



# Quanta

Corporate Social Responsibility  
Annual Report 2016





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# About the report



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# About the report

## Boundary and Scope of the Report

Quanta Computer Group (Quanta) CSR annual report covering CSR related information on numerous Quanta sites, including Quanta Research and Development Complex (QRDC), Quanta Shanghai Manufacturing City (QSMC), Quanta Changshu Manufacturing City (CSMC), Quanta Chongqing Manufacturing City (QCMC)

QSMC (Quanta Shanghai Manufacturing City) includes Dafeng (Shanghai) Computer Co., Ltd., Dagong (Shanghai) Computer Co., Ltd., Dali (Shanghai) Computer Co., Ltd., Daren (Shanghai) Computer Co., Ltd., Daqun (Shanghai) Computer Co., Ltd., and Dawei (Shanghai) Logistics and Warehouse Co., Ltd. There is also Quanta Changshu Manufacturing City (CSMC); Quanta Chongqing Manufacturing City (QCMC), Tech-Wave (Chongqing) Logistics Co., Ltd., and CloudTech (Chongqing) Technology Co., Ltd. (Please refer to the annual report of Quanta Computer Incorporated, under Information Related to Affiliated Businesses in Chapter VIII Special records.)

The boundary outside the organization includes supply chain management and local communities. With no significant changes in the scope and aspect boundaries.

In addition, since 2016, CSMC has defined canteen natural gas usage as Scope 3, thus natural gas emission have been recompiled from calculations in 2015 for this report; QSMC's greenhouse gas emissions for 2015 were self-disclosed in the previous year's report, which were then verified through an entrusted independent third party. This annual report is compiled using data from an independent assurance statement of a reasonable assurance level, providing greater credibility after compilation. In addition, slight adjustments to data will not affect expected reader judgment of emissions trends in recent years. QSMC's absence rate and lost day rate indicated in the previous year's report are calculated in accordance with the practice of "recording and reporting of occupational accidents and diseases." Thus, in consideration of the definition discrepancies in absence and number of lost days, this year's report utilizes GRIG4 glossary definitions, which, after amendment, may be more realistically reflective in actual performance due to absenteeism and lost days.



## Report period

Quanta Computer has been releasing annual CSRs for 8 consecutive years. The 2016 report discloses information from January 1st 2016 to December 31st 2016 and contains few mid- and long-term projects.



## Referencing standard

The framework of the report is based on the version G4 of Sustainability Reporting Guidelines announced by the Global Reporting Initiative (GRI), Core Level disclosure is written.

## External assurance

The first applicable type of AA1000 (2008) is expected to be applied to third-party certifications (Bureau Veritas Taiwan). Quanta's CSR Committee members and senior executives also participated in the assurance process.

Quanta and BV Taiwan are independent companies, the disclosure indicators and independent assurance opinion statements, can refer to the comparison table and statement at the end of the report.

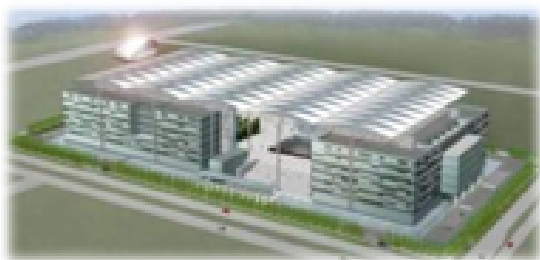
## Report management and public declaration

The report is written in Traditional Chinese and English. In accordance with the provisions of "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies", announcements and declarations shall be made to the Market Observation Post System before June 30th. In addition, it will be announced via electronic media in "About Quanta" section on the company's website [www.quantatw.com](http://www.quantatw.com).

## Contact information

Ensure a consistent understanding between the external environment and the company.

For relevant information on this report or Quanta Corporate Social Responsibility events, contact windows for various operational locations are as below. In accordance with due professional ethics, Quanta Computer Inc., (“The Company”) has established the Media Relations Policy, regarding the Official Spokespersons, Personnel of Quanta Computer Inc., authorized to serve as the primary press spokespersons for The Company are responsible for coordinating all press and analyst communications on behalf of Quanta Computer Inc. The company’s official spokesperson system may quote or clarify Quanta’s external information and financial data through official or non-official communication channels in order to ensure a consistent understanding between the external environment and the company.



### QRDC (Quanta Research and Development Complex)

**Department:** Human Resource Center

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### CSMC (Quanta Changshu Manufacturing City)

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### QCMC (Quanta Chongqing Manufacturing City)

**Department:** Management Center

**Address:** No.18, Zongbao Road, Shapingba District, Chongqing, China 401332

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# Annual major progress

## Economic Category

Economic performance	<ul style="list-style-type: none"> <li>▶ Consolidated revenue is approximately NT\$893.98 billion with gross margin of 5.21%. Net profits after tax are NT\$15.4 billion with EPS at NT\$3.93.</li> <li>▶ Quanta plans to distribute the surplus of the previous year in 2017, in the form of cash dividends of NT\$3.5 per common share to shareholders.</li> </ul>
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## Environmental Category

ISO14064 Certification	<p>ISO14064-1 greenhouse gas inventory were conducted at each site with the following results:</p> <ul style="list-style-type: none"> <li>▶ Shanghai site has been ISO14064-1 certified since 2011.</li> <li>▶ Chongqing and Changshu Site have started the certification process since 2015.</li> <li>▶ Taiwan site has received third-party certification in 2016.</li> </ul>
As a participant of the CDP international disclosure project	<ul style="list-style-type: none"> <li>▶ Participate in the international carbon disclosure project (CDP), complete questionnaires, review performance as well as continue to identify areas for improvement.</li> <li>▶ Carbon Disclosure and supply chain questionnaire scores achieved grade B.</li> </ul>
Work with carbon-trading demo cities	<ul style="list-style-type: none"> <li>▶ Corporate carbon emissions have been calculated annually to actively secure carbon-emission allowances.</li> <li>▶ Participate in the Chongqing Municipal Voluntary Emission Reduction Market and carry out internal inventory checks every year.</li> </ul>

## Social Category Decent Work Product Responsibility

Human Capital Investment	<ul style="list-style-type: none"> <li>▶ Realize the core objectives and technological development vocational skills of the 2B (to be the owner, to be the leader). Help employees to keep learning, growing, and developing expertise with various fields of different products.</li> <li>▶ Provide human rights-related training for employees at sites in Taiwan and mainland China including CSR, occupational health and safety training, case management and psychological counseling. A total of 671,705 persons from these areas have received training, with a total of 1,223,413 hours spent on training. The percentages of employees trained are as follows: QRDC at 83.1%, QSMC at 100%, CSMC at 100% and QCMC at 100%.</li> <li>▶ For encouraging employee to share knowledge and stimulate creativity with each other, QES host innovation (design thinking) contests and workshops annually</li> </ul>
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## Social Category Decent Work Product Responsibility

<p>Human Capital Investment</p>	<ul style="list-style-type: none"> <li>▶ QEx, a internal O2O interactive learning model, create new learning ways including independent learning, reciprocal learning and teaching.</li> <li>▶ CIQ App: Makes direct labors learning on time and getting message instantly.</li> <li>▶ Education Sponsorship Project: There were 180 employees QSMC and CSMC have been increased to be sponsored in 2016, and the sponsorship will keep till their graduations.</li> <li>▶ Furthermore, to encourage employees to enhance their capabilities, QCMC has also cooperated with Chongqing university and Renmin university of China for on-line education projects. In 2016, there were 212 employees applied college degree learning programs, and 84 employees applied bachelor degree learning programs.</li> </ul>
<p>Equality of culture and technology.</p>	<ul style="list-style-type: none"> <li>▶ Quanta Culture &amp; Education Foundation has been a long time contributor towards art education, art promotion, and preservation of art heritage.</li> <li>▶ Promote the “Design Education” program through the process of curating design expositions. Students and faculty can learn from each other, grow and create a learning culture of inspiration. In 2016, 12 schools, 40 instructors and 300 students have participated in this project.</li> <li>▶ To encourage innovative developments in education, Quanta sponsored creative education as well as international exchange programs for 20 schools and organizations. The number of beneficiaries is expected to reach 310,000 people. To ensure children from underprivileged backgrounds can also appreciate the joy of fine arts, the Quanta Arts Foundation also encouraged arts education and organized two public charity exhibitions, and invited 40 children from New Taipei City Happy Mount to the “Masters of Light and Shadow: Baroque” exhibition.</li> <li>▶ In 2016, a total of 19 touring exhibitions were conducted in 19 cities and counties across Taiwan, including two overseas galleries where we showcased the works of classical Western masters such as Millet, Van Gogh, and Chagall, as well as Asian artists such as Fan Kuan's Travelers Among Mountains and Streams and Huang Gongwang's Dwelling in the Fuchun Mountains. A total of 226 domestic and overseas schools and institutions have participated. In addition, 220 creative education and design courses as well as 20 instructor seminars were held, training 813 seed instructors and 4,932 little art guides. For the past 12 years, over 1,814 tours have been held, with more than 3,000,000 attendees.</li> </ul>
<p>We shall preserve and maintain traditions, encourage innovation, actively promote integration of technology and art.</p>	<ul style="list-style-type: none"> <li>▶ Quanta Arts Foundation integrated internal and external resources to realize three core objectives. The first is creativity encouragement: in 2016, the Foundation selected and subsidized 11 domestic performing arts programs. The second is Tech Art, including the QA Ring project, which has successfully propelled many Taiwanese artists to the international stage. The effective international exchange and promotion continues to be held in 2016. The third is cross-strait exchanges, including the performing arts festival “Live Your Life”, a stage performance platform for promoting performing arts in Chinese-speaking areas. The platform is home to many popular programs and the Foundation will continue to pursue even more touring opportunities and resources for artist international exposure.</li> </ul>

## Social Category Decent Work Product Responsibility

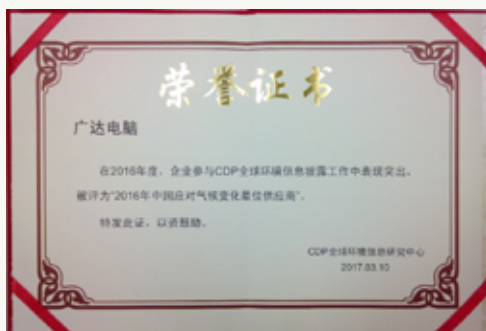
<p>Quanta applies on-site environmental, labor, human rights, and ethical standards for almost 300 new suppliers</p>	<ul style="list-style-type: none"> <li>▶ Quanta applies on-site environmental, labor, human rights, and ethical standards for new suppliers. Almost 300 suppliers, or nearly 47.33% of all suppliers were audited.</li> </ul>
<p>2016 Quanta Green Material Standards Conference - helping suppliers benefit from co-prosperity</p>	<ul style="list-style-type: none"> <li>▶ Four supplier conventions were held in Taiwan, Shanghai, and Chongqing. There are 913 attendees.</li> </ul>
<p>Green Quality Management The number of events that violate the relevant laws and regulations of the green product is zero.</p>	<ul style="list-style-type: none"> <li>▶ All products developed within the company (including computer peripherals, communication networks, multimedia, automotive electronics, medical equipment and other relevant products) meet the requirement of hazardous material free.</li> <li>▶ Products manufactured in 2016 can all satisfy customers' demands of green product and comply with the international regulations of green environmental protection. The number of events that violate the relevant laws and regulations of the green product is zero.</li> </ul>

## Management system

<p>Board of Directors approval</p>	<ul style="list-style-type: none"> <li>▶ Corporate social responsibility (CSR) strategies and guidelines has been continued to be approved and reviewed during the Board of Directors' Meeting and presented accordingly.</li> </ul>
<p>CSR performance has been included as part of performance management system</p>	<ul style="list-style-type: none"> <li>▶ Social responsibility has been included as part of the employees' work responsibilities and performance management assessment system.</li> </ul>

## External recognition and summary

- Ranked top 20% in the Second “Corporate Governance Evaluation” conducted by the Securities and Futures Institute.
- Received “Chinese Corporation of Quality and Integrity” by China Entry-Exit Inspection and Quarantine Association.
- Received “2016 Changshu City Food Safety Demonstration Unit” by Food Safety Committee of Changshu City.
- Received the “2016 Outstanding Enterprise of Safety Production” by Changshu City Yushan Town Safe Production Committee.  
by Fire Safety Committee, Shanghai, China.
- Received the “Third Session of Shanghai 119 Fire: Advanced Collective Award and Prevention Committee”  
by China CDP Global Environment Information Research Center.
- Received “2016 Best Chinese Suppliers in Response to Climate Change”  
by China CDP Global Environment Information Research Center.
- Received “Recognition of Quanta in Blood Donation”  
by Blood Management Office, Songjiang District, Shanghai, China.







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# Quanta Commitment & Stakeholders communication



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# Message from Chairman & Vice Chairman

Chairman

*Bang-Lan*

## CSR Vision & Mission

Due to the prevalence of the Internet, markets are changing faster than ever, bringing increasingly rigorous challenges to business operation. In response to this new competitive scenario, we firmly believe in the values of “Innovation, Change, and Excellence”, coupled with a positive mindset, non-stop exploration, and pursuit of excellence. We have created even better products and spectacular operation results.





## Vice Chairman

*C.C. Leung*

In recent years, Quanta has continued the hard work in its core business of technology manufacturing. Simultaneously, the Company has successively developed and integrated technology into areas such as healthcare solutions to access new market opportunities. Quanta is founded on the corporate spirit of “truth, goodness, and beauty”, and will continue to look forward and head into the future, and continue to bring human-centric values to the society.



## Market environment, trends, and competition faced by Quanta

### Market for notebook computers

In 2016, due to many uncertainties surrounding the development of the global economy including demand, the PC industry did not experience visible growth. The shipment for notebook computers was 154.7 billion units (IDC), a 5% decrease compared to 2015. As for the 2017 outlook for notebook computers around the world, due to several indicators, things may look more favorable again. Owing to the stimulus by Intel's launch of Kaby Lake, the next generation of tablet computers may stimulate a wave of demand for phone changes. There are also factors such as the commercial market growth of Windows 10, and the new licensing fee exemption plan by Microsoft that may impact growth. The expected likelihood that consumers may consider notebooks could grow as they realize inadequacies of overly small screens and inconvenient input functions provided by phones and tablet computers. Thus, it is expected the market will still exhibit signs of decline for the year, but the rate of decline may be less severe.

For 2017, the expected demand for desktop computers, tablet computers as well as smartphones may all prove difficult to boost. However, though the market has shown decline, the rate of decline has been moderated. The hope is the new rising demand in e-commerce and VR will propagate a new wave of demand for these products.

### Market for cloud computing businesses

According to DIGITIMES investigation and research, results show that the demand for cloud technology will continue to grow. Server shipments may also continue to grow. In addition, aid from cabinet/rack shipments by some businesses including cloud computing-related markets such as server boards, servers, storage devices and network equipment, growth may be expected to continue. It is estimated the amount of shipment for Taiwanese manufacturers in 2016 will be at NT\$558.5 billion, with an annual growth rate of 4.8%. For 2017, it is expected there will be another 5.9% in annual growth.

The main contributor to this growth is the increased demand for super-sized cloud computing data centers. Large data centers are being constructed all over the globe in response to the explosive growth of data, internet traffic, data storage, IoT, as well as services such as big data, data transfers, and cognitive computing services. In addition, an increasing number of "unicorn companies" with digital innovations are leaning towards building their own large cloud data centers as well as integrating resources of other large cloud data centers to meet efficiency optimization and cost utilization. The digital transformation of companies has also driven new market demand for cloud computing products with large corporations beginning construction of internal private cloud platforms, utilization of public cloud computing platform resources, as well as the establishment of locations all over the world. This will allow for a faster implementation of innovative services to the market, achieving agile enterprise transformations. These market trends shall effectively drive growth for shipments of servers, network storage and hyper-converged infrastructures in 2017.

## Major plans and key strategy in economic, environmental and social aspects

International research institutions have pointed out that Cloud, Analytics, Mobile, and Social (CAMS) services are the four major trends that will change the existing IT architecture. All industries would work towards cloud-based IT architecture in order to enhance overall productivity and competitiveness. Under such trends, the integration and innovation of various technologies as well as commercial IT have propagated Bank 3.0, Industry 4.0, VR, AR, Internet of Vehicles (IoV), Internet of Things (IoT), block chain, smart homes, smart healthcare, cognitive computing services and other innovations. International research institutions even predict that there will be an estimated 50 billion smart tech devices and 439 billion apps by 2020 globally thanks to the information application in these fields.

Quanta would continue to leverage our strength in R&D and to proactively diversify into other non-notebook products. We target to increase the proportion of non-notebook products in our product mix by leveraging the “New 3C” concepts to define mid and long-term R&D directions for new products and business model development. The “New 3C” concept is to integrate Cloud Computing, Connectivity Technology, and Client Device in our “3S” product development direction, which are Software, Services, and Software integration. Doing so will transform Quanta into a System Solution Provider in cloud-based environments. We strive to provide solutions based on our core value of human-centric automation services and to offer our clients the best product and service value.

In addition, aside from pursuing stable economic growth and performance, Quanta also follows four key frameworks to define our role in corporate social responsibility, which are Human-Centric, Environmental Protection, Green Products, and Social Participation. The framework ensures all corporate activities cover various aspect of economy, environment, and society. In the short term, the Company will focus on various activities in the upcoming year, including continued focus on green policies in product development, opportunities and risk management in climate change, energy and water resources management, promotion of lifelong learning, achievement of gender equality, and equality in cultural and technological advances. Following are key directions for the year ahead:

### Human-Centric

- ▶ Focus on EICC membership requirements and initiate relevant social responsibility assessments
- ▶ Reference to SA8000 and EICC regulations, Quanta will continuously improve our practice in labor relations, ethical guidelines, occupational health and safety issues, environment and management systems, as well as improvements in project implementation and stakeholder communication
- ▶ Continue to enhance quality of the company's obligations in conducting conflict minerals investigations
- ▶ Continue to improve upon the quality of CSR Annual Reports, to complete external audit, to comply with relevant laws in public announcements and disclosure, and to ensure transparent information disclosure

### Environmental protection

- ▶ Continue to focus on risks and opportunities in climate change and proceed with relevant assessments and management
- ▶ Promote zero waste-to-landfill project and enact measures to gradually reduce waste burning and landfilling to attain the objective of environmental protection
- ▶ Continue to promote energy saving and emission reduction measures and EEP projects; complete carbon-trading procedures in accordance with policies and regulations to reduce energy use and carbon emission.
- ▶ Gradually update and obtain certification of EHS system; continue to conduct ISO-14064 carbon emission system verifications.

## Green Products

- ▶ Continue to focus on green policy and R&D directions for product development to fulfill customers' expectations in green policy and R&D requirements
- ▶ Continue to focus on international standards and to ensure thorough compliance to environmental laws around the world
- ▶ Ensure suppliers meet our standards when conducting businesses, so the Company would also take into account of suppliers' compliance in code of ethics, green products, and environmental protection requirements

## Social participation

- ▶ Continue to commit our corporate social responsibility (CSR) efforts in areas of culture, knowledge, and caring of wealth equality, including:

### Public education - (Quanta Culture & Education Foundation)

- Philosophy: Equality of culture and sharing of technology.
- Two major objectives: "Bridging the gap of Chinese and foreign cultures" and "promoting education and innovation".
- Mission Statement: "Education as roots", "arts as foundation", "technology as application", and "creativity as method".
- Promote artistic education and improve the aesthetics of the general public
- Promote five major action plans: Immersed in arts, creative competitions, smart education, international arts exchange and public affairs.

### Performing art - (Quanta Arts Foundation)

- Continue the support of original Taiwanese works and establish a matching service platform for performing arts.
- Promote cross-strait cultural exchange activities and promote deep partnerships among creative talents from both sides.
- Award technological art innovation and creation and push Taiwanese works onto the world stage.
- Develop the community and social building capacity of "Quanta Hall" and establish the Northern Taoyuan Performing Arts Innovation and Performance Center.



# Quanta CSR commitment

## As an official EICC member

Quanta was formally inducted as a member of the Electronic Industry Citizenship Coalition (EICC) on March 1, 2006. It is the responsibility for Quanta Computer to comply with the announced EICC code of conduct in the process of product design, product manufacture, product sales, and the provisions of after-sales services to customers. Key business locations mentioned in this Report, including Taiwan QRDC as well as the QSMC, CSMC, and QCMC sites in China, are all covered by this Report.

When suppliers supply products or services to Quanta or our affiliates, we request that suppliers support and comply with our CSR policy and the EICC code of conduct. We also audit our suppliers from time to time to realize CSR standards.



## Other associations and activities

### Taiwan Electrical and Electronic Manufacturer's Association

### Cloud Computing Association in Taiwan

### Taoyuan City Human Resource Management Association

### CDP International Disclosure Project

After becoming part of CDP in 2009, Quanta began submitting CDP reports in 2010, and Quanta participated in CDP's 2017 annual supply chain report conference and received the honor of "2016 Best Chinese Suppliers in Response to Climate Change".

### Member of the Taiwan Huaya Technology Park Environmental Quality Monitoring Committee

Quanta is part of the Huaya Technology Park Environmental Quality Monitoring Committee as a committee member. Committee meetings were held every season to discuss the collection and spending of membership fees as well as various environmental audits and measures implemented in the Park. Combined fees paid in 2016 totaled NT\$311,011.

### Member, Shanghai Songjiang Fire Safety Association

Quanta is a member of the Shanghai Songjiang Fire Safety Association, participating in regular annual meetings and professional fire safety instruction programs. An annual fee of RMB 6,000 was required to be part of this Association.

## Directing Unit, Shanghai City Songjiang Production Safety Association

Quanta is part of the Shanghai City Songjiang Production Safety Association and was nominated as a fellow director of that Association. Quanta participates in regular annual meetings and organizes safety investigations, learning programs, and other events organized by the Association. An annual fee of RMB 3,000 was required to be part of this Association.

## Participation in Public Policies

The Quanta Culture & Education Foundation has built long-lasting partnerships with various schools and academic institutions by participating in a multitude of educational conferences. Meanwhile, the Foundation's Executive Director Lori Hsu was also invited as the main speaker of the Ministry of Education (MOE) Visual Aesthetic Education Program. The Foundation also cooperated with the MOE to promote project of "School Promotion of 'Aesthetic Education' and 'Quality of Life Created by Art' Celebrity Seminar Series and Book Series". We aim to promote aesthetics and beauty of art in our daily lives to teachers and students from all levels of schools so that they are able to taste and feel the art through their senses.

Participation Unit	Organizer
Member, Art Education Committee	Ministry of Education
Main speaker, MOE Visual Aesthetic Education Program	Ministry of Education
Member, K-12 Education Special Fields in Art Specialization Curriculum Draft Evaluation Conference	Ministry of Education
Member, Document Review Committee of the MOE STS Short-Term Study Scholarships	Ministry of Education
Member, Review Committee of the 2016 President's Education Awards-College Division	Ministry of Education
Member, Application Review Committee at 2014 "Art Instructors and All"	K-12 Education Administration, MOE
Member, Asia-Pacific Visual Aesthetic Education Circle	National Academy for Educational Research
Member, Review Committee for New Taipei City's Art School Review Meeting	Education Department, New Taipei City Government
New Taipei City Community College Review Committee	Education Department, New Taipei City Government
New Taipei City Junior High and Elementary School Art and Humanities Education Development Program	Education Department, New Taipei City Government
Keynote Speaker at the Second National Arts Education Forum	Education Department, New Taipei City Government
Development Committee for the Arts and Humanities Center of the General Education Center of the National Kaohsiung University of Applied Sciences	National Kaohsiung University of Applied Sciences

# CSR policy statement

## Obey CSR

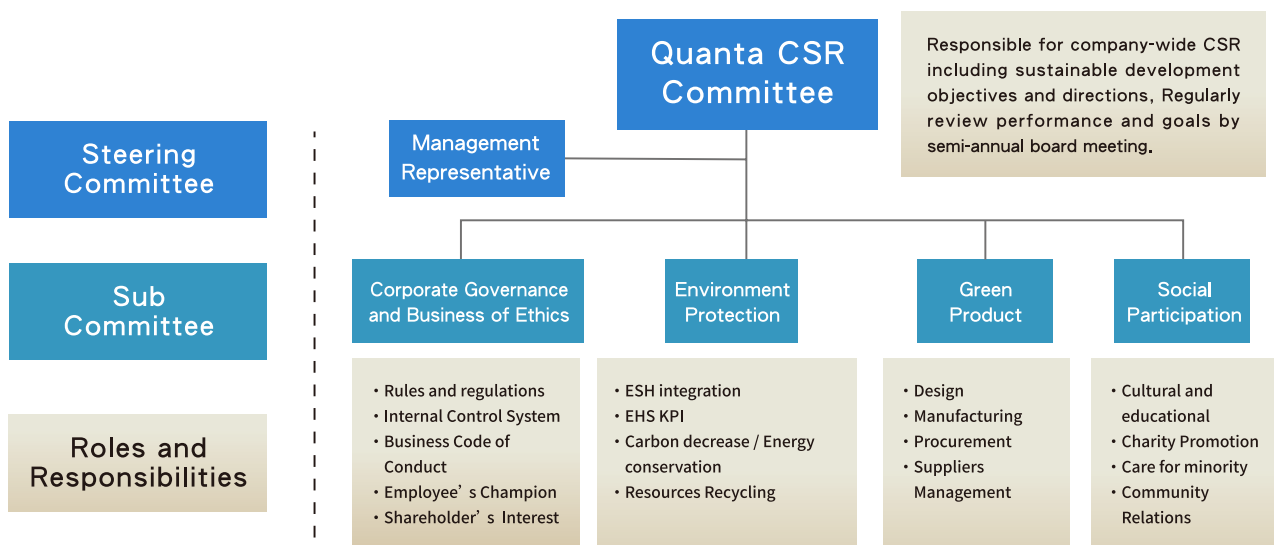
- ✓ No use of child labor, and does not accept its suppliers or subcontractors to use child labor.
- ✓ Respect employee’s freedom, prohibit any forms of forced labor and does not accept its suppliers or subcontractors to use forced labor.
- ✓ Provide safe and healthy work and living conditions, ensure employees’ safety and health.
- ✓ Promote cooperation between the labor and capital, respect employees’ opinions.
- ✓ Provide equal and fair working environments, and prohibit any forms of discrimination.
- ✓ Respect employees’ basic human rights, and prohibit any forms of insulting behavior.
- ✓ Arrange production schedule, employee’s working time and rest time reasonably.
- ✓ Provide reasonable salaries and benefits, which can at least satisfy employee’s basic needs.
- ✓ Respect employee’s right to associate freely and bargain collectively.
- ✓ Comply with the universal enterprise ethic standards.

## Compliance

- Compliance with SA8000 (Social Accountability 8000) \ EICC (Electronic Industry Code of Conduct) standards
- Compliance with related international laws, national and local laws and regulations.

## CSR Committee’s structure: Identify of Quanta related economic, environmental and social issues

The General Manager’s Office and highest ranking decision maker of the Chairperson's Office referred to the Social Accountability Manual and nominated the business management staff as the social responsibility management representative and agent. Any CSR-related economic, environmental, and social assessment and strategic management guidelines shall be discussed and reviewed by the Quanta CSR Committee. Discussion outcomes would then be approved by the General Manager's Office and highest ranking decision maker of the Chairperson’s Office before being submitted to the Board of Directors’ Meeting to be presented and approved.



To achieve CSR objectives, responsibilities shall be delegated to various functional units and personnel to implement relevant activities. Activity outcomes shall be assessed by performance management system. Relevant response measures shall be developed as required. A reasonable salary and remuneration policy shall also be established, with employee remuneration based upon his or her academic background, professional skills, performance, and business status to ensure that remuneration policies are compliant to the strategic goals of the organization as well as the interests of the stakeholders.

Step1-個人績效考核 Step2-職能評議 Step3-目標發展計畫 Step4-上傳考核表

### 個人績效考核

各項次所維護(新增或修改)之內容須先儲存後，再以此繼續維護其他項次。

儲存 CSR目標項目參考

目標類別	年度目標	年中實際成果	年中自評	年底實際成果	年底自評	順序	刪除
<div style="background-color: red; color: white; padding: 2px; display: inline-block;">KPI(*) CSR</div>			<input type="text"/>		<input type="text"/>		X

System screenshot of social responsibility included as part of the employees' job responsibilities and performance management



# Stakeholders Identification 、 Communication and Responsibility

## Stakeholders Identification and Communication

The identification of stakeholders follows six major principles of AA1000 stakeholder engagement standards, which includes Responsibility, Influence, Proximity, Dependency, Representation and Policy and Strategic Intent. The CSR Committee assessment team members and relevant representatives have conducted a assessment based on the aforementioned six major principles. And five major categories of stakeholders for Quanta Computer is identified, including shareholders and investors, customers, suppliers, employees and community.

All communication affairs within the Company are primarily conducted by the Governance & Business Ethics Committee in order to reinforce the communication and engagement between all stakeholders. All relevant departments are designated with specific job responsibility and work plan in accordance with its relationship with stakeholders. Quanta strives to ensure the fulfillment of responsibilities through all communication means and channels as a reference for preventive and corrective actions.

Stakeholders	Important topics and aspects / Page number	Primary responsibilities for Quanta Computer	Communication means and channels
Shareholders and investors	• Market Presence	27~30	<ul style="list-style-type: none"> <li>• Annual general shareholders' meetings</li> <li>• Conduct conference calls and press conferences for institutional investors to announce quarterly financial reports and operational performance</li> <li>• Timely disclose important announcements and financial information on the Market Observation Post System of Taiwan Stock Exchange Corporation and the Company's website</li> <li>• In addition to publishing major event announcements on the Market Observation Post System and the Company's website, the Company also issues news releases or hold press conferences from time to time pending on circumstances</li> </ul>
	• Economic Performance	38~40	
	• Environmental Regulation Compliance	27~30	
	• Supplier Environmental Assessment	36	
	• Investment	75~78	
	• Employment	47~51	
	• Customer Health and Safety	41~46	
	• Product and Service Labeling	81~84	
	• Customer Privacy	84	
	• Product Liability Regulation Compliance	33~36	
		36	

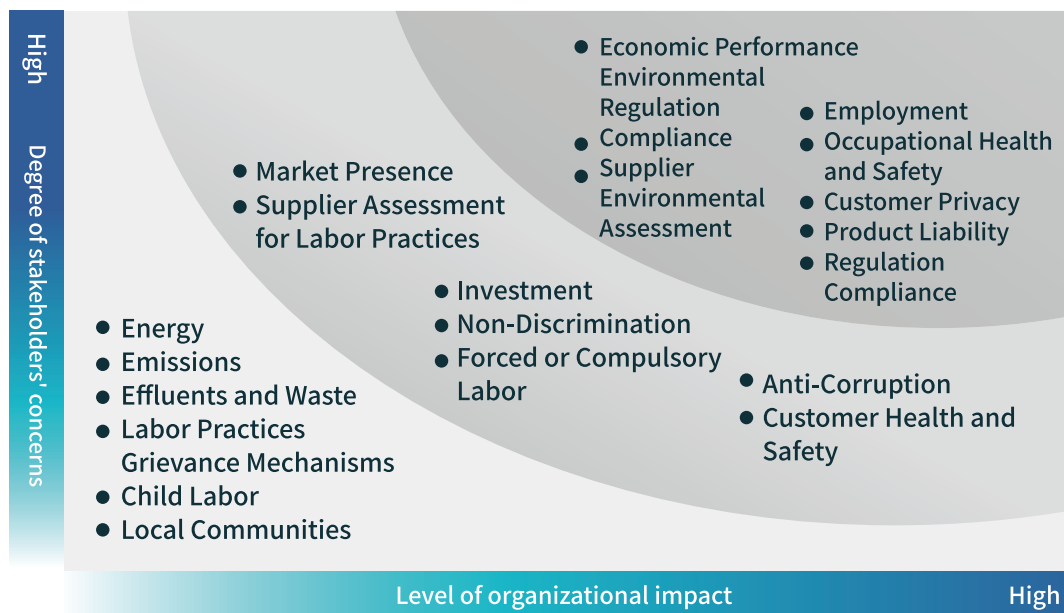
Stakeholders	Important topics and aspects / Page number	Primary responsibilities for Quanta Computer	Communication means and channels
Shareholders and investors			<ul style="list-style-type: none"> <li>An email and contact number are provided on the Company's website in order to establish a comprehensive communication channel between the investors and the firm</li> <li>A dedicated corporate IR (Investors Relations) department has been created</li> <li>To hold face-to-face meetings or telephone conferences with domestic and overseas institutional investors on a regular basis</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Non-Discrimination 45~46</li> <li>Unforced Labor 45~46</li> <li>Anti-Corruption 35</li> <li>Environmental Regulation Compliance 36</li> <li>Supplier Environmental Assessment 75~78</li> <li>Employment 41~46</li> <li>Occupational Health and Safety 53~58</li> <li>Customer Health and Safety 81~84</li> <li>Product and Service Labeling 84</li> <li>Customer Privacy 33~36</li> <li>Product Liability Regulation Compliance 36</li> </ul>	<ul style="list-style-type: none"> <li>Provide the most competitive and high-quality products and services</li> <li>Provide an integrated solution including service of design, production, and logistics as well as improve customer satisfaction</li> <li>Form close, long-term, and trustworthy business partnerships with customers</li> <li>Advocate employee's responsibility for confidentiality and establish rules governing employees in situations when confronted by press</li> </ul>	<ul style="list-style-type: none"> <li>QBR(Quarterly Business Review)</li> <li>Customer satisfaction survey</li> <li>Technology forum and seminar</li> <li>Meet customers' requirements and inspections on product quality, environment, and responsibility; cooperate with customers on prevention and improvement</li> <li>PIS – Advocacy and training of the rules governing employees in situations when confronted by press</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Market Presence 27~30</li> <li>Economic Performance 38~40</li> <li>Environmental Regulation Compliance 27~30</li> <li>Employment 36</li> <li>Supplier Assessment for Labor Practices 41~46</li> <li>Non-discrimination 75~78</li> <li>Unforced Labor 45~46</li> <li>Anti-Corruption 45~46</li> <li>Supplier Assessment for Impacts on Society 35</li> <li>Product Liability Regulation Compliance 75~77</li> <li>Product Liability Regulation Compliance 36</li> </ul>	<ul style="list-style-type: none"> <li>Promote legitimate and fair trade</li> <li>Understand environmental safety and health considerations and specifications</li> <li>Understand and provide assistance to Quanta for fulfilling social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Sign the Letter of Commitment to Environmental Protection</li> <li>Products must be tested by the accredited public laboratories</li> <li>Incoming inspection must be sampled and tested by the GP laboratory at Quanta</li> <li>green.quantacn.com</li> <li>Green supply chain annual convention</li> <li>Annual audit of suppliers and contractors</li> </ul>

Stakeholders	Important topics and aspects / Page number	Primary responsibilities for Quanta Computer	Communication means and channels
Employees	<ul style="list-style-type: none"> <li>• Employment 41~46</li> <li>• Non-Discrimination 45~46</li> <li>• Unforced Labor 45~46</li> <li>• Anti-Corruption 35</li> <li>• Occupational Health and Safety 53~58</li> <li>• Diversity and Equal Opportunity 38</li> <li>• Supplier Assessment for Labor Practices 75~78</li> <li>• Investment 47~51</li> <li>• Customer Health and Safety 81~84</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure and respect human rights</li> <li>• Promote employee development</li> <li>• Provide legitimate and fair evaluation and treatment</li> <li>• Promote environmental health and safety</li> <li>• Flexible benefits programs and health promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Bridge communications between supervisor and colleagues through face-to-face meetings from time to time</li> <li>• Provide “70885 - please help me” staff service hotline and message bulletin</li> <li>• Provide “70695 – please try to understand me” Complaint of sexual harassment hotline and mailbox</li> <li>• Equipped with on-site medical care staff to provide employees with medical consultation services</li> <li>• Free annual health examination and consultation for employees</li> <li>• Quanta Elite School provides five major ELITE programs based on different job functions to provide occupational training, development and feedback</li> <li>• Employee satisfaction survey</li> <li>• Quanta Quarterly Newsletter and bimonthly journal</li> <li>• “Employee Assistance Program” personnel available at all production sites to provide instant support and feedback</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Market Presence 27~30</li> <li>• Economic Performance 38~40</li> <li>• Supplier Environmental Assessment 27~30</li> <li>• Employment 75~78</li> <li>• Occupational Health and Safety 41~46</li> <li>• Investment 53~58</li> <li>• Non-Discrimination 47~51</li> <li>• Customer Privacy 45~46</li> <li>• Product Liability Regulation Compliance 33~36</li> <li>• 36</li> </ul>	<ul style="list-style-type: none"> <li>• Effective disaster and accident prevention and support</li> <li>• Continuously promoting knowledge sharing and culture affluence</li> <li>• Participate in various public welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Quanta Culture &amp; Education Foundation</li> <li>• Quanta Arts Foundation</li> <li>• Charity clubs at various manufacturing sites</li> <li>• Collecting community feedback</li> <li>• Maintain good interaction with competent authorities and participate in relevant seminars</li> <li>• Participation in external activities</li> </ul>

Note: All aforementioned communication channels are responsibilities and planned activities for each unit; except for questionnaires targeted to major issues of discussion, no specific items are conducted for the purpose of report preparation.

## Identification of scope of major topics and materiality analysis

The report contents are defined by considering GRI-G4 46 major aspects and feedback from questionnaires in order to identify preliminary important issues. Members of CSR Committee and assessment team representatives determine the scope and topics for disclosure by identifying the level of organizational impact, degree of stakeholders' concerns, and the previous communications between functions of respective departments and the stakeholders based on materiality of the AA1000 Materiality Test standards.



- (1) Top disclosure aspects include economic performance, environmental regulation compliance, supplier environmental assessment, employment, occupational health and safety, customer privacy, and product liability regulation compliance.
- (2) Secondary disclosure aspects include market presence, supplier assessment for labor practices, investment, non-discrimination, forced or compulsory labor, anti-corruption, and customer health and safety.
- (3) General disclosure aspects include energy, emissions, effluent and waste, labor practices grievance mechanisms, child labor, and local communities.
- (4) Calculation standards: Economic aspect assessment topics: 4.95 to 4.99 points – Average; 5.00 to 5.29 points – 2nd Tier; 5.30 points or higher – 1st Tier. Environment aspect assessment topics: 4.40 to 4.59 points – Average; 4.60 to 4.79 points – 2nd Tier, 4.80 points or higher – 1st Tier. Social aspect assessment topics: 4.60 to 4.69 points – Average; 4.70 to 4.99 points – 2nd Tier; 5.00 points or higher – 1st Tier.
- (5) The decision process of this year's major topic is carried out in accordance with data collected from the following stakeholders for engagement: shareholders & investors, customers, suppliers, Quanta employees, the general public, local communities, the media, schools & research institutions, fellow manufacturers in the industry, and others.

Through the report, it is hoped to pertinently explain the significant influence that the company has on economy, environment, and society. Furthermore, the report aims to communicate Quanta's CSR strategy, action plans, execution progress and management performance in a more comprehensive way to the interested parties such as investors, customers, employees, suppliers, local communities, and local government who keep a close watch on Quanta.

## Major Aspects on Specific Standards of Disclosure

Category	Aspects	Border (within the organization)				Border
		QRDC	QSMC	CSMC	QCMC	Outside the organization
Economics(EC)	-Market Presence -Economic Performance	●	●	●	●	-
Environmental(EN)	-Compliance -Supplier Environmental Assessment	●	●	●	●	●
Social	Labor(LA) -Employment -Occupational Health and Safety -Diversity and Equal Opportunity -Supplier Assessment for Labor Practices	●	●	●	●	●
	Human Right(HR) -Investment -Non-Discrimination -Forced or Compulsory Labor	●	●	●	●	●
	Society(SO) -Anti-Corruption -Supplier Assessment for Impacts on Society	●	●	●	●	●
	Product Responsibility (PR) -Customer Health and Safety -Product and Service Labeling -Customer Privacy -Compliance	●	●	●	●	-

Note: Disclosure of Economics (EC) and sub-category of product responsibility (PR) under Social category are determined within the organization. Environmental (EN) and sub-categories of Labor (LA), Human Rights (HR) under Social category include supply chain management outside the organization. Sub-category of Society (SO) under Social category also includes interaction with local communities outside the organization.





Corporate Social Responsibility  
Annual Report 2016

# Quanta Profile & Corporate governance



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# Profile of Quanta computer

## Company Introduction & Business Profile

Founded in 1988, Quanta Computer is one of the global leaders in the development and manufacturing of laptop computers. In addition to gaining a place in the laptop domain, Quanta also has expanded into other products including cloud computing enterprise network systems, home entertainment, mobile communication devices, and digital household products. The Company focuses on the expansion and integration within the industry.

Quanta Computer is the global leader in ODM/OEM industry for its R&D, design, manufacturing and service capabilities. The Company has built its reputation and leadership in the technology industry through its outstanding R&D capabilities and sophisticated manufacturing services. We provide the best overall value to customers by offering the most competitive total solutions in design, manufacturing and logistic services in the market. Total shipment of notebook computers in 2016 reached 40.4 million units which accounted for 26% of global market share, making Quanta the world's largest ODM for notebook computers. Quanta is also an important supplier for hardware equipments in cloud computing industry. The Company leverages leading technology, advanced and customized designs, and flexible services to provide integrated cloud solutions to customers. Our integrated cloud solutions support datacenter customers to build customized cloud environment and to optimize their products and services as well as gaining competitive advantages in the market. In recent years, Quanta continues to devote efforts in our core manufacturing business providing the market with lighter and more powerful laptop computers. We have also developed more advanced and efficient servers to meet the booming demands in cloud computing industry. Moreover, we concentrate our efforts in virtual reality (VR), augmented reality (AR), mixed reality (MR) and other related technologies to capture new business opportunities. Meanwhile, we also begin to develop solutions integrating advanced technology into healthcare field to explore new market opportunities.

Quanta operates on the philosophy of “innovation as core competence”, and “change as action plan”. We are devoted to the best practice on the coordination of mass production and distribution. Quanta achieves cost competitiveness through strong vertical integration in the supply chain. “QRDC” is our global headquarters and the center of dynamics, where we integrate global technology resources to ensure Quanta’s superior advantages in research, development, design and production of high value-added products and solutions are delivered to our customers. We have also established integrated operation centers across Asia, the U.S., and Europe for product manufacturing, configuration and services. Our global footprint enables the Company to deliver products and services competitively anywhere in the world.

Headquartered in Taoyuan City, Taiwan, Quanta has more than 5,000 employees in Taiwan and the majority are R&D and engineering personnel. In addition, Quanta has three manufacturing sites in China, including Shanghai, Changshu and Chongqing, where we provide clients with high quality products, efficient production and superior logistic services.

Quanta mainly exports its products to the U.S., followed by mainland China. In recent years, we have been aggressively expanding into the Asia-Pacific markets.

Quanta possesses unique advantages in product R&D, design, manufacturing and sales, and the Company has also set up assembly and after sales service locations in CA, USA and TN, USA. Additional sites are located in Aachen, Germany; Sao Paulo, Brazil; and Seoul, South Korea. We leverage the SAP system to provide notebook

customers timely delivery and technical supports; we have also realized the commercial revolution of “Global Direct Ship” where customers can place orders directly through the Internet. Through the integration of a complete supply chain, we achieved the superior advantage in delivering products within five days after an order is placed. The flexible production and advantage in speed has enabled Quanta to provide customers with high value-added services. Meanwhile, Quanta has also established repair and maintenance facilities overseas to provide fast aftermarket services, allowing us to assist our clients to further enhance their services to consumers and to further expand their market shares.

In response to the growing business in cloud computing, Quanta has already established sales offices in the U.S., China, Japan, and South Korea in recent years. We have also expanded into Europe and established an office in Germany. To further develop our datacenter products, Quanta has established Quanta Cloud Technology (QCT). Under QCT’s global operation strategy, we have established Solution Centers in the U.S., Germany, and Taiwan to provide and showcase various solutions for Internet Service Providers. Within a short period of time, we have become an important global hardware provider for cloud computing data centers with markets spanning across North America, Europe and Asia-Pacific regions. We will continue to grow with our clients and establish win-win partnerships.

Quanta has worked closely with top computer and electronic brands worldwide for decades, and has established long-term and trustful business relationships with our customers. Our R&D strength, product quality, manufacturing efficiency, global logistics and economics of scale enable Quanta to provide superior services to our customers and to ensure Quanta’s leading position in the global market. Besides gaining a place in the notebook computer domain, Quanta also aggressively expands into other marketplaces, including cloud computing solutions, enterprise network systems, household entertainments, mobile communications and digital household products.

In 2016, Quanta has more than 80,000 employees including QRDC, QSMC, CSMC and QCMC manufacturing sites. The Company went public on the Taiwan Stock Exchange in 1999 under the stock code of 2382.TW (Quanta Computer Inc.). No mergers & acquisitions or issuance of new shares took place for the duration of the report. Please refer to the table below for sources of capital, stock category and shareholders’ structure.

For information on corporate finances, please refer to Chapter IV - Financing Status in Quanta Computer Incorporated within the 2016 annual report.



Main production sites and service centers are distributed throughout seven countries, including Taiwan, China, U.S., Germany, Korea, Japan, and Brazil.

## Source of capital and category

Stock Category			Common shares	Total
Authorized Share Capital	Shares outstanding	2014	3,862,627,432	3,862,627,432
		2015	3,862,627,432	3,862,627,432
		2016	3,862,627,432	3,862,627,432
	Shares unissued	2014	737,372,568	737,372,568
		2015	737,372,568	737,372,568
		2016	737,372,568	737,372,568
	Total	2014	4,600,000,000	4,600,000,000
		2015	4,600,000,000	4,600,000,000
		2016	4,600,000,000	4,600,000,000
Remark			Note	-

- Note:
1. All shares issued are publicly listed.
  2. Shares unissued include corporate bonds that can be converted to 300 million shares and 50 million shares for employee stock option certificates.
  3. The company has not issued preferred shares.

## Shareholders' structure

Shareholders' structure		No. of Persons	Current share holding	Shareholding ratio %
Government agencies	2014	0	0	0.00%
	2015	1	6,199,000	0.16%
	2016	0	0	0.00%
Financial institutions	2014	44	394,137,582	10.20%
	2015	38	446,838,745	11.57%
	2016	39	513,729,862	13.30%
Other institutional investors	2014	195	1,030,884,607	26.69%
	2015	201	1,015,467,447	26.29%
	2016	175	977,022,779	25.29%
Foreign institutions and foreigners	2014	872	1,467,329,415	37.99%
	2015	849	1,387,971,156	35.93%
	2016	1,022	1,442,420,376	37.35%
Individual	2014	66,580	970,275,828	25.12%
	2015	70,861	1,006,151,084	26.05%
	2016	65,767	929,454,415	24.06%
Treasury stock	2014	0	0	0.00%
	2015	0	0	0.00%
	2016	0	0	0.00%
Total	2014	67,691	3,862,627,432	100.00%
	2015	71,950	3,862,627,432	100.00%
	2016	67,003	3,862,627,432	100.00%

## Economic Performance

Faced with increasing competition within the industry as well as rapidly changing international affairs, 2016 has been an especially challenging year for Quanta. In terms of revenue and profit, consolidated net operating income is approximately NT\$893.98 billion. Though the amount is slightly less than last year, the gross margin at 5.21% and operating profit margin at 2.14% are better than 2015's 4.61% and 1.81%, respectively. Quanta still managed to balanced results despite harsh challenges. Net profits after tax for 2016 and 2015 were TWD\$15.4 billion and NT\$17.7 billion respectively. Net profits which go to the parent company proprietors were NT\$15.1 billion and NT\$17.8 billion respectively. 2016 EPS is NT\$3.93. As for financial receipts and expenditures, non-operating income was NT\$1.2 billion.

In response to the ever-changing challenges, Quanta upholds the four major goals of “exceptional quality, technical dominance, meticulous management, and a bright future at Quanta,” and always seeks to reinvent and surpass itself. In terms of management, to meet a market of lower product quantity and greater diversity, we shall earnestly invest in efforts to develop new technologies as well as promote new products. This is in response to various technical integrations to ensure continued development and growth of the Company.

NT\$

Category	Consolidated revenues	Gross margin	Net profits after tax	Earnings per share	Cash dividends distribution
2014	Around 926.3 billion	4.51%	Around 19.24 billion	4.90	4.0
2015	Around 1007.3 billion	4.61%	Around 17.75 billion	4.62	3.8
2016	Around 894 billion	5.21%	Around 15.41 billion	3.93	3.5(*)

Note: Plans for 2016 earnings distribution has been resolved and adopted by the 2017 Board of Directors' Meeting and are awaiting resolution from the General Shareholders' Meeting before their execution.

## Revenue by category

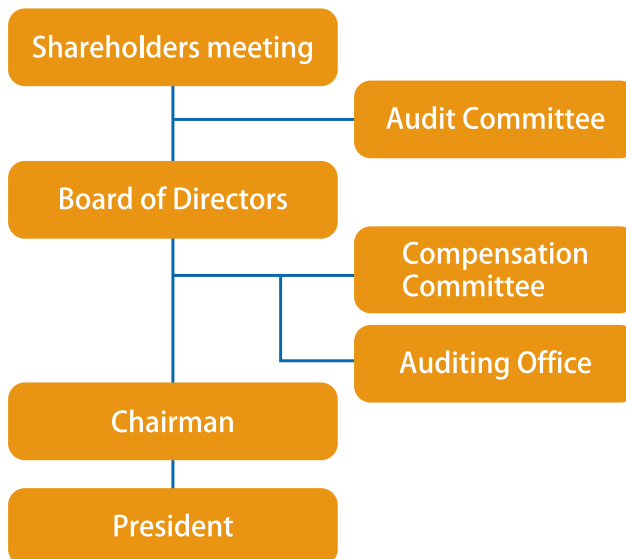
FY2016 key product categories by revenue;

Industry category	Product line	Percentage of revenue(%)
Electronics	Computer products	99.32%
	Other electronic products	0.68%
Total		100.00%



# Corporate Governance and Ethics

## Corporate governance organizational structure



## Board of Directors

The Company’s board of directors is one of the two main units in the corporate governance structure. In 2016, the Board underwent a total reelection, with results including the original five Directors (including two Independent Directors) and three Supervisors adjusted to seven Directors (including three Independent Directors). In addition, the Audit Committee was established, and the three Independent Directors who conduct Supervisor duties serve as ex-officio members. A candidate nomination system was adopted and shareholders elected candidates from the candidate list. The combined shareholding ratio of the entire Board of Directors was handled in accordance with securities authority governance regulations.

This Company referenced relevant laws to create regulations for the Board of Directors meetings, and the functions and modes of operation of the Board of Directors shall be implemented according to these regulations and laws. The Board shall be charged with supervising the overall operations of the Company. And the director of Audit Office will attend the board meeting to report the enforcement of the internal audit and present audit reports for reference. Major resolutions of the board of directors are disclosed in the Market Observation Post System and Company’s website.

Independent Directors; liability insurance coverage has been obtained for all members of the board. All current board members possess abundant corporate management or academic experience. The three Independent Directors are Dr. Wei-Ta Pan, President of Soochow University, Mr. Qi-Zhi Lu who possesses CPA qualifications and Dr. Pi-Sin Chen of National Taiwan University. Board meetings are convened at least once every quarter, with a total of eight board meetings convened in 2016.

For substantiating corporate governance, strengthening monitoring function, and enhancing management functions, Quanta Computer has the Company’s Rules of Procedure for board meetings stipulated for compliance in accordance with “Rules Governing the Board Meeting of the Public Company.” If the bill possibly involve whether the director’s interest or the interest of the corporation he behaves, and is detrimental to the Company’s interests, the involving directors must follow the principle of avoiding any conflicts of interest for the protection of the Company’s and shareholders’ interests.

## Audit Committee

The Audit Committee serves as another major unit of Quanta's corporate governance structure. Previous Director and Supervisor term limits expired on June 23, 2016. The Audit Committee was established after reelection, replacing the capacity of Supervisors.

The three Independent Directors shall exercise their rights in lieu of Supervisors as ex-officio board members, with Dr. Wei-Ta Pan acting as committee Convener and meeting Chairperson. In addition to convening meetings on a quarterly basis and keeping tabs on overall company operations, the committee also participates in the operations of the Board and provides inputs when appropriate.

The committee exercises the monitoring of company operational affairs in place of Supervisors, and shall investigate corporate business affairs and financial matters at any time, audit books and documents, as well as request reports from the Board or Managers, monitor internal control of the company as necessary to lower risks to company operations.

Members of the Board all possess professional backgrounds, with most of them currently practicing professions within their respective fields, and participate in related training courses and obtain certifications in accordance to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".

## Internal control

For the purpose of promoting the Company's sound management, Quanta has the Company's internal control system designed and established in accordance with the "Rules Governing the Establishment of Internal Control System by the Public Companies" and the consideration of the Company's overall operating activities. The Company's internal control system is resolved in the board meeting to reasonably ensure operational effectiveness and efficiency, the reliability of financial statements, and the compliance with the governing regulations.

The Auditing Office is formed in accordance with the law and it is responsible for the effectiveness and integrity of the internal control system enforcement as well as for the persistent and ad hoc supervision of an audit. The Auditing Office is to have the annual auditing plan drafted up for the approval of the board of directors in advance. All audit reports must be audited by Independent Directors and Supervisors (before June 2016) or by members of the Audit Committee (in or after June 2016). The director of Audit Office is invited to attend the board meeting to report the enforcement of the internal audit and present audit reports for reference.

Quanta Computer has been without any significant internal control nonconformities identified and has had its internal control system implemented in 2016.

## Remuneration policy

Quanta's remuneration policy is based on the performance. According to this policy, remuneration for upper level management officers is directly related to economic performance and partially related to environmental and social performance. For details, please refer to the information about to management officers in Quanta Computer Incorporated's annual report, Chapter III - Corporate Governance.

## Remuneration Committee

### Committee Members:

The company's Remuneration Committee is comprised of three members: Dr. Wei-Ta Pan, Mr. Qi-Chi Lu, Mr. Jin Lin, with Dr. Wei-Ta Pan as the committee's Convener and meeting Chairperson. Mr. Lin resigned due to personal reasons on January 4, 2017. The Board employed Mr. Wei-Bin Li as the new member on March 28, 2017. His term begins from date of the resolution by the Board until June 23, 2019, which is also the date of the term limit for this Board.

### Remuneration Committee Operation Information:

- Stipulation of the "Remuneration Committee Charter": The company resolved its "Remuneration Committee Charter" on August 31, 2011 in accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act as well as the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter," announced by the Financial Supervisory Commission. Committee member term limits are the same as for the appointing Board.
- First term members' term limit: September 30, 2011 to June 17, 2013.
- Members of the first term continue to serve in the second term. They were employed by the newly-elected Board on June 24, 2013 and served for three years. The term began from the date of employment until June 23, 2016.
- Members of the second term continue to serve in the third term. The term began from the date of employment until June 23, 2019. The Remuneration Committee convened three times in 2016.

## Business Ethics

Quanta has created, Guidelines for Ethical Corporate Management, Corporate Governance Best Practice Principles, and Guidelines for Codes of Ethical Conduct that can be reviewed at Quanta Computer's official website / investor services / corporate governance / rules and regulations.

The Code of Ethical Business Conduct requires all employees to have integrity and be trustworthy, and includes a list of rules for corporate governance and employees. The Human Resource Center will oversee the state of the Company, and check the need to adjust, revise, or expand the Code of Conduct. The revised Code shall be approved by the General Manager and announced on the intranet and include a declaration of avoid conflict interest before being implemented accordingly.

Quanta will remind corporate governance members and employees to read and sign the Code of Ethical Business Conduct online to indicate compliance. All employees must substantiate and ensure understand, accept, and comply with the requirements. And we also seek for the understanding and support of the Company's customers, suppliers, business partners, and others related to the Company's business operation. In addition, Quanta also released an EICC compliance statement to the supplier, the statement can be perused online and signed by the supplier. Each year we select suppliers who peruse and sign the statement online and confirm their EICC VAP reporting condition or arrange onsite audits. The fulfillment rate for this requirement for 2016 was 100%(About 20 suppliers).



Supplier's EICC Compliance Statement and Notification for Quanta

All of the employees shall be alert to any activity against the Code of Conduct. Should they have any questions or find any activity against the Code of Conduct, they shall be obligated to report to their executive officers. If necessary, they may report to the HR executive officer or internal audit manager, or via the employees' complaining channel. Quanta will protect the complainant from unfair retaliation or treatment in the process of the investigation in which the complainant participates upon his/her complaint about the misconduct.

Stakeholders can use the Quanta official website / company information / stakeholder information / communication channels to submit their opinions or inquiries for CSR or business conduct, which are offered in three languages: traditional Chinese, simplified Chinese, and English.

Corporate social responsibility (responsible CSR contact window in each site)  
[http://www.quantatw.com/Quanta/chinese/service/contact\\_csr.aspx](http://www.quantatw.com/Quanta/chinese/service/contact_csr.aspx)

Ethical business conduct (independent window at the HQ)  
[http://www.quantatw.com/Quanta/chinese/service/contact\\_bc.aspx](http://www.quantatw.com/Quanta/chinese/service/contact_bc.aspx)





## Anti-corruption and Avoid conflict of interest

Employees must avoid causing any conflict of interest or potential influence between personal interest and corporate interest. Therefore, employees must fully report and explain the conflict of interest between personal interest and corporate interest voluntarily and immediately upon the occurrence of the following: Employees or their family dependents/close relatives hold an employment relationship with Quanta's suppliers, customers, or competitors, or, there is a direct or indirect financial interest in existence, or, employees or their family dependents/close relatives cause direct competition against Quanta in business with their activities outside the company, or, any work or responsibility that may interfere with their job performance in the company, or, utilize the Company's resources without authorization to conduct private activities outside the company. The receipt and transfer of gifts or entertainments by direct blood relatives, spouses, or family members shall also be prohibited.

The work regulation stipulates "employees should not use their office positions to seek profit for themselves or others; they may also not accept kickbacks, inappropriate gifts, invitation or other unlawful benefits". Every year, the colleagues need to fill in the "conflict of interest avoidance declaration", which clearly states the employment ethics regulations. The declaration requests all employees to perform their duties by upholding the spirit of honesty, meticulousness and dedication. No bribes in any form may be demanded, accepted or offered by the employees. In instances when necessary acceptance of courtesy gifts or entertainment must not exceed US\$100 (400 RMB for Mainland China) in value. The cumulative annual value of all gifts an employee may receive from same gift giver must not exceed US\$200 (800 RMB for Mainland China). The Code also states where the value exceeds said limit, the said item shall be, by principle, submitted to the relevant personnel for subsequent handling.

