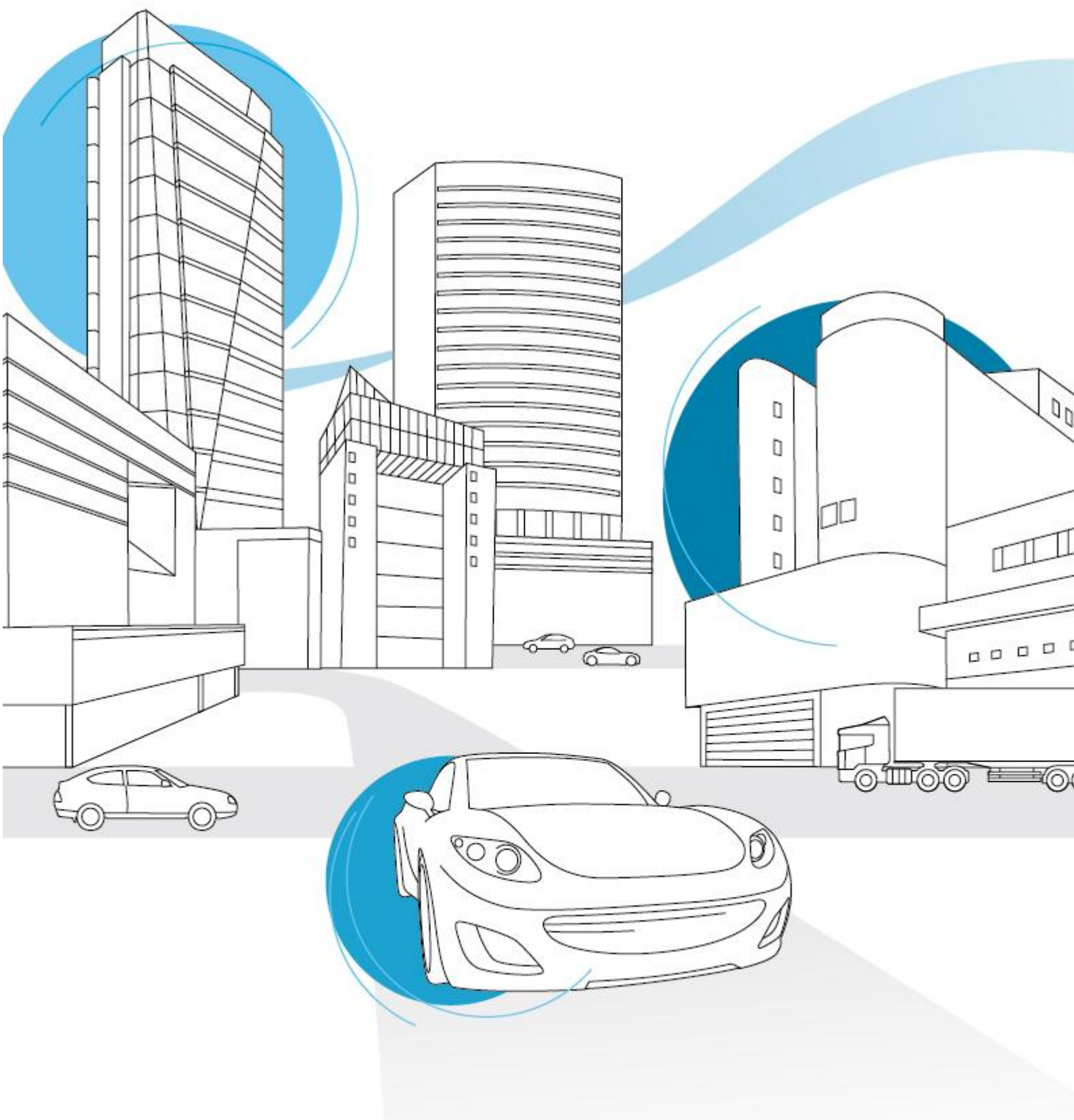WNC

Wistron NeWeb Corp.

2015 Corporate Social Responsibility Report

About this report

Beginning from 2011, WNC has published its Corporate Social Responsibility Report annually to present the non-financial performance and achievements of WNC's operations, environment health and safety, and exercise of social responsibilities to all its stakeholders. This report exists in both Chinese and English versions, both of which are posted on WNC's website http://www.wnc.com.tw. We hope to maintain a smooth and transparent communication channel with all stakeholders.

Publication

The CSR Report for the preceding year is published by WNC on an annual basis.
Current version: Published in June 2016
Previous version: Published in June 2015
Next version: Will be published in June 2017

Boundary and Scope

The scope of the information disclosed in this report covers WNC's comprehensive performance and achievements in corporate-social-responsibility-related aspects from January 2015 to December 2015. The report covers information regarding operations at WNC's headquarters in the Hsinchu Science Park, Taiwan, the Lihsin Office located on Lihsin Rd. I (the two combined are referred to as "WNC (Taiwan)"), and includes selected information from its major factories in China (listed below). The contents of this report do not cover subsidiaries or branches in Europe, the United States, Japan, and other corporate entities that do not have direct control over the company's operations.

- Wistron NeWeb (Kunshan) Corporation, herein referred to as "Wistron NeWeb (Kunshan)"
- NeWeb Service (Kunshan) Corporation, herein referred to as "NeWeb Service"
- WebCom Communication (Kunshan) Corporation, herein referred to as "WebCom (Kunshan)"
- WNC (Kunshan) Corporation, herein referred to as "WNC (Kunshan)"
- WebCom Communication (Kunshan) Corporation, herein referred to as "WebCom (Nanjing)"

In the fourth quarter of 2015, Wistron NeWeb (Kunshan) Corporation constructed a new plant. The plant's purpose is to expand the site's production lines to meet capacity requirements. As the data obtained during the construction phase and the initial phase of its operations is not yet complete, such data is not included in the disclosures of this year's annual report; the information obtained starting January 2016 will be included in next year's annual report.

Report Methodology and Guidelines

This report is compiled based on the Sustainability Reporting Guidelines, Version 4 (herein referred to as the "GRI G4") published by the Global Reporting Initiative (GRI). The report has been inspected by the independent third party, SGS Taiwan Limited, based on the AA1000 standards and GRI G4 requirements and has been verified that the report meets the requirements of GRI G4 Core option and AA1000 Assurance Standard type 1, moderate level. The Assurance Statement is enclosed in the appendix for reference.

The report covers the same organizational boundary and method for calculation method used in the previous year. The related performance indicator also adopts the international generic indicators. Financial figures in this report are expressed in New Taiwan dollars (NT$) unless otherwise specified. All figures have been audited by KPMG. ISO 9001, ISO 14001, ISO/TS 16949, OHSAS 18001, IECQ QC 080000, ANSI/ESD S20.20, TL 9000, and CNS 15506: 2011 verification and issuance of certificates were performed by TÜV Rheinland; ISO/IEC 17025 verification and issuance of certificates were performed by the Taiwan Accreditation Foundation; ISO/IEC 27001 verfication and issuance of certificates were performed by SGS Taiwan Ltd.

Contact Information

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A Message from the CEO

Chairman & CEO

Haydn Hsieh

2016 marks WNC's 20th year in business. Our steady growth over the past two decades has been predicated on the support and encouragement from all of our employees, customers, suppliers, vendors, and investors. As we look forward into the future, we will abide by "Fundamentals Advocacy", one of our core values, and remain cautiously optimistic as we continue to drive WNC's growth with innovation, execution, and sustainability.

In recent years, world economies have experienced slow growth, and markets still appear to be fickle and ever-changing. In addition, business environments and product life cycles continue to drastically change, and the exchange rates of the world's major currencies are also constantly fluctuating. In order to remain highly competitive in such an environment and secure a place in the rapidly changing ICT market, WNC has optimized its existing value chain and developed new products and technologies through a holistic perspective that is more in line with international developments. We have implemented ongoing internal improvement projects, which contribute to our enhanced problem-solving capabilities and flexibilities, as well as a better ability to respond to the diverse and pressing demands of customers and from the markets.

Meanwhile, applications and developments included in the Internet of Things, Internet of Vehicles, Industry 4.0, Smart Home, and Smart City are now at the forefront of the world's communications industry. These developments have generally been in line with our technology roadmaps and development plans over the past, and as a result we have achieved positive growth. We are confident that market demands and customer trust will further drive our success in the future, helping us create sustained profits and growth.

In response to a need for business development and capacity expansion, WNC Japan Ltd was established in Yokohama, Japan. In the fourth quarter of the same year, we purchased S1, a new plant on 5 Lihsin Rd. VI, Hsinchu Science Park, to serve as WNC's main production site in Taiwan. We estimate operations will commence at S1 during the second quarter of 2016. Meanwhile, a new plant will also become operational for capacity expansion of WNC (Kunshan) Corporation in the fourth quarter.

As our business scope expands, we feel that the pursuit of sustainable development has become an unstoppable trend for enterprises across the globe, and we also recognize that society is raising its standards for involvement and implementation effectiveness of enterprises in terms of information disclosure, integrity, environmental protection, and social participation. At WNC, we do not focus merely on quantities and speed; rather, we put our emphasis on ensuring that our objectives are consistent with the company's long-term operational strategies, align with or enhance the company's core capabilities, and meet stakeholders' expectations. We aspire to use available resources in a reasonable

manner and ensure that we do the right thing at the right time with the right partners. But after doing the right thing, we should then seek to do it better. As a result, we have listed the following as our long-term objectives to continue to fulfill our social responsibility as a responsible corporate citizen:

- Creating workplaces and corporate governance systems resulting in high quality
- Consolidating core competitiveness and creating value for all interested parties
- Reducing environmental impacts, creating green factories, and achieving the goal of reducing greenhouse gas emissions
- Creating sustainable operations and value chains with customers and suppliers
- Supporting the education of disadvantaged children and expanding their study and development opportunities

The ever-intensifying competition and more diverse customer needs present us with both challenges and opportunities. Looking ahead, we will strive to create values while achieving sustainable development. We will also be committed to maintain positive growth and spare no efforts in excelling in every possible aspect. Let us look forward to a more prosperous and fruitful future in WNC's next two decades.

2015 WNC CSR Achievements

Economic

Overall

Overall

- WNC ranked in the top 50 in the "Large Enterprises" group for the 2015 Excellence in CSR by the *CommonWealth Magazine* Group.
- Revised internal regulations which include:"Corporate Governance Best-Practice Principles", "Ethical Corporate Management Best-Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" "Corporate Social Responsibility Best-Practice Principles" and "WNC Reporting and Handling Procedure"
- Completion of the EICC Validated Audit Process (VAP)

Grievance Mechanisms

Revised and renamed the "WNC Operational Guidelines for CSR/EICC Violations" to "WNC Reporting and Handling Procedure" to standardize the reporting mechanism and processes

Social

Environmental

Corporate Governance

- Rated in the top 20% among all publicly traded companies at the first Corporate Governance Evaluation

- Included as a component of the "TWSE Corporate Governance 100 Index" and the "Taiwan Top Salary 100 Index" by the Taiwan Stock Exchange (TWSE).

Environmental Protection

Obtained FSC® (Forest Stewardship Council®) Chain-of-Custody certification

Labor & Human Rights

- In August, the China sites began a comprehensive review of regulations to ensure that local laws and regulations regarding labor practices are followed.
- Completed three batches of EICC courses for contractors, including security guards, on-site food-service vendors, and cleaning staff at WNC headquarters

Social Care

- Invited customers and suppliers to join our remote-area welfare activities
- Expanded organic food contracts to support more independent organic farmers in Taiwan
- Began long-term subsidization to 6 social service student clubs at two universities in Taiwan
- Joined the charitable activity "Giving our Children a Better Future" organized by the Commonwealth Publishing Company and sponsored yearly subscriptions of its educational monthly magazine for a total of 8 schools in Hsinchu and Tainan.

Economic Performance	2015 consolidated revenue was NT$52 billion, up 29.4% YoY.
Products & Services	■ 2016 CES Innovation Awards (24GHz Radar System & Smart Shelf System) ■ Hsinchu Science Park R&D Accomplishment Award ■ Obtained ISO/IEC 17025 (general requirements for the competence of testing and calibrations) certification
Customer Satisfaction	Sizeable improvement in customers' overall satisfaction over the past five years
Information Security	Obtained ISO/IEC 27001 (information security management system) certification
Supplier Management	Completed 177 supplier CSR on-site audits in Taiwan and China

Waste Management	The total weight of waste and the average wastewater per person produced at WNC headquarters is 4.5% and 31.6% lower than that of 2014.
Energy Management	The electricity-use intensity and water-use intensity at WNC headquarters dropped by approximately 3.0% and 2.2% compared to 2014.
Greenhouse Gas Emissions	GHG emissions intensity at WNC headquarters dropped by approximately 7.7% compared to 2014.
Energy Saving	Compared to 2014, WNC (Taiwan) saved approx. 2.6% of total electricity consumption. Other consumption savings include: WNC (Kunshan) Corporation 5.6%, Wistron NeWeb (Kunshan) Corporation 0.9%, WebCom Communication (Kunshan) 18.4%, and WebCom Communication (Nanjing) 6.7%.
Water Saving	The recycled water accounted for 39.8% of the total water use at WNC headquarters and 6.9% in NQJ.

Employee Care

■ Expanded organic food contracts to promote the "Everyday is a Healthy Day" campaign
■ Increased the on-site doctor service hours and frequency at WNC headquarters
■ Implemented abnormal health-examination results improvement campaign and achieved a 50% improvement rate

Occupational Safety and Health

■ Revised the Environmental Safety and Health Management Policy
■ Obtained CNS 15506: 2011 (Taiwan Occupational Safety and Health Management System, TOSHMS) certification
■ Implemented earthquake and emergency response drills at WNC headquarters
■ Implemented preventive measures for new occupational diseases (including those caused by human factors, work-related stress, and unlawful conduct in the workplace)
■ Introduced contractor safety and health performance evaluation system

01

About WNC

Corporate Operations

Social Responsibility Management

Communication with Stakeholders

1.1 Corporate Operations

Wistron NeWeb Corporation (WNC), established in 1996, designs, develops, and manufactures communication products. Based on its fundamental strengths in antennas and RF design, it provides solutions that include product ideas, systems integration, mechanical design, user-interface development, product testing and certification, as well as high-quality ODM/JDM/OEM services. WNC differentiates itself from the competition by applying its solid technical capabilities to a wide range of applications including home, mobile, automotive, and enterprise. In recent years, WNC has focused its research efforts to that of 4G mobile communication technology, automotive telematics, and smart-home applications and has taken the lead in the industry to release products that meet market trends.

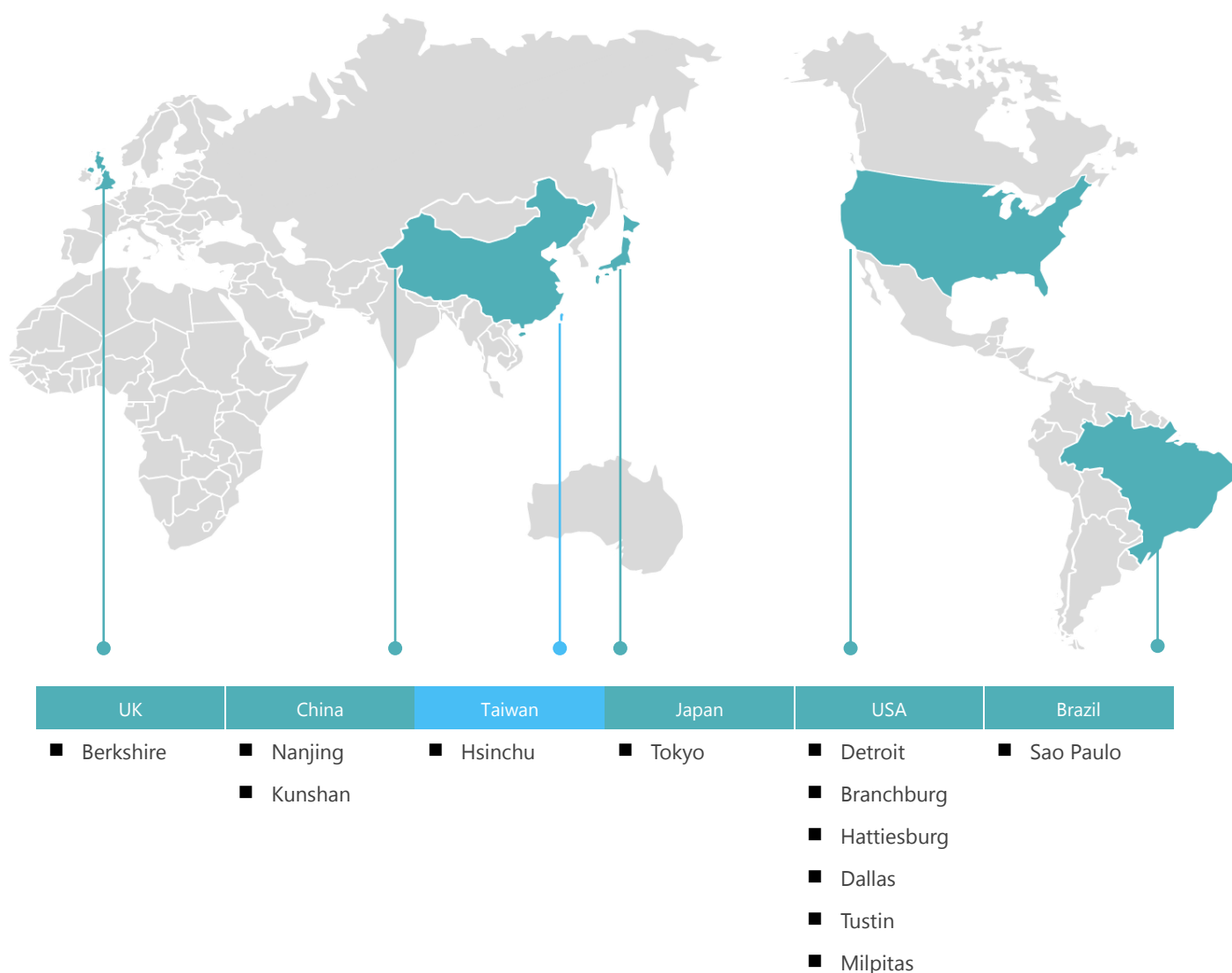| Company Name	Wistron NeWeb Corporation
Chairman & CEO	Haydn Hsieh
Headquarters	Hsinchu, Taiwan
Established	Dec. 7, 1996
Public Listing	Sept. 22, 2003 (Stock code: 6285)
2015 Capital	NT$3.29 billion
2015 Revenue	NT$52 billion (Consolidated)
2015Total Employees	10,818 people (Global)

Vision	WNC's vision is to become the global leader in wireless technology and in communication-network technology integration to provide customers with complete wireless communication total solutions with professional communication technology.
Goal	Our goal is to organize a team with high morale to execute our high value-added business model and maintain efficiency. This will help us achieve customer satisfaction with our service quality and that of our shareholders with our overall operating performance.

Culture

Fundamentals Advocacy, Teamwork, Customer Focus, and Value Creation are WNC's core corporate values that steer our corporate culture.

Fundamentals Advocacy
WNC has always focused on training to build a sturdy corporate foundation. We hope to establish an environment of mutual trust in an open, just, and fair manner.

Teamwork
We learn from innovative management and teamwork to establish a sustainable cooperative relationship with our customers through efficient and high-quality performance. This helps us develop a broader vision and leaner initiatives.

Customer Focus
We work hard to enhance customer satisfaction, create flexible business models and positive experience of cooperation, and establish sustainable partnerships with customers.

Value Creation
We solidify our core competence through innovation, continuous learning, and strengthened management. This also enables us to improve our competitiveness, creating higher and multiple shared values.

WNC's Ten Beliefs and Ten Principles of Discipline are meant to remind its employees they must always uphold sincerity, decency, honesty, and law-abiding attitudes to customers, vendors, colleagues, and society in order to facilitate team discipline, enhance organizational efficiency, and maintain a positive corporate image.

Ten Beliefs
1. Strive for the highest quality.
2. Achieve effective execution.
3. Shoulder responsibility bravely and take the initiative proactively.
4. Abide by integrity and act with moral courage.
5. Promote teamwork.
6. Observe discipline strictly. Distribute rewards and punishments fairly.
7. Be eager to learn and share.
8. Be customer-focused.
9. Reinforce cost consciousness and create the most profits.
10. Be an industry benchmark.

Ten Principles
1. Do not argue with the customer's perception.
2. Do not disclose confidential company matters without authorization.
3. Do not take credit from others nor shirk responsibilities.
4. Do not bribe nor take bribes.
5. Do not use public resources for private interest.
6. Do not behave with departmental egoism nor selfish manners.
7. Do not risk the company's reputation by making inappropriate statements in public.
8. Do not exaggerate nor understate.
9. Do not be hypocritical nor bureaucratic.
10. Do not be tardy for work and meetings nor leave early.

1.1.1 Worldwide Locations

WNC's global headquarters is located on Park Avenue II in Taiwan's Hsinchu Science Park. Our site is a combination of office and factory facilities where all business functions are performed under one roof (such as R&D, production and manufacturing, sales, logistics, and after-sales service). Its operations are responsible for coordinating and integrating customer needs and resource logistics from its global sites. WNC's Major manufacturing sites are located in Kunshan, China. They are WNC (Kunshan) Corporation, Wistron NeWeb (Kunshan) Corporation, and WebCom Communication (Kunshan). NeWeb Service (Kunshan) Corporation, which focuses on after-sales service, and WebCom Communication (Nanjing) is responsible for research and development of products for the China market and were also established due to growing business needs.

In response to a need for business development and capacity expansion, WNC Japan Ltd was established in Yokohama, Japan, in January 2015. In the fourth quarter of the same year, a new plant also became operational for capacity expansion of WNC (Kunshan) Corporation. In Taiwan, S1, a new plant on 5 Lihsin Rd. VI, Hsinchu Science Park (the former AUO L3A plant), was purchased and is estimated to commence operations in the second quarter of 2016.

Please refer to WNC's website www.wnc.com.tw for detailed worldwide location information.

UK	China	Taiwan	Japan	USA	Brazil
■ Berkshire	■ Nanjing	■ Hsinchu	■ Tokyo	■ Detroit	■ Sao Paulo
	■ Kunshan			■ Branchburg	
				■ Hattiesburg	
				■ Dallas	
				■ Tustin	
				■ Milpitas	

1.1.2 Achievements

2015

- 2016 CES Innovation Award (24GHz Radar System)
- 2016 CES Innovation Award (Smart Shelf System)
- Taiwan Corporate Sustainability Report Award Silver Medal
- Hsinchu Science Park R&D Accomplishment Award
- Ranked in the top 50 in the "Large Enterprises" group for the 2015 Excellence in CSR by the CommonWealth Magazine Group
- First Prize in the Group category of the Enterprise Workers Fire Fighting Skills Competition in the Kunshan Development Zone
- Third Prize in the Taiwan Enterprises Environmental Protection and Safe Production Knowledge Contest in the Kunshan Development Zone

2014

- The Hsinchu Science Park Innovative Product Award (High Sensitivity RFID Antenna and Reader System)
- Bronze Award from the TCSA (Taiwan Corporate Sustainability Awards)

2013

- CommonWealth Magazine: Most Admired Company in Taiwan in the communications industry category
- Hsinchu Science Park R&D Accomplishment Award
- Hsinchu Science Park Innovative Product Award (24 GHz Automotive BSD Radar)
- 2012 Deloitte Technology Fast500 Asia Pacific
- CES Innovations Design and Engineering Award (4G Mobile Hotspot)

1.1.3 Management Systems

To enhance operational efficiency and customer satisfaction, WNC has set up management systems for quality, green products, information operations, specific industries, environmental management, and health and safety according to international standards at all of its locations. Furthermore, WNC also designated a committee to be responsible for verification/certification matters, related policy, operational execution, and improvements. After each management system is certified by an independent third party according to international standards, they are updated continuously to ensure they are actually operating according to their dedicated standards and rules.

In 2015, WNC (Taiwan) obtained the ISO/IEC 17025 (General requirements for the competence of testing and calibration laboratories) certification, FSC® Chain-of-Custody (Forest Stewardship Council Chain-of-Custody) certification, and CNS 15506: 2011 TOSHMS (Taiwan Occupational Safety and Health Management System) certification. At the China sites, Wistron NeWeb (Kunshan) Corporation earned the hazardous substances procedure management standard IECQ QC 080000 certification, while WNC (Kunshan) Corporation, Wistron NeWeb (Kunshan) Corporation, and WebCom Communication (Kunshan) Corporation obtained ISO/IEC 27001 (Information security management system (ISMS)) certifications.

The quality management system related certifications obtained by WNC (Taiwan) and its subsidiaries in China and the dates of the certifications are listed in the following table:

Management Systems of WNC (Taiwan) and its Subsidiaries

	WNC Headquarters	WNC (Kunshan) Corporation	Wistron NeWeb (Kunshan) Corporation	WebCom Communication (Kunshan) Corporation
ISO 9001	1998	2006	2006	2008
ISO/TS 16949	2005	2009		
IECQ QC 08000	2011	2011	2015	2011
ANSI/ESD S20.20	2011	2011	2013	
ISO 14001	2005	2006	2006	2009
ISO 14064-1 Note		2015	2015	2015
OHSAS 18001	2008	2012	2012	2012
TL 9000	2014	2014		
ISO/IEC 27001	2014	2015	2015	2015
ISO/IEC 17025	2015			
FSC® Chain-of-Custody	2015			
CNS 15506: 2011	2015			

Note: The year in which the site obtained ISO 14064-1 certification.

1.1.4 Industry Association Memberships

WNC's technology and product scope is broad. Therefore we actively participate in related industry associations and the activities they host to acquire the most up-to-date industry and technology-related information and maintain good relations with corporations and organizations in related fields. The external organizations in which WNC participated in 2015 include:

- Taiwan Electrical and Electronic Manufacturers Association and Communications Industry Alliance
- Taipei Computer Association and Taiwan Internet of Things Alliance
- Taiwan Thermal Management Association
- The Allied Association for Science Park Industries
- Taiwan Association of Cloud Computing

- Device Language Message Specification (DLMS) User Association
- Digital Living Network Alliance (DLNA)
- Global Certification Forum (GCF)
- Global TD-LTE Initiative (GTI)
- Multimedia over Coax Alliance (MoCA)
- RAIN RFID Alliance
- RVU Alliance
- Thread Group
- Wi-Fi Alliance (WFA)
- ZigBee Alliance

1.2 Social Responsibility Management

1.2.1 Policies and Policy Promotion

WNC Corporate Responsibility Policy	- We are committed to striving for sustainable development. Our business strategies must include comprehensive considerations of economic, environmental, and social aspects to reach an optimal balance and continuous improvement. - We design and produce products and services that enhance the convenience of people's lives while minimizing the impact on the environment. - We provide employees with fair and reasonable remuneration according to average levels in the industry and offer training programs for developing employees' competence and expertise. - We offer a healthy and safe workplace and implement systematic environmental-safety-management measures, doing our best to prevent environmental pollution and occupational injuries. - We only cooperate with suppliers complying with our CSR policies. Suppliers are required to strictly follow the laws and regulations that WNC and its customers comply with. - We achieve high customer satisfaction with high quality and efficiency and maintain long-term partnerships with customers. - We maintain healthy corporate governance, financial structures, and forward-looking business plans to provide our investors with appropriate returns.

Starting in 2012, WNC established and secured approval from the Board of Directors for the "Corporate Social Responsibility Best-Practice Principles", the "Corporate Governance Best-Practice Principles", the "Ethical Corporate Management Best-Practice Principles", and the "Code of Ethical Conduct". In March 2015, WNC amended the aforementioned measures in accordance with the recommendations of the TWSE and the conditions in which they were actually implemented. Functional units of different job responsibilities cooperate with one another to implement related measures based on company policies and review the performance every six months. Each functional unit also watches closely for the changes of international initiatives and regulations to examine, in a timely manner, whether related management methods and operations procedures must be modified.

WNC voluntarily follows the spirit of the Electronic Industry Citizenship Coalition's (EICC) Code of Conduct and adopted its own WNC EICC Code of Conduct for all WNC employees, subsidiaries, and suppliers to follow. We expect that our suppliers follow principles of business integrity and abide by local and international regulations as well as engaging in

environmental protection, ESH, and labor-rights protection to fulfill our corporate social responsibilities.

To enable all WNC employees to better understand the meaning of corporate social responsibility, WNC provides CSR/EICC online training courses during the orientation for new employees and newly appointed managers to promote the concept and the policies of CSR/EICC. On-line and live classroom course updates are also provided if necessitated by regulatory requirements, policy implementation, or customer requirements. In 2015, in response to the release of the EICC Code of Conduct version 5.0, WNC organized EICC workshops to discuss the version differences of the Code with responsible units and propose relevant measures to enhance EICC conformity. A total of 11 sessions of EICC training were held in WNC Taiwan and the China sites. It is hoped that through detailed explanations of the regulations and examples, employees responsible for purchasing and vendor management will be able to realize the concept of EICC in their daily operations. Also in 2015, the Marketing Division collaborated with the WNC EICC Management Committee in compiling the WNC CSR Employee Handbook. The handbook was completed in November and published in the CSR KM section on the company's internal website.

EICC Training Courses in 2015

Site	Trainer	Participants	Course Contents	No. of Courses	No. of Participants
Taiwan	External trainer	■ EICC internal auditors and auditee representatives ■ Staff of the Supplier Quality Management Center	Introduction to EICC version 5.0, audit key points, common non-conformities and case studies	4	51
	Internal trainer	■ Staff of the Global Supply Chain Management Division ■ Staff of the Supplier Quality Management Center	Use of EICC version 5.0 audit tools, processes, and methods	2	54
China	External trainer	■ EICC internal auditors and auditee representatives ■ Staff of the Supplier Quality Management Center	Introduction to EICC version 5.0, audit key points, common nonconformances, and case studies	5	56
	Internal trainer	Staff of the Supplier Quality Management Center	Use of EICC version 5.0 audit tools, audit processes, and methods	2	48

1.2.2 EICC Management Committee

The WNC EICC Management Committee is established both at the WNC headquarters in Taiwan and at our China sites. The committee directs WNC's CSR and EICC implementation efforts. The Chairman & CEO serves as the highest-level manager to report issues to. Major issues shall be submitted to the Board of Directors for authorization and approval. The WNC EICC Management Committee consists of the Environmental Group, Health and Safety Group, Labor Group, Ethics Group, and Management System Group. Each functional unit (including the Global Supply Chain Management Division, Quality Assurance Division, Finance Division, Human Resources Administration Division, Management Information System Division, Marketing Division, and Legal & IP Center) shall assign representatives to serve as the officers for each group, and the officers shall convene management review meetings every year to discuss corporate social responsibility and the EICC-related issues and review the completeness of the management system. For specific customer needs, interim

meetings are also convened. With regard to issues related to each group, relevant functional units are responsible for the items' discussion and resolutions as well as the execution and review of the resolution items. WNC's Marketing Division is in charge of coordinating the publication of the annual CSR report.

The responsibilities of the Board of Directors include examining the economic, environmental, and social aspects of WNC's performance and approving the CSR-related issues reported by the EICC Management Committee or related functional units. High-level managers shall report to the Board of Directors on the operation status and other important aspects of WNC to provide information for the Board's reference during decision-making.

To conform to industry standards and respond to customer requirements, as well as following international trends of increased emphasis on issues such as labor, health and safety, environmental protection, and ethics, staff at the WNC headquarters and the China sites took the initiative in applying for an EICC Validated Audit Process (VAP) in order to assess the effectiveness of the WNC EICC management system in a fair and objective manner. The results of the VAP are used as a reference for the sites' continuous improvement.

