WNC
Wistron NeWeb Corp.

啟碁科技
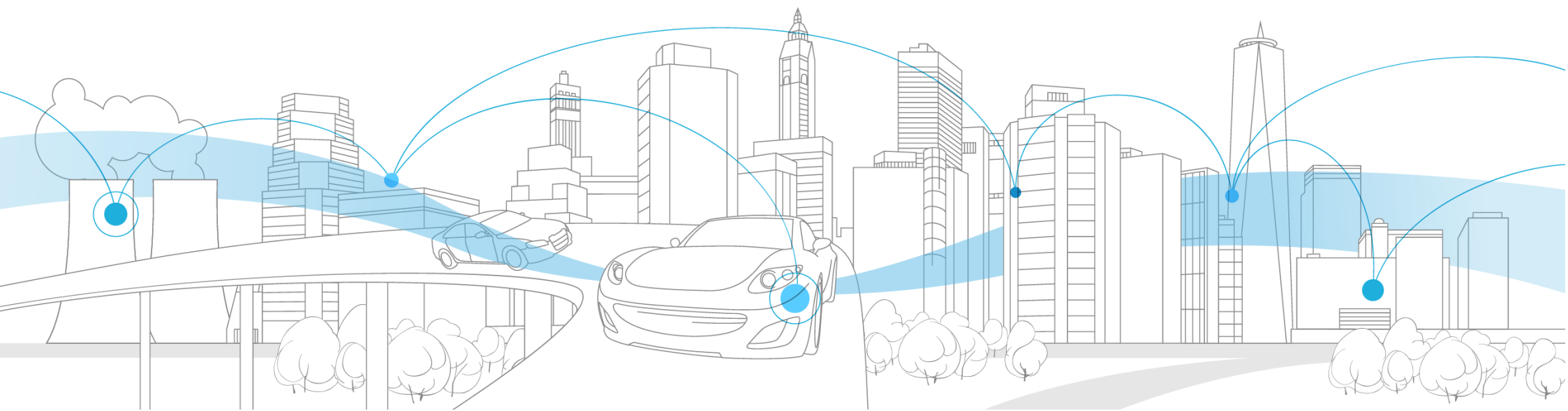## Wistron NeWeb Corp.

企業社會責任報告書
Corporate Social Responsibility Report

2017

About this Report

Since 2011, WNC has published its Corporate Social Responsibility Report annually to present the non-financial performance and achievements of WNC's operations, its efforts concerning environmental health and safety, and its 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.

Publication

The CSR Report for the preceding year is published by WNC on an annual basis.
- Current version: Published in June 2018
- Previous version: Published in June 2017
- Next version: Will be published in June 2019

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Aspects

The scope of the information disclosed in this report covers WNC's comprehensive performance and achievements in aspects relating to corporate social responsibility from January 2017 to December 2017. The report covers information regarding operations at WNC's headquarters in the Hsinchu Science Park, Taiwan and S1 located on Lihsin Rd. VI, 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 WNC's operations.

- WNC (Kunshan) Corporation, herein referred to as "WNC (Kunshan)"
- 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–Kunshan Plant, herein referred to as "WebCom (Kunshan)"
- WebCom Communication (Kunshan) Corporation–Nanjing Branch, herein referred to as "WebCom (Nanjing)"

Report Methodology and Guidelines

The report has been inspected by the independent third party, SGS Taiwan Limited, and has been verified to meet the requirements of GRI Standards Core option and AA1000 Assurance Standard type 1, moderate level. The Assurance Statement is enclosed in the appendix for reference.

This report covers the same organizational boundary and uses the same calculation methods as the previous year's report. The International Generic Indicators are adopted to present the performance data of corporate social responsibility. Additional information will be provided for any estimation. Financial figures in this report are expressed in New Taiwan dollars (NT$) unless otherwise specified. All figures have been audited by KPMG.

Verification and issuance of ISO 9001, ISO 14001, ISO/TS 16949, OHSAS 18001, IECQ QC 080000, ANSI/ESD S20.20, TL 9000, FSC® Chain-of-Custody and CNS 15506 certificates were performed by TÜV Rheinland; ISO/IEC 17025 by the Taiwan Accreditation Foundation; ISO/IEC 27001 by SGS Taiwan Ltd.; and ISO 14064-1 Greenhouse Gas Inventory by the China Quality Certification Center.

The Electronic Industry Citizenship Coalition (EICC) announced it has become the Responsible Business Alliance (RBA) as of Oct. 2017. WNC has followed suit and since Q1 of 2018 has renamed its internal documents relating to the EICC/RBA organization. However, for the purposes of this report, EICC may be used.

(In case of discrepancy between the Chinese version and its English translation, the Chinese version shall prevail.)

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Appendix

A Message from the Chairman

Chairman

I would like to express my gratitude to all WNC colleagues, customers, suppliers, partners, and investors, whose commitment and support has contributed to our continued growth and outstanding performance over the years. In 2017, WNC reached NT$5 billion in monthly revenue, and posted a record high of NT$56.89 billion in revenue for the year.

In response to the rapidly changing industry environment, WNC implemented organizational adjustments in early 2017. We hope that more effective resource integration and allocation as well as inter-departmental cooperation will enable us to reach optimal operating performance and business development. In December 2017, WNC President Jeffrey Gau assumed the additional role of CEO with the new title of "President & CEO," and is now in charge of the operational and business development of WNC and all its subsidiaries.

WNC has established a business presence in Taiwan, China, the United States, the United Kingdom, and Japan. To meet customers' demand for mass production, rapid expansion of production capacity took place in both S1 and Wistron NeWeb (Kunshan), resulting in a significant increase in WNC's overall power consumption. Therefore, we established the "Green Committee" in September 2017. The committee is tasked with building solar power stations and energy monitoring systems in Taiwan and China and implementing energy-saving and carbon/waste/plastic reduction measures. The aim was to effectively reduce greenhouse gas emission intensity and optimize energy efficiency as we expand the scale of our production. The first phase construction of solar power stations in Taiwan and China was completed in December 2017, and the second phase is expected to be completed in October 2018. The goal is to generate 2,940 MWh of electricity by the end of 2019 which equates to a carbon emission reduction capacity of approximately 5.4 times that of Daan Forest Park. In December 2017, the Supervisory Control and Data Acquisition System (SCADA), and an energy-data collection platform were established in the WNC headquarters and S1. The scope of data collection and analysis will be expanded in 2018 to provide structural energy dissipation analysis of each area, as well an organization and energy efficiency analysis for equipment with significant energy use.

On the operations aspect, WNC continued to implement a number of employee-friendly workplace initiatives to promote the physical and mental health of employees and the quality of the work environment, including the "Good Food Movement - Healthy Days Everyday" which features organic vegetables for employee meals, free influenza vaccinations, and special lectures on arts and health. In addition, in July 2017, WNC collaborated with Hsinchu Lifeline Association to launch the "WNC Employee Assistance Program," in order to provide colleagues who seek work-life balance with a highly private and confidential channel of consultation, and to engage professional consultants for appropriate solutions. The program aims to provide colleagues with various consulting services in legal matters, financial management, and mental health management. As charitable activities, WNC continued to support the education of disadvantaged schoolchildren in rural areas, sponsored a number of university service clubs, built a goods sharing platform, and invited charity groups to hold exhibition sales on company premises.

In 2017, WNC was ranked among the top 50 in the "Large Enterprises" group for Excellence in CSR by the CommonWealth Magazine Group. We also won the Service of Social Innovation Purchase Reward Program (First Prize) from the Ministry of Economic Affairs, rated in the top 20% among all Taiwan publicly traded companies in the Corporate Governance Evaluation, and was honored with the Gold Medal of the "Taiwan Corporate Sustainability Report Award" in Electronic Information Engineering. For technology development and product innovation, we won the Hsinchu Science Park "R&D Accomplishment Award," "Innovative Product Award," and the "Award for International Trade—Contribution to Primary Market Expansion Award."

As our business expands, we are cognizant that society is raising its expectations for companies in terms of their information disclosure, integrity, environmental protection, and participation in society. We aspire to use available resources in a reasonable manner to ensure that our objectives are consistent with our company's long-term operational strategies. While we enhance WNC's core capabilities and meet stakeholders' expectations, we want to work hand-in-hand with our partners to create an even higher standard of values. As a result, we have committed to the following as our long-term objectives to continue to fulfill our social responsibility as a conscientious corporate citizen:

- Consolidating core competitiveness and creating multiple balanced values for all stakeholders

- Creating workplaces and corporate governance systems of optimal quality

- Building green factories, achieving our goal of reduced greenhouse gas emissions, and expanding the use of renewable energy

- Creating sustainable operations and value chains with our customers and suppliers

- Supporting the education of disadvantaged children and expanding their opportunities for study and development.

Looking into the future, we expect to confront a more competitive industry, a shorter product life cycle, and a drastically changing environment. Artificial intelligence (AI) has heralded a boom in emerging technologies and applications, offering new opportunities as well as presenting challenges to the communications industry. In the forthcoming IoT era, which will be driven by hardware/software integration, only vendors with solid technological expertise and abundant product development experience will survive. WNC has built a strong foundation in wireless communications technologies, software development, and system integration, and these very core competencies form the basis for our customers' trust in us. In the future, we will continue to: solidify and deepen our on-going competitive advantage; commit ourselves to the four major development aspects of broadband access, smart home, industrial networking, and smart and connected transportation solutions; and enhance cooperation with our customers and diverse members of the supply chain. By doing so, we can harness technology development trends and follow market demands, which will in turn enable us to collaborate with one another to stimulate innovation, develop new products based on our integration and development capabilities, help our customers launch products that meet market requirements, and continuously foster customer satisfaction and long-term partnerships.

In the upcoming year, we must still advance gradually and carefully, and be self-disciplined and self-motivated. We will further promote the core values in the organization's behavior and internal processes and actively develop WNC's culture of mutual learning. With professional capabilities, efficiency, and quality in mind, we will shoulder greater responsibilities and take on more challenges as we continue to enhance and strengthen our sustainable competitive advantages. We expect ourselves to exert a positive influence on aspects of the economy, environment, and society. We look forward to your constructive feedback. Let's all work together to create a sustainable, thriving, and prosperous community.

2017 WNC CSR Achievements

Long-term Objectives	WNC CSR Policy	Short-term Objectives	Execution Results in 2017
Consolidating core competitiveness and creating values balanced for all interested parties	We are committed to the pursuit of sustainable development. Our business strategies must include comprehensive consideration of economic, environmental, and social aspects to reach an optimal balance and achieve continuous improvement.		■ Ranked among the top 50 in the "Large Enterprises" group for Excellence in CSR by the CommonWealth Magazine Group ■ Honored with the "Taiwan Corporate Sustainability Report Award Gold Medal" in Electronic Information Engineering ■ Ranked as Gold Level by EcoVadis in the 2017 annual audit in CSR
Creating high quality workplaces and corporate governance systems	We provide employees with fair and reasonable remuneration in accord with standard levels in the industry and offer training programs for developing employees' competence and expertise.		■ No child labor was employed at WNC (Taiwan) and at WNC's China sites. ■ Training hours per employee at WNC (Taiwan) and at WNC's China sites were 17.7 hours and 15.5 hours, respectively. ■ The percentages of local employees promoted to the management level in WNC (Taiwan) and at WNC's China sites were 99.0% and 79.2%, respectively. ■ Maintained our position as a component of the Taiwan High Compensation 100 Index (HC 100) by the Taiwan Stock Exchange (TWSE). ■ WNC (Taiwan) launched the "Employee Assistance Program" in collaboration with the Hsinchu Lifeline Association ■ Continued to implement the "Maternity Care" and the "Goodie Bag for WNC Moms" projects in WNC (Taiwan). The lactation rooms in WNC headquarters and S1 won the "Excellent Breastfeeding Room Certification Campaign" organized by local authorities. ■ Parental leave retention rate in WNC (Taiwan) was 100%.
	We offer a healthy and safe workplace and implement systematic environmental-safety-management measures, doing our best to prevent environmental pollution and occupational injuries.		■ Conducted: training and drills on high-risk operations; occupational safety and health management training for supervisors; and plant-wide earthquake evacuation drills in WNC (Taiwan) on a regular basis ■ A total of 269 employees used the health consultation services in WNC (Taiwan). We arrange annual health examination for all employees, and the participation rate for 2017 was 98.9%. ■ Offered free flu vaccinations for all employees, security guards, on-site cleaning staff and food vendors, and IT engineers. A total of 1,055 people received vaccinations. ■ The Injury Rate (I.R.) was 0.15 and the Lost Day Rate (L.D.R.) was 0.52 in WNC (Taiwan). ■ A total of 136 contractors have undergone contractor safety and health performance evaluation in WNC (Taiwan). ■ A total of 5,700 people participated in the O2gether Mid-Autumn Festival event held in WNC (Taiwan). The event aimed to encourage participants to reduce their individual carbon footprint and use less plastic. The Chairman and the CEO both pledged support for environmental sustainability onstage.
	We maintain healthy corporate governance, financial structures, and forward-looking business plans to provide our investors with appropriate returns.	Implement the "WNC Ethics and Anti-Corruption Code of Conduct" online course for all DL employees in WNC (Taiwan) in 2018.	■ Rated in the top 20% among all companies in the Corporate Governance Evaluation ■ Included as a component of the "TWSE Corporate Governance 100 Index" ■ Achieved our 8th year of positive revenue growth ■ Return on shareholders' equity exceeded 15% for the third consecutive year ■ 1,610 IDL employees in WNC (Taiwan) completed the "WNC Ethics and Anti-Corruption Code of Conduct" online course. The course completion rate was 92.16%

Building green factories, achieving our goal of reducing greenhouse gas emissions, and expanding the use of renewable energy	We design and produce products and services that enhance the convenience of people's lives while minimizing environmental impact.	■ Complete the IATF 16949: 2016 Certification in S1 and WNC (Kunshan) in Q3 2018 ■ Complete the verification audit of the ISO 50001 Energy Management System by Q2 2018. ■ Generate 2,940 MWh of electricity from solar power stations by the end of 2019 ■ Achieve 10% reduction in Scope 2 GHG emission intensity in WNC (Taiwan) and at WNC's China sites by 2019 from 2016 levels ■ Achieve 6% reduction in wastewater emission intensity by 2021 from 2016 levels ■ Achieve a waste recycling rate of 80% in 2019	■ Honored with the Hsinchu Science Park "R&D Accomplishment Award" and "Innovative Product Award" ■ Honored with the "Contribution to Primary Emerging Market Expansion Award, Award for International Trade" from the Ministry of Economic Affairs ■ Adjusted the design of our outdoor IP camera and successfully reduced its power consumption by 19.6% ■ Purchased products with green procurement certification indicia, including daily necessities, office suppliers, and IT products. Total purchases amounted to NT$23.649 million. ■ Completed phase one of the solar panel installation at sites in Taiwan and China. The effects of the electricity generated equate to a carbon emission reduction capacity of approximately 1.2 times that of Daan Forest Park. ■ Reduced Scope 2 GHG emission intensity by 6.3% at sites in Taiwan and China from 2016 levels ■ The energy conservation efforts at sites in Taiwan and China resulted in the reduction of 2,282.4 and 1,755.1 tonnes CO_2e, respectively. ■ The amount of water saved at sites in Taiwan and China was 18,128 and 12,426 tonnes respectively, accounting for 14.8% and 5.4% of the total water consumption of the respective plants. ■ Completed the first phase in the establishment of an energy monitoring system in WNC (Taiwan) ■ Achieved a waste recycling rate of 79% at WNC (Taiwan) ■ WNC (Taiwan) provided 1,130 kg of recycled paper to Cheng Loong Corp. to make Dandelion hand towels.
Creating sustainable operations and value chains with our customers and suppliers	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 follow.	■ Complete the CSR audit for 68 suppliers in 2018 ■ Complete the establishment of a conflict minerals management information platform in 2018	■ Sixty-four suppliers have completed the WNC Supplier CSR audit. ■ Thirty-one suppliers responded to the "Supplier CSR Survey Form." ■ Conducted investigations of 156 suppliers to ensure the minerals they used were "conflict-free"
	We achieve high customer satisfaction with superior quality and efficiency and thus maintain long-term partnerships with customers.	Obtain a customer satisfaction score of 90	■ Customer satisfaction score improved for the sixth consecutive year. ■ Received a total of 534 requests for green products. All requests were honored by the end of Q1 2018.
Supporting the education of disadvantaged children and expanding their study and development opportunities	We respect the community and society we live in and are willing to exercise our duty as a corporate citizen to offer our assistance.	Enroll 50 more students for the WNC Industry-University Cooperative Project classes in 2018.	■ Honored with the "New Product and Service of Social Innovation Purchase Reward Program—Top Tier" from the Ministry of Economic Affairs ■ Purchases of organic produce for employee meals amounted to NT$7,021,695 ■ Established the WNC Industry-University Cooperative Project Classes with TransWorld University and China University of Science and Technology to provide students below the poverty line with on-the-job training opportunities. A total of 58 such students are currently onboard. ■ Established the WNC Volunteer Club towards the end of 2017 and continued to recruit volunteers from its ranks to participate in activities ■ WNC and WNC employees donated a total of NT$650,000 to welfare clubs at NTHU and NCKU. ■ Raised a total of NT$823,900 through the "Tunan Elementary School Development Project" and invited customers and vendors to help repair Tunan Elementary School. Surplus project funds were used to support the school's theme-based teaching. ■ Sponsored yearly subscriptions of "Global Kids Junior Monthly" and "Global Kids Monthly" for all classes in five elementary schools and two junior high schools in Hsinchu and Tainan at the expense of NT$102,000.

Sustainable Management

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.

- We respect the community and society we live in and are willing to exercise our duty as a corporate citizen to offer our assistance.

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 2017, WNC updated the "Corporate Governance Best-Practice Principles" and "Corporate Social Responsibility Best-Practice Principles" in accordance with the recommendations of the TWSE and prevailing conditions during implementation. The Marketing Division assists in driving the policies on corporate social responsibility and sustainable development. Functional units with different job responsibilities cooperate to implement related measures based on company policies. Each functional unit also monitors changes in international initiatives and regulations to examine, in a timely manner, whether related management methods and operations procedures should be modified. Functional units report annual performance to the Chairman.

WNC's Corporate Social Responsibility Report (hereafter referred to as the Report) is organized with a team formed by the Marketing Division, Human Resources Administration Division, Global Manufacturing Plants, Global Supply Chain Management Division, Quality Assurance Division, Management Information System Division, Legal & IP Center, Finance Division, Audit Office and EICC Management Committee. The Marketing Division is in charge of coordination, information gathering, editing, design, layout arrangement and verification. It invites the top managers of related units to appoint representatives to serve as members of the Report organization team. The Marketing Division holds the project kick-off meeting for report organization at the end of the year to explain and discuss the work plan of the annual

report. Members of the organization team and the responsible representative of the Marketing Division assume the responsibility for gathering, discussing and reviewing sustainability topics based on their day-to-day interaction with stakeholders.

The Report Organization Team summarizes the outcome of its work for the year in the CSR report and submits it to the Chairman for final approval. After regular external verification in Q2 it publishes the CSR report for the previous year in June.

WNC Corporate Social Responsibility Report Organization Team
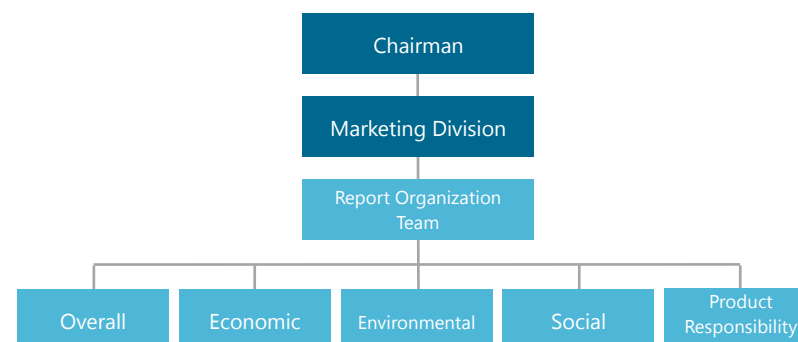
EICC Management Committee

WNC voluntarily abides by the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and adopted its own WNC EICC Code of Conduct for all WNC employees, subsidiaries, and suppliers to follow. We expect our value chain partners to follow principles of business integrity and abide by local and international regulations as well as engage in environmental protection, ESH, and labor-rights protection in order to fulfill our mutual corporate social responsibilities.

The WNC EICC Management Committee is established both at WNC (Taiwan) and major manufacturing sites in China. The committee directs WNC's CSR and EICC implementation efforts. The Chairman serves as the highest-level manager receiving reports on issues. Major issues shall be submitted to the Board of Directors for examination and resolution.

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, Industrial Safety and Facility Center, 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 EICC-related issues, assess the risk in the EICC management system and set Key Performance Indicators (KPIs). In addition to the semi-annual performance examination, the officers carry out an EICC internal audit every year to ensure the effectiveness and 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 resolution as well as the execution and review of the resolution items.

To conform to industry standards and respond to customer requirements, as well as to follow international trends that place an increased emphasis on issues such as labor, health and safety, environmental protection, and ethics, staff at the WNC Taiwan and China sites carry out an EICC internal audit every year. The EICC Validated Audit Process (VAP) was completed in Q4 2015 for the first time. China sites conducted a follow-up audit according to the VAP in 2016. These audits were carried out in order to assess the effectiveness of the WNC EICC management system in a fair and objective manner. We implement plans for improvements to working hours and social insurance progressively based on results of the VAP audit. We reinforce the daily work necessary for enhancing environmental protection, health and safety to continue to improve the EICC management system. WNC's major sites are expected to complete the VAP again in 2018.

To enable all WNC employees to better understand the meaning of corporate social responsibility, WNC provides CSR/EICC online training courses during the orientation of new employees 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. The Marketing Division collaborated with the WNC EICC Management Committee in compiling the WNC CSR Employee Handbook. The handbook was published in the CSR KM section on WNC's internal website. In 2017, we invited an outside expert to conduct a two-day EICC internal auditor training course for employees responsible for the EICC internal audit at sites in Taiwan and China. The course aims to enhance the internal auditors' ability to

assess the effectiveness of EICC operations. In 2018, the EICC Management Committee will examine and discuss measures in response to Version 6.0 of the EICC Code of Conduct released at the end of 2017 with disparate responsible units.

Structure of EICC Management Committee: WNC (Taiwan)
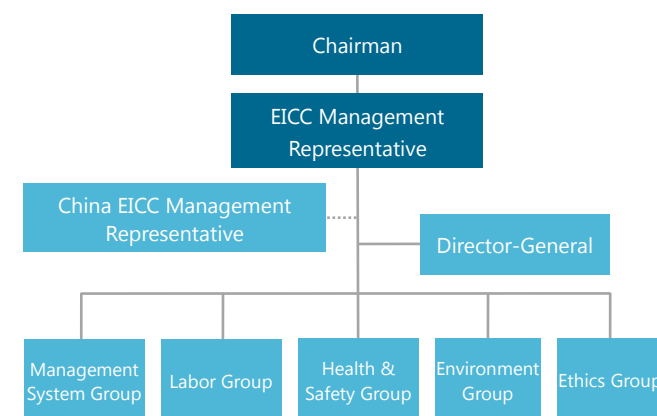
Structure of EICC Management Committee: China Sites

Communication with Stakeholders

Stakeholder Inclusivity

Identify	Sort	Confirm	Review

Sustainability	Materiality	Completenes	Sustainability

Identification of Issues of Concern to Stakeholders

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

Determine Aspects with Relative Reporting Priority

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

Confirm the Identified Material Topics

- Assess the list of material topics for scope, topics boundaries and time sensitivity
- Prepare systems and processes to gather the information

Evaluate Report Content and Check Reporting Process

- Stakeholder engagement
- Review and reflection by the work group

Identified

6 significant stakeholder categories

27 major issues

Sorted

219 external surveys

25 internal surveys

Confirmed and Reviewed

7 external and internal entities of the organization

24 material topics

Communicating with stakeholders in a timely and appropriate manner is a basic responsibility of a corporate citizen. WNC strives to pursue pragmatic operations and steady development. Perhaps due to attributes of its business model, WNC usually proceeds in a conservative and low-profile manner in any form of advertisement or promotion. However, WNC still tries to maintain smooth communications and mutual trust with its stakeholders through diverse methods. To identify key interested parties of WNC and uncover substantive issues so as to determine this report's main objectives and contents, we assembled sales managers and corresponding employee representatives from the following stakeholder-related segments of WNC: 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 scope and related interested parties, interested parties' degrees of concern with these issues, and their impact on operations.

Identification of Stakeholders

WNC has adopted the five factors specified by the AA1000 Stakeholder Engagement Standard 2015. According to these: dependence, responsibility, tension, influence, and multiple perspectives of stakeholders of WNC; we identified six significant stakeholder categories including customers, employees, suppliers, investors/shareholders, government/authorities and the Media.

Identification of Material Topics

We interact with stakeholders throughout our day-to-day operations. We gather reports on international trends related to corporate social responsibility, issues raised by customers; and subjects that are the focus of the industry and third-party evaluation organizations. We collect the issues that concern stakeholders through the following internal and external input, and with reference to the definitions and classifications in the GRI Sustainability Reporting Standards(GRI Standards) published by the Global Reporting Initiative (GRI). We have collected a total of 42 sustainability issues which are categorized into overall, economic-, environmental-, social-, and product-responsibility categories.

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

■ External: International trends and regulations, customer requirements, practices of our business peers, the Responsible Business Alliance (RBA), third-party evaluation organizations (EcoVadis), the QuEST Forum, Bloomberg ESG Survey, the NQC common technical platform, evaluation items of the 2017 TCSA (Taiwan Corporate Sustainability Awards), GVM CSR Survey, Excellence in Corporate Social Responsibility Award from CommonWealth Magazine, the Sustainability Topics for Sectors published by GRI, and The Global Risks Report 2017 published by the World Economic Forum.

To collect various types of feedback from stakeholders, we post external surveys in the Stakeholder Section on WNC's Website for our stakeholders to provide their feedback. We received 219 surveys in 2017 and approximately 57% of them were filled out by stakeholders in the six identified significant stakeholder categories. Business and functional units determine the aspects that are substantive and require particular attention based on daily operation. We wanted to identify material topics and conducted an internal survey of employees selected by their respective unit heads. A total of 25 surveys were collected.

Tension

Dependency

Diverse Perspective

Res-ponsi-bility

Customer
Employee
Investor/Shareholder
Supplier
Government/Authority
The Media

Influence

On-line Stakeholder Survey

28.8%
20.1%
13.2%
6.4%
7.8%
8.2%
3.7%
4.6%
2.7%
0.9%
0.5%
3.2%

- Research Institutes
- Investors
- Job Seekers
- Employees
- Customers
- Suppliers & Contractors
- Industry
- Community Residents
- NPTs & NGOs
- Governmental unit
- Media
- Others

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). Wishing to integrate the internal survey with external stakeholders', we weighted the score of the question "first to fifth, sixth to tenth and eleventh to fifteenth issues that concern stakeholders the most" by 10%, 8% and 5% respectively. The score for this question is calculated based on statistics for results from the external survey. The average scores are plotted on a Cartesian plane to enable the identification of aspects that are both of higher interest to stakeholders and of a higher impact on WNC's operations. Aspects with an average score of 3.5 or higher on "the level of concern of stakeholders to the particular aspect" and "the level of impact of the aspect on WNC's operations" are considered major aspects of interest; there are a total of 27 such major issues. Among these aspects, 7 of them are issues of general disclosure and 20 of them are issues relating to material topics.

Prioritization of Topics

Overall

1	Sustainable Management
2	Compliance with Regulations
3	Information Transparency
4	Grievance Mechanisms
5	Supplier Management
6	Risk Management

Economic

7	Corporate Governance
8	Technology R&D
9	Quality Service
10	Business Ethics
11	Anti-corruption
12	Anti-competitive Behavior
13	Economic Performance
14	Stockholders' Equity
15	Local Employment
16	Economic Impacts
17	Local Procurement

Environmental

18	Materials
19	Energy Resource & Waste
20	Water
21	Biodiversity

Environmental

22	Carbon Emission Management
23	Effluents and Waste
24	Green Product Management
25	Use of Packaging Materials
26	Environmental Expenditure

Social

27	Employment
28	Labor/Management Relations
29	Occupational Safety & Health
30	Training & Education
31	Diversity & Equal Opportunity
32	Human Rights Training and Investment
33	Anti-discrimination
34	Freedom of Association & Collective Bargaining
35	Child Labor
36	Conflict Minerals
37	Forced or Compulsory Labor
38	Local Communities
39	Public Policy Participation

Product Responsibility

40	Customer Health & Safety
41	Marketing and Labeling
42	Customer Privacy

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

In view of the 20 material topics 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 topic and determined which branch of WNC might be impacted, such as WNC Taiwan (including headquarters and S1), the branches in Kunshan, China (including WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan)), as well as which customers, suppliers and contractors outside of WNC.

TOP 10 in Terms of Concern	TOP 10 in Terms of Impact
Customer Privacy	Customer Privacy
Economic Performance	Compliance with Regulations
Quality Service	Quality Service
Technology R&D	Technology R&D
Employment	Sustainable Management
Compliance with Regulations	Economic Performance
Sustainable Management	Risk Management
Stockholders' Equity	Customer Health & Safety
Occupational Safety & Health	Employment
Business Ethics	Labor/Management Relations

● Material, disclosed in report ○ Material

Aspect	Material Topic	GRI Standards Index	Relevant Chapter	Within the Organization				Outside of the Organization		
				WNC	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom (Kunshan)	Customer	Supplier	Contractor
Overall	Sustainable Management	102-14	A message from the Chairman	●	●	●	●			
	Risk Management	102-15	2.3	●	●	●	●			
	Grievance Mechanisms	103-2	2.2.4, 3.1.3	●	●	●	●	●	●	●
	Compliance with Regulations	307-1, 419-1	4.1.4, 2.2.3, 1.3.1	●	●	●	●	●	●	●
	Supplier Management	308-1, 308-2, 414-1, 414-2	5.1.2, 5.1.6	●	●	●	●		●	
	Disclosure and Transparency	Others	Sustainable Management	●	●	●	●			
Economic	Corporate Governance	102-18	2.1.1	●	●	●	●			
	Technology R&D	102-2	1.3	●	●	●	●		●	
	Quality Service	102-2	1.3	●	●	●	●		●	
	Business Ethics	102-16	1.1	●	●	●	●	○	●	
	Economic Performance	201-1, 201-2, 201-3, 201-4	1.2, 2.2.2, 2.3.3, 3.3.3	●	●	●	●			
	Stockholders' Equity	201-1	1.2	●	●	●	●			
	Local Procurement	204-1	5.1	●	●	●	●			
	Anti-corruption	205-1, 205-2, 205-3	2.2, 2.3, 3.4.4	●	●	●	●	○	●	
Environmental	Energy Resource & Waste Management	302-1, 302-3, 302-4	4.4.1, 4.4.2	●	●	●	●			
	Carbon Emissions Management	305-1, 305-2, 305-3, 305-4, 305-5	4.3, 4.4.2	●	●	●	●			
	Green Product Management	416-1	1.3, 4.2	●	●	●	●	●	●	
Social	Employment	401-1, 401-2, 401-3	3.2.2, 3.3, 3.1.2	●	●	●	●			
	Labor/Management Relations	402-1	6.2	●	●	●	●		●	
	Occupational Safety & Health	403-1, 403-2	3.5.1	●	●	●	●		●	●
	Training & Education	404-1, 404-2, 404-3	3.4	●	●	●	●			
	Child Labor	408-1	3.1.1	●	●	●	●		●	
	Forced or Compulsory Labor	409-1	3.1.1	●	●	●	●		●	
	Conflict Minerals	Others	5.1.5	●	●	●	●		●	
Product Responsibility	Customer Health & Safety	416-1, 416-2	1.3.1, 4.2	●	●	●	●	○	●	
	Marketing and Labeling	417-1, 417-2, 417-3	1.3.1, 1.3.4	●	●	●	●	○		
	Customer Privacy	418-1	5.2.1	●	●	●	●		●	

Response to Stakeholders

To address issues of stakeholder concern, corresponding responsible units or project teams are assigned. We hope to understand the stakeholders' 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 and is appropriate to serve as the reference standard for the CSR report for the following year.

