

# **Wistron NeWeb Corp.**

2011 Corporate Social Responsibility Report



## **About this Report**

In keeping with the concept of sustainable operations, WNC constantly evaluates the balance between what we receive and what we give whilst pursuing revenue growth. We aim for smooth communication with all stakeholders in the pursuit of greater opportunities for growth. This report presents the performance and achievements of WNC's global headquarters in Taiwan in terms of operations, environment health and safety, and exercise of social responsibilities. At the same time it also shows all stakeholders that in addition to pursuit of stable growth WNC takes seriously its responsibilities in terms of environmental protection and as a corporate citizen.

## **Report Scope**

This report contains information related to company operations, environmental health and safety (EHS) issues and social and environmental obligations of WNC's headquarters in the Hsinchu Science Park, Taiwan, from January to December, 2011. The contents of this report do not cover overseas subsidiaries or branches. Financial figures in this report are expressed in NT dollars unless otherwise specified.

## **Report Methodology**

In this report, WNC presents issues of direct concern to its stakeholders. The contents represent WNC's efforts in corporate operations, supply chain management, employee benefits, and environmental protection. The selection and prioritization of issues in this report took account of their relative importance and the degree of the company's concern over them.

### **Report Guidelines (GRI G3.1)**

This report is compiled based on the Global Reporting Initiative (GRI G3.1) framework. A table is attached at the end of this report for reference. WNC declares that this report complies with GRI G3.1 Application Level B. This report exists in both Chinese and English versions both of which are announced on WNC's website.

### **Publication**

The first edition of this CSR report was published in June, 2011. This report is published annually.

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## A Message to Our Stakeholders



## 01 A Message to Our Stakeholders

### 1.1 A Word from the Chairman

Last year we made an obligation to our stakeholders to produce a corporate social responsibility report every year without fail. By doing this we can ensure to meet our responsibility to supply complete and transparent information to our stakeholders while also giving them an additional channel to learn about WNC's achievements in the past year, our current practices, and the future direction our efforts will take. At the same time our wish with this report is to convey the message that whilst pursuing business growth and development WNC will not overlook its social responsibilities.

In the midst of the fiercely competitive wireless communications industry we firmly believe that as a global corporate citizen, in addition to pursuing further excellence in the industry and providing appropriate and timely services to customers, taking an active role in environmental and social issues and taking care of our employees are all important expressions of our belief in sustainable operations. Environmental sustainability, consideration for others, and respect for the contributions of employees are the key concepts we wish to communicate to our stakeholders.

In recent years environmental consciousness has received more and more emphasis and the business sector is now realizing that only via pursuit of environmental sustainability can sustainable business operations be realized. To this end more consideration is now being given to environmental factors during the development of business strategies. It is fair to say that achievements with regards to the environment, green products and social responsibility are now seen as competitive advantages. These days production of environmentally friendly

products has become as important as product quality and pricing. WNC's hazardous substance free policy of green design, environmentally friendly, green manufacturing, customer satisfaction, regulatory observance and outstanding innovation, encapsulates our six green commitments to the environment and to our stakeholders. In addition we incorporate development of green products into our operational strategy to pursue with employees the lowest environmental impact. Last year we drafted a Supplier CSR Survey for implementation in 2012 and required all suppliers to sign WNC's Corporate Social Responsibility Declaration as part of our advocacy of labor rights, a healthy work environment, environmental protection, sound business management and corporate ethics with the ultimate goal of creation of a green supply chain.

A further principle of ours is to make consideration of others a tenet of daily operations so that in the midst of WNC's sustainable development blueprint human-centric social concern can also be expressed in the local community. I believe that consideration for others and consideration for oneself are twin facets of the same thing. The practice of social responsibilities by an enterprise has a positive impact on employees as witnessed by the efforts of our employees in donations and volunteering last year. Internalization of consideration of others into our core values means in turn that the sustainable strength of the company slowly increases.

As a responsible employer WNC works hard to create a healthy workplace that is in line with environmental and social principles, and to promote a work-life balance for employees. We cultivate an environment of continuing education for workers so that they can increase their value to the company as well as raise their own self-worth. Giving employees a sense of identity and belonging is both a goal and an obligation of WNC. I deeply believe that in the performance of its social responsibilities a corporation must motivate its employees to contribute to the



centripetal force of the company. This force will help us to raise our value in the entire industry chain and create harmony between technology, nature and humanity.

From pure company operations to the more complex role of a corporate citizen, from creating economic value to creation of social value, we are sharing with more and more stakeholders, through a variety of channels, comprehensive and transparent CSR information. Thank you for taking the time to read this report. We look forward to any feedback or suggestions you might have that would assist us in our duties.

Chairman Simon Lin

A stylized, handwritten signature in black ink, likely belonging to Chairman Simon Lin. The signature is fluid and cursive, with a prominent upward stroke at the beginning.

## 1.2 A Word from the CEO

From its founding in 1996 to the present WNC has adhered to the four core principles of Fundamentals Advocacy, Teamwork, Customer Focus and Value Creation and to the spirit of Back to Basics. During its slow and steady progress WNC has met and dealt with a great variety of challenges. Going forwards in pursuit of sustainable development we will strive to create maximum value for employees, customers, stockholders, the community, and the environment while at the same time searching for an optimum balance. To this end we have set corporate social responsibility and environmental protection at the very core of our operational objectives.

Last year WNC faced pressure from unfavorable factors such as rising raw material prices, rising labor costs and appreciation of Asian currencies which in turn led to increased production costs. However thanks to the continuous investment of WNC in new technologies, R&D of new products, development of new markets and raising of internal operational efficiency WNC has been able to maintain consistent and positive growth.

Regardless of how the overall environment changes, WNC places great emphasis on development and innovation and believes this is the key to future success in a competitive environment. In view of this it is with great pride that we can share with our stakeholders the fact that in recognition of its outstanding R&D and patent achievements in 2011 WNC was honored with the Hsinchu Science Park R&D Accomplishment Award and the Innovative Product Award, the Creation Award in the National Invention & Creation Awards and the international reddot award for communication design.

In addition to increasing sales growth and R&D and innovation momentum we are aware that as a corporate citizen the sooner we execute our responsibilities to society, the environment and stakeholders the sooner we can accumulate sufficient positive energy to assist in the realization of sustainable operations and growth. The following is a brief introduction to the four major CSR objectives of WNC in 2011:

### **1. Maintaining stable growth**

Due to the unpredictability of the global operational environment in recent years maintaining the stable growth and operations of WNC is an important commitment to stakeholders. To this end, aside from our investment in R&D innovation and new markets, upgrade of internal operational efficiency is an important component in our response to the dramatic changes in the global economy. Therefore in addition to emphasizing the sophistication of our R&D innovation and the development of new markets we are also making great efforts to raise operational efficiency.

### **2. Creation of a green supply chain**

We actively work with our suppliers to develop relationships of mutual trust and cooperation and to promote concepts of social responsibility. In labor rights, workplace environment, environmental protection, company management, and business ethics regulations we work with our suppliers to raise standards across the board.

### **3. Creation of an outstanding employee training environment**

In order to realize a connection between operational strategy and human resource development and take into account the need for employee career planning we have optimized the quality of employee training and now offer employees a diverse range of study opportunities so they can enjoy a work environment that encourages self-fulfillment. In 2011 WNC was awarded the seventh National HRD

InnoPrize in recognition of our efforts in raising the effectiveness of our employee training.

#### 4. Support of disadvantaged students

WNC is fully aware of its obligations towards society. By giving back to society, the community and to disadvantaged groups, the strength of a company can be effectively brought to bear. In 2011, in addition to continuing to support social groups previously supported WNC formalized its long-term sponsorship of the Science Service Club of National Tsing Hua University in order to assist in the science education of students in remote locations. We look forward to being able to continue supporting and nurturing the education of these young students.

In addition to our long-term efforts to create an outstanding corporate structure we have also invested a great deal of effort in corporate social responsibility. This is the second edition of our CSR report and it also stands as a testament to our commitment to our social obligations. We hope that through this document our stakeholders can learn about our performance of our CSR obligations over the past year. We are aware that there is still room for improvement across all facets of our CSR performance and therefore would welcome any comments or suggestions you might have.

Haydn Hsieh

Chief Executive Officer

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## Corporate Operations



## 02 Corporate Operations

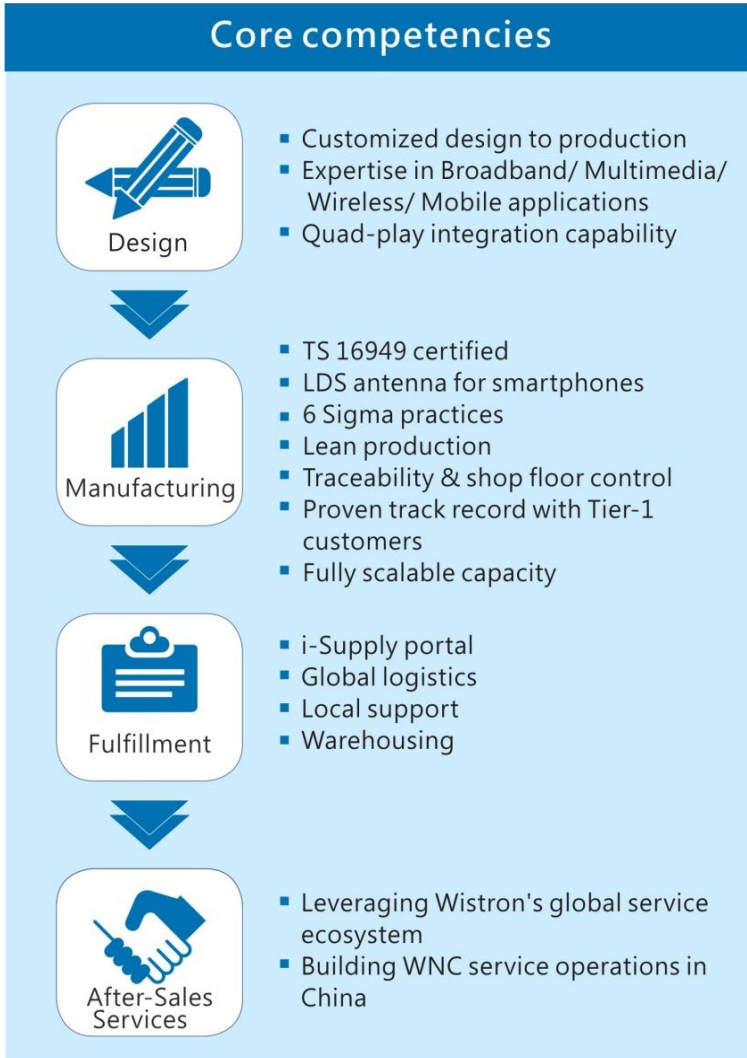
### 2.1 About WNC

<b>Company name:</b>	<b>Wistron NeWeb Corporation</b>
<b>Established:</b>	<b>Dec. 7, 1996</b>
<b>Public Listing:</b>	<b>Sept. 22, 2003 (Stock code: 6285)</b>
<b>Capital:</b>	<b>NT\$ 2.89 billion</b>

Wistron NeWeb Corporation (WNC), established in 1996, is a professional product design and manufacturing company providing high quality ODM/JDM/OEM services for wireless communication products. WNC offers complete capabilities in RF antenna design, software design, hardware design, mechanical design, system integration, user interface development, product testing and certification, and manufacturing. WNC differentiates itself from the competition by applying its fundamental strengths in RF to a wide range of applications including Antenna, Automotive & Digital Media, Direct Broadcast Satellite, Digital Home, Mobile Communication, and Networking. By combining and cross-developing such a wide range of expertise under one single roof, WNC offers excellent interdisciplinary services for its customers.

With its outstanding research and development capabilities and in-depth cooperation with global industries, WNC is able to develop new products in full partnership with its customers from product concept through mass production, providing well-thought-out total market solutions. By leveraging cooperative relationships with its customers, WNC consistently provides user-friendly wireless communication products and is the best business partner for brand name enterprises, system operators and content service providers.

### 2.1.1 Core competencies



### 2.1.2 Competitive advantages

#### **Professional management team**

WNC's management team has many years of experience within a broad range of technologies. All levels of management are capable of grasping key product technologies and of independently developing products while fully understanding market changes. With their guidance, the right niche products adopting integrated communication technologies are quickly promoted to the market. The management team at WNC helps the company maintain a leading position in the industry with sustained competitive advantages

#### **Comprehensive wireless communication product lines and flexible product integration technologies**

Focused on all related products of the Broadband, Multimedia and Wireless domains with its full range of wireless communications technologies, WNC has abundant experience in the fields of microwave communications, digital wireless communications, antenna design, software engineering, multimedia integration development, etc, with a total mastery of the technologies utilized. Moreover, it fully understands trends in communication markets, while improving integration capabilities of communication technologies. WNC also meets direct to market demands of customized products while improving time-to-market schedules of new products and repeatedly winning the recognition of major international brands.



### **Overall technical support and after-sales services**

In addition to obtaining full ISO certification, WNC is also TL16949, QC080000, and ANSI/ESD S20.20 certified. This demonstrates the importance that WNC attaches to product quality and the high degree of customer satisfaction WNC strives to achieve. Likewise, WNC places great emphasis on the establishment of a complete customer advisory and after-sales service system with a view to the maintenance of long-term partnerships with customers.

### **Cutting edge R&D technologies**

With regards to satellite communication products, WNC has specialist teams devoted to antenna, microwave, software and driver development, with outstanding technical ability in the design and manufacture of satellite communication products. In terms of R&D talent, WNC hires specialist personnel with proven experience in microwave communications. In addition to satellite antenna labs, WNC has established advanced measurement labs, which help provide related experimental product data. And finally, regarding wireless communication products, WNC also has a large number of talented software specialists with full independent design and development capabilities.

### **Complete product line development, taking advantage of economies of scale**

At present WNC develops satellite communication products, mobile communication products and WLAN products. With the expansion of application fields, corresponding markets of current products have maintained growth momentum. Revenues from all product lines have benefited from these economies of scale. Through cost control mechanisms, WNC enhances its profit-making capabilities.

### 2.1.3 Corporate values and principles

WNC employees follow four core values and ten principles as a means to achieve teamwork discipline and organizational efficiency. These central tenets clearly display WNC's corporate culture.

#### Four Core Values

- Fundamentals advocacy
- Teamwork
- Customer focus
- Value creation

#### Ten Principles

- Strive to exceed the highest quality
- Achieve effective execution
- Shoulder responsibility bravely and take the initiative
- Abide by integrity and perform all company matters with moral courage
- Promote teamwork
- Observe discipline strictly. Distribute rewards and penalties fairly.
- Be eager to learn and share
- Be customer-focused
- Reinforce cost consciousness and create the highest profits
- Be an industry benchmark

## 2.2 Global Footprint

WNC's global headquarters are located in Taiwan's Hsinchu Science Park. With a combination of office and factory facilities, WNC's headquarters provides all business functions such as research and development, production and manufacturing, sales, logistics and after sales, as a unified whole. To expand its sales scope, WNC has established manufacturing, sales, and research and development sites in China as well, namely, WebCom Communication (Kunshan) Corporation and WNC (Kunshan) Corporation, providing multiple production lines and focusing on manufacturing. WebCom Communication (Nanjing) is responsible for research and development of products for the China market. NeWeb Service (Kunshan) Corporation focuses on after sales services. Moreover, WNC has also established sales and logistics service sites in the United States, including California and Mississippi. In 2011 WNC has set up new R&D facilities in California, New Jersey and Mississippi with a Texas location which is responsible for after sales services.

