

Social Responsibility Management



Wistron's core value lies in being a people-centric organization that emphasizes human rights and job equality. The company has formulated social responsibility policies that to commit to complying with CSR-related international standards and local regulations, continuously enhance employees' rights and benefits, establish an honest, healthy, and safe working environment, and fulfill social responsibilities. Our personnel management policies and related regulations are established in accordance with the aforementioned policy, upholding the principle of fairness, in which any forms of discrimination and sexual harassment are prohibited. Related policies and management systems are separately described in the following chapters. We also examine the implementation status of issues concerning the use of child and minor labors, forced labor, discrimination, sexual harassment, and freedom of expression, to manifest our emphasis on employee rights and interests as well as human rights issues. In 2015, Wistron was not involved in any sexual harassment, infringement of human rights, and discrimination.

Employment and Compensation Policies

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

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

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

■ Ratio of Entry Level Wage and Statutory Minimum Wage

| Region | Taiwan | Kunshan Plant | Taizhou Plant | Zhongshan Plant | Chongqing Plant | Chengdu Plant | Mexico Plant | Czech Plant |
|--------|--------|---------------|---------------|-----------------|-----------------|---------------|--------------|-------------|
| Ratio | 1.02 | 1.24 | 1.12 | 1.13 | 1.30 | 1.39 | 1.43 | 1.30 |

[Note1] Ratio = entry level wage / statutory minimum wage.

[Note2] Use the data on 2015/12/31

Parental leave and Retention

We respect the rights of pregnant workers and provide parental leave to employees that care for infants and young children; and, automatically ask employees if they wish to return to their job one month before the end of their parental leave. In 2015, there were 59 parental leave applications in Taiwan and 26 applications at the Czech Plant. The number of parental leave applications in Taiwan has increased with each passing year, and the applications from male employees have remarkably increased.

■ Applications for Parental Leave in 2015 and the Number of Workers Who Returned to Work Unit: Persons

| Region | Taiwan | | Czech Plant | |
|---|--------|--------|-------------|--------|
| | Male | Female | Male | Female |
| Number of Applications for Parental Leave in 2014 | 15 | 44 | 0 | 26 |
| Number of Workers Who Returned to Work in the Past Three Years | 16 | 49 | 0 | 2 |
| Number of Workers Who Applied for Parental Leave in the Past Three Years and Have Returned to Work for Over 12 Months | 5 | 18 | 0 | 2 |

Human Rights and Anti-discrimination

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

Wistron also strives to eliminate and prevent discrimination within the organization by extricating itself from the recruitment process or dealing with employment agencies (i.e. HR Agency.) The company also promotes anti-discriminatory practices to external parties, including customers, suppliers and the general public.

To ensure that managers and their subordinates fully understand the company’s human rights principle, we provide related training courses on sexual harassment, human rights violation, discrimination, etc. Human rights training for Wistron’s global employees in 2015 are as follows:

■ 2015 Human Rights Training for Wistron’s Global Employees

| Training | No. of Sessions | No. of Hours | Attendance |
|---|-----------------|--------------|------------|
| New Manager Training | 16 | 138 | 1,087 |
| Target Selection | 4 | 62 | 79 |
| Coaching for Empowerment | 10 | 115.5 | 252 |
| Production Supervisor and Executive Training | 6 | 105 | 249 |
| Senior Production Supervisor and Executive Training | 3 | 20 | 106 |

[Note] The information of Security Practices is not disclosed since it is not considered as a significant aspect this year.

Child Labor and Underage Workers

Wistron doesn’t engage in child labor and verifies the actual age of applicants during recruitment. In some areas, however, workers older than the minimum working age but under the age of 18 are employed to fill the need for expanded production capacity, but they will only work in

less-hazardous positions and are subject to enhanced training, care and management for their safety and health. The status of underage workers in 2015 are as follows:

■ 2015 Statistics of Underage Workers

Unit: Person

| Employment Type | Taiwan Offices | Kunshan Plant | Taizhou Plant | Zhongshan Plant | Chongqing Plant | Chengdu Plant | Mexico Plant | Czech Plant |
|------------------|----------------|---------------|---------------|-----------------|-----------------|---------------|--------------|-------------|
| Underage Workers | 0 | 571 | 10 | 883 | 490 | 345 | 0 | 0 |

Forced or Compulsory Labor

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

For the issue of forced student employment highlighted by DanWatch in 2015, actually, students who are participating in the “social practice” class are informed of the selected companies arranged by the school. Upon their arrival at our company, we check the willingness of all school students and instruct them regarding our resignation process. Once students are willing to leave, schools and Wistron are not forcing students to work at our company. Students are free to decide to stay or leave. The detail statements and answers are as attached.

<https://www.danwatch.dk/wp-content/uploads/2015/10/Statements-from-HP-Dell-Lenovo-and-Wistron1.pdf>