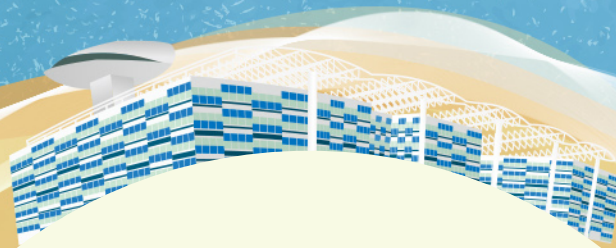




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About The Report

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Annual Major Progress

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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), QTMC(Quanta Taiwan Manufacturing City),Quanta Shanghai ManufacturingCity (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.

Report period



Quanta Computer has been releasing annual CSRs for 10 consecutive years. The 2018 report discloses information from January 1st 2018 to December 31st 2018 and contains few mid- and long-term projects.

Referencing standard

This report has been prepared in accordance with the GRI Standards: Core option

External assurance

Type 1 engagement of AA1000 (2008) is expected to be applied to the third-party assurance (Bureau Veritas Certification 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.

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 nonofficial 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
Address: No.211, Wen Hwa 2nd Rd., Kueishan, Taoyuan 33377, Taiwan
Contact window: Rina Tsai
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QSMC (Quanta Shanghai Manufacturing City)

Department: Social Responsibility Management Department
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CSMC (Quanta Changshu Manufacturing City)

Department: Social Responsibility Management Department
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Fax: +86-21-5774-8291
Mail: communication.ch@quantacn.com



QCMC (Quanta Chongqing Manufacturing City)

Department: Social Responsibility Management Department
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Mail: communication.ch@quantacn.com



Annual major progress

Economic Category

Economic performance

- “R&D and innovation” and “manufacture upgrading” are the two foci of our strategic deployment. Currently, apart from setting up manufacturing bases in Taiwan, mainland China, the USA, and Europe, we have recently expanded capacity in Hwa Ya Technology Park to closely integrate R&D and production with R&D headquarters’ geographical advantage to demonstrate the time-to-MP (mass production) synergy and accelerate the innovation process.
- The year 2018 was an important moment for Quanta: 30th anniversary. From the engagement in laptop computers at the beginning to the foundation development during industrial takeoff and going through the dotcom bubble, we have managed to get an insight in the industry and embarked on server development to lay down the opportunity for cloud computing development. With data economics as the focus, apart from actively developing innovative AI applications in recent years, we have begun transformation and diversification and integrated resources for global deployment.
- The global consolidated net operating revenue is approximately NT\$1.03 trillion with gross margin of 4.27%. Net profits after tax are NT\$15.3 billion with EPS at NT\$3.92.
- Quanta plans to distribute the surplus of the previous year in 2019, in the form of cash dividends of NT\$3.55 per common share to shareholders.

Environmental Category

ISO14064-1 Verification Statement

Greenhouse gas inventories are conducted in each factory in accordance with ISO 14064-1.

- Shanghai Factory Area has received the third-party verification statement (ISO 14061-1) since year 2011.
- Taiwan, Chongqing and Changshu Factories have received the third-party verification statement (ISO 14061-1) since year 2015.

Participate in Carbon Disclosure Project (CDP)

- Participate in the international carbon disclosure project (CDP), complete questionnaires, review performance as well as continue to identify areas for improvement.

Work with carbontrading demo cities

- Corporate carbon emissions have been calculated annually to actively secure carbon-emission allowances.
- Participate in the Chongqing Municipal Voluntary Emission Reduction Market and carry out internal inventory checks every year.

Human Capital Investment

- Provide human rights related training to employees in Taiwan and China factory areas, including CSR, safety and health training, individual case management and psychological counseling, etc. A total of 847,016 participants from two shores and four places with a total 1,300,470.2 hours spent on training. The percentages of employees trained are at 100%
- Develop the 2B (be the owner and be the leader) creed and technology R&D competency and promotional activities across Taiwan, Hong Kong, Macau, and mainland China upon self-motivation and high self-demand, in order to create a big change to the company with a little change in ourselves.
- The Wonderfour Award is one of the serial activities celebrating Quanta's 30th anniversary. In 2018 we deliberately added the BEST30 award to commend the best 30 instructors and benchmarking departments. During the BEST30 period, the instructor's contribution covers smart home, IoT, 5G, and AI in which we doubled the investments.
- Start the advanced training courses for the Morale Support Team to improve team members' capacity and skills in problem-solving and conflict management and the positive management of onsite frontline supervisors.

Equality of culture and technology.

- Promote the "Immersed in Intelligence" program to inspire elementary school children's interest in programming language to cultivate their ability in global communication. In 2018, 6 elementary schools offered the "Immersed in Intelligence" program and trained 24 seed teachers, and over 200 students participated in the program.
- Since Quanta's "Education through Gaming" Program was launched, more than half a million people have benefitted from the program.
- IIC Awards: Encourage innovation in education. In 2018, there were 842 participants, a new high, running for the Student Vanguard Award.
- Quanta's "Design Learning" Program: The program aims to flip teaching and learning through exhibition design and planning to develop independent thinking, problem-solving, and self-learning abilities in students. In 2018, 19 elementary and junior high schools from 12 municipalities took part in the program, training 96 teachers from various fields, as well as 724 student vanguards.
- Quanta Global Culture Ambassador: Fifteen foreign students in Taiwan were selected as culture ambassadors to share exotic lifestyles and cultures to the elementary and junior high schools in Taiwan, and thereby stimulate the global culture awareness of Taiwanese students.
- Quanta Creative DNA Scholarship: In 2012, we founded the "Quanta Creative DNA Scholarship" in collaboration with the Taiwan Fund for Children and Families. Over the years, nearly 600 talented students from low-income families have benefited.

We shall preserve and maintain traditions, encourage innovation, actively promote integration of technology and art.

- Since “The Commission Works” project was launched in 2011, the Quanta Arts Foundation has funded 87 new works for performing arts in Taiwan. In 2018 we designed brand-new contents for the “Commission Works” project to revolutionize the past regulations, in order to keep closer to the contents of works and the essence of creation. Apart from separating “full funding” and “partial funding” and presenting the project in a two-year period or by stage, we provide capital, technology, marketing, and subsequent campaigning resources.

applies on-site environmental, labor, human rights, and ethical standards for new supplier

- Quanta performs onsite audits on new general suppliers with environmental, labor, human rights, and ethics, and social impact indicators and surveys them with the two-way participatory survey as used on other suppliers. By the end of 2018, Quanta completed the onsite audit and two-way participatory survey on all new suppliers. In addition, all suppliers audited onsite in 2018 complied with the “Supplier Management Standard”, with a compliance rate of 100%.

2018 Quanta Green Material Standards Conference-helping suppliers benefit from co-prosperity

- Four supplier conventions were held in Taiwan, Shanghai, and Chongqing. There are 1,047 attendees.

Management system

Board of Directors approval

- Corporate social responsibility (CSR) strategies and guidelines has been continued to be approved and reviewed during the Board of Directors’ Meeting and presented accordingly.

CSR performance has been included as part of performance management system

- Social responsibility has been included as part of the employees’ work responsibilities and performance management assessment system.

External credits and citations

- Third of Taiwan Top 2000, CommonWealth
- Global 2000, Forbes.
- The 354th of Fortune 500 Companies, Fortune.
- Top 100 Global Technology Leaders, Thomson Reuters.
- Teamwork Competition, 2018 Shanghai City Multi-Style Fire Team Duty Training Competition, Shanghai City Fire Brigade.
- First Place, Fire Prevention Ethics Competition, 2018 Shanghai City Multi-Style Fire Team Duty Training Competition, Shanghai City Fire Brigade.
- 8th Place, 800m SCBA Competition, 2018 Shanghai City Multi-Style Fire Team Duty Training Competition, Shanghai City Fire Brigade.
- 2018 Outstanding Investment Unit, National Level Shanghai Songjiang Economic and Technological Development Zone.
- 2018 Industrial Production Excellence Award, National Level Shanghai Songjiang Economic and Technological Development Zone.
- 2018 Outstanding Harmony Building Unit, National Level Shanghai Songjiang Economic and Technological Development Zone.
- Economic Contribution Award, G60 Ke Chuang Corridor, Government of Songjiang District, Shanghai City)
- 2018 Cross-Sector Cooperation: Charity Together—"Charity Partner", Songjiang Civil Affairs Bureau, Shanghai City.
- Fourth place, the 18th Soccer Match 2018, National Level Shanghai Songjiang Economic and Technological Development Zone.
- Best Program Award, 2018 Autumn Moon Festival Reunion for Shanghai Foreign-Invested Company Entrepreneurs, Shanghai Association of Foreign Investment.
- Second Place, 2018 Songjiang District Citizen Exercise Competition, National Level Shanghai Songjiang Economic and Technological Development Zone.
- Charity Pennant, "Journey of Love: Tuqiang Primary School Charity TA" (Tuqiang Primary School, Tuqiang Forestry Bureau)
- Charity Pennant, "Journey of Love: Amur Second Primary School Charity TA" (Amur Second Primary School, Amur Forestry Bureau)
- Worker Bookhouse, All-China Federation of Trade Unions.
- 2018 Outstanding Brand (Project) of Voluntary Service of Gaoxing District (Changfu Borough) of Yushan for the CSMS "Hand by Hand" voluntary service project.
- Top 10 Foreign-Invested Enterprises in International Trade 2017, Suzhou Municipal People's Government.