The general communication channels we use are the WNC website, the Market Observation Post System, 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 details of WNC's financial and non-financial performance. Other issues and communication channels are listed in the following table. Please refer to each relevant 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 2017, there were no complaints regarding work environments, labor practices, human rights practices, or social impact.

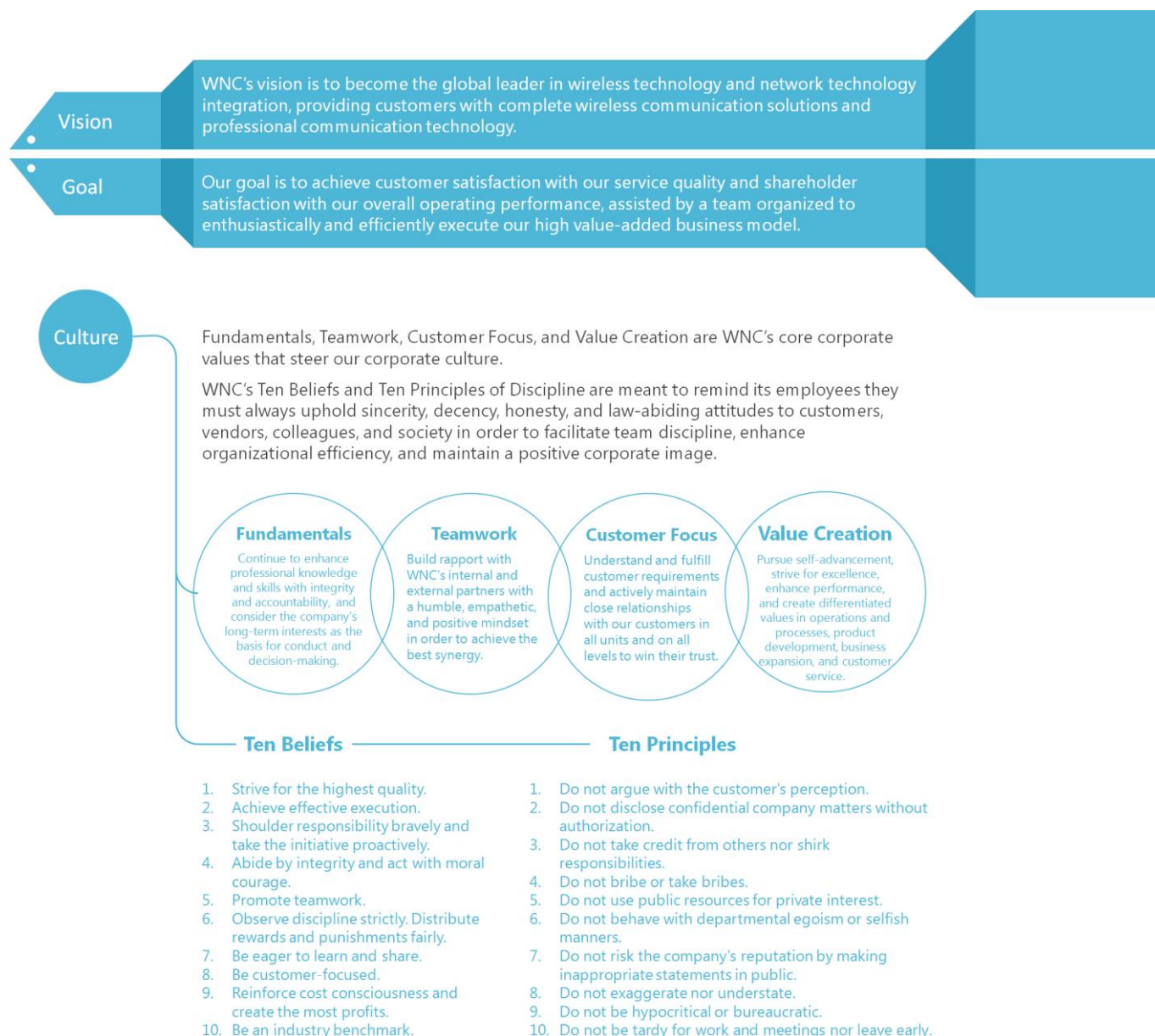| Stakeholder	Issue	Responsible Unit	Relevant Chapter	Communication Mechanism	Communication Frequency	Communication Result in 2017
Customer	■ Products and services ■ Supplier management ■ Human rights ■ Energy resource & waste management ■ ESH management ■ Risk management	■ Business Group/Unit ■ QA Div. ■ HR Adm. Div. ■ Industrial Safety Office ■ EICC Management Committee	1.3 4.2 5.1 3.1 4.4 3.5 2.3	Customer satisfaction survey	Once a year	■ Received a total of 534 requests for green products from customers, and all requests were honored by Q1 2018. ■ We earned a score of "94.6" for customer satisfaction and exceeded our goal (90 points).
				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	■ Human rights ■ Labor/Management relations ■ Remuneration ■ Training & education ■ ESH management	■ HR Adm. Div. ■ Industrial Safety Office ■ Employee Welfare Committee	3.1 3.2 3.3 3.4 3.5	Employee Representative Committee	Quarterly	■ We responded to 100% of the questions submitted in Taiwan and China through various communication channels. ■ The new hire rate for WNC (Taiwan) was 30.0%. The number of new employees increased by 1.13 times that of 2016. ■ A total of 302 IDL employees at WNC Taiwan were nominated for promotions; 90 of them were female.
				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 ■ Stockholders' equity ■ Products and services	■ Board of Directors ■ Investor Relations Dept. ■ Business Group/Unit	2.1 1.2 1.3	Shareholders' meeting	Once a year	■ WNC was rated in the top 20 % among all companies in the fourth Corporate Governance Evaluation. ■ The consolidated revenue is 7.79 % higher than last year. ■ Participated in 183 investor conferences, and held face-to-face meetings with 137 domestic and international legal entities.
				Investor conference	Semi-annually	
				Investor query	Approx. 180 meetings per year	
Supplier/ Contractor	■ Products and services ■ Supplier management ■ Contractor management	■ Business Group/Unit ■ QA Div. ■ Industrial Safety Office ■ Supply Chain Management Division	1.3 5.1 5.3	SMS portal	Updated upon request	■ Sixty-four suppliers have undergone the on-site CSR audit. ■ A total of 98 WNC suppliers participated in the Wistron Group Vendor Conference. ■ A total of 136 contracts in Taiwan have undergone the contractor safety and health performance evaluation system.
				Supplier performance evaluation	Quarterly	
				Supplier audit/contractor evaluation	Once a year	
				Supplier conference	Once a year	
Government Authority	■ Compliance with regulations ■ ESH management ■ Energy resource & waste management ■ Grievance mechanisms	■ Finance Div. ■ Legal & IP Center ■ HR Adm. Div. ■ Marketing Div.	2.2.3 3.5 4.4 2.2.4	Official documents/questionnaires	Aperiodic	■ The lactation room in S1 won the "Excellent Breastfeeding Room Certification Campaign" organized by the Department of Health, Hsinchu County Government in 2017. ■ WNC (Taiwan) won first prize in the Service of Social Innovation Purchase Reward Program from the Ministry of Economic Affairs.
				Awards	Aperiodic	
				Regulatory seminars/ forums/ industry-association activity	Aperiodic	
The Media	■ Recruitment ■ CSR ■ Economic performance	■ HR Adm. Div. ■ Marketing Div. ■ Investor Relations Dept.	3.2 1.2	Press releases/announcements	Aperiodic	■ Disclosed 18 news items in releases/announcements ■ Ranked among the top 50 in the "Large Enterprises" group for Excellence in CSR by the CommonWealth Magazine Group
				Questionnaires/interviews	Aperiodic	
				Media contact	Aperiodic	

01

About WNC

Corporate Operations

Operational Performance

Products and Services

Intellectual Property

1.1 Corporate Operations

We specialize in the design, R&D and manufacture of communication products. We provide complete technical support for RF antenna design, software and hardware design, mechanism design, system integration, interface development, product testing and certification. We offer technical services for short, medium and long distance communication. We provide consumer, enterprise-level, industrial-grade and vehicular products. We've been devoted to network communication, the digital home, satellite broadcasting and smart driving assistance for many years. We will continue working with world-class companies.
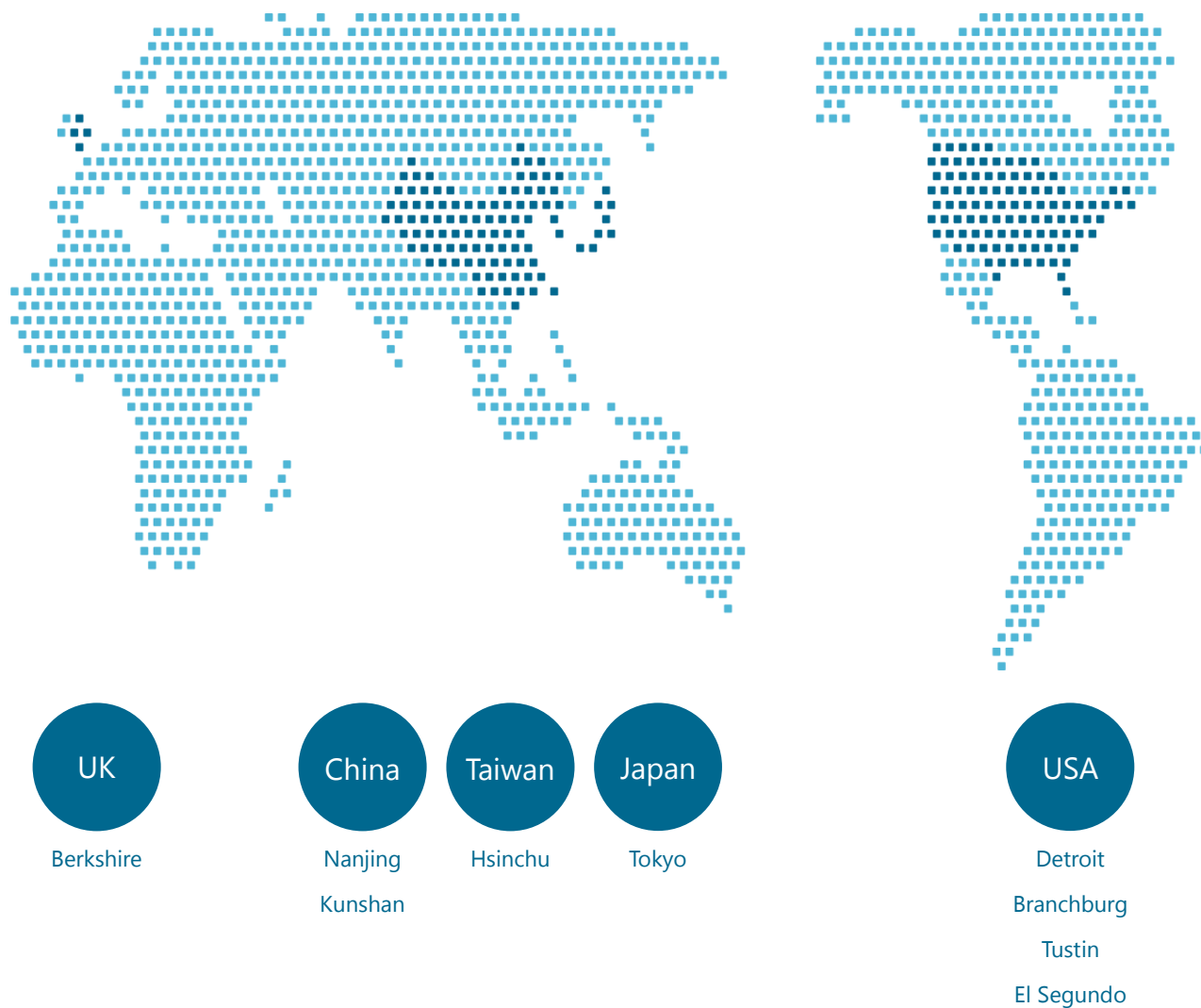
Company Name	Wistron NeWeb Corporation
Chairman	Haydn Hsieh
President & CEO	Jeffrey Gau
Headquarters	Hsinchu, Taiwan
Established	Dec. 7, 1996
Public Listing	Sept. 22, 2003 (Stock code: 6285)
2017 Capital	NT$3.668 billion
2017 Revenue	NT$56.89 billion (Consolidated)
2017 Employees	9,531 people (Global)

Vision

WNC's vision is to become the global leader in wireless technology and network technology integration, providing customers with complete wireless communication solutions and professional communication technology.

Goal

Our goal is to achieve customer satisfaction with our service quality and shareholder satisfaction with our overall operating performance, assisted by a team organized to enthusiastically and efficiently execute our high value-added business model.

Culture

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

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.

Fundamentals

Continue to enhance professional knowledge and skills with integrity and accountability, and consider the company's long-term interests as the basis for conduct and decision-making.

Teamwork

Build rapport with WNC's internal and external partners with a humble, empathetic, and positive mindset in order to achieve the best synergy.

Customer Focus

Understand and fulfill customer requirements and actively maintain close relationships with our customers in all units and on all levels to win their trust.

Value Creation

Pursue self-advancement, strive for excellence, enhance performance, and create differentiated values in operations and processes, product development, business expansion, and customer service.

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 or take bribes.
5. Do not use public resources for private interest.
6. Do not behave with departmental egoism or 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 or bureaucratic.
10. Do not be tardy for work and meetings nor leave early.

1.1.1 Worldwide Locations

The WNC headquarters is located in Hsinchu Science Park. We also have service centers and manufacturing sites in Taiwan, the U.S., the U.K., Japan, and China to provide comprehensive solutions and local support. Headquarters at WNC (Taiwan) provides a combination of R&D, sales, logistics, and after-sales service. Its operations are responsible for coordinating customer needs and resource logistics for its global sites. WNC's major manufacturing sites include S1 (also located in Hsinchu Science Park), which commenced operations in June 2016, as well as WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan).   Other locations were established due to growing business needs and include NeWeb Service, which focuses on after-sales service, and WebCom (Nanjing) which is responsible for research and development of products for the Chinese market.

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

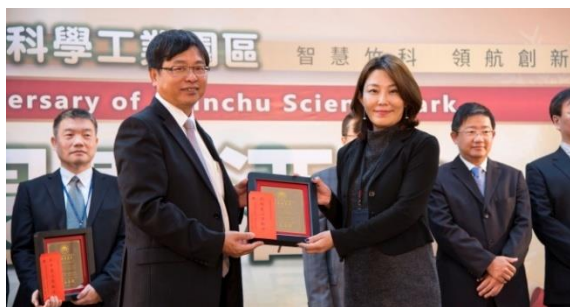| UK	China	Taiwan	Japan	USA
Berkshire	Nanjing	Hsinchu	Tokyo	Detroit
	Kunshan			Branchburg
				Tustin
				El Segundo

1.1.2 Achievements

2017

- Hsinchu Science Park R&D Accomplishment Award

- Hsinchu Science Park Innovative Product Award

- Award for International Trade–Contribution to Primary Market Expansion Award from the MOEA
- Top 50 in the 2017 Excellence in Corporate Social Responsibility Award: Large Enterprises Group, from CommonWealth Magazine
- Gold Award from the Tenth TCSA (Taiwan Corporate Sustainability Report Award)
- Annual audit result in CSR Ranked as Gold Level by EcoVadis in 2017
- First Prize in the Service of Social Innovation Purchase Reward Program from the Ministry of Economic Affairs

2016

- 2016 CES Innovation Award (24GHz Radar System)
- 2016 IT World Awards® (24GHz Radar System)
- 2016 CES Innovation Award (Smart Shelf System)
- Hsinchu Science Park R&D Accomplishment Award
- Ministry of Economic Affairs, Award for International Trade—Contribution to Primary Market Expansion
- Top 50 in the 2016 Excellence in Corporate Social Responsibility Award: Large Enterprises Group, from CommonWealth Magazine
- Silver Award from the Ninth TCSA (Taiwan Corporate Sustainability Report Awards)
- Annual audit result in CSR Ranked as Gold Level by EcoVadis in 2016
- Asiamoney's "Best for Shareholder' Rights and Equitable Treatment" and "Best for Responsibilities of Management and the Board of Directors" in Asia and Taiwan.
- First Prize in the Group category of the Enterprise Workers Fire Fighting Skills Competition in the Kunshan Development Zone

2015

- Hsinchu Science Park R&D Accomplishment Award
- Top 50 in the 2015 Excellence in Corporate Social Responsibility Award: Large Enterprises Group, from CommonWealth Magazine
- Silver Award from the Eighth TCSA (Taiwan Corporate Sustainability Report Awards)
- Annual audit result in CSR Ranked as Gold Level by EcoVadis in 2015
- 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

1.1.3 Management Systems

To enhance operational efficiency and customer satisfaction, WNC has established systems to manage quality, information security, industry-specific operations, environmental impact, forest products through the production chain, and health and safety according to international standards at all of its locations. Furthermore, WNC has designated a committee to be responsible for verification/certification policy, operational execution, and improvement. After each management system is certified by an independent third party according to international standards, it is continuously updated to ensure it's actually operating up to its target standards and according to rules.

In response to various ISO management systems revisions, WNC (Taiwan) and its major manufacturing sites in China have conducted revision audits for various management systems between 2017 and 2018. We expect to complete ISO 50001 energy management system certification audits at these sites in Q2 2018.

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

Management Systems of WNC (Taiwan) and its Subsidiaries

	WNC Head-quarters	S1	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom (Kunshan)	NeWeb Service
ISO 9001	1998	**2016**	2006	2006	2008	**2016**
ISO/TS 16949	2005	**2016**	2009			
IECQ QC080000	2011	**2016**	2011	2015	2011	
ANSI/ESD S20.20	2011	**2016**	2011	2013	**2016**	
ISO 14001	2005	**2016**	2006	2006	2009	
ISO 14064-1[Note]			**2016**	**2016**	**2016**	
OHSAS 18001	2008	**2016**	2012	2012	2012	
TL 9000	2014	**2016**	2014			
ISO/IEC 27001	2014	**2016**	2015	2015	2015	
ISO/IEC 17025	2015					
FSC® Chain-of-Custody	2015					
CNS 15506:2011	2015	**2016**				

Note: The most recent 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 2017 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
- Cloud Computing & IoT Association in Taiwan
- Taiwan Association of Information and Communication Standards
- Taiwan Telematics Industry Association
- Device Language Message Specification (DLMS) User Association
- Global Certification Forum (GCF)
- Global TD-LTE Initiative (GTI)

- Multimedia over Coax Alliance (MoCA)
- RAIN RFID Alliance
- The International Wireless Industry Consortium (IWPC)
- Bluetooth SIG
- Wyplay Frog Partner
- Association for Automatic Identification and Mobility (AIM)
- Reference Design Kit (RDK) Community
- Open Network Video Interface Forum (ONVIF)
- RVU Alliance
- Wi-Fi Alliance (WFA)
- ZigBee Alliance

1.2 Operational Performance

WNC announced that its 2017 non-consolidated revenue was 55,199,381 in thousands of NT$, up 6.1% YoY. Consolidated revenue was 56,889,794 in thousands of NT$, up 7.8% YoY. Net income was 2,063,690 in thousands of NT$, up 1.0% YoY. Earnings per Share (EPS) was NT$5.76. The following financial data charts present WNC's operating results for the previous five years. The IFRS system was adopted for the figures obtained after 2013. Detailed financial figures can be found in section 6 "Financial Standing" of the WNC 2017 Annual Report.

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 2017, 22.55% of WNC's shareholders were composed of foreign investors and individuals. We will continue to optimize WNC's overall operational performance. Please refer to the Investor Relations section on WNC's website for related investor information.

Overview of Financial Performance in the Most Recent Five Years (Consolidated)

(NT$ thousand)

Item	2017	2016	2015	2014	2013
Operating revenue	56,889,794	52,779,497	52,183,218	40,326,918	36,653,661
Gross profit	7,624,996	7,315,631	6,930,899	5,420,254	5,191,044
Operating expenses	5,063,686	4,638,442	4,583,200	3,711,627	3,407,908
Operating income	2,561,310	2,677,189	2,347,699	1,708,627	1,783,136
Income before taxes	2,690,634	2,629,743	2,549,631	1,780,189	1,960,103
Income tax expense	626,944	587,143	577,123	403,801	441,772
Net Income	2,063,690	2,042,600	1,972,508	1,376,388	1,518,331
Basic EPS (NT$)	5.76	5.95	5.97	4.28	4.84
Retained earnings	7,815,783	7,164,068	6,476,812	5,515,923	5,173,321
Interest expenses	76,334	48,031	27,798	50,085	65,304
Personnel expenses	6,317,785	5,976,324	5,869,418	4,751,838	4,157,655
Employees bonuses	273,901	276,122	268,971	184,910	204,975
Cash dividends	1,357,075	1,306,534	1,240,331	887,661	965,304
Stock dividends	733,554	105,935	100,568	65,753	64,354

Overview of Profitability Analysis In the Most Recent Five Years (Consolidated)

Item	2017	2016	2015	2014	2013
Return on assets (%)	7.13	7.23	7.72	6.14	7.28
Return on equity (%)	15.07	15.98	16.70	12.65	15.21
Profit before tax to paid-in capital (%)	73.36	74.56	76.04	54.15	61.01
Net income ratio (%)	3.63	3.87	3.78	3.41	4.14
Basic EPS (NT$)	5.76	5.95	5.97	4.28	4.84

1.3 Products and Services

1.3.1 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 scope, enhance products' added value, create competitive advantages, and provide easy-to-use communication products to global customers. In addition to enhancing product and service quality, we strive to alleviate the impact of operations and product manufacturing on the environment. We work actively with customers and suppliers to promote green products and green production, reduce resource consumption, and minimize environmental pollution. We expect to create greater economic and social values through diverse products and outstanding services. WNC (Taiwan) and major manufacturing sites in China are certified under IECQ QC 080000 standards and have undergone third party internal auditing at fixed intervals to perform hazardous substances management. WNC provides products and services conforming to customer demands and international environmental and safety-related regulations. To reduce health and safety concerns with the use of its products, WNC formulated "Product Safety Assurance Measures." All products shall undergo testing and certification of safety standards based on customer demands. These include the UL and FCC certifications 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 product labels shall fully comply with requirements of each certification before they can be marked on the product. In 2017, there were no convictions or violations of relevant laws and regulations concerning products and services.

Please refer to section 4.2 "Green Products" and section 5.1 "Supplier Management" for details.

Proportion of Delivered Products in 2017

Item	Sales Volume (units)	Monetary Value (NT$ thousand)	Percentage
Wireless	268,362,515	55,012,610	96.70%
Others	0	1,877,184	3.30%
Total	268,362,515	56,889,794	100.00%

Proportion of Product Sales in the Most Recent Three Years (by region)

Region		2017	2016	2015
Export Sales	The Americas	51%	54%	46%
	Asia	26%	26%	31%
	Europe	17%	13%	14%
	Others	0%	0%	0%
Domestic Sales		6%	7%	7%

Production Unit

WNC integrates broadband, multimedia and wireless communication technologies. Our products are used in diverse applications and product types including antenna, module, network access, smart home, industrial, and automotive solutions. We provide consumer, enterprise-level, industrial-grade and vehicular products.

We have diverse 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 2017 was the Americas (51% of sales).

Antenna Solutions

WNC specializes 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:

- Consumer antennae: 4G antenna, WWAN/WLAN/Bluetooth® antenna, Wi-Fi 2×2, 3×3, 4×4 antenna solutions and Near Field Communication (NFC) antenna

- Innovative antennae: 11 dBi high-gain patch array, smart antenna, laser direct structuring (LDS) antenna, and mmWave antenna

Module Solutions

We provide a variety of form factors and technology options to support a wide range of application needs. Major products include:

- 4G module

- WLAN module: IoE module

- Customized module: XRBH Bluetooth® Low Energy module, Bluetooth® Low Energy SiP module, and WHDMI solutions (2k, 4k UHD Wireless Dongle/Dock)

- Near Field Communication (NFC) module

Network Access Solutions

We provide networking and mobile communication products and focus on professional technologies for precision integration of wireless and wired networks. Major products include:

- Satellite TV: direct broadcast satellite

- Fixed Wireless: 4G mobile hotspot, 4G gateway/IAD, 4G/5G outdoor CPE, and Small Cell

- Enterprise Networking: Including Wi-Fi AP/Router/Repeater, and Gigabit Ethernet switches

- Infrastructure Network: Including NIC and data-center switches

Smart Home Solutions

We provide various types of broadband and multimedia equipment, including Home Entertainment and Home Control, to help end users create a smooth home-networking and audio-visual environment. Major products include:

- Home Entertainment: 4K OTT Dongle

- Home Control: Home safety gateways and security IP webcams

Industrial Solutions

We provide system integration and certification know-how approved by major carriers in the US, Japan, and European markets.

- Smart Energy: Smart-Meter Communication Board/Hub

- RFID: Omni-directional RFID antenna, RFID readers, and RFID tags

Automotive Solutions

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

- Satellite Radio: Satellite Radio Module, Receiver, Translator Box, and UDLP

- Digital Radio: Digital Audio Broadcasting (DAB) Module and HD Radio™ Module

- Radar Sensor: 24 GHz/77GHz car radar sensor system products for vehicle detection and alerts

- Automotive Cellular Device: 4G Communication Module and 3G LGA Module

- Wi-Fi/Bluetooth: Automotive Wi-Fi Bluetooth® Module and Automotive Bluetooth® Module

- Infotainment: Qualcomm SiP Solutions

- Tracker: OBDII Tracker

1.3.2 Market Outlook

Smart Internet Applications in the Home

As of Q3 2017, there were more than 900 million households with wired broadband. Of these households, more than 50% use fiber-optic broadband, and this percentage continues to rise. In the North American broadband market, the adoption of coaxial cable broadband is the main driving force for increases. Fiber-optic and coaxial cable broadband are accelerating the upgrade of Internet infrastructure and are creating demand for high-bandwidth LAN in the home. Smart Internet applications in the home, such as voice assistant applications, are driving demand for broadband services such as FTTH, home Wi-Fi access, and home Wi-Fi mesh. After various new smart home applications were developed for Amazon's Alexa, customized software and cloud services went mainstream. This along with increasingly advanced AI algorithms will soon bring unprecedented change.

Growing Demand for Mobile Communications

After many years of development, 4G transmission speed has increased from LTE Cat4 to LTE Cat16, matching current fiber-optic speeds. Due to its mobility and low-latency, telecommunications companies around the world have invested heavily in 4G. The investment in 4G has paved the way for the development of 5G communication technology for next-generation mobile communications. Japan has announced that it will officially deploy 5G at the 2020 Tokyo Olympics, which has set a clear timeline for the global 5G industry. The U.S. has also announced that it will officially deploy 5G sometime in 2018 or 2019. These developments show that industrialization of next-generation communications network architecture is now in full swing. The 5G NR standards established by 3GPP include Enhanced Mobile Broadband (eMBB), massive Machine-Type Communication (mMTC), and Ultra Reliable Low Latency Communications (URLLC). These standards cover the popular fields of consumer telecommunications, IoT, and IoV, which will create many new business opportunities for the market.

Mobile Telematics Technology Battle for Market Share

Advancements in voice recognition and AI have accelerated the development of smart cars. According to an IoV report published during IDC 2017, more than 70% of cars will have internet connectivity as standard equipment by the year 2022. The increase in the number of connected cars will accelerate the popularity of driverless cars, which means more people will prefer leasing cars over buying them. The aforementioned developments will bring new challenges and opportunities to enterprises in the automotive sector. As the electronics industry and automotive industry become ever more intertwined, there will be many new developments in the future, such as major advancements in radar, camera, and LIDAR technologies, the development of DSRC, C-V2X, and other communications standards, and the appearance of new high-speed GPUs, TPUs, and GCPUs equipped with deep learning algorithms that can outpace human cognition. These technologies will pose a great challenge to the design and manufacturing capabilities of companies.

New Hope Rises in the Industrial IoT

According to a report published by the research institute R&M, the IoT market will grow from 1.7 trillion US dollars in 2017 to 5.6 trillion US dollars in 2022 for a CAGR of 27%, providing new market space and great growth potential. The development of NB-IoT, combined with software-defined networking (SDN), which lowers the barrier of entry for cloud data centers, has accelerated a trend towards storing and using applications on cloud servers. Due to the rise of AI, people now have raised expectations in the smart detection capabilities of connected devices. Therefore, the processing capabilities of connected devices also need to be improved in order to provide functions such as real-time face, voice, and object identification. Smart IoT devices have already obtained a foothold in the home and automotive sectors, and it's expected that many other industries will start using these devices, thus reaching the smart production goal laid out in Industry 4.0.

For more industry information, please refer to section 5 "Overview of Business Operations" in the WNC 2017 Annual Report.
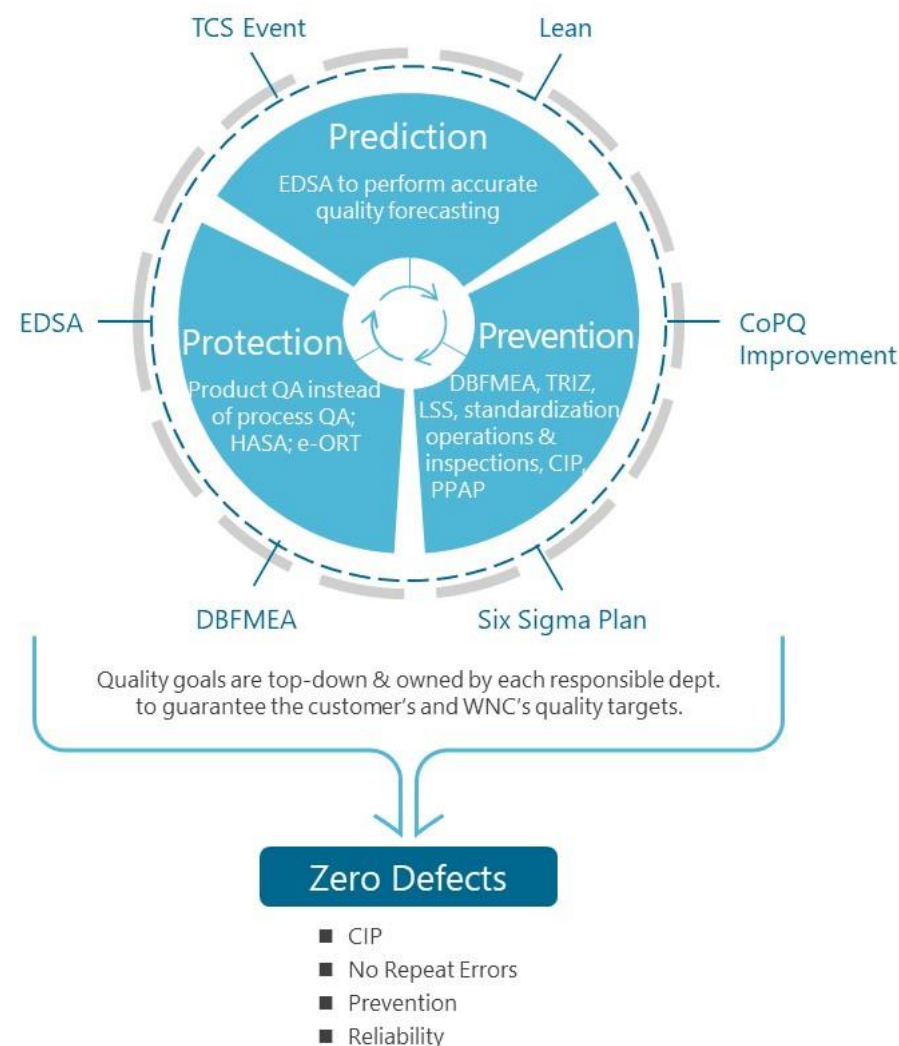
1.3.3 Manufacturing and Quality Service

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, and service quality and become a reliable partner for all our customers.