EICC Management Structure: WNC (Taiwan)
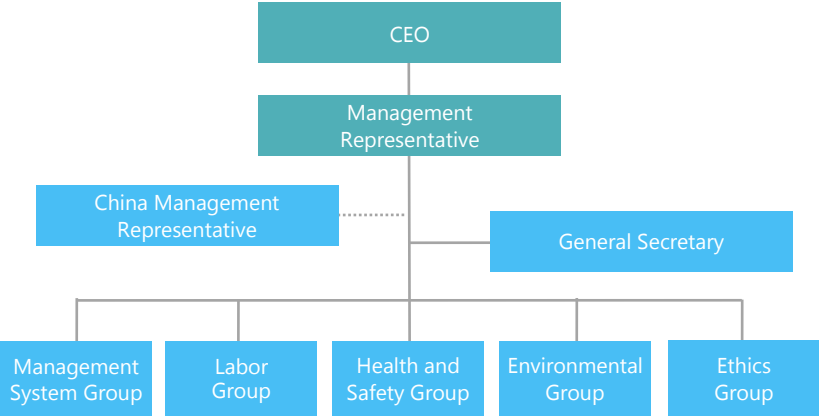
EICC Management Structure: China Sites
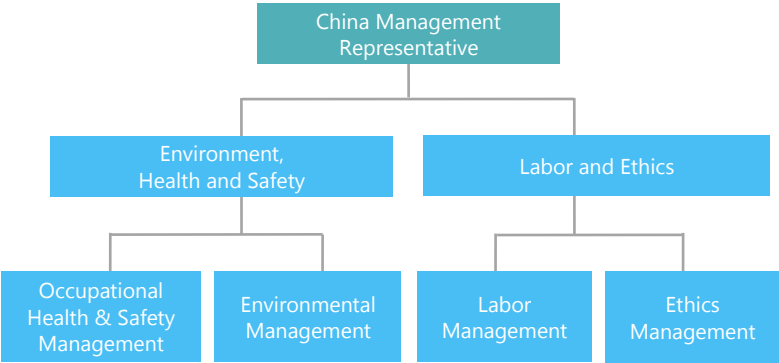
1.3 Communication with Stakeholders

Communicating with stakeholders at an appropriate time and manner is a basic responsibility of a corporate citizen. WNC strives to pursue pragmatic operations, steady development, and, perhaps due to business attributes, usually proceeds in a conservative and low-profile manner on all types of advertisements and promotions. However, WNC still tries to maintain smooth communications and mutual trust with its stakeholders with diverse methods.
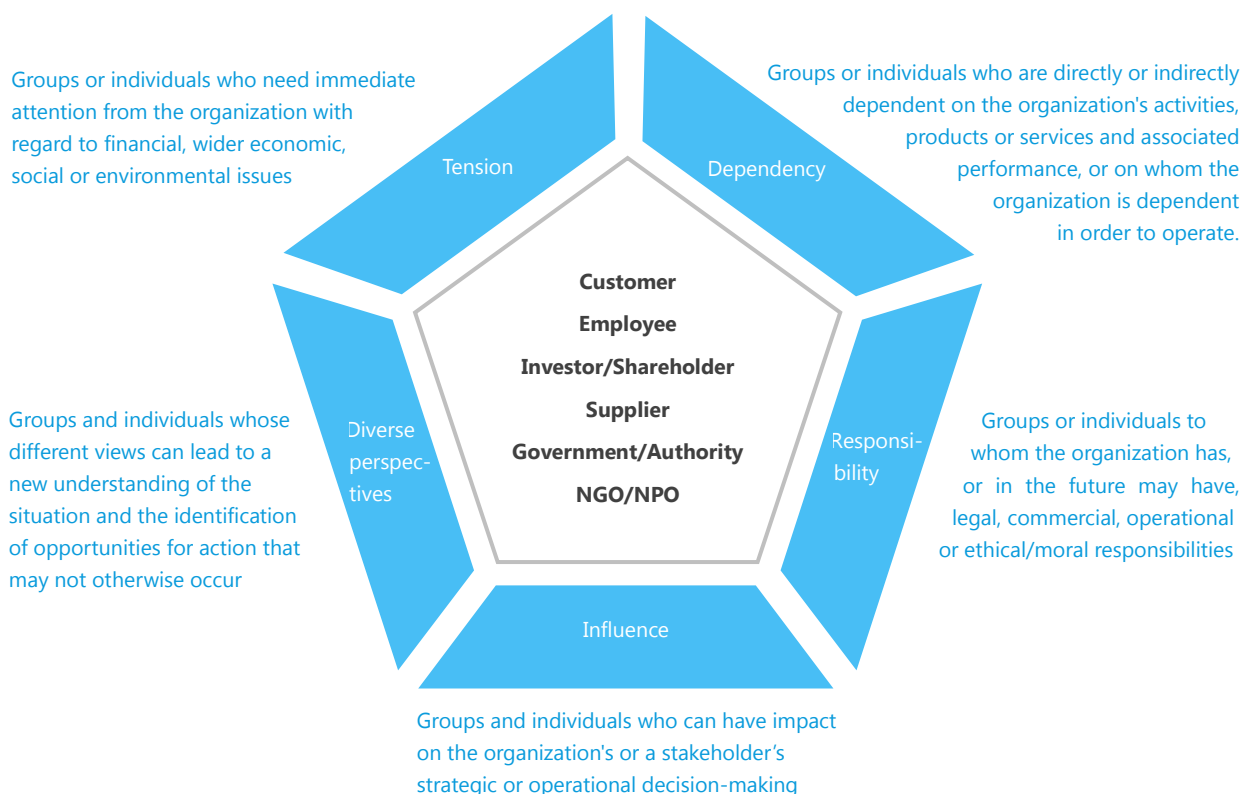
To distinguish key interested parties of WNC and substantive issues and determine this report's main objectives and contents, we assembled sales managers and related employee representatives from the following stakeholder-related segments of the company: finance, investor relations, marketing, CRM administrators, human resources administration, employee relations, management information systems, global supply chain management, supplier quality management, and the EICC management committee. We conducted an internal survey to analyze and sort the results based on respective business scopes and related interested parties, interested parties' degrees of concern with these issues, and their impact on operations.

1.3.1 Identification of Stakeholders

WNC adopted the five principles of the AA1000 Stakeholder Engagement Standard 2011. According to the dependence, responsibility, tension, influence, and multiple perspectives of stakeholders of WNC, we identified six significant stakeholder categories including customers, employees, investors/shareholders, suppliers, government/authorities and NGOs/NPOs.

Groups or individuals who need immediate attention from the organization with regard to financial, wider economic, social or environmental issues

Groups or individuals who are directly or indirectly dependent on the organization's activities, products or services and associated performance, or on whom the organization is dependent in order to operate.

Tension

Dependency

Customer
Employee
Investor/Shareholder
Supplier
Government/Authority
NGO/NPO

Groups and individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur

Diverse perspectives

Responsibility

Groups or individuals to whom the organization has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities

Influence

Groups and individuals who can have impact on the organization's or a stakeholder's strategic or operational decision-making
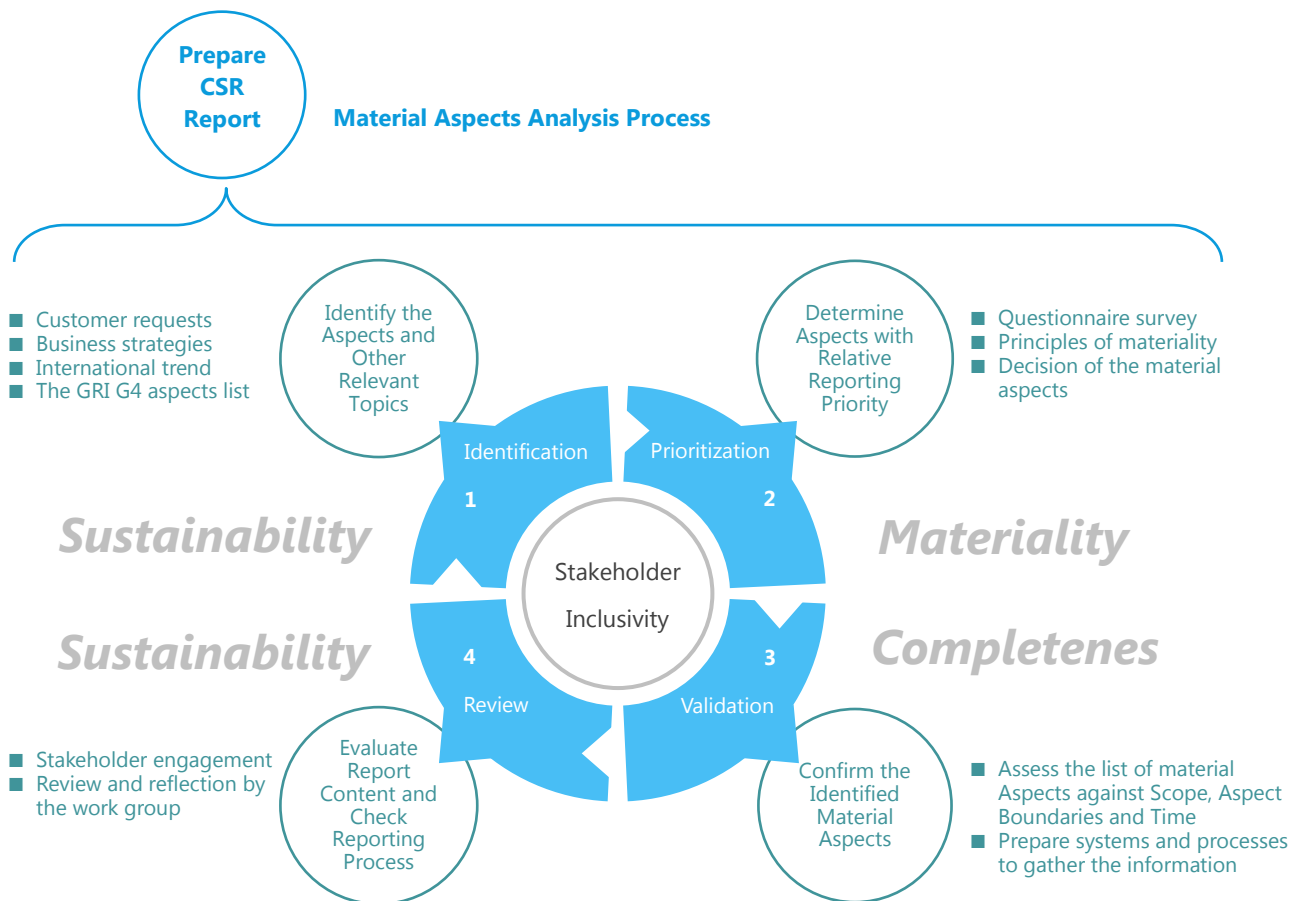
1.3.2 Identification of Material Aspects

We collect the issues that concern stakeholders through the following internal and external inputs, and with reference to the definitions and classifications in the GRI G4 published by the Global Reporting Initiative (GRI), we identified a total of 48 aspects of interest to our stakeholders which are categorized into economic-, environmental-, social-, and product-responsibility aspects.

- Internal: Corporate culture, operational principles, job function and plans of each unit, corporate social responsibility code of conduct, employee communication channels, employee questionnaires, the results of the on-line stakeholder survey, and the results of a survey of the issues of interest to responsible personnel from each unit and to stakeholders

- External: International trends and regulations, customer requirements, business-peer-based practices, Electronic Industry Code of Conduct (EICC), third-party evaluation organizations (EcoVadis), the Sustainability Topics for Sectors published by the Global Reporting Initiative (GRI), the KPMG *Survey of Corporate Responsibility Reporting 2015* published by KPMG International, the *Sustainability Yearbook 2016* published by RobecoSAM, and the *Global Risks Report 2016* published by the World Economic Forum

To identify aspects that are substantive and require particular attention, we conducted a questionnaire survey on employees selected by their respective unit heads. Based on a process of substantive analysis, the assigned employees rated the "the level of concern of stakeholders to the particular aspect" and "the level of impact of the aspect on WNC's operations" using a scale of one to five ("1" being the lowest and "5" being the highest). Their ratings were based on their perceptions and observations from their day-to-day duties. The average scores are listed on a plane coordinate axis to enable the identification of aspects that are both of higher interest to stakeholders and of a higher impact on WNC's operations. In order to meet stakeholder's expectations as much as possible, aspects with an average score of 3. 5 or higher are considered major aspects of interest; there are a total of 27 such aspects.

This report addresses and responds to the major issues relating to these 27 major aspects. Please refer to the GRI index for the actual disclosure and corresponding chapters. The aspects of major importance to WNC but not included in the GRI G4 aspects are categorized as "others".

Material Aspects Analysis Process

Prepare CSR Report

- Customer requests
- Business strategies
- International trend
- The GRI G4 aspects list

Identify the Aspects and Other Relevant Topics

- Questionnaire survey
- Principles of materiality
- Decision of the material aspects

Determine Aspects with Relative Reporting Priority

Sustainability

Materiality

Identification 1

Prioritization 2

Stakeholder Inclusivity

Sustainability

Completenes

Review 4

Validation 3

- Stakeholder engagement
- Review and reflection by the work group

Evaluate Report Content and Check Reporting Process

Confirm the Identified Material Aspects

- Assess the list of material Aspects against Scope, Aspect Boundaries and Time
- Prepare systems and processes to gather the information

Prioritization of Aspects

Influence on Stakeholder Assessments and Decisions

Significance of Economic, Environmental, and Social Impacts

Overall		Environmental		Social		TOP 10 in Terms of Concern	TOP 10 in Terms of Impact
1	Stakeholder	16	Materials	26	Employment	Technology R&D	Technology R&D
2	Compliance	17	Energy	27	Labor/Management	Compliance	Compliance
3	Information	18	Water	28	Occupational Health &	Complaint Mechanisms	Customer Privacy
4	Complaint	19	Biodiversity	29	Training & Education	Quality Service	Quality Service
5	Supplier Management	20	Carbon Management	30	Diversity & Equal	Customer Health &	Risk Management
6	Risk Management	21	Effluents and Waste	31	Equal Remuneration for Women and Men	Customer Privacy	Occupational Health & Safety
Economic		22	Green Product Management	32	Human Rights Training and Investment	Human Rights Training and Investment	Supplier Management
7	Corporate Governance	23	Energy Saving & Carbon Reduction	33	Biodiversity	Economic Performance	Forced or Compulsory Labor
8	Technology R&D	24	Transport	34	Freedom of Association & Collective Bargaining	Forced or Compulsory Labor	Customer Health & Safety
9	Quality Service	25	Environmental Expenditure	35	Child Labor	Occupational Health & Safety	Supplier Management
10	Business Ethics	Product Responsibility		36	Conflict Minerals		
11	Economic Performance	42	Customer Health & Safety	37	Forced or Compulsory Labor		
12	Stockholders' Equity	43	Product & Service Labeling	38	Local Communities		
13	Local Employment	44	Marketing Communications	39	Anti-corruption		
14	Economic Impacts	45	Customer Privacy	40	Public Policy		
15	Local Procurement			41	Anti-competitive Behavior		

In view of the 27 major aspects identified, we assembled the employees assigned by their respective unit supervisors, and through their actual day-to-day operations, we confirmed the issues related to each aspect and determined which branch of the company may be subject to the impact, such as the WNC headquarters, the branches in Kunshan, China (including WNC (Kunshan) Corporation, Wistron NeWeb (Kunshan) Corporation, and WebCom Communication (Kunshan) Corporation–Kunshan Plant), and customers, suppliers and vendors outside of WNC. Considering the role WNC exerts on its entire supply chain as well as the level of transparency of the supply chain, we are expected to provide a more detailed disclosure of the supply-chain-related information after 2015.

● Material, disclosed in this report ▲ Material, disclosure in the future △ Material

Category	Aspect	Relevant Sections	Within the Organization				Outside of the Organization		
			WNC (Taiwan)	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom (Kunshan)	Customer	Supplier	Contractor
Overall	Stakeholder Engagement	1.3	●	●	●	●	●	●	●
	Compliance	2.2	●	●	●	●	●	●	●
	Information Transparency	1.3, 2.2, 3.2	●	●	●	●	●	●	●
	Complaint Mechanisms	2.2	●	●	●	●	●	●	●
	Supplier Management	6.1	●	●	●	●	●	●	
	Risk Management	2.3	●	●	●	●	●	●	●
Economic	Corporate Governance	2.1	●	●	●	●			
	Technology R&D	3.2, 3.3	●	●	●	●	●	●	
	Quality Service	3.2	●	●	●	●	●	●	
	Economic Performance	3.1	●	●	●	●			
	Stakeholders' Equity	3.1	●	●	●	●			
Environmental	Energy	5.3	●	●	●	●	△	△	
	Carbon Management	5.4	●	●	●	●		▲	
	Effluents and Waste	5.2	●	●	●	●			●
	Green Product Management	5.1	●	●	●	●	●	●	
	Energy Saving & Carbon Reduction Effects	5.4	●	●	●	●			
Social	Employment	4.2	●	●	●	●			
	Labor/Management Relations	4.1–4.5	●	●	●	●			
	Occupational Health & Safety	4.5	●	●	●	●			●
	Training and Education	4.4	●	●	●	●			
	Child Labor	4.1	●	●	●	●	△	●	
	Conflict Minerals	6.1	●	●	●	●	△	●	
	Forced or Compulsory Labor	4.1	●	●	●	●	△	●	
	Anti-corruption	2.2	●	●	●	●	△	●	●
Product Responsibility	Customer Health & Safety	5.1	●	●	●	●	△	●	
	Product &Service Labeling	3.2	●	●	●	●	△		
	Customer Privacy	6.2	●	●	●	●	●		

To solicit feedback from stakeholders, the WNC online stakeholder questionnaire survey was released in June 2015 on the WNC company website. As of the end of December, a total of 27 completed questionnaires were received. Since the response rate of the online questionnaire was not satisfactory, we hoped to obtain more comments directly from the stakeholders through various communication channels established within the company. Therefore, we requested that the responsible personnel from each unit distribute the questionnaires directly to those stakeholders they have contact with in order to identify the issues of concern to them. The stakeholders include customers, investors, suppliers, and contractors. The results of the questionnaire indicate that the issues of interest to them are generally in line with the results of the material analysis. A few issues were considered to be of high interest to certain stakeholders, including diversity and equal opportunity, equal remuneration for women and men, and marketing communications. To fulfill stakeholders' expectations, the report will also disclose relevant information on the three issues above.

1.3.3 Response to Stakeholders

To address issues of stakeholder concern, a corresponding responsible unit or project team is assigned. We hope to understand the stakeholder's expectations of WNC through diverse and public communication channels and pass these expectations on to the relevant personnel or upper management to serve as an important reference in planning operational policy and preparation of CSR activities. Based on the information obtained, we may review the CSR report of the previous year to examine if the report fully presents WNC's achievements in corporate social responsibility to serve as the reference for the CSR report for the following year. We expect to complete the online stakeholder questionnaire survey by the second quarter of 2015. Furthermore, we hope to build up a more creative and mutually interactive platform for more efficient and immediate communication with our stakeholders.

The general communication channels we use are the WNC website (http://www.wnc.com.tw), the Market Observation Post System (http://mops.twse.com.tw), public e-mail (please log on to the WNC website → About WNC → Contact Us), the WNC Annual Report, and the WNC CSR Report. Stakeholders are encouraged to obtain the latest news from the WNC website and the Market Observation Post System or e-mail our related departments. Our Annual Report and CSR Report also cover WNC's financial performance and non-financial performance details. Other issues and communication channels are listed in the following table. Please refer to each related chapter for the corresponding issue's detailed description.

Stakeholders can send inquiries and suggestions related to corporate social responsibility to: public@wnc.com.tw. In 2015, WNC received one inquiry with regard to WNC's EICC implementation and no complaints regarding work environments, labor practices, human rights practices, or social impact.

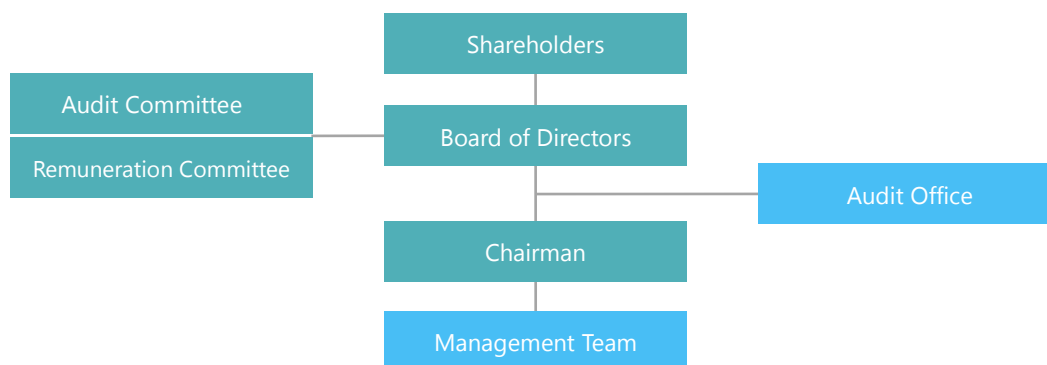| Stakeholder	Issue	Responsible Unit	Relevant Chapter		Communication Channel	Communication Frequency
Customer	Product & Service Human Rights Energy Resource & Waste Management Supplier Management	Business Unit QA Div. HR Adm. Div.	3.2 6.1 4.1 5.3 2.3	Pp. 40–44 Pp. 96–102 Pp. 47–51 Pp. 88–92 Pp. 33–37	Customer satisfaction survey	Once a year
					Customer questionnaire or on-site audit	Upon request
					Project review meeting	Upon request
					Customer complaint-management	Upon request
					Global Service Center and After-Sales Service	Upon request
Employee	Remuneration Human Rights Labor/Management Relations Occupational Health and Safety	HR Adm. Div. Employee Welfare Committee	4.3 4.1 4.5.1 4.4	Pp. 57–59 Pp. 47–51 Pp. 67–70 Pp. 60–66	Employee Representative Committee	Quarterly
					Occupational Safety and Health meeting	Quarterly
					Employee Welfare Committee	Quarterly
					Employee questionnaire	Upon request
					Company Portal	Updated upon request
					Freshman seminar	Monthly
					CEO seminar	Quarterly
					Performance interview and appraisal	Semi-annually
Investor/ Shareholder	Corporate Governance Economic Performance Shareholders' Equity Product and Services	Board of Directors IR Office Business Unit	2.1 3.1 3.2	Pp. 26–28 P. 39 Pp. 40–44	Shareholders' meeting	Once a year
					Investors conference	Semi-annually
					Investor query	Approx. 40 meetings per year
Supplier/ Contractor	Product and Services Supplier Management Occupational Health and Safety	Business Unit QA Div. HR Adm. Div.	3.2 6.1 4.5.1	Pp. 40–44 Pp. 96–102 Pp. 67–70	SMS portal	Updated upon request
					Supplier performance evaluation & audit	Quarterly
					Supplier conference	Once a year
Government/ Authority	Compliance Occupational Health and Safety Energy Grievance Mechanisms	Finance Div. Legal & IP Center HR Adm. Div. Marketing Division	2.2.3 4.5.1 5.3 2.2.4	Pp. 30-31 Pp. 67–70 Pp. 88–92 Pp. 31–32	Official documents/questionnaire	Non-periodic
					Awards	Non-periodic
					Regulatory seminar/ discussion/guild activity	Non-periodic
NGO/NPO	Human Right Green Product Energy Grievance Mechanisms	HR Adm. Div. QA Div. Marketing Division	4.1 5.1 5.3 2.2.4	Pp. 47–51 Pp. 80–82 Pp. 88–89 Pp. 31–32	NGO/NPO Website	Non-periodic
					Participate in industrial alliance organizations	Non-periodic
					Participate in NGO/NPO activities	Non-periodic

02

Perfecting Corporate Governance

Corporate Governance

Integrity Management

Risk Management

WNC values the legitimacy and transparency of its corporate operations. Principles guiding our policies regarding corporate operations include:

- Perfecting our corporate management system to protect shareholders' interests, consolidating communications among interested parties, and formulating new rules and taking measures according to continuous amendments of guidelines and customer demands;

- Acting in accordance with EICC regulations and formulating the Corporate Social Responsibility Best-Practice Principles, Corporate Governance Best-Practice Principles, Ethical Corporate Management Best-Practice Principles, and the Code of Ethical Conduct to manage and promote corporate governance, operational integrity, and CSR-related issues;

- Implementing measures based on company policies with each functional unit and reviewing their effects semi-annually. Units such as Finance, Human Resources, Quality Assurance, the Marketing, and the EICC Management Committee also carefully note related international proposals and regulations to determine whether we need to update existing regulations and procedures. Overall, we are striving to perfect our operations and create added value for markets and customers with progressive thinking regarding operations management, product development, market promotion, and enhancement of internal-operations procedures. Starting from 2015, the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEx) began holding the Corporate Governance Evaluation each year to evaluate the corporate governance performance of all publicly listed companies of the previous year. WNC was rated in the top 20% among all publicly traded companies in the first Corporate Governance Evaluation.