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Message from Chairman & Vice Chairman

CSR Vision & Mission

In continuation to our plans for FY2018, Quanta will continue to bolster our capacity in research and development, to refine our delicacy management, and to maintain stringent costs control as the pillars of the company's operations. We will continue to push for the construction of "Q-Factory" smart manufacturing, to refine our manufacturing technologies, and to increase the level of automation. In order to ensure the Company's long-term growth momentum, Quanta will focus on reducing its reliance on specific regions and territories, averting risks associated with potential higher tax rate, and accommodating customers' requests. Quanta will conduct careful analysis of our operating resources, examine and adjust the Company's global strategic deployment in order to respond to the structural changes in global political and economic situations. Doing so will ensure Quanta retains its long-term competitive edge and to further strengthen its foundation for sustainable development.



Chairman

Barry Lam



Vice Chairman

C. C. Leung

Company's strategic deployment will be focusing on two major directions — "R&D Innovation" and "Manufacturing Upgrade". Current manufacturing sites include Taiwan, China, the U.S., and Europe, we have recently expanded our production capacity in Taiwan at the Hwaya Technology Park so that we can leverage the advantage of physical proximity to our headquarters. The expansion will assist the Company to closely integrate R&D with production and to achieve the synergy of "Time to MP" (Mass Production) and thereby accelerate our process of innovation. Quanta shall continue to innovate, change and transcend, with R&D and innovation as our core, the Company provides high quality manufacturing services and is committed to develop long-term, stable and win-win partnership with our customers and will continue to create value for all our shareholders.

The advancement in technology is blazing fast with products quickly being replaced by the latest models, as a result, the competition in the electronic industry is even more intensified. Coupled with the rapidly changing circumstances in the state of international current affairs, competent management of an enterprise calls for greater prudence and leaves no room for oversight. Quanta shall adhere to its aspiration of attaining R&D innovation by focusing on cultivating its core business and maintaining its leading edge. We strive for optimum efficiency and cost control in our product design, procurement and manufacturing. Quanta leverages our strength in R&D capabilities to actively develop innovative technologies, including advanced and high-performance server-related technologies and quality improvement, smart IoT products and technological integration. We have further extended our reach into cloud computing solutions, AI applications, 5G next-generation network communication technologies, smart wearables, smart home applications, smart mobility, smart healthcare, smart manufacturing and other emerging domains. We aim to expand our client base with customized solutions and integrate resources to optimize management efficiency. Doing so will allow the Company to take stable steps towards the next thirty years of glorious achievement !

Market environment, trends, and competition faced by Quanta

Laptop Market

Based on data of the past five years, it is clear that NB products have entered its plateau period in the product life-cycle, where replacement cycle due to hardware specification upgrade is gradually flattened out. Although, sales performance was better than expected from the second half of 2017 to the first half of 2018, the strong momentum was mostly driven by commercial market. This was due to the lack of replacement products for notebook PCs in the market in the short term. Among the potential substitutes for notebook PCs, the input technology and functionality of tablets remain incomparable to notebook PCs. Although smartphones support a range of applications, the screen size is too small that it is difficult to process large amount of data or advanced functions and even putting burden on users' eyes. For these reasons, sales momentum rebound was observed in the notebook PC market in 2017 and 2018.

In the second half of 2018, the profit of branded notebook companies was affected by the supply constraint of Intel CPUs, the uncertainty of the US-China trade tension, and the rise of component prices. Even retail ASP fluctuated more vigorously. The supply constraint of Intel CPUs also diminished some notebook demands for 2018. At the end, the global notebook PC shipment in 2018 reached 163.70 million or 0.5% decline from the 164.70 million units shipped in 2017.

According to Digitimes Research, ARM-based SoC architecture will likely to become another option besides Apple, Qualcomm, and Microsoft. ARM-based PCs may create competitive advantage in both cost and supply chain ecosystem over the traditional x86 architecture. Thus creating new growth opportunities for the notebook market in the next five years.

The gradual maturity of AI, AR, and flexible display technologies will continue to drive a new design reform in consumer electronics, and the trend of co-opetition with the notebook market is worthwhile of further observation.

Market for cloud computing businesses

In terms of business opportunities in cloud infrastructure, Quanta has been devoting in the area of public cloud. According to Digitimes Research, global server shipment is estimated to reach 15.27 million units or annual growth rate of 9.8% in 2018. Hyperscale data centers offering public cloud services will still be the main driver of overall market growth. The demand for hyperscale data centers will rise above the average, with the combined demand growth rate at 22% from the four leading U.S. hyperscale data center players, including Amazon Web Services (AWS), Facebook, Google, and Microsoft. Their overall market share raised from 24.3% in the previous year to 27.1%. The demand in China server market mainly comes from cloud service providers including BATJ (Baidu, Alibaba, Tencent, and JD Cloud) and enterprises' need for building datacenters. Shipment growth momentum for traditional braded server players was limited due to market invasion by whitebox vendors.

transformation towards digitization is a natural trend of the time for enterprises. Large enterprises prefer to build on-premise private cloud platforms and leverage the flexible resources and global locations of public cloud services to quickly launch innovative services to the market and to achieve agile enterprise transformation. Along with the push of new wave of technologies including block chain, big data, AI, micro-services architecture, and IoT, the new market demand for cloud products will continue to accelerate. All these demand and market trends will further boost shipment growth momentum in servers, storages, and hyper-converged infrastructure (HCI) in 2019.

Market for VR and AR businesses

As the technology for Virtualized Reality (VR) and Augmented Reality (AR) matures, hardware technology for VR, software, and applications become the main focus of competition. Currently, business opportunities in gaming and education have gradually emerged. The advantages of VR include provision of perspective views and more scenario options to choose from, which compensate for the inadequacy of traditional displays that only provide immersion and limited user scenarios. Due to the immaturity of AR hardware, leading companies are focusing on the integration of technologies including display optical module, control IC, six-DOF positioning system, and 3D reconstruction. In order to introduce AR glasses that are suitable for long-time wearing and uses, products that are light weight with cooling effect that is comfortable to the human body present higher challenges for AR glasses makers. In the near future, AR will start with commercial applications where appearance is less concerned, and consumer AR products will gradually emerge once the manufacturing process of optical waveguide becomes mature.

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

Year 2018 marked the most critical point in Quanta's history since our establishment 30 years ago. The company started out as an ODM company for notebook computer manufacturing and has gone through the economic boom with the industry growth to solidify our business foundations. When the Internet bubbles burst, we were able to perceive the industry trends and started to invest in server manufacturing business ahead of peers, which in turn set the backdrop for Quanta's development in cloud computing. In recent years, we have been focusing on data economics as our core business direction and actively develop innovative applications for Artificial Intelligence (AI) in an effort to transit and diversify, at the same time, we further integrate resources for global deployment.

Our products are sold worldwide and the composition of our customers is quite international with the U.S. being the major importing region, followed by mainland China. We are devoted into market diversification and actively cultivating business in Asia Pacific regions.

We are unique in R&D, design, manufacturing, and sales of our products with assembly plants and after-sales service centers established in Taiwan, California and Tennessee in the U.S., Ahnsen in Germany, South Korea, and Japan. With SAP information systems implemented, we provide branded notebook suppliers and mega data center customers with more efficient global services and technical supports. Leveraging our strong R&D capacity, high-efficiency and high-quality product development and production capability, global logistics, speedy and flexible delivery services, and economies of scale, we are able to maintain high market share in the world. We further establish maintenance and repair locations overseas to provide quick after-sales service and assist customers to improve product quality and to consolidate market position.

Keeping in pace with the development of cloud computing business, we focus on the expansion of large data centers, strengthening market share as the development strategy, targeting at the business opportunities from the infrastructure reform of private cloud service providers, telecommunication operators, and the raising demand of cloud data centers. Apart from establishing strategic partnerships with worldwide system integrators, we set up local sales offices in the U.S., Germany, China, Japan, and South Korea to stay proximity to markets and to respond fast to customer demands. We have business presence across North America, Europe, and Asia Pacific, becoming a leading cloud hardware provider with global deployment.

With regards to production and manufacturing, we continued to promote the development of “Q-Factory” (Industrial 4.0) smart manufacturing. Through automated production and improvement in production flow, the introduction of automated technologies and robotic arms has dramatically improved our production efficiency and reduced the needs of manpower consumption. In turn, the automated production alleviated the impacts of labor constraint and rising personnel costs. Therefore, product yield rate was improved and product quality was more consistent.

Specifically, manufacturing on certain products has already achieved the goal of automated production, in which the process only relies on communications between different machinery through Internet connection and big data platform. Leveraging cloud computing to perform smart analysis and to deliver integrated smart information. The combinations of these applications have paved the way to a smart factory that makes visualized management possible and effectively accelerated manpower management efficiency and energy conservation. Through the construction of smart factories, Quanta is one step closer to achieve our goal of Industrial 4.0 and to further elevate our core competitiveness!