### ▼ WNC Global Locations

		R&D	Sales	After Sales	Factory	Logistics
Wistron NeWeb	Global Headquarters, Hsinchu, Taiwan	O	O	O	O	O
WebCom Communication (Kunshan)	Nanjing, Jiangsu	O	O			
	Kunshan, Jiangsu			O	O	
WNC (Kunshan)	Kunshan, Jiangsu				O	
Wistron NeWeb (Kunshan)	Kunshan, Jiangsu				O	
NeWeb Service (Kunshan)	Kunshan, Jiangsu			O		
W-NeWeb Corporation	Milpitas, California		O			O
	Mississippi		O			O
	Irvine, California	O				
	New Jersey	O				
	Dallas, Texas		O	O		
	Detroit, Michigan	O	O			

## 2.3 Product Portfolio

### 2.3.1 Current products

#### Satellite communications

- DTH TV receiver antenna system
- Single cable multi-output outdoor receiver systems & derivative products
- Satellite Radio receiver systems
- HD Radio™ receiver systems
- Automotive safety radar

#### Mobile and handheld communication products

- 3G / 4G wireless network communications, audio equipment and modules
- LDS antenna for mobile devices
- RFID products
- MoCA products
- Digital home network communications, energy management products
- Automotive 3G / Wi-Fi modules

## 2.3.2 Technologies or products successfully developed in 2011

### Satellite communications

Year	Successfully developed products or technologies
2011	<ul style="list-style-type: none"> <li>■ Multi output outdoor receiver system</li> <li>■ HD satellite receiver system</li> <li>■ Automotive safety radar</li> </ul>

### Mobile and handheld communication products

Year	Successfully developed products or technologies
2011	<ul style="list-style-type: none"> <li>■ 4G Broadband Network AP</li> <li>■ Home energy management</li> <li>■ High end wireless router</li> <li>■ Smart IPTV STB</li> <li>■ Home digital AV internet adapters</li> </ul>

## 2.4 Industry Prospects and Challenges

### 2.4.1 Industry development status

In 2011, under the influence of unstable financial conditions in America and Europe, market dynamics tended to be conservative but multi-network convergence and cloud network services have continued to receive heavy attention. Demand for bandwidth and high transfer speeds has pushed demand for 4G. WNC has concentrated its attention on wireless, broadband and multimedia domains for many years. This product orientation matches well with industry trends as can be seen in our outstanding performance in 2011. In the following section we describe the current status of markets that WNC is involved in.

(1) With regards to satellite TV markets, while North America and Western Europe once dominated the global DTH (Direct to Home) satellite TV service market, in 2011 the Asian market has seen rapid growth while the South American market has been developing gradually. These two emerging regions are seen as having the highest growth potential. In the North American market, total pay TV users have surpassed 100 million, and DTH subscribers have exceeded 33 million. Driven by the pursuit of HD programs bundled with networking services, network operators in Europe and the U.S. have proactively introduced a wide variety of new services to stimulate demand and replace out-of-date equipment. However the number of DTH subscribers in Asia has almost caught up with that of North America, with increasing demand for related devices. The overall DTH market in Asia is maintaining a steady growth rate.

(2) In the satellite broadcast market, Sirius XM generated outstanding performance results in 2011. With the current rebound in auto sales, subscribers have increased to over 21 million, with primary business revenue coming from the pre-assembly OEM market. Following trends in mobile broadband, Sirius XM has actively developed new services with IP broadcasting functions and personalized features, to respond to developments in global markets and diversify its business scope. All of these factors will have a positive and direct influence on increasing demand for various satellite broadcasting products.

(3) Regarding the wireless WAN market, smartphones continued to flourish and competition between brands was intense. Under Google's active promotion, the Android platform continues to grow rapidly and received much attention in the consumer market, and with the arrival of the Windows Phone 7, the smartphone market has shown strong global growth. Total shipped units worldwide reached 490 million in 2011 and are expected to reach 670 million in 2012, becoming the leading mobile computing product worldwide. Moreover, the introduction of the iPad2 increases the popularization of smart devices and marks the beginning of a post-PC world of boundless possibilities. However, although the growing sophistication of mobile devices offers users an ever-wider variety of new applications, they also place heavy demand on broadband resources necessitating the urgent upgrade of current networks. For this reason, global network operators are planning to replace current frequency bands and speed up the transition to 4G wireless network technology. As a whole, the growth and influence of the extremely broad mobile communications market is expected to spur further development within the wireless communications industry, and have a great impact on the future of the ICT industry.

(4) With regards to the wired/wireless LAN market, driven by mobile broadband applications the network communications industry in 2011 maintained 2010's direction. The focus remains on different application domains of wireless multi-media technology and devices, in particular the high speed solutions that hit the market in abundance. In-home wireless devices using 802.11 standards have reached a mature stage, and these standards have generally become commonplace in the personal computer industry. In recent years, rapid growth of the emerging network media market has stimulated the demand for wireless capabilities in consumer electronic products, bringing forth a variety of innovative business opportunities for Wi-Fi products. Smart TV, IoT (Internet of Things), A/V transmission, WMAN (wireless metropolitan area network) for mobile broadband network distribution all show that, as a mature technology, Wi-Fi applications are expanding. According to In-Stat's projections in 2012 quantity of Wi-Fi chipsets shipped will break 1.4 billion and by 2014 the market scale will reach 2 billion. In terms of consumer electronics Wi-Fi chipsets reached a penetration rate of 36% and 100% within Blu-ray players and handheld gaming consoles respectively. In addition growth in Digital TV with built-in Wi-Fi is expected to take off, from 8% penetration in 2010 to 40% by 2015.



## **2.4.2 Product development trends**

### **Satellite broadcast applications**

1. Satellite optical fiber broadcast technology - by converting satellite signals into optical signals via optical fiber media satellite signals are able to reach further and be received by more homes thus meeting the market demand for community shared antenna applications.
2. Satellite broadband network technology - utilizes VSAT characteristics of two-way transmission and WAN coverage to supply convenient and economic internet access to remote areas with no broadband service or for special industry applications (i.e. in marine or mine environments).
3. Satellite video conversion technology - in response to development trends in internet video this utilizes a high speed computing platform to convert original broadcast quality AV data into digital (IP) format enabling use by cross-platform devices.

### **Mobile broadband applications**

1. 3G/4G mobile access devices - with the rapid proliferation of smart phones and concomitant strong growth in demand for mobile broadband, in addition to smart communication devices utilizing open source platforms, mobile broadband hotspots and other new generation product applications are gradually being accepted by the consumer market.
2. 3G/4G Home Broadband Integrated Devices - 4G mobile broadband bandwidth specifications are already compatible with current wired xDSL internet, so home-use integrated broadband routers and other network devices are drawing the attention of telecom operators and are seen as weapons in the battle for the broadband internet market.

3. 3G/4G integrated communication modules - in addition to products for the consumer market, with increase in internet bandwidth and decrease in cost of data transfer, development opportunities are proliferating for industrial and automotive applications. Module integration technology will play a key role in this new business.

### **Home digital applications**

1. Home wired/wireless broadband area networks - internet can be seen as a multimedia application in the same way that transport can be seen as economic development. In recent years demand for multimedia home applications has significantly increased, leading to an upgrading of home network technical specifications. Wired PLC, MoCA technology and new generation 802.11ac/ad wireless transmission will all be key technologies in the future support of home digital applications.
2. Home AV wireless transmission devices - cloud storage and multi-room systems that utilize wireless technology to achieve seamless transfer and simple operation and installation have already become key selling points in the marketplace.
3. Open source internet STB - with the advent of Android, open source platforms have become a key characteristic of emerging products. By adopting open source platforms both developers and users are able to bring to bear hardware capabilities. By emphasizing the multimedia applications and interactive networks of next generation smart TVs open source STBs have major tactical importance.
4. Smart home energy management systems - green energy and environmental protection has become a hot topic in the wake of recent manmade disasters. Digital (IP) network technology can assist consumers to understand home power consumption data, improve control over power consumption and establish good energy conservation habits.

### **2.4.3 Future development prospects, threats and response strategies**

#### **(1) Industry prospects:**

##### **Growth of the digital broadcast industry**

With the advent of the digital age, rapid and flexible digital communications are a reality. Apple's iPod, amongst other products, has lead to a storm of digital music, and subscribers to the primary satellite radio service provider in the U.S., which covers the entire America market, are growing steadily. In addition this service provider has achieved service penetration in different communication media formats, increasing user loyalty and opportunities to maintain contact with users. In the field of digital TV, mature markets in Europe and the U.S have generated diversified services due to competition among Pay TV platforms and penetration of Internet applications. For example, many Pay TV service operators in the U.S. have announced new functions such as multi-room systems, integration with smart phone applications, etc. Likewise, emerging markets have begun switching from analog to digital formats under government encouragement. For example, with the rapid establishment of DTH platform satellite services, emerging markets such as India and Latin America have been undergoing significant growth. In general, the demand for integrated products and basic receiving equipment has continued to increase, in both mature and emerging markets.

##### **The wireless communications era is here**

Coinciding with the liberalization of global telecommunications and vigorous development of mobile communications and the Internet, the communications industry has seen rapid growth. The entire communications industry has great development potential, while wireless communication is expected to be an inevitable trend of future development. All of these factors will positively influence WNC's business operations.

**Trends in highly integrated networks and mobile devices**

In the trend for integration of wired and wireless broadband networks, and in order to meet user demand for wireless and mobile services, new services are generated. For instance, in addition to mobile broadband services, quadruple-play services, which offer voice, video and data services through IP networks, are undergoing rapid development based on wired broadband. All of these services will stimulate a new round of network infrastructure and terminal device upgrade.

**(2) Threats and response strategies:****Domestic software talent shortage**

Having focused on providing high-efficiency production and manufacturing services in the past, Taiwan has a strong foundation in hardware related technologies and logistics systems. However, with the rise of the Internet era and rapid development of emerging network applications, the lack of controls in the software industry has revealed a competitive disadvantage for domestic companies in comparison to overseas brands.

Response measures: The integration of platforms and services is expected to bring about excellent growth potential. In addition, boundaries between countries will have no effect on development since the global village we live in is increasingly interconnected by high-speed networks. Companies in Taiwan can acquire more external software development resources due to economic recession in the West, and thus enhance software development capabilities for consumer electronic products.

**Operating costs have increased**

The price of oil continues to rise. The cost of raw materials has increased sharply, while labor costs in mainland China have risen due to local regulations. All of these factors have put great pressure on the entire manufacturing industry regarding the

cost of materials and manufacturing. In 2011 the economic situation in the US and Europe has had a considerable effect on the global economy and industry operations. While the European debt crisis is temporarily resolved risk is still present and uncertainties exist which may or may not have a direct or indirect influence on the operations and profit-earning ability of the company.

Response measures: Maintain flexible marketing strategies with rapid product integration development capability. Match the right product to the right niche market while responding to market demand. Take measures to pursue maximum profits, expand the scope of operations and lower manufacturing costs.

**Exchange rate fluctuations influence company profits**

Since WNC is mainly focused on export sales of products, changes in exchange rates can affect profitability of the company.

Response measures: The Finance Department must focus on exchange rate fluctuations and capital demand at all times, and takes all necessary measures to ensure risk mitigation.

## 2.5 R&D Values and Recognition

### 2.5.1 Professional R&D capabilities

R&D capability is the most important value of WNC. Up to the end of 2011 we held 457 patents, 129 in the US, 184 in Taiwan, 139 in China and five in Europe. This is an increase of 105 on the 2010 total. We also have 580 patents pending, 100 more than at the end of 2010.

### 2.5.2 Achievements

In order to provide complete wireless communications solutions WNC places great emphasis on the upgrading of product R&D and production quality. Since our establishment we have developed a large number of innovative wireless communications products. Our R&D and design efforts have already been recognized both domestically and overseas. In 2011 we were honored to receive a Creation Award in the National Invention & Creation Awards held by the Intellectual Property Office, a Hsinchu Science Park Science Park R&D Accomplishment Award and Innovative Product Award, and the internationally recognized reddot communication design award amongst other honors.

In addition WNC is committed to the creation of a comprehensive human resources development system in order to cultivate the communications talent we require. This development system includes establishment of suitable training and development programs and career planning for employees. In 2011 WNC won the seventh National HRD InnoPrize awarded by the Labor Affairs Bureau recognizing the effectiveness of our efforts in HR development.

▼ Awards in the Past Four Years

2011	<p>Hsinchu Science Park R&amp;D Accomplishment Award</p> <p>Hsinchu Science Park Innovative Product Award</p> <p>reddot award: communication design</p> <p>National Invention &amp; Creation Awards; Creation Award</p> <p>Seventh National HRD InnoPrize</p>
2010	<p>2010 Asiamoney Corporate Governance Poll</p> <ul style="list-style-type: none"> <li>- Overall Best for Investor Relations across Asia</li> <li>- Best Overall for Corporate Governance</li> <li>- Best for Responsibilities of Management and the Board of Directors</li> <li>- Best for Shareholders' Rights and Equitable Treatment</li> <li>- Best for Investor Relations</li> <li>- Best for Disclosure and Transparency</li> <li>- Best Investor Relations Officer</li> </ul> <p>Hsinchu Science Park Innovative Product Award</p> <p>National Standardization Award</p> <p>National Invention &amp; Creation Awards; Contribution Award and Invention Award</p> <p>iF communication design award</p>
2009	<p>Hsinchu Science Park R&amp;D Accomplishment Award</p> <p>iF product design award</p>
2008	<p>Hsinchu Science Park Innovation Product Award</p> <p>iF communication design award</p> <p>CES Innovations Design and Engineering Award</p>

## 2.6 Industry Association Memberships

WNC actively participates in related industry associations and in the activities that they host. Up till the end of 2011 associations in which we hold membership are as follow:

Taiwan Electrical and Electronic Manufacturers Association

Communications Industry Alliance

Telematics Industry Exchange

Taipei Computer Association

Taiwan Internet of Things Alliance

The Allied Association for Science Park Industries

Greater China Internet of Things

Taiwan Telematics Industry Association

RVU Alliance

MoCA Alliance

Wi-Fi Alliance



O3

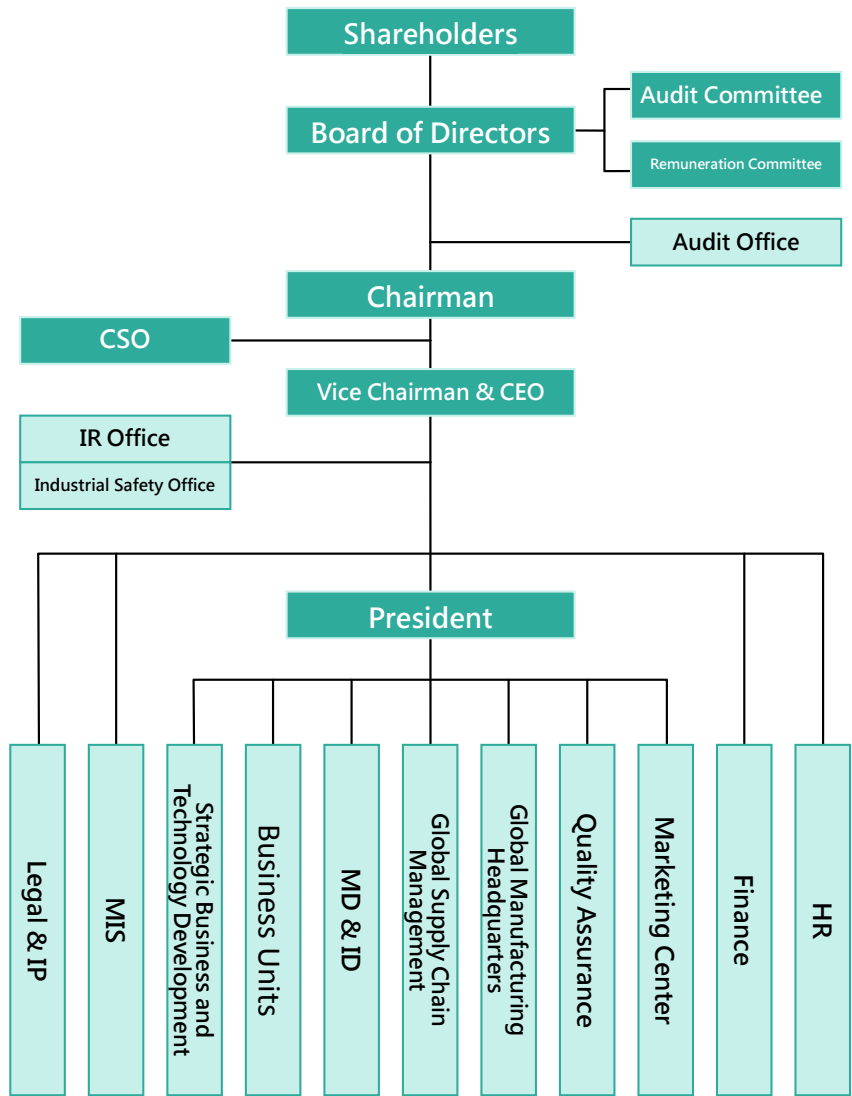
Corporate Governance



03

Corporate Governance

3.1 Organization Chart



## **3.2 Board of Directors**

In accordance with its Articles of Incorporation, WNC elects seven to nine directors, with qualifications that are in accordance with the Company Act, for three-year extendable terms. The Board of Directors is comprised of members with abundant corporate management experience or academic backgrounds. Currently, WNC has nine directors, three of whom are independent directors. The independent directors are appointed after approval in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The president is elected by the Board of Directors. Internally, he is the Chairman of the Board of Directors, whereas in public, he represents the company.

