

wistron



CS²R

Wistron Corporation
2016 Corporate Sustainability &
Social Responsibility Report

Editorial Policy

Welcome to the eighth issue of the “Corporate Sustainability and Social Responsibility (CS²R) Report” published by the Wistron Corporation (Wistron). This report is published in both Chinese and English and has been posted on our website for free downloading (www.wistron.com). We hope that the greater transparency in this report will provide all stakeholders with a better understanding of Wistron's practices and achievements in fulfilling our CS²R obligations in 2016.

Period Covered

The Corporate Sustainability and Social Responsibility (CS²R) Report for the preceding year is published by Wistron on an annual basis. The previous report was published in June, 2016. This report covers Wistron's CS²R management policy, key issues, actions and performance for 2016 (January 1 ~ December 31, 2016).

Scope and Boundary

The scope of the information disclosed in this report covers performance in economic, environmental and social aspects. The organizational boundary of this report encompasses Wistron's operations in Taiwan and its main global manufacturing plants. Comparing with last year, Taizhou Plant is new added to the scope of information disclosure. The boundary covers as follows:

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

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

Guideline for Report Preparation

The preparation of this report followed the Sustainable Reporting Guidelines Version G4 (GRI G4) developed by the Global Reporting Initiative (GRI). The contents of this report have been verified by an independent third party based on the AA1000 standards and comply with GRI G4 core level requirements.

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Performance Summary

Aspects	Performance Indicators	Unit	2016	2015
Economic	Total Revenue	Millions of NTD	659,908	623,274
	Earnings per Share	NTD	1.20	0.53
	Total sales Volume	Per unit/Piece/ Items	123,818,805	141,860,865
Environmental	Total Greenhouse Gas (GHG) Emissions	Tons-CO2 equivalent (CO ₂ e)	343,004.45	275,225.30
	- Scope 1		29,055.43	19,748.67
	- Scope 2		313,949.02	255,476.63
	GHG Emission per Unit-revenue ^[Note]	Kilotons/Billion NTD	0.55	0.59
	Total Water Consumption	Cubic Meter	4,164,118	3,723,098
	Water Consumption per Unit-revenue ^[Note]	Kilotons/Billion NTD	6.75	7.95
	Total Waste Generation	Tons	35,122.34	30,863.48
	Waste Generation per Unit-revenue ^[Note]	Kilotons/Billion NTD	0.063	0.066
	Total Environmental Expenditures	Millions of NTD	216	195
Social	Ratio of Local Employees Serving as Managers to All Managers	Percentage (%)	82.8	80.5
	Ratio of Local Employees in the Department Manager (or above) Positions	Percentage (%)	50.2	45
	Total Amount of Social Investment	Millions of NTD	49.72	49.20
	- Charity and Sponsorships		40.45	45.43
	- Charitable Activities of the Employee Welfare Committee/company		2.73	0.53
- Employee Participation in Charitable Activities	6.54		3.24	

[Note] The statistical scope includes Wistron's operations in Taiwan and its main global manufacturing plants (exclude Kunshan OPT Plant)

A Message from the Chairman and CSO

Wistron upholds the corporate philosophy of "altruism" in the pursuit of corporate sustainable development and fulfillment of social responsibility. To realize our vision of becoming "the technology powerhouse for better life & environment," Wistron's role as a technology service provider (TSP) promotes innovation and digital transformation enabling us to reinvigorate our core business activities, enhance interaction with our customers, and scale new businesses. This is how we at Wistron are able to provide consumers high value-added products and services that are both lifestyle compatible and environmentally conscious. Through big data analysis, the Company effectively collates and applies information to improve the quality and performance of company operations, thereby creating high investment returns for our shareholders. These profits are subsequently remunerated to all of Wistron's stakeholders, including employees, investors, and the community, forming a positive cycle that constitutes the blueprint for sustainable development.

Regarding employees and our community, we provide a fair, just, and open platform upon which we create a high-performance, high-return, and high-competition environment to attract, develop, and retain top-performing teams. Internally, Wistron offers an environment that provides individuals continuous growth, learning, and competitive rewards, both tangible and intangible. Through collaboration with charity groups and participation in events for social welfare, employees are granted the opportunity to enrich their minds, develop their moral characters, and achieve a more comprehensive way of thinking. In accordance with respect for human rights and protection of employees' rights and interests, we not only adhere to laws regulating basic human rights protection, but also take into consideration employees' standpoints to contemplate the possible difficulties they might encounter and provide necessary resources, including environmental, social, and psychological, to fulfill their needs. When employees voice their opinions, our duty as an employer is to reasonably and objectively analyze these opinions from various perspectives,

including employee viewpoint, social concerns, and regulatory requirements, to identify the best solution.

Concerning environmental protection, even though Wistron engages in light energy-consumption industrial activities, our core evaluation team continues to actively seek opportunities for using green energy resources (e.g., solar energy) at the Company's plants to replace traditional energy resources. By reducing energy consumption and greenhouse gas emissions, we aim to mitigate the environmental impact of our operations. Moreover, we also set up monitoring systems to determine and track the treatment methods and final destinations of our waste and conduct emission testing to avoid contamination and pollution.

Overall, the integration and consolidation of sustainable management with environmental and social issues is likely to see greater impact in the future. In order to achieve a balance between business strategies and environmental and social costs, Wistron endeavors to utilize technologies for improving quality of living and enhancing environmental protection, and has formulated this CS²R report which serves both as a means for communicating with our stakeholders, and as the paradigm for corporate governance and sustainability.

Simon Lin / Chairman & CSO
Wistron Corporation




A Message from the President and CEO

An overview of Wistron's overall economic performance in 2016 shows a gradual and persist growth as investments in new businesses were made throughout the year. Regarding social and environmental issues, we continue to uphold our primary purpose of employing the power of technology and encouraging social care to improve quality of life and protect the environment, thereby driving the sustainable development of our society. To perpetuate the Company's sustainable strategies and business focus of the previous year, we proposed four core goals for 2016: 1.Talent development and cultivation ; 2.Execution ; 3.Efficiency ; 4.Innovation

Wistron has now entered its 15th year of establishment. To facilitate our talent development and cultivation program, we proposed an "inherit then strive" approach, and recruited younger members into the Company's organizational management. Moreover we required our management teams to act in full compliance with the principles of sustainable development when formulating their work goals. Our human-oriented paradigm shift was then incorporated with our concern for social, environmental, and economic sustainability issues as we strove to expedite corporate transformation. Concerning the aspects of implementation and efficiency improvement, we not only seek stable quality and technological advancement in our business operations, but are also actively formulating research, development, and production budgets and implementing improvement projects for achieving advancements and profit goals.

In terms of innovation, we combined our visions and strategies for the future, developed challenging plans, and established a multitude of channels that encourage all of our employees, from top executives to front-line staff members, to participate in entrepreneurial innovations. As digital technologies develop and new digital platform economies emerge, Wistron is utilizing R&D collaboration and investments, plus talent identification and allocation, to inject innovative energy into the Company and accumulate new future growth dynamics. In response to the revised Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies promulgated on July 28, 2016 by the Taiwan Stock Exchange (TWSE) and the practical requirements of the Company's business operations, we passed amendments to our Corporate Social Responsibility Best Practice Principles at a board meeting in August 2016. Amendments state that corporate governance shall be strengthened to protect

the rights and interests of our stakeholders and that all employees of the Company are required to act in compliance with these principles.

As a corporate citizen, Wistron was rated among the top 5% of listed company in the first, second, and top 6%-20% in the third corporate governance evaluations conducted by TWSE. In 2016, we also obtained a B rating in the CDP disclosure performance band (all companies' average rating was C). Wistron was furthermore ranked No. 41 in the Excellence in Corporate Social Responsibility Awards held by Common Wealth magazine, and was placed at No. 51 in the Asia Pacific region and No. 12 in Taiwan in the Channel NewsAsia Sustainability Ranking. These achievements fully demonstrate the level of recognition we have been able to receive from domestic and foreign institutions for our performance in corporate governance, our response to climate changes, and our efforts in the disclosure of CSR information.

As we look into the future, there is little doubt that the digital economy will be exerting increasing influence on our daily lives and that digital transformation is the key to corporate survival and the foundation of a whole new business model. The year 2016 is the first step to our digital transformation, not just through adequate management of our employees, resources, and processes, but moreover by means of attention to issues that are of concern to our external stakeholders as well as any interactions relating to the creation of value. In terms of future investment strategies, we will build a sustainable company that improves lives through technology and supports the environment and human rights while continuing to create value for our stakeholders. Our company thereby can achieve a mutually beneficial outcome for both our enterprise and greater society.

Robert Hwang / President & CEO
Wistron Corporation

ROBERT HWANG



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Company Profile

About Wistron

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

Our product and service lines include PCs, server/storage/networking systems, display products, communication devices, after-sales services, and electronics scrap recycling, as well as cloud and display vertical integration solutions. From initial product conceptualization, volume manufacturing, and after-sales repairing to end-of-life products recycling, Wistron supports customers with the products and related services reaching international standards for innovation and quality levels.

Wistron was listed as a Fortune Global 500 company in 2011 and 2012. Since 2009, Forbes Magazine has included Wistron among Global 2000 for eight consecutive years (2009-2016). Forbes Magazine also ranked Wistron

in Forbes Asia FAB 50 for Asia's best publicly listed companies during 2007, 2008, and 2009.

Wistron Quick Facts

- Established in 2001
- Major OEM(Original Equipment Manufacturer)/ODM(Original Design Manufacturer) for global top-10 ICT brands
- Principal beliefs: Customer Focus, Integrity, Innovation, and Pursuit of Excellence
- Vision: To be a global leading technology service company providing innovative ICT products, services, and systems
- Revenue reached NTD 659.9 billion in 2016
- Headquarters located in Taipei, Taiwan, with global operating sites in Asia, North America and Europe
- Employed over 77,000 employees across the world



Products & Services

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

Product Portfolio

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

Design services

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

Manufacturing services

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

After-sales services

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

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

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

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Global Operations

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



Kunshan Plant



Chongqing Plant



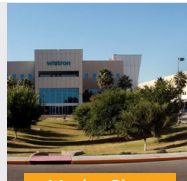
Chengdu Plant



Zhongshan Plant



Taizhou Plant



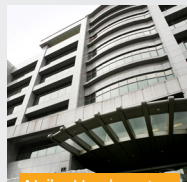
Mexico Plant



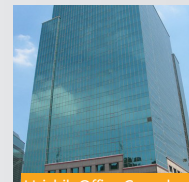
Czech Plant



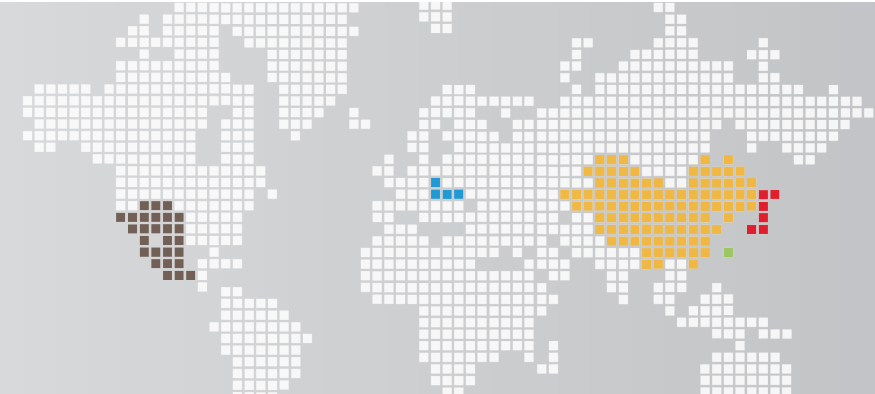
Hsinchu Plant



Neihu Headquarters



Hsichih Office Complex



Awards and Recognition

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

2016

- Wistron ranked among Forbes Global Top 2000 Businesses in 2016
- Wistron was rated among the top 5% of listed company in the first, second, and top 6%-20% in the third corporate governance evaluations conducted by TWSE

- In 2016 Wistron ranked No. 5 among the top 100 patent certifications and No. 17 among the top 100 patent applicants in Taiwan
- Wistron ranked No. 41 in the Commonwealth Magazine Excellence in Corporate Social Responsibility – Large Industries
- Wistron listed as the top 12 companies from Taiwan in the Channel NewsAsia Sustainability Ranking for the third straight year
- Wistron won the Ministry of Economic Affairs 2016 Green Electricity Special Contribution Award
- Wistron received the Sports Enterprise Certification from the Sports Administration of the Ministry of Education
- Wistron listed as 2015 Green Enterprise and as one of the top 10 companies in Taizhou, China



Participation in External Organizations

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

The organizations that we have joined in 2016 are listed below:

- Electronic Industry Citizenship Coalition (EICC)
- Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)
- Taipei Computer Association (TCA)
- New Taipei City Computer Association (NTCA)
- Allied Association for Science Park Industries
- Information Service Industry Association of R.O.C. (CISA)
- Academia-Industry Consortium of Kaohsiung Software Park
- International Electronics Manufacturing Initiative (iNEMI)
- Medical Image Standards Association of Taiwan (MISAT)
- Diagnostics and Healthcare Alliance (Dx-Hc)
- Trans Regional Biotechnology Association
- Taiwan Telematics Industry Association (TTIA)
- Nanotechnology and Micro System Association (NMA)



Identifying Stakeholders and Significant Aspects

In order to communicate with different stakeholders effectively, we have initiated materiality analysis procedures since 2010. From 2014, the scope and boundary of identifying aspects were included by referring to GRI G4. The key steps are shown as follows:

Step 1 : Identify stakeholders

This is mainly performed by Wistron's Corporate Sustainability and Social Responsibility (CS²R) Promotion Committee. We refer to the five principles used to identify the stakeholders by AA1000 SES (Stakeholder Engagement Standards) (2011), including dependency, responsibility, influence, diverse perspectives and tension. Based on the average weight on each principle, the stakeholders are classified into eight groups in total, including customers, employees, shareholders/investment institutions, suppliers, government units, non-profit organizations/communities, media and others.

Step 2 : Establish communication objectives

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

Step 3 : Collect sustainability issues

Utilizing various aspects of GRI G4 indexes as the foundation, we have added important communication issues over the past years to form the scope of sustainability issues in Wistron.

Step 4 : Conduct materiality analysis and determine priorities

We conduct materiality questionnaire survey with identified stakeholders. A total of 189 questionnaires were collected in 2016, which were used to understand the concerns of the above stakeholders toward each issue. For the same issue, the questionnaire survey is also conducted among the committee members and internal participants. The impact on the company's operations is determined by taking the economic, environmental, and social dimensions into consideration.

Step 5 : Identify the scope and boundary of aspects

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

Step 6 : Review and discussion

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



Boundary Identification of Aspects

Category	Significant Aspect	Chapter in 2016 CS ² R Report	Boundary															
			Within the Organization											Outside of the Organization				
			Taiwan			Mainland China						Overseas		Suppliers/Contractors	Customers	Communities Nearby		
			Neihu Headquarter	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Czech Plant	Mexico Plant					
Economic	Economic Performance	Economic Performance	V	V	V	V	V	V	V	V	V	V	V	V				
	Market Presence	Local Hiring	V	V	V	V	V	V	V	V	V	V	V	V	V	V		
	Procurement Practices	Conflict Minerals and Supply Chain Management	V	V	V	V	V	V	V	V	V	V	V	V	V			
Environmental	Materials	Materials Management	V	V	V	V	V	V	V	V	V	V	V	V	V	V		
	Energy	Energy and Greenhouse Gas Emission Management	V	V	V	V	V	V	V	V	V	V	V	V	V	V		
	Emission		V	V	V	V	V	V	V	V	V	V	V	V			V	
	Water	Water Resource Management	V	V	V	V	V	V	V	V	V	V	V	V			V	
	Effluents And Waste	Waste and Effluents Management	V	V	V	V	V	V	V	V	V	V	V	V			V	
	Transportation	Transportation	V	V	V	V	V	V	V	V	V	V	V	V	V	V		
	Biodiversity	Biodiversity	V	V	V	V	V	V	V	V	V	V	V	V			V	
	Compliance	Environmental Management and Legal Compliance	V	V	V	V	V	V	V	V	V	V	V	V	V			V
	Overall	Expenditure and Benefits Associated with Environmental Protection	V	V	V	V	V	V	V	V	V	V	V	V				
	Products And Services	Sustainable Product Design and Development	V	V	V	V	V	V	V	V	V	V	V	V	V	V		

Boundary Identification of Aspects

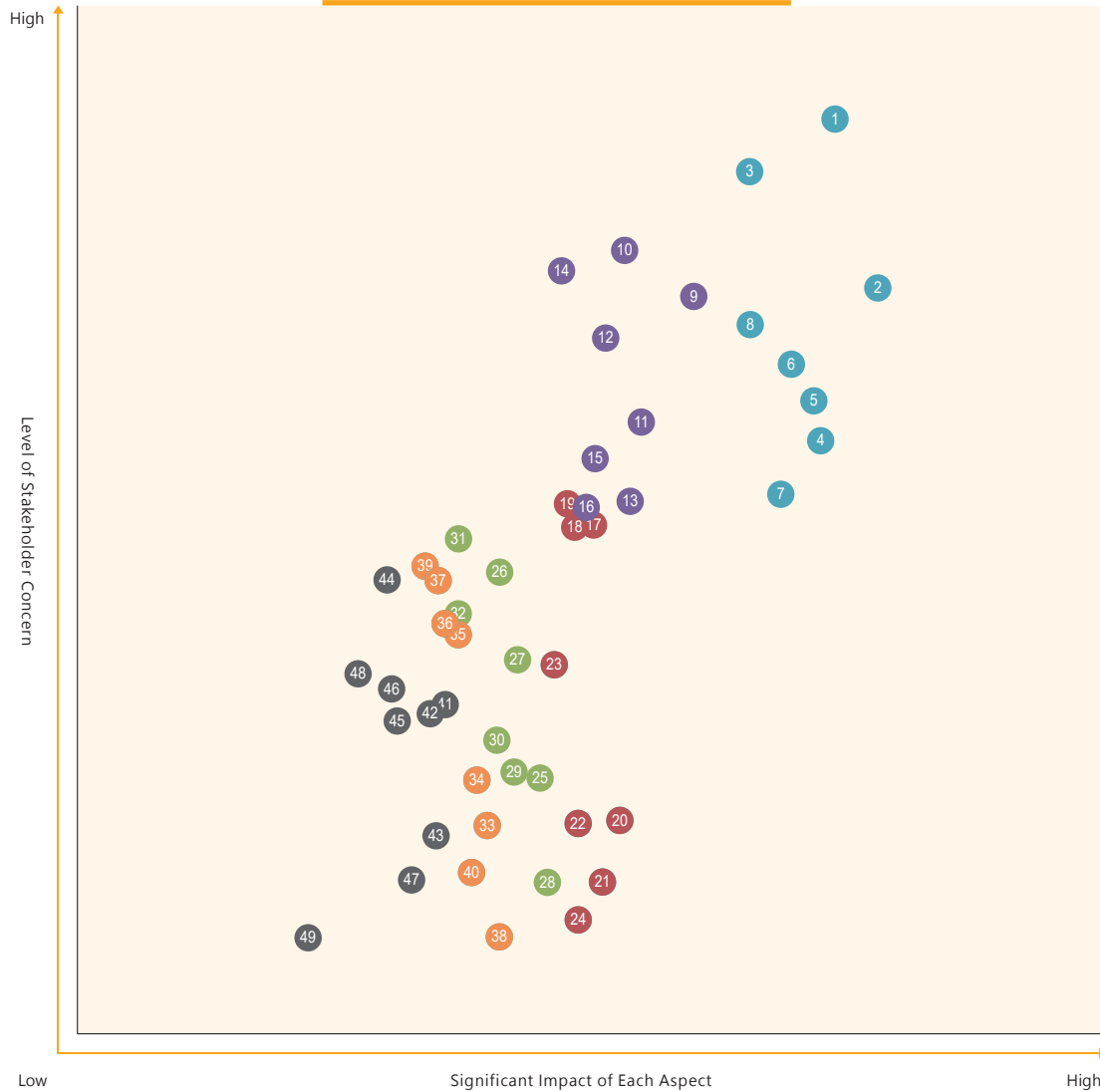
Category	Significant Aspect	Chapter in 2016 CS²R Report	Boundary														
			Within the Organization											Outside of the Organization			
			Taiwan			Mainland China						Overseas		Suppliers/Contractors	Customers	Communities Nearby	
			Neihu Headquarter	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Czech Plant	Mexico Plant				
Environmental	Supplier Environmental Assessment	Conflict Minerals and Supply Chain Management	V	V	V	V	V	V	V	V	V	V	V	V	V		
	Environmental Grievance Mechanisms	Environmental Management and Legal Compliance	V	V	V	V	V	V	V	V	V	V	V	V			
Social	Employment	New Hire and Turnover Management	V	V	V	V	V	V	V	V	V	V	V				
	Labor/Management Relations	Valuing Internal Communication Channel to Listen to Employees' Voices	V	V	V	V	V	V	V	V	V	V	V				
	Occupational Health And Safety	Staff Health and Occupational Safety	V	V	V	V	V	V	V	V	V	V	V				
	Training And Education	Talent Cultivation and Career Development	V	V	V	V	V	V	V	V	V	V	V				
	Diversity and Equal Opportunity	Workforce Diversity	V	V	V	V	V	V	V	V	V	V	V				
	Equal Remuneration for Women and Men	Employment and Compensation Policies	V	V	V	V	V	V	V	V	V	V	V				
	Non-discrimination	Social Responsibility Management	V	V	V	V	V	V	V	V	V	V	V				
	Freedom Of Association And Collective Bargaining	Valuing Internal Communication Channel to Listen to Employees' Voices	V	V	V	V	V	V	V	V	V	V					

