized and collected to preserve the history of landscapes and precious cultural heritages in Taiwan. Works produced by Director Chi Po-Lin were integrated with relevant topics to plan and design a range of teaching materials for the purpose of promoting the land, the environment, and the principles of education in Taiwan.

### Cultural Inheritance—The 20th Outdoor Concert by the Amis Kakeng Musical Group

The Amis Kakeng Musical Group from the east coast of Taiwan is Taiwan's first aboriginal band that plays traditional bamboo musical instruments and traditional aboriginal songs-the group has continued to sing traditional Amis songs since its establishment. Through music, they teach their children to speak their native language; through songs, they attempt to pass down their culture and capture people's attention for aboriginal culture. The expanded 20th Outdoor Concert was held on the outdoor lawn of the Amis Folk Center. This concert was also a musical gathering that brought together musicians who have worked with the group over the past 20 years and instructors who have taught and instructed schools and communities.



## Corporate sponsorship

- Hualien Earthquake
- 2018 TLPGA and Royal Open

Support Direction	2018 Outcome	Future Outlook
<p><b>Environment Ecological Balance</b></p> <p>The Foundation supports habitat protection, observation, follow-up investigation, and environmental education to educate people on the ecosystem and show them the importance of the environment.</p> <p>Wistron Foundation supports the filming and production of ecological documentaries that popularize information on the humanities and environmental protection.</p>	<ul style="list-style-type: none"> <li>• The Foundation has organized 230 sessions of the Society of Wilderness Shuanglianpi Environmental Education Center, which were attended by 7,000 participants.</li> <li>• Society of Wilderness Protecting the Seedling (336 children participated)</li> <li>• The Land Protection project organized by the Tainan Community University Research &amp; Development Association involves tracking and investigating toxic wastes in such areas as Tainan, Kaohsiung, Pingtung, and Chiayi.</li> <li>• Tainan Community University Research &amp; Development Association Protect the Park and Learn by Doing, Bauhinia Restoration, and Tainan Old Tree Survey</li> <li>• A documentary on pangolins, Decoding Pangolin, was broadcast on the Discovery channel in Taiwan, 13 Southeast Asian countries, and 10 South Pacific countries to improve people's understanding of the ecological and survival crises facing pangolins and raise public awareness on environmental conservation.</li> </ul>	<p>The natural environment is related to the health of human beings. To preserve nature and biodiversity, the Foundation adopts suitable natural habitats and projects, invests professional manpower in environmental surveys, conservation and restoration efforts, and organizes educational activities to promote public understanding of the ecosystem and respect for activities in nature in order to maintain the balance between people and nature.</p> <p>Wistron Foundation cooperates with media companies to produce films and documentaries that will not only promote better understanding of humanities and the ecosystem in Taiwan but also enhance the effectiveness of these films on environmental awareness.</p>
<p><b>Humanities Education Enhancement</b></p> <p>The Foundation supports and promotes specialized education teacher training and specialized school education work to provide an alternative for basic education.</p> <p>The Foundation supports and provides educational resources for disadvantaged children to facilitate their personal development.</p>	<ul style="list-style-type: none"> <li>• 217 teachers have participated in the Ci-Xin Waldorf teacher training campaign and professional Waldorf teacher preparation and training program.</li> <li>• The Alliance Cultural Foundation Huatung Project aims to foster the next generation of talent through education by introducing experimental high schools, cultivating tribal talent, and developing innovative teacher communities.</li> <li>• Boyo Social Welfare Foundation Study Class for Rural and Disadvantaged Children provides remedial teaching to 2,100 students.</li> <li>• Glory Church Study Class for Disadvantaged Children provides after-school tutorial classes to disadvantaged children living in the Hsichih area and accompanies these children to provide guidance when needed.</li> </ul>	<p>Since its establishment, the Foundation has continuously supported specialized education every year by training teachers and promoting ecological and humanities education to encourage innovation and enhance the profound effects of education.</p> <p>By collaborating with its charity partners, the Foundation creates a good learning environment that will provide disadvantaged children better opportunities for further studies and employment.</p>

# Statement

## INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of WISTRON CORPORATION

### Introduction and objectives of work

**Bureau Veritas Certification Taiwan** has been engaged by **WISTRON CORPORATION** to conduct an independent assurance of its **2018 Corporate Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **2018 Corporate Sustainability Report** are the sole responsibility of the management of **WISTRON CORPORATION**. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

### Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum, Type 2 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in **2018 Corporate Sustainability Report** for the **1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2018**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)<sup>1</sup>
  - Inclusivity
  - Materiality
  - Responsiveness
  - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

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

### Methodology

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

1. Interviews with relevant personnel of **WISTRON CORPORATION**;
2. Review of documentary evidence produced by **WISTRON CORPORATION**;
3. Review performance data listed in report with sampling basis;

4. Visits to 9 sites located in Taiwan (Taipei City, Hsinchu City, New Taipei City), China (Jiangsu-Kunshan City, Jiangsu-Taizhou City, Guangdong-Zhongshan City, Sichuan-Chengdu and Chongqing City) and Mexico (Chihuahua-Juarez City);
5. Review of **WISTRON CORPORATION** data and information systems for collection, aggregation, analysis and review.

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

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

### Our findings

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

- The information and data included in **2018 Corporate Sustainability Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **WISTRON CORPORATION**'s activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over **WISTRON CORPORATION**'s performance and status during the **1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2018**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum's principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- **WISTRON CORPORATION** has established appropriate systems for the collection, aggregation and analysis of relevant information;

### Alignment with the principles of AA1000 Accountability Principle (2018)

#### Inclusivity

**WISTRON CORPORATION** has processes in place for engaging with a range key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2018 covering a range of material topics such as Economic, Social and Environment.

#### Materiality

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

#### Responsiveness

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

## Statement

### Impact

**WISTRON CORPORATION's** management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

### Key areas for ongoing development

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

- Encourage the organization to report the geographical conditions, culture and socio-economic background of the locations of the each sites, and link the local-related sustainability activities, such as hosting or participating in local events, sponsoring or donating to local groups. (COMPLETENESS)

### Limitations and Exclusions

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

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by **WISTRON CORPORATION**) and statements of future commitment.

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

### Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 190 years history in providing independent assurance services. Bureau Veritas 2018 full year revenues reached 4.79 billion euros. The Group's adjusted net profit for 2018 reached 758 million euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

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

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

### Bureau Veritas Certification Taiwan

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16<sup>th</sup> May, 2019



**AA1000**  
Licensed Assurance Provider  
000-76

Technical Reviewer: *Adrian Lee* Date: 16/May/2019

Assurer: *Lin* Date: 16/May/2019



GRI Content Index			
GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
	General Disclosures		
GRI 102 : General Disclosures 2016	102-1 Name of the organization	001	No Omission
	102-2 Activities, brands, products, and services	013-014	No Omission
	102-3 Location of headquarters	012	No Omission
	102-4 Location of operations	012	No Omission
	102-5 Ownership and legal form	001	No Omission
	102-6 Markets served	013	No Omission
	102-7 Scale of the organization	011-012 065-066	No Omission
	102-8 Information on employees and other workers	130-131	No Omission
	102-9 Supply chain	076-078	No Omission
	102-10 Significant changes to the organization and its supply chain	076-078	No Omission
	102-11 Precautionary Principle or approach	114-117	No Omission
	102-12 External initiatives	016、076	No Omission
	102-13 Membership of associations	016	No Omission
	102-14 Statement from senior decision-maker	005-008	No Omission
	102-16 Values, principles, standards, and norms of behavior	041-044	No Omission
102-18 Governance structure	036-040 048-052	No Omission	

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GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
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	102-42 Identifying and selecting stakeholders	019-020 027-032	No Omission
	102-43 Approach to stakeholder engagement	027-032	No Omission
	102-44 Key topics and concerns raised	019-024	No Omission
	102-45 Entities included in the consolidated financial statements	001	No Omission
	102-46 Defining report content and topic Boundaries	019-024	No Omission
	102-47 List of material topics	019-024	No Omission
	102-48 Restatements of information	001	No Omission
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	102-51 Date of most recent report	001	No Omission
	102-52 Reporting cycle	001	No Omission
	102-53 Contact point for questions regarding the report	002	No Omission
	102-54 Claims of reporting in accordance with the GRI Standards	002	No Omission
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	103-2 The management approach and its components	062-064	No Omission
	103-3 Evaluation of the management approach	062-064	No Omission
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	062-064	No Omission
	201-2 Financial implications and other risks and opportunities due to climate change	058-060	No Omission
	201-3 Defined benefit plan obligations and other retirement plans	144	No Omission
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GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	134-135 144-145	No Omission
	103-3 Evaluation of the management approach	134-135 144-145	No Omission
GRI 202 : Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	144-145	No Omission
	202-2 Proportion of senior management hired from the local community	134-135	No Omission

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GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
Anti-corruption			
GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	041-043	No Omission
	103-3 Evaluation of the management approach	041-043	No Omission
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	041	No Omission
	205-2 Communication and training about anti-corruption policies and procedures	041-043	No Omission
	205-3 Confirmed incidents of corruption and actions taken	042-043	No Omission
Anti-competitive Behavior			
GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	043-044	No Omission
	103-3 Evaluation of the management approach	043-044	No Omission
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	043-044	No Omission
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GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	119-121	No Omission
	103-3 Evaluation of the management approach	119-121	No Omission

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GRI Standards	Disclosure	Page number(s) and/or URL(s)	Omission
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	301-2 Recycled input materials used	121	No Omission
	301-3 Reclaimed products and their packaging material	121	No Omission
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GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	092-102	No Omission
	103-3 Evaluation of the management approach	092-102	No Omission
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	101-102	No Omission
	302-3 Energy intensity	093	No Omission
	302-4 Reduction of energy consumption	093-100	No Omission
	302-5 Reductions in energy requirements of products and services	094-100	No Omission
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GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	107-112	No Omission
	103-3 Evaluation of the management approach	107-112	No Omission

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	303-2 Water sources significantly affected by withdrawal of water	107	No Omission
	303-3 Water recycled and reused	109-110	No Omission
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GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	102-107	No Omission
	103-3 Evaluation of the management approach	102-107	No Omission
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	105-106	No Omission
	305-2 Energy indirect (Scope 2) GHG emissions	105-106	No Omission
	305-3 Other indirect (Scope 3) GHG emissions	105-106	No Omission
	305-4 GHG emissions intensity	104	No Omission
	305-5 Reduction of GHG emissions	095、102-103	No Omission
	305-6 Emissions of ozone-depleting substances (ODS)	107	No Omission
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	107	No Omission

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	103-3 Evaluation of the management approach	121-126	No Omission
GRI 306 : Effluents and Waste 2016	306-1 Water discharge by quality and destination	126	No Omission
	306-2 Waste by type and disposal method	123-124	No Omission
	306-3 Significant spills	125-126	No Omission
	306-4 Transport of hazardous waste	121	No Omission
	306-5 Water bodies affected by water discharges and/or runoff	125-126	No Omission
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GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its Boundary	019-022	No Omission
	103-2 The management approach and its components	114-116	No Omission
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GRI 307 : Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	116	No Omission

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	103-2 The management approach and its components	076-082	No Omission
	103-3 Evaluation of the management approach	076-082	No Omission
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	079-082	No Omission
	308-2 Negative environmental impacts in the supply chain and actions taken	079-082	No Omission
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	103-3 Evaluation of the management approach	132-134 144-146	No Omission
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	134	No Omission
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	103-3 Evaluation of the management approach	163-166	No Omission
GRI 402 : Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	164	No Omission
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	103-2 The management approach and its components	150-158	No Omission
	103-3 Evaluation of the management approach	150-158	No Omission
GRI 403 : Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	153-154	No Omission
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	155-156	No Omission
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GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	138	No Omission
	404-2 Programs for upgrading employee skills and transition assistance programs	135-137	No Omission
	404-3 Percentage of employees receiving regular performance and career development reviews	144	No Omission
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	103-2 The management approach and its components	130-131 、 144	No Omission
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	103-3 Evaluation of the management approach	147	No Omission
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	147	No Omission
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	103-2 The management approach and its components	079-082 、 148	No Omission
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	103-2 The management approach and its components	079-082 、 147	No Omission
	103-3 Evaluation of the management approach	079-082 、 147	No Omission
GRI 412 : Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	079-082 、 147	No Omission
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GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	086-088	No Omission
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GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	086-088	No Omission
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	103-3 Evaluation of the management approach	044	No Omission
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	044	No Omission

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GRI 419 : Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	040-041	No Omission
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