The Board of Directors responsibilities include supervising the normal operations of the company and ensuring financial transparency, approving the hiring and remuneration of upper management, providing guidance to upper management in operational strategy, assessment of performance of upper management in such categories as sales, environmental protection, green products and corporate social responsibility. WNC's upper level managers' remuneration includes fixed items such as basic salary, bonuses and benefits, and non-fixed items such as dividends (cash/stock), stock (treasury stock/stock buy-back) and rights issues. Fixed items are decided based on the principle of maintaining WNC's level of competitiveness in the industry while non-fixed items take into consideration the operational efficiency, performance and contributions of both the company and of individuals. Internal and external operational environment conditions at the beginning of the year are taken as a basis for setting of assessment objectives and loading ratios. Meanwhile the Remuneration Committee reviews and evaluates performance in pursuit of these objectives and makes recommendations to the Board with further reference to salary standards in related industries.

A Board of Directors meeting is held at least once every quarter. Board of Director decisions are disclosed immediately following such meetings through the Corporate Governance platform of the Market Observation Post System and on WNC's website. In 2011 the Board met a total of six times.

### ▼ Board of Directors Information

Name	Title	Experience
Simon Lin	Chairman & CSO	President and CEO of Acer Inc. Chairman and CEO of Wistron Corporation
Haydn Hsieh	Vice Chairman and CEO	President and Senior Vice President of Acer Inc. Mobile Computing Business Unit
Jeffrey Gau	Director and President	Senior Engineer of RF-Link Systems Inc.
Frank FC Lin	Director	CFO of Acer Inc. Chief Staff Officer of Wistron
Max Wu	Director	President of Acer America Corporation Chairman of Birch Venture Capital Chairman of Hua Nan Assets Management
Philip Peng	Director	Senior Vice President and CFO of Acer Inc. President of iD SoftCapital Inc. Director of Acer
Chang Guang Yao	Independent Director	Chairman of the Federation of the International Management Council CEO of Kuang Chien Computer
S. T. Peng	Independent Director	Chair of National Chiao Tung University Microelectronics and Information Systems Research Center Chair and Professor of National Chiao Tung University Institute of Communications Engineering Chair of Yuan Ze University Communication Research Center (YZU CRC)
Robert Hung	Independent Director	CFO of Taiwan High Speed Rail Corporation Chairman of Young Green Energy Co. Director of Coretronic Corp.

### 3.3 Audit Committee

In June, 2011, WNC established an audit committee that meets prior to the Board of Directors meeting every quarter to monitor the execution of the company's internal controls and important financial and sales behavior and to communicate and interact with CPAs in order to effectively supervise company operations and risk management. The audit committee's specialized division of duties and independent position assists the Board of Directors in the execution of its supervisory capacity, raising the company's financial standing and creditability. The audit committee is comprised of all three independent directors with at least one member having a specialization in accounting or finance. Terms of office are three years and are extendable. In 2011 the committee met four times.

#### ▼ WNC Audit Committee Members

Name	Title
Chang Guang Yao	Independent director, audit committee chairman
Robert Hung	Independent director, audit committee member
S. T. Peng	Independent director, audit committee member

### 3.4 Remuneration Committee

In October, 2011, WNC established a remuneration committee in order to improve organization of the company and to regularly review strategy and standards relating to performance review and remuneration of directors and senior managers.

#### ▼ Remuneration Committee Members

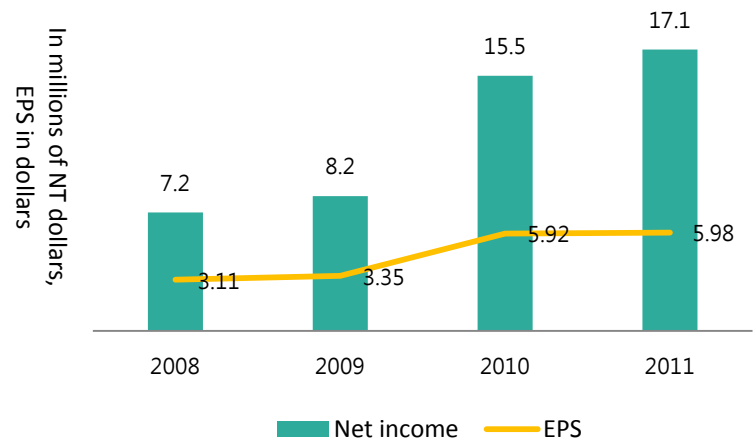
Name	Title
Robert Hung	Independent director, remuneration committee chairman
Chang Guang Yao	Independent director, remuneration committee member
Philip Peng	Director, remuneration committee member

### 3.5 Compliance with Internal Regulations

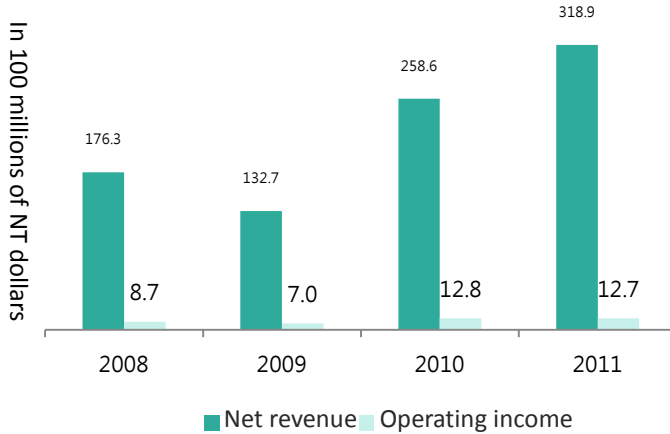
Ever since WNC was founded, it has implemented its internal regulations in accordance with applicable national laws in order to guide its employees, managers and the Board of Directors. Further adjustments to ensure internal compliance with amendments to regulations by the competent authorities are carried out in accordance with an understanding of the full scope of domestic/international investments and sales trends. Policies such as environmental protection, industrial safety, health policy, anti-discrimination, honesty, conflict of interest, information safety and public welfare assistance are all included in the field of corporate compliance. In addition, in dealings with vendors, three major principles with regards to gifts must be observed: (1) no employee may accept any gift in any form including gift vouchers, cash, or stock or other securities, any employee caught doing so will be punished according to the circumstances. (2) it is not permitted to request gifts from vendors. For special occasions where a vendor expresses an interest in presenting a gift the request should be passed to the general affairs unit for co-ordination. (3) as regards traditional small gift items such as festival foods or vendor gift items it is acceptable to receive these so long as it is done in an open manner. Individual employees should exercise their own judgment but should not allow the acceptance of such gifts to influence mutual relations. All WNC subsidiaries and affiliates are required to follow the same corporate compliance guidelines. WNC clearly states that employees must uphold high ethical standards and abide by norms of integrity while in execution of their daily duties to protect company credibility. WNC pays close attention to changes in domestic/international policies and regulations and amends related risk control policies to respond accordingly.

3.6 Financial Performance

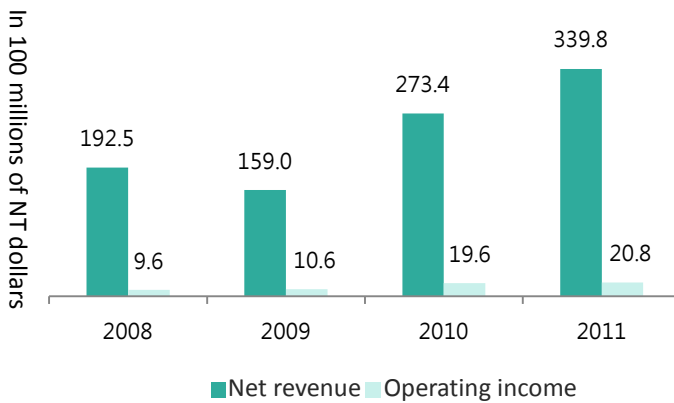
WNC announced its non-consolidated revenue of 2011 as NT\$32 billion, up by 23.3% YoY. Consolidated revenue was NT\$34 billion, up by 24.3% YoY. Net income was NT\$ 1.7 billion, up by 10.4% YoY. An EPS of NT\$5.98 was reported. The following financial data charts present WNC’s operating results of the previous four years.



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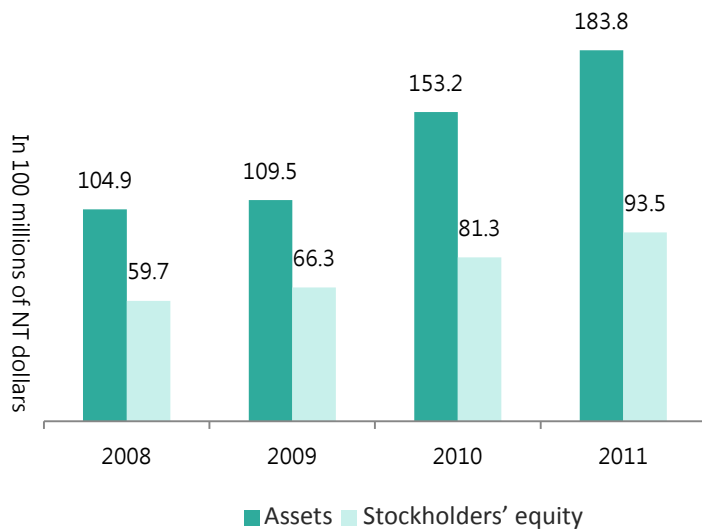


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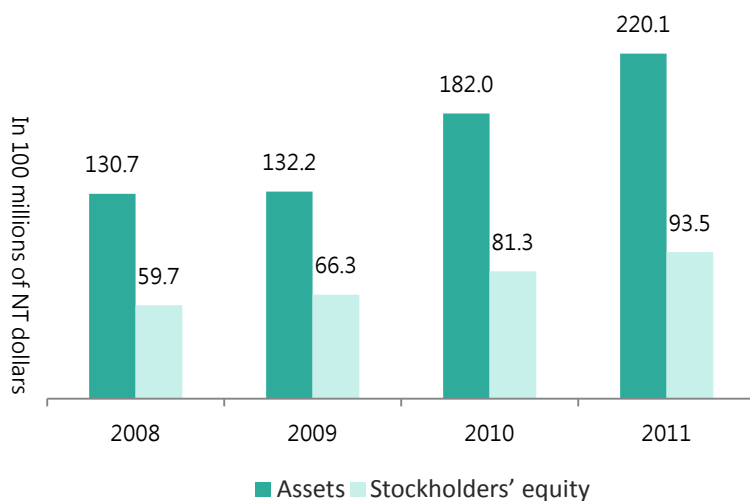




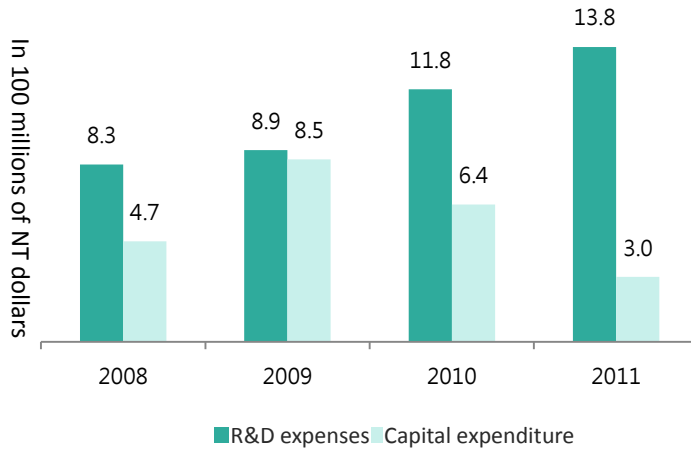
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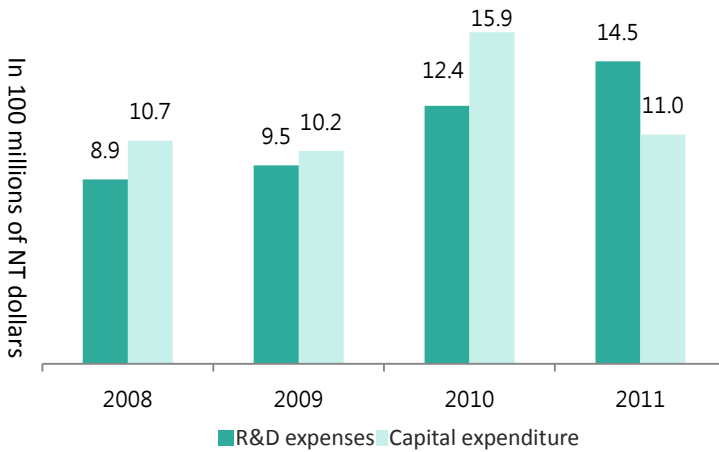
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## Identification of Stakeholders and Communication Mechanisms



## 04 Identification of Stakeholders and Communication Mechanisms

### 4.1 Significant Stakeholders

WNC stakeholders comprise investors/shareholders, customers, suppliers, employees, government authorities, non-profit organizations and the community as a whole. Interaction with our stakeholders is an important part of our daily operations as is the inclusion of items of concern in annual planning or, for more transient items, being flexible enough to include them in discussions and arrangements. Additionally, as needs require, assignment of items of concern to responsible or related units for handling and response.

In addition through diverse communication platforms we understand the wishes of stakeholders as regards the company and pass these wishes onto upper management to serve as an important reference in preparation of CSR policy and related planning.

#### ▼ WNC's Stakeholders



## 4.2 Identification of Substantive Issues

### ▼ Issue Identification Process



## 4.3 Addressing Issues and Communication Mechanisms

Below we list WNC stakeholders, the issues that concern them, and the channels through which we communicate on these issues. For action on related issues please see related chapters.