2.1 Corporate Governance

2.1.1 Organization Chart

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                    ┌──────────────────────┐
                    │     Shareholders     │
                    └──────────────────────┘
┌────────────────────────┐    │
│    Audit Committee      │────┼──────────────────────┐
├────────────────────────┤ │ Board of Directors │────│    Audit Office    │
│  Remuneration Committee │    └──────────────────────┘
└────────────────────────┘    │
                    ┌──────────────────────┐
                    │       Chairman       │
                    └──────────────────────┘
                               │
                    ┌──────────────────────┐
                    │   Management Team     │
                    └──────────────────────┘
```

2.1.2 Board of Directors

In accordance with its Articles of Incorporation, WNC elects seven to nine directors for three-year renewable terms. A total of nine 8th BOD members were elected at the Shareholder's meeting of 2014; all have business, legal, finance, accounting, or significant work experience or professional qualifications needed by the corporation. Three are independent directors able to provide objective suggestions according to their professional fields to assist the Board to make the most beneficial decisions for the company. 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.

Information concerning the Board members' background, education, current educational status, concurrent duties, and meeting attendance rate are disclosed in the company's annual report [Note 1] and have been published on the Market Observation Post System and on the Investor Relations section of WNC's website (www.wnc.com.tw).

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, and assessing the performance of upper management as it pertains to issues such as the economy, the environment, and corporate social issues. The management team shall also report the status of company operations or other significant issues to the Board in order to provide information for the Board's reference in decision making. A Board of Directors meeting is held at least once every quarter. In 2015 the Board met seven times. Board of Directors decisions are disclosed immediately following such meetings through the Corporate Governance platform of the Market

Note 1: Education and other information on members of the Board of Directors are included in section 3.2 of the WNC 2015 Annual Report.

Observation Post System and on WNC's website. With respect to board meetings, directors are asked to recuse themselves when the discussion involves personal interests. In such a circumstance, directors are prohibited from exercising voting rights either in person or by proxy. To improve monitoring and strengthen management functions, the Audit Committee and Remuneration Committee are established under the Board of Directors.

Board of Directors Information

Name	Title
Haydn Hsieh	Chairman & CEO
Jeffrey Gau	Director & President
Frank F.C. Lin	Director & Wistron Co. Representative
Henry Lin	Director & Wistron Co. Representative
Philip Peng	Director
Max Wu	Director
S. T. Peng	Independent Director
Robert Hung	Independent Director
Neng-Pai Lin	Independent Director (Newly elected in 2015)

2.1.3 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 positions assists the Board of Directors in the execution of its supervisory capacity, raising the company's

WNC Audit Committee Members

Name	Title
Robert Hung	Independent Director, Audit Committee Chairman
S. T. Peng	Independent Director, Audit Committee Member
Neng-Pai Lin	Independent Director, Audit Committee Chairman

financial standing and creditability. The audit committee is composed of all independent directors with at least one member having a specialization in accounting or finance. Terms of office are three years and are renewable. Currently, WNC has three committee members, with an additional one to be elected at the shareholders' meeting in 2015. An Audit Committee meeting is held at least once every quarter. In 2015, the committee met four times.

2.1.4 Remuneration Committee

WNC established a Remuneration Committee in October 2011, responsible for establishing and periodically reviewing the compensation policies, systems, standards, and structure of the company director's and management's compensation. The compensation for WNC's directors is set according to the Articles of Incorporation (no more than 1% of the year's profits) and is paid in cash. The compensation package for each upper manager includes a fixed component of salary, bonuses, and benefits and a variable component of bonuses, dividends (cash/stock), stock (restricted stock/treasury shares) and stock options. The fixed terms aim to maintain the compensation package's competitiveness to at least a minimum level, and the variable terms are considered based on the company's and the individual's performance. In the beginning of each year, the Remuneration Committee sets the assessment items, goals, and weighting ratios, taking internal and external development into consideration. The compensation for managers is assessed based on personal performance and the prevailing salary levels in the industry. The terms are evaluated by the Remuneration Committee and are reported to the Board of Directors for approval. Currently, the Remuneration Committee has three members; both are independent directors.

WNC Remuneration Committee Members

Name	Title
Neng-Pai Lin	Independent Director, Remuneration Committee Chairman
Robert Hung	Independent Director, Remuneration Committee Chairman
S. T. Peng	Independent Director, Remuneration Committee Member

WNC's Remuneration Committee meets at least twice a year. However, meetings can also be convened upon request. The Committee members must invite the Company's Chairman of the Board or CEO to attend the meetings. The members of the Remuneration Committee should recuse themselves from the meetings if the issues to be discussed involve any personal interests of the members. The Committee may also request directors, internal auditors, accountants, legal consultants, and other personnel to attend the meetings and provide them with pertinent and necessary information. In 2015, the committee met three times.

2.1.5 Audit Office

WNC has established an Audit Office for internal controls in accordance with the law. The independent unit reports directly to the Board of Directors and its authority extends to all operations at WNC and its subsidiaries. Auditing is conducted in accordance with a Board-approved audit plan based on identified risks. Extraordinary audits may also be conducted when necessary with existing deficiencies or potential risks reported to the management. In addition to reporting regularly to the Audit Committee on auditing activities, the Audit Office may also attend Board meetings and report directly to the Chairman & CEO and Audit Committee at any time, if necessary.

2.2 Integrity Management

The WNC Electronic Industry Code of Conduct, WNC Corporate Social Responsibility Practice Standards, Corporate Governance Best-Practice Principles, Ethical Corporate Management Best-Practice Principles, the Code of Ethical Conduct, and internal regulations including the WNC Reporting and Handling Procedure (formerly the WNC Operational Guidelines for CSR/EICC Violations) clearly state the company's policy for upholding integrity. All WNC subsidiaries and affiliates are required to follow the same corporate compliance guidelines. All employees must uphold high ethical standards. Employees should avoid any behavior creating unfair competition, refuse to accept bribes, fulfill tax obligations, and establish an appropriate management system to create a fair competitive environment. WNC also requires all employees and major suppliers to sign a WNC employee/supplier Code of Conduct and abide by norms of integrity while in execution of their daily duties to protect company credibility.

WNC remains politically neutral. Employees are encouraged to fulfill their civic duty but to not participate in political electioneering or provide any form of political contributions and lobbying. No political contributions were made by the company in 2015.

In 2015, WNC's major bases of operations and production, including Wistron NeWeb Corporation, WNC (Kunshan) Corporation, Wistron NeWeb (Kunshan) Corporation, and WebCom Communication (Kunshan) Corporation–Kunshan Plant, applied for the first EICC VAP. These sites also implemented CSR-related audits or evaluations by customers through questionnaire surveys, document review, and on-site auditing to examine aspects covering corporate governance, integrity and ethics, sustained operations, labor affairs, human rights, environmental protection, and social participation.

2.2.1 Respecting Market Mechanisms

We believe virtuous market competition is able to enhance the corporation's product and service quality and efficiency as well as ensure consumer rights. It also facilitates the stability and prosperity of the overall economy. Therefore, we strictly abide to related government and industry laws. We will never adopt any unfair, anti-competitive behavior to help maintain a healthy market mechanism and structure. In 2015, there were no lawsuits against WNC related to anti-competitive or anti-trust behavior.

2.2.2 Financial Grants

Financial Grants Record for Each WNC Site in 2015

Site	Item	Reason	Currency	Amount
WNC (Taiwan)	Investment tax credit	Statute for Industrial Innovation promoted by the Industrial Development Bureau, Ministry of Economic Affairs	NT$	25,759,000 [Note]
	Grant	Hsinchu Science Park Innovative Product Award	NT$	250,000
Wistron NeWeb (Kunshan) Corporation	Grant	Kunshan City Science and Technology Bureau Technology Grant	CN¥	50,000
WNC (Kunshan) Corporation	Grant	Kunshan City Science and Technology Bureau Technology Grant	CN¥	50,000
NeWeb Service (Kunshan) Corporation	Grant	Kunshan Bureau of Commerce Special funds for the development of a service outsourcing industry in Kunshan City	CN¥	94,800
WebCom Communication (Kunshan) Corporation	Taxable allowance	State Administration of Taxation of the People's Republic of China Management operation procedures for exported goods' tax exemption, expenditure, and refund	CN¥	5,607,825

Note: The amount of investment tax credit of the Statute for Industrial Innovation is an estimated value; the actual amount shall be the amount approved by the National Taxation Bureau according to the application of the tax-credit plan submitted by WNC.

2.2.3 Compliance with Regulations

Since WNC's founding, it has implemented internal regulations in accordance with applicable national laws of each operational location in order to guide its employees, managers, and the Board of Directors. WNC has also been mindful of the relevant authorities, international or domestic related laws, and the trend for investment and business scope in order to modify its policies concerning environmental protection, occupational safety and health, anti-bribery/corruption, anti-harassment/discrimination, fair competition, import and export, internal control, information security, intellectual property, and welfare assistance. On-line and live classroom courses or internal portal website updates are provided for employees to review the most up-to-date corporate policies. In 2015, courses related to internal rules and regulatory compliance includes the introduction to information security management policy and management information system resources, measures and countermeasures for trade-secret protection, software development information security workshop, contract procedures and problem resolution, introduction to purchasing contracts, and U.S. patent application courses.

To enhance the value chains' overall service quality and the implementation of social responsibilities, WNC also requires that suppliers hire employees in accordance with international and local regulations, follow the spirit of the ISO 14001

Environmental Management System and the OHSAS 18001 Occupational Health and Safety Management System, and actively build a healthy work environment to minimize the safety and health hazards and harm to employees in the production, operation, and disposal process.

In 2015, WNC (Taiwan) and the China sites did not violate any local regulation and did not have any major recorded lawsuits.

2.2.4 Complaint Mechanisms

Internal Complaint Mechanisms

To prevent workplace sexual harassment and ensure that the workplace is friendly to both male and female employees, measures for the prevention, correction, complaint, and punishment of sexual harassment in the workplace have been established and are in practice. In 2015, we did not receive any complaints of sexual harassment.

In addition to the sexual harassment complaint channel, WNC convenes the employee representative committee and labor-management conference in accordance with the WNC Employment Regulations to process complaints raised by WNC employees, conduct investigations, and levy punishments. DL employees can report issues through the mailbox of the Plant Manager. For details, please refer to section 4.1.3 Communication Mechanisms.

Public Complaint Mechanisms

In addition to establishing the public@wnc.com.tw email channel for all stakeholders to raise questions or provide suggestions with regard to WNC's corporate social responsibility policies and practices, we also established the wnc.integrity@wnc.com.tw email channel for employees and all pertinent parties to file complaints and report violations in a named or anonymous manner.

The "WNC Reporting and Handling Procedure" stipulates the handling procedure and operations to address violations. The Human Resources Administration Division and Legal & IP Center are tasked with establishing a task force to be in charge of handling reports and performing investigations. The reporting procedures are described briefly as follows:

- Personnel shall, in a named or anonymous manner, report the issue and provide relevant information;
- The task force should act within seven days after receiving a report and shall complete a report of the investigation within one month. For serious cases, the report may be submitted within two months.
- After completing the investigation, the task force shall propose measures to address the issue to the CEO of WNC for a final decision. The task force will notify the reporting party of the conclusions following the decision of the CEO.
- WNC shall ensure that the identities of the reporting parties are kept secret and that they are not open to retaliation.
- WNC will not terminate or transfer any employee or affect any other unfavorable result due to their reporting an issue unless that employee or supplier has violated the law.
- Task force members and related members participating in the investigation shall ensure and maintain the confidentiality of the event throughout the entire investigation.

In view of the different cultures and administrative requirements, the China sites implemented the "Regulations on Filing and Handling Internal and External Complaints". The Kunshan Human Resources Center is responsible for receiving, investigating, handling, reporting, and offering feedback on all complaints from all employees and pertinent parties, as well as the management of the daily operations of the reporting mechanisms. The employee representatives and labor

unions are responsible for receiving and transferring reports and complaints from all staff members and pertinent parties, overseeing the company's handling of complaints by staff members and pertinent parties, and responding to the staff members regarding results of complaint handling. WNC's staff members may file complaints and report them to the Human Resources Center on various issues including sexual harassment.

In 2015, no complaints were received at the wnc.integrity@wnc.com.tw mailbox and the Human Resources Centers in the Kunshan sites.

2.3 Risk Management

WNC controls risks related to business operations through the existing administrative organization and internal control mechanisms. Departments of different functions also perform risk assessment based on their specialties and develop management strategies and reaction plans to prevent, lower, or transfer risks. The management from each functional team meets weekly in the executive conference to review and discuss the potential internal and external operational-related variables and analyze the threats and opportunities they present. These variables include the overall economy, industry and techniques, customers and markets, supply chains and internal personnel, and operational-procedure-related issues. Furthermore, after careful evaluation on all aspects, if the item is a potential threat to the company's operations, it will be designated as a significant risk. In addition to implementing risk control measures proposed by the management of each functional team and departments of different functions, strengthening internal risk control mechanisms, and improving emergency response and recovery capabilities, we also expect ourselves to continue to learn and cooperate with our suppliers to assist each other in enhancing our resilience to various types of risks and respond to the ever-changing business environment.

According to the *2016 Global Risk Report* published by the World Economic Forum, changes in the global political and economic situations, technological development, and the climate have meant that new risks will emerge in unpredictable ways. Among the top ten risks in terms of likelihood and impact, the ones that enterprises have the ability to cope with or control include extreme weather events, major natural catastrophes, failure of climate change mitigation and adaptation, data fraud, and theft. WNC's measures in response to the aforementioned risks are described as follows:

2.3.1 Business Risk Management

WNC complies with government decrees and regulations and adjusts its internal policies to cope with changes to laws to ensure the lawful operation of the company. Shareholders' meetings, financial reports, and CSR reports are held or published regularly to clearly disclose the company's operational status and information. As a corporate citizen, WNC has long devoted its resources to developing green products and taking part in activities to improve social welfare. To better secure customer and shareholders' rights and to react in a timely manner to the rapidly-changing communications industry, WNC performs overall risk and efficiency assessments when introducing new material, new technology, and equipment and uses the company's sustainable development as the guideline to enhance our products' total value through their competitive quality, development speed, and cost of product. Along with the strict control of expenses, operational costs and risks can then be well maintained.

WNC (Taiwan), WNC (Kunshan) Corporation, and Wistron NeWeb (Kunshan) Corporation located in the Kunshan Comprehensive Free Trade Zone obtained Authorized Economic Operator (AEO) certifications. This not only enhanced import and export efficiency, but also, through cooperation with customs personnel and the mutual admission between countries, we helped contribute to global trade security and the prevention of terrorism and criminality that endanger the security of the international supply chain.

2.3.2 Financial Risk Management

WNC's business focuses on R&D, manufacturing, and sales of products, and WNC does not engage in high-risk or highly leveraged investment activities. WNC invests its funds after considerable evaluation of the risks involved while closely watching changes in bank lending rates on a regular basis. Approximately 93% of WNC's sales revenue was quoted in U.S. dollars, and most of its material purchasing amounts were also quoted in U.S. dollars. Therefore, the majority of our foreign currency operating exposure can be offset. In addition, WNC has used regular hedging activities to manage its foreign exchange risk under proper risk-management guidelines. WNC's action plans to cope with the impact of interest rates, exchange rates, and inflation are:

- Further mutual offsetting of foreign assets and liabilities to avert risk;
- Making plans and arrangements in advance for fund yields and borrowing costs in light of the Company's anticipated business and funds requirements; and
- Using auxiliary tools (such as derivative financial products) to reduce risk under proper risk guidelines.

2.3.3 Operational Risk Management

Business Continuity Plan

To reduce supply chain failures or production interruptions, departments of different functions shall formulate the Business Continuity Plan based on customer requirements in conjunction with the Global Supply Chain Management Division, various production sites, the Quality Assurance Division, the Human Resources Administration Division, and the Industrial Safety Office. The Plan shall include proper purchasing, production, and logistics preventive measures and solutions for the potential risks that could cause interruptions to normal business operations and shall be adjusted based on the external environment and actual production and raw-material requirements. In 2015, WNC (Taiwan) and the China sites did not experience any interruptions to the supply of raw materials or production interruptions.

Occupational Hazards

According to the OHSAS 18001 standards, departments of different functions shall perform safety and health hazard identification (including physical hazards, chemical hazards, biological hazards, and ergonomic hazards), perform risk assessment according to the risk identification results, and formulate control measures according to the risk assessment results. Based on such results, each department may actively prevent accidents from occurring and contain crises from expanding due to accidents that are not resolved in a timely manner.

Infectious Diseases

The world has seen the emergence of many large-scale infectious diseases in recent years. Moreover, extremely high temperatures and concentrations of rainfall caused by climate anomalies will intensify the spread of infectious diseases caused by insects and unclean drinking water. In order to strengthen employees' awareness of infectious diseases, upon receiving the message of the spread of large-scale infectious diseases, WNC will announce disease prevention information through the company's internal website, promote vaccinations administered by the competent authorities, and implement corresponding precautionary measures within the company depending on the severity of the epidemic and employee needs.

2.3.4 Information Security Risk Management

To ensure company and customer information security and to reduce the damage and impact caused by man-made or natural disasters, WNC has instituted an Information Security Policy to regulate IT accounts and password-authorization management, account-authorization management, server-room management, portable computer management and use, information-system security protective measures, information-backup and recovery-management procedures, classified-information control measures, information-system security protective procedures, confidential information control measures, and department-level classified-document protection procedures to prevent improper access and modification as well as to prevent the loss or leakage of the company's classified information.

To meet WNC's business requirements, the Management Information System Division also developed an RD Cloud for centralized storage and control of the company's R&D data to provide our staff members with a safe and secure space for information access and exchange.

In addition to continuing to promote the concept of respecting intellectual property and using only genuine software, WNC also promotes information-security-related policy through training and internal announcements. The Management Information System Division of Wistron NeWeb Corporation and the Management Information Units of the China sites obtained ISO/IEC 27001 certification in 2014 and 2015 respectively.

2.3.5 Environmental risk Management

Major Natural Disasters

Taiwan's location in the subtropical zone and at the junction of the Eurasian Plate and the Philippine Plate makes it prone to natural disasters. The climate anomalies that have struck the world in recent years have also resulted in various natural disasters inflicting faster, more dramatic, and more unpredictable damage to Taiwan. WNC (Taiwan) is specifically located in the Hsinchu Science Park. To avoid damage and losses that could be caused by typhoons, earthquakes, and fierce winds, we have taken seismic activity and strong winds into consideration during the construction of the WNC (Taiwan) facilities. We also implement relevant disaster prevention and response measures in conjunction with the Hsinchu Science Park Administration.

Climate Change

The environmental crises caused by unusual climate change are closely linked to other risks. They bring a variety of challenges to the sustainability of corporations by affecting corporations' normal business operations and production activities, causing property losses or threatening the health and safety of employees. Global corporations as well as their entire supply chains must confront the challenge more proactively and improve their ability to mitigate and adapt to climate change.

WNC has performed carbon management through many energy-conservation and carbon-reduction plans such as eco-design, product carbon-footprint, and greenhouse-gas inventories. (For details, please refer to section 5 Cherishing Natural Resources of this Report.) WNC also participated in the Carbon Disclosure Project (CDP) beginning in 2011 and has registered greenhouse gas inventory records on the Project's website (https://www.cdproject.net) for customer and related stakeholders' review. At the same time WNC also evaluated risks related to carbon management and potential opportunities in business aspects such as regulations and the physical areas of operations.

	Risk	Effect/Impact	Opportunity
Regulatory Risks	■ Greenhouse gas reduction regulations in various countries ■ Energy-related tax regulations in various countries ■ Green-product regulations and certifications in various countries	■ The increase in the cost of raw materials/parts/design/verification will increase overall production costs. ■ The adjustment in supply chain, production methods, and processes resulted in the increase in overall operating costs.	■ Understand international trends and perform greenhouse gas inventory and promote energy-saving and carbon reduction activities. ■ While green-product design has become the trend, customized eco-design of products can be implemented to strengthen our competitiveness.
Physical Risks	■ Direct impact of extraordinary weather (such as floods, droughts, or storms) ■ Indirect impact of extraordinary weather, such as higher resource costs and fast spread of diseases	■ Interruption of supply chains, lowered or cessation of manufacturing capacity, loss of lives or property, and the costs of reconstruction ■ Increased operational costs caused by implementing proper control and prevention measures	■ Perform risk assessment at the location of the company and factories. ■ Strengthen the control of internal resource usage. The workplace environment shall be designed according to environment, safety, and health regulations. ■ Work with government organizations and enterprises to formulate short-term response measures.
Other Risks	More stringent product materials and power consumption requirements Environmentally-friendly products have become the way of the future.	■ Low carbon emission and certified environmentally-friendly products have become the trend. Using materials and supply chains that comply with low-carbon design will increase operational costs.	■ Seize the market opportunity; enhance the company's reputation and market share.

2.3.6 Crisis Response Mechanisms

WNC seeks to ensure quick recovery of its operations through fast reaction to accidents or disasters (including fires, earthquakes, typhoons, power failures, explosions, leaking of chemical solvents, food poisoning, and other events that may cause damage and loss of lives and property, or any emergency that prevents instant recovery of production). This is essential to ensure employee safety and to reduce the impact and loss that these conditions may cause to the environment, to the company, or to our customers. WNC has therefore established the "Significant Environmental Aspect Identification Management Procedure", "Contingency Plan Control Procedure", and "Hazard Identification and Risk Assessment Management Procedure" which describes the contingency teams' structure, member responsibilities, and related procedures.

WNC (Taiwan) held an earthquake drill in August 2015, and two sessions were held in the morning and in the evening for the morning shift employees and night shift employees, respectively. Through the participation by all employees and the division of labor by different functional teams, these on-site drills were performed in accordance with the reporting, evacuation, and assembly procedure specified in the "Contingency Plan Control Procedure". This not only enables a review of the completeness of the emergency response procedure and facilities, but enhances the employees' awareness of and familiarity with emergency response measures.

In 2015, WNC (Taiwan) and locations in China did not suffer any injury or property damage caused by natural or man-made disasters, including terrorist attacks or labor disputes.

03

Creating Multiple Values

Operational Performance

Products and Services

Intellectual Property

3.1 Operational Performance

WNC announced that its 2015 non-consolidated revenue was NT$52 billion, up 34.1% YoY. Consolidated revenue was NT$52 billion, up 29.40% YoY. Net income was NT$1.9 billion, up 43.3% YoY (calculated based on IFRS). EPS was NT$5.97. The following financial data charts present WNC's operating results for the previous five years. The ROC GAAP system was used for figure calculation for 2011 and 2012, and the IFRS system was adopted for 2013 to 2015 figures. Detailed financial figures can be found in section 6 of the WNC 2015 Annual Report (English translation).

Overview of Financial Performance During the Previous Five Years (Consolidated) (NT$ thousand)

Item	2015	2014	2013	2012	2011
Operating revenue	52,183,218	40,326,918	36,653,661	34,434,519	33,982,114
Gross profit	6,930,899	5,420,254	5,191,044	4,681,645	5,286,186
Operating expenses	4,583,200	3,711,627	3,407,908	3,196,976	2,593,761
Operating growth	2,347,699	1,708,627	1,783,136	1,484,669	2,085,939
Net income before taxes	2,549,631	1,780,189	1,960,103	1,434,985	2,229,122
Income tax expense	577,123	403,801	441,772	306,725	519,582
Profit	1,972,508	1,376,388	1,518,331	1,128,260	1,709,540
Basic earnings per share	5.97	4.28	4.84	3.72	5.98
Retained earnings	6,476,812	5,515,923	5,173,321	4,325,357	4,353,702
Interest expenses	27,798	50,085	65,304	100,712	96,222
Personnel expenses	5,849,605	4,751,838	4,157,655	3,652,483	3,515,330
Employees bonuses	268,971	184,910	204,975	203,087	307,717
Cash dividends	1,240,331	887,661	965,304	609,268	1,012,029
Stock dividends	100,567	65,753	64,354	91,264	144,576

Overview of Profitability Analysis During the Previous Five Years (Consolidated)

Item	2015	2014	2013	2012	2011
Return on assets (%)	7.72	6.14	7.28	5.65	8.87
Return on equity (%)	16.70	12.65	15.21	11.98	19.57
Profit before tax to pay-in capital (%)	76.04	54.15	61.01	47.23	77.86
Net income ratio (%)	3.78	3.41	4.14	3.28	5.03
Basic EPS (NT$)	5.97	4.28	4.84	3.72	5.98

To safeguard the interests of shareholders and improve corporate governance, WNC used an electronic voting system and a "voting by poll" system at its 2014 shareholders' meeting. In 2015, 15.2% of WNC's shareholders are composed of foreign investors and individuals. We will continue to optimize the company's overall operational performance. Please refer to the Investor Relations section on WNC's website for related investor information.

3.2 Products and Services

3.2.1 Product Scope

WNC is devoted to developing products and innovative applications in the communications field. With superior products and a strategic operational philosophy, we are able to expand application scopes, enhance products' added value, create competitive advantages, and provide easy-to-use wireless communication products to global customers. Apart from improving the viability and convenience of products and services, WNC is also devoted to decreasing the environmental impact of its operations and products and promoting green products and production with customers and suppliers to minimize resource consumption and pollutants, provide versatile products and services, and create more economic and social value. The WNC headquarters (Taiwan) and the major production sites in China were certified under IECQ QC 080000 standards and have undergone third-party internal auditing at fixed intervals annually to perform hazardous substances management. WNC provides products and services conforming to customer demands and international environmental and safety-related regulations. To reduce the health and safety concerns during the use of the product, WNC formulates the "Product Safety Assurance Measures". All products shall undergo testing and certification of the required safety standards based on customer demands. These include the UL and FCC certification of the United States, the CE certification of the EU, the GS certification of Germany, the PSE certification of Japan, the BSMI and NCC certifications of Taiwan, the CCC certification of China, and the labeling of batteries and waste batteries in different countries. The contents and the format of the product label shall fully comply with requirements of the certification before they can be marked on the product. In 2015, there were no convictions or violations of relevant laws and regulations concerning products and services.

Please refer to section 5.1 "Green Products" and section 6.1 "Supply Chain Management" for details.

Proportion of Delivered Products in 2015

Item	Sales Volume (units)	Monetary Value (in thousands of NT$)	Capex to Revenue Ratio
Wireless communication products	232,749,666	50,493,654	96.76%
Others	0	1,689,564	3.24%
Total	232,749,666	52,183,218	100.00%

Proportion of Product Sales during the Last 3 Years (by region)

Region		2015	2014	2013
Export Sales	The Americas	54%	46%	49%
	Asia	26%	31%	28%
	Europe	13%	14%	14%
	Others	0%	0%	1%
Domestic Sales		7%	9%	8%

Production Unit

Spanning broadband, multimedia and wireless communications technologies, WNC has a broad product application scope. If categorized by production units, WNC's product lines operate under the following: Digital Home, Networking, Direct Broadcast Satellite, Automotive & Digital Media, Mobile Communication, and Antenna. Categorized by application scope, its three major categories are those of home, mobile, and automotive products.

We have a diverse variety of customers including satellite broadcasting service operators, telecommunication-system

service operators, system integration vendors, IT brand-name companies, consumer-product branded companies, automotive manufacturers, and car-audio manufacturers. We sell our products worldwide, and our major region by sales in 2015 was the Americas (54% of sales).

Home

WNC provides various types of broadband and multimedia equipment, helping end users create a smooth home-networking and audio-visual environment. Products include:

- Direct Broadcast Satellite (DBS): All types of direct broadcast satellite products including multi-feed, multi-band, multi-satellite, single-cable and multi-output antennas, and LNBF products, all with full design capabilities to meet worldwide DBS market demand
- Digital Home: Connected Home products, Connected TV products, and home security products
- Networking: Networking communications product design and manufacturing for both retail and enterprise markets, including IEEE 802.11ac solutions, APs/routers, USB modules, mini-PCI, MiniCard wireless modules, combo modules, power line communication (PLC) products, Small Cells, Switches, Home Automation products, IP Cameras, PCIe modules, Bluetooth modules, NFC modules, and IoE modules.

Mobile

WNC is specialized in all types of wireless communications technology integration. We have internal R&D capabilities to enhance 4G technologies to link all smart devices in any application field. Major products include:

- Antenna: Wireless antennas, laser direct structuring (LDS) antennas, near-field communication (NFC) antennas and modules, and smart-reader RFID solutions used on all types of mobile devices and networking devices
- Mobile Communications: 4G smart handheld devices, 3G/4G modules and 4G routers

Automotive

WNC is verified by the higher-standard automotive-industry quality management system certification (TS 16949) and is fully equipped with comprehensive test labs. Major products include:

- MSAT: Satellite radio modules, receivers, and antennas
- HD Radio and digital radio modules
- Wireless Transmission: In-car Wi-Fi, Bluetooth, integrated wireless communication modules and 3G/4G modules
- OBDII Tracker: Provides event data recording, vehicle condition testing, and roadside assistance notifications
- Smart-Meter Communication Board: Provides a safe and stable data exchange function for smart meters
- Radar: 24 GHz car radar sensor system products for vehicle safety detection and alerts

Marketing Communications

WNC chiefly offers product ODM/JDM services. Product marketing matters are handled by customers while indications on products are also based on customer requirements. Product labels and information are also produced and posted in compliance with local laws and regulations. WNC also established the "Management Measures on Information Disclosure and External Verbal Communications" to govern the scope of verbal communications and the representative and review process of the disclosure of relevant information about the company, the market, products and services, customers, and suppliers. The Measures help ensure the necessity, accuracy, timeliness, and consistency of the publicly disclosed information.

3.2.2 Market Outlook

Digital Home Applications' Increased Diversity

With the growing penetration and maturity of wireless networks, smartphones and cloud services, smart-home services also are beginning to gain in popularity. Telecom and security service providers are now actively promoting new applications including smart home monitoring, home automation, and intelligent energy saving in addition to their traditional business scope to increase revenue. Google, Samsung, Amazon, and other brands are actively establishing alliances and developing products to tap into the smart home market. Do-it-yourself products in this segment are also becoming more innovative. Cisco estimates that the CAGR of smart-home-related revenues could exceed double digits between 2015 and 2019 in regional markets, most prominently in North America, Asia-Pacific, and Western Europe. Also, in view that the different sensors such as IP cameras, light bulbs, and smart switches in smart homes must have low power consumption and be installed wirelessly, the requirements for products to integrate multiple wireless communications technologies (such as Bluetooth, ZigBee, and Z-Wave) are also increasing, driving the demand for integrated advanced gateway routers.

More versatile broadband needs driven by mobile devices

In recent years, demands for mobile broadband applications have increased dramatically with the development of cell phone chip technology and input interfaces, enhancements in mobile broadband technology, and the appearance of multiple-application services and platforms. As the concept of the IoT develops, industry applications and infrastructure now rely more and more on wireless broadband and open software platforms. As a result, new opportunities in the market have become available. WNC has a deep level of product development experience in handheld devices, including antenna design, system integration, software development, and user-interface design and can provide customers with one-stop-shop services. Under this trend, WNC will continue to press forward with its software development to create the greatest value for our customers.

Small-cell Growth Driven by Wireless Broadband Demands

In 2014, 4G has become the mainstream technology for mobile data services worldwide; mobile broadband is also progressively moving toward the 1 Gbps mark with the 5G format. Telecom operators all over the world are actively committing to 4G deployments and have continued to invest in this market for new applications. The new market opportunities, small cells, and multiple network technologies with accurate grid configuration will also be a perfect blend to lowering deployment costs while ensuring network quality for operators.

Wi-Fi is now a required feature of laptops, smartphones, and tablets for consumers. In 2014, IEEE 802.11ac products have become the mainstream telecommunications products, with smart mobile devices also actively adopting IEEE 802.11ac technology, indicating the advent of the Gb-level era for wireless-network technology. The Wi-Fi capability rates for cable modems and DSL CPEs continue to grow and are expected to increase to 86% and 95%, respectively, in 2016. We believe this trend, supported by the statistics above, point toward an optimistic future for the WLAN market. In line with this opportunity, WNC is seeking to leverage its professional antenna design capacity to provide high-quality networks to operators. With in-depth cooperation with chip manufacturers, WNC is able to provide customers with one-stop-shop solutions and can see great potential in staking out a key position in this emerging market.

The Growing Popularity of the IoT

Since the notion of the Internet of Things was first raised in 1999, it has been evolving for over 15 years. With the maturity of cloud technology, sensing devices, and wireless networks, the world in which everything is connected is no longer an imaginary scene in a science-fiction movie, but has become a real part of our everyday lives. From portable health monitoring and motion detection applications to the nationwide intelligent power distribution management, the subject of the IoT has become prominent in the information age. Various applications require the support of devices with different functions; some applications even demand specific environments and communication technologies. This poses a huge challenge for manufacturers' wireless RF design and system integration capabilities. With years of experience in consumer and industrial product design and competence in a complete range of wireless communications technologies, WNC offers customers innovative solutions that are competitive in terms of technology, quality, and cost, helping customers develop innovative, effective, and complete solutions.

For more industry information, please refer to section 5 Overview of Business Operations in the WNC 2015 Annual Report.

3.2.3 Manufacturing and Quality Service

WNC Quality Policy	On-time delivery of zero defects and competitive products & services to our customers
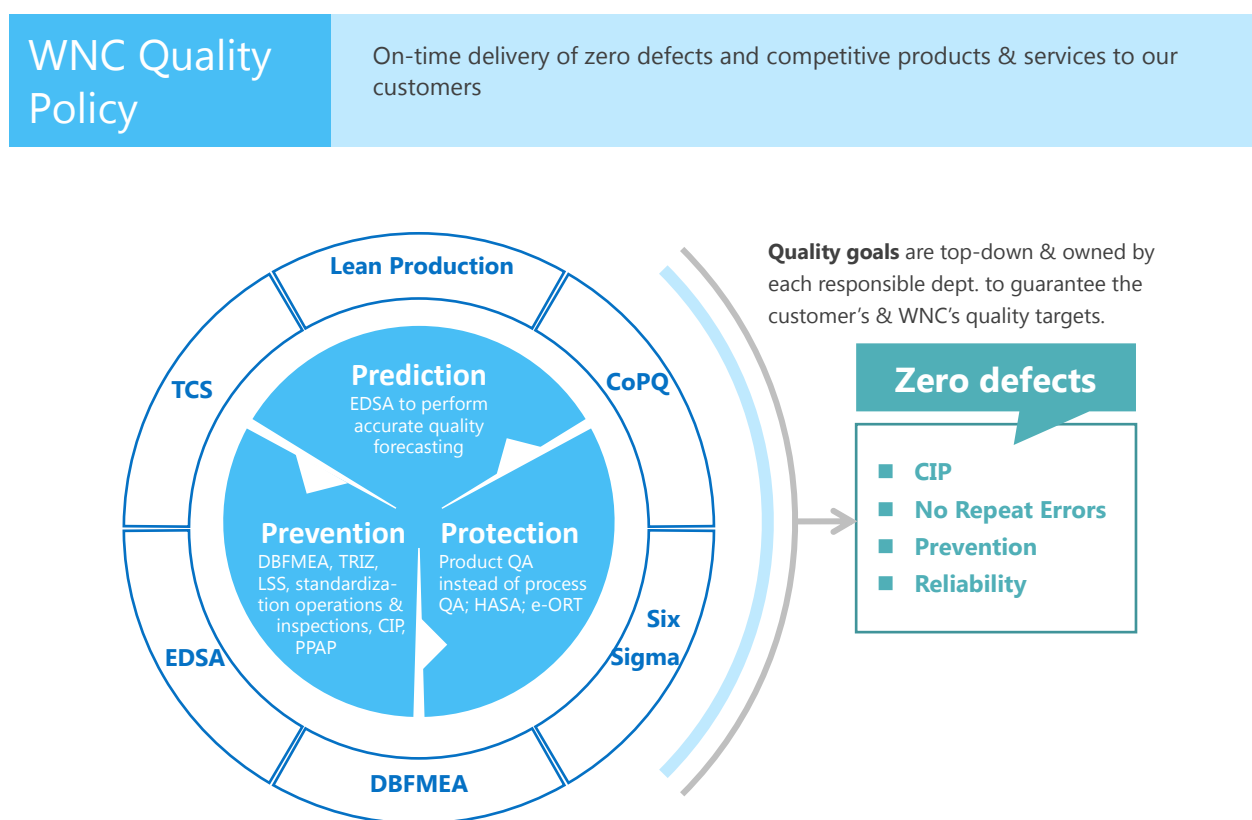
WNC has a "zero defects" long-term quality management objective. We expect to meet and exceed customer expectations in terms of design quality, production quality, or service quality and become a highly reliable partner for all our customers.

During our day-to-day quality operation process, we set or adjust our quality goals which include product quality, service, and delivery based on the ISO 9001, ISO/TS 16949, and TL 9000 quality management systems. Quality goals are top-down

and owned by each responsible department. Based on the spirits of "Protection, Prevention, and Prediction (3P)", different quality approaches, tools, and systems are introduced to be integrated with the product development process and realized in daily operations. All of WNC's production sites adopt the same manufacturing system and quality management standards, including the SFCS (Shop-Floor Control System), e-JIT (Just-in-Time), and SMS (Supplier Management System). Each production site also collaborates with the Quality Assurance Division through various continuous improvement plans such as BPI (Business Process Improvement), TCS (Total Customer Satisfaction), CIP (Continuous Improvement Program), 6 Sigma, and DFSS (Design For Six Sigma). We then analyze and investigate to prevent the same issue from re-occuring, helping us further predict potential risks to formulate preventive mechanisms in advance.

WNC (Taiwan), WNC (Kunshan) Corporation, and Wistron NeWeb (Kunshan) Corporation have all obtained the ANSI/ESD S20.20 Electronic Discharge Control Program certifications to ensure that complete electrostatic protection measures are in place throughout the entire manufacturing process. In 2015, WNC (Taiwan) obtained ISO/IEC 17025 (general requirements for the competence of testing and calibration laboratories) certification. This ensures that WNC's own laboratories are equipped with good testing techniques and management capabilities to offer high-quality product testing environments to customers.
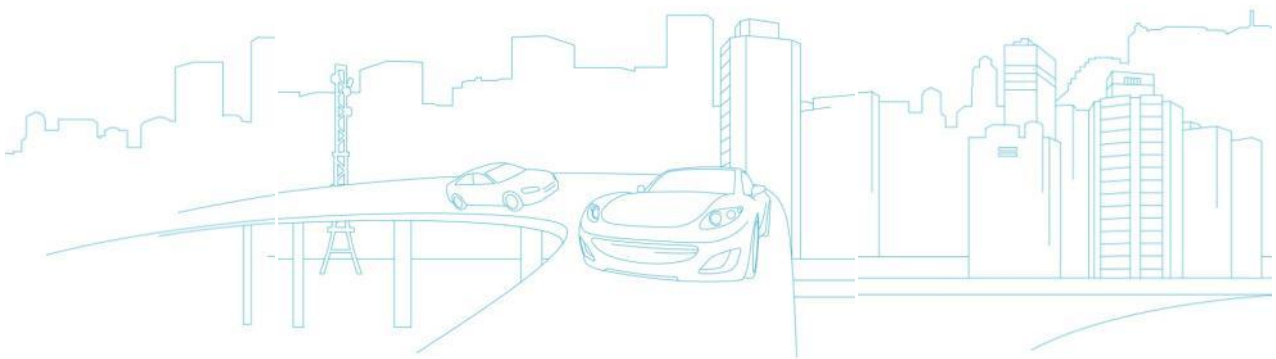
3.3 Intellectual Property

WNC strives to enhance its competitiveness in communications. We constantly develop communication products based on evolving communications technologies and market needs. To cultivate this research and design energy, the Legal Department and the Human Resources Administration Division hold patent courses semi-annually. The courses are required for new R&D employees and aims to introduce the patent system and raise awareness of patent infringement. In 2015, two sessions were held with a total of 175 attendees. In October 2015, 20 employees attended an optional course held to teach participants to write patent applications. The course aims to inform R&D personnel of the things to note when submitting patent applications as well as the application and review methods.

WNC has not only been listed on the approved Patent Applicants of Top 100 Taiwanese Enterprises by the Intellectual Property Office but has also received International Awards such as the "CES Innovation Award" and national awards such as the National Invention & Creation Awards, the Hsinchu Science Park R&D Accomplishment Award, and the Hsinchu Science Park Innovative Product Award numerous times. We hope to maintain steady growth of our patent applications and quality to protect our intellectual property. As of the end of 2015, we held 1,175 patents: 281 in the US, 518 in Taiwan, 359 in China, and 17 in other areas. Currently, we also have more than 700 patent applications being processed.

To maintain corporate innovation, competitiveness, and protect stakeholders' interests, WNC highly values the protection and control of intellectual property and confidential business information. WNC adopts the "Management Measures on the Control of Information Equipment and Protection of Documents", the "WNC Intellectual Property Rights Management Measures", and the "WNC Group Product Development Documents, Projects and Patents Reward Measures" to clearly state procedures and measures to safeguard corporate trade secrets and business-related confidential information. In addition, through our management and application policies for intellectual property, we encourage our employees to actively engage in innovation, research and development, and continue to accumulate intellectual expertise in the form of patents, copyrights, trademarks, trade secrets, and other intellectual assets.

Numbers of Granted Patents and Patent Applications during the Most Recent 3 Years

Year	Patent applications	Granted patents
2015	700	1175
2014	704	970
2013	623	821
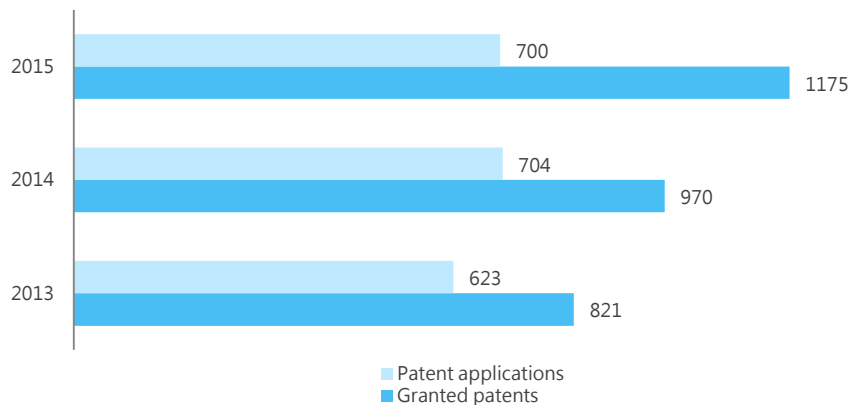
04

Developing Human Capital

Respect for Human Rights

Recruitment and Employment

Remuneration and Benefits

Training and Development

Employee Care

4.1 Respect for Human Rights

Talent and human capital is the most important element in companies. WNC cherishes this and promises to comply with social-responsibility-related regulations, labor laws, and national acts such as the Act of Gender Equality in Employment and adhere to principles of respect for human rights and employing appropriate talent for corresponding positions. We will:

■ Not consider an individual's gender, age, ethnic background, religion, or political affiliation as an advantage or disadvantage during evaluation,

■ Check, adjust, and formulate a reward distribution system with industrial advantages, and

■ Commit to establishing a credible, healthy, and safe operational environment by performing internal OHSAS 18001 audits and verification by a third party at fixed intervals annually to ensure the workplace security and sanitary conditions meet international standards.

In addition to promoting human rights and policy in the freshman training and new manager training courses, we also non-periodically investigate the actual working conditions to ascertain any issues relating to child labor, underage labor, forced labor, sexual harassment, labor relations, and prohibitions on expressions of free will according to our customers' requests. WNC did not receive any complaints regarding violations of human rights or discrimination in 2015.

4.1.1 Prohibition of Child Labor and Forced Labor

WNC complies with Taiwan's Labor Standards Law and does not hire workers under the age of 15. We support the effort of the vocational education system in bridging the gap between theory and the practical needs of job operations. As a result, WNC (Taiwan) entered into a long-term cooperative education program with the Computer Science and the Data Processing cooperative education classes of the Private Dong Wu Senior Industrial Home Economics Vocational High School. During a pre-arranged period of time arranged for by the School, students can put the professional skills they have learned into practice during production line operations.

Child Laborers and Under-Aged Workers Hired in 2015

Type	Taiwan	China
Child workers (persons)	0	0
Under-aged workers (persons)	19	1

Workers 15 years of age to 17 years of age may be hired if they are technical students receiving vocational training, but they are not allowed to engage in heavy work or in any work of a dangerous nature. These employees may not work at night and on holidays, and working hours shall comply with relevant regulations. In addition, WNC also strengthens some aspects of workplace discipline for the students of the cooperative education program to guarantee their physical and mental development and labor rights. In 2015, a total of 53 students from the Private Dong Wu Senior Industrial Home Economics Vocational High School participated in internships on WNC production lines. Since the students enter the program in different batches, as of the end of 2015, only 30 students were currently at WNC for their internship, among which 19 are underage workers that are aged between 15 and 17 years old.

All plants in China comply with local regulations banning the use of child labor, and workers under the age of 16 are not hired. To follow international trends and comply with EICC regulations, all plants in China ceased hiring underage workers aged 16 and 17 beginning in 2015. For underage workers who are still within the contract period, their contracts will not

be renewed upon their expiration. As of the end of 2015, there was only one underage worker remaining on contract.

All WNC sites comply with international standards and local acts. All employees are employed out of their own free will and have the right to leave upon reasonable notification; WNC has no right to request that employees hand in their ID cards, passports, or work permits to the company or any labor agency as a condition of their employment. The WNC Supplier Corporate Social Responsibility Code of Conduct forbids forced labor, and we will continue to apply this code of conduct to all suppliers gradually.

4.1.2 Gender Equality

According to the Labor Standards Law and the Gender Equality in Employment Act, in order to break the occupational gender barrier, to forbid pregnancy discrimination, and to enhance gender equality, WNC's female employees can apply for menstruation leave, pregnancy checkup leave, maternity leave, miscarriage leave, and additional breastfeeding breaks. For all employees who need to care for their babies, they can apply for unpaid parental leave. WNC will inquire on the employee's intention to return to work and assist his or her return. Fifteen employees applied for unpaid parental leave in 2015, and 10 of them were female while 5 of them were male. All plants in China comply with the "Special Rules on the Labor Protection of Female Employees" in providing paid pregnancy checkup leave, maternity leave, miscarriage leave, and additional breastfeeding breaks to help female employees maintain a balance between work and family. On Women's Day (8 March), female employees are entitled to 0.5 days (4 hours) of adjusted holiday. However, parental leave is not regulated in China at the present time.

The Number of WNC Employees in Taiwan Who Applied for Parental Leave

Item	Male	Female
Number of Employees Entitled to Unpaid Parental Leave (A) Note 1	215	111
Number of Unpaid Parental Leave Applicants in 2015 (B)	5	10
Application Rate in 2015 (B/A)	**2.3%**	**9.0%**
Expected Number of Employees Reinstated from Parental Leave in 2015 (C)	9	16
Actual Number of Employees Reinstated from Parental Leave in 2015 (D)	4	6
Reinstatement Rate in 2015 (D/C)	**44.4%**	**37.5%**
Actual Number of Employees Reinstated from Parental Leave in 2014 (E)	3	10
Number of Employees that Worked for One Year Since Returning from Parental Leave in 2014 (F)	3	8
Retention Rate in 2015 (F/E)	**100.0%**	**80.0%**

Note 1: Number of Employees applying for maternity leave or paternity leave in the past 3 years

WNC (Taiwan) provides the following female employee-friendly initiatives:

■ Car spaces for female employees are arranged close to parking-building entrances
■ Dedicated parking spaces for pregnant employees
■ Sanitary towels are available for female interviewees and female customers or vendors on demand at the front desk.
■ Feminine products storage cabinets are installed in the production line for female employees to store their personal sanitary items.

- Comfortable and spacious lactation room for up to 6 female employees to use; it is equipped with a breast-milk refrigerator, personal storage cabinets, a water dispenser, hair dryer, and mirrors, as well. In addition, we participated in the "Excellent Breastfeeding Room Certification Campaign" organized by the Department of Health, Hsinchu County Government in 2016.
- Dedicated antistatic clothing for pregnant employees
- Pregnant employees' production-line working hours are adjusted: night-shift employees are switched to the day shift; standing operation is changed to sitting operation; and working hours are reduced.
- Continued implementation of the Maternity Care project: The health center proactively contacted pregnant employees and first-time parents, and doctors on-site provided maternity-related consultation. The health center also organized the "Understanding the common skin problems of newborn babies" lecture for first-time parents.
- Organized the "Introduction to the Cervical Cancer Vaccine" lecture; activities included a "Women's Triple Screening Exam" and a "Cervical Cancer Vaccination" with a local clinic.
- Initiated the "Goodie Bag for WNC Moms" project featuring a pregnancy guidebook, a free diaper bag, and a gift box of goods for the newborn. Employees during pregnancy or within three months after delivery are eligible to apply.

4.1.3 Communication Mechanisms

WNC not only provides a variety of open and transparent communication channels but also continues to strengthen our bi-directional, real-time communications with employees. To devote more attention to employee working conditions and strengthen employee relations, WNC has established an Employee Representative in our Headquarters. The committee, which is drawn from all employees, functions as a feedback channel for colleagues to raise workplace-related issues. It delivers opinions to the management team and replies to employees' concerns and suggestions after thorough consideration. The members are department representatives elected by each department. Committee meetings are held quarterly. In 2015, four committee meetings were held and 103 proposals were discussed, including 17 employee meal service items, 38 employee welfare items, 34 working environment items, and 14 PC/IT issues.

Given the different working hours and duties, DL employees send representatives to participate in the Employee Representative Committee each quarter and convene the bi-monthly "DL Bi-Monthly Meeting" and the "Supervisor's Forum" to address the different requirements of DL employees and supervisors. The meetings were chaired by the Plant Manager in Hsinchu for promoting company policies, facilitating communications, and the sharing of successful project improvements. Comments and issues for discussion are solicited in an open manner prior to the meetings. If there are no issues to be discussed, the meeting will be postponed. In 2015, a total of six IDL bi-monthly meetings were convened, with no issues received. A total of four supervisor's forums were held with three issues being reported. In addition, suggestion boxes are installed in the production-line lounge for DL employees to directly report issues or suggestions to the Plant Manager related to work and life. The Plant Manager will perform investigation or improvement according to the reported issues and announce the handling status and results on the production-line bulletin board. The identities of the reporting parties and parties being investigated are kept secret. In 2015, we received and addressed three issues reported using the suggestion box.

A freshman afternoon tea gathering is held once a month to answer new employees' questions and to assist them to adapt to the workplace environment and mutual communication with their colleagues. In 2015, 106 new employees

participated in the freshman afternoon tea gathering. In addition, a freshman seminar is held at the end of employees' first three months of service, and WNC's CEO responds in person to any concerns of the new employees. In 2015, 256 new employees participated in the freshman seminar.

The China sites established trade unions according to "the Trade Union Law of the People's Republic of China". The representatives are elected by employees from all China sites and serve a 3-year term. They convene meetings and participate in conferences, training, and activities held by the government depending on actual needs. In 2015, four union meetings were held, with 352 union members participating.

In addition to the union representatives, each department also has employee representatives that are selected by department managers. The employee representatives meet at least once a year during the "Employee Representative Forum", where employee representatives from each department engage in face-to-face communications with the company's high-level management, enabling employee representatives to reflect upon issues or provide suggestions about wages and the basic necessities of life. In 2015, a total of two employee representative forums were held, with 116 employees participating. The employee-care unit at each site also convenes Tea Chat meetings with employees to understand the problems they encounter at work and to directly discuss problems with department managers. In 2015, 4 Tea Chat meetings were held, and 200 employees participated in the meetings.

Forums Held in 2015 at Various WNC Sites

Area	Item	Participants	No. of Batches	No. of Partici-pants
Taiwan	Freshman afternoon tea gathering	New employees	8	106
	Freshman seminar	New employees	7	256
China	Trade union	Union representatives	4	351
	Tea Chat meeting	New employees	4	200
	Employee Representative Forum	Employee representatives	2	116

In addition to the employee representatives, the physical suggestion boxes provided in the production line areas, office areas, and the dormitories t the China sites are the major communication channels providing the employees with consultation services to assist employees in solving their problems. Meanwhile, the Plant Manager's Mailbox and an "8585 (help-me-help-me)" hotline are also available. WNC (Kunshan) Corporation also established a communication mechanism on the WeChat messaging platform which enables automatic announcement of activities related to the company and on-line consulting. This provides both internal and external stakeholders in China a fast and convenient communication channel. In 2015, there were 117 proposals regarding company policy, adapting to work, and life issues, all of which were resolved and reported to the proposing parties.

Cases Accepted at Various Communication Channels in WTQ in 2015

Communication Channels	No. of Cases Handled	No. of Cases Closed	Response Rate (%)
Employee Representative Committee and Labor-Management Conference	103	103	100%
E-mail for reporting violations	0	0	N/A
Channel for reporting sexual harassment	0	0	N/A
DL Bi-Monthly Meeting	0	0	100%
DL Supervisor's Forum	3	3	100%
DL Suggestion Box	3	3	100%
Total	109	109	100%

Cases Accepted at Various Communication Channels in China

Communication Channels	No. of Case Handled	No. of Case Closed	Response Rate (%)
Trade union representatives' meeting	3	3	100%
Employee Representative Forum	34	34	100%
Suggestion box	13	13	100%
Letter to the Plant Manager	0	0	N/A
8585 Employee Care Hotline	35	35	100%
WeChat platform	32	32	100%
Total	117	117	100%

4.1.4 Personal Information Protection

WNC's "Measures on the Protection and Management of Personal Information" requires that all employees comply with regulatory requirements, ensure the reasonable use of personal information, and continue to implement personal information protection related work and education within the company. Actions taken include:

■ Arranged Personal Information Protection training:
As a continuation of the 2013 training course on a recent governmental personal data protection act administered to all employees, in 2014 we will continue to provide this training to newly appointed managers and new employees whose job duties concern the handling of personal information to comply with regulatory requirements. The course aims to strengthen the idea of the lawful use of personal information to apply to daily job routines. As of the end of 2015, a total of 119 employees have completed relevant courses on personal information protection. This includes 37 new managers and 82 new employees of the Finance Division, the Human Resources Administration Division, the Management Information System Division, and the Legal & IP Center.

■ Maintaining personal information records:
The Human Resources Administration Division stipulates and implements the "Measures on the Protection and Management of Personal Information". The measures specifically govern the collection, handling, and use of personal information in order to enhance the company's internal workflow regarding the lawful use and management efficiency of personal information to reduce operating risks. Furthermore the procedures and experience have been shared with attendees at the first-level supervisors and center-level managers meetings.

■ Setting up personal information management authorization:
Distinguish management and authorization of HR information in written form and system information to prevent unauthorized access of employees' personal data

■ Destroying expired data:
Saving employees' data according to the time limitations regulated by the Labor Law; data that exceeded the time limit for storage is destroyed according to the Confidential Document Destruction Procedures.

4.2 Recruitment and Employment

Employees are the key assets of a company. WNC follows the recruitment principles of "respect for human rights" and "employing 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 disadvantage 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.

4.2.1 Human Resource Structure

WNC Employee Totals in 2015

Type	Taiwan			China			Other Areas Note		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Official Employees	1,325	1,266	2,591	5,052	3,085	8,137	25	9	34
Contract Employees	4	10	14	0	0	0	0	0	0
Dispatch Workers	17	22	39	0	0	0	1	2	3
Total	1,346	1,298	2,644	5,052	3,085	8,137	26	11	37

Note: "Other Areas" include branches in the United States, the United Kingdom, and Japan

As of the end of December 2015, the total number of employees worldwide was 10,818 of which 2,591 employees were located in Taiwan, an increase from 2014 figures of 14%. 1,563 of these were indirect labor (IDL) employees, and 1,028 were direct labor (DL) employees. The percentage of male employees and female employees were 51% and 49%, respectively. 69% of our colleagues were between the ages of 30 and 50, and 45% of all employees had worked for WNC for three years or more. There were 8,137 employees in China, an increase of 1% compared to 2014. These consisted of 1,285 indirect employees and 6,852 direct employees, with 38% being female and 18% being between 30 years and 50 years of age.

Human Resources Structure of WNC in 2015 [Note 1]

Type	Group		Taiwan					China				
			Male	Ratio	Female	Ratio	Total	Male	Ratio	Female	Ratio	Total
Total			**1,325**	**51%**	**1,266**	**49%**	**2,591**	**5,052**	**62%**	**3,085**	**38%**	**8,137**
Work Category	DL Employees	Taiwanese	217	8%	351	14%	568	4,260	52%	2,592	32%	6,852
		Foreigners	0	0%	430	17%	430	0	0%	0	0%	0
		Vocational Graduates	22	1%	8	0%	30	0	0%	0	0%	0
	IDL Employees	Manufacturing Engineering	175	7%	45	2%	220	352	4%	95	1%	477
		Sales	26	1%	28	1%	54	4	0%	7	0%	11
		R&D	665	26%	126	5%	791	42	1%	9	0%	51
		Others	220	8%	278	11%	498	394	5%	382	5%	776
Position	Managers		297	11%	70	3%	367	193	2%	78	1%	271
	Professionals		769	30%	276	11%	1,045	489	6%	313	4%	802
	Administration/Assistants		20	1%	131	5%	151	110	1%	102	1%	212
	Technicians(DL)		239	9%	789	30%	1,028	4,260	52%	2,592	32%	6,852
Age	30 y/o and below		242	9%	438	17%	680	4,179	51%	2,449	30%	6,628
	30–50 y/o		1,007	39%	771	30%	1,778	847	10%	638	8%	1,485
	50 y/o and above		76	3%	57	2%	133	13	0%	11	0%	24
Management	DL Employees		239	9%	789	30%	1,028	4,260	50%	2,592	32%	6,852
	IDL Employees	Managers	297	11%	70	3%	367	193	2%	78	1%	271
		Professionals [Note]	789	30%	407	16%	1,196	599	7%	415	5%	1,014
Years of Service	1 year or less		313	12%	251	10%	564	3,639	45%	2,143	26%	5,782
	1–3 years		328	13%	539	21%	867	1,067	13%	676	8%	1,743
	4–5 years		227	9%	122	5%	349	218	3%	129	2%	347
	6–10 years		264	10%	175	7%	439	135	2%	114	1%	249
	11–15 years		159	6%	149	6%	308	7	0%	9	0%	16
	16 years and above		34	1%	30	1%	64	0	0%	0	0%	0

Note 1: The Human Resources Structure is calculated based on the number of official employees. Contract employees and dispatch workers are excluded.
Note 2: Professionals refer to non-managerial positions.

4.2.2 Employee Recruitment and Retention

WNC's long- and short-term recruitment activity planning closely involves the respective hiring business units throughout the hiring process, with recruitment projects tailor-made for different units to ensure we attract outstanding talent. WNC's employee numbers has increased continuously, and we hope to become an outstanding employer through software and hardware investment. WNC recruits from its internal recruitment website and also collaborates closely with academia through campus-development programs and R&D substitute national service. We help students learn industry requirements in advance and employ new graduates showing promise.

In 2015, WNC began interfacing with university campuses and schools by hosting campus recruitment activities and technology seminars at National Taiwan University, National Chiao Tung University, National Sun Yat-sen University, and National Cheng Kung University. In the seminars, we shared the trends and knowledge in the communications industry with approximately 700 faculty members and students, and enhanced exchanges with the academic sector. At the same time, we invited approximately 330 students to provide their contact information to WNC's human resources department for future contact regarding employment. In March 2016, WNC implemented the two-year "Cultivating High-quality Telecommunications Talents" program with National Taiwan University. We also cooperate with National Cheng Kung University to organize regular theme-based technical exchange seminars. We are also planning industry-university cooperative projects of a more diverse nature for the future.

WNC (Taiwan) has recruited many IDL employees from all over the world including from the United States, France, Japan, China, Macau, Vietnam, Singapore, Indonesia, the Philippines, Malaysia, Australia, New Zealand and Brazil to promote internationalization and facilitate contact with our international customers and suppliers. Management positions in Taiwan are staffed by Taiwanese employees, and the percentage of Taiwanese employees designated for support in China operations accounts for 6.2% of the IDL employees in China. As for subsidiaries in China, we have actively trained local employees to help them attain management-level positions. The percentage of Chinese IDL employees in China promoted to the management level is approximately 78.8%.

Local Talent Recruitment in 2015

Area	Managers [Note 1]	Locals as Managers (persons)	Percentage of Locals as Managers
Taiwan [Note 2]	367	367	100.0%
China [Note 3]	344	271	78.8%

Note 1: Applicable to IDL employees only
Note 2: Managerial positions in Taiwan are defined as employees with management responsibilities, which include employees in WTQ and expatriates
Note 3: Managerial positions in China are defined as employees receiving management allowances

In 2015, 579 new employees were hired at the WNC Taiwan headquarters: 64% of them were males, and 60% of all employees hired were between 30 and 50 years of age; 24,841 new employees were hired at subsidiaries in China: 66% of them were males, and 10% of all employees hired were between 30 and 50 years of age.

2015 New Hire Rates at WNC Headquarters [Note 1]

Category	IDL (Totals:1,563)						DL [Note 2] (Totals: 568)					
	Total	Gender		Age			Total	Gender		Age		
		Male	Female	<30	30–50	>50		Male	Female	<30	30–50	>50
Number of New Hires	328	241	87	97	225	6	251	131	120	129	121	1
New Hire Rate (%)	21.0	15.4	5.6	6.2	14.4	0.4	44.2	23.1	21.1	22.7	21.3	0.2

Note 1: New Hire Rate = Number of DL (IDL) New Hires in the Category Concerned/Total Number of DL (IDL) Employees at the End of 2015
Note 2: Refers to DL employees at the WNC Taiwan headquarters excluding foreign workers and vocational graduates

2015 New Hire Rates in China [Note]

Category	IDL (Totals:1,285)						DL (Totals: 6,852)					
	Total	Gender		Age			Total	Gender		Age		
		Male	Female	<30	30–50	>50		Male	Female	<30	30–50	>50
Number of New Hires	393	262	131	251	142	0	24,448	16,025	8,423	22,082	2,366	0
New Hire Rate (%)	30.6	20.4	10.2	19.5	11.1	0	356.8	233.9	122.9	322.3	34.5	0.0

Note: New Hire Rate = Number of DL (IDL) New Hires in the Category Concerned/Total Number of DL (IDL) Employees at the End of 2015

WNC employs diverse methods to retain its outstanding talent. For colleagues with different qualifications at different levels of the organization, we offer freshman orientation, bonuses for long terms of service and outstanding performance, internal transfers, salary-structure adjustments, and a strengthening of the management structure (among other incentive measures) in order to create a complete employment structure and a competitive and superior work environment. Please refer to the following chart for the 2015 employee turnover rate.

2015 Taiwan Employee Turnover Rate [Note 1]

Item	IDL (Totals:1,563)						DL [Note 2] (Totals: 568)					
	Total	Gender		Age			Total	Gender		Age		
		Male	Female	<30	30–50	>50		Male	Female	<30	30–50	>50
Turnover quantity	200	153	47	24	168	8	168	74	94	83	79	6
Turnover rate (%)	12.8	9.8	3.0	1.5	10.8	0.5	29.6	13.0	16.6	14.6	13.9	1.1

Note 1: Turnover Rate = Turnover Quantity of DL (IDL) Employees in the Category Concerned/Total Number of DL (IDL) Employees at the End of 2015
Note 2: Refers to DL employees at the WNC Taiwan headquarters excluding foreign workers and vocational graduates

2015 China Employee Turnover Rate [Note]

Item	IDL (Totals:1,285)						DL (Totals: 6,852)					
	Total	Gender		Age			Total	Gender		Age		
		Male	Female	<30	30–50	>50		Male	Female	<30	30–50	>50
Turnover quantity	402	280	122	243	157	2	24,398	15,776	8,622	21,930	2,465	3
Turnover rate (%)	31.3	21.8	9.5	18.9	12.2	0.2	356.1	230.2	125.8	320.1	36.0	0.0

Note: Turnover rate = Turnover quantity of DL (IDL) employees in the category concerned/total number of DL (IDL) employees at the end of 2015

The turnover rates of DL employees in China are relatively high due to three main reasons: 1) Employment opportunities in western China are increasing; many workers native to those parts of China choose to work in their hometowns; 2) many young DL workers underestimate the job demands in factories and are unwilling to commit the hours required; and 3) with increases in labor demand in the Yangtze River delta and the Pearl River delta regions and numerous work opportunities without mature long-term career-development tracks, worker decisions are oriented towards the short-term, and their turnover rates are relatively high.

4.2.3 Recruiting 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 2015, there were 17 disabled employees (assessed using a weighted scale) working at WNC, comprising 0.66% of Taiwan employees, which is slightly lower than in of 2014. Of these, 9 are mildly or moderately disabled and 4 are more severely disabled. Their positions include 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 regard to the current shortfall of the disabled employee ratio of the company with respect to government regulations, WNC intends to evaluate further suitable positions and continues to place emphasis on the hiring of disabled persons.

