

## A Message from the Chairman

With changes in consumer usage habits, increases in the prevalence of low-price, efficient mobile networks and smart handheld devices, and the stagnation or decline in the growth of information products such as notebooks and televisions, the overall information and communication technology industry exhibited no significant growth. Foreseeing such impacts, we have actively invested in new technologies and transformed our products. However, because of the unsatisfactory investment returns, we proceeded to adjust our operational management directions, restructured the organization, adjusted personnel structures, and enhanced the investment return forecasts and measures for countering losses. Thus, the operational performance of the company will increase.

While persisting to transform into a holistic technology service provider (TSP), we also took the following actions:

- Created value-added products to satisfy customer demands. The demands of end users are determined and predicted so that the concepts of customer demand can be converted into a more accurate technical specification. Through cloud development software service platforms can be closely integrated with hardware devices (computers and smart devices) and cloud data systems to provide more convenient and suitable products and services.
- Strengthened investment strategies and vertically integrated products to obtain a leading status in the industry, thereby acquiring a stronger growth dynamic. In response to the rapidly changing Internet era in which consumer habits have deviated from those in the past, the six sigma approach was deeply rooted into Wistron to redefine the overall process of data collection, analysis, and application. By using big data we provide manufacturing and R&D teams more real-time, effective, and forward-looking information, make better investment decisions, rapidly adjust our operational direction, and reduce the investment risk associated with outdated equipment, processes, or technologies.

Concerning environmental protection, although we are not a high-polluting and high energy-consuming industry, we actively comply with environmental laws and regulations. In the past, changes in the industrial environment, increasingly stringent environmental laws and regulations for various regions, and frequent major

accidental disasters have resulted in the generation of a complete risk management model. However, we also pay attention to the response speed and capabilities in crisis management. Thus, amidst adversity, we continue to optimize our risks management approaches, actively learn from others, and develop a complete self-reflective system and approach.

To take care of our employees, we try to enhance our employees' income level by increasing efficiency. Elevating bonus shares and implementing issuance of treasury stocks can facilitate talent retention. However, in the short run, such approach will conflict with shareholders' rights and interests. But in the long run, this methodology is the most optimal option for achieving a positive cycle for employee and company performance. We continue to support projects enriched with cultural elements, such as the film *Beyond Beauty: Taiwan From Above* and the television show *Terraced Fields: Gongliao*, both of which have achieved international recognition. During the process of social contribution, we provide employees with opportunities to participate in volunteer work and cultivate their support for society.

Corporate social responsibility is a business' commitment to becoming a sustainable business organization. Based on the philosophy of altruism, the company's business philosophy, strategies, organizational planning, and talent development/cultivation should all consider the concept of sustainability. Only with such consideration can reasonable profits be generated and used as the foundation for sustainable management. Business management is not only a tool for making profits, but also an integral part of the society and environment. We are also willing to work together in accepting this challenge.

Simon Lin / Chairman & CEO  
Wistron Corporation