During our day-to-day quality operations, 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. In the spirit of "Protection, Prevention, and Prediction (3P)", different quality approaches, tools, and systems were introduced for integration 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), Six Sigma, and DFSS (Design for Six Sigma). We then analyze and investigate to prevent the same issue from re-occurring, helping us further predict potential risks and formulate preventive mechanisms in advance. In 2017, WNC (Taiwan) completed the revision audit and received certification for the ISO 9001: 2015 quality management system. Starting in October 1, 2017, the IATF 16949: 2016 officially replaced ISO/TS 16949:2009, and we expect to complete the IATF 16949: 2016 certification of S1 and WNC (Kunshan) in Q3 2018.

TCS Event   Lean

Prediction
EDSA to perform accurate quality forecasting

EDSA   CoPQ Improvement

Protection
Product QA instead of process QA; HASA; e-ORT

Prevention
DBFMEA, TRIZ, LSS, standardization operations & inspections, CIP, PPAP

DBFMEA   Six Sigma Plan

Quality goals are top-down & owned by each responsible dept. to guarantee the customer's and WNC's quality targets.

Zero Defects

- CIP
- No Repeat Errors
- Prevention
- Reliability

WNC (Taiwan), S1, WNC (Kunshan), Wistron NeWeb (Kunshan) and WebCom (Kunshan) 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. WNC (Taiwan) also 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.

Production Automation

To develop production automation, automated production capability should be taken into account during the product design stage. Using many years of experience operating various production lines, WNC has divided automated production lines into multiple standardized modules that can be quickly assembled into different configurations to manufacture diverse products. This enables us to avoid investments that don't provide a good return. WNC's in-house automation center oversees WNC's internal automated production operations and ensures that we help our customers achieve their targets for efficiency and quality.

1.3.4 Marketing Communications

WNC's product marketing matters are handled by our customers and 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 manage the process for representing and reviewing disclosures of relevant information about WNC, the market, products and services, customers, and suppliers. These measures help ensure the necessity, accuracy, timeliness, and consistency of publicly disclosed information.

In addition to the Chinese and English versions of WNC's annual report, annual shareholders' meeting agenda, annual shareholders' meeting minutes, and CSR reports, we designate sections such as "Press Room", "Investor Relations", and "CSR" on the WNC website to provide real-time updates on WNC, material information, and information related to WNC's financial situation and CSR efforts. Business contact information is also available on the website to provide domestic and foreign stakeholders with accurate information and convenient communication channels.

1.4 Intellectual Property

WNC strives to enhance its competitiveness in the communication industry. We constantly develop products based on evolving communications technologies and increasing market demand. To cultivate efforts in research and design, the Legal & IP Center 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 2017, two sessions were held with a total of 99 attendees. We also held "Introduction to Patent Search and Examples" and "Patent infringement and principles in designing to avoid infringement" courses for R&D personnel. The courses outlined how to perform a patent search and how to design to avoid infringing patent claims. The "How to select RY (royalty) part numbers and important notes for audit" course, intended for sales and PM, covered fulfilling patent licensing contracts and other related aspects. A total of 100 attendees participated in the courses.

WNC has not only been listed among 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 in the number and quality of our patent applications to protect our intellectual property. As of the end of 2017, we held 1,532 patents: 378 in the U.S., 699 in Taiwan, 451 in China, and 34 in other areas. Currently, we also have more than 327 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 thus continue to accumulate intellectual property in the form of patents, copyrights, trademarks, trade secrets, and other intellectual assets.

Numbers of Granted Patents and Patent Applications in the Most Recent Three Years

	Granted Patents	Patent Applications
2015	1,175	700
2016	1,376	404
2017	1,532	327
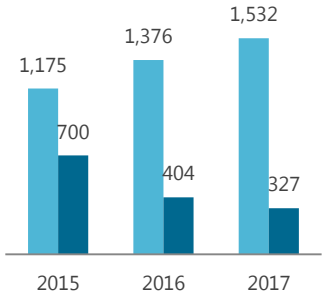
■ Granted Patents ■ Patent Applications

02

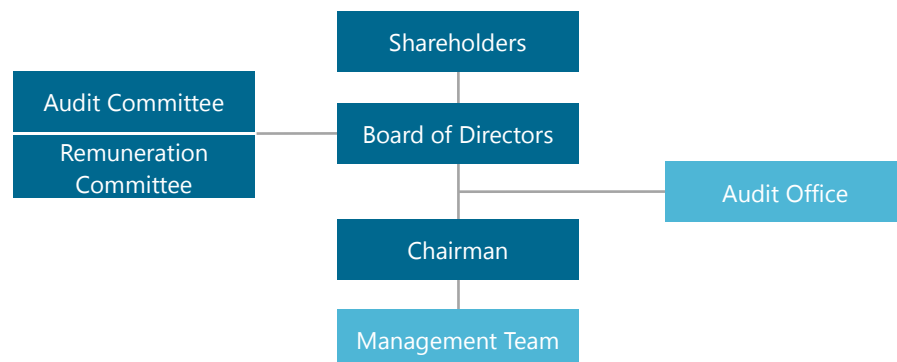# Perfecting Corporate Governance

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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; formulating new rules and taking measures according to continuous amendments of guidelines and customer demands; acting in accordance with EICC regulations; 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 operating system and create added value for markets and customers through progressive thinking upon operations management, product development, market promotion, and enhancement of internal-operations procedures. Starting in 2015, the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEx) began holding a yearly Corporate Governance Evaluation of the corporate governance performance for all publicly listed companies in the previous year. WNC was rated in the top 20% among all publicly traded companies in the 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
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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 9th BOD members were elected at the Shareholder's meeting of 2017; one female, the others male. All have business, legal, finance, accounting, 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 WNC. The Independent Directors are appointed after approval in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Chairman is elected by the Board of Directors. Internally, he is the Chairman of the Board of Directors, whereas in public, he represents WNC. Information concerning the Board members' background, education, current educational status, concurrent duties, and meeting attendance rate are disclosed in WNC's annual report[1] and have been published on the Market Observation Post System.

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1 Education and other information on members of the Board of Directors are included in pp. 8–12 of Section 3.2.1 "Information on the Board of Directors" of the WNC 2017 Annual Report.

The Board of Directors' responsibilities include supervising the normal operations of WNC and ensuring financial transparency, approving the hiring and remuneration of upper management, providing guidance to upper management in operational strategy, assessing the performance of upper management as it pertains to issues such as the economy, the environment, and corporate social issues, and approving the CSR-related issues reported by the EICC Management Committee or related functional units. 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 2017, the Board met eight times. Board of Directors decisions are disclosed immediately following such meetings on the Market 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
Jeffrey Gau	President & CEO
Frank F.C. Lin	Director & Wistron Co. Representative
Donald Hwang	Director & Wistron Co. Representative
Philip Peng	Director
Max Wu	Director
Robert Hung	Independent Director, Audit Committee Chairman, Remuneration Committee Member
Neng-Pai Lin	Independent Director, Audit Committee Member, Remuneration Committee Member
Hsing-Chuan Hsin	Independent Director, Audit Committee Member, Remuneration Committee Member

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 WNC'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 WNC's 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. An Audit Committee meeting is held at least once every quarter. In 2017, the committee met five times[2].

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 WNC's 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 WNC'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; all are independent directors.

WNC's Remuneration Committee meets at least twice a year. However, meetings can also be convened upon request. The Committee members must invite WNC'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 2017, the committee met three times[3].

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 report directly to the Chairman and Audit Committee at any time, if necessary.

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2 The Audit Committee meeting attendance record is included in p. 25 of Section 3.3.2 "Audit Committee Meeting Attendance Record" of the WNC 2017 Annual Report.

3 The Remuneration Committee meeting attendance record is included in p. 29 of Section 3.3.4 "Composition, Responsibilities, and Operations of the Remuneration Committee" of the WNC 2017 Annual Report.

2.2 Integrity Management

WNC adopts a "zero tolerance" principle towards corruption 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" clearly state WNC's policy for upholding integrity. All WNC subsidiaries and affiliates are required to follow the same corporate compliance guidelines, including anti-corruption legislation from around the world such as the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act of 2010. All employees shall 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.

Every year, WNC's sites at WNC headquarters, S1, WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan) implement CSR-related audits or evaluations by customers through questionnaire surveys, document review, and on-site auditing. These allow customers to implement audits or assessment measures of corporate social responsibility to examine aspects covering corporate governance, integrity and ethics, sustained operations, labor affairs, human rights, environmental protection, and participation in society. These sites also completed the RBA VAP (Validated Audit Process) for the first time in 2015. WNC sites will conduct the RBA VAP a second time in 2018.

In the meantime, WNC also requires all employees and major suppliers to sign documents on our code of ethics. They shall not offer or accept any bribe or illegal profit in any other form. Starting in 2018, we will require employees who directly deal with or exert substantial influence over customers, suppliers, and contractors (including high-level executives, sales personnel, PMs, and all employees of the purchasing unit, supplier quality management unit, general affairs unit and the facility unit, and department-level managers and above in the legal, MIS, and R&D units) to answer a self-evaluation questionnaire for compliance with the code of ethics on a regular basis.

WNC remains politically neutral. Employees are encouraged to fulfill their civic duty but not to participate in political electioneering or make any political contribution. No political contributions were made by WNC in 2017.

On-line and live classroom courses and internal portal website updates are provided and the promotion resource on the internal website is updated occasionally for further edification. In November 2017, we ran the "WNC Ethics and Anti-Corruption Code of Conduct" on-line training course in WNC (Taiwan). The course covered four major aspects: acting with integrity, upholding company values, caring for society, and

respecting others. This enables WNC employees to understand how to make the right choices when company regulations conflict with social norms, enterprise interests, or personal interests, as well as what to do when discovering illegal activities. In 2017, the course was conducted for IDL employees in Taiwan. We plan to include DL employees in Q1 2018. By the end of 2017, a total of 1,610 IDL employees had completed the "WNC Ethics and Anti-Corruption Code of Conduct" on-line training course, and the course completion rate was 92.16%.

Practicing the WNC Ethics and Anti-Corruption			
■ Look up related laws and regulations.	■ Ask managers for advice.	■ Inform the relevant departments.	■ Follow your conscience.
Acting with Integrity	Upholding Company	Respecting Others	Caring for Society
■ Do not deceive others. ■ Do not spread rumors or gossip about others. ■ Do not steal intellectual property. ■ Do not engage in corruption or bribery. ■ Do not violate laws.	■ Avoid conflicts of interest. ■ Do not conceal opportunities. ■ Do not make arbitrary statements. ■ Do not divulge confidential information. ■ Do not misuse company resources.	■ No discrimination. ■ No harassment. ■ No abuse.	■ Protect human rights. ■ Promote fair trade. ■ Maintain financial order. ■ Cherish the Earth.

2.2.1 Respecting Market Mechanisms

We believe healthy market competition will enhance the quality and efficiency of the corporation as well as ensure consumer rights. It also facilitates the stability and prosperity of the overall economy. Therefore, we strictly abide by related government and industry laws. To help maintain a healthy market mechanism and structure, we will never adopt any unfair, anti-competitive behavior. In 2017, there were no lawsuits against WNC related to anti-competitive or anti-trust behavior.

2.2.2 Financial Grants

In 2017, WNC's Taiwan sites actively invested in R&D in adherence to government policies "Facilitation of industry innovation", "Improvement of industry environment" and "Increase of industry competitiveness." WNC (Taiwan) estimates an investment tax credit of NT$79,269,000. Based on profound strength in R&D and application of innovative technologies, WNC won the Hsinchu Science Park R&D Accomplishment Award and Innovative Product Award, receiving NT$350,000 for each award.

Financial Grants Record for Each WNC Site in 2017

Item	Reason	Amount (NT$)
Investment tax credit	Statute for Industrial Innovation promoted by the Industrial Development Bureau, Ministry of Economic Affairs	79,269,000 Note
Grant	Hsinchu Science Park R&D Accomplishment Award	350,000
Grant	Hsinchu Science Park Innovative Product Award	350,000

Note: The amount of the investment tax credit under 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 trends in 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.

To enhance the value chains' service quality and execute social responsibilities, WNC also requires that suppliers hire employees in accordance with international and local regulations, follow the ISO 14001 Environmental Management System and the OHSAS 18001 Occupational Safety and Health Management System, and actively build a healthy work environment to minimize hazards to safety and health for employees in the production, operation, and disposal process.

In 2017, WNC's Taiwan and China sites did not violate any local regulation and did not have any major recorded lawsuits.

2.2.4 Grievance Mechanisms

The public email for the "interaction on corporate social responsibility" and "reporting violations" are provided for all stakeholders to raise questions or provide suggestions with regard to WNC's corporate social responsibility policies and practices and for employees and all pertinent parties to file complaints and report violations.

	Email for interaction on corporate social responsibility public@wnc.com.tw	This email is provided for all stakeholders to raise questions or provide suggestions with regard to WNC's corporate social responsibility policies and practices.
	E-mail for reporting violations wnc.integrity@wnc.com.tw	This email is provided 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 shall 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.
- The task force shall keep a written record for the handling of the report, seal the record and keep it in archive. It shall keep the record together with a personnel profile for five years.

In view of the differing cultural 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, including 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 WNC'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 2017, no complaints were received at the wnc.integrity@wnc.com.tw mailbox nor at 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. Business groups and function teams perform risk assessment by carrying out their own job well and develop management strategies and reaction plans to prevent, lower, or transfer risks. The management from each team meets weekly in executive conference to review 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 issues related to operational procedure. Furthermore, after careful evaluation of all aspects, if the item is a potential threat to WNC's operations, it will be designated as a significant risk. Adjustments would be made for items with significant risks throughout the period of changes in internal and external environment. In addition to implementing risk control measures proposed by the management of each team and departments of different functions, strengthening internal risk control mechanisms continuously, and improving emergency response and recovery capabilities, we also expect ourselves 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 2017 Global Risk Report published by the World Economic Forum, rapid changes in the global political and economic situations, fast AI technology development, and the extraordinary weather due to global warming have meant that new risks will emerge in unpredictable ways. The report indicates that, among the top ten risks in terms of likelihood and impact, the ones closely associated with enterprises, and which enterprises have the ability to cope with or control, include extreme weather events, major natural catastrophes, water crisis, 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 WNC. Shareholders' meetings, financial reports, and CSR reports are held or published regularly to clearly disclose WNC'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 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 aims at sustainable development to enhance our products' total value

through their competitive quality, development speed, and cost. With strict control of expenses, operational costs and risks can also be well managed.

In response to changes in the political and economic situations in Europe and the United States, as well as the changes in the industry's value chain and the ups and downs in the corresponding markets, WNC continues to pay attention to market trends. The Marketing Division observes and analyzes the change of global political and economic situations. Departments of different functions get a clear understanding from upstream and downstream suppliers, and carry out instant analysis and formulate countermeasures based on their understanding of changes in industrial value chains. They respond to changes in time and alleviate the impact of sharp changes in the role WNC plays in the market.

Business Continuity Plan

To avoid supply chain failures or production interruptions, different BUs/BGs 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 Department of Industrial Safety. The Plan includes 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, actual production and raw-material requirements. In 2017, WNC's Taiwan and China sites did not experience any interruptions to the supply of raw materials or production interruptions.

Safety of Supply Chain

WNC (Taiwan) 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.

Please refer to section 5.1 "Supplier Management" for the major work items and contents of the supply chain management.

Information Security Management

To ensure company and customer confidential information security (including trade secrets and intellectual property rights),guarantee 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 provide: password-authorization management; account-authorization management; server-room management; portable storage management; information-system security protective measures; information-backup and recovery-management procedures; classified information

control measures; confidential information control measures; and department-level classified-document protection procedures; in order to prevent improper access, modification, loss or leakage of WNC'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 WNC's R&D data to provide our staff members with a safe and secure space for information access and exchange. WNC treats suppliers as important partners. We require suppliers to sign a confidentiality agreement and carry out the information security check for suppliers. We share experiences with suppliers and formulate review and improvement plans. We hope to facilitate suppliers adapting to and observing regulations on information security management.

In addition to continuing to promote respect for intellectual property by using only genuine software, WNC also promotes policy related to information security through training and internal announcements. The Management Information System Division of WNC headquarters and the Management Information units of S1 and WNC's China sites, and the Automotive and Industrial Solutions Business Group have obtained the ISO/ IEC 27001 certifications.

Occupational Hazards

According to the ISO 14001 and OHSAS 18001 standards, in order to continuously address the impact to WNC due to safety, health and environmental risks, departments of different functions shall perform risk identification and assessment and adopt corresponding control measures according to the risk assessment results to prevent accidents from occurring.

Please refer to 3.5.1 "Occupational Safety and Health Management" for the major work items and contents of the occupational safety and health.

Water Shortage

Water resources were scarce in 2017. Therefore, WNC continued to urge employees to implement water conservation measures, and we abide by the policies stipulated by the Hsinchu Science Park Administration and cut off or cut down the amount of water not used for production, including water used for watering plants, cleaning the exterior wall and fire drills. This hasn't affected operations. The unit responsible for factory affairs will continue to pay attention to changing water conditions and observe the water rationing measures carried out by governmental authority to reduce the risk of water shortage based on these conditions.

Please refer to section 4.4 "Energy & Resources Management" for the major work items and contents of the water resource management.

2.3.2 Environmental 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 94% of WNC's revenue was from export sales, and most of the export-sales amounts were quoted in U.S. dollars. Most of the 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. For remaining situations involving foreign currency operating exposure, the foreign currency is converted to NT dollars depending on the fund requirements and market conditions. 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 WNC's anticipated business and funds requirements; and
- Using auxiliary tools (such as derivative financial products) to reduce risk under proper risk guidelines.

Please refer to section 1.2 "Operational Performance" for financial performance.

2.3.3 Environmental Risk Management

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 headquarters and S1 are 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 headquarters and S1 facilities. We also implement relevant disaster prevention and response measures in conjunction with the Hsinchu Science Park Administration.

Climate Change

Unusual climate trends, including global temperature rise, rain/snow storm and drought are caused by the climate change. 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 shall confront the challenge

more proactively and improve their ability to respond quickly to climate change and solve relevant problems.

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 4 "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.cdp.net) for customers' 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.
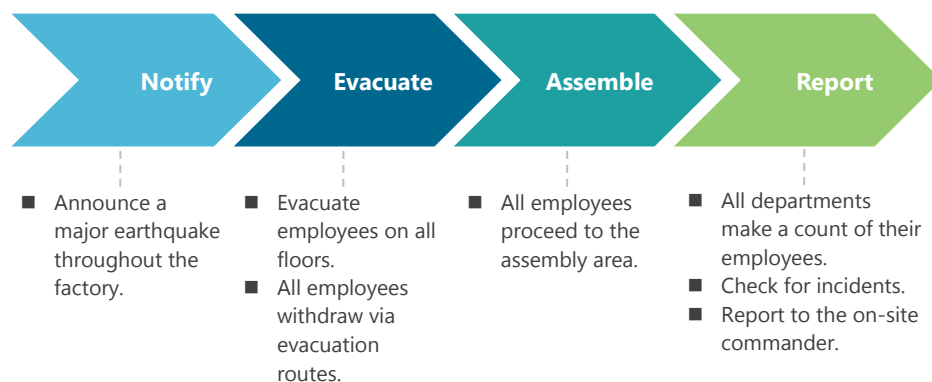
	Risk	Effect/Impact	Opportunity
Regulatory	■ Greenhouse gas reduction regulations in various countries ■ Energy-related tax regulations in various countries ■ Laws on prevention of environmental pollution in various countries ■ Green-product regulations and certifications in various countries	■ More stringent product materials and power consumption requirements lead to cost increases for raw materials, parts, design, verification and overall production. ■ Adjustments in the supply chain, production methods, equipment and processes resulted in an increase in overall operating expenses.	■ We continue to promote energy conservation and carbon reduction to reduce long-term operational cost and alleviate environmental impact. ■ While green-product design is trending, such can be implemented to bolster product competitiveness and production volume, and extend the application of our products.
Physical	■ Direct impact of extraordinary weather (such as heat waves, floods, droughts, typhoons and storms) ■ Indirect impact of extraordinary weather, such as higher energy and resource costs, change of ecosystems and agrarian structures, fast spread of diseases, and public health problems	■ Negative effects of food and water shortage and environmental pollution on human health ■ Interruption of supply chains, lowered manufacturing capacity or cessation of manufacturing, loss of lives or property, and the costs of reconstruction ■ Increased operational costs for implementing proper control and prevention measures	■ Perform on-site risk assessment and strengthen the control of internal energy and resource usage. The workplace environment shall be designed according to environmental, safety, and health regulations. ■ Work with government organizations and enterprises to formulate short-term response measures and use limited resources effectively according to actual needs.

2.3.4 Crisis Response Mechanisms

WNC seeks to ensure quick recovery of operations through rapid response 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 WNC, or to our customers. WNC has therefore established the "Significant Environmental Aspect Identification Management Procedure" and "Hazard Identification and Risk Assessment Management Procedure" to assess and manage all manner of accidents that may occur in WNC due to natural or man-made disasters. In addition, the contingency teams' structure, member responsibilities, and related procedures are defined based on "Contingency Plan Control Procedure" for emergencies and extraordinary incidents.

To familiarize employees with evacuation routes, a plant-wide earthquake evacuation drill was held at the WNC headquarters and S1 in the second half of 2017. Two sessions were held in the morning and in the evening for the morning shift employees and night shift employees. S1 held a chemical spill response drill in addition to the earthquake evacuation drill. Employees are divided into firefighting teams and handle chemical leakage in accordance with the Contingency Plan Control Procedure to enhance the team's emergency response. The firefighting members and emergency response team members held training sessions to improve their overall response capability in the plant, so that they could quickly and effectively bring accidents under control while ensuring the safety of all employees. A total of 617 employees participated in the training.

In 2017, 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.

WNC headquarters daytime evacuation drill

S1 daytime evacuation drill

Evacuation Drill Process Diagram

Notify	Evacuate	Assemble	Report

- Announce a major earthquake throughout the factory.

- Evacuate employees on all floors.
- All employees withdraw via evacuation routes.

- All employees proceed to the assembly area.

- All departments make a count of their employees.
- Check for incidents.
- Report to the on-site commander.

03

Developing Human Capital

Respect for Human Rights

Recruitment and Employment

Overall Remuneration

Training and Development

Employee Care

3.1 Respect for Human Rights

Talent and human capital is the most important element in companies. WNC promises to: comply with international human rights standards such as the UN Universal Declaration of Human Rights, the Ten Principles of The UN Global Compact, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the EICC Code of Conduct; abide by labor laws and national acts such as the Act of Gender Equality in Employment; and adhere to principles of respect for human rights to employ appropriate talent for corresponding positions. We will not consider an individual's gender, age, ethnic background, nationality, religion, marital status or political affiliation as an advantage or disadvantage during evaluation. We check, adjust, and formulate a reward distribution system that is competitive across the industry, and commit to establishing a credible, healthy, and safe working environment by performing internal OHSAS 18001 audits and verification by a third party annually to ensure workplace security and sanitary conditions meet international standards. In addition to promoting human rights and related regulations in the freshman and new employee training courses, we also randomly 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 2017.

3.1.1 Abolition of Child Labor

In accordance with regulations, WNC does not hire workers below the legal working age, and WNC (Taiwan) and WNC's sites in China do not hire workers below the age of 16. The WNC EICC Code of Conduct prohibits the hiring of child workers, and WNC's "Management Measures on Hiring New Employees" and "Operational Guidelines for the Recruitment of Underage Workers" stipulate that when new employees report to work, they shall submit identification documents to WNC for review to ensure that they are at least 16 years of age. No child workers were employed at WNC (Taiwan) and WNC sites in China in 2017.

3.1.2 Protection for Juvenile Workers

WNC supports the effort of the vocational education system in bridging the gap between theory and the practical needs of job operations. Since 2002, WNC (Taiwan) has cooperated with Private Dong Wu Senior Industrial Home Economics Vocational High School on a long-term cooperative education program that provides computer science and data processing classes. For a period pre-arranged by the school, students can put the professional skills they have learned into practice in production line operations. Workers 15 to 18 years of age may be placed if they are technical students receiving vocational training. However, they are not allowed to engage in heavy work or in any work of a dangerous nature. These interns 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 underage participants of the cooperative education program to guarantee their physical and mental development and labor rights. In 2017, a total of 129 students from the Private Dong Wu Senior Industrial Home Economics Vocational High School participated in internships on WNC production lines, of which 89 were underage interns between 16 and 18 years old.

To follow international trends and comply with EICC regulations, all plants in China ceased hiring underage workers aged 16 through 18 in 2015. For underage workers who were already under contract, their contracts will not be renewed upon their expiration. In September 2016, WNC's China sites were short on labor and carried out a short-term recruitment of underage workers. The recruitment process abided by Articles 64 and 65 of the Labor Law of the People's Republic of China. They did not deploy underage workers in poisonous or harmful work, labor Grade IV physical labor intensity as stipulated by the State, or any other labor the State prevents them from doing. Underage workers receive regular physical examinations as specified in the "Special Protection of Underage Worker Provisions." WNC's China sites will not recruit any underage worker if the production line suffers no labor shortage. As of February 2017, there are no underage workers at WNC sites in China.

Child Laborers and Under-Aged Workers Hired in 2017

Type	Taiwan	China
Child workers (persons)	0	0
Under-aged workers (persons)	89	0

3.1.3 Elimination of Forced Labor

All WNC sites comply with international standards and local acts. WNC provides good working conditions and sets up reasonable working hours. WNC has no right to request that employees hand in their ID cards, passports, or work permits to WNC. All duties are set with respect to employees. All employees are employed out of their own free will and have the right to leave. The "WNC Supplier Code of Conduct" forbids forced labor, and we will continue to apply this code of conduct to all suppliers.

WNC has been working on improvements by strongly advocating on-time daily work cessation, and keeping working hours under control. The "working-hour alarm system" automatically notifies a supervisor if his or her subordinates work over time. We also provide a "monthly report on unusual working hours" to the supervisor at the beginning of the month to convey overtime issues and to remind supervisors to pay attention to the working conditions of the subordinate(s).

3.1.4 Gender Equality

According to the Labor Standards Act and the Gender Equality in Employment Act, in order to enhance gender equality, and to forbid gender and pregnancy discrimination, WNC Taiwan's female employees can apply for menstruation leave, pregnancy checkup leave, maternity leave, miscarriage leave, and additional breastfeeding breaks. All employees who need to care for their babies can apply for unpaid paternal or maternal leave (parental leave). WNC will inquire on the employee's intention to return to work one month before the end of parental leave and assist his or her return. Thirty-four employees applied for unpaid parental leave in 2017, 25 of whom were female while 9 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 of China sites are entitled to 0.5 days (4 hours) of adjusted holiday. Currently, parental leave is not regulated in China.

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

Item	Male	Female
Number of Employees Entitled to Unpaid Parental Leave in 2017 (A) [Note]	204	131
Number of Unpaid Parental Leave Applicants in 2017 (B)	9	25
Rate of Unpaid Parental Leave Applicants in 2017 (B/A)	**4.4%**	**19.1%**
Expected Number of Employees Reinstated from Parental Leave in 2017 (C)	4	18
Actual Number of Employees Reinstated from Parental Leave in 2017 (D)	2	13
Rate of Employees Reinstated from Parental Leave in 2017 (D/C)	**50.0%**	**72.2%**
Actual Number of Employees Reinstated from Parental Leave in 2016 (E)	3	12
Number of Employees that Worked for One Year Since Returning from Parental Leave in 2016 (F)	3	12
Retention Rate in 2017 (F/E)	**100.0%**	**100.0%**

Note: Number of employees applying for maternity leave or paternity leave during 2015–2017

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

- Car spaces for female employees are arranged close to office building entrances.
- 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.
- Car spaces for pregnant employees are arranged closest to the entrance in the basement of the office building.
- WNC provides pregnant employees with dedicated antistatic clothing. 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.
- "Maternity Care" project: The health center proactively contacts pregnant employees and provides information on courses provided by breastfeeding support groups in Hsinchu. The health center provides consultation for pregnant employees at least once during pregnancy and again after birth.
- In March 2016, WNC 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 their pregnancy or within three months after delivery are eligible to apply. An employee with a pregnant wife may also apply. WNC gave 79 Goodie Bags in 2017.
- Comfortable and spacious lactation rooms are provided in the WNC headquarters and S1 for up to 5 and 2 female employees to use respectively. They are equipped with a breast-milk refrigerator, personal storage cabinets, a water dispenser, hair dryer, mirrors and emergency hot lines.
- The lactation room at WNC headquarters won the "Excellent Breastfeeding Room Certification Campaign" organized by the Hsinchu County Government in August 2016. The lactation room at S1 obtained the "Distinguished Breastfeeding Room" accreditation from the Hsinchu City Government in 2017.

3.1.5 Communication Mechanisms

Two-Way Internal Communication

WNC not only provides a variety of open and transparent communication channels but also continually strengthens our bi-directional, real-time communication with employees. To devote more attention to employee working conditions and strengthen employee relations, WNC (Taiwan) has established an Employee Representative Committee. The members of this committee, which are elected regularly from all employees, function as a feedback channel for colleagues to raise workplace-related issues. They deliver opinions to the management team and reply to employees' concerns and suggestions after thorough consideration. Committee meetings are held quarterly. Senior employee representatives are appointed (with their consent) to concurrently serve as labor representatives and participate in labor-management meetings to discuss and vote on related issues. In 2017, four committee meetings were held in each of WNC headquarters and S1, and 117 proposals were discussed, including 32 employee meal service items, 17 employee welfare items, 55 working environment items, and 13 PC/IT issues. One of the aforementioned proposals, which was ultimately addressed in Feb. 2018, had to undergo adjustments to comply with fire safety regulations, thus the discussions for this proposal took longer than expected. In 2017, the Employee Representative Committee of WNC (Taiwan) received a rating of 4.6 (maximum of 5) in a satisfaction survey.

Given their different working hours and duties, production line employees of Taiwan sites send representatives to participate in the Employee Representative Committee Meeting each quarter and convene the bi-monthly "IDL Bi-Monthly Meeting" and the quarterly "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 for a given meeting, it will be postponed. In 2017, a total of six IDL bi-monthly meetings were convened and no issue was received. A total of five Supervisor Forums were held in 2017, and two items were handled. One of the aforementioned items, an optimization project for the overtime meal application system, is still in the process of implementation. Currently, overtime meal applications for WNC's Direct Labor (DL) personnel are handled by the foremen. Once this application system is implemented, DL personnel can directly apply for overtime meals. In addition, suggestion boxes are installed in the production-line lounge for production line employees to directly report issues or suggestions to the Plant Manager related to work and quality of life. The Plant Manager will perform investigations and/or make improvements responsive to the reported issues and announce the handling status and results on the production-line bulletin board. The identities of the reporting parties and any party being investigated are kept secret. In 2017, we received and addressed six issues reported using the suggestion box.

The physical suggestion boxes provided in the production line areas, office areas, and the dormitories in the China sites are the major communication channels providing the employees with consultation services to assist employees in solving their problems. The Plant Manager's Mailbox and an "8585 (help-me-help-me)" hotline are also available. WNC (Kunshan) also established a communication mechanism on the WeChat messaging platform which enables automatic announcement of activities related to WNC and on-line consulting. This provides both internal and external stakeholders in China a fast and convenient communication channel. In 2017, there were 2,181 proposals received in China sites regarding company policy, adapting to work, and life issues, all of which were resolved and reported to the proposing parties.