Boundary Identification of Aspects

Category	Significant Aspect	Chapter in 2016 CS²R Report	Boundary													
			Within the Organization											Outside of the Organization		
			Taiwan			Mainland China						Overseas		Suppliers/Contractors	Customers	Communities Nearby
			Neihu Headquarter	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Czech Plant	Mexico Plant			
Social	Child Labor	Child Labor and Underage Workers	V	V	V	V	V	V	V	V	V	V	V	V	V	V
	Forced or Compulsory Labor	Forced or Compulsory Labor	V	V	V	V	V	V	V	V	V	V	V	V	V	V
	Anti-corruption	Anti-corruption and Principle of Integrity	V	V	V	V	V	V	V	V	V	V	V	V	V	V
	Public Policy	Public Policies	V	V	V	V	V	V	V	V	V	V	V			
	Compliance (Social)	Compliance	V	V	V	V	V	V	V	V	V	V	V			
	Customer Health And Safety	Sustainable Product Design and Development	V	V	V	V	V	V	V	V	V	V	V		V	
	Products And Service Labeling	Sustainable Product Design and Development	V	V	V	V	V	V	V	V	V	V	V		V	
	Customer Privacy	Protecting Customer Confidentiality	V	V	V	V	V	V	V	V	V	V	V		V	
	Compliance (Product Responsibility)	A Focus on Product Liability	V	V	V	V	V	V	V	V	V	V	V		V	
Other	Product Development	Creating Added-Value Products	V	V	V	V	V	V	V	V	V	V	V		V	
	New Business Development	New Business Development	V	V	V	V	V	V	V	V	V	V	V		V	
	Information Management	Information Management	V	V	V	V	V	V	V	V	V	V	V			
	Social Participation and Care	Social Participation and Care; Wistron Foundation	V	V	V	V	V	V	V	V	V	V	V			V

[Note] "V" indicates that this aspects is covered in the site

Significant Aspect Analysis



- 1 Economic Performance
- 2 Energy
- 3 Market Presence
- 4 Compliance
- 5 Effluents and Waste
- 6 Emission
- 7 Overall
- 8 Water
- 9 Materials
- 10 Indirect Economic Impacts
- 11 Products and Services
- 12 Biodiversity
- 13 Supplier Environmental Assessment
- 14 Procurement Practices
- 15 Transport
- 16 Labor/Management Relations
- 17 Environmental Grievance Mechanisms
- 18 Occupational Health and Safety
- 19 Employment
- 20 Compliance(Society)
- 21 Product Development
- 22 Customer Health and Safety
- 23 Child Labor
- 24 New Business Development
- 25 Anti-corruption
- 26 Equal Remuneration for Women and Men
- 27 Forced or Compulsory Labor
- 28 Compliance(Product Responsibility)
- 29 Anti-competitive Behavior
- 30 Local Communities
- 31 Training and Education
- 32 Investment
- 33 Supplier Assessment for Impacts on Society
- 34 Public Policy
- 35 Freedom of Association and Collective Bargaining
- 36 Non-discrimination
- 37 Labor Practices Grievance Mechanisms
- 38 Social Participation and Care
- 39 Diversity and Equal Opportunity
- 40 Customer Privacy
- 41 Human Rights Grievance Mechanisms
- 42 Supplier Human Rights Assessment
- 43 Grievance Mechanisms for Impacts on Society
- 44 Supplier Assessment for Labor Practices
- 45 Assessment
- 46 Indigenous Rights
- 47 Product and Service Labeling
- 48 Security Practices
- 49 Information Management

Table of Stakeholders' Communication Methods and Frequency

Stakeholder		Issues	Communication Method	Communication Frequency
Customers	<ul style="list-style-type: none"> Existing brand customers Potential customers 	<ul style="list-style-type: none"> Management of restricted materials Green product Product quality/price/delivery time R&D/project capacity Supply chain Innovative products 	<ol style="list-style-type: none"> Regular business reviews with key customers Customer satisfaction surveys and feedback Customer audits and customer questionnaire responses Meeting customer requirements and requests for improvement on environmental and social responsibility Communicating requirements for innovative products 	<ol style="list-style-type: none"> Quarterly or semi-annually Quarterly or semi-annually According to customer requirements According to customer requirements According to customer requirements
Employees	<ul style="list-style-type: none"> Regular employees Contracted employees Dispatched workers 	<ul style="list-style-type: none"> Regulation compliance Honest operation/ integrity Human rights Working condition Study and growth Health and safety 	<ol style="list-style-type: none"> Quarterly business briefings held by company management to communicate directly with employees. Set up welfare committee in Taiwan offices, which holds meetings every quarter. The members make resolution and execution on the activity plans and budget. Labor meeting (Tomato Meeting): 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. Training of new supervisors New employee satisfaction survey, freshmen training and workshop One-on-one interviews with managers. Performance communication. 	<ol style="list-style-type: none"> Quarterly. Quarterly. Quarterly. Quarterly. It depends on the number of new supervisors. The new employee satisfaction survey is conducted one week later after their registration. New employee Forum is hosted twice a year Monthly Twice a year
Shareholders/ Investment Organization	<ul style="list-style-type: none"> Ordinary shareholders Entity shareholders Rating organizations Finance and insurance organizations 	<ul style="list-style-type: none"> Industrial outlook · company Competitiveness and future growth potential Profitability and dividend policies Stock value Corporate governance risk management Information disclosure transparency CSR re-investment 	<ol style="list-style-type: none"> Investor conferences Annual shareholder meetings Online investor conferences Road shows 	<ol style="list-style-type: none"> More than one hundred times every year Once every year Once or twice every year Approximately one to five times every year
Suppliers	<ul style="list-style-type: none"> Key component suppliers Raw material suppliers Subcontractors 	<ul style="list-style-type: none"> Compliance with laws and regulations Working environment and health Price competitiveness Stable supply Technical capability 	<ol style="list-style-type: none"> The suppliers initiate workshops and annual conferences Supplier consultation and auditing. Cooperate with suppliers aiming at issues related to CSR and greenhouse gases. Discussion about EICC on related issues 	<ol style="list-style-type: none"> Once every year Once every year Once every year Once every year

Table of Stakeholders' Communication Methods and Frequency

Stakeholder		Issues	Communication Method	Communication Frequency
Government units	<ul style="list-style-type: none"> Securities competent authorities 	<ul style="list-style-type: none"> Operating effects and efficiency Reports are reliable, timely, transparent and in conformation to the related norms Compliance with the related legislations 	<ol style="list-style-type: none"> Company websites Information disclosure on the Market Observation Post System (containing CSR reports) Questionnaires and related briefings Participating in competent authorities' promotion councils Reporting to the Market Observation Post System 	<ol style="list-style-type: none"> Non-scheduled Non-scheduled Non-scheduled Non-scheduled Non-scheduled
Non-Profit Organizations/ Communities	<ul style="list-style-type: none"> Conservation association Environmental organization Foundations, charity groups Community groups 	<ul style="list-style-type: none"> Environmental protection. Conservation of nature and habitat Management of energy and water resources. Management and recycling of wastes. Development of cultural and diversified education Society and community engagement 	<ol style="list-style-type: none"> Disclosing related information in annual reports and company/foundation websites Foundation and corporation volunteers participate in environmental/nature protection activities and events for caring the economically disadvantaged children. The company and employees take part in public activities 	<ol style="list-style-type: none"> Once every year Non-scheduled 3-1. Setting up a public area on the company website; participating in domestic public welfare donations and charity sale twice a month 3-2. Non-scheduled, holding internal company charity events or participating external activities.
Media	<ul style="list-style-type: none"> Mass media Digital media 	<ul style="list-style-type: none"> Operating performance Products innovation and technical development Corporate governance Environmental protection Sustainable development strategy 	<ol style="list-style-type: none"> News release Shareholders meeting Online investor conferences Press conference Company website 	<ol style="list-style-type: none"> Non-scheduled Once every year 1~2 times on average every year Non-scheduled Non-scheduled
Others	<ul style="list-style-type: none"> Directors Independent directors Consultants 	<ul style="list-style-type: none"> Operating performance Sustainable development Core competitiveness 	<ol style="list-style-type: none"> Board meeting Audit Committee meeting Meeting on operating projects 	<ol style="list-style-type: none"> At least six times every year At least four times every year Non-scheduled



Altruism

The technology powerhouse for better life & environment.



Sustainability and Innovation

Corporate Governance and Sustainable Management

Corporate Governance

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

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

Board of Directors

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

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

The Board is required to hold at least one meeting each quarter, and a total of 7 board meetings were held in 2016. The Board is the highest government unit in the company, which is mainly responsible for improving

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

Audit Committee

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

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

management teams. The Audit Committee is required to hold a meeting at least once each quarter, and a total of 7 Audit Committee Meetings were held in 2016. Please refer to the Annual Report and Market Observation Post System (MOPS) for details.

Compensation Committee

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

Wistron's Compensation Committee is required to hold a meeting at least twice a year. The Committee is composed of three members and all the members are independent directors. The independent director Mr. Xuan Mingzhi was unanimously elected by all Committee members to serve as convener and Chairman of the meeting. The Committee members are required to invite the company's the Chairman of the Board to attend the meetings. However, the members of the Compensation Committee should excuse themselves from the meetings if the issues to be discussed involve personal interests. The Committee may also request directors, managerial officers of relevant departments, internal auditors, accountants, legal consultants, and other personnel to attend the meetings and provide them with pertinent and necessary information. A total of 3 Compensation Committee Meetings were held in 2016. For the attendance records, please refer to the Annual Report and Market Observation Post System.

Compliance

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

policies that may have an impact on the company's finances and businesses and put in place a set of risk management procedures to respond to any potential impacts. Also, we continuously enhance employees' legal awareness through training and education. Wistron had never been subjected to any monetary or non-monetary penalties due to any failure to comply with the relevant regulations in 2016.

Anti-corruption and Principle of Integrity

Integrity is the core value of Wistron and the foundation of company operation. The integrity-based business is to provide a working environment and atmosphere where employees can perform their duties under ethical standards. The Company requires all employees to understand and comply with ethical practices. We respect and adhere to the confidential agreement with customers and do not accept the gift or special hospitality. We anticipate our customers, suppliers, business partners, and other affiliates to understand and support our integrity management policies. To enhance corporate governance performance, we published our Corporate Governance Best Practices, Principle of Integrity, and Code of Ethics Conduct in 2014. Please refer to the company's website and the Market Observation Post System (MOPS) for details.

Concerning the operation of the Board of Directors, directors may express their opinions and respond to questions in regards to meeting agendas that have interest relationships with themselves or their proxy, which may conflict with the company's interest. Directors may not participate in discussions and

exercise their voting rights, and they should recuse themselves from such discussions and execution of voting rights. Directors are also prohibited from exercising voting rights by proxy.

To help employees understand related regulations, Wistron requires all new employees in its Kunshan, Taizhou, Chengdu, Chongqing, Czech and Mexico Plants to undergo industrial ethics training. Its Taiwan office requires new employees to undergo online ethics training. Moreover, all indirect employees at the Kunshan, Chongqing and Chengdu Plants are required to sign the Pledge for Ethical Practices. At the Zhongshan and Taizhou Plant, all new employees are likewise required to sign the Pledge for Ethical Practices. All employees have a duty to report unethical and improper conduct to the company through the appropriate channels. The company also pledges to protect employees who report or cooperate with the investigation of such cases to prevent any untoward incident or treatment. To strengthen its anti-corruption management system, the company conducts evaluation and self-inspection of the design and implementation of internal control systems including its accounting system, which is also double-checked by the auditor. Moreover, the Capital, Purchasing, Supply Chain Management, and Administration Departments are listed as potential risks. The related departments shall be subject to internal audit or periodical job rotation. The result of execution for anti-corruption and principle of integrity would be reported to Board Meeting regularly.

In terms of external relationships, regulatory compliance, integrity and non-compliance records must first be evaluated before any business relationship can be established with agents, suppliers, customers or other business partners. During the business process, the company shall explain its operation integrity strategies and related regulations. It will also reject any direct or indirect form of promise, favor or unjustified incentive. If any

integrity or compliance violation should occur, the business relationship shall be immediately terminated and the entity involved would be placed on the blacklist. Compliance together with the anti-corruption policy is included in the contract which covers the following: clear and reasonable payment terms, handling of integrity issues, and violation of the terms and conditions related to illegal commissions, rebates or other interests.

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

Public Policies

Public policies are guidelines for public organizations such as the government in managing social and public affairs which determine the direction and objective of management activities. Proper and effective implementation of policies will have favorable results on the development of the national economy, society and environment. In dealing with this issue, Wistron has established social responsibility guidelines, which include complying with national regulations and local laws related to social responsibility, continuously enhancing employee rights, interests and welfare; upholding honest, healthy and safe workplace, and fulfilling its corporate social responsibility.

The company regularly monitors the development of domestic and national policies, in order to review and improve the effectiveness of the existing corporate governance system. Besides, Wistron has always remained politically neutral, objective and detached from public policy. We do not participate in any form of lobbying. We do not take part in the activities of political parties or related organizations. Employees have the freedom to express their political beliefs, and are encouraged to fulfill their civic duty, and vote for their preferred candidate during elections. No political contributions are made by Wistron.

Protecting Customer Confidentiality

"Protecting customer's confidentiality and adhering to the principle of good faith" is one of our commitments. We have stipulated "Professional Ethics" and "Administration Roles for Wistron People" to establish and cultivate the value and culture of integrity among employees. We have strict policies and internal control mechanisms to protect the confidentiality of information provided by our customers. In addition to managing all hardware and software containing technical information and customer information related to intellectual property rights, confidentiality agreements will be signed with the customers and suppliers to protect confidential information. "Protecting Customer Confidentiality" has also been included as a part of the new employee training program. Through training and management, Wistron ensures that every employee adheres to our confidentiality commitment in their dealings with customers. There were no violations of customer privacy rights or loss of customer data that harmed customer interests in 2016.

Risk Management

Operational Risk Management

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

Financial Risk Management

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

currency hedging through offsets of payments and collections, and use tools, such as derivatives and other financial products (forward exchange or swap contracts), to conduct risk hedging under the terms of proper risk management regulations.

Information Management

Key application systems can maintain function to guarantee uninterrupted corporate operation

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

- Develop Service Level Agreements (SLA)
- Design High-Availability (HA) structures
- Build Backup Data Center (BDC) in Hsinchu
- Conduct a yearly Disaster Recovery (DR) rehearsal in BDC
- A DR rehearsal was completed between 08/08/2016 and 08/10/2016. The results were as follows:

BDC Policy	Rehearsal Result
RPO of SC2 Services <= 4 hours	0.92 hours
RTO of SC2 Services <=24 hours	22.17 hours

[Note 1] RPO: Recovery Point Objective
 [Note 2] RTO: Recovery Time Objective

In the next 1 to 2 years, we plan to assess the integration of cloud technological applications and include it as a platform for continued operations in the future.

Information Security Plan Blueprint

Three aspects of information security will be ensured to strengthen the company's information security

- People: Strengthening employee training to raise employees' awareness towards information security, which in turn reduces the risk of malicious attacks; enhancing the expertise of information security administrators to help them acquire professional certifications (e.g., certified ethical hacker (CEH)).
- Process: Performing annual reviews of information security policies and regulations and implementing related processes, such as stronger passwords, anti-virus software installation, monthly Windows updates, monthly vulnerability scanning and patching, annual penetration testing, and DR Rehearsals to manage information security for risk reduction.
- Product: Developing and integrated advanced information security technology products such as firewalls, anti-virus walls, and digital rights management (DRM), which reinforces information security and protection, making management easier and more effective.

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Social engineering simulation and campaign

To ingrain the concept of information security in the minds of every employee, an interactive e-learning program was provided in 2016. All of Wistron's employees have completed training and passed tests on the concepts and practices of information security. Additionally, social engineering simulations and rehearsals were conducted periodically to elucidate the sensitivity of employees toward phishing mail scams, and advocacy in this respect was strengthened. Social engineering simulations and rehearsals were conducted once each in 2015 and in 2016. Starting from 2017, this process will be conducted semi-annually to strengthen information security advocacy.

Information security will be enhanced in the next three years

- Bring your own device (BYOD) management: Wistron's BYOD policy will be strengthened and controlled in 2017 to prevent unauthorized access to essential company information or account hacking.

- Establishment of the Information Security Committee: We plan to set up an Information Security Committee in the next three years that will be responsible for review of information security issues and making of crucial decisions. The operation of this Committee will help us obtain ISO27001 certification.

Green Facility Policy

Energy-conserving information facilities

An effective information facility is the key to supporting Wistron's daily operations and production system. To build such a facility, we started by reducing energy use in information facilities, and placing additional emphasis on designing a new IT facility based on the principle of energy conservation. In 2016, Wistron established new facilities in Chongqing (China) and India, where various types of new energy-conserving technologies were installed to reduce total energy consumption. In such IT facilities, multiple arrays of servers and storage devices consume a substantial amount of energy. Therefore, Wistron's energy management is focused on lowering energy loss and increasing power usage effectiveness (PUE).

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The electrical power and electricity fees associated with these facilities are collected as means of continual power consumption monitoring. Meanwhile, these facilities are equipped with high-performing server/storage devices (e.g., blade servers/SAN storage devices) that are highly recommended by the IT industry. Provided that service quality is guaranteed, virtual technologies are adopted to integrate systems/applications that operate independently on a single server. This integration enhances the utilization rate of single servers and reduces the number of servers required, thereby reducing the overall energy consumption. Furthermore, the concept of hot/cold channels is incorporated to improve air-conditioning efficiency and lower power consumption.

Our information facilities are patrolled at regular interval to ensure that power in idle facilities is turned off, which reduces unnecessary energy consumption. The service life of each server/storage device is inspected periodically so that equipment that has been used for >5 years and energy-intensive equipment can be replaced as a matter of priority.

Climate Change Risk Management

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

Climate Change Risks Assessments

Risks		Effects/Impacts	Opportunities
Regulatory Risks	The Legislative Yuan passed the Greenhouse Gas Reduction and Management Act following three readings.	The total gas emission will be regulated and emission amount will be specified, thereby limiting business production expansion. In addition, businesses that provide false information shall be penalized; for severe cases, the competent authority may request the business operator to cease operation, cease construction, or close down his/her business.	Consider increasing the proportion of software and service sales according to the carbon reduction target.
	National governments now looking at levying a carbon, energy or environment tax.	Increase in cost of production. Global commodity and energy prices will increase.	<ol style="list-style-type: none"> Promote low-carbon practices among employees. Cooperate with customers/suppliers: Implement carbon management training and carbon emission audits for suppliers. Choose materials carefully and simplify designs (e.g., reduce the number of parts, adopt common standards). Promote energy-saving plans for new green factory buildings.
	Global product carbon labeling regulations.	Increase in all information technology and communications product costs as well as operating costs.	Discuss with customers the possibility of disclosure of product life-cycles and environmental information can be integrated.
	Product energy efficiency regulations and standards. (e.g., Energy Stars, ErP, etc.)	Increased costs of procuring raw materials and spare parts, and longer time for design and product verification.	Increase the differentiation of product energy efficiency and regulations.
Physical Risks	Limitations on energy purchases. (e.g., oil and electricity).	Fluctuation of oil and electricity prices influences operating costs.	<ol style="list-style-type: none"> Reinforce internal controls and seek alternative energy sources. Purchase green electricity, assist with encouraging Taiwan government and corporations to develop renewable energy sources.
	Global warming generates climate anomalies that lead to more severe and more frequent hurricanes, flooding and droughts.	Direct or indirect impact on production and transportation. (e.g., employee commutes, business trips, unstable power supply leading to suspension of production, or even loss of life and property). Post-disaster reconstruction costs time, manpower and money.	Execute assessment of physical risks in regions where Wistron offices, plants, and supply chains are located.
Other Risks	Change in consumption patterns. (e.g., awareness of green consumption).	Consumers will gradually give importance to and choose low emissions and environmentally friendly products.	Actively develop more energy-efficient, environmentally friendly, and cost-effective products or services and promote the corporation's green image in order to increase the company's revenue and market share.

Corporate Sustainability and Social Responsibility Management

CS²R Policy and Operating Mechanism

Wistron is committed to establishing a corporate sustainability and social responsibility (CS²R) management system that will exceed local regulatory and ethical standards. The development of high-quality green products and services will also be complemented by protection of the environment as well as employee health, safety and human rights in order to protect stakeholders' interests. In addition, Wistron will make corporate governance/investor relations, customer satisfaction, supply chain management, employee rights and care, and community participation the five functional areas in CS²R communication. Apart from conforming to the basic requirements of the EICC Code of Conduct, we will work even harder to realize the harmonious development of "Sustainable Environment", "Role-model for Innovation" and "Humanitarian Society".

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To achieve the goal of CS²R, we employed the CS²R Management System, which integrates the five key management practices of quality control, green product, environmental protection, occupational safety and health, and social responsibility to build a globally consistent management system. This system ensures ongoing assimilation of daily business operations and realizes continuous improvement creating a sustainable management model.



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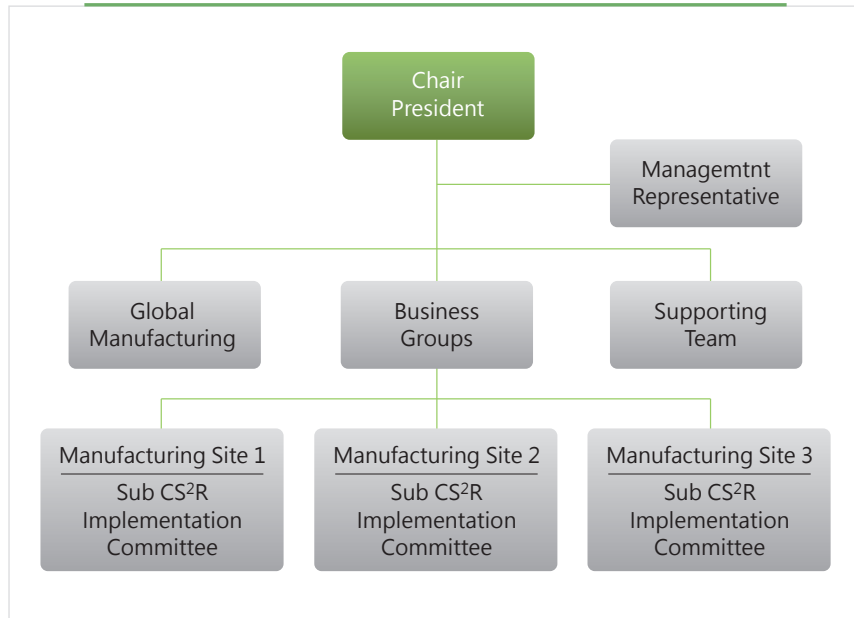
To promote CS²R related plans, we have set up a CS²R Implementation Committee to promote the CS²R Management System. The CS²R Implementation Committee is the highest body for CS²R affairs within Wistron and is chaired by the company president personally, with the rest of the Committee comprised of tier-1 executives. The head of each production site also chairs its site CS²R Committee to ensure the proper implementation of the CS²R Management System.

Based on the management system's spirit of continuous improvement,

internal audits are planned and executed each year to verify that the management system is being properly implemented and the results are reported to upper management.

In March, 2010, our board of directors adopted the "Code of Practices for Corporate Social Responsibility". The general managers have to report to the board of directors at least once a year on the implementation and performance of Wistron CS²R program as well as the plans and goals for the following year.

Organizational Structure of Wistron's Corporate Sustainability and Social Responsibility Implementation Committee



Creating High Shareholder Returns

Economic Performance

In 2016, Wistron's consolidated revenue increased around 6%, while the operating profit and net profit also increased compared with the previous year. From the operation management point of view, we continued to enhance operation efficiency through improving material cost management and production efficiency. In addition, we continued to accelerate innovation and adjustments in our business portfolio in order to cope with competition and market changes.

Wistron has not received any major financial assistance from the government in 2016. Relevant financial information is disclosed in the following tables:

Financial Performance Overview

Unit: Millions of NTD

Item	Year	2016		2015	
		Value	%	Value	%
Revenue		659,908	100%	623,274	100%
Gross Profit		31,645	4.8%	29,416	4.7%
Operating Costs		25,632	3.9%	27,027	4.3%
Net Profit		6,012	0.9%	2,390	0.4%
Net Profit Before Tax		4,757	0.7%	2,370	0.4%
Income Tax		1,764	0.3%	1,099	0.2%
Consolidated Net Profit After Tax (including minority shares)		2,993	0.5%	1,271	0.2%
Earnings Per Share		1.2	0%	0.5	0%
Retained Earnings		21,344	3.2%	22,162	3.6%
Personnel Expenses		28,890	4.4%	29,576	4.7%
Employees Bonus		496	0.1%	692	0.1%
Cash Dividends		2,905	0.4%	2,962	0.5%
Stock Dividends		726	0.1%	740	0.1%

Total Capitalization of Debt and Equity Unit: Millions of NTD

Item	2016		2015		
	Year				
Assets		282,755	100%	290,385	100%
Shareholder Equity		67,968	24.0%	69,217	23.8%
Short-Term Loans [Note]		46,203	16.3%	77,168	26.6%
Long-Term Loans		11,568	4.1%	14,068	4.8%
Debt Payable		0	0%	0	0%

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

Profitability Analysis

Item		2016	2015
Profitability	Return on Assets (%)	1.56	0.90
	Return on Equity (%)	4.36	1.83
	Ratio to Pay-in Capital (%)	17.95	9.28
	Net Profit (%)	0.45	0.20
	Earnings per share (NTD)	1.20	0.53

[Note] The financial information is based on the 2016 consolidated financial report reviewed by accountants. Please visit the Wistron website Home/Investor Services page (<http://www.wistron.com>).

Product Sales

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

In 2016, Wistron's key growth drivers were server, and handheld device, while other product lines remained steady or fluctuated slightly.

Product Sales

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

Year	Sales	2016				2015			
		Domestic		Export		Domestic		Export	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
NB Computer		104,546	1,545	21,259,535	257,648	111,958	1,369	20,738,806	276,972
Desktop PC		102,094	600	11,782,420	69,053	36,476	341	12,713,443	74,908
Other		293,867	2,726	90,276,343	328,336	410,170	1,966	107,850,012	267,718
Total		500,507	4,871	123,318,298	655,037	558,604	3,676	141,302,261	619,598

New Business Development

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

demonstrated progress in our performance in after-sales service, green recycling business, educational technology service business, and cloud product business in 2016:

Name of New Business Units	Annual Progress
<p>After-Sales Services (Services Business Group)</p>	<p>Wistron’s customer service offers an after-sales maintenance plan that provides a variety of product solutions to extend product life span and delay product disposal.</p> <ul style="list-style-type: none"> • System Integration <ol style="list-style-type: none"> 1. To connect customer systems (electronic data interchange [EDI]) with the company’s internal system (enterprise application integration [EAI]). 2. To reduce manual labor and standard operating procedures to expedite operating times. 3. To establish a real-time tracking spreadsheet that facilitates accurate and efficient decision-making. • Continual development of automated processes, which reduces human error and increases output stability <ol style="list-style-type: none"> 1. Install Return Materials Authorization (RMA) automated goods collection systems in the Hsinchu and American branch offices. 2. Develop mobile phone automated testing system/program. • Increase the number of repair items, including mobile phone screens/devices, in Wistron’s global repair centers.
<p>Green Recycling Business</p>	<p>In order to fulfill their social responsibilities, Wistron’s green recycling team handles, recycles, and reuses green resources to create maximal profit for customers in the circular economy.</p> <ul style="list-style-type: none"> • Wistron GreenTech Texas (WGTX) <p>WGTX is dedicated to reusing resources. After five years of diligent work, WGTX was appraised by the U.S. Environmental Protection Agency and Harvard Business Review in 2016 for its efforts and contributions to the circular economy of its OEM clients. Additionally, WGTX received the Outstanding Enterprise Performance Award for its local contributions to the city of McKinney in Texas. WGTX also successfully expanded its service target, beginning in 2016, from the ICT industry to including the medical industry and aviation industry.</p> • Kunshan Recycling Plant <p>The Kunshan Recycling Plant is committed to reusing close-loop resources. The Plant delivered approximately 10000 metric tons of post-consumer recycled (PCR) plastics in 2016, which reflects an annual growth of 12%, supplying materials for making 8 million display cases. Product lines that use renewable plastic materials include monitor displays, TVs, desktop computers, Internet telephony, and other information products. The Kunshan Recycling Plant reduces new plastic use by roughly 2,813 metric tons, which reflects roughly a reduction of 7,032 metric tons of CO₂e emissions based on an average carbon footprint of 2.5 kg/kg CO₂e of recycled plastics.</p>

Name of New Business Units	Annual Progress
<p>Educational Technology Service Business</p>	<p>The Educational Technology Service Business emphasizes the importance of learning, teaming up with top-notch experts in the industry, government, academia, and research sectors to develop a total solution for the future of the smart campus program. The Educational Technology Service Business has successfully integrated the six key domains of “Smart Learning” , “Smart Administration” , “Smart Green Energy” , “Smart Health Care” , “Smart Management” , and “Smart Community” and developed big data analysis applications.</p> <ul style="list-style-type: none"> • Taipei CooC Cloud <ol style="list-style-type: none"> 1. Planned by the Taipei City Department of Education and implemented by Wistron, the Taipei CooC Cloud digital learning system was officially launched on August 15, 2016. 2. As of the end of 2016, this system has attracted 140,000 registrations and over 5,000,000 visitors. • Kaohsiung Dr. Go autonomous learning network <ol style="list-style-type: none"> 1. As Taiwan’s first MOOC (Massive Open Online Course) demonstration platform for junior high schools, the Dr. Go network provides video training courses, online discussions, and assessments that enable junior high school students to learn on their own and plan their learning progress. 2. The Dr. Go platform has attracted 50,000 registrations as of the end of 2016. The number of courses and learning plans on this platform is still increasing.
<p>Cloud Products: Wiwynn Corporation</p>	<p>Wiwynn Corporation (Wiwynn) is a subsidiary of Wistron that provides various product and system solutions for hyperscale data center and cloud infrastructure.</p> <ul style="list-style-type: none"> • Wiwynn passed the ISO 9001 verification in 2016, and continues to standardize its organizational and product development processes. • The subsidiary completed the building of the Service Center and Customer Centric Service Portal, which increases the transparency and automation of customer complaints and the orders and delivery system. The portal not only greatly reduced the inventory period to one tenth of its original time, but also improved customer satisfaction to 98%. • As a key member of the Open Compute Project (OCP), Wiwynn conducts research on cutting-edge technologies, which made it possible for us to develop six server and storage product designs in 2016. These designs are characterized by their vanity-free, front-access, and tool less features. Our data show that compared to traditional data centers, data centers adopting novel OCP designs can save up to 38% in power consumption and 24% in maintenance costs, making it a good way to contribute to corporate sustainability and environmental protection. • Wiwynn internalizes OCP designs into other product lines, developing a multitude of optimal infrastructures for supporting a customer’s work load. The subsidiary also setup a social networking website in 2016 and participated in large-scale exhibitions in the United States, United Kingdom, Japan, and Taiwan, where it disseminated how OCT can benefit data centers and carbon footprints.



Creating Added-Value Products

Wistron aims to provide value-added service for more industries and customers, as well as to transform the company from an ODM to a technology service provider (TSP). The company strives to strengthen its customer service and innovative services at present and in the future.

Currently, Wistron manages its service performance and compliance rates by implementing the following measures:

1. The service units of the organization shall set KPIs based on business requirements.
2. A regular monthly data collection is conducted, including spare parts and compliance rates for motherboard repair from relevant oversea departments, and saved in a database.
3. A regular monthly review meeting is held to address problems and propose solutions through an internal review mechanism.

A Focus on Product Liability

One of Wistron's principal customer-oriented philosophies is to provide excellent product and service quality. Wistron is able to win the trust of its customers in the rapidly changing and fiercely competitive environment of today partly due to its excellent product quality, which lays the foundation of the company's competitiveness. Wistron's quality policy is "to deliver competitive zero-defect products and services to customers on time." By adhering to this quality system and policy, Wistron adopts a top-down approach to the implementation of the monitoring, measurement, analysis, and continual improvement of quality-related indicators, in order to comprehensively incorporate the plan-do-check-act cycle as a means of product defect prevention. In 2016, Wistron's products were not involved in violations of laws and regulations, which would otherwise incur penalty fines by governmental agencies worldwide.

Wistron formulates a C Check List and quality goals specifically for different types of products to enhance product R&D, design, production, and manufacturing quality that meet customer requirements. Methods of product quality verification include:

- Product design quality verification

Prior to mass production, Wistron's product designs must be tested to verify their functions, compatibility, reliability, and other environmental standards. This series of verification is aimed at ensuring that the product design meets customer requirements and specifications.

- Product production quality management

To improve the First Pass Yield Rate (FPYR) and reduce instances of Dead on Arrival (DOA) products, Wistron analyzes the cause of product defects based on four dimensions: people (personnel), machinery (equipment and tools), material (materials and components), and method (test and operational regulations). In addition, improvement and preventive measures based on the analysis result are implemented in order to continuously improve the production process and quality control.

- Supplier quality management

Material quality correlates positively with the quality of the products produced. Material quality is a key focus in supplier assessment. Quality management auditing is also performed on suppliers to ensure that the quality of the products produced adheres to customer requirements and specifications.

- Time to Market

Wistron is committed to ensuring the best Time to Market for its customers. The product unit convenes meetings at regular intervals at the development

stage to review new product progress and quality and ensure that the new products can be completed in time. Any issues observed in the plant during the pilot run and mass production are reported to the development unit where relevant personnel will handle any problems reported in order to ensure real-time mass production.

Improve R&D Capabilities

Wistron places a strong emphasis on the company's product engineering and technology development capabilities, which is evident by the inclusion of innovation and breakthroughs in its principal beliefs. Wistron encourages employees to engage in innovation in the workplace and develop feasible solutions or attempt different or new methods to handle work problems or capture opportunities.

Wistron encourages its employees to apply for patents, and has set up the Invention Creation Reward Regulation, which motivates employees to patent their innovation technologies into intellectual properties. Wistron has submitted patent applications and has been awarded patents in Taiwan, China, the United States, and other regions.

Wistron holds the annual Innovation Golden Brain Award competition, which simulates employees' potential creativity to identify future business opportunities and develop potential business models.

Historical Statistics of Patent Applications and Certifications

Patent Applications				Certifications			
Year	2016	2015	2014	Year	2016	2015	2014
Taiwan	89	140	343	Taiwan	487	541	464
China	90	143	331	China	287	242	201
U.S.	112	210	398	U.S.	326	372	289
Other Regions	0	3	4	Others Regions	11	7	20
Annual Number of Patent Applications	291	496	1,076	Annual Number of Patents Awarded	1,111	1162	974

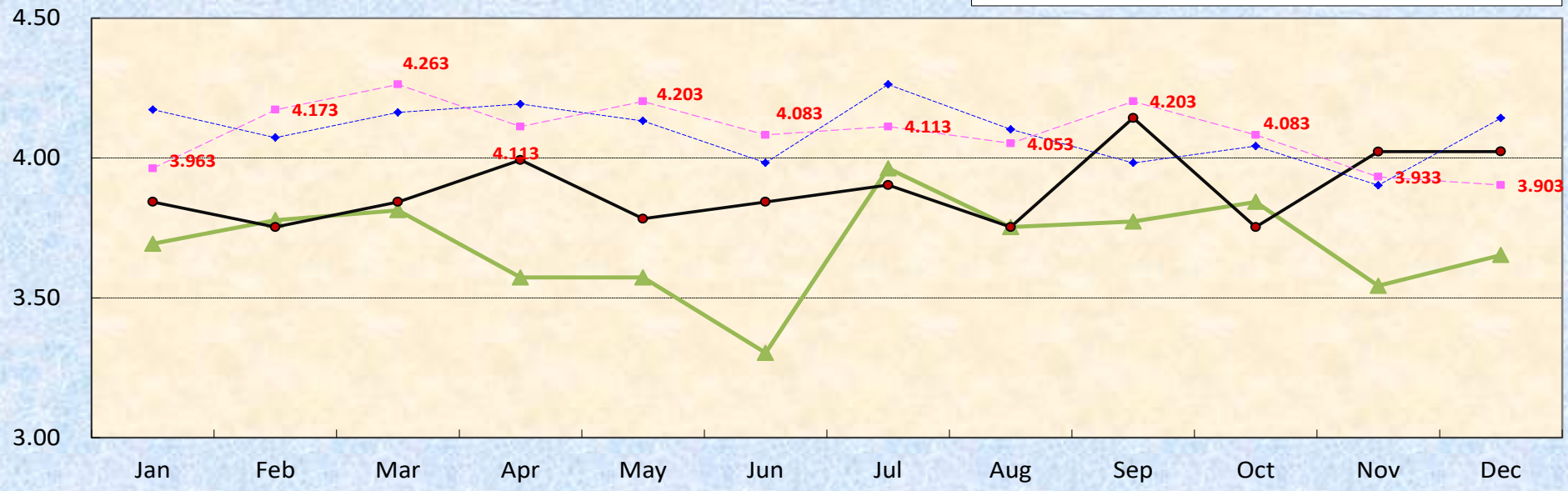


Customer Satisfaction Management

Customer satisfaction is a crucial indicator of customers' feedback regarding Wistron's product quality and services. We adopt customer satisfaction ratings and associated recommendations as the basis for improving internal company operations. To enhance customer satisfaction, we established the Customer Satisfaction Performance Index (CSPI) and conduct the Wistron Customer Satisfaction Management Process periodically to collect customer satisfaction data and recommendations. We also meet with customers to discuss the feedback obtained from the Quarterly Business Review (QBR). The related information and results are provided to organizational members for analysis, after which inspections are made to propose subsequent improvement strategies that aim to avoid similar problems in the future.



Customer Satisfaction Performance Index - Year 2016





Environmental Protection and Green Products

Implementing Environmental Protection

Environmental Management and Legal Compliance

The rapid development of technologies will inevitably bring damage to the environment. Thanks to existing environmental regulations, economic policies, media reports, and public supervision, the price we have to pay for destroying the environment is no longer confined to merely paying fines. It now includes damaging our corporate image, further causing intangible capital losses. Therefore, we must effectively adjust our environmental regulations and take the initiative to comply with laws and regulations related to environmental protection.

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

Wistron manufactures products in compliance with international environmental laws and regulations (e.g. the Waste Electrical and Electronic Equipment Directive (WEEE), the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive, and the Registration, Evaluation, Authorization and Restriction of Chemical substances (REACH) Directive, as well as customer-requested regulations. Wistron also assists customers in acquiring environmental protection labels. We continue to implement the ISO 14001 environmental management system, ISO14064

Greenhouse Gas Inventory and Verification standards, and IECQ QC080000 for hazardous substance process management system. The Company's environmental management-related systems are regularly assessed through internal and external audits and third-party verification institutions to ensure that these systems operate effectively and adhere to applicable laws and regulations. Wistron monitors environmental laws and regulations on a quarterly basis, assesses the company's legal compliance, and adopts response measures accordingly.

Wistron conducts annual environmental monitoring (wastewater and gaseous waste), ensures that pollutants are maintained within the standard for emission, inspects the environment periodically as required by local laws and regulations, carries out regular training and activities related to environmental protection, and cultivates corporate awareness of environmental protection. In 2016, no violation of environmental laws and regulations was reported in Wistron. There were neither illegal acts committed nor significant fines incurred related to environmental protection

[Note] .

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

We continue to implement the ISO 14001 environmental management system, and conduct internal auditing to identify problems and resolve them immediately. We accept internal and external supervision from governmental departments, local communities, employees, and other stakeholders regarding complaints concerning environmental problems around our plants.

Specifically, we have established a reporting channel through which employees can report any environmental problems to the CS²R Implementation Committee. Suppliers and customers can report environmental problems directly to the responsible department, which

then reports them to the CS²R Implementation Committee. In response, the Committee accurately records the reported problem, formulates solutions, and takes action to facilitate the handling process. Subsequently, the entire reported incident is documented and archived. Wistron also arranges environmental-related training for its employees and suppliers, who can then communicate their learned knowledge to other employees in the company. No environmental incidents were reported in 2016.

Wistron will continue to implement the ISO 14001 environmental management system, collect updates to environmental laws and regulations every month, and assess the appropriateness of new or amended laws to take response measures immediately. In the next annual safe production month event, we will include general knowledge in the activity and provide vivid presentations of legal regulations to enhance employees' knowledge on environmental protection as an emphasis on the importance of complying with law.

Materials Management

Changes in the global environment have shortened the durability and service life of electronic products. The environmental problems arising from the production process have severely endangered the health and living environment of human beings. The design and use of green materials in electronic manufacturing technology, the design and development of green facility and skills parameters, and the design of recyclable and reusable materials are undoubtedly major opportunities and challenges in green manufacturing.

Wistron is committed to avoiding the use of prohibited substances by carefully selecting raw materials and suppliers through green product plans. It endeavors to reduce pollutant emissions by employing environmentally friendly technologies. We engage in continual improvements and pollution prevention, using reasonable amount of raw materials to prevent resource waste, lower material costs, and adhere to our commitment in avoiding the use of prohibited substances and raw materials.

Wistron's effective material management is manifested in its product design and product manufacturing process. We opt to use recyclable materials and invest in recycling technological development to convert electronic waste into usable materials, while maintaining the functionality of products. Regarding high-risk substances, we request our suppliers to submit corresponding test reports or company inspection results, which serve to ensure that the content of these substances meets customer requirements, legal regulations, and documented standards.

Wistron actively cooperates with part suppliers to recycle and reuse suitable packaging materials, which in turn reduces resource waste and lowers material costs. Packaging materials that cannot be recycled and reused are classified by their waste category in order to facilitate resource recycling and reuse. Wistron will continue to conduct research on renewable materials, recycle and reuse these materials, and reduce the environmental pollution caused by raw material waste.

2016 Product Materials and Packaging Materials used by Weight

Unit: Tons

Material	Volume of Material Usage		Volume of Packaging Material Usage	
	2015	2016	2015	2016
Zhongshan Plant	139,043.45	138,607.35	35,222.59	36,810.56
Kunshan Plant	30,727.57	29,699.97	4,103.19	6,289.03
Kunshan OPT Plant	NA	9,226.37	NA	2,270.43
Taizhou Plant	2,155.57	1,465.05	1,128.04	444.08
Chongqing Plant	23,200.00	21,179.55	2,227.00	1,562.57
Chengdu Plant	29,401.96	29,075.89	1,348.19	1,637.19
Total	224,528.55	229,254.19	44,029.00	49,013.87

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

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

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

[Note 4] N/A = No data Available. Kunshan OPT Plant starts to disclosure the data from 2016

2016 Recycled Material used by Percentage

Site	Percentage of Recycled Raw Material
Zhongshan Plant	26.56%
Kunshan Plant	21.18%
Kunshan OPT Plant	24.61%
Taizhou Plant	30.31%
Chongqing Plant	7.38%
Chengdu Plant	5.63%

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

Energy and Greenhouse Gas Emission Management

United Nations Climate Change Conference held on December 12, 2015, 195 member states approved the Paris Agreement, which aims to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The Agreement was ratified in October 2016 by 55 countries, accounting for 55% of global greenhouse gas emissions, and went into effect on November 4, 2016, marking a major step forward in resolving the climate change problem. As a global citizen, Wistron is committed to purchasing energy-efficient equipment to increase energy performance, conserve all types of energy, adhere to energy regulations, and ensure continual improvements. For years, Wistron has been dedicated to energy conservation and carbon reduction, in hopes of minimizing its operational impact on climate change. Wistron aims to reduce energy consumption by 10% per revenue unit by 2020 compared with that in 2015.