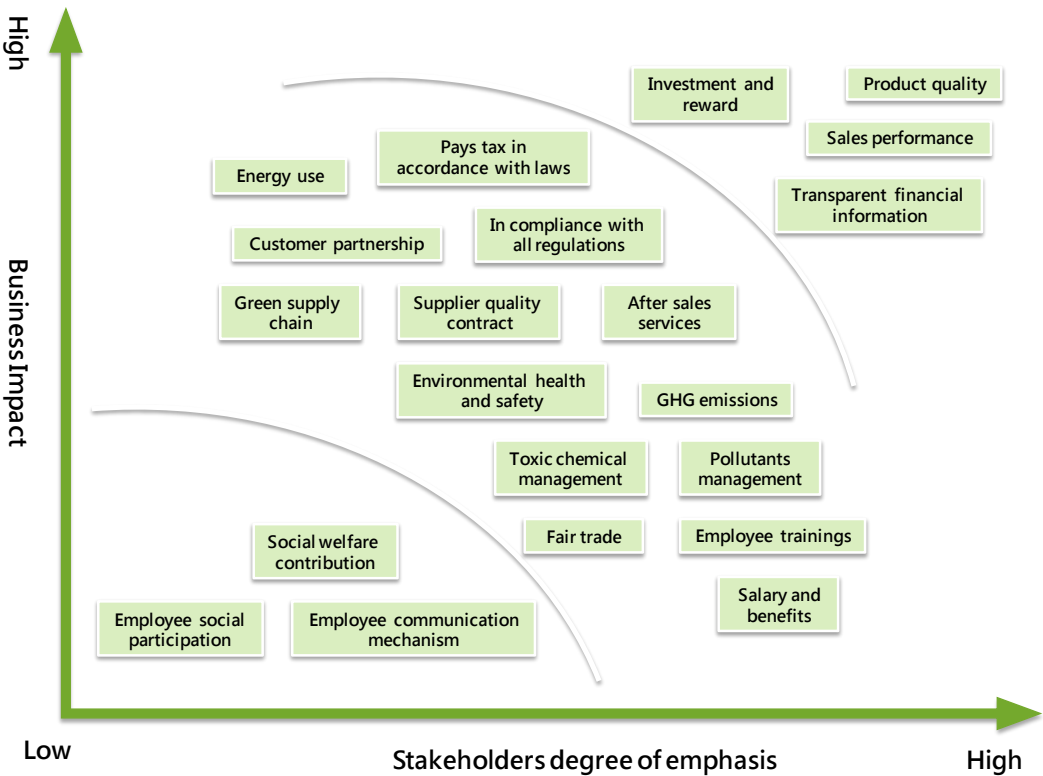
## ▼ Stakeholder Communication Channels and Issues Concerning Them

Stakeholder	Communication Channel	Issue
Investor	<ul style="list-style-type: none"> <li>■ Publication of Financial Report</li> <li>■ Convene Shareholders' Meeting</li> <li>■ Convene Investors Conference</li> </ul>	<ul style="list-style-type: none"> <li>■ Sales performance</li> <li>■ Investment and remuneration</li> <li>■ Dividend distribution</li> <li>■ Company operations</li> <li>■ Regulatory compliance</li> </ul>
Customer	<ul style="list-style-type: none"> <li>■ Customer satisfaction survey</li> <li>■ Customer complaint management mechanism</li> <li>■ Global Service Center and After Sales Service</li> <li>■ Co-operate with customer on green manufacturing</li> <li>■ Execution of CSR</li> </ul>	<ul style="list-style-type: none"> <li>■ Product quality</li> <li>■ Establishment of green supply chain</li> <li>■ After Sales Service quality</li> <li>■ Customer relations</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>■ SMS portal</li> <li>■ Supplier performance evaluation</li> <li>■ Quarterly sales review meeting</li> <li>■ Supplier conference</li> </ul>	<ul style="list-style-type: none"> <li>■ Fair trading</li> <li>■ Company financial status</li> <li>■ Supplier contracts</li> <li>■ Hazardous substances regulatory criteria</li> </ul>
Employee	<ul style="list-style-type: none"> <li>■ Employee Welfare Committee</li> <li>■ Gardener Committee</li> <li>■ In-house e-newsletter</li> <li>■ Employee questionnaire</li> <li>■ E-Platform and company announcement</li> </ul>	<ul style="list-style-type: none"> <li>■ Employer-employee relations</li> <li>■ Salary and benefits</li> <li>■ Workplace health and safety</li> <li>■ Employee communication channel</li> <li>■ Career development and training</li> </ul>
Community	<ul style="list-style-type: none"> <li>■ Corporate website</li> <li>■ CSR contact window</li> <li>■ CSR report</li> <li>■ Hsinchu Science Park activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Water resources/waste management</li> <li>■ Hazardous substances management</li> <li>■ Energy consumption</li> <li>■ ESH results</li> <li>■ Co-operation with local laws</li> </ul>
NGO	<ul style="list-style-type: none"> <li>■ Employee Welfare Committee</li> <li>■ CSR contact window</li> <li>■ CSR report</li> </ul>	<ul style="list-style-type: none"> <li>■ Public welfare contributions</li> <li>■ Employees participate in public welfare activities</li> </ul>
Govt. Authority	<ul style="list-style-type: none"> <li>■ Official documents</li> <li>■ Regulatory seminar or hearing</li> <li>■ Financial reports</li> <li>■ Provision of related reports to competent authorities</li> <li>■ Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>■ Transparent financial information</li> <li>■ Tax payment in accordance with the law</li> <li>■ Observation of related laws and regulations</li> <li>■ Execution and promulgation of government policy</li> </ul>

### 4.4 Significance of Related Issues

Issues that concern stakeholders are collected by relevant departments of WNC via communication channels and are identified according to the twin factors of influence on operations and degree of concern of stakeholders and are further identified according to degree of concern, importance and priority.

▼ Issues of Concern to Stakeholders



# O5

Employee Care





## 05 Employee Care

### 5.1 Recruitment

Employees are the key assets of a company. WNC follows recruitment principles of "respect for human rights" and "employ people according to their abilities". WNC's entire recruitment process conforms to labor regulations and gender equality guidelines. Professional ability is the key factor in our recruitment processes. We will not consider an individual's gender, age, ethnic background, religion, or political affiliation as an advantage or drawback during evaluation. All participants have an equal opportunity to display their capabilities in an open and transparent recruitment process. Personnel from the recruitment affairs unit also regularly participate in diverse training programs on interview skills and the use of specialized evaluation tools.

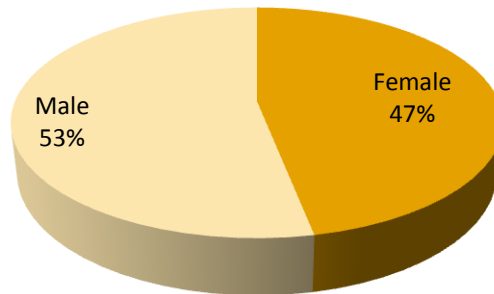
#### 5.1.1 Human resource structure

As of the end of December, 2011, the total number of employees worldwide was 8178, of which 2003 employees were located in Taiwan, an increase on 2010 figures of 22.6%. 1247 of these were indirect labor (IDL) employees and 756 were direct labor (DL) employees. 91.2% of IDL employees are university graduates. The percentage of female employees was 46.9%. 59.7% of our colleagues are aged between 26 and 35 and almost half of all employees have worked for WNC for three years or more, which indicates that our younger generation of employees is keen to have the opportunity to grow with WNC.

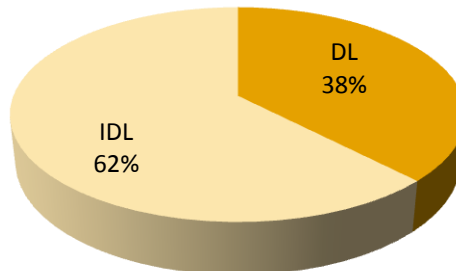
## ▼ 2008 - 2010 WNC Taiwan Employee Totals

Year	2008	2009	2010	2011
Total	1,488	1,497	1,634	2,003

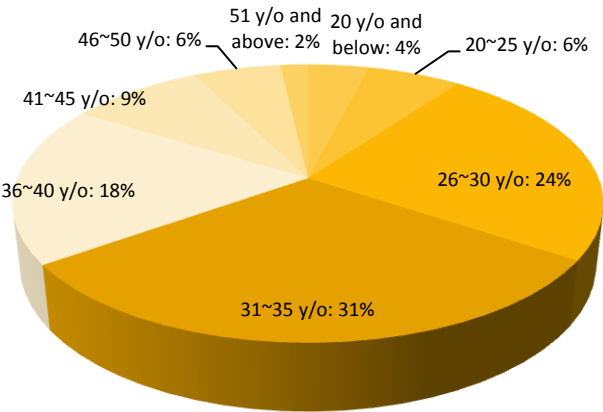
## ▼ 2011 Taiwan Employees' Gender Breakdown



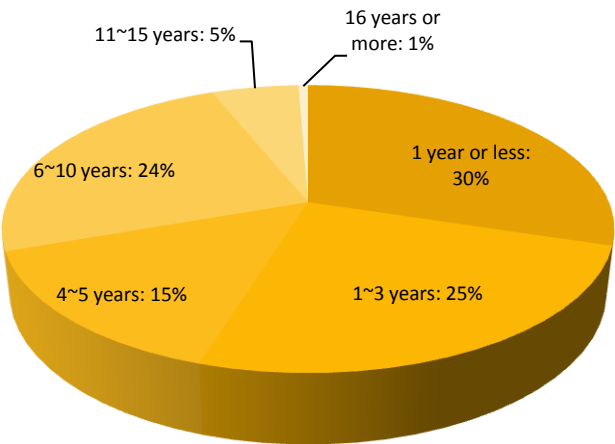
## ▼ 2011 Taiwan Employees — DL vs IDL Breakdown



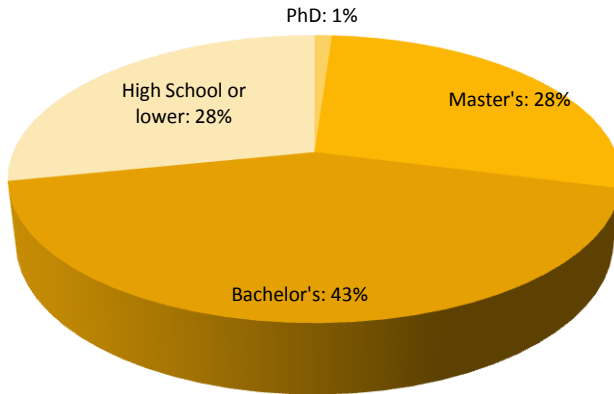
▼ 2011 Taiwan Employees' Age Breakdown



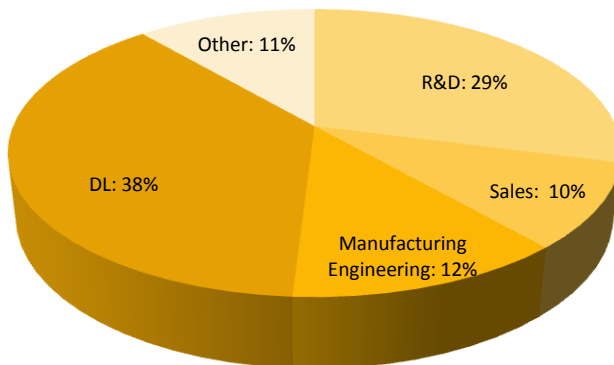
▼ 2011 Taiwan Employees' Years of Service



## ▼ 2011 Taiwan Employees' Academic Background



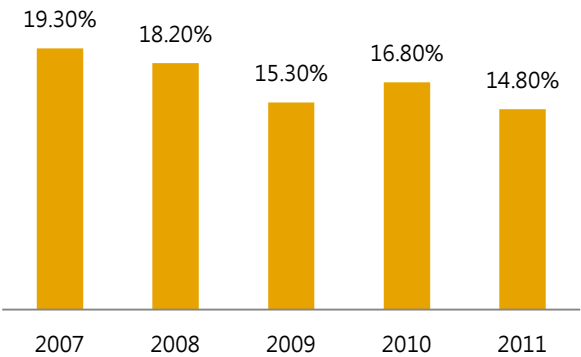
## ▼ 2011 Taiwan Employees — Work Category



**5.1.2 Employee retention**

In order to retain its outstanding talents WNC employs diverse methods. For colleagues with different qualifications and at different levels of the organization we offer freshman orientation, bonuses for long service and outstanding performance, internal transfer, salary structure adjustment, and strengthening of management structure amongst other incentive measures, in order to create a complete employment structure and a competitive and superior work environment; for employee turnover for the most recent five years please see the following chart:

▼ **2007—2011 Taiwan Employee Turnover**



### 5.1.3 Talent recruitment

The difficulties of talent recruitment and the fast pace of change in our industry are inseparable issues. The first and second halves of 2011 encountered completely different economic conditions with a degree of recovery in the second half leading to increased manpower demands and fierce competition in the labor market. For WNC this meant that only by adopting innovative recruitment methods and strengthening co-operation between the recruitment team and personnel use units was WNC able to meet its overall human resources requirements. In 2011 WNC began interacting with university campuses and schools by hosting three technology seminars at National Taiwan University, National Chiao Tung University and National Sun Yat-sen University respectively. In particular the seminar held at National Sun Yat-sen University saw invitations extended to 12 schools in southern Taiwan and was widely praised. Good relations were established with the next generation of young academics. Combined with the establishment of good relations with the schools themselves this means that the pool of talent for WNC to recruit from has been broadened. In 2011 close to 150 students entered their details in WNC's human resources database for future contact purposes. In addition recommendations of friends and acquaintances by internal staff proved an effective channel with an increase of 10% on the previous year. WNC's long and short term recruitment activity planning closely involves the personnel use unit throughout the whole process, with recruitment projects tailor-made for different units so as to ensure we continue to attract outstanding talents. In 2011 a dedicated recruitment website was set up to utilize the power of the Internet to attract fresh blood.

▼ WNC Recruitment Website Homepage



#### **5.1.4 Hiring of persons with disabilities**

In order to offer job opportunities to persons with disabilities and help protect their legal rights and interests WNC actively encourages the hiring of disabled people. In 2011, there were 13 disabled employees working at WNC, comprising 0.63% of Taiwan employees. Of these eight are mildly or moderate disabled and five are more severely disabled. Their job functions included masseurs, production line operators, engineers, and personnel on overseas assignment. After arranging a suitable working environment disabled colleagues are able to enjoy roles in which they develop their abilities. With regards to the current shortfall of the disabled employee ratio of the company to government regulations WNC intends to evaluate further suitable positions and continue to place emphasis on the hiring of disabled persons.

#### **5.1.5 Child labor**

WNC complies with Taiwan's Labor Standards Law and does not hire workers under the age of 15. Also, in accordance with central government regulations, workers of 15 years of age may be hired if they are technical students receiving vocational training. However they are not allowed to engage in heavy work or in any work of a dangerous nature.



## 5.2 Overall Remuneration



### 5.2.1 Wage structure

WNC regularly adjusts employee salaries to ensure reasonable compensation for colleagues, as well as to retain and attract talented employees. And, in order to take into consideration other factors including stockholder rights and interests, quality of life of employees, and sustainable development of the company, employee wages are regularly adjusted according to current price levels, market demand/supply status, average salary levels in the industry, and local laws/regulations. Employees and departments with good performance are eligible

for various bonuses and reward systems regardless of gender, age, ethnic background, religion, or political affiliation.

### **5.2.2 Performance management and incentives**

The performance appraisal system of WNC was developed by considering both operational efficiency and the development of individual competencies. Performance is evaluated according to two parameters, behavior and objectives. Performance in terms of both quality and quantity is examined simultaneously and periodically, and the results serve as a basis for giving appropriate rewards or promotions to employees.

WNC employs a variety of employee incentive programs to openly commend the outstanding contributions of teams or individuals in different areas. Incentive programs of WNC include:

- Outstanding Employee/Team and Patent Invention Award: to encourage employees to continuously create value in their work in 2011 a total of 18 outstanding employees and 12 teams and four patent teams were recognized.
- Long Service Employee Award: to thank senior employees for their long service to the company in 2011 a total of 201 employees were recognized.
- Project presentation/Patent registration: to encourage colleagues to present the results of internal teamwork or to apply for patents and to raise team morale, in 2011 25 teams presented their project results and 48 patents were secured.

### **5.2.3 Employee insurance**

Besides participating in Taiwan's Labor Insurance and National Health Insurance, and contributing employee wages to pension accounts according to Articles 55 and 56 of the Labor Standards Act, all regular employees participate in a group insurance plan, which gives employees and their families added protection. All regular and contract employees also enjoy longer annual leave than specified in the Labor Standards Act.

### **5.2.4 Employee leave**

WNC stipulates annual leave for all regular and contract employees according to the Labor Standards Act and also institutes a compensatory leave system that surpasses the statutory leave provisions. In addition, in accordance with actual circumstances, employees are entitled to apply for maternity leave, parental leave, family leave, menstruation leave, paternity leave etc.

### **5.2.5 Other assistance**

For the benefit of employees on long-term overseas assignment extra benefits or services are also available, which include overseas allowances, travel/meal allowances, housing allowances for family members traveling with the employee abroad, education allowances for their children, plane tickets for family members, periodic meetings/discussions, and airport transfer services.

### 5.3 Training and Development

WNC values the importance of recruiting fully qualified employees, and pays special attention to improving the skills and general knowledge of colleagues. Based on this concept and the central principle of growth, innovation and cooperation, employees are provided with job function enhancement training programs, key competencies enhancement programs and supervisory and leadership training. Recruitment activities held by WNC global sites and branches are run in compliance with local laws and regulations. WNC provides healthy and safe working conditions and offers complete occupational training for employees assisting them to upgrade their competency, management capability, language ability and general knowledge.

Besides the above every year supervisors are required to teach a two hour class to share their professional knowledge and experiences in order to foster a spirit of self-learning. At the same time the company has instituted a comprehensive instructor system to internally train 86 instructors. Classes taught include Six Sigma, performance management, basic core management, and talent development.