Cases Accepted through Various Communication Channels in WNC in 2017

	Communication Channel	No. of Cases	No. of Cases Handled	No. of Cases Closed
Taiwan	Employee Representative Committee	117	117	117
	DL Bi-Monthly Meeting	0	0	0
	DL Supervisor's Forum	2	2	1
	DL Suggestion Box	6	6	6
	Channel for reporting sexual harassment	0	0	0
	Total	**125**	**125**	**124**
China	Trade Union Committee	0	0	0
	8585 Employee Care Hotline	1,839	1,839	1,839
	Employee Representative Forum	172	172	172
	Suggestion box	18	18	18
	Letter to the Plant Manager	0	0	0
	WeChat platform	152	152	152
	Total	**2,181**	**2,181**	**2,181**

Employee Seminar

A freshman afternoon tea gathering is held once a month in Taiwan sites to answer questions from new employees who have been employed for one month and to assist them to acclimate to the workplace environment and build mutual communication with their colleagues. In 2017, 163 new employees participated in the freshman afternoon tea gatherings. In addition, the unit for the development of organization talent held a freshman seminar at the end of employees' first three months of service. We guide new employees to experience our corporate culture through group contests and creativity games. New employees cooperate to brainstorm for novel solutions to problems. Our teams have more faith in, and learn better from each other. WNC's CEO responds in person to any concerns of new employees. This seminar helps new employees quickly become familiar with company policies and direction. In 2017, 160 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 2017, four union meetings were held, with 344 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 WNC's high-level management, enabling employee representatives to reflect upon issues or provide suggestions about wages and life's basic necessities. In 2017, a total of ten employee representative forums were held, with 291 employees participating.

Forums Held in 2017 at Various WNC Sites

Region	Item	Audience	No. of events held	No. of participants
Taiwan	Freshman afternoon tea gathering	New employees	10	163
	Freshman seminar	New employees	3	160
	DL Supervisor's Forum	Production line supervisor	5	130
China	Trade union	Union representatives	4	344
	Employee Representative Forum	Employee representatives	10	291

Employee Complaint Channel

To prevent workplace sexual harassment and ensure a friendly workplace for both male and female employees, the Human Resources Administration Division established the "Measures for the Prevention and Punishment of Sexual Harassment in the Workplace." These measures address the prevention, correction, complaint handling, and punishment of sexual harassment in the workplace. The Human Resources Administration Division has established a complaint channel for sexual harassment. In 2017, we did not receive any complaints of sexual harassment.

The "Mailbox for Reporting Violations" is established on WNC's website. Employees may report any violation of our or employee's rights through this mailbox. A task force handles and investigates reports based on the "WNC Reporting and Handling Procedure." Refer to section 2.2.4 "Grievance Mechanisms" or the "Stakeholder Section on WNC's Website" for reporting and handling procedures in detail. Production line employees can report issues through the mailbox of the Plant Manager. In 2017, no complaints by employees were received in Taiwan sites.

Freshman afternoon tea gathering in Taiwan

Freshman Seminar in Taiwan

Supervisors Forum in China

3.2 Recruitment and Employment

WNC follows the recruitment principles of "respect for human rights" and "employing people according to their abilities." WNC's entire recruitment process conforms to the Labor Standards Act and the Gender Equality in Employment Act. 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 for fair and effective recruitment.

3.2.1 Human Resource Structure

As of the end of December 2017, the total number of employees worldwide was 9,531, including 9,488 official employees, 11 contract employees and 32 dispatch workers.

WNC Employee Totals in 2017

Category	Taiwan			China			Other Areas Note			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Official Employees	1,477	1,362	2,839	4,194	2,410	6,604	33	12	45	5,704	3,784	9,488
Contract Employees	4	7	11	0	0	0	0	0	0	4	7	11
Dispatch Workers	21	11	32	0	0	0	0	0	0	21	11	32
Total	**1,502**	**1,380**	**2,882**	**4,194**	**2,410**	**6,604**	**33**	**12**	**45**	**5,729**	**3,802**	**9,531**

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

Employee Categories of Official Employees in Taiwan

- Sales 8.4%
- R&D 30.6%
- Manufacturing 12.0%
- Administration 10.5%
- Technicians 38.5%
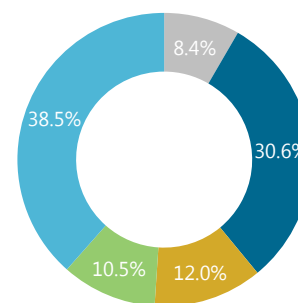
■ Sales ■ R&D
■ Manufacturing ■ Administration
■ Technicians

Employee Categories of Official Employees in China

- Sales 1.3%
- R&D 2.1%
- Manufacturing 11.8%
- Administration 4.6%
- Technicians 80.1%
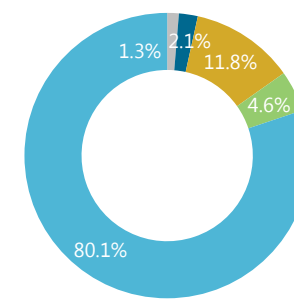
■ Sales ■ R&D
■ Manufacturing ■ Administration
■ Technicians

There were 2,839 official employees in Taiwan, an increase of 9.2% compared to 2016. 1,747 of these were indirect labor (IDL) employees, and 1,092 were direct labor (DL) employees. The percentage of male employees and female employees were 52% and 48%, respectively. 68% of our colleagues were between the ages of 30 and 50, and 44% of all employees had worked for WNC for three years or more. There were 6,604 official employees in China, an increase of 2.8% compared to 2016. These consisted of 1,311 indirect employees and 5,293 direct employees, with 64% being male and 36% being female, and 31% of our colleagues were between 30 years and 50 years of age.
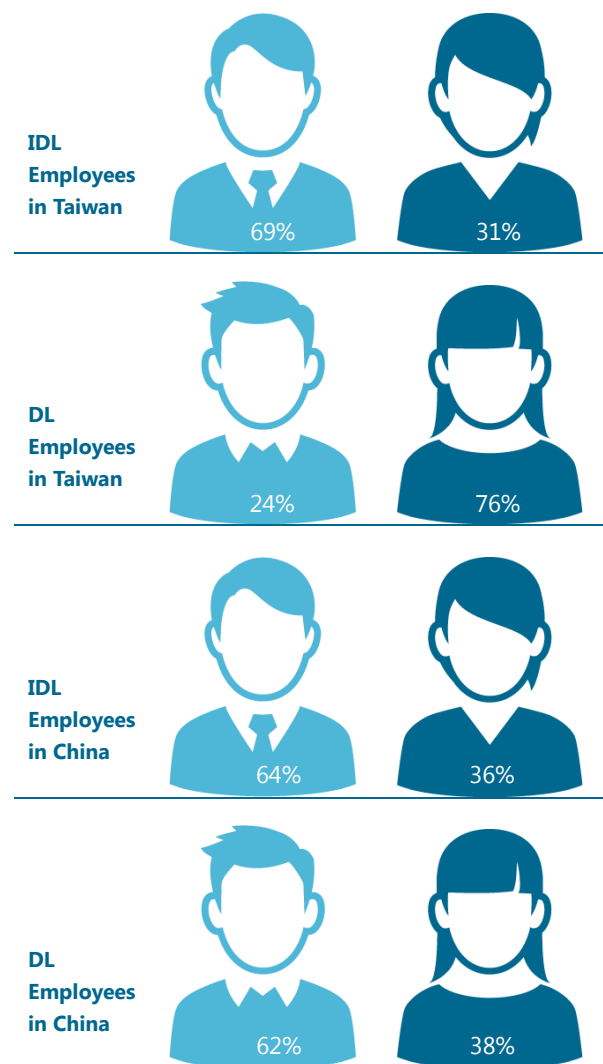
Human Resources Structure of WNC in 2017 [Note 1]

Category	Group		Taiwan					China				
			Male	Ratio	Female	Ratio	Total	Male	Ratio	Female	Ratio	Total
Work Category	DL Employees	Locals	235	8%	355	13%	590	3,374	51%	1,893	29%	5,267
		Foreigners	-	-	461	16%	461	-	-	-	-	-
		Vocational Students	30	1%	11	0%	41	2	0%	24	0%	26
	IDL Employees	Managers	310	11%	83	3%	393	214	3%	87	1%	301
		Professionals [Note2]	902	32%	452	16%	1,354	604	9%	406	6%	1,010
Age	DL Employees	30 y/o and below	124	4%	395	14%	519	2,742	42%	1,350	20%	4,092
		30–50 y/o	138	5%	373	13%	511	625	9%	565	9%	1,190
		50 y/o and above	3	0%	59	2%	62	9	0%	2	0%	11
	IDL Employees	30 y/o and below	142	5%	60	2%	202	260	4%	165	2%	425
		30–50 y/o	960	34%	454	16%	1,414	555	8%	315	5%	870
		50 y/o and above	110	4%	21	1%	131	3	0%	13	0%	16
Years of Service	1 year or less		252	9%	304	11%	556	2,550	39%	1,267	19%	3,817
	1–3 years		478	17%	549	19%	1,027	1,096	17%	761	12%	1,857
	4-5 years		120	4%	82	3%	202	252	4%	179	3%	431
	6-10 years		313	11%	147	5%	460	239	4%	145	2%	384
	11-15 years		250	9%	226	8%	476	56	1%	58	1%	114
	16 years and above		64	2%	54	2%	118	1	0%	-	-	1
Total			1,477	52%	1,362	48%	2,839	4,194	64%	2,410	36%	6,604

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.

IDL Employees in Taiwan
69%   31%

DL Employees in Taiwan
24%   76%

IDL Employees in China
64%   36%

DL Employees in China
62%   38%

3.2.2 Employee Recruitment and Retention

Our Human Resources Administration Division has worked closely with hiring business units from the very start of the hiring process, and together are continuously looking for outstanding talent. WNC recruits from its in-house recruitment website, collaborates closely with academia through campus-development programs, and offers R&D substitute national service. We help students learn industry requirements in advance of graduation and employ new graduates that have different specialties and show promise. In October 2017, WNC engaged university campuses and schools by hosting campus recruitment activities at National Chiao Tung University. During these activities, we invited approximately 130 students to provide their contact information to WNC's human resources department for future contact regarding employment.

Since 2017, WNC has worked with the graduate program of the Department of Industrial Engineering and Management at the National Taipei University of Technology (NTUT) to implement the WNC SMT Engineering Technology Talent Cultivation Plan. Under this plan, research students from NTUT, who are serving as interns at WNC, write their research papers on WNC projects. The students' advising professors and the WNC managers overseeing the students work together to provide guidance to the students, thus promoting industry-academia collaboration and implementing academic theories. In 2018, WNC will continue to engage in industry-academia collaboration in the areas of automation and SiP technologies, and will provide more internship opportunities at WNC for postgraduate students to enable them to better understand industry development trends and technologies. WNC has also joined the International Academic-Industry Alliance of NTUT to combine the research capabilities of industry and academia in order to enhance collaboration and foster new talent.

In 2017, 701 new employees were hired at WNC's Taiwan sites. The new hire rate for IDL employees and DL employees were 16.7% and 69.3%, respectively. 17,303 new employees were hired at subsidiaries in China. The new hire rate for IDL employees and DL employees were 28.9% and 319.7%, respectively.

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 longtime service and outstanding performance, internal transfers, promotions, salary-structure adjustments, and other incentive measures, in order to create a complete and superior work environment.

Please refer to the table below for the 2017 employment and turnover rates of Taiwan and China sites.

2017 New Hire [Note 1] and Turnover [Note 2] Rates at Taiwan Sites

Category	IDL (Totals: 1,747)						DL [Note 3] (Totals: 590)					
	Total	Gender		Age			Total	Gender		Age		
		Male	Female	<30	30-50	>50		Male	Female	<30	30–50	>50
Number of New Hires	292	203	89	74	204	14	409	157	252	341	68	0
New Hire Rate (%)	16.7	16.7	16.6	36.6	14.4	10.7	69.3	66.8	71.0	54.0	21.8	0.0
Turnover quantity	187	127	60	31	146	10	92	54	38	42	47	3
Turnover rate (%)	10.7	10.5	11.2	15.3	10.3	7.6	15.6	23.0	10.7	6.7	15.1	2.0

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 2017
Note 2: Turnover Rate = Turnover Quantity of DL (IDL) Employees in the Category Concerned/Total Number of DL (IDL) Employees at the End of 2017
Note 3: Refers to DL employees at the WNC (Taiwan) excluding foreign workers and vocational graduates

2017 New Hire [Note 1] and Turnover [Note 2] Rates at China Sites

Category	IDL (Totals: 1,311)						DL (Totals: 5,293)					
	Total	Gender		Age			Total	Gender		Age		
		Male	Female	<30	30–50	>50		Male	Female	<30	30–50	>50
Number of New Hires	379	285	94	201	177	1	16,924	11,733	5,191	14,580	2,344	0
New Hire Rate (%)	28.9	34.8	19.1	47.3	20.3	6.3	319.7	347.5	270.8	356.3	197.0	0.0
Turnover quantity	394	290	104	198	194	2	16,512	11,332	5,180	14,933	1,578	1
Turnover rate (%)	30.1	35.5	21.1	46.6	22.3	12.5	312.0	335.7	270.2	364.9	132.6	9.1

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 2017
Note 2: Turnover Rate = Turnover Quantity of DL (IDL) Employees in the Category Concerned/Total Number of DL (IDL) Employees at the End of 2017

The economy of China has transformed from a manufacturing-centric economy to one that focuses on the service industry. The increase in the number of people employed in the service industry as a result of this transformation has led to a shortage of line personnel in the manufacturing industry. This shortage, along with young adults' preference for short term benefits, has led to high turnover rates for DL personnel.

Local Talent Recruitment

WNC (Taiwan) has recruited many foreign employees from all over the world including from the United States, China, Macau, Nepal, Vietnam, the Philippines, Malaysia, Australia, New Zealand and Brazil to promote internationalization and facilitate contact with our international customers and suppliers. The percentage of managerial positions taken by Taiwanese employees is 99.0%. As for subsidiaries in China, we have actively trained local employees to help them attain management-level positions. The percentage of managers in China promoted from locals is approximately 79.2%.

Local Talent Recruitment in 2017

Area	Managers Note 1	Locals as Managers (Persons)	Percentage of Locals as Managers
Taiwan Note2	393	389	99.0%
China Note3	380	301	79.2%

Note 1: Applicable to IDL employees only

Note 2: Managerial positions in Taiwan are defined as employees with management responsibilities, which include expatriates of WNC headquarters.

Note 3: Managerial positions in China are defined as employees receiving management allowances, including the ones in Wistron NeWeb (Kunshan), WNC (Kunshan) (including NeWeb Service) and WebCom (Kunshan).

Recruiting Persons with Disabilities

In order to offer job opportunities to people with disabilities and help protect their legal rights and interests, WNC actively encourages the hiring of people with disabilities. In 2017, there were 26 employees with disabilities (assessed using a weighted scale) working at WNC, comprising 0.92% of Taiwan employees, which is slightly higher than in 2016. Fourteen have mild or moderate disabilities and 12 have severe disabilities. Their positions include masseurs, production-line operators, engineers, and personnel on overseas assignment. After arranging a suitable working environment, colleagues with disabilities are able to enjoy roles in which they develop their abilities. With regard to the current shortfall of the ratio of employees with disabilities with respect to government regulations, WNC intends to evaluate further suitable positions and continues to place an emphasis on hiring people with disabilities. A handicapped-accessible restroom was built on the first floor of WNC headquarters for employees and visitors with physical disabilities.

Handicapped-accessible Restroom in WNC HQ

Handicapped-accessible Restroom in WNC HQ

3.3 Overall Remuneration

3.3.1 Wage Structure

Ratio of Minimum WNC Employee Salary/Minimum Legal Salary

Area	Category	Male	Female
Taiwan	DL Employees	1.05	1.05
	IDL Employees	1.24	1.24
China	DL Employees	1.11	1.11
	IDL Employees	1.39	1.39

Ratio of WNC Employees' Average Salary [Note 1]

Area	Category		Male [Note 2]	Female
Taiwan	DL Employees		1	0.89
	IDL Employees	Managers	1	0.79
		Professionals	1	0.82
China	DL Employees		1	1
	IDL Employees	Managers	1	0.91
		Professionals	1	0.87

Note 1: Average Salary = Average monthly salary of all official employees, which does not include allowances and bonuses
Note 2: Given that the majority of R&D employees are male, their share of total company employee salaries is slightly higher than that of female employees.
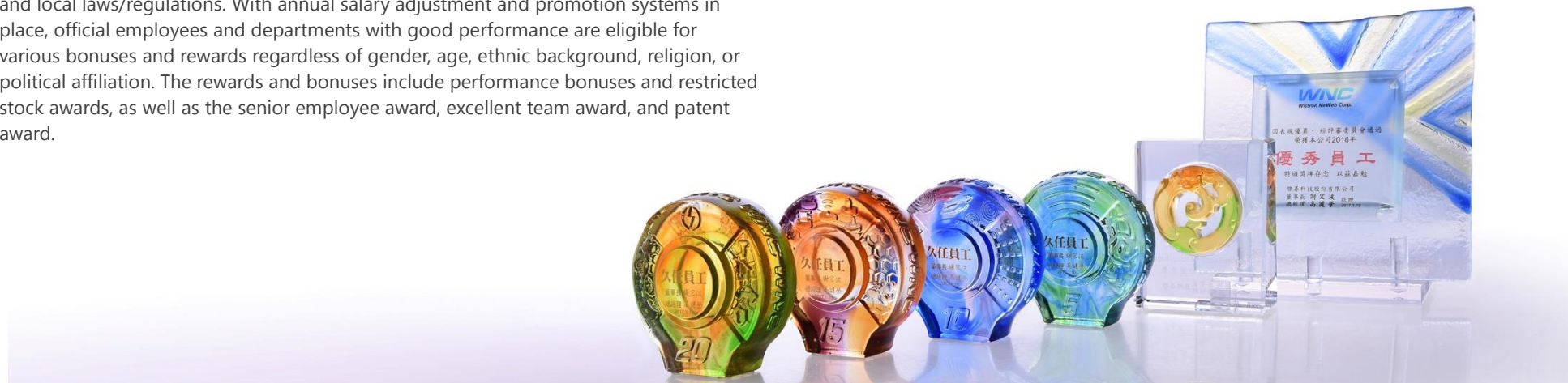
WNC regularly adjusts employee salaries to ensure reasonable compensation for colleagues as well as to attract and retain talented employees. Taking into consideration other factors including stockholder rights and interests, employee quality of life, and sustainable development of WNC, employee wages 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 rewards 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.

3.3.2 Performance Management

Competence Development	Key Employees Development	Career Development
Perform competence analysis twice a year and collect supervisors' successful operational experiences as the paradigm for evaluating employees' development.	Uncover employees showing potential through the performance management process, provide them with training plans, and track results on a regular basis.	WNC provides training plans for both professional specialization and management skills. Plans are provided according to employee's potential and their career plan.

Evaluation of Development

At WNC, organizational talent review is performed annually to gauge the expertise and developmental progress of its employees. WNC's performance appraisal system 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). Periodically, performance in terms of both quality and quantity is simultaneously examined, and the results are compiled semi-annually to evaluate the performance of employees and serve as a basis for giving appropriate rewards or promotions to employees.

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. This does not apply for the Chairman, the CEO or vocational graduates. The ratio of IDL employees at WNC Taiwan 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 requisite number of years, and who are regarded as capable of taking greater responsibilities, are eligible for promotions in job position or level based on their actual performance, occupational performance, demonstrated professional skills, and competency as recognized by their supervisors.

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

Percentage of IDL Employees at WNC Taiwan [Note 1] Receiving Performance Evaluations

Position	Male	Female	Total	Ratio
Management [Note 2]	264	81	1,525	100%
Professionals	781	399		

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

Percentage of IDL Employees at WNC Taiwan [Note 1] Receiving Nomination for Promotion

Position	Male	Female	Total	Ratio
Management [Note 2]	50	9	302	17.3% [Note 3]
Professionals	162	81		

Note 1: Does not include the Chairman and the CEO; promotion management measures are not applicable to DL employees
Note 2: Refers to employees with management responsibilities
Note 3: Nomination for Promotion Ratio = Number IDL personnel nominated for promotion in 2017/Total number of IDL personnel in 2017

3.3.3 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. WNC (Taiwan) shall contribute the labor pension to the statutory account every month. Based on the original or newly-enacted regulations, 2% or 6% (respectively) of pensions shall be paid by employers. With the exception of vocational students and foreign employees, all other official employees shall participate in this retirement scheme, mostly following the regulations of the Labor Pension Act, with only 8 employees following the old labor pension fund scheme. All official employees and contract employees are enrolled in a group insurance plan on the first day they report to work, giving employees and their family's added protection. The detailed description and implementation of the retirement scheme can be found in section 6 "Financial Standing" of the 2017 WNC annual report.

Monthly Contributions to Employee Pensions for Employees of WNC Taiwan in 2017

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%

Official employees in China are enrolled in social insurance and a housing providence 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. 19% of the endowment insurance pension shall be from employer contributions based on individual payment baselines. All official employers participate in this insurance scheme.

2017 allocation of the "5 insurances and 1 fund" for employees in China

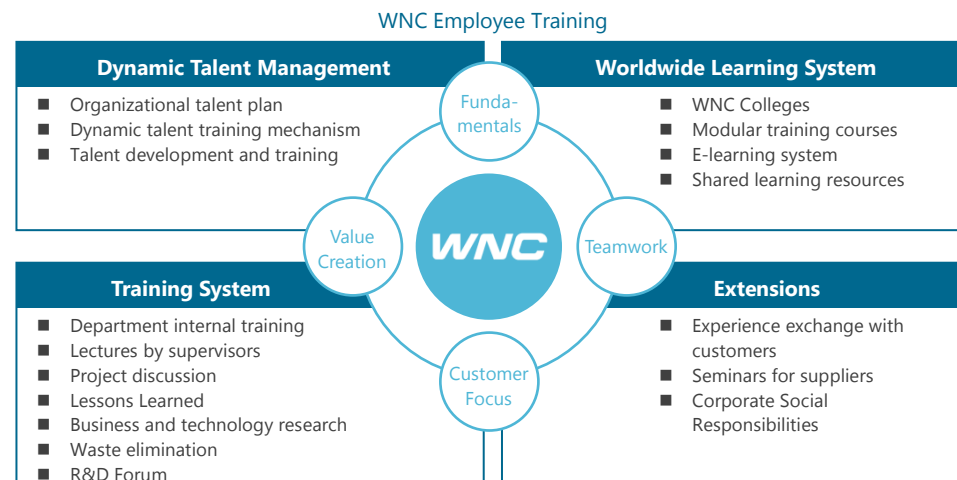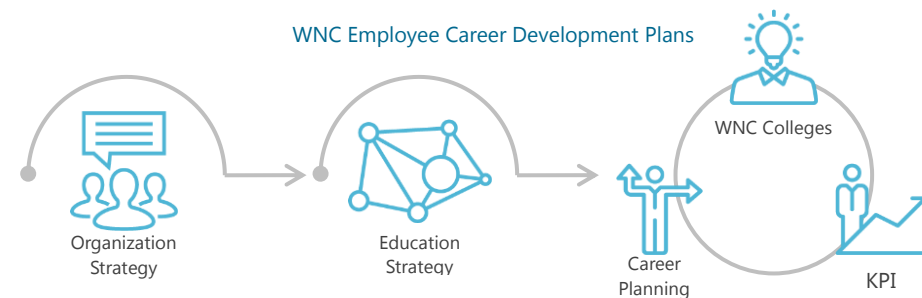| Item		Contribution Source	Percentage
Social Insurance (Regulation on the Collection and Payment of Social Insurance Premiums in Jiangsu Province)	Endowment Insurance	Employer	19%
		Employee	8%
	Medical Insurance	Employer	8%
		Employee	2%
	Employment Injury insurance	Employer	1.4%
		Employee	NA
	Unemployment Insurance	Employer	0.5%
		Employee	0.5%
	Maternity Insurance	Employer	0.8%
		Employee	NA
Housing Provident Fund (Management Regulations for the Suzhou Housing Provident Fund)		Employer	Total amount of salary multiplied by the payment-deposit ratio
		Employee	

3.3.4 Employee Leave

All WNC sites provide leave for official 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 parental leave, family leave, menstrual leave, and paternity leave. These types of leave are provided based on physical condition and family care needs.

WNC Taiwan has provided five annual leave days for new employees starting in April 2016 based on the amendment to the Labor Standards Act. WNC's China sites provide 15 days of paternity leave, 13 days of marriage leave and 128 days of maternity leave. The number of days for caesarean leave has been extended to 15 days.

3.4 Training and Development

3.4.1 Dynamic Talent Management

WNC attaches great importance to recruiting talented people and improving their skills and general knowledge. Based on this concept and the principles of growth, innovation, and cooperation, employees are provided with job function enhancement training programs, key competencies enhancement programs, and supervisory and leadership training. At various WNC sites, recruitment activities in compliance with local laws and regulations are held. WNC employees are provided with healthy and safe working conditions and complete occupational training. This helps employees enhance their professional skills and management competencies.
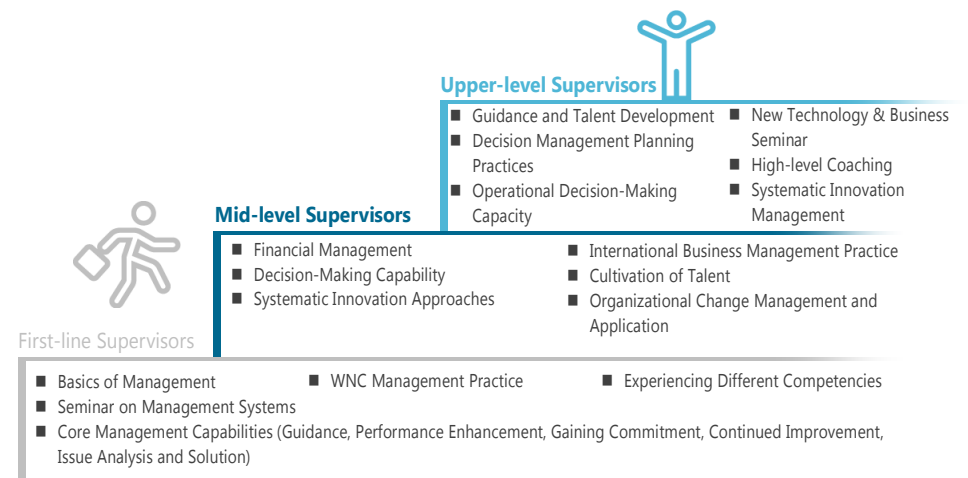
WNC Employee Career Development Plans

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

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 afford more opportunities for career development. Starting at the end of 2012, WNC has performed organizational talent reviews annually to: select outstanding employees who have demonstrated high potential, pinpoint gaps in organizational talent development, and plan for organizational learning development.

Cultivation of Management Capability

The Human Resources Administration Division plans progressive talent cultivation courses according to the different levels and positions of employees. The courses feature a systematic training and development structure to promote 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.

WNC Employee Training

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

Worldwide Learning System
- WNC Colleges
- Modular training courses
- E-learning system
- Shared learning resources

Fundamentals · Value Creation · WNC · Teamwork · Customer Focus

Training System
- Department internal training
- Lectures by supervisors
- Project discussion
- Lessons Learned
- Business and technology research
- Waste elimination
- R&D Forum

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

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
- Seminar on Management Systems
- Core Management Capabilities (Guidance, Performance Enhancement, Gaining Commitment, Continued Improvement, Issue Analysis and Solution)
- WNC Management Practice
- Experiencing Different Competencies

3.4.2 Worldwide Learning System

WNC Colleges

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 led 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.

	Principal	Participant	Purpose	Description
Management College	CEO	Top-level managers/ external consultants	Focused on developing the management skills of supervisors, courses are designed according to the requirements of each management level, 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 2017, 29 courses were held in WNC (Taiwan), and 22 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, topics covered include new-industry knowledge, presentation skills, conference planning, international trade and customer management, and service capabilities.	In 2017, 12 seminars were hosted in WNC (Taiwan), and 18 seminars were held in the China sites. We will continue to arrange for senior supervisors to share experiences of successful customer interactions for participants' edification.
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 with cross-field techniques and develop more holistic perspectives.	In 2017, 16 and 10 sessions were held in WNC (Taiwan) and the China sites, respectively. The chairman of each forum participates in course planning, and through industry-academia cooperation, outside experts are invited to serve as instructors and to help continuously build 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 in 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 QC080000 quality-awareness training and application.	In 2017, 19 courses on quality were held in WNC (Taiwan), and 45 sessions were held in the China sites. Training for internal auditors of various quality certification systems are held each year.
General Knowledge College	CHO	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 2017, 32 courses were held in WNC (Taiwan), and 19 courses were held at the sites in China. These covered freshman training, fire drills, emergency response drills, responsibility classes, management courses, presentation design courses, and problem solving/analysis courses. Courses were also provided to mentors of new employees to enable the mentors to better understand how to help new employees adapt to a new environment and become a part of the WNC family.

Modular Training 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.

E-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 and post-class satisfaction surveys.

3.4.3 Training System

Encouraging Participation in Internal and External Training

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 recommendations for course improvement.

Developing a Learning Organization

Supervisors of all levels are required to teach at least a two-hour class to share their management practice, professional knowledge/skill, lessons learned, new trends/technologies, and project experience each year in order to foster a spirit of self-learning. At the same time, WNC has instituted an internal instructor certification system to train instructors according to the training and development objectives of the year. Top-level managers from different units in the WNC (Taiwan) and the China sites recommend candidates for the instructors. The candidates shall attend the instructor-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, activities are organized during the Teacher's Day celebration for employees to show appreciation for their instructors. As of 2017, there were 109 and 20 instructors trained at WNC headquarters and the Chinese sites respectively, and the training of internal instructors will continue.

Project Discussion

Regular project meetings enable employees to check progress and discuss product-related issues with other team members. Through asking questions, engaging in discussions, sharing practical examples and lessons learned, as well as preparing material and response measures in advance, employees could avoid potential problems from arising. In addition, through participating in the quarterly business review 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 WNC to an effective use.

Training Course for New Employee Mentors

Manufacturing Quality Training Course in WebCom (Kunshan)

3.4.4 Training Participation

Our training courses for employees are planned and arranged regardless of gender. In 2017, training courses hosted at WNC (Taiwan) totaled 50,197 hours of which IDL staff took part in 48,471 hours of training and DL staff 1,726 hours; the total number of IDL participants was 1,747 (each averaging 27.7 hours per person) with 1,092 DL participants (each averaging 1.6 hours per person). Training courses hosted at WNC's China sites totaled 40,318 hours for IDL employees and 61,965 hours for DL employees in 2017.

WNC (Taiwan) and the China sites began to offer CSR and EICC on-line courses for all new employees. The meal-service contractors in the China sites take the course once every year. In 2017, 51 people completed the course.