We transformed the men's room on the first floor to a handicapped-accessible restroom for our physically-challenged employees and visitors. The restroom became operational in August 2014, and employees are reminded to yield the use of the restroom to physically-challenged persons.

Handicapped-accessible restroom

4.3 Overall Remuneration

4.3.1 Wage Structure

WNC regularly adjusts employee salaries to ensure reasonable compensation for colleagues as well as to retain and attract talented employees. Taking into consideration other factors including stockholder rights and interests, quality of life of employees, and sustainable development of the company, employee wages are also regularly adjusted according to current price levels, market supply/demand status, average salary levels in the industry, and local laws/regulations. With annual salary adjustment and promotion systems in place, official employees and departments with good performance are eligible for various bonuses and reward systems regardless of gender, age, ethnic background, religion, or political affiliation. The rewards and bonuses include performance bonuses and restricted stock awards, as well as the senior employee award, excellent team award, and patent award.

Ratio of WNC New Employee's Average Starting Salary [Note 1]

Area	Category	Male	Female
Taiwan	DL	1.15	1.15
Taiwan	IDL [Note 2]	1.85	1.85
China	DL	1.20	1.20
China	IDL	1.90	1.90

Note 1: Ratio of New Employees' Average Starting Salary = Minimum Starting Salary for Entry Level New Employees/Local Statutory Minimum Wages

Note 2: Starting Salary for IDL Employees with a University Degree in Engineering in Taiwan/Local Statutory Minimum Wages

Ratio of WNC Employees' Average Salary [Note 1]

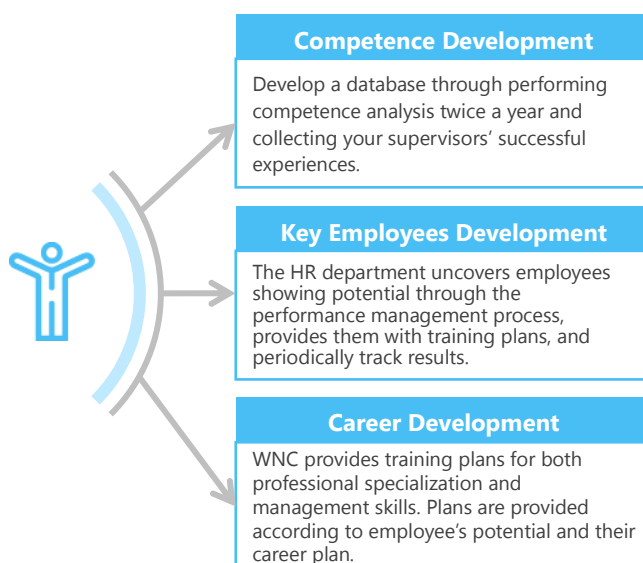| Area	Category		Male [Note 2]	Female
Taiwan	DL		1	0.95
Taiwan	IDL	Managers	1	0.85
Taiwan	IDL	Professionals	1	0.84
China	DL		1	1
China	IDL	Managers	1	1
China	IDL	Professionals	1	0.77

Note 1: Average Salary = average monthly salary of all official employees, which does not include allowances and bonuses

Note 2: The wage comparisons are made between the total salary for male/female workers in all categories compared to the salary for males/females in the given cohort. Given that the majority of R&D employees (which are classified as "IDL") are male, their share of total company employee salary is slightly higher than that of female employees.

4.3.2 Performance Management

Evaluation of Development

At WNC, organizational talent review is performed annually to understand the learning and development progress of its employees. 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: Management by Behavior (MBB) and Management by Objective (MBO). Performance in terms of both quality and quantity is examined simultaneously and periodically, and the results are compiled semi-annually to serve as a basis for giving appropriate rewards or promotions to employees.

Competence Development

Develop a database through performing competence analysis twice a year and collecting your supervisors' successful experiences.

Key Employees Development

The HR department uncovers employees showing potential through the performance management process, provides them with training plans, and periodically track results.

Career Development

WNC provides training plans for both professional specialization and management skills. Plans are provided according to employee's potential and their career plan.

During the performance evaluation period, official WNC employees who pass probation and who have been in service for four months or longer shall participate in WNC's performance appraisal system. During 2015, all DL employees excluding vocational graduates underwent performance evaluation. As for IDL employees, apart from the CEO and the President & COO (who are not required to participate in employee evaluation), the ratio of IDL employees at the WNC headquarters who received performance appraisals is presented below.

Promotion Management

Depending on the development needs of the organization, employees who have been in their positions for a certain number of years and who are regarded as capable of taking greater responsibilities are eligible for promotions relating to job positions or levels based on their actual performance and their demonstrated professional skills and competency as recognized by their supervisors.

- Planning of the Promotion Management: Adopt the dual-track system of professional positions and management positions to provide appropriate planning for WNC's employees.
- Assessment of the candidates for promotion: Draw reference to the candidates' past experience on the position, performance, and readiness for post-promotion responsibilities. The Personnel Review Committee performs the assessment after the unit supervisor's nomination.

Percentage of IDL Employees at WNC Headquarters Note 1 Receiving Performance Evaluations

Position	Male	Female	Total	Percentage
Management [Note]	289	69	1,436	100%
Professionals	701	377		

Note 1: Does not include the CEO and the President and employees not eligible for performance appraisal
Note 2: Refers to employees with management responsibilities

Percentage of IDL Employees at WNC Headquarters Note 1 Receiving Nomination for Promotion

Position	Male	Female	Total	Percentage
Management [Note]	96	19	375	24%
Professionals	168	92		

Note 1: Does not include the CEO and the President; promotion management measures are not applicable to DL employees
Note 2: Refers to employees with management responsibilities

4.3.3 Employee Insurance

WNC (Taiwan) participates in Taiwan's Labor Insurance and National Health Insurance and contributes employee wages to pension accounts according to Articles 55 and 56 of the Labor Standards Act. Based on the original or newly-enacted regulations, 6% or 2% (respectively) of pensions must be paid by employers; except for vocational students and foreign employees, all regular employees must participate in this retirement scheme following the regulations of the Labor Pension Act, with only 8 employees following the old labor pension fund scheme. All regular employees and contract employees participate in a group insurance plan on the first day they report to work, giving employees and their families added protection. The detailed description and implementation of the retirement scheme can be found on p. 74, pp. 86–87, and pp. 99–103 of section 5 "Financial Standing" of the 2015 WNC annual report (English translation).

Official employees in China are enrolled in social insurance and a housing provident fund as required by Labor Law of the People's Republic of China (5 insurances and 1 fund). The social insurance includes: endowment insurance, medical insurance, employment injury insurance, unemployment insurance and maternity insurance. Twenty percent of the endowment insurance pension must be from employer contributions based on individual payment bases. All regular employers participate in this insurance scheme.

Monthly Contributions to Employee Pensions in 2015

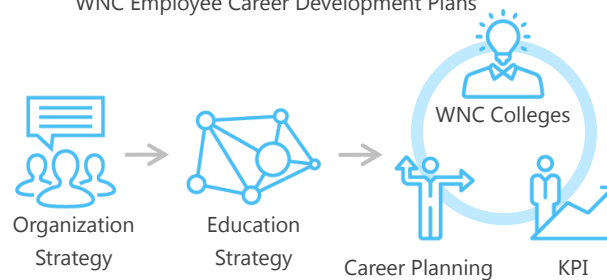| Category	Source	Ratio
Old regulations (based on the Labor Standards Act)	Contributed by employers	2%
New regulations (based on the Labor Pension Act)	Contributed by employers	6%
	Contributed by employees	Maximum of 6%

4.3.4 Employee Leave

All WNC sites provide leave for regular and contract employees in accordance with local laws. WNC (Taiwan) 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 accordance with actual circumstances, employees are entitled to apply for additional types of leave including maternity leave, parental leave, family leave, menstrual leave, and paternity leave. Pursuant to the amendments of the Act of Gender Equality in Employment, starting from 2015, WNC provides employees with five days of paid pregnancy checkup leave and extends paid paternity leave to up to five days. Furthermore, employees who have been in service for at least six months may apply for unpaid parental leave in accordance with the Act.
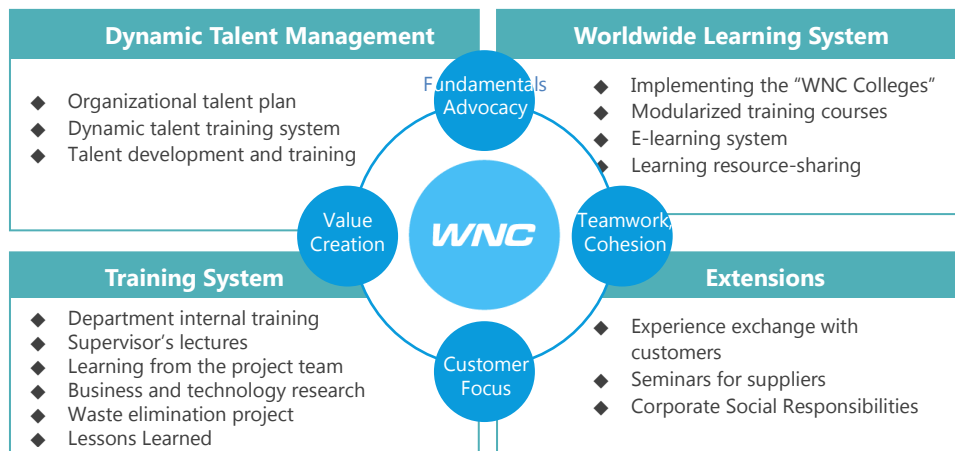
4.4 Training and Development

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 our central principles 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 conducted 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 professional skills and management competencies.

WNC Employee Career Development Plans

Organization Strategy → Education Strategy → Career Planning / WNC Colleges / KPI

WNC Employee Training Structure

Dynamic Talent Management
- Organizational talent plan
- Dynamic talent training system
- Talent development and training

Worldwide Learning System
- Implementing the "WNC Colleges"
- Modularized training courses
- E-learning system
- Learning resource-sharing

Fundamentals Advocacy

Value Creation

WNC

Teamwork Cohesion

Customer Focus

Training System
- Department internal training
- Supervisor's lectures
- Learning from the project team
- Business and technology research
- Waste elimination project
- Lessons Learned

Extensions
- Experience exchange with customers
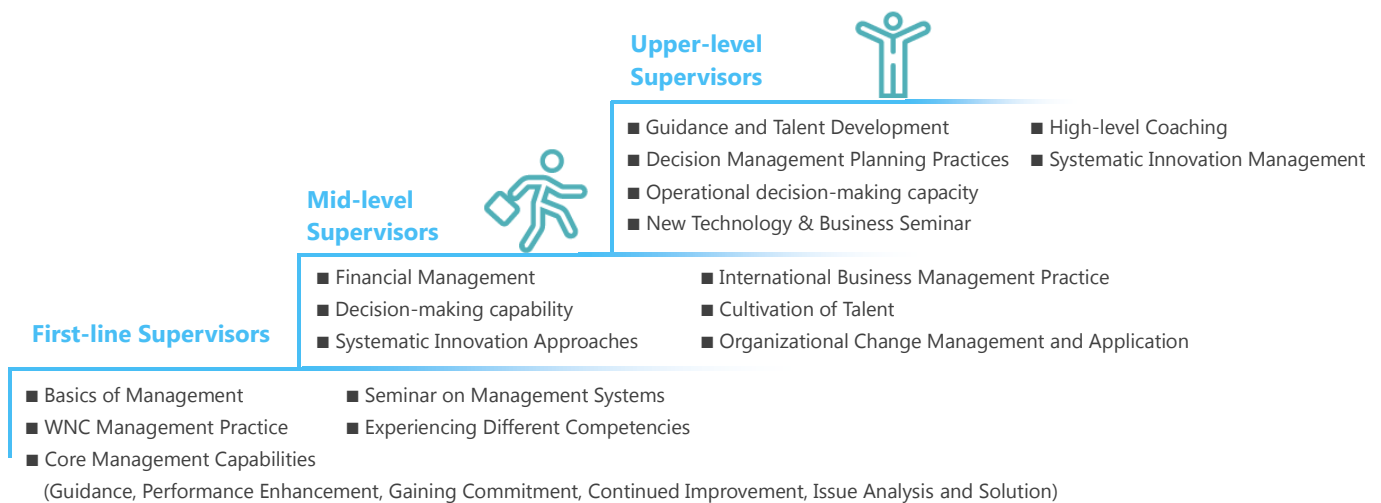- Seminars for suppliers
- Corporate Social Responsibilities

4.4.1 Dynamic Talent Management

Cultivation of Outstanding Employees

WNC offers performance evaluation and personal development plans for outstanding employees who demonstrate high growth prospects. The development plan incorporates organizational development objectives and features diverse contents and learning approaches, including course training, action learning, job rotation, project assignments, challenging task execution, and One-on-One Coaching in order to stimulate and strengthen the employees' abilities in different aspects, enrich practical experience, and receive more opportunities for career development. Starting from the end of 2012, WNC performs organizational talent review annually to select outstanding employees who have demonstrated high potential, pinpoint gaps in organizational talent development, and plan for the organizational learning development plan.

Cultivation of Management Capability

The Human Resources Administration Division plans for progressive talent cultivation courses according to the different levels and positions of employees. The courses feature a systematic training and development structure to realize learning and development through multiple learning channels and talent-development plans to assist employees in enhancing their capabilities in all aspects, including professional skills, communication skills, and management practice to advance with WNC toward a higher goal.

Upper-level Supervisors
- Guidance and Talent Development
- Decision Management Planning Practices
- Operational decision-making capacity
- New Technology & Business Seminar
- High-level Coaching
- Systematic Innovation Management

Mid-level Supervisors
- Financial Management
- Decision-making capability
- Systematic Innovation Approaches
- International Business Management Practice
- Cultivation of Talent
- Organizational Change Management and Application

First-line Supervisors
- Basics of Management
- WNC Management Practice
- Core Management Capabilities
- Seminar on Management Systems
- Experiencing Different Competencies

(Guidance, Performance Enhancement, Gaining Commitment, Continued Improvement, Issue Analysis and Solution)

4.4.2 Worldwide Learning System

WNC College

In 2010, the WNC "Colleges" were established, composed of 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.

	Principals	Participants	Purpose	Description
Management College	CEO	First-level supervisors/external consultants	Focused on developing the management skills of supervisors', courses are designed according to the requirements of the respective management levels, including management-skills training in leadership, motivation, and the self-growth of newly appointed supervisors and strategic-planning development for middle- and upper-level supervisors.	In 2015, 39 courses were held in WNC (Taiwan), and 46 courses were held in the China sites. In addition to organizing courses based on different levels of management ability, we also conducted a human-resources inventory to develop training courses for handpicked personnel.
Marketing College	President	Product managers/sales supervisors	In addition to implementation of project management and the application of individual skills and specialized knowledge, skills covered include new-industry knowledge, presentation skills, conference planning, international trade and customer management, and service capabilities.	In 2015, 33 seminars were hosted in WNC (Taiwan), and 20 seminars were held in the China sites. We will continue to arrange senior supervisors to share experiences of successful customer interactions for participants to learn from.
R&D College	CTO	Product R&D center/WNC RD Forum (WRDF) Chairman	We established the WNC Research & Development Forums (WRDF) to promote R&D innovation and enrich the basic skills of R&D personnel. The (WRDF) enables participating employees to engage in exchanges of cross-field techniques and develop more holistic perspectives.	In 2015, 43 and 46 sessions were held in WNC (Taiwan) and the China sites, respectively. The chairman of each forum participates in course planning, and industry-academia cooperation is utilized to invite outside experts to serve as instructors and help continuously strengthen employees' technological knowledge and expertise.
Manufacturing Quality College	Head Plant Manager	CQO, Manufacturing/QA center manager	The aim of this curriculum is to implement WNC's quality strategy of zero defects and competitive goods and services. Courses offered include: Six Sigma, manufacturing, green-product design, quality systems, equipment, and failure analysis as well as ISO/TS 16949 and IECQ QC08000 quality-awareness training and application.	In 2015, 41 courses on quality were held in WNC (Taiwan), and 675 sessions were held in the China sites. In addition, training for internal auditors of various quality certification systems are also held each year.

General Knowledge College	HR Head	Functional unit supervisors	New hires, from their reporting date until the end of their probationary period, are also required to complete 25 e-learning courses on company culture, the workplace environment, and system operations. Competency and skill-related courses are planned to raise employees' effectiveness and self-management ability and to follow government regulations and company policies.	In 2015, 182 courses were held in WNC (Taiwan), and 1,419 courses were held in the China sites. This includes freshman trainings, fire drills, emergency response drills, information security, personal information protection, project management, time management, PowerPoint design and presentation skills, meeting planning, e-mail, and work applications.

Modular Courses

WNC also formulates modular courses to fulfill the requirements of employees of different competency and management levels. Corresponding training courses are provided in accordance with the promotion and the resulting requirements of competency for the promoted position. This includes the freshman course series, the "Six Sigma" courses, targeted selection course series, management trainee courses for professionals, basic management courses for general managerial positions, and advanced management courses such as performance management, strategic planning, and organizational development courses for middle-and upper-level supervisors.

Development of the Digital Learning System

WNC's eHRD system is an on-line learning and performance-management resource sharing platform. It has the following features: providing on-line government regulations and corporate policy promotion, management system promotion, new-employee courses, and general knowledge courses related to employees' job functions. Employees may also manage their personal

or organizational training records through the system and perform functions such as applying to host internal training courses or applying for internal or external training. The system will send notification reminders and allow employees to submit their after-course reports, behavior checklists, and post-class satisfaction surveys.

4.4.3 Training System

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 order to enhance the range and depth of personal competency training. With the approval of the employee's department manager, WNC will provide full subsidies for the courses taken. In addition, departments are encouraged to host reading clubs to share insights gained through books. In order to ensure the quality of course content, participants are surveyed once the courses conclude to determine the participants' retention, the teaching skills of the instructors, and the recommendations for course improvement.

Developing a Learning Organization: Supervisors of all levels are required to teach a two-hour class to share their management practice, professional knowledge/skill, lessons learned, new trends/technology, and project experience each year in order to foster a spirit of self-learning. At the same time, WNC has instituted a comprehensive internal instructor system to internally train instructors according to the training and development objectives of the year. According to the system, first-level supervisors in the WNC Taiwan headquarters and the China sites recommend candidates for the instructors. The candidates shall attend the lecturer training courses organized by the Human Resources Administration Division, conduct lecture demonstrations, and be assessed based on the performance of the demonstration. Qualified employees can then become certified internal instructors. All instructors will be recognized on Teacher's Day every year. Also, a book fair and lectures are given during the Teacher's Day celebration to encourage employees' self-learning and development. In 2015, there were 121 instructors trained, and the training of internal instructors will be implemented continuously.

Project discussion: Regular project meetings enable employees to check progress and discuss product-related issues with other team members. Through the process of asking questions and engaging in discussions, employees and supervisors may exchange different ideas and experiences from different perspectives. The sharing of practical examples and lessons learned enable the participants to prepare for response measures in advance to avoid potential problems from arising. In addition, through participating in the quarterly business review meetings and technical exchange meetings that are held regularly, different units may learn skills related to organizational management, product development, and business expansion from one another, putting the tangible and intangible assets and resources of the company to an effective use.

4.4.4 Training Participation

Our training courses for employees are planned and arranged regardless of gender differences. In 2015, training courses hosted at WNC headquarters totaled 71,219 man-hours of which IDL staff took part in 62,468 man-hours of training and DL staff 8,751 man-hours; the total number of IDL participants was 1,577 (each averaging 39.6 hours per person) with 1,067 DL participants (each averaging 8.2 hours per person). Training courses hosted at WNC's China sites totaled 26,073 man-hours for IDL employees and 61,477 man-hours for DL employees in 2015. All managerial positions are filled by IDL staff, and the training courses for employees of different levels are planned and arranged regardless of gender differences.

Starting in 2014, WNC (Taiwan) and the China sites began to offer CSR and EICC on-line courses for all employees. In 2015, WNC (Taiwan) implemented EICC courses for contractors, including security guards, on-site food-service vendors, and cleaning staff at WNC headquarters. The course includes concepts and explanations of examples on labor rights, non-discrimination, ethics, anti-corruption, violation reporting, and occupational safety and health issues. Three batches were held and 43 participants completed the course. The contractors in the China sites take the course in one batch every year. In November 2015, 81 people completed the course.

Time length and participation ratios of training courses for Taiwan and China employees are listed below:

Total Training Hours of Training Courses for Taiwan and China Employees in 2015

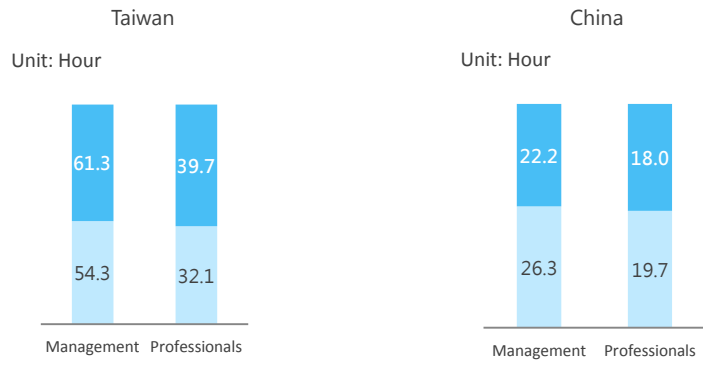| Region	Type		Male			Female			Total		
			Man-hours (A)	Number of employees Note 1 (B)	Hours per employee Note 2 (A/B)	Man-hours (C)	Number of employees Note 1 (D)	Hours per employee Note 2 (C/D)	Man-hours (E)	Number of employees Note 1 (F)	Hours per employee Note 2 (E/F)
Taiwan	DL		2,276	256	8.9	6,475	811	8.0	8,751	1,067	8.2
	IDL	Management Note 3	16,135	297	54.3	4,291	70	61.3	20,426	367	55.7
		Professionals	25,475	793	32.1	16,567	417	39.7	42,043	1,210	34.7
		Total	41,611	1,090	38.2	20,858	487	42.8	62,468	1,577	39.6
China Note 4	Expatriates from WNC (Taiwan)		1,968	77	25.6	32	3	10.5	2,000	80	25.0
	DL		39,074	4,260	9.2	22,403	2,592	8.6	61,477	6,852	9.0
	IDL	Management Note 3	5,076	193	26.3	1,735	78	22.2	6,812	271	25.1
		Professionals	11,799	599	19.7	7,463	415	18.0	19,262	1,014	19.0
		Total	16,875	792	21.3	9,198	493	18.7	26,073	1,285	20.3

Note 1: Numbers of male and female employees were calculated as of the end of 2015.
Note 2: Hours Per Employee = Man-Hours/Number of Employees
Note 3: In Taiwan, "Management" is defined as employees with management responsibilities; in China, "Management" is defined as employees receiving management allowances.
Note 4: Includes employees working at Wistron NeWeb (Kunshan) Corporation (including NeWeb Service (Kunshan) Corporation), WNC (Kunshan) Corporation, WebCom Communication (Kunshan) Corporation–Kunshan Plant, WebCom Communication (Kunshan) Corporation-Nanjing Branch, and expatriates from the Wistron NeWeb Corporation Headquarters on assignment in China

Average Training Hours of WNC IDL Employees by Level and Gender in 2015

Taiwan

Unit: Hour

	61.3	39.7
	54.3	32.1
	Management	Professionals

China

Unit: Hour

	22.2	18.0
	26.3	19.7
	Management	Professionals

4.5 Employee Care

4.5.1 Occupational Health and Safety Management

Occupational Safety and Health Management Certifications for WNC Sites and Years They were Obtained

Certification	WNC (Taiwan)	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom Communication (Kunshan)
OHSAS 18001: 2007	2008[Note 1]	2012	2012	2012
Healthy Workplace Accreditation Certification from the Bureau of Health Promotion	2009	N/A	N/A	N/A
CNS 15506: 2011/TOSHMS (Taiwan)	2015	N/A	N/A	N/A
Safety Production Standardization Certification	N/A	2013	2013	2013

Note 1: In 2013, WNC (Taiwan) added staff dormitories related certification in OHSAS 18001.

WNC values the health and safety of all employees and has worked to establish a safe and healthy working environment. Besides establishing ESH policies, WNC carries out a broad range of risk assessments on work environments and manages changes in the production system to review the operations of the occupational safety and health system. An Occupational Safety and Health Committee has also been set up at the Taiwan headquarters according to the Occupational Safety and Health Act to periodically review the implementation results of occupational safety and health measures. The committee comprises 17 members who serve a two-year term; 10 of the members are drawn from worker representatives, representing over 1/2 of the committee members. Working as a communication platform between the upper- and lower-level employees of the organization, the committee continues to maintain and improve the organization's safety and health management.

In 2015, the key implementation items of WNC (Taiwan)'s occupational safety and health management includes the following:

■ Implemented preventive measures for new occupational diseases: Includes new occupational diseases such as those caused by human factors, work-related stress, and unlawful conduct in the workplace into the ESH policies to review potential risks and establish control measures and improvement plans.
— Human Factors hazard prevention plan: Relevant measures include performing classification management according to the identification results, arranging interviews with doctors on-site, observing workers' actual work situations, and offering seminars to promote health hazard prevention, strengthening exercises, and stretching exercises to reduce muscle injury and promote endurance.
— Work-related stress prevention plan: Doctors on-site will provide consultation for employees at high risk of work-related stress to check employees' physical and psychological situation. Professional doctors will then provide personal health guidance and other recommendations regarding work procedures and work hour adjustment.
— Prevention of unlawful conduct in the workplace: The company issues statements to emphasize that the

company adopts a "zero tolerance" principle toward unlawful conduct in the workplace and has established a reporting channel and handling procedure. We will organize relevant training and education courses regarding unlawful conduct in the workplace in 2016 to reinforce all employees' awareness of unlawful conduct in the workplace and understand the incident reporting and handling process.

■ Adjustment of the chemicals management measures: In response to the amendment to the Occupational Safety and Health Act, WNC strengthened the management of chemical products and conducts inventories and registration of chemical items and usage information. In addition, we also introduced management measures based on the risk level of chemical hazards and report to the competent authorities to ensure the safety and legality of the use of chemical products in WNC's plants.

■ S1 construction and renovation management plan: We began the construction and renovation management plan following the purchase of S1 in 2015. The main tasks included assisting major contractors in establishing the contractor association and introducing the site management system to complete the work-area management system and ensure the safety of the area.

■ Established the TOSHMS (Taiwan Occupational Safety & Health Management System) and obtained the certification: We adjusted the existing management procedures and strengthened occupational safety and health management in the plants following the management spirit of TOSHMS. In October 2015, we passed the third-party verification.

■ Added the "Hearing Protection Plan Standard Operating Procedure", which will be introduced to actual operations from the second quarter of 2016.

Pursuant to various occupational safety and health measures, WNC holds various education and training courses to enhance employees' awareness and skills related to occupational safety and sanitation to strengthen disaster prevention. The courses held in 2015 included the following:

■ Fire prevention training:
To shorten reaction time to emergencies, each WNC employee is organized into fire-prevention teams on a departmental basis, and WNC provides fire prevention training on a regular basis. Moreover, WNC also holds disaster management training and simulation exercises for areas under high risk of fire, such as kitchens, MIS computer rooms, and organic solvent operation rooms.

■ Training on the handling of chemical leakage and disaster simulations:
For the employees who conduct operations involving chemical, WNC organizes chemical-spill handling training and drills to enhance the employees' disaster prevention and response abilities.

■ Occupational safety and health management training for supervisors:
To further implement occupational safety and health management, WNC arranges occupational safety and health management training for high-level supervisors and first-line supervisors to strengthen their awareness of

Occupational Safety and Health Education and Training Statistics (Taiwan Headquarters)

Item	No. of Courses	No. of Participants
Fire Prevention Training	2	218
Simulation Exercises for Areas Under High Risk of Fire	2	35
Training on the Handling of Chemical Leakage	3	43
Occupational Safety and Health Management Training for supervisors	1	119
Fire Prevention Training	1	70
Whole-plant evacuation drill	2	1,929

management responsibilities. This training also helps develop knowledge and skills related to occupational safety and health management, helping promote the company's occupational safety and health-management programs.

■ Traffic safety awareness program and training:
Given the busy traffic in the Hsinchu Science Park area during rush hours, WNC implemented the traffic safety awareness program and training courses in 2015 to enhance employee safety when commuting. In addition to the

course featuring defensive driving, a training course on safe motorcycling was also offered in the fourth quarter. In the courses, professional safe-driving instructors were invited to give safe-driving related training to enhance driving skills and accident prevention knowledge.

- Plant-wide evacuation drill:

  To improve employees' ability to respond to emergencies and familiarize them with the evacuation routes in the plant, we held an earthquake drill in 2015. Participated by every employee, the drill enhanced the employees' response and evacuation ability during emergencies. In addition, the drill enabled us to review our response procedure and the completeness of the facilities, and we made adjustment in a timely manner to enhance the response ability and improve evacuation effectiveness.

Fire-prevention training	Fire-prevention training

To effectively maintain workplace safety and minimize employee health hazards, we evaluate workplace conditions semi-annually and announce the test results according to the Labor Operating Environment Measurement, which is related to the monitoring of carbon dioxide concentration and the illumination of the office, factory, and parking lots as well as the allowable limits and actual values of various types of chemical substances, organic solvents, dust, and noise in the special working area. A carbon dioxide monitoring system is installed extensively throughout office and factory areas. Employees can check the concentration of indoor carbon dioxide at any time in order to maintain safety in the operating environment. When employees discover or suspect that there is an unusual or emergency situation in the work area, in addition to contacting the Industrial Safety Office or staff at the Facility & ESH Department, they are also able to call the internal 24 hour emergency notification hotline "5110" to make a report.

The S1 plant, which is expected to begin operations in the second quarter of 2016, has gradually introduced the ESH management system and relevant disaster prevention facilities starting in the first quarter of 2016.

Labor safety measures at all WNC plants in China comply with the requirements of the "Law of the People's Republic of China on Prevention and Control of Occupational Diseases" and the "Law of the People's Republic of China on Air Pollution Prevention and Control". Environmental and hazardous-substance monitoring is also carried out in the workplace once a year. To improve employees' ability to respond to emergencies, all WNC plants in China have established fire emergency response teams. In addition, firefighting teams have also been set up and conduct monthly firefighting drills, disaster prevention exercises, and quarterly fire evacuation drills. Evacuation drills are also held in all dormitories every six months.

In October 2015, short-circuited power lines caused fire in a product testing laboratory on the third floor of the WebCom Communications (Kunshan) Corporation, igniting wave-absorbing materials on the inner walls of the laboratory. The fire caused damage to the interior decoration and the equipment of the laboratory, but no casualties were reported.

Occupational Safety and Health Education and Training Statistics (China)

Item	Kunshan Area Note 1		Nanjing Area Note 2	
	No. of Courses	No. of Participants	No. of Courses	No. of Participants
Fire Drill	12	141	1	110
Emergency Response Drill	4	4,100	NA	NA
Dangerous Chemicals	1	83	NA	NA
First-aid Personnel Training	3	31	NA	NA
Occupational Disease	1	35	NA	NA

Note 1: Kunshan area includes Wistron NeWeb (Kunshan) Corporation, WNC (Kunshan) Corporation (including NeWeb Service (Kunshan) Corporation), and WebCom Communication (Kunshan) Corporation
Note 2: Nanjing area includes WebCom Communication (Nanjing) Corporation

The occupational injury statistics for all WNC sites in 2015 are listed below:

2015 Occupational Injury Statistics for all WNC Sites

Item	WNC (Taiwan) Note 1		WNC (Kunshan) Note 2		Wistron NeWeb (Kunshan)		WebCom Communication (Kunshan)	
	Male	Female	Male	Female	Male	Female	Male	Female
Number of Disabling Injuries	0	1	7	2	2	1	0	0
Working Days Lost due to Injury	0	2	76	13	106	27	0	0
Injury Rate (I.R.) Note 3	0	0.07	0.24	0.11	0.12	0.11	0	0
Lost Day Rate (L.D.R.) Note 4	0	0.15	2.63	0.74	6.56	3.06	0	0
Occupational Diseases Rate (O.D.R.) Note 5	0	0	0	0	0	0	0	0
Absentee Rate (A.R.) Note 6	0.70%	0.80%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%

Note 1: Occupational injury records in Taiwan only include operations in the factory. Injuries occurring during commutes to work are not included.
Note 2: WNC (Kunshan)'s data included work-related accidents, occupational diseases, and absentee hours at NeWeb Service (Kunshan).
Note 3: Injury Rate (I.R.) = Number of Disabling Injuries/Total Working Hours × 200,000
Note 4: Lost Day Rate (L.D.R.) = Working Days Lost Due to Injury/Total Working Hours × 200,000
Note 5: Occupational Diseases Rate (O.D.R.) = Number of Occupational Diseases Cases/Total Working Hours × 200,000
Note 6: Absentee Rate (A.R.) = Total Absentee Hours (sick leave and personal leave)/Total Working Hours × 100%

4.5.2 Food Safety

WNC implements the following measures to provide safe, healthy, and nutritious drinking water and meal services for employees at WNC (Taiwan) and its locations in China:

- Periodic water quality tests of water dispensers
- Establishment of an employee meal service committee for reviewing caterer performance and monitoring food safety-related matters
- 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.
- Compilation of an ingredients-vendor list and strictly demand that on-site food service vendors not use food from unknown sources and that the food must be verified to conform to safety and health rules; WNC also performs non-regular inspections.
- WNC performs monthly inspections regarding food safety management and announces the findings of the kitchen safety and sanitation inspection.
- WNC provides employees with a safe, hygienic, and comfortable dining environment.
- WNC performed inspection of the food ingredients in the plant according to the list of unqualified food items published by the MOHW and pulled suspicious products from shelves in response to Taiwan's country-wide food-safety incidents in recent years; food items may be re-shelved only after they pass relevant safety inspections.
- Ingredients of the meals provided in the staff canteen are adjusted to reduce the proportion of fried foods; organic vegetables and olive oil are used, and on-site food-service vendors are advised to use more healthy ways of cooking for employees' safety and health.

Fruit Kiosk in WNC (Taiwan)

Café Bar in WNC (Taiwan)

Canteen in WNC (Taiwan)

4.5.3 Health Enhancement

To maintain the health of employees, the following measures are implemented at WNC (Taiwan):

- Professional health-care services:
  — In response to the growing number of employees, starting April 2015, the sessions for consultation with doctors on-site increased from three times to six times a month, with doctors being available for two hours during each session. The doctors provide health consultation services, assessment of work resumption and work allotment, and visits to special operations environments. The doctors currently working with WNC are specialized in occupational medicine and family medicine from Hsinchu Mackay Memorial Hospital.
  — Two nurses on duty to plan and administer health-promoting activities for employees as well as provide assistance with emergency care, wound care, disease discovery, health counseling, return-to-work assessments, and medical referrals. Meanwhile, in order to prevent occupational diseases, the nurses provide employees with assessment and consultation services regarding human factors and ergonomics, maternity health, and prevention on the hazards of excessive workloads. Also, a health center is provided to offer basic medical services.