In 2011 WNC was honored to receive the seventh National HRD InnoPrize in recognition of its efforts to upgrade quality of employee training.'

#### WNC CEO Haydn Hsieh attending awards' ceremonies





▲ **Seventh National HRD InnoPrize Certificate**

### 5.3.1 Human resources action plan

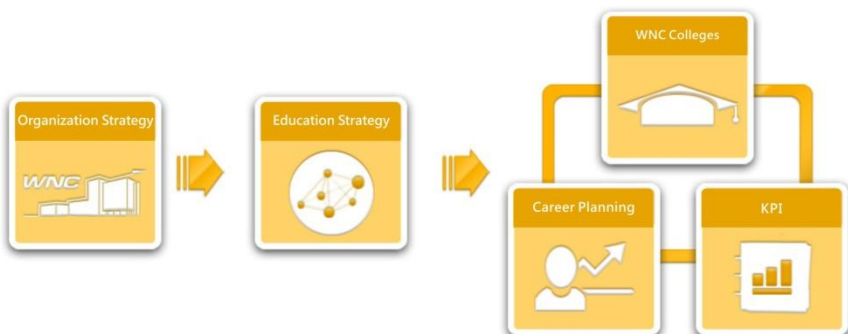
Currently courses and training offered by WNC include:

- Freshman induction training: assist new hires familiarize themselves with their work environment and with company culture.
- Professional skills training: Specialized knowledge including R&D technologies, purchasing, mechanics, 6 Sigma, green product design, manufacturing, patent, industry intelligence and ESH (Environment, Safety and Health.)
- General knowledge and language training: including project management, time management, presentation skills, meeting planning, languages and job-related software and tools.
- Management skills development: Including management, leadership, motivation, training, and self-growth skills for middle to high level supervisors and new supervisors.

### ▼ Human Resources Action Plan Flowchart



### ▼ Organization Strategy and Employee Education



5.3.2 Diverse paths to learning

WNC's Five Colleges

In 2010, the WNC Colleges were established comprising a Management College, Marketing College, R&D College, Manufacturing Quality College and General Knowledge College. Respective colleges are headed up by the top managers of related units, with organizational topics, future vision and strategy adopted as points of departure for the construction of a successful template for a talent development system.



**Management College:** Focusing on developing management skills of supervisors' courses are designed according to the requirements of different management levels, including management skills training in leadership, motivation, and self-growth of middle and upper level supervisors and newly appointed supervisors. In 2011 43 courses were held. Distinct from 2010, in addition to organizing courses based on different levels of management ability, courses are organized according to organizational needs.

**Marketing College:** In accordance with the company's operational direction and globalization trends and to develop outstanding marketing personnel, in addition to implementation of project management/application of individual skills and specialized knowledge, skills covered include new industry knowledge, presentation skills, conference planning, languages, understanding of related legal regulations and usage of tools. Besides external instructors, in 2011 six seminars were hosted in which senior supervisors shared successful experiences regarding strategy and customer interaction.

**R&D College:** In addition to basic R&D training R&D is divided into six main fields and a forum established to promote R&D innovation and enrich basic skills of R&D personnel. In 2011 the WNC Research & Development Forums were established with six separate forums headed by a moderator tasked with assisting in the planning of college classes. Industry-academia co-operation is utilized to invite external experts to serve as instructors and assist in the continuous regeneration of the company's core technologies.

**Manufacturing Quality College:** Tasked with implementing WNC's quality strategy of zero defects and competitive goods and services. Courses offered include: Six Sigma, manufacturing, green product design, quality system, equipment and



failure analysis. As at the end of 2011 610 colleagues had completed Six Sigma courses; for ANSI/ESD training, in addition to the basic training all employees must undergo every year, refresher courses are offered plus internal training for ANSI/ESD internal auditors.

**General Knowledge College:** To raise employees’ effectiveness and self-management ability, courses include freshman orientation to assist new hires to familiarize themselves with their work environment and office culture and government mandated environment health and safety training. New hires, from their reporting date until the end of their trial period, are also required to complete 21 blocks of e-learning dealing with company culture, environment and system operations.

▼ **WNC College Organization**

College	Principals	Participants
Management College	CEO	First level supervisors/external consultants
Marketing College	President	Product managers/Sales supervisors
R&D College	Chief Technology Officer	R&D center/Department level supervisors
Manufacturing Quality College	Head Plant Manager	Manufacturing/QA center manager
General Knowledge College	HR Head	Functional unit supervisors

### ▼ Connection between Core Competencies and Training Categories

	Strategic Planning	Professional Orientation	Learning & Growth	Teamwork	Team Building	Execution Ability	Customer Oriented
Management College	★		★		★	★	★
Marketing College		★	★				★
R&D College		★	★				★
Manufacturing Quality College	★	★	★	★		★	★
General Knowledge College			★	★	★	★	★

### Classroom Learning

Apart from the five Colleges WNC also encourages employees to participate in both internal and external training including seminars, lectures, specialized training and on-the-job refresher courses. In addition departments are encouraged to host reading clubs to share insights gained through books. In order to ensure quality of course content participants are surveyed once courses conclude to understand how much participants absorb in courses, teaching skills of instructors and recommendations for course improvement.

### Internal training



## Digital Learning

In addition to classroom learning WNC's eHRD on-line learning system provides a convenient alternative learning channel offering employees a 24 hour education platform.



▲ eHRD portal

### 5.3.3 Training participation

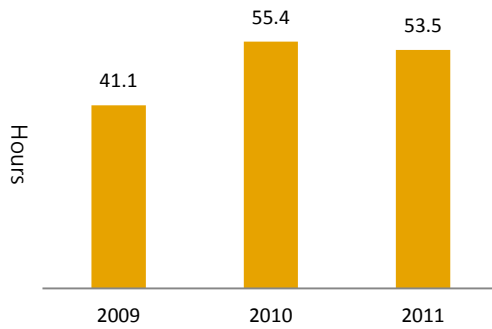
In 2011 WNC hosted training courses totaling 73,021 hours of which IDL staff took part in 63,393 hours of training and DL staff 9,628 hours; total number of IDL participants was 1,285 with 756 DL participants. Average course satisfaction was 4.2 out of a maximum score of 5.

In addition 645 new hires took part in freshman induction training for a total of 27,554 hours.

#### ▼ 2009—2011 Taiwan Employees Training Hours Breakdown

Year	2009	2010	2011
IDL	36,628	57,478	63,393
DL	1,094	2,360	9,628

## ▼ 2009—2011 Average Training Hours for IDL Employees



## ▼ 2009—2011 Average Training Hours for DL Employees



## **5.4 Employee Well-being**

### **5.4.1 Environment, health and safety**

WNC observes various regulatory guidelines of the Environment, Health and Safety (EHS) sector and follows the below strategies in execution of EHS obligations:

- Complies with government regulatory requirements and with related international trends to carry out environmental protection.
- Provides a safe and healthy workplace environment.
- Continuously carries out pollution and occupational injury prevention and improvement.
- All employees assist in the design and manufacture of environmentally friendly products that meet customer requirements.

Since its establishment in 1996, WNC has worked to establish a safe and healthy working environment. Besides establishing ESH policies, WNC pays great attention to employees' education and to the execution of our health and safety regulations. An ESH examination committee has been set up to monitor the ESH management system, as well as to examine environmental aspects and assess ESH risks according to PDCA (plan-do-check-act) principles. ESH certification obtained by WNC includes:

- 2009 - Healthy Workplace Accreditation Certification from the Bureau of Health Promotion
- 2008 - OHSAS 18001:2007 certification
- 2005 - ISO 140001 certification

### 5.4.2 Occupational health and safety management

WNC carries out a broad range of risk assessment, periodically manages changes in occupational safety and health policy, and controls the impact of each change. Internal and external audit activities are held every year to ensure that the occupational safety and health system is functioning well and is improving. An Industrial Safety Office has also been set up according to the Labor Safety and Health Act comprising 16 members with at least one third of the members drawn from worker representatives.

To effectively maintain workplace safety and minimize employee health hazards, we evaluate workplace conditions periodically according to government laws regarding the monitoring of the workplace environment. Measurement targets include lead, organic solvents, lighting, carbon dioxide levels and noise. A carbon dioxide monitoring system is installed all around office and factory areas. Employees can check the concentration of indoor carbon dioxide anytime. To quicken reaction times to emergencies, each WNC employee is organized into fire-prevention teams on a departmental basis. We also hold traffic safety forums, health forums, health enhancement activities, occupational safety and health training and annual fire-prevention training.

According to 2011 occupational injury statistics, WNC had a total of one occupational injury which occurred in June. One employee was injured and one working day was lost due to the injury. An industrial safety incident investigation report was completed and the worker in question has already recovered and returned to work after taking sick leave.

### 5.4.3 Food safety

WNC implements the following measures to provide safe, healthy and nutritious drinking water/meal services for employees:

- Establishment of an employee meal service committee for monitoring food safety related matters
- Periodic water quality tests of water dispensers
- Cooperation with certified meal service vendors and ensuring that vendors follow all government regulations and food safety laws
- All meal service personnel are required to take periodic health examinations and those with specified infectious diseases are not allowed to provide meal services or work in kitchens
- Vendors are asked to provide certification that food preparation and meal ingredients are qualified. Random inspections are performed by WNC.
- Meal service vendors are audited to ensure that food preparation environment, management and staff conforms to safety and hygiene rules.

#### Hygienic meal environment



#### 5.4.4 Health enhancement

To maintain the health of employees the following measures are implemented:

- Health examination for new hires.
- Annual health examination for all employees.
- Additional health examinations for employees who perform special tasks.
- Health forums to improve employee health care knowledge.
- Health enhancement activities such as influenza vaccination, physical fitness examination, and weight-reduction programs.
- Posting of health enhancement articles on the WNC internal website for employees to reference.
- Establishment of a company gym, aerobics studio and games room.
- Various low cost courses are offered in the aerobics studio including kickboxing, tai chi, yoga, dance classes etc. All courses are taught by professional teachers.
- Free professional massages in the evening from Monday to Thursday, helping employees counter stress.

##### Employee annual health examination and massage services





### 5.4.5 Gender equality

To prevent workplace sexual harassment and ensure that the workplace is friendly to both male and female employees, measures for preventing workplace sexual harassment have been established and are in practice. Pregnancy discrimination is also strictly forbidden at WNC. Employees can apply for family leave and unpaid parental leave to raise their children according to the Labor Standards Law and the Gender Equality in Employment Act. We also offer menstruation leave, maternity leave, miscarriage leave and additional lactation breaks for female employees.

Other female employee-friendly initiatives include:

- Car parking spaces for female employees are arranged closer to parking building entrances
- Dedicated parking spaces for pregnant employees
- Comfortable and spacious lactation room



### 5.4.6 Communication mechanisms

To care more for employee working conditions and strengthen employee relations, WNC has established a Gardener Relationship Improvement Committee. The committee, which is drawn from all employees, functions as a feedback channel for colleagues to bring up issues in. It delivers opinions to the management team and replies to employees' concerns and suggestions after thorough consideration. The "gardeners" are department representatives elected by each department. WNC's CEO serves as the committee president and appoints two administrators to be responsible for the operations of the Gardener Committee. Committee meetings are held quarterly. In 2011, four committee meetings were held and 76 proposals were discussed, including 17 employee meal service items, 13 employee welfare items, 36 working environment items, two PC/IT issues and eight parking issues. In addition during the freshman seminar held at the end of the first three months of service WNC's CEO responds in person to any concerns of new employees.

#### New employees training courses and CEO forum



### **5.4.7 Employee welfare committee**

WNC offers a wide variety of employee welfare activities and has established an Employee Welfare Committee to carry out overall planning. Representatives from employees and the management team coordinate use of employee welfare funds to further improve relations between management and employees. Committee members are designated by each department to serve as representatives in quarterly committee meetings, which plan and examine activity proposals, monitor how activities are progressing, and allocate funds. Meetings can also be held at other times if necessary.

The annual employee welfare budget is contributed by company revenue and employee salaries. The Employee Welfare Committee develops activity plans according to the budget and WNC business strategies while centering on two themes: health care and life quality improvement. In 2011, a wide variety of activities were offered including:

- Company-wide events: year-end party, WNC family day, sports club festival, mid-autumn festival evening party and lantern festival riddle contest
- Cultural activities: 28 events including seminars, arts and crafts DIY classes, movie appreciation etc.
- Department trips and outings: 150 in total
- Exercise courses: aerobics, Tai Chi and Yoga courses. A total of four sessions were held with each session containing 10 classes.

## Departmental trips



## Arts and crafts activities



## Year-end party



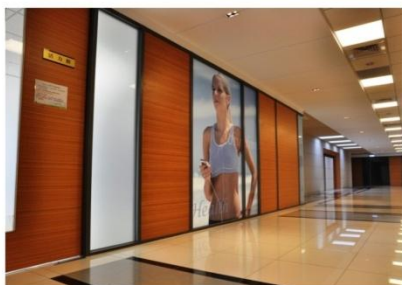


## 15th anniversary sports day



WNC offers its employees a gymnasium with a range of exercise facilities and a reading room. The Art Corridor adjacent to the reading room exhibits works by local Taiwanese artists. The Sunshine Corridor posts pictures of employee activities.

### Gymnasium and games room



### Arts corridor and reading room



WNC encourages all of its employees to take advantages of the subsidies and incentives available and participate in its activity clubs. In 2011 a music society was established in addition to golf, basketball, softball, badminton, table tennis, bowling, foosball, and photography. A total of 444 employees have joined activity clubs and the nine major clubs meet or practice every week.



Club activities





# Supply Chain Management



## 06 Supply Chain Management

In order to meet its corporate social responsibilities, WNC makes environmental protection and improvement of health and safety management an important part of supplier management. We seek to actively create a complete up, mid- and downstream green supply chain. To ensure compliance with environmental requirements environmental protection regulations and controls are included in audits of component suppliers and incoming materials inspection procedures. WNC also works with suppliers in the implementation of P-D-C-A improvement cycles to realize sustainability of supply chains.

### 6.1 Supply Chain Management Active Index

#### 6.1.1 Supplier quality agreements

In order to create a green supply chain from 2007 WNC began requiring suppliers to sign a Supplier Quality Agreement. This agreement requires suppliers to strictly observe WNC's Regulations on the Restricted Usage of Environmentally Hazardous Substances and when required submit inspection reports from third party verification institutions regarding manufacturing, green product design, and hazardous substances source management, and to include green management principles in supplier management systems. By the end of 2011 a total of 937 materials suppliers had signed WNC's Supplier Quality Agreement. Going forwards we will continue to have all our suppliers sign the Supplier Quality Agreement to ensure that all products designed and manufactured by WNC can simultaneously meet customer requirements and comply with international hazardous substances regulations thus achieving the objective of establishment of a green supply chain.

**▼ 2007—2011 Supplier Quality Agreements Signed**

Year	2007	2008	2009	2010	2011
Total	524	648	793	900	937

**6.1.2 Implementation of green purchasing**

WNC is engaged in the active promotion of green purchasing by requiring both upstream and downstream suppliers to observe our Regulations on the Restricted Usage of Environmentally Hazardous Substances. Likewise suppliers are required to guarantee that products supplied include no prohibited substances harmful to the environment and that products meet all relevant international regulations such as RoHS, WEEE, REACH, ErP and Battery. In addition WNC has incorporated hazardous substances controls in its incoming materials inspection procedures. Raw materials that contravene controlled substances regulations are deemed non-conforming products and offending suppliers are requested to immediately submit improvement and prevention measures in order to reduce pollution and health issues caused by waste electronic products.

**6.1.3 Supplier selection and improvement**

WNC has strict guidelines for selection of suppliers. Besides operational and engineering ability, certification of quality systems has become a non-negotiable condition of selection. Regular suppliers are required to secure ISO 9001 certification and for automotive component suppliers the possession of QS 9000/TS 16949 certification is a key consideration during the selection process. In order to raise quality of suppliers WNC combines materials, supplier management and R&D units into a Vendor Performance Evaluation Committee that meets quarterly to perform an overall evaluation based on supplier performance

indicators. If during site visits and on-site audits any non-conformance with WNC regulations is discovered an improvement plan will be implemented after discussion with the supplier.