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

Total Training Hours for Taiwan and China Employees in 2017

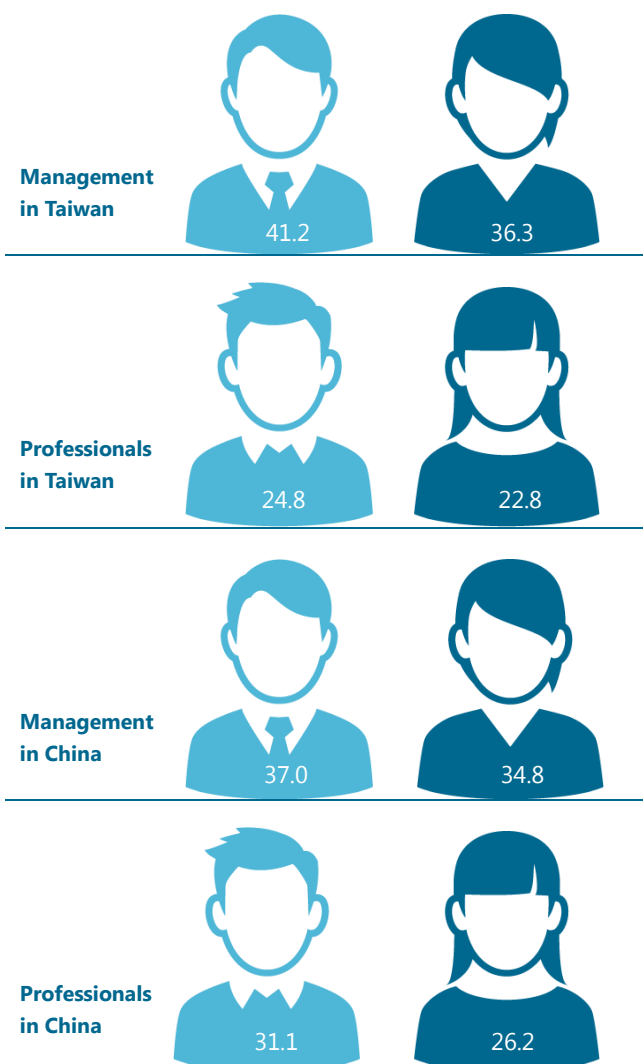| Area	Category		Male			Female			Total		
			Hours (A)	Number of employees Note 1 (B)	Hours per employee Note 2 (A/B)	Hours (C)	Number of employees Note 1 (D)	Hours per employee Note 2 (C/D)	Hours (E)	Number of employees Note 1 (F)	Hours per employee Note 2 (E/F)
TW	DL		644	265	2.4	1,082	827	1.3	1,726	1,092	1.6
	IDL	Management Note 3	12,758	310	41.2	3,016	83	36.3	15,774	393	40.1
		Professionals	22,387	902	24.8	10,310	452	22.8	32,697	1,354	24.1
		Total	35,145	1,212	29.0	13,326	535	24.9	48,471	1,747	27.7
China Note 4		Dispatch workers from	4,051	77	52.6	74	2	37.0	4,125	79	52.2
	DL		38,435	3,376	11.4	23,529	1,917	12.3	61,965	5,293	11.7
	IDL	Management Note 3	7,909	214	37.0	3,027	87	34.8	10,936	301	36.3
		Professionals	18,758	604	31.1	10,624	406	26.2	29,382	1,010	29.1
		Total	26,667	818	32.6	13,651	493	27.7	40,318	1,311	30.8

Note 1: Numbers of official employees were calculated as of the end of 2017.
Note 2: Hours Per Employee = 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) (including NeWeb Service), WNC (Kunshan), WebCom (Kunshan), WebCom (Nanjing), and dispatch workers from the WNC headquarters on assignment in China

Average Training Hours for IDL Employees in 2017 (Categorized by Job Level and Gender)
(Unit: Hours)

Management in Taiwan
41.2   36.3

Professionals in Taiwan
24.8   22.8

Management in China
37.0   34.8

Professionals in China
31.1   26.2

3.5 Employee Care

3.5.1 Occupational Safety and Health Management

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

Certification	WNC (Taiwan)	S1	WNC (Kunshan)	Wistron NeWeb (Kunshan)	WebCom (Kunshan)
OHSAS 18001: 2007	2008[Note]	2016	2012	2012	2012
Healthy Workplace Accreditation Certification from the Bureau of Health Promotion (Taiwan)	2009	N/A	N/A	N/A	N/A
CNS 15506: 2011/TOSHMS (Taiwan)	2015	2016	N/A	N/A	N/A
Safety Production Standardization Certification (China)	N/A	N/A	2013	2013	2013

Note: WNC (Taiwan) included 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. In addition to establishing ESH regulations and promoting related operations, WNC also carries out hazard identification, risk assessment, and adjustments to the management of various processes to ensure that facilities and processes conform to safety requirements. We also regularly review the operations of the occupational safety and health system to prevent occupational diseases and injuries and protect the physical and mental health of our staff.

The Occupational Safety and Health Committee has also been established at WNC in accord with the Occupational Safety and Health Act to periodically review the implementation results of occupational safety and health measures with worker representatives. The committee members serve a two-year term. In Q3 2017, elections of worker representatives in the HQ and S1 were held. Ten of the members are drawn from worker representatives, representing over 1/3 of the committee members. These members work as a communication platform in safety and health between WNC and employees to maintain and improve the organization's safety and health management.

In 2017, the key implementation items of WNC (Taiwan)'s occupational safety and health management includes the following:

- Establishing a Safety Responsibility Area Management System
  To enable the self-management of WNC departments, the S1 site has implemented a safety responsibility area management system. The supervisor of each safety area is responsible for reviewing items such as firefighting equipment, chemicals, protective gear, and basic accident handling procedures.

- Improving Fire Safety
  To enhance fire risk control at WNC sites, temperature monitoring systems have been installed beside certain high-temperature equipment and hazardous work areas in accordance with risk assessment results. Emergency procedure training and drills for high-temperature/hazardous equipment have also been conducted to enable employees in relevant units to understand emergency procedures and uncover issues with equipment before accidents occur.

- Evaluate/Adjust the Locations of Fire Extinguishers
  The work areas at WNC sites were reevaluated, and the locations of fire extinguishers were adjusted in accordance with the fire risk for each area, which will boost firefighting capability and reduce the amount of damage caused by fires.

- Optimization of automated equipment
  To conduct risk control on the automated equipment in WNC, we have implemented an automated equipment safety improvement plan that focuses on three aspects: Engineering Control, Operation Management, and Protective Equipment, which will enable us to create a safer work environment.

- Electrical Safety and Indicator Lines
  To enhance electrical safety and accident handling efficiency, and ensure that there is sufficient space between the low-voltage power distribution panels used in S1 and other equipment, electrical safety signs have been installed beside power distribution panels, and indicator lines have been placed on the floor around the panels to remind employees to keep a safe distance.

- Contractor Management
  Measures such as "Toolbox Talks" and the "Construction Fencing Management" have been implemented to improve construction efficiency as well as remind employees to keep a safe distance from construction areas to lower the risk of accidents. We will continue to improve our contractor management in 2018.

Pursuant to various occupational safety and health measures, WNC holds various educational and training courses to enhance employees' awareness and skills related to occupational safety and sanitation to strengthen disaster prevention. The courses held in 2017 included the following:

- Fire prevention training
  To shorten reaction time in the event of emergencies, all WNC employees are organized into fire-prevention teams by department, and WNC provides these teams with 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 procedures for handling abnormal issues with high-temperature/hazardous machinery
  For units that work with high-temperature/hazardous machinery, WNC organizes training and drills to help employees in these units understand the procedures for handling abnormal issues with high-temperature/hazardous machinery to ensure that correct measures are taken when assessing the status of machinery and environs in the event of an alarm.
- Training on the handling of chemical leakage
  For the employees who conduct operations involving chemicals, 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 implement safety and health management, WNC organizes occupational safety and health management training for managers at the department level and above and production line supervisors. Content of the training includes relevant regulations, domestic/overseas occupational accident case studies, and safety regarding specific items (such as industrial machinery/electrical safety) in WNC. The goals of this training are: to improve managers' and supervisors' understanding of their responsibilities for maintaining safety and health; establish a positive mindset for managing safety and health; improve safety and health in work areas; and help WNC to implement management projects.
- Safe Motorcycling Training
  To help employees who have a higher risk of being involved in traffic accidents (those who have previously been involved in traffic accidents/close calls) better understand traffic rules and safe motorcycling techniques, WNC has invited professional traffic safety instructors to provide training to the aforementioned employees. This has enhanced their knowledge of safe motorcycling and reduced their risk of being involved in traffic accidents.
- Safety and Health Training for Supervising Personnel
  To enhance the contractor management capability of supervising personnel, WNC has organized training courses that focus on the management responsibilities of

supervising personnel, regulations regarding applications for construction projects, and common contractor rule violations. This will help ensure that contractors follow safety regulations, which in turn will enhance the safety of contracted personnel and WNC employees.
- Hearing protection training
  For employees who work in noisy environments, WNC has organized training courses to help these employees understand how to use/care for hearing protection devices as well as how to correctly wear the devices.
- Plant-wide evacuation drill
  To familiarize employees with emergency response processes, evacuation routes and assembly locations in the plant, we held an earthquake drill in the second half of 2017 at WNC headquarters and S1. The drills enhanced employees' response and evacuation ability and ensured the effectiveness of the emergency response process.

Occupational Safety and Health Education and Training Statistics in WNC (Taiwan)

Item	No. of Courses	No. of Participants
Fire Prevention Training	16	684
Training for Handling Abnormal Issues with High-Temperature/Hazardous Machinery	4	23
Training on the Handling of Chemical Leakage	2	20
Occupational Safety and Health Management Training for Supervisors	1	80
Safe Motorcycling Training	1	60
Safety and Health Training for Supervising Personnel	1	21
Hearing Protection Training	2	21
Plant-wide Evacuation Drill	3	2,325

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 directed 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" at WNC headquarters and "2119" at S1 to make a report.

Worker safety at WNC sites in China comply with 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 been established which conduct monthly firefighting drills and disaster prevention exercises. In 2017, Wistron NeWeb (Kunshan), WNC (Kunshan), and WebCom (Kunshan) held a total of 18 plant-wide firefighting and evacuation drills in three different time slots, so that both day and night shift employees were able to participate. Dormitory areas hold an evacuation drill once every half-year. WebCom (Nanjing) held a plant-wide firefighting and evacuation drill in 2017.

Occupational Safety and Health Education and Training Statistics (China)[Note]

Item	No. of Courses	No. of Participants
Plant-wide Evacuation Drill	19	17,236
Dangerous Chemicals Handling Training and Chemical Leakage Response Drills	5	25
First-aid Personnel Training	1	60
Safety Personnel Training	2	25
Worker Protective Equipment Training	1	30
Occupational Health Management Training	1	28

Note: Includes Wistron NeWeb (Kunshan), WNC (Kunshan) (including NeWeb Service), WebCom (Kunshan) and WebCom (Nanjing)

Occupational Safety and Health Management Training for Supervisors

Training Course on Safe Motorcycling

Firefighting Training/Firefighting Drills in High-risk Work Areas

Worker Protective Equipment Training

Contractor Safety Training

Occupational Health Management Training

In 2017, two employees in WNC (Taiwan) sustained disabling injuries. One injury was caused by a fall, while the other was caused by the employee's hand getting caught in machinery. We have conducted accident investigations and analyzed the possible causes for each incident, and have asked responsible units to implement measures to reduce the risk of such occurrences for WNC employees. There were no cases of occupational diseases or deaths in 2017. The occupational injury statistics for WNC (Taiwan) in 2017 are listed below:

2017 Occupational Injury Statistics for WNC Taiwan [Note 1]

Item	WNC HQ		S1		Total	
	Male	Female	Male	Female	Male	Female
Number of Disabling Injuries	0	1	0	1	0	2
Total Lost Days	0	4	0	3	0	7
Injury Rate (I.R.) [Note 2]	0	0.22	0	0.11	0	0.15
Lost Day Rate (L.D.R.) [Note 3]	0	0.87	0	0.34	0	0.52
Occupational Disease Rate (O.D.R.) [Note 4]	0	0	0	0	0	0
Absentee Rate (A.R.) [Note 5]	0.52%	0.99%	0.52%	0.39%	0.52%	0.61%

Note 1: Employees of WNC (Taiwan) included the full-time and contracted employees at WNC headquarters and S1. Occupational injury records only include injuries sustained when carrying out work duties at WNC sites; traffic accidents that occur during commutes are not included.

2017 Occupational Injury Statistics for WNC Taiwan [Note 1]

Subject	Item	WNC HQ		S1		Total	
		Male	Femal	Male	Femal	Male	Femal
Contractors (construction)	Number of Disabling Injuries	0	0	1	0	1	0
	Injury Rate (I.R.) [Note 2]	0	0	7.13	0	4.66	0
Contractors (security, cleaning, catering)	Number of Disabling Injuries	0	0	0	0	0	0
	Injury Rate (I.R.) [Note 2]	0	0	0	0	0	0
Temporary line personnel	Number of Disabling Injuries	0	0	0	1	0	1
	Injury Rate (I.R.) [Note 2]	0	0	0	3.89	0	3.89

Note 1: The personnel referred to in this chart are personnel who provide services to WNC but are not WNC employees. Examples include contractors carrying out construction work in WNC, on-site security, cleaning, and catering personnel, and temporary production line personnel.

The 2017 occupational injury statistics for WNC plants in China are listed below:

2017 Occupational Injury Statistics in China

Item	WNC (Kunshan) [Note 1]		Wistron NeWeb (Kunshan)		WebCom (Kunshan)		WebCom (Nanjing)		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of Disabling Injuries	12	3	12	8	2	2	0	0	26	13
Working Days Lost due to Injury	294	106	108	187	5	12	0	0	407	305
Injury Rate (I.R.) [Note 2]	0.81	0.36	0.62	0.78	0.10	0.41	0	0	0.62	0.54
Lost Day Rate (L.D.R.) [Note 3]	19.96	12.57	5.54	18.17	0.26	1.17	0	0	9.70	12.66
Occupational Diseases Rate (O.D.R.) [Note 4]	0	0	0	0	0	0	0	0	0	0
Absentee Rate (A.R.) [Note 5]	1.94%	2.24%	1.75%	2.15%	1.99%	1.75%	0.38%	0.63%	1.83%	2.07%

Note 1: WNC (Kunshan) data included statistics at NeWeb Service.
Note 2: Injury Rate (I.R.) = Number of Disabling Injuries/Total Working Hours × 200,000
Note 3: Lost Day Rate (L.D.R.) = Working Days Lost Due to Injury/Total Working Hours × 200,000
Note 4: Occupational Diseases Rate (O.D.R.) = Number of Occupational Diseases Cases/Total Working Hours × 200,000
Note 5: Absentee Rate (A.R.) = Total Absentee Hours (sick leave and personal leave)/Total Working Hours × 100%

3.5.2 Food Safety

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

- Bi-monthly Water quality tests of water dispensers and results announcements
- The Industrial Safety Office conducts a safety and health examination of the company kitchen each month to ensure that it meets all food safety and health standards.
- To reduce safety risks in the company kitchen, the S1 site renovated its kitchen in 2018 and replaced the gas stoves with electric stoves.
- Establishment of an employee meal service committee for reviewing caterer performance and monitoring food safety-related matters
- Formulation of kitchen safety and health management measures to specify management responsibilities and measures for comprehensive control in food ingredients, food processing, tableware safety, food-service vendor management, and environment cleanliness and equipment maintenance.
- Rigorous selection of certified meal service vendors and daily random inspection to ensure that the 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 including tuberculosis, hepatitis, sexually transmitted diseases, suppurative skin disease or typhoid carriers are not allowed to provide meal services or work in kitchens.
- Compilation of an ingredients-vendor list and strictly forbid on-site food service vendors from using food from unknown sources. Food must be verified to conform to safety and health rules. WNC performs inspections from time to time.
- 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 and use organic vegetables and olive oil. On-site food-service vendors are advised to use healthier cooking techniques for employees' safety and health.

# 3.5.3 Health Enhancement

Employee Health Management

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

- Professional health-care services:
  - Three two-hour doctor's consultation sessions are held on site monthly at WNC headquarters and S1. The doctors provide consultation for personal health/maternal health, advice on maintaining physical/mental health, evaluate employees to see if they are ready to return to work, and visit work areas to survey the environment/give advice on any changes needed. In 2017, 269 consultations were provided by the doctors on site. The doctors currently working with WNC are from Hsinchu Mackay Memorial Hospital and specialize in occupational medicine and family medicine.
  - Three nurses are 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. In order to prevent occupational diseases, the nurses also provide employees with assessment and consultation services regarding human factors and ergonomics, maternity health, and avoiding the hazards of excessive workloads. Also, health centers, equipped with first-aid kits and arm-type digital blood pressure meters, are provided to offer basic medical services.

Tunnel Type Blood Pressure Monitor

  - During the influenza and Norovirus outbreaks in January 2017, the nurses in WNC used WNC's portal site to provide employees with information on how to avoid infection.
  - The poor air quality in Taiwan and high amounts of PM 2.5 may cause people who have allergies to develop respiratory illnesses. To enable employees to better understand PM 2.5 and learn to take protective measures, the nurses in WNC posted an article called "PM2.5 and Your Health" on the WNC portal site to provide employees with information on PM 2.5.
- Health examinations:
  - Health examinations for new hires and annual health examination for all employees are conducted to remind employees to monitor their health. The
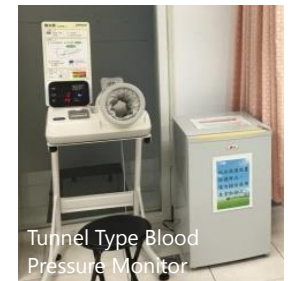
examination reports also enable the employees to compare the results from the previous year, review health conditions, and to further adjust their lifestyle according to the results if desired. The items in WNC's health-examination checklist and the frequency of examinations surpass the requirements of 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 2017 was 98.9%, and the average health examination participation rate from 2011 to 2017 was 98%.
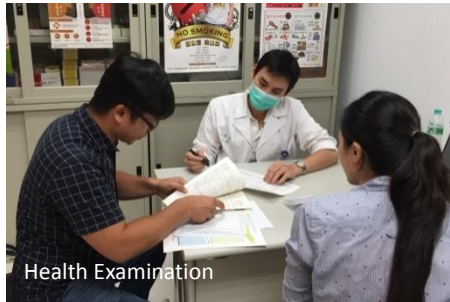
Health Examination

- To help employees understand their health condition and prevent existing conditions/illnesses from getting worse, WNC employees are categorized into different health management categories according to the results of their health examination. WNC also arranges one-on-one consultation sessions for employees at the hospital that conducted the health examination for health monitoring. A follow-up examination is conducted if any abnormal issues are found.

- Besides legally-required health examinations, WNC provides additional health examination items free of charge to employees that have served for at least five years. We also provide self-paid health examination items so employees can select additional health examination items that suit their personal needs, which helps with early detection of issues.

■ Abnormal health-examination results improvement campaign:

- From May 2017 to February 2018, WNC organized the "Health Self-Management" series of activities. A total of 3,436 people participated in the activities, and employees gave the activities a lot of positive feedback, saying that they learned a lot of useful health information from the activities.

Event	Activity	Description	No. of Participants
Health Self-Management	Health Trivia	Health-themed activities and reading exercises enable employees to learn how to better manage their health.	2,503
	Measuring Your Blood Pressure for a Healthy Heart		694
	Healthy Fat-Burning Aerobic Exercises		239
Total			3,436

- Since 2014, WNC has held bone density tests for employees once a year. In 2017, we arranged for employees who had abnormal bone density test results to undergo DEXA scans at the Hsinchu Science Park Clinic to confirm the reason for the abnormal results and provide them with medical assistance.
- In October 2017, WNC offered free flu vaccinations for all employees and on-site security, cleaning, catering, and MIS staff. A total of 1,055 people received the vaccination, with the vaccination rate of approx. 37.9%.
- To comply with the policies of the Hsinchu City Public Health Bureau, WNC organized the "Long-Term Care 2.0: Service Expansion" event in S1. A total of 119 people participated in the event.

■ 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, occupation disease prevention, and epidemic prevention in 2017, WNC (Taiwan) and WNC's China sites held health-enhancement activities, including activities, seminars, and health examinations.

Theme	Category	Activity
LOHAS & Healthy Living	Seminar	■ "Abnormal Issues Post-Physical Examination and Diet Suggestions" Seminar ■ Introduction to the Employee Assistance Program (EAP) ■ "Making Your Life Easier and Your Heart Happier" Seminar
	Health Examination	■ One-on-one consultation sessions after the health examination ■ Bone density tests
Exercise and Fitness	Activity	■ 2017 Hiking Event at Eighteen-Peaks Mountain ■ "Improve Your Fitness by Taking the Staircase" Series of Activities "Health Self-Management" Series of Activities
Epidemic Prevention	Activity	■ 2017 WNC Free Influenza Vaccination Event ■ Employee Assistance Program (EAP) ■ Long-Term Care 2.0: Service Expansion
Occupational Disease Prevention	Seminar	■ Musculoskeletal Injury Prevention Lectures: "Anytime, Anywhere–Move Like Your Teacher Moves"

All colleagues of WNC China sites are 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, employees 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 April 2017, WNC (Taiwan) held a blood donation activity, in which 113 employees donated 162 units of blood. In line with the local government organizations and hospitals, the China sites also encouraged employees through public announcements to participate in blood donation. In July 2017, a total of 97 employees participated in blood donation activities.

Blood Drive at WNC (Taiwan)

Bone Density Test at WNC (Taiwan)

Hiking Event at Eighteen-Peaks Mountain

Employee Assistance Program (EAP)

In July 2017, WNC (Taiwan) and the Hsinchu Lifeline Association started the WNC Employee Assistance Program, which provides WNC employees with consultation services for psychological, legal, financial, management, and mental health issues. Employees may call a free hotline during the business hours of the Hsinchu Lifeline Association for consultation. If employees require individual face-to-face consultation, the psychiatrist will refer employees to a professional consultant. Each employee is eligible for two free face-to-face professional consultations each year. To help employees understand the WNC Employee Assistance Program, WNC organized five promotional courses, put up posters with information about the program, and gave each employee an EAP leaflet. As of the end of 2017, seven employees have called the free hotline for consultation, and five have used the face-to-face professional consultation service.

The "Health Self-Management" Series of Activities in Taiwan

Introduction to the Employee Assistance Program (EAP)

Long-Term Care 2.0: Service Expansion

Company Trip of the Chinese Sites

Company Trip of the Chinese Sites

Sports Meet at one of the Chinese Sites

Badminton Competition at one of the Chinese Sites

Variety Show Performance at one of the China Sites

3.5.4 Employee Welfare Committee

WNC (Taiwan) has established an Employee Welfare Committee to assist with overall planning. Employee representatives elected by the employees themselves and the management team coordinate to allocate employee welfare funds to further improve management/employee relations. The annual employee welfare budget is derived from company revenue and employee welfare funds. 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 2017, WNC organized the first WNC Book Festival, giving employees the opportunity to purchase from a selection of more than 600 books. Three themed seminars, including the WNC Speaker Series, a featured lecture on tea tasting, and a featured lecture on communication skills, were held during the festival.

In 2017, a wide variety of activities were offered including:

■ Company-wide events: Includes the year-end party, the Valentines' Day Ribbon Bouquet Toss, the Parent-Child Drawing Event for the Dragon Boat Festival, and the WNC O2gether Mid-Autumn Festival Event;

■ Cultural activities: 40 events including lectures on financial management, WNC Book Festival, and arts-and-crafts DIY classes;

■ Department trips and outings: WNC (Taiwan) encouraged departments to hold their own department outings or gatherings; and

■ Exercise courses: We offered aerobics, Tai Chi, and Yoga courses; in 2017, four sessions were held at the WNC headquarters with each session containing ten classes. A total of 368 people participated in these activities. At S1, two Yoga sessions were held, with a total of 44 participants.

In 2017, WNC's China sites hosted the following events, including:

■ Festival events: Events that celebrate the Chinese New Year, International Women's Day, Chinese Valentine's Day, Mid-Autumn Festival, and Christmas were held.

■ Sporting events: Badminton, table tennis, basketball, track and field, and bowling competitions, as well as athletic meets, were held.

■ Entertainment events: Various outdoor trips, photography competitions, and singing contests were held.

WNC encourages all of its employees to take advantage of the subsidies and incentives available and participate in its activity clubs. There are 11 major clubs at WNC (Taiwan), including a mountaineering club, golf club, basketball club, softball club, badminton club, tennis club, table tennis club, music club, cycling club, road runners club, and volunteer club. We plan on establishing a rock-climbing club. At WNC's China sites, there are 12 major clubs, including a Meihua Quan club, basketball club, cycling club, soccer club, swimming club, Mercy club, table tennis club, English speech club, badminton club, fishing club, e-Sport club, and dancing club. Each club has a fixed meeting or practice schedule and occasionally hosts all types of activities in WNC.

Monthly DIY Classes

WNC Book Festival

3.5.5 Recreational and Sports Equipment

Both WNC headquarters and S1 offer employees a gymnasium with a range of exercise facilities, an aerobics room, and a reading room. The gymnasium has a variety of exercise and fitness equipment. 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 revitalizing exercise. The aerobics room is used for aerobics lessons and department activities. The spacious reading room contains many types of magazines, books, and newspapers. At WNC headquarters, the Art Corridor adjacent to the reading room exhibits works by local Taiwanese artists. The Sunshine Corridor posts pictures of company activities. At S1, the arts-and-crafts exhibition area exhibits works by different artists and 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 are an electronic library and other recreational facilities. These facilities encourage employees to guard and improve their health during their spare time. A spacious badminton court, basketball court, table tennis room, and billiards room are also offered onsite in China.

WNC Headquarters Gymnasium

WNC Headquarters Gymnasium

Supermarket at one of the Chinese Sites

S1 Gymnasium

WNC Headquarters Aerobics Room

Badminton Courts beside the Employee Dormitories at one of the Chinese Sites

Cherishing Natural Resources

04

Environmental Management

Green Products

Energy Management

Carbon Emissions Management

WNC pays close attention to global environmental protection issues and trends. Apart from observing local regulations at our operation sites and establishing environmental and green-product management systems with suppliers based on customer requirements, we have also implemented measures in our work environments to conserve energy and reduce the carbon footprint in order to ensure the effective use and management of limited resources. In addition, we have also formulated the Environmental Safety, Health & Energy Management Policy listed below to implement measures and carry out internal and third-party audits at fixed, annual intervals to ensure that we comply with ISO 14001 and IECO QC 080000 related regulations.

4.1 Environmental Management

WNC ESH & Energy Management Policy

- In compliance with government policy and in coordination with ESH & Energy 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 stakeholder demands, help protect the environment and effective use of energy.
- Continue to strengthen mechanisms for the prevention of environmental pollution, increase energy efficiency, implement appropriate control and reduction measures, and support purchases of products that improve energy performance 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 & Energy performance awareness and accountability, and provide appropriate communication and consultation channels and participation mechanisms to ensure the effective operation of the ESH & Energy Management system.

4.1.1 Environmental Management System

WNC's Three-Year Target for Carbon Reduction in Taiwan and China

Item		Responsible Unit	2017 Results	2018 Target	2019 Target
Management system	ISO 14001: 2015	Environmental Management System Committee	Completed the transfer in China	Complete the transfer in China	Using 2016 as the base year, reduce the total Scope 2 greenhouse gas emissions by 10% in Taiwan [Note 1] and China [Note 2] in 2019.
	ISO 14064-1	Industrial Safety Unit	Taiwan and China have completed annual verification	Taiwan and China will complete annual verification	
	ISO 50001	Energy Management System Committee	The management system was gradually implemented	Taiwan and China will complete annual verification	
Constructing solar power stations		Green Committee	The first stage: Installed roof solar panels on the Taiwan headquarters parking lot and Wistron NeWeb (Kunshan), with an annual generating capacity of approximately 713 MWh.	The second stage: Complete the construction of solar panels on the roofs of S1, WNC (Kunshan), and WebCom (Kunshan) in October; the panels have an expected annual generating capacity of approximately 2,940 MWh.	
Establishing energy monitoring systems		Quality Assurance Office	The first stage: The SCADA system was built by the Taiwan headquarters and S1. The scope monitored included the production line equipment, plant service system power, nitrogen gas volume, air pressure, and plant-wide water consumption. In Q2 2017, the quality assurance division and the institute's green energy institute collaborated to establish an energy data collection platform and a big data analysis framework.	The second stage: Increase the scope of SCADA detection and analysis of big data to include analysis of energy consumption structures of various regions and organizations as well as energy efficiency analysis of all key energy-consuming equipment (such as of electricity consumption, flow and pressure, etc.)	

Note 1: Taiwan includes WNC headquarters and S1; while China includes WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan)
Note 2: Scope 2 Greenhouse Gas Emission Intensity= Scope 2 GHG Emissions (tonnes CO_2e) / Consolidated Operating Revenues (NT$ million)

Since 2015, WNC has been gradually expanding its business development and production lines, and thus its electricity consumption has gradually increased each year. The main source of greenhouse gas emissions is plant-purchased outsourced power (indirect energy), and Scope 2 greenhouse gas emissions account for more than 90% of the total greenhouse gases. In order to demonstrate the determination of WNC in promoting energy conservation and carbon reduction, WNC's Global Manufacturing Headquarters established a "Green Committee" in September 2017 to work with WNC's Industrial Safety Office, Facility Section, and Quality Assurance Division to integrate internal/external resources and technologies and implement energy conservation/carbon reduction measures in factories, production lines, equipment, and product manufacturing processes. The actions taken included the construction of solar power stations and an energy monitoring system (Supervisory Control and Data Acquisition, or SCADA for short), and the establishment of an Energy Management System Committee to implement the ISO 50001 energy management system to actively reduce energy consumption in the production process and daily operations. These efforts, along with a better understanding of environmental protection by WNC employees as well as concrete actions, will effectively reduce carbon emissions and mark a step in the right direction toward our goal of becoming a green factory.

Solar Panels on the Roof of the Parking Structure of WNC Headquarters

Solar Panels on the Roof of Wistron NeWeb (Kunshan)

4.1.2 Packaging Materials Management

WNC makes every effort to develop and manufacture green products that comply with environmentally-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 boxes, and bubble wrap. WNC prohibits all use of certain substances (Pb, Cd, Hg, and Cr(VI)) in line with the EU's Directive on Packaging and Packaging Waste (Directive 94/62/EC). 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.

To respond to customer requirements and promote sustainable forest management, in 2014, WNC (Taiwan) began using paper products with the FSC® Chain-of-Custody (FSC® CoC) certification issued by the Forest Stewardship Council (FSC). Such organized and systematic forest-management and supply-chain monitoring is expected to 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 2015. In March 2017, the FSC® CoC Accreditation completed the new external audit standard.

4.1.3 Emissions Management

WNC's business belongs to a technology-intensive, R&D focused industry. 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 commissions only specialist operators recognized by Taiwan's EPA to handle its business waste, 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 commissions qualified inspection agencies to conduct tests on its wastewater, air pollutants, and waste to ensure that WNC is compliant with related regulations.

4.1.4 Waste Management

Taiwan Waste Recycling Targets and Achievements

Target for 2019	2017	2016	2015
Annual waste recycling rate reaches 80%	79%	70%	67%

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 on the vendors that handle its hazardous industrial waste. The inspection items of the audits include the cleaning trolleys, storage facilities, and handling facilities as well as 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:

■ Rank A (score ≥ 80): Continue cooperation; the vendor is awarded precedence over others when the waste-management contract is renewed.
■ 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.

In 2017, the total weight of waste produced by WNC (Taiwan) amounted to 350.3 tonnes. Due to changes in product portfolio and capacity demand, compared to 2016, the amount of waste in 2017 increased by a total of 146.4 tonnes. The waste recycling rate in 2017 was 79%, which is 9% higher than in 2016. In order to continuously improve the efficiency of recycling and reuse of waste, relevant operational procedures and mechanisms will be adjusted, and specific targets will be set: the goal for waste recycling rate is 80% in 2019. Additionally, in order to meet customer needs and comply with the government's policy of reducing the use of plastics, in March 2018, we promoted the factory plastic reduction/waste reduction project. We plan to encourage suppliers to recycle and reuse packaging materials in order to reduce waste and maintain a circular economy.
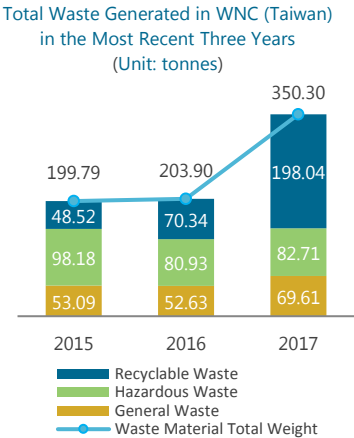
Since October 2017, WNC has participated in the "Dandelion[4] Project" promoted by Zhenglong Co., Ltd. Responding to this call for energy conservation, carbon reduction, and environmental protection, 1,130 kilograms of internal documents were shredded by WNC and supplied to Zhenglong for recycling into Dandelion Eco-friendly paper.

Improve waste recycling efficiency

Waste from WNC mainly comes from the product production processes. In September 2017, S1 increased the waste recycling efficiency of its production lines by adopting the following measures and mechanisms:

■ Waste bins were set next to the production lines, enabling production line personnel to directly classify waste, thus reducing the manpower and time needed for back-end collection and reclassification;
■ Added semi-automatic press and paper packing equipment to reduce manpower and time for waste paper box recycling while increasing waste paper reserves. Daily waste paper processing time was reduced from 6.5 hours to 5 hours;
■ Consolidated temporary waste storage and shortened the waste removal route. Daily waste removal operation time was reduced from the original 9 hours to 6 hours.