Furthermore, we are devoted into creating a healthy labor-management environment, so to attract quality talents to join the Company. Through painstakingly planned training courses and learning programs for employees, supplemented with various team activities and employee care programs, the Company aims to accelerate employees’ satisfaction level and well-being in order to foster unity and cohesion, thereby strengthening Quanta’s soft power.

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

- Pay attention to international CSR trends and RBA membership requirements as well as carry out assessment of CSR.
- Reference to SA8000 and RBA 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 focusing on risks and chance of climate change and proceed relevant assessment and management.
- Continue assessing and implementing energy conservation measures, promoting EEP projects and achieving carbon emission trading according to local policies to achieve the objectives of energy and carbon reduction.
- Continue promoting ISO 14001 and OHSAS 18001 management system, pay attention to the update of ISO 45001 Management System Standards and implementing OHSAS 18001 system verification timely; keep verifying ISO 14064-1 system of greenhouse gas inventories; promote ISO 50001 system's establishment and implementation and earn its certification.

Environmental protection

- Continue the promotion of zero-waste-to-landfill project and enact measures to reduce waste burning and landfilling in order to attain the environment protection objective.
- Offer diversified EHS training to raise personnel's safety awareness, environment awareness and knowledge.
- Complete environment auditing procedures regarding new projects to ensure their compliance to environment protection laws.
- Increase the use of renewable energy as much as possible.

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.

Various Community Care and Exchange Activities



Quanta CSR commitment

As an official RBA (Responsible Business Alliance) member

Quanta was formally inducted as a member of the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), on March 1, 2006. It is the responsibility for Quanta Computer to comply with the announced RBA 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/QTMC 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 RBA code of conduct. We also audit our suppliers from time to time to realize CSR standards.



Responsible Business Alliance

Formerly the Electronic Industry Citizenship Coalition

Advancing Sustainability Globally

Other associations and activities

- **Taiwan Electrical and Electronic Manufacturer's Association**
- **Cloud Computing Association in Taiwan**
- **Taiwan AI System Alliance (TASA)**

- **Taoyuan City Human Resource Management Association**

- **CDP International Disclosure Project**

After signing up to CDP in 2009, Quanta began submitting CDP reports in 2010 and was honored as the "Best Chinese Supplier in Addressing 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 2018 totaled NT\$262,308

- **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 1,000 was required to be part of this Association.

Participation in Public Policies

Quanta Culture & Education Foundation has spared no effort in increasing education quality in Taiwan, and has been participating conferences concerning various educational issues. With years of experiences of collaborating with schools, QCEF has provided the government and the institutions it has been collaborating with numerous concrete and constructive suggestions in education policies.

Types of Participation	Organizer	Role
National Chi Nan University Department Of International and Comparative Education Career Planning Lecture	National Chi Nan University	Keynote speaker
MOE Art Education Committee	Ministry of Education	Commissioner
Asia-Pacific Office for Aesthetic Education	National Academy for Educational Research	Commissioner
2018 Excellent Teacher Awards, Education Contribution Award Examining Committee	Ministry of Education Department of Teacher Education and Arts Education	Review commissioner
New Taipei City 2018 Junior High School and Elementary school Culture & Arts and Humanities Teaching Development and Promotion Task Force	Education Department, New Taipei City Government	Commissioner
Art Maestro: 2018 Program Encouraging Schools to Hire Local Cultural Workers or Traditional Artisans	Ministry of Education	On-paper review Commissioner
2018 President Educational Award – Development Team	Ministry of Education	Commissioner
2018 Pilot Overseas Internships – Business management (University Division)	Ministry of Education Department of International and Crossstrait Education	Review commissioner
2018 InEdus Forum	InEdus	Keynote speaker

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.

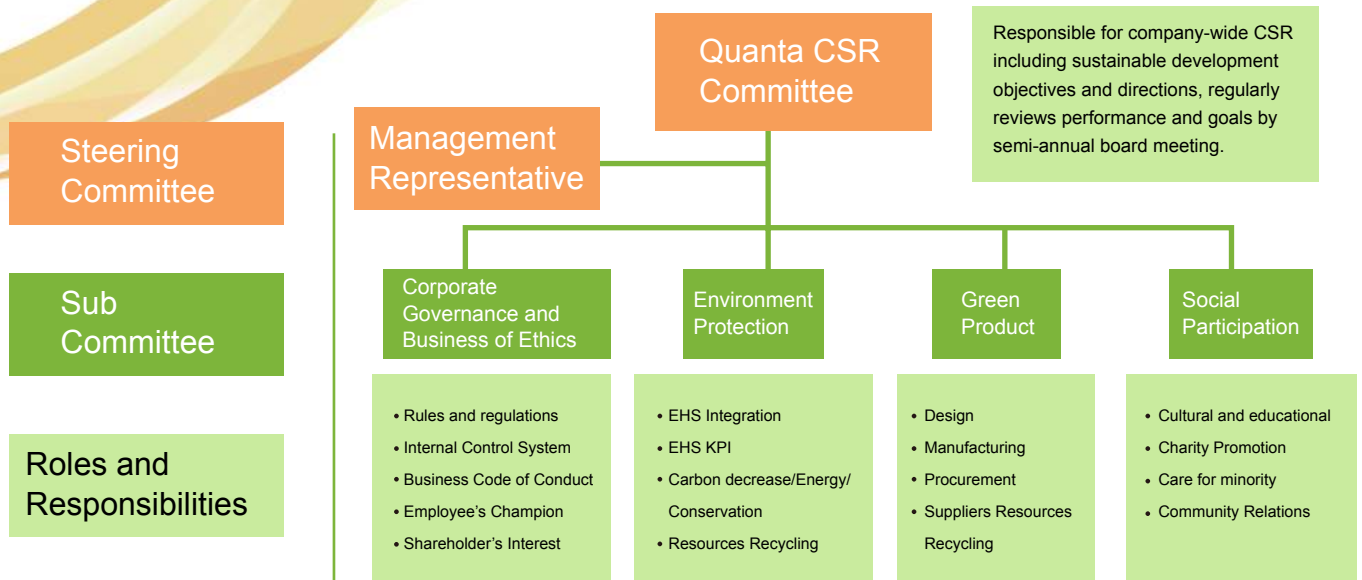
Compliance

- Compliance with SA8000 (Social Accountability 8000) \ RBA (RBA Code of Conduct) standards
- Compliance with related international laws, national and local laws and regulations.
- Support and respect relevant international labor and human rights, including International Labor Organization's Tripartite Declaration of Principles, Organization for Economic cooperation and Development's Guidelines for Multinational Enterprises, the United Nations Global Compact, etc.

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. Decision outcomes would then be approved by the General Manager's Office and the highest-ranking decision maker of the Chairman's Office before being submitted to the Board of Directors to be presented and approved. The promotion projects will be implemented after the approval of Board of Directors is received. The implementation results shall be presented to the Committee regularly.

Four sub-committees are subordinate to the Quanta's CSR Committee: including Corporate Management and Ethics Committee, Environment Protection Committee, Green Product Committee and Social Participation Committee. Relevant high-ranking executives will serve as management representatives, and the human resources and social responsible management units are responsible for coordinating the operations and reports of CSR system. Each sub-committee will hold a meeting for every six months regularly in order to review the implementation results and follow-up implementation plans. Additionally, the "CSR Committee" Joint Meetings will also be held to provide a comprehensive review and discussion and to strengthen the promotion of ESG, expecting to achieve international integration.



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.



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. According to above-mentioned principles, six categories of important stakeholders are identified, including shareholders, 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.

List of Stakeholders

Stakeholders	Important topics and aspects	Primary responsibilities for Quanta Computer	Communication means and channels
Shareholders and investors	<ul style="list-style-type: none"> ● Economic Performance ● Supplier Environmental Assessment ● Employment ● Training and Education ● Human Rights Assessment ● Customer Health and Safety ● Customer Privacy ● Socioeconomic Compliance 	<ul style="list-style-type: none"> ● Prompt response is made in accordance with the latest regulations and policy revisions governed by relevant authorities. Format and content of the firm's information disclosure is also adjusted in accordance with regulation requirements ● Provide real-time and accurate information in order to ensure the equality of information disclosure. ● Provide sustainable and steady dividend pay-out policy and generate adequate return on investment ● Clear and steady financial strategy, uphold company creditability and strong business performance 	<ul style="list-style-type: none"> ● Annual general shareholders' Meetings ● Conduct conference calls and press conferences for institutional investors to announce quarterly financial reports and operational information every quarter. ● Important news will be updated and synchronized on Public Information of the Market Observation Post System and the Company's official website. In addition, the press release and the press conference will be issued and held irregularly depending on the actual needs and situations. ● Set up e-mail and telephone number as ways of contact on the official website of the Company. ● A dedicated corporate IR (Investors Relations) department has been created ● To hold face-to-face meetings or telephone conferences with domestic and overseas institutional investors on a regular basis