Implementing Energy Management

Wistron is well aware of the importance of energy management to corporate competitiveness. With the rise of energy prices in the future, we must strive to ease the burden by saving energy, in order to cope with future challenges. In 2016, we continued to implement the policies established by the power-saving task force in the past, and appointed the chief of manufacturing to convene monthly meetings that review each plant's status in power consumption, examine the effectiveness of power-saving projects, share power-saving experiences, and implement improvements in a timely manner. The non-renewable energy used by Wistron's plants and offices

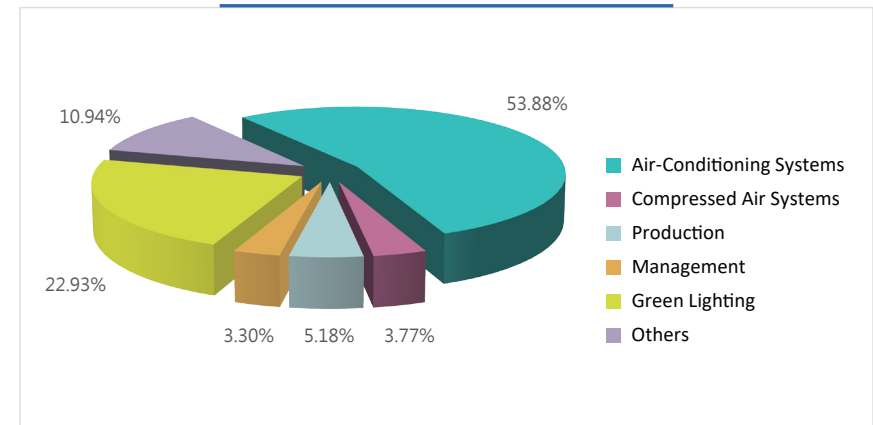
includes natural gas, diesel and gasoline, with consumption data shown in "2016 Statistic of Energy Consumption within Wistron".

To improve the efficiency of energy management, Wistron has installed the ISO 50001 energy management system in its Taipei office and Hsinchu plant, where a plan-do-check-action (PDCA) system is implemented to constantly improve the method of energy use in the organization, enhance and optimize energy-use efficiency, and pass external verifications.

Plant and Office Energy Conservation Measures

Our energy-saving measures are focused on the six categories of air-conditioning systems, compressed air systems, production, management, green lighting, and others. By the end of 2016, Wistron has saved 9,132,000 kWh in power consumption, reducing carbon emissions by approximately 7,816.9 metric tons. The power saving in different categories by percentage is summarized below.

Power Saving in Different Categories



Item	Energy Conservation Measures	Amount of Energy Saved (10,000 kWh)
1	Replacing fluorescent lighting with LED	168.3
2	Installing automated production line lighting in workshops	6.6
3	Installing pull switch cords on ceiling lights	0.5
4	Installing IR sensors on lighting in the public area and machine rooms	15.6
5	Switch off lighting in unused spaces	22.5
6	Installing timer controller on the lighting circuit in parking areas	1.1
7	Managing power consumption by developing a smart power meter monitoring system	13.8
8	Replacing old chillers with new ones	14.6
9	Modifying variable-frequency control in air conditioners	263.6
10	Modifying the mode of operation in air conditioners	145.0
11	Independent fan coil unit (FCU) ventilation in office areas	2.4
12	Direct air handling unit (AHU) ventilation in workshops	20.9
13	Improving air-conditioning system in MIS machine room	7.5
14	Installing sprinkler pipelines on the fins of outdoor machines outside dormitory area to reduce operating current	4.6
15	Installing ceiling fans in office/restaurant areas to increase convection	6.7
16	Modifying the flow system of the air-conditioning chiller system (constant primary flow and secondary variable flow)	78.9

Item	Energy Conservation Measures	Amount of Energy Saved (10,000 kWh)
17	Replacing motors in air handling unit and pumps with energy-saving motors	4.8
18	Cleaning cooling systems by adding chemicals	15.9
19	Initiating 2-in-1 mode of operation in process ventilating pipes	27.2
20	Adjusting the pressure of compressed air system	21.3
21	Optimal engineering of compressor cooling water	3.0
22	Installing zero-loss drain valves in the water discharge system of compressor and tank	0.3
23	Modifying IQC CDA to vacuum pipes	5.1
24	Adding desiccant air dryer to replace the refrigerated air dryer in SMT workshops	38.1
25	Modifying heaters in the F07 cleanroom to compressed air heat recovery	0.8
26	Modifying the connection to water pipes in RD restaurants	0.7
27	Introducing dual-grade screw compressors in B5	3.8
28	Installing insulators on outer wall glass in SMT workshops	0.7
29	Replacing 18 drinking water fountains in the plant with energy-saving ones	4.9
30	Installing timer control in tin fume extractor	1.2
31	Suspending the use of an outer high-voltage wire in F2	12.8
Total energy saved (10,000 kWh)		913.2
Total energy saved (GJ)		32,875.2



● WCD_LED lights replacement



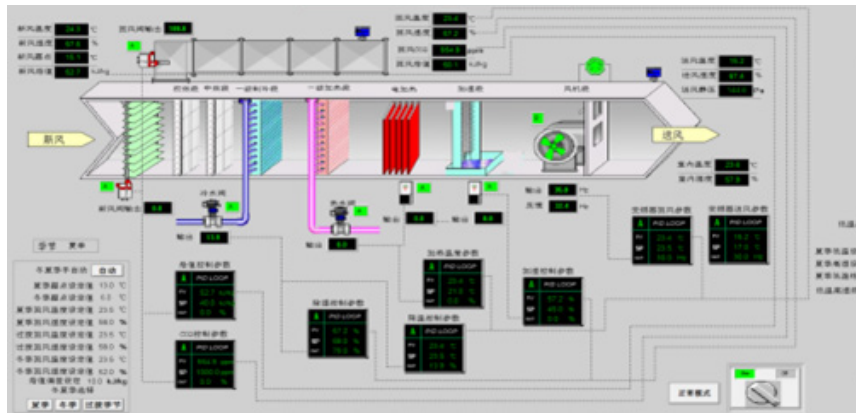
● WCD_Separation of hot and cold channels in internet data centre



● WCD_Using less lights for ware house



● WKS_Solar/air-source heat pump hot water system for Dormitory



● WZS_Variable frequency operation of air conditioning system

Facility departments are not the only ones taking action to conserve energy. All employees could also take part in brainstorming to identify more energy-saving opportunities. Wistron's Zhongshan Plant 3 holds an activity wherein participants come up with ways to save energy. Through this activity, 54 energy-saving plans were proposed, 38 of which were assessed to be feasible for saving over 1.6 million kWh of energy per year, which is equivalent to a reduction of 1,460 metric tons CO₂e in carbon emissions. We will gradually introduce these measures to other Wistron plants in 2017 so that all of our employees can participate.

Summary of Energy Conservation Ideas Proposed by Zhongshan Plant 3

Type	Number of Entries	Estimation	
		Number of Ideas Executed	Estimated Power Saved for the year-2017 (KWH)
Management	8	7	288,039
Production/Equipment	13	6	826,415
Lighting	21	17	198,672
Air-Conditioning System	2	2	87,200
Pneumatic System	5	4	160,414
Others	5	2	68,930
Total	54	38	1,629,670
Total Carbon Emissions Reduced (tons CO ₂ e)			1,460

Developing Energy Information Monitoring System

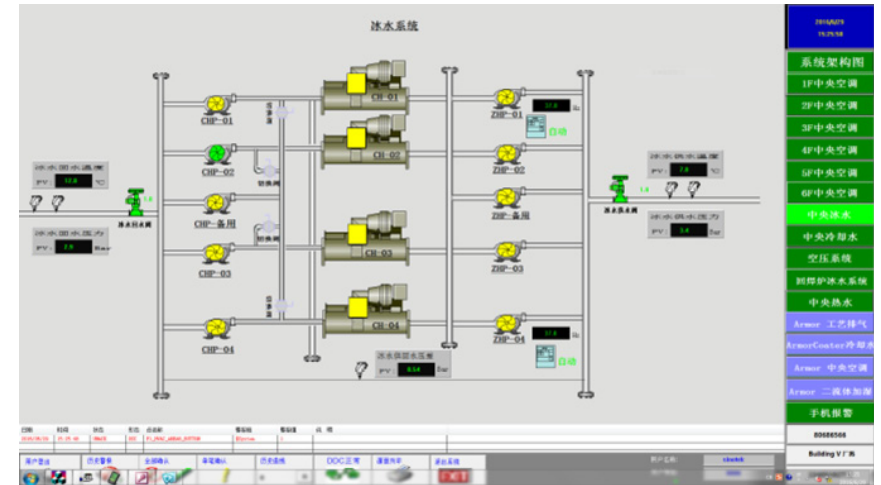
Wistron has gradually established energy information monitoring systems in its main plants to facilitate real-time monitoring of their energy usage. The system primarily monitors plant facilities, measures power usage, collects data regarding all-weather operations of its online systems, and performs

real-time statistical analyses of system performance, power consumption, energy usage and flow, and operational costs. The analyzed data are provided to administrators and maintenance personnel for long-term supervision of system performance in order to reduce operational costs and maintenance costs. In addition, a real-time system analysis can provide a reference for correcting the optimal control procedure of the system to achieve energy-saving and high-performing operations in Wistron's air-conditioning systems and plant facilities.

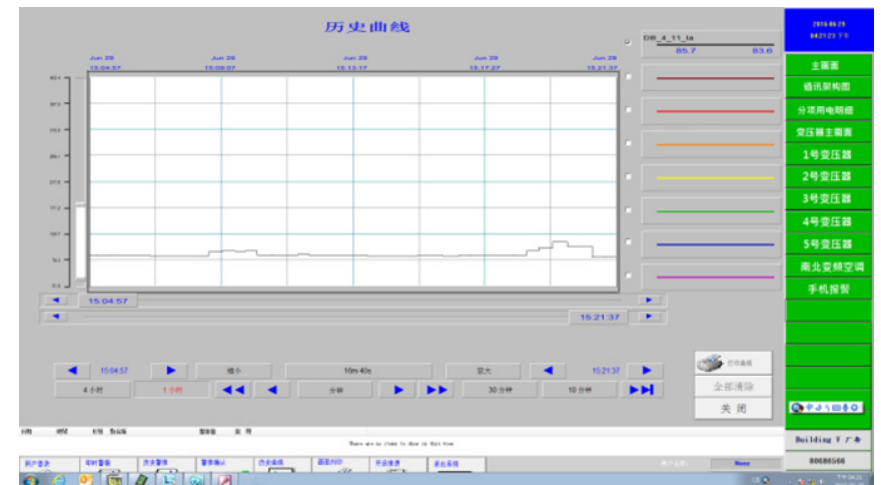
Increasing Production Efficiency to Reduce Energy Usage

Greater production efficiency means that more products can be produced in the same amount of time, and reduced power intensity required for producing each unit of product. We implemented the Lean-Based Transformation Project (M360) to restructure our plant operations and organizational culture to realize the future vision of establishing an excellent digital operation. The M360 project is a global project led by Wistron's Chairman, who appointed the chief of the Zhongshan Plant oversee Plant-related matters requiring improvements. The M360 project involves conducting on-site observations and evaluation and enhancement of daily performance, which are ultimately aimed at elevating Wistron's competitiveness in the industry.

Team members of the M360 project improve their capabilities and performance levels through a stepwise approach that targets key driving factors, logical thinking, on-site observations and implementations, and daily reviews on their performance. The semi-annual micro-transformation activity helped improve the overall facility utilization rate by approximately 4%, personnel efficiency by 15%, and product yield rate by 4%. The total manufacturing cost was reduced by 5%, thus realizing cost reduction and improved resource efficiency.



● WKS_ Building Management System (BMS)



● WKS_ Building Management System (BMS)



tons of carbon emissions. Wistron plans to continue purchasing renewable energy in the future. Wistron Zhongshan Plant has built a 6,910-m² solar water heater on the roof of its dormitory, saving 652,088 m³ of natural gas in one year [Note] and waving approximately 1,426 tons of carbon emissions. In addition, the Wistron Kunshan Plant plans to install a 337.48-KW solar generator in 2017, which is estimated to generate 330,000 kWh of power in one year and reduce carbon emissions by 267.14 tons. This plan is expected to increase Wistron's use of renewable energy, and Wistron will continue to install more solar generator facilities in its other plants in the next few years.

[Note 1] At least 71% of the days in a year are sunny, based on the weather statistics of Guangdong
 [Note 2] Solar radiation: 5,400 MJ/m²
 [Note 3] Efficiency of solar panel: 60%

Wistron will continue to introduce the ISO 50001 energy management system to its manufacturing plants to improve the efficiency of energy management and increase the use of renewable energy. Furthermore, Wistron plans to build energy information billboards that display the energy information of all Wistron plants so that the energy consumption status of Wistron's plants across the world can be comprehensively monitored in real-time.

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Wistron's Chengdu Plant sources 70% of its power from hydroelectric power generators, which is a form of renewable energy. The plant purchased approximately 15,303,500 kWh of power in 2016, saving about 14,561.28



● WZS_ Solar water heaters for employee dormitories

2016 Statistic of Energy Consumption within Wistron

Unit : GJ

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
Non-Renewable Energy	a. Diesel	0.00	256.24	10.92	433.30	114.29	0.00	343.30	458.24	23.19	87.35	58.42	1,785.25
	b. Natural Gas	0.00	0.00	0.00	36,771.14	66,899.03	25,984.78	27,634.99	13,561.43	2,029.14	8,497.94	0.00	181,378.46
	c. Gasoline	0.00	2,802.95	11.31	5,276.58	2,216.31	1,255.77	1,963.07	2,002.71	1,280.71	142,906.02	42.83	159,758.26
	d. Hear	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,733.12	2,733.12
e. Electricity	22,078.50	39,812.73	20,783.52	237,217.57	232,499.46	90,500.04	495,324.23	85,322.82	78,703.74	54,188.54	4,795.19	1,361,226.34	
Total energy consumption =a+b+c+d+e	22,078.50	42,871.91	20,805.75	279,698.58	301,729.09	117,740.59	525,265.58	101,345.21	82,036.79	205,679.86	7,629.55	1,706,881.41	

[Note 1] The energy consumption statistics are based on the bills sent by the power plant and the natural gas companies, as well as amount of purchased fuel and usage record

[Note 2] 1 kilowatt hour (kWh) = 1000 Wh = 0.0036 GJ (Use GJ converter from GRI G3.1)

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

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

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

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

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

Energy Consumption Intensity in 2016

Unit : GJ

Item	Energy Consumption
a. Non-Renewable Energy	345,655.08
b. Renewable Energy	55,092.62
c. Electricity	1,306,133.72
Total Energy Consumption = a+b+c	1,706,881.41
Energy Intensity (GJ/Billions of NTD)	2,586.54

[Note 1] The energy intensity is based 2016 revenue (see Financial Performance Overview table)

[Note 2] The consumption of renewable energy is contributed by hydropower used in Chengdu Plant and the amount is not included in the item c. Electricity consumption.

Greenhouse Gas Inventory

Wistron conducts GHG inventory in accordance with the ISO 14064 standards to identify the major sources of GHG emissions in organizational activities. Our GHG inventory is verified by a third-party certification unit. GHG emissions are summarized in the 2016 Statistics of GHG emissions.

The inventory results reveal that the Scope 2 GHG Emissions chiefly involve purchased electrical power, accounting for more than 90%. Therefore, we must conserve electricity to lower carbon emissions. Wistron's goal regarding GHG emissions is to annually reduce 1% of the GHG emission density of the previous year (GHG emission/operating revenue).

Since 2015, Wistron has conducted statistical analysis of GHG emissions from business travels and product shipping by air and sea to determine the Scope 3 GHGs emitted by transportation activities. The Hsinchu Plant and Taipei Office were investigated in 2015, and the scope of investigation was extended to the six plants in China in 2016.

Energy consumption intensity and GHG emission intensity are calculated by GHG emission (Kilotons CO₂e) per unit of revenue (billion NT\$).

2016 Statistics of GHG Emissions

Unit: Tons-CO₂e

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Scope 1	0.00	214.44	72.26	5,160.88	6,379.92	1,667.30	5,144.02	8,474.60	1,411.18	522.63	8.20	29,055.43
Scope 2	3,238.18	5,839.20	3,048.25	53,453.03	52,389.88	20,392.68	123,266.94	22,551.29	20,801.84	7,524.68	1,443.05	313,949.02
Total of GHG	3,238.18	6,053.64	3,120.51	58,613.91	58,769.80	22,059.98	128,410.96	31,025.89	22,213.02	8,047.31	1,451.25	343,004.45

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

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

[Note 2] Use IPCC FAR GWP (100yr)

2016 GHG Scope3 Emission

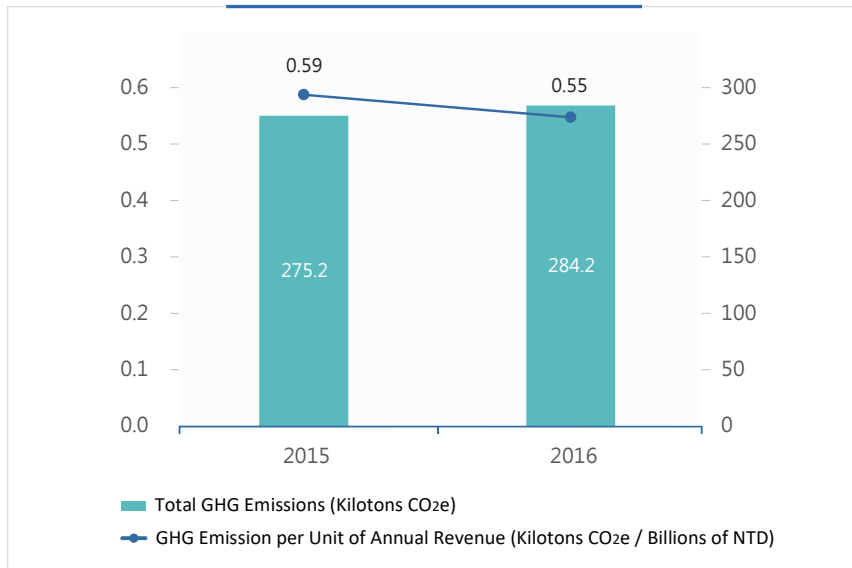
Unit: Tons-CO₂e

Item	Taipei Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Total
Business Travel (Aircraft only)	2,755.86	224.78	227.66	29.12	15.40	428.80	52.29	52.34	3,786.25
Product Transportation - Import	0.00	836.51	1,545.81	5,071.48	203.78	759.02	409.89	172.83	8,999.32
Product Transportation - Export	0.00	2,977.75	88,166.63	155.77	12.02	123,032.17	57,222.72	73,597.03	345,164.09

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

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

Statistics of GHG Emissions Intensity



[Note] To compare with 2015 performance, the GHG emission and revenue data of Kunshan OPT Plant is excluded from the statistical scope.

Other Air Emissions

Investigation of Wistron's production process reveals that only its air-conditioning systems, constant temperature/humidity testers, and laboratories use coolants containing Ozone Depleting Substances (ODS). However, all these devices are sealed and work cyclically without any leakage. Therefore, no statistics was performed on ODS coolants. The source of NO_x and SO_x emissions is diesel power generators and electrical furnace, the former of which is used only as emergency power supply in the event of power outage. Since no precision detection technologies are available for measuring the emissions of ODS, SO_x, and NO_x gases, the actual emissions of these gases were not calculated, but we will do so when feasible technologies become available.

Due to its process characteristics, our Taizhou Plant needs to use hydrofluoric acid and oil ink, wherein acidic gases (e.g., hydrofluoric acid) are generated during the micro-etching process. These gases are transported via the ventilator to the acidic waste gas cleaning tower for processing until they reach the standard for emission. Organic waste gases are generated during the screen printing process, and these gases are processed in the activated carbon adsorption tower until they reach the standard for emission. The emission requirements conform to relevant laws and regulations, and third party units are commissioned to conduct emission testing annually.

Water Resource Management

Advancement in industrial growth has increased humans' need for fresh water, which is considered the key to sustainability. All product manufacturing processes require water resources, including product materials, packaging, and transportation. Therefore, all enterprises and firms are responsible for ensuring efficient use of water resources because it ensures the sustainable use of fresh water in anthropogenic activities and product manufacturing.

Wistron adheres to national water resource laws, reduces water pollution, and protects the water ecosystem. Additionally, we put up posters about water conservation in water-supply regions as a reminder to conserve water. By 2020, Wistron aims to use 10% less water per revenue unit than that in 2015.

The production line of Wistron, except for that in Taizhou Plant and Kunshan OPT Plant, is mainly composed of the assembly line, which does not require

the use of water. The plants primarily use water resources in domestic activities and cooling towers for air conditioners. Large volumes of pure water are used the processes of Taizhou Plant, accounting for 37.55% of total water consumption. To increase water efficiency, RO concentrates in pure water activities are recycled for use in cooling towers and cleaning the toilet.

A number of plants and offices at Wistron typically use tap water, except for its Mexico Plant where groundwater is used. The Mexico Plant is located in an industrial park which is not a preservation zone or water supply reservoir; therefore, water usage does not affect the local environment or biodiversity.

We effectively manage our water usage by taking the following actions: (1) Strengthening water conservation advocacy among employees (e.g., by making posters); (2) recording the water meter on a daily basis, responding immediately to any leakage or irregularity; (3) managing chemical/liquid waste by commissioning qualified vendors to do so; (4) using equipment with water conservation labels; (5) cleaning and inspecting water towers every year; and (6) reducing the electric conductivity of cooling towers to lower emissions.

Several plants reduced their water consumption after introducing water recycling measures. They recycled 21,198 tons of water in one year, which accounts for 0.51 % of their total water consumption. The total water consumption in 2016 increased by 11.85 % compared with that in 2015, which actually reflects a reduction of 15.06 % based on water consumption per revenue unit (Km³ water consumed/NTD billions of revenue).

To conserve water in the long run, the Chengdu Plant plans to install water meters in several key regions or equipment as well as flow regulators on

faucets in 2017. Between 2018 and 2020, the plant will assess the feasibility of recycling and using rainwater and domestic wastewater. The Hsinchu Plant plans to use a raft foundation to collect rainwater for reuse in cooling towers, thereby reducing the use of tap water and lowering the overall water consumption.

Kunshan Plant will conduct a trial run on recycling and reusing RO wastewater, and if the result proves feasible, it will be introduced to every other plant. The Kunshan Photovoltaic Plant will install water meters to calculate water consumption. The Mexico Plant is also planning to construct water treatment facilities where domestic wastewater can be treated for use in irrigation.

Furthermore, we plan to develop a product water footprint inventory method with reference to ISO 14046 in 2016 to monitor the influence of our products on water resources.

Water Recycling Methods

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

2016 Statistics of Water Usage

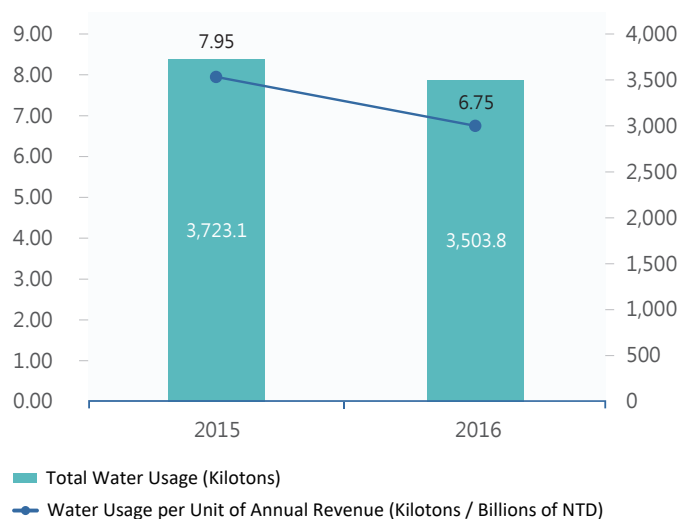
Unit: m³

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Total Water Usage (m ³ /Year) = a+b+c+d+e	18,543	46,423	42,018	938,355	660,287	283,438	1,637,662	298,399	166,304	69,782	2,907	4,164,118
a. Surface Water	0	0	0	0	0	0	0	0	0	0	0	
b. Ground Water	0	0	0	0	0	0	0	0	0	69,782	0	69,782
c. Rainwater	0	0	0	0	0	0	1,395	0	0	0	0	1,395
d. Waste Water from Another Organization	0	0	0	0	0	0	0	0	0	0	0	0
e. Tap Water	18,543	46,423	42,018	938,355	660,287	283,438	1,636,267	298,399	166,304	0	2,907	4,092,941

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

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

Statistics of Water Usage Intensity



[Note] To compare with 2015 performance, the total water usage and revenue data of Kunshan OPT Plant is excluded from the statistical scope.

2016 Statistics of Water Usage

Unit: m³

Item	Volume of recycled water	Volume of reused water	Total Volume of recycled and reused water	As a percentage of total water usage (%)
Neihu Headquarter	0	0	0	0.00%
Hsichih Office Complex	0	0	0	0.00%
Hsinchu Plant	0	0	0	0.00%
Kunshan Plant	5,640	0	5,640	0.60%
Kunshan OPT Plant	0	0	0	0.00%
Taizhou Plant	7,686	0	7,686	2.71%
Zhongshan Plant	1,395	112	1,507	0.09%
Chongqing Plant	6,477	0	6,477	2.17%
Chengdu Plant	0	0	0	0.00%
Mexico Plant	0	0	0	0.00%
Czech Plant	0	0	0	0.00%
Total	21,198	112	21,310	0.51%

Waste and Effluents Management

Waste Management

Wistron mainly produces and manufactures electronics, and information & communication products. The materials and components of its products include various chemicals. Consequently, without proper treatment, the generated waste could pose serious risks to people or the environment. All countries have implemented strict waste-related regulations; therefore, waste treatment is particular crucial for firms. Companies must be obligated to neutralize and reduce the harmful effects of their waste and recycle their waste as resources.

Wistron adheres to waste and pollutant related laws and regulations, mitigates its environmental impact by avoiding the use of prohibited substances and materials, and increases resource utilization by properly disposing of its waste to reduce environmental pollution.

Wistron classifies waste into general waste, resource waste, and hazardous waste. An additional category of waste was included in 2016 for pallets and food waste to further increase the integrity of our waste management.

By 2020, Wistron aims to increase the overall average waste recycling rate to more than 90%. The overall average waste recycling rate in 2016 was 82.46%. Wastes in all categories are controlled, classified, and recycled. Specialized and authorized hazardous waste treatment companies are commissioned to clear and process waste. Our specific waste management practices are as follows:

Wistron continues to implement the ISO 14001 environmental management system and the Zero-Waste project in Kunshan P3 Plant, which are aimed



● WKS_Waste and effluents management



● WKS_Waste and effluents management



● WKS_Waste and effluents management



● WTZ_Waste treatment

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

at continuously increasing the waste recycling rate and lowering waste generation.

wstron

安全节能环保月

环保服装制作比赛

参赛形式:
部门推荐或个人参赛均可

作品要求:
作品设计构思巧妙,可使用废旧、环保回收等物品为材料,充分发挥想象和创意,把身边的废品变成精美服装;

活动时间:
作品征集截止时间:4/29
作品征集地点:B5一楼办公室行政办公区

评比时间:
初评比时间:5月3日-5月5日
决赛评比时间:5月7日(运动会晚会现场)

评比规则:
1) 参赛形式以模特着装/设计个人或部门自行安排
2) 评委根据服装创意、环保材料使用、参赛环保服装作品进行投票

奖项设置:
一等奖1名 500元/名
二等奖2名 300元/名
三等奖3名 200元/名
优秀奖4名 100元/名
参与奖:凡积极参与比赛获得环保礼品1份(1份限1人)

WCD 『安全知識』問答, 歡迎參與!

2016年度「安全環保月」安全知識有獎問答開始啦, 6/3~6/27, 每週五至週一

活動獎項(每週): 一等獎 1名: 獎勵 智能拍照水杯 1個
二等獎 2名: 獎勵 小米移動電源 1個
三等獎 3名: 獎勵 100元手機充值卡 1張
參與獎 5名: 獎勵 環保帆布袋 1個

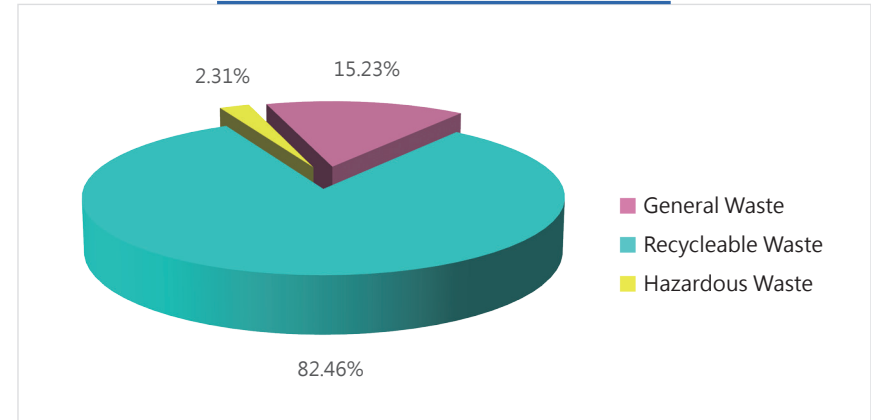
評獎原則: 依答題分數綜合排名。
獎品有限, 先到先得, 快快參與吧!

WCD 行政部 宣

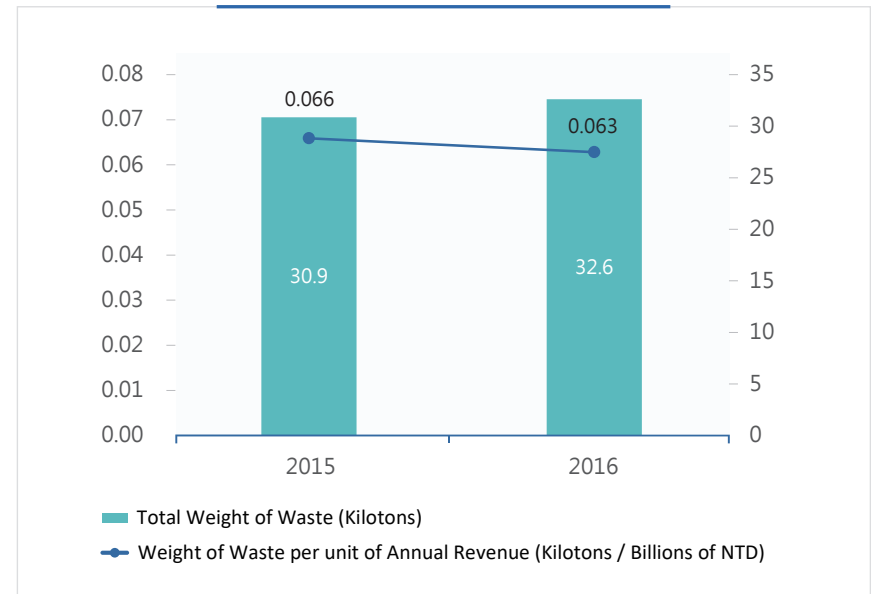
● WKS_Waste and effluents management

● WCD_Waste and effluents management - Posters of Industrial Safety and Environmental Protection Month

Waste Generation by Type



Statistics of Waste Generation Intensity



[Note] To compare with 2015 performance, the total waste amount and revenue data of Kunshan OPT Plant is excluded from the statistic scope.

2016 Statistics of Waste by Type

Unit: Tons

Item	Neihu Headquarter	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total	
General Waste	Incineration	8.21	20.13	26.21	892.74	286.79	158.12	1,162.07	61.97	16.49	0.00	0.00	5,347.73
	Landfill	0.00	0.00	11.43	0.00	0.00	0.00		0.00	0.00	76.55	14.14	
	Deep well injection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	On-site storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Other (Kitchen waste)	0.00	0.00	0.00	675.00	799.20	87.42	709.04	178.83	163.40	0.00	0.00	
Recyclable Waste	Composting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,962.13
	Reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Recycling	2.65	55.31	58.04	3,376.18	1,427.62	381.94	12,810.68	4,090.40	4,939.12	1,436.19	384.01	
Hazardous Wastes	On-site storage	0.00	0.00	0.00	0.00	8.77	0.00	0.00	113.50	0.00	0.00	0.21	812.48
	On-site treatment and discharge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Off-site transport to TSDF (Treatment Storage and Disposal Facility)	0.00	2.08	8.93	175.24	0.46	83.90	212.84	0.00	199.82	6.53	0.21	
Total Weight of Waste		10.86	77.52	104.60	5,119.16	2,522.83	711.38	14,894.63	4,444.70	5,318.83	1,519.26	398.57	35,122.34
Waste Recovery Rate (%)		24.42%	71.35%	55.48%	79.14%	88.27%	65.98%	90.77%	96.05%	95.93%	94.53%	96.35%	82.46%

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

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

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

Effluents Management

Economic developments have led to shortages of fresh water resources, which are necessary for sustaining human life. However, the depletion of usable water and intense pollution has gradually diminished the amount of water resources available to humans. Consequently, minimizing the environmental impact of wastewater pollution and implementing industrial wastewater discharge are critical for ensuring favorable business performance and sustaining the lives of human beings.

Wistron discharges wastewater in accordance with national policy and laws as well as customer requirements. Wistron applies for waste disposal permits to prevent waste leakage and environment-related complaints and punishments. Wistron is committed to implementing green development, continual improvements, and pollution prevention. There were no incidents of leakage in 2016.

The production processes of Wistron are assembly processes, and so do not require water, except for the processes at the Taizhou Plant and Kunshan OPT Plant. Wistron plants typically generate domestic wastewater. All of its wastewater (including industrial and domestic wastewater) is transported through an underground sewage system into a wastewater treatment plant where it is processed until it reaches the discharge standard before being discharged.

Therefore, the effluent does not influence the water bodies, habitat characteristics, surrounding areas, conservation status, and biodiversity. Effluents primarily treated as follows:

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

Wistron will continue to implement the ISO 14001 management system requirements. The Chengdu Plant plans to assess the feasibility of recycling and using rainwater and domestic water. The Chongqing Plant aims to assess the applicability of installing a leakage alarm system that can identify abnormalities immediately. The Hsinchu Plant will recycle RO wastewater from drinking fountains and FCU coolants for use in cooling towers.

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2016 Statistics of Effluents Discharge

Unit: m³

Item	Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Total Water Discharge	0	0	0	0	35,088	75,228	0	0	0	0	0	110,316

[Note] Total water discharge excludes collected rainwater and domestic sewage

Transportation

All firms' production processes, including transportation of raw materials, waste, and products (by land, air, sea) or business travels and trips, are likely to consume energy and emit large volumes of GHG, which exerts significant impact on climate change and the environment. Wistron is committed to reducing the influence of transport-related energy consumption on the environment by encouraging the use of green and public transportation, which minimizes the environmental impact and facilitates achieving sustainability.

Wistron's transportation activities include transporting raw materials and products, use of company vehicles, and employee commutes. The effects of these activities on the environment stem from waste gas and GHGs emitted by the fuel consumption of transportation vehicles. To mitigate the environmental influence of company vehicles and employee commutes, Wistron has taken the following actions: Encourage employees to share rides, which reduces the use of private vehicles; arrange reasonable routes for company vehicles; arrange a specific mode of transportation for employees to commute to work; negotiate with the government to arrange bus routes to Wistron plants; and check and service vehicles regularly. Five vanpooling vehicles provided by the cooperating vendor of Zhongshan Plant for employees were replaced with hybrid vehicles in 2016, which are supported by the local government.

Since 2015, Wistron has conducted statistical analysis of GHG emissions from business travels and product shipping by air and sea to determine the Scope 3 GHGs emitted by transportation activities. The Hsinchu Plant and Taipei Office were investigated in 2015, and the scope of investigation was extended to the six plants in China in 2016.

Tax import/export systems and employee business travel systems are used to generate statistical data regarding product transports and business travel, including weight of goods, distance, mode of transportation, and travel class. Subsequently, the inventory table is used to calculate GHG emissions. These plans will be introduced to other plants.

We optimize the customs and business travel systems to achieve comprehensive disclosure of Scope 3 GHG emissions.

1. Improving the import/export system function that maintains data regarding cargo destinations; this is aimed at directly checking the cargo destination through the system.
2. Updating the business travel report sheet to one that meets the requirement of GHG inventory.

Biodiversity

Human survival hinges on biodiversity, because all of the raw materials required for fulfilling living needs or manufacturing requirements are supplied by a diverse range of biological species. Biodiversity is a core element necessary for sustaining the productivity and development of nature. Firms should use biological resources in a sustainable manner and minimize the impact on biodiversity to conserve global biodiversity and ensure the sustainable development of human beings.

Wistron is devoted to working on the conservation of biodiversity by using eco-friendly technologies to reduce pollution. Adhering to environmental laws and regulations, Wistron has obtained environmental certifications, ensures that pollutants are maintained within the standard for emission, and

protects biodiversity. We evaluate environmental influences in accordance with environmental laws, and adopt environmental measures such as conducting annual environmental inspections to ensure our wastewater, waste gas, and noise emissions comply with environmental regulations. Our main manufacturing plants are located in industrial zones or export processing zones for the purpose of minimizing the effect of our operational activities on the local ecosystems, to prevent impacting biodiversity.

In particular, the Zhongshan Plant is situated next to the Fortress Hill Scenic Area, a 1000-m² preserved heritage site in Guangdong Province renowned for its unique cultural history. Wistron works with the cultural artifact administration unit in the development zone to repair the surrounding environment at regular intervals and insert reinforcements in the building walls.

Wistron Zhongshan employees discovered an eastern blue-tongued lizard in the industrial park in July 2016. We reported the discovery of this subspecies on Wistron's Zhongshan TV channel to strengthen employees' awareness towards ecological conservation. According to forest experts, the blue-tongued lizard mostly lives in favorable ecological environments, which suggest that Wistron's ecosystem in the industrial park is well-maintained. The Zhongshan Plant plans to setup an educational billboard on ecology to educate employees about ecological conservation.

Wistron will continue to pay attention to its plants' ecological environment and endeavor to prevent their operational activities from influence the biological species in the ecosystem, thereby maintaining biodiversity.



● WZS_Biodiversity

Expenditure and Benefits Associated with Environmental Protection

Following the environmental protection measures as required by relevant regulations and customers, we have established environmental protection equipment and took the necessary response to avoid and reduce negative impacts of company activities on the environment. We also calculated environmental protection-related expenditures on a regular basis. The income from environmental protection is mainly generated by waste recovery. Expenditure and benefits associated with environmental protection in 2016 are as follows:

		Environmental Protection Expenditure and Benefits										Unit: NTD	
Item		Neihu Headquarters	Hsichih Office Complex	Hsinchu Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Expenditures	Environmental Management System Certification	0	207,544	0	289,241	665,741	563,724	424,752	411,295	454,305	159,265	246,741	3,422,609
	Environmental Testing and Hazardous Substance Control	12,500	23,000	156,000	1,465,749	834,965	240,629	1,526,052	462,786	335,909	108,091	0	5,165,681
	Promotion, Education and Training	0	0	0	45,487	0	21,268	0	57,977	42,220	0	11,998	178,949
	Maintenance of Environmental Protection Equipment/Facilities	0	0	25,200	574,691	150,221	278,304	3,526,217	410,820	211,462	0	354,199	5,531,114
	Waste Disposal	0	0	90,000	5,938,391	4,257,794	5,722,619	9,549,417	1,470,641	444,640	291,180	1,009,463	28,774,146
	Cost of Improvements to Energy Efficiency	677,250	140,000	780,000	12,140,633	1,183,223	55,904	10,062,684	56,511	3,577,277	0	0	28,673,482
	Personnel Cost for the Environmental Protection Division	0	0	0	2,553,277	1,767,605	1,446,008	14,546,418	1,425,095	1,111,329	620,150	0	23,469,882
	Cost for Environment-Related Maintenance	3,688,000	6,895,176	4,030,996	24,758,121	14,606,488	5,691,064	47,661,068	6,168,925	6,168,724	2,161	0	119,670,723
	Other Costs	0	0	0	701,491	0	0	0	0	0	178,371	499,621	1,379,482
	Total	4,377,750	7,265,720	5,082,196	48,467,081	23,466,037	14,019,520	87,296,609	10,464,050	12,345,865	1,359,217	2,122,023	216,266,069
Benefits	Waste Recycling	0	579,833	1,268,812	25,465,351	10,091,937	1,529,369	52,020,283	16,369,792	25,423,815	1,776,458	682,707	135,208,357
	Other	0	0	0	0	0	0	102,913,339	0	0	0	0	102,913,339
	Total	0	579,833	1,268,812	25,465,351	10,091,937	1,529,369	154,933,622	16,369,792	25,423,815	1,776,458	682,707	238,121,697

[Note] Exchange Rate: RMB : 4.8612, USD : 32.2891, CZK : 1.3220, MXN : 1.7284, EUR : 35.7385

Sustainable Product Design and Development

To sustain the ecology of a product-friendly environment and ensure the safety and health of customers, Wistron designs and develops its products based on the concept of sustainable designs. In other words, the product life cycle is considered to determine the environmental impacts and potential risks, all the way from material acquisition to product disposal. Wistron is able to achieve sustainability through reduction of raw material use and energy consumption, recycling and reusing products and packaging materials, avoiding the use of hazardous substances, and adoption of easy-to-dismantle materials. We construct product development management (PDM) and green product management (GPM) systems that integrate product raw material use. Systematic management is conducted to ensure that our products pose no risks to the ecosystem and health and safety of our customers. Additionally, we establish standard electromagnetic safety regulations and energy consumption verification processes to conduct product verification. Therefore, the entire product life cycle, including raw material use, product manufacturing, service delivery, and final disposal,

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

Stages in Product Lifecycle	Assessment Implemented
Development of Product Concept	Yes
R&D	Yes
Certification	Yes
Manufacturing and Production	Yes
Marketing and Promotion	N/A [Note]
Storage Distribution and Supply	N/A [Note]
Use and Service	Yes
Disposal, Reuse or Recycling	Yes

[Note] Wistron is an ODM company and not a branded company; therefore, the impacts of these stages are not taken into consideration.

can comply with customer specifications and local regulations concerning environmental protection, safety, and energy consumption. Wistron confirmed in 2016 that the company was not involved in any violations of voluntary regulations as well as laws and regulations concerning the health and safety impacts of products and services within their life cycle.

Elimination of Hazardous Substances

The raw materials of Wistron parts must abide by international or regional environmental regulations (e.g., RoHS, REACH, etc.), local government environmental policies (e.g. China RoHS, Japan RoHS, California Proposition 65, etc.), voluntary environmental regulations (China Compulsory Certificate (CCC), Electronic Product Environmental Assessment Tool (EPEAT), etc.), and special environmental regulations (e.g., conflict minerals, etc.) All of Wistron's product lines comply with EU RoHS regulations. As requested by our customers, we also avoid using specific hazardous substances that are harmful to the human body or the environment (e.g., halogen-free perfluorooctane sulfonic acid and polycyclic aromatic hydrocarbons).

Compliance with Energy and Safety Regulatory Requirements

Wistron develops products in compliance with customer requirements, local energy laws and regulations, and safety regulation labels from different regions, such as Energy Star, Lot 3/Lot 6 of the Energy-related Products (ErP), TCO Certification, etc. These labels are then affixed on product exteriors, packaging, or instruction manuals. All of Wistron products (NB/DT/AIO/MNT/TV) are certified by Energy Star, with differing product lines having

passed energy consumption regulations of different regions, such as the European Union's ErP Lot 3, South Korea's E-Standby, and China Energy Label, as requested by our customers. In 2016, Wistron was not involved in violations of voluntary regulations as well as laws and regulations concerning product and service information labeling.

Using Recycled Materials and Eco-Friendly Materials

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

Easy-To-Dismantle, Recyclable Materials

We integrate easy-to-dismantle and recyclable designs in our manufacturing techniques. 1. Modular design ; 2. Uses fewer bolts ; 3. Easy-to disassemble designs: Only common tools are needed for product disassembly ; 4. The electronic components are easy to separate ; 5. The product design incorporates recyclable materials ; 6. The accessory box uses recycled corrugated paper.

Conflict Minerals and Supply Chain Management

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

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

Wistron places high regard on our suppliers as our crucial partners, in order to establish a long-term stable supply chain through cooperation with them. In addition to considering the technical skills, quality, delivery dates, and price competitiveness of our suppliers, we also require our suppliers to endeavor to protect the environment, ensure the safety and health of the environment, emphasize the importance of human rights, and work with us to fulfill corporate social responsibilities (CSR).

To achieve this goal, we have established a supply chain management process, in which a supplier quality management office is set up to formulate a Standard Inspection Procedure (SIP) according to the RD-ratified specifications, manage and supervise our suppliers, and evaluate items such as quality, costs, delivery dates, human rights, forced labor, and services. Furthermore, to protect the environment, ensure the health, safety, and human rights of our employees, and secure the rights and interests of our stakeholders, we adopted a CS²R management system that manages five major aspects of product quality, green products, environmental protection, occupational safety and health, and social responsibility.

In addition to incorporating this system into daily business operations, we also request our suppliers to work with us in implementing various requirements. In product developments, Wistron persists in adhering to energy conservation and carbon reduction principles, reducing material use, avoiding the use of hazardous substances, and recycling resources to mitigate the environmental impact of its products at all stages of their life cycle.

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

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

- CS²R management system: In accordance with the Supplier Corporate Sustainability and CS²R Audit Operating Procedure, Supply Quality Management (SQM) visits the production base of our suppliers to audit and determine their corporate sustainability and social responsibilities.
- Quality System Audit (QSA): In accordance with the Supplier Quality System Audit Operating Procedure, we visit the production base of our suppliers to audit and determine their quality systems.
- Quality Process Audit (QPA): In accordance with the Supplier Quality Process Audit Operating Procedure, we visit the production base of our suppliers to audit and determine their process quality.
- Supplier Performance Management (SPM): In accordance with the Supplier Performance Evaluation Regulations, we evaluate the suppliers' product quality, costs, delivery date, and service items.



● Wistron Group Vendor Conference 2016

Summary of Supply Chain Management Mechanisms

Item	2014	2015	2016	2016 Hit Rate	Time / Frequency
Supplier Assessment	92 Suppliers	37 Suppliers	38 Suppliers	100%	None AVL New suppliers Disqualified suppliers
CS ² R Management System	160 Suppliers	140 Suppliers	120 Suppliers	100%	Annual
Quality System Audit, QSA	150 Suppliers	140 Suppliers	120 Suppliers	100%	Annual
Quality Process Audit, QPA	150 Suppliers	140 Suppliers	120 Suppliers	100%	Launch new project
Supplier Performance Management, SPM	330 Suppliers	386 Suppliers	391 Suppliers	100%	Monthly

and confirmation were also made at the suppliers' premises. Finally, the audit results were approved [Note] .

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

- In the annual Vendor Conference, we commend vendors, who were reported in the Corporate Sustainable Management and Social Responsibility and Greenhouse Gas Inventory Report as having showed outstanding performance. We invited third-party GHG auditors, third-party RoHS inspectors, and GHG guidance companies to the 2016 CS²R/ GHG Supplier Conference to conduct educational training. We also communicated corporate sustainable management and social responsibility management policies, and provided a channel for employee complaints.
- Until 2015, approximately 91 suppliers have been registered as Wistron's supplier in EICC-ON website.

Supplier's Social Responsibility Management

Annually, Wistron prepares audit plans on sustainable operations and social responsibility for risky suppliers, which are listed under the Department KPI for supplier audit and assessment. The following items are listed under the assessment criteria for new suppliers; namely, respect for human rights, care for labor, environmental protection and fulfillment of social responsibilities. The 2016 achievements are described below:

- Wistron prepared the 2016 audit plans for sustainable operations and social responsibility for 120 suppliers, which were divided into two stages: (1) the first half of the year, and (2) the second half of the year. A site audit



• Wistron Group Vendor Conference 2016

Summary of Supplier Requirements and Management Practices in 2016

Requirement	Management Practice
Human Rights	<ul style="list-style-type: none"> • In accordance with the EICC regarding suppliers' management of human rights, 120 suppliers were evaluated and were found to have met the requirements. This reflects a 100% compliance rate, which is adjusted on a yearly basis depending on requirements. • In accordance with the EICC, suppliers are encouraged to guarantee employees freedom of association and collective bargaining rights to avoid ill-communication or adverse suppression. No violation incidents occurred in 2016. • Suppliers are required to clearly define and support the humane treatment provision specified in the EICC and convey it to laborers, and sign the Declaration of Non-use of Conflict Minerals. A total of 1036 companies have signed the declaration and abide by it. Those who violate it will have their Wistron supplier qualification canceled. No suppliers violated it in 2016. • All new suppliers (except for customer-designated suppliers) have obtained ISO 9001/ISO 14001 quality certifications, as requested by Wistron. • Future suppliers will be required to comply with 9001/ISO 14001, IECQ QC 080000, and OHSAS 18001(ISO 45001) certification systems.
Labor Care	<ul style="list-style-type: none"> • In accordance with the EICC, no child laborers are allowed to be employed. Juveniles under 18 years old are not allowed to engage in any work that may harm their health and safety. If such things have been discovered, the suppliers will lose their Wistron supplier qualification. As of the end of 2016, 91 suppliers can access their performance through EICC-ON website. No such violation by suppliers was detected in 2016. • The company hosts supplier exchange meetings and demands suppliers never to employ child labor as a solution for manpower shortage or wage issues.
Environmental Protection	<ul style="list-style-type: none"> • The company instructs suppliers to make appropriate GHG emission reduction suggestions and proposals, and provide inventory report and requirements. These were provided by 170 suppliers in 2016, and 38 suppliers have provided third-party ISO 14064-1 verification statements, while six suppliers have submitted carbon disclosure reports. The company supervises and reminds supply chains as well as the supplier companies to shoulder the responsibility of environmental protection. For those who fail to do so, improvement suggestions are put forward. • New suppliers are required to sign the EICC. They must monitor and sort waste before disposal so as to minimize environmental pollution. • Suppliers are requested to continue to avoid negative incidents and provide essential assistance at any time. • The company encourages excellent suppliers and set up the annual best environmental protection award. • The goal for 2017 is set to at least 180 suppliers. • Wistron will continue to increase local procurement, reduce CO² emissions, and mitigate global warming.
Social Responsibility	<ul style="list-style-type: none"> • The company chooses suppliers that adhere to the concept of social responsibility, CS²R certification and have signed the EICC agreement. • The EICC regulations regarding corporate codes of conduct towards society are used as a prerequisite for choosing suppliers. • Approximately 91 suppliers authorized Wistron to access their performance through the EICC-ON website. • Suppliers are required to strictly follow EICC requirements in their daily operations • Wistron encourages suppliers to issue CS²R reports. Approximately 51 suppliers issued CS²R reports.



Humanity and Social Care

Recruiting and Cultivating Talent and Teams

Workforce Diversity

The total number of Wistron's global employees and staff distribution based on gender and employment type per region is presented below. There is a male/female ratio of 69:31. Employment types depend on the countries laws, operation and capacity demands. All employees with all employment types have legal rights and interests since the first day of employment.

2016 Statistics of Employees

Unit: Person

Region	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant	Total
Male	4,380	12,351	19,955	5,759	2,559	2,995	578	100	775	49,452
Female	1,998	5,031	7,942	3,453	1,370	1,476	496	93	458	22,317
Total	6,378	17,382	27,897	9,212	3,929	4,471	1,074	193	1,233	71,769

[Note1] Taiwan = Neihu Headquarter, Hsichih Office Complex, and Hsinchu Plant

[Note2] Use the number of employees on 2016/12/31

Types of Employment

Unit: Person

Form of Employment	Taiwan	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Indefinite or Permanent Contract	6,199	2,000	104	10	35	63	8	140	1,233	9,792
Fixed Term or Temporary Contract:	179	15,382	27,793	9,202	3,894	4,408	1,066	53	0	61,977
Total	6,378	17,382	27,897	9,212	3,929	4,471	1,074	193	1,233	71,769

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

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

Age Group	Division Level and Above		Department Level		Non- Management		Total
	Male	Female	Male	Female	Male	Female	
< 30	0.01	0.00	0.49	0.23	42.93	18.23	61.90
30-50	3.82	0.70	2.39	1.00	19.30	9.12	36.35
> 50	0.98	0.10	0.04	0.01	0.47	0.16	1.75
Total	4.8	0.8	2.9	1.3	62.7	27.5	100

New Hire and Turnover Management

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

Total Number of New Hires and Turnover Unit:Person

Item	Age Group	Male	Female
2016 New Hires	< 30	76,608	26,387
	30-50	9,316	4,391
	>50	585	329
Total		117,616	
2016 Turnovers	< 30	64,816	25,068
	30-50	8,367	4,494
	>50	116	58
Total		102,919	

Local Hiring

Based on its recruitment policy, Wistron employs the best talents found in various countries. It also considers the "Cultivation of Local Management Talents" as a key goal of implementing talent localization. In 2016, local talents who work as managers accounted for 82.8%, with 50.2% assuming positions higher than Director. The data showing local employees who work as managers is presented below:

Percentage of Local Employees in Management Positions Unit:%

Region	China	Mexico Plant	Czech Plant
Percentage of Local Managers	83.6	63.6	73.1
Percentage of Local Department Level or Higher Managers	48.7	64.8	65

Percentage of Local Employees in Management Positions in China Region Unit:%

Year	2014	2015	2016
Percentage of Local Managers	80.1	81.5	83.6

Talent Cultivation and Career Development

In response to Wistron's commitment to becoming a sustainable organic entity, Wistron not only aims to its business growth and profitability, but also values the importance of culture shaping. Moreover, talent development and cultivation is the cornerstone of business sustainability; therefore, in Wistron, elite cultivation and talent turnover rate are both listed as key management indicators to emphasize the synchronous growth of employees and the company. The content and practice of Wistron's talent development and cultivation are described as follows.

Comprehensive Training Framework

Wistron endeavors to assist its employees in growing with the company and to create a positive environment of employees' continuous learning and development. We established a complete training framework to offer training courses of various domains and help our employees plan their career path. The employee training framework includes 7 different systems in three modes of "On-the-job learning", "Off-the-job learning" and "Self learning", considering different courses to use different modes and achieve better learning results.

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

While operating the seven training systems, except those routine training courses, we list 1 to 3 key training focuses based on the company operation needs. For example, since 2005, the Six Sigma has been identified as one of the key training courses. Over 800 employees among Taiwan Offices have completed the course, 19 internal instructors were added, and over 100 training projects have been implemented. The average return on investment for each project is NTD 15 million in savings.

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 33 R&D courses in Taiwan. We also bring in the CS²R training, including labor safety education, environmental hazardous substance, test report reading, and process for green project courses to ensure that all Wistron's employees are equipped with the relevant knowledge. With an e-learning platform, employees could learn online independently outside of their working time, and when needed, they could review what they have learned online whenever they want.

In addition to the internal e-learning platforms, in 2015, we also established Wiedu, a company who provides our key component suppliers with online courses regarding Wistron's operating process and SOPs to help them understand Wistron's quality and shipment requirements. We also train the suppliers' employees so that they could produce products that conform to our specifications. This approach not only helps increase manufacturers' product yield rate and reduce the costs of product returns, but also facilitates reducing our incoming inspection times and workforces, creating a mutually beneficial outcome for both parties.

Internal Speakers Sharing their Experiences and Supervisor Responsibilities

In 2016, Wistron plans numerous digital and training courses, for a total of over 2,000,000 hours. Particularly, 99% of the training courses were held by internal employees as trainers. For example, the number of internal trainers each year always exceeds 93 in Taiwan. Internal trainers are

invited to encourage internal experience passing down. Moreover, each business unit's high-level managers are invited to play the role to trainer of management courses, enabling them to serve as role models and share their experiences.

2016 Statistics of Training Courses

Category		Total Number of Training Hours Provided to Employees (Hour)	Average Hours of Training Per Employee (Hour/Person)
Employee Category	Direct	2,074,713	46
	Indirect	251,371	14
Gender	Male	1,516,944	35
	Female	665,704	35

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

Elite Training: Future Business Teams and Leadership Training

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



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Since 2007, Wistron has been nurturing future business teams and leaders by devising individual development plans for managers of all business units, according to organizational requirements, job demands, personal strengths and development needs of key personnel. To date, Wistron has completed five phases:

- Phase I (2007/2–5): Confirmed business needs, developed goals, and conducted talent evaluation and inspection
- Phase II (2007/6–2008/4): Introduced external senior coach and improved the ability of supervisors to train employees

- Phase III (2008/6–2009/4): Established a successful BG & BU Head paradigm, extending it to BU One Down personnel development, and designated BU Head to serve as internal coach
- Phase IV (2009/5–2010/6): Continued to promote the BU One Down personnel development and introduced CEO/COO to execute the Executive Mentor Program for BU Head
- Phase V (2010/8–Present): Extending the implementation plan to Global Site GM/chief and deputy chief of Wistron's plants, System Technology Manager, and Corporate Function Heads

Thus far, we have achieved the following outcomes:

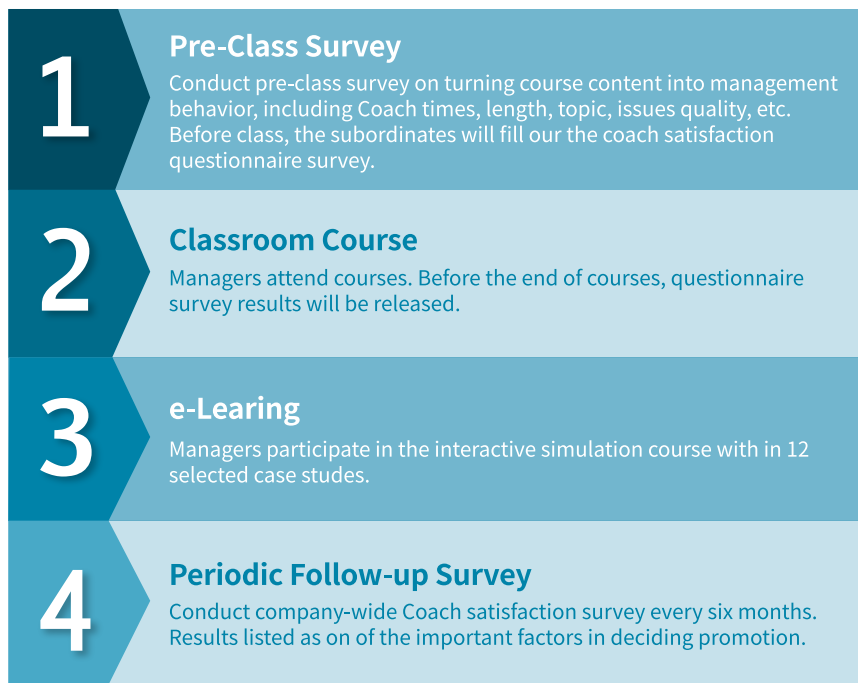
1. Following development program, more the 2-digit numbers of people have completed development and were being promoted to a new position;
2. A corporate talent pool was established, which facilitated reserving the bench depth of business group leader teams and preparing for future recruitment of young employees to the organization;
3. Developed a systemized development model that expedites the implementation of talent cultivation.

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Employee Turnover Rate: Actualizing Supervisor Instructional Skills

Employee training and cultural shaping are closely related to the ability of a supervisor to guide his/her subordinates. After training, if there is no follow-up tracking measure in place, the results will usually not last, and the investment in learning and development will be wasted. Therefore, in Wistron's training plan, we 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 skill 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 nine years of implementation, employee satisfaction with managers' coaching in Taiwan region is raising, which indirectly achieved the goal of talent retention and actualizing supervisor instructional skills.

Building Innovation Culture

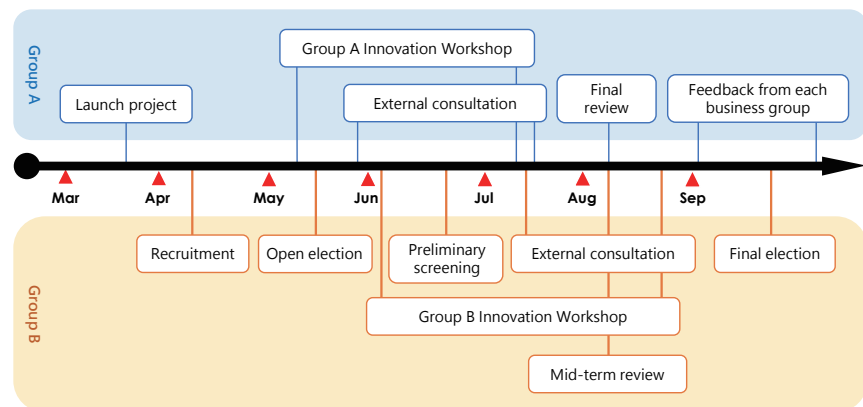
Wistron has always emphasized the belief of "innovation". To inspire more innovative ideas for Wistron's products and services, Wistron has held an Innovation Golden Brain Award competition since 2015 to grant employees the opportunity to propose their own ideas for innovation. The Innovation Golden Brain Award competition involves two groups of participants: Group A and B, detailed as follows:

Item	Source	Topic	Members
Group A	Appointed by each business group 's management.	Projects related to each BG' s 3-year business plan.	Appointed by each business group 's management.
Group B	Six teams are selected following open selection and preliminary screening	Company-related topics proposed independently by employees	Formed by employees themselves

The training center plans the following activities for Groups A and B over a period of six months:

1. 8-day workshop and 5 individual counseling sessions for a total of more than 30 hours of training and almost 8 hours of one-on-one consultation. These training activities are assisted and directed by internal teams and external consultants.
2. Stage-based reviews are arranged, and mid-term and final reviews and selections serve as the key milestones for teams.

3. Teams are assisted to perform on Wistron Tech Day, during which more employees can gain access to information on Wistron's culture of innovation.
4. Start-up teams are established to guide champion and runner-up teams in subsequent development projects after the final selection.



● Process of the 2nd Innovation Golden Brain Award competition

The aforementioned activities yielded the following four significant outcomes:

1. During the workshops headed by external consultants, Groups A and B were able to apply correct and efficient methods to adjust and revise their innovation ideas during the project process;
2. Managements of each business group and team coaches joined the external consultation sessions, which not only gave teams more chances to gain practical experience, but also increased the consensus among team members and their supervisors, which facilitated convergence in the values of a project and identifying target customers and market without needing members to waste time figuring things themselves;

3. Different teams could share information and exchange their thoughts during each workshop. With these interactions and sharing, more and more creative ideas spark and are inspired.
4. In the process of commercializing ideas, teams were more able to define product values and unique features and specify them step-by-step.



● Figure_During the innovative workshops hosted by external consultants, team members discussed together and showcased to each other

The training center not only planned a complete coaching practice but also carefully designed the review and selection process, which are described below:

1. Mid-term (final) reviews and final selections were hosted by the general manager. The resulting works were judged by a total of 13 experts in different professions, including business group managements and external consultants, who have at least evaluated over hundreds of innovation teams.

2. Following a series of discussions, three dimensions and seven standards were configured for the evaluation process. We believe that a comprehensive counseling and evaluation criteria can motivate teams to proactively engage in the competition and have more chance to commercialize these innovative ideas



● Figure_ At the final election, internal and external reviewers asked questions and gave feedbacks.

Up to the end of December, the results of 2nd Innovation Golden Brain Award are as followed:

1. Elect the first and second place of this year and be taken over by CTO office to continue with the incubation, investment program and coordinating duties for both original and new projects to team members. Project Owner, assigned by CTO, will assist the team to complete business plan and has more definite direction about their incubation through monthly meeting and regular investigating conference.

2. Over 80% teams has already attracted target customers, which shows that according to comprehensive guidance and selecting standard can make them join positively to create better chance for accomplish innovative ideas. In the meanwhile, through examining by both insiders and outsiders, new themes can also more fit in with the trend, environment and market needs.

3. Over 70% of teams have been displayed on Wistron Tech Day. Annually demonstrating Wistron’s new technology to the inner helps extend this issue of innovation and encourage more colleagues to advance their new thoughts.



The 3rd Innovation Golden Brain Award will start in the beginning of 2017, expecting to attract over hundred colleagues joining every project activities. By more comprehensive ecosystem design, supports from inner senior managements, and the resource and assistance from each department, it would make innovation DNA deeply rooted in Wistron.

Social Responsibility Management

Wistron's core value lies in being a people-centric organization that emphasizes human rights and job equality. The company has formulated social responsibility policies that to commit to complying with CSR-related international standards and local regulations, continuously enhance employees' rights and benefits, establish an honest, healthy, and safe working environment, and fulfill social responsibilities. Our personnel management policies and related regulations are established in accordance with the aforementioned policy, upholding the principle of fairness, in which any forms of discrimination and sexual harassment are prohibited. Related policies and management systems are separately described in the following chapters. We also examine the implementation status of issues concerning the use of child and minor labors, forced labor, discrimination, sexual harassment, and freedom of expression, to manifest our emphasis on employee rights and interests as well as human rights issues. In 2016, Wistron was not involved in any sexual harassment, infringement of human rights, and discrimination.

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Employment and Compensation Policies

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



It has also designed a rewards system as part of the overall remuneration package, which includes wage, benefits, bonuses and dividends. All employees have two performance evaluations each year. The results serve as the basis for personnel bonuses, employment, promotions, and other personnel management activities.

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

Ratio of Entry Level Wage and Statutory Minimum Wage

Region	Taiwan	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Chengdu Plant	Chongqing Plant	Taizhou Plant	Czech Plant	Mexico Plant
Ratio	1.07	1.19	1.01	1.45	1.22	1.39	1.03	1.37	1.21

[Note1] Ratio = entry level wage / statutory minimum wage.
 [Note2] Use the data on 2016/12/31

Parental Leave and Retention

We respect the rights of pregnant workers and provide parental leave to employees that care for infants and young children; and, automatically ask employees if they wish to return to their job one month before the end of their parental leave. In 2016, there were 68 parental leave applications in Taiwan and 8 applications at the Czech Plant.

Total Number of Employees that Took Parental Leave in 2016

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total number of employees that took parental leave	20	48	0	8

Total Number of Employees Who Returned to Work After Parental Leave Ended in 2016

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total number of employees who returned to work after parental leave ended	10	33	0	15

Total Number of Employees Who Returned to Work After Parental Leave Ended in 2016

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	4	18	0	0

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

Region	Taiwan		Czech Plant	
	Male	Female	Male	Female
Return to work and retention rates (%)	40	59	0	9.1
Retention rates (%)	66.67	69.23	0	0

Human Rights and Anti-discrimination

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

Wistron also strives to eliminate and prevent discrimination within the organization by extricating itself from the recruitment process or dealing with employment agencies (i.e. HR Agency.) The company also promotes anti-discriminatory practices to external parties, including customers, suppliers and the general public. To ensure that managers and their subordinates fully understand the company's human rights principle, we provide related training courses on sexual harassment, human rights violation, discrimination, etc. Human rights training for Wistron's global employees in 2016 are as follows:

2016 Human Rights Training for Wistron's Global Employees

Training Course	Total Number of Hours of Human Rights Training (Person Hour)	Percentage of Employees Trained in Human Rights (%)
New Manager Training	9542.5	13.3%
Target Selection	695.3	1.0%
Coaching for Empowerment	2446	3.4%
Fulfillment Supervisor Training	294	0.4%

Child Labor and Underage Workers

Wistron doesn't engage in child labor and verifies the actual age of applicants during recruitment. In some areas, however, workers older than the minimum working age but under the age of 18 are employed to fill the need for expanded production capacity, but they will only work in less-hazardous positions and are subject to enhanced training, care and management for their safety and health. The status of underage workers in 2016 is as follows:

2016 Statistics of Underage Workers

Unit: Person

Employment Type	Taiwan Offices	Zhongshan Plant	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant
Underage Workers	17	326	474	204	26	134	3	0	1

Forced or Compulsory Labor

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

Employee Care

Staff Health and Occupational Safety

Workplace Safety Management

Occupational health and safety is the foundation for a plant's healthy operation. Providing a safe workplace for employees is an essential responsibility of an enterprise. The development, implementation, and maintenance of occupational safety and health management education can effectively reduce accidental incidents, injuries and death, occupational illness, and property loss, thereby raising a firm's production efficiency and economic benefits.

Wistron adheres to applicable occupational safety and health regulations. Each site establishes its own labor safety committee to implement the OHSAS 18001 occupational health management system, and conducts adequate management, supervision, and training to control the risks of unhealthy and unsafe actions and environment and ensure that all of its employees work in a health and risk-free environment.

With a goal of zero major occupational safety events, Wistron conducts OHSAS18001 audits every year. The company has been evaluated by a third-party certification company to have achieved 100% compliance rate in implementing labor safety education courses for its new employees.



Employees are a company's most crucial asset. Wistron ensures that employees can work in a safe and healthy environment by taking concrete actions relating to occupational health and safety, including risk assessments, education and training, protective measures, preventive rehearsals, health management, and safety management. Our specific safety practices are as follows:

Wistron continues to identify hazard factors, implement OHSAS18001 and standardized safety evaluations, and conduct certificate renewals to ensure effective system operation and identify deficiencies for making improvements. Wistron endeavors to provide a safe and healthy operating environment for its employees. Wistron has developed different forms of projects, such as improvement projects, safety and production events, and educational training, to minimize workplace risks, increase employee safety awareness, and prevent incidents of major injuries.

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

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

Target	Plan	Education/Training		Consultation		Prevention/Risk Monitoring		Treatment	
		YES	NO	YES	NO	YES	NO	YES	NO
Employees	All plants	—	—	All plants	—	All plants	—	All plants	—
Employees' Families	Chongqing Plant	All plants except Chongqing Plant	Kunshan Plant	All plants except Kunshan Plant & Chongqing Plant	—	All plants	—	All plants	—
Communities	—	All plants	—	All plants	—	All plants	—	All plants	—

2016 Statistics for Disabling Injuries of Employee

Statistics of Disabling Injuries	Neihu Headquarters		Hsichih Office Complex		Hsinchu Plant		Kunshan Plant		Kunshan OPT Plant		Taizhou Plant		Zhongshan Plant		Chongqing Plant		Chengdu Plant		Mexico Plant		Czech Plant	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Injury Rate, IR	1.11	0.73	0.50	0.46	1.36	1.40	0.09	0.17	0.08	0.10	0.00	0.84	0.20	0.07	0.28	0.10	0.15	0.14	0.46	0.51	0.00	0.00
Occupational Disease Rate, ODR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Rate, LDR	2.60	1.46	224.53	1.76	19.11	15.85	1.65	3.17	0.66	1.52	0.43	28.31	3.87	2.03	1.23	0.41	3.54	2.21	9.22	26.07	0.00	0.00
Absentee Rate, AR	20.88	11.71	79.76	14.07	835.05	835.85	70.28	97.29	832.85	1327.38	1284.52	3898.87	574.35	830.53	9.84	3.26	99.66	163.41	83.00	234.00	11275.57	15883.75
Total Number of Work-Related Fatalities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

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

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

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

[Note5] In Czech Republic, employees are entitled to go to visit their doctor during working time (frequency of their visits at doctors is NOT limited and the length of time spent at the doctors is also covering the time spent on the way), or stay at home longer time during their illness.

2016 Statistics for Disabling Injuries of Contractor at Wistron Czech plant

Czech Plant	Injury Rate (IR)	Occupational Disease Rate (ODR)	Lost Day Rate (LDR)	Absentee Rate (AR)	Work-related Fatalities
Male	22.50	0.00	348.73	21649.98	0.00
Female	5.11	0.00	81.71	26218.53	0.00

[Note] There is no disabling injury occurred in Wistron' s plants in 2016, except the Czech plant

Percentage of Total Workforce Represented in Formal Joint Management–Worker Health and Safety Committees

Item	Taiwan	Kunshan Plant	Kunshan OPT Plant	Taizhou Plant	Zhongshan Plant	Chongqing Plant	Chengdu Plant	Mexico Plant	Czech Plant	Total
Workforce Represented (person)	28	73	26	26	123	41	71	46	6	440
Total Workforce (person)	6,075	27,897	7,641	1,074	17,382	4,176	4,408	1,233	193	70,079
Percentage (%)	0.46%	0.26%	0.34%	2.42%	0.71%	0.98%	1.61%	3.73%	3.11%	0.63%

[Note] Workforce represented:

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

Taiwan: Employee representatives in Employee Relationship Promotion Committee

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

Chengdu Plant



Chongqing Plant



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

Kunshan Plant



Zhongshan Plant



Taizhou Plant



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

Mexico Plant



Wistron **健康天地**
 在健康与工作之间找寻平衡
 第46期

雾霾天如何做好自我防护?

雾霾天似乎司空见惯，很多粉尘颗粒和有害物体充斥在我们的周围，或多或少的对我们出行和健康带来危害，那么雾霾天我们应该怎样做好自我防护呢？

1 应该减少室外活动

雾霾天风力比较少，空气流动不畅，很多时候雾气久消不散，空气中会有很多有害病菌及粉尘颗粒，大雾天，我们尽量少的减少外出，外出的时候最好戴口罩。不要过多的做户外运动，因为户外运动会加速我们的血液循环，更容易吸入更多的有害气体，做户外运动，要避开雾气较大的时间段。

2 外出时间长口罩要常更换

有时候我们感觉戴口罩会很安全，在外口罩也容易吸附一些有害气体及细菌颗粒，一般建议戴口罩不要超过四个小时，及时的更换，避免口罩受到污染对我们呼吸系统造成伤害，口罩要经常清洗，保持清洁卫生。

PM 2.5

3 雾霾天气少开窗

因为雾霾是有很多有害气体和颗粒的集集体，雾霾天气少开窗，减少雾霾向我们室内漂浮，因为雾霾天气空气流通速度慢，所以也不适合通风，尽量还是少开窗，等雾霾散去或者有太阳的时候再开窗最为合适。

4 进屋清洗手脸

在外面久了，皮肤上很容易吸收粘附一些有害物质，所以我们要进屋后做一些清洁，多洗手洗脸，不仅能保持卫生，还能为皮肤保持水分，增加一些抵抗的“外衣”。

5 不要带隐形眼镜

隐形眼镜虽然方便，但是雾霾中的微小污染物会刺激眼睛，污染镜片，可能引起眼痛过敏等，因为隐形眼镜是带在里面的，并且对于清洁也不方便，所以雾霾天气要尽量不要带隐形眼镜。

6 多吃些清肺排毒的水果

在雾霾天外出，难免会吸入一些有害气体，所以我们应该多吃些水果，不仅能增加我们身体需要的营养吸收，还能达到清肺排毒，利于我们身体保持通畅。

【健康小贴士】预防静电小技巧

1. 穿着纯棉衣物
2. 脱衣服时贴下墙
3. 让环境湿润起来
4. 少用塑料梳子
5. 尽量少用吹风机吹头发

一周天气预报
(仅供参考)

1月1日 (今天)	1月2日 (明天)	1月3日 (后天)	1月4日 (周四)	1月5日 (周五)	1月6日 (周六)
阴	小雨	阴转小雨	少雨转晴	多云转晴	多云转晴
18/14°C	18/16°C	18/13°C	22/16°C	21/17°C	21/16°C
微风	微风	微风	微风	微风	微风

纬创资通(重庆)有限公司

Caring for Employee Health by Providing a Safe Workplace

As a global leading ICT industry technical service provider (TSP), Wistron fully understands how sources of danger and risks inherent in a workplace would endanger any person in a company (including employees, temps, contractors, interviewers, and other personnel). To prevent employee injury and illness, we are committed to establishing an occupational safety and health management system that ensures that employees work in a healthy and injury-free working environment.

Employee health is the foundation for a firm's healthy development. Only when employees stay healthy both physically and mentally can they devote concentrated effort in working for the company and work more efficiently for the company. Health is equivalent to productivity; being healthy ensures an increase in productivity. Therefore, valuing employee health and creating a safe workplace are the keys to caring for employees.

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

The global economy and rapid technological advancements have altered people's career paths, exposing them to new health-related risks. Employees are crucial assets to a company. Improving employee health is the best route



- Encouraging employees to develop a healthy lifestyle and improve their health is the best route to filling a company with vitality.

to filling a company with vitality, because only healthy workplaces have happy employees. Wistron has set up designated personnel at various office areas across the globe to take charge of planning employee health management and health-promoting activities. By comprehensively implementing a health management and health-promoting activity to care for employees' health, Wistron's offices and plants across the world have taken concrete actions in caring for the health of its employees.

- Holding health talks: Imparting correct health-related knowledge and skills to employees

Health supplies people with the energy to work. Having a healthy body is the only way to have the energy to devote to work. Our offices and plants across the globe regularly hold talks to share health-related knowledge and educate employees about health and healthy living. In addition to reminding employees to value their health in their daily lives, these talks also enable employees to learn the skills for taking care of themselves and keep themselves away from diseases. The Chongqing Plant also regularly publishes weekly newsletter, a Healthy World, through which it educates people on general medical knowledge and reminds employees to pay attention to preventing disease and staying healthy.



- Continuing to arrange lectures on health education is an expression of care most beneficial for employees.

- Motivating employees to exercise as a habit: Fulfilling corporate social responsibility

Health is equivalent to productivity; being healthy ensures an increase in productivity. An effective health-promoting activity can make employees healthier, energetic, and perform excellently at work. Our offices and plants across the globe regularly host team physical activities. By partaking in these activities, participants could not only improve their physical fitness, but also relieve their stress and build a strong physique. Employees are also encouraged to establish physical fitness clubs (e.g., bicycle, basketball, badminton, and hiking clubs), so that they could leverage the power of small groups to drive the sports culture of the company. The Taipei Office incorporated physical fitness exercise into employee activities to help employees develop the habit of exercising regularly and to realize the corporate social responsibility of caring for our employees. Wistron received the Sports Enterprise Certification from the Sports Administration of the Ministry of Education in recognition for its achievements in sports promotion. Wistron's offices and plants across the globe will continue to invest in the iSports activity and encourage employees to foster the habit of exercising regularly.



- Taking the initiative to care for employees is the best route to expressing our concern for employees' health.



Providing Comprehensive Care for Employee Health

Corporate competitiveness stems from employee health management. Thoughtful reminders are provided to employees to receive health checkups so that they could discover disease early and receive treatment promptly. This is a crucial topic for organizations to care for their employees and protect their competitiveness.

Our offices and plants across the globe have setup health care rooms, medical rooms, or consultation services that are provided by health professionals. Wistron's Chongqing Plant and Chengdu Plant have established a green emergency health care channel that provides health care service to employees. A comprehensive range of health management and health promotion activities are implemented to realize Wistron's care for employee health.



- Regular health checks can help employees discover their disease early and receive treatment promptly.



- Enhancing employee health: Regular arrangement of health check-ups

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

Our offices and plants across the globe arrange specialists to undergo effective health management. Through the company's people-centric healthcare platform, health specialists regularly conduct follow-ups, telephone interviews, reminders to seek medical attention, medication use, or medical consultation according to individual medical health needs or improvement goals. These specialists also hold health-promoting talks. For employees with major illnesses, medical arrangements and subsequent medical assistance are provided. Each plant provides employees with a comprehensive medical nursing care by setting up a physician health care service center or medical rooms that are serviced by nurses.

The Taizhou Plant properly utilizes government resources to arrange annual checkups exclusive to female employees only. Every month, free prenatal



- Employees are filled with vitality only if comprehensive care for employee health is provided.

tests are given to pregnant employees. The Neihu Headquarter arranges free cancer screening tests during its annual health examination, thus enabling employees to conveniently utilize existing resources to have their personal health condition checked.

Wistron manifests its humanistic care for pregnant employees by offering them antenatal care or professional consultation services for effective disease prevention.

- Establishing an eLearning system: Health education for individuals with abnormal health conditions and high-risk individuals

The Neihu Headquarters and Hsichih Office Complex have established an eLearning platform to educate individuals who need specialized care for their health-related abnormalities (e.g., liver function and abnormal blood pressure level). Thus, correct knowledge regarding the causes and effects of diseases can be imparted to achieve effective self-care.

Only a healthy workplace has healthy and happy employees. In addition to continuing to implement existing health management, health care, and health promotion activities, we will continue to strengthen measures that enable employees to make the best choices while striking a balance between their work and health and to lead a healthy lifestyle as a habit. Concurrently, courses on self-health management are offered, designed to strengthen individual health management information tracking system and to facilitate detecting health risk factors. Effective management involving continual follow-ups and treatment is provided for employees with illnesses, to promote the health of all Wistron employees. We hope to extend our concerns to employees and their family members so that employees will be able to work for us with peace of mind, without having to worry about anything.

Wistron will continue to develop a wide variety of health-related activities that will assist employees with managing their own health. The company's management team also continues to pay attention to any factors that are likely to influence employee health, and to increase the coverage and frequency of health-related education for employees. These actions best protect employees' health and serve as a means of realizing employee care.

Valuing Internal Communication Channel to Listen to Employees' Voices

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

Wistron's offices and plants worldwide have set up Employee Relationship Promotion Committees, which regularly hold labor communication meetings. The highest executives and unit employees are assigned to attend these meetings as representatives of their office or plant. During these meetings, company operations and employee opinions are communicated bilaterally. The Employee Relationship Promotion Committees also set up its official websites. Meeting agendas and meeting minutes are posted on the company's portal website (EIP) within 7 days of a meeting.

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

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Employee Communication Channels

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

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

Social Participation and Care

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

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

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

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



2016 Summary of Wistron's Social Investments

Unit: NTD

Item	2016	2015	2014
Corporate Participation and Public Welfare Sponsorships (including Wistron Foundation)	40,453,824 (including Wistron Foundation 22,877,692)	45,431,642 (including Wistron Foundation 28,793,352)	32,776,967 (including Wistron Foundation 20,991,946)
Charitable Activities of the Employee Welfare Committee / the Company	2,732,066	532,425 (including Wistron Foundation 44,604)	3,476,968 (including Wistron Foundation 816,969)
Employees' Voluntary Participation in company-initiated Social Welfare Activities	6,539,034	3,240,990	3,419,268
Total Amount of Social Investment	49,724,924	49,205,057	39,673,202

[Note1] The above table includes the Taiwan office, Kunshan Plant, Kunshan OPT Plant (only for 2016), Taizhou Plant, Zhongshan Plant, Chengdu Plant, Chongqing Plant, Mexico Plant and Czech Plant as well as Wistron Foundation

[Note2] Exchange Rate: RMB : 4.8612, USD : 32.2891, CZK : 1.3220, MXN : 1.7284, EUR : 35.7385

Caring for Society

- Contributing to society

To contribute to the community and encourage learning, Wistron offers scholarships to communities situated around its plants, encouraging underprivileged learners and those who have shown outstanding school performance. In 2016, the Kunshan Plant donated scholarships to the value of RMB 298,000; Zhongshan Plant participated in the Zhongshan Ten Thousand Walk Charity Event, donating RMB 320,000 for use in supporting the impoverished; and Taizhou Plant donated a scholarship of RMB 150,000 for encouraging underprivileged students and students with outstanding school achievements to commit to learning.

Encouraging Employee Participation: Extending Social Care

- Hand-in-hand: Photographers' journey to the countryside

In order to give underprivileged children the chance to experience the beauty of life, Wistron's Headquarters specifically planned a Hand-in-Hand project. In this project, Wistron volunteers guide children from rural schools to enrich their life experience through photography. During their participation, these volunteers devote their love to the children whilst gaining learning and living experiences. This not only brought emotional warmth to these children, but also enriched the life of the participating volunteers.

- Encouraging establishment of social groups: Meeting friends with love

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

- Fueling them with love

In 2016, the children of Wistron employees in the Taiwan office and Zhongshan Plant developed leukemia. This condition added to the burden these employees have to shoulder in terms of medical expense while also having to provide for their families. Thankfully, employees from offices and plants across the globe have enthusiastically donated, fueling these employees with love. The sick children also returned everyone's love and concern through successful recovery.



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



• Chengdu Plant caring for children during the charity event on Children's Day.

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

Wistroners care for underprivileged families. Many employees of its office complex in Taiwan have taken the initiative to donate festive gift boxes provided by the Welfare Committee, delivering their love to the Hsichih and Hsinchu Children and Family Centers. Thus, the children in these homes could celebrate the festive season with warmth and love. The Loving Communities of the Zhongshan Plant and Chengdu Plant have also visited community welfare institutions and participating schools to spend time with members on special occasions.

We realize that CSR must be included in a corporate management strategy. Promoting CSR can not only bring competitive advantages for the company, but also benefit the company and enhance our corporate social value. In future, Wistron Foundation will continue to support culturally rich projects and the company will also actively motivate employee participation to increase the cultural literacy of employees. Concurrently, more people in society are motivated to protect earth resources and care for underprivileged groups in the community, thereby creating a more harmonious and beautiful living environment.



• Over 1,000 employees of Wistron's Taipei office and Hsinchu plant donate festive gift boxes to children and family centers every year.

Wistron Foundation

Established in 2010, Wistron Foundation upholds the spirit of "altruism" and works on issues related to nature—specifically, nature habitats—and humanity. The Foundation assists professional partners with habitat adoption and cultivates professional administrators to continue long-term implementation of habitat conservation. Education on the environment covers a full range of topics that are expressed through guided tours, school camps, talks, and field trips. We sponsor showing educational documentaries and films to general public of any age group in hopes of positively influencing their cognition toward environmental protection through this experience. We also invest in works to preserve, research, and conserve biological species.

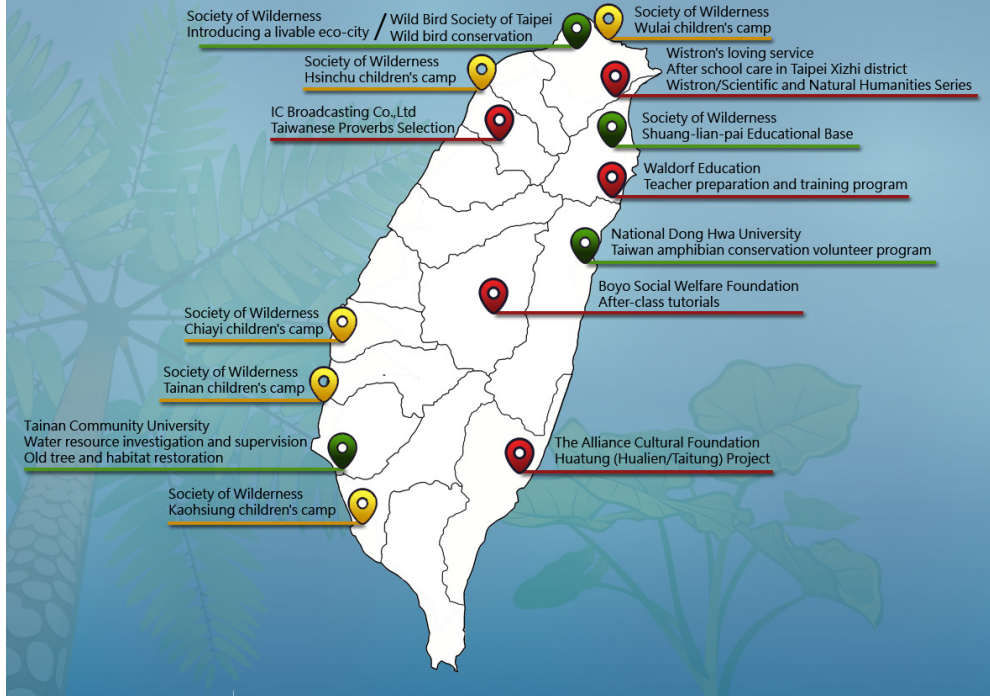
Concerning the humanities, Wistron concentrates on improving the quality of education because education motivates people to learn. Wistron has been investing in humanity education involving the teacher training campaign and professional Waldorf teacher preparation and training program, which aims to nurture more professional teachers who can contribute further to education. Underprivileged children need attention and opportunities. Wistron collaborates with charity partners to implement after-school tutorials during their critical growth period.

Habitat Conservation

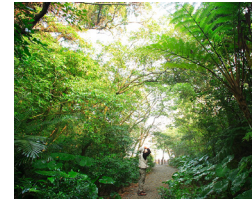
The diversity of ecological environments in Taiwan has created a variety of unique habitats. Wistron places a strong emphasis on habitat protection because it ensures the sustainability of various species. Wistron has adopted Fuyang Park, which is a complete low-altitude ecosystem rarely found in an urban setting. Wistron extends its experience in protecting Fuyang Park to conservation for Rongxing Garden Park, where rare species of firefly can be found. After the conservation of these two parks, the next step for Wistron is to envisage an ecological city in Taipei City and initiate the Ecological Park Project.



2016 Environment, Humanity, Education, and Care



Habitat and the Environment



Taipei— Ecological Park
 (Fuyang, Rongxing Garden Park)
 Charity group: Society of Wilderness (SOW)
 Duration: 2006–2016

- Habitat conservation training, trained 490 volunteers
- Carried out habitat restoration tasks 97 times
- 809 participants in firefly protection initiatives



Yilan— Shuanglianpi
 Charity group: Society of Wilderness (SOW)
 Duration: 2010–2016

- 370 people attended Shuanglianpi volunteer training and education
- 155 sessions of ecology investigation and conservation research
- 1,800 participants on working holiday
- Received environmental education certification in 2016



Tainan— Water Resource Research and Supervision/ Old Tree and Habitat Restoration Action
 Charity group: Tainan Community University
 Duration: 2010–2016

- Investigate and track waste
- Implement ecology inspection and evaluation system
- Practice old-tree habitat restoration

Shuanglianpi in Yilan County is home to a world-class ecology of floating islands that is home to over 90 types of aquatic plants. Protecting Shuanglianpi is tantamount to protecting a third of the aquatic species across Taiwan. In addition to protecting northern Taiwan, Wistron extends its reach toward western Taiwan by continuously conducting investigations and tracking toxic waste, because safeguarding healthy soil and water secures the safety of the food we eat and protects the land we rely on.

- Protecting Fuyang and Rongxing and Implementing the Ecological Park Movement

The 3.8-hectare Fuyang Natural Ecological Park used to be military land, but has now been preserved to form a complete low-altitude ecosystem. This park was subsequently adopted in 2006 by Wistron in collaboration with the Society of Wilderness and Parks and the Street Lights Office, Public Works Department, and Taipei City Government, transformed into a site for educating Taipei citizens about environmental issues.

Ten years have elapsed since Fuyang Eco Park was adopted. During this time, Wistron has invested in protecting Rongxing Garden Park. With the concerted efforts of its volunteers, Wistron has completed a multitude of tasks ranging from ecological investigation, environmental patrol, and habitat maintenance and improvement, which made it possible to keep the park's ecology intact. Based on years of experience in managing Fuyang Eco Park, Wistron proactively implemented the Ecological Park Movement in 2016, which involved managing the park by region and level. The ultimate goal of the movement was to develop an urban park that nurtures nature's living organisms and reserves precious urban habitats for biological organisms.



• Habitat maintenance in Fuyang Park.



• Farming experience for high school students.

- Shuanglianpi Environmental Education Center implements the Satoyama Initiative to protect the eco-wetland of Shuanglianpi

Shuanglianpi is located in Yuanshan Township of Yilan County. Shuanglianpi is home to more than 90 species of aquatic plants and an ecosystem of floating islands which is rare. The county government designated the area as the Wild Animal Conservation Area, which is also the country's key wetland. Since 2010, Wistron has supported the Society of Wilderness in renting the rights to manage the Shuanglianpi Eco Classroom in Yilan County from the Yilan County Government. This center served as the base station for providing environmental education and protecting Shuanglianpi. Ecological restoration of aquatic animals in Shuanglianpi was conducted, in addition to elimination of invasive species and ecological supervision. Farmers are encouraged to adopt environmentally friendly cultivation techniques to protect the waters in Shuanglianpi. In 2016, Wistron rented approximately 0.7 hectare of land in Shuanglianpi, adopting agricultural products that are directly donated to Eden Social Welfare Foundation and family support centers. By the end of 2016, 49,000 citizens have personally visited the Shuanglianpi Ecological Classroom.



• Introduction to land pollution to understand the current situations and problems.



• School teachers and students on a field trip to learn about soil conditions.

- Water Resource Investigations and Supervision Center, Old Trees and Habitat Restoration Actions

The Wistron Foundation partners with the Tainan Community University Research & Development Association to work on the Water Resource Investigation and Supervision Center, which involves long-term investigation and tracking of waste. In 2016, Wistron teamed up with multimedia operators to present environmental issues and concerns based on the data generated from the investigation and supervision. Combined with physical models and photographs, the presentation educates visitors about the environment as if they are on a field trip. The environmental taskforce and teachers from Tainan Community University have designed a Teacher Education Program for Tainan Community University based on related information to develop a Citizenship Academy that fosters community groups who take actions to solve environmental issues in practice.

The Old Tree and Habitat Restoration Action is aimed at protecting old trees and habitats and teaching people how to protect old trees. Community management has been established to continue restoring the forestry habitats of Bauhinia in Tainan parks and investigating ecological resources in Tainan parks. A practical demonstration of habitat conservation practice enables citizens to perceive and value the importance of old trees in urban cities.

Environmental Education

A habitat can be completely preserved only if we change our concepts and thoughts, reflect on how humans have extracted resources from nature for their own ends, and are willing to protect the diversity of environments in nature. Therefore, Wistron Foundation invested in laying

the foundation needed to educate children, adolescents, and adults about the environment. Additionally, the Foundation has developed nature and teacher education programs in Tainan Community University to build a pool of environmentalists. The Foundation also supports the production of informative documentaries and films with the hope of showing the audience the relationship between people and the environment through the sincerity of the director's eyes. This is a form of environmental education that is varied and popular with the general public.

- A trip to nature: Nature camp for disadvantaged children and special adolescents

The Children's Nature Camp is a program combining SOW's resources throughout Taiwan and sponsoring children's welfare groups and disadvantaged children to participate in this program. The camp grants children the chance to develop positive attitudes toward their environmental awareness and behavior. Camping activities are designed by SOW volunteers, involving 6–8 trips per year where children can become acquainted with nature and establish a link with their motherland.

In 2016, the children's camp was integrated with an educational plan called Protecting the Seedlings, in which children explore nature, make observations and record them, and take actions to protect the environment. In this process, children are guided to explore, discover, and appreciate their surroundings and the beauty of nature and take actions to improve the environment. This establishes a link between the children and environment to enhance their perception of self-worth using nature and cultivate the ability to care for the environment and take actions in protecting it.

Environment Education: Development and Sustainable Support



Foundation of environmental education
 Charity groups: Society of Wilderness, Wild Bird Society of Taipei, and Tainan Community University
 Duration: 2004–2016

- Companionship program for underprivileged children: 9,900 children across 9 counties and cities in Taiwan
- Field trips for Shuanglianpi elementary and junior high schools/ecological camp/school promotion: 11,000 participants
- Mini field trip at Fuyang Park: 2,700 participants
- Basic bird rehabilitation campaign: 190 participants
- Tainan Community University Mobile Classroom: Community elementary school bus and on-site exhibitions



Growth of environmental education
 Charity groups: Society of Wilderness, Global View Magazine, and Wild Bird Society of Taipei
 Duration: 2006–2016

- Mini field trip at Fuyang Park for junior high school students: 200 participants
- Think the Earth Adolescent Volunteers
- Basic bird rehabilitation campaign: 280 participants



Budding of environmental education
 Charity groups: Society of Wilderness and Tainan Community University
 Duration: 2006–2016

- Promotion of Shuanglianpi environmental education free-of-charge/friendly farming techniques: 3,000 sessions
- Guided tour at Fuyang Park/promotional talk: 14,300 participants
- Basic bird rehabilitation campaign: 240 participants
- Natural humanities event: 1,000 participants
- Tainan Community University course promotion: nature and the environment education program, weekend learning camp

• The Natural Humanities Series

Launched in 2011, the Natural Humanities Series activity introduced attendees to the goals and outstanding partners of Wistron Foundation. Local ecological workers and experts were invited to guide participants through the activity, which was aimed at raising their awareness towards the ecosystem and elicit discussions regarding environmental issues. Beginning in 2014, practical demonstrations have been employed in a series of activities, including a one-day scientist, working holiday activities, water terrace restoration, and landscape maintenance of Qingshui wetland. In 2016, technology experts were invited to participate in the 2016 Keelung International Marine Environmental Art Project, which invites artists across the world to submit aesthetic artworks made of recycled materials that are not harmful to the environment. The topic of the project was “Envisioning the Future of Our Oceans,” which inspires contemplations on ocean-friendly approaches and perspectives. Artworks should be exhibits that can be interactive in some way, and they should deliver messages that encourage reusing and maintaining the sustainability of ocean resources.

• The documentary Ocean

Ocean is Ke Chin-yuan's important observations and records of nearly 20 years of changes in the marine environment. This documentary provides a synopsis of the ocean, using bold approaches to illustrate 35 short clips of simple dialogue with fishermen without use of any background music or narrations. The director Ke Chin-yuan adopts the simplest camera techniques to film the diversity and vitality of ocean life, from fruitful to the barren parts of the ocean. The documentary provides a reflection of the way humans exploit marine resources. In 2016, Ke Chin-yuan was honored as the Best Director for the 51st Television Golden Bell Award in the non-drama category.

Diversity in Environmental Education



- *The documentary Ebb* by Public Television received an Honorable Mention for Conservation Awareness during the Montana CINE International Film Festival in 2011.
- *Beyond Beauty: Taiwan From Above* by Above Taiwan Cineflex won the 50th Golden Horse Award for Best Documentary in 2013. Special Jury Award and Gold Remi Award during the 47th WorldFest Houston International Film & Video Festival
- *Terraced Fields: Gongliao* by the National Geographic Channel Taiwan Branch won the Gold Remi for best short documentary (under 60 minutes) at the 49th WorldFest Houston International Film & Video Festival in 2015
- *Fly, Kite Fly* by Raptor Research Group of Taiwan achieved the Environmental Protection Award of the 12th Japan's World Natural Wild Life Animal Photography Exhibition.
- *Ocean* by Public Television achieved the 2016 Television Golden Bell Award for Director in the non-drama category


- The contribution of Wistron and its charity partners to protecting the ecosystem
- Anthropogenic activities and urban development resulted in environmental changes that directly impact the survival of numerous species. Measuring ecological indicators provides insight into the influence of environmental changes on living organisms. By investigating amphibians and establishing a longitudinal database, teams of experts can, at any time, observe and plan ways to restore and conserve natural habitats. A large number of cyathea lepifera trees, which has existed for over billions of years and is rare in other countries, have died for unknown reason. Wistron therefore invests in conserving the species of cyathea lepifera in hopes of preserving this species for our future generations. The wild bird rehabilitation center represents reparation for the destruction brought to the natural habitat. Rescuing injured fledglings can give these young birds a chance to return to nature.

Taiwan Amphibian Conservation Volunteer Program

Partner: Amphibian Conservation Laboratory of the National Dong Hwa University

Duration: 2012–2016

- 61 teams comprising 569 volunteers participated in the amphibian research, accumulating over 190,000 sets of data




Tree Fern Spore Bank Program

Partner: Taiwan Society of Plant Systematics

Duration: 2011–2013

- Cyathea lepifera seed preservation
- Cyathea lepifera investigation across Taiwan
- Teacher internship camp




Wild Bird Rehabilitation Center

Partner: Wild Bird Society of Taipei

Duration: 2015–2016

- Rehabilitation center: Linguang Station
- Rescuing 6,900 wild injured fledglings



- Citizen scientists' road to protecting amphibians: Taiwan Amphibian Conservation Volunteer Program

Wistron Foundation initiated the Taiwan Amphibian Conservation Volunteer Program organized by the Amphibian Conservation Laboratory of the National Dong Hwa University. Citizen scientists are trained to assist with making observations and collecting data. Through integrating these data with the investigations and records of key ecological indicators for amphibians, citizens are educated about the threats that endanger biodiversity, which encourages increased public participation. In 2016, the Foundation continued to maintain the amphibian information website and hold a series of events such as training courses and volunteer conference. As of 2016, Wistron volunteers nationwide have uploaded 31,500 sets of data. It is hoped that by protecting the amphibians in Taiwan we can in turn protect the local environment of the wetlands.

- The Wild Bird Rehabilitation Center

Wild birds are closely related to humans' environment, but this environment is gradually diminishing thanks to urban development and these birds cannot survive in artificial environments. Wistron Foundation started supporting the initiatives of the Wild Bird Society of Taipei in 2015 to setup a rehabilitation center at Linguang Station, where rescue missions and care for injured and diseased birds are carried out. In addition, the Foundation also supports the avian flu prevention initiatives of Taipei City Animal Protection Office by conducting screening of unidentified injured birds and assisting with disease surveillance. By 2016, 3,700 wild injured fledglings were rescued.

Concern and Education for Humanities

- Experimental Education and Reform of Primary and Junior High school Education: Ci-Xin Waldorf School

From the time it was established in 2010, the Wistron Foundation has supported the construction of new classroom buildings for Ci-Xin Waldorf School. Thereafter, the Foundation began funding the "Teacher training campaign and professional Waldorf teacher preparation and training program." Waldorf education is a complete series of courses based on practices of different cultures, anthroposophy, and child development. Through the teacher cultivating program, different perspectives and competencies in the works of education are developed. The Waldorf Experimental Elementary School was restructured into County-based Waldorf Experimental Senior High School, which implements a 12-grade education system. The Waldorf education lays the foundation for educational reform, providing a new alternative to the educational model and approaches in Taiwan.

- Huatung (Hualien/Taitung) Project

Wistron Foundation has consistently cooperated with The Alliance Cultural Foundation in its Huatung Project, which aims to identify promising industries and potential experts. Given the large urban-rural gap in education, resources were invested to build the foundation for educational

development. In 2016, we continued to introduce experimental high schools, academy, and vocational schools to indigenous tribes and foster talented citizens living in Hualien and Taitung to communicate the principles of educational reform. The Alliance Cultural Foundation envisages successfully driving the reform of mainstream education by using its experience in transforming the education system in rural areas.

- Rural Education for Disadvantaged Children: Study Class for Rural and Disadvantaged Children

Wistron Foundation began supporting Boyo Social Welfare Foundation in 2013. Boyo provides free after-school tutorial classes for children from underprivileged households. Classes are taught by local residents or university students. A total of 3,125 students were tutored in 2016, and after they graduate we will continue to track their status and see how they are coping as they advance toward the next stage of their life. The scope of Boyo's service encompassed 20 townships and 142 junior high schools in 2016. Assistance and care are continuously provided to help these children boost their confidence to be more independent and improve themselves and their family.

The study class of Glory Church in Hsichih serves to accompany junior high school students from underprivileged families in their studies. In addition to sponsoring this study class, Wistron Foundation has also recruited Wistron employees to volunteer in after-school tutoring services. During their off-work hours, employees provide academic guidance and companionship to designated students, accompanying them through their critical periods of growth, thus granting these students equal opportunities to diverse learning.

- The Beauty of Taiwanese: Taiwanese Proverbs Selection

Beginning in 2011, Wistron Foundation has been working with IC Broadcasting, a radio station that has won numerous Golden Bell Awards, in producing the broadcast show—Intelligence of Taiwanese. The show is hosted by Meng Yu-hsien who introduces listeners to the profound implications and cultural meanings of Taiwanese proverbs, enabling them to not only listen to the language of Taiwan, but also understand the culture of Taiwan and the origin of the Southern Min. Click the following link to listen to the broadcast show: <http://www.ic975.com/AOD/?id=111>

	Experimental Education	Rural School Education	Learning for Disadvantaged Children	Diversity in Humanities Education
Partner	Waldorf Experimental Senior High School in Yilan Anthroposophy Education Foundation	The Alliance Cultural Foundation	Boyo Social Welfare Foundation, Glory Church	IC Broadcasting Company
Duration	2010–2016	2011–2016	2011–2016	2011–2016
Content	Teacher training campaign and professional Waldorf teacher preparation and training program	Overhauling rural school education	Study Class for Rural and Disadvantaged Children	Radio program: Phraseological Expressions, Classical Poetry, Intelligence of Taiwanese

Diversity in Humanities Education



• *A Year in the Clouds*, by Public Television, achieved the Best Indigenous and Native Peoples Documentary and Honorable Mention for Educational Value during the 2011 Montana CINE International Film Festival.

• *The Arrival of Migratory Birds* by Vision 3 Films in 2012

• *A Town Called Success* by Public Television received the CINE Golden Eagle Awards in the People, Places & Arts / Televised Documentary & Performance category. *A Town Called Success* achieved the People and Nature Award in the 12th Japan Wildlife Film Festival during the New York festivals-International Television & Film Awards for Environment & Ecology

• *Cycling Angels* by Gazing Element Limited in 2016

• *Cycling Angels: Another Lesson in Life*

Wistron Foundation sponsored the release of the film *Cycling Angels* in 2016. The film illustrates the annual expeditions of a community orphanage director who takes the orphans on a summer vacation of cycling around the island. This excursion is more than just traveling around the island but it also provides children with another lesson in life. The director hopes that the children could learn to use their own strength, perseverance, and willpower to challenge themselves and keep moving forward by cycling. With the cadences of their pedaling, the orphans attempted to cycle past their unpleasant memories, challenge their limit, and rebuild their confidence. As they cycled with a heart full of positive beliefs, these cycling angels found the rhythms of their life and the power to overturn it.

Corporate Participation

- Sponsored the 2016 TLPGA and Royal Open
- Sponsored the YEF Program of Epoch Foundation
- Sponsored Qijin Elementary School in Kaohsiung City to travel overseas for the Robot Contest
- Sponsored the 2016 Fubon LPGA Taiwan Championship
- Tainan Earthquake Relief Project

Statement

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of WISTRON CORPORATION

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by WISTRON CORPORATION to conduct an independent assurance of its **2016 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 **2016 Corporate Sustainability & Social Responsibility CS²R Report** are the sole responsibility of the management of WISTRON CORPORATION. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

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

- Data and information included in **2016 Corporate Sustainability & Social Responsibility CS²R Report** for the **1st January, 2016 to 31st December, 2016**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)¹
 - Inclusivity
 - Materiality
 - Responsiveness
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Guidelines G4.

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

Methodology

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

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

4. Visits to 10 sites located in Taiwan(Taipei City, Hsinchu City, New Taipei City), China(Jiangsu-Kunshan, Jiangsu-Taizhou, Guangdong-Zhongshan, Sichuan-Chengdu and Chongqing City) and Mexico(Juarez City);
5. Review of WISTRON CORPORATION data and information systems for collection, aggregation, analysis and review.

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

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

Our findings

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

- The information and data included in **2016 Corporate Sustainability & Social Responsibility CS²R Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of WISTRON CORPORATION's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over WISTRON CORPORATION's performance and status during the **1st January, 2016 to 31st December, 2016**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (2008) principles of Inclusivity, Materiality and Responsiveness in its operations. Further detail is provided below;
- WISTRON CORPORATION has established appropriate systems for the collection, aggregation and analysis of relevant information;

Alignment with the principles of AA1000AS (2008)

Inclusivity

WISTRON CORPORATION has processes in place for engaging with a range key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2016 covering a range of aspects such as Economic, Social and Environment.

Materiality

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

Responsiveness

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

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General Standard Disclosures	Page	External Assurance Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
STAKEHOLDER ENGAGEMENT		
G4-24	031~034	Yes, p.195~197
G4-25	031~034	Yes, p.195~197
G4-26	031~034	Yes, p.195~197
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REPORT PROFILE		
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G4-31	001~002	Yes, p.195~197
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ETHICS AND INTEGRITY		
G4-56	045~047	Yes, p.195~197

Material Aspects	DMA and Indicators	Omissions	External Assurance
List identified material Aspects.	List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).	In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured.

CATEGORY: ECONOMIC

Economic Performance	G4-DMA	060~062	None	Yes, p.195~197
	G4-EC1	060~062	None	Yes, p.195~197

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Material Aspects	DMA and Indicators		Omissions	External Assurance
List identified material Aspects.	List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).		In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured.
	G4-EC2	053~054	None	Yes, p.195~197
	G4-EC3	146~147	None	Yes, p.195~197
	G4-EC4	060	None	Yes, p.195~197
Market Presence	G4-DMA	134	None	Yes, p.195~197
	G4-EC5	149	None	Yes, p.195~197
	G4-EC6	134	None	Yes, p.195~197
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	G4-EC9	120	None	Yes, p.195~197
CATEGORY: ENVIRONMENTAL				
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	G4-EN2	080	None	Yes, p.195~197
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	G4-EN3	091~092	None	Yes, p.195~197
	G4-EN4	091~092	None	Yes, p.195~197
	G4-EN5	091	None	Yes, p.195~197
	G4-EN6	083~084	None	Yes, p.195~197
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	G4-EN8	099~100	None	Yes, p.195~197
	G4-EN9	096~098	None	Yes, p.195~197
	G4-EN10	100	None	Yes, p.195~197
Biodiversity	G4-DMA	110~111	None	Yes, p.195~197
	G4-EN11	110~111	None	Yes, p.195~197
	G4-EN12	110~111	None	Yes, p.195~197

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Material Aspects	DMA and Indicators		Omissions	External Assurance
List identified material Aspects.	List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).		In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured.
	G4-EN13	110~111	None	Yes, p.195~197
	G4-EN14	110~111	None	Yes, p.195~197
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	G4-EN15	093~094	None	Yes, p.195~197
	G4-EN16	093~094	None	Yes, p.195~197
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	G4-EN24	107	None	Yes, p.195~197
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	G4-EN27	116~118	None	Yes, p.195~197
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	G4-EN29	076~078	None	Yes, p.195~197
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Material Aspects	DMA and Indicators		Omissions	External Assurance
List identified material Aspects.	List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).		In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured.
Overall	G4-DMA	076~078, 112~114	None	Yes, p.195~197
	G4-EN31	113~114	None	Yes, p.195~197
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	G4-LA5	157~158	None	Yes, p.195~197
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List identified material Aspects.	List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).		In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured.
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	G4-LA12	131	None	Yes, p.195~197
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	G4-HR4	125~126, 169~170	None	Yes, p.195~197
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	G4-SO4	045~047	None	Yes, p.195~197
	G4-SO5	045~047	None	Yes, p.195~197
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Material Aspects	DMA and Indicators		Omissions	External Assurance
List identified material Aspects.	List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).		In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured.
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	G4-PR4	117~118	None	Yes, p.195~197
	G4-PR5	071~072	None	Yes, p.195~197
	G4-DMA	048	None	Yes, p.195~197
Customer Privacy	G4-DMA	048	None	Yes, p.195~197
	G4-PR8	048	None	Yes, p.195~197
Compliance	G4-DMA	067~069	None	Yes, p.195~197
	G4-PR9	067	None	Yes, p.195~197