Total Waste Generated in WNC (Taiwan) in the Most Recent Three Years (Unit: tonnes)

	2015	2016	2017
Recyclable Waste	48.52	70.34	198.04
Hazardous Waste	98.18	80.93	82.71
General Waste	53.09	52.63	69.61
Waste Material Total Weight	199.79	203.90	350.30

[4] The whole series of Dandelion Eco-friendly Paper is manufactured from 100% recycled pulp and does not use forest resources. The production process uses clean energy produced from wind power, which reduces CO_2 emissions by approximately 0.6 to 1 kg per kWh generated. Making paper from recycled pulp can reduce air pollution by 75%, water pollution by 35%, and greatly reduce the amount of waste produced.

In 2017, the declared weights of various types of waste at various locations are listed in the table below.

2017 Waste Material Total Weight and Their Processing Modes in Taiwan (Unit: tonnes)

Waste Category [Note 1]	WNC Headquarters					S1					Total				
	Total	Re-use	Incineration	Landfill	Recycled	Total	Re-use	Incineration	Landfill	Recycled	Total	Re-use	Incineration	Landfill	Recycled
General Waste	**1.3**	0.2	1.1	--	--	**68.3**	14.4	11.2	42.7	--	**69.6**	14.6	12.3	42.7	--
Hazardous Waste	**6.5**	0.3	6.2	--	--	**76.2**	62.6	1.7	11.9	--	**82.7**	62.9	7.9	11.9	--
Recyclable Waste	**9.2**	--	--	--	9.2	**188.8**	--	--	--	188.8	**198.0**	--	--	--	198.0
Total Waste	**17.0**	**0.5**	**7.3**	**0.0**	**9.2**	**333.3**	**77.0**	**12.9**	**54.6**	**188.8**	**350.3**	**77.5**	**20.2**	**54.6**	**198.0**

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.

2017 Waste Material Total Weight and Their Processing Modes in China (Unit: tonnes)

Waste Category [Note 1]	WNC (Kunshan)/Wistron NeWeb (Kunshan)					WebCom (Kunshan)					Total				
	Total	Re-use	Incineration	Landfill	Recycled	Total	Re-use	Incineration	Landfill	Recycled	Total	Re-use	Incineration	Landfill	Recycled
General Waste	**2,993.2**	--	1,587.9	--	1,405.3	**199.8**	--	133.8	--	65.9	**3,193.0**	--	1,721.7	--	1,471.2
Hazardous Waste	**167.4**	155.3	12.1	--	--	**10.2**	3.6	4.4	--	2.2	**177.6**	158.9	16.5	--	2.2
Total Waste	**3,160.6**	**155.3**	**1,600.0**	**--**	**1,405.3**	**210.0**	**3.6**	**138.2**	**--**	**68.2**	**3,370.6**	**158.9**	**1,738.2**	**--**	**1,473.4**

Note 1: Waste is categorized based on their processing modes.

In 2017, WNC (Taiwan) and WNC's China sites handled waste and recycling according to local regulations. No significant pollution incidents occurred, and no WNC sites received any penalties or fines for violations of environmental protection regulations.

4.1.5 Environmental Expenditure

Environmental Expenditures at WNC (Taiwan) in the Most Recent Three Years

Item (Unit: NT$)	WNC Headquarters			S1	
	2017	2016	2015	2017	2016
ISO 14001 certification fee Note 1	149,333	88,000	152,395	--	--
Environmental consultant/education and training fee	--	--	--	--	--
Environmental administrative fees	--	2,500	7,500	2,500	13,200
LED lighting replacement in public areas	33,000	1,622,088	1,622,088	234,000	6,993,152
Sewage treatment fee	479,234	608,896	1,018,726	1,250,403	685,338
Waste gas/water verification/measurement cost	20,200	25,200	37,200	35,700	107,500
Waste cleaning cost	228,869	855,679	1,227,734	993,182	189,088
Air pollution cost	--	76,104	173,210	205,403	147,261
Maintenance cost for air-pollution prevention equipment Note 2	--	--	143,850	108,000	850,000
Soil pollution fees	--	--	--	312	--
Total	**910,636**	**3,278,467**	**4,382,703**	**2,829,500**	**8,985,539**

Note 1: The ISO 14001 certification fee includes the certification fee of S1.
Note 2: Total cost for replacement of activated carbon and scrubber maintenance cost

Environmental Expenditures at WNC's China sites in the Most Recent Three Years

Item (Unit: CN¥)	WNC (Kunshan)/Wistron NeWeb (Kunshan)			WebCom (Kunshan)		
	2017	2016	2015	2017	2016	2015
ISO 14001 certification fee Note1	40,000	40,000	38,000	20,000	20,000	20,000
ISO 14064 certification fee	35,000	40,000	40,000	20,000	20,000	20,000
Environmental consultant/education and training fee	51,600	--	--	--	--	--
Environmental administrative fees	2,520	--	31,840	84	--	57,032
LED lighting replacement in public areas	--	74,628	171,942	--	47,872	36,240
Sewage treatment fee	347,053	330,382	348,062	38,964	29,524	29,978
Waste gas/water verification/measurement cost	22,000	12,200	47,500	5,500	7,600	6,600
Liquid waste and waste cleaning cost	123,108	304,336	130,913	47,342	37,475	30,000
Total	**621,281**	**801,546**	**808,257**	**131,890**	**162,471**	**199,850**

4.1.6 Green Life

Excessive energy consumption and large amounts of waste have caused extreme weather and ecological catastrophes around the world. Thus, we must change our behavior and lifestyle immediately. In addition to continuing to promote energy-saving and water-saving measures, WNC also organized the following environmental protection activities in 2017, inviting colleagues to work together to protect the environment.

Green equipment procurement

Green products are made from recycled materials, are recyclable, do not cause much pollution during production, and/or are resource-efficient to produce. WNC independently purchases certified green products that can aid in reaching the goal of a sustainable environment. In 2017, WNC invested a total of TWD 23.649 million in green equipment purchases, including livelihood supplies, office supplies and information products; among which information products accounted for 92%, including 586 computers, 293 computer screens, and 435 laptops.

Low-carbon, less plastic mid-Autumn activities

In October 2017, WNC (Taiwan) held the 2017 WNC O2gether Mid-Autumn Festival Event, and the theme of the event was "Low-carbon, less plastic." 5,700 people participated in the event.

- Public declaration: At the event, the chairman and the CEO of WNC publicly announced their commitment to "environmentally sustainable, green, energy-saving and low-carbon production."
- Reducing waste: Plastic bags, plastic tableware and disposable paper cups were not provided during the event. WNC employees were encouraged to bring their own water bottles and containers, and employees received eco-friendly bags and tableware by participating in the activities at the event.
- Environmental awareness education: The activities at the event raised the environmental awareness of WNC employees and their family members.
- Environmentally-friendly activities: There was an environmentally-friendly farmers market at the event, and children could play with recycled toys and small electric cars.

4.2 Green Products

4.2.1 Green Product Management

WNC's Green Product Section is 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 the 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.

4.2.2 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 as well as requirements from specific customers, WNC established the Green Product Restricted Substances Management Procedures and Restricted Usage of Environmentally Hazardous Substances, and it made a control list of hazardous substances that all of its suppliers must comply with. The suppliers are also required to sign the Supplier Statement on Non-Use of Environmentally Hazardous Substances to ensure that the 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 2.0, WEEE, REACH, ErP, the European Battery Directive, the non-use of conflict minerals, and WNC's prohibition of substances harmful to the environment. In 2016, in response to the RoHS 2.0 exemptions, the Green Products Section started an internal awareness program and developed a contingency plan. The Section has also paid close attention to updates from the European Chemicals Agency (ECHA) for regulatory compliance.

WNC Green Product Management Organization

Green Product Management Process Flow
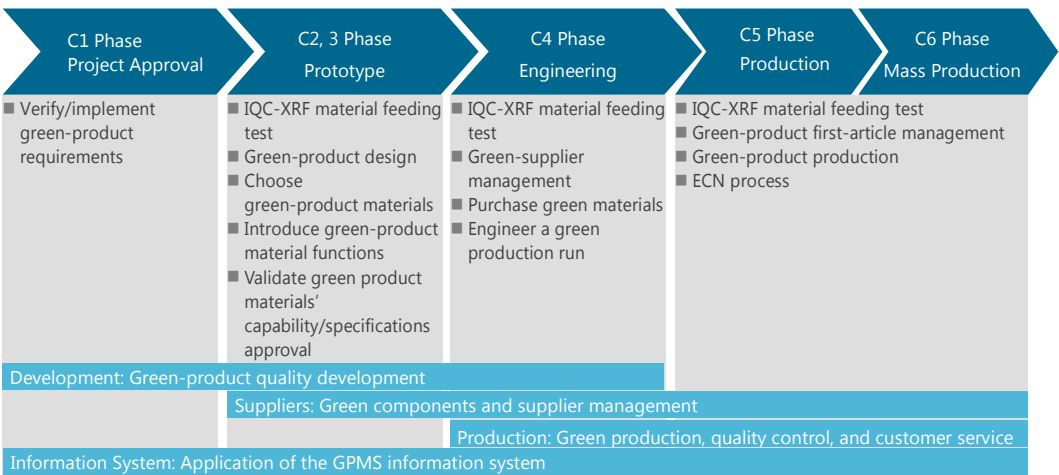
In addition to managing materials within factories and raw materials in the manufacturing processes through the supplier side, WNC also utilizes XRF equipment for the inspection of incoming materials. These measures help WNC to perform reliable and rigorous monitoring of environmentally hazardous substances in raw materials and products from the product design stage to the end of the production process. To keep up with lead-free processes and halogen-free product manufacturing trends, WNC 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. In 2016, we launched the IQC-XRF inspection optimization process to determine if materials and products meet the conditions for ROHS 2.0 exemption based on the type of materials and green-product characteristics. In 2017, we received a total of 534 requests for green products from customers, and we fulfilled all the requests in Q1 2018.

Suppliers use WNC's Green Product Management System to upload their product ingredients analysis reports, inspection results, and warranty cards, and related documents. This enables WNC's procurement units and quality-management units to 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 from this management system and ensure the performance of the green supply chain.

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 2017, WNC's products did not violate any green-product directives.

IECQ QC 080000 Certification

WNC (Taiwan) and WNC's 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.

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 validates WNC's efforts on hazardous substances management, and our efforts have been recognized by many of our customers.
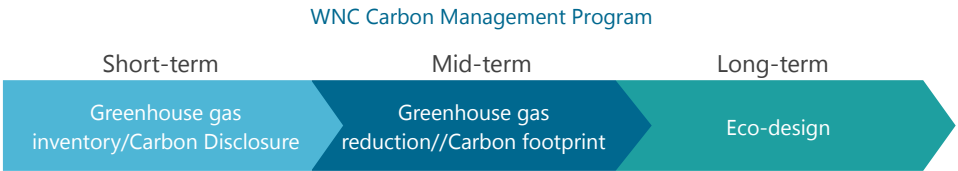
4.2.3 Eco-Design

The EU Energy-related Products directive (ErP, 2009/125/EC) is an eco-design regulatory framework for all energy-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 as well as reduce pollution. WNC established the Energy-related Product (ErP) Eco-design Guidelines and has made the pursuit of eco-design a fundamental requirement of its design process. We consider environmental protection factors during the earliest stages of product design and development. With product LCA (life-cycle assessment) principles at the forefront, WNC identifies eco-design parameters such as hazardous-substance restrictions, energy efficiency, recycling and reuse, and environmental impact based on customer requirements. Meanwhile, WNC raises supplier-side requirements to ensure that design components meet the eco-design requirements of energy-using products as specified by WNC.

Product Energy-Saving Plan

During the initial design phase of the outdoor IP camera product, we considered the power consumption of the product and changed its previous voltage design to an improved IR LED board design and adjusted the quantity of IR LEDs to reduce waste. We also adjusted the IR LEDs' current intensity to fulfill customer requests and reduce unnecessary power consumption. With these efforts at improvement, based on our testing results, we successfully reduced the power consumption for actual use of the outdoor IP camera by 19.6%.

4.3 Carbon Emissions Management

WNC Carbon Management Program

Short-term	Mid-term	Long-term
Greenhouse gas inventory/Carbon Disclosure	Greenhouse gas reduction//Carbon footprint	Eco-design

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 CO_2 emissions:

- Short-term plan: Perform a greenhouse gas inventory and earn ISO 14064-1 certification to serve as a basis for CO_2 management and database construction.
- Mid-term plan: Identify potential for further carbon reductions during the product lifecycle and execute a product carbon footprint program according to customers' requests.
- Long-term plan: Promote carbon reduction initiatives such as Eco-design, clean production, and a green factory based on the organizational GHG inventory and product carbon-footprint audits.

Greenhouse Gas Emissions Inventory Boundary

Since 2012, WNC (Taiwan) has defined our organizational boundaries in accordance with the guidance from ISO 14064-1 and the GHG Protocol standards and calculated the GHG emissions of Scope 1 and Scope 2. The 2017 GHG inventory was completed during Q1 2018, and the major greenhouse gases emitted include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). Due to the fact that S1 was included in the inventory boundary as well as production-line relocation and capacity expansion, there was a significant increase in the total electricity consumption and GHG emissions. The GHG emission types and results of the GHG inventory in 2017 are presented in the table below.

Types of GHG Emission Sources and Corresponding Activities in WNC (Taiwan) in 2017

Scope	Type of Emission Sources	Corresponding Activities/Equipment	Percentage (%)
Scope 1: Direct Emissions	Stationary combustion	Diesel used in emergency generators (CO_2, CH_4, and N_2O)	1.19
	Mobile combustion	Gasoline used by company vehicles (CO_2, CH_4, and N_2O)	
	Fugitive emissions	■ Release from septic tanks (CH_4) ■ Release from the refrigerant used in air conditioners/refrigerators and company vehicles (HFCs) ■ Release from carbon dioxide fire extinguishers (CO_2)	
Scope 2: Indirect Emissions	GHG emissions from the generation of purchased electricity, heat, steam, or other fossil fuels consumed by WNC	Electricity purchased from Taipower (CO_2)	98.81

To reflect the impact of changing production capacity on GHG emissions and reduction targets in a faithful manner, emission intensity will also be presented to illustrate the relationship between capacity scale and emissions. From 2017, the GHG emission target was adjusted to reduce the total Scope 2 greenhouse gas emissions of each unit (tonnes of CO_2e/revenues in millions of NT$) by 10% in Taiwan and China in 2019 (using 2016 as the base year).

In 2017, total Scope 2 GHG emissions in Taiwan and China increased by 1.7% compared to 2016, but Scope 2 GHG emission intensity decreased by 6.3%.

Scope 2 GHG Emissions and Intensity in Taiwan and China

Item	2017	2016	2015
Emissions (tonne CO_2e)	59,930	58,947	49,457
Emission intensity (tonnes CO_2e / NT$ million)	1.05	1.12	0.95

WNC (Taiwan) GHG Inventory Results in the Most Recent Three Years

(Unit: tonnes CO_2e) [Note]

Site	2017					2016					2015				
	Scope 1	Scope 2	Scope 3	Total Emissions	Certification	Scope 1	Scope 2	Scope 3	Total Emissions	Certification	Scope 1	Scope 2	Scope 3	Total Emissions	Certification
WNC headquarters	160	4,376	--	4,536		96	5,757	--	5,853		104	12,222	--	12,326	
S1	50	13,077	--	13,127		30	10,760	--	10,790		--	--	--	--	
Total	210	17,453	--	17,663		126	16,517	--	16,643		104	12,222	--	12,326	

Note: The year of the GWP is IPCC 2007 AR4

The China plants completed their 2017 GHG inventory during the first quarter of 2018 and obtained the China Quality Certification Centre's ISO 14064-1 certification in May 2018. Similar to Taiwan, the GHG emissions from the China plants also increased by 0.94% compared to 2016 due to capacity expansion.

GHG Inventory Results in WNC's China sites in the Most Recent Three Years

(Unit: tonnes CO_2e) [Note 1]

Site	2017					2016					2015				
	Scope 1	Scope 2	Scope 3	Total Emissions	Certification	Scope 1	Scope 2	Scope 3	Total Emissions	Certification	Scope 1	Scope 2	Scope 3	Total Emissions	Certification
WNC (Kunshan)	816	13,524	--	14,340	○	785	14,695	--	15,480	○	1,596	16,687	--	18,283	○
Wistron NeWeb (Kunshan)	577	23,179	--	23,756	○	1,138	23,006	--	24,144	○	475	16,793	--	17,268	○
WebCom (Kunshan)[Note 2]	690	5,774	--	6,464	○	901	4,729	--	5,630	○	546	3,755	61	4,362	○
Total	2,083	42,477	--	44,560		2,824	42,430	--	45,254		2,617	37,235	61	39,913	

Note 1: The year of the GWP is IPCC 1995 SAR.
Note 2: Due to the difficulty in data acquisition, from 2016, the data of WebCom (Kunshan)'s GHG emission inventory does not include Scope 3 emissions

WNC (Taiwan) Total GHG Emissions in the Most Recent Three Years

(Total emission unit: tonne CO_2e;
Emission intensity unit: tonnes CO_2e/NT$ million)
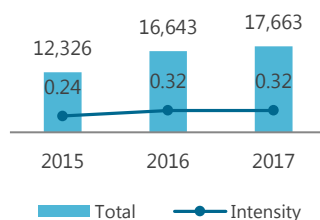
WNC's China Sites Total GHG Emissions in the Most Recent Three Years

(Total emission unit: tonne CO_2e;
Emission intensity unit: tonnes CO_2e/NT$ million)
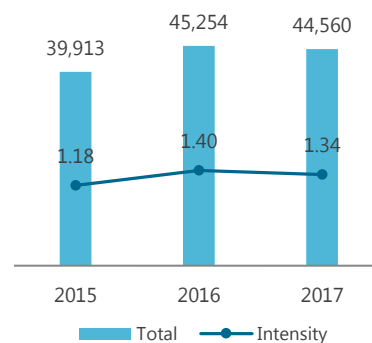
WNC (Taiwan) and WNC's China Sites Scope 2 GHG Emissions in the Most Recent Three Years

(Total emission unit: tonne CO_2e;
Emission intensity unit: tonnes CO_2e/NT$ million)
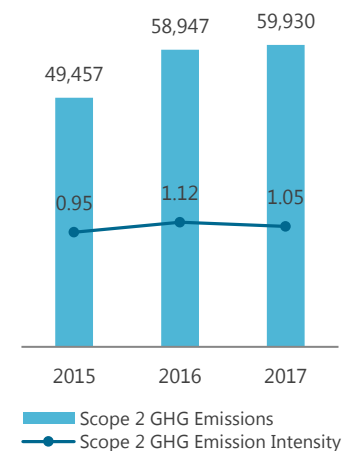
Carbon Disclosure

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

4.4 Energy and Resources Management

4.4.1 Renewable Energy

WNC completed the first phase of construction of solar panels at the end of 2017. They were installed on the roof of the parking structure in WNC headquarters and the roof of Wistron NeWeb (Kunshan). The second phase of the project is expected to be completed by October 2018, and the installation scope will be extended to the roofs of S1, WNC (Kunshan), and WebCom (Kunshan). It is estimated that a total of 2,940 MWh of electricity can be generated annually from the solar power plants built on the roofs of factories in Taiwan and China in 2019, and a total of 2,108 tonnes of CO_2e can be reduced. The annual power generation equates to a carbon emission reduction capacity of approximately 5.4 times that of Daan Forest Park.

Anticipated benefits of the solar power stations

|	Year/Item	Taiwan [Note 1]	China [Note 2]
2018	Construction sites	Roof of the parking structure of the WNC headquarters	Roof of Wistron NeWeb (Kunshan)
	Construction areas (m^2)	2,445	1,952
	Solar power station capacity (MW)	0.37	0.33
	Projected energy generation (MWh) [Note 3]	383	330
	Projected carbon emissions reduction (tonnes CO_2e)	203	268
2019	Construction sites	Roof of S1	Roof of WNC (Kunshan) and WebCom (Kunshan)
	Construction areas (m^2)	4,000	11,588
	Solar power station capacity (MW)	0.87	1.96
	Projected energy generation (MWh) [Note 3]	983	1,957
	Projected carbon emissions reduction (tonnes CO_2e)	520	1,588
	Usage modes of generating electricity with solar power	Sales to Taipower using one-way meters	Sales to related power-supply bureaus using two-way meters

Note 1: According to the information released by the Energy Bureau of the Ministry of Economic Affairs in 2016, each kWh saved reduces 0.529×10^{-3} tonnes of CO_2 emissions.

Note 2: According to the emission factor for East China listed in the 2015 Baseline Emission Factors for Regional Power Grids in China (published by the Department of Climate Change of the National Development and Reform Commission), each kWh saved reduces 0.8112×10^{-3} tonnes of CO_2 emissions.

Note 3: According to the average solar radiation data provided by the National Aeronautics and Space Administration Atmospheric Science Data Center (NASA ASDC) for the location of solar power generating units, the projected energy generation is obtained after all energy losses are deducted.

Wind power generation

WNC's headquarters is located in the Hsinchu Science Park in Taiwan. Hsinchu is renowned as the "windy city" of Taiwan. To fully utilize this local natural resource, we installed three small wind-driven generators when constructing the headquarters building, which have been used for over seven years. Their total quantity of electricity generated annually is approximately 5,184 kWh, which currently supplies the signage lighting as well as lighting and air-conditioners of the security station at the front gate.

4.4.2 Energy Consumption

The primary source of energy for WNC's Taiwan and China sites 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 required also for heating. The main-entrance guardhouse 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. Compared to 2016, total electricity consumption decreased by 1.8% in Taiwan due to the structure and space reorganization of S1 in 2017. In China, total electricity consumption increased by 3.9% due to the expansion of production lines. In 2017, the total amount of diesel used in Taiwan decreased by approximately 15.4% compared to 2016. In China, an air pressure heat recovery system helped reduce total diesel consumption in 2017 by approximately 68.9% compared to 2016.

Primary Energy Consumption Statistics in WNC (Taiwan)[Note 1]　　　　　　　　(Unit: GJ)

Site \ Item	Electricity			Diesel [Note 2]		
	2017	2016	2015	2017	2016	2015
WNC Headquarters [Note 3]	30,142	48,000	84,447	29	19	58
S1	88,992	73,359	--	81	111	--
Total	**119,134**	**121,359**	**84,447**	**110**	**130**	**58**

Note 1: WNC (Taiwan)'s electricity statistics are based on the billing-cycle dates.

Note 2: According to the heat content of energy products and the abbreviation and equivalents of energy units in the "Energy Statistics Handbook 2016", one liter of diesel equals 0.0352 GJ.

Note3: WNC headquarters' data also included power consumption at Lihsin office, which was sold in 2017. The electricity statistics for that office ended at the end of March 2017.

Primary Energy Consumption Statistics in WNC's China Sites　　　　　　　　(Unit: GJ)

Site \ Item	Electricity			Diesel [Note 2]		
	2017	2016	2015	2017	2016	2015
WNC (Kunshan) [Note 1]	60,494	61,226	74,208	--	762	1,658
Wistron NeWeb (Kunshan)	106,032	102,662	74,682	420	430	415
WebCom (Kunshan)	25,624	20,985	16,700	208	828	2,278
WebCom (Nanjing)	720	773	757	--	--	--
Total	**192,870**	**185,646**	**166,347**	**628**	**2,020**	**4,351**

Note 1: WNC (Kunshan)'s data included power consumption at NeWeb Service.

Note 2: According to the heat content of energy products and the abbreviation and equivalents of energy units in the "Energy Statistics Handbook 2016", one liter of diesel equals 0.0352 GJ.

Energy Consumption and Electricity Use Intensity [Note] in WNC (Taiwan) in the Most Recent Three Years

Year	2015	2016	2017
Energy Consumption	84,447	121,359	119,134
Electricity Use Intensity	1.61	2.33	2.16
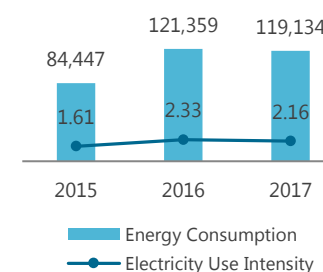
Energy Consumption and Electricity Use Intensity [Note] in the China Sites in the Most Recent Three Years

Year	2015	2016	2017
Energy Consumption	166,347	185,646	192,870
Electricity Use Intensity	4.92	5.76	5.81
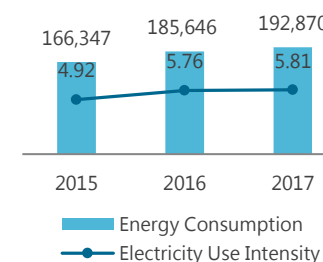
Note:
Energy consumption unit: GJ
Electricity use intensity unit: GJ/NT$ million

Energy Conservation

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. In 2017, WNC actively participated in the 2017 science park water and energy conservation and carbon emission reduction guidance scheme organized by the Hsinchu Science Park Bureau and formulated specific improvement plans for its electrical system, air-conditioning system, air compressor system, and illumination system based on on-site auditing comments and suggestions. WebCom (Nanjing) also continued to implement Six Sigma projects for electricity conservation. The effects of the energy conservation measures are presented in the table below.

Site		System	Energy Conservation Measures	Electricity Saved		Percentage of the Total Electricity Used	CO$_2$ Emissions [Note 1] (tonnes CO$_2$e)
				(kWh)	(GJ)		
TW	HQ	Lighting[Note2]	Light source reduction and LED lights as replacement	50,625	182	0.2%	26.8
		Exhaust[Note3]	Process and air compressor room exhaust improvement	817,463	2,943	2.5%	432.4
		Air con.	Water cooling machine outlet temperature adjustment by 1 °C	7,473	27	0.0%	4.0
		Subtotal		**875,561**	**3,152**	**2.7%**	**463.2**
	S1	Drinking water	Retaining RO drinking fountains, abolishing the central drinking water system and avoiding duplicate functions	13,140	47	0.0%	7.0
		Lighting[Note2]	Light source reduction and LED lights as replacement	119,696	431	0.4%	63.3
		Exhaust[Note3]	Process and air compressor room exhaust improvement	258,835	932	0.8%	136.9
		Air con.	Water cooling machine outlet temperature adjustment by 1 °C. Air conditioner consumption power reduction, production line air conditioning temperature limitation, etc.	2,168,999	7,808	6.6%	1,147.4
		Air pressure	Replace with more efficient air compressors, shut down air pressure when equipment are idle	878,301	3,162	2.7%	464.6
		Subtotal		**3,438,972**	**12,380**	**10.5%**	**1,819.2**
		Total (TW)		**4,314,533**	**15,532**	**13.2%**	**2,282.4**
China	WNC (Kunshan)	Air con.[Note4]	Add invertor control to the air conditioning motor	317,574	1,143	0.6%	257.6
		Air pressure[Note5]	Air compressor heat recycle	959,112	3,453	1.8%	778.0
		Subtotal		**1,276,686**	**4,596**	**2.4%**	**1,035.6**
	Wistron NeWeb (Kunshan)	Air con.[Note4]	Add invertor control to the air conditioning motor	70,317	253	0.1%	57.0
		Air pressure[Note5]	Air compressor heat recycle	768,768	2,768	1.4%	623.6
		Subtotal		**839,085**	**3,021**	**1.5%**	**680.6**
	WebCom (Kunshan)	Air con.[Note4]	Add invertor control to the air conditioning motor	34,309	124	0.1%	27.8
	WebCom (Nanjing)	6 Sigma Power Saving Project[Note6]	Nighttime electricity and non-essential power reduction	13,519	49	0.0%	11.0
		Total (China)		**2,163,599**	**7,789**	**4.0%**	**1,755.1**

Note 1: For WNC (Taiwan), according to the information published in 2016 by the Bureau of Energy, Ministry of Economic Affairs, R.O.C., each kWh saved reduces 0.529×10^{-3} tonnes of CO$_2$ emissions. For WNC's China sites, according to the emission factor for East China listed in the 2015 Baseline Emission Factors for Regional Power Grids in China (published by the Department of Climate Change of the National Development and Reform Commission), each kWh saved reduces 0.8112×10^{-3} tonnes of CO$_2$ emissions.

Note 2: Measures taken to conserve energy include switching off non-essential lights during off-hours, installing individual light switches for each cubicle, using motion-activated lighting in areas with low lighting demand, and removing excess lights in walkways and factory areas.

Note 3: The amount of energy saved is calculated by comparing the power consumption before and after the improvements made to the exhaust system, and then estimating the amount of energy saved.

Note 4: The amount of energy saved is calculated by comparing the power consumption before and after the inverters were installed in the air conditioning system, then estimating the amount of energy saved.

Note 5: The amount of heat energy recovered is calculated by estimating the amount of heat recycled per hour based on input power to the compressor. The number of days the compressor had been running is then used to estimate the amount of energy saved.

Note 6: The daily nighttime electricity consumption is approximately 20% of the power consumption in a workday. The annual nighttime electricity consumption is calculated based on this premise. The amount of energy saved by reducing non-essential power consumption is calculated based on the power consumption of each light per hour. There are 18 lights in the public areas and aisles of WebCom (Nanjing) that are only switched on when necessary.

4.4.3 Water

WNC uses tap water whose main source is the Baoshan Second Reservoir in Hsinchu. Since WNC is involved in a technology-intensive R&D industry, besides the water used in the washing process at S1 since July 2017, the rest is all wastewater from everyday use, which is planned discharge. 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 which is then released to the Koya River by exclusive pipes. The plants located in Kunshan, China discharge wastewater in accordance with regulatory provisions to the Kunshan sewage treatment plant, and these treatment approaches have not had any significant impact on water sources.

Water Balance in Taiwan
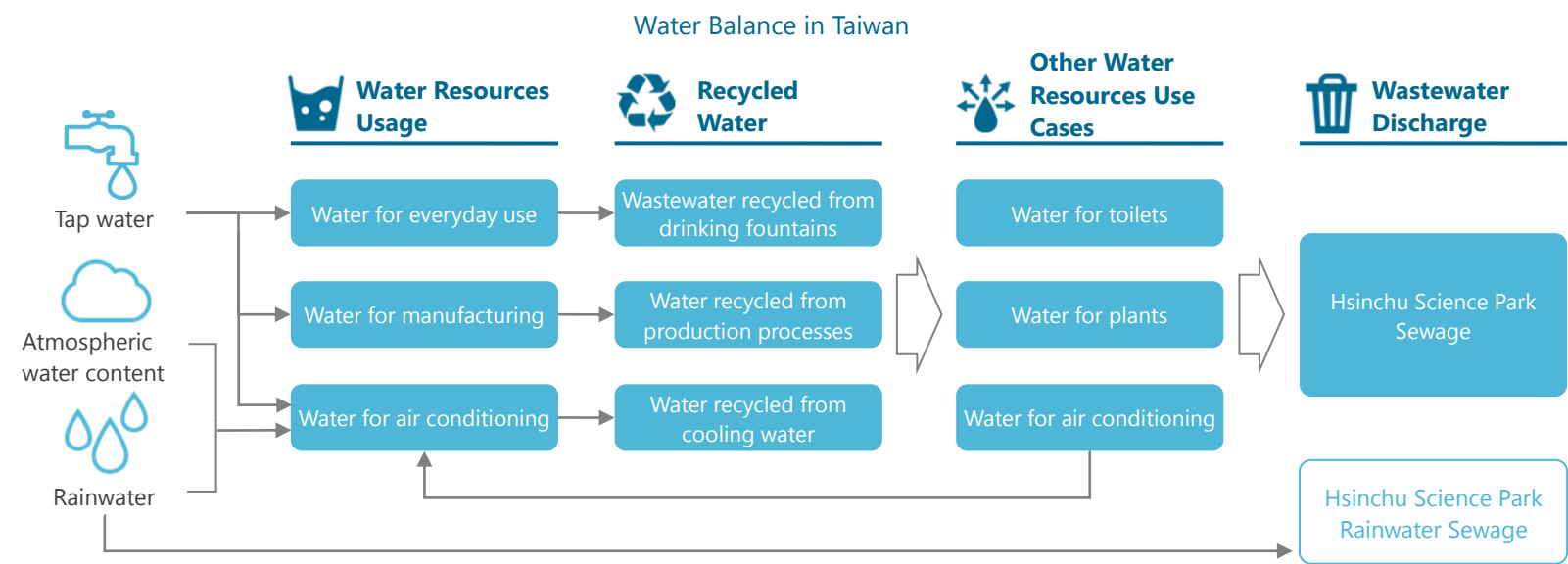
Wastewater Discharge Intensity and Reduction Targets in Taiwan In the Most Recent Three Years [Note]

Target	2017	2016	2015
Achieve a 6% reduction in wastewater discharge intensity by 2021 from the 2016 level	0.54	0.61	0.45

Note: Wastewater discharge per unit= Total wastewater discharge (m^3)/individual operating income (NT$ million)

Compared to 2016, the total water consumption increased by 8.2% in WNC (Taiwan) due to increased water usage for processes at S1 and total wastewater decreased 5.7% in 2017. The total water consumption and wastewater in WNC's China sites both went down by 17.8% YoY. The total water consumption and total wastewater at WNC (Taiwan) and the China plants during the last three years are shown in the table below.

Total Water Consumption/Wastewater in WNC (Taiwan) and China during the Past Three Years (unit: m^3)

Site	Site \ Item	Total Water Consumption			Total Wastewater		
		2017	2016	2015	2017	2016	2015
Taiwan Note 1	WNC Headquarters	38,607	55,036	82,097	12,794	18,921	23,543
	S1	83,852	58,114	--	17,035	12,697	--
	Subtotal	**122,459**	**113,150**	**82,097**	**29,829**	**31,618**	**23,543**
China	WNC (Kunshan)Note 2	62,757	86,876	135,127	31,378	43,438	67,563
	Wistron NeWeb (Kunshan)	141,392	167,264	132,613	70,696	83,632	66,306
	WebCom (Kunshan)	22,920	22,711	23,060	11,389	11,356	11,530
	WebCom (Nanjing)	2,253	2,062	1,890	1,190	1,021	919
	Subtotal	**229,332**	**278,913**	**292,690**	**114,653**	**139,447**	**146,318**

Note 1: The amount of water consumption and wastewater in Taiwan is based on meter readings.
Note 2: WNC (Kunshan)'s data includes water consumption and wastewater at NeWeb Service.

Total Water Consumption and Water Usage Intensity in Taiwan in the Most Recent Three Years Note
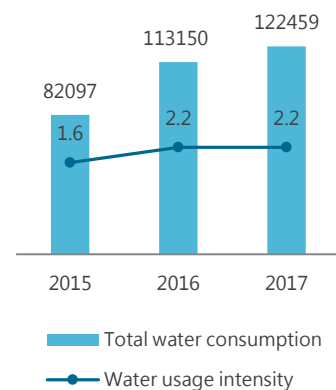
Note:
Total water consumption unit: m^3;
Water usage intensity unit: m^3/NT$ million

Total Wastewater and Wastewater Discharge Intensity in Taiwan in the Most Recent Three Years Note

Note:
Total amount of wastewater unit: m^3;
Wastewater discharge intensity unit: m^3/NT$ million

Water Conservation

Water Conservation Effects in Taiwan in 2017

(Unit: m³)

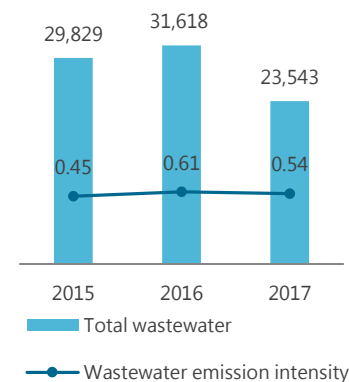| Site	Item	Source	Amount of Recycled/Saved Water	Total Water Consumption (%)
WNC Head-quarters[Note1]	RO water from the drinking fountains	Tap water	931	0.8%
	Cooling water conductivity drainage	Tap water, rain, and atmospheric water content	2,522	2.1%
	Air conditioning condensation	Atmospheric water content	1,348	1.1%
	Rainwater	Rainwater	808	0.6%
	Subtotal		**5,608**	**4.6%**
S1[Note2]	Water-saving mist faucet	Tap water	3,115	2.5%
	Peripheral green water-saving watering		1,179	1.0%
	Cooling water conductivity drainage	Tap water, rain, and atmospheric water content	600	0.5%
	Air conditioning condensate and process water purification system wastewater	Atmospheric water content and tap water	7,026	5.7%
	Rainwater	Rainwater	600	0.5%
	Subtotal		**12,520**	**10.2%**
	Total		**18,128**	**14.8%**

Note 1:
- RO water from the drinking fountain: 0.56 tonnes of water is dispensed from every tonne of tap water that enters into the drinking fountain. The total number of employees is used to calculate the total amount of drinking water and then the amount of water recycled during the year
- Cooling water conductivity drainage: The amount of recycled cooling water during the year is estimated based on water meter reading records
- Air conditioning condensation: The amount of recycled water during the year is estimated at 22 working days per month and 10 hours per day based on the air volume, density and humidity ratio of each air conditioner.
- Rainwater: The amount of recycled rainwater during the year is estimated based on the volume of water in the rainwater tank and the actual daily precipitation calculated by the Central Weather Bureau.

Note 2:
- Water-saving mist faucet: The amount of water saved during the year is estimated based on the number of water-saving faucets installed at the factory, the number of users, and the use duration.
- Cooling water conductivity drainage, air conditioning condensation, and process water purification system wastewater: The amount of recycled water during the year is estimated based on water meter reading records.
- Rainwater: The amount of recycled rainwater during the year is estimated based on the volume of water in the rainwater tank and the actual daily precipitation calculated by the Central Weather Bureau.

Water Saving Effects in China in 2017[Note]

(Unit: tonnes)

Site	Item	Source	Amount of Recycled/Saved Water	Total Water Consumption (%)
WNC (Kunshan)	RO water from the drinking fountains	Tap water	4,770	2.1%
	Water-saving mist faucet		1,123	0.5%
	Air conditioning condensation	Atmospheric water content	4,536	1.9%
	Subtotal		**10,429**	**4.5%**
Wistron NeWeb (Kunshan)	Water-saving mist faucet	Tap water	1,342	0.6%
WebCom (Kunshan)	Water-saving mist faucet	Tap water	655	0.3 %
	Total		**12,426**	**5.4%**

Note:
- Water dispenser RO recovery: Calculate the total amount of drinking water according to the total number of employees, and estimate the amount of water recovered throughout the year.
- Water-saving mist faucet: The bathroom hand-washing faucet was converted to a spray shower faucet, and the saving ratio was computed based on the plant's floor area.
- Air conditioning condensate recovery: The amount of recycled water during the period from April to July is estimated at 30 working days per month and 24 hours per day based on the air volume, density and humidity ratio of each air conditioner.

Daily Energy-Saving Measures

	Energy-Saving Measures in All Sites	WNC (Taiwan)	China Sites
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 ■ Manufacturing process exhaust systems are automatically adjusted using variable frequencies ■ Water dispensers are time-controlled	■ Employees are encouraged to use the stairs instead of elevators. ■ 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 air input 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
Waste-reduction 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. ■ 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	■ Dissolvable, short-fiber toilet paper used to reduce garbage. ■ Steel pallets used in the production line and wooden pallets are reused.	
Water Conservation Measures	■ Using induction mist faucets in restrooms and setting water taps in tea rooms to the minimum water discharge level. ■ Implementing 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 ■ S1 Ultra-pure water equipment recycling wastewater	

05

Perfecting Corporate Governance

Supplier Management

Customer Relations

Contractor Safety and Health Management

Participation in Society

5.1 Supplier Management

Global Supply-Chain Management Policy

- **Policy**
WNC and our suppliers work hand in hand to maintain a sustainable supply chain through continuous optimization of supplier-management strategies and of operations efficiency. This facilitates balanced growth of operating profits, while protecting the environment and fulfilling social responsibilities, in order to realize increased value for all stakeholders.

- **Mission Statement**
Based on the principles of supporting business development and improving competitiveness, WNC will continue to effectively manage and enhance our suppliers' performance in: quality, price, lead-time, services, environmental protection, and fulfillment of their social responsibilities. This enables us to develop an optimal supplier portfolio and purchasing guidelines, contributing to a responsible supply chain jointly managed by WNC and our suppliers.

WNC aims to build a world-class supply chain. To this end, we strategically designate dedicated contacts to provide each customer with sufficient information about supplier management and material preparedness, thereby enhancing the immediacy and transparency of information disseminated across the value chain. In order to ensure the sound operations of our suppliers, we also review their performance quarterly, carry out financial risk assessment of these suppliers each year, and conduct random visits to inspect 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 in quality, delivery, service, and value, WNC also works with suppliers to implement P-D-C-A (Plan-Do-Check-Action) improvement cycles to achieve sustainable 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.

Apart from requesting that new suppliers fulfill the relevant supplier evaluation standards, and conducting a supplier corporate social responsibilities audit (hereafter referred to as "supplier CSR audit"), WNC also requested our strategic suppliers to conduct site visits semi-annually starting in 2016. Together with our suppliers, we endeavor to continuously attend to, as well as enhance the efficiency of, product and service quality, labor rights, occupational safety and health, and green products.

5.1.1 Green Procurement

To keep abreast of international trends and meet 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 banning 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 countermeasures for improvement and prevention. Also, the part-certification process of the Production Part Approval Process (PPAP) was optimized with clear inspection checklists and regulations in 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 2017, passive components and RAM IC materials were in short supply, thus the Global Supply Chain Management Division prepared policy-related material under the WNC internal management stipulation "procurement management procedure." Apart from emergency procurement from secondary sources, some customers also provided materials and entrusted them to WNC for production. Therefore in 2017, the number of suppliers that had contract records with WNC (Taiwan) and sites in mainland China increased to 776, from 698 in 2016.

Based on calculating the purchase amount of raw materials and components from different regions, WNC's main suppliers were from Taiwan, accounting for 42% of the total in 2017, while suppliers from mainland China accounted for approximate 25%.

Locations of WNC's Suppliers in the Most Recent Three Years

	Taiwan	China	the U.S.	the U.K.	Singapore	Others
2017	42%	25%	6%	6%	9%	12%
2016	52%	25%	8%		8%	7%
2015	50%	25%	8%		11%	6%
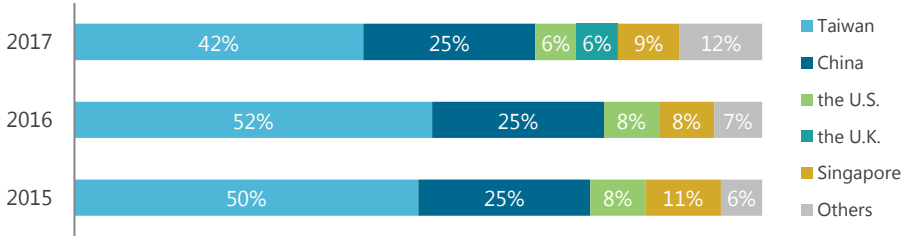
WNC also established local purchase centers for the Taiwan headquarters and China sites, to take charge of local supplier selection and management. This was performed to reduce energy consumption and environmental pollution caused during the transport of raw materials and products, enhance utilization rates of package materials and space, support the purchase of recyclable materials, encourage localized purchasing, and reduce unnecessary transportation costs and carbon emissions. In 2017, local purchasing amounted to 45% of the total purchase amounts in Taiwan and 32% at the China sites.

5.1.2 Supplier Selection and Assessment

New Supplier Investigation

Our Global Purchasing Center is responsible for requesting an investigation of new suppliers based on materials procurement requests, and assembling an investigation team to conduct an audit in written form or a 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. This team conducts investigations on candidates regarding their operating services, quality management systems, R&D capabilities, and manufacturing process. Our Supplier Quality Management Center will formulate CSR investigation plans for candidate suppliers and request compliance with the "WNC Supplier Code of Conduct." The suppliers who meet the standards set by WNC will be included in the AVL (Approved Vendor List). Should suppliers fail to meet the required qualification criteria, they will be required to improve within a limited time period, or they will be disqualified as WNC suppliers. In exceptional circumstances, these suppliers will be subject to conditional approval processes. In 2017, a total of 81 new suppliers were included in WNC's AVL according to the "Supplier Evaluation and Management SOP." Among them, 10 suppliers completed the new supplier corporate social responsibility investigation plan, accounting for 12.3% of AVL.

In addition to operational, engineering and mass-production capabilities, 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 ISO/TS 16949 verification is a key consideration during the selection process. WNC also encourages all suppliers to obtain the TL 9000 QMS, ISO 14001 and OHSAS 18001 management systems certifications. Besides asking our suppliers to sign relevant documents for protection of intellectual properties such as "WNC Security NDA" and/or "Restricted Project Acknowledgement," from 2016, WNC introduced the supplier intellectual property protection and management process, where business units request that new suppliers conform to the protection guidelines and sign documents for the protection of intellectual property rights.

Supplier Performance Evaluation

■ Quarterly evaluation:
WNC assembles representatives from the Global Purchasing Center, Supplier Quality Management Center, and R&D units to form 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, price competitiveness, and RBA (EICC) conformity), WNC's value-chain competitiveness is continuously enhanced. After the quarterly Vendor Performance Evaluation (VPE) is completed, the Global Purchasing Center, along with the Supplier Quality Management Center, R&D units, and mechanical design units will reach a consensus during the quarterly vendor recommendation meetings and issue a recommended vendor list (RVL). The list will be updated on the supplier management system to serve as the reference for future projects and order placement. In addition, WNC will continue to strength risk evaluation and management of vendors. As of the end of 2017, a total of 876 suppliers have completed VPE in accordance with the latest 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 to examine routine product-defect handling processes. Suppliers who have received evaluations are invited to conduct a joint review and develop proposals for improvement. WNC also assigns personnel to review and propose improvement measures to assist, guide, and educate the suppliers. In 2017, a total of 489 sessions on supplier on-site auditing and counseling were held at the WNC headquarters, WNC (Kunshan), Wistron NeWeb (Kunshan), and WebCom (Kunshan).

5.1.3 e-Supplier Management System

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

Supplier Relationship Management (SRM) System

SRM was designed in 2016 by the Global Supply Chain Management Division, and officially launched in March 2017. This supplier relations management platform was built to collect and organize information such as supplier activities, a recommended vendor list, product strategies, and customer/supplier audits. Its purpose was to identify market trends and supplier activities, foster supplier relations, and develop strategies for sustainable development through information sharing.

Electronic request for quotation platform (e-RFQ)

To ensure openness, transparency, and competitiveness of the quotation process, WNC added a customized electronic quotation platform in 2017 to enhance communication efficiency with suppliers through systematized standard operation procedures and quotation management mechanisms.

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. Q-Kanban, a real-time automated supplier process early-warning mechanism, is in-place to track production-related figures to ensure both product quality and delivery meet expectations, and to prevent quality problems and waste. In 2017, 73 suppliers were using Q-Kanban, and 2,873 components were monitored to ensure quality though Q-Kanban.

Supplier Management System (SMS)

The Supplier Management System collects and organizes supplier management-related documents such as new supplier investigation files, the qualified vendor list, supplier agreement investigation reports, incoming materials defect rate reports, and vendor performance evaluations. Relevant units may utilize the system to continue to support our suppliers to ensure that suppliers continue to fulfill their commitments for performance.

MFDS (Material Forecast & Delivery System)

This system was launched at the end of June 2016. Suppliers may access the system to check WNC's material demands for the following 25 weeks and respond with delivery times of orders and inventory conditions, thus saving time used sending and receiving e-mails and reducing information security risks. WNC can also adjust manufacturing schedules instantaneously to enhance the turnover rates of inventories.

5.1.4 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 sites 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. It also requires suppliers to include green management principles in their supplier management systems. In 2017, 41 more materials suppliers 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 realizing a green supply chain.

5.1.5 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, and has declared a policy to exclude conflict minerals. WNC supports the Responsible Minerals Initiative (hereafter referred to as "RMI") that was initiated by the RBA (Responsible Business Alliance) and GeSI (Global e-Sustainability Initiative); adopts the Conflict Minerals Reporting Template (CMRT) stipulated by them to conduct conflict mineral investigation for suppliers; and identifies supplier risk levels based on the investigation results in accordance with WNC's conflict minerals management procedure to avoid using illegal minerals from areas of conflict.

Since 2010, WNC has required suppliers to sign the Non-Use of Conflict Minerals Declaration, or to submit their own policies for conflict minerals for review. WNC re investigates whether the smelteries associated with our suppliers participate in the RMAP (Responsible Minerals Assurance Process) through CMRT and encourages the suppliers to assist those smelteries that have not participated in RMAP to do so and strive to be qualified smelteries in accordance with the RMAP stipulations. In 2017, 642 suppliers have been investigated, and the results are presented in the table below:

The Use of Smelters by WNC's Suppliers

Year/Number of Suppliers Surveyed Note 1	Suppliers		Smelters	
	No use of conflict minerals	Under Investigation Note 2	Participated in RMAP	Not participated in RMAP
2015	849	199	167	351	132
2016	852	262	83	430	77
2017	642	156	34	410	42

Note 1: The number is the sum of (1) the suppliers who have transaction records in the year and (2) customers' suppliers who had performed investigations of conflict minerals during the year.
Note 2: Includes suppliers that stopped trading after investigation, and suppliers with limited business volume or for which no customer has demanded investigation.

In order to investigate and better manage the suppliers' use of conflict minerals and relevant information on the smelters that suppliers use, we have outsourced the building of an e-platform for conflict minerals management and expect its completion it by 2018.

5.1.6 CSR Audit

WNC established a "WNC Supplier Code of Conduct" requesting all our new suppliers to: (1) sign the "Supplier CSR Declaration," "Supplier CSR Survey Form," and "WNC Group Supplier's Commitment for Code of Ethics;" (2) declare their commitment to fulfill social responsibilities; (3) guarantee and promise to ban child labor and forced labor, implement occupational safety and health administration regulations, fight against bribery and corruption, promote fair trade, and support employees' freedom of association and bargaining rights with management; and (4) reply to the "supplier CSR investigation form" in order to ascertain the supplier's implementation outcome in re labor, health and safety, environmental protection, management systems, and business ethics. In 2017, a total of 31 suppliers completed the CSR survey plans, including the 10 new suppliers that were approved in 2017 and 21 existing suppliers.

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. Further, WNC requests select suppliers to conduct a CSR audit based on: "top 10 suppliers in previous year's incoming quantities without being audited in the past year;" "strictly complying with customers' CSR requests;" and "prioritized deficiencies in previous year's customer audit," and includes them in the annual CSRA audit scheme. With the exception of specific suppliers designated by customers, Group C suppliers are only subject to document review given the low level of risk they exhibit, while the other two groups of suppliers must undergo supplier CSR audits according to the following four steps and be assessed on aspects of labor, ethics, health and safety, environment, and management systems.

WNC Supplier CSR Audit Target and Achievement Rate

Group Note	2014	2015	2016	2017	2018 Target
A	30	47	23	26	25
B	30	42	26	29	30
C	0	0	18	9	13
Total	60	89	67	64	68
Cumulative Total	60	149	216	280	348
Achievement Rate	100%	100%	100%	100%	NA

Note: Group A: Suppliers providing printed circuit boards, paint, plastic injection parts, electroless plating, and stamped parts; Group B: Suppliers providing antennas, packing materials, cables, adapters, connectors, and passive elements; Group C: Suppliers providing other electronic materials.

A

Mechanical-design suppliers in the fields of printed circuit boards, paint, chemical plating, plastic injection parts, and stamped parts

B

Electromechanical- design suppliers in the fields of antennas, packaging materials, wiring, adapters, connectors, and passive components

C

Other electronic material suppliers

3 Types

4 Steps

1 Suppliers complete corporate social responsibility training and self-evaluation

2 WNC designates personnel to audit each 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 report results

5 Aspects

Labor	Environment	Ethics	Mgmt. System	Health & Safety
• Freely chosen employment	• Environmental permits and reporting	• Business integrity	• Organization and responsibility	• Occupational safety and machine maintenance
• Young workers	• Pollution prevention	• Compliance	• Policy and process	• Occupational injury and illness
• Working hours	• Hazardous substances		• Operation and evaluation	• Health and safety communication
• Wages and benefits	• Wastewater and solid waste			• Sanitation, food, and housing
• Humane treatment	• Materials restrictions			
• Non-discrimination				
• Freedom of association				

As of the end of 2017, 64 suppliers have completed the CSR audit, including 26 vendors from Group A, 29 vendors from Group B, and 9 vendors from Group C. Responding to the requests of key customers, more suppliers designated by the customer were audited in 2017. The number of audited customers exceeded the target set in 2017. In 2018, the target number of vendors for audit is 68, including 25 Group A vendors, 30 Group B vendors, and 13 Group C vendors. We expect to complete the CSR audit of a total of 348 vendors by the end of 2018.

In 2017, 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 RBA (EICC) regulations and continuous improvement pursuant to the "Supplier Evaluation & Management SOP." In 2017, no partnerships with suppliers were terminated because of CSR audit results or due to improvements failing to meet the required standards.

5.1.7 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 gives 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 product and service quality while exchanging information on industry trends in order to release products and services that meet market needs. In 2017, a total of 98 WNC suppliers participated in the Wistron Group Vendor Conference, and 6 outstanding suppliers were awarded on the occasion.

5.2 Customer Relations

5.2.1 Customer Privacy Protection

WNC strictly complies to the stipulations of contracts made with customers as well as any non-disclosure agreements, and formulates accordant regulations for information safety-related policies. To implement confidential information control, MIS has established information control measures to avoid leaking confidential operation-related information of WNC and its customers. In 2017, WNC had no litigation record for breach of customers' privacy.

Information confidentiality

- Implementing customer code management, information disclosure management, an auditing mechanism, and the classified protection stipulations of data and documents to enhance confidentiality of customer information.
- Uploading confidential information, documents, and other customer material related to business to an internal system through an encryption mechanism for strict control; accessing the system with an appropriate, password protected account; and applying on-line decryption and allowing peruse of documents only after obtaining approval to enhance confidentiality of

Supervision and control

Deploying data loss protection products to filter inappropriate content and prevent leakage of confidential information even when the transmission channels are unlocked with unlimited access for read and write operations.

Internal promotion

Promoting and communicating security-related policies to all employees through training and internal announcements. Information security training was arranged in 2017 and 663 employees have completed the training.

External cooperation

Requesting suppliers to sign non-disclosure agreements and arranging schedules for confirming the information security measures taken by suppliers, sharing experiences, auditing and encouraging suppliers to efficiently cooperate and abide by relevant information security management stipulations.

Information Security Training Courses held at WNC (Taiwan) in 2017

Course Name	Intended Audience	No. of Participants	No. of Hours
Introduction to the RD Cloud Information Security Management Mechanism	WNC employees	295	88.5
Introduction to the Information Security Policy of WNC and the Resources of the MIS Division	WNC employees	300	148.8
Information Security Management, Business Continuity, and Information Resilience	WNC employees in the MIS Division	68	204.0
Total		**663**	**441.3**

In 2018, WNC enacted the following two projects to enforce security of our information environment:

- PUM (Privileged User Management): To defend against threats posed by "Secretly-created back door account" and "Scanning the logged/recorded passwords," and in response to the demands of information management; linkage activities of privileged accounts will be actively audited and managed for access control, tracking of the linkage activities, and the capacity of post review.
- Data Loss Prevention (DLP): Apart from existing DLP products, the responsible personnel shall investigate new products in the market to strengthen channels against data leakage, provide a real-time supervision blocking mechanism; and provide basic security protection required by employees to safely access the Internet while ensuring the safety of WNC's computers during internal and external data exchange.

5.2.2 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.

Pertinent business groups or units, the quality assurance group, R&D, production planning, and manufacturing units are designated as the point-of-contact for each different customer. According to project needs, customers and pertinent point(s)-of-contact participate in weekly and monthly meetings to review product development progress and each item's achievement rate. Each business group/unit, also appoints representatives to participate in a 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 group/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 problems according to customers' explanations and suggestions, and the drafting of an improvement and execution plan. The response will be reported to the respective customer directly from each business group/unit.

We set our customer satisfaction score target for 2017 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

Despite the fact that different products and services offered by different business group/units lead to different satisfaction scores, the overall customer satisfaction remains high. In 2017, "product development" and "product quality" garnered the highest scores in the customer satisfaction rating.

Findings on Customer Satisfaction in the Most Recent Five Years

Results of Customer Satisfaction Surveys in the Most Recent Five Years

Year	2013	2014	2015	2016	2017
Average Customer Satisfaction Score	87	87.70	91.52	93.90	94.37
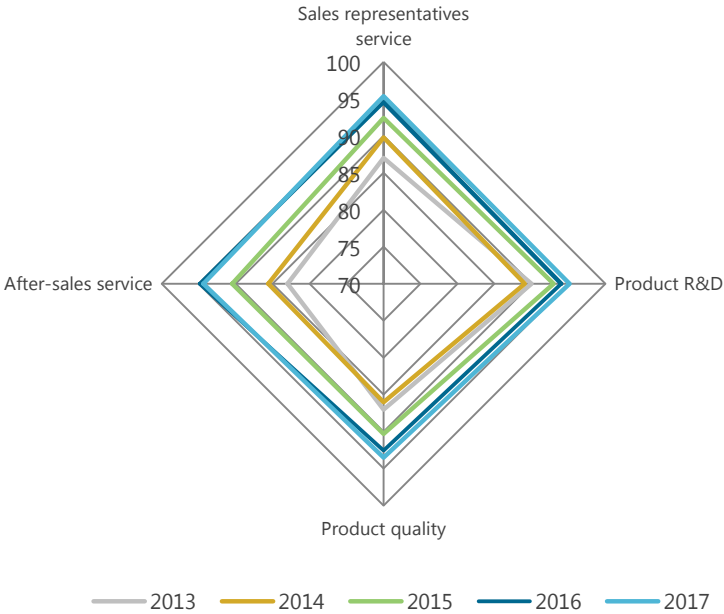
Customer Satisfaction

5.3 Contractor Health and Safety Management

WNC has drawn up a Contractor ESH Management Procedure to ensure the safety of both contractors and WNC employees, 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 Work Safety for Contractors in the WNC Plant" before applying to conduct in-plant operations, and are required to participate in the Notification of in-plant hazards and educational training for safety and health organized by the Industrial Safety Office. After being approved for in-plant operations, the employees of our contractors must participate in a tool-kit meeting to study the hazards that personnel must pay especial attention to in the plant along with relevant safety procedures, and conduct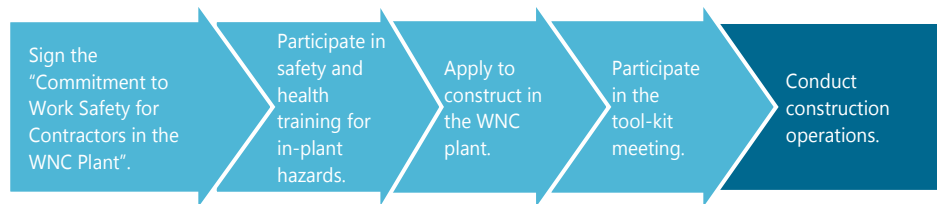 in-plant operations after confirming the operation details with the responsible managers under supervision and assessment of the ESH management units.

Operation procedure for contractors in the WNC plant:

Sign the "Commitment to Work Safety for Contractors in the WNC Plant". → Participate in safety and health training for in-plant hazards. → Apply to construct in the WNC plant. → Participate in the tool-kit meeting. → Conduct construction operations.

Currently WNC has yet to require contractors to adopt the OHSAS 18001 system, but before contractors and their employees enter WNC's sites, they must attend WNC's training and education sessions to learn about WNC's occupational safety and health-related policies and practices, including occupational safety and health policies, environmental management policies, protocols for chemical use, hazard identification in different operations, emergency-response measures, evacuation procedures, and related fire-fighting and disaster-relief procedures.

With regard to high-risk work, WNC has drawn up a Dangerous Work Permission Management SOP. Standing orders are also in place and pertain to operations involving controlled fires, work in elevated locations, work involving physical suspension, work in confined locations, and other work with potentially immediate dangers. WNC requires

that contractors for these operations apply for separate permissions and sets different requirements for safety equipment and management items according to the nature of the work. This ensures that contractors observe adequate safety precautions in advance and ensures the safety of contractors performing high-risk operations. Applications for contractor's daytime operations, nighttime operations, and emergency repairs can be managed and recorded using the contractor operations application system. Construction workers must register in 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 the number of their workers in real time using electronic platforms to implement access control and facilitate construction inspections.

The results of the safety and health management of WNC (Taiwan)'s contractors in 2017 are listed below:

Contractor Safety and Health Management Results in WNC (Taiwan)

Item	2015	2016	2017
No. of construction applications	2,058	2,775	3,886
No. of high-risk operations applications	186	1,394	1,270
No. of contractors that signed the "Commitment to Work Safety for Contractors at the WNC Plant"	122	108	167
No. of participants in the training courses for contractors	36	733	654
No. of contractors evaluated for safety and health performance	105	88	136

- There were 995 and 2,891 construction applications for WNC headquarters and S1, respectively. Due to the expansion of production lines, new equipment, and new facility devices, the total number of construction applications in 2017 increased by 1,111 over the number in 2016.
- The requesting departments must apply in-advance to conduct high-risk operations, 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. In 2017, there were 335 applications for the WNC headquarters and 935 applications for S1, respectively.
- A total of 167 contractors signed the "Commitment to Work Safety for Contractors in the WNC Plant" (a 100% signing rate of the contractors working in the WNC plant). A total of 654 contracting personnel participated in the training for the hazards that personnel must pay especial attention to in the plant, with the completion rate reaching 100%.
- The Supplier Health and Safety Performance Evaluation system was introduced 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 2017, a total of 136 contractors completed the evaluation, including items related to occupational safety and health management, the work permit system SOP, construction safety notice, and the wearing of protective gear.

- In order to bolster the fulfillment of responsibilities by contractors (including security guards, on-site food-service vendors, and cleaning staff) with respect to labor rights, non-discrimination, ethics, anti-corruption, violation reporting, and occupational safety and health issues, starting 2016, the contracts for all contractors request that they meet the requirements in the "WNC Supplier's CSR Code of Conduct" and sign the "Supplier's Commitment for Code of Ethics", "Supplier CSR Investigation Form", and "Supplier CSR Declaration" before the contracts are effective.

In August 2017, while performing power distribution operations in the S1 plant, one contractor's employee suffered facial burns after ignoring construction regulations. Immediately after the incident, the responsible personnel reported the occurrence to the inspectors of the Hsinchu Science Park authority for confirmation. Personnel from the industrial and safety unit and the facility unit assisted the contractor to investigate and analyze the incident. The authority of Hsinchu Science Park administered punitive measures against both WNC and the contractor based on item 1, article 2 of the Occupational Safety and Health Act. WNC was penalized NT$60,000. After the incident, the industrial and safety unit and the facility unit re-examined the power distribution operation procedure. The contractor also formulated a professional auditing mechanism and power distribution standard operation procedure for their operational personnel. To avoid re-occurrence of the safety incident, the Industrial Safety Office built awareness of the case and reiterated construction management regulations. It is also engaged in promoting the following measures to optimize contractor management regulations beginning in the latter half of the year 2017:

- Tool-kit meeting System: Before performing in-plant construction, responsible constructors, managers of the construction sites, and the units that regulate construction assemble to convene a tool-kit meeting with supervising personnel to clarify potentially hazardous items and the relevant preventive measures, and enhance their awareness of the operations and environmental hazards.
- Control of construction areas: To prevent unauthorized personnel from entering operation areas, compulsory control of the operation areas, warning indicators, and a mechanism of supervision by specially-designated personnel shall be implemented.
- Training for supervisors: To assist the supervisors to acquire a better understanding of operation management before, during, and after practical construction, and to establish a safer operational environment for WNC staff and our constructors; training for supervisors of the units with construction demands shall be arranged to

clarify the in-plant operation procedure for construction, crucial management items and the relevant management responsibilities.

5.4 Participation in Society

WNC organized a series of social welfare projects and activities based on the themes of providing opportunities for education and assisting disadvantaged groups. WNC's employees, customers, and suppliers were invited to take part.

5.4.1 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 for society, WNC provides long-term subsidies for student clubs in National Tsing Hua University (NTHU) and cooperates with the NTHU Aboriginal Culture Club, the NTHU Science Promotion Club, the NTHU WHYOU Club, the National Cheng Kung University (NCKU) Social Service Team, the NCKU Philanthropy Club, and the NCKU Students Service Club. In 2017, WNC and its employees contributed a total of NT$650,000 to these six 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. 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.

Class Counseling and Science Education

The university service clubs sponsored by WNC mainly helps children in special education classes or child care homes. Besides providing class counseling for these

children, from time to time, members of the aforementioned university service clubs also organize short-term camp activities during summer/winter break, enabling these children to obtain knowledge outside of school classes and stimulating their interest in new things.

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 Hengshan 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.

The class counseling sessions and short-term camp activities organized by university service clubs in 2017 are listed below:

Event Type	Club	Recipient	No. of Participating Students
Class counseling	NTHU WHYOU Club	The special education class of Dongmen Elementary School, Hsinchu City	15
	NCKU Philanthropy Club	The child care home of the Tainan Home Of Philanthropy	45
Short-term camp activities	NTHU Science Promotion Club	Hengshan Junior High School, Hsinchu County	18
	NCKU Students Service Club	Tainan Municipal Simen Experimental Elementary School	26
	NCKU Philanthropy Club	Dujia Elementary School, Tainan City	48
	NCKU Social Service Team	Tainan Municipal Hsin Chia Elementary School	50

Concern for Disadvantaged Students

The NCKU Social Service Team holds the "Little Shell Workshop" semi-annually to guide the kids of the Tainan Autism Association as they join in interactive games and courses. By doing so, the autistic children, nicknamed "the little seashells", can learn to interact with a crowd, and the public can get to know them better. In 2017, 26 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 the elderly living alone, nursing homes, and finding homes for stray animals in Tainan City.The NCKU Philanthropy Club also works with St. Raphael Opportunity Center in helping infants and young children suffering from developmental disabilities, persons with mental retardation, or with multiple disabilities.

5.4.2 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, chorus, and dancing. In 2017, WNC donated NT$200,000 to subsidize the facilities, equipment, coach/teacher, and contest costs of the Tunan Elementary School.

In December 2016, WNC launched the "Tunan Elementary School Development Project" and raised a total of NT$823,900. We also called on customers and vendors to donate computers, printers, drinking fountains, and other equipment. In January 2017, WNC's Employee Relations Dept., Management Information System Div., Industrial Safety and Facility Center, and the S1 Human Resource Dept. invited the suppliers of the General Affairs Section and the Management Information System Div., to help repair the school dormitory, cable lines in the computer classroom, and the kitchen storage. A total of 91 trips, including 82 by the suppliers and nine by WNC employees, were carried out for the project. The entire renovation process and the use of the donated items during the new semester were recorded by the Multimedia Design Dept. of WNC's Marketing Division in its 2017 Tunan Elementary School Development Project Renovation Documentary Film. The project currently has around NT$300,000 in remaining funds, which will be used for organizing reading activities, agricultural education courses, and purchasing equipment for e-learning.

In June 2017, WNC worked with Book Republic to jointly organize a charity book festival at Tunan Elementary school. We invited the famous children's book author, Zhang Mei-lan, to come to the school and tell stories to the students. The storytelling session was very well received by both the students and faculty of the school. In 2018, WNC invited a renowned storyteller to come to Meiyuan Elementary School in Miaoli County to tell stories, which has enriched the reading experience of the students at Meiyuan Elementary School. 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 in 2017. We also sponsored, from March 2017 to February 2018, yearly subscriptions of "Global Kids Junior Monthly" and "Global Kids Monthly" for all classes in

five elementary schools and two junior high schools in Hsinchu and Tainan at the expense of NT$102,000.

In June 2017, WNC's social care program started providing support to Siang Bi Elementary School in Miaoli County to help the school develop archery education, which will enable traditional Atayal hunting and archery culture to be passed on to future generations and facilitate the cultivation of young archery talent. As of the end of 2017, WNC employees have donated NT$100,000 to help Siang Bi Elementary School purchase archery equipment and participate in regional archery competitions. Besides archery, WNC also helped Siang Bi Elementary School develop music education. In November 2017, WNC employees donated 49 musical instruments to Siang Bi Elementary School and invited the students and faculty of the school to give a musical performance at the 2018 WNC Family Day event.

5.4.3 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 and during off-hours from Monday to Friday. By cooperating with students, we expect that those students from economically disadvantaged families can continue their education while also accumulating valuable work experience. There are currently 37 employees participating in this project.

To provide students in Hsinchu and its vicinity with work opportunities and to cultivate professional engineering talent, WNC started working with the Department of Industrial Engineering and Management at the China University of Science and Technology (CUST) in 2017 to provide courses for the department's students. WNC provides dormitories and shuttle buses for the students, and the courses are taught by WNC employees. Students who pass the courses receive tuition subsidies, and designated teachers from CUST are stationed at the WNC dormitories to assist the students. In 2017, 21 students from the Department of Industrial Engineering and Management at CUST took courses at WNC, and it is expected that there will be 50 slots available for CUST students in 2018.

5.4.4 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. Through this platform, 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.

Charity Sales Events in Taiwan

In 2017, WNC organized two charity sales events and invited the charity organizations listed below to the events. The combined sales revenue of the events was NT$263,982.

Event	Organizations Invited to the Event	
Handmade Creative Cultural Goods Sales Events	■ Man Fair Sheltered Workshop ■ Miaoli County Association for Study Grants and Social Care ■ Hsinchu County Jiuzantou Cultural Association ■ Gaoyuan Community Development Association, Longtan District, Taoyuan City	■ Taiwan Aboriginal Industry Development Association, Taoyuan City ■ Lei-zhi Facility Structured Workshop ■ Hsing Shan Borough ■ Hsinchu County Qionglin Township Paper Hut Nest
Mid-Autumn Festival Sales Event	■ Taiwan Spinocerebellar Ataxia Association ■ St. Joseph Social Welfare Foundation ■ Syin-Lu Social Welfare Foundation	■ Love Nature Sheltered Workshop ■ Yu An Children's Home ■ Gofe Sheltered Workshop

Charity Fundraising in Taiwan

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. In 2017, WNC provided an employee with NT$50,000 in emergency relief funding.

WNC also encourages employees to help those in need and donate to charity. For example, instead of choosing to receive company gift certificates or gifts to commemorate the Chinese New Year, the Dragon Boat Festival, and the Mid-Autumn Festival, employees may choose to donate an amount equal to the value of the aforementioned company gift certificates or gifts to charity. The money thus donated are given to 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 Siang Bi Elementary School in Miaoli County were also beneficiaries of the generosity of WNC employees. In 2017, WNC and WNC employees donated a combined NT$1,102,000, with employees contributing NT$665,020.

WNC has helped sponsor the Children's Discovery Museum of San Jose with a donation of US$5,000 each year starting in 2013. The funds are used to supplement the activity funds for the Legacy for Children Award.

WNC Goods Sharing Platform

The WNC Goods Sharing Platform, which was launched in April 2017, gives WNC employees opportunities to help protect the environment, promote item reuse, and donate second-hand goods to those in need. During the platform's launch event, WNC employees donated 31 items to the platform, and there were 31 records of employees borrowing goods from the platform. After the launch event, the Employee Relations Dept. organized an additional five donation drives to encourage employees to donate items to the platform. As of the end of 2017, more than a thousand items have been donated to the platform, including 49 musical instruments for Siang-Bi Elementary School in Miaoli County, winter clothing for the Shi Guang Educational and Nursing Institution, and assorted items for the Association of Spinal Cord Injury – Hsinchu, Taiwan, R.O.C. and the Man Fair Sheltered Workshop.

Book Sorting Volunteers

In July 2017, 12 WNC employees and four family members of WNC employees participated in the "One-Day Book Sorting Volunteers" activity organized by the eslite Foundation for Culture and Arts. In November 2017, the WNC Volunteers Club was founded, and its members include 25 WNC employees and two family members of WNC employees. The club will organize various volunteer activities and encourage more employees to participate in such activities.

China Plants

Starting in 2014, WNC employees voluntarily established the Mercy Club. Currently there are 16 members in the club. In addition, WNC also assists employees experiencing financial difficulties or misfortunes in applying for funds from the trade union. In 2017, WNC helped two of its employees in China apply for funds. Employees who needed subsidies to help raise their family could apply for such subsidies from the Development Zone Union. In addition, WNC also helped five employees apply for a grant of CN¥8,000, a winter quilt, two large containers of cooking oil, and two bags of rice from the "Sending Warmth and Assistance in the Cold Winter to Needy Families" activity organized by the Comprehensive Bonded Zone.

Donation → **Goods Sharing Platform** → **Social Welfare Charity**

5.4.5 Implementing the Good Food Movement

Since 2014, WNC has worked with Buy Nearby, a social enterprise, to promote the Good Food Movement. In 2017, due to its long-term support of social enterprises, WNC received the top tier award in the "New Product and Service of Social Innovation Purchase Reward Program" organized by the Ministry of Economic Affairs. The "Good Food Movement—Healthy Days Everyday" stemmed from the desire to care for our employees; therefore, the vegetables that the catering companies use are all organic produce provided by independent farmers and suppliers of organic fruits and vegetables, including leafy vegetables, melons, and gourds.
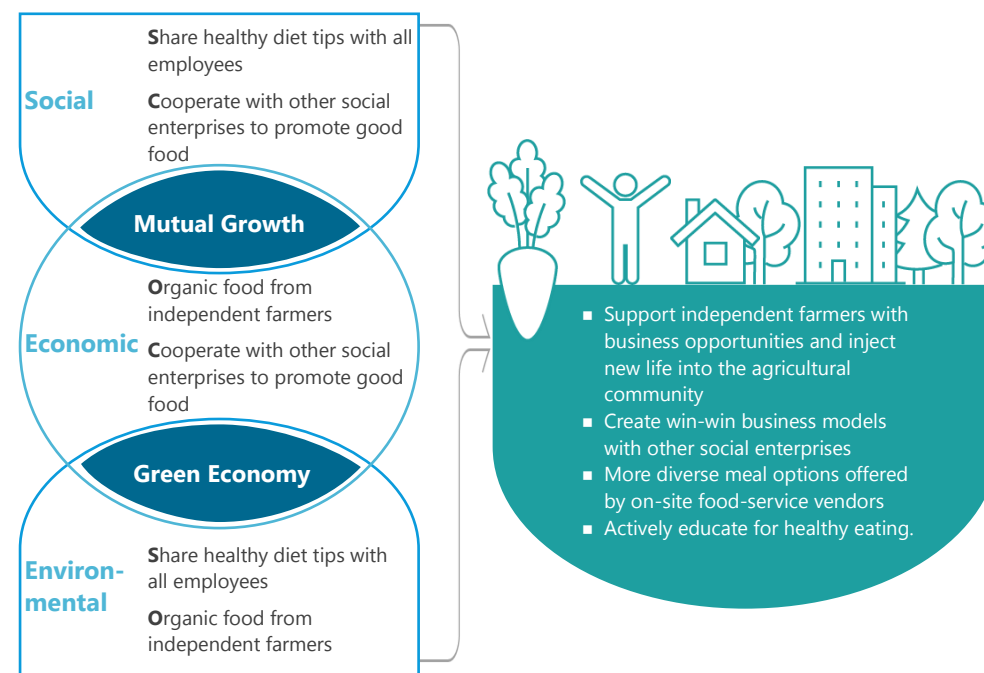
Organic Food Contract

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 or 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.

Expanding the Scope of Cooperation

In 2017, to diversify and improve the quality of the vegetables, we started to purchase organic vegetables from other vendors so that employees could enjoy more diverse organic produce. We hired the "Xin-yi fruits and vegetables" and the "Town South Organic Farm" as our organic produce catering providers; while at S1, we are still working with the social enterprise "Buy Nearby" to locate local farmers that meet WNC's needs and will cooperate with each other in the future. "Buy Nearby" arranges for employees to travel to the farms of independent farmers from time-to-time to provide professional assistance, and train the independent farmers on farming, cultivation, and various production skills to control productivity and improve the quality of the produce. 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 WNC's cooperation with Yongyeh Argo Co. in the delivery of the organic produce to WNC, the implementation of quality management, and training of independent farmers. In 2017, the amount of

purchases WNC made through on-site food-service vendors amounted to NT$7,021,696 including NT$3,510,848 paid by WNC and NT$3,510,848 paid by the Employee Welfare Committee.

WNC Good Food Movement

Social
- **S**hare healthy diet tips with all employees
- **C**ooperate with other social enterprises to promote good food

Mutual Growth

Economic
- **O**rganic food from independent farmers
- **C**ooperate with other social enterprises to promote good food

Green Economy

Environmental
- **S**hare healthy diet tips with all employees
- **O**rganic food from 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
- Actively educate for healthy eating.

Appendix

06

Assurance Statement

GRI Standards Index

SDGs Index

Errata from the WNC 2016 Corporate Social Responsibility Report

Page	Chapter	Error	Correction
P86	4.2.5	In 2015 and 2016, the sewage treatment fee for WebCom (Kunshan) was CN¥272,640 and CN¥285,335, respectively.	In 2015 and 2016, the sewage treatment fee for WebCom (Kunshan) was CN¥29,978 and CN¥29,524, respectively.
P91	4.4.1	In 2015 and 2016, the energy consumption of WNC (Taiwan) were 84,287 GJ and 112,612 GJ, respectively.	In 2015 and 2016, the energy consumption of WNC (Taiwan) was 84,447 GJ and 121,359 GJ, respectively.
P92	4.4.1	In 2015 and 2016, the total water consumption for WNC headquarters was 82,372 m^3 and 47,159 m^3, respectively, and the total amount of wastewater produced was 20,743 m^3 and 17,042 m^3, respectively.	In 2015 and 2016, the total water consumption for WNC headquarters was 82,097 m^3 and 55,036 m^3, respectively, and the total amount of wastewater produced was 23,543 m^3 and 18,921 m^3, respectively.
P105	5.2.2	In 2016, we received customer satisfaction score of 94.	Due to company reorganization, our customer satisfaction score changed to 93.9.

6.1 Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE WISTRON NEWEB CORPORATION's CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2017

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 Responsibility Report for 2017 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in this report.

The information in the WNC's CSR Report of 2017 and its presentation are the responsibility of the management of WNC. SGS has not been involved in the preparation of any of the material included in WNC's CSR Report of 2017.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all WNC's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:
- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008) at a moderate level of scrutiny; and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Standards (2016)

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; 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 affirm our independence from WNC, being free from bias and conflicts of interest with the organisation, 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 2017 verified is accurate, reliable and provides a fair and balanced representation of WNC sustainability activities in 01/01/2017 to 12/31/2017.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
WNC has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, WNC may proactively consider having more direct two-ways 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.
Responsiveness
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS (2016) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, WNC's CSR Report of 2017, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of WNC's involvement with the impacts for each material topic (103-1), and how efforts were given to mitigate the impacts. When reporting on goals and targets for each material topic, the expected results are suggested to be set, if applicable, with quantitative objectives. For data collection, it is recommending to develop a data collection platform to manage and control data with better quality.

Signed:
For and on behalf of SGS Taiwan Ltd.

David Huang, Director
Taipei, Taiwan
31 May, 2018
WWW.SGS.COM

AA1000
Licensed Assurance Provider
000-8

6.2 GRI Standards Index

General Disclosures

Topics		Disclosure	Chapter	Page
Organizational Profile	102-1	Report the name of the organization.	1.1	15
	102-2	Report the organization's activities, the primary brands, products, and services.	1.3	21-25
	102-3	Report the location of the organization's headquarters.	1.1.1	16
	102-4	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	16
	102-5	Report the nature of ownership and legal form.	1.1	15
	102-6	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	1.3	21-25
	102-7	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, 1.2, 1.3.1	15, 20-21
	102-8	Report on the total number of employees categorized according to gender, employee type (direct labor/indirect labor), contract type, and work area. (Report compiled to indicate any major changes to the number of employees)	3.2.1	40-41
	102-9	Describe the organization's supply chain.	5.1	81
	102-10	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	About this Report	1
	102-11	Report whether and how the precautionary approach or principle is addressed by the organization.	2.3	31-34
	102-12	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Sustainment Management	7-8
	102-13	List memberships of associations (such as industry associations) and national or international advocacy organizations.	1.1.4	19
Strategy	102-14	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 Chairman	3-4
	102-15	Provide a description of key impacts, risks, and opportunities.	2.3	31-34
Ethics and Integrity	102-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1.1	15
	102-17	Describe the organization's internal and external mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity and reporting concerns about unethical or unlawful behavior, and organizational integrity.	2.2.4	30-31
Governance	102-18	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	27-28
Stakeholder Engagement	102-40	Provide a list of stakeholder groups engaged by the organization.	Identification of Stakeholders	10
	102-41	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.	
	102-42	Report the name of the organization.	Identification of Stakeholders	10
	102-43	Report the organization's activities, the primary brands, products, and services.	Response to Stakeholders	13
	102-44	Report the location of the organization's headquarters.	Response to Stakeholders	13

	102-45	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
	102-46	a. Explain the process for defining the report content and the topic Boundaries. b. Explain how the organization has implemented the Reporting Principles for defining report content.	Communication with Stakeholders	9-13
	102-47	List all the material topics identified in the process for defining report content.	Communication with Stakeholders	9-13
	102-48	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	
Reporting Practice	102-49	Report significant changes from previous reporting periods in the list of material topics and topic Boundaries.	No major changes	
	102-50	Reporting period (such as fiscal or calendar year) for information provided.	About this Report	1
	102-51	Date of most recent previous report (if any).	About this Report	1
	102-52	Reporting cycle (such as annual, biennial).	About this Report	1
	102-53	Provide the contact point for questions regarding the report or its contents.	About this Report	1
	102-54	Report if it has prepared a report in accordance with the GRI Standards	About this Report	1
	102-55	Report the GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.	Appendix	97-103
	102-56	Report the organization's policy and current practice with regard to seeking external assurance for the report.	Appendix	96

Specific Standard Disclosures

ECONOMIC						
Topics			**DMA & Disclosure**	**Chapter**	**Page**	**Omissions**
Economic Performance	DMA	103-1	Explanation of the material topic and its Boundary	2	26	
		103-2	The management approach and its components	2	26	
		103-3	Evaluation of the management approach	2	26	
	Disclosure	201-1	Direct economic value generated and distributed	1.2	20	
		201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2.3.3	33	
		201-3	Coverage of the organization's defined benefit plan obligations	3.3.3	46	
		201-4	Financial assistance received from government	2.2.2	30	
Market Presence	DMA	103-1	Explanation of the material topic and its Boundary	3.3.1	44	
		103-2	The management approach and its components	3.3.1	44	
		103-3	Evaluation of the management approach	3.3.1	44	
	Disclosure	202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	3.3.1	44	

Topics				DMA & Disclosure	Chapter	Page	Omissions
		202-2		Proportion of senior management hired from the local community at significant locations of operation	3.2.2	42-43	
Indirect Economic Impacts	DMA	103-1		Explanation of the material topic and its Boundary	5.4	90-94	
		103-2		The management approach and its components	5.4	90-94	
		103-3		Evaluation of the management approach	5.4	90-94	
	Disclosure	203-1		Development and impact of Infrastructure investments and services supported	5.4	90-94	
Procurement Practices	DMA	103-1		Explanation of the material topic and its Boundary	5.1	81-82	
		103-2		The management approach and its components	5.1	81-82	
		103-3		Evaluation of the management approach	5.1	81-82	
	Disclosure	204-1		Proportion of spending on local suppliers at significant locations of operation	5.1	81	
Anti-corruption	DMA	103-1		Explanation of the material topic and its Boundary	2.2	29	
		103-2		The management approach and its components	2.2	29	
		103-3		Evaluation of the management approach	2.2	29	
	Disclosure	205-1		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	2.2, 2.3	29-33	
		205-2		Communication and training on anti-corruption policies and procedures	2.2, 3.4.4	29, 50	
		205-3		Confirmed incidents of corruption and actions taken	2.2.4	30	
Anti-competitive Behavior	DMA	103-1		Explanation of the material topic and its Boundary	2.2	29-30	
		103-2		The management approach and its components	2.2	29-30	
		103-3		Evaluation of the management approach	2.2	29-30	
	Disclosure	206-1		Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	2.2	29-30	
ENVIRONMENTAL							
Topics				**DMA & Disclosure**	**Chapter**	**Page**	**Omissions**
Energy	DMA	103-1		Explanation of the material topic and its Boundary	4	61	
		103-2		The management approach and its components	4	61	
		103-3		Evaluation of the management approach	4	61	
	Disclosure	302-1		Energy consumption within the organization	4.4.2	74	
		302-3		Energy intensity	4.4.2	74	
		302-4		Reduction of energy consumption	4.4.2	74-75	
Water	DMA	103-1		Explanation of the material topic and its Boundary	4	61	

		103-2	The management approach and its components	4	61	
		103-3	Evaluation of the management approach	4	61	
	Disclosure	303-1	Total water withdrawal by source	4.4.3	76-77	
		303-2	Water sources significantly affected by withdrawal of water	4.4.3	76-77	
		303-3	Percentage and total volume of water recycled and reused	4.4.3	78	
Emissions	DMA	103-1	Explanation of the material topic and its Boundary	4	61	
		103-2	The management approach and its components	4	61	
		103-3	Evaluation of the management approach	4	61	
	Disclosure	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	4.3	71	
		305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	4.3	71	
		305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	4.3	71	
		305-4	Greenhouse gas (GHG) emissions intensity	4.3	72	
		305-5	Reduction of greenhouse gas (GHG) emissions	4.3	70-72	
Effluents and Waste	DMA	103-1	Explanation of the material topic and its Boundary	4	61	
		103-2	The management approach and its components	4	61	
		103-3	Evaluation of the management approach	4	61	
	Disclosure	306-1	Total water discharge by quality and destination	4.4.3	76-77	
		306-2	Total weight of waste by type and disposal method	4.1.4	64-65	
Environmental Compliance	DMA	103-1	Explanation of the material topic and its Boundary	4	61	
		103-2	The management approach and its components	4	61	
		103-3	Evaluation of the management approach	4	61	
	Disclosure	307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.1.4	65	
Supplier Environmental Assessment	DMA	103-1	Explanation of the material topic and its Boundary	5.1	81	
		103-2	The management approach and its components	5.1	81	
		103-3	Evaluation of the management approach	5.1	81	
	Disclosure	308-1	Percentage of new suppliers that were screened using environmental criteria	5.1.2	82	
		308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	5.1.6	84-85	

SOCIAL						
Topics		**DMA & Disclosure**			**Chapter**	**Page**	**Omissions**

Topics			**DMA & Disclosure**	**Chapter**	**Page**	**Omissions**
Employment	DMA	103-1	Explanation of the material topic and its Boundary	3.2	40	
		103-2	The management approach and its components	3.2	40	
		103-3	Evaluation of the management approach	3.2	40	
	Disclosure	401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	3.2.2	42-43	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	3.3	44-46	
		401-3	Return to work and retention rates after parental leave, by gender	3.1.4	37	
Labor/ Management Relations	DMA	103-1	Explanation of the material topic and its Boundary	3.1.5	38	
		103-2	The management approach and its components	3.1.5	38	
		103-3	Evaluation of the management approach	3.1.5	38	
	Disclosure	402-1	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	103-1	Explanation of the material topic and its boundary	3.5.1	51	
		103-2	The management approach and its components	3.5.1	51	
		103-3	Evaluation of the management approach	3.5.1	51	
	Disclosure	403-1	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	3.5.1	51	
		403-2	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	3.5.1	54	
Training and Education	DMA	103-1	Explanation of the material topic and its Boundary	3.4	47	
		103-2	The management approach and its components	3.4	47	
		103-3	Evaluation of the management approach	3.4	47	
	Disclosure	404-1	Average hours of training per year per employee by gender, and by employee category	3.4.4	50	
		404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	3.4	47-50	
		404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	3.3.2	45	
Diversity and Equal Opportunity	DMA	103-1	Explanation of the material topic and its Boundary	3.2	40	
		103-2	The management approach and its components	3.2	40	
		103-3	Evaluation of the management approach	3.2	40	
	Disclosure	405-1	Diversity of governance bodies and employees	2.1.2, 3.2	27, 40-43	
		405-2	Ratio of basic salary and remuneration of women to men	3.3.1	44	

Non-discrimination	DMA	103-1	Explanation of the material topic and its Boundary	3.1	36-39	
		103-2	The management approach and its components	3.1	36-39	
		103-3	Evaluation of the management approach	3.1	36-39	
	Disclosure	406-1	Total number of incidents of discrimination and corrective actions taken	3.1	36	
Child Labor	DMA	103-1	Explanation of the material topic and its Boundary	3.1.1	36	
		103-2	The management approach and its components	3.1.1	36	
		103-3	Evaluation of the management approach	3.1.1	36	
	Disclosure	408-1	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	3.1.1	36	
Forced or Compulsory Labor	DMA	103-1	Explanation of the material topic and its Boundary	3.1.3	36	
		103-2	The management approach and its components	3.1.3	36	
		103-3	Evaluation of the management approach	3.1.3	36	
	Disclosure	409-1	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	3.1.3, 5.1.6	36, 85	
Supplier Social Assessment	DMA	103-1	Explanation of the material topic and its Boundary	5.1	81	
		103-2	The management approach and its components	5.1	81	
		103-3	Evaluation of the management approach	5.1	81	
	Disclosure	414-1	Percentage of new suppliers that were screened using social criteria	5.1.2	82	
		414-2	Negative social impacts in the supply chain and actions taken	5.1.6	85	
Public Policy	DMA	103-1	Explanation of the material topic and its Boundary	2.2	29-31	
		103-2	The management approach and its components	2.2	29-31	
		103-3	Evaluation of the management approach	2.2	29-31	
	Disclosure	415-1	Total value of political contributions by country and recipient/beneficiary	No political contributions		
Customer Health & Safety	DMA	103-1	Explanation of the material topic and its Boundary	4	61	
		103-2	The management approach and its components	4	61	
		103-3	Evaluation of the management approach	4	61	
	Disclosure	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	1.3.1, 4.2	21-22, 68-69	
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.3.1, 4.2.2	21, 69	
Marketing and Labeling	DMA	103-1	Explanation of the material topic and its Boundary	1.3.1, 1.3.4	21, 25	
		103-2	The management approach and its components	1.3.1, 1.3.4	21, 25	
		103-3	Evaluation of the management approach	1.3.1, 1.3.4	21, 25	

		417-1	Requirements for product and service information and labeling	1.3.1	21	
	Disclosure	417-2	Incidents of non-compliance concerning product and service information and labeling	1.3.1	21	
		417-3	Incidents of non-compliance concerning marketing communications	1.3.4	25	
Customer Privacy	DMA	103-1	Explanation of the material topic and its Boundary	5.2.1	86	
		103-2	The management approach and its components	5.2.1	86	
		103-3	Evaluation of the management approach	5.2.1	86	
	Disclosure	418-1	Total number of substantiated complaints regarding breach of customer privacy and loss of customer data	5.2.1	86	
Socioeconomic Compliance	DMA	103-1	Explanation of the material topic and its Boundary	2.2.3	30	
		103-2	The management approach and its components	2.2.3	30	
		103-3	Evaluation of the management approach	2.2.3	30	
	Disclosure	419-1	Non-compliance with laws and regulations in the social and economic area	2.2.3	30	

OTHERS						
Topics		DMA & Disclosure		Chapter	Page	Omissions
Conflict Minerals	DMA	103-1	Explanation of the material topic and its Boundary	5.1.5	83-84	
		103-2	The management approach and its components	5.1.5	83-84	
		103-3	Evaluation of the management approach	5.1.5	83-84	
	Disclosure	--	Conduct responsible investigation with relevant suppliers and ensure minerals are "conflict-free" minerals.	5.1.5	83-84	
Good-food Practice	DMA	103-1	Explanation of the material topic and its Boundary	5.4.5	93-94	
		103-2	The management approach and its components	5.4.5	93-94	
		103-3	Evaluation of the management approach	5.4.5	93-94	
	Disclosure	--	Environmental friendliness	5.4.5	93-94	
		--	Promote organic farming	5.4.5	93-94	

6.3 SDGs Index

The United Nations Sustainable Development Goals (SDGs) represent a set of guidelines developed at the 2015 UN Summit on Sustainable Development. The SDGs cover three major dimensions: economic development, social progress, and environmental protection; and include 17 goals and 169 targets. The SDGs will be the top guiding principles for the UN member states' international cooperation toward the sustainable development of mankind between 2015 and 2030. For more information on the SDGs, please visit the United Nations Sustainable Development Knowledge Platform.

WNC's sustainable behavior in relation to the SDGs and the relevant chapters in the report is summarized below:

SDGs	Business Theme	GRI Standards Indicators	Relevant Chapter
1. No poverty	Earnings, wages and benefits	202-1	3.3.1
2. Zero hunger	Infrastructure investments	201-1, 203-1	1.2, 5.4
3. Good health and well-being	Air quality	305-1, 305-2	4.3
	Occupational Safety and Health	403-2	3.5.1
4. Quality education	Employee training and education	404-1	3.4.4
5. Gender equity	Equal remuneration for women and men	202-1	3.3.1
	Gender equality	401-1, 404-1, 404-3	3.2.2, 3.4.4, 3.3.2
	Parental leave	401-3	3.1.2
6. Clean water and sanitation	Sustainable water withdrawals	303-1, 303-2	4.4.3
	Waste	306-2	4.1.4
	Water quality	306-1	4.4.3
	Water recycling and reuse	303-3	4.4.3
7. Affordable and clean energy	Energy efficiency	302-1, 302-3, 302-4	4.4.2
	Renewable energy	--	4.4.1

SDGs	Business Theme		GRI Standards Indicators	Relevant Chapter
8. Decent work and economic growth	Abolition of child labor	408-1		3.1.1
	Earnings, wages and benefits	202-1, 401-2		3.3
	Employee training and education	404-1, 404-2, 404-3		3.4, 3.3.2
	Employment	102-8, 202-2, 401-1		3.2.1, 3.2.2
	Freedom of association and collective bargaining	102-41		3.1.5
	Labor practices in the supply chain	414-1, 414-2		5.1.2, 5.1.6
	Occupational Safety and Health	403-1, 403-2		3.5.1
	Parental leave	401-3		3.1.4
	Youth employment	401-1		3.2.2
9. Industry, innovation and infrastructure	Infrastructure investments	201-1, 203-1		1.2, 5.4
	Research and development	201-1		1.2, 4.1.5
10. Reduced inequalities	Equal remuneration for women and men	405-2		3.3.1
11. Sustainable cities and communities	Infrastructure investments	203-1		5.4
12. Responsible consumption and production	Air quality	305-1, 305-2		4.3
	Energy efficiency	302-1, 302-3, 302-4		4.4.2
	Procurement practices	204-1		5.1
13. Climate action	Energy efficiency	302-1, 302-3, 302-4		4.4.2
	GHG emissions	305-1, 305-2, 305-4, 305-5		4.3
	Risks and opportunities due to climate change	201-2		2.3.3
14. Life below water	Water discharge to oceans	306-1		4.4.3
15. Life on land	Forest degradation	305-1, 305-2, 305-4, 305-5		4.3
16. Peace, justice and strong institutions	Abolition of child labor	408-1		3.1.1
	Anti-corruption	205-1, 205-2, 205-3		2.2, 2.3, 3.4.4, 2.2.4
	Compliance with laws and regulations	206-1, 307-1, 416-2, 417-1, 417-2, 418-1, 419-1		2.2, 4.1.4, 4.2.2, 5.2.1, 1.3.1
	Grievance mechanisms	103-2		2.2.4,
	Workplace violence and harassment	414-1, 414-2		3.1.5, 5.1.2, 5.1.6
17. Partnerships for the goals	--	--		--

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