Customers	<ul style="list-style-type: none"> ● Environment Compliance ● Employment ● Occupational Health and Safety ● Supplier Environmental Assessment ● Non-Discrimination ● Child Labor ● Forced or compulsory Labor ● Anti-corruption ● Socioeconomic Compliance ● Customer Health and Safty ● Customer Privacy 	<ul style="list-style-type: none"> ● Provide the most competitive and high-quality products and services ● Provide an integrated solution including service of design, production, and logistics as well as improve customer satisfaction ● Form close, long-term, and trustworthy business partnerships with customers ● Advocate employee's responsibility for confidentiality and establish rules governing employees in situations when confronted by press 	<ul style="list-style-type: none"> ● QBR(Quarterly Business Review) ● Conduct customer satisfaction survey every year ● Technology forum and seminar ● Meet customers' requirements and inspections on product quality, environment, and responsibility; cooperate with customers on prevention and improvement ● PIS(Proprietary Information Security) – Advocacy and training of the rules governing employees in situations when confronted by press
Suppliers	<ul style="list-style-type: none"> ● Supplier Social Assessment ● Environment Compliance ● Non-discrimination ● Employment ● Child labor ● Forced or compulsory labor ● Socioeconomic Compliances ● Anti-corruption 	<ul style="list-style-type: none"> ● Promote legitimate and fair trade ● Understand environmental safety and health considerations and specifications ● Understand and provide assistance to Quanta for fulfilling social responsibilities 	<ul style="list-style-type: none"> ● Request to Sign the Letter of Commitment to Environmental Protection ● Request the products must be tested by the accredited public laboratories ● Incoming inspection must be sampled and tested by the GP laboratory at Quanta ● Quanta Green Website (green.quantacn.com) ● Green supply chain annual convention ● Annual audit of suppliers and contractors

Employees	<ul style="list-style-type: none"> ● Occupational Health and Safty ● Supplier Social Assessment ● Training and Education ● Human Rights Assessment ● Non–discrimination ● Forced or compulsory labor ● Employment ● Anti-corruption ● Customer Health and safety 	<ul style="list-style-type: none"> ● Ensure and respect human rights ● Promote employee development ● Provide legitimate and fair evaluation and treatment ● Promote environmental health and safety ● Flexible benefits programs and health prom 	<ul style="list-style-type: none"> ● Bridge communications between supervisor and colleagues through face-to face meetings from time to time ● Provide “70885 - please helpme” staff service hotline and message bulletin ● Provide “70695 – please try to understand me” Complaint of sexual harassment hotline and mailbox ● Equipped with on-site medical care staff to provide employees with medical consultation services ● Free annual health examination and consultation for employees ● Quanta Elite School provides five major ELITE programs based on different job functions to provide occupational training, development and feedback ● Employee satisfaction survey ● Release quarterly magazine and manage regularly the information sharing platform each month. ● “Employee Assistance Program” personnel available at all production sites to provide instant support and feedback ● Conduct Labor-management Conference every quarter ● Conduct Welfare Committee Conference every quarter
Community	<ul style="list-style-type: none"> ● Occupational Health and Safty ● Training and Education ● Human Rights Assessment ● Non-discrimination ● Forced and compulsory Labor ● Customer Privacy ● Child Labor ● Socioeconomic Compliances 	<ul style="list-style-type: none"> ● Effective disaster and accident prevention and support ● Continuously promoting knowledge sharing and culture affluence ● Participate in various public welfare activities 	<ul style="list-style-type: none"> ● Quanta Culture & Education Foundation ● Quanta Arts Foundation ● Charity clubs at various manufacturing sites ● Environmental Quality Monitor Committee of Taiwan Hwa Ya Technology Park ● Participate in forums and activities organized by competent authorities

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.



Note:

1. Tier 1 disclosure aspects include economic performance, environmental compliance, employment, customer privacy, and socioeconomic compliance.
2. Tier 2 disclosure aspects include supplier environmental assessment, occupational health and safety, training and education, supplier assessment for labor practices, labor practices grievance mechanisms, non-discrimination, supplier human rights assessment, and anti-corruption.
3. Determination criteria: Assessment topics in the economic aspect: scores between 4.7 and 4.99 fall in Tier 2; and scores at 5.00 or higher falls in Tier 1. Assessment topics in the environment aspect: scores between 4.6 and 4.69 fall in the second tier; and scores at 4.70 or higher fall in Tier 1. Assessment topics in the social aspect: scores between 4.7 and 4.99 fall in Tier 2, and scores at 5.00 or higher fall in Tier 1.
4. 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, , local communities.

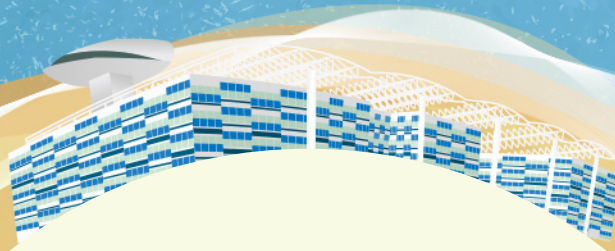
Through the report, it is hoped to pertinently explain the significant influence that the company has on economy, environment, and society. Furthermore, the report aims to communicate Quanta's CSR strategy, action plans, execution progress and management performance in a more comprehensive way to the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

Description of material aspects in specific standard disclosures

Category	Aspect	Material Cause	Border (within the organization)				Border
			QRDC	QSMC	CSMC	QCMC	Outside the organization
Economics	Economic Performance	To address the expectation of stakeholders through ongoing growth is the prime responsibility of enterprises.	●	●	●	●	●
	Anti-corruption	The important basis of governance is also an essential RBA topic.	●	●	●	●	●
Environmental	Environmental Compliance	With respect to Quanta's material organizational policy, environmental compliance is a must for operations and development.					●
	Supplier Environmental Assessment	Exercising the due care and due diligence in supplier management is an essential RBA topic.					●
Social	Employment	Employment is the main cause of economic performance.	●	●	●	●	
	Occupational Health and Safety	OHS corresponds to Quanta's zero occupational accident policy.	●	●	●	●	
	Training and Education	Employee growth is both the responsibility and the basis of economic performance achievement of Quanta.	●	●	●	●	
	Non-discrimination	Maintaining labor human rights is an essential RBA labor policy.	●	●	●	●	
	Child Labor	No use of child labor corresponds to RBA and international standards. No child labor is allowed in any processes of Quanta.		●	●	●	
	Forced or Compulsory Labor	Maintaining labor human rights is an essential RBA labor policy.	●	●	●	●	
	Human Rights Assessment	Maintaining labor human rights is an essential RBA labor policy.	●	●	●	●	●
	Supplier Social Assessment	Exercising the due care and due diligence in supplier management is an essential RBA topic.					●
	Customer Health and Safety	Assessing the impact of health and safety at all stages of the product and service life-cycle to ensure health and safety at all stages of the product and service life-cycle.					●
	Customer Privacy	Making commitments for customers can benefit Quanta's economic performance. Harming customer privacy will cause huge economic loss and goodwill damage.					●
	Socioeconomic Compliance	Compliance is an important reference of governance.	●	●	●	●	

Report of changes: Description of changes in material topics from the last year.

2017	2018	Description
Economic Performance	Economic Performance	
Anti-corruption	Anti-corruption	
Environmental Regulation Compliance	Environmental ° Compliance	
Supplier Environmental Assessment	Supplier Environmental Assessment	
Occupational Health and Safety	Occupational Health and Safety	
Training and Education	Training and Education	
Non-discrimination	Non-discrimination	
	Child Labor	New
	Forced or Compulsory Labor	New
Employment	Employment	
Investment	Human Rights Assessment	
Supplier Assessment for Labor Practices	Supplier Social Assessment	
Customer Health and Safety	Customer Health and Safety	
Customer Privacy	Customer Privacy	
Product Liability Regulation Compliance	Socioeconomic Compliance	
Labor Practices Grievance Mechanisms	-	
Supplier Human Rights Assessment	-	Non-material topic but continue to disclose this year.



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Profile of Quanta computer

Company Introduction & Business Profile

Established in 1988, Quanta Computer is one of the world's leading notebook manufacturers. Aside from our leadership position in notebook manufacturing business, we have extended our reach to cloud computing business, enterprise network solutions, mobile communications products, smart home products, autotronics, smart healthcare, IoT, and AI applications to proactively expand the integrated deployment of our operations and explore new business opportunities.

Apart from being one of the Fortune 500 companies, we are also an important notebook ODM manufacturer in the world, with production and service locations across Asia, North America, Latin America, and Europe. Our product lines are across information, communications, consumer electronics, and cloud computing areas. We also actively developing our main operational center in Taiwan, and integrate manufacturing sites in Americas, Europe, and Asia, thereby achieving our strong competitiveness in global manufacturing and sales.