## **6.2 Lean Supply Chain and Supplier Evaluation**

In today's industry environment suppliers no longer just play the role of providers of raw materials, they are now partners in the elevation of product and service quality.

1. E-procurement system: Via our Internet Supplier Portal and Just In Time (JIT) system materials status can be displayed in a real time and transparent manner. Suppliers can understand changes in demand at an earlier time thus avoiding the risk of stock out of raw materials or over supply and allowing more advanced inquiry of inventory and payment status. Environmental guidelines and regulations that suppliers are required to follow are placed on the front page of the purchasing system webpage and are attached to all purchase orders sent to suppliers to assist suppliers to ensure that products comply with related prohibited substance standards or WNC's own RoHS regulations.
2. E-Kanban system: Use of e-Kanbans raises effectiveness of quality control systems in place at both WNC and at supplier-side. In the event of material loss or production bottlenecks real time technical discussion by both sides can rapidly resolve situations and reduce possibility of production of non-conforming raw materials.
3. WNC carries out quarterly Vendor Performance Evaluation to ensure that suppliers comply with all requirements. Vendor's that perform badly are given a fixed period of time to implement improvements and are required to submit to a second evaluation. To ensure improvement plans are executed correctly, in addition to setting clear objectives and schedules WNC will appoint specialized personnel to assist in education and supervision.

4. According to its annual plan WNC holds a supplier conference with key suppliers to discuss quality of products and services, get feedback and make future plans. In this way both sides understand market dynamics and ensure market needs are met.

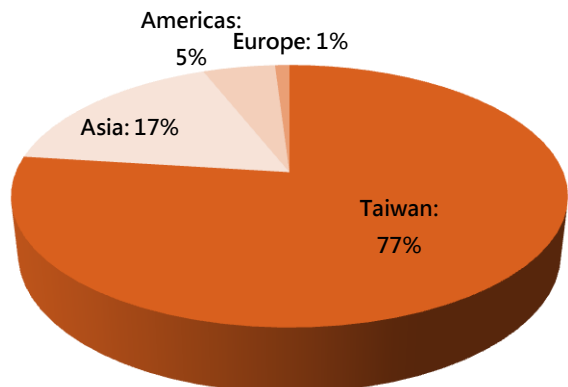
### 6.3 Supplier CSR Survey

In 2012 WNC plans to implement a supplier CSR survey requiring suppliers to sign back a Supplier Code of Conduct based on the EICC's Electronic Industry Code of Conduct and to observe related social responsibilities. Once this has been done surveys will be sent out to understand supplier performance in aspects of working environment, environmental protection, company management, and corporate ethics.

### 6.4 Regional Distribution of Suppliers

According to 2011 statistics WNC's suppliers are mainly located in Taiwan (77%). Major categories of supplied raw materials and components include integrated circuits, circuit boards, display panels, electromechanical components, mechanical components and packaging materials.

► Distribution of Suppliers



## 6.5 Supplier Relations

Developing long-term partnerships with suppliers has always been a very important operational policy of WNC. Suppliers play an important role in raising sustainable competitiveness in any corporation. WNC gives awards and expresses its gratitude to suppliers for their outstanding performance and special contributions in its annual supplier conference. Since corporate social responsibility has already become a common concern that corporations must face in the pursuit of sustainable operations, WNC encourages suppliers to join together to achieve these mutually beneficial goals.

President gives awards to suppliers for their outstanding performance





## 6.6 Customer Relations

WNC's quality policy: On-time delivery of zero defect, competitive products and services to our customers.

As an ODM/JDM/OEM manufacturer WNC is committed to imparting a spirit of innovation in its product's functions and in developing customer-oriented operation processes by applying its present R&D resources in the rapid development of customized products that meet highly complex market trends, product specifications and service requirements. In this process WNC not only takes a fresh look at previous designs and manufacturing processes, it also modifies design frameworks by adopting modularization and taking advantage of its strengths in RF antenna, hardware, software, mechanical design, system integration, and user interfaces.

WNC views customer relationships as one of its most important core values. In addition to increased sophistication of product R&D, design and quality our customer services division has also instituted a customer satisfaction mechanism. In October of every year a satisfaction survey and analysis is carried out on product quality, technology, delivery and other service items in order to raise the trust and satisfaction customers hold for WNC products.

Through this customer satisfaction survey WNC is able to more closely understand how customers feel about the services they receive from different business units, and the quality of different products; the customer services division passes on its analysis of reasons for dissatisfaction to business units for drawing up and execution of improvement plans and tracking of improvement initiatives with the ultimate goal of winning customer recognition of improvements.



## **6.7 Contractor Health and Safety Management**

In order to ensure safety of both contractors and WNC employees and maintain facility safety and observe related labor health and safety regulations WNC has drawn up a Contractor EHS Management Procedure. This document clearly demarcates the powers and responsibilities of company units and contractors and describes EHS issues requiring of attention. Contractors are required to sign a safety undertaking before entering WNC facilities and are required to undergo health and safety training before commencing work. With regards to high risk work WNC has drawn up a Dangerous Work Permission Management SOP.

With regards to control of special operations standing orders are also in place. Special operations include fire work, work in elevated locations, suspension work, work in confined locations, and other work with immediate dangers. These operations all require separate permissions, with different requirements for safety equipment and control procedures according to the nature of the work. Currently WNC has yet to require contractors to adopt the OHSAS 18001 system but we do make sure contractors are aware of OHSAS 18001 regulations covering contractors and make related industrial safety information available to them such as identification of chemicals and operations and emergency response measures, evacuation procedures and related fire-fighting and disaster relief concepts. The implementation of this requires contractors and employees to already have a degree of understanding of WNC's EHS policies and a degree of knowledge of related EHS regulations.

### Contractor training



## 6.8 Prohibition of Use of Conflict Minerals

WNC is a leading manufacturer in Taiwan's ICT industry committed to its corporate social responsibilities and to the education of its suppliers. WNC has never directly purchased conflict minerals and we will not handle metals and minerals originating from regions where there is armed conflict, illegal mining or sub-standard working conditions. Since 2010, based on a risk assessment of different raw materials, WNC has required a total of 68 suppliers to sign letters of commitment stating that they do not and will not purchase conflict minerals.

07

Environmental Protection



## 07 Environmental Protection

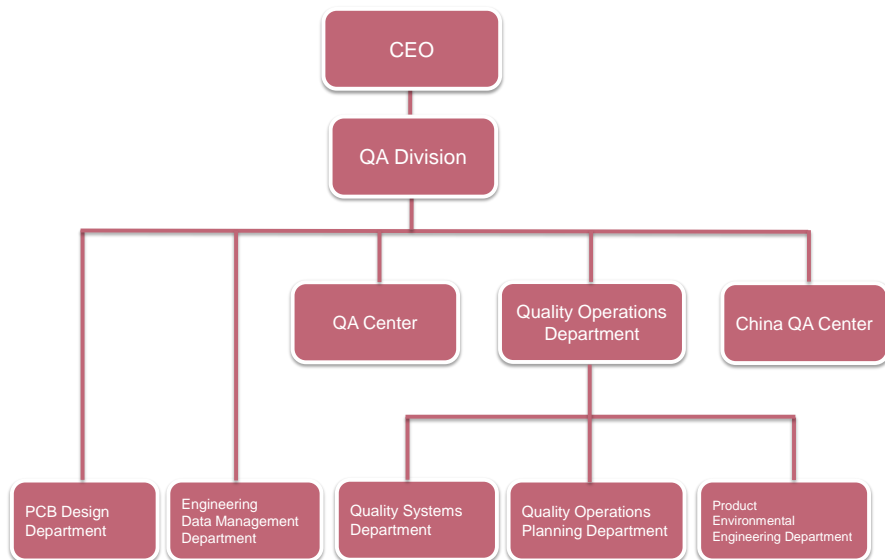
All of WNC's employees are engaged in the exercise of environmental protection responsibilities and in the observance of environmental protection regulations. In addition the promotion of environmental protection concepts with our suppliers with the goal of creation of a green supply chain has become a key mission of the company.

**WNC's Hazardous Substances Policy: green design, environmentally friendly, green manufacturing, customer satisfaction, regulatory compliance, outstanding innovation.**

### 7.1 Green Management Organization and System

WNC pursues maximum commercial profits whilst giving priority to causing minimal environmental impact. At the same time, due to the emphasis international society and businesses are placing on green product regulations, in August, 2011, we established a product environmental engineering division tasked with coordinating all internal and external matters relating to green products including: evaluation and execution of compliance with international laws and regulations and customer environmental protection directives, promotion of green product continual improvement initiatives, control of restricted substances and audit of green products, management of environmental standards for suppliers, regular audit of the effectiveness of implementation of WNC's green policies.

▼ **Green Product Management**

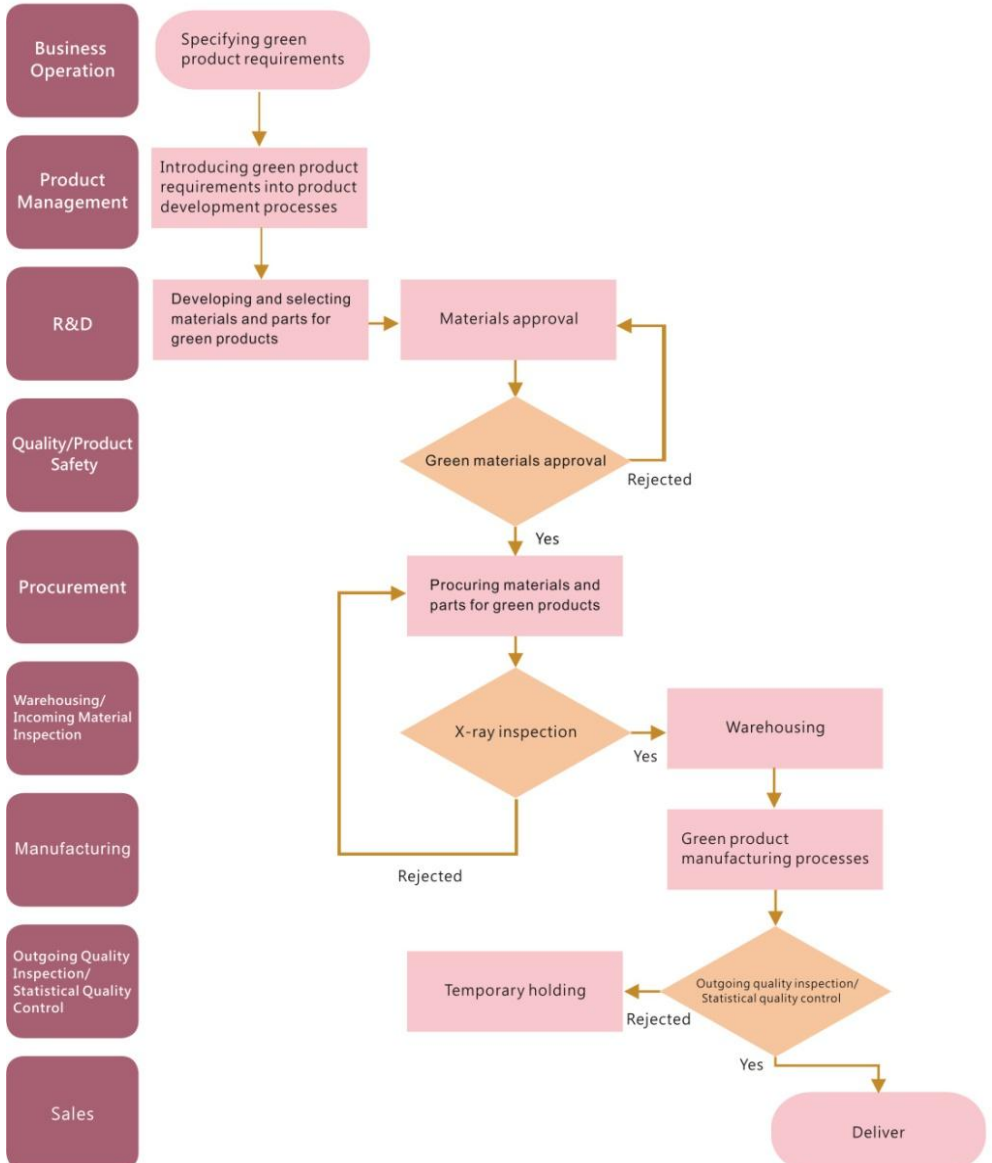


### 7.1.1 Quality system certifications

- 1998: ISO 9001. Annual update of system version, continuous maintenance and improvement of quality system operations.
- 2005: ISO/TS 16949. Annual update of system version, continuous maintenance and improvement of quality system operations.
- 2005: ISO 14001: 2004. Environmental management system certification, continuous improvement and maintenance of a balance between company interests and lessening of environmental impact.
- 2007: Certified by Sony as a Green Partner, WNC has passed each subsequent annual inspection.
- 2011: IECQ QC080000 and passed ANSI/ESD S20.20-2007.

### 7.1.2 Green Product Management Process Flow

## Green Product Management Flow



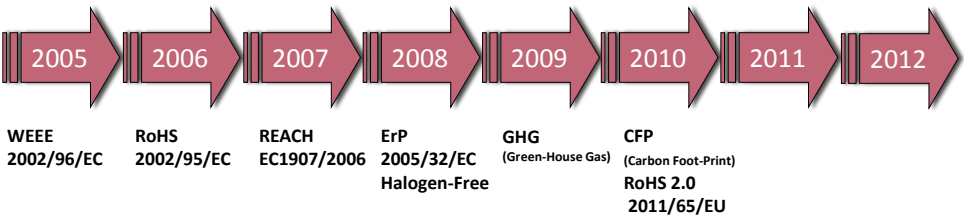
7.1.3 Eco-design requirements for energy-using products

In 2009 WNC completed training on the Directive for Eco-design Requirements for Energy-using Products (EuP) led by the Industrial Development Bureau of the Ministry of Economic Affairs. WNC has made the pursuit of eco-design a fundamental requirement of its design process and considers environmental protection factors in the earliest stages of product design and development. With product LCA (life cycle assessment) principles at the forefront, WNC identifies eco-design parameters such as hazardous substance restrictions, energy efficiency, recycling and reuse, and environmental impact. Meanwhile, WNC raises supplier side requirements to ensure that design components meet the eco-design requirements of energy-using products as specified by WNC.

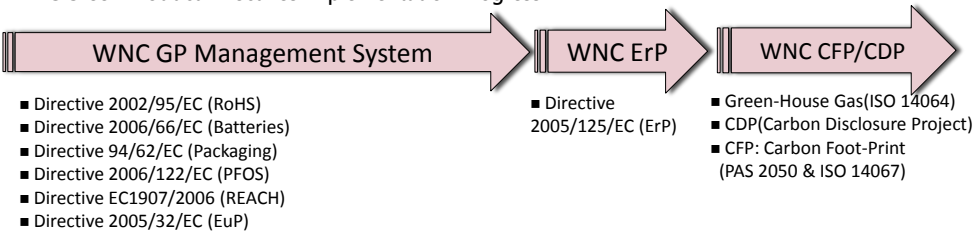
7.1.4 Green product directives

▼ WNC and International Green Product Directives Convergence Diagram

International Green Product Directives Implementation Progress



WNC Green Product Directives Implementation Progress



## 7.2 Hazardous Substances Management

In current times awareness of the need for environmental protection has increased all over the world, and manufacturers now attach great importance to sustainable operations. In response to the requirements of international environmental protection directives and standards for restricted usage of environmental hazardous substances from specific customers, WNC introduced a green product management system in 2005. In accordance with international environmental protection directives (such as RoHS) and requirements for restricted usage of environmentally hazardous substances from key customers, WNC has set up a control list of hazardous substances, to manage materials within factories and raw materials of manufacturing processes through the supplier side. For products constrained by related directives or by customers themselves, WNC specifies management procedures, implements lead-free processes and utilizes XRF equipment for the inspection of incoming materials. All measures help WNC to perform reliable and rigorous monitoring of environmentally hazardous substances in raw materials and products from the product design stage through the entire production process.

Furthermore, regarding chemical substances, energy efficiency and recycling, WNC utilizes LCA (Life Cycle Assessment) methods and concepts to assist customers in the production of green products with less impact on the environment. Through green procurement and communications, WNC cooperates with its suppliers to set up a green supply chain, aiming to enhance overall sustainability and competitiveness of its supply chain.

After the implementation of its green product management system, WNC was honored with Sony's Green Partner certification in 2007 and has, to date, passed all its annual inspections. WNC has also been recognized by more than 50 other major customers as a green partner. In recent years, WNC has increasingly



highlighted green and energy-efficient products as a key development focus. In 2011 WNC delivered 2,246 different products in conformance with customer-designated environmental directives and standards. In line with halogen-free product manufacturing trends, WNC has also enforced halogen-free standards in production processes. In 2011, WNC delivered 87 products conforming to halogen-free standards.

### **7.3 Emissions Management**

WNC's business belongs to a technology-intensive industry of research and development. Since our manufacturing processes only include SMT (Surface Mount Technology), precision assembly, testing and R&D, waste gases, waste water, undesirable noise, toxic substances or other pollutants are relatively rarely generated. In addition, except for CO<sub>2</sub> exhausted due to power consumption, there are no other air pollutants generated, such as NO<sub>x</sub>, SO<sub>x</sub>. As for disposal of waste materials, WNC invites only specialist operators recognized by Taiwan's EPA and makes related declarations online as required to ensure that no environmental contamination occurs. WNC implements all applicable pollution prevention tasks in a positive cycle under its well-prepared management system and regularly inspects its waste treatment plant to ensure proper operation. Furthermore, it continuously carries out a systematic operational management scheme to improve environmental health and safety.

### **7.4 Recycling and Waste Management**

WNC makes great efforts to develop and manufacture green products which comply with environmentally-friendly requirements on low toxicity, low pollution, energy efficiency, resource efficiency and easy recycling. Even in the final packaging and delivery stage, recyclable materials such as paper or plastics are utilized. WNC completely prohibits the use of the substances Pb, Cd, Hg, Cr6, PBB, PBDE in line with RoHS standards on packaging materials. Plastic materials

containing PVC are also banned. WNC strives to reduce packaging volume and modifies stacking methods to increase overall loading capability. To carry out garbage sorting and waste reduction measures, WNC sets up waste storage areas that conform to related standards. In addition LDS is categorized as a recyclable mixed plastics waste. Evaluation has revealed that the gold content of LDS has recyclable value so after extraction of the gold content the remaining plastic waste is granulated thus raising its recyclable value.

In 2011, WNC did not experience any significant leakage incidents or receive any penalties or fines for violations of environmental protection regulations.

The following table shows the total weights of different categories of waste generated by WNC in 2011:

▼ **Waste Materials by Category**

Year	2011
Waste Name	Declared weight (tonne)
Mixed plastics	12.70
Mixed paper	8.47
Household refuse	11.19
Metal PCB Scrap and Waste	22.18
Liquid waste pH $\geq 12.5$	33.43
Liquid waste pH $\geq 2.0$	22.12
Liquid waste with a flashpoint of less than 60°C (not including alcohol with less than 24% ethanol)	18.30
Electronic components, leftover materials and NG products	17.45
Mixed wood wastes	8.17
Mixed metallic wastes from different treatments	13.58
Waste PCB with attached components	0.03
<b>Total</b>	<b>167.62</b>



	2010	2011
Total waste generated (tonne)	125.84	167.62

## 7.5 Carbon Emissions Management

According to the findings of the Intergovernmental Panel on Climate Change greenhouse gases are a major cause of global warming. In addition the impact of global warming will not just be on the global environment; it will also impact the everyday life and economic activity of all the Earth's people. To address the impact of climate change on business operations disclosure of carbon emissions management and carbon emissions data is of increasing importance.

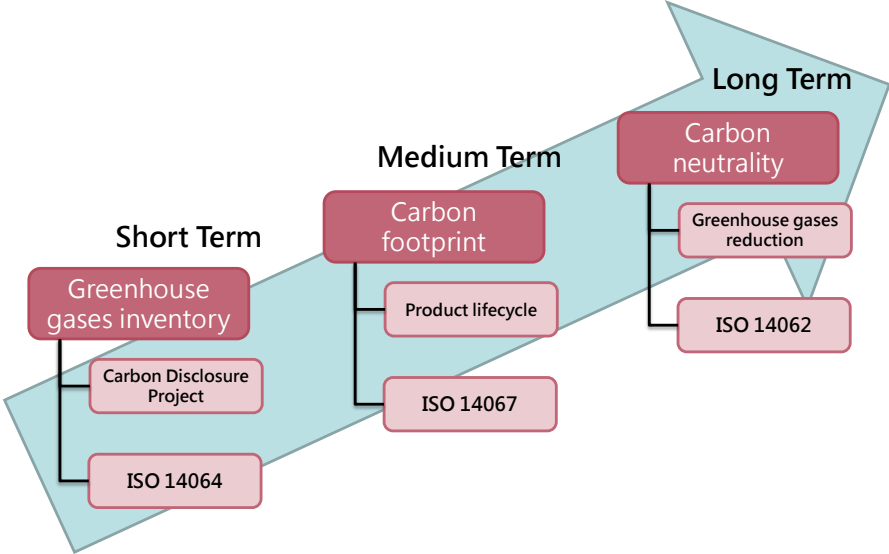
In response to international trends and government policy, WNC has drawn up short, mid and long term plans to achieve reductions in CO<sub>2</sub> emissions:

Short-term plan — execute greenhouse gas inventory and pass ISO 14064 to serve as a basis for CO<sub>2</sub> management and database construction.

Mid-term plan — execute a product carbon footprint program and pass ISO 14067, perform product lifecycle evaluations to calculate total greenhouse gas emissions of products from design and manufacture to delivery (see 7.5.2 Carbon Footprint System Boundary) with the objective of finding ways to carry out further carbon reduction in our manufacturing process.

Long-term plan — respond to international renewable energy programs and support and promote use of renewable energy sources in industry in order to reduce CO<sub>2</sub> emissions in the atmosphere caused by burning of fossil fuels and with the ultimate objective of achieving carbon neutrality. At the same time we plan to pass ISO 14062 certification in order to increase industry competitiveness.

▼ WNC Carbon Management Program



WNC has established carbon partnerships with a number of customers and suppliers. WNC proactively participates in carbon emissions related training and carries out carbon emissions inventory and reduction plans, as well as joining the Carbon Disclosure Project. In 2011, WNC manufactured five products that complied with customers carbon footprint inventory and disclosure procedures. WNC will continue to implement a carbon footprint inventory in response to customer requirements.

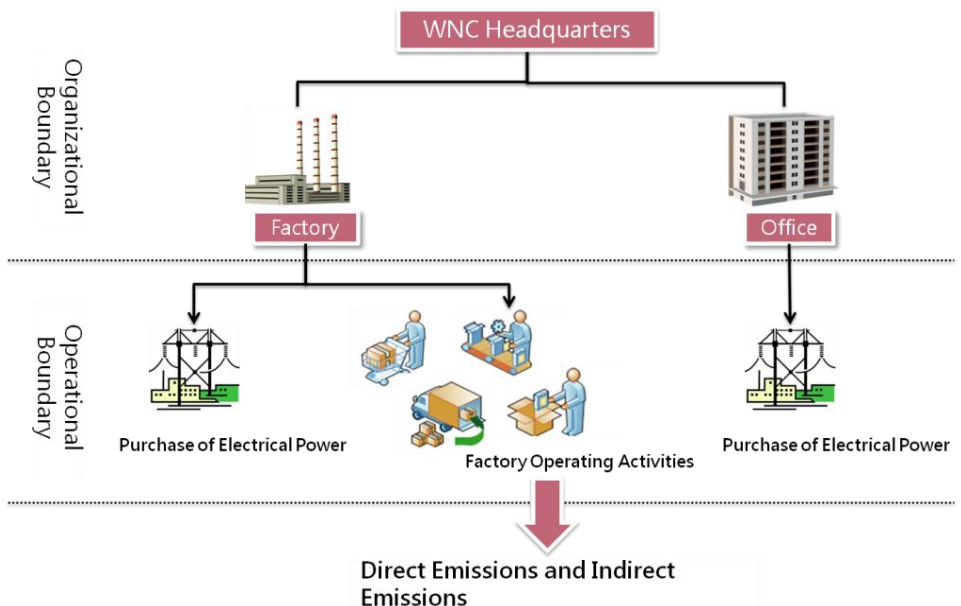
▼ Carbon Footprint Inventories

Year	2010	2011
Total	3	5

### 7.5.1 Greenhouse gas emissions inventory boundary

As a corporate citizen WNC must face critical issues such as climate change and global warming and incorporate the articles of the Kyoto Protocol into its corporate responsibilities. As part of its short term carbon management plans WNC will execute a greenhouse gas inventory and institute carbon disclosure programs.

#### ▼ WNC Greenhouse Gas Emissions Inventory Boundary Diagram



### 7.5.2 Carbon footprint inventory boundary

The process of carrying out a carbon footprint inventory requires evaluation of product lifecycles, estimation of required main raw materials, auxiliary materials

and packaging materials, and quantities of greenhouse gas emissions created during manufacturing and shipping of output products. Inventory range includes direct emissions, indirect emissions and embedded emissions and even includes items such as supply chain, employee business trips, external distribution, and logistics.

## 7.6 Green Purchasing

WNC demands that all its suppliers sign a Declaration on Restricted Usage of Environmental Hazardous Substances. After signing of this declaration all products and parts delivered to WNC (including accessories that ship with the product and packaging materials) should comply with the following environmental protection regulations, directives and standards.

### ▼ WNC Green Product Management Directives



Directive 2002/95/EC



Directive 94/62/EC



Directive 2006/122/EC



Directive 1907/2006/EC



Directive 2006/66/EC



Directive 2005/32/EC

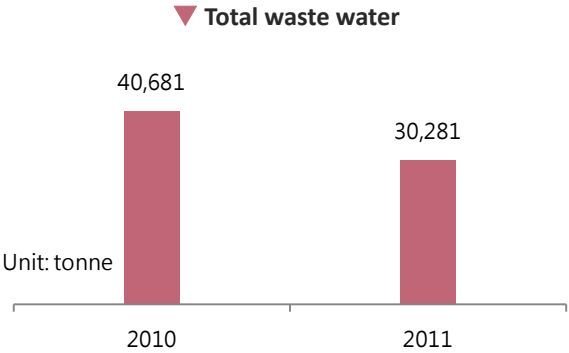
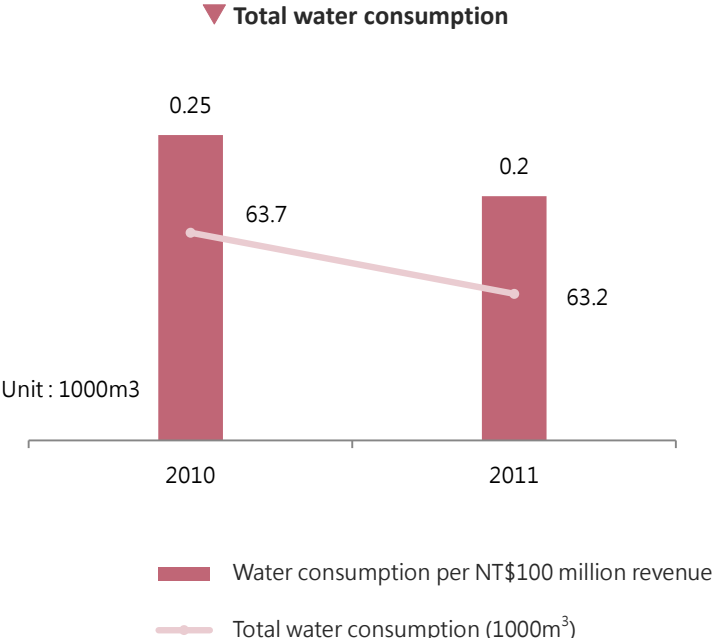
## 7.7 Energy Efficient Working Environment

The main form of energy WNC utilizes is electrical power. It also uses a small amount of diesel fuel as back-up for emergency generators as well as gas cylinders for cooking in staff kitchens. In 2011, WNC's overall power consumption was nearly 14,951,600 kW/h. While this is an increase compared to 2010, broken down against overall company revenue it represents a decrease. Since WNC is involved in a technology intensive R&D industry, no water waste is generated during its production processes. In 2011, there was a total of 30,281 tonnes of water waste discharged, all of which was domestic waste; total water consumption was 63,238m<sup>3</sup> meaning that in both categories consumption decreased. The following are the water-saving and energy-saving related measures WNC has applied:

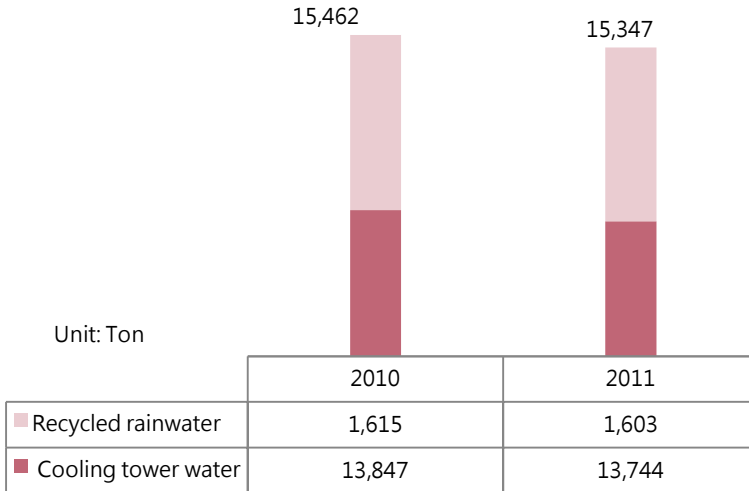
Water conservation measures:

- Use of cisterns to recycle water. The total amount of recycled water each year is around 15,347 tonnes, cooling tower water is around 13,744 tonnes and recycled rainwater is around 1,603 tonnes. The recycled water is used for the cooling tower, plant watering and toilet cleaning on each floor
- Use of water-permeable ground to plant plants and grass, use of planting bricks to replace normal bricks on the u-turn floor for cars and parking. These measures increase greening and strengthen surface drainage
- Use of induction taps in toilets, and setting of water taps in tea rooms to the minimum water discharge level





## ▼ Total recycled water



## Power conservation measures:

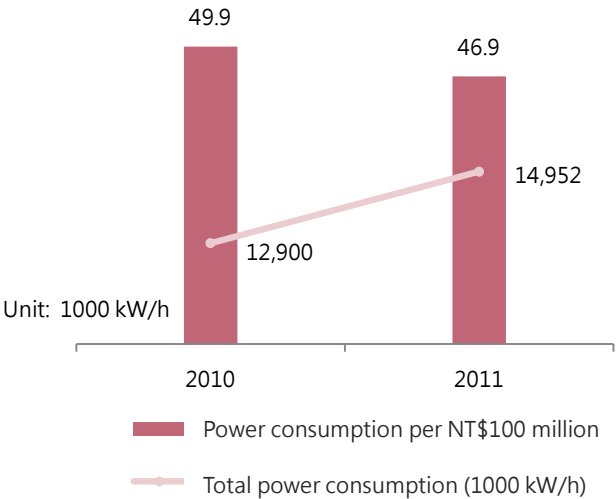
- Main cooling unit uses a heat recycling system
- Cooling tower and fans installed with temperature control and frequency conversion features
- Use of tunneling to reduce external temperature and lessen air-conditioning loading
- Use of external air-conditioning to reduce room temperatures in winter
- Cooler water temperatures raised to save electricity
- Auto on/off for main cooling unit and fan according to indoor loading
- Air-conditioning in the office is set to a constant temperature
- Air-conditioning temperature maintained at  $26 \pm 2$  in summer. WNC saves up to 800,000 kW/h per year by raising temperatures by 1 degree
- Lighting is only used in active sections of the production line saving up to 31,710 kW/h every year

- Office and factory lighting designs meet CNS standards
- WNC signage illumination powered by wind generation
- Use of time switch and induction lighting for parking lot illumination
- WNC's new facility was designed to make maximum use of natural sunlight. Made of 8+12A+8mm LOW-E glass, the exterior glass curtain walls can achieve energy saving effects.