  — In 2015, given the growing epidemic of the Middle East Respiratory Syndrome Coronavirus (MERS), the nurses promoted awareness about the mandatory communicable disease through an internal website, helping employees better understand MERS and learn self-protection measures.
- Health examinations:

  — Health examinations for new hires and annual health examination for all employees are conducted to remind employees to monitor their health. The examination reports also enable the employees to compare the results from the previous year and review health conditions and to further adjust their lifestyle according to the results if desired. WNC's health-examination items surpass the items required by regulations. An additional health examination for employees who perform special tasks is performed annually in order to

  discover any issues endangering health or potentially causing disease. The health examination participation rate for 2015 was 98.5%, and the average health examination participation rate from 2011 to 2015 was 98%.
  — To assist employees in understanding their health condition and avoid disease progression, protective measures are taken according to the health examination results. One-on-one consultations provided by hospital physicians concerning health-exam results are also provided to remind and assist employees to track health issues and follow up on them.
  — The examination also provides women's cancer screening for the early detection and treatment of cancer.

- Abnormal health-examination results improvement campaign:

  — In response to the 2014 health examination items in which more employees received results indicating abnormalities in health factors such as the Body Mass Index (BMI), cholesterol levels, and Triglycerides, we held a series of health improvement campaigns for employees to sign up for.
  — In June 2015, we began to help employees improve their

health by organizing customized seminars and campaigns on themes such as fitness tests and improvement indicators, hoping to assist employees in enhancing their health through continuous exercises and by changing their diet. The nurses also help employees track health issues and follow up on them.

— Blood lipid abnormality improvement campaign: 149 colleagues participated in the campaign from June to July 2015. According to the comparison between the health examination results at the end of July 2015 and those of 2014, we found an improvement of 50%; in other words, one in two employees have recorded a better blood lipid status.

■ Sports and Stress Relief:

— Establishment of a company gym, aerobics studio, and game room.

— Various low-cost courses are offered in the aerobics studio including kickboxing, tai chi, yoga, and dance classes. All courses are taught by professional teachers.

— Free professional massages are offered Monday through Thursday in the evening, helping employees relieve stress.

As a continuation of the four major themes of health and sustainability, exercise fitness, women's health, and epidemic prevention in 2015, WNC (Taiwan) added the theme of occupation diseases prevention, holding 22 health enhancement activities, including activities, seminars, and health examinations.

All colleagues of WNC China sites were required to undergo general health examinations when joining WNC. In addition to such examinations, based on the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, colleagues in China performing special tasks with potential risks of occupational diseases are required to conduct extra related examinations when undertaking, performing, and terminating those tasks. We also set up a health information bulletin board that highlights new topics monthly, announcing police and other activities related to mental and physical health and reminding employees to pay more attention to personal health care. In December 2015, we organized a seminar on the theme of health and healthy living. A total of 44 employees participated in the lecture given by Miss Peiqi Shen, senior health management accelerator from the Preventive Medicine Center of Taichung Tzu Chi Hospital.

In April 2015, WNC (Taiwan) held a blood donation activity for the first time, in which 92 employees donated 108 units of blood. WNC later received a certificate of appreciation from the Blood Center. In line with the local government organizations and hospitals, the China sites also encourage employees through public announcements to participate in blood donation. In June 2015, a total of 199 colleagues participated in the blood donation activity.

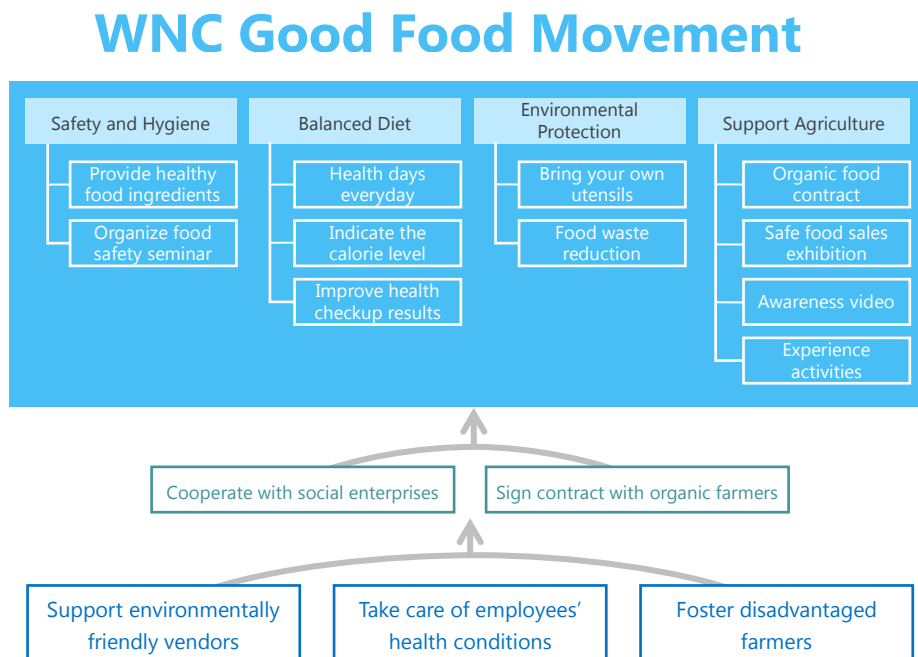| "Healthy Living" seminar	Certificate of appreciation from the Blood Center	Health information bulletin board

4.5.4 Good Food Movement

Outsiders always believe in the stereotype that those working in the field of technology put their health at risk due to long work hours, irregular meals, and always eating out. Wistron NeWeb Corporation hopes to take care of its employees starting from the basics, in order to build a healthy, friendly work place. Thus, we have planned a series of Good Food Movement events in hopes to provide colleagues with healthy cuisine, build good eating habits, and actively contribute to a healthy, happy work environment.

WNC Good Food Movement

Safety and Hygiene	Balanced Diet	Environmental Protection	Support Agriculture
Provide healthy food ingredients	Health days everyday	Bring your own utensils	Organic food contract
Organize food safety seminar	Indicate the calorie level	Food waste reduction	Safe food sales exhibition
	Improve health checkup results		Awareness video
			Experience activities

Cooperate with social enterprises   Sign contract with organic farmers

Support environmentally friendly vendors	Take care of employees' health conditions	Foster disadvantaged farmers

Organic Food Contract, Health Days Everyday

Starting in December 2013, WNC contacted various independent farmers from Yuanli, Miaoli through the Buy Nearby organization and signed long-term organic food supply contracts. The farmers cultivate organic vegetables, which do not harm the land nor the human body. Contract farming also ensures that farmers earn steady, reasonable income for their produce. All organic vegetables pass certification by the Harmony Organic Agriculture Foundation, or farmers submit residual testing reports by third-party testing organizations to ensure that only the healthiest produce is supplied to us.

Starting in February 2014, the lunch, dinner, and midnight snacks which catering companies make each Thursday and Friday contain organic produce provided by farmers. This includes leafy vegetables, melons, and gourds. In order to preserve the natural freshness of these organic vegetables and produce, they undergo the standard three sink washing procedure first in the kitchen before they are lightly prepared/processed at low temperatures with organic cold-pressed olive oil. The proportion of fried and processed foods was also reduced so that colleagues had more opportunities to sample healthy, light cuisine. Statistics showed that in 2014, more people ate during health days each month, which indicated that colleagues had affirmed and were supporting the two days of healthy eating each week. Therefore, starting July 2015, we increased the two days of healthy eating to every day and expanded the scope of cooperation and the number of independent farmers in order to enhance the diversity of ingredients and the stability of the supply.

In order to enhance the understanding of independent farmers for the preservation and delivery of organic produce, in January 2016 we invited the President of Yongyeh Argo Co. to WNC. With his extensive experience, he explained to the independent farmers the receiving standards as well as the issues that farmers usually encounter during the harvesting, preservation, and delivery of common vegetables, helping independent farmers improve their farming quality and solve the preservation and delivery issues of ingredients.

Promotion of Healthy Diets

With the multitude of food safety issues emerging, colleagues are concerned that healthy eating is now more than just selecting and cooking produce. Learning more about food/produce, selecting food/produce, correct consumption of food/produce, and establishing good eating habits are all topics of concern to our colleagues. Thus, in addition to planning a series of food safety related seminars, we have also introduced a "Food Safety Knowledge" Section in our internal website in July 2015 to announce news about the Good Food Movement and provide food-safety related news, knowledge, and resources. Also, former president of the Homemakers Union Consumers Co-op, Miss Yang Mei-ssu, was invited as the consultant and editor of the section.

Food Safety Courses for On-site Food-service Vendors

In October 2015, we held a food safety course for our on-site food-service vendors to acquaint them with the cooking methods of organic produce they may be unfamiliar with. The course involved all employees from our on-site food-service vendors and independent farmers. Miss Yang Mei-ssu, former president of the Homemaker's Union, taught the course. Aside from introducing the traits of organic produce, she shared ways to cook dishes quickly while using minimal oils, sugars, and salts. She also assisted catering companies in designing menus, which were nutritionally balanced yet rich in variety.

4.5.5 Employee Welfare Committee

WNC has established an Employee Welfare Committee to assist with overall planning. Employee representatives elected by the employees themselves and the management team coordinate the use of employee welfare funds to further improve management/employee relations. The annual employee welfare budget is derived from 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 quality-of-life improvement. In 2015, a wide variety of activities were offered including:

- Company-wide events: Includes the year-end party, lantern-festival riddle contest, dragon boat festival zongzi-wrapping activity, a parent-child resemblance contest, the Mid-autumn Festival party, a flea market, and a Christmas activity
- Cultural activities: 30 events including lectures on motivation, home refurbishments, wealth management, Zentangle, and arts-and-crafts DIY classes
- Department trips and outings: In addition to department-held outings or gatherings, WNC (Taiwan) held 2 one-day employee outings to the Houtong Cat Village and "Huei Shiang Organic Life Farm".
- Exercise courses: Aerobics, Tai Chi, and Yoga courses; five sessions were held with each session containing 10 classes. A total of 498 people participated in these activities in 2015

4.5.5 Employee Welfare Committee

In 2015, WNC plants in China hosted the following events, including:

- Festival events: gatherings were held in May, July, November, and Year-end to celebrate the corresponding occasions.
- Sporting events: Badminton competition, basketball competitions, and the Sixth Integrated Free Trade Zone Badminton Competition.
- Entertainment events: Employee Family Day, firefighting skills contest, soldering activities, Chinese New Year celebration activities, cultural performances, prize quizzes, arts-and-crafts DIY classes, and Christmas celebration activities.

WNC encourages all of its employees to take advantage of the subsidies and incentives available and participate in its activity clubs. There are 10 major clubs at WNC, including a mountaineering club, golf club, basketball club, softball club, badminton club, table tennis club, football club, tennis club, music club, and cycling club. Each club has a fixed meeting or practice schedule and hosts all types of activities non-periodically in the company. A running club is expected to be established in 2016.

In 2015, activities hosted by each club were as follows:

- Mountaineering club: Yushan (mountain) main peak climbing, spring hiking at Manapan Mountain, and a walking tour at Yangmingshan National Park
- Golf club: Meets monthly and hosts semi-annual WNC Cup golf tournaments in the middle and at the end of the year
- Basketball club: Meets every Wednesday and hosts the WNC Cup basketball competition
- Softball club: Participated in the 2015 WNC Cup and won third place in the Zhubei City Softball Cup
- Badminton club: Badminton competition in Hsinchu Science Park
- Table tennis club: Participated in a competition in the Hsinchu Science Park
- Music club: WNComing recital and the Second Tadpole Music Festival
- Cycling club: Cycling at Nei-wan

4.5.6 Recreational and Sports Equipment

WNC offers its employees a gymnasium with a range of exercise facilities, an aerobics room, reading room, Art Corridor and the Sunshine corridor. The gymnasium is equipped with a variety of exercise and fitness facilities. Employees are encouraged to use the gym during their lunch breaks and after work-hours. Shower and changing rooms are available for employees to freshen up after exercise to regain energy. The aerobics room serves as an aerobics lesson room and is also used for department activities. The spacious reading room contains many types of magazines, books, and newspapers. The Art Corridor adjacent to the reading room exhibits works by local Taiwanese artists. The Sunshine Corridor posts pictures of company activities. A complete and multi-functional living center "Qi Yuan" is provided at the employee dormitory in China. In addition to catering services and a supermarket, there is also an electronic library and other recreational facilities. This encourages employees to promote their health during their spare time. Also, a spacious badminton court, basketball court, table tennis room, and billiards room are offered on the site.
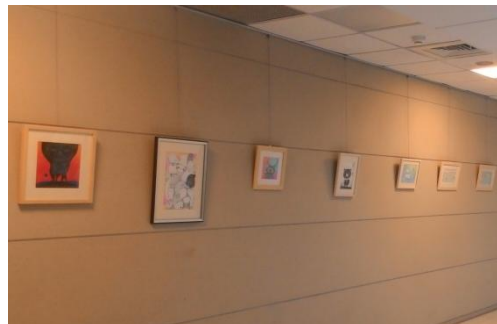
WNC (Taiwan) gymnasium

WNC (Taiwan) aerobics room

WNC (Taiwan) Art Corridor

WNC (Taiwan) Art Corridor

Supermarket at one of the China sites

Badminton court at one of the China sites

05

Cherishing Natural Resources

Green Products
Environmental Management
Energy Management
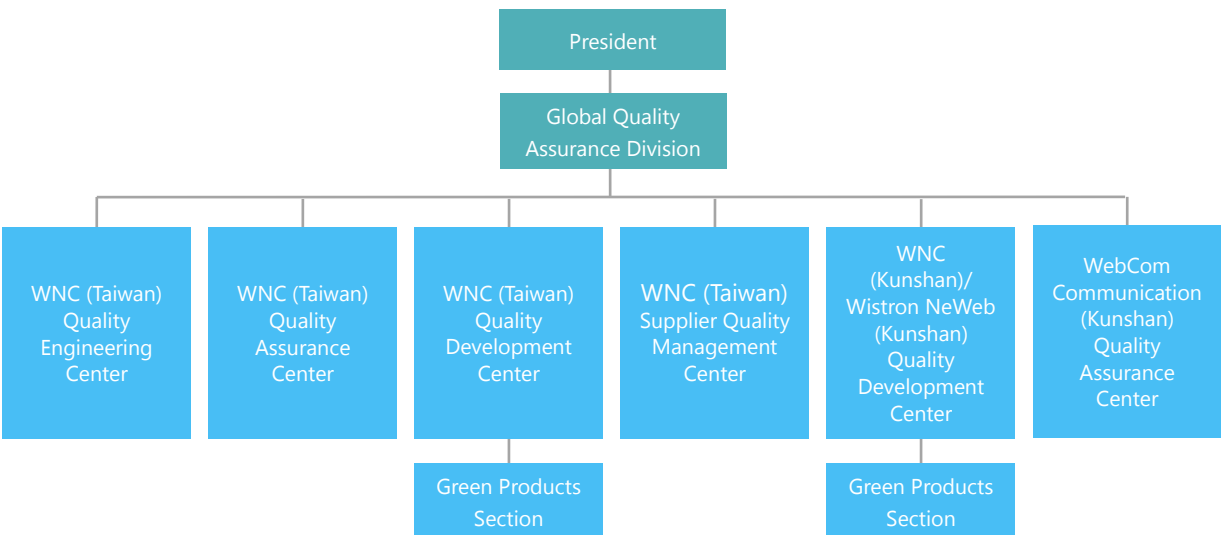**Carbon Emissions Management**

WNC pays close attention to global environmental protection issues. Apart from observing local acts and regulations at each operations site and establishing environmental and green-product management systems with suppliers based on customer requirements, we have also realized energy conservation and carbon reduction in the work environments to ensure the effective use and management of limited resources. In addition, we have also formulated the ESH management policies listed below to implement measures and carry out internal and third-party audits at fixed, annual intervals to ensure that we meet ISO 14001 and IECO QC 080000 related regulations.
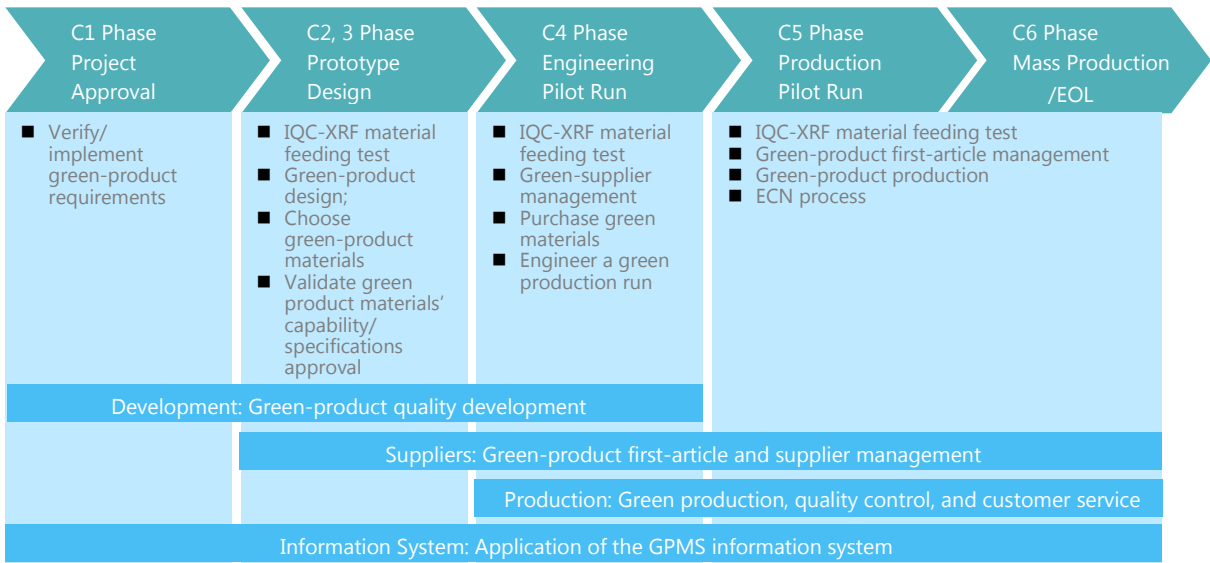
5.1 Green Products

5.1.1 Green Management

In August 2011, WNC established a green-product section tasked with coordinating all internal and external matters relating to green products and to effectively monitor the environmental-product-development management process (such as assisting each unit on product design, manufacturing, and shipping). The section's responsibilities include evaluation and execution of compliance with international laws, regulations, and customer environmental-protection directives, promotion of green-product continual improvement initiatives, control of hazardous substances, and auditing of green products, management of suppliers, and ensuring the effectiveness of WNC's green policies implementation.

Green Product Management Organization

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                        President
                            │
               Global Quality Assurance Division
                            │
 ┌───────────┬───────────┬───────────┬───────────┬───────────┬───────────┐
WNC (Taiwan)  WNC (Taiwan) WNC (Taiwan) WNC (Taiwan)  WNC        WebCom
Quality       Quality      Quality      Supplier     (Kunshan)/  Communication
Engineering   Assurance    Development   Quality     Wistron     (Kunshan)
Center        Center       Center       Management   NeWeb       Quality
                                        Center       (Kunshan)   Assurance
                                                     Quality     Center
                                                     Development
                                                     Center
                            │                            │
                      Green Products               Green Products
                        Section                      Section
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Green Product Management Process Flow

C1 Phase Project Approval	C2, 3 Phase Prototype Design	C4 Phase Engineering Pilot Run	C5 Phase Production Pilot Run	C6 Phase Mass Production /EOL
■ Verify/ implement green-product requirements	■ IQC-XRF material feeding test ■ Green-product design; ■ Choose green-product materials ■ Validate green product materials' capability/ specifications approval	■ IQC-XRF material feeding test ■ Green-supplier management ■ Purchase green materials ■ Engineer a green production run	■ IQC-XRF material feeding test ■ Green-product first-article management ■ Green-product production ■ ECN process	

Development: Green-product quality development

Suppliers: Green-product first-article and supplier management

Production: Green production, quality control, and customer service

Information System: Application of the GPMS information system

5.1.2 Eco-Design

The EU Energy-related Products directive (ErP, 2009/125/EC) is an eco-design regulatory framework for all energy-using related products entering the EU market. Its scope encompasses a product's complete lifetime including design, production, packaging, transportation, use, and disposal. Its purpose is to raise the product's energy and resource efficiency and reduce pollution.

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 and in 2010 set up training for Energy-related Product (ErP) Directives. 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 analysis) 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.

5.1.3 Hazardous Substances Management

Awareness of the need for environmental protection has increased worldwide, and manufacturers now attach great importance to sustainable operations. In response to the requirements of international environmental-protection directives and standards for the restricted usage of environmentally hazardous substances from specific customers, WNC set up its Green Product Restricted Substances Management Procedures and Restricted Usage of Environmentally Hazardous Substances and established a control list of hazardous substances to strictly require all suppliers to follow. The suppliers are also required to sign the Supplier Statement on Non-Use of Environmentally Hazardous Substances. Suppliers are then required to guarantee that products and parts supplied (including bundled accessories, packaging, and other materials) comply with the regulations stated in the Restricted Usage of Environmentally Hazardous Substances and that products meet all relevant international directives such as RoHS, WEEE, REACH, ErP, the European Battery Directive and the non-use of conflict minerals as well as WNC's prohibitions of substances harmful to the environment.

In addition to managing materials within factories and raw materials in the manufacturing processes through the supplier side, WNC also 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 to the end of the production process. In line with lead-free processes and halogen-free product manufacturing trends, WNC has implemented lead-free processes in 2006 according to customers' requests. WNC has also enforced halogen-free standards in production processes to reduce their environmental impact. We are also using green purchasing and communications to work with our suppliers on meeting international environmental standards. Every effort is made to provide customers with design and manufacturing services that are energy-saving, toxin-free (or of low-toxicity), low-polluting, and that use recyclable materials.

IECQ QC 080000 Certification

WNC (Taiwan) and the China sites have earned the hazardous substances procedure management standard IECQ QC 080000 certification, which is developed according to the electronic component evaluation from The International Electrotechnical Commission (IEC). It is established based on ISO 9001, TL 9000, and ISO/TS 16949 management with process-orientated method to reduce or eliminate the hazardous substances in products and to further systemize hazardous substances management to reduce or avoid hazardous substances and comply with RoHS and WEEE or other customer needs.

WNC Green Product Directives Development

WNC complies with the "Hazardous Substances Management Procedure for Green Products" in the product development phase to ensure that they meet the EU RoHS (2011/65/EU) regulation, the REACH SVHC (Substances of Very High Concern) regulation, the EU Battery Directive (2006/66/EC), the EU Directive of Packaging and Packaging Waste (94/62/EC), the EU PFOS Directive (2006/122/EC) and the restriction and limitation on the use of hazardous substances as required by customers. In 2015, WNC's products did not violate any green-product Directives.

SONY's Green Partner Certification

WNC (Taiwan), Wistron NeWeb (Kunshan), and WebCom (Kunshan) were honored with Sony's Green Partner certification starting from 2007 and has, to date, passed all subsequent annual inspections. This signifies WNC's efforts on hazardous substances management has been recognized by many of our customers.

Green Product Management System (GPMS)

Suppliers use the Green Product Management System to upload their product ingredients analysis report, inspection results, and warranty-card-related documents. WNC's procurement units and quality-management units can efficiently check in a timely manner if materials comply with a customer's restrictions on hazardous substances. Project managers can also acquire the product material information and ensure the performance of the green supply chain.

5.2 Environmental Management

WNC ESH Management Policy	- In compliance with government policy and in coordination with ESH Management System directives, promote environmental protection and the prevention of occupational diseases to provide employees with a safe and healthy work environment. - All employees must work in a concerted effort to design and manufacture green products with superior quality and minimize the impact and damage these products cause to the environment as much as possible to fulfill customer demands and help protect the environment. - Continue to strengthen mechanisms for the prevention of environmental pollution, increase energy efficiency, and implement appropriate control and reduction measures to lessen the impact on the environment. - Continue to implement the workplace health management system and maintain good practices in the prevention of contamination and occupation-related illness. Adopt a "zero tolerance" principle toward unlawful conduct in the workplace to maintain the physical and mental health of employees. - Reinforce all employees' ESH awareness and accountability, and provide appropriate communication and consultation channels and participation mechanisms to ensure the effective operation of the ESH Management System.

5.2.1 Environmental Management System

WNC has worked to establish a safe and healthy working environment. In addition to establishing ESH policies, WNC focuses on its employees' education and the execution of our health and safety regulations. WNC sets up an ESH examination committee 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. WNC (Taiwan) and all plants in China have now received ISO 14001:2004 and OHSAS 18001:2007 certifications. WNC continues to advance and updates the workplace environment in order to comply with the standards.

The WNC headquarters has established management targets and implementation objectives for reducing and recycling waste, wastewater, and carbon emissions. The recycling rate of waste is calculated using the current year as the base year, whereas the results of the wastewater reduction and carbon emissions reduction use 2011 as the base year. WNC conducts yearly evaluations of target-achievement rates and proposes yearly management programs/strategies. Refer to the table below for information compiled based on WNC's environmental-management targets and the results of the most recent 5 years.

WNC Headquarters Environmental-Management Targets and Effects

Aspect	2016 Target	2015	2014	2013	2012	2011	Measures
Waste reduction	Waste recycling rate: 70%	67%	70%	62%	59%	57%	■ Reuse package materials and reinforce the recycling process. Reduce the use of single-use items. ■ Continue sorting the office and factory-area waste to improve the value of the recycled items.
Waste water reduction and recycle	Reduce 6% of the 2011 wastewater	31.50% reduction	14.10% reduction	9.30% reduction	3.20% reduction	N/A	■ Recycle rain water and reduce irrigation water. ■ Promotion of reducing daily water use ■ Recycle wastewater produced from facilities/equipment
Carbon emission reduction	Reduce 6% of the 2011 GHG emission	27.11% increase	4.38% increase	12.93% reduction	14.2% reduction	9,697	■ Reinforce electricity management to reduce consumption. ■ Air-conditioning control ■ Promotion of low-carbon living style. ■ Replace lighting of the office, public, area, and factory area. ■ Replace old facilities and improve the system. ■ Plan to add new inverter compressor in 2015 for improving the electricity efficiency.
	Due to the expansion of the production capacity, the figures are presented in terms of emission intensity.	20.00% reduction	13.30% reduction	20.00% reduction	3.30% reduction	N/A	

Note: Waste liquid and mixed metal are not included in the "Regulated Recyclable Waste" specified by the Environmental Protection Administration and therefore are not included in the calculation of the recycling rate.

5.2.2 Packaging Materials Management

WNC takes great effort to develop and manufacture green products that comply with environmental-friendly requirements of low toxicity, low pollution, energy efficiency, low resource consumption, and easy recyclability. Even in the final packaging and delivery stage, recyclable materials such as paper or plastics are utilized, including corrugated fiberboard, EPE foam, bags, labels, brochures, paper pulp box, and bubble wrap. WNC prohibits all use of the certain substances (BP, Cod, Hg, Cr6+, PBB, and PBDE) in line with RoHS standards on packaging materials. 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 and also contracts with qualified waste disposal companies.

In response to customer requirements, while promoting sustainable forest management, the WNC headquarters began using paper products with the FSC[®] Chain-of-Custody (FSC[®] CoC) certification issued by the Forest Stewardship Council (FSC), expecting the organized and systematic forest-management and supply-chain monitoring can help WNC ensure

that the paper products used for package boxes, paper bags, labels, and other printing materials are all made from wood from certified planted forests. Thus, more forests can be appropriately protected and managed. WNC obtained FSC® CoC certification in March 2015.
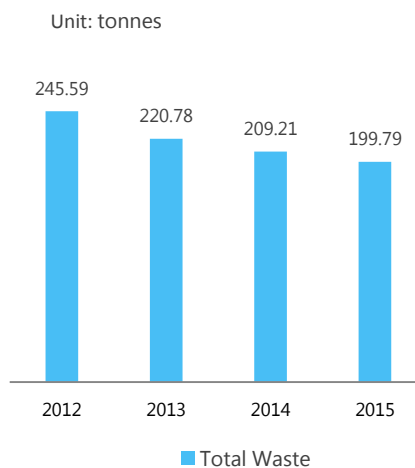
5.2.3 Emissions Management

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, pollutants from operations such as waste gases, wastewater, undesirable noise, or toxic substances are relatively rarely generated. In addition, except for CO_2 exhaust due to power consumption, there are no other air pollutants generated (such as NO_X and SO_X). As for the 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 and regularly inspects its waste treatment plant to ensure proper operation. Furthermore, WNC implements all applicable pollution prevention tasks in a positive feedback cycle under its well-prepared management system.

5.2.4 Recycling and Waste Management

When handling waste, WNC conducts waste sorting and reduction operations and has established qualified waste-storage areas. Waste is also handled by authorized waste-cleanup vendors. In 2014, WNC began conducting on-site audits every two years of vendors handling hazardous industrial wastes. The elements of the audit include the carrying operation of cleaning trolleys, storage facilities, handling facilities, and document verification. Vendors were ranked based on the results and WNC communicates with the vendors based on the results and requires that the vendors propose measures accordingly. The ranking and the corresponding measures for improvement are as follows:

Total Waste Generated in WNC (Taiwan) during the Most Recent Four Years

Unit: tonnes

- Rank A (score ≥ 80): Continue cooperation; the vendor is awarded precedence over others when renewing the next waste-management contract.
- Rank B (score 65–79): Included on a watch list; WNC shall request the vendor improve its practices and will increase the frequency of audits.
- Rank C (score < 65): WNC shall search for other vendors and then terminate the cooperation with these current vendors to reduce risk.

The total weight of waste produced at the WNC headquarters in 2015 was 199.79 tonnes, which is 4.5% lower than 2014. The total weight of waste produces at all WNC China sites is 1,993.26 tonnes. Details for each site are available in the table below.

2015 Waste Material Total Weight and Their Processing Modes at WNC (Taiwan) (Unit: Tonnes)

Waste Category [Note 1]	Total	Re-use	Incineration	Landfill	Recycled
General Waste	**53.09**	9.87	2.65	40.57	0
Hazardous Waste	**98.18**	1.86	56.99	39.33	0
Recyclable Waste [Note 2]	**48.52**	0	0	0	48.52
Total Waste	**199.79**	**11.73**	**59.64**	**79.9**	**48.52**

Note 1: Waste is categorized based on their processing modes.
Note 2: WNC (Taiwan) disposes of recyclable waste according to regulations specified by the Recycling Fund Management Board.

2015 Waste Materials Total Weight and Their Processing Modes in China (Unit: Tonnes)

Waste Category	WNC (Kunshan)/Wistron NeWeb (Kunshan)					WebCom Communication (Kunshan)				
	Total	Re-use	Incineration	Landfill	Recycled	Total	Re-use	Incineration	Landfill	Recycled
General Waste	**1,020.5**	0	0	127.8	892.8	**180.8**	0	0	109.5	71.3
Hazardous	**178.8**	0	21.0	0	157.8	**0**	0	0	0	0
Total Waste	**1,199.3**	**0**	**21.0**	**127.8**	**1,050.6**	**180.8**	**0**	**0**	**109.5**	**71.3**

In 2015, WNC (Taiwan) and locations in China handled waste and recycling according to local regulations and did not experience any significant pollution incidents or receive any penalties or fines for violations of environmental protection regulations.

5.2.5 Environmental Expenditure

Environmental Expenditures at the WNC Headquarters during the Most Recent Three Years

Item	WNC (Taiwan) (Unit: NT$)			WNC (Kunshan)/ Wistron NeWeb (Kunshan) (Unit: CN¥)			WebCom (Kunshan) (Unit: CN¥)		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
ISO 14001 certification fee	152,395	183,709	117,954	38,000	19,400	19,400	20,000	10,000	10,000
Environmental consultant/education and training fee	--	16,961	84,000	--	--	--	--	--	--
Environmental administrative fees	7,500	2,500	0	31,840	--	--	57,032	--	--
LED lighting replacement in public areas	1,622,088	1,622,088	1,216,564	171,942	464,702	154,500	36,240	299,937	41,833
Sewage treatment fee	1,018,726	871,313	577,594	348,179	299,364	201,822	285,355	272,640	302,347
Waste gas/water verification/ measurement cost	37,200	17,600	33,106	47,500	6,180	4,000	6,600	3,560	2,000
Waste cleaning cost [Note 1]	1,227,734	752,303	1,014,336	130,913	135,855	101,887	30,000	42,600	42,000
Air pollution cost [Note 2]	173,210	142,422	84,181	--	--	--	--	--	--
Maintenance cost for air-pollution prevention equipment [Note 3]	143,850	25,725	110,775	--	--	--	--	--	--
Total	**4,382,703**	**3,634,621**	**3,238,510**	**768,374**	**925,501**	**481,609**	**435,227**	**628,737**	**398,180**

Note 1: Waste cleaning cost: the total cleaning cost for waste-chemical liquids and other waste
Note 2: Air-pollution cost is a newly listed item.
Note 3: Air-pollution prevention equipment: total cost for replacement of activated carbon and scrubber maintenance cost

5.3 Energy and Resources Management

5.3.1 Energy and Resource Usage

Electricity

The primary source of energy for WNC's Taiwan and China plants is electricity. In Taiwan, a small amount of diesel is used during the Taiwan Power Company's annual maintenance operations or during an outage for emergency generators in Taiwan. Low winter temperatures in China, however, meant that diesel was also used for heating. The main-entrance guard house at WNC headquarters is equipped with three small wind-driven generators to provide energy for lighting, signage, and air conditioning. WNC (Taiwan) and its China plants' consumption of electricity and diesel during these three years are shown in the following table. Due to the increasing production capacity of the WNC headquarters and the China sites, the total power consumption since 2012 has also shown a year-on-year growth. The total power consumption in 2015 was 29.7% higher compared to 2014.

Primary Energy Consumption Statistics in WNC (Taiwan) and China Plants

Site	Electricity (GJ)			Diesel (L)		
	2015	2014	2013	2015	2014	2013
WNC (Taiwan) Note 1	84,287	64,981	57,686	1,645	606	606
WNC (Kunshan) Note 2	74,208	64,883	58,374	47,112	58,764	64,900
Wistron NeWeb (Kunshan)	74,682	49,998	44,288	11,800	27,140	54,280
WebCom (Kunshan)	16,700	18,028	19,333	64,723	38,940	50,221
WebCom (Nanjing)	757	750	824	0	0	0

Note 1: WNC (Taiwan)'s electricity statistics are based on the billing-cycle dates.
Note 2: WNC (Kunshan)'s data included power consumption at NeWeb Service.

Water

WNC uses tap water whose main source of supply is the Baoshan Second Reservoir in Hsinchu. Since WNC is involved in a technology-intensive R&D industry, no water waste is generated during its production processes, and all wastewater discharged is from domestic sewage. The WNC headquarters complies with the "Regulation for the Use and Management of Wastewater Treatment and Sewage System in the Science-based Industrial Park" and discharges wastewater into the Hsinchu Science Park sewage systems and sewage treatment plant. The plants located in Kunshan, China discharge wastewater in accordance with regulatory provisions to the Kunshan sewage treatment plant, and these treatment approaches do not have any significant impact on water sources. The total water consumption, total wastewater, and average wastewater per person at WNC (Taiwan) and the China plants during the most recent three years are shown in the table below.

Total Water Consumption/Wastewater Statistics in WNC (Taiwan) and China Plants During the Most-Recent Three Years (m^3)

Site	Total Water Consumption			Total Wastewater			Average Wastewater Per Person[Note2]		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
WNC (Taiwan)	82,372	72,438	62,218	20,743	26,017	27,473	7.8	11.43	14.14
WNC (Kunshan)[Note 1]	135,127	137,063	95,203	67,563	68,532	47,601	15.1	20.57	17.60
Wistron NeWeb (Kunshan)	132,613	93,217	69,904	66,306	46,609	34,952	27.5	18.45	15.90
WebCom (Kunshan)	23,060	27,088	36,311	11,530	13,544	18,156	10.1	6.29	6.72
WebCom (Nanjing)	1,890	1,838	1,840	919	1,002	1,227	8.6	8.35	9.43

Note 1: WNC (Kunshan)'s data included power consumption at NeWeb Service.
Note 2: Average Wastewater Per Person = Total Wastewater/Total Employees; the total employees in 2015 include dispatch workers and contract employees.

Electricity and Water Use Intensity

The continued implementation of water conservation by WNC (Taiwan) has reaped results; therefore, despite much increase in the number of DL and IDL employees, the electricity-use intensity and water-use intensity of WNC (Taiwan) in 2015 have dropped compared to those of the previous two years.

- Electricity-use Intensity = Total Electricity Consumption (GJ)/Operating Revenues of WNC (Taiwan) (NT$ million)
- Water-use Intensity = Total Water Consumption (m^3)/Total Employees

Wastewater Output at WNC (Taiwan) During the Most-Recent Three Years

Unit: tonne
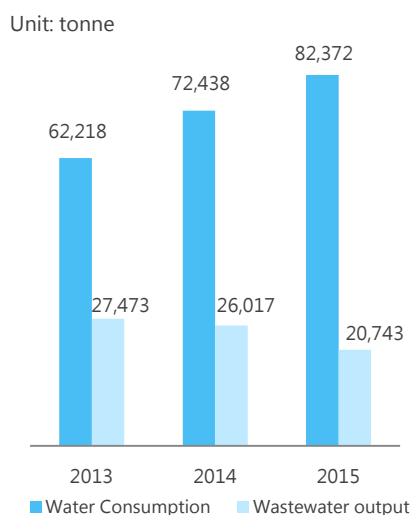
Electricity Use Intensity and Water Use Intensity at WNC (Taiwan) over the Past Three Years [Note]
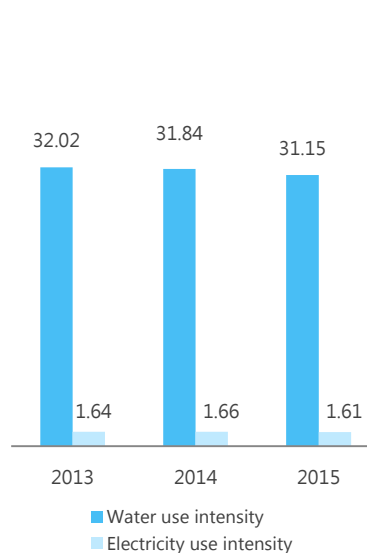
Note: The total employees in 2015 include temporary workers and contract employees.

5.3.2 Effects of the Energy Conservation Measures

In addition to actively enhancing the resource efficiency of our product design, WNC is implementing research and production processes, energy conservation, and carbon-reduction concepts into the entire working environment at WNC's locations. These processes include recording and analysis of the daily energy consumption, improvement in the use of electricity, improvement in the pipeline/distribution line project, improvement and replacement of old facility equipment, as well as the implementation of various energy-saving programs. The WNC headquarters began improving its energy saving measures for the ambient lighting in the fourth quarter of 2013. In 2014, all lighting equipment in the office areas, public areas, and the plants were replaced with LED lamps, saving approximately 2,162 GJ of electricity in 2015, which accounts for 2.6% of the site's total electricity consumption. In response to Article 8 and Article 9 of the "Energy Administration Act" regarding the provision on compulsory energy saving, WNC set its energy-saving target of reaching an annual rate of 1% during the next five years, beginning from August 2014. Due to WNC's capacity expansion in 2015, the annual energy-saving rate of 1 % was not met; however, we will formulate new energy-savings plans after S1 commences operations to achieve the target.

As for water usage, Taiwan is a water-poor region according to global water resource standards. WNC's water management measures take two main forms: (1) water consumption reduction and (2) recycling and reuse. In addition to increasing employee awareness of water conservation, we have also been studying and implementing various water-saving measures. Currently we recycle air-conditioning condensation, rainwater, and reflow from the cooling water, and starting August 2015, WNC (Taiwan) began recycling and reusing the RO water from the drinking fountains provided on each floor. As of the end of 2015, approximately 669 tonnes of RO water has been recycled at WNC (Taiwan). We expect to introduce the same measure upon the completion of S1 in 2016.

The Effects of WNC's Energy Saving Measures at Different Sites

	⚡ **Energy-saving and Carbon Reduction**	💧 **Water Conservation**
WNC (Taiwan)	■ All of WNC (Taiwan)'s illuminations were replaced with LED lights. In 2015, approximately 2,162 GJ [Note 2] of electricity was saved, which accounts for 2.6% of the plant's total electricity consumption.	■ The total amount of recycled water in 2015 was approx. 32,791 tonnes [Note 3], including approx. 27,694 tonnes of air-conditioning condensation, approx. 4,428 tonnes of reflow from the cooling water, and approximately 669 tonnes of RO water from the drinking fountains. The recycled water is used for the cooling tower, plant watering, and toilet cleaning on each floor. Total water consumption comprised 39.8% recycled water. ■ The total amount of recycled rainwater was approx. 1, 518 tonnes [Note 4].

WNC (Kunshan)	■ Lighting fixtures of the office area, public area, the production lines, and the street lights outside the plant area were replaced with LED lights, saving approx. 3,859 GJ of electricity in 2015, which accounts for 5.2% of the plant's total electricity consumption. ■ Introduced heat recovery systems in August 2014 to perform dehumidification in summer and eliminate the need to purchase diesel fuel in winter; WNC (Kunshan) Corporation reduced its diesel consumption by 19.8% compared to its diesel consumption in 2014. ■ Cooling towers and fans are installed with temperature-control and frequency-conversion features, saving approx. 258 GJ [Note 5] of electricity, which accounts for approx. 0.4% of the plant's total electricity consumption.	■ Approx. 4,536 tonnes of air-conditioning condensation has been recycled, totaling 3.4% of the total water consumption in 2015. ■ Introduced the recycling of reclaimed water and recycled approx. 4,770 tonnes of water, which is 3.5% of the plant's total water consumption.
Wistron NeWeb (Kunshan)	■ Lighting fixtures in the production lines and the streetlights outside the plants were replaced with LED lights, saving approx. 658 GJ of electricity in 2015, which accounts for 0.9% of the plant's total electricity consumption. ■ Introduced heat recovery systems in August 2014 to perform dehumidification in summer and eliminate the need to purchase diesel fuel in winter; Wistron NeWeb (Kunshan) Corporation reduced its diesel consumption by 56.5% compared to its diesel consumption in 2014.	
WebCom (Kunshan)	■ Lighting fixtures in the production lines and the streetlights outside the plants were replaced with LED lights, saving approx. 3,073 GJ of electricity in 2015, which accounts for 18.4% of the plant's total electricity consumption.	
WebCom (Nanjing)	■ Continued implementation of the Six Sigma project for electricity saving ■ Reduced electricity at night and non-essential power [Note 6] were turned off; in 2015, approx. 51 GJ of electricity was saved, which accounts for 6.7% of the plant's total electricity consumption.	

Note 2: Electricity saved by replacing the ambient lighting fixtures with LED lights: The amount of electricity saved by using LED lights is estimated by counting the number of LED lights used in each site and the amount of electricity a light saves in one hour.

Note 3: Amount of recycled air-conditioning condensation: Estimated annual amount is based on the 1,298 air conditioners in WNC headquarters in 2015 considering their air volume, density of air, and humidity ratio with the 10-hour operation time per day and 22 workdays per month.
Amount of recycled reflow from the cooling-tower water: Estimated annual amount is based on the water-meter record collected.
Amount of recycled RO water from the drinking fountains: There are 0.56 tonnes of waste water out of each tonne of water flow to the drinking machine. The annual recycled amount is calculated based on the estimated water consumed by the employee headcount total.

Note 4: Amount of recycled rainwater: Estimated annual amount is based on the capacity of the rainwater recycling pool and the actual daily rainfall data from the Central Weather Bureau.

Note 5: Electricity saved from cooling-tower fans: Estimated annual amount is based on the reduced operation time of each fan.

Note 6: Electricity saved at night: The night-time electricity consumption is approximately 20% of the total amount per day. The annual amount saved is calculated based on this assumption.
Electricity saved from controlling non-essential power: Estimated annual saved amount is based on the power consumption of each light per hour. There are 18 lights that were occasionally turned on only when necessary in the public areas or aisles of the offices in Nanjing.

Energy-Saving Measures in all sites

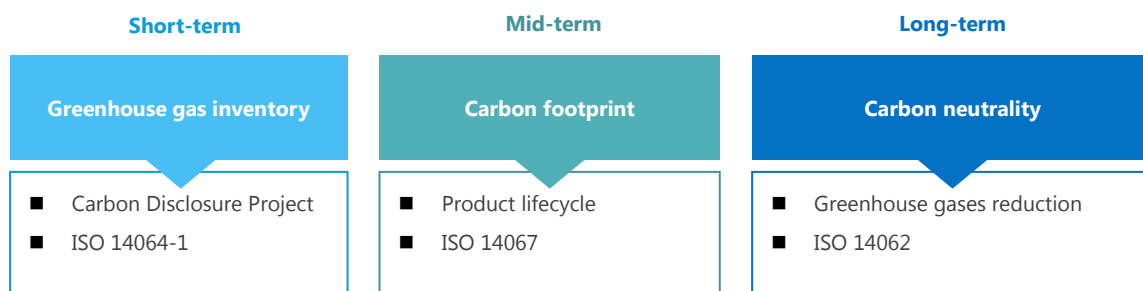|	All	WNC (Taiwan)	China Plants
Enhancing Electricity Usage Efficiency	■ Maintain air-conditioning temperatures at 26 °C ± 2 °C in the summer ■ Lighting is only used in active sections of the production line.	■ The headquarters was designed to make maximum use of natural sunlight. Made of 8+12A+8 mm LOW-E glass, the exterior glass curtain walls achieve energy-saving effects. ■ Implemented floor-access controls for the elevators. ■ Manufacturing process exhaust fans are installed with PID control and automatically adjust using variable frequencies. ■ Parking lot illumination is managed with time switching and induction lighting. ■ Lighting designs meet CNS standards and adjust according to light attenuation values to avoid over-illumination. ■ Signage, guardhouse lighting, and air-conditioning are powered by three wind generators; they can generate approx. 5,184 kWh annually. ■ Air compressors use load balancing between variable-frequency and full-frequency units to reduce power consumption.	
Air-conditioning Control	■ Make-up air unit (MAU) air-conditioning used during winter to reduce indoor temperatures. ■ Cooling towers and fans are installed with temperature-control and frequency-conversion features.	■ Uses a heat recycling system in its main cooling unit. ■ Uses tunneling to reduce external temperatures and lessen air-conditioning loads. ■ Increased output water temperature from the air-conditioning chiller to lower power consumption. The starting and stopping of the chillers and feeders are also based on indoor loads. ■ Thermostat-controlled air-conditioning; air-conditioning is also controlled by zone and time to avoid wasting power due to over-cooling.	■ Introduced heat recovery systems, enabling dehumidification in the summer and eliminating the need for purchasing diesel fuel in the winter ■ Added insulating cotton for the SMT process exhaust duct to reduce electricity consumption in the summer
Low-carbon Lifestyle Measures	■ Energy conservation and waste reduction slogans and posters posted in the public areas. ■ Health and lifestyle seminars, Earth week activities held to promote environmental protection awareness. ■ Water dispensers are time-controlled. ■ Office greening ■ Promotion of programs for a paper-free office and encouragement of employees to recycle resources and reduce waste ■ Disposable eating utensils or paper cups are not provided. ■ Canteens only use reusable eating utensils. ■ Savings on office supplies	■ Employees are encouraged to use the stairs instead of elevators. ■ Dissolvable, short-fiber toilet paper used to reduce garbage. ■ Steel pallets used in the production line and wooden pallets are reused.	
Water Conservation Measures	■ Use of induction taps in toilets and setting of water taps in tea rooms to the minimum water discharge level. ■ Implementation of water-saving projects	■ Used 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. ■ Reduced irrigation water ■ Ultra-pure water equipment recycling wastewater	

5.4 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 peoples. 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 governmental policy, WNC has drawn up short-, medium-, and long-term plans to achieve reductions in CO2 emissions:

- Short-term plan: Perform a greenhouse gas inventory and earn ISO 14064-1 certification to serve as a basis for CO2 management and database construction.
- Medium-term plan: Execute a product carbon footprint program according to the ISO 14067 standard. By calculating product GHG emissions throughout every stage of its lifecycle, identify potential room for further carbon reductions during the product lifecycle.
- Long-term plan: Promote carbon reduction initiatives such as clean production and a green factory based on the organizational GHG inventory and product carbon-footprint audits with carbon neutrality as the goal.

WNC Carbon Management Program

Short-term	Mid-term	Long-term
Greenhouse gas inventory	**Carbon footprint**	**Carbon neutrality**
- Carbon Disclosure Project - ISO 14064-1	- Product lifecycle - ISO 14067	- Greenhouse gases reduction - ISO 14062

Greenhouse Gas Emissions Inventory Boundary

Since 2012, WNC (Taiwan) has defined our organizational boundaries in response to customer requirements, conducted a phased GHG inventory, and set 2011 as the base year; we aim to decrease carbon emissions by 6% by 2016. The 2015 GHG inventory was completed in March 2016, indicating a 21.8% increase in GHG emissions over the previous year. This is partly due to the inclusion into the inventory boundary of the Lihsin Office (which began operations in August 2014), and partly due to the requirements of WNC's capacity expansion, which resulted in the addition of a number of production lines leading to an increase in the total electricity consumption. Nonetheless, there has been a significant drop in the GHG emission intensity.

WNC (Taiwan) GHG Emission Intensity [Note] in the Most Recent 3 Years

	2013	2014	2015
	0.24	0.26	0.24
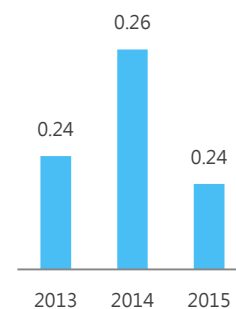
Note: GHG emission intensity = GHG Emissions(tonne CO_2e)/Operating Revenues of WNC (Taiwan) (NT$ million)

The China plants set 2015 as the base year for GHG emissions and aim to decrease carbon emissions by 2% by 2016. The China plants completed their 2015 GHG inventory in the first quarter of 2016 and are expected to obtain the China Quality Certification Centre's ISO 14064-1 certification in May 2016.

WNC GHG Inventory Results in the Most Recent 3 Years(Unit: tonne CO_2e) [Note 1]

Plant	2015					2014					2013				
	Scope 1	Scope 2	Scope 3	Total Emissions	ISO 14064-1 Certification	Scope 1	Scope 2	Scope 3	Total Emissions	ISO 14064-1 Certification	Scope 1	Scope 2	Scope 3	Total Emissions	ISO 14064-1 Certification
WNC (Taiwan) [Note 2]	104	12,222	N/A	12,326		86	10,036	N/A	10,122		78	8,365	N/A	8,443	
WNC (Kunshan)	1,596	16,687	N/A	18,283	○	4,256	14,590	N/A	18,846	○	N/A	N/A	N/A	N/A	
Wistron NeWeb (Kunshan)	475	16,793	N/A	17,268	○	1,919	11,243	N/A	13,162	○	562	9,965	N/A	10,527	○
WebCom (Kunshan)	546	3,755	61	4,362	○	537	4,044	60	4,641	○	613	4,118	63	4,794	○

Note 1: The year of the GWP is IPCC 1995 SAR.
Note 2: Starting August 2014, the GHG Inventory of WNC (Taiwan) includes the emissions of the Lihsin Office.

Carbon Disclosure

Starting from 2011, WNC has participated in the Carbon Disclosure Project (CDP) and registers greenhouse gas inventory records on the project website (https://www.cdproject.net) for customer and related stakeholders' reference.

06

Strengthening the Value Chain and Social Relations

Supplier Management
Customer Relations
Contractor Health and Safety Management
Social Participation

6.1 Supplier Management

WNC aims to build a world-class supply chain. To that end, we designate dedicated contacts for customers in a strategic manner to provide customers with sufficient information in supplier management and material preparedness, enhancing the immediacy and transparency of the information dissemination across the value chain. Meanwhile, in order to ensure the sound operations of our suppliers, we also review their performance on a quarterly basis and carry out financial risk assessment of these suppliers each year and conduct random visits/inspections of our PCB and institutional suppliers. WNC considers supplier management to be one of its most effective tools for promoting social responsibility. In addition to requiring suppliers to enhance their performance on quality, delivery, service, and price, WNC also works with suppliers in the implementation of P-D-C-A (Plan-Do-Check-Action) improvement cycles to realize the sustainability of our supply chains. To ensure compliance with environmental requirements, environmental protection regulations and controls are included in audits of component suppliers and incoming materials-inspection procedures. In October 2013, WNC activated a supplier corporate social responsibility audit plan (Supplier CSR Audit) to work closely with our suppliers and continuously focus and enhance performance in labor rights, occupational health and safety, and green products. In 2014, we included design capability and CSR audit results into the criteria for supplier evaluation, and we plan to conduct field visits to suppliers of strategic importance every 6 months. In 2015, the Global Supply Chain Management Division of WNC (Taiwan) initiated the Supply Base Reduction project to enhance the efficiency in supplier management and develop long-term cooperation strategies.

6.1.1 Green Procurement

To conform to international trends and customers' needs, WNC is engaged in the active promotion of green products and green production and also actively promotes green procurement concepts and actions to its suppliers. WNC requires without exception both upstream and downstream suppliers to observe our Restricted Usage of Environmentally Hazardous Substances and sign the Supplier Statement on the Non-Use of Environmentally Hazardous Substances. Suppliers are in-turn required to guarantee that products and parts supplied (including bundled accessories, packaging, and other materials) comply with the regulations stated in the Restricted Usage of Environmentally Hazardous Substances literature and that products meet all relevant directives such as RoHS, WEEE, REACH, ErP, the European Battery Directive, and the non-use of conflict minerals as well as WNC's requirements of non-use of prohibited substances harmful to the environment.

In addition to signing the various Environmental Protection declarations, WNC has incorporated hazardous substance controls into its incoming-materials inspection procedures. For raw materials that contravene controlled substance regulations, offending suppliers are requested to immediately submit measures for improvement and prevention. Starting from 2012, the part-certification process of the Production Part Approval Process (PPAP) was optimized with clear inspection checklists and regulations put into place. This process established controls at the source to prevent quality issues with production specifications leading to unnecessary waste and future social costs. It also helps WNC fulfill our responsibility to the environment.

In 2015, a total of 697 suppliers entered into transactions with WNC (Taiwan) and the China plants, and they are mainly located in Taiwan, making up 50% of all suppliers (calculated according to purchase amounts). Suppliers from China (25%) compose the second largest group. Major categories of supplied raw materials and components include integrated circuits, circuit boards, display panels, electromechanical components, mechanical components and packaging materials. The other suppliers are located in Asia, Europe and the U.S.

WNC also set local purchase centers for the Taiwan headquarters and China sites, respectively, to take charge of local supplier selection and management. This was performed to reduce energy consumption and environmental pollution caused during the transport of raw materials and products, enhance utilization rates of package materials and space, support the purchase of recyclable materials, encourage localized purchasing, and reduce unnecessary transportation costs and carbon emissions. In 2015, local purchasing amounted to 49% of the total purchase amounts in Taiwan and 32% at the China sites.

Distribution of WNC's Suppliers during the Most Recent Three Years

	Taiwan	China
	USA	Singapore
	Others	
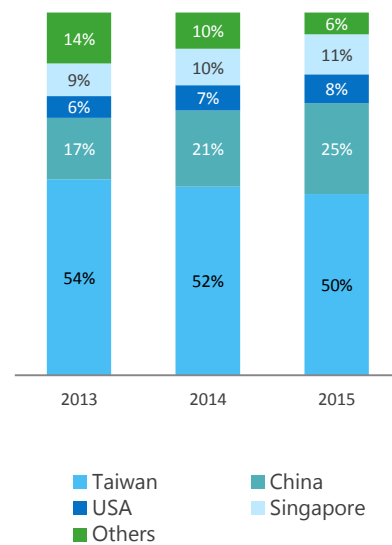
6.1.2 Supplier Selection and Assessment

New Supplier Investigation

In addition to operational and engineering ability, certification of quality systems has become a non-negotiable condition in our selection of suppliers. Regular suppliers are required to secure ISO 9001 verification, and for automotive component suppliers, the possession of QS 9000/TS 16949 verification is a key consideration during the selection process. The Global Purchasing Center is responsible for requesting the investigation of new suppliers based on the materials procurement request and sets up an investigation team to conduct field assessment for supplier candidates. The investigation team is comprised of representatives from the Global Supply Chain Management Division, the Supplier Quality Management Center, and R&D units. The team conducts investigation on the candidates regarding their operating services, quality systems, R&D capabilities, manufacturing, environmental management, labor rights, and moral integrity. The suppliers who meet the standards set by WNC will be included in the AVL (Approved Vendor List).

WNC's new suppliers are selected based on their performance in management, quality control, and engineering capabilities. Starting from September 2014, WNC also requires that supplier candidates pass the WNC CSR audit before they become qualified suppliers. In the event where suppliers fail to meet the required qualification criteria, they must improve within a limited time period, or they will be disqualified as WNC suppliers. In exceptional circumstances, these suppliers will be subject to a conditional approval processes. In 2015, a total of 107 suppliers were included in WNC's AVL according to the new supplier management approach. These suppliers account for 79.3% of the total new suppliers of the year.

Supplier Performance Evaluation

- Quarterly evaluation

  WNC combines the Global Purchasing Center, Supplier Quality Management Center, and R&D units into a Vendor Performance Evaluation Committee (VPEC) that meets quarterly to perform an overall evaluation based on supplier performance indicators. Through visits and guidance to ensure that vendors are complying with WNC's overall performance requirements (including quality, delivery, service and price competitiveness), WNC's value-chain competitiveness is continuously enhanced. In the fourth quarter of 2014, WNC updated the supplier management methods by including design capability and EICC compliance as the evaluation items. As of the end of 2015, a total of 692 suppliers have performed VPE in accordance with the new version of the supplier management methods.

- Annual audit and guidance

  WNC performs annual on-site inspections of its key suppliers to confirm the audit items of safe production as well as examining the routine product- defect handling process. Suppliers with evaluations are invited to conduct a joint review and develop proposals for improvement. WNC also assigns personnel to provide review and propose improvement measures to assist, guide, and educate the suppliers. In 2015, a total of 177 sessions of supplier on-site auditing and counseling sessions were held at the WNC headquarters, WNC (Kunshan) Corporation, Wistron NeWeb (Kunshan) Corporation, and WebCom Communication (Kunshan) Corporation–Kunshan Plant.

6.1.3 e-Supplier Management System

WNC selects suppliers who can provide good quality, stable delivery, reasonable cost, and outstanding services though the supplier evaluation management standards. Through the e-Supplier Management System, WNC can efficiently handle or record a supplier's management procedures and further enhance communication efficiency with the suppliers.

Supplier Management System (SMS)

The Supplier Management System assists personnel in compiling supplier-management related documentation such as supplier lists, new supplier investigations, qualified suppliers lists, supplier contract reports, material defect rate reports, and supplier performance evaluations. Related units can use this system to further control and guide the suppliers to ensure the suppliers will achieve their promised performance.

Q-Kanban (Quality Kanban)

WNC's outsourced and in-house components are subjected to Statistical Process Control (SPC) and a new system platform for mold maintenance and monitoring. A real-time automated supplier process early-warning mechanism is in-place to track production-related figures to ensure product quality and delivery meet expectations (and to prevent quality problems and waste). In 2015, 54 suppliers were using Q-Kanban, and 704 components were monitored to ensure quality though the Q-Kanban.

Vendor Product Change Notification, V-PCN

Through the Vendor Product Change Notification system designed by the Supplier Quality Management Center, suppliers can directly upload product change information, allowing WNC to more easily know if any specification or process has changed while production is ongoing. WNC will then receive the product change request and can take actions in a timely manner to decrease product quality risk. The system was implemented for all suppliers in 2013 and is expected to launch in 2014 Q1. As of the end of 2015, 25 suppliers have implemented the V-PCN system, and a total of 33 cases of product change have been processed.

6.1.4 Supplier Quality Agreement

In order to create a green supply chain, WNC began requiring suppliers to sign a Supplier Quality Agreement in 2006, and our China operations followed suit in 2007. 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 their supplier management systems. By the end of 2015, 58 materials suppliers (including 23 in Taiwan and 35 in China) had signed WNC's Supplier Quality Agreement. Going forward, 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-substance regulations, thus achieving our objective of establishing a green supply chain.

Supplier Quality Agreements Signed in the Most Recent Three Years
(number of suppliers)

Site	2013	2014	2015
WNC (Taiwan)	12	24	23
WNC (Kunshan)	2	17	11
Wistron NeWeb (Kunshan)	2	32	11
WebCom (Kunshan)	3	6	13

6.1.5 Conflict Minerals Management

WNC Prohibition of Conflict Minerals Policy	■ No product shall use ores from the DRC and illegal mines in the surrounding area as well as those mined in poor working conditions. ■ Require suppliers to ban the use of conflict minerals and disclose their sources for Tin (Sn), Tungsten (W), Tantalum (Ta), and Gold (Au) ore. ■ Suppliers are asked to convey this policy to their own upstream suppliers and supply chain.

WNC is not involved in the direct purchase of metals. We have also declared that we will not use Tin (Sn), Tungsten (W), Tantalum (Ta) and Gold (Au) ores from the Democratic Republic of Congo (DRC) and its surrounding countries/region. Suppliers have also been investigated using the Conflict Minerals Reporting Template (CMRT) of the Conflict-Free Sourcing Initiative (CFSI) developed jointly by the EICC and the Global e-Sustainability Initiative (GeSI).

Starting from 2010, WNC required suppliers to sign the Non-Use of Conflict Minerals Declaration, and perform investigation using CMRT. As of 2015, among all suppliers in Taiwan and China, 678 of them have responded to the CMRT investigation form, and 653 of them signed the declaration. In the fourth quarter of 2015, WNC began investigating whether its suppliers use smelters that have obtained the CFSI certification and have determined the suppliers' ranking in conflict-free sourcing based on the investigation results. As of the end of March 2016, 849 suppliers have been investigated, and the results are presented in the table below:

The Use of Smelters by WNC's Suppliers (as of the end of March 2016)

Number of Suppliers	No use of metallic minerals	CFSI-certified	Non-CFSI-certified	Under Investigation
Total	849[Note] 199	351	132	167

Note: The number is the sum of (1) the suppliers who have transaction records in 2015 and (2) customers' suppliers who have performed investigations of conflict minerals in 2015.

With regard to the suppliers who use smelters that have not obtained the CFSI certification, WNC would encourage them to assist their smelters in obtaining the CFSI certification. In order to investigate and better manage the suppliers' use of conflict minerals and relevant information of the smelters they use, we have begun building an e-platform for conflict minerals management, which is expected to be completed by the end of 2016.

6.1.6 CSR Audit

WNC assigns great importance to supper interaction and education. We not only push ourselves to embrace our commitment to CSR but also hope that our suppliers will learn and grow with us, as well. Since corporate social responsibility has become a significant element in corporate sustainability, WNC hopes to assist its suppliers to carry out our corporate social responsibility together to establish a long-term partnership. WNC not only crafted a WNC Corporate Social Responsibility (CSR) Declaration according to the Electronic Industry Code of Conduct but also officially implemented a supplier CSR survey to understand supplier performance in aspects of their employees, health and safety, performance in environmental protection, company management, and corporate ethics. WNC required existing and new suppliers to sign and return a CSR statement. This enables WNC to observe their related social responsibilities and items including the prohibition of child labor and forced labor, implementation of occupational health and safety management, anti-bribery, anti-corruption, fair trade, and freedom of association policies, and rights to negotiation of labor agreements. By the end of 2015, 100 suppliers in Taiwan and China signed the "Supplier CSR Declaration", 97 suppliers responded to the "Supplier CSR Investigation Form", and 98 suppliers signed the WNC Group Supplier's Commitment for Code of Ethics.

WNC CSR Investigation Plan

Year/Number of Suppliers Investigated		Supplier CSR Declaration		Supplier CSR Investigation Form		WNC Group Supplier's Commitment for Code of Ethics	
		No. of Suppliers Signed	Signing Rate	No. of Suppliers Responded	Response Rate	No. of Suppliers Signed	Signing Rate
2015	107	100	93.5%	97	90.7%	98	91.6%

In October 2013, WNC officially launched its supplier corporate social responsibility audit (hereinafter referred to as the "supplier CSR audit") program, in which different types of major suppliers are divided into A (high risk), B (moderate risk) and C (low risk) according to the level of risk they exhibit in aspects of labor, ethics, health and safety, and environment and management systems. With the exception of certain suppliers named by customers, Group C suppliers are only subject to document review given the low level of risks they exhibit, while the other two groups of suppliers must undergo supplier CSR audits according to the following the four steps and be assessed on aspects of labor, ethics, health and safety, environment, and management systems. WNC is setting a target of completing at least 50 major-supplier CSR audits
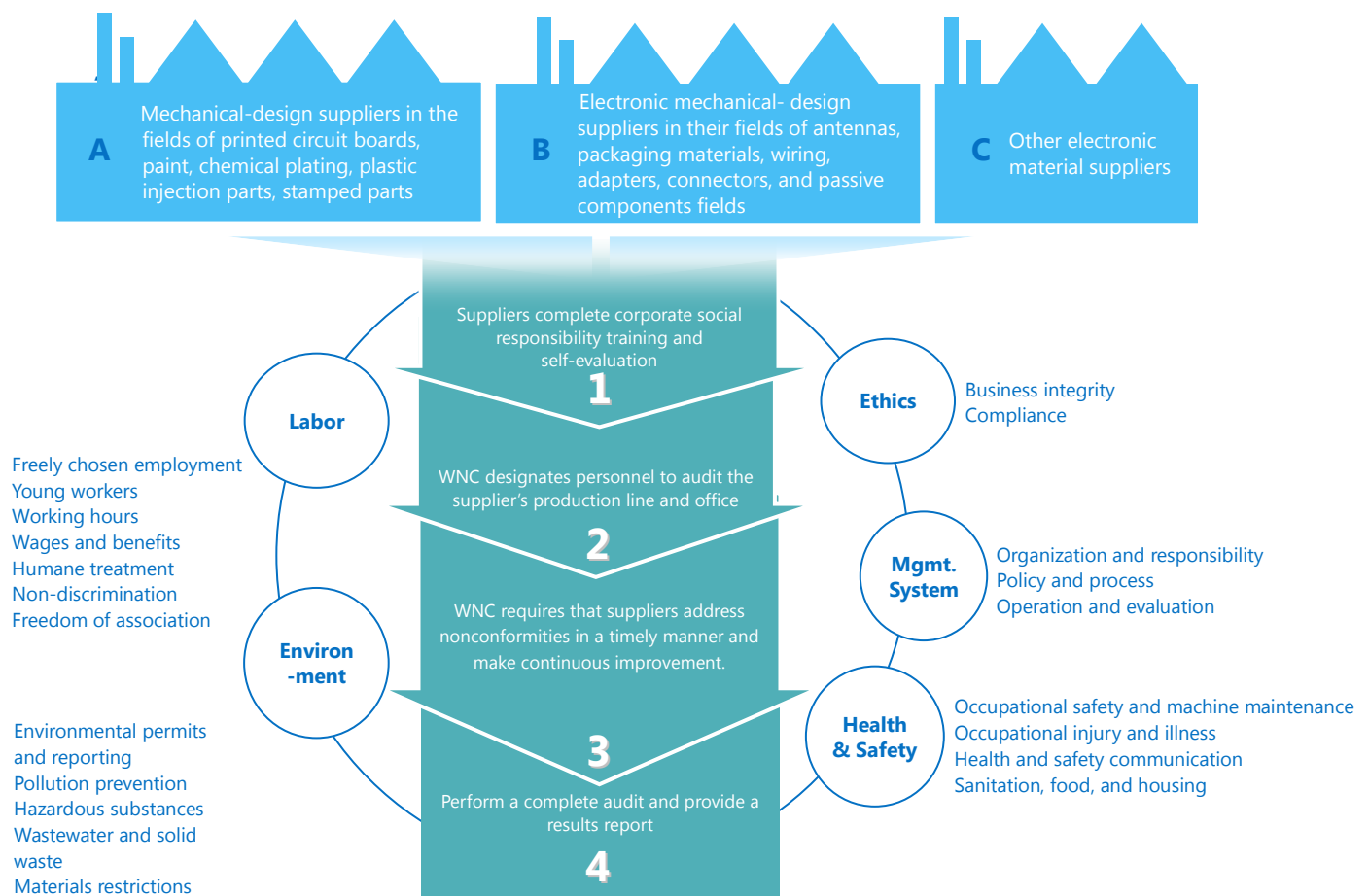
in 2016.

WNC Supplier CSR Audit Target and Achievement Rate

Supplier Group/ Accumulated Number	Phase 1 Note	Phase 2	Phase 3	
	2014 Q1	2014 Q4	2015 Q4 Target	2015 Q4 Completion
A	15	15	20	47
B	15	15	30	42
C	0	0	0	0
Total	30	30	50	89
Cumulative Total	30	60	--	149
Achievement Rate	100%	100%	--	>100%

Note: Audits of 12 suppliers in Group A and Group B were completed in 2013, and audits for 18 other suppliers were completed in 2014 Q1.

From 2013 to 2015, 149 suppliers have completed the CSR audit, including 77 vendors from Group A and 72 vendors from Group B. Eighty-nine of them (47 from Group A and 42 from Group B) completed their audits in 2015. Responding to the requests of key customers, specific suppliers designated by the customer will be audited during phase 4 of the Supplier CSR Audit according to EICC items designated by the customer. The evaluation methods were essentially the same as those for the general supplier CSR audit. As a result, the target number of vendors in the 2016 supplier CSR audit was updated to 50, including 18 Group A vendors, 21 Group B vendors, and 11 Group C vendors. We expect to complete the CSR audit of a total of 199 vendors by the end of 2016.

The results of the audit indicated that the majority of the non-compliance was related to labor and occupation and safety. The on-site supplier audit results and corresponding improvement plans are tracked by the Supplier Quality Management Center, which will also guide suppliers in their implementation of EICC regulations and continuous improvement pursuant to the "Supplier Evaluation & Management SOP". In 2015, no partnerships with suppliers were terminated because of CSR audit results or due to improvements failing to meet the required standards.

| A | Mechanical-design suppliers in the fields of printed circuit boards, paint, chemical plating, plastic injection parts, stamped parts | B | Electronic mechanical- design suppliers in their fields of antennas, packaging materials, wiring, adapters, connectors, and passive components fields | C | Other electronic material suppliers |

Labor

Freely chosen employment
Young workers
Working hours
Wages and benefits
Humane treatment
Non-discrimination
Freedom of association

Environ-ment

Environmental permits and reporting
Pollution prevention
Hazardous substances
Wastewater and solid waste
Materials restrictions

1 Suppliers complete corporate social responsibility training and self-evaluation

2 WNC designates personnel to audit the supplier's production line and office

3 WNC requires that suppliers address nonconformities in a timely manner and make continuous improvement.

4 Perform a complete audit and provide a results report

Ethics
Business integrity
Compliance

Mgmt. System
Organization and responsibility
Policy and process
Operation and evaluation

Health & Safety
Occupational safety and machine maintenance
Occupational injury and illness
Health and safety communication
Sanitation, food, and housing

6.1.7 Supplier Relations

Developing long-term partnerships with suppliers has always been a very important operational policy of WNC. In addition to the annual performance review, WNC awards and expresses its gratitude to suppliers for their outstanding performance and special contributions at the annual Wistron Group Vendor Conference. WNC also reviews its outlook with the supplier on the product and service quality while exchanging information on industry trends in order to release products and services that meet market needs. In 2015, a total of 94 WNC suppliers participated in the Wistron Group Vendor Conference, and 5 outstanding suppliers were awarded on the occasion.

6.2 Customer Relations

6.2.1 Customer Privacy Protection

We keep strict promises to maintain the secrecy of customer contracts, customer-related classified information, documents, and data. All of this information is encrypted and uploaded to our internal system for strict control. Only authorized users with an account and password may log in, and they must then decrypt the information in order to read it. These measures are in place to strengthen customer data secrecy. To strengthen the protection of customer information, WNC launched relevant courses on the protection of confidential information, including customer code management, company information disclosure management and review mechanisms, and data and information management. Additionally, a course concerning WNC's information-security policies (compulsory for all new WNC employees) and the "information security general knowledge and training" courses were also held. In 2015, WNC did not violate any customer privacy policy or lose customer data.

## 6.2.2 Customer Satisfaction Performance

Customer Focus has always been one of WNC's core values, and we strive to provide the best service to our customers. WNC's Customer Service Section is managed by the Quality Assurance Division and is responsible for customer-service tasks, which include Dead on Arrival (DOA), Return of Materials Authorization (RMA), sales of repaired parts, customer complaint handling and reporting, as well as the annual customer satisfaction survey.

Each business unit, the quality assurance group, R&D, production planning, and manufacturing units are designated as the point-of-contact for different customers. According to project needs, each unit and their respective customers participate in weekly and monthly meetings to review product development progress and each item's achievement rate. Each unit also appoints representative to participate in the quarterly supplier business review meeting with their respective customer to immediately communicate and build mutual trust.

WNC performs customer satisfaction surveys in the fourth quarter of every year to ensure customer requests have been responded to in a timely manner and to understand the customer's thoughts and expectations regarding each business unit's service, product development, product quality, after-sales service, and co-operation. Each year's customer satisfaction evaluation content and targets are established in the quality management system review meeting. The items that have not been achieved according to the year's survey are reported to each business unit and other related units. This enables further analysis of the problem according to the customer's explanations and suggestions and a drawing up of an improvement and execution plan. The response will be reported to the respective customer directly from each business unit.

We set our customer satisfaction score target for 2015 at 90, and the evaluation items in the survey this year include:

- Sales representatives service: order and account processing, price quotes and shipment efficiency, professionalism and efficiency of product/sales managers, overall satisfaction
- Product R&D: attitude, development time frame, specifications accuracy, technical capability
- Product quality: level of quality, problem-solving ability, improvement capability, professional level of the quality report, overall performance
- After-sales service: goods return procedure, analysis of time frames, and addressing of complaints
- Others: cooperation/relations with third parties and suggestions for improvement
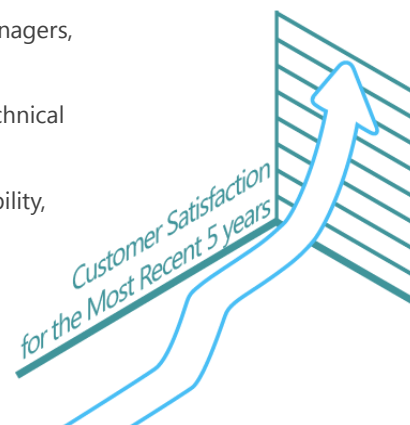
Results of Customer Satisfaction Surveys for the Most Recent 5 years

Year	2011	2012	2013	2014	2015
Average Customer Satisfaction Score	81	81	87	87.70	91.52

The survey results indicate that customers' overall satisfaction grew compared to the previous year, especially in items of product quality and after-sales service. Although each business unit with varied products and services receives different evaluation results, the overall result is satisfactory. In 2015, adjustments in the customer service processes have enabled each business unit to interact with customers in terms of understanding their product after-sales service requirements and issues in a more direct manner. This has facilitated communications with customers and enables us to make specific improvements based on customer feedback. Therefore, we have seen significant improvement in customer satisfaction.

Findings on Customer Satisfaction during the Most Recent Five Years
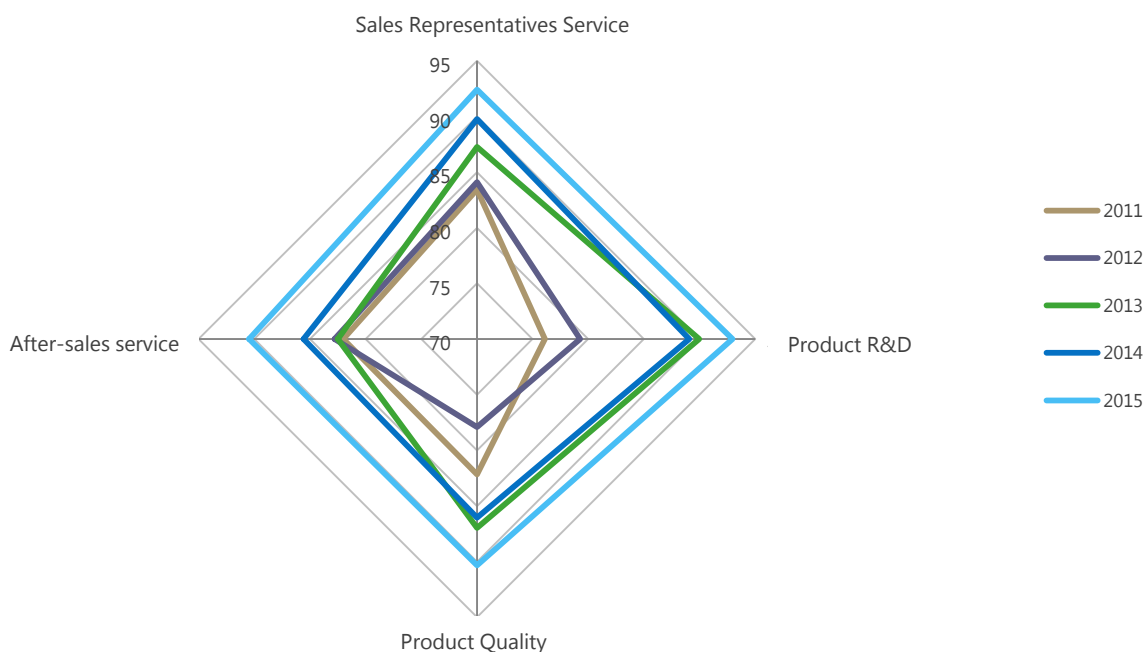
6.3 Contractor Health and Safety Management

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

Regarding control of special operations, standing orders are also in place and include operations involving controlled fires, work in elevated locations, work involving physical suspension, work in confined locations, and other work with potentially 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 they are notified of contractor management requirements under OHSAS 18001 standards, and related industrial safety information is made available to them including the 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 possess a degree of understanding of WNC's ESH policies and a degree of knowledge of related ESH regulations.

Applications for contractor operations, nighttime operations, and emergency repairs can be approved online and recorded using the online application system. Construction workers must register on a log as they enter or leave the manufacturing plant, and the responsible unit can ascertain the area in which the contractors are located in the plant and their number of workers in real time using electronic platforms to implement access control and facilitate construction inspections. The system will be introduced in the S1 facility once its construction is completed.

The results of the safety and health management of WNC (Taiwan)'s contractors in 2015 are listed below:

- 122 contractors signed the "Commitment to Work Safety for Contractors in the WNC Plant"
- 2,058 construction applications were filed
- 186 special hanging operations applications: The requesting departments must apply in advance, and after the operations are completed, the contractors must first conduct a self-inspection, followed by a second review in conjunction with the WNC industrial safety personnel to ensure operation safety.
- The Supplier Health and Safety Performance Evaluation system was introduced in 2015 to improve contractors' self-management capability. In the event that nonconformities are found during the on-site audit, the contractors will be required to perform corrective measures. If no improvements are made after WNC's follow-up, the contractor will be disqualified. In 2015, a total of 105 contractors completed the evaluation.

In order to enhance the awareness of contractors, including security guards, on-site food-service vendors, and cleaning staff regarding labor rights, non-discrimination, ethics, anti-corruption, violation reporting, and occupational safety and health issues, WNC (Taiwan) implemented three batches of EICC training courses for contractors. A total of 43 participants completed the course.

6.4　Social Participation

In 2015, WNC continues to commit itself to its five major social care programs of youth professional development, care of disadvantaged school children, assistance to charitable organizations, support of local organic farmers, and collection of disaster relief funds. Moreover, we devote financial and manpower support to assisting university service clubs, industry-university cooperative project classes, rural education development, social welfare groups, and local organic farmers. Adhering to our corporate conscience and goodwill, WNC tries to extend its corporate culture of "creating values" outward. WNC hopes that through its efforts, WNC's employees, their families, customers, suppliers, other companies, and groups promoting social welfare can play to their strengths and better contribute to society.

6.4.1　Assisting University Service Clubs

To encourage college students to apply their knowledge to serve and care for people, take actions to participate in the volunteer service and further bring up the value of caring the society, WNC provides long-term subsidization of student

clubs in National Tsing Hua University (NTHU) and encourage employees to support them as well. In addition to cooperating with the NTHU After-School Volunteer Club, the NTHU Aboriginal Culture Club, the NTHU Science Promotion Club, the NTHU WHYOU Club, the National Cheng Kung University (NCKU) Social Service Team, and the NCKU Philanthropy Club, in 2015 WNC also included the NCKU Students Service Club into its group list for social service subsidies.

In 2015, WNC and its employees contributed a total of NT$900,000 to those seven student service clubs and assisted their members to promote after-school assistance and science education for children from remote areas in Taiwan or disadvantaged groups. These clubs also offer services for socio-economically disadvantaged members of the elderly, children, and disabled people in the area of Tainan, Taiwan. Meanwhile, WNC requires club members to submit proposals at the beginning of the semester and a results report at the end of the semester. Through the process of composing proposals every year based on the actual needs of students, club members learn from real experience how to plan a program, properly allocate resources, perform benefits assessments, and evaluate performance. This strengthens club members' planning, execution, and presentation skills and helps them lay a solid foundation for performance in their future careers.

After-school Assistance

In June 2009, WNC began subsidizing 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. These students include elementary and junior high school students that are raised by a single parent or grandparents or from families with low income, domestic violence, or other special backgrounds. The program provides children with homework guidance, course review, and book reading. Volunteers will also prepare different types of after-school activities to help in the discovery or development of the subjects that the child might have interest in.

In 2015, WNC began subsidizing the NCKU Philanthropy Club by providing after-school assistance to elementary, junior high, and senior high school students from Renai Children's Home in Tainan County. The volunteers offer individual after-school assistance and care every Monday and Thursday. Currently a total of 45 students are utilizing such services offered by the NCKU Philanthropy Club.

Science Education

In 2011, WNC became a sponsor for the National Tsinghua University Science Service Club (SSC). The SSC has long organized high school science camps and science carnivals during the winter and summer breaks where students learn how to conduct science experiments. In addition, a series of science mentoring events was held for the Huashan Junior High School in Henshan Township, Hsinchu County. With WNC sponsorship, the SSC was able to host disadvantaged students at the science camps for free and host the science-mentoring events at remote schools.

Concern for Children

In 2013, WNC began subsidizing the NTHU WHYOU Club, hoping to expand WNC's concern for disadvantaged children though the children's camp and after-school activities held by the WHYOU Club. The Club provides assistance to the resource class and after-school care class of Hsinchu Dong Men Elementary School. The program provides children with one-on-one homework guidance and accompanies them every Tuesday and Friday afternoons. The volunteers gather after every program meeting to discuss and review the guidance status and to learn from each other's experiences. At present, there were 15 children participating in this program.

The NCKU Students Service Club, the NCKU Philanthropy Club, and the Social Service Team hold short-term camp activities in elementary schools in rural areas during the winter and summer. Through the camp activities ranging from 3 to 5 days, schoolchildren are exposed to different areas of learning and team activities. The camp activities have taken place in Ka-Bua Sua Elementary School, Beiliao Elementary School, and Jhong Jhou Elementary School in Tainan City, Jhong-siao Elementary School, and Da-Sin Elementary School in Yunlin County. On average, approximately 30 students participate in each camp.

Concern for the Disadvantaged Students

In 2015, WNC became a sponsor for the NCKU Social Service Team, hoping to show WNC's concern for disadvantaged people through the activities of the service club. The NCKU Social Service Team holds the "Little Shell Workshop" semi-annually to guide the kids of the Tainan Autism Association in participating in interactive games and courses. By doing so, the autistic children, nicknamed "the little seashells", can learn to interact with the crowd, and the public can get to know them more as well. In 2015, 24 people participated in the workshop. In the same year, the NCKU Social Service Team also organized caregiving activities for other disadvantaged groups, including visits to nursing homes and finding homes for stray animals.

6.4.2　Rural Featured Education Development

WNC is concerned for disadvantaged children's education and understands the importance of developing rural education. Starting from 2013, WNC has assisted Tunan Elementary School in rural Jianshih township in Hsin-chu County to develop their education on aspects of aboriginal culture, including developing their talents in Judo, archery, chorus, and dancing. WNC subsidized the facilities, equipment, coach/teacher, and contest costs of the Tunan Elementary School for NT$200,000. We are proud to report that, in 2015, the Judo team won one gold and one silver medal in the national Judo contest, while the boys' archery teams ranked second and fifth, respectively, in the indigenous group and the indigenous individual category of the Hsinchu Primary and High School Archery Contest. Also, the choir won Grade A in the Hsinchu County National Student and Teacher Folk Song Competition.

In addition to offering educational resources, WNC also invites customers and suppliers to participate in the development of rural featured education and the optimization of the learning network in the rural areas. In May 2015, WNC provided three wireless internet access points, and our customers also provided an Internet switch and a network attached storage (NSA, including hard drive). All of these were used to optimize the campus network environment. Yoson Technologies Co., Ltd, a network equipment manufacturer, also helped build a network environment at Tunan Elementary School in May.

To improve the resources to support children's literacy in rural areas, WNC joined the charitable activity "Giving our Children a Better Future" organized by the Commonwealth Publishing Company. We will also begin to sponsor, from March 2016 to February 2017, yearly subscriptions of "Global Kids Junior Monthly" and "Global Kids Monthly" for all classes in six elementary schools and two junior high schools in Hsinchu and Tainan at the expense of NT$110,000 dollars

6.4.3　Industry-University Cooperative Project Classes

WNC began cooperation with the Department of Business Administration of TransWorld University in September 2014, providing students with full time jobs as production-line operators. Students from economically disadvantaged families or those participating in the cooperative education programs with WNC take the precedence over other programs. WNC also assists the students by offering classes with course credits on Sundays while assigning personnel to assist them with

school loans, applying for examinations for specialty certifications, and other daily-life matters. By the cooperating with students, we expect that those students from economically disadvantaged families can continue their education while also accumulate valuable work experience. There are currently 40 employees participating in this project.

6.4.4 Assisting Social Welfare Groups

WNC kicked off its social care program under the name "WNC Social Care Assistance". The company completed setup of a "WNC Social Care Assistance Platform" on its internal website with the purpose of providing a convenient channel for employees to obtain social care information, to make donations, and offer assistance on-line; employees can learn fund-raising information and effects of social care activities anytime. Cards and letters of appreciation from the sponsored personnel are all displayed in the reading room to help our staff feel the infinite gratefulness and gratitude that can be brought by minor virtuous deeds and encourage them to continue to engage in social care with WNC so that we can do more good things for a longer time.

WNC (Taiwan)

- Inviting social welfare groups to set up vendor booths on WNC's premises:
  In 2015, Jianshih/Wufeng township aboriginal farmers, St. Joseph Social Welfare Foundation, Hsinchu Mealth Health Association, the Yu An Children's Home in Miao-Li, the Children Are Us bakery, the World Peace Organization, the Syin-Lu Social Welfare Foundation, Gofe Sheltered Workshop, Eden Social Welfare Foundation, and various NTHU international volunteer groups. The total annual proceeds for these charities totaled NT$382,576.

- Second-hand goods charity auction:
  In 2015, 215 items were sold, with income totaling NT$11,638, which was donated to the Hsinchu Renai Children's Home. The goods donated but not sold were donated to the Zhudong Shikuang Nursing Home or retrieved by the donors, depending on the donors' preference.

- Donation of lost items:
  If WNC employees turn in cash they find on plant premises and it remains unclaimed after one year, the cash will be donated along with the income from the second-hand-goods charity auction to the Hsinchu Renai Children's Home. The amount of money donated in 2015 was NT$7,755.
- Supporting customer welfare activities:
  WNC has helped sponsor the Children's Discovery Museum of San Jose with US$5,000 each year starting from 2013. The funds are used to supplement the activity funds for the Legacy for Children Award.

WNC takes an active part in fundraising events, including organizing internal donation campaigns and encouraging employees to donate in response to major disasters or the special needs of colleagues and the community. Care, financial assistance, legal consultation, and/or funeral assistance are also provided for injured/seriously-ill employees or for family members of employees who pass away. A "Public Donation" option is also available when employees select their the Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival bonuses, allowing them to donate the monies they

receive for the three major Chinese festivals and express their kindness for people in need. According to statistics from 2009 to 2015, donations from WNC and employees totaled NT$9,214,451 and our employees donated funds 5,680 times totaling NT$6,497,100. Donations targeted the families of three colleagues who passed away due to accident and financial assistance five three colleagues. The NTHU After-School Volunteer Club, the NTHU Science Service Club, the NTHU WHYOU Club, the NTHU Aboriginal Culture Club, the NCKU Social Service Team, the NCKU Philanthropy Club, the NCKU Students Service Club, the Tunan Elementary School in Jianshih Township, and the Hsinchu Renai Children's Home were also beneficiaries of the generosity of WNC employees.

Starting from 2011, WNC participated in ASUS's plan of minimizing the digital divide. Formulated by the Executive Yuan, each year recyclable but disposed-of information-technology products have been remodeled into useable computers. The remodeled computers were donated to organizations for disadvantaged persons to promote recycling and reuse of products. The reused items include computers (should at least include the casing, power adapter, motherboard, and hard disk drive), monitors, and laptops. As of April 2015, the donated discarded information productions have resulted in the reduction of 11,835 tonnes of carbon dioxide emissions, equaling 986 trees saved from felling. For detailed information, please refer to http://recycling.asus.com/

WNC's Recycled Computers Donation Records (as of April 2015)

Donated Item	PC	NB	LCD	Others	Total
Accumulated Number of Donations	361	79	46	167	653

In May 2015, WNC invited Union Manufacturing Co., Ltd., our supplier of drinking fountains to participate in charitable donations by donating the automatic drinking fountains that WNC replaced but were still in good condition to the Xinguan Village in Jianshih Township and the Yen Hang Children's Home in Tainan. Three such fountains were donated, whose delivery and installation were performed by Union. Also, the company offered free filter replacement service for one year.

China Plants

Starting in 2014, WNC employees voluntarily established the Mercy Club, with the company subsidizing CN¥2,000 to the club. Currently there are 16 members in the club. In June 2015, the club launched an activity to clean away the flyposting in the neighborhood around the company dormitory. Twelve members took part in the activity. In December of the same year, they conducted fundraising for colleagues who suffered from misfortune or financial difficulty. In the end, 3,678 people donated funds that amounted to approximately CN¥20,000.

6.4.5 Implementing the Good Food Movement

During the process of locating food suppliers for long-term cooperation, we discovered that large-scale farming was diminishing in Taiwan due to changes in the economy. Small-scale farming is now widespread. Some farmers have now realized the importance of ecological balance and food safety, so they are quietly working towards a transition to organic farming. They learn from nature, grow according to the appropriate season, and focus on more than just production volume. They emphasize the importance of supplying consumers with healthier, safer produce under the prerequisite of

balancing consumption and maintenance of natural resources as much as possible. However, the uncertainty of harvest quality forces these small-scale farmers to face challenges such as uncertain sales channels and unstable income. Though the Good Food Movement stemmed from the desire to care for our employees, we also hope to do our part in taking care of these dedicated farmers. We hope that this mode of cooperation can be replicated in other corporations, helping bring new vitality to Taiwan's farming roots.

WNC Good Food Movement

Social
Share healthy diet with all employees
Cooperate with social enterprises in promotion of good food

Mutual Growth

Economic
Organic food contract with independent farmers
Cooperate with social enterprises in promotion of good food

Green Economy

Environ-mental
Share healthy diet with all employees
Organic food contract with independent farmers

- **Support independent farmers with business opportunities and inject new life into the agricultural community**
- **Create win-win business models with other social enterprises**
- **More diverse meal options offered by on-site food-service vendors**
- **Flip education of turning active from passive.**

WNC selected several local farmers in the Hsinchu and Miaoli regions as suppliers because these small-scale farmers cultivate produce on bare land full of vitality, manufacturing their own enzyme and chili water concoctions to combat pests. They cultivate organic vegetables which do not harm the land nor the human body by refraining from excessive protection and processing of their produce. All organic vegetables pass testing by third-party organizations to ensure that only the healthiest produce is supplied to WNC colleagues. WNC provides them with steady streams of income so that they can concentrate on the development of organic farming with few worries. We ensure the value and price of produce which local farmers cultivate through natural methods. In 2015, the amount of purchases WNC made through on-site food-service vendors amounted to NT$4,394,232 including the NT$1,792,476 paid by WNC and NT$2,601,756 paid by the Employee Welfare Committee. The annual "Organic fruits and vegetables exhibition sale" also enables farmers to sell organic produce while reducing exploitation by middlemen.

By engaging in direct sales of organic produce at the company, these farmers are rewarded appropriately for their efforts. We hope to improve the quality of life for these farmers and encourage them to continue their dedication towards organic farming so that more people can enjoy safe produce. The revenues from these exhibition sales in 2015 amounted to NT$175,369. In addition, this type of cooperation enables us to enjoy healthy, seasonal produce, local consumption of local produce, and also minimize carbon emissions throughout the food-transportation process. We hope that these

efforts will promote the concepts of healthy living and environmental protection while supporting a firm agricultural foundation for our community.

In addition, we are working with two social enterprises, Buy Nearby and Hui-Xiang Organic Station, to locate local farmers that meet WNC's needs. We hope that through cooperation with WNC, these two social enterprises (or hopefully even more social enterprises) will be able to provide other corporations or organizations with more diverse, comprehensive plans of cooperation for the joint promotion of healthy eating and local agriculture. With the experience working with WNC, Buy Nearby began seeking cooperation with other social enterprises, enhancing the added value of organic farming with more professional and more diverse products and services. One example relates to the company's cooperation with Yongyeh Argo Co. in the delivery of the organic produce to WNC, the implementation of quality management, and training of local farmers.

In order for colleagues to learn more about how the company works with farmers, information about farmers, cultivation methods, and the message the company hopes to convey to colleagues through the Good Food Movement, the Human Resources Administration Division collaborated with the Marketing Division to film and produce the feature film *From Field to Table* within nearly a month's time. The film begins in Yuanli, Miaoli with farmer interviews, cultivation methods of vegetables, and actual footage of the farms. The film then covers the process of how these vegetables are washed, cooked, and then served in the WNC kitchen. Lastly, the film concludes with colleagues' feedback on the organic fruits and vegetables exhibition sale. We produced this film to help employees gain a further understanding of how the produce they eat is produced, see how it travels from the fields to their tables, and increase their awareness and support for healthy diets, environmental protection, and local farming.

In June 2015, we hosted an organic market during the WNC Family Day, providing groups such as "Yuan An Nature Farm", "FourWays Dairy Farm", and "Long De Rice Village" a venue to exhibit their produce and allowing employees to know more groups who commit themselves to food safety. The income generated from the day amounted to NT$179,145. We also selected the local produce recommended by the Lovely Taiwan Foundation for our 2015 Mid-Autumn Festival corporate gift, showing actual support and promoting the local cultural and agricultural specialties.

In October 2015, the Employee Relations Department held a company trip for colleagues and their family based on the theme of agricultural experience. Participants went to the "HueiShiang Organic Life Farm" in Miaoli County to experience farming and collect seasonal crops. Through this activity, colleagues will not only hear, learn about, and consume the results of organic farming and its health benefits through the Good Food Movement, they will also be able to experience nature and healthy living in the flesh through hands-on participation in farming activities. A total of 40 employees joined the company trip for agricultural fun.

07

Appendix

Assurance Statement

GRI Index

Errata of the WNC 2014 Corporate Social Responsibility Report

Page	Chapter	Error	Correction
P. 30	2.4.1	The personnel expenses in 2014 was NT$4,788,546.	The remuneration of directors and the wages of dispatch workers shall be deducted from the personnel expenses. Therefore, the actual personnel expenses should be NT$4,751,838.
P. 69	4.3	The total GHG emissions based on the GHG Inventory results of WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan) are 17,578, 13,321, and 4,556 tonnes CO_2e respectively.	The total GHG emissions based on the GHG Inventory results of WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan) have been verified as 18,846, 13,162, and 4,641 tonnes CO_2e respectively.

7.1 Assurance Statement

SGS | ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE WISTRON NEWEB CORPORATION's CORPORATE SOCIAL RESPONSIBLE REPORT OF 2015

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by WISTRON NEWEB CORPORATION (hereinafter referred to as WNC) to conduct an independent assurance of the Corporate Social Responsible Report (hereinafter referred to as CSR Report) of 2015. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables contained in this report.

The information in the WNC's CSR Report of 2015 and its presentation are the responsibility of the superintendents, CSR committee and the management of WNC. SGS has not been involved in the preparation of any of the material included in the WNC's CSR Report of 2015. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all WNC's stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative (hereinafter referred to as GRI) Sustainability Reporting Guidelines and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organization.

This report has been assured using our protocols for:
- evaluation of content veracity at a high level of scrutiny for WNC and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report ;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of the report against the GRI Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research; interviews with relevant superintendents, CSR committee members and the management; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from WNC, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within WNC's CSR Report of 2015 verified is accurate, reliable and provides a fair and balanced representation of WNC sustainability activities in 01/01/2015 to 12/31/2015.

The assurance team is of the opinion that the report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting. The report is the sixth to be assured by an independent assurance team and WNC has taken a bold step by offering the report to evaluation against both GRI G4 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES CONCULSIONS, FINDINGS AND RECOMMENDATIONS
Inclusivity
WNC is committed to being accountable to its stakeholders and to integrating inclusivity into its strategic and management approach. A variety of engagement efforts such as survey and communication to employees, customers, investors, local communities, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, WNC may proactively consider having more direct involvement of stakeholders during future engagement.
Materiality
WNC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It is recommended that the process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting.
Responsiveness
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Future reporting would benefit from more reporting on the results of stakeholder feedback from this report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCULSIONS, FINDINGS AND RECOMMENDATIONS
The report, WNC's CSR Report of 2015, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. The address of Disclosure on Management Approach about the mechanisms for evaluating the effectiveness of the management approach may be further enhanced. Meanwhile more description on Standard Disclosures show how the highest governance body is involved in monitoring and reacting to the organization's performance for economic, environmental and social topics is encouraged in future reporting.

Signed:
For and on behalf of SGS Taiwan Ltd.

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
30 May, 2016
WWW.SGS.COM

AA1000
Licensed Assurance Provider
000-8

7.2 GRI G4 Index

General Standard Disclosures

Aspects		DMA & Indicators	Chapter	Page
Strategy and Analysis	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	A message from the CEO	4–7
	G4-2	Provide a description of key impacts, risks, and opportunities.	2.3	33-37
Organizational Profile	G4-3	Report the name of the organization.	1.1	9
	G4-4	Report the primary brands, products, and services.	3.2	40-44
	G4-5	Report the location of the organization's headquarters.	1.1.1	11
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	1.1.1	11
	G4-7	Report the nature of ownership and legal form.	1.1	9
	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	3.2	40-44
	G4-9	Report the scale of the organization, including total number of employees, total number of operations, net sales, total capitalization broken down in terms of debt and equity, and quantity of products or services provided	1.1 3.1 3.2.1	9 39 40-41
	G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	4.2.1	52-53
	G4-11	Report the percentage of total employees covered by collective bargaining agreements.	No labor union was established in Taiwan, and there was no record of negotiations in China.	
	G4-12	Describe the organization's supply chain.	6.1	96
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	About this Report	1
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	2.3	33-37
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	1.2	15-17
	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	1.1.4	14
Identified Material Aspects and Boundaries	G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	About this Report	1
	G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	1.3.2	19–23
	G4-19	List all the material Aspects identified in the process for defining report content.	1.3.2	19–23
	G4-20	For each material Aspect, report the Aspect Boundary within the organization.	1.3.2	19–23
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	1.3.2	19–23
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Did not rearrange the information in previous reports	
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No major changes.	
Stakeholder	G4-24	Provide a list of stakeholder groups engaged by the organization.	1.3.1	19

			Chapter	Page	
Engage-ment	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	1.3.1	18	
	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	1.3.3	23–24	
	G4-27	Report 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. Report the stakeholder groups that raised each of the key topics and concerns.	1.3.3	23–24	
Report Profile	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About this Report	1	
	G4-29	Date of most recent previous report (if any).	About this Report	1	
	G4-30	Reporting cycle (such as annual, biennial).	About this Report	1	
	G4-31	Provide the contact point for questions regarding the report or its contents.	About this Report	1	

Aspects		DMA & Indicators	Chapter	Page
GRI Index	G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. (See tables below.) c. Report the reference to the External Assurance Report if the report has been externally assured. (GRI recommends the use of external assurance, but it is not a requirement to be 'in accordance' with the Guidelines.)	Appendix	90–93
Assurance	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Appendix	90–93
Gover-nance	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	2.1	26–28
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1.1	9

Specific Standard Disclosures

ECONOMIC					
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	G4-EC1	Direct economic value generated and distributed	3.1	39	
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2.3.5	35–36	
	G4-EC3	Coverage of the organization's defined benefit plan obligations	4.3.3	59	
	G4-EC4	Financial assistance received from government	2.2.2	30	
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	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	4.3.1	57	
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	4.2.2	54–56	
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	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	6.1	96	

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	G4-EN3	Energy consumption within the organization	5.3.1	88–89	
	G4-EN5	Energy intensity	5.3.1	88–89	
	G4-EN6	Reduction of energy consumption	5.3.2	90–92	
Water	DMA		5	79	
	G4-EN8	Total water withdrawal by source	5.3.1	88–89	

	G4-EN9	Water sources significantly affected by withdrawal of water	5.3.1	88–89	
	G4-EN10	Percentage and total volume of water recycled and reused	5.3.2	90–92	
Emissions	DMA		5	79	
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	5.4	93–94	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	5.4	93–94	
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	5.4	93–94	
	G4-EN18	Greenhouse gas (GHG) emissions intensity	5.4	93	
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	5.4	93–94	
Effluents and Waste	DMA		5	79	
	G4-EN22	Total water discharge by quality and destination	5.3.1	88–89	
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Compliance	DMA		5	79	
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	5.2.4	85–86	

Aspects	DMA & Indicators		Chapter	Page	Omission
Overall	DMA		5	79	
	G4-EN31	Total environmental protection expenditures and investments by type	5.2.5	87	
Supplier Environmental Assessment	DMA		6.1	96	
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	6.1.2	97–98	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	6.1.6	100–102	
Environmental Grievance Mechanisms	DMA		2.2.4	31–32	
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	2.2.4	31–32	

SOCIAL: LABOR PRACTICES AND DECENT WORK					
Aspects	DMA & Indicators		Chapter	Page	Omission
Employment	DMA		4.2	52	
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	4.2.2	54–56	
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	4.3	57–59	
	G4-LA3	Return to work and retention rates after parental leave, by gender	4.1.2	48	
Labor/Management Relations	DMA		4.1.3	49	
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	WNC Employment Regulations in accordance with local laws stipulate the time periods for providing employee notices regarding operational changes.		
Occupational Health and Safety	DMA		4.5.1	67	
	G4-LA5	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	4.5.1	67	
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	4.5.1	70	
Training and Education	DMA		4.4	60	
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	4.4.4	65–66	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	4.4	60–66	
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	4.3.2	58	

			Chapter	Page	Omission
Supplier Assessment for Labor Practices	DMA		6.1	96	
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	6.1.2	97	
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	6.1.6	100–102	

SOCIAL: HUMAN RIGHTS					
Aspects	DMA & Indicators		Chapter	Page	Omission
Child Labor	DMA		4.1	47	
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	4.1.1	47–48	
Forced or Compulsory Labor	DMA		4.1	47	
	G4-HR6	Operations and 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	4.1.1	47–48	
Supplier Human Rights Assessment	DMA		6.1	96	
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	6.1.2	97	
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	6.1.6	100–102	
Human Rights Grievance Mechanisms	DMA		2.2.4	31–32	
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	2.2.4	31–32	

SOCIAL: SOCIETY					
Aspects	DMA & Indicators		Chapter	Page	Omission
Anti-corruption	DMA		2.2	29	
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	2.2, 2.3	29–32, 33	
	G4-SO4	Communication and training on anti-corruption policies and procedures	4.4.4	66	
	G4-SO5	Confirmed incidents of corruption and actions taken	2.2.4	31–32	
Public Policy	DMA		2.2	29	
	G4-SO6	Total value of political contributions by country and recipient/beneficiary	2.2	29	
Anti-competitive Behavior	DMA		2.2	29	
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	2.2	29	
Compliance	DMA		2.2.3	30-31	
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	2.2.3	30-31	
Supplier Assessment for Impacts on Society	DMA		6.1	96	
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	6.1.2	97	
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	6.1.6	100–102	
Grievance Mechanisms for Impacts	DMA		2.2.4	31–32	
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	2.2.4	31–32	

SOCIAL: PRODUCT RESPONSIBILITY					
Aspects	DMA & Indicators		Chapter	Page	Omission
Customer Health & Safety	DMA		5	79	
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	3.2.1, 5.1	40–41, 80–82	
Product & Service Labeling	DMA		6.2	103–104	
	G4-PR5	Results of surveys measuring customer satisfaction	6.2	103–104	

Aspects		DMA & Indicators	Chapter	Page	Omission
Customer Privacy	DMA		6.2.1	103	
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	6.2.1	103	
Compli-ance	DMA		3.2.1	40-41	
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	3.2.1	40-41	

OTHERS				
Aspects	DMA & Indicators	Chapter	Page	Omission
Conflict Minerals	DMA	6.1.5	99–100	
	Conduct responsible investigation with relevant suppliers and ensure minerals are "conflict-free" minerals.	6.1.5	99–100	
Good-food Practice	DMA	6.4.5	110–112	
	Food sanitation and safety	4.5.4	74–75	
	Balanced diet	4.5.4	74–75	
	Environmental friendliness	6.4.5	110–112	
	Promote organic farming	6.4.5	110–112	

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