With innovation and R&D capabilities as our core competence, we proactively diversify into non-notebook products and focus on raising the proportion of other products. With the "new 3C" technologies, Cloud Computing, Connectivity Technology, and Client Devices, as the foundation of our development, we integrate big data management to develop a complete ecosystem for artificial intelligence (AI) tools. We are devoted into becoming a leading system solution provider in all application fields of the AI economy. To realize "humanized automation service", we actively engage in the development of innovative technology, including advanced and high-performance sever technologies, integration of products and technology in quality improvement and IoT. We further extend our reach to emerging areas, including cloud computing solution, AI application, 5G next-generation telecommunication technology, smart wearable, smart home application, smart mobility, smart healthcare, and smart manufacturing. We cultivate new customers with customized solutions and provide customers with the best product and service value.



Our global deployment is centered around the principle of "Taiwan design, smart manufacturing, global logistics and sales". Based on the two main production trends of mass production with centralized management and just-in-time distribution, we' have built high-efficiency production sites in Shanghai, Changshu, and Chongqing in mainland China. In addition, we have established manufacturing sites and maintenance locations in Taiwan, the U.S., and Europe to complete the top-down integration. Therefore, we can achieve the goal of effective cost control and producing products that meet the economies of scale. Furthermore, by teaming with other overseas production sites, we provide services with proximity to customers and market, and assemble products based on different customer requirements. Not only can we shorten production lead-time and reduce transportation cost, but we can also meet the actual needs of customers.

The trend of continuous innovation in products led by world-leading branded companies drives the technology upgrade for the entire supply chain. As a smart manufacturing service provider of electronic products, we follow closely the footstep of product innovation and technology upgrade of global high-tech products to improve product quality and increase flexibility. Doing so, we can build long-term and stable partnerships with customers with fast responding manufacturing services and grasp the key to continuous growth in business. Therefore, apart from robust R&D capacity, we spare no effort to optimize production technology, improve product quality, and enhance yield rate through equipment upgrade and automation enhancement, in order to ensure the stability of manufacturing quality, technology upgrade, and maintain leadership position in the sector.

In 2018, the total number of personnel of this report is around 110 thousands (including personnel working at QRDC, QSMC, CSMC and QCMC). Quanta Company Incorporated became publicly listed in 1999 on Taiwan Stock Exchange with stock code of 2382. No mergers, acquisitions or issuance of new shares to other companies were

happened in 2018. For information of the sources of equity, stock categories and shareholder's structure, please refer to the table shown below. In the past three years, no fundraising has been made. For relevant information, please refer to "Chapter IV, Fundraising Status in Quanta Computer Incorporated" in 2018 Annual Report.



Source of capital and category

Share type			Common	Total
Authorized Capital	Outstanding Shares	2016	3,862,627,432	3,862,627,432
		2017	3,862,627,432	3,862,627,432
		2018	3,862,627,432	3,862,627,432
	Unissued Stock	2016	737,372,568	737,372,568
		2017	737,372,568	737,372,568
		2018	737,372,568	737,372,568
	Total	2016	4,600,000,000	4,600,000,000
		2017	4,600,000,000	4,600,000,000
		2018	4,600,000,000	4,600,000,000
Remarks			Note	-

Note: 1. Above shares have been publicly offered.
 2. Unissued stock includes 100 million shares of employee options/warrants.
 3. No preferred share was issued.

Shareholders' structure

Item		Number of shareholders	Shareholdings	Percentage (%)
Government Agencies	2016	0	0	0.00%
	2017	0	0	0.00%
	2018	0	0	0.00%
Financial Institutions	2016	39	513,729,862	13.30%
	2017	44	563,196,607	14.58%
	2018	51	526,482,851	13.63%
Other Institutional Investors	2016	175	977,022,779	25.29%
	2017	225	1,017,189,087	26.33%
	2018	307	1,106,617,830	28.65%
Foreign Institutions and Individuals	2016	1,022	1,442,420,376	37.35%
	2017	884	1,252,959,885	32.44%
	2018	867	1,062,120,169	27.50%
Domestic Natural Persons	2016	65,767	929,454,415	24.06%
	2017	79,163	1,029,281,853	26.65%
	2018	91,750	1,167,406,582	30.22%
Treasury Stock	2016	0	0	0.00%
	2017	0	0	0.00%
	2018	0	0	0.00%
Total	2016	67,691	3,862,627,432	100.00%
	2017	71,950	3,862,627,432	100.00%
	2018	67,003	3,862,627,432	100.00%

Economic Performance

Full year revenue remained steady at one trillion thresholds, with the consolidated revenue reported at NT\$1.03 trillion or 0.7% year-over-year growth compared to the NT\$1.02 trillion reported in FY2017. Net income after tax in FY2018 and FY2017 was NT\$15.33BN and NT\$14.52BN, respectively. Net income attributable to owners of parent in FY2018 and FY2017 was NT\$15.12BN and NT\$14.37BN respectively. EPS in FY2018 was NT\$3.92, while non-operating income was NT\$4.88BN.

Currency: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	4.90NT\$	4.0NT\$
2015	Around 1007.3 billion	4.61%	Around 17.75 billion	4.62NT\$	3.8NT\$
2016	Around 894 billion	5.21%	Around 15.41 billion	3.93NT\$	3.5NT\$
2017	Around 1021.2 billion	4.47%	Around 14.52 billion	3.73NT\$	3.4NT\$
2018	Around 1028 billion	4.27%	Around 15.33 billion	3.92NT\$	3.55NT\$(*)

Note: Plans for 2018 earnings distribution has been resolved by the 2019 Board of Directors' Meeting and is subject to approval from the General Shareholders' Meeting

Revenue breakdown by categories

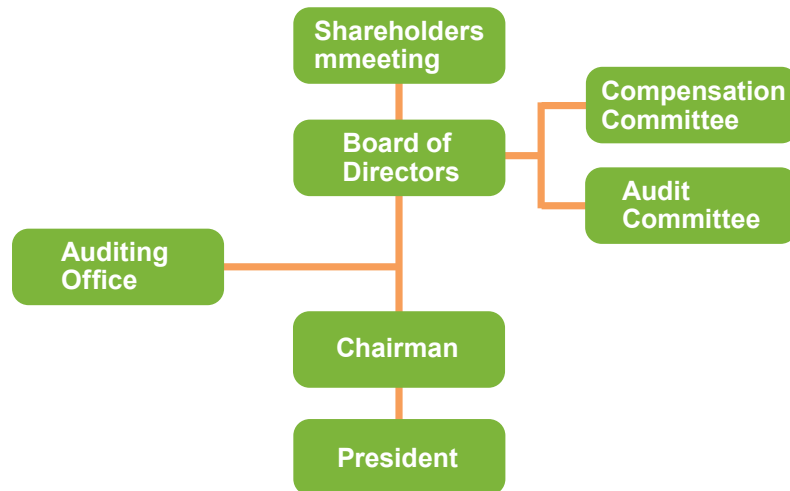
FY2018 major products revenue contribution is tabulated below:

Industry Sector	Product Category	Revenue Contribution (%)
Electronics	Computer products	98.87%
	Other electronics	1.13%
Total		100.00%



Corporate Governance and Ethics

Corporate governance organizational structure



Board of Directors

Quanta's Board of Directors is one of two main units in corporate governance structure. According to the Company's regulations, five to nine directors are in the Board of Directors. Shareholder director nomination is adopted as the electoral system, and directors shall be elected from the nominators. The aggregate shareholding percentage of all of the directors of a securities firm shall comply with the laws and regulations. There are even seats of directors (including three independent directors) in the current term, and the Audit Committee is established; these three independent directors serve as ex officio member performing Board of Supervisors' duties. The aggregate shareholding percentage of all of the directors of a securities firm shall comply with the laws and regulations.

Quanta's liability insurance covers all the directors, and the insurance information shall be presented in the Board of Directors. All current members of the Board of directors possess abundant corporate management and academic experience; most of them are still engaging in relevant professional fields. In accordance with the regulations of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", they shall participate in relevant training programs and obtain its certificates.

The three independent directors are: Dr. Wei-Ta Pan, President of Soochow University; Mr. Qi-Zhi Lu, certified public accountant, and Dr. Pisin Chen, professor of National Taiwan University. Board meetings are convened at least once every quarter, with a total of seven board meetings convened in 2017. Quanta discloses Board of Directors' significant resolutions on Market Observation Post System and the official website of the Company.

To implement corporate governance, fortify supervisory functions and improve management skills, Quanta draws up "Rules and Procedures of Board of Director" in accordance with "Regulations Governing Procedure for Board of Directors Meetings of Public Companies ". Board of Directors' occupational competency and operations shall comply with relevant regulations and laws, and they shall supervise company's managers and be responsible for corporate overall business operations. If any resolution involves the interests of Directors or of the Company, responsible directors shall follow the principles of interest avoidance, avoiding according to law stipulation and no vote shall be taken, to protect the interests of the Company and its shareholders.

After the audit reports and follow-up reports are submitted for approval, the internal audit supervisors shall deliver relevant documents to independent directors for review at the end of following month succeeding the completion of auditable items. If independent directors have intention to understand further the audit process and tracking results, they are allowed to contact with audit executives at any time. Internal audit executives shall participate in Board of Directors to report auditing operations and be ready for answering interpellation.