Money lending, forming rotating saving and credit schemes, and serving as a guarantor of properties or identity shall be avoided among employees. Managerial ranks must be aware of their own commanding authority. Unless written consent from the head of department and General Administration Office is acquired, one must not borrow money from any subordinate. Supervisors may not use their positions or privileges to sell or promote merchandise or services not belonging to the Company.

This Company also has the Regulations for Board of Directors' Meetings as well as principals for recusal by directors. If a director or artificial person has a personal stake in a proposal presented at the meeting, and there is a reasonable likelihood this could prejudice a decision with regard to the best interests of the Company, the director may represent his or her opinion and answer inquiries, but may not participate in the discussion or vote on that proposal. The said director shall also recuse himself or herself from any discussion and voting, and may not exercise proxy voting rights on behalf of another director.

For communication and training of anti-corruption policies, both the QRDC and the sites in Mainland China shall include relevant content within their training courses for newly hired staff and require employees to access the online conflict of interest recusal system on an annual basis to gain a better understanding. For declarations related to recusal due to conflicts of interest, with the exception of fellow employees who were take long leave or extended unpaid leave, the declaration rate for the corporate governance levels and indirect personnel owning computers at every site located in Taiwan and China was 100%.

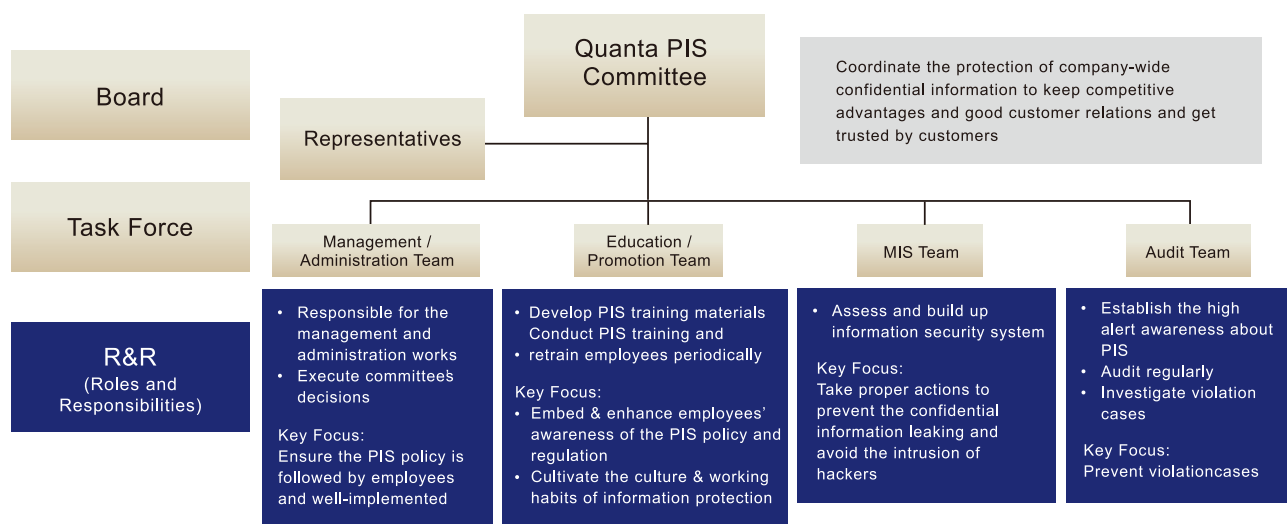
Category	2014	2015	2016
Declaration Rate (*note)	100%	100%	100%

Note: Aside from colleagues who are on leave or temporary leave without salary, 100% colleagues with indirect labor who can access to computers in various sites, all filled in the conflict of interest avoidance declaration. The period of declaration statistics is September 14th to October 2nd.

## Proprietary Information Security

The confidential information of the Company and customers must be kept in confidential. Quanta has had a Proprietary Information Security (PIS) Committee, convenes a review meeting biannually, expects our employees and supply chain to fully understand and comply with the emphasis on and request of confidential information.

In 2016, the PIS Committee Meeting mainly discussed topics that included protection of confidential information, eradicating use of illegal software, and the four major unacceptable behaviors concerning software usage. In 2016, the number of complaints for verified violations of the customer's privacy or incidents related to loss of customer data was zero.



## Compliance with company regulations

In operation, Quanta has been working in compliance with the domestic and foreign related laws and regulations, pays attention to the addition and changes of business operation regulations in order to ensure that Quanta strictly upholds the obligation of complying with regulations and reduces the risk of direct finance and indirect loss of goodwill. On the positive side, we hope to achieve the goal of expanding Quanta's operating capacity through compliance with the laws. There were no environmental or product-related violations by Quanta in 2016. The Corporate Governance and Business of Ethics sub-committee under the CSR Committee has been compiled and summarized legal compliance of each site every quarter and hold a joint meeting every six months.



Corporate Social Responsibility  
Annual Report 2016

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# Human-Centric



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# Employee overview

## Employee diversity and equal opportunities

Quanta is a human-centric company, which means we are committed to creating a non-discriminatory work environment and culture. Corporate management in both Taiwan and China may not discriminate against employees in recruitment process and career-related affairs (such as promotion, rewards, or offering of training opportunities) in terms of ethnicity, skin color, age, gender, sexual orientation, race, disabilities, pregnancy, religious /political beliefs, membership in social groups, or marital status with the hope of ensuring that every employee could maximize their potential and skills. Various management policies must comply with statutory regulations stipulated by local governments. These policies would also be promptly revised and modified accordingly to changes of government regulations.

## Employee Structure

Site	Gender	Employment Category								No. of Persons					
		Employee				Dispatched		Intern		Subtotal		Total			
		2015		2016		2015	2016	2015	2016	2015	2016	2015	2016		
		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term										
QRDC	Male	4,058	0	4,018	0	14	18	0	0	4,072	74.24%	4,036	73.73%	5,485	5,474
	Female	1,402	0	1,429	0	11	9	0	0	1,413	25.76%	1,438	26.27%		
QSMC CSMC QCMC	Male	2,538	32,609	2,990	47,832	7,465	4,588	470	1,467	43,082	56.95%	56,877	70.88%	75,650	80,245
	Female	1,222	28,369	1,422	20,679	2,631	834	346	433	32,568	43.05%	23,368	29.12%		
Total	Male	6,596	32,609	7,008	47,832	7,479	4,606	470	1,467	47,154	58.12%	60,913	71.06%	81,135	85,719
	Female	2,624	28,369	2,851	20,679	2,642	843	346	433	33,981	41.88%	24,806	28.94%		
	TTL	9,220	60,978	9,859	68,511	10,121	5,449	816	1,900	81,135	100.00%	85,719	100.00%		

\*\*Statistics conducted at the end date of each year (12/31); this report provides statistics from 2014 to 2016.

\*\*Recruitment in Taiwan and China sites does not discriminate based on race. Hence, no statistics on ethnic minorities were disclosed in this report.

## Age categorization and analysis

Region	Organizational member	Age range	2014	2015	2016
QRDC	Members of organizational governance	Below 30 years old	0.00%	0.00%	0.00%
		30 to 50 years old	0.00%	0.00%	0.00%
		Above 50 years old	0.03%	0.04%	0.04%
		Subtotal	0.03%	0.04%	0.04%
	General members	Below 30 years old	0.81%	0.94%	0.87%
		30 to 50 years old	4.01%	5.33%	5.00%
		Above 50 years old	0.29%	0.45%	0.48%
		Subtotal	5.10%	6.72%	6.35%
Plants in Mainland China	General members	Below 30 years old	87.07%	81.63%	76.48%
		30 to 50 years old	7.78%	11.58%	17.10%
		Above 50 years old	0.02%	0.03%	0.04%
		Subtotal	94.87%	93.24%	93.61%
Total			100.00%	100.00%	100.00%

\*\* Members of organizational governance refer to personnel that are of higher ranking than vice presidents (VPs included)

## Ratio of employees protected by the Collective Agreement Act

QRDC has Employee Welfare Committee and labor-capital meetings, QSMC & CSMC have Labor unions. The ratio of protected employees is 100%.

Quanta Chongqing Manufacturing City (QCMC) has acquired permits from the local government. Assessments and implementation on relevant actions are according to the schedule planned by the Shanghai Manufacturing City Union. Hence, no statistics are currently available.

## Ratio of Base Wage between Male and Female Employees

In order to take good care of economic and social benefits for employees, all employees of entry level of all genders, ratios of the standard salary compared with the local minimum salary are all 100% or higher(QRDC: 100%、QSMC: 100%、CSMC: 102%、QCMC: 103%).

According to the Act of Gender Equality in Employment in QRDC, gender discrimination is strictly prohibited, while the starting salary for male and female employees is equivalent to the base wage. According to the Labor Law in QSMC, CSMC and QCMC, workers are entitled to equal rights to receive remuneration; besides conforming to the minimum wage stipulated by local governments, men and women are offered identical starting salaries. The highest guiding principles for compensation and welfare policies would need to comply with local government regulations and laws. Quanta shall review trends in local compensation and welfare laws and the effective dates of any change in regulations to make timely modification and adjustments to company policies.

## No child labor and protection of young workers

In order to fulfill our obligations to the international human rights conventions, comply with local laws, and answer responsibly to our clients and stakeholders, Quanta forbids the recruitment and use of child labor. Minors shall not be engaged in dangerous tasks and any employees under 18 shall be given proper legal protections of their rights and interests in accordance with the law.

As for the prohibition of child labor and protection for under aged labors, various sites in China have established risk contingency plans( there are no high-risk sites after assessments in 2016),

which include: In the event that employees under 16 years of age have been recruited, or when employees under 18 have been recruited but the site failed to identify his/her age in time, these incidents must be disclosed accordingly. Once verified, the HR supervisor and social responsibility management units must be notified as soon as possible. The HR supervisor shall then notify the relevant authorities accordingly. HR must stipulate a fallback plan for upper management and decision makers (the plan must include: termination of contract, contacting the minor's family members to take him/her home, providing necessary compensation, trainings for recruiters on identity verification, and enhancing the function of identity verification systems). The plan shall be implemented and records shall be maintained accordingly.

Relevant control measures may include: clearly stating minimum age restrictions in the recruitment rules; stipulation of Child Labor Management Procedure and Young Worker Management Procedure, regular training for HR personnel, and improving the competency in verifying the age and identity of employees. The social responsibility management department shall carry out checks and audits at recruitment sites to ensure that no child labor has been intentionally or unintentionally recruited, and to ensure proper identification of under-age laborers or employees.



Under-aged laborers who have been recruited shall be given proper protection of their rights and interests as required by law. Various departments shall provide support in regulating the registration of minors, work positions, working hours, health examinations, and other activities. These measures include:

- Establish a HR database that records and tracks under-aged laborers
- Register under-aged laborers by HR units in compliance with local rules
- Prohibit under-aged laborers to work night shifts and establish a system to remind them of work hour restrictions
- Review information of under aged laborers on a monthly basis by HR units. The list of names shall then be provided to the infirmaries of operation departments to provide under-aged laborers with health examinations as required by law
- Health and safety departments shall refer to local laws to update and maintain a list of hazardous job positions, and have a Line Inspection Task Force conduct daily patrols to prohibit under aged laborers from working in these hazardous positions.
- Company compensation shall be directly issued to the employee to prevent any form of legal violations, reductions, or disputes

In 2016, there are zero child laborers at all sites. Customer audits and internal audits conducted by the company revealed zero violations in the item of under-aged laborers.

# Employee relationship

Employees are the basis of every corporation. Continuing excellence in corporate development are dependent on the support and hard work of the employees. Stakeholders also expect Quanta to focus on human rights and practices, and to fulfill CSR obligations during everyday operations.

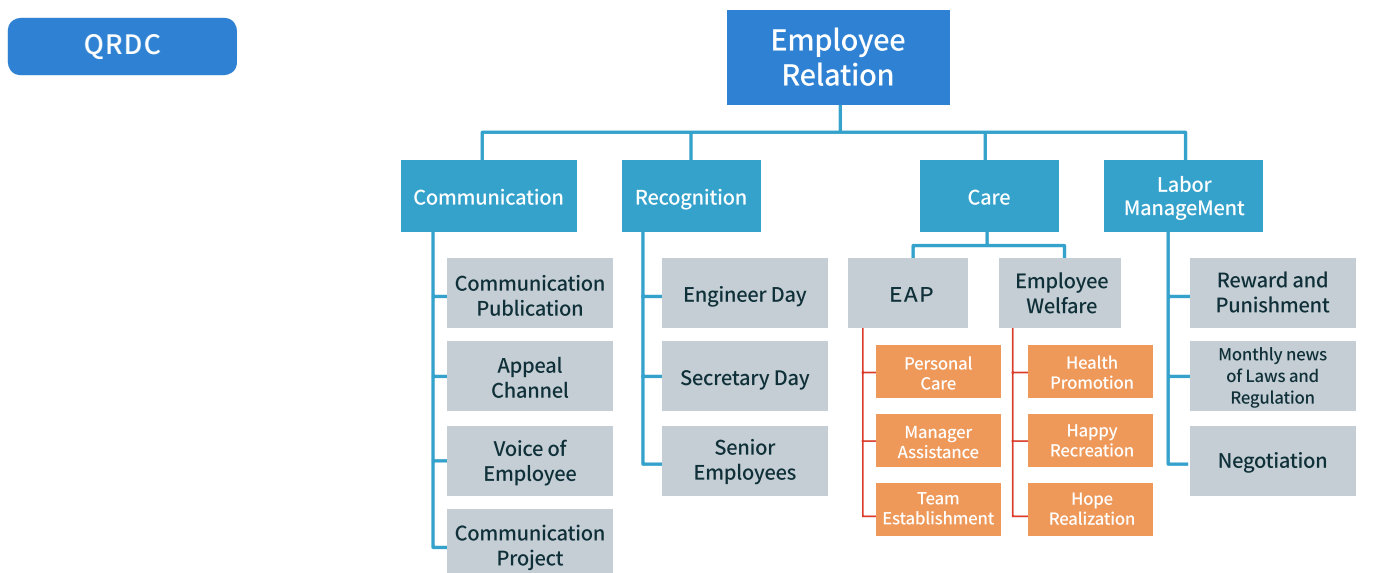
Quanta fulfills its anti-discrimination commitments and prohibits the discrimination of people based on ethnicity, skin color, age, gender, sexual orientation, race, disabilities, pregnancy, religious and political beliefs, membership in social groups, or marital status during decision making processes for recruitment, employment, promotion, or trainings. Any tangible or intangible decisions shall not be made according to any or part of the aforementioned factors. Instead, decisions shall only be made according to competence, willingness, and work performance.

Quanta upholds the values of human-centric and harmonious development of both the corporation and our fellow employees. We have integrated various departments and channels to develop an equal, open, and a united employee relationship. The corporate social responsibility (CSR) system was established along with the CSR Manual, Unforced Labor Management Procedure, Anti-Discrimination Management Procedure, Punishment Management Procedure, Employee Appeal and Report Management Procedure, Sexual Harassment Prevention Regulations, and Manual for Handling and Preventing Illegal Violations during Work in order to manage relevant operations and prevent relevant risks.

Each factory accepts internal audit procedures and second or third party audits from customers related to labor, health, safety, environment, management system, business ethics, etc. according to operational requirements. Base on audit results, to eliminate and prevent the possible risks.

## Employee relation improvement structure

We care very much that employees receive appropriate care and attention here at Quanta. We also try very hard through all kinds of communication channels to recognize incentive measures, care and assistance, multiple activities and new knowledge of laws, and to ensure that employees not only enjoy high-level hardware facilities, but also gain physical and mental satisfaction as well as full development in team interaction!



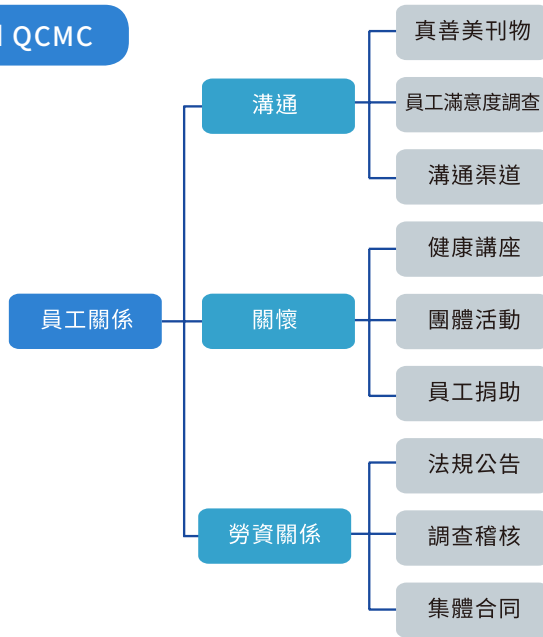
## Lunch with the General Manager

BU representatives are invited for a lunch meeting with the General Manager where they provide details pertaining to company developments as well as our future direction. Any questions concerning management will be explained as well.

## Manager Assistance

Supervisors are first-line personnel managerial officers. Case management courses were offered to improve managerial techniques of the supervisors, promote communication and mutual care between supervisors and employees, and establish a positive employee-employer relationship.

### QSMC, CSMC and QCMC



Category	Establishing	Mission	Important benefits
Union committee	Since October 2011	Promote work harmony Promote corporate development	<ul style="list-style-type: none"> <li>Participate in stipulating joint contracts for employee salary, supervise employee punishment, and promote employer-employee relationships</li> <li>Develop and establish House for Moms offers free training</li> <li>Exclusive applications for severely illness employees</li> <li>Pratt &amp; Whitney project for labor union members (CSMC).</li> </ul>
Morale Support Team	Since November 2011	Promote corporate culture Improve management Opinion feedback and communication Facilitate improvement of employee skills Creating a healthy work atmosphere Creating a better world for all	<ul style="list-style-type: none"> <li>Utilize the platform's constant communication with employees to organize group activities, promote Quanta's corporate culture, engage in project promotions, create a sound work environment, promote and improve upon the 5S values, initiate various social</li> <li>responsibility surveys, including surveys on social welfare and salary, collect employees' opinions, and ensure timely feedback as well as handling employee opinions and appeals.</li> </ul>

## Full-time Employee benefits

### QRDC

- Social insurance and retirement benefits: including Labor Insurance, National Health Insurance and Labor Retirement Pension.
- Other benefits

Category	Content	
Group Insurance	To look after employees' lives, and ensure safety of the employees, we purchase insurances ranging from the life insurance, critical illness, injury insurance, injury medical insurance, hospitalization and medical insurance, cancer medical insurance and family dependent group insurance at their own expense	
Occupational Accident Insurance	Enhance the salary income compensation in the event of when employees suffer from occupational accidents resulting in death, disability, injury or illness, or loss of working ability	
Business Travel Insurance	Enhance the insurance applied when employees encounter accidental injuries or sudden illness resulting in death, disability and medical expenses while on business travel abroad	
Employee Welfare	Employee Caring	Provide allowances for festivals, birthdays, marriages, births as well as emergency expense subsidies for employees.
	Subsidy	Provide benefits and subsidies in accordance with needs of employees which include employee benefits packages, education and scholarships for children, subsidies for nursing, care for the elderly, business insurance, housing rentals and mortgages, and continuing studies.
	Various Activities	Organize various activities including summer camps, mixers, music performances, and life and health seminars. Assist in community development and subsidize group recreation activities for each department to promote balanced living for employees, attain sound employee-employer communications and harmony.
	Facilities	Canteen, Fitness center and laundry room
	Others	Meal compensation, shuttle service, annual health checks and Employee Assistance Program (EAP), etc.



## QSMC, CSMC and QCMC

- Social security and retirement welfare: Refer to relevant regulations of social welfare bureaus and make relevant insurance payments
  - Provide “Five Social Insurances/One Housing Fund” for employees with urban household registration (including endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and Housing Provident Fund)
  - Provide “New 5 Social Insurances” for employees with rural household registration (including endowment insurance, medical insurance, employment injury insurance, maternity insurance, and unemployment insurance)
- Other benefits

Category	Content	
Group Insurance	Covering the accidental medical treatments, disability compensation for accidental and employment injuries, death compensation for accidental and employment fatality	
Occupational Accident Insurance	Enhance the salary income compensation in the event of when employees suffer from occupational accidents resulting in death, disability, injury or illness, or loss of working ability	
Employee Welfare	Various Activities	Year-end party, annual celebration, topic specific group activity and club activities, etc.
	Facilities	Canteen, Fitness center, Information room, iPad Room, and laundry room
	Others	Meal compensation, shuttle service, annual health checks and Employee Assistance Program (EAP), etc.

## Return to work and retention rates after parental leave

Lactation rooms were provided for female employees who need to breastfeed their children. The Employee Welfare Committee also signed contracts with quality nurseries in the area to provide day care services for employees at discount prices. To uphold the government's policy for providing unpaid childcare leave, employees may apply for unpaid childcare leave under provisions of Act of Gender Equality in Employment and may be allowed to apply for further extensions or early return to her position as required.



Item	Gender	2015				2016			
		Employees		Subtotal		Employees		Subtotal	
Number of employees applying for the parental leave	Male	7	25%	28	100%	7	21%	33	100%
	Female	21	75%			26	79%		
Number of employees to be reinstated in the current year	Male	3	20%	15	54%	6	46%	13	39%
	Female	12	80%			7	54%		
Actual number of employees reinstated in the current year	Male	2	67%	11	73%	5	83%	9	69%
	Female	9	75%			4	57%		
The Retention rate of the current year	Male	2	100%	10	91%	Retention rate is the ratio of the number of employees who are still employed 12 months after unpaid childcare leave to employees who report back to work. Retention rate for this year shall be disclosed in the 2017 annual report.			
	Female	8	89%						

\* Quanta complies with the Act of Gender Equality in Employment and any employee who meets the legal criteria may apply. We do not conduct unpaid childcare leave criteria investigation for all employees for the indicator disclosure needed, such as working status of their spouses, number of children, and the number of children three years of age or older would be required.

\* Explanations for lack of disclosure in the mainland Chinese sites: According to local laws in mainland China, female employees shall be provided with maternity leave. However, there are no rules for regulating parental leave.

## Anti-discrimination and unforced labor measures

Various sites in Mainland China established potential risk contingency plan for illegal use of deposits, fees, withholding of salary and loans for recruitment, confiscation of personal identification documents and coercing forced labor, and there are no sites at high-risk after assessment in 2016.

Risk control measures include: labor affairs agreement regulations, pre-employment fee investigations by HR department, recruiters to promote awareness of Quanta's policies at staffing agencies, CSR bulletin boards and promoting awareness of Quanta's policies with employees, training for new employees, on-site audits of staffing agencies, unannounced CSR reviews, and various appeal channels for employees who wish to reflect relevant problems.

### Management policies and activities

- No personnel shall be required to lodge deposits, identity papers, graduation or degree certificate upon commencing employment with the company
- Any worker that the company hires should be voluntary. The company prohibits any compulsory, fraudulent measure to hire anyone.
- Nobody can restrict others' freedom of movement during the work break and the meal break. All departments should work out the procedure on leaving one's position temporarily (including using toilet and drinking) during the working time to ensure labor's freedom of movement.
- When overtime is required by the business operation, the employees can choose to work overtime voluntarily. If one chooses not to work overtime, nobody shall discriminate, threaten, intimidate, insult him/her or reduce his/her salary.
- The security personnel are responsible for maintaining the plant's working order and protecting the property and employee safety. They must not beat or abuse workers, frisk workers by force or restrict workers' freedom of movement. In case of emergencies, they should report to the local police immediately.
- All supervisors are responsible for work support, instruction and appraisal, but they can not use any kind of inhumane treatment such as restricting movement, beating, oral abuse, starvation, or threat.
- No punishment shall include penalty; individual punishment records shall not reveal the identity and personal information of the employees when announced.
- Prohibits any means of delaying an employee's resignation. Upon completion of the legally required resignation procedure, the employee is free to leave his or her position or terminate his or her employment contract with the company. Termination of the employment contract shall not result in any penalty or loss on the employee.

### Strengthen Supervision and Management of Labor Agencies

Recruitment companies and staffing agencies must sign Labor Affairs and Labor Agency Contracts to ensure that contract laborers are given similar wages, social welfare payments, work environment, and work safety protection as regular employees. Any possible risks related to labor affairs shall be minimized by conducting internal audits, audits of partnering suppliers, continuing investigations of employee recruitment and resignation as well as social insurance and compensation directly paid to employees.

- Enforcement of anti-discrimination and unforced labor policies shall be audited using on-site audits, employee interviews, and documentation reviews. Public disclosures are also provided through various reports and channels of appeal:



### Non-discrimination

- Posting anti-discrimination posters at recruitment centers of staffing agencies
- CSR department shall work with the Morale Support Team to implement anti-discrimination surveys with newly hired employees. Employee interviews and training would be used to ensure that employees are not discriminated against for reasons other than work competence.

The number of discriminatory incidents based on race, skin color, gender, religion, politics, nationality, and social background for all sites in 2016 was zero.

### Unforced labor

- Unforced labor posters are posted at recruitment centers as a reminder for job applicants
- HR, CSR, and Morale Support Team would jointly conduct employee training and unforced labor surveys to eliminate any acceptance of deposits or personal identification documents by labor agencies.
- Production line supervisors and employees are provided with CSR-related training to improve awareness for the principle that all overtime work must be voluntary and that no forced labor is allowed.

## Communication and appeals for labor practice and human rights issues

Employees are encouraged to use suitable channels to respond the problems encountered during work. Those who feel the need to reflect labor practice or human rights issues in the work place may provide the relevant facts and reflect these facts through the following channels:

- Email box : communication.ch@quantacn.com or WeChat
- Employee feedback mailbox, opinion mailbox, Employee rights helpline and Quanta message board
- HR office in each site, office of the morale team, and the CSR office
- The production line is equipped with its exclusive morale team to care and assist the employees in a timelier manner.
- If the issue is related to sexual harassment, please use the 70695 helpline. Relevant procedures would be initiated to investigate the incident under the premise of protecting relevant parties.

Year/Numbers Case Type	2016		
	Cases Established	Case Handled	Case Closed
Number of Labor Practice Appeals	22	22	22
Number of Human Rights Issues Appeals	6	6	6

\*Reports and appeals issues mostly include: anti-slip measures in the environment, personnel management, payroll and social insurance related. After receiving these feedbacks, the relevant authorities had been exercised recusal for conflicts of interest and provided protective measures for personal information for the related parties. Cause analysis of the case had been carried out, and a verbal, digital, or written feedback had been provided to the said parties to ensure that the problem had suitably received, clarified, handled, responded to, and recorded in order to ensure the employees' right to work and continue to promote a friendly workplace.

# Talent Development

In response to the Company’s transformation towards development of cloud services, the IoT industry, and advanced technology, Quanta continues to upgrade employees’ capabilities to fulfill customers’ needs through providing solutions and services in various technologies. In addition, we respect and ensure that employees understand individual rights, familiar with the relevant norms and duties. We develop management training roadmap and corresponding mandatory course including management case study, new comer’s mandatory course and R&D technical credits policy to ensure comprehensive learning activities by various needs.

As one of EICC member, Quanta not only comply with the EICC code of the conduct and human rights relevant norm based on SA8000 but also request out suppliers to accomplish together. We regularly review the complete rate and satisfaction survey of course. Annual technical credits policy will be announced. In addition, English requirement and mandatory management course combine with performance management and individual development plan which are all vital to human capital sustainable upgrading.

## The structure of talent development

Quanta Elite School (QES) is in Quanta headquarter tasked with the important mission of elevating the company’s human capital development. By clearly specifying talent competencies, five major programs, named “ELITE”, are developed to ensure comprehensive and various learning activities are established :

- Expertise : Develop 2B(To be the owner, to be the leader) concept , and technical R&D competencies to help employees to learn continuously in different product and expertise fields.
- Leadership : Develop management competency and corresponding mandatory courses in order to facilitate cultivating company’s management talents. In addition, HiPo (High Potential talent) & MA(Management Associate) talent pools are established to build up Quanta’s leadership pipeline.
- Innovation, Thinking and Entrepreneurship : ICE (Innovation, Creation, and Entrepreneurship) Program covers topics of design, brain power, and entrepreneurship to enhance employees’ capability of innovation, design thinking, entrepreneurial spirit.

## Learning results

### Average Training Hours—by gender

Gender Category	Average training hours received by each employee			Average training hours received by each female employee			Average number of training hours received by each male employee				
	Site	Year	2014	2015	2016	2014	2015	2016	2014	2015	2016
QRDC			25.6	26.1	27.7	25.2	25.3	27.1	25.7	26.4	28.0
QSMC			27.5	29.4	36.3	26.0	24.4	29.9	28.3	31.8	39.0
CSMC			20.5	50.8	22.4	20.3	40.8	17.3	20.5	55.2	24.2
QCMC			32.1	31.4	26.6	26.3	28.1	23.0	35.4	33.2	28.4

## Average Training Hours—by job category

Job Category		Supervisors (Associate manager)			Indirect Labor (Non-manager)			Direct Labor		
Site	Year	2014	2015	2016	2014	2015	2016	2014	2015	2016
QRDC		22.1	23.5	29.3	27.8	28.4	27.2	21.9	12.6	3.1
QSMC		11.0	18.0	4.5	17.1	17.7	6.9	29.3	32.4	42.8
CSMC		16.1	13.3	6.9	36.6	15.6	11.7	18.3	56.9	23.6
QCMC		19.8	12.9	18.4	14.7	12.6	7.3	36.5	38.7	32.0

## The promotion of Human Rights Training

To ensure employees understand their human rights and well know about working regulations and job responsibilities, human right related training topics are designed and delivered in Taiwan and manufacturing sites in China. The topics include Corporate Social Responsibility, Labor Safety, management case study, and Health, Psychological Counseling, etc. There are 671,705 people trained in total, and the accumulated training hour is 1,223,413.3. The percentages of trained people respectively are 83.1% in QRDC, 100% in QSMC, 100% in CSMC and 100% in QCMC.

## Number of Trainee and Training Hours Received of Human Right Related Topics

Manufacturing Site	Topic	2014		2015		2016	
		Number of Trainees	Number of Training Hours	Number of Trainees	Number of Training Hours	Number of Trainees	Number of Training Hours
QRDC	On-the-job occupational safety and health training-Employee care					3,823	497.0
	On-the-job occupational safety and health training-Occupational safety and health inspections					1,350	270.0
	General Safety and Health Training	540	1890.0	549	1921.5	464	1,624.0
	Occupation Safety and Health Training	487	131.5	557	150.4	477	128.8
	CSR Practice			5,097	866.5	325	71.5
	Management Case Study			189	1062.0	191	928.0
	Corporate Regulation for Business Secret and Information Security	537	214.6				
QSMC	CSR	191,642	63241.9	124,850	41200.5	88,190	44095.0
	Factory Safety Training	191,642	958210.0	124,850	624250.0	88,190	396855.0
	Psychological Counseling	191,642	63241.9	124,850	449460.0	88,190	88190.0
	EHS Knowledge			39,747	725.0	88,190	220475.0
CSMC	CSR Introduction	41,445	20722.5	108,392	54196.0	62,338	31,169.0
	Factory Safety Training			108,392	433568.0	62,338	187,014.0
	Product Information Security			1,163	581.5	62,338	10,389.7
	Morale Support Team Training			98	1699.0	58	98,542.0
	CSR & Electricity Safety					12,171	6,085.5
	Project training for frontline leaders					187	3,740.0
	CSR Practice			3,840	1651.9		
	EHS Knowledge Training			3,058	1017.0		
	HR Knowledge Training			210	73.2		
QCMC	Personnel Policy	55,371	27685.5	47,686	23843.0	33,460	16,730.0
	CSR Introduction	55,371	9413.1	47,686	3974.0	33,460	6,692.0
	Advanced CSR Training (Classroom)	1,936	1936.0	10,290	5145.0	10,025	5,012.5
	Advanced CSR Training (Online)	2,812	1367.0	3,579	1338.0	2,480	772.3
	Factory Safety Training			47686	286116.0	33,460	200,760
	Young Parents Training			59	413.0		
	Manufacturing Front-line Leader Training	169	845.0	125	750.0		
Buddy Training	38	627.0					
TTL		733,632	1,149,525.9	802,953	1,934,001.4	671,705	1,223,413.3

# Human Capital Investment

## “2B-To Be” 2B Labor exercises to promote Quanta’s growth

Quanta began a 2B-To-Be “New Working Attitude Movement” in May 2016, which includes two philosophies of “-Being proactivity” and “high self-demanding” as well as two roles: to be the “LEADER” and to be the “OWNER.” The objective is to start with small changes from each employee to eventually become major changes to the entire company organization. The movement integrates routine jobs to strengthen proper work attitudes to shape a more competitive corporate culture and drive continued corporate growth and innovation.

**2B 課程推展**

**2B 課程推展**

**The Movement — “2B-To Be”**

**廣達2B-To Be經典迷你劇 - OWNER精華篇**

**高自我要求：要求最佳績效，為公、助攻、建功**

**要求自我反省，當責、不找藉口**

**持續幫助公司 展現最佳績效**

**2016 2B-To Be**

**The Movement — “2B-To Be”**

**廣達2B-To Be The LEADER持續學習**

**主動積極：主動帶隊、主動管事、主動理人**

**Engage Your Team**

**Relationship Skills**

**邀請您看完影片，到「課程討論區」寫下您最深刻的啟發！**

**讓我們持續To be the LEADER!!**

**2016 2B-To Be**

**2B個人參與獎-OWNER**

**2B個人參與獎-LEADER**

**2B部門學習暨參與獎**

**2B部門實踐獎**

**CSMC 2B培訓課程活動**

**QCMC 2B課程宣傳**

**【2B-To Be】2B TALK**

**你知道嗎？**

**危機有感？無感？**

**危機感也是找到創新機會的動力！**

**2B TALK**

**危機有感？無感？**

**2B TALK**

## EHS series·provide employees with more humanistic care

Use EHS-related content to systematically instruct aspects such as the environment and employee health and safety. With use of pictures and sounds, the courses are not only visually-accessible, but also through listening and speaking so that employee learning is expedited, coupled with additional emphasis on humanistic care.

**环境健康安全**

**之健康素养篇**

**合理膳食**

**適量運動**

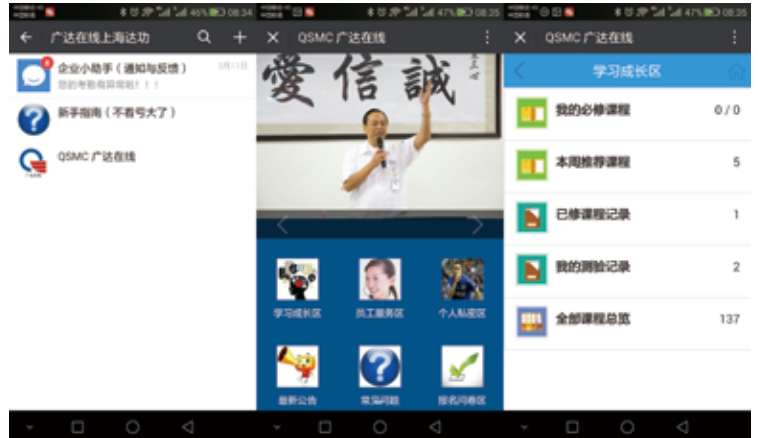
**戒煙限酒**

**心理平衡**



## Quanta online · allow access to knowledge and receive messages at any time

Since September 2016, we have replaced CIQ knowledge at hand with QSMC self-developed learning apps. By using smartphone apps to conduct courses and skills learning, we can directly provide employees with faster, more comprehensive vocational development resources. It is expected the promotion campaigns for this app will take place at all three sites in 2017.



## Course of lectures

In these Course of lectures, Quanta executives would share their experiences and practices of management, would explain company policies, and would listen to the voices of employees earnestly.



## Problem solving and conflict management training programs

To help morale support team & production section leaders to enhance their employee caring and problem solving abilities.

Strengthen colleagues of the task force in problem-solving abilities and techniques as well as positive managerial methods for frontline managers.



**课程目标：可解决问题的能力**

能够掌握并灵活运用于心沟通管理的一些能力，帮助团队的问题管理能有效与提高现场管理水平，科学合理的沟通管理，形成一种有效、透明、可操作性的沟通文化。在这个课程中你将学会如何：将问题与团队各种冲突管理策略应用于实际管理场景中以及生产工作现场的公开与员工一对一沟通。

**课程难点及复习重点：**

1. 在工作环境中，如何建立信任与协作的结果
2. 如何建立生产现场与员工沟通的机制，如何提升信任感、制度化、规范化
3. 如何在生产现场的工作内容中解决团队的问题
4. 如何建立团队的问题解决机制
5. 如何建立团队的问题解决机制
6. 如何建立团队的问题解决机制

**课堂流程**

小组热身讨论、讲师个人心得、小组讨论、图文结合、学员发言

讲师热身讨论、讲师个人心得、小组讨论、图文结合、学员发言

**课程主题：基于品质的问题分析与解决**

上课时间：14:00 - 12:00

11月5日

上课地点：第一会议室

课程讲师：DOL DOL 讲师

课程简介：本课程为了解决生产现场品质问题，提高现场问题解决的能力，学会使用与有效解决问题的工具，能有效提升现场品质，提高现场效率，降低浪费。

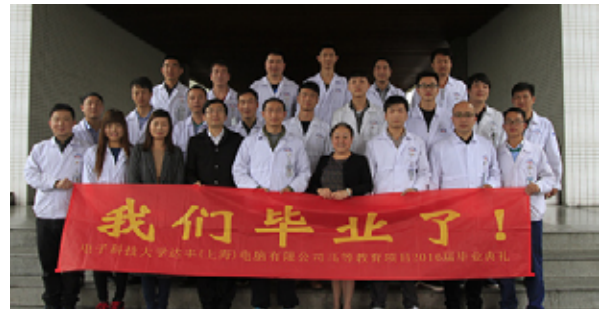
**内容简介**

- 01 发现问题
- 02 分析问题
- 03 制定解决方案
- 04 实施解决方案
- 05 预防问题
- 06 经验分享



## Long-life investment- Education Sponsorship Project

QSMC and CSMC have been cooperated with customer for Education Sponsorship Projects for 7 consecutive years. Establish partnerships with the University of Electronic Science and Technology of China and the Renmin University of China. In 2016, there were 212 people who applied for a college degree program, and 84 people who applied for bachelor's degree programs. In addition, the company sponsored an additional 180 people and will continue to provide them with financial assistance until their graduation.



## Communicate with external group and influence diffusion

### Design Thinking·exchange ideas and learn from one another

To promote mutual exchange and learning among corporations, QES held a one-day design and thinking workshop to train colleagues based on the Commonwealth Magazine Group's "human-centric" philosophy. This method was also used to design various articles. products&services.



## The Only Company in Asia Pacific region with the Honor from Domestic and international Awards

After numerous years of experience accumulation and development, Quanta received 2015 National Talent Development Award and Excellence in Practice awards program Citation. Since 2010, Quanta continuously won TTQS gold medal, the 4th and the 9th National Human Resource Innovation Prize, and be the only company in the Asia Pacific region to receive the atd The BEST Awards two years in a row which is highly recognized the result for the investment on people development.

(From left to right by sequencel) 2013 BEST Award、2014 BEST Award、2014 National HR innovation Prize, 2015 National Talent Development Award and Excellence in Practice awards program Citation







Corporate Social Responsibility  
Annual Report 2016

# Love the earth



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# Occupational Health & Safety Management

Quanta formulates the Occupational Safety and Health Policy in accordance with OHSAS-18001:2007 occupational safety and health management system stipulating “Compliance with laws, risk assessment, total participation, continuous improvement, zero hazard” as important goals and spirit. In addition, the occupational safety & health promotion team and specialists from various departments promote the occupational safety and health management system. To ensure the system works effectively, follow-up reviews and audits are conducted every year on a regular basis to achieve system certification.

Major impacts of occupational safety and health issues include workplace accidents and illnesses that could result from chemicals, machinery, electrical devices, equipment, and commuting. These issues not only lead to losses to corporate personnel and assets, such incidents could also injure the positive corporate social responsibility reputation of the company. Occupational health and safety management is intertwined with corporate and employee interests. It allows corporations to directly and indirectly generate economic benefits.

Therefore, Quanta system constantly implement the execution of target fulfillment and risk management, in order to reinforce employee training and their countermeasures through total participation. Quanta abides by labor safety regulations and maintains employees' health by constantly improving occupational safety and health, thereby reducing hazard and risk of our employees in the work environment.

## Taiwan- Occupational Health and Safety committee

According to provisions of occupational health and safety regulations, the Company shall establish the occupational health and safety committee. The highest ranking supervisor of the General Administration Office shall serve as the chairperson, while the members shall include OHS Personnel and Labor Representatives. To hold quarterly occupational health and safety committee meeting and to discuss items listed below:

1. Proposition of on occupational health and safety policies and suggestions
2. Recommendations on and coordination for occupational health and safety plans
3. Safety and health education and training implementation plan
4. Monitoring plans, inspection results and measures to be adopted for operation environment
5. The health management, prevention of occupational diseases and improvement relevant subjects
6. Health and safety proposals
7. Automatic inspection and health and safety auditing items by business units
8. The preventive mechanism for mechanic, equipment or material, and substance damages
9. Reports on the occupational hazard survey
10. Assess field health and safety management performance
11. Health and safety management items on outsourced business
12. Other relevant occupational health and safety management items

# China-Organization of EHS Management Committee

An EHS, the abbreviation of Environment, Safety and Health, management team and committee, chaired by the Chairman and led by department heads. Each department is assigned with EHS liaison offices to ensure environment, safety and occupational health relevant tasks are fully enforced in every sector and level of the unit.

The Committee has been conducted meetings every month to review the environment and the implementation of measures, promote environmental protection principles, and improve employee knowledge of safety and health. Annual meetings were held to summarize the implementation of EHS measures and determine the objectives and plans for the following year.

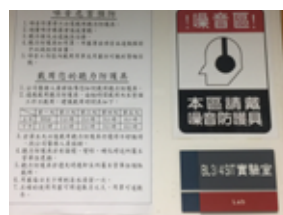
## Ratio of labor representatives for the occupational health and safety committee of each site(%)

Site	QRDC (including hwa-ya factory)	QSMC	CSMC	QCMC
2016	0.749	0.808	0.497	1.235
2015	0.766	0.821	0.380	1.387
2014	0.776	0.166	0.055	0.346

## QRDC

### I. Mid- and long-term plans for on-the-job-training for Occupational Safety and Health

Quanta referred to the provisions of the Occupational Safety and Health Act and Regulations for Labor Safety and Health Education and Training, began implementing mid- and long-term projects for on-the-job-training for occupational safety and health topics for every employee since 2014 to 2016. Training courses were provided according to the nature of the employee's work to boost employee knowledge, and course content included: first aid knowledge, fire safety, health management, prevention of respiratory tract infections, promotion of traffic safety, concerns for employee safety and health, safety and health SOPs, methods for handling and responding to emergencies, and descriptions of EHS inspections.



### II. Strengthen Workplace Noise Control

To strengthen noise control in the workplace and comply with regulations pertaining to occupational safety and health equipment and facilities, work areas with noise levels exceeding 85 decibels must be zoned as "noise control zones," followed by implementation and execution of hearing protection plans. The following is to be carried out and recorded, and such record shall be preserved for three years:

1. Execute noise monitoring and exposure assessments every six months,
2. Noise control,
3. Operators should be wearing effective noise cancelling protection gear,
4. Hearing protection education and training,
5. Special health check-ups and management, and
6. Outcome assessment and improvements.

## I. QSMC Online Application Management Plan for Construction and Risky Operations

Conduct online management for special operations to increase approval efficiency. This procedure can also strengthen our information control.



## II. QSMC CIQ Safety and Supervisor Safety Training Management Plan

The employee turnover tends to be somewhat high, with new recruit operators sustaining injuries often due to work reasons, leading to higher safety concerns. Despite the existence of three-level safety training, there are no designated comprehensive training courses; production department supervisors lack the awareness of major sources of existing hazards, leaving much to be desired in terms of work safety. In response to the above problems, an occupational safety task force periodically publishes work safety instruction materials, which are then uploaded into the CIQ system by Human Resources, allowing easy access and learning for employees. In addition, work safety instruction materials are created for production unit supervisors followed by training to increase supervisor work safety awareness as well as emphasis safe production.

Photos of supervisors in training:



## CSMC-Upgrade Assessment of Equipment Hazards and Protection Installations



MES is employed for the inspection of production equipment for all sites. A total of 178 pieces of equipment were assessed; units distinguished as having higher hazard ratings underwent safety installation modifications. To address the phenomenon of employees changing safety installation parameters without prior permission, requests are made to equipment providers to establish secondary passwords to ensure that safety installations can function effectively. In response to safety barriers failing to perform sound protection during the production process, barrier guards are installed to reinforce safety protection coefficient.



## I. QCMC Plan for Posting “Hazard Warning Signs” in High-Risk Areas

Through combined analysis of hazard source identification, high-risk operation selection and past work injury incidents over the years at QCMC, worksite high-risk areas are assessed and posted with “hazard caution signs.” These signs indicate hazards in detail and prevention measures and requirements for the respective area to effectively warn personnel working at these areas.

QCMC has already posted “hazard caution signs” in the following areas: melting machine area, pressing machine area, cranes, heat shrink machine area, automated robot arms, reflow oven area, burner area, and strapping machine area, which are eight areas in total. Images of sign postings are shown below:



## II. QCMC Conveyor Belt “Emergency Stop” Buttons and Signage Installation Plan.

Through QCMC worksite injury incident analysis, it was determined that workers may get caught or clamped by the conveyor belt system. To lower potential risks, “emergency stop” signs are increased in addition to warning lamps. “Emergency Stop” buttons also have warning signs located above them to indicate their locations so that conveyor belt systems can be stopped in time during emergencies, lowering risks of workplace injuries.



# Occupational Healthy and Safety Statistic

## Accident statistical records and reporting mechanism

The investigation and management mechanism prevents the escalation of accidents and damages thereof. In order to facilitate effective preventive measures in the future and prevent the occurrence of accidents, the accident investigation and management operation instruction manual has been compiled. In event of an accident in an operational area, it should be reported by following the accident reporting protocol so that the occupational safety & health unit can launch an accident investigation and management operation. Any aspect that is found to be non-compliant with occupational safety & health regulation will need to be improved based on “environmental and occupational safety & health prevention protocol”.

Below are the statistics for the occupational health & safety, accidents and illnesses of various sites:

- 2016 employee occupational accident and illness statistics (total number of workers includes fulltime employees and dispatch employees).
- According to the International Labor Organization (International Labor Organization, ILO)’s code of practice on “recording and reporting of occupational accidents and diseases”, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and total number of fatalities annually are shown in the following table.

Item	Calculation rule
Injury rate (IR)	$(\text{Total \# of injuries} / \text{Total working hours}) \times 200,000$
Absentee rate (AR)	$(\text{Total \# of missed (absentee) days over the period} / \text{Total working hours for same period}) \times 200,000$
Lost day rate (LDR)	$(\text{Total \# of lost days} / \text{Total working hours}) \times 200,000$
Occupational diseases rate (ODR)	$(\text{Total \# of Occupational diseases cases} / \text{Total working hours}) \times 200,000$
Annual fatalities	Fatalities

## 2013-2016 employee occupational accident and illness statistic

### Injury rate

Site	Gender	Occupational accident category	Injury rate (IR)			
			Year			
			2013	2014	2015	2016
QRDC (Including Hwa-ya factory)	Male	Traffic injury and light injury	0.32	0.50	0.44	0.54
	Female	Traffic injury	0.36	0.36	0.71	0.64
QSMC	Male	Serious injury and light injury	0.22	0.18	0.28	0.20
	Female	Serious injury and light injury	0.09	0.12	0.11	0.20
CSMC	Male	Serious injury and light injury	0	0.01	0.09	0.04
	Female	Serious injury and light injury	0.06	0.02	0.09	0.03
QCMC	Male	Serious injury and light injury	0.35	0.10	0.58	0.60
	Female	Light injury	0.21	0.11	0.39	0.32



## Absentee rate and Lost day rate

Site	Gender	Absentee rate(AR)				Lost day rate(LDR)			
		Year							
		2013	2014	2015	2016	2013	2014	2015	2016
QRDC (Including Hwa-ya factory)	Male	54.78	66.17	68.52	89.71	3.90	2.20	6.80	3.01
	Female	174.05	169.95	176.76	258.29	2.22	0.78	2.07	3.32
QSMC	Male	109.83	107.99	166.35	165.52	6.88	5.79	10.20	12.18
	Female	160.66	199.77	274.35	341.30	2.62	2.90	7.06	5.99
CSMC	Male	162.13	98.81	180.20	76.80	0	0.16	5.83	1.08
	Female	147.91	717.00	225.70	132.51	1.01	0.36	9.26	3.90
QCMC	Male	279.05	801.43	91.97	87.09	3.73	12.85	13.63	11.69
	Female	195.60	40.65	169.78	157.96	2.49	9.53	6.52	7.99

1. Occupational diseases rate (ODR) between 2013 and 2016 was zero.
2. Data collection of occupational accidents and diseases in China factories still relatively incomplete and limited; therefore, it is not incorporated into the statistic.
3. QSMC's absentee rate and lost day rate for 2013 and 2015 have been amended due to changes in the basis of the calculations.

# Effluents and Waste

## Environmental Management System

Under the influence of global climate change, in pursuit of a sustainable earth, Quanta Computer focuses on the reduction of production wastes since the design phase. By repeated use of relevant packing materials, the Company is devoted to reducing the impact on the environment as a whole in accordance with provisions of relevant laws and regulations. Through total participation and commitment, the environmental protection and enterprise sustainability is achieved.

Every site of Quanta gradually launched the ISO14001:2004 environment management system and completed verification. Adopting the model of Plan-Delivery-Check-Action (P-D-C-A), the Company continuously promotes improvement.

The Company will assess each environmental aspect and its impact through identifying the environmental aspects created from the Company's production, activities and services. In addition, comprehensive comparison of the severity and other factors will be conducted in order to identify any important potential factor in advance with good improvement measures and operational procedures to reduce and prevent impact from the important potential factors.

## Environmental Management Policy

Quanta Computer is a company that designs and assembles professional portable computers, laptop computers and other products. The Company's main impact to the environment is waste gas emission, daily effluent, and waste. Upholding the belief of co-existence with the Earth, all employees promise to accomplish the following environmental policies with full effort in order to achieve the spirit of preventing pollution and progressing improvement continuously.

1. Through the staff education and implementation of the ISO 14001 system, employees or individuals who represent the organization understand that environment protection is our responsibility and obligation
2. Reduce the air and water pollution and production wastes to lessen impact on the environment
3. Each product shall strictly comply with relevant and applicable laws and regulations as well as other necessary requirements during the design and production stages
4. Set the target for the continuous environment improvement
5. During the product design stage, take into consideration the environmental issues with implementation toward lower energy consumption and lower pollution

## Water Resource Management

### Total water acquisition

QRDC is a research and development building and Hwa Ya factory is used by the production line and affiliated business in Taiwan, while all manufacturing sites in China feature is production operation. Our water supply comes mainly from public sources. We do not use underground aquifers, stored rainwater, or surface water. Most of the water is used for domestic purposes, air conditioning, and canteens.

To reduce water resource consumption, our management reviews water conservation plans and water-utilizing equipment every year. Restrooms in QRDC and QCMC facilities were furnished with sensor-based taps to ensure that the volume of output is conserved. Green belt irrigation systems around the QRDC facilities were furnished with rainwater sensors. Artificial irrigation systems were installed at QCMC to prevent unnecessary water use. Moreover, QCMC facilities even diverted wastewater from cooling towers into lavatories located on the production floor to recycle and reuse the water.

The following lists the water usage quantities at various sites during 2015~2016:

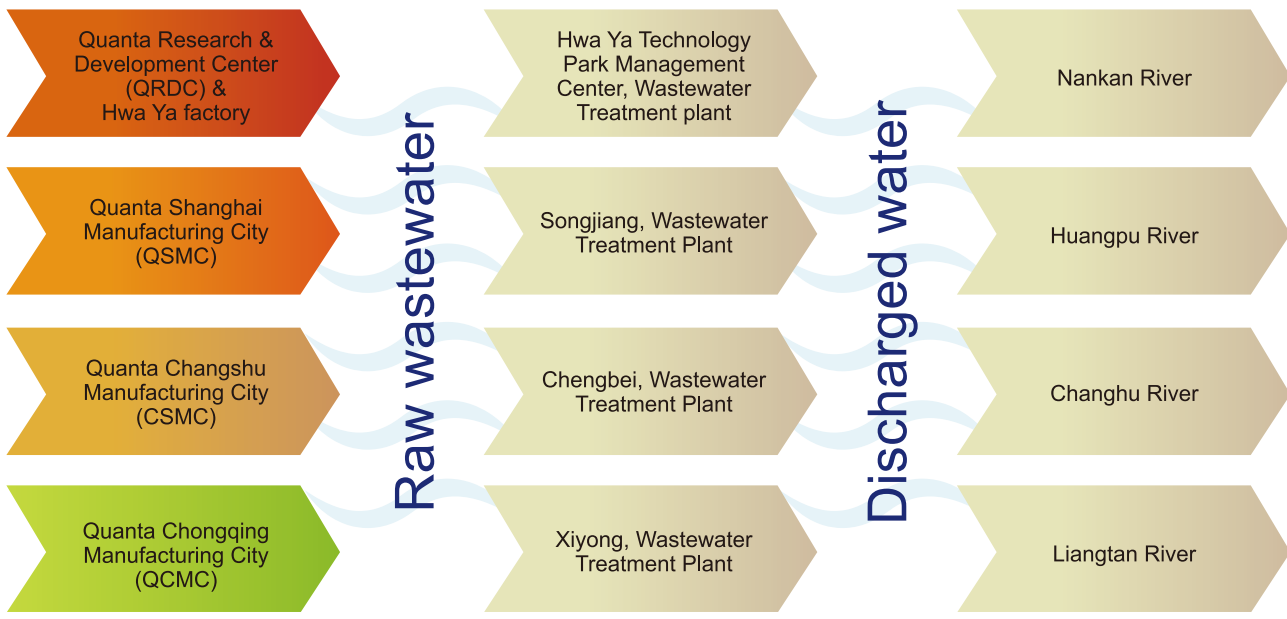
Site		Water usage (tons)		Source of water
		2015	2016	
Taiwan sites	Quanta Research and Development Complex (QRDC)	152,150	165,967	Taiwan Water Corporation
	Hwa-ya factory (QCI)	20,261	36,026	
China sites	Quanta Shanghai Manufacturing City (QSMC)	1,101,329	1,081,720	Shanghai Songjiang Public Water Company
	Changshu Manufacturing City (CSMC)	579,801	355,411	Changshu Municipal Water
	Quanta Chongqing Manufacturing City (QCMC)	459,127	447,085	Chongqing Municipal Water Company

\* Source: Water acquisition based on public water meters and utility bills

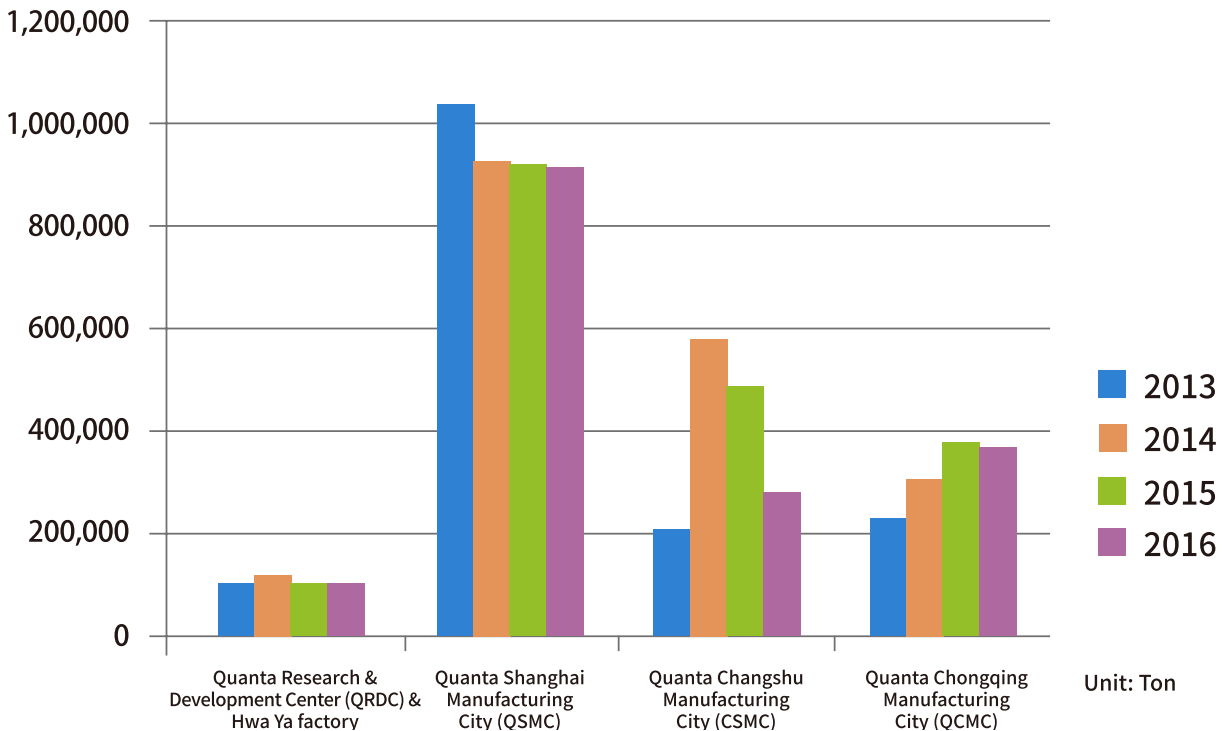
## Effluent Management

Wastewater generated at various sites includes domestic and canteen effluent. There is no process wastewater. Hence, this Report only covers voluntary disclosures of domestic effluent.

Domestic wastewater contains nutrients which include organic pollutants and nitrogen phosphorus, causing water eutrophication. To ensure the wastewater produced will not cause pollution to the environment, each factory is installed with primary wastewater treatment equipment. The equipment are periodically inspected and maintained to keep the systems in normal operation. To warrant that the released water quality meets the discharge standard, wastewater samples are regularly submitted to qualified testing companies for analysis.



Effluent discharge diagram



Volume of effluent water at various sites

## 2013-2016 effluent volume at Various Sites (ton)

Site		Year	2013	2014	2015	2016
Taiwan	QRDC		73,907	99,930	84,568	85,757
	Hwa Ya QCI	Production building	2,056	2,511	2,205	2,817
		R&D building	2,427	2,314	2,430	2,118
China	QSMC		1,055,057	947,496	936,130	934,251
	CSMC		221,628	583,221	492,831	302,099
			243,458	324,499	390,258	380,022
Total			1,598,533	1,959,971	1,908,422	1,707,064

Note: 1.The effluent volume of factory in Taiwan is determined by the flow meter at the outfall Wastewater volumes.  
2.The effluent volume of factory in China is calculated with the following equation: Household effluent volume = tap water volume x 0.85 (household effluent coefficient)

## 2016 Taiwan discharge standard and test results

Item	Standards	QRDC Results			QCI Results Production building		QCI Results R&D building	
		I	II	III	I	III	I	III
BOD(mg/L)	200	65.2	-	21.2	5.6	7.9	44.1	139
COD(mg/L)	350	636	165	226	43.0	44.1	133	28.9
SS(mg/L)	200	412	83	121	12.1	39.1	29.5	13
pH	6-9	7.2	-	7.8	8.0	7.9	7.9	8.0
Temperature°C	Below 45	25.2	-	27.3	21.5	26.3	21.4	26.2
Fat(mg/L)	20	< 1	-	< 1	-	-	-	-

Note: 1.According to «wastewater treatment plant intake limit of Hwa Ya Technology Park Management Center»  
2.Sampling technique: EPA's industrial effluent discharge standard sampling method (NIEA W109.51B)  
3.Due to the restaurant in QRDC, oil test must also be conducted.  
4.The test is conducted semiannually by a third-party certification institution approved by the EPA  
I Test date 2016/04/20  
II Suspended solid (SS) re-test conducted on 2016/06/16  
III Test date 2016/10/20

## 2016 QSMC effluent discharge standard and test results

Item	Standards	F1	F2	F4	F5	F6	F7	Q-BUS
BOD(mg/L)	300	90.9	90	63.5	252	192	192	41.1
COD(mg/L)	500	162	315	145	480	342	342	99.6
SS(mg/L)	400	51	24	41	76	54	54	18
pH	6-9	7.7	8.84	7.54	7.80	7.48	7.48	7.32
Fat(mg/L)	100	16.9	0.46	255	3.94	10.6	10.6	≤0.01
NH3-N (mg/L)	40	15	34.2	31.6	39.8	7.81	7.81	10.6

Note: 1.Regulated by «Wastewater quality standards for discharge to municipal sewers» (DB31/445-2009)  
2.The test is conducted semiannually by a third-party certification institution, test date 2016/08/16-17.

## 2016 CSMC effluent discharge standard and test results

Item	Standards	Terminal 1	Terminal 2	Terminal 3
BOD(mg/L)	300	92.7	13.8	13.4
COD(mg/L)	500	296	54	52
SS(mg/L)	400	75	60	34
pH	6-9	7.85	7.83	8.17
Fat(mg/L)	100	5.64	1.24	0.442
NH3-N (mg/L)	70	32.6	12.6	17.5
Total Phosphorus (mg/L)	8	2.63	0,793	1.10

Note: 1. According to The Administrative Committee of High Tech Industrial Park's "Wastewater Quality Standards of Wastewater Pipes for Discharge to Municipal Sewers" (CJ 343-2010) as well as China's "Integrated Wastewater Discharge Standards" (GB8978-1996).  
2.The test is conducted semiannually by a third-party certification institution, test date 2016/06/30.

## 2016 QCMC effluent discharge standard and test results

Item	Standards	F0	F1	F2	F3	P1	P2
COD (mg/L)	500	32.5	161	169	140	171	171
SS (mg/L)	400	21	27	18	39	18	18
NH3-N (mg/L)	-	12	40.2	44.2	38.7	40.6	40.6
Fat(mg/L)	100	-	-	-	-	0.57	0.57

Note: 1.Based on China's GB8978-1996 《integrated wastewater discharge standards》 third level limit value  
2.Sampling method: 《National water quality testing standard》 (GB11914、GB11901、HJ537)  
3.Monitoring data come from test reports provided by a third-party and report data of each factory: F0, F1,F2,F3,P1,P2: 2016/4/18(Since P1、P2 share the same biochemistry pool; therefore, P2 data adopts P1 monitoring data)

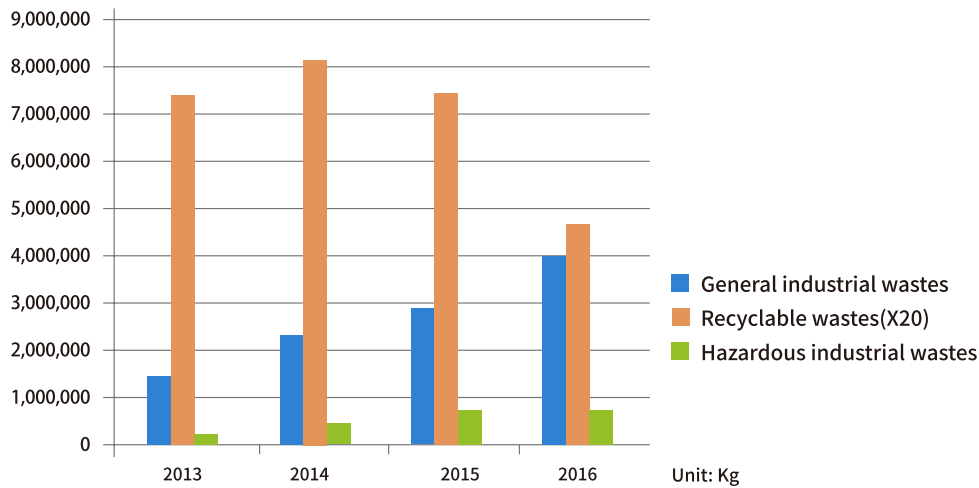
## Industrial Waste Management

The industrial wastes generated can be divided into 3 major categories, including the general industrial wastes, hazardous industrial wastes, and recyclable wastes. Electronic parts and waste used in Quanta's operations, products, or services may contain hazardous materials that have potentially negative long-term effects. Improper treatment would lead to varying degrees of secondary pollution in the water, soil, and air.

Quanta achieve the goal of waste reduction effectively, and sets zero waste as the ultimate goal of waste management. The removal, transshipping, process, and recycle are performed in accordance with the local regulations. Qualified cleaning companies were commissioned to provide proper processing of such waste and document treatment. Quanta's environmental protection units carry out unannounced audits of processing suppliers to ensure that they perform their tasks in compliance with the law.

Three waste categories at each site over the years are compared and shown in the following diagram. Resource waste occupies the largest share. Quanta thus continued to implement measures of converting such waste into useful resources to reduce energy consumption and costs of handling such waste.





## General industrial waste

### 2013-2016 Analysis Table of General and Recyclable Waste Production in Various Sites

#### General waste

Site	General waste (kg)				Treatment
	2013	2014	2015	2016	
QRDC	231,070	220,420	205,780	223,310	Incineration
Hwa-ya factory	8,050	9,530	47,770	38,540	Incineration
QSMC	1,260,323	964,390	1,235,948	2,599,600	Burial
CSMC	71,700	494,645	994,640	529,420	Incineration
QCMC	—	730,000	730,000	730,000	Burial
<b>Total</b>	<b>1,571,143</b>	<b>2,418,985</b>	<b>3,214,138</b>	<b>4,120,870</b>	

#### Recyclable waste

Site	Recyclable waste (kg)				Treatment method
	2013	2014	2015	2016	
QRDC	69,034	71,418	75,998	66,724	Recycled and reused
Hwa-ya factory	2,837	3,450	8,507	13,419	Recycled and reused
QSMC	54,932,323	57,302,020	51,699,280	33,165,778	Recycled and reused
CSMC	1,506,350	1,919,036	5,667,360	4,075,390	Recycled and reused
QCMC	18,525,000	22,392,391	17,542,518	9,743,156	Recycled and reused
<b>Total</b>	<b>75,035,544</b>	<b>81,688,315</b>	<b>74,993,663</b>	<b>47,064,467</b>	

- Note:
- 1 QRDC and Hwa Ya factory: General waste statistics consist of weight registered through EPA's Industrial Waste Report and Management System, recyclable waste statistics consist of the total weight of recycled resources.
  - 2 QSMC and CSMC: General waste statistics consist of quantity removed from various plants (weighing and fee data); third-party waste management companies recycle all recyclable wastes.
  - 3 QCMC : Use the number of transshipment every day in 2016 to calculate the average volume. On an average, there are 4 boxes of general wastes everyday (including holidays). The waste in each box is mainly the daily waste. According to the estimate, each box weights 500 kg. Therefore, the weight of QCMC general wastes being processed in 2016 is about: 4 x 500 x 365=730,000 kg. All recycling and processing of resource waste have been processed by third-party subcontractors. The following data is based on statistics provided by the subcontractors.

## Hazardous Industrial Wastes

### 2013-2016 Statistics of Hazardous Wastes in Various Sites

Site	Hazardous Wastes					
	Category	Treatment method	Quantity (kg)			
			2013	2014	2015	2016
QRDC (& Hwa Ya)	Waste electronic components, leftover and defective products	Recycled and reused / Physicochemical treatment	2,066	125	84	320
	PCB waste and powder which containing metals		570	115	87	270
QSMC	Mixture of waste oil and water	Incineration	1,038	2,490	1,250	400
	Waste oil cloth		18,782	37,400	37,310	25,990
	Organic waste solvents		3,290	18,944	23,920	12,630
	Organic solvent waste (filter element)		2	-	-	-
	Waste adhesive (rubber hose)		608	770	400	1,200
	Waste acid	Physicochemical treatment	840	-	-	-
	Lead-acid battery waste	Recycled and reused / Physicochemical treatment	35,851	24,820	12,480	-
	Waste fluorescent tubes		1,130	-	1000	-
	Paint slag waste	Incineration	-	100	-	10
	Waste activated charcoal	Incineration	-	60	-	60
CSMC	Black rubber hose	Incineration	28	166	-	-
	Alcohol waste		-	200	-	-
	Solvent waste		-	745	-	-
	Activated carbon mask		-	296	-	-
	Organic solvent waste		-	-	2000	-
	Waste activated charcoal		-	-	2500	9,200
	Waste organic solvents		-	-	500	-
	Waste containers	-	-	-	140	
	Waste glue	-	-	-	330	
	Waste rags	-	-	-	243	
	PCB cutting powder	Recycled and reused / Physicochemical treatment	38	281	-	-
	Waste fluorescent tubes		100	-	-	200
QCMC	Waste cloth	Incineration	2,500	5,000	9,500	-
	Waste UV rubber hose		1,000	400	500	-
	PCB leftover	Recycled and reused / Physicochemical treatment	200,000	250,000	530,000	516,000
	Paint slag waste	Incineration	-	39,000	73,300	171,810
	Used paint basket	Recycled and reused / Incineration	-	8,000	24,100	42,180
	Black ink waste	Incineration	-	3,000	50	-
	Organic solvent waste	Incineration	-	4,000	5,615.9	11,370
	Waste activated charcoal	Incineration	-	-	33,000	47,990
	Waste acid	Physicochemical treatment	-	4,000	1,500	-
	Waste oil	Physicochemical treatment	-	2,500	-	3,200
	Waste paint	Physicochemical treatment	-	63	360	960
Total			267,843	402,475	759,457	844,503

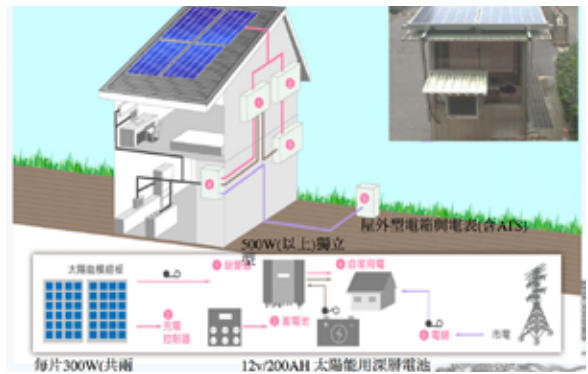
#### Notes:

1. QRDC hazardous industrial waste statistics are derived from the industrial waste co-treatment control triplicate forms.
2. QSMC, CSMC and QCMC hazardous waste statistics are derived from the "hazardous waste electronic manifest" filed after transshipment and treatment.

## Environmental Management Plans in 2016

### QRDC Installation of Solar Panels on Guard Post Roofs

To exercise green energy development, QRDC installed solar panels on the roofs of guard posts for testing. Such installation can provide the post with electricity for lighting and plug-in electrical use. 110V of electricity is available for approximately 10.6 hours, equivalent to 1,908 watts.



### QSMC Partial Exercise of Zero-Filling Certification

Zero waste is an ethical, economic, effective and visionary objective which guides people to achieve sustainable natural cycles through changes in lifestyle and operations. This cycle can allow all waste to be converted into resources that other parties can utilize. Zero waste refers to the design and management of products and processes to systematically prevent and reduce the volume and toxicity of waste, and protect and restore all resources instead of resorting to burning or land-filling.

UL ECVP2799 is a standard recognized by the entire world. It illustrates the environmental statement process concerning “zero-filling of waste” as well as the calculations and statements on “landfill conversion ratio” for certification of individual sites. The QSMC site successfully passed UL zero-filling certification in December 2016.



### QCMC ECS Equipment Recycling, Reuse and Water Conservation Plan on Spray Paint Wastewater

Factory spray painting creates wastewater which is considered a form of hazardous waste capable of major environmental impacts, thus it must be recycled by a qualified third-party institution. QCMC uses ECS equipment to process spray paint wastewater to achieve effective reuse. In addition to the need to replenish losses due to natural evaporation, spray paint water will not be discharged nor changed, lowering the volume of hazardous waste produced.



## Replacing lighting with energy-saving LEDs

In 2016, various sites continued to meet energy-saving objectives through measures that improve the overall effectiveness of equipment, reduce energy consumption, and replaced lighting equipment with LEDs. The resulting energy saved per year was 11,021 Mkh.

Site	Emergency indicator lights along the aisle	Quantity (lighting)	Reduced energy consumption (kWh)
QRDC	Canteen Illumination	550	10,439
QCMC	Illumination of production lines, living quarters' corridors and kitchens	58,090	4,391,700
QSMC	Production floor, offices, and sanitation	30,800	2,831,775
CSMC	Lighting for the production floor and conveyor lines	47,360	3,787,057

# GHG management

## Risks and opportunities of focusing on climate change

With the increasing greenhouse gases, in order to contribute efforts and fulfill the responsibility in environmental protection and caring about the Earth, Quanta has formulated the carbon managements strategies and guidelines. The environmental and occupational safety & health promotion team strives to minimize carbon emission and the consumption of energy and resources. Furthermore, Quanta is also a participant in the carbon disclosure project (CDP) and reviews questionnaires to improve energy-saving and carbon-reduction measures so as to achieve its sustainable development objectives. These include:

- Commitment to greenhouse gas inspection in order to monitor the emission of greenhouse gases.
- Based on the inspection results, voluntary greenhouse gas reduction related programs will be implemented.
- Continue to promote and support carbon reduction measures to foster sustainable operations and fulfill our CSR.
- Abide by government environmental laws, customer requirements and other related regulations.

Close monitoring and management of climate change Risks and Opportunities:

Item	Risk identified	Opportunities and response
Material disaster	Climate change has led to a higher frequency of floods and droughts, increasing risks for business operations.	Natural disasters were analyzed and the risks assessed. Corresponding emergency response measures and drills have been implemented as well.
		Water and power-saving measures to improve resource use efficiency.
International conventions and local regulations	Business operations will be impacted by increasingly stringent international conventions and regulations, carbon and energy taxes, greenhouse gas performance standards and emission controls, as well as carbon trading market systems.	Greenhouse gas inventory checks were implemented at various sites in accordance with ISO14064-1: <ul style="list-style-type: none"> <li>● The Shanghai site has been certified with ISO14064-1 since 2011.</li> <li>● The Chongqing and Changshu sites have been obtaining certification since 2015.</li> <li>● The Taiwan site received third-party certification in 2016.</li> </ul>
		Identification of legal compliance and monitoring regulatory developments.
Changes to corporate reputation as well as customer and product consumer behaviors	Environment, Social, and Governance (ESG) has recently attracted investor interest. Management's performance in handling climate change issues is also a key area of concern for many investors. Moreover, customers are increasingly focused on these topics requirements.	As a participant of the CDP international disclosure project, Quanta has completed the relevant questionnaires to review its performance and identify areas that require improvement.
		Annual CSR reports also serve as a means for communicating with stakeholders and disclosing information on management activities and reflect its performance with regards to responding to climate change.
		An Environmental Protection Committee was established to review project implementation and set targets on an annual basis.
		Calculating and verifying carbon emissions for products: Collaborate with customers and employ life-cycle principles to calculate and verify the carbon emissions of various products.
		Calculating and checking parts/products carbon footprints: Implemented by working with customers through consultation and support provided by the government and research units.
		Voluntary Emission Reduction Market: Participate in the Chongqing Municipal Voluntary Emission Reduction Market and carry out internal inventory checks every year.
		Focus on the carbon emissions and trading market: Corporate carbon emissions have been calculated annually to actively secure carbon-emission allowances.
Actively participate in various energy projects supported by customers.		

## Greenhouse gas types and scope of inventory checks

Quanta Greenhouse emissions include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>. The major emission sources include natural gas, diesel, petrol, LPG, CO<sub>2</sub> fire extinguisher, methane from septic tanks, refrigerant leakage and purchased electricity. According to the statistics of the past, the source of greenhouse gas emissions by Quanta is mainly generated from the electricity purchased for operation. This emission source accounted for more than 90% of the Company's overall emissions in 2016.

Quanta established a company-wide inventory list of greenhouse gas emissions in accordance with the requirements of ISO 14064-1:2006 and the greenhouse gas level disclosure protocol. The volume of greenhouse gas emissions is inspected regularly every year, used as a reference for energy-saving and carbon reduction. In response to government policies, new energy conservation measures and goals are stipulated each year. A comprehensive greenhouse gas emission statistics calculation system is also being gradually established. The inspection covers the qualitative and quantitative check of scope 1 (direct greenhouse gas emissions), scope 2 (indirect greenhouse gas emissions). The calculated emissions do not include tradeoffs and transactions.

Quanta completed greenhouse gas emission certification in 2015, thus 2015 is designated as our base year. Base year greenhouse gas emission inspections are illustrated in the greenhouse gas emission statistical results. Should the following occur, the base year will be recalculated and amended:

1. Changes are made to the operational boundary,
2. Greenhouse gas source or greenhouse gas sink ownership and operational control rights transfers in or from the organizational boundary,
3. Changes are made to greenhouse gas quantitative methods, which cause significant changes to greenhouse gas emissions or removal volume, and Significant threshold is set at 3%. Base year settings and amendments will be made in accordance with corporate needs or related national policies.

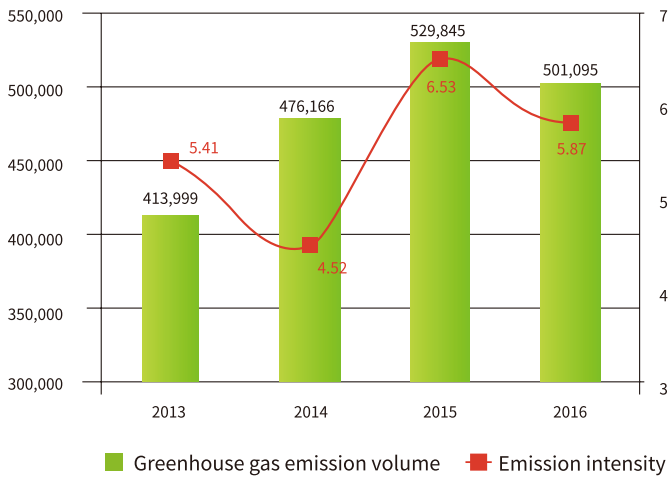
## Work with carbon-trading demo cities

Both Shanghai and Chongqing have been listed as carbon-trading demo cities, extensive reviews have been carried out to assess the impact, including energy consumption levels and compliance with government requirements of carbon-trading processes. Quanta is compliant with carbon-emission rights and trading policies, and submits estimates of its own emissions to government departments every year. Government departments then distribute carbon-emission allowances and work with third-party verification agencies that conduct on-site verification of actual emissions versus allowance limits.

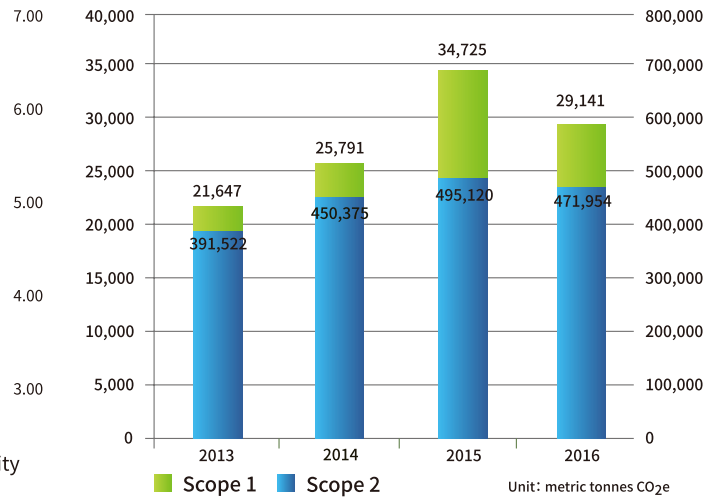
## Outcome of greenhouse gas inventory checks at various sites

QRDC have complied with the Regulations for Energy Saving Objectives and Implementation Plan for Energy Users published by the Ministry of Economic Affairs (MOEA) according to the Energy Administration Act. Overall, annual energy savings of 1% or more have been achieved. As well as the autonomous regulations on developing Taoyuan City as a low-carbon-emission and green city, the site utilized more than ten percent of contract volume in solar power, wind power or other means of green energy and energy conservation equipment as its target.





Greenhouse gas Emission intensity during 2013-2016



Greenhouse gas emission statistics of Scope 1 & Scope 2 during 2013-2016

Greenhouse gas emission statistics of Taiwan site

Site	QRDC & Hwa-ya factory			
	2013	2014	2015	2016
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	103 / (0.77 %)	115 / (0.88%)	395/ (2.54%)	413/ (2.43%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	13,323 / (99.23 %)	12,883/ (99.12 %)	15,138/ (97.46%)	16,584 (97.57%)
Greenhouse gas emission volume (Tons of CO <sub>2</sub> e)	13,426	12,998	15,533	16,997
Emission intensity	2.46	2.40	2.83	3.11
Greenhouse gas emission volume by type	CO <sub>2</sub> : 13,424.17 CH <sub>4</sub> : 1.58 N <sub>2</sub> O: 0.18	CO <sub>2</sub> : 12,95.65 CH <sub>4</sub> : 1.99 N <sub>2</sub> O: 0.20	CO <sub>2</sub> : 15,335.16 CH <sub>4</sub> : 6.34 N <sub>2</sub> O: 0.25 HFCs: 191.48	CO <sub>2</sub> : 16,780.86 CH <sub>4</sub> : 7.79 N <sub>2</sub> O: 0.27 HFCs: 208.36
CO <sub>2</sub> emission volume produced by biomass burning	0.3029	0.4084	0	0

### Greenhouse gas emission statistics of QSMC

Site	QSMC			
Year	2013	2014	2015	2016
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	16,563/ (5.70%)	13,943/ (5.07%)	13,330/ (4.80%)	12,386/ (4.51%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	273,937/ (94.30%)	260,812/ (94.93%)	264,285/ (95.20%)	261,991/ (95.49%)
Greenhouse gas emission volume (Tons of CO <sub>2</sub> e)	290,500	274,755	277,615	274,377
Emission intensity	5.47	4.79	7.04	6.82
Greenhouse gas emission volume by type	CO <sub>2</sub> : 284,114.57 CH <sub>4</sub> : 1,870.08 N <sub>2</sub> O: 21.19 HFCs: 4,489.52 PFCs: 6.39	CO <sub>2</sub> : 270,698.01 CH <sub>4</sub> : 1,793.71 N <sub>2</sub> O: 22.24 HFCs: 2,234.50 PFCs: 6.39	CO <sub>2</sub> : 274,252.86 CH <sub>4</sub> : 1,719.90 N <sub>2</sub> O: 20.07 HFCs: 1,619.31 PFCs: 2.33	CO <sub>2</sub> : 271,140.35 CH <sub>4</sub> : 1,500.64 N <sub>2</sub> O: 24.08 HFCs: 1,710.04 PFCs: 2.12
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0	0

### Greenhouse gas emission statistics of CSMC

Site	CSMC			
Year	2013	2014	2015	2016
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	3,928/ (12.65%)	13,943/ (5.07%)	6,537 / (6.90%)	3,738/ (5.20%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	27,115/ (87.35%)	260,812/ (94.93%)	88,247 / (93.10%)	68,118/ (94.80%)
Greenhouse gas emission volume (Tons of CO <sub>2</sub> e)	31,043	71,226	94,784	71,856
Emission intensity	5.91	2.78	4.56	2.98
Greenhouse gas emission volume by type	CO <sub>2</sub> : 30,617.08 CH <sub>4</sub> : 1.58 N <sub>2</sub> O: 2.51 HFCs: 421.50	CO <sub>2</sub> : 70,324.37 CH <sub>4</sub> : 3.15 N <sub>2</sub> O: 5.29 HFCs: 893.45	CO <sub>2</sub> : 90,300.56 CH <sub>4</sub> : 2,934.37 N <sub>2</sub> O: 35.59 HFCs: 1,513.09	CO <sub>2</sub> : 68,716.48 CH <sub>4</sub> : 1600.56 N <sub>2</sub> O: 27.42 HFCs: 1,511.34
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0	0

## Greenhouse gas emission statistics of QCMC

Site	QCMC			
Year	2013	2014	2015	2016
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	1,053 / (1.35 %)	5,086 / (4.34 %)	14,463/ (10.19%)	12,604/ (9.14%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	77,177 / (98.65 %)	112,101 / (95.66 %)	127,450 / (89.81 %)	125,261/ (90.86%)
Greenhouse gas emission volume (Tons of CO <sub>2</sub> e)	78,230	117,187	141,913	137,865
Emission intensity	6.22	6.88	9.20	8.68
Greenhouse gas emission volume by type	CO <sub>2</sub> : 77,183.68 CH <sub>4</sub> : 12.22 N <sub>2</sub> O: 0.02 HFCs: 1,034.33	CO <sub>2</sub> : 112,341.04 CH <sub>4</sub> : 713.03 N <sub>2</sub> O: 7.58 HFCs: 4,125.43	CO <sub>2</sub> : 131,768.59 CH <sub>4</sub> : 2,837.96 N <sub>2</sub> O: 9.26 HFCs: 7,291.42 SF <sub>6</sub> : 5.88	CO <sub>2</sub> : 129,835.16 CH <sub>4</sub> : 724.47 N <sub>2</sub> O: 8.8 HFCs: 7,291.23 SF <sub>6</sub> : 5.88
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0	0

- Notes: 1 The greenhouse gas emission is calculated based on the operational control method
- 2 Sources where the purchased power emission coefficient derived from:  
 (1)Taiwan factory: Bureau of Energy's 2015 power purchase emission coefficient (0.528Kg CO<sub>2</sub>e /kWh)  
 (2)China factory: 2015 Baseline Emission Factors for Regional Power Grids in China  
 QSMC、CSMC : emission coefficient for Huadong region (0.8112Kg CO<sub>2</sub>e /kWh)  
 QCMC : emission coefficient for Huazhong region (0.8112Kg CO<sub>2</sub>e /kWh)
- 3 The greenhouse gas emission GWP is derived from:  
 (1)QRDC, CSMC: IPCC's 4th assessment report published in 2007  
 (2)QSMC,QCMC: IPCC's 5th assessment report published in 2013
- 4 Emission intensity per capita
- 5 Statistics of 2016 greenhouse gas inventory of all sites were all certified by ISO 14064.
- 6 CSMC has recompiled its data after inspections by a third party in 2015.

Fuels used by Quanta included non-renewables, such as petroleum and diesel for company vehicles, natural gas for boilers, liquid petroleum gas (LPG) for staff canteen, diesel for emergency generators, and externally purchased power. All data were based on the 2016 greenhouse gas inventory checks at each site. Heat value data was based on the list of per unit heat value of energy products provided in the 2015 Bureau of Energy Manual. The following describes the calculations:

$$\text{Energy consumed} = \text{Energy used} \times \text{heat value} \times \text{energy unit conversion}$$

### Categories of energy consumption

Event types			QRDC& Hwa-ya factory		QSMC		CSMC		QCMC	
			2015	2016	2015	2016	2015	2016	2015	2016
Fuel	Diesel	Kiloliter(KL) (KL)	7.756	10.1185	88.4566	93.54	22.116	30.99	5.6510	2.41
		Gigajoule(GJ) (GJ)	272.78	355.88	3,111.09	3,289.75	777.84	1,089.65	198.75	84.79
	Petroleum	Kiloliter (KL)	1.2511	1.406	163.5822	240.52	62	142.96	110.24	97.95
		Gigajoule(GJ) (GJ)	40.86	45.92	5,342.37	7,855.16	2,024.83	4,668.75	3,600.25	3,198.96
	Natural gas	Cubic meter(M3) (M3)	-	-	4,288,917.55	3,866,822.06	751,628	115,277	1,858,663	1,987,995
		Gigajoule(GJ)	-	-	143,661.58	129,523.07	25,176.53	3,861.33	62,257.78	66,589.88
	Liquid petroleum gas (LPG)	Ton	53.492	51.606	-	-	-	-	-	-
		Gigajoule(GJ)	2,654.08	2,560.50	-	-	-	-	-	-
Electricity	Power consumed	Megawatt hours (MWh) (MWh)	29,056.24	31,408.53	326,479.13	322,967.46	103,948.37	79,053.06	134,059.23	132,299.32
		Gigajoule(GJ)	104,602.45	113,070.70	1,175,324.88	1,162,682.86	374,214.14	284,591.02	482,613.23	476,277.55
Total energy consumption (GJ)			107,570	116,033	1,327,440	1,303,351	402,193	294,211	548,670	546,151

Note: Since 2016, QCMC defined its canteen natural gas usage volume as Scope 3. Thus, this report recomputed natural gas emission calculations for 2015.



Corporate Social Responsibility  
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# Green supply



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# Green Supply Chain Management

## General Background of the Supply Chain

Quanta is an electronics product R&D and manufacturer that designs or assembles final products according to our clients' requirements and ship the products to an area designated by the client for sale.

Main supply chain are electronic or mechanical components suppliers, offering main products including electronics products such as notebook computers, servers etc., majority of the supply chain consists of worldwide suppliers with advantages in this type of products. The materials supply chain consists of more than 1,200 firms throughout Taiwan, US, Japan, Korea, China and Europe. Supplier categories include original manufacturers, authorized distributors, dealers etc. The characteristics of the supply chain are capital intensive, technology intensive and labor intensive etc.

Supply chain strategy is mainly based on its competitiveness, including price, R&D capability, manufacturing capability, quality advantage, shipping process management, on-site service etc. Within the duration of the report, changes in supplier relationships are part of normal operations strategy, and there are no major, unique transformations.

## Supply chain management strategies and objectives

### Management strategies and objectives

For business transactions, Quanta checks records to see if suppliers have violated any environmental or social regulations. Contractual terms allow for Quanta to terminate the contract if it is found that the supplier has violated policies that resulted in a significant negative impact on the environment or social community.

### Early warning policies and practices

Quanta has a composite supply chain in place, whereby we can conduct unannounced on-site audits, or promptly initiate an audit of a supplier if major work-related or environmental incidents occur in certain areas or industries.

## Supplier Management Criterion

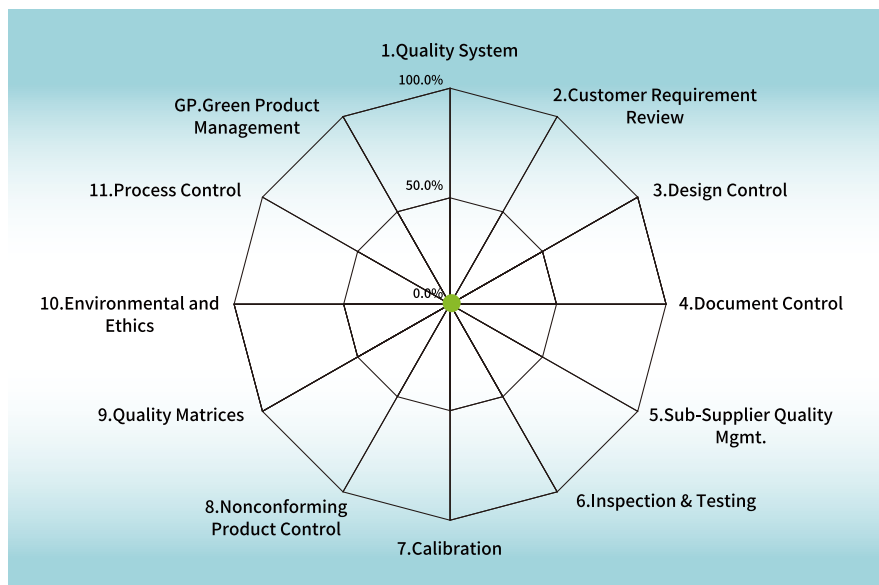
### Selection of Green Suppliers

Suppliers are important business partners of Quanta, and their compliance with regulations pertaining to the environment, labor practices, human rights, and social impact aspects directly and indirectly affects our business stability, product quality, on-time delivery capability, and business reputation. This is why Quanta has put in place stringent supplier management standards so as to select, audit, and manage our suppliers. New candidate suppliers' selection, the environment, ethics and green product management are indispensable items.



## Categories of qualifications for ratifying candidate suppliers

	SECTION	Self Actual %	Quanta Actual %
A. Generic Quality System(GQS)	1.Quality System	NA	NA
	2.Customer Requirement Review	NA	NA
	3.Design Control	NA	NA
	4.Document Control	NA	NA
	5.Sub-Supplier Quality Mgmt.	NA	NA
	6.Inspection & Testing	NA	NA
	7.Calibration	NA	NA
	8.Nonconforming Product Control	NA	NA
	9.Quality Matrices	NA	NA
	10.Environmental and Ethics	NA	NA
	Average (%)	0.0%	0.0%
B. PC	11.Process Control	0.0%	0.0%
C. GPM	GP.Green Product Management	0.0%	0.0%
Criteria:			
Qualified		GQS $\geq$ 70, and GPM $\geq$ 85 & PC $\geq$ 75	
Conditional Qualified		60 $\leq$ GQS < 70, and GPM $\geq$ 85 & PC $\geq$ 75	
Unacceptable		GQS < 60 or GPM < 85 or PC < 75 or Section Score < 60	



Note: To modify our supplier qualification criteria timely, Quanta always paying close attention to the progress of related laws and regulations.

## Suppliers recognized standards

Qualified	2013	70 $\leq$ Score and GPM $\geq$ 85
	2014~	GQS $\geq$ 70, and GPM $\geq$ 85 & PC $\geq$ 75
Conditional Qualified	2013	60 $\leq$ Score < 70 and GPM $\geq$ 85
	2014~	60 $\leq$ GQS < 70, and GPM $\geq$ 85 & PC $\geq$ 75
Unacceptable	2013	Score < 60 or GPM < 85 or Section Score $\leq$ 60
	2014~	GQS < 60 or GPM < 85 or PC < 75 or Section Score < 60

Note: GQS=Generic Quality System; PC=Process Control; GPM=Green Product Management  
The standard is adjusted in accordance with customers' demands and changes of laws and regulations.  
Standards recognized in 2016 are similar to those in 2014

## Assessments and impact

The assessment results can be communicated via audit review and two-way participation etc. Once SCAR (Supplier Corrective Action Request) is issued after the audit report, the supplier must respond with relevant improvement plans and achievements before the deadline. If longer time frame is required due to amendments in regulations or equipment purchase, the case can be discussed separately. If the supplier fails to take action within the stipulated time, actions such as rejection or termination of contract will be taken. Our procurement system prevents us from placing orders with suppliers who fail to qualify for the recognized standards reviews.

## Number of on-site audits for new suppliers

Quanta applies on-site audit in environmental, labor, human rights, ethics and social impact standards for new suppliers. Almost 300 suppliers, or nearly 47.33% of all suppliers, were audited in 2016.

### Percentage of new suppliers selected using environmental, labor, human rights, ethics and social impact standards

Audit year	(%)
2014	50.61%
2015	35.87%
2016	47.33%

The number of general new suppliers increased in 2016 relative to that in 2015, with a reduction in the number of suppliers designated by clients, resulting in an increase of audit percentage in 2016. Although on-site audits were not carried out for other suppliers, they are still under the joint-supply value-chain management model established with the customer and must comply with labor, business conduct, human rights, and environmental standards.

## Supplier annual CSR EICC audit

Quanta is an official Electronic Industry Citizenship Coalition (EICC) member. Comply with the resolutions of Quanta Corporate Governance and Business of Ethics Committee to perform the supplier annual CSR audit. The following describes the standards adopted and the overall status of supplier audits:

Contents assessed and standards	<ul style="list-style-type: none"> <li>● EICC Validated Audit Process (VAP) Operations Manual V5.01</li> <li>● Statutory regulations</li> </ul>		
Category	Labor & Ethics	Health & Safety Environmental	Management System
Overall observations	<ul style="list-style-type: none"> <li>● For ethical standards, most suppliers demonstrated compliance with the standards and requirements.</li> <li>● For labor and human rights, requests for systematic improvements to management have been made for issues such as overtime work, under-aged labor management, management of work hours for women pregnant for more than seven months or during breastfeeding, reasonableness of salary deductions, and discriminatory practices.</li> </ul>	<ul style="list-style-type: none"> <li>● For environmental aspects, the number of issues was limited but improvements in management were required for the handling of effluent water and run-off control measures during heavy rain.</li> <li>● For occupational safety and health, requests for systematic improvements have been made regarding issues such as work and material environmental review after completion of subcontracted tasks, contingencies, hazardous chemical product management, fire safety equipment inspections, use of protective equipment for special job positions, and physical examinations as well as annual inspections for lightning protection equipment.</li> </ul>	<ul style="list-style-type: none"> <li>● For management systems, the review showed that suppliers have largely complied with the relevant standards and requirements.</li> </ul>

## 2016 Quanta Green Standards Conference - helping suppliers benefit from co-prosperity

Four supplier conventions were held in Taiwan, Shanghai, and Chongqing.

### QUANTA COMPUTER INC. INVITATION



- Theme: Quanta 2016 Green Standard Training Conference
- Organizer: Quanta Product Design Center (PDC)
- Co-organizer: SGS Taiwan / SGS Shanghai / SGS Chongqing
- Attendee: Person responsible for Green issues, CE or QA
- Online Registration: <http://goo.gl/hKsnz>
- Deadline for registration: October 7th, 2016 based on each location
- Date and Venue:



Region	Date	Venue	
Shanghai	10/19	QSMC Sun-Zien Guest House	
		Address	No. 168, NanLe Road, Songjiang Export Processing Zone (EPZ), Shanghai
Shanghai	10/20	Shanghai San Want Hotel (2F-Board Room 2 and 3)	
		Address	No.650, Yishan Road, Shanghai, China
		URL	<a href="http://www.sanwants.com/1-0.htm">http://www.sanwants.com/1-0.htm</a>
Chongqing	10/26	Chongqing Liyuan Hotel (15F Conference center)	
		Address	No.15, Tianchen Road, Shapingba District, Chongqing, China
		URL	<a href="http://www.cqliyuan.com/en/location.asp">http://www.cqliyuan.com/en/location.asp</a>
Taiwan	11/9	Civil Service Development Institute, Directorate-General of Personnel Administration, Executive Yuan	
		Address	No. 30, Sec.3 XinSheng S. Rd., Taipei, Taiwan, R.O.C
		URL	<a href="http://www.hrd.gov.tw/e_content/facility/facility03.aspx">http://www.hrd.gov.tw/e_content/facility/facility03.aspx</a>

Statistics of numbers of registrants and attendees are as follows:

Region	No. of registrations			Attendance			Attendance rate (%)		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Quanta Taiwan	508	406	330	434	331	299	85.43%	81.53%	90.61%
Quanta Shanghai-A	87	130	150	105	97	149	120.69%	74.62%	99.33%
Quanta Shanghai-B	448	437	319	407	325	270	90.85%	74.37%	84.64%
Quanta Chongqing	153	141	207	143	109	195	93.46%	77.30%	94.20%
Total	1,196	1,114	1,006	1,089	862	913			

# Conflict Minerals Due Diligence Investigations and Management

## Summary of global trends and customer requirements

Non-governmental military forces and armed groups have seized control of gold (Au), tantalum (Ta), tungsten (W), and tin (Sn) mineral resources in the Democratic Republic of the Congo and nine other neighboring countries. This has negatively affected local social, environmental, and human rights issues. In response, international laws, legislative directives, and brand customers increasingly stringent requirements for investigating the sources of conflict minerals as well as declarations for smelters and refiners. These requirements include 100% investigations of suppliers as well as 100% compliance by smelters and refiners to CFSI, LBMA or RJC certifications.

## Quanta's position on conflict minerals

Quanta insists on no use of conflict minerals policy by supporting and following EICC and GeSI Conflict-Free Sourcing Initiative strategies and approaches on 3TG. Besides, conflict minerals reporting template and related management tools published by EICC and GeSI are utilized to constantly investigate if our suppliers are abiding by the aforementioned policy.

## Summary of Quanta's due diligence investigations in 2016

### Preparations

A large amount of preparatory work was carried out to ensure the efficiency of conducting conflict mineral investigations. These included identifying the targets of investigation, verifying the contact window of the targets for investigation. We hereby ask the sourcing representatives to claim their suppliers and change investigative methods used for the previous years and have respective sourcing representatives directly prompt suppliers for replies on the CAMP system to achieve more comprehensive and better investigative results.

### Questionnaire system investigations— Latest version of CMRT

The supplier due diligence investigations of conflict minerals in 2015 was notified and carried out using the questionnaire system of the Cloud Application Management Platform (CAMP). Various links were sent to the relevant suppliers. The latest versions of the CMRT provided on the CFSI official website were used to update documents on the CAMP system while templates and update instructions have also been made on the systems page, with sourcing representatives notifying suppliers by mail to respond to investigative reports or complete them online.

## Systems Page Instruction Update:

Suppliers can choose to complete the file online or upload a completed file.

**請提交或更新衝突礦產報告**

鑒於電腦業特種衝突金屬採購政策，並支援 EICC與GeSI在衝突金屬(鍍金Gold (Au)、錫Tin (Sn)、鈹Tantalum (Ta)、鈳Tungsten (W)、鉭鈾3TG)上的策略與做法。如您知道，EICC-GeSI無衝突採購標準(CFSI)仍然採用“衝突礦產報告範本(CMRT)”和配套的管理工具，用於調查一個機構/公司的無DRC衝突採購策略與努力與供應鏈中的金屬冶煉廠。本“範本”與工具過去若干年以來都是電子和資訊通訊行業內標準的、通用的工具。鑒於電腦業仍仍所用之對供應商調查，一如既往，此處供應商是指，所供應的物料用於製造產品中的供應商，而非其他的、初查廠家、設備等供應商不在調查範圍。

對於這項工作Quanta的要求是：

1. 供應商須位模板內容，調查、匯總、報告其供應處礦產品所涉及的所有供應商信息。須特別注意的是，某些供應商可能建有多個vendor code，這些供應商所提交的那份CMRT須涵蓋其屬下所有Vendor code。
2. 供應商報告中所提交的冶煉廠，須在CFSI網站中被列為「合格Compliant」，其網址為：「<http://www.conflictreesourcing.org/conflict-free-smelter-refiner-list/>」
3. 新收到通知的供應商需於4週內提交衝突金屬報告。已提交的廠商（若之前報告不符合要求或現在實際已變化），請隨時保持更新。

**此填寫頁面包含「網頁填寫」與「檔案上傳」**

當您完成上方公司基本信息問題，並回答「Yes」從而將定3TG被有意識加入產品或因生產過程被包含入產品，在下方“Web Reply or Upload Excel(CMRT)”問題處，您可選擇回覆方式。

1. 若選擇「檔案上傳」則需要點選該題目右方的圖統計圖示以上傳一個已經完成的CMRT。如果你沒有CFSI原廠的空模板，你可点击其下“Blank CMRT Download link: CFSI\_CMRT”
2. 如果你選擇「網頁填寫」，你須在網頁上逐一回答問題。

**Blank CMRT Download Link 空白CMRT下載連結: [CFSI\\_CMRT4.2](#)**

**Web Reply or Upload Excel? To upload your finished CMRT, please click here → \*** 

線上填寫問題或上傳Excel檔案      上傳請點選資料夾圖示

Web Reply

Upload Excel(CMRT)

**CMRT版本升級為4.2了，請大家以最新版本來做報告囉**

CMRT version upgraded to 4.2, please use it to do the report.

## Questionnaire analysis and reports

The system will generate a summary report which includes the overall responses, distribution of survey outcomes for various topics, and the list of smelters and refiners provided by the supplier. CMRT due diligence investigation reports can then be compiled and provided to the customer as required.

We remain fully committed to continuously improving our conflict minerals management system. We are committed to solving social, environmental, and human rights issues in order to fulfill our obligations as a member of the supply chain.

# Green Quality Management

Quanta Computers is the global leader in ODM/OEM industry for its R&D, design, manufacture and service capabilities. The Company has built its reputation and leadership in the technology industry through its outstanding R&D capabilities and sophisticated manufacturing services. Quanta is responsible for the research and development, certification, and manufacturing processes of the product life cycle. With regards to product health and safety concerns, we have adopted the following systems-based approach for managing these issues.

## Green Product Management System (GP Management System)

Recently, many stakeholders have highlighted the importance of green products development, especially due to the implications of the compliance with laws and regulations. Quanta regards “Fulfill green enterprise” as one of its quality policies. To embed the concept of the green enterprise deeply in Quanta's green product management system, customers' demands of green products shall be satisfied and the international regulations shall be met. Quanta continually contributes its share to the environmental protection and social responsibility.

In accordance with the standards announced by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), Quanta implemented the green product management, based on the fundamental structure of the ISO 9001 quality management system. Quanta also obtained the certificate of IECQ QC 080000 management system. We have therefore established a Green Product Management Committee and a systematic management approach in accordance with the requirements of QC 080000. With the management structure, the green product management process is linked to the areas of research and development, procurement, manufacture and customer services. All products developed within the company (including computer peripherals, communication networks, multimedia, automotive electronics, medical equipment and other relevant products) meet the requirement of hazardous material free.

- In the product development phase, the supplier shall provide the test reports of the materials and parts conducted by the certified third party and declare compliance with the restriction of the use of hazardous substance (RoHS) in Quanta green environmental website, in order to ensure that the purchased materials and parts meet the requirements of green product management.
- In the manufacturing management process, the sub-materials in use are managed and controlled through risk assessment and sampling tests.
- In the product management, Quanta is more actively establishing the in-house laboratory to conduct tests on incoming materials and random sampling of finished products for shipment.

Internal and external audits carried out every year were used to verify the effectiveness of our green products management system. Assessment results for 2016 were compliant with our expectations and demonstrated the continuing effectiveness of the green product management system.

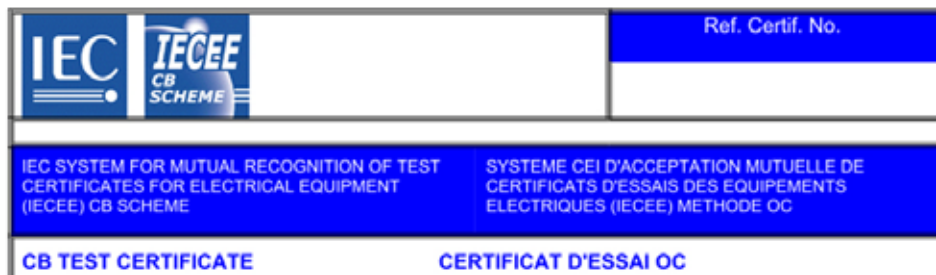


## Health and safety impact assessments for every stage of the product and service life cycle

Product life cycle stages	Assessment required?
Development of product concept	Yes
Research and development	Yes
Certification	Yes
Manufacturing and production	Yes
Marketing and promotion	Quanta is an ODM / OEM and professional R&D and design manufacturer. Assessment for subsequent phases would therefore not apply.
Storage distribution and supply	
Use and service	
Disposal, reuse, or recycling	

## Product safety regulations

Required safety tests prescribed in the International Electrotechnical Commission regulations (IEC 60950-1) were conducted on Quanta's products. All were found to be compliant with the requirements of these safety regulations. Certification from certifying bodies were obtained as proof.



## User safety

Quanta's reliability labs reference standards released by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the American Society for Testing and Materials (ASTM), Deutsches Institut für Normung (German Institute for Standardization, DIN), and the Japan Industrial Standards (JIS). Moreover, we take into consideration customer requirements, and we have independently adopted standardized methods as well as other tests developed by our own labs. Our support of the reliability and safety verification testing of product systems contributes to gaining effective control over product quality and user safety. For example:

- During system operations, would surface temperature exceed the legally stipulated limits?
- Is there sufficient coating adhesion and wear resistance? Will coating materials flake off after a while?
- Are there any sharp corners in the original design of the structure? Will drop tests result in sharp corners damaging the structure?
- Will there be explosive or short-circuit risks if the structure is subjected to compression, twisting, or impact testing?
- Will protective systems be activated when the external electrical connection ports are subjected to short-circuit testing? Are there any risks of smokes or fires?
- Will the volume output of the earphones of electrical devices exceed the legally stipulated limits?
- Will protective systems be activated during a voltage surge, overload, or excessive temperature testing? What are the results of safety assessments for product use?
- Are condensation tests or high-temperature and humidity testing conducted to assess product safety in hot and humid environments?

The management of labs at various sites have been standardized and made consistent with one another. Each lab is capable of supporting each other for verification testing. During product development phases, the labs can help verify and confirm solutions to various problems so as to improve the effectiveness and cycle time of the development phase.

## Green Product Laboratory (GP Lab)

To achieve an effective management, Quanta established GP laboratories in Shanghai, Changshu, Chongqing and Taiwan Taoyuan respectively. The detection methods are based on the IEC 62321 and the international testing standards. Tests and inspections on materials, parts, sub-materials and finished products are performed to detect hazardous materials, including lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), chlorine (Cl), bromine (Br) and phthalate ester according to the laws and regulations as well as customers' requirements.

In the laboratory management, the laboratory in Shanghai passed the laboratory accreditation standards (CNAS-CL01)(equivalent to ISO 17025) issued by the China National Accreditation Service (CNAS) and obtained the accreditation certificate for chemical laboratory. GP Laboratories in Changshu Chongqing and Taiwan Taoyuan were established in 2007 and 2011 respectively, equipped with XRF and chemical detection equipment, set up a quick communication workflow with the laboratory in Shanghai. Materials tested in the laboratories in Changshu, Chongqing or Taiwan Taoyuan that require further verification can be delivered quickly and timely to the laboratory in Shanghai that has complete analysis capability. At the same time, laboratories in Changshu and Chongqing are managed in accordance with laboratory accreditation standards (CNAS-CL01) to achieve the standardization of the laboratory management and to effectively assure the quality of Quanta's products.



Quanta Group GP Laboratory Location Map

With the aforementioned management in place, products manufactured in 2016 can all satisfy customers' demands of green product and comply with the international regulations of green environmental protection. The number of events that violate the relevant laws and regulations of the green product is zero.

## Customer satisfaction

"Ensure customer satisfaction" has always been a key part of our quality policy. We constantly focus on whether our products and services are capable of fulfilling the customers' expectations.

In addition to quarterly business reviews (QBR), we also implement customer satisfaction surveys during the fourth quarter of each year. Various business departments issue questionnaires via a Customer Satisfaction Survey System to their corresponding customers. The feedback is then used as the basis for initiating continuous improvements.

In 2016, we conducted customer satisfaction surveys for quality management and green product controls. Results showed that customers' overall satisfaction with Quanta grew by 1.8% when compared to the previous year. For any customer satisfaction survey that includes feedback for necessary improvements, we immediately initiate an analysis of the root cause(s) and develop appropriate improvement strategies. Annual management review meetings also include the outcomes of customer satisfaction surveys conducted by the business units. Various survey indicators have been compiled to identify directions for improvement, which are then used as a basis to formulate objectives for the following year.



Corporate Social Responsibility  
Annual Report 2016

# Social Participation



Quanta Culture & Education Foundation	87
Quanta Arts Foundation	97
Charity Club	105

Rapid advancements are being made in the field of technology applications. Future social structure requirements should not only be diverse, but also account for aspects of uncertainty as well. Quanta believes that constant investment in social and human capital will provide both short-term and long-term benefits to all stakeholders in Quanta and areas influenced by Quanta.

Quanta has four main operational locations throughout Taiwan and China, including Taiwan R&D headquarters, Shanghai Manufacturing City, Changshu Manufacturing City, and Chongqing Manufacturing City. The aforementioned locations are not within any specific reserved area and there are no documents of community collective bargaining announcements.

Quanta’s CSR Committee comprises a sub-committee of Social Care Committee, through commercial activities, non-cash property endowments, volunteering service or other charitable professional services to participate in events relating to community development and charities. Quanta Culture & Education Foundation and Quanta Arts Foundation are mainly responsible for implementing related tasks in Taiwan, while in China, the tasks are delegated to the charity clubs in various sites.

Taiwan serves as the starting point to develop skills among students they can use and go anywhere. Art is used as a medium to create a diverse selection of learning platforms. With the hope of inspiring creativity, we also promote social connection and exchange with Mainland China and Southeast Asia as well. Factories also place focus on environmental conservation, social support for the elderly, as well as special education requirements, knowledge seminars, health counseling, and other community exchange projects. Every man and woman residing in these communities could be part of these activities. Quanta also celebrated several festivals such as Mother’s Day, Father’s Day, Double Ninth Festival, and organized various events such as family activities with the goal of improving happiness while promoting health and development. Quanta’s operational locations are all 100% committed to local community participation, benefit assessments, and development projects.

## Resources Invested

Organization	Invested Fund			No. of Participants(persons)			Other Resources Invested (materials, equipments, venues etc.)
	2014	2015	2016	2014	2015	2016	
Quanta Culture & Education Foundation (NT\$)	Approx. 45 million	Approx. 49.6 million	Approx. 47 million	Approx. 1,437,000	Approx. 1,410,000	Approx. 1,561,160	Tablet PC, Interactive teaching and learning materials
Quanta Arts Foundation (NT\$)	Approx. 60 million	Approx. 60 million	Approx. 109.4 million	Approx. 106,300	Approx. 112,500	Approx. 268,000	Quanta Hall
Charity Club (RMB)	Approx. 158 thousand	Approx. 140 thousand	Approx. 151 thousand	Approx. 8,025	Approx. 9,800	Approx. 10,500	<ul style="list-style-type: none"> <li>● QSMC: charity fans, student desks and chairs, socks for children and for adults, stationery, fruits and daily supplies.</li> <li>● CSMC: Club member T-shirts and hats, public welfare stickers, club banners, daily supplies, and kitchenware.</li> <li>● QCMC: charity labels, donations of recreational equipment for children, stationery, cotton slippers for the elderly, food, fruit and daily supplies.</li> </ul>

# Quanta Culture & Education Foundation

We utilize scientific ways to inspire creativity in children, use creativity to develop independent thinking in children, and followed by inspiration of analysis and appreciation of art and visual aesthetics. Make the future bright and positive with beautiful things.

**Vision:** Equal distribution of cultural affluence, equal sharing of technology

**Mission Statement:** “education as root,” “art as foundation,” “technology in application,” “innovation as method.”

**Objective:** To promote pedagogical innovation and bridge cultures across different generations and from around the world.

## Core objectives for 2016

The Quanta Culture & Education Foundation was established by the Quanta group chairman & CEO Barry Lam in order to achieve the aim of equal distribution of the wealth of knowledge. A close acquaintance with the cultural arts is a right and opportunity that everyone should have. Thus, we have promoted various projects as well as actions in hopes that children can learn and play while immersed in the arts. As children begin to develop curiosity of the world, Quanta uses art as a medium to build diverse learning platforms and inspire creative thinking in children for access to endless future possibilities.

With rapidly developing technology in an ever-changing world, we need to cultivate proactive learning and problem-solving skills in students so that they are ready to face future challenges.

We deeply believe that, through technology and innovative pedagogical methods, we can make a difference in education. We aim to be “promoters of pedagogical innovation” as well as a “platform for bridging cultures across different generations and from around the world.” Not only can we promote the newest education perspective, we also attempt to break through traditional teacher-to-student instructional modes. We develop “idea labs” to encourage teachers about creative instruction, allowing student learning to break through existing frameworks and learn abilities they can apply outside of the classroom.

This year we are further highlighting the importance of “equal sharing of technology.” The Chairman points out this philosophy “triggers boundless imagination of children through their curiosity of the world and other things. Utilize scientific methods to inspire creativity in children, and use creativity to develop children’s ability to think independently since childhood. We then inspire children’s appreciation of the arts. Make the future brighter and more fulfilled with the influence from beautiful things.”



## Framework of the 5 major actions

A total of 5 major actions were implemented in 2015 with the objectives of promoting pedagogical innovation and bridging cultures across different generations and from around the world, namely the Quanta Immersed in Creativity Project, Creativity Competitions, Smart Education, international exchange, and public events.



Framework of the 5 major ●

## Promoting pedagogical innovation

### Smart Education

The Design Education project was conducted through design exhibitions allowing teachers and students to learn and grow together, developing an “inspiration mode” learning culture. In 2016, the program was further expanded to include 12 more schools, 40 teachers, and 300 students.

### Creativity Education

Quanta jointly organized “The 7th Quanta Immersed in Creativity Award” with the Ministry of Education (MOE). Teachers and students who won first prizes were awarded with a trip to Germany to explore another this country and Western art culture from a first-hand perspective, expanding student and teachers’ aesthetic and global perspectives.

### Public Affairs

To encourage innovation in the education sector, Quanta sponsored innovative education and international exchange programs for 20 schools and organizations, which benefited a total of 310,000 individuals. To ensure that children from underprivileged backgrounds could experience the joy of art appreciation, the Foundation also encouraged art education and organized a total of two charity exhibits. A total of 40 children from New Taipei City Happy Mount were invited to the “Masters of Light and Shadow: Baroque.”

In response to computer programming education being incorporated into curriculum planning in 2018, Quanta Culture & Education Foundation mobilized volunteers from Quanta to make use of their professional skills in engineering. By combining the Foundation’s cultural wealth of education, and use of computer programming education as a means of instruction and companionship, Quanta hopes to help children obtain new perspectives so they can be connected with the rest of the world. Simultaneously we also invite local senior citizens living alone to join us in planned events so that volunteers and children may learn to respect their elders and enrich their cultural values through the care and by making contributions to their elders.

## Bridging cultures of different eras and around the world

### Quanta's Immersed in Creativity Project

In 2016, a total of 19 touring galleries featuring works by classical western artists such as Millet, van Gogh, and Chagall as well as Eastern artists such as Fan Kuan's Travelers Among Mountains and Streams and Huang Gongwang's Dwelling in the Fuchun Mountains were exhibited in 19 cities throughout Taiwan as well as in two overseas galleries. There were 226 schools and institutions that participated. There were 210 creative education and design courses as well as 20 instructor seminars held, training a total of 813 seed instructors and 4,932 little art guides. For 12 years, we have organized over 1,814 tours with more than 3,000,000 attendees.

Quanta's overseas Immersed in Creativity project in 2016 reached Chinese Taipei schools in Kuala Lumpur, Malaysia, as well as those in Jakarta and Surabaya, Indonesia. "Praise of the East-A Grand Exhibition of Song Dynasty Culture" was exhibited at the Chinese Taipei School in Kuala Lumpur, with Foundation Executive Director Lori Hsu presenting the entire exhibit to the school, extending the benefits of overseas exhibitions promoted locally.

"Eternal Dialogue with My Hometown: A Taiwanese Exhibit Featuring Three Artistic Youths" toured at Chinese Taipei Schools in Jakarta and Surabaya in Indonesia, which allowed students to learn about Taiwanese artists. In addition to learning about creative work, the exhibit also provided overseas students with the opportunity to become acquainted with Taiwan's history. The exhibit at the Chinese Taipei School in Surabaya in 2016 was held in conjunction with a trio conference which takes place annually at overseas Chinese Taipei schools. We also invited distinguished guests including Deputy Minister of the MOE, Dr. Tsai Ching-Hwa for the opening ceremony. Through execution of Immersed in Creativity overseas projects, we have provided domestic and overseas schools with the same art education resources as well as suggestions to the MOE for promoting arts education overseas.

### International Exchanges

Organize international cultural ambassador competition to engage Taiwanese and foreign students engage in sharing life experiences as well as their cultures. Attend the British Educational Training and Technology (BETT) exposition to learn the newest achievements by U.K. elementary and high school education applications in Information & Technology and Telecommunications. We will also find suitable parties to establish future partnerships and expand overseas cooperation.

## Quanta "Immersed in Creativity" Project

### Main Achievements

Since the inception of Quanta's "Immersed in Creativity" project in April 2005 up to 2016, we have already continued into our twelfth year. As for 2016's "Immersed in Creativity" project achievements, there were a total of 19 exhibitions across 19 cities in Taiwan, 20 seminars held which trained 813 seed instructors, 243 art guide training sessions which trained 4,932 little art guides. Our commitment to arts education is driving the silent revolution in education. Students and instructors can see a significant influence of the "Immersed in Creativity" project.

In 2016 there was the newest "Immersed in Creativity" project which scheduled 26 tours with "Masters of Light and Shadow: Baroque," which uses an integrated showcase of Baroque artwork with lighting so people can learn about European arts and cultures in 17th century Europe. We guide children to appreciate the lighting and unique characteristics of Baroque artwork, followed by an observation of everyday lighting, an opportunity to cultivate an appreciation of aesthetics, expansion of horizons and global perspectives in hopes that they become equipped with the ability to appreciate diverse subjects.



- Highlights of the “Immersed in Creativity” Project in 2016



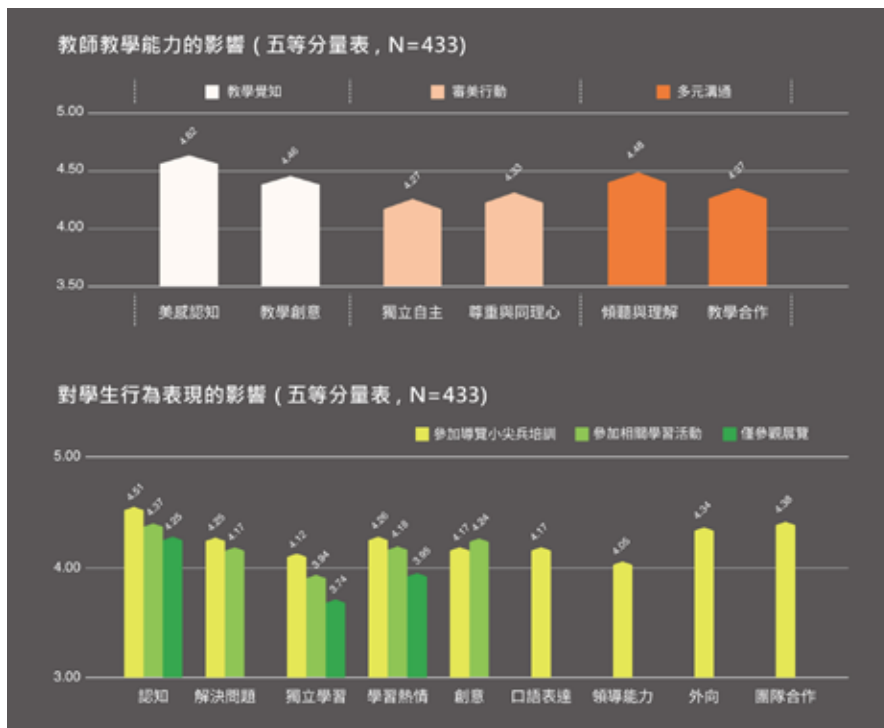
- Quanta’s “Immersed in Creativity” Project 26th Exhibition “Masters of Light and Shadow: Baroque”

## Influence

The “Immersed in Creativity” project uses art as a medium to construct a diverse learning platform to inspire creative thinking in children to achieve the vision of “art-inspired creativity.” The project conducted a quantitative statistical investigation of the influence of the project in schools and institutions and received 433 valid questionnaires. The results are as follows:

In core abilities criteria for instructors, the six major core abilities fall within the range of high-degree influence. Of these, aesthetics takes the highest with 4.62. As for the three major core values, pedagogical influence is dominant.

As for the investigation on instructor observation of student behaviors, by examining various degrees of student participation in the project in accordance with differences in student core ability diagrams, the three kinds of participation are: only taking a tour in the exhibitions, participating in relevant learning activities (including exhibit tours, class courses, clubs etc.) as well as art guide training sessions (tours, courses, clubs, museum tour guide training sessions, touring exhibition guide services etc.). Results show that in terms of Quanta’s project influence, participating in the little art guide training attracted the most participants as well as exerted the most influence. This means the more involved students are, the greater the project’s influence.



- “Immersed in Creativity” Project School Investigation of Influence on Instructor and Student Core Abilities.

## Problem-solving

Schools can establish partnerships with other schools located in The same county or city through the “Immersed in Creativity” Project which allows them to exchange inputs on mutual topics as well as sharing the exhibition experience, educational resources, and training and support of faculty. Doing so reduces the gap between urban and rural areas as well as enriches the aesthetics. Through observations of various courses offered at each school, the project can be ingrained as part of the school’s fundamental assets, allowing for greater influence and providing students with the opportunity to marvel at works by masters without the need to travel long distances. Through promotion of arts and culture education, instructors have also gained effective aid and support, greatly enhancing their instructional outcomes.



- Executive Director Lori Hsu listens on as little art guides introduce the works of Max Liu.



Executive Director Lori Hsu listens on as little art guides introduce the works of Max Liu.



Executive Director Lori Hsu at the joint opening ceremony of the Masters of Light and Shadow: Baroque.



Instructor training camp at Taichung City.



Tablet-assisted interactive audio-visual learning at Gao Ping Elementary School in Chiayi.



# Design Learning Makes Learning Desirable

## Important achievements and influence

- ▶ Fueling students' desire to learn has always been a part of our "silent revolution." The core principle of Design Learning is to promote instruction and learning that breaks through traditional frameworks by using design and showcasing.
- ▶ In 2016 the project was further expanded and included a total of 12 schools from New Taipei City, Yunlin County, Chiayi City and County. We also encouraged the five partner schools that participated in last year's project for the second year's Micro Activities course. A total of 17 schools, 50 instructors and 425 students participated in the project.
- ▶ Learning required design, Quanta Culture & Education Foundation bestows instructors with the role of "learning designers" to utilize exhibition planning tools and design students' "exhibition mission" learning environment. After schools start, the Foundation continues to plan exhibition based courses, and encourage students to exercise exhibitions at museums so students understand what an exhibition is and be able to demonstrate basic skills in their learning outcomes.

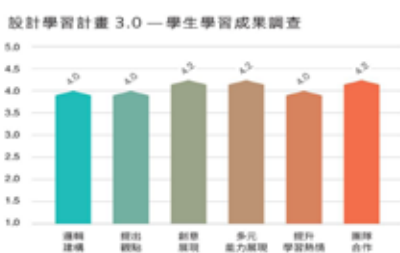
## Student Learning Achievements

In 2016, a learning outcome survey investigation was conducted on 255 students who participated in the "Design Education" project. More than 80% of students agreed that after joining the project for a year, they felt the exhibition objectives allowed them to learn group cooperation, how to respect the viewpoints of others, as well as how to present their own views. Through the exhibition process, they have developed organized thinking, strengthened logic as well as the ability to engage in classroom discussions and exhibition tasks, which ignited their passion for education.

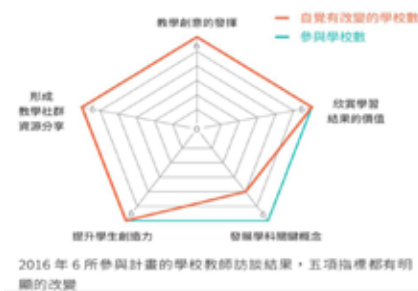
## Instruction Achievements

An interview conducted on instructors from six schools in 2016 discovered that instructor teaching focus shifted from "how to teach" to "how to encourage student learning." The end result was to significantly highlight the students' diverse abilities, enhanced teaching content, and achieved further development of key concepts in relevant subjects.

### 學生學習成果



### 教師教學成果



(Left) The 2016 survey on the learning achievements of 255 students who participated in the project

(Right) 2016 interview results of faculty members from the six schools that participated in the project, All five indices exhibited significant changes.

(Left) Buddy instructors attempt to demonstrate their course planning through exhibition.

(Right) Students attempt to exhibit their results with paper exhibitions.



## International Exchange

### Culture Ambassadors and Culture Representatives

Quanta Culture & Education Foundation has held international culture competitions since 2014 with 10 foreign students selected each year to represent their countries as ambassadors at schools everywhere. The events have promoted Taiwanese student and instructor understanding and respect of the culture and identity of these foreign students, resulting in diverse and mutual world perspectives. As of this year, there are 30 foreign students from 18 countries spanning across five major continents in this project. There have been 30 junior and senior high and elementary school students that have participated in this project.

In addition to culture ambassador competitions, this year the Foundation also held the culture representative competition where three foreign students from Russia, Vietnam and the Philippines engaged in cultural exchanges at elementary schools as well as joint planning of culture missions with Taiwanese students and faculty, resulting in comprehensive cultural exchanges, and strengthened interactions. Cooperation highlights this project which ingrains existing cultural exchanges while further expanding cultural exchange networks.

### Important Achievements and Influence

Inform friends from around the world of Taiwan's accomplishments with use of social media (such as Facebook and blogs). Share activities and news associated with studying in Taiwan to elevate Taiwan's status and visibility in the international community while promoting Taiwanese culture abroad with school visits and student missions so that students can learn about each other's cultures and viewpoints and promote bilateral international exchanges, allowing them to become most ideal spokespersons.



A photo of Executive Director Lori Hsu and 2016 culture ambassador and representative candidates.

### BETT (British Education and Training Technology) Expo

The BETT exposition held in the U.K. is an information platform that integrates forums with innovation workshops as well as exhibitions that showcase innovative products. It invites outstanding individuals in innovation education from all over the world to share their success, attracting information education experts from every country to attend each year. Because BETT's education innovation philosophy resonates with the Foundation's promotion of "art-inspired innovation," which involves design and games, thus we sent delegates to participate.

We used this opportunity to further understand the newest achievements in information and communication technology (ICT) by U.K. elementary and high schools. The Foundation aims to acquire even more information and concepts on innovation while simultaneously discovering likeminded parties for future partnerships and to establish overseas cooperation. The experience acquired by participating at BETT shall be used for education promotion of future technology applications, allowing more dynamic and engaging education methods and resources to serve as important assets when cooperating with schools.



Recipient of the first prize for culture ambassador, Mr. Kobayashi from Japan, engages in cooking and dining with students while wearing traditional clothing.



## Public Events

### Quanta Art Innovation DNA Scholarship

The Foundation and Taiwan Fund for Children and Families are long-term partners in charity. Since 2008, with monthly donations from the salaries of the people at Quanta, we have been helping disadvantaged children with “Harmony Education Vehicles” and “Junior Youth Seed Scholarships.” From 2008 to 2011, we have provided scholarships to approximately 3,000 impoverished schoolchildren. In 2012, we also established the “Quanta Art Innovation DNA Scholarship,” as well as partnership with the Taiwan Fund for Children and Families to support children with artistic gifts. Over the years we have helped 449 children in poverty with artist potential with junior high and elementary level students awarded NT\$12,000 each school year, and senior high school students with N\$30,000. In 2016, through scholarships we have assisted 72 artistically-talented children with scholarships at NT\$1,224,000 so they may continue to receive education and harness the ability to break out of poverty. We hope those children can attain their dreams as artists and not falter to the hardships of reality.

### Quanta Volunteers

The Foundation continues to promote the Quanta volunteer project by encouraging the people at Quanta to integrate their technical expertise with cultural arts and do what they can for the education of future generations. Children are the hope of tomorrow and the quality of education will influence a country's future competitiveness. Yet, urban-rural differences clearly indicate there are many areas that require attention as well as investment of resources.

#### Arts and Charity, the Cultural Feast of Masters of Light and Shadow: Baroque

Chairman Lin once said: “Aesthetics is a spiritual concept each person should have the opportunity to enjoy.” For disadvantaged children to also be able to enjoy the arts, the Foundation invited 40 Happy Mount children to Quanta's headquarters to watch the “Masters of Light and Shadow: Baroque” exhibition. Many of these children come from disadvantaged families, with most of them suffering severe handicaps both physically and mentally. Quanta volunteers used noon rest periods to guide children through artistic work as well as gave background stories. Volunteers and children all received significant spiritual inspiration through the process.

#### Introduction of Computer Programming Education, Allowing Rural Children to Connect with the World

In response to computer programming education about to be integrated into new curriculum launching in 2018, Quanta volunteers integrated their engineering expertise with Foundation's resources in education and used computer programming education as instructional methods and means of companionship in hopes they can help rural children to expand their horizons, allowing them to connect with the rest of the world. Meanwhile, we also invited local senior citizens who live alone to participate in our organized events so that volunteers and children can develop cultural values through attention and care towards the elderly.

## Sponsorships

To encourage and support even more organizations to support the arts, children, and innovative education, this year we provide sponsorships with emphasis on three major directions “Innovative Education,” “International Exchanges,” as well as “Classroom of Dreams.” This year, a total of 17 schools or groups received sponsorship aid, benefitting 313,530 persons. From this year's project we can see Taiwanese children developing more international as well as more diverse perspectives and thinking, followed by the creation of local culture-centered values and confidence.



Let the World Sees Taiwan –  
Where the Hopes of Aboriginal Children Lie  
PUZAVGALAN Children's Choir



Seeing Light through Touch Project  
Seeing Light through Touch Project

## Magic Classrooms – Innovation Education Project by College and University Students

This is a newly developed innovation-based, sponsored call for entry competition that focuses on the perspective of the new generation which tackles problems in education, creativity, resource consolidation as well as problem-solving. It allows students to transition from learner to active participant of social affairs to promote innovation and application. This year we have three outstanding proposals: National Taiwan University of Arts' "Seaside Seeds-Innovation Entrepreneurship and Mixed-Age International Volunteer Project," National Dong Hwa University's "Follow Your Heart, Creative Your Growth" model adoption-guidance project, and National Pingtung University of Science and Technology's "Bench Group-Little Carpenter Study" project.

Except for holding competitions, the Foundation also invites experts and professors in education to visit these universities during the execution of the project and provide suggestions to the students participated in the competition. Through this project, we not only see the passion in educational issues from high school to elementary school students, but also the observations on the social education dilemma from the new generation, and seek to find a positive solution to it.

## Museum and Exhibition Collaborations

Our main partners for this year are: The National Palace Museum, The National Museum of Natural Science, The National Science and Technology Museum, Taoyuan City Government, and Taichung City Huludun Cultural Center. We contribute to the promotion of arts and culture, creativity showcase, and the Maker spirit, benefiting 20.82 million people. Arts and culture events in collaboration with the media include "TERRACOTTA: The Rise and Legacy of Qin Culture," "Studio Ghibli Exhibition," "NASA-A Human Adventure," "Keith Haring Exhibition," "Hans Christian Andersen Illustration Exhibition," "Coming into Fashion A Century of Photography" exhibition which benefitted more than 1,035,000 people. We also attained promotion of the arts in multiple aspects as well as expansion.

## Innovation in Education Collaboration

In response to the Maker era, the Foundation expanded the "Maker Faire" event in 2016 in hopes that children can discover passion through practice in addition to learning and developing problem-solving abilities through a competition framework, exercise and experience. A total of 30 entries entered this event with 3,731 people casting votes. Children responded with great enthusiasm for the event that encourages creative thinking, imagination as well as practice in high school and elementary students.

## Participation in Public Policies

Quanta Culture & Education Foundation has built long-lasting partnerships with various schools and academic institutions and participated in various educational conferences. The Foundation has provided both government agencies and partnering institutions with recommendations in education to support developments in Taiwan's education efforts. The Executive Director of this Foundation is also the chief speaker of the Visual Aesthetic Education Program of the Ministry of Education (MOE) who promoted the "All school Visual Aesthetic Education Program and Art Creates Quality of Life Program Series and Books" projects in partnership with the MOE in 2016, bringing both teachers and students into the world of aesthetics and infusing art into their lifestyles, behaviors, and the five senses.

Collaboration Experience with Schools and Institutions	
Participation Unit	Organizer
Member, Art Education Committee	Ministry of Education
Speaker, MOE Visual Aesthetic Education Program	Ministry of Education
Committee Member, 12-Year Basic Education Special Needs Art Expertise Curriculum Draft Reform Meeting	Ministry of Education
Member, Document Review Committee of the MOE STS Short-Term Study Scholarships	Ministry of Education
Member, Review Committee of the 2016 President's Education Awards-College Division	Ministry of Education
Member, Application Review Committee at 2014 "Art Instructors and All"	K-12 Education Administration, MOE
Member, Asia-Pacific Office for Aesthetic Education	National Academy for Educational Research
Member, Review Committee for New Taipei City's Art School Review Meeting	Education Department, New Taipei City Government
Member, New Taipei City Community College Review Committee	Education Department, New Taipei City Government
Member of the Committee for Promotion of Arts and Humanities Education for Junior High Schools, New Taipei city Government	Education Department, New Taipei City Government
Keynote Speaker at the Second National Arts Education Forum	Education Department, New Taipei City Government
Member, Development Committee for the Arts and Humanities Center of the General Education Center of the National Kaohsiung University of Applied Sciences	National Kaohsiung University of Applied Sciences



Foundation Executive Director, Lori Hsu as the main speaker of the Forum at Taipei National University of the Arts.

# Quanta Arts Foundation

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Arts and culture are the spiritual nourishment of society for they reflect the spiritual strength of society. We shall preserve and maintain traditions, encourage innovation, actively promote integration of technology and art, and integrate social organizations to create material and spiritual aspect benefits for the group.

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“Technology needs the humanities to generate warmth.” In 2010, Chairman Barry Lam invited important individuals in the fields of the arts and humanities. Mel Yang was named as the Executive Director to establish (QAF) that is primarily focused on promoting performance arts. The Foundation has a unique feature of going Beyond Art. Since the era of technology is constantly undergoing sweeping changes, QAF maintained similar technological approaches to align itself with modern trends and was therefore armed with an extraordinary vision.

Performing art groups in Taiwan constantly face inadequate budgeting, shortages of marketing and exposure channels, and the issue of audience population development. Despite having plenty of professionals in script writing, direction, performance, and technical details, Taiwan lacks comprehensive resources or partnerships with entities that have the artistic vision capable of giving these professionals a stage where they can realize their true potential. Therefore, the goal of the QAF was to create a comprehensive resource integration platform that benefits investors, art professionals, and audiences.

The QAF consolidated internal and external resources to realize three core goals. One is encouraging creativity. In 2016, 11 domestic performing art programs were given subsidies. The second is technological arts which was the purpose of the QA Ring project which successfully propelled many Taiwanese artists onto the world stage. In 2016, we continued to effectively engage in international partnerships and promotions. The third core goal is cross-strait exchanges. In 2016, we sponsored events including the 2016 Cross-Strait Performing Arts Festival program “Live Your Life,” stage performance - a promotion platform for performing arts in Mandarin-speaking areas. QAF’s platform is home to famous and well-received programs and will continue to pursue additional touring resources and international exposure opportunities for its featured works.

## Strategies

Policies were established with the primary directive of preserving cultural traditions while encouraging innovation. To promote Chinese performing arts in the international community, the Foundation shall actively support the incorporation of technology with art and promote dialog and exchange in the field of Chinese performance arts.

- ▶ Many believe that technology and art are incompatible like opposite sides of a libra. QAF, on the other hand, believes that technology is a key element for enabling advancement and integration of modern art.
- ▶ While traditional values and modern advances fight for influence, QAF instead designed a creative route where technology and art mutually support each other.
- ▶ As rifts began to develop within the Chinese speaking community, QAF actively proposed steps for dialog and exchange to overcome barriers and obstacles to attain greater cultural achievements.

## Vision

QAF will be entering its seventh year in 2016 following its inception. After undergoing three years of exploration and four years of implementation, QAF has finally established a strong presence in the corresponding artistic fields.

- ▶ For technological art, the Digital Performing Arts Festival became a Top 100 Cultural and Art Event of Media Taiwan.
- ▶ The 2016 Cross-Strait Theatrical Arts Festival was the fifth year of the festival and serves as a key indicator for Cross-Strait exchange in theatrical arts. QAF also became a key partner for organizing exchange activities at the government and civilian level.
- ▶ The Commissioned Works project has generated over 70 exciting works to date. QAF has continued to encourage the next generation of new theatrical pieces and opportunities for the three professional aspects of “material selection, talent development, and resource provision.” QAF is also working together with the Quanta Research Institute to develop a Mobile App Platform exclusively designed for performing groups to expand the scope of planning and establishment, and help performing teams develop more diverse marketing channels.

## Core objectives

### Encourage new works

#### Six Years of Success in Commissioned Works

Since QAF promoted “The Commissioned Works” project in 2011, it has generated up to 70 various works in performing arts. The Project specifically focused on three critical types of resources: material selection, talents, and intellectual property. Comprehensive support was provided for every stage starting from the screening of working titles, creative processes and subsequent promotion, and post-release marketing. In 2016 there were numerous releases, all of which won recognitions such as viewers’ choice awards, international tours, and festivals.

#### Commissioned Works in 2016

- Ear East Ensemble 《Dress in Code》
- Blacklux 《X\_X rooms》
- Against Again Troupe 《Leviathan 2.0》
- La Cie MaxMind 《Isle of Dreams》
- Les Petites Choses Production 《Seven Selves》
- Very Theatre 《Blink of an Eye》
- Creative Society 《The Inn》
- Taipei Seagull Theatre 《Much Ado About Nothing》
- Voleur de Feu 《For Samuel Beckett 110》
- Tainaner Ensemble 《Indifferent Routines》
- L'Enfant S. Physical Theatre 《Toc! Toc! La Mort》

#### Quanta Hall Invitations and Performances in 2016

##### Spring Glow Art Festival

- All Music Theatre 《The Impossible Times》
- Greenray Theatre Company Metropolitan Life Theatre 《Old Prince》
- Open Theater 《Say Goodbye Again》
- Feng Shen Bao Bao Troupe 《Chang’ e Flees to the Moon》 (Quanta's 28th Anniversary)

##### Black Box Festival

- Ching-Ju Wei 《Under a Certain Little Star》
- Sus Scrofa Studio 《Animate pop-up book theater Le Petit Prince》
- L'Enfant S. Physical Theatre 《Toc! Toc! La Mort》

##### Focus Commissioned Works Series

- Taipei Seagull Theatre 《Much Ado About Nothing》

## QAF Theatre No. 3 More than Words

In 2016, acting Goddess Megan Lai and creative genius Hung-Jen Hsiao played pivotal roles with their performances, earning number one at the box office. The year 2016 was when this performance was entered into the “Chinese Originals Musical Festival” and premiered at a world class performing arts venue: Beijing Tianqiao Performing Arts Center in November.

## Chinese Originals Music Festival

QAF organized the “2016 Chinese Originals Musical Festival” for the first time. To encourage “originality,” the Foundation invited musicals excelling in “script” as well as “music” from areas such as Taiwan, Mainland China, and Hong Kong, harnessing musical creative talents from Mandarin-speaking areas in one place. In addition to performances, the festival also offered the daily musical - performing arts workshop, where famous masters in musicals taught the students. QAF has built a “Youth Development Platform” which simultaneously gathers both talents in musicals as well as viewers.

## Project Runway: A Reality Show Competition of Creating Musical

The program invited talent in Taiwan’s musicals scene where they demonstrated through live network broadcasts, including viewers’ choice events. Musical professionals were invited as panel judges to select and promote the best team, inspiring and motivating Taiwan’s next generation of aspiring artists.

## Quanta Philharmonic Orchestra [miXtage] Project

The project serves to promote domestic music creation. In addition to traditional performances, the project constantly devises various innovative ways to publish as well as broadcast. The miXtage project began in 2015 and gathered many young and talented Taiwanese musicians to create new music with a new generational vibe; toppling the traditional framework, followed by a launch using MV production methods. In 2016, the concert 《Chromatics-Trio Symbiosis》 was the first concert of [miXtage] concert series, performed by Jazz Pianist Tseng-Yi Tseng, recipient of the Golden Melody Awards for “Best Composer” and “Best Instrumental Album.”

## IRON ROSE Arts Festival, Theatrics Survival Camp

As a local resident of Taoyuan, Quanta held the first “2016 IRON ROSE Arts Festival” with the intent that expression of different performances and materials will drive continuous arts and cultural development in Taoyuan. The Festival took off with loads of content with a variety of purposes. One is to help performing art groups grow as well as develop Taoyuan viewers’ appreciation of diverse performances; second is to connect with local resource consolidation platforms to discover local talent and establish the foundation for the performing arts scene in greater Taoyuan through theatrics survival camps.

## Technological Arts

We work with local, arts and technological communities to communicate and break down the fences and barriers to achieve even greater cultural achievements together.

### QARing International Inter-Disciplinary Project

The proposed QARing International Disciplinary Project has continued operations for its third year and successfully propelled young Taiwanese artists to the world stage. We hope we can work with international organizations and create an integrated exchange space that can pave the way to the international stage for Taiwanese artists. QARing has developed an in-depth exchange model of “online discussion and guidance, workshops, international performances,” with international consultants as well as professional advisors assisting with project development. The following is the works of this project:



## International Tours

We had Tainaners and Pao-Chang Tsai perform 《Solo Date》 at the Edinburgh Festival Fringe in Edinburgh, U.K. as well as the Ars Electronica Festival in Linz, Austria. Anarchy Dace Theatre 《Second Body》 went to perform at the 2016 European Capital of Culture opening series in Poland, the International Festival Arts and Technology in Russia, Rencontres chorégraphiques internationales de Seine-Saint-Denis in France, and One Dance Week in Bulgaria.

## The 2016 All-New 《Étude》

New media artist Hsin-Jen Wang used the Kinect platform to develop a “Motion capture driven audio visual device” which soon became the “dance console that allows one to temporarily put aside rehabilitation frustrations” for those who have been injured during the mass casualty event at Formosa Water Park.

## The 7th Digital art performance award of 2016

The Digital art performance award was jointly organized by Taipei Performing Arts Center and QAF. QAF has been offering prize money to first place winners to ensure that winning works could be successfully presented in their entirety. In 2012, the Awards successfully identified and integrated the robot arm from the German company KUKA into dance performances. The internationally acclaimed work titled HUANG YI & KUKA by Huang Yi Studio has already been performed in up to 54 international tours. The 7th Digital art performance award was offered in 2016, with “Nomad Planet” winning the million dollar 1st prize with its 《Prisoners under the torch》 which featured a live UAV aerial performance.

## 2016 Taiwan Technological Art Festival “CIAO”

In 2015, after QAF changed its organization model, along came the “Taiwan Technological Art Festival” by the Ministry of Culture which mainly focused on technology, fashion, popular trends and artistic exchanges. It invited curators Chih-Yung Chiu and Isaac Chen to plan the event. The festival spanned over two years with the “Taiwan Technological Art Exhibition” which unfolded in 2015, whereas the 2016 Taiwan Technological Art Festival “CIAO” has officially begun which integrates the “inter-disciplinary” perspectives of the newest theatrical performances, dances, music, fashion as well as new media art. Six international-level grand performances took place at Taipei, New Taipei City and Taoyuan.

## Cross-Strait Exchange

### Stage exhibits: A platform for promoting performing arts in Chinese-speaking areas

The National Culture and Arts Foundation and QAF joined forces and released a “Platform for Promoting Performing Arts in Chinese-speaking Areas” along the three major objectives of “Promotion,” “Matching,” and “Development,” by a series of practical measures and activities through 2015 and 2016. The efforts have strengthened exchanges in the field of performing arts in Chinese-speaking areas and also established an outstanding promotional platform for performing arts groups from Taiwan.

### Exchange Conference for Taiwan Performing Art Groups in Mainland China (Taiwan in Focus)

The Daolue Performing Arts Industry Annual Conference in Beijing set “Taiwan in Focus” as the main theme for the platform in 2016 and invited leading Taiwanese performances in drama, dance, music as well as other inter-disciplinary shows to perform in Beijing. The conference also used a video introduction to connect these artists with industry professionals in Mainland China. Simultaneously, in response to the main theme, recommended lecturers shared their experience performing in Taiwan, realizing the sharing of cross-strait performing arts resources as well as experiences. Groups that participated included: the Godot Theatre Company, Story Works, U-Theatre, Quanta Arts Foundation, Creativity Society, Contemporary Legend Theatre, Ifkids Theatre, Mr. Wing Theatre Company, Ju Percussion Group, and Shiny Shoes Children's Theater.

## Arts Festival Theme Exhibition “Taiwan Unit”

In 2016, we established cooperation with contemporary theatrical programs in Shanghai. We also organized the “Twin City Original Theatre in Suzhou” with likeminded organizations in Nanjing and Yangzhou. Three Taiwanese programs were showcased in three cities where they performed 24 events, which yielded effective mutual exchanges. This is also the first time QAF brought Taiwanese theatre groups through more than two cities.

## Cross-Strait Script Reading Project

In 2016, QAF began cooperating with the Shanghai Dramatic Art Centre, and launched the “Cross-Strait Original Script Reading Project” to promote in-depth and diverse exchanges for cross-strait performing artists. This plan aims to promote further cross-strait exchanges and material cooperation between screenwriters, directors as well as actors and actresses. Script reading brings out the innate appeal of the text through simplistic, simple recitals. With this project, participants will be able to further understand the works exchanged, allowing actual cooperation to take place. Scripts read were: Thinkers’ Theatre of Taipei: Screenwriter Bo-Wen Zhai’s 《The Spectator》, Jing-Bo Hsu’s 《Bloodline》. As for 1933 Shanghai Micro Theatre: there is Screenwriter Jin-Yan Hu’s 《Anna》, Zheng-Ping Hsu’s 《The House in the Water》, Jie Zhan’s 《Borrowed Family》.

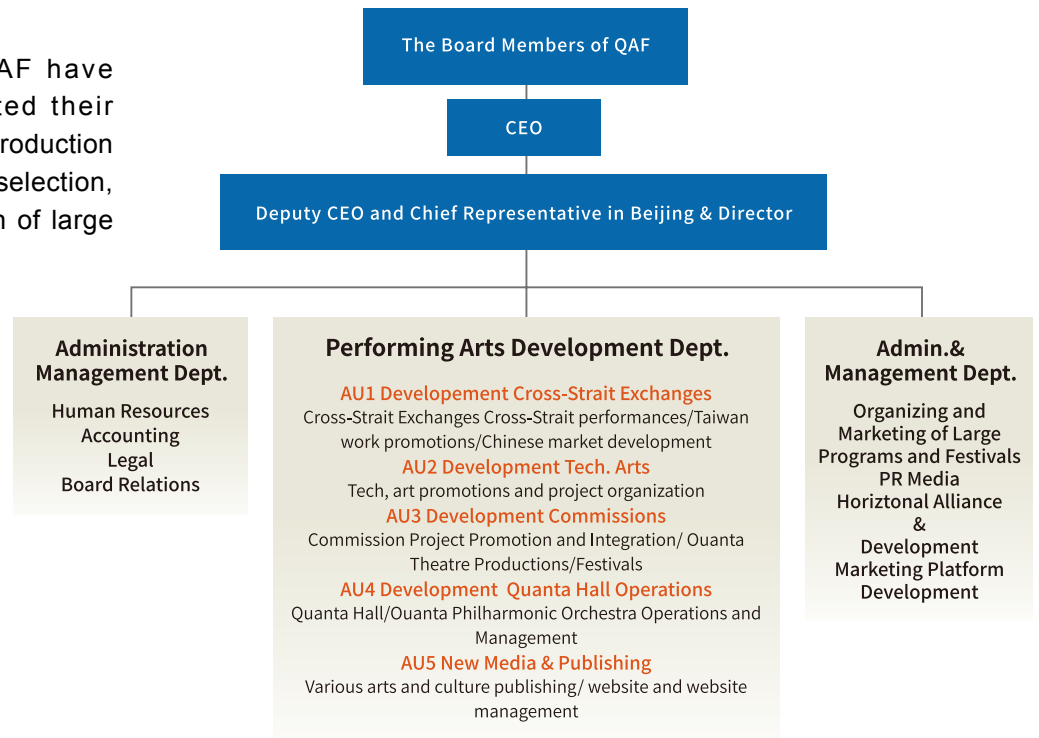
## 2016 Cross-Strait Theatrical Arts Festival - 【Live Your Life】

The Cross-Strait Theatrical Arts Festival was jointly organized by QAF and the China Friendship Association of Cultural Circles. Each year it gathers theatre groups of different styles and appeals from Mainland China and Taiwan to perform at Beijing, Taipei and Kaohsiung. Over the years, this has become an important platform for mutual exchanges as well as for creative development for cross-strait theatre groups. It is also the only brand entrusted by cross-strait performing groups to engage in exchanges. To this day, the festival has entered its fifth year and has invited 21 programs to perform in Taiwan. It has also brought 17 plays to Beijing. A result of these painstaking efforts, QAF has also expanded its perspective and integrated talent development and exchanges of cross-strait producers into the arts festival. It is expected the festival will bring new horizons to the Chinese performing arts circle each year.

Participating programs in 2016 (Beijing): Creativity Society. There is 《The Inn》, which is a collaboration effort by cross-strait directors. There is also Fantasy Theatre’s 《Undo》, Voleur de Feu Theatre’s 《Le Petit Paris》, Shakespeare’s Wild Sisters Group 《Zodiac》. As for 2016 shows in Taipei, there is Zhe Teng (Beijing) Culture Communication Co. Ltd & Rao Xiao Zhi Theatre Studio 《The Insanity》, The Hippies Theatre 《Mountain Dwelling》, Wing’s Song Culture Theatre & Zeal Chou Studio’s 《Following Huang Gong Wang, Visiting Fu Chun Mountain》, Theatre SanTuoQi 《Dearest My Love》.

## QAF investments

Personnel from QAF have repeatedly demonstrated their abilities in performance production as well as the planning, selection, marketing, and promotion of large events.

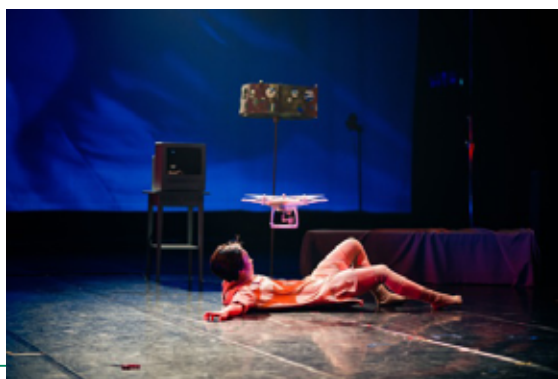


## Exciting snapshots from various events in 2016

### Exciting snapshots from various events in 2016 Technological Arts

#### QA Ring International Digital Performance Arts and Cross-Boundary Collaboration Project «Étude»

New media artist Hsin-Jen Wang used the Kinect platform to develop a “Motion capture driven audio visual device” which soon became the “dance console that allows one to temporarily put aside rehabilitation frustrations” for those who have been injured during the mass casualty event at Formosa Water Park.



The 7th Digital Art Performance Award of 2016 «Prisoners under the torch» ; flying drones are added as a part of the live performance.



Technological Art Meets Pop Music. 2016 Taiwan Technological Art Festival “CIAO”



## Commissioned Works

Commissioned work of 2016 《Dress in Code》, which won top viewer's choice in Taiwan



QAF Theatre No.3 More than Words won number one at Taiwan's box office in 2016

Project Runway, a reality competition about the creation of musicals



Cross-Strait talents compete in the "Chinese Originals Musical Festival"



Quanta Philharmonic Orchestra (QPO) [miXtage] Project



Rooted in Taoyuan, the IRON ROSE Arts Festival, Theatrics Survival Camp

# Cross-Strait Cultural Exchanges



Stage Performance: A Promotional Platform for Performing Arts in Chinese-Speaking Areas



Exchange Conference for Taiwan Performing Art Groups in Mainland China "Taiwan in Focus"



Festival Theme Exhibition "Taiwan Unit"



Cross-Strait Play Reading Project

2016 Cross-Strait Performing Arts Festival "Live Your Life" Performance





# Charity Club

## Beautifying the environment and working alongside everyone

Quanta has established manufacturing sites in Shanghai, Changshu, as well as Chongqing. Security and stability in these areas will directly affect business activities in the company. Quanta’s principles of truth, kindness, beauty, integrity, trust, and love were upheld in our efforts to contribute towards the society. In addition to providing local areas with employment opportunities and economic development, we also hoped to plan more activities, share the fruits of our work with the local communities, and spread love with our Charity Club.

The main themes of our project include environment care, respect for the elderly, thanksgiving, and community development. These efforts were aimed to promote environmental security and healthy cultural development in local communities. Proper planning and contingency measures for various communities were established as well. Both local women and men were invited to activities that included tree-planting activities, Mother’s Day celebrations, caring for children with autism, visiting senior citizens at retirement homes, and collecting clothing donations for residents in need in mountainous communities, etc. Such lessons also taught people how to care for their parents as well.

Quanta plants new trees every year to add greenness to the local landscape. The Club encouraged everyone to quit smoking to care for both the environment and their own health. On Earth Day, the Charity Club also supported efforts for reducing food, water, and electricity wastes. Charity activities were aimed to improve greater participation and continuing expansion of similar activities.

## Development project framework and summary information in 2015

Table of community development projects		Problem resolution or other related adjustment measures
Environmental care	Green home, Green Life, Green Quanta spring tree planting event Environmental protection program - Joint Establishment of a Charming Hometown Environment Beauty and Protection Starts with Me Program Yushan environmental protection event: The “environmental protection begins with me” event. Care for the environment, food resources, as well as water, power, and other resources.	<ul style="list-style-type: none"> <li>▶ Limited event budget, thus unable to support the event and project completely:</li> <li>▶ Expand sponsors and apply budget from the company. To overcome membership recruitment issues: In addition to recruitment posters and advertisements, registration services at various recruitment stalls at entrance and exit locations of various sites, and showcase of club activities and achievements, a number of new recruitment measures were added as well, including: promotion during training for newly hired staff, providing registration services at various dormitories, LED panel ads, broadcasting ads, as well as reasonable arrangements and</li> </ul>
Respect the elderly	Daxing Township Center retirement home visit	
Thanksgiving	Mother’s Day ∨ Father’s Day ∨ Double Ninth Festival ∨ Joyful parent-child activities	
Care about special education	caring for children with autism. Visit to the Changshou Special Education School	
Charity	Chongqing charity tour: free blood donation.	
Community performance	“Cherish life, away from tobacco” smoking control campaign.	
Others	Charity donation event where clothes are sent to a charity platform and then distributed to residents in need in mountainous communities.	



## Integrated planning for internal organizations and human resource allocation



Regular task performance assessments of various personnel

Preferences and interests were considered in deployment by region and profession

## Interacting with local residents

Quanta has consistently supported the healthy development of local communities and environments. Neighboring residents were invited to join Quanta in Mother's Day, Father's Day, and Double Ninth Festivals in order to gain better understanding of local cultures and customs while promoting awareness Quanta's Charity Club and encourage local participation.

### Activity Snapshots

#### Charity Tour - Chongqing

500 new desks as well as 500 study packages (including sports equipment, books, bags, cotton socks, and souvenirs, etc.) were donated to schools to provide children with a better learning environment. These efforts were also warmly recognized by the local government.



#### Celebrating Thirteen Days of Blood Donations – Blood Donations

Quanta participated in this blood donation event for charity, which allowed everyone to learn the spirit of giving as well as knowledge about blood donations. A total of 308 individuals donated blood in this event.



## Cherish Life, Away from Tobacco - Smoking Control Event

We asked everyone to think about their own health as well as their family members' health by quitting smoking as well as advocating no smoking in public areas.



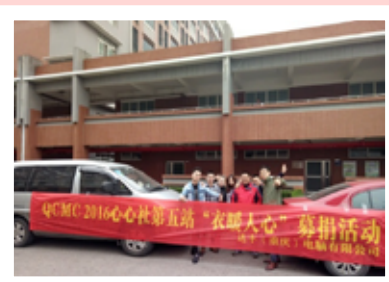
## Green Quanta - Spring Tree Planting Event

Together let us plant trees and create greenery. Contribute to a piece of love to Mother Earth and the effort to improve the environment, so the spirit of love can be spread as well as the creation of a perfect home. A total of 20 trees were planted that day.



## Charity Donation Event

This time, the event received approximately 200 articles of clothing which were then sorted, boxed, and sent to charity platforms by volunteer representatives!





## Caring for children with special needs – Le Yi Assimilated Kindergarten/Changshu Special Education School (Caring for children with Autism)

Volunteers from Quanta (41 from QCMC and 50 from CSMC) brought game props, study books, paper and pens to have fun with the children in hopes of opening their hearts.



## Visiting and Caring for the Elderly at Retirement Homes

Members of the Charity Club (45 from QCMC and 30 from CSMC) took the elderly to see exciting shows, presented them with heart-warming gifts as well as had joyous conversations!



## Visiting a School for the Children of Migrant Workers

The volunteers (39 in total) brought care to the children at the school for children of migrant workers (Sunshine School) of Changshu where they brought the children flowers, stationary, thermoses and bookbags.



## External rewards and recognition



2016 SAFI Song of New Mid-Autumn Festival Reunion



Honorary credential for winning third place in the "Futsal" hosted by businesses in the Songjiang District in 2016



Caring for the Elderly Honor Banner



Corporate Social Responsibility  
Annual Report 2016

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# Appendix



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G4-13 Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Profile of Quanta Computer : Company Introduction & Business Profile	27~30	●
G4-14 Whether and how the precautionary approach or principle is addressed by the organization	Occupational Health & Safety Management Green Supply Chain Management	53~58	●
G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Quanta CSR commitment	17~20	●
G4-16 Memberships of associations and national or international advocacy organizations	Quanta CSR commitment	17~20	●



GRI Index	Relevant chapters and Description	Page	External Assurance
General Standard Disclosures			
Identified Material Aspects and Boundaries			
G4-17 All entities included in the organization's consolidated financial statements or equivalent documents	About the report	4~6	●
G4-18 The process for defining the report content and the Aspect Boundaries	About the report Stakeholders Identification ∙ Communication and Responsibility	4~6 21~25	●
G4-19 All the material Aspects identified in the process for defining report content	Stakeholders Identification ∙ Communication and Responsibility : Identification of scope of major topics and materiality analysis ; Major Aspects on Specific Standards of Disclosure	24~25	●
G4-20 For each material Aspect, report the Aspect Boundary within the organization	Stakeholders Identification ∙ Communication and Responsibility : Major Aspects on Specific Standards of Disclosure	24	●
G4-21 For each material Aspect, report the Aspect Boundary outside the organization	Stakeholders Identification ∙ Communication and Responsibility : Major Aspects on Specific Standards of Disclosure	24	●
G4-22 The effect and the reasons of any restatements of information provided in previous reports	About the report : Boundary and Scope of the Report	4	●
G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries	About the report	4~6	●
Stakeholder Engagement			
G4-24 A list of stakeholder groups engaged by the organization	Stakeholders Identification ∙ Communication and Responsibility : Stakeholders Identification and Communication	21~23	●
G4-25 The basis for identification and selection of stakeholders	Stakeholders Identification ∙ Communication and Responsibility : Stakeholders Identification and Communication	21~23	●
G4-26 The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholders Identification ∙ Communication and Responsibility : List of Stakeholders	21~23	●
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Stakeholders Identification ∙ Communication and Responsibility : List of Stakeholders	21~23	●
Report Profile			
G4-28 Reporting period for information provided	About the report	4~6	●
G4-29 Date of most recent previous report	About the report	4~6	●

GRI Index	Relevant chapters and Description	Page	External Assurance
<b>General Standard Disclosures</b>			
G4-30 Reporting cycle	About the report	4~6	●
G4-31 The contact point for questions regarding the report or its contents	About the report	4~6	●
G4-32 The 'in accordance' option the organization has chosen; the GRI Content Index for the chosen option; the reference to the External Assurance Report	About the report	4~6	●
G4-33 The organization's policy and current practice with regard to seeking external assurance for the report	About the report	4~6	●
<b>Governance</b>			
G4-34 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	Quanta CSR commitment : CSR Committee's structure: Identify of Quanta related economic, environmental and social issues Corporate governance and ethics : Corporate governance organizational structure	19~20  31	●
G4-35 Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Quanta CSR commitment : CSR Committee's structure: Identify of Quanta related economic, environmental and social issues	19~20	●
G4-36 Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Quanta CSR commitment : CSR Committee's structure: Identify of Quanta related economic, environmental and social issues	19~20	●
G4-42 Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Quanta CSR commitment : CSR Committee's structure: Identify of Quanta related economic, environmental and social issues	19~20	●
G4-51 Report the remuneration policies for the highest governance body and senior executives. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Corporate governance and ethics : Remuneration policy	32~33	●
<b>Ethics and Integrity</b>			
G4-56 The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Corporate governance and ethics : Business Ethics	33~36	●

GRI Index	Relevant chapters and Description	Page	External Assurance
<b>General Standard Disclosures</b>			
G4-57 The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Corporate governance and ethics : Business Ethics	33~36	●
<b>Specific Standard Disclosures</b>			
<b>CATEGORY: ECONOMIC</b>			
Management Approach for Economic Performance	Profile of Quanta Computer	27~30	●
EC-1 Direct economic value generated and distributed	Profile of Quanta Computer : Economic performance	30	●
Management Approach for Market Presence	Profile of Quanta Computer Employee Overview	27~30 38~40	●
EC-5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Employee Overview : Ratio of Base Wage between Male and Female Employees	39	●
<b>CATEGORY: ENVIRONMENTAL</b>			
Management Approach for Energy	GHG management	68~73	●
EN-3 Energy Consumption within the organization	GHG management	68~73	●
Management Approach for Water	Effluents and Waste : Water Resource Management	60~63	●
EN-8 Total water withdrawal by source	Effluents and Waste : Water Resource Management	60~63	●
Management Approach for Emissions	GHG management	68~73	●
EN-15 Direct greenhouse gas (GHG) emissions (scope 1)	GHG management	68~73	●
EN-16 Energy indirect greenhouse gas (GHG) emissions (scope 2)	GHG management	68~73	●

GRI Index	Relevant chapters and Description	Page	External Assurance
<b>Specific Standard Disclosures</b>			
EN-18 Greenhouse gas (GHG) emissions intensity	GHG management	68~73	●
Management Approach for Effluents and Waste	Effluent and Waste	59~67	●
EN-22 Total water discharge by quality and destination	Effluent and Waste : Effluent Management	60~63	○ (No process wastewater. Voluntary disclosures of domestic effluent.)
EN-23 Total weight of waste by type and disposal method	Effluent and Waste : Industrial Waste Management	63~64	●
Management Approach for Compliance	Corporate governance and ethics : Compliance with company regulations	36	●
EN-29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Corporate governance and ethics : Compliance with company regulations	36	●
Management Approach for Supplier Environmental Assessment	Green Supply Chain Management	75~78	●
EN-32 Percentage of new suppliers that were screened using environmental criteria	Green Supply Chain Management : Supplier Management Criterion	75~77	●
<b>CATEGORY: SOCIAL</b>			
Management Approach for Employment	Employee relationship	41~46	●
LA-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employee relationship : Full-time employees benefits	43~44	●
LA-3 Return to work and retention rates after parental leave, by gender	Employee relationship : Reinstatement rate of parental leave	44	●
Management Approach for Occupational Health and Safety	Occupational Health & Safety Management : Taiwan- Occupational Health and Safety committee ; China-Organization of EHS Management Committee	53~58	●
LA-5 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	Occupational Health & Safety Management : Taiwan- Occupational Health and Safety committee ; China-Organization of EHS Management Committee	53~56	●

GRI Index	Relevant chapters and Description	Page	External Assurance
Specific Standard Disclosures			
Management Approach for Training and Education	Talent Development	47~51	●
LA-9 Average hours of training per year per employee by gender, and by employee category	Talent Development	47~51	●
Management Approach for Diversity and Equal Opportunity	Employee Overview : Employee diversity and equal opportunities	38	●
LA-12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Employee Overview : Employee Structure Employee Overview : Age categorization and analysis	38 38	●
Management Approach for Supplier Assessment for Labor Practices	Green Supply Chain Management	75~78	●
LA-14 Percentage of new suppliers that were screened using labor practices criteria	Green Supply Chain Management : Supplier Management Criterion	75~77	●
HR-10 Percentage of new suppliers that were screened using human rights criteria	Green Supply Chain Management : Supplier Management Criterion	75~77	●
Management Approach for Supplier Assessment for Supplier Assessment for Impacts on Society	Green Supply Chain Management : Supplier Management Criterion	75~77	●
SO-9 Percentage of new suppliers that were screened using criteria for impacts on society	Green Supply Chain Management : Supplier Management Criterion	75~77	●
Management Approach for Investment	Talent Development	47~51	●
HR-2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Talent Development	47~51	●
Management Approach for Non-discrimination and Unforced Labor	Employee relationship : Anti-discrimination and unforced labor measures	45~46	●
HR-3 Total number of incidents of discrimination and corrective actions taken	Employee relationship : Anti-discrimination and unforced labor measures	45~46	●



GRI Index	Relevant chapters and Description	Page	External Assurance
Specific Standard Disclosures			
HR-6 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	Employee relationship : Anti-discrimination and unforced labor measures	45~46	●
Management Approach for Child Labor	Employee Overview : No child labor and protection of young workers	39~40	●
HR-5 Operations and suppliers identified as having significant risk for incidents of labor, and measures taken to contribute to the effective abolition of child labor	Employee Overview : No child labor and protection of young workers	39~40	●
Management Approach for Human Rights & Labor Practices Grievance Mechanisms	Employee relationship : Communication and appeals for labor practice and human rights issues	46	●
HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Employee relationship : Communication and appeals for labor practice and human rights issues	46	●
LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Employee relationship : Communication and appeals for labor practice and human rights issues	46	●
Management Approach for Local Communities	Social Participation	86	●
SO-1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	Social Participation	86	●
Management Approach for Anti-corruption	Corporate governance and ethics : Business Ethics	35	●
SO-4 Communication and training on anti-corruption policies and procedures	Corporate governance and ethics : Business Ethics	35	●
Management Approach for Compliance	Corporate governance and ethics : Compliance with company regulations	36	●
PR-9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Corporate governance and ethics : Compliance with company regulations	36	●
Management Approach for Customer Health and Safety	Green Quality Management	81~84	●

GRI Index	Relevant chapters and Description	Page	External Assurance
Specific Standard Disclosures			
PR-1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Green Quality Management	81~84	●
PR-2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Green Quality Management	81~84	●
Management Approach for Product and Service Labeling	Green Quality Management : Customer satisfaction	84	●
PR-5 Results of surveys measuring customer satisfaction	Green Quality Management : Customer satisfaction	84	●
Management Approach for Customer Privacy	Corporate governance and ethics : Business Ethics	33~36	●
PR-8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Corporate governance and ethics : Business Ethics	33~36	●

Note: Specific indicators in 2016 are disclosed and the differences from those in 2015 are explained

- (1) 1 new indicators are added: to cope with the identification aspects of current year, 1 indicators are added, including PR9
- (2) EN22 Total water discharge by quality and destination: Quanta wastewater generated at various sites includes domestic and canteen effluent. There is no process wastewater. Hence, this Report only covers voluntary disclosures of domestic effluent.
- (3) SO8 is deleted this year because it no longer identification aspects of current year.



## INDEPENDENT ASSURANCE STATEMENT

To: **The Stakeholders of Quanta Computer Inc.**

### Introduction and objectives of work

**Bureau Veritas Certification Taiwan** has been engaged by **Quanta Computer Inc.** to conduct an independent assurance of its **2016 Quanta Corporate Social Responsibility Annual Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **2016 Quanta Corporate Social Responsibility Annual Report** are the sole responsibility of the management of **Quanta Computer Inc.** Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

### Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard AA1000AS (2008) Type 1 assurance. The scope of work included:

- Data and information included in **2016 Quanta Corporate Social Responsibility Annual Report** for the **1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2016**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)<sup>1</sup>
  - Inclusivity
  - Materiality
  - Responsiveness
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Guidelines G4.

The levels of assurance have been applied as high assurance.

### Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of **Quanta Computer Inc.**;
2. Review of documentary evidence produced by **Quanta Computer Inc.**;

<sup>1</sup> Published by AccountAbility: The Institute of Social and Ethical Accountability  
<http://www.accountability.org.uk>



3. Review performance data listed in report with sampling basis;
4. Site visits to headquarter in Taoyuan, Taiwan;
5. Review of **Quanta Computer Inc.** data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

### **Our findings**

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in **2016 Quanta Corporate Social Responsibility Annual Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **Quanta Computer Inc.**'s activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over **Quanta Computer Inc.**'s performance and status during the **1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2016**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (2008) principles of Inclusivity, Materiality and Responsiveness in its operations. Further detail is provided below;
- **Quanta Computer Inc.** has established appropriate systems for the collection, aggregation and analysis of relevant information;

### **Alignment with the principles of AA1000AS (2008)**

#### **Inclusivity**

**Quanta Computer Inc.** has processes in place for engaging with a range key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2016 covering a range of aspects such as Economic, Social and Environment.

#### **Materiality**

The Report addresses the range of environmental, social and economic issues of concern that **Quanta Computer Inc.** has identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

#### **Responsiveness**

**Quanta Computer Inc.** is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.



### **Key areas for ongoing development**

Based on the work conducted, we recommend **Quanta Computer Inc.** to consider the following:

- Encourage organizations to use external performance indicators to present the organization's performance in the wider context of sustainability. (SUSTAINABILITY CONTEXT)

### **Limitations and Exclusions**

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by **Quanta Computer Inc.**) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

### **Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 189 years history in providing independent assurance services. Bureau Veritas 2016 full year revenues reached 4.5 billion euros. The Group's adjusted net profit for 2016 reached 409 million euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with **Quanta Computer Inc.**, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.





**Bureau Veritas Certification Taiwan**

3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553 , Taiwan R.O.C.

24<sup>th</sup> May., 2017



**AA1000**

Licensed Assurance Provider

000-76

Technical Reviewer: 

Date: 24/May/2017

Assurer : 

Date: 24/May/2017

# Quanta CSR communication questionnaire

To every stakeholder that pays close attention to Quanta, hello!  
We sincerely invite you to give us your precious opinions, thank you!

## We wish to understand your relationship with Quanta:

- Shareholder, investor
- Quanta Employee
- Public welfare organization, cultural & educational organization
- Fellow manufacturer in the industry
- Insurance firm
- Customer
- Local community
- NGO
- Media
- Professional association
- Supplier
- School, research institution
- Government
- Third-party certification institute
- General public
- Other (please describe) \_\_\_\_\_

## We hope to understand more about issues that you wish to see featured in the Quanta CSR annual report, so that we can compose contents that are better suited to your needs:

### GOVERNANCE

- The governance structure and its composition
- The role of the highest governance body in setting the organization's purpose, values, and strategy
- The competencies and performance evaluation of the highest governance body
- The role of the highest governance body in risk management
- The role of the highest governance body in sustainability reporting
- The role of the highest governance body in evaluating economic, environmental and social performance
- Remuneration and incentives

### CATEGORY: ECONOMIC

- Economic Performance
- Procurement Practices
- Market Presence
- Indirect Economic Impacts

### CATEGORY: Environmental

- Materials
- Biodiversity
- Products and Services
- Overall
- Energy
- Emissions
- Compliance
- Supplier Environmental Assessment
- Water
- Effluents and Waste
- Transport
- Environmental Grievance Mechanisms

(NEXT PAGE)

## CATEGORY: Social

### Sub-Categories: Labor Practices and Decent Work

- Employment
- Training and Education
- Supplier Assessment for Labor Practices
- Labor/Management Relations
- Diversity and Equal Opportunity
- Labor Practices Grievance Mechanisms
- Occupational Health and Safety
- Equal Remuneration for Women and Men

### Sub-Categories: Human Rights

- Investment
- Child Labor
- Indigenous Rights
- Non-discrimination
- Forced or Compulsory Labor
- Supplier Human Rights Assessment
- Freedom of Association and Collective Bargaining
- Security Practices
- Human Rights Grievance Mechanisms

### Sub-Categories: Society

- Local Communities
- Anti-competitive Behavior
- Grievance Mechanisms for Impacts on Society
- Anti-corruption
- Compliance
- Public Policy
- Supplier Assessment for Impacts on Society

### Sub-Categories: Product Responsibility

- Customer Health and Safety
- Customer Privacy
- Product and Service Labeling
- Compliance
- Marketing Communications

New issues you wish to recommend aside from the GRI-G4 aspects advocated by the Global Reporting Initiative:

Other opinions or suggestions:



# Vision·Passion·Action

2016 Quanta Corporate Social Responsibility Annual Report