

Editorial Policy

Welcome to the third issue of the “Corporate Sustainability and Social Responsibility (CS²R) Report” published by the Wistron Corporation (Wistron). This report is published in both Chinese and English and has been posted on our website for free download (www.wistron.com). Through the disclosure of transparent information in this report, we hope that all stakeholders will be able to have a better understanding of Wistron’s practices and achievements in 2011 in fulfilling our corporate sustainability and social responsibility goals.

Period Covered

Wistron issues a Corporate Sustainability and Social Responsibility (CS²R) Report covering our performance and achievements for the preceding year. This is a yearly report and the previous report was published in June 2011. This report covers Wistron’s CS²R management policy, key issues, actions and performance information for the year 2011 (January 1 to December 31, 2011).

Boundary and Scope

The scope of the information disclosed in this report covers performance in economic, environmental and social aspects. And the information on organizational boundary covered in this report includes Wistron’s operations in Taiwan and its global manufacturing plants, but does not include the service centers and regional logistics centers. The scope covers the following affiliations:

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

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

Guideline for Report Preparation

The preparation of this report followed the Sustainable Reporting Guideline Version G3.1 (GRI G3.1) published by the Global Reporting Initiative (GRI). The contents of this report have been verified by an independent third party verifier based on AA1000 standards, in compliance with the requirements of the GRI G3.1 A+ level.

Feedback

We welcome any suggestions and comments regarding this report. Your input will help us to improve continuously. Please send your comments to the contacts listed below:

Contact Wistron

Public Relations Office, Wistron Corporation
Joyce Chou (02) 6612-2133 Joyce_WL_Chou@wistron.com
Mike Liang (02) 6612-1952 Mike_liang@wistron.com
Address: No. 158, Xingshan Rd., Neihu District, Taipei City 11469, Taiwan

Performance Summary

Aspects	Performance Indicators	Unit	2011	2010	2009
Economic	Total revenue	million NTD	658,367	615,185	546,666
	Earnings per share	NTD	4.36	6.15	5.23
	Total sales volume	piece/each	65,543,378	54,594,480	44,685,910
Environmental	Total GHG emissions	tonne-CO ₂ e	239,734	196,645	182,405
	1. Scope 1		12,541	9,744	12,820
	2. Scope 2		227,193	186,804	169,694
	GHG emission per unit-revenue	kilo-tonne/billion NTD	0.36	0.32	0.33
	Total water consumption	kilo-tonne	3,272,821	2,871,079	2,790,697
	Water consumption per unit-revenue	kilo-tonne/billion NTD	4.97	4.67	5.1
	Total waste generation	kilo-tonne	31,028	20,208	18,570
	Waste generation per unit-revenue	kilo-tonne/billion NTD	0.047	0.033	0.034
	Total environmental expenditures	million NTD	65.53	47.65	42.12
	Total time spent on environmental training	hour	49,901.9	1,759	-
Social	Ratio of Taiwanese to local Chinese employees in China	%	4.49	5.11	5.31
	Ratio of local employees serving as managers to all managers		76.9	70.5	65.8
	Ratio of local employees in the department manager (or above) posts to all department managers (or above)		41.9	27.6	20.7
	Total amount of social investment	million NTD	61.37	40.65	-
	1. Corporate participation & charitable sponsorships		42.38	28.32	
	2. Charitable activities of the Employee Welfare Committee		10.86	9.75	
	3. Employees' voluntary participation in company initiated charitable activities		8.13	2.58	

A Message from the Chairman

Wistron was established in 2001 and has maintained steady development to hold its position as one of the leading professional global ODM in the information and communication technology industry. Entering our second decade, we will continue to provide efficient value-added innovation services within existing business platforms based on our strong ODM core technological capacity. We are also actively transforming into a Technology Service Provider (TSP) to meet the demands of the rapidly changing and highly competitive global market.

"Sustainability, innovation and humanity" are the three main themes that Wistron follows externally in its transformation into a TSP while developing enterprise sustainability and social responsible internally. "Sustainability" means that we continue

our responsibility to gradually develop a framework that is favorable for sustaining enterprise operation. The key issue is that our business, projects, services and products should be beneficial to the long-term co-existence of human, natural and social environments. The second issue is to establish a business operation policy focusing on humane management that respects, protects and secures employees in a fair working environment while maximizing their potential and opportunities for continuous growth. The third issue is to balance the interests of all parties concerned that include tax payments, community feedback, employee care and others to ensure the company's steady and continuous growth.

"Innovation" is to take advantage of Wistron's existing core technology or platform to lead its peers in the industry, expand into new businesses and new services more rapidly and efficiently, and create added-values for customers.

Our expectation on innovation is to combine the spirit of "innovation" with "sustainability" of enterprise. There is no model or standard operation for innovative ventures, so the principles we must follow should never go against the spirit of "sustainability". The three new businesses that Wistron is actively developing are innovative in nature, including the customer service business group for enhancing after-sales services, the cloud solution business that develops cloud computing and the green resources division that enhances recycling. Together with providing innovative businesses and services to add values for our customers, Wistron also hopes to make the customers feel that their quality of life and environmental conditions are improved.

The "Humanity" that Wistron emphasizes should not only preserve the corporate culture that respects employees, creates reasonable and good working conditions and environment, but also provides concrete action in showing respect and care for employees while maintaining discipline. In addition, we should seek effective methods and tools to establish a platform that helps cultivate the employees' voluntary and active humanitarian interests in arts, nature and public interest. For example, the sponsorship of "Fuyang Eco Park" and "Natural Humanities Series" provide channels to our employees to actively show their care for their communities, understand natural environments, respect and love a balanced environment between human and nature. This corporate culture will then expand internally from its employees to their neighboring communities, society and eventually the whole country. This alternative "innovation" is what we should contribute to the development of humanities, and we are still learning and discovering it.

Finally, the content of this report must be factual, clear and easy to understand, based on the real-time CS²R database structure that provides concise information and key performance indicators. This report should serve as a platform for internal and external communications that supports daily management and a basis for long-term management.

Simon Lin / Chairman & CEO
Wistron Corporation



A Message from the President

Along with the fast development of climate change issues, environmental awareness, and consensus in environmental sustainability, we believe that disclosure and assessment of corporate sustainability and social responsibility has become an issue of concern to stakeholders, such as institutional investors, clients, and employees.

This year's report extends upon the three main focus areas covered in last year's report — Sustainability, Innovation, and Humanity.

And additional information is added to cover the following scopes:

- With regards to global operations and related regional social responsibility expectations, the manufacturing sites in Mexico and the Czech Republic are added into the scope of disclosure.
- Due to more annual data available with our consistent tracking, we are now able to provide more information in our report of issues of concern/interest.

Compilation of this report is a process possible through the efforts of many support staff and processes. We believe that establishing a performance-oriented information disclosure and disclosure management mechanism is a way to provide the company a channel to communicate performance in policy, procedures, and goals, as well as a presentation of the company's management and efforts to outside readers. Through this report, we expect to faithfully present Wistron's footsteps in developing an energy-saving and carbon emission reduction mechanism and the ability to manage risks and explore opportunities.

Wistron strives to become a leading global technology services provider for innovative products, services, and system solutions of information and communications technology (ICT). Therefore, our environmental strategy should not be limited to compliance with legal regulations or merely satisfying our customers. What we need to do is to take actions to create more



innovative solutions and value.

Short-term: To comply with legal regulations and minimize impact on the environment.

- We position ourselves as a manufacturer that makes the attempt to lower its impact on the environment in product design and manufacturing processes. To achieve this, we introduced non-hazardous, energy-saving, and resource-saving designs into our product development procedures to meet international standards and customer demands.
- We audit and manage suppliers and strategic partners regarding the use of hazardous substances.

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

- Using 3 – 5 years as an evaluation/analysis period, Wistron aims to achieve the strategic plans of pollution emission reduction, and energy conservation implementation.
- Wistron has set a goal for greenhouse gas of 1% reduction per million-revenue year-on-year, and incorporated this goal into operation management.

Long-term: To develop Green recycling new business models that ensures sustainable development.

- We are planning to use resource recycling technologies to reclaim usable electronic waste by recycling into high-quality raw materials. This reduces mining of raw materials and minimizes damage to the environment.
- We are also planning to use the concept of product life-cycle data (tracing from raw material mining to component production to manufacturing) to set quantified indicators for environmental impacts, which will serve as valuable references for the process of product design.

Finally, I would like to express my thanks for the support and care from our stakeholders, to help make our third annual report possible. Disclosing information and responding to inquiries regarding the economic, environmental, and social issues are our duties, and the process has also given Wistron the opportunity to progress and grow continuously.

Robert Hwang / President
Wistron Corporation

A handwritten signature in black ink that reads "ROBERT HWANG".

Contents

Foreword	1	Green Recycling Businesses	97
Editorial Policy	1	Product Development and Quality Control System ...	101
Performance Summary	3	Upgrade in R&D Capacity	102
A Message from the Chairman	5	Quality Management for Products and Services	105
A Message from the President	7	Customer Satisfaction Management	107
 Company Profile	11	Supply Chain Management	111
Products & Services	15	Green Product Management	115
Global Operations	19	Green Product Design	116
 Awards & Recognition	23	Hazardous Substance Management	120
 Sustainability	27	Material-Saving Recyclable Design	125
Accountable Management	29	Energy Efficiency and Carbon Footprint	127
Corporate Governance	30	 Humanity	129
Operations Management	41	Human Resource Development and Care	
Corporate Sustainability and Social Responsibility		Workforce Diversity	131
Management	45	Social Responsibility Management System	137
Risk Management	46	Education, Training and Career Development	147
Identifying Stakeholders	49	Health and Safety Management	157
CS ² R Implementing Committee	61	Health and Safety Management System	158
Environmental Management	65	Employee Health Care	165
Climate Change	66	Comprehensive Welfare System	167
Environmental Management	79	Social Participation and Care	171
 Innovation	91	Social Participation	172
Development of New Businesses	93	The Wistron Foundation	175
After-sales Services	95	Statement	187
Cloud Computing Services	95	GRI Mapping Table	193

Company Profile



Established in 2001, Wistron Corporation ("Wistron") is a leading technology service provider (TSP) of information and communications technology (ICT) for product design, manufacturing and after-sales services of notebook computers, servers and VOIP phones.

Wistron's customers are mostly international IT brands in the United States, Europe, China, and Japan. Through customization of products/services, Wistron endeavors to coordinate with customers' business strategies and meet product requirements.

"Customer Focus," "Integrity," "Innovation," and "Pursue Excellence" are the main pillars of the Wistron corporate beliefs. We believe dedicated employees, disciplined management and financial operation, continuous improvement in quality and cost efficiency, and our pursuit of innovation and good customer relations will improve our competitiveness and enables us to continue to excellent performance.

In product support, Wistron offers complete product design services in close coordination with our customers and manufacturing services for products designed by our customers.

In product development, our engineering team works with various software and hardware platforms to implement efficient product testing, manufacturing and assembly services through the integration of internal resources and consolidation of a comprehensive component supply chain.

Wistron Quick Facts

- Established in 2001
- Industry: Information and Communications Technology (ICT)
- Services: Technology Service Provider (TSP), offering innovative ICT products, services, and system solutions.
- 2011 revenue exceeds US\$ 21.7 billion
- Major customers are renowned global IT companies
- Headquarters located in Taipei City, Taiwan, with global operating sites in Asia, North America and Europe
- Over 60,000 employees worldwide





Products & Services

Product Portfolio

- Notebook computers, Tablet computers, ruggedized mobile computers
- Smart phones and handheld devices
- Desktop computers, All-in-One (AIO) computers
- Multimedia players, set top boxes, digital information devices
- LCD TVs, Monitors
- Workstations, servers, and network storage facilities
- Industrial application devices
- Video conferencing and Voice over Internet Protocol (VOIP) phones

Services

Design

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

Manufacturing

Wistron's manufacturing facilities offer a complete set of manufacturing services from Printed Circuit Board Assembly (PCBA) to system assembly. From the receipt of incoming components to out-of-box (OOB) QA, Wistron executes a full set of tests and analysis to assure the quality of the overall production processes and systems.

After-sales Services

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



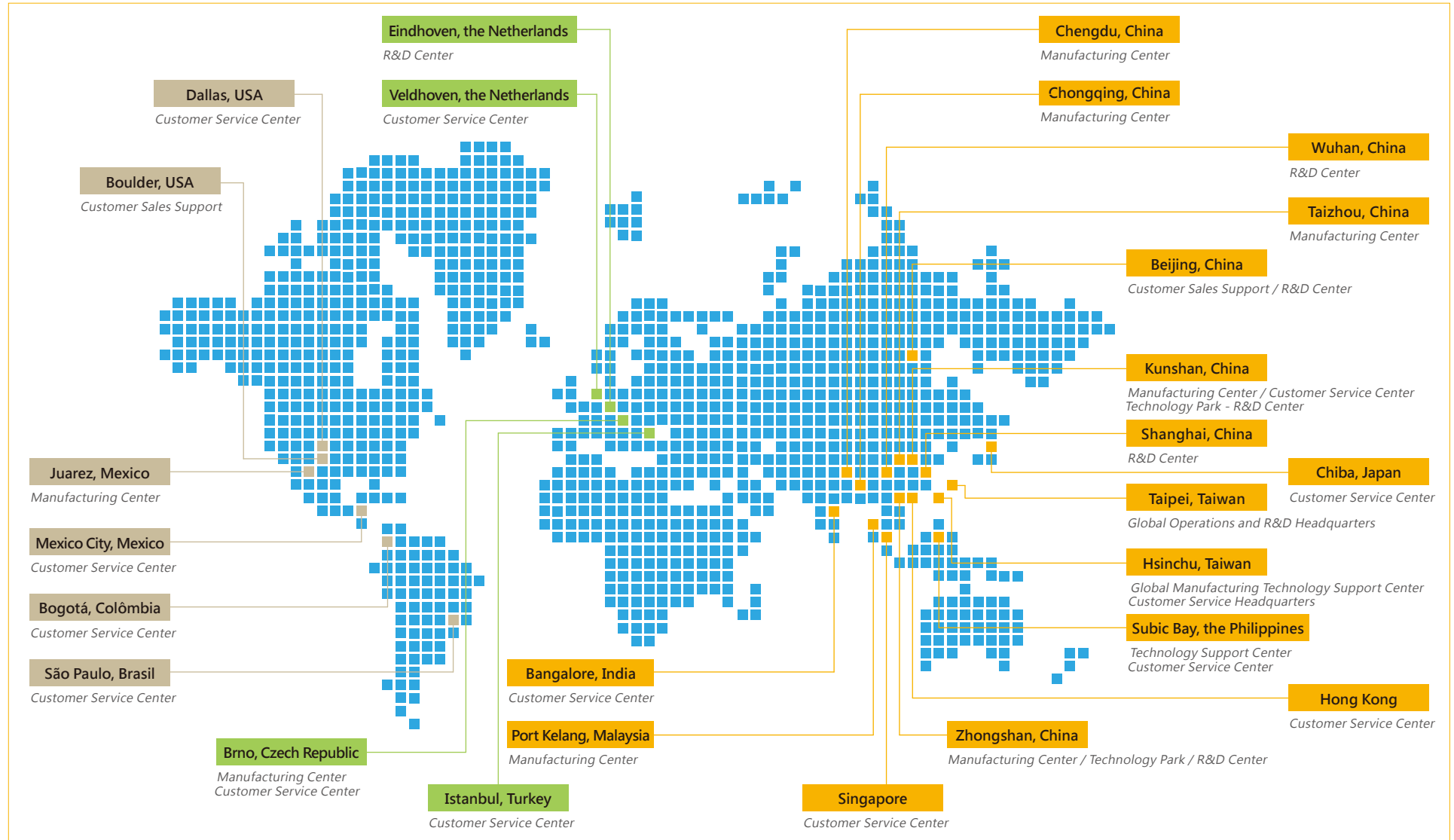
Global Operations

Wistron set up global operation sites to provide customer support for various products, services, and system development solutions. We planned an overall global layout and strategies with an aim to provide the best technical services. To satisfy the varied needs of our customers, Wistron set up operations sites around the world to offer accessible and diversified technical services under the coordination of the headquarters in Taiwan.

- Design, manufacturing, R&D and customer service centers are mainly located in North America, Europe and Asia, providing comprehensive product development and customer services.
- Manufacturing sites are located in Taiwan, China, Mexico and the Czech Republic.
- Regional logistics centers include direct operations and outsourced management with over 50 regional logistic centers worldwide.
- R&D centers are located in Taiwan, China and the Netherlands.
- Customer service centers are located in Taiwan, China, the United States, the Czech Republic, the Netherlands, Japan, Singapore, India, the Philippines, Turkey, and Brazil, providing immediate and efficient after-sales services across three continents.



Wistron's Global Operation



Awards & Recognition

2011

April

Ranked among the Forbes Global Top 2000 Businesses.

May

Ranked No. 6 among CommonWealth Magazine's Top 1000 Manufacturers — 2010 Ranking by Revenue.

June

Ranked among Business Next Magazine's 2011 Top 100 Technology Companies — Asia and Taiwan

July

Ranked among the Fortune Magazine 2011 Top 500 Global Businesses.

August

Ranked No. 8 in the 2011 CommonWealth Magazine Corporate Citizenship Awards.

November

Conferred the Publicly-Listed Company Social Responsibility Report Excellence Award from the Taiwan Stock Exchange Corporation.

December

Conferred the 2011 Top 100 Innovative Enterprises in Taiwan Award from the Industrial Development Bureau, Ministry of Economic Affairs.



2011 Company Social Responsibility Report Excellence Award



Global Recognition

Name of Plant	Recognition
Neihu Headquarters	The headquarters office building was awarded the Energy saving and Carbon Emissions Reduction Action Mark by the Environmental Protection Agency, Executive Yuan.
Kunshan Plant	<ol style="list-style-type: none"> 1. Conferred the 2011 Best Foreign Company Award presented jointly by the Kunshan City Council and Kunshan City Government. 2. Conferred the 2011 Kunshan City Top 10 Export Foreign Companies Award presented by the Kunshan City Government. 3. Conferred the 2011 Suzhou City Foreign Business Export Leader Award presented by the Suzhou City Government.
Zhongshan Plant	Conferred the silver medal in the Star of Guangdong South Awards at the 31st Conference of the Guangdong Quality Association.
Czech Plant	Awarded the Good Ethics Practices Certificate

Participation in External Organizations

Wistron has established good relationships with or become a member of many cross-industrial or cross-field organizations, including professional organizations involved in hardware/software design, environmental protection, industry development, and the research and exchange of new technology. Through participation in these organizations, Wistron gains opportunities to expand its scope of exchange and acquires first-hand

information from international society. Wistron strives to grow continually. The following are the organizations currently associated with Wistron:

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



Neihu Headquarters

Sustainability





Accountable Management

Corporate Governance

Wistron has a long-standing commitment to superior corporate governance practice. We have endeavored to build an effective company management framework, protect shareholder rights, improve the structure of our Board of Directors, respect the rights of associated partners, and enhance information transparency.

We believe a good structure of the Board of Directors is the cornerstone of good corporate governance practice. Therefore, to reinforce the management mechanism of the Board of Directors, independent directors and supervisors have been included on the Board since Wistron's initial public offering in 2003. The independent directors and supervisors are highly experienced and respected professionals in the industry and they ensure that the Company adheres to the ethics and legal regulations while pursuing increased growth. In 2009, Wistron took a major step to enhance corporate governance by replacing the Supervisory Board with an Audit Committee, which is formed by the panel of independent directors under the Board and began operation under the governance of the Board of Directors Meeting Guidelines and Audit Committee Charter. And with the understanding that the compensation system for the directors and management is a key link between the Company and risk management, in 2011, Wistron's Board of Directors made a resolution to set up the Compensation Committee and the Compensation Committee Charter. Establishment of this Committee brought Wistron's corporate governance practices a step forward.

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

Board of Directors

In accordance with the Articles of Incorporation, Wistron's Board of Directors consists of seven to nine members. Each member serves for a term of three years and is eligible for re-election without term limits. Currently the Board is composed of nine members, including four independent directors. The general directors include Mr. Simon Lin (Hsien-Ming Lin), who is the current Chairman and CEO of Wistron, Mr. Stan Shih (Chen-Jung Shih), who is the Chairman of iD Softcapital Group, Mr. Haydn Hsieh (Hong-Po Hsieh), who is the Vice Chairman and CEO of Wistron NeWeb Corp., and Mr. Robert Huang (Po-Tuan Huang), who is the President and COO of Wistron, and Mr. Philip Peng (Chin-Bing Peng), the representative of Acer Inc. The four independent directors include Mr. Michael Tsai (Kuo-Chih Tsai), who is the Vice Chairman of Powerchip Semiconductor Corp., Mr. James K.F. Wu (Kuo-Feng Wu), who was a former partner of KPMG Taiwan, Mr. John Hsuan (Min-Chih Hsuan), who is the Honorary Vice Chairman of United Microelectronics Corp., and Mr. Victor C.J. Cheng (Chung-Jen Cheng), who is a professor at the Graduate Institute of Patent, National Taiwan University of Science and Technology. The Company's Chairman is elected by the Board of Directors and represents the Company externally. Please refer to our website and annual reports for the detailed biography of each member of the Board.

The Board holds at least one meeting each quarter and its main functions include supervision and management of Wistron. The Board oversees the management team to ensure that the team strictly abides by all regulations, enhances information transparency, and uses their extensive experiences in major decision-making processes to direct the management team. The extensive knowledge and experiences of the Board members are expected to effectively protect the Company's values and shareholders' rights from policy errors and help the Company build corporate integrity and sustainable development. The management team regularly reports to the Board

regarding the operations, development strategies, and other issues in order to maintain smooth and open communication with the Board.

Audit Committee

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



The Audit Committee may by resolution engage lawyers, auditors and/or other professional consultants to seek independent advice within the scope of its authorization. The Audit Committee may also establish direct communication with the internal auditors, certified accountants and/or the management teams. The Audit Committee is required to hold a meeting at least once each quarter.

Compensation Committee

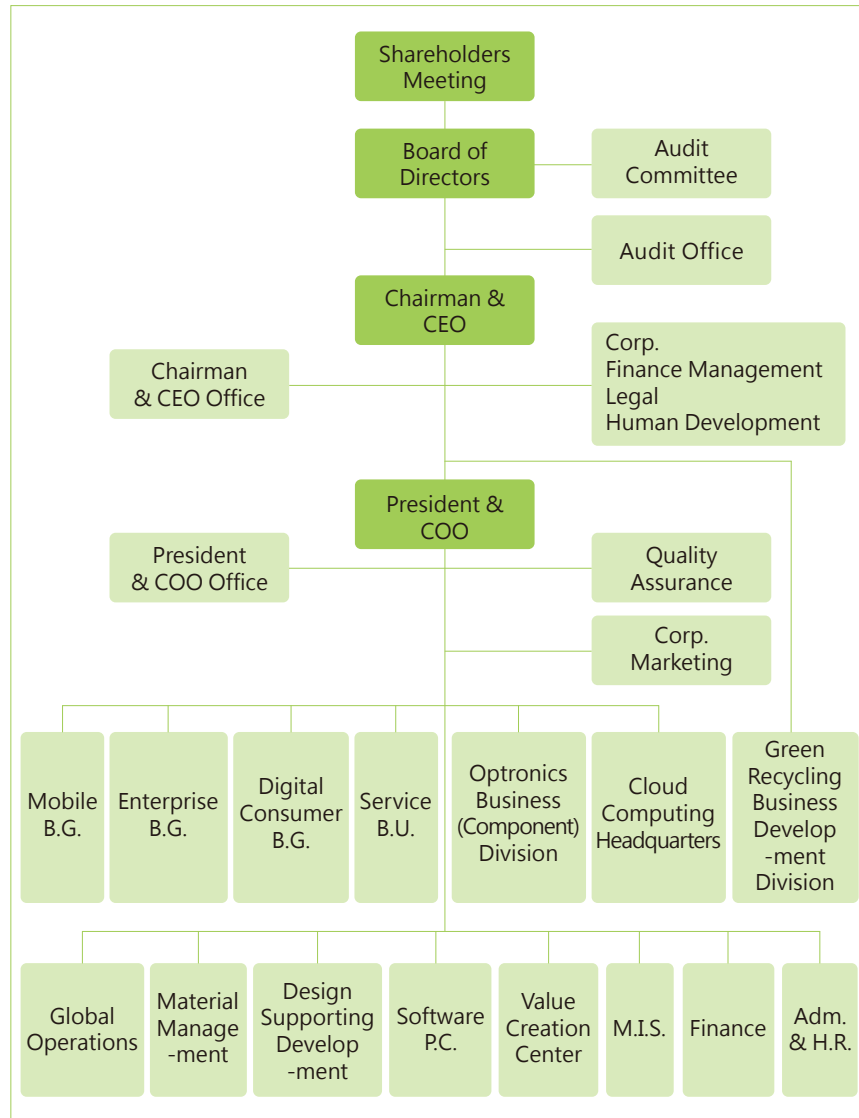
Wistron's Compensation Committee is given the authority to establish and review compensation policies for the Company's directors and senior management. The policies are linked with the Company's performance and goals, designed to recruit and retain high quality personnel and enhance competitiveness.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

personal performance and the terms are evaluated before forwarding to the Board of Directors for approval.

Wistron's Compensation Committee meets at least twice a year. The Committee is composed of three members and two of the members are independent directors. One independent director shall be unanimously elected by the entire Committee members to serve as the convener and meeting chair, and the Committee members are required to invite the Company's the Chairman of the Board to attend the meetings. However, the members of the Compensation committee should excuse themselves from the meetings if the issues to be discussed involve personal interests. The Committee may also request directors, managerial officers of relevant departments, internal auditors, accountants, legal consultants, and other personnel to attend the meetings and provide them with pertinent and necessary information.



Company Organization



Compliance

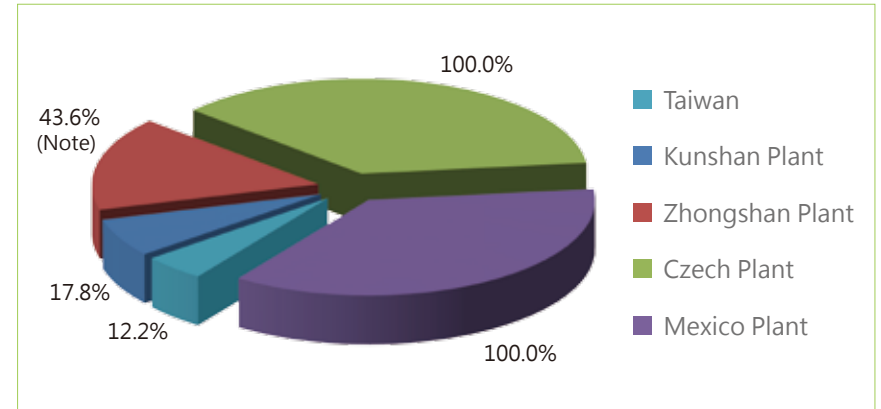
Since 2001, Wistron has diligently complied with all relevant regulations to set up its internal operations and governance. After public listing, the Company has tracked the development of new regulations closely and requires all subsidiaries to strictly abide by them. The Company sets goals to strengthen our core values, maintain a high level of integrity, ensure that the employees observe the Company's ethical standards when conducting business and daily operations, and maintain a good reputation to win the trust and respect of our customers, suppliers and the general public. To achieve these goals, Wistron developed the Employee Code of Conduct, which serves as a set of guidelines for all employees and executives. The Company keeps a continuous watch on the domestic and international policies that may have an impact on the Company's finances and businesses and put in place a set of risk management procedures to respond to any potential impacts. As of today, Wistron has never been subject to any monetary or non-monetary penalties due to any failure to comply with the relevant regulations.

Anti-corruption

Integrity is not only the core value of our business but also a fundamental part of our daily operation. A business with integrity allows employees to work in an environment that meets ethical standards. Wistron required all its employees to be thoroughly aware of and comply with our ethical standards. We respect and strictly enforce the confidentiality agreements established with our clients and do not allow our employees to accept any gifts or preferential treatment from parties dealing with the company. We also expect our clients, suppliers, business partners and all persons dealing with Wistron to understand and support our ethical standards. With respect to the operation of board meetings, the directors may make statements or answer

inquiries but are asked to excuse themselves from the discussions and voting when potential conflict of interest is involved. In such instances, the involved directors are also prohibited from executing the voting rights on behalf of other members of the board. After reviewing the operations of each unit in the company, we determined the units which handles financial, procurement, and customer contact related matters as the ones with potential risks. The involved units are required to undergo internal audit or regular work rotation. This measure is implemented to substantiate the company's anti-corruption policy. In the aspect of advocacy for ethical practice, the training for executives in Taiwan emphasizes the value of integrity. In the second half of 2011, the company began to plan the Ethics E-learning course. It is expected that, in the first half of 2012, all employees will be required to take this course. In addition, all new employees recruited at the Kunshan, Czech Republic, and Mexico plants are required to take ethics training. At the Kunshan Plant, all newly recruited employees are also required to sign a "Pledge of Ethical Practice". Although such course has not been set up at the Zhongshan Plant, all new employees, including production and non-production employees, are required to sign the "Pledge for Ethical Practice", and the regular employees (excluding the production related employees) are required to sign this pledge once every year. This is to ensure that all employees at the company have knowledge of the company's ethical standards. In Wistron, all employees have the duty to report improper conduct that is against the ethical standards of the company, and the company also pledges to protect the employees involved in reporting or investigation of the events from injustice or revenge. With our efforts, no incidents of bribery or unethical conduct have been reported in any of our plants worldwide.

Percentage of Employees that Received Ethics Training



Note: The statistics of Zhongshan Plant are based on the percentage of employees who have signed the Pledge for Ethical Practice in 2011.

Political Impartiality

Wistron has always maintained political impartiality and remained objective in regard to public policies. Wistron does not participate in any lobbying activities or make any political contributions, nor does the company participate in activities associated with certain political parties or organizations. Wistron's employees are free to express their political opinions and encouraged to fulfill their civic duties, including casting their votes for the candidates they deem most suitable for public posts.

Disclosure of Public Information

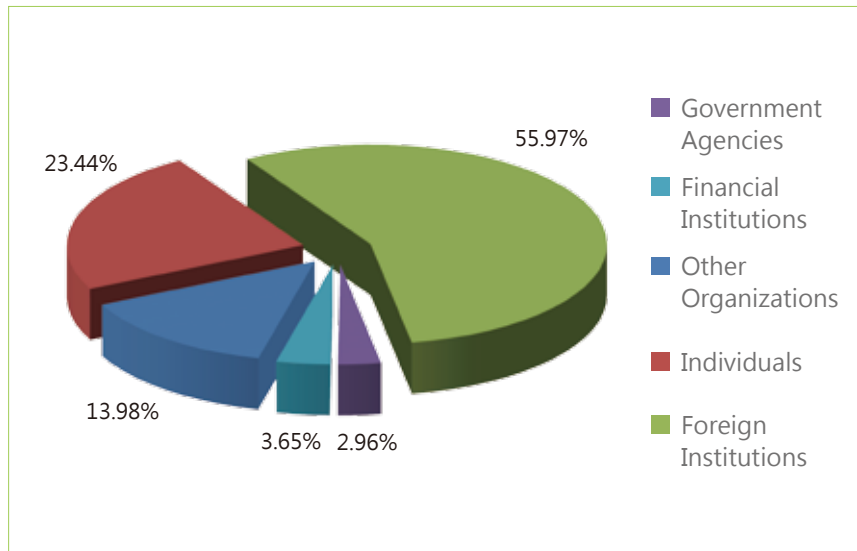
To establish a comprehensive, reasonable, and effective information disclosure and communication mechanism and achieve information transparency, all material information relating to Wistron is disclosed on the Company's website and the Market Observation Post System (MOPS).

Non-financial performance information is also disclosed through the annual CS2R report, which aims to publicize Wistron's performance in corporate sustainability and social responsibility to all its stockholders and interested parties.

Structure of Stockholding

Wistron's current stockholders include foreign investors at 55.97% and domestic institutional investors at 20.59%. These two groups of stockholders make up a total of 76.56% of all stockholdings. Therefore, we can say that Wistron's stockholder structure is relatively healthy. We will continue to strengthen corporate governance and company performance, so as to give back to our stockholders through outstanding performance. Please visit the investor relations page on our website for more information.

Percentage of Stockholding



Disclosure of Major Investment Information

During the period covered in this report, Wistron's board of directors approved three major investment contracts, including the following:

1. Reinvestment in China to set up Wistron InfoComm (CHONGQING) Co., Ltd
2. Investment in a joint venture with AUO to set up a company named BriVision Optronics (Zhongshan) Corp.
3. Investment in a joint venture with Malaysian partner Formosa Prosonic Industries Berhad to invest in a Malaysian plant.

We require our contract partners to observe human rights regulations with reference, for example, to the International Labor Rights Standards, local regulations or the terms stipulated in the employer's liability insurance. Currently, 66.7% of major investment contracts include human rights clauses. In the future, Wistron will include human rights clauses in all major investment contracts.

The contract of the second investment item includes employer's liability insurance to protect the rights of workers, and the investment contract of the third item includes clauses relating to labor management and organization of labor unions, in accord with Malaysian labor law.

Protecting Customer Confidentiality

"Protecting customers' confidentiality and adhering to the principle of good faith" is our commitment to our customers' privacy and confidentiality. For the information provided by customers, Wistron has strict policies and an internal control mechanism to protect confidentiality. In addition to the safekeeping of all hardware and software technical information and customer information involving intellectual property rights, we also sign confidentiality agreements with our customers and suppliers to ensure the safety of our customers' confidential information.

The subject of "Protecting Customer Confidentiality" has also been included as part of the new employee training program. Through training and management, Wistron ensures that every employee adheres to our confidentiality policy when making contact with customers. And with strict control, no incidents involving violation of customer confidentiality, penalties, or damage to customers' rights due to loss of data have occurred in 2011.

Operations Management

Quick View of Financial Performance

Wistron sets its priority on pursuing high customer satisfaction and top quality, striving to maintain the existing customer base and expand the ratio of ODM business. The short-term business development goals are high efficiency, high production capacity, and reasonable profits. In the long term, we will continue to expand our investment into businesses and products with higher gross profits. We position ourselves as a global leader in technical service, offering innovative ICT products, services, and system solutions. We will also continue to focus on providing innovative technical services and expect the services to bring profits to our customers, increase employee satisfaction rate, and create long-term profits for our stockholders. Wistron has not received any major financial assistance from the government in recent years, and relevant financial information is disclosed in the following tables.

A Quick View of Financial Performance

Unit: NTD Million

Items	Year		2011		2010		2009	
Revenue	658,367	100%	615,815	100%	546,666	100%		
Gross Profit	32,326	4.9%	34,524	5.6%	29,949	5.5%		
Operating Costs	21,745	3.3%	20,765	3.4%	19,200	3.5%		
Net Profit	10,582	1.6%	13,759	2.2%	10,749	2.0%		
Net Profit Before Tax	11,628	1.8%	15,345	2.5%	11,496	2.1%		
Income Tax	2,563	0.4%	3,305	0.5%	2,325	0.4%		
Consolidated Net Profit after Tax (including minority stockholders)	9,065	1.4%	12,040	2.0%	9,171	1.7%		
Earnings Per Share	4.36	-	6.15	-	4.98	-		
Unappropriated Earnings	24,043	3.7%	22,262	3.6%	16,216	3.0%		
Personnel Expense	18,438	2.8%	15,760	2.6%	12,151	2.2%		
Employees Bonus	1,475	0.2%	1,196	0.2%	982	0.2%		
Cash Dividends	6,300	1.0%	5,050	0.8%	1,638	0.3%		
Stock Dividends	984	0.1%	935	0.2%	1,638	0.3%		

Profitability

Item		2011	2010	2009	
Profitability	Return on Assets(%)	4.17	6.28	5.93	
	Return on Equity(%)	15.31	21.72	19.98	
	Ratio to Pay-in Capital (%)	Operating Profit	50.76	69.46	57.66
		Net Profit Before Tax	55.77	77.47	61.67
	Net Profit	1.38	1.96	1.68	
	Earnings Per Share	4.36	6.15	4.98	

For more information, please visit Wistron's website financial disclosure section
Company website/ Investor services: <http://www.wistron.com.tw>

Product Sales

Wistron does not own any brand; therefore, we use annual growth in output to replace market share. In addition to soliciting orders from multinational manufacturers, another key to maintaining market competitiveness is to maintain a stable rate of gross profit amid ongoing price wars. Although the global market is currently affected by the uncertainty of economic recovery, Wistron still maintains momentum in overall output.

In 2011, both servers and notebook computers saw a 10% growth rate respectively. And for desktop PCs and display, both product groups maintained 20% growth, despite the fact that the market is saturated. For TVs and handheld devices (mainly smart phones), the annual growth rate remains over 50%, even though the second quarter of 2011 appeared to be slower in growth. Orders for 2012 are mostly in place. The overall output still shows momentum for high growth. Information regarding sales of the products is disclosed in the table below:



Product Sales

Quantity Unit: per unit/piece Monetary Unit: NTD Million

Year Sales Values Major Sales	2011				2010			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
NB Computer	202,615	4,038	31,267,607	439,140	150,077	3,955	27,517,144	400,580
Desktop PC	57,931	593	10,465,220	56,028	57,893	301	7,000,872	40,396
Other	101,542	988	22,570,463	85,690	319,786	2,862	19,548,708	98,533
Total	362,088	5,619	64,303,290	580,858	527,756	7,118	54,066,724	539,510



Corporate Sustainability and Social Responsibility Management

Risk Management

Management Risk Management

Wistron focuses on its main operations to protect the rights of shareholders and does not engage in any high-risk or highly leveraged investment activities. And, we continuously assess the risks and benefits of introducing new technologies as an operational strategy for our long-term development. In response to the risks of increasing costs due to the quick-changing nature of the technology industry, we manage costs through high efficiency and a high production capacity utilization rate, including strengthening product functions, lowering product costs, and controlling operating costs.

Financial Risk Management

Due to rapid change in the global financial markets, fluctuations in the currency exchange rate often bring businesses serious challenges because slight carelessness may cause serious loss of profit, and the consequence is jeopardized shareholder profits. Therefore, our Treasury department has established a set of guidelines to specify the tools and decision-making processes for cash management.

As export products account for approximately 99% of Wistron's revenue, and most exported products and raw material procurement from overseas are quoted in U.S. dollars, most of our foreign currency transactions are offset against regular payments for the incoming material procurement to achieve automatic currency risk hedging. The remaining currencies are converted to New Taiwan Dollars as needed. In the future, we will reinforce the mechanism of automatic currency hedging through offsets of payments and collections, and use certain tools, such as derivatives and other financial products (forward exchange or swap contracts), to conduct risk hedging under the terms of proper risk management regulations.

Information Risk Management

To protect company and personal information and internal/external communication systems, as well as minimize the impact on company operations due to human factors such as leaks, theft, sabotage and losses due to natural disaster, Wistron has implemented the following measures to manage information risk:

1. Regularly conduct penetration testing (ethical hacking) and assessment.
2. Implement corrective and preventive measures targeting known weaknesses and threats.
3. Continuously carry out education and training of company employees, contractors and third parties.
4. Install basic information security facilities.

In the future, Wistron will continue to implement regular penetration testing on its network and systems in order to protect corporate and personal information and lower the impact on company operations.

Operational Risk Management

To ensure that the company is able to recover quickly from a disaster (including fire, earthquake, typhoon, water outage, power outage, war, political unrest, terrorist attack, food poisoning, disease outbreak, environmental pollution, etc.), minimize loss of company and customer property and safeguard the company's reputation and employee safety, Wistron established the "Operations Continuity Plan," which defines the authorizations and levels involved in crisis management.

Note: "Disaster" means a serious disruption of the functioning of an organization, causing widespread human, business interruption, material or environmental losses.

Climate Change Risk Management

Since the Kyoto Protocol took effect, global warming and climate change have become key issues in discussions of sustainable development, and

reduction of greenhouse gas emissions has become a challenge for many countries. In the following table, we analyze regulatory risks, operational risks and other risks as well as potential opportunities.

Climate Change Risks Assessment

	Risks	Effects/Impacts	Opportunities
Regulatory Risks	Global product carbon labels	Increase in all information technology and communications product costs as well as operating costs.	Disclosure of product lifecycles and environmental information can be integrated.
	Product energy efficiency regulations and standards (e.g., Energy Stars, ErP, etc.)	Increased costs of procuring raw materials and spare parts, and longer time for design and product verification.	Eco-design procedures can be integrated into the management system.
Operational Risks	Limitations to energy purchases (e.g., oil and electricity)	Increased oil and electricity prices add extra burden to operating costs.	Reinforce internal controls and seek alternative energy sources.
	Extreme weather causing flooding (e.g., Thailand floods this year), drought, super typhoons or hurricanes.	Extreme weather having direct and indirect impact on production and logistics (e.g., employee commutes, business trips, unstable power supply leading to suspension of production, or even loss of life and property).	Execute assessment of physical risks in regions where Wistron offices, plants, and supply chains are located.
Other Risks	Change in consumption patterns (e.g., awareness of green consumption)	Consumers will gradually give importance to and choose low emissions and environmentally friendly products.	Actively promote the corporation's green image in order to increase the company's revenue and market share.

Identifying Stakeholders

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

Wistron's stakeholders mainly include customers, employees, investors, suppliers and the communities, and identification of concerned/interested issues is conducted based on these five groups. They are further divided into sub-groups in order to cover all stakeholders and their main areas of concern.

Wistron has certain responsibilities to its stakeholders and, through different communication modes and channels, the company attempts to understand their needs and expectations. Based on this, we draft our goals for social responsibility policies and related programs. We strive to achieve set policy goals and will not shirk from fulfilling social responsibilities, including measures against environmental degradation.

Starting in 2010, we initiated substantive analysis procedures to identify stakeholders and the issues that concern them. We aim to achieve effective communication with interested parties by including these issues in this report through a method of systematic analysis.

For 2011, substantive analysis was performed with the help of an outside expert and in reference to a method put forward by a non-profit think tank from England. The analysis was made targeting the following two dimensions:

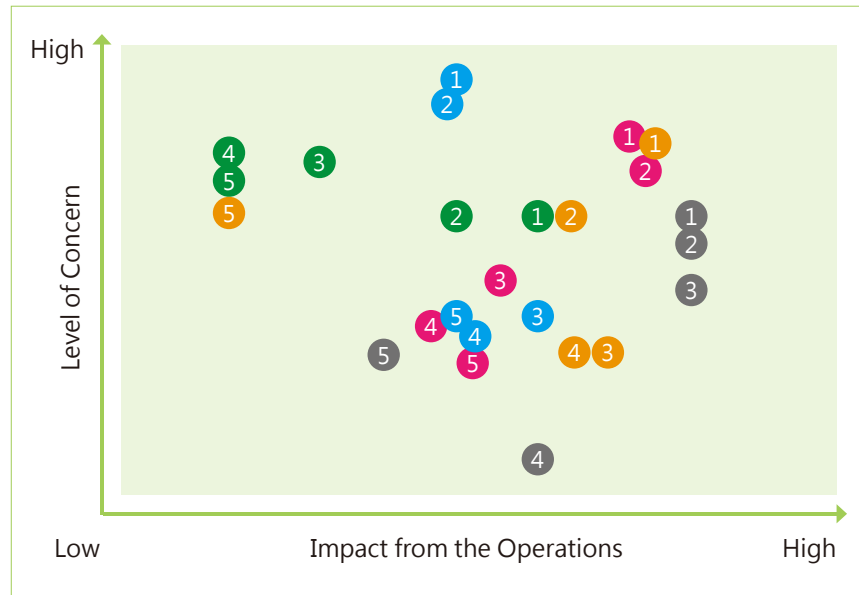
1. Impact of operation: the significance of economic, environmental, and social impacts.
2. Concerns of stakeholders: the influence on stakeholder assessments and decisions.

These two dimensions were divided into five substantive testing items for group discussions. In the discussions, participants began by listing all stakeholders and their issues of concern. The list was intended to help the teams communicate with the corresponding stakeholders and identify priority issues. The five items were:

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



Diagram: Degree of Stakeholder Concerns



- 1 Environmental impact
- 2 Compliance with laws and regulations
- 3 Public welfare
- 4 Company image
- 5 Contribution to the economy
- 1 Profitability
- 2 Stock value
- 3 Company management/risk management
- 4 Transparency of information disclosure
- 5 Reinvestment in corporate social responsibilities
- 1 Ethics/integrity management
- 2 Human rights
- 3 Labor criteria
- 4 Learning and growth
- 5 Health and safety
- 1 Compliance with the regulations
- 2 Work environment and hygiene
- 3 Price competitiveness
- 4 Stable supply
- 5 Technical capabilities
- 1 Management of Environmentally Hazardous Substances
- 2 Green products
- 3 Product quality/ price/ delivery
- 4 R&D/ engineering capability
- 5 Supply chain

After the internal team identified the issues of concern to stakeholders, the communication modes and frequencies listed in the following table were carried out.



List of Communication Models and Frequencies of the Stakeholder

Stakeholders		Issues	Means of Communication	Frequency of Communication
Investors	<ul style="list-style-type: none"> • General stockholders • Institutional stockholders • Credit rating institutions • Financial insurance institutions 	<ul style="list-style-type: none"> • Profitability • Stock value • Corporate governance/risk management • Transparency of information disclosure • Implementation of corporate social responsibility (e.g., green resource enterprises, etc.) 	<ol style="list-style-type: none"> 1. Investor conferences 2. Annual shareholder meetings 3. Online investor conferences 4. Road shows 	<ol style="list-style-type: none"> 1. More than 100 meetings a year 2. Once a year 3. Twice a year 4. On average five times a year
Customers	<ul style="list-style-type: none"> • Existing customers • Potential customers 	<ul style="list-style-type: none"> • Controlled substance management (e.g. demand for control of hazardous substances) • Green products • Product quality/ price/ delivery • R&D/ engineering capability • Supply chain management 	<ol style="list-style-type: none"> 1. Regular business reviews with key customers 2. Customer satisfaction surveys and feedback 3. Customer audits and customer questionnaire responses 4. Meeting customer requirements and requests for improvement on environmental and social responsibility 	<ol style="list-style-type: none"> 1. Quarterly or semi-annually 2. Quarterly or semi-annually 3. According to customer requirements 4. According to customer requirements
Employees	<ul style="list-style-type: none"> • Internal management • Direct employees • Indirect employees • Contract workers 	<ul style="list-style-type: none"> • Ethics/ integrity management • Human rights • Labor criteria • Training and development • Health and safety 	<ol style="list-style-type: none"> 1. Quarterly business briefings held by company management to communicate directly with employees 2. One-on-one coaching 3. Performance communication 4. Communication meetings with newcomers 5. Employees can communicate through internal channels, such as the company website, or express their opinions and suggestions to employee representatives at the "Tomato Meeting." Representatives communicate with management directly. 6. An Employee Welfare Committee has been set up at the Taiwan office which holds a meeting every quarter to plan events and review the budget responsibility and greenhouse gas emissions in cooperation with suppliers 	<ol style="list-style-type: none"> 1. Quarterly 2. Monthly 3. Semi-annually 4. Quarterly 5. Quarterly 6. Quarterly

List of Communication Models and Frequencies of the Stakeholder

Stakeholders		Issues	Means of Communication	Frequency of Communication
Suppliers	<ul style="list-style-type: none"> • Key component suppliers • Contractors • Raw material suppliers • Project contractors • Cleaning/ maintenance companies • Waste disposal companies 	<ul style="list-style-type: none"> • Continuous and stable supply • Price competitiveness • Technical abilities • Work environment and hygiene • Meeting all regulatory requirements (e.g., supplying non-hazardous components, etc.) 	<ol style="list-style-type: none"> 1. Annual supplier conference 2. Supplier consultation and auditing 3. Examination of issues related to corporate social responsibility and greenhouse gas emissions in cooperation with suppliers 4. Informing suppliers through the green product management information platform 	<ol style="list-style-type: none"> 1. Once a year 2. Once a year 3. Three projects in 2011 (supplier audit for corporate social responsibility, examination of supplier greenhouse gas emissions, carbon footprint) 4. Twice a year
Local Communities	<ul style="list-style-type: none"> • Local community associations • Local non-profit organizations • Local government agencies • Media • NGOs/ Environmental protection activist groups 	<ul style="list-style-type: none"> • Environmental impact (e.g., air pollution and sewage disposal) • Compliance with laws and regulations • Economic contribution • Company image • Economic contribution 	<ol style="list-style-type: none"> 1. Close cooperation with government agencies and non-profit environmental protection organizations in various charitable activities. 2. Active participation of employees in charitable activities 	<ol style="list-style-type: none"> 1. Special project See Case 2 and 3.

Case 1 Smart Campus Everywhere Learning Program

Wistron also participated in the Kaohsiung “Smart Campus Everywhere Learning Program” and successfully developed the E-Bookbag system for school children. Currently, three to five schools are participating in this program. We also donated the E-Bookbag system to the Kaohsiung City Government for the development of smart classrooms.

This project has completed the initial user acceptance test (UAT) and, for the experiment, a class from each of the five participating schools (with a total of 29 fifth grade classes) was also selected. The system was launched online for the first semester of the 2011 school year, and will run as a one-year experiment.

Combining operations with the participation of local communities will be a focus of Wistron’s future development. The following diagram illustrates the goals of this three-year E-Bookbag project.

Our follow-up work will focus on:

1. Regular discussion with users (teachers, students and parents) to collect feedback for review.
2. Carrying out improvement of software and hardware.
3. Inviting more domestic and foreign publishers to participate in the creation of digital content.
4. Studying the business model.

Note:
The five schools are: Huashan Elementary School (Xiaogang District, Kaohsiung), Yongqing Elementary School (Zuoying District, Kaohsiung), Alian Elementary School (Alian District, Kaohsiung), Qieding Elementary School (Qieding District, Kaohsiung), and Houjing Elementary School (Nanzi District, Kaohsiung).



2011

- Participating classes: 5
- Establish platform / make teaching aids / train teachers / and compile teaching materials

2012

- Participating classes: 15
- Pressure test / link to the public cloud / link to cross-field platform / expand digital content

2013

- Participating classes: 35
- Operations platform (procurement, customer service, CRM) online / E-mail test operation

Case 2 Investor Conference

To periodically update the company's information to our stockholders and the general public, Wistron publishes financial reports on a quarterly basis. Personnel at the investor relations office have also actively involved and frequently communicate with analysts and investors worldwide. Over 100 investor meetings were held this year. Meetings are expected to timely deliver accurate information regarding the company's operations and future direction. Wistron strives to achieve maximum information transparency and increase investor confidence in the company.

Case 3 Women in Technology Project

To promote the diversity of our corporate culture, Wistron partnered with other technology companies to organize the Women in Technology project at the end of 2011. In this project, 33 woman employees from Wistron offered to be corporate advisers to a group of female college students and offer one-on-one consultation targeting career development and experience over a period of one year. Wistron aims to cultivate female talent in the domain of science and technology in order to achieve employee diversity.



Direct and Indirect Impacts on the Economy

As a global leading technology service provider for the information and communications industry and a company with global operations, manufacturing and services, Wistron naturally has a certain direct and indirect impact on the global economy. Wistron's financial transactions will undoubtedly have a direct impact on all stakeholders (investors, customers, employees, suppliers, and local government and communities). As the company grows, changes in profits, number of bases of operation, etc., may indirectly impact society:

Indirect Impacts on the Economy

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

Impacts to the Local Communities

All of Wistron's global plants are located in designated industrial zones and are involved in the assembly of computer and information products. Therefore, we have been paying attention to the possible impacts of our operations on local communities and residents.

Wistron has never caused potential or actual negative impacts, except for one case this year. The new Neihu Headquarters office in Taiwan received one complaint for keeping office lights on at night. Wistron immediately installed light-shading curtains on the relevant windows and began a lights-out policy in the areas near these windows in order to reduce the impact on the quality of sleep of local residents. The company also took the initiative to communicate with residents across the street. Since then, the company has not received any similar complaints.

CS²R Implementing Committee

In response to international trends and customer demands, Wistron announced in February 2009 that it would expand the original Environmental and Social Responsibility (ESR) management system into the Corporate Sustainability and Social Responsibility (CS²R) management system. The objectives of this system cover three areas—environmental, social and economic. Wistron pursues corporate sustainability and strives to fulfill its social responsibilities.

With regard to corporate social responsibility (CSR), Wistron proposes the concept of CS²R. The two S's in the equation stand for "sustainability" and "social responsibility." The two concepts must be linked because a

company has to work hard to ensure sustainable development before it can talk about fulfilling its social responsibilities.

At the same time, Wistron set up the Corporate Sustainability and Social Responsibility Implementation Committee (hereinafter the "CS²R Implementation Committee") at the corporate headquarters in February 2009. The CS²R Implementation Committee is the highest internal unit managing Wistron's CS²R affairs. The COO is the chief of the committee, and takes charge of setting up policies, goals and directions as well as performing management review.

In March 2010, Wistron's board of directors adopted the "Code of Practices for Corporate Social Responsibility." The COO reports to the board of directors at least once a year on the implementation and performance of Wistron's corporate sustainability and social responsibility.

In response to the expansion of the global market for information products and increasing customer demand, as well as to coordinate the growth of the Wistron Group, the board of directors approved investment in plants in three Chinese cities, Taizhou, Chengdu and Chongqing, and Malaysia. After these new sites come into full operation, they will



be incorporated into the scope of Wistron's corporate sustainability and social responsibility management system.

To ensure that the policies and resolutions of the CS²R Implementation Committee are implemented, Wistron established five corresponding management systems to manage the five key issues of quality, green

Wistron's CS²R Management System



products, environmental protection, occupational safety and health, and social responsibility. Through these management systems, Wistron strives to bring the company's practices into line with international standards and acquire management system certifications, thereby integrating corporate sustainability and social responsibility policies and goals into daily business operations.

2011 Summary of CS²R Management System Verification

Plant	CS ² R Management System		
	International Standards	Certification Date (MM/DD/YYYY)	Reason for Changes
Neihu Headquarters Hsichih Office Hsinchu Plant	ISO 9001:2008/ TL 9000 R5.0/R4.5	4/12/2011	Version
	ISO 13485:2003	5/13/2011	Updated plant address
	ISO 14001:2004 OHSAS 18001:2007	9/7/2011 9/7/2011	Updated plant address Updated plant address
Kunshan Plant	ISO 9001:2008	8/3/2011	Extended product scope/update
	ISO/TS 16949:2009	9/29/2011	New
Zhongshan Plant	ISO 9001:2008	9/2/2011	Extended plant area
	TL 9000 R 5.0/R4.5	9/2/2011	Version
	ISO 14001:2004	11/2/2011	Extended plant area
	OHSAS 18001:2007	11/2/2011	Extended plant area
Mexico Plant	ISO 14001:2004	6/27/2011	New
Czech Plant	ISO 9001:2008	3/14/2011	Update
	ISO 14001:2004	3/14/2011	Update
	OHSAS 18001:2007	3/14/2011	Update



Environmental Management

Wistron has long been concerned about environmental issues. Being a responsible corporate citizen, we are committed to controlling and reducing the possible impacts to the environment caused by our operations.

Key Environmental Performance Indicators

Category	Indicators	Unit	2011	2010	2009
Climate Change	GHG emissions	tonne CO ₂ e	239,734	196,645	182,405
	Scope 1		12,541	9,744	12,820
	Scope 2		227,193	186,901	169,585
Environmental Management	Water consumption	m ³	3,272,821	2,871,079	2,790,697
	Waste production	tonne	31,028	20,208	18,570
	Environmental training	hr	49,901.9	1,759	-
	Expenditure on environmental protection	million NTD	65.53	47.65	42.12

Climate Change

Goal of Carbon Emission Management

The world's consumers are becoming more and more environmentally conscious. Customers today demand not just good prices and high quality, but also "value" and environmental friendliness. Wistron is dedicated to building a supply chain featuring green design, green manufacturing and low carbon emissions in order to keep our promise to bring low carbon services to our customers.

We have adopted the carbon emissions reduction plans of the countries that are committed to the Kyoto Protocol and implemented goal management. Starting in 2010, Wistron began to use “greenhouse gas emissions per unit revenue” as the basis for controlling greenhouse gas (GHG) emissions and set a goal to “reduce GHG by 1% per year,” with 2009 as the base year.

Carbon Disclosure

The problem of global warming is becoming increasingly serious, and climate change is causing serious natural disasters around the world. Since 2009, we have begun to respond to the Carbon Disclosure Project (CDP) questionnaire, and voluntarily disclose information concerning our climate risk and future development opportunities, emissions data, management strategies, etc. This disclosure drives us to assess and manage the risks associated with climate change and seize opportunities for future development.

In 2008, we began planning the CS²R IT System in order to conduct digitalized collection of environmental data. This system helped Wistron to perform calculation and inventory of GHG emissions for 2008 and 2009. Starting in 2010, GHG emissions volumes and trends for plants managed under each division were also incorporated into the management report. This facilitates effective management of GHG emissions at the Neihu Headquarters and at plants in Hsinchu, Zhongshan, Kunshan, Mexico, and the Czech Republic.

Wistron's GHG Emissions

Unit: kilo-tonne CO₂e

Site	2011	2010	2009
Total Emissions	239.73	196.64 (Note)	182.4 (Note)
Neihu Headquarters	2.89	N/A	N/A
Scope 1	0.03	N/A	N/A
Scope 2	2.86	N/A	N/A
Hsichih Office	8.01	8.64	9.05
Scope 1	0.38	0.32	1.36
Scope 2	7.63	8.32 (Note)	7.69 (Note)
Hsinchu Site	7.46	6.68	7.39
Scope 1	0.15	0.03	0.03
Scope 2	7.31	6.65 (Note)	7.36 (Note)
Kunshan Site	95.60	88.85	78.73
Scope 1	7.85	6.54	6.96
Scope 2	87.75	82.31	71.77
Zhongshan Site	109.93	92.46	82.50
Scope 1	2.92	2.85	3.82
Scope 2	107.01	89.61	78.68
Mexico Plant	12.46	N/A	N/A
Scope 1	0.88	N/A	N/A
Scope 2	11.58	N/A	N/A
Czech Plant	3.38	N/A	N/A
Scope 1	0.33	N/A	N/A
Scope 2	3.05	N/A	N/A
GHG Emission Per Unit Revenue (Per NTD billion of annual turnover)	0.36	0.32	0.33

Note: The values have been modified according to the update released by Taiwan Power Company.

Energy Consumption Analysis

Wistron conducted a GHG emissions inventory and the statistics on energy consumption are shown in the table below. Based on this data, each plant began a series of measures to improve energy efficiency. Results of the GHG inventory and investigation show that electricity bought from power companies was our main source of GHG emissions. Based on this, Wistron implemented a GHG emissions reduction policy focusing on power consumption management and reduction.

Primary Energy Consumption Table

Item	Electricity (kWh)	Diesel (KL)	Natural Gas (Km ³)
Neihu Headquarters	4,680,331	0.03	N/A
Hsichih Office	12,462,973	0.08	N/A
Hsinchu Plant	11,938,519	0	N/A
Kunshan Plant	104,879,826	0	2,758.74
Zhongshan Plant	112,768,320	102.45	639.35
Mexico Plant	22,289,000	1.69	376.33
Czech Plant	3,215,719	2.9	85.43
Total	272,234,688	107.15	3,859.85

Note 1: The statistical period in Taiwan (Neihu headquarters, Hsichih office, and Hsinchu plant) is based on the billing dates.

2: The Neihu Headquarters was opened in February 2011; therefore, electricity consumption of these premises is not included in the statistics before January 2011.

Energy Saving Actions

Since energy consumption by employees and equipment is concentrated at our large-scale production plants, we focused our energy conservation

efforts on energy management at our large manufacturing centers. Different actions have been taken at different plants to target individual issues:

Improvement of Energy Efficiency - Neihu Headquarters

The Neihu Headquarters was completed in 2011. The building was designed with three major energy saving concepts: structural, air conditioning and lighting system energy efficiency. For example, the entire office area is equipped with energy saving LED lights in an effort to conserve energy and reduce GHG emissions.



The Neihu headquarters building was certified with the "CO2 Reduction Label" by the Environmental Protection Agency in 2011.

Energy Saving of Each Plant

Strategy Site	Electricity Management	Air-conditioning Management	Energy Efficiency Improvement	Change User Habits
Neihu Headquarters	<ul style="list-style-type: none"> • Publish a comparison chart for power consumption on each floor. • Turn off office lights during lunch hours from 12: 00 to 13: 00. 	<ul style="list-style-type: none"> • Adjust the chiller temperature according to room temperature. • Set the temperature in public areas to 26°C during the summer. 	<ul style="list-style-type: none"> • Added chemical treatment to the air conditioner cooling water. • Installed LED lighting in stairwell. • Installed water-saving devices on faucets 	<ul style="list-style-type: none"> • Turn off lights near windows when natural light is sufficient. • Regularly make announcements related to energy saving.
Hsichih Office Complex	<ul style="list-style-type: none"> • Turn off office lights during lunch hours • Set timer on lunchbox steamer. 	<ul style="list-style-type: none"> • Replace old air conditioner proportional valves. • Air conditioners stay on during overtime until 21: 00 from August to October. During all other periods, air conditioners are turned off immediately after office hours. 	<ul style="list-style-type: none"> • Replaced T8 light tubes with energy saving T5 tubes. 	<ul style="list-style-type: none"> • Ask employees to turn off lights and air conditioning on the way out of the office.
Hsinchu Plant	<ul style="list-style-type: none"> • Turn off office lights during lunch hours. 		<ul style="list-style-type: none"> • Replaced the air compressor system to improve energy efficiency and reduce electricity consumption. 	<ul style="list-style-type: none"> • Reinforce energy conservation measures.
Zhongshan Plant	<ul style="list-style-type: none"> • Turn off air conditioning in public areas to reduce electricity consumption. • Turn on air conditioning and lighting only in areas with active production. 	<ul style="list-style-type: none"> • Added dual-fluid humidifying for humidity control of the new TB2 plant air conditioning system. 	<ul style="list-style-type: none"> • Began using solar and natural gas water heaters. • Began using T5 light tubes at the new TB2 plant. • Chose a Grade 1 high efficiency central air conditioning system for the new plant. 	<ul style="list-style-type: none"> • Air conditioners should not be turned on in the office on holidays. Use fans instead. • Place pamphlets on energy conservation in washrooms so employees can learn about conservation.
Kunshan Plant	<ul style="list-style-type: none"> • Adjust the quantity of electricity using equipment based on production line status. • Regularly inspect electricity-using areas and turn off unused equipment. • Establish an energy consumption audit mechanism. 	<ul style="list-style-type: none"> • Adjust air conditioning according to working hours and worker activity. • Adjust hot water temperature in winter according to changes in the outdoor temperature. • Set the air conditioner temperature to no lower than 26°C in summer and no higher than 18°C in winter. • Set up a shift patrol audit system. 	<ul style="list-style-type: none"> • Clean the water boiler every year to improve the efficiency of heat conduction. • Clean the cold water condenser and water tower heat sink to improve the efficiency of heat exchange. • For supply of cool air, use regenerator to replace the cold water machine in winter. • Began using the air-compressor to recycle waste heat. 	<ul style="list-style-type: none"> • Adjust air conditioning systems according to the season. • Make announcements regarding energy conservation. • Continuously bring in new energy saving equipment to complete upgrades to the facility.

Energy Saving of Each Plant

Strategy Site	Electricity Management	Air-conditioning Management	Energy Efficiency Improvement	Change User Habits
Mexico Plant	<ul style="list-style-type: none"> • Conduct regular electricity usage inspections in main areas and turn off unused power sources. • Perform illumination studies in the factory and warehouse to ensure legal requirements are being met while removing unneeded lighting. • Turn off lighting on production lines during break times (breakfast, lunch & dinner). 	<ul style="list-style-type: none"> • Conduct regular maintenance of cooling, refrigerant and heating equipment. • During the summer, maintain an indoor temperature of 26-28 degrees. • During the winter, maintain an indoor temperature of 22-24 degrees. 	<ul style="list-style-type: none"> • Established the Environmental Management Committee to focus on continuous environmental improvement programs. • Installed skylight domes in warehouse areas to reduce the need for lamps during the day. • Installed movement sensors in conference rooms to turn off illumination when not in use. • Installed screensavers on laptops and desktops, which will be activated after 5 minutes of inactivity. 	<ul style="list-style-type: none"> • Post promotional labels on light switches to encourage people to turn off lights when they leave. • Place advertisements on cafeteria televisions to encourage energy conservation. • Require employees living in WMX dormitories to pay their own electricity and gas bills to increase energy conservation awareness.
Czech Plant	<ul style="list-style-type: none"> • Production lines: Turn off production line power during break time and immediately after shifts. • Lighting: During break time all lights are switched off. After the end of the shift, security employees tour the factory to make sure no lights are on. • Water heating: In building 1 of the LCD plant, water is heated in an electrical boiler. Its thermostat was set to lower temperature. There are two boilers, but only one is in use. 	<ul style="list-style-type: none"> • The air conditioning system is checked once a year according to local Czech law, which assures that the system, works effectively, correctly and that no refrigerant is leaking. • Air conditioning is usually used during summer months. Temperature inside building is normally set at 22-26°C. After 5pm (2 hours after shift end) all air conditioning is automatically turned off. It is automatically turned on at 7am the next day. • Skylights in Building 1 were painted blue. This reduces the penetration of sunlight during summer months and helps to reduce the temperature below the roof by about 5 degrees, reducing usage of air conditioning. 	<ul style="list-style-type: none"> • Special foil was placed on big glass windows (e.g., in locker rooms) to block infrared rays, helping to reduce indoor temperatures. • Fresh air ventilator used in toilets is automatically turned off 5 minutes after last usage. • Installed screensavers on each employee computer which switches on after 5 minutes of inactivity. • When the outside temperature is above 15°C, special heaters above the entrance door are turned off. 	<ul style="list-style-type: none"> • WCZ team leaders and supervisors remind all employees that they should switch off all electrical equipment after use (lights, printers, air conditioning, etc.) • Place advertisements on cafeteria televisions to encourage energy conservation. • Close all office windows to prevent cold air from entering in winter and warm air entering in summer (thus saving energy on heating and air conditioning).

Improvement of Energy Efficiency - Hsinchu Plant

The current air exhaust system is equipped with four 25-horsepower motors (photo below). Two motors run at a time and at 60Hz consume 464 kWh of electricity per day (232 kWh x 2 motors). After adding an inverter, the operational frequency was reduced from 60Hz to 55Hz with a new daily electricity consumption of 348 kWh (174 kWh x 2). Therefore a total of 116 kWh is saved per day, which comes to 42,340 kWh per year and represents a reduction of 25.9 tonnes of CO₂. The details are shown in the table below.

Electricity Consumption per 25HP Motor

Frequency (Hz)	Voltage (V)	Current (A)	Consumption per hour (kWh)	Consumption per day(kWh)	Consumption per year(kWh)
60	220	44	24	232	84,680
55	220	33	24	174	63,510
Total Reduction in Power Consumption					21,170 kWh
Total Reduction in CO ₂ Emission					12.95 tonnes



Improvement in Energy Efficiency - Kunshan Plant

A water-cooled dryer system was acquired to replace the air-cooled dryer system. The air-cooled dryer system was ineffective in terms of cooling and dehumidifying during the summer. This caused the compressor to have an overly high moisture content which posed a threat to safety in the SMT area.

This large water-cooled system is expected to effectively lower both temperature and humidity, while increasing the efficiency of heat exchange. Energy consumption was also reduced substantially and reduction in energy consumption effectively reduced CO₂ emissions by 113 tonnes.



The reflow oven is connected to a central chiller for heat radiation. This system improves efficiency and facilitates secondary heat radiation.

A plate-type heat exchanger is used to replace the central chiller during winter, effectively reducing power consumption.



Utilization of large water towers for heat exchange effectively reduces power consumption.

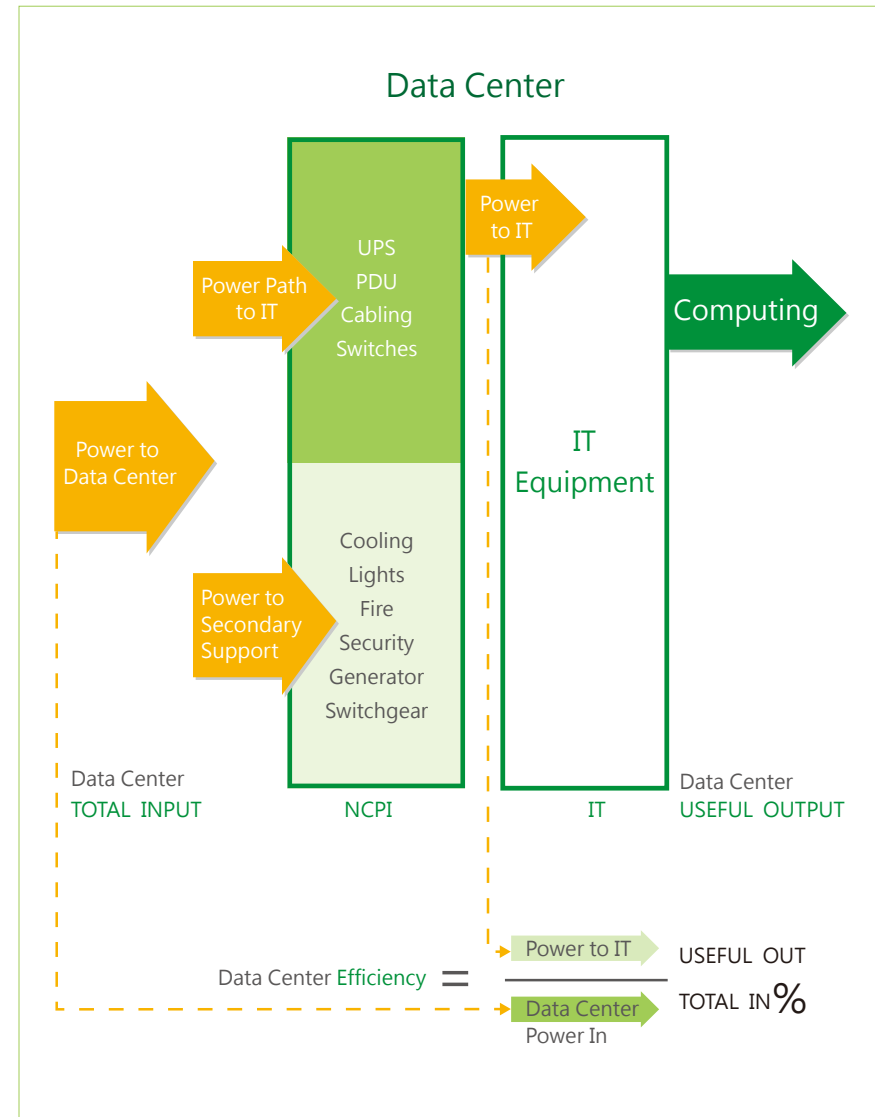
Energy Saving in the Information System Machine Room

To support Wistron's daily operations and production, the data center consumes a lot of power every day. This is especially so for the MDC (Mega Data Center), which houses a large number of servers and storage devices. Therefore, improvement of Power Usage Effectiveness (PUE) is one of the key focuses in the design process.

The mobile computing center developed by Wistron was designed based on the concept illustrated below which effectively improves the power efficiency of the servers and, in turn, of the entire system using a unique heat radiation design.

1. The formula for PUE is $\{(equipment\ power\ consumption + air\ conditioning)/equipment\ power\ consumption\}$.
2. The PUE schematic is shown right:
3. Assessment standards for server room PUE are based on the energy assessment indicators published by Green Grid. The basic requirement for a green machine room is to maintain a PUE between 1.67 and 2.0.
4. The WIH server room was completed in 2005; PUE is 1.85 (data of 2011); PUE derivation was $(40.06 + 34.33)/40.06$.
5. The WNH server room was completed in 2011; PUE is 1.44 (data of 2011); PUE derivation was $(81.93 + 35.9)/81.93$.
6. The WNH server room was originally designed to achieve low PUE. The PUE value of this facility is lower than that of the WIH facility, and the design achieves energy saving and carbon reduction goals.

Flow of PUE



Environmental Management

Operations of the Environmental Management System

Wistron strives to minimize its impact on the environment. To achieve this, we have set up an environmental management system at each of our manufacturing plants worldwide. Wistron's environmental management system not only complies with the ISO 14001 standard but is continuously being certified for conformity with other major international standards as well.

Wistron's production process does involve the use of any ODS (Ozone Depleting Substances) and there is no large-scale use of water or organic solvents. Only the air conditioning units use ODS refrigerants, which are recycled through sealed equipment, preventing leakage and guaranteeing that there can be no suspicion of damage to the ozone layer. The plant's generators, which are only used for emergency power generation, may emit nitrogen oxide (NOx) or sulfur oxide (SOx).

In terms of water usage and chemical management, Wistron plants do not use large amounts of water or organic solvents. All wastewater is treated properly in accordance with local regulations. A set of procedures has also been laid down for storage, use and management of chemicals. As of 2011, none of Wistron's production plants worldwide have been penalized for violation of environmental regulations, and no emergency incidents, such as chemical leakage, have been reported.

Furthermore, we choose modes of transportation for our products that have a minimum impact on the environment. At the Neihu Headquarters, Hsichih Office and Hsinchu Plant, commuter shuttles have been made available and company employees are encouraged to take public transportation.

At the same time, Wistron implements education and training to raise employee awareness on environmental issues. The following table shows the hours of education and training sessions implemented in each plant and office:

Hours of Environmental Protection Training by Plant

Item	Taipei	Hsinchu Plant	Kunshan Plant	Zhongshan Plant	Mexico Plant	Czech Plant	Total
Number of Hours (hr)	2,171	409.5	2,691.6	36,562 (Note)	6,419.8	1,648	49,901.9

Note: The number of trained employees of Zhongshan plant includes those transferred to the Optoelectronic Park.

Every year, we commission an external, third-party certification institution to conduct an audit of our environmental management system based on the ISO 14001 standard. This is to ensure that our internal systems comply with all standards. Results of the audits are shown in the table below:

Summary of ISO14001 Audit

ISO14001 Audit	No. of Internal Audits	No. of Nonconformities Identified in the Internal Audit	Result of External Audit
Hsichih Office Complex	1	12	Passed
Zhongshan Plant	1	16	Passed
Kunshan Plant	3	34	Passed
Hsinchu Plant	1	23	Passed
Mexico Plant	1	8	Passed
Czech Plant	1	21	Passed

Expenditures and Benefits Associated with Environmental Protection

The benefits associated with environmental protection are predominately profits from recycling. The following is a summary of expenditures and benefits associated with environmental protection in 2011.

Statistics of Expenditures and Benefits Associated with Environmental Protection

Items		Neihu Headquarters	Hsichih Office	Hsinchu Plant	Kunshan Plant	Zhongshan Plant	Mexico Plant	Czech Plant	Total (NTD)
Expenditures	Environmental Management System Certification	0	0	0	207,874	280,426	174,682	164,561	827,543
	Environmental Testing and Hazardous Substance Control	4,500	16,800	44,095	467,529	276,102	190,811	31,366	1,031,203
	Promotion, Education and Training	10,200	0	109,250	36,590	176,717	149,988	38,677	521,422
	Maintenance of Environmental Protection Equipment/Facilities	0	0	0	587,791	0	0	227,538	815,330
	Waste Disposal	0	0	0	10,081,880	6,588,226	548,018	3,273,460	20,491,584
	Cost of Improvements to Energy Efficiency	34,629	1,808,963	0	4,914,974	0	0	0	6,758,566
	Personnel Cost for the Environmental Protection Division	0	0	0	1,087,836	2,761,114	1,253,521	476,584	5,579,054
	Cost for Environment Related Maintenance	2,984,000	6,097,856	25,750	19,063,500	1,265,510	0	0	29,436,616
	Other Costs	0	0	0	0	73,630	0	0	73,630
	Total (NTD)	3,033,329	7,923,619	179,095	36,447,975	11,421,725	2,317,021	4,212,185	65,534,948
Benefits	Waste Recycling	0	452,682	2,861,215	116,454,595	112,930,923	3,453,060	5,127,238	241,279,713
	Other	0	0	0	0	1,328,565	0	0	1,328,565
	Total (NTD)	0	452,682	2,861,215	116,454,595	114,259,488	3,453,060	5,127,238	242,608,278

Note: Exchange rates are NTD: CZK (1: 1.5273); NTD: MXN (1: 2.1620); NTD: CNY (1: 4.7936).

Water Resource Management

As the basis of life, water is the most important issue in the 21st century. It is the foundation of economic development, an essential criterion for quality of life and is directly linked to the security of human life and property. Therefore, many countries see it as a significant component in the development of a nation.

For the electronics industry, saving water is especially important. Wistron's production does not generate wastewater. The main source of wastewater is everyday needs; this water is treated through proper procedures that meet local regulations. Sewage from the factory and offices is sent to municipal sewage treatments plants, thus eliminating the need to perform biodiversity impact assessments.

The philosophy of Wistron's water resource management focuses mainly on saving water. Actual actions taken include the following:

1. Enhanced equipment operating methods and conditions.
2. Increased installation of water conservation and water reuse facilities.

Saving Water: Neihu Headquarters

We use a rainwater recycling system to fully manage water resources.



1



2



3

■ Rainwater is collected through the drainage system at each building

■ Guided to the rainwater collection center

■ Collected in fire hydrants/underground water pool for recycling.

Statistics of Water Usage and Wastewater Generation in 2011

Item	Neihu Headquarters	Hsichih Office	Hsinchu Plant	Kunshan Plant	Zhongshan Plant	Mexico Plant	Czech Plant	Total
Total Water Usage (M ³ /Year)	17,373	62,307	93,732	1,616,846	1,334,687	138,000	9,876	3,272,821
Total Volume of Wastewater (M ³ /Year)	13,898 (Note)	50,279 (Note)	74,986 (Note)	1,616,846	1,334,687	110,400	9,876	3,210,972
Volume of Wastewater Per Person (M ³ /Year)	13.16	14.73	50.94	66.12	82.98	23.12	5.91	60.67
Volume Recycled or Reused	0	0	0	0	0	0	0	0

Note: The Mexico Plant uses water from underground sources.
Wastewater volume for Taiwan is 80% based on government convention.

Waste Management and Recycling

Our efforts in waste management focus mainly on waste reduction in the manufacturing process and prevention of pollution. In addition to our strict compliance with relevant waste management and pollution control regulations, we have also implemented a waste management system with the aim of achieving goals in sustainable resource use.

We also uphold the 3R (reduce, recycle, reuse) waste management principle wherever technically and economically feasible in order to reduce the generation of waste. All waste generated by Wistron is handled by qualified waste management organizations from the local community and has never been exported to other countries.

- General waste: Waste management companies are engaged to handle waste. Contractors are required to provide regular reports of industrial waste quantities and types to environmental protection authorities.
- Recyclable waste: Recycling bins are placed at different locations to collect paper, metal, aluminum cans, plastic bottles, tetra packs, etc. Resource recycling companies are engaged to collect recyclable waste at regular intervals.
- Hazardous waste: Hazardous waste is stored in an explosion-proof room or other suitable storage location and government certified waste management companies are engaged to transport and dispose such waste.

WMX Water Resource Management



Garden irrigation is performing during established times at night to minimize water evaporation.



WMX Site installed wash basins with an integrated proximity flush system



WMX Site is operating several water saving devices, including those especially installed in restrooms. WMX installed water sensors on urinal handles to automatically activate and deactivate water dispensation.

Management of Recyclable Waste



The materials recycle contractor is collecting plastic pallets from the Mexico site.



Recycling of packaging materials.

Volume of Waste by Location

Item	Taipei	Hsinchu	Kunshan	Zhongshan	Mexico	Czech Republic	Total
Total Volume of Waste (tonne)	36.2 (Note)	88.1	13,264.4	8,622.3	5,252.6	3,764.0	31,027.6
General Waste (tonne)	14.2 (Note)	52.6	542.0	1,128.6	51.6	96.6	1,885.6
Recyclable Waste (tonne)	13.2 (Note)	15.7	11,820.0	7,341.1	5,180.0	3,349.6	27,719.6
Hazardous Waste (tonne)	8.8 (Note)	19.8	902.4	152.6	21.0	317.8	1,422.4

Note: The location of "Taipei" refers to the Neihu headquarters and Hsichih office complex and the data represents a collective sum from the above two office areas.

General Waste Management

Non-hazardous waste bins are installed in the cafeteria and the building for the purpose of organizing and sorting non-hazardous waste at the Mexico site.



Management of Hazardous Waste



The company cooperated with suppliers to recycle waste tin slag. Workers extract and store tin slag for collection during cleaning of the tin furnace. The slag is then collected by suppliers for recycling and reuse.



Containers for organic solvents are recycled by or exchanged with suppliers.

Biodiversity Management

Current Wistron production sites are not classified as protected or restored habitats; neither do they contain species listed in the red book of the IUCN or the National Species Preservation Catalog. If use of a protected habitat is needed in the future, we will comply with the relevant regulations in the strictest terms.

However, Canon Fortress, which is in the vicinity of the Zhongshan Plant, is listed as a protected area by the local government. We will make every effort to protect and manage this special site. In addition, the management at the Zhongshan Plant launched the Happy Farm program, which aims to raise the employees' environmental awareness and inspires them to fulfill their duty to the environment through participation.

The Protected Canon Fortress Nature Reserve Near the Zhongshan Plant

1. Storage of hazardous or radioactive chemicals is prohibited in the surrounding area.
2. Trespassing in the Canon Fortress Nature Reserve and unauthorized removal of plants are prohibited.
3. Littering and use of flammable materials are prohibited.
4. Replenish plants regularly and implement daily care.
5. Regularly clean up and remove decaying branches.



Happy Farm at the Zhongshan Plant



1. Land was apportioned for the Happy Farm program; the location is in an area reserved for landscaping.
2. The program is open to all employees and each participant is allocated a piece of land according to order of registration. Seeds will be supplied by seed companies and participants are free to choose plants from a list.
3. Each piece of land is labeled with the name of the employee.
4. The company will supply tools for farming.
5. Participants are responsible for management of their farms and the harvest is returned to the employees.



Innovation



Development of New Businesses

Wistron strives to be a global leading technology service company providing innovative ICT products, services, and systems. Our goals are not limited to research and development of our specialized technologies; we are geared toward protecting the environment, caring for society and contributing to the betterment of mankind. Our current diversity in product strategies is an extension of our strategy for risk diversification in OEM services from the past decade. In the next decade, we will position ourselves to become a "technology services provider."

Simply put, we aim to flatten the middle of the smiling curve of Mr. Stan Shih's ODM theory. The bottom of the smiling curve represents the manufacturing and assembly sector, which is characterized by low gross profit. At the current stage, major ODM companies are squeezed into a tight market and are competing to survive. The left section of the smiling curve represents the vertical integration of hardware and software technologies in the key components sector, and the right section of the curve represents the service sector, which includes distribution, after-sales, system applications and recycling services. On the value chain, the sectors on both the left and right ends have higher value. Therefore, we started to actively invest and lay out our strategies for the 2011-2013 periods, with the goal to increase the ratio of revenue from "technology services" with each year.

Currently, the main axis of our technology services is aligned with after-sales services, cloud computing, display technology and applications, and green recycling resources, and dedicated units have also been assigned to develop these businesses. Significant contributions from these businesses to the company's revenue and profits may not be seen in the short term; we are confident that success lies in the future.

After-sales Services

Currently, Wistron has set up the following services: center-to-center component exchange, center-to-authorized service provider component exchange and user-replaceable component services. In the future, the company will continue to develop diversified and customized after-sales services for non-PC products, including LCD TVs and smart phones.

Naturally, we will take the different needs of different regions/countries into consideration and offer services that better meet customer needs. The aforementioned services will also be available for non-Wistron products. Through a consolidated information platform, we aim to effectively manage our entire service chain, including logistics, warehousing and spare parts as well as inventory management and reporting systems.

We have appointed dedicated personnel to collect information regarding the supply of spare parts and maintenance rates for motherboards and upload this information to the system database. Through regular monthly evaluations and quarterly business reviews (QBR), the management proposes improvement strategies for goals that have not been achieved and follows up with implementation to ensure a 100% achievement rate for all service indicators.

Cloud Computing Services

Wistron established a Cloud Computing Headquarter in 2010 which is responsible for consolidating internal resources and external technology platforms for joint development of a Cloud OS and related hardware

infrastructure. Relying on Wistron's development and manufacturing skills in various areas, the company partnered with the Industrial Technology Research Institute (ITRI) to jointly develop a cloud computing system (Cloud OS).

We are presently moving from being an Infrastructure as a Service (IaaS) provider to being a Platform as a Service (PaaS) provider. Using a breakthrough design, the Container Mobile Computing Center developed by Wistron significantly reduces the need to build large server rooms. This design effectively lowers costs and greatly increases overall power usage effectiveness (PUE) (PUE of this system is 1.3 while PUE of a traditional server room ranges from 1.6 to 2.0). In the future, Wistron's goals are set to consolidate the Cloud OS with cloud computing facilities, and supply our customers with integrated cloud computing platform services.



Cloud Computing- Container Mobile Computing System

Green Recycling Businesses

“Making resources circulate continuously in the product life cycle” is no longer just a concept but now is a tangible application.

To achieve this goal, we officially announced the concept of “Green Cycle Solution” in 2010 and started to establish the Wistron green recycling business step-by-step. This solution provides electronics goods’ disassembly and refurbishment, and also provides a material refining solution with high environmental standards for four items derived from disposed electronic goods: plastics, printed circuit boards, batteries, and displays. Based on our Green Cycle Solution direction, Wistron Green Tech (Texas) Corporation was founded in Texas, U.S.A. for disassembly and refurbishment of disposed electronic goods to achieve the goal of reuse.

For those disposed electronic goods that can be no longer refurbished, the components—including plastics, printed circuit boards, batteries, and display panels—derived after disassembly and separation are the key targets of our Green Cycle Solution. Wistron is planning a refining campus for printed circuit boards, batteries, and display panels in the U.S.A., where the printed circuit board refining operation is expected to commence by the end of 2012.

Another core business of “Green Cycle Solution” is the plastics refining business, which aims to produce high-purity sorted plastic chips and compound “environmental-friendly” plastic pellets required by the ICT industry. As a result of the plastics refining process, the plastic housings for electronic products can be derived from disassembled disposed electronic goods. Product production utilizing resource recovery achieves the “cradle to cradle” concept of sustainable development.

For the plastics refining business, the most significant development in 2011 is the founding of the Wistron Advanced Materials (Kunshan) Co. Ltd. in Kunshan, China, which is a refining plant for post-consumer resin (PCR). This development is led by five principles: state-of-the-art technology, IT production management system, world-class safety management and pollution control, energy-saving and low carbon emission, and green architecture.

The Kunshan plastics refining plant for post-consumer resin (PCR) will utilize a three-process manufacturing operation. The first process is material sorting.

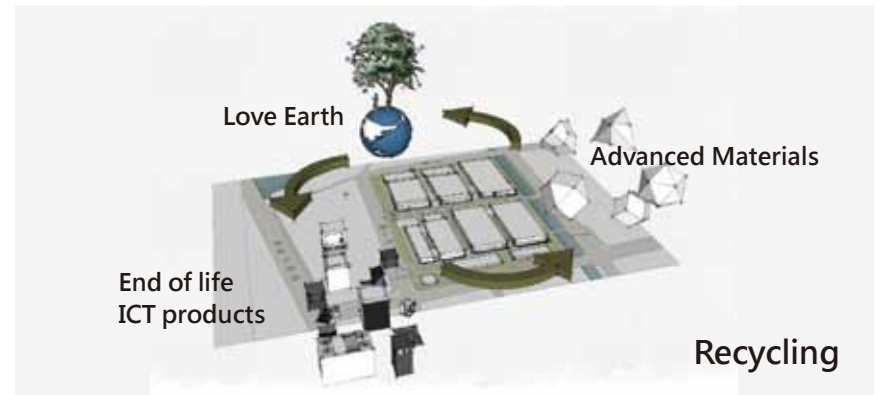


Aerial View of the Wistron Kunshan Refining Base (Top)
Wistron Advanced Materials (Kunshan) Co. Ltd. (Bottom)

High-recognition/resolution optical equipments are used to precisely sort out the waste plastic scraps into different categories. The second phase is to further purify the semi-finished products sorted in the first process into high-purity plastic chips. The purified chips are then put into the third process for property adjustment, color matching, and extrusion according to customers' specified requests. The goal of Kunshan refining plant operation is to provide recycled and valuable materials for new ICT products manufacturing.

The Kunshan plastics refining plant is currently under construction and expected to be completed in the second quarter of 2012. Initial production will commence in the third quarter of 2012 with a production capacity up to 2,000 tons per month expected in 2013. The second and third stage for production expansion will be initiated in 2013 and 2014. After all three stages are fully implemented; the full production capacity is expected to produce over 60,000 tons per year of regenerated plastic pellets.

From the aspect of CO₂ emission reduction, by means of post-consumer resin (PCR) materials to replace the virgin plastics refined from oil, the emission reduction is quite significant. An EU document (Newsletter of the EU Environmental Technologies Action Plan (ETAP), ISSN 1830-1029. Issue 3, January 2006, European Commission) indicates that every kilogram of PCR cuts down 2 to 3 kilograms of CO₂ emission (savings in energy and raw materials when used to replace virgin plastics). Based on this statistic, 60,000 tons of PCR used to replace the use of virgin plastics will reduce CO₂ emissions by 120,000 to 180,000 tons. This volume is equivalent to the CO₂ released by 890,000 to 1,340,000 25-watt light bulbs for 365 days (calculated based on the coefficient of CO₂ emission from electricity consumption, 0.612kg CO₂e/kWh, released by the Bureau of Energy, Ministry of Economic



Green Recycling Businesses

Affairs Taiwan in 2010).

The Kunshan plastics refining plant is expected to be a worldwide benchmark in the recycling industry for the development and upgrade of the entire recycling resource supply chain and for attracting top-notch human resources into this field, as well encouraging more investment in this industry. This plant will also become an environmental education center. Through open house sessions, the plant is expected to play a part in the mission to raise public awareness of environmental protection. This plant is also expected to serve as a role model for the "cradle-to-cradle" economy and the resource-intensive yet environmentally-friendly society.

Viewing the overall implementation of the "Green Cycle Solution" in Wistron, in 2010 planning was initiated and development began in 2011. In the next three to four years, "Green Cycle Solution" will bring more aggressive development in North America, China, and Europe, with a goal for comprehensive implementation in 2015.

Product Development and Quality Control System

Upgrade in R&D Capacity

As a global ODM/OEM company and a technology services provider, Wistron strives to provide its customers with products and services needed for development of enhanced competitiveness. Therefore, we highly value human resources with strong R&D capabilities.

Strategies for Upgrading R&D Capabilities

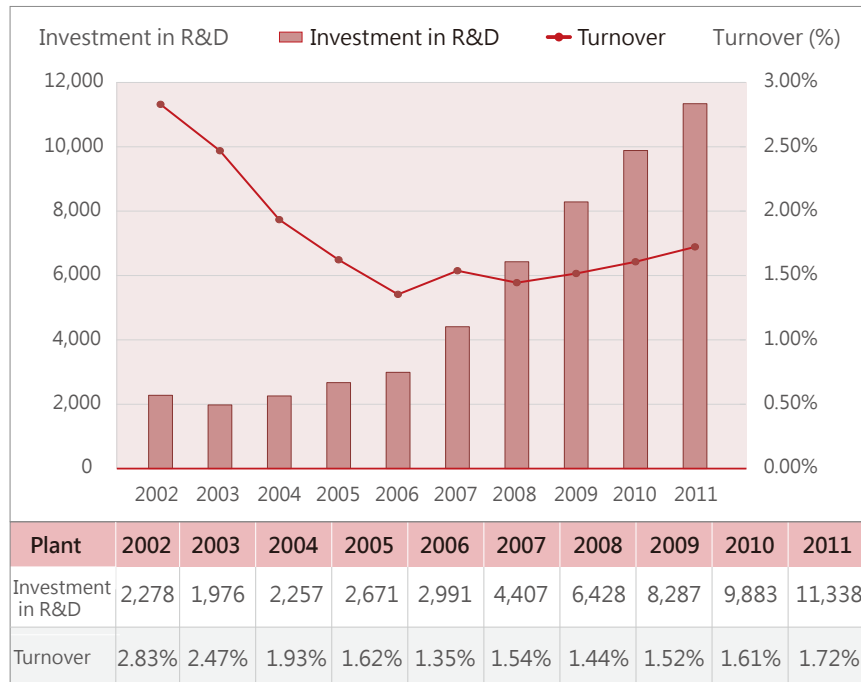
Item	Method
Recruitment	The first stage in the upgrade of R&D capabilities is to find the "right people." This can be achieved in several ways, including diversified recruitment, recruitment through internal and external recommendations, co-op programs with educational institutions, scholarships and grants, and participation in the substitute military service program.
On-the-job Training and Skills Upgrades	Help newly recruited R&D personnel to develop required abilities; assist mid-level R&D personnel develop professional and management abilities; push forward the System Technical Manager (STM) development program; match the right person with the right job.
Introduction of External Knowledge, Experience and Technology	Form cooperative ventures with external technology leaders, such as Intel, Microsoft, Google, AMD, Qualcomm, TI, etc., and participate in forums and technical training programs held by technology leaders in order to achieve excellent results.
Establishment of Advanced R&D Centers	Wistron has set up R&D centers worldwide, including in Taiwan, China and the Netherlands. In addition to having an R&D department for current product development, each R&D center also performs research and development of future products and technologies.
Cross-industry and Cross-domain Technology Cooperation	Establish good cooperative relationships with cross-industry or cross-domain organizations, such as those involved in hardware/software design, environmental protection, industrial development, new technology research, etc.; join relevant organizations to expand the scope of exchange and participation; keep in sync with international trends and enable continuous growth.

At Wistron, we value innovation and encourage innovative thinking. We actively conduct research to develop new designs and techniques, and drive our product development towards sustainable designs. Over the years, Wistron has made continuous investment into research and development and the number of our patents is increasing

Investment in Research and Development by Year

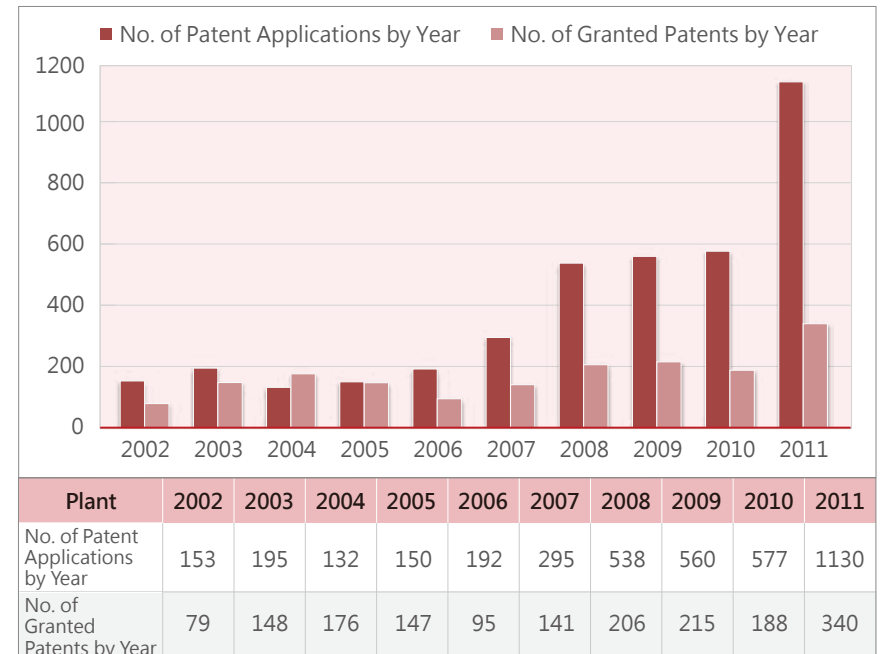
Year	2011	2010	2009
Turnover (million NTD)	658,367	615,185	546,666
Investment in R&D (million NTD)	11,338	9,883	8,287
Investment in R&D/Turnover (%)	1.72%	1.61%	1.52%

The Ratio of Investment in R&D to Turnover



Certified by Intel Everest Program and Best ORB

Number of Patent Applications and Granted Patents



Quality Management for Products and Services

Wistron’s quality policy is “to deliver defect-free and competitive products and services to our customers, on time.” Quality is the basis of product. Therefore, to ensure the quality of our products, we implemented the ISO Quality Management System (ISO 9001) and the Telecom Quality Management System (TL9000), and have been continuously audited and certified by the relevant international institutions.

Furthermore, we also introduce other relevant quality management systems into our process when needed for the certain products, for example, ISO/TS16949 for automobile quality management and ISO13485 for medical device quality assurance.

We have laid out tasks for each stage of product development, from R&D and design, to certification and mass production. Development, design, production and manufacturing are carried out based on these pre-configured tasks. To satisfy the requirements of different products or customer demands, we set up different checklists to verify that the requirements of different products/customers are being met at every step of the design process.

To satisfy customer demands, we continue reinforcing on-the-job training for the maintenance employees in every overseas service center and establish a mechanism in the systems, programs, and disciplines. These efforts are intended to lower variability, make the maintenance process flow even more smoothly, increase quality

assurance and meet the quality goals of both Wistron and our customers. Wistron’s quality management practices are summarized in the table below

Summary of Product Quality Management Practice

Quality Management	Practice
Verification of the Design Quality	Product designs must conform to certain design quality standards. Other than product function, product designs must also pass verifications of compatibility, environmental specifications and reliability. The designs must also meet the DfX standards (Design for Manufacturing/Assembly/Testing/Service) to ensure that products can be manufactured easily and that quality standards can be met.
Product Quality Management	The manufacturing department begins to participate in the product development process from as early as the design and lab pilot run stages. The manufacturing team provides their production experience to assist the design team to improve the design. At the same time, the manufacturing department continues to improve the production and quality control processes to improve product pass yield rate and decrease incidence of “Dead on Arrival” (DOA). Targeting defective products, the manufacturing department is also required to find causes by analyzing possible operator, machine (facility and equipment), material (material and component) and process (testing methods and operational standards) errors and then implement remedies to rectify the problem as soon as possible.
Supplier Quality Management	The quality of products is determined by the design, materials and production. The quality of materials is becoming more and more important and is also an increasingly influential factor in product quality and delivery time. Therefore, other than managing the quality of materials, managing the quality of suppliers is also very important since high quality suppliers deliver high quality materials.
Early Warning Mechanism	Though product lifecycles are getting shorter and shorter, the time taken to receive feedback from end-users is very long. Therefore, early warning mechanisms which can signal problems in the products become very important.

Customer Satisfaction Management

To increase customer satisfaction, Wistron set up the Wistron Customer Satisfaction Management Process. This process entails regular collection of data associated with customer satisfaction and calculation of relevant indicators. The information is then forwarded to concerned personnel, and the different business groups (BG) and business units (BU) review these issues with customers on a regular basis. When incidents, customer complaints or failures to meet customer targets arise the company appoints a team to analyze related data, find causes and develop solutions to improve the situation.

Since the Mobile Business Group (MBG) contributes the largest share to the company's revenue, it will be used as an example to illustrate the process. The business group regularly discusses customer feedback indicators with its customers, analyzes the causes of low goal achievement, incidents, or customer complaints, and then seeks solutions to the problems. In business group meetings, affiliated departments are required to report relevant customer satisfaction indicators, major issues and major customer complaints, as well as the progress for handling these incidents. When needed, the business group appoints relevant personnel to back up the operations and demands continuous reporting on the improvement progress until the issues are fully resolved.

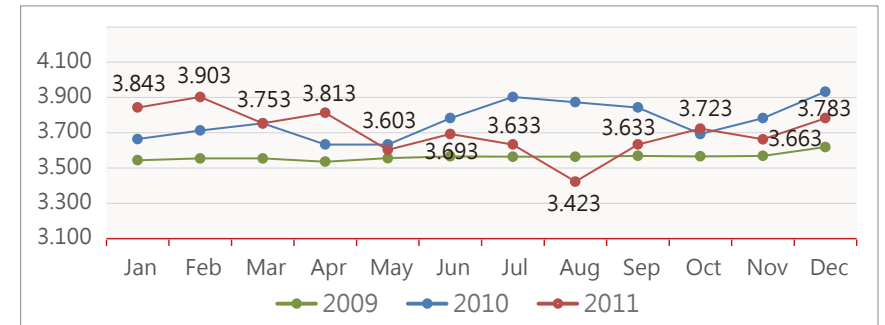
The table below illustrates the process of customer satisfaction management, using the MBG as an example.

Currently, every customer feedback indicator is effectively managed and most of them satisfy customer demands. Taking the factors of product quality, on-time delivery, technology, cost and customer communication into consideration, we have also set up the Customer Satisfaction Performance Index (CSPI). Data collection for this index covers all business groups (Hsichih Office and Hsinchu Plant in Taiwan). Wistron's goal is to surpass the best performance to date. Unfortunately this was not achieved in 2011, meaning there is still room for continuous improvement. The relevant information is illustrated in the figure below.

Customer Satisfaction Management of the MBG

Category	Management Indicators	Goals	Effectiveness
Customer Feedback Indicators	DOA (Dead On Arrival)	Higher standard than customer demands	Mostly satisfied customer's demands.
	AFR (Annual Failure Rate)	Higher standard than customer demands	Mostly satisfied customer's demands.
	QBR (Quarterly Business Review)	Ranked No. 1	Most customers gave MBG the No. 1 ranking, and some No. 2.

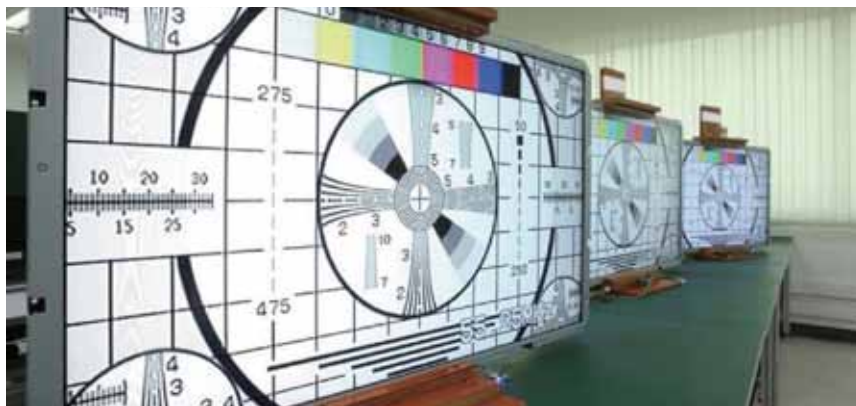
CSPI- Customer Satisfaction Performance Index



On-time Delivery

“On-time delivery” is the fulfillment of a commitment to customers. Wistron’s product development and mass production is planned in the following format:

1. At the product design and development stage, the company follows the progress agreed by the customer and launches the design into mass production on time to meet the agreed time to market. Each business unit lists its annual achievement rate in terms of product development, mass production and delivery, and makes strives to achieve 100% of its goals. In 2011, the combined achievement rate for all three product-related business groups was 94.7%.
2. When a design is launched into mass production, the fulfillment team coordinates with the production plants to estimate production capacity based on the purchase order (PO) and verifies production capacity to facilitate production planning. We strive to fulfill our promise of on-time delivery and make every effort to deliver products to our customers on time. In 2011, the on-time delivery rate for all three product-related business groups was 88.99%.



Product Information	Cost Analysis
<ul style="list-style-type: none"> • Identify customer needs, schedules and potential business opportunities. • Evaluate customer needs, including production, management, costs, customer service, intellectual property and legal issues. • Clarify issues and make proposal. • Confirm business model. 	<ul style="list-style-type: none"> • Assess the feasibility of lowering costs. • Identify market prices. • Analyze costs. • Assess costs not associated with the product, including machinery, equipment, manufacturing and special requests from the customer.

Price Competitiveness

Product competitiveness is important; price competitiveness is an even more important design coefficient in cost management strategies during the process of product development. This coefficient helps Wistron to evaluate its market strategies (including market differentiation, sales goals and sales volume) and serves as a reference for improvement of product costs and profits.

Through continuous improvement in product costs, we can increase our targeted price competitiveness. When Wistron receives request for quotation (RFQ) from a customer, we use the product information and cost analysis method listed in the table above to conduct product price assessment. This is to ensure that our product competitiveness corresponds to a certain level. Through collection of price-related information and comparison of different solutions, we offer our customers the most competitive solutions that best satisfy their needs.

Wistron continues to provide customers with competitive products and services and that is why our revenue continues to grow. For information on annual revenue, please refer to the Operations Management Section.

Supply Chain Management

Wistron always sees its suppliers as valuable partners. We expect to build a supply chain with long-term stability through cooperative relationships. Therefore, other than considering the suppliers' technical abilities, product quality, on time delivery, and price competitiveness, we request our suppliers to join our course of fulfilling the corporate social responsibilities by paying special attention to the wellbeing of the environment, safety and hygiene, and human rights.

To ensure that our suppliers fully understand Wistron's standards and how these standards work to minimize the impact on the environment, we advocate our policies and requirements in the annual supplier conference. In this conference, Wistron invites the major suppliers to discuss related matters and demonstrate Wistron's new regulations. In 2011, over 240 suppliers participated in this conference. Wistron listed the suppliers with the capability for autonomous control as the subjects of priority management and requested fulfillment of social responsibilities in the following aspects:

1. Targeting management of hazardous substances, suppliers are required to sign the "Declaration of Controlled Hazardous Substances Compliance" , which demands suppliers declare no use of such substances. Up to the end of 2011, more than 500 suppliers have signed and returned the declaration.
2. Targeting employee care, all suppliers, especially new suppliers, are required to sign the Pledge of EICC. Up to the end of 2011, more than 600 suppliers have signed and returned the pledge.
3. Targeting human rights, we open an investigation on "Conflict Minerals" . Up to the end of 2011, over 600 suppliers have responded to the "Conflict Minerals" investigation project.

At the same time, we have also been actively raising the percentage of localized procurement for packaging materials and mechanical parts under the same criteria of price and quality. This policy aims to upgrade the material supply efficiency and achieve the goal of energy-saving carbon emission reduction. We expect to bring in qualified suppliers from the local market through a strict supplier evaluation process and price comparison. Currently, two mechanical and ten packaging companies have been certified by the Mexico plant, three mechanical and nine packaging companies by the Czech Plant, and 60 mechanical and 32 packaging companies in China.



Wistron's Supply Chain Management and Continuous Evaluation

Overall, the following supply chain management and continuous evaluation have been implemented in 2011.

1. Hazardous substance management: We verify whether the components comply with the control standards through the GPM management system. For high-risk components and modules, each plant carries out random testing through the XRF, ICP, and UV-VIS instruments. In 2011, over 43,118 spot tests have been completed.
2. Implementation of the annual CS²R audit plan: Every year, Wistron arranges CS²R audit at the plants of high-risk suppliers to ensure that they comply with the relevant requirements. In 2011, a total of 240 suppliers have been audited; this includes 106 electronic component manufacturers, 44 key component suppliers, and 90 mechanism suppliers.
3. Inventory of carbon information: Every year, Wistron conducts GHG inventory at the plants of major suppliers. In 2010, a total of 39 suppliers participated in this program and the number grew to 98 in 2011. Results of the inventory returned a total of 62,158,000 tons of equivalent CO₂ emission. In the future, Wistron will go beyond inventory to further request suppliers propose measures and tactics for GHG reduction.



Categories of the 98 Suppliers

Cables, connectors, circuit boards, display panels, power supply, speakers, semiconductors, heat radiation modules, keyboards, injection molding, touch screen modules, packaging, antennas, wireless network modules, passive components, hard disks, screws, and assembly.





Green Product Management

Although Wistron's products are mostly designed and developed based on our customers' requirements, however, mass production also has certain impacts on the environment, highlighting our responsibility for the well-being of the Earth. We believe that taking environmental factors into consideration in our product design process will significantly reduce adverse environmental impacts caused by ICT products.

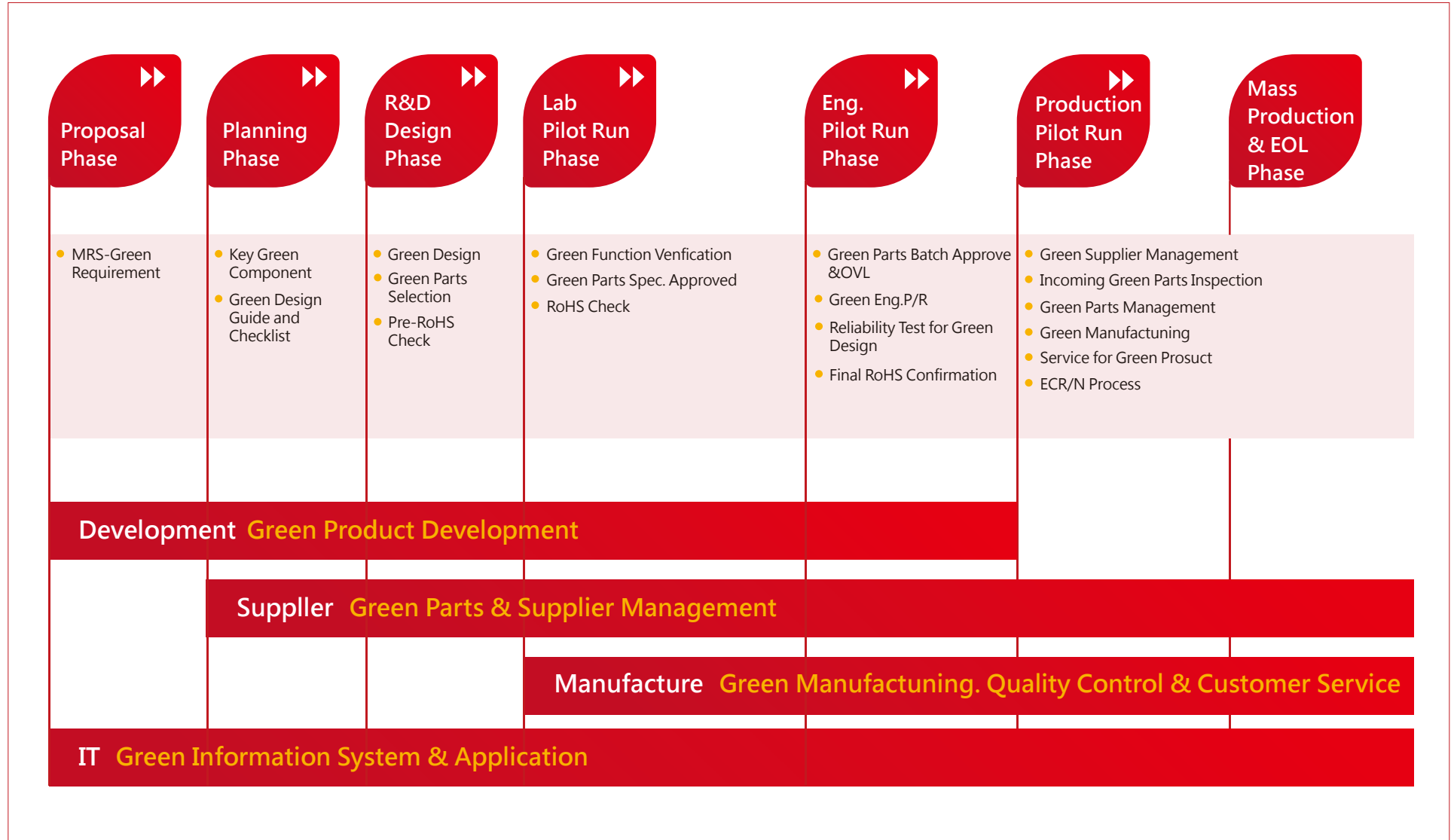
In this regard, our research and development teams work closely with customers, component suppliers, technology platform suppliers and relevant research organizations to develop more environmentally friendly products through creative thinking.

Green Product Design

Our product design philosophy is structured upon the lifecycle analysis concept. In this regard, we apply a comprehensive lifecycle assessment, linking every stage of a product's lifecycle from proposal, planning, R&D design, to lab pilot run, engineering pilot run, production pilot run and mass production, all the way to disposal. This assessment effectively helps our R&D team understand the influence of the complex environmental factors related to our products.



Wistron's Product Development Life Cycle and Processes



We expect products developed by Wistron to meet customers' environmental standards and legal requirements. We also work to concretely reduce impact on the environment at every stage of a product's lifecycle. A further analysis of these impacts is illustrated in the table below.

In 2011, no violations of product and service standards, relevant health and safety standards or voluntary agreements were reported.

Our efforts in designing sustainable products are focused on three major areas: 1) hazardous substance management, 2) material-saving recyclable design, 3) energy efficiency.

The Impacts on Health and Safety in Each Stage of a Product / Service Life Cycle

Stages of Product Life Cycle	Assessment Implemented
Development of Product Concept	Yes
R & D	Yes
Certification	Yes
Manufacturing and Production	Yes
Marketing and Promotion	N/A (note)
Storage Distribution and Supply	N/A (note)
Use and Service	Yes
Disposal, Reuse, or Recycling	Yes

Note: Wistron is an ODM company, not a brand marketer; therefore, the impacts from this stage are not taken into consideration.

Hazardous Substance Management

Green Product Management System

In response to the EU's Restriction of Hazardous Substances Directive (RoHS), we have reviewed our product lifecycle and redefined our management system. From design, manufacturing and testing to supply chain management, we take effective control measures to establish a corresponding management system. This management system works to ensure that our products comply with regulations and customer requirements for green products at every point in our production, from research, design and material procurement to product packaging and shipping.

With regard to the management of hazardous substances in our products, Wistron established the Environmental Hazardous Substance Control Standards, which cover the terms of RoHS and halogen-free requirements laid out in the EU chemical policy (Registration, Evaluation, Authorization and Restriction of Chemicals; REACH).

Wistron has also implemented a hazardous substance-free control SOP to ensure that all components and materials used in Wistron's products comply with the environmental criteria demanded by our customers as well as legal regulations. From R&D and design to supply chain management, we strictly demand our suppliers limit or remove controlled chemicals, aiming to reduce the impact on and pollution of the environment and the effects on human health of electronic waste.

Since 2003, we have successfully passed annual audits by our customers and have continuously maintained an OEM Green Partner Certificate. Starting at the end of 2006, our global manufacturing sites all passed audits conducted by international certification organizations and received the IECQ QC080000 Hazardous Substance Process Management System Certificate.

We have set up a Green Product Management System (GPM) which serves as an important information system for the management of environmental compliance for components. Through this system, we monitor the use of environmentally compliant components beginning from the design stage. At the same time, all of our component suppliers must pass green component certifications and comply with international environmental standards. Our manufacturing plants use the Enterprise Resource Planning System (ERP) in conjunction with the Shop Floor Control System (SFCS) to manage the use of components and prevent the penetration of non-environmentally compliant parts.

Summary of the IECQ QC080000 Audit

Internal Audit for QC080000	No. of Audits	Reported Problems from the Internal Audit	Result of External Audit
Hsichih Office	0	0	Passed
Zhongshan Plant	1	0	Passed
Kunshan Plant	2	3	Passed
Hsinchu Plant	0	0	Passed
Mexico Plant	NA	NA	NA
Czech Plant	1	4	Passed

Green Product Management Information System



Green Product Management System (GPM)



Management of Environmentally Friendly Materials in the GPM System

Wistron Hazardous Substance Laboratory

We have set up a professional hazardous substance laboratory at every manufacturing plant. Materials used in the plants are tested with advanced equipment to ensure that Wistron's products do not contain hazardous substances. We implement strict due diligence to minimize risks. The laboratory at Wistron's Zhongshan Plant has been certified to comply with ISO 17025 laboratory standards. It is now a full-fledged testing institution at the professional level. In 2011, over 30,000 samples were tested and the results have been stored in the laboratory's global database.

Hazardous Substance Testing available at each Plant

Site	Hazardous Substances
Taipei	N/A
Hsinchu Plant	Lead, cadmium, mercury, total chromium, total bromine, total chlorine
Kunshan Plant	Lead, cadmium, mercury, total chromium, total bromine, total chlorine
Zhongshan Plant	Lead, cadmium, mercury, chromium, bromine, chlorine, Cr6+, polybrominated biphenyls, polybrominated diphenyl ethers, phthalates
Mexico Plant	Lead, cadmium, mercury, total chromium, total bromine, total chlorine
Czech Plant	Lead, cadmium, mercury, total chromium, total bromine, total chlorine



ISO 17025 Certificates

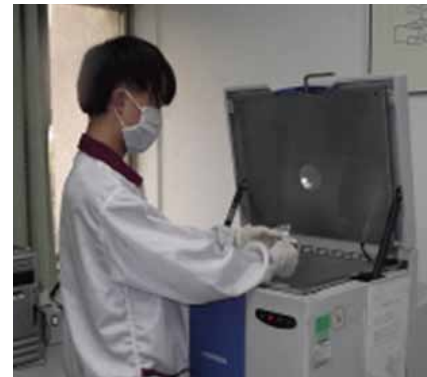
RoHS Laboratory



Extract Polybrominated Biphenyls and Polybrominated Diphenyl Ethers Through a Soxhlet Extractor



Cr6+ Color Comparison Test



Kunshan RoHS Lab



Mexico RoHS Lab



Czech Plant RoHS Lab

Material-Saving Recyclable Design

Currently, most materials used by Wistron are environmentally friendly materials that are compliant with RoHS standards. After taking customer demands, cost factors and legal regulations into consideration, Wistron gives priority to environmentally friendly materials; for example, plastic materials containing recyclable plastics and paper (note). Through the use of environmentally friendly materials, Wistron aims to reduce consumption and wastage of raw materials and minimize impact on the environment.

Wistron manages the use of environmentally friendly materials through the GPM system described above and through selection of materials during product development. The GPM system verifies that all materials used are green components, and materials choices containing recycled plastics and paper are given priority at the product development stage.

1. All electronic components must comply with RoHS standards (except certain specified parts).
2. Product recycling complies with WEEE standards.



3. Paper cartons or user manuals are made with a certain percentage of recycled paper or are in compliance with the standards of the US Environmental Protection Agency.
4. Plastics containing a certain percentage of post-consumer material are chosen during product development.

In addition, we use the customs clearance and shipping system to calculate the volume of materials used to produce the products. The following table summarizes the relevant statistics.

Volume of Product Materials and Packaging Materials

Material Plant	Volume of Material Usage (tonne)		Volume of Packaging Material Usage (tonne)	
	2010	2011	2010	2011
Zhongshan Plant	130,296.36	200,009.87	30,609.18	44,986.41
Kunshan Plant	111,075.60	141,643.49	21,736.00	13,671.60
Total	241,371.96	341,653.36	52,345.18	58,658.01

Note: The amount/percentage of recycled materials used is not disclosed because of the wide variety of materials and lack of availability statistics.



Energy Efficiency and Carbon Footprint

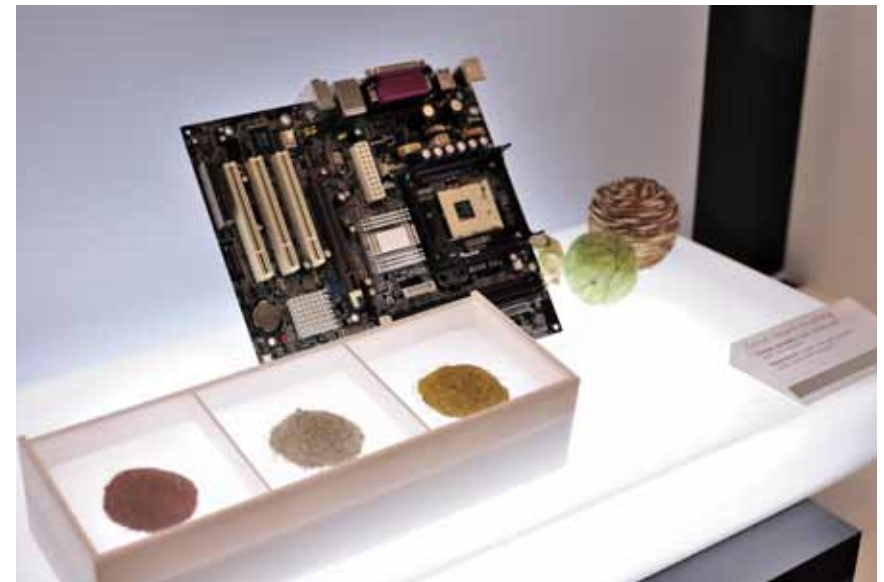
R&D team focuses on energy efficiency when developing a product. The team works closely with customers, technology platform suppliers, factories and component suppliers to maximize energy efficiency. During product development, the team not only strives to meet the energy efficiency requirements set forth by the ErP/EuP (EU) and Energy Star (USA), but also takes E-standby, China CECP and carbon footprint into consideration. Because Wistron is an ODM, application for environmental certifications is the responsibility of our clients. While we work closely with our clients to provide necessary product information, we are unable to monitor certification rates. In practice, in active cooperation with our technology platform provider partners we design and develop products that have a high energy conversion rate, low circuit power dissipation, excellent power management and low energy consumption in standby mode.

Using the lifecycle concept, although electronic products consume the most power during normal operation, we strive to cut down energy wastage, reduce GHG emissions, upgrade product energy efficiency and develop environmentally friendly products. To achieve these goals we are proceeding in two directions: GHG inventory and product carbon footprint. Starting from these two management systems, we will launch corresponding action plans to reduce the overall GHG emissions of all units of Wistron Corporation worldwide and of the production process of every product.

Product carbon footprint is assessed based on five principles: relevance, integrity, consistency, transparency and accuracy. We work with our brand customers to establish a product carbon footprint, and through this system,

we seek opportunities to minimize GHG emissions. In a carbon footprint investigation in 2011 targeting desktop computer products, we identified the components that contributed a high percentage of GHG emissions and supplied our customers with a list of such suppliers, along with a consolidated report. Joint investigation of carbon footprint is the foundation of our mission to reduce GHG emissions. Voluntary investigation will provide a valuable reference for the future development of green management and low-carbon emission designs.

In addition, we have also been actively participating in discussions regarding GHG emissions issues and disclose information associated with GHG emissions and carbon reduction via the EICC Carbon Reporting System.





Humanity

Human Resource Development and Care Workforce Diversity

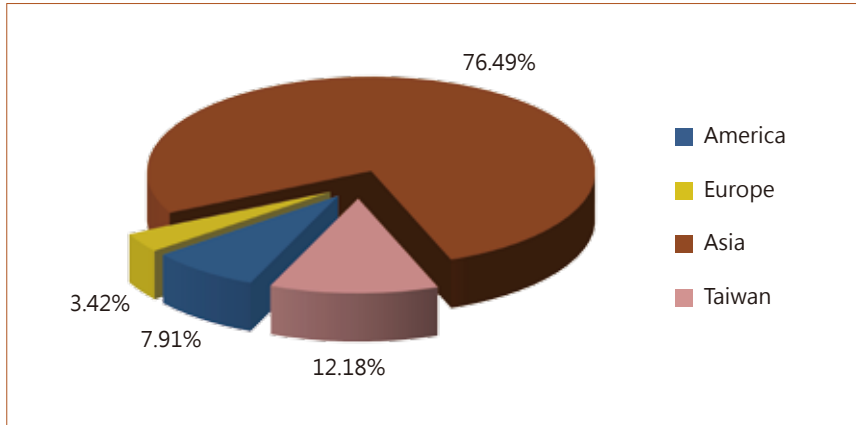
Wistron provide a caring organization that encourages participation and development of personal skills. We value diversity, including diversity in the workforce, suppliers, and the communities in the areas of our plants. With the growth of operation scale, through various recruitment channels, including open recruitment, campus job fairs, employee referrals, and headhunters, we seek to build a highly diverse workforce. In 2011, Wistron has nearly 57,000 employees and the number of global employees grew by 20.1%, compared to 2010. Wistron values talent, so we have recruited talents from various countries. We expect having employees from different cultural backgrounds will stimulate creative thinking, so that we can provide our global customers more professional and localized services. The distribution of Wistron's global employees is summarized in the table below.

2011 Statistics of Employees by Area

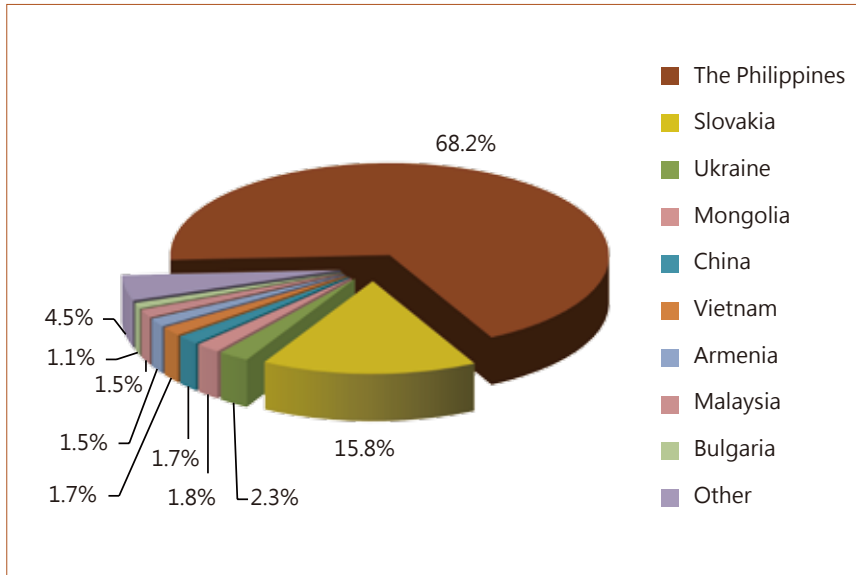
Area	Taiwan	Kunshan Plant	Zhongshan Plant	Czech Plant	Mexico Plant
No. of Employees	6,931	27,186	16,334	1,946	4,500



Worldwide Distribution of Employees



Distribution of Local Hired Foreign Employees by Nationality

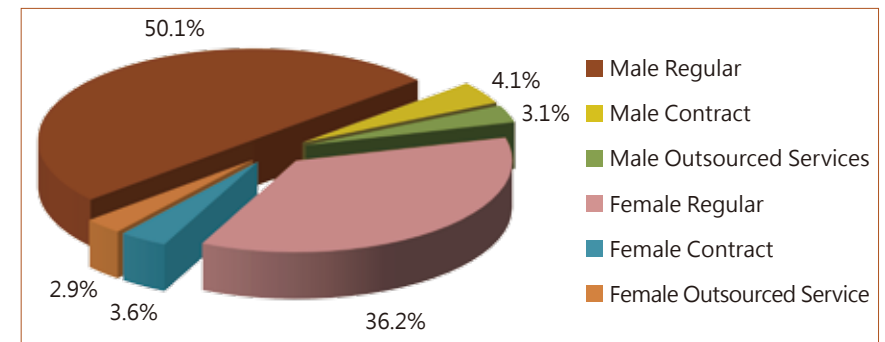


Each of Wistron's sites has a different employee structure due to the different demands in operation and production. The employees in Taiwan and China are mostly Regular employees, but due to production needs, the workforce in the Czech and Mexico plants is characterized by contract workers and outsourced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

Workforce by Employment Type and Region

Employment Type	Kunshan	Zhongshan	Czech Republic	Mexico	Taiwan
Regular	93.5%	95.3%	23.0%	19.1%	98%
Contract	6.5%	4.7%	77.0%	5.5%	1.5%
Outsourced Services	0.0%	0.0%	0.0%	75.4%	0.5%

Distribution of Worldwide Workforce by Employment Type and Gender



Worldwide Indirect Employees by Level, Gender, and Age Group

Age Group	Division Level and Above		Department Level		Section Level		Non-Management		Total
	M	F	M	F	M	F	M	F	
< 30	0.0%	0.0%	0.0%	0.0%	1.0%	0.7%	35.5%	21.9%	59.1%
30-50	0.9%	0.1%	4.3%	0.9%	3.3%	1.3%	20.0%	8.3%	39.1%
> 50	0.6%	0.0%	0.5%	0.1%	0.0%	0.0%	0.4%	0.1%	1.8%

New Hire and Turnover Management

Wistron emphasizes fairness and diversity in its employee structure. Through a fair promotion system and continuous training, we encourage employees' career development because such development builds up the company's competitiveness. When an employee forwards an intention to resign, we respect his/her decision, no matter what the reason is, and proactively explore the cause of the resignation. This gives the company the opportunity to identify problems for further improvement.

The table below shows the statistics of new hires and turnovers in 2011, categorized by gender and age group.



Total Numbers of New Hires and Turnovers in 2011

Item	Age	Kunshan		Zhongshan		Czech Republic		Mexico		Taiwan	
		M	F	M	F	M	F	M	F	M	F
New Hires in 2011	< 30	31,950	26,222	20,560	10,470	699	533	1,808	1,459	1,086	931
	30-50	155	179	361	420	337	459	972	1,014	767	357
	> 50	0	0	2	2	69	130	17	7	22	1
Total		58,506		31,815		2,047		5,277		3,164	
Turnovers in 2011	< 30	27,206	25,726	18,851	10,633	425	194	1,731	1,390	448	266
	30-50	146	172	312	367	196	221	1,070	1,105	523	194
	> 50	0	0	2	0	37	45	24	11	23	3
Total		53,250		30,165		1,118		5,311		1,457	

New Employee Hires Leaving Employment in 2011 by Region

Item	Age	Kunshan		Zhongshan		Czech Republic		Mexico		Taiwan	
		M	F	M	F	M	F	M	F	M	F
Numbers	< 30	21,463	17,897	14,426	7,030	339	141	1,060	871	290	179
	30-50	54	102	192	253	137	163	572	616	170	86
	> 50	0	0	2	0	27	36	4	5	4	0
Total		39,516		21,903		843		3,128		729	
Item	Age	Kunshan		Zhongshan		Czech Republic		Mexico		Taiwan	
		M	F	M	F	M	F	M	F	M	F
Percentage	< 30	87.1%	72.6%	92.8%	45.2%	23.3%	9.7%	22.1%	18.1%	4.8%	3.0%
	30-50	0.2%	0.4%	1.2%	1.6%	9.4%	11.2%	11.9%	12.8%	2.8%	1.4%
	> 50	0.0%	0.0%	0.0%	0.0%	1.9%	2.5%	0.1%	0.1%	0.1%	0.0%

Note: The calculation of the percentage is based on this formula: resigned new hires in 2011/ [(No. of headcounts at the beginning of 2011+No. of headcounts at the end of 2011)/2]

Local Hiring

Wistron strives to develop its human resources from the local communities. We set our priority to “develop local employees to managerial positions” and have been continuously increasing the ratio of local employees in managerial positions. This is part of our effort to localize human resources. In the recent three years, there has been a decrease in the percentage of expatriates from Taiwan and an increase in the number of local employees in managerial positions. Since the scope of disclosure is expanded in 2011, we have simultaneously adjusted the statistics to include 2009 and 2010, as shown in the figures right.

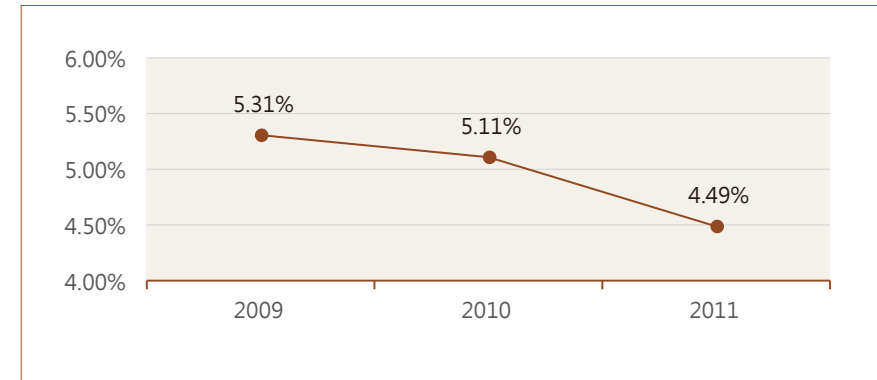
Social Responsibility Management System

As a member of EICC (Electronic Industry Citizenship Coalition), Wistron's social responsibility policy promises to continue complying with related international regulations and local policies, safeguarding and advancing employees' rights and benefits, and building an overall healthy, safe and ethical operating environment.

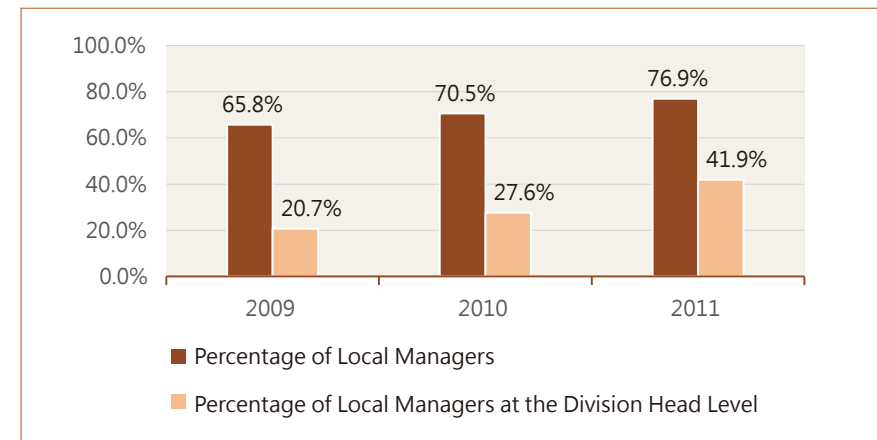
In 2011, Wistron initiated the social responsibility management system at Taipei office, Hsinchu plant and Zhongshan plant, to abide requirements of SA8000 international standards and set up Social Accountability Committees. In Kunshan, Mexico, and Czech plants, certain dedicated units and labor union are brought in to monitor the company's practices regarding child and underage workers, forced labor, discrimination, sexual harassment, and

freedom of expression, as well as advocate employee welfare and human rights.

Percentage of Expatriates from Taiwan in the Recent Three Years



Percentage of Local Employees in Managerial Positions in the Recent Three Years



Management of Child, Underage Workers and Forced Labor

Wistron strictly forbids employment of child workers by implementing reinforced management for underage workers that protect children’s health and education and growth rights. We do not hire children under minimum working age. However, in some areas, workers older than minimum working age but under the age of 18 are employed to fill the need for expanded production capacity. We synchronize the strengthening of the management system for underage workers. Nonetheless, we strictly prohibit underage workers from working long hours and in dangerous works.

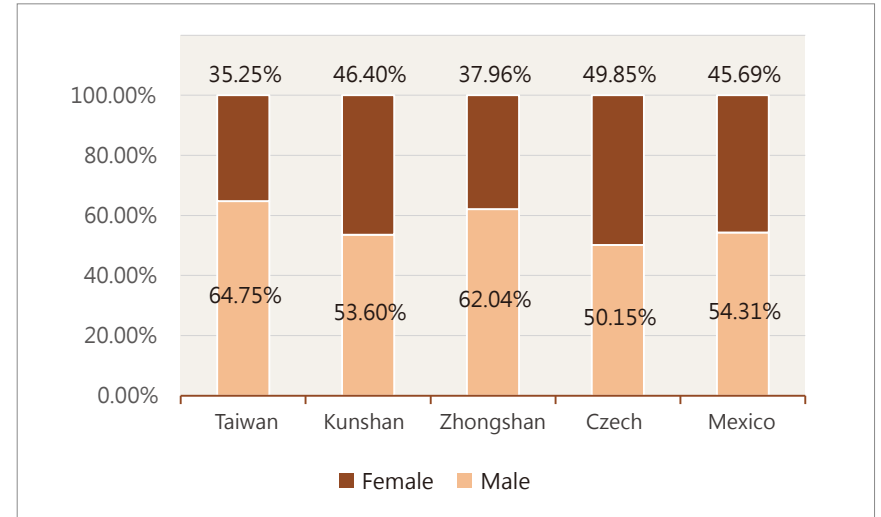
Statistics of Child and Underage Workers in 2011

Employee Category	Taiwan	Zhongshan Plant	Kunshan Plant	Czech Plant	Mexico Plant
Child Labor	0	0	0	0	0
Underage Workers	239	8,318	9,699	0	0

Management of Discrimination, and Sexual Harassment

Wistron strives to practice the principle of fairness. In the management of hiring, promotion, and other personnel-related matters, all employees are subjected to two performance evaluations each year without prejudice, regardless of race, nationality, origin, social status, lineage, religion, gender, sexual orientation, family responsibility, marital status, union membership, political opinion, or age. By the end of 2011, Wistron’s global female employees represent 42.7% of all Wistron employees. The percentage of employees by gender is shown in the diagram below.

Percentage of Female and Male Employees by Region



To advocate the significance of human rights, relevant courses have been launched at each of Wistron’s global operations, and all training courses, including new manager training and target selection, are integrated with information relating to sexual harassment, violation of human rights, discrimination, and other issues to ensure that all managers and the employees under their supervision are aware of the principles of human rights. With the above mechanism, no incidents involving sexual harassment, violation of human rights, and discrimination have been reported.

Human Rights Training for Wistron's Global Employees in 2011

Item	No. of Sessions	No. of Hours (hour)	No. of Participants
New Manager Training	33	98	564
Target Recruitment	6	48	124
Coaching for Empowerment	6	102	30
2011 CS²R Materiality & KPI Working Group Discussion (ENV.EHS) CS²R Legal	1	26	14
Administracion De Factor Humano (Human Factor Management)	1	24	12
Competences Training	1	3	3
CS²R Kick Off	1	30	30
CS²R Report & Gri G 3.1 Introduction	1	8	4
EICC (Electronic Industry Code Of Conduct)	2	4	4
Formadores Con Exito (1 Parte) (Successful Trainers)	1	2	2
Introduction Team Building	1	4	4
Security Orientation	1	0.5	1
HR Induction	1	9	1

Human Rights Training for Security Personnel in 2011

Item	Neihu Head-quarters	Hsichih Office	Hsinchu Plant	Kunshan Plant	Zhongshan Plant	Mexico Plant	Czech Plant
No. of Security Personnel who Received Relevant Training	6	4	20	216	0	81	19
Total No. of Security Personnel	6	4	35	278	0	271	19

Salaries and Statutory Benefits

Salaries and benefits set by Wistron are all compliant with the local regulations. We offer salaries no lower than the statutory minimum and offer the same pay for same work regardless of race, nationality, origin, social status, lineage, religion, physical disability, gender, sexual orientation, family responsibility, marital status, union membership, political opinion or age. We have also designed a reward system within the overall remuneration package. This package includes salary, benefits, bonuses, and dividends. All employees receive two performance evaluations each year and the results of evaluations are used as a basis for granting rewards. In addition, we conduct a salary survey every year and adjust salaries accordingly based on the economy, company operations and personal performance to ensure that our employees' salaries are in line with market standard under the principle of fairness. The table below summarizes the ratio of entry level wage and statutory minimum wage.

Ratio of Entry Level Wage and Statutory Minimum Wage

Area	Kunshan Plant	Zhongshan Plant	Czech Plant	Mexico Plant	Taiwan
Ratio	1.09	1.09	1.40	1.38	1.06

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

The ratio of salaries between male and female workers and the statutory minimum wage is shown in the tables below:

Comparison of Salaries Between Male and Female Workers by Level
– Indirect Employees (Male: Female)

Area	Kunshan Plant	Zhongshan Plant	Czech Plant	Mexico Plant	Taiwan
Division Head and Above	1 : 0.91	1 : 0.90	1 : 1.25	1 : 1.02	1 : 0.96
Department Manager	1 : 0.87	1 : 0.93	1 : 1.03	1 : 0.94	1 : 0.96
Non-Executive Employees	1 : 0.88	1 : 0.94	1 : 1	1 : 0.92	1 : 0.91

Comparison of Salaries between Male and Female Workers by Rank
– Direct Employees (Male: Female)

Area	Kunshan Plant	Zhongshan Plant	Czech Plant	Mexico Plant	Taiwan
Executives	1 : 1.02	1 : 0.98	1 : 0.94	1 : 0.91	1 : 1.31
Non-executives	1 : 1.07	1 : 1.01	1 : 0.94	1 : 0.97	1 : 1.14

We care about the rights of pregnant employees. Therefore, parental leave is made available to employees who need a leave of absence for childcare. And the company actively inquires about the workers' intention to return to work one month prior to the end of the leave. In 2010, the company received a total of 12 applications in Taiwan and the number grew to 21 in 2011. In the Czech plant, a total of 26 applications were forwarded in 2011. The following table

summarizes the number of workers who applied for parental leave and the number of workers who returned to work after the leave in Taiwan and Czech Republic. Parental leave regulations have not been legislated in China and Mexico; therefore, no applications were received.

Applications for Parental Leave in 2011 and the Number of Workers Who Returned to Work in the Recent Three Years

Area	Taiwan		Czech	
	Male	Female	Male	Female
No. of Applications for Parental Leave in 2011	3	18	0	26
No. of Workers Who Returned to Work in the Past Three Years	0	11	0	0
No. of Workers Who Applied for Parental Leave in the Recent Three Years and Returned to Work After 12 Months	0	5	0	0

Balance of Work and Life

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

To prevent overwork, Wistron implemented special seminars in the Taiwan area to educate R&D executives to convey an accurate perception of overtime work. Executives are required to take the initiative to monitor the

overtime situation and shift scheduling issues. All divisions in Taiwan and China are required to report overtime statistics and the units with high levels of overtime will be asked to make proper adjustments. This is to prevent overtime work from jeopardizing employees' quality of life.

Listening to Employees - Keeping Communication Channel Open

Wistron respects the rights of employees and believes that keeping communication channels open and establishing caring communication mechanisms is the key to continuous growth. To facilitate communication between the employer and employees, we have set up free and open communications platforms at each of Wistron's global sites.

An employee relations promotion committee (the "Tomato Meeting") has been set up at the Neihu Headquarters, Hsichih Office and Zhongshan Plant. The company also convenes regular employee/employer communications meetings to facilitate two-way communication. The chairman, administrative managers and employee representatives are invited to participate in these meetings, and employees are free to speak on work and management related issues without fear of retaliation, threats or harassment.

Employee feedback mailboxes, a 24-hour employee hotline and a CEO mailbox have also been set up at the Huadong and Huanan plants. Every worker in the company is free to forward questions and suggestions at any time, and all feedback is welcome. Issues may also be brought to sessions of the Tomato Meeting, and resolutions and meeting minutes are published on the company's intranet within seven days.

All changes in operations are reported by the individual units in charge of the respective operations. In 2011, more than 400 staff responses and

recommendations to improve matters were handled, and contained the following main recommendations and responses:

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

Health and Safety Seminar



A health-related incident involving food containing plasticizers occurred in Taiwan in 2011. Employee representatives proposed that the company should help employees learn how to protect themselves at the Taipei office Tomato Meeting. A seminar was organized, and an invited expert, Ms. Chen Xiu-ling, spoke on the subject of how to lead a hazard-free life in the wake of the plasticizer incident. A total of 156 people participated in this event, and handouts from the seminar were uploaded to the company's intranet for free download.

Education, Training and Career Development

Nurturing talent is the foundation for the sustainability of a business. In our pursuit of profitable growth, Wistron is also committed to helping employees grow with the company and has created a working environment to ensure their continuous learning and career growth. We have adopted integrating business needs with employee career development as our main operating direction, and provided employees with opportunities to enhance their professional skills.

Wistron Training Structure



Moreover, in addition to helping employees find appropriate career development direction, we also list talent management and development as an important management indicator, so that employees can grow together with the company.

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



Education Training System

No	System	Description
1	New Employee Orientation Training	Mainly offered to new employees to help them better understand and identify with Wistron.
2	Professional Skills Training	Provide different training courses based on the unit's professional skill requirements; aim to promote the functioning of professional knowledge and skills; including marketing, research development, manufacturing, materials, marketing, finance, etc.
3	Management Training	Training for general employees, new managers, mid-level managers, senior managers, line supervisors and group leaders to establish culture of consensus and management skills.
4	Quality Training and CS ² R Training	For CS ² R -related employees and managers and employees and managers that have a direct impact on product quality, provide training on quality problem solving and customer satisfaction training, CS ² R -related training; establish company-wide quality process improvement and CS ² R concept.
5	ERP & IT Training	For employees making direct use of Enterprise Resource Planning (ERP) systems, familiarize them with ERP systems and ensure they are capable of using work related software applications.
6	Internal Train-the-trainer Training	Provide internal train-the-trainer training to managers or employees with professional skills and selected by managers to facilitate the transmission of experience and knowledge within the company.
7	Advanced Education Training	Available for all employees located in Taiwan; the main purpose is to improve employees' capability in engineering technology, management skills, and language proficiency.
8	Overseas Expatriate Training	For employees assigned or willing to go on overseas assignments, provide necessary training before assignments to assist them to better adapt to psychological and environmental issues.

Through the eight training systems, between 2005 and 2011, 561 employees have completed the Six Sigma training courses, 19 internal instructors were added, and 121 training projects have been implemented. The average return on investment for each project is NTD15 million in savings. No Training System Notes.

Wistron Culture Workshop

We have organized the Wistron Culture Workshop based on the four Wistron Beliefs, to provide training to our new employees in helping them quickly adopt our corporate culture and create personal and corporate values.

In addition, in order to fulfill our customer-oriented concept, we have also introduced the Moments of Truth Program from IBM. Through combining organizational change management strategy/ policy with full employee participation, this program is capable of creating team spirit, and cultivating personal mindsets and behaviors in service with a lasting influence.

E-learning Platform



To assist our employees in achieving fast, systematic and real-time learning, Wistron has introduced an electronic learning management system. Through this e-platform, we are able to provide digital e-Learning courses to every employee. Within this e-platform, there are currently 10 new employee courses, and 38 R&D courses in Taiwan. The CS²R training, including labor safety education, environmental

hazardous substance, test report reading, and process for green project courses, has also been launched, aiming to ensure that all Wistron's employees are equipped with the relevant knowledge.

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

Affairs to serve as part of a jury in judging the "Employee Innovation Award" for large companies.

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

Wistron is currently investing over NTD10 million in employee education and training each year. Including planning and offering of training courses, 99% of our courses are conducted by internal trainers. On average, we offer over ten thousand online and on-site training courses with more than 800,000 hours in total, and over 540,000 employees have participated in the courses.

Statistics of Training Courses in 2011

Category		No. of Courses	Hours	Attendance	Training Hours Per Person
Employee Category	Direct	97,515	723,035	436,351	1.66
	Indirect	22,111	137,854	159,693	0.86
Gender	Male	86,851	795,772	350,272	2.27
	Female	84,470	801,727	245,772	3.26

Nurturing Future Leaders

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

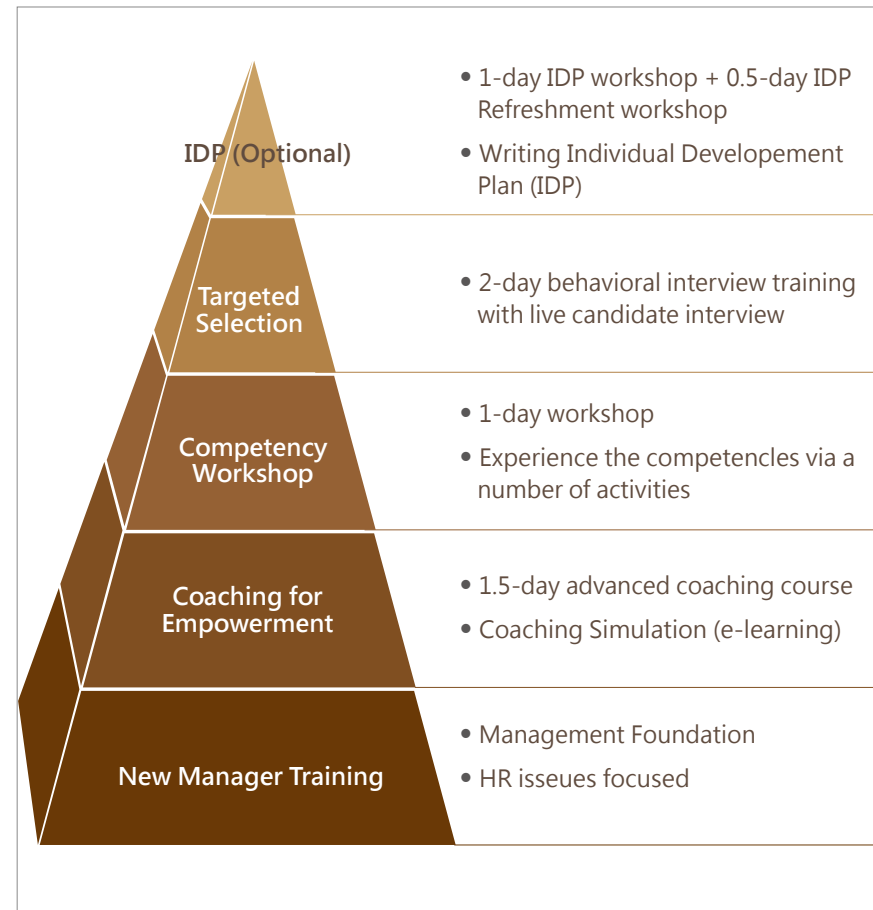
In such an environment, future senior managers will have to evolve from experts in a single discipline to masters of interdisciplinary knowledge. They also need to have international vision and business management capacity in order to lead in this changing environment and help businesses create new patterns to continue growth and development.

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

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

After the five stages of management training and development, as of 2011, we have nurtured high-level business talent, and we will continue with this training approach and apply them continuously throughout the organization.

Management Training Roadmap



Coaching for Empowerment

After training, if there is no follow-up tracking measure in place, the results will usually not last long, and the investment in learning and development will be wasted. Therefore, in our planning for training, we will integrate classroom training with real job assignments and managers' daily coaching all together to establish an interconnected working and training environment. During this process, managers' coaching to their subordinates becomes very important. Therefore, when managers are receiving the Coach for Empowerment training, they will need to go through the following four-step assessment process:

After three years of implementation, employees' satisfaction level in managers' coaching has improved from 4.02 points in 2008 to 4.06 points (out of 5 points) in 2011, showing that times

of coaching and the quality of interactions between managers and employees have been improved and indirectly achieved the goal of talent retention.



1. Pre-class survey

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

2. Classroom course

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

3. E-learning

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

4. Periodic follow-up survey

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



Health & Safety Management

Health and Safety Management System

Wistron believes that “employees are the most important asset of a company.” Therefore, we see our employees’ health and safety as key aspects of employee care. Concrete efforts on our part involve establishment of a systematic, standardized health and safety management system and mechanisms, and we expect to build a human-oriented model of sustainable development.

To achieve this, we set up the Occupational Health and Safety Management System (OHSAS18001) in 2004 to ensure the safety of all employees through continuous improvement in the management system. This system covers education, training, consultation, prevention and risk monitoring of serious diseases for employees, their families and the community.



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

Availability of the plan Yes/No Subjects	Education/ Training		Consultation		Prevention/ Risk Monitoring		Treatment	
	Y	N	Y	N	Y	N	Y	N
Employees	All plants		Neihu headquarters Hsichih office Kunshan plant Zhongshan plant Mexico plant	Hsinchu plant Czech plant	All plants	-	Neihu headquarters Hsichih office Kunshan plant Zhongshan plant	Hsinchu plant Mexico plant and Czech plant
Employees' Families	-	All plants	-	All plants	-	All plants	-	All plants
Communities	-	All plants	-	All plants	-	All plants	-	All plants

Our global plants are required to comply with local regulations. Each year, we carry out emergency evacuation and rescue training to ensure that all our employees are capable of reacting properly in an emergency situation. In addition, we make continuous efforts to improve workplace and machine safety. While establishing our management system, we implemented workplace cleaning and maintenance, actively established work safety standards and reinforced personnel safety training (including: emergency rescue, emergency response and evacuation training). The table below summarized the statistics for incapacitating injuries that occurred in 2011:

Statistics of Incapacitated Injuries

Statistics of incapacitated injuries	Neihu Headquarters	Hsichih Office	Hsinchu Plant	Kunshan Plant	Zhongshan Plant	Mexico Plant	Czech Plant
Injury rate	0.44	0.19	1.31	0.06	0.14	0.43	1.22
Lost day rate	0.00	1.00	13.82	3.32	2.64	16.52	31.00
Occupational diseases rate	0	0	0	0	0	0	0
Absentee rate	182.5	94.1	813.1	431.21	513.11	142.38	10880.22

WMX Training for Chemical Leakage



Twice per year "Chemical Leakage" drills are performed to provide training and preparation to all the involved personnel on the correct way to respond to any "Chemical Leakage".

Fire and Emergency Rescue Training

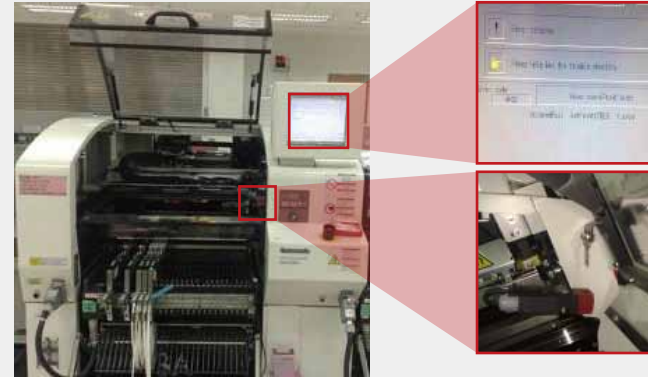


Fire drill at the Kunshan plant



Fire and emergency rescue training at the Mexico plant

Improvements in the Safety of the Machines at the Kunshan Plant



A cover is installed to isolate the moving parts of the machine. When the cover is lifted, the machine ceases operation immediately.



For machines with moving parts that cannot be covered, an infrared sensor is installed for protection.

We have established strict control of operations identified as hazardous to health and safety (e.g., work in elevated areas and exposure to open fire, organic solvents, lead, noise, etc.) with an aim to ensure that our employees have a safe work environment. For other special operations, such as operations involving chemicals, noise, enclosed spaces and forklifts, strict control and

reporting rules have also been enforced. Before operating machinery, Wistron personnel involved in production and engineering are required to undergo orientation to learn the specifications of the equipment, construction of the facilities, names of parts, functions, operational procedures, precautions and machine operation SOP to prevent human error and ensure work safety.

Machines and Equipment Safety-related Practices

Machine Safety
The company strictly enforces pre-operation training and internal certification before putting operators on the production line.
The company carries out regular tests at hazardous work sites for tin dioxide, dust, noise, etc., and test results must comply with national regulations.
For employees who are constantly in contact with hazardous substances, such as in the steel board cleaning room, motherboard maintenance and visual furnace inspection, the company supplies the needed protective gear and implements training programs for dedicated operators.
Elevator facilities are regularly serviced by a professional service provider twice a month.
Moving parts on machines are installed with closed protective covers, and a mechanism is installed to cut off the power automatically when the cover is lifted.
For moving parts that cannot be shielded with a cover, an infrared safety sensor device is installed for protection.
The operators are tested on operating skills once every three months, and the tests are recorded in the training system and on evaluation cards.
Measures such as machine operation safety assessments, operator training, and assessment of implementation of machine SOPs and operating procedures for foolproof safety devices.
The company implements integrated equipment management at all plants, including numbering of machines, labeling of machines with asset inventory stickers and installation of protective or foolproof devices to maintain a high safety coefficient and lower accident rates.

Equipment Safety
The company strictly implements electricity protection measures in accordance with legal regulations and conducts regular testing and maintenance.
Equipment maintenance personnel must be trained in equipment operation safety. They must understand the structure, function, operating principle and performance of equipment, as well as be able to operate, maintain and troubleshoot.
Electrical equipment suppliers must have proper certifications in electric installation.
Maintenance personnel for power facilities must have proper professional licenses and are expected to carry the licenses at work.
Operators must be protected from contact with moving parts on equipment.
All equipment must have a maintenance plan which must be implemented on a regular basis.
All driving disks must be scanned with infrared, and low-pressure disks regularly cared for at least once a year.
Preventive tests must be implemented on high-pressure equipment by qualified suppliers.
All equipment maintenance personnel must participate in intermediate-level training every six months.
All voltage stabilizing wire disks must be scanned with an infrared thermometer once a month.
Equipment is to be regularly serviced according to monthly, quarterly and yearly plans.

Employee Health Care

Wistron treats occupational health and safety as a significant issue in employee care and believes that operational efficiency is closely related to a safe and healthy work environment for employees. Therefore, Wistron makes occupational health and safety a management priority and strives to provide employees with a worry-free work environment.

Health Check-up and Consultation

In order to effectively manage employee health issues, we make special arrangements for our front-line workers to receive routine medical checkups according to the nature of their work and their age. We also work with outside medical organizations to provide our employees with medical and health consultation services through the following modes:

- Wistron Health Information Network: This network offers a wide range of health-related information, targeting the health needs of employees (Neihu Headquarters / Hsichih Office / Hsinchu Plant).
- Medical Consultation Hotline: This hotline is a contracted service, providing health consultation services (Neihu / Hsichih / Hsinchu Office).
- 24-hour Emergency Medical Consultation Hotline: Dedicated personnel are employed to provide emergency medical consultation services.
- A one-on-one consultation with a medical specialist is arranged once a month (Neihu / Hsichih Office).
- Health checkups for all employees (Neihu / Hsichih / Hsinchu Office).
- Influenza inoculations for the employees in June and October .
- A medical office is set up at every plant to provide medical consultation services (Zhongshan / Mexico Plants).
- Health specialists are engaged to plan health promotion activities and services (Neihu & Hsichih Office / Hsinchu & Kunshan Plant).



■ Mexico Clinic

■ Psychological consultation

■ Medical office

Health Promotion Activities Give the Employees Proper Care

Wistron cares for the physical and mental health of employees. To help them release stress from work, a series of activities is regularly held at our offices. Targeting different employee groups, different activities are organized to help our employees manage their health. Our global offices launched over 200 activities related to health promotion in 2011. These activities were of the following types:

- Health Seminars: Specialists were invited to speak on health-related topics (all global offices / plants).
- Sports: Individual or team sports were organized for the purpose of physical training and effective stress release (all global offices / plants).
- First aid seminars: Employees attended first aid seminars and obtained certifications (all global offices / plants).
- Pregnancy health seminars: Pregnant employees received help to learn to care for themselves (Neihu Headquarters/Hsichih Office/Zhongshan Plant).
- Relaxation Activities: A series of activities helps employees release stress (all global offices / plants).
- Sports facilities: Sports facilities are set up at offices / plants, including basketball courts, soccer field and billiards room for after-work exercise (Neihu & Hsichih Office / Kunshan & Zhongshan & Mexico Plant).

Comprehensive Welfare System

Wistron values the well-being of its employees. In addition to meeting legal requirements, we are committed to helping our employees maintain their quality of work and life. Employee Welfare Committees have been set up at the offices and plants in Taiwan to organize employee welfare activities. The company has also set up dedicated units with full-time staff at plants outside Taiwan to plan employee welfare activities. Wistron has laid out a comprehensive plan to care for employees.

Activities Enrich Life

The company organizes a series of activities to help employees release stress from work and enrich their lives. The social welfare committee at each office organizes various activities for employees during break times. The Taipei office organizes seminars, DIY activities and mini-competitions during lunch breaks. Our plants around the globe arrange a wide range of healthy activities in the dormitories. Large events are also organized during major holidays to create a festive atmosphere for workers away from home. We believe that healthy recreational activities not only enrich the employees' lives, but also bring balance to life and work. They are beneficial to health; therefore, the company

Wistron employee actively to take part in domestic activity to show their team spirits.



has been active in organizing recreational activities. The Neihu Headquarters and Hsichih Office in Taiwan organize over 1000 events every year.

Team Sports Build Team Spirit

Employees work with their colleagues eight hours a day. They spend more time together than with their families and friends. Therefore, team members with good relationships can often provide good support for each other both at work and in daily life. Department members form teams to participate in all manner of sports tournaments. They actively participate in competitions and fun games on Family Day. Wistron teams have been active participants in large, public events, such as the Cross-Sun Moon Lake Swim, Taipei Marathon, Taipei 101 Run Up and Taipei Night Run. These activities not only enrich employees' lives, but also help them build valuable friendships.



Arts Touch the Hearts

Wistron regularly organizes art events and encourages its employees to participate in concerts and art exhibitions. Through arts and culture, Wistron aims to enrich its employees' minds. On Father's Day, the Wistron Taipei office invited employees and their fathers to the Love Music Concert given by a visually impaired musician, Xu Zhe-cheng. The Employee Welfare Committee at the Taipei office also negotiates discounts for performing arts events. In 2011, more than 4000 tickets worth over 2 million NTD were purchased by Wistron employees. The Zhongshan Plant has also hosted employee Chinese painting, calligraphy and photography exhibitions, and the Kunshan Plant has



hosted photography competitions. Wistron encourages its employee to participate in life-enriching art activities.

Warm Feelings and Affection

The company organizes a series of fun activities during the Chinese New Year, Dragon Boat and Mid-Autumn festivals. In 2011, the Hsichih Office hosted a series of events, including couplet writing, lantern riddles and rice dumpling competitions. These activities filled the offices with holiday spirit. During Mother's Day and Father's Day, the Hsichih Office organized special family activities, inviting parents of employees to the events as a way of encouraging employees to express gratitude to their parents.





Social Participation and Care

Social Participation

Our employees worldwide have also been highly active in social events. The table below summarizes the amounts invested in social care by Wistron offices and plants in Taiwan, Zhongshan, Kunshan and Mexico, and by the Wistron Foundation:

2011 Statistics of Social Investment		Unit: NTD
Category	Amount	
Employee Welfare Committee' s charity activities	10,856,828	
Employees' voluntary participation in company-initiated social service activities	8,132,789	
Corporate participation, social service sponsorships (including Wistron Foundation)	42,383,264	
Total social investment	61,372,881	

Note: the calculation is based on the following exchange rates: NTD: CZK (1:1.5273); NTD: MXN (1:2.1620); NTD: CNY (1:4.7936).

Social Participation; Care for Society

Wistron has always played a positive role in encouraging employees to participate in social welfare activities, because a caring heart grows one's spirit. A dedicated social service area was set up on the company intranet where information encouraging employees to participate in charitable auctions and donations is posted regularly. As an example, after the March 11 earthquake in Japan, employees took the initiative to participate in related events and make generous donations. In 2011, Wistron employees donated over NTD 8 million to various charitable causes. From the book drive and battery recycling at the Kunshan Plant, blood drive and charity walk at the Zhongshan Plant, to the charity walk for the ORBIS Fund for the Visually

Impaired organized by the Taiwan offices, Wistron calls upon its employees and their families to join in supporting social causes.

Community Scholarships and Grants

Wistron has plants in Kunshan (Eastern China) and Zhongshan (Southern China). To give back to society and encourage education, the company issued a donation of RMB 500,000 as a fund for scholarships to provide education for disadvantaged children.

Charity Drives Delivered the Holiday Spirit

Wistron procures employee holiday gifts through charity drives. In 2011, over NTD 7 million worth of goods was procured, including the following items:

- Chocolates for Valentine's Day (Neihu headquarters/ Hsichih office)
- Rice Dumplings of Love for the Dragon Boat Festival (Neihuheadquarters/ Hsichih office/ Kunshan plant)
- Orbis International Love Mooncake for the Mid-Autumn Festival (Neihu headquarters/ Hsichih office)
- Tzuchi Love Mooncake for Mid-Autumn Festival (Kunshan plant)
- Event polo shirts made from recycled PE bottles from the Tzu Chi Foundation (Neihu Headquarters/Hsichih Office/Hsinchu Plant)

Charity Drives Generate Team Spirit

The Neihu Headquarters and Hsichih Office organize a second hand goods drive on the second day of every month. Organizing team calls upon every employee in the company to donate second hand goods, which are then donated to second hand stores. This activity encourages employees to recycle in the support of charitable causes.

A dedicated website was set up to publish information relating to donation and charity drive activities, and a series of activities has also been organized to encourage participation. In 2011, a total of 250 boxes with over 6000 items were collected. Donations were made to the Kuang Jen Cultural and Education Foundation, Merry Charity Foundation, Taoyuan County Spinal Cord Injury Foundation, the Love to Read Workshop for the Physically Impaired, the Love to Read Second Hand Bookshop, etc.

These events receive a positive response from Wistron employees and their families. In the future, the company will work even harder to encourage executives to lead their staff to participate in the events. This kind of charity work can help build a strong, warm sense of team spirit.

Wistron Foundation active in social care to feedback society

Other than employees' voluntary participation in public welfare activities, the Wistron Foundation has also been active in a series of social care events and charity drives. The following is a list of 2011 events:

Events

- Donation drive for Japan
- Sponsorship of Hsichih Mathew and Luke Church's "After-school Class for Disadvantaged Children"
- Sponsorship of Ilan County Zhuangwei Elementary School's "After-school Class for Disadvantaged Children"
- Sponsorship of the ToSun Foundation's "Midway House for School Dropouts" program.
- Sponsorship of the Taiwan Wilderness Education Association's "Juvenile Birds Program for school dropouts"
- Sponsorship of the "Let Love Fly with the Beauty of Taiwan"

international performances. "Birds and Water Dance Ensemble" is a dance group formed by persons with physical and visual disabilities and dwarfs.

- Sponsorship of the "Crime Free City" program organized by the Crime Free Advocates Association.

Charity Drives

- Donated second hand computers to organizations for disadvantaged children in response to the 2011 KPMG Send Love to the Mountains charity drive initiated by Ernst & Young.
- Donated 14 brand new notebook computers to the Boyo Social Welfare Foundation for the junior high and elementary school students outreach program.

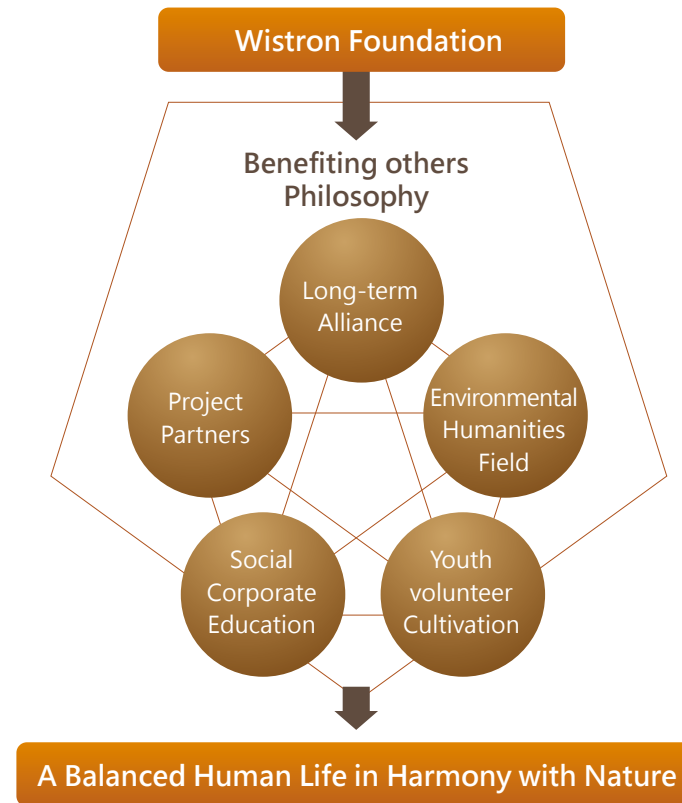
The Wistron Foundation

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

The Wistron Foundation was established in 2010. Mr. Simon Lin holds the position of its chairman. The Wistron Foundation strives to protect the environment and maintain ecological balance, advocate the values of the humanities, and fulfill Wistron's corporate social responsibility.

We aim to expand Wistron's business philosophy of "benefiting others" from the community to the entire society. For a long time, Wistron has been involved in the activities of caring for humanity and the environment through sponsorships in a variety of public welfare projects, including donations to disadvantaged children and remote schools, and cooperating with prospected NGO/NPO partners. From the four principles, "Protecting the Planet" ,

"Cherishing Life" , "Improving Quality" , and "Creating Value" , we expanded the focus into several issues, "teaching humanism" , "concern for humanity" , "environmental education" , and "concern for the environment" . We enlarged our corporate culture of respecting and protecting nature to include our responsibilities and actions as a citizen of Earth and expect to build an interactive, harmonious, mutual-reliant, and win-win relationship through balancing "technology and humanity" , "humanity and the environment" , and "nature and civilization" . Our goal is to create a positive and sustainable cycle for all lives on Earth.



Teaching Humanism

- Ci-Xi Waldoef School's Teacher-training Campaign
 - Natural Humanities Series
 - College Student Social Contribution Grant
 - IC Broadcasting " idioms Easy Say"
 - Art Society Corporate Incubation Program
 - Juvenile Birds Program for School Dropouts



Concern for Humanity

- PTV " A Year in the Clouds" Documentart
- XizhiMatthew and Luke Church's "After-school Class for Disadvantaged Children"
- The Alliance Cultural Foundation-Hualian Taitung Project
 - Movie " When the Migratory Birds Come
 - Oriental Cultural Heritage Protection
 - Zhuangwei Elementary School's "After-school Class for Disadvantaged Children"
 - Single-parent Families Companion Project
- Birds and Water Dance Ensemble International Performances
 - Boyo Welfare Foundation " After-school Class for Disadvantaged Students"

Wistron Foundation ~A Balanced Human Life in Harmony with Nature~



Touching Nature, Inspiring our Lives

Environmental Education

- Fuyang Eco Park
- S.O.W Children's Nature Camp
- ShuanglianPi Environmental Education Station
- Wu-Wei-Gang Environmental Humanities Station



Concern for the Environment

- Water Source Investigations and Supervision Center
- Hima Foundation- Million Trees Project
- PTV "Ebb and Flow" Documentary
- Wetland League- Preservation of Taiwan's endemic plants
- Global Views Monthly-" Think the Earth" Youth Volunteer
- Volunteer of Taiwan Amphibians Database
- Mini Noah's Ark-Spore Conservation and Restoration of the Common Tree Fern

Environmental Education and Awareness

2003, Wistron celebrated family day activities in support of the Society of Wilderness. The company set up a sponsorship for the Society of Wilderness in 2004 and holds the “Children's Nature Camp” each year. These activities are co-hosted with child welfare organizations, schools, and disabilities associations and have expanded from Taipei to Taoyuan, Hsinchu, Chiayi, Tainan, Kaohsiung, Hualien, and Ilan. Up to date, a total of 4,424 special education children and children from disadvantaged families had participated in the nature observation activities.

Typhoon Morakot was a trauma to all in Taiwan and the road to restoration is hard and long. In 2010, we initiated a long-term companionship program targeting children in disaster areas. We are happy to see that, from the feedback, these children are taking a turn to establish a relationship with nature, which encouraged us to expand this long-term companionship program. In cooperation with nine organizations, the Society of Wilderness extends the bimonthly activity and overnight camp event to include other children’s service organizations. We also arranged the camps to coincide with some environmental events like Coastal Cleanup Day and Earth Day; children can therefore experience natural beauty and show their care for the Earth with actions.



Children's Camp

Successively following the “Children's Nature Camp” , we teamed up with the Society of Wilderness again to adopt the Taipei City Fuyang Eco Park since 2006. To ensure that Fuyang stays as a primary forest, as well as protect the abundant natural resources, we continuously organize volunteer and training programs. Other than the mountain clean-up activities and working holidays for clearing of the foreign species, we have also invited experts to conduct ecology and habitat restoration research and restoration of the ecologic pool. At the same time, we actively promote environment guide training programs to communities, schools, and the general public. Up to 2011, we have trained over 170 corporate and community guard volunteers, and through environmental education, nature seminars, and environmental guide experience activities, we have influenced over 8,800 individuals.

For volunteer development in other areas, we cooperate with Global Views Monthly in the “Think the Earth” environmental volunteer program and led 138 students and young adults to participate in environmental volunteer activities. Making the actions become touching moments, we have planted the seeds for nature conservation in these potential volunteers. To expand this influence to the general public, we hosted a forum entitled “Building up Taiwan - Ecology, Humanity, and Culture” , which attracted 400 participants. Other than that, we have also sponsored Tung Hua University's Volunteer of Taiwan's Amphibians Database Program. In 2011, we sponsored 34 volunteer teams and over 150 individuals are now involved in preserving Taiwan's endemic amphibians.

Through adoption of the “Fuyang Eco Park” , the Wistron Foundation had the opportunity to create a field for nature education in the center of a city. This is a successful model of a community, government, NGO, and corporate alliance. In 2010, we took a further step to adopt the Ilan County Shuanglian Pi Eco-Classroom in cooperation again with the Society of Wilderness.



Shuanglian Pi is a national-class wetland, classified by the Forestry Bureau (the Council of Agriculture), as well as a Wildlife Reservation Area of Ilan County. Its unique floatland and wetland ecology and abundant natural resources are representative of Taiwan's ecosystems. Wistron has pushed forward nature education, environment advocacy, preservation research programs, and experiencing /eco-guide activities. We have also set up a friendly community farmer platform to promote chemical-free products. Up to the end of 2011, over 8000 individuals have visited the wetland or participated in the activities.

The Ilan County Wu-Wei-Gang Wetland is also a classified waterfowls and wildlife reserve. We expect to develop the "Wu-Wei-Gang Environmental Humanities Station" into an "Environment and Humanities Education Development Platform" for the greater Wu-Wei-Gang community. In 2011, our sponsorship started from Yueming Elementary School, which was expected to be the base of future expansion. This program helps schools in remote areas to develop their own unique characteristics, incorporating the elements of ocean education, wetland exploration, and sustainable energy. We also expect to initiate a trend of exchange learning. Through the Kavalan



Shuanglian Pi

Sailboat Summer Camp and Happy Kid' s Tree Climbing Camp, we integrate environmental education into exploration activities. These activities bring the children special experiences of creative space exploration and allow them to discover the harmonious relationships between humanity and nature.

Tree nurturing is one of the most cost effective ways to stabilize the climate and retain precious soil. The "Million Trees Project 2011" is co-organized by the Hima Foundation, private and public groups, and schools in Africa, Australia and America. Supporting the idea of "1 Million Trees for 1 Million People in 1 Hundred Cities: Let' s Cool Down the Planet!" On Earth Day (April 22rd), the first tree nurturing event was held at the Taipei Fudekeng Environment Restoration Park, and in early May, the second tree-planting event was held at the Seascape Park of Budai Township Chiayi County. This series of activities mobilized over 16,000 person-times and planted over 20 thousand endemic trees. We expect that, after these trees have grown to maturity, they will help us to cut down a substantial amount of GHG emission. Other than the tree-planting activities, we have also established a partnership with the Taiwan Society of Plant Systematics. Through this partnership, Wistron sponsored the Mini Noah's Ark Program- Spore Conservation and Restoration of the Common Tree Fern, targeting preservation work for endemic species, which have been dying in massive numbers in the recent five years. Other than preserving the species, we have



Millian Trees Project

also launched a series of the common tree fern -related environmental education programs, aiming to integrate species preservation, rehabilitation, and education with sustainable development.

In recent years, Taiwan has been hit by several deadly disasters. Every summer, storms and typhoons erode hills and mountains, the problems of illegal land development and logging have never been properly handled, and poorly designed slope protection and water management constructions are hiding potential risks. Massive amounts of unclaimed debris and heavy-metal residuals have been found on farmlands and river shores in southern Taiwan. This matter has been investigated and found that this waste returned to our daily life in the guise of recycled resources. If this continues,

the pollution will definitely have a serious impact on our ecology. We sponsored the Environmental Initiatives Group of Tainan Community University to set up the Water Resource Survey and Monitor Center. This center conducts survey and documenting work for river sources in mountain areas, investigates and monitors toxic waste and environmental pollution, develops civic power for social justice, and leads the public to participate in caring for the environment.

Education in Humanities

The Ilan County Ci-Xin Waldorf School is an experimental school for compulsory education sponsored through private funding. The school aims to build confidence in education reform and serve as a model for the education sector in Taiwan. In 2010, Wistron sponsored the school to allow it to build a new building, and in 2011, the company continues to support the development of characteristic education by sponsoring the Teacher Training System and Specialist Teacher Development Program. The Ci-Xin Waldorf School realizes its ideals and instills its values through diversified education. The school teaches the next generation to respect life and the land with positive values and leads students to love and help each other. This is a school which builds its education on nature, environment, and culture and advocates environmental development in urban areas. It is an education of creative thinking that brings society new energy.

To encourage creative thinking and active participation in social welfare and nature preservation, Wistron launched the College Student Social Contribution Grant. This grant aims to encourage college students to change society through creative thinking. We believe that the passion and creativity of young adults will fuel their desire for social participation and this grant will help more students to realize their dreams of serving society.



The “Tech-men” Nature Humanities series of activities aims to provide our technical workers information on the quality programs and outstanding partners sponsored by Wistron. This program has also brought in the experiences and professional knowledge of local residents and environmental resource experts. They provided valuable information in both ecology and culture, and the activities also substantially contributed to the local economy. The event had 140 participants, and many of them later became advocates for environmental guard volunteers.

The Alliance Cultural Foundation initiated the “Hualien and Taitung Projects” , and Wistron answered the call. This program is expected to preserve valuable resources in Hualien and Taitung through consolidation and public-private cooperation. Wistron set up a resource integration platform to stream the effective resources and brought in experts to explore the artistic potential of aboriginal and disadvantaged children. This program provides a stage for artists to showcase their gifts and is expected to develop Taiwan's eastern region into a center for slow living. While developing new values and the tourism industry, we aim to help Taitung develop sustainably.

The National Culture and Arts Foundation promote the development and consolidation of the arts and culture industries, independent culture and art



businesses that present the values of society, and professional human resources. The Foundation is dedicated to the development of an alliance between arts and business. Wistron sponsored the “Art Society Corporate Incubation Program” , aiming to facilitate promotion of social and corporate development of arts and building of a culture and arts industrial value chain. We strive to create win-win opportunities for businesses, society, and the arts and culture industry, and a mechanism of sustainable development for the arts and culture industry.

The Wistron Foundation is honored to be the exclusive sponsor of the public TV documentaries “A Year in the Clouds - Smangus” and “Ebb & Flow” . The documentary films won multiple honors at the 2011 Montana CINE International Film Festival. “A Year in the Clouds - Smangus” won the Best Indigenous and Native Peoples Documentary Award and Honorable Mention for Educational Value, and was an “Official Selection” of the film festival. “Ebb & Flow” won Honorable Mention for Conservation Awareness. The success of these two documentaries shows the respect and concern of the international efforts of Taiwan's humanistic ecology.

Statement

INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

BUREAU VERITAS Certification Taiwan has been engaged by Wistron Corporation to conduct an independent assurance of its "2011 Corporate Sustainability & Social Responsibility CS²R Report". This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the "2011 Corporate Sustainability & Social Responsibility CS²R Report" are the sole responsibility of the management of Wistron Corporation. Bureau Veritas Certification Taiwan was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

Scope of work

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

Data and information included in the 2011 Corporate Sustainability & Social Responsibility CS²R Report - for the year 2011

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

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

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

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

activities outside the defined verification period;

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

the information comes from the location beyond Taiwan, China, Mexico and Czech Republic sites, which constitute the defined boundary of this assurance.

Methodology

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

1. Interviews with relevant personnel of Wistron Corporation - 47 employees interviewed
2. Review of documentary evidence produced by Wistron Corporation;
3. Site visit to New Taipei County and Hsinchu and Taipei County in Taiwan; Kunshan and Zhongshan in China; Benito Juarez city in Mexico and Brno city in Czech to assure the information correctness.
4. Review of performance data by sample-based review of the procedures that Wistron described in the report.
5. Review of Wistron Corporation systems for quantitative and qualitative analysis of data by sample-based checks of the processes for gathering and managing the data included in the report.
6. Review the stakeholder participation process, but Bureau Veritas does not, itself, take part in the stakeholder engagement activity.
7. Understand and interview on the policies, and review the relationship between the opinions from the stakeholder and the policies.
8. Observe the AA1000 APS, and assure the scope of work is compliance with the AA1000AS.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance. For this assignment, we have used the International Standard on the GRI Reporting Framework and AA1000 Typell.

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

Our findings

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

1. The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement;
2. The information is presented in a clear, understandable and accessible manner;
3. The "2011 Corporate Sustainability & Social Responsibility CS²R Report" provides a fair and balanced representation of activities during the year 2011.;
4. The information in the "2011 Corporate Sustainability & Social Responsibility CS²R Report" allows readers to form a balanced opinion of Wistron Corporation activities and performance during the year 2011.;

5. Wistron Corporation has established appropriate systems for the collection, aggregation and analysis of relevant information;
6. The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard principles of Inclusivity, Materiality and Responsiveness in its operations. Further detail is provided below;

Alignment with the principles of AA1000AS

Materiality

- We cannot point out any substantial aspects of "2011 Corporate Sustainability & Social Responsibility CS²R Report" missed by the company's management when making the Report or omitted purposely from reporting.
- The report is a balanced exposition of substantial economic, environment and social aspects of Wistron Corporation activities, determining indicators of the company's sustainable development considering potential and the conditions of development of the regions of operational activities.
- Information presented in the Report and on the corporate site is significant for stakeholders and can have an impact on their future decisions and behavior toward the company. The Report addresses the range of environmental, social and economic issues of concern that Wistron Corporation has identified as being of material importance.
- The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The performance is the result from their system management result. The Materiality issue is concerning about the focus on clients.

Completeness

- Proceeding from our verification, we cannot name any unit/object of Wistron Corporation which is substantial for social reporting but not reflected in the Report's consolidated information.
- We think that the initial data of Wistron Corporation about the key indicators of performance were united and presented in the Report correctly. We did not find out any failures which might influence the completeness of disclosing activity indicators in the Report.
- Alongside with this we think that in describing management approaches, the company could have revealed more completely the general organizational objectives in relation to effectiveness with regard to each category of aspects.

The Report accurately reflects the Wistron Corporation understanding and management of the material issues it has identified. All areas and activities over which the organisation exercises influence or control have been considered for inclusion, without undue omission. Completeness of information has been pursued via established governance, customer focus and risk management processes.

Responsiveness

- We are not aware of the areas which could have been reflected but were not reflected in the Report and in which the company would not be able to respond to the well-founded requirements of stakeholders.
- Responding to the needs of the regions of operational activity is exercised by way of realizing certain projects in the sphere of charity and sponsor activity. A basis for imparting the planned character to this activity on the corporate scale was created during the reporting.
- The greenhouse gases have been calculated and the quantity in Czech Republic had been rechecked for correctness.

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

GRI report Structure

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

Key areas for ongoing development

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

- Verify the quantification description throughout the report with an effective methodology.
- Extend the stakeholder engagement process to formally capture stakeholders' concerns and views in a structured manner across the organisation and also invite the 3rd party to participate the process. (MATERIALITY);
- A consistent approach to consultation with key stakeholders should continue to be a focus for improvement, to further reduce the possibility of unintentional exclusions to the scope of reporting (MATERIALITY);
- Enhance Corporate Responsibility awareness through internal workshops and leadership programmes over all entities falling within the scope (COMPLETENESS);
- Enhance, in the information system, the methodology of collecting and verifying information to ensure correctness.

Limitations and exclusions

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

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

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

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

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual turnover in 2010 of 2.9 billion EURO.

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

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

Bureau Veritas Certification Tawian

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



Technical Reviewer: 

Date: 30 / April / 2012

Assurer: Chei-Fan, Chang

Date: 24 / April / 2012

GRI Mapping Table

GRI		Response
Strategy and Analysis	1.1	005~008
	1.2	046-048
Organizational Profile	2.1	001~002
	2.2	016~018
	2.3	020~022
	2.4	001~002, 020~022
	2.5	020~022
	2.6	035~039
	2.7	016~018
	2.8	041~044
	2.9	016~022
	2.10	031
Report Parameters	3.1	001~002
	3.2	001~002
	3.3	001~002
	3.4	001~002
	3.5	049~054
	3.6	001~002
	3.7	001~002
	3.8	001~002
	3.9	001~002

GRI		Response
Report Parameters	3.10	068, 137
	3.11	007~008, 049~054
	3.12	191~192
	3.13	187~190
Governance, Commitments, and Engagement	4.1	030~032
	4.2	030~032
	4.3	030~032
	4.4	053~059
	4.5	030~032
	4.6	030~032
	4.7	030~032
	4.8	007~008, 031, 062
	4.9	031, 036, 062
	4.10	031, 061~063
	4.11	046~047, 061~063
	4.12	025~026
	4.13	025~026
	4.14	049~056
	4.15	049~056
	4.16	049~056
	4.17	049~056

GRI		Response
Economic Performance	EC1	042, 059
	EC2	046~047
	EC3	142
	EC4	041
Market Presence	EC5	142
	EC6	111
	EC7	137~138
Indirect Economic Impacts	EC8	172~175
	EC9	060
Materials	EN1	126
	EN2	126 (Not Material)
Energy	EN3	069
	EN4	069
	EN5	075~076, 081~082
	EN6	075~076, 081~082
	EN7	081~086
Water	EN8	083~084
	EN9	083
	EN10	083~084
Biodiversity	EN11	089
	EN12	089
	EN13	089
	EN14	089

GRI		Response
Biodiversity	EN15	089
Emissions, Effluents, & Waste	EN16	067~068
	EN17	113, 127
	EN18	069~076
	EN19	079
	EN20	079
	EN21	083~084
	EN22	085~088
	EN23	079
	EN24	085~088
Products and Services	EN25	083
	EN26	116~118, 120~126
	EN27	126
Compliance	EN28	079
Transport	EN29	079
Overall	EN30	081~082
Employment	LA1	134
	LA2	136
	LA3	142
Labor/ Management Relations	LA4	145
	LA5	145~146
Occupational Health & Safety	LA7	160
	LA8	159

GRI		Response
Training and Education	LA10	152
	LA11	147~156
Diversity & Equal Opportunity	LA13	132~134
	LA14	142~144
	LA15	144
Investment and Procurement Practices	HR1	040
	HR2	113
	HR3	140~142
Non Discrimination	HR4	140
Freedom of Association And	HR5	111,137
Child Labor	HR6	139
Forced And	HR7	111
Security Practices	HR8	142
Indigenous Rights	HR9	140
	HR10	40,140
	HR11	140
Community	SO1	053~059
Corruption	SO2	037
	SO3	038
	SO4	037
Public Policy	SO5	038
	SO6	038
Anti-Competitive	SO7	037

GRI		Response
Compliance	SO8	036
	SO9	061
	SO10	061
Customer Health & Safety	PR1	119 (Not Applicable)
	PR2	119
Product & Service Labeling	PR3	127
	PR4	119
	PR5	107~110
Marketing Communications	PR6	Note (Not-Applicable)
	PR7	Note (Not-Applicable)
Customer Privacy	PR8	41
Compliance	PR9	41

Note: Wistron' s business type is B2B, no marketing communication activity.