Audit Committee

The Audit Committee serves as another major unit of Quanta's corporate governance structure. On March 31, 2016, the Board of Directors passed resolutions to comply with "Audit Committee Charter", stipulating main objectives, such as the supervisory adequacy of corporate financial statements, certified public accountant's appointment/ dismissal, independency and performance, corporate internal control's effective implementation, compliance with relevant laws and regulations by the Company, and management of the existing or potential risks of the Company.

The 1st Audit Committee, replacing the original supervisory functions, was established on June 24, 2016. Three independent directors serve as ex officio members: Mr. Wei-Ta PAN was selected as the president of meeting and committee coordinator. A total of four meetings were convened in 2018.

Internal control

or 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 shall be reviewed by both independent directors and also members of the Audit Committee. Defects detected in the audited unit shall be traced until improvements are completed. The chief auditor shall attend a board meeting as a guest to report the status of internal audit and to submit summary audit reports for reference.

Quanta Computer has been without any significant internal control nonconformities identified and has had its internal control system implemented in 2018

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 Remuneration Committee of the Company is with a total of three members: Mr. Wei-Ta Pan, Mr. Qi-Zhi Lu and Mr. Pisin Chen. Mr. Wei-Ta Pan was selected as the president of meeting and committee coordinator.

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.
- The members of the second term were reelected the same as the first term on June 24, 2013, with a term of 3 years, starting from the date of appointment until June 23, 2016.
- The members of the third term were reelected the same as the second term on June 24, 2016, with a term of 3 years, starting from the date of appointment until June 23, 2019. However, owing to personal reasons, member Jing Lin submitted his resignation on January 4th 2017. The Board of Directors decided to hire Mr. Wei-Bin Li as the new member on March 28, 2017; his term started from the date of appointment until June 23, 2019 and his termination date is the same as that of Board of Directors. A total of 3 meetings were convened in 2017.

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. In addition, we hope that customers, suppliers, business partners, and other parties having business with us to understand and support the Code. Therefore, we request 50 specific suppliers to sign the “Supplier’s Statement of Conformity with Quanta RBA Code of Conduct”. The Company also ensures their acquisition of RBA VAP audit report or their arrangement of on-site examination; in 2018, the objective is achieved with a total of 34 suppliers.

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.



尊敬的供應商：

作為RBA會員，廣達電腦承諾遵守RBA的行為準則並為之付出努力。為確保廣達所有的合格供應商都將遵守RBA的行為準則，廣達特此要求各供應商閱讀並簽署下面的符合性聲明。煩請收到通知後，供應商的權責管理層或代表線上閱讀並簽署。此聲明必需於2018/03/20前完成，屆時仍未完成者，我們將通知相應采购单位，感謝您的大力配合。

Supplier’s RBA Compliance Statement and Notification
for Quanta

- Corporate social responsibility (responsible CSR contact window in each site)
http://www.quantatw.com/Quanta/english/service/contact_csr.aspx
- Ethical business conduct (independent window at the HQ)
http://www.quantatw.com/Quanta/english/service/contact_bc.aspx

聯絡我們

- ▶ 人力資源
- ▶ 法人投資關係
- ▶ 企業社會責任
- ▶ 從業道德

從業道德

首頁 ▶ 客戶服務 ▶ 聯絡我們 ▶ 從業道德

堅持高度職業道德一直是廣達公司奉行不渝之最高指導原則。凡廣達員工，無論在公司內外，均應自我要求保持高水準的個人行為素養及從業道德，維護公司聲譽，以獲得顧客、供應商及其他各界人士的尊重與信任。

如您有相關問題欲聯繫我們，請填寫以下表單，我們將有獨立信箱專人接收處理：

標示 * 號為必要填寫項目，請您務必填寫，謝謝！

姓名 *

公司名稱

聯絡電話 *

電郵地址 *

主旨 *

訊息 *

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	2016	2017	2018
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 October 13th to October 20th.

With respect to our anti-corruption policy and processes, governance management and all indirect labor equipped with a computer shall report the avoidance of conflicts of interest within two weeks. In 2018, communication with 2,719 QRDC/QTMC management officers and 681 officers of plants in China was completed, with a ratio of 100%. Apart from the report of avoidance of conflicts of interest, poster communication with 7,328 QRDC/QTMC employees and 98,903 employees of plants in China was completed, with a ratio of 100% (statistics by December 31, 2018).

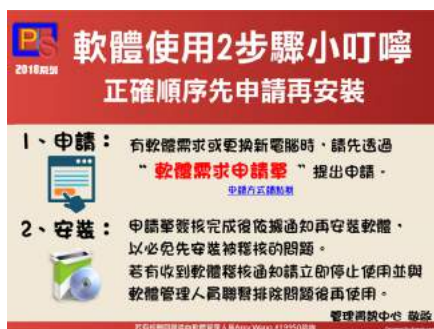
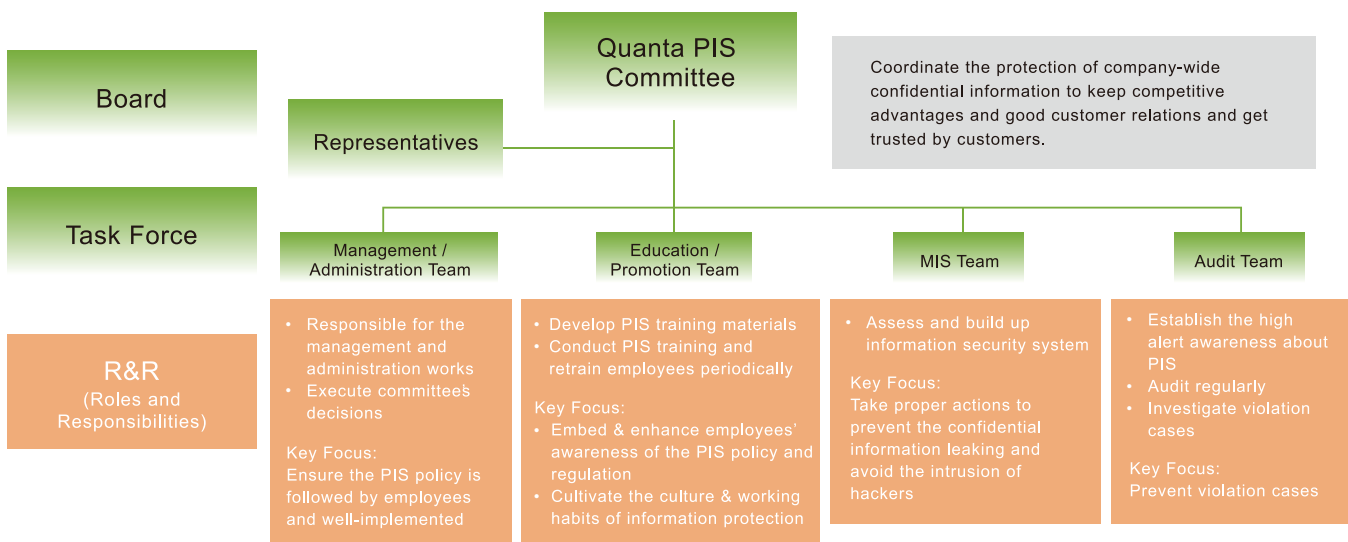
In the communication and training of our anti-corruption policy, in addition to arranging training in relation to the working rules and the avoidance of conflicts of interest for new employees in the orientation training, we have announced the need for avoidance of conflicts of interest and the code of employee ethics in the orientation training handbook. Furthermore, we communicate and arrange training for our anti-corruption policy in training programs/courses for officers. For example, we combine the core competencies of "self-motivation, proactivity, and high self-demand" in our 2B culture with courses including management case studies, selection of the talented and appointment of the honored, target setup and performance management, and the officer handbook to communicate anti-corruption. For plants in China, we communicate and arrange training for the anti-corruption policy in the CSR orientation training, CSR annual training, and Quanta Online CSR videos. In 2018, a total of 2,719 QRDC/QTMC officers and 681 officers of plants in China completed related training, with a ratio of 100%; and 7,328 of QRDC/QTMC employees and 98,903 employees of plants in China completed training with a ratio of 100%.

Note: Officers refer to positions between assistant managers and assistant vice presidents.

Proprietary Information Security

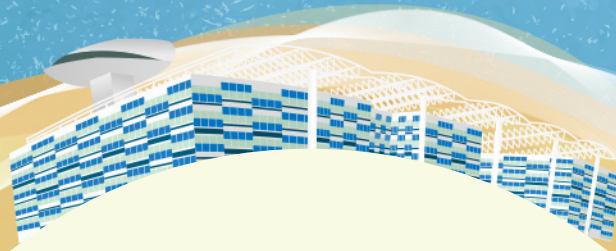
The confidential information of the Company and customers must be kept in confidential. Quanta has had a Proprietary Information Security (PIS) Committee, convenes a review meeting biannually, expects our employees and supply chain to fully understand and comply with the emphasis on and request of confidential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

Apart from discussing topics including regulations and the application for carrying controlled items, access control and application for access, non-disclosure of trade secrets, computer security regulations, and goods release of plants, the 2018 PIS Committee meeting arranged total awareness education and training. According to confirmed data, no complaint regarding customer privacy breach and customer information loss was reported.