Bright hall with natural sunlight and wind driven generator



▼ Total power consumption



### Waste reduction measures:

- Promotion of paper-free office programs and encouragement of employees to recycle resources and reduce waste
- Use of dissolvable short-fiber toilet paper
- WNC does not allow use of disposable eating utensils or paper cups
- Company restaurants only use reusable eating utensils

### Low carbon lifestyle measures:

- Use of public areas to post energy-saving and waste reduction notices
- Alternating elevator floor control to reduce power consumption and encouragement of employees to use stairways by holding stair-climbing activities
- LOHAS seminars held to promote energy-saving habits and also to implement green environment related activities
- Hot water cisterns for tea making turned off outside office hours

### World Earth Day activities





## 08 Social Care

In 2011 WNC has continued to commit itself to its four major social care programs of financial and manpower support to youth professional development, care of disadvantaged school children, assistance to charitable organizations and collection of disaster relief funds.

Beginning in April 2009, WNC kicked off its social care program under the name WNC Social Care Assistance. In November, 2010, the company completed setting up of a Social Care Assistance Platform within its internal website, with the purpose of providing a convenient channel for employees to obtain social care information and to make donations and offer assistance on-line.

### Science Service Club Summer Camp





## 8.1 Youth Development

To the tune of NT\$400,000 annually, WNC provides long-term subsidization of the After-School Volunteer Club of National Tsing Hua University, encouraging its members to apply their knowledge to serve and care for young people. Through the process of composing proposals every year based on the actual needs of students, club members learn from real experience how to plan an after-school program, to properly allocate resources, to perform benefit assessments and to evaluate performance. From 2011, the Science Promotion Club of National Tsing Hua University was also included in WNC's subsidization program with annual subsidies of NT\$400,000 according to the proposals of the club. The club provides students that live in outlying areas of Hsinchu or that come from disadvantaged families with course guidance and promotion of science education.

### Tutoring programs of the After-school Volunteer's Club



## 8.2 Concern for Disadvantaged Students

In June, 2009, WNC began subsidy of the After-School Volunteer Club of National Tsing Hua University. This after-school program targets those in need of assistance as defined by the Department of Social Welfare, which includes elementary and junior high school students that are raised by a single parent or grandparents, or from families with low income, family violence or other special backgrounds. The program provides children with homework guidance, course review, daily life problem solving and personality guidance. One tutor usually takes care of the same children, which may be on the basis of one-on-one or one-on-two, to effectively improve the self-esteem and scholastic performance of those children. From 2010 the After-School Volunteer Club also began working with Hsinchu's Renai Children's Home. Club members visit the home every Thursday and Friday to provide homework assistance and help in the early discovery of learning disabilities. In addition to the homework program in 2011 club members also took children from the Home on a three-day trip to the middle and south of Taiwan to give the children the chance to take part in some outdoor education.

Field trip for children from the After-School Volunteer's Club





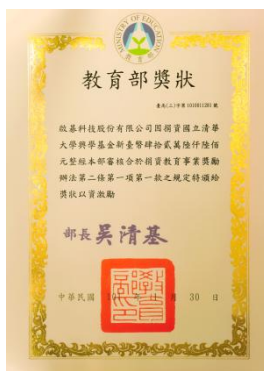
The Science Promotion Club of National Tsing Hua University, since its establishment, has been tasked with providing junior and senior high students the opportunity to take part in scientific

### Science Service Club activities



experiments during winter and summer vacations. From 2011, with WNC's financial support the club has begun offering elementary school students from remote areas and disadvantaged families the chance to join science camps.

### ▼ Department of Education certificate recognizing WNC's support of National Tsing Hua University community groups



### 8.3 Assisting Social Welfare Groups

In 2011 a number of social welfare groups were invited to set up vendor booths on WNC's premises at various times including during the company's 15<sup>th</sup> anniversary celebrations. Groups taking advantage of this offer included Syin-Lu Social Welfare Foundation, Children Are Us Foundation, Hand-in-Hand Teen's Service Center, Lovely Taiwan Foundation, Good Shepherd Social Welfare Services and the Zhudong Psychiatric Institution. Total annual charity sales totaled NT\$110,000.

Children of the After-School Volunteer's club at WNC's 15th Anniversary Celebrations



### 8.4 Fundraising

WNC takes an active part in fundraising events including taking the initiative to kick off internal donation campaigns and encouraging employees to donate in response to major disasters or the special needs of colleagues and the community. In addition care, financial assistance, legal consultation and/or funeral assistance is provided for injured/seriously ill employees or for families of employees who pass away.

According to statistics from 2009 to 2011 in addition to the company's own donations of NT\$775,200 our employees donated funds 3,712 times for a total of NT\$5,658,100. Donation targets were two colleagues who passed away due to accident and illness and one colleague whose spouse passed away. The After-School Volunteer Club and the Science Promotion Club of National Tsing Hua University, the Hsinchu branch of the T.F.C.F, and the Liugui Orphanage were also beneficiaries of the generosity of WNC employees.

▼ **2009~2011 Employee Donations**

Year	2009	2010	2011
Total donations (NTD)	2,760,750	597,350	2,300,000

## 8.5 Construction of a Social Outreach Donation Platform

In November, 2010, WNC's Social Outreach Donation Platform went on-line as part of our company portal. This platform allows employees to understand the status of the company's social welfare advocacy at any time and to respond to social welfare initiatives. There are five parts to the platform:

- 1. Employee emergency relief:** Provides substantial assistance and various consulting services for colleagues that encounter crisis.
- 2. Volunteers and donations:** Provides information of relief goods, funds and volunteers.
- 3. Adoption of charitable organizations:** WNC provides long-term subsidies to the After-School Volunteer Club of National Tsing Hua University. We expect this cooperative model, in which companies and students provide financial and

manpower support respectively, will educate the younger generation and provide sustainable support for the public welfare of Taiwan. Going forwards we will extend this model to other public welfare organizations to convert resources into action

- 4. **Other donations:** Non-routine donations/assistance that WNC provides.
- 5. **Donor honors board:** Employees that participate in public welfare activities are displayed on an “honors board”. In 2011 a new function was added that allows employees to donate the bonuses they receive at the three major Chinese festivals.

#### ▼ Social Outreach Donation Platform



# 09

## Appendix



## 09 Appendix

### 9.1 GRI G3.1 Sustainability Report

● Already disclosed			○ Not disclosed or not applicable		
GRI Indicators			Related Report Section	Page(s)	Notes
GRI Report Parameter					
1.	Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization.	●	1. A Message to Our Stakeholders	7-12	
1.2	Description of key impacts, risks, and opportunities.	●	1. A Message to Our Stakeholders 2.4 Industry Prospects and Challenges	7-12, 22-29	
2.	Organizational Profile				
2.1	Name of the organization.	●	2.1 About WNC	14	
2.2	Primary brands, products, and/or services.	●	2.1 About WNC 2.3 Product Portfolio	14-15, 20-21	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	Scope 3.1 Organization Chart	2, 34	
2.4	Location of organization's headquarters.	●	2.2 Global Footprint	19	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	2.2 Global Footprint	19	
2.6	Nature of ownership and legal form.	●	3.2 Board of Directors	35-36	
2.7	Markets served (including	●	2.2 Global Footprint	19,	

	geographic breakdown, sectors served, and types of customers/beneficiaries).		2.3 Product Portfolio 2.5.1 Professional R&D Capabilities	20-21, 30	
2.8	Scale of the reporting organization.	●	2.1 About WNC 3.6 Financial Performance 5.1.1 Human Resource Structure	14-15, 39-42, 49-52	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●			There were no major structural changes during the report period
2.10	Awards received in the reporting period.	●	2.5.2 Achievements	30-31	
3.	<b>Report Parameters</b>				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Report Scope	2	
3.2	Date of most recent previous report (if any).	●	Publication	3	
3.3	Reporting cycle (annual, biennial, etc.)	●	Publication	3	
3.4	Contact point for questions regarding the report or its contents.	●	Contact Information	3	
3.5	Process for defining report content.	●	Report Scope Report Methodology 4. Identification of Stakeholders & Communications	2, 2, 44-47	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	Report Scope	2	
3.7	State any specific limitations on the scope or	●	Report Guidelines	3	

	boundary of the report (see completeness principle for explanation of scope).				
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	2.2 Global Footprint	19	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Disclosed within Individual Chapters	Each chapter	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●			None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	●			None



	applied in the report.				
3.12	Table identifying the location of the Standard Disclosures in the report.	●	9. 1 GRI G3.1 Sustainability Report	118-135	
3.13	Policy and current practice with regard to seeking external assurance for the report.	○	N/A		This report has not been verified externally
4.	<b>Governance, Commitments and Engagement</b>				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	3.1 Organization Chart	34	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	3.1 Organization Chart 3.2 Board of Directors	34, 35-36	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	3.2 Board of Directors	35	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	4.3 Addressing Issues and Communication Mechanisms 5.4.6 Communication Mechanisms	45-46, 74	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	●	3.2 Board of Directors 3.4 Remuneration Committee	35-36, 37	

	(including departure arrangements), and the organization's performance (including social and environmental performance).				
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	3.3 Audit Committee	37	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	●	3.2 Board of Directors	35-36	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	2.1.3 Corporate Values and Principles 3.5 Compliance with Internal Regulations	18, 38	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	1. A Message to Our Stakeholders 3. Corporate Governance	7-12, 34-42	
4.10	Processes for evaluating	●	3.2 Board of Directors	35-36	

	the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	3.3 Audit Committee	37	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	1. A Message to Our Stakeholders 7.5 Carbon Emissions Management	7-12, 100-103	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	2.6 Industry Association Memberships	32	
4.14	List of stakeholder groups engaged by the organization.	●	4.1 Significant Stakeholders	44	
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	4.1 Significant Stakeholders	44	
4.16	Approaches to stakeholder engagement, including	●	4.3 Addressing Issues and Communication Mechanisms	45-46	

	frequency of engagement by type and by stakeholder group.				
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	4.2 Identification of Substantive Issues 4.4 Significance of Related Issues	45, 47	
<b>Economic Performance Indicators</b>					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	3.6 Financial Performance 5.2 Overall Remuneration 8. Social Care	39-42, 57-59, 110-116	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	○			
EC3	Coverage of the organization's defined benefit plan obligations.	●	5.2 Overall Remuneration	57-59	
EC4	Significant financial assistance received from government.	○			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	○			
EC6	Policy, practices, and	●	6.4 Regional Distribution of	86	

	proportion of spending on locally-based suppliers at significant locations of operation.		Suppliers		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	○			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	5. Social Care	110-116	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	○			
<b>Environmental Performance Indicators</b>					
EN1	Materials used by weight or volume.	○			
EN2	Percentage of materials used that are recycled input materials.	○			
EN3	Direct energy consumption by primary energy source.	●	7.7 Energy Efficient Working Environment	104-108	
EN4	Indirect energy consumption by primary source.	●	7.7 Energy Efficient Working Environment	104-108	
EN5	Energy saved due to conservation and efficiency improvements.	●	7.7 Energy Efficient Working Environment	104-108	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy	●	7.1 Green Management Organization and System 7.1.3 Eco-Design Requirements for Energy-Using Products	92, 95, 104-108	

	requirements as a result of these initiatives.		7.7 Energy Efficient Working Environment		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	○			
EN8	Total water withdrawal by source.	●	7.7 Energy Efficient Working Environment	104-108	
EN9	Water sources significantly affected by withdrawal of water.	●	7.7 Energy Efficient Working Environment	104-108	
EN10	Percentage and total volume of water recycled and reused.	●	7.7 Energy Efficient Working Environment	104-106	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○			
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○			
EN13	Habitats protected or restored.	○			
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	○			
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○			
EN16	Total direct and indirect greenhouse gas emissions	○			

	by weight.				
EN17	Other relevant indirect greenhouse gas emissions by weight.	○			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	7.5 Carbon Emissions Management	97	
EN19	Emissions of ozone-depleting substances by weight.	●		100-103	WNC has never used ozone-depleting substances
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	7.3 Emissions Management	97	WNC's use of electricity produces CO <sub>2</sub> emissions and its septic tank produces methane
EN21	Total water discharge by quality and destination.	●	7.7 Energy Efficient Working Environment	104-105	
EN22	Total weight of waste by type and disposal method.	●	7.4 Recycling and Waste Management	97-99	
EN23	Total number and volume of significant spills.	●	7.4 Recycling and Waste Management	98	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●			WNC complies with the articles of the Basel Convention
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting	○			

	organization's discharges of water and runoff.				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	6.1 Supply Chain Management Active Index 6.3 Supplier CSR Survey 7.1 Green Management Organization and System 7.3 Contaminant Management 7.4 Recycling and Waste Management 7.6 Green Purchasing	83-85, 86, 92-95, 97, 97-99, 103	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	7.4 Recycling and Waste Management	97-99	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	7.4 Recycling and Waste Management	99	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	○			
EN30	Total environmental protection expenditures and investments by type.	○			
<b>Labor Practices and Reasonable Work Performance Indicators</b>					
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	5.1 Recruitment 5.1.1 Human Resource Structure	49, 49-52	
LA2	Total number and rate of new employee hires and employee turnover by age	○			



	group, gender, and region.				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	●	5.2 Overall Compensation	57-59	
LA4	Percentage of employees covered by collective bargaining agreements.	●	5.4.2 Occupational Health and Safety Management 5.4.6 Communication Mechanisms 5.4.7 Employee Welfare Committee	70, 74, 75-81	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●			WNC complies with HR notification procedures of the Labor Standards Act
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	5.4.2 Occupational Health and Safety Management	70	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	5.4.2 Occupational Health and Safety Management	70	There were no work-related fatalities in 2011
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members	○			

	regarding serious diseases.				
LA9	Health and safety topics covered in formal agreements with trade unions.	●	5.4.1 EHS 5.4.2 Occupational Health and Safety Management 5.4.3 Food Safety 5.4.4 Health Enhancement	69, 70, 71, 72	
LA10	Average hours of training per year per employee by gender and by employee category.	○			
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	5.3.1 Human Resources Action Plan 5.3.2 Diverse Paths to Learning	61-62, 63-67	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	○			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	●	5.1.1 HR Structure	49-52	
LA14	Ratio of basic salary of men to women by employee category by significant locations of operation..	○			
LA15	Return to work and retention rates after parental leave, by gender.	○			
<b>Human Rights Performance Indicators</b>					
HR1	Percentage and total number of significant investment agreements	○			

	that include clauses incorporating human rights concerns or that have undergone human rights screening.				
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening and actions taken.	○			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	○			
HR4	Total number of incidents of discrimination and corrective actions taken.	●	5.1 Recruitment 5.4.5 Gender Equality	49, 73	
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining maybe violated or at significant risk, and actions taken to support these rights.	●	5.4.6 Communication Mechanisms 5.4.7 Employee Welfare Committee 6.3 Supplier CSR Survey	74, 75-81, 86	
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective elimination of child labor.	●	5.1.5 Child Labor 6.3 Supplier CSR Survey	56, 86	
HR7	Operations and significant suppliers	○			

	identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	6.7 Contractor Health and Safety Management	89-90	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	○			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	○			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	○			
<b>Social Performance Indicators</b>					
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	8. Social Care	110-116	
S02	Percentage and total number of business units analyzed for risks related to corruption.	○			
S03	Percentage of employees	●	3.5 Compliance with Internal	38	

	trained in organization's anti-corruption policies and procedures.		Regulations		
S04	Actions taken in response to incidents of corruption.	●	3.5 Compliance with Internal Regulations	38	
S05	Public policy positions and participation in public policy development and lobbying.	○			
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●			WNC made no contributions to political parties in 2011
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	○			
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	○			
S09	Operations with significant potential or actual negative impacts on local communities	○			
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	○			

Product Responsibility Performance Indicators					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	6.1 Supply Chain Management Active Index 7. Environmental Protection 7.1 Green Management Organization and System 7.1.2 Green Product Management Process Flow	83-85, 92, 92-93, 94	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●			In 2011 WNC did not contravene any product health and safety standards
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●			In 2011 WNC did not contravene any standards regarding product information and labeling.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	6.6 Customer Relations	88	
PR6	Programs for adherence to laws, standards, and voluntary codes related to	○			

	marketing communications, including advertising, promotion, and sponsorship.				
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●			In 2011 WNC did not contravene any standards regarding marketing communications.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●			In 2011 WNC received no substantiated complaints regarding customer privacy.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●			There were no recorded instances of non-compliance with product regulations in 2011.



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