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. Every quarter, the Corporate Governance and Ethics Committee, which is subordinate to CSR Committee, collects statistics of relevant regulations in factory area and convenes meetings every six months. In 2018, Quanta didn't have any violations of environment and product safety. However, we were fined NT\$350,000 in 2018 for violating Articles 24, and 32-2, of Labor Standards Act, one for each time.



Corporate Social Responsibility
Annual Report 2018

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

Region	Gender	Employment Contract								Subtotal and Grand Total					
		Full-Time & Contract				Agency/Workers		Interns		Subtotal		Grand Total			
		2017		2018		2017	2018	2017	2018	2017	2018	2017	2018		
		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term										
QRDC/ QTMC	Male	4,401	0	4,848	0	6	268	0	0	4,407	73.57%	5,116	69.81%	5,990	7,328
	Female	1,577	0	1,985	0	6	227	0	0	1,583	26.43%	2,212	30.19%		
China	Male	3,727	58,921	4,344	54,392	5,164	9,051	1,203	1,702	69,015	71.03%	69,489	70.26%	97,165	98,903
	Female	1,803	24,714	2,071	24,600	1,153	2,094	480	649	28,150	28.97%	29,414	29.74%		
Subtotal	Male	8,128	58,921	9,192	54,392	5,170	9,319	1,203	1,702	73,422	71.18%	74,605	70.23%	103,155	106,231
	Female	3,380	24,714	4,056	24,600	1,159	2,321	480	649	29,733	28.82%	31,626	29.77%		
	TTL	11,508	83,635	13,248	78,992	6,329	11,640	1,683	2,351	103,155	100.00%	106,231	100.00%		

**Statistics conducted at the end date of each year (12/31); this report provides statistics from 2017 to 2018.

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

***No part-time employee in either Taiwan or China plants.

Age categorization and analysis

Region	Team Member	Age Group	2017			2018		
			Male	Female	Subtotal	Male	Female	Subtotal
QRDC/ QTMC	Governance Team Members	Under 30	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		30~50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Over 50	0.03%	0.00%	0.03%	0.02%	0.00%	0.02%
		Subtotal	0.03%	0.00%	0.03%	0.02%	0.00%	0.02%
	General Members	Under 30	0.69%	0.35%	1.03%	0.88%	0.50%	1.39%
		30~50	3.21%	1.11%	4.32%	3.50%	1.48%	4.98%
		Over 50	0.35%	0.07%	0.43%	0.41%	0.10%	0.51%
		Subtotal	4.25%	1.53%	5.78%	4.79%	2.08%	6.87%
China	General Members	Under 30	52.77%	21.15%	73.92%	48.25%	18.89%	67.14%
		30~50	14.11%	6.12%	20.23%	17.13%	8.78%	25.91%
		Over 50	0.03%	0.02%	0.04%	0.04%	0.02%	0.05%
		Subtotal	66.90%	27.29%	94.19%	65.41%	27.69%	93.10%
Grand Total			71.18%	28.82%	100.00%	70.23%	29.77%	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

There are Labor-Management Meetings in QRDC/QTMC in Taiwan, 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. Neither of these factories above signed the collective agreement.

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/QTMC: 100%、QSMC: 100%、CSMC: 100%、QCMC: 103%).

According to the Act of Gender Equality in Employment in QRDC/QTMC, 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

To fulfill our obligations of international human rights, to comply with the local laws and to carry out responsibility towards our clients and stakeholders, Quanta strictly forbids child recruitment and child labor. In addition, it is prohibited to hire minors engaging in dangerous tasks. If any employees are under 18, they shall be provided with legal protections, legal rights and interests in accordance with the law.

Factory areas in China conducted risk evaluation in regard to the child labor prohibition and youth employment protection and also formulated risk control measures(there are no high-risk sites after assessments in 2018), 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 recruiting 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. Graduation from senior high (vocational) schools is the minimum requirement of QTMC, which examines the ID card and education certificates of accepted candidates on their arrivals to eliminate unintended use of child labor and young labor.

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
- Under-aged laborers are prohibited to work night shift and work overtime, and a system is established to keep their working hours under control.
- 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 2018, 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.

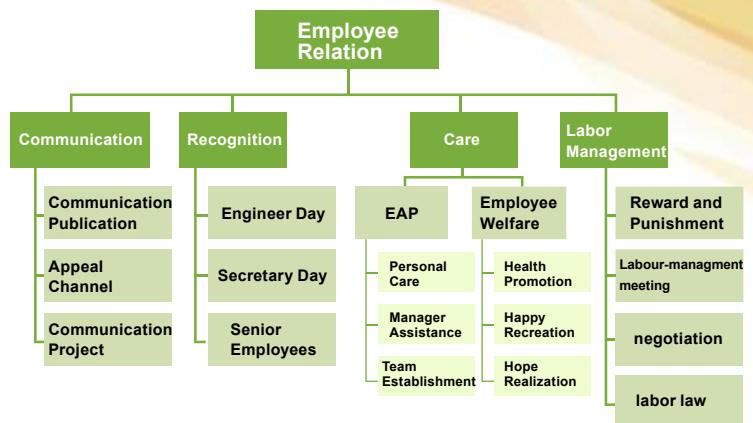
Quanta upholds the values of human-centric and harmonious development of both the corporation and our fellow employees. We have integrated various departments and channels to develop an equal, open, and a united employee relationship. The corporate social responsibility (CSR) system was established along 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 structure

QRDC

We pay a great deal of attention to appropriate care and safe keeping of personnel working in 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!

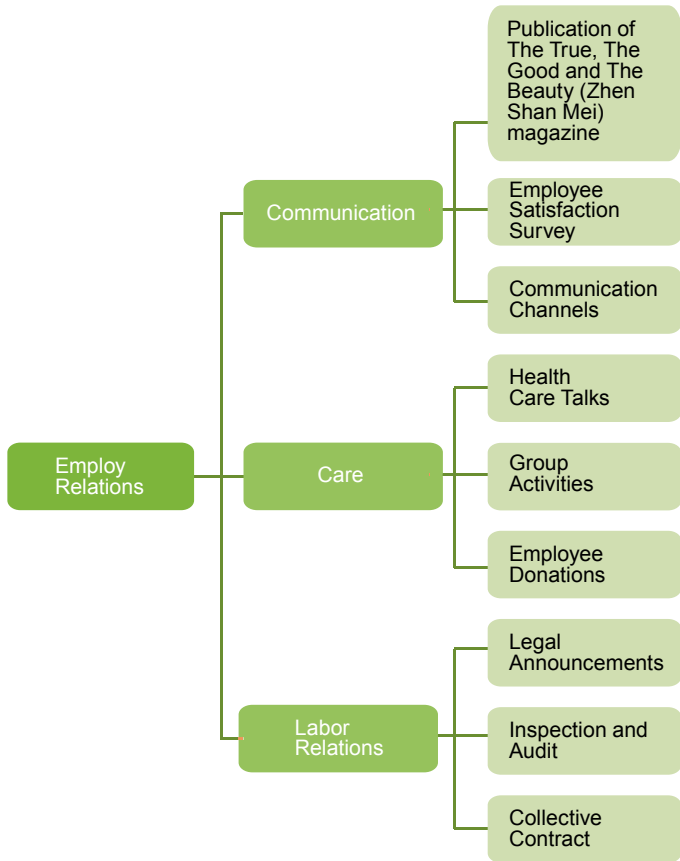


● Management assistance

Believing that management plays an essential role to develop sound employee relations, Quanta arranges a series of training activities for management, including communication, care expression, and knowing labor laws and regulations. Quanta also provides various management tools for management to maintain human nature, ethical reasoning, and legal principle while carrying out management and employee guidance, in order to develop sound labor-management relations.

● Communication platform

Quanta holds periodic labor-management meetings as the platform for labor-management dialogues. Through information sharing and opinion expression, the meeting makes labor-management relations more harmonious. The employee welfare committee (EWC) also determines matters in relation to employee benefits through the supervision of committee members. EWC also expresses the expectations of employees at EWC meetings and other channels. There are also various channels for the well communication and address of and response to the opinions or ideas of employees.



Category	Establishing	Mission	Important benefits
Union committee	Since October 2011	Promote work harmony, Promote corporate development	<ul style="list-style-type: none"> Participate in stipulating joint contracts for employee salary, supervise employee punishment, and promote employer-employee relationships Develop and establish House for Moms offers free training Exclusive applications for severely illness employees
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"> 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 responsibility surveys, including surveys on social welfare and salary, collect employees' opinions, and ensure timely feedback as well as handling employee opinions and appeals.
Factory Management Office	Since December 2000	Increase personnel's safety consciousness in workplace, help them to solve problems and establish friendly internal communications.	<ul style="list-style-type: none"> Provide personnel with occupational health and safety training to increase their safety consciousness in workplace and minimize the risk of occupational hazards. Establish 70885 "Help me, please" Hotline to assist personnel in dealing with their problems in life and workplace. It's also considered as a communication bridge between managers and employees. Conduct annual employee satisfaction surveys to continue elevating service quality.

Full-time Employee benefits

QRDC

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

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

Category	Content	
Other Quanta benefits	Employees	Every year Quanta offers benefits including cash gifts on major folk festivals and employees' birthday; allowances for weddings, funerals, and childbirths; employee selected benefits; education allowance and scholarships for children; nursery allowance; and elderly care allowance.
	Activities and others	Quanta organizes activities to promote health, happiness, and hopes, such as summer camps, gatherings, outdoor activities, and healthy lifestyle talks. Quanta also promotes club development and funds department activities, fitness centers, company bus, health examinations, and the employee assistance program (EAP), hoping to help employees balance work and life and promote labor-management harmony.



QSMC/CSMC/QCMC

- Social insurance: With respect to related regulations of the social insurance authority of different areas, we arrange corresponding social insurance for employees, including endowment insurance, medical insurance, unemployment insurance, work related injury insurance, maternity insurance, and housing provident fund.
- Group insurance: To look after the life and protect the safety of employees, Quanta arranges accidental medical insurance, accidental disability, accidental hospitalization insurance, and accidental death insurance for employees.
- Occupational accident insurance: Salary compensation for deaths, disabilities, injuries or diseases, incapacity to work resulting from occupational hazards.
- Retirement bonus: A bonus for employees retiring at the statutory retiring age calculated based on the service length.

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.



With respect to the Act of Gender Equality in Employment, employees meeting the requirements are entitled to apply for the parental leave without pay (PLWOP). In 2018, a total of 5,729 QRDC employees were qualified (working for QRDC for six months or longer) for the entitlement.

In 2018, applicants of PLWOP included 29% of male and 71% of female, and the return to work rate was 85%.

Item	Gender	2017				2018			
		Number of Applicants		Subtotal		Number of Applicants		Subtotal	
Number of employees applying for PLWOP	Male	20		47		12		41	
	Female	27					29		
Number of employees due to return to work after taking PLWOP	Male	13		40		18		46	
	Female	27					28		
Number of employees that did return to work after PLWOP	Male	10		35		14		39	
	Female	25					25		
Total number of employees returning from PLWOP in the prior reporting period(s)	Male	4	67%	10	83%	10	100%	35	100%
	Female	6	100%						

- *The number of employees due to return to work and the number of employees did return to work were subject to the number of employees applying for PLWOP in the year.
- *Reasons for non-disclosures of plants in China: With respect to the laws and regulations of China, women employees are entitled to maternity leave, and there is no parental leave.

Anti-discrimination and unforced labor measures

Quanta ensures that all employees are voluntary to provide labor service and specifies the following in the CSR Manual:

- The company shall not hire or support the use of forced labor or request employees to pay a “monetary guarantee” or confiscate their identity documents as hires begin.
- The company shall not transport, harbor, recruit, transfer or receive persons by means of threat, force, coercion, abduction or fraud for labor or services.
- The company respects the freedom of employees, including freedom of choosing employment, freedom of leaving work, freedom of working extra hours, and freedom of movement. There shall be no unreasonable restrictions on workers’ freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities.

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.

Practical measures for effective risk control include the request for a labor dispatch agreement, charged investigation before HR's employment, HRD's publicization of the company's policy to the labor agency, publication of the company's policy on the CSR bulletin, orientation training for new employees, publicization of the corporate credit investigation number, unannounced onsite audits of the labor agency, CSR supervision, annual interviews with internal CSR auditors, discrimination and commission collection investigations on new laborers by CSR, description of the definition of forced labor and the consequences of hiring forced labor in the management competency training courses, and a range of grievance channel for reporting related problems. In addition, the company has planned plant-specific risk assessment procedures on the bonds and fees charged by the labor agency, offsetting debts with wages as a term of hiring, confiscation of identity documents, involuntary extra hours work and exit procedures. In 2018, no high-risk plant was found in the assessment.

Non-Discrimination

Quanta specifies the following approaches to ban discrimination:

- No engagement in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, rewards, access to training, promotions, dismissals or retirements.
- No interference with employees' rights of religions, beliefs and customs. Fulfillment of the employees' rights involved with race, social class, nationality, religion, disability, gender, sexual orientation, union membership, and political affiliation. Workers shall be provided with reasonable accommodation for religious practices, where necessary.
- Recruitment is subject to the education attainment, conduct, competency, and experience, and elimination of the possibility of discrimination through internal training and education and labor agency management.

The number of discriminatory incidents based on race, skin color, gender, religion, politics, nationality, and social background for all sites in 2018 was zero.

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.

Other management measures including onsite audits, employee interviews, and documentary investigations are performed to audit the effectiveness of implementation of policies regarding non-discrimination and non-forced labor. In practice, labor agency supervision and management including the announcement of various reports and grievance channels, posting non-discrimination posters in front of dispatched labor agency, non-discrimination survey on newcomers by the CSR department in collaboration with the Morale Support Team, and employee interviews and training are adopted to protect employees against discrimination unrelated to work competency.

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:

QRDC/QTMC employees can reflect their problems through the Quanta guestbook, and HRD helpline, QTMC grievance line at 70345. In addition, employees may file grievances through the labor-management meeting representatives and EWC members.

Other plants can file grievances 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	2017			2018		
	Cases Established	Case Handled	Case Closed	Cases Established	Case Handled	Case Closed
Number of Labor Practice Appeals	30	30	30	34	34	34
Number of Human Rights Issues Appeals	5	5	5	3	3	3

*Reports and appeals issues mostly include: employee benefits, personnel management, severance (redundancy) pay, and harassment protection. 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

Aside from addressing the R&D needs of the Company’s core business types: laptop and HPC servers, we constantly increase human capital to offer professional technical services of customers in different fields, such as the application of AI to manufacture, mobility, and medicine; AR display, and 5G IoT. In addition, we respect and ensure that employees know their rights and interest, respect the human rights of others, and are familiar with related regulations and duties during their work. Quanta has designed the required courses for management training, including management case study; required courses for new employees; and required credit technology courses for R&D personnel. All these courses aim to facilitate development management with respect to the needs in different dimensions.

As one of RBA members, Quanta not only complies with the RBA code of the conduct and human rights related norms such as SA8000, but also requests our suppliers to comply. We regularly review the completion rates and the results of satisfaction survey of training courses. Annually, technical credit mandatory policy is announced. In addition, proficiency in English and managerial competency courses combined with performance appraisals and individual development plans are all vital to the Quanta’s sustainable growth of human capital.

The structure of talent development

- 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	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		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Year	2016	2017	2018	2016	2017	2018	2016	2017	2018
QRDC/ QTMCC	27.7	21.8	23.6	27.1	20.1	18.8	28.0	22.3	25.7
QSMC	36.3	48.2	24.7	29.9	38.7	20.8	39.0	52.2	26.4
CSMC	22.4	32.3	17.8	17.3	28.5	15.5	24.2	33.8	18.7
QCMC	26.6	30.4	19.9	23.0	24.2	18.0	28.4	33.2	20.9

Average Training Hours—by job category

Job Category	Supervisor (Associate manager to Associate Vice President, including Project track and Technical track)			Indirect Labor (Non-manager)			Direct Labor			
	Year	2016	2017	2018	2016	2017	2018	2016	2017	2018
QRDC/QTMC		29.3	18.9	28.5	27.2	24.3	27.1	3.1	1.7	3.2
QSMC		4.5	8.5	29.8	6.9	6.0	10.9	42.8	60.0	28.3
CSMC		6.9	13.1	14.5	11.7	12.6	12.7	23.6	33.6	18.1
QCMC		18.4	25.8	18.9	7.3	9.1	8.8	32.0	35.9	22.5

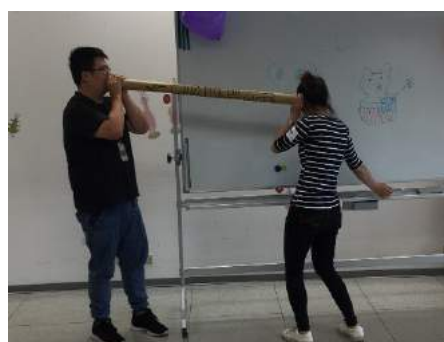
The promotion of Human Rights Training

For employees to know the scope of human rights and respect the human rights of others during work, plants in both Taiwan and China plan and implement training on related topics, including CSR, orientational training (anti-workplace-violence and sexual harassment prevention), case management, and counseling. In 2018, a total of 847,016 persons in Taiwan, Hong Kong, Macau, and China received a total of 1,300,470.2 hours of training, and the employee training rate is 100%.

Human Capital Investment

[2B-To Be] 2B Labor exercises to promote Quanta's growth

The 2B—To Be—Labor Exercise: “Self-Motivation” and “Self-Requirement” continued in 2018, the third year of exercise implementation, hoping that employees can practice 2B, achieve 2B engagement together, be enthusiastic more about work, care about organization needs, and assume accountability at work, in order 2B together and continue 2B. For this reason, QES designed a series of events under the “Wow, this is 2B” theme in 2018 to enhance work engagement in terms of three main topics: communication, appreciation, and joy. The results were significant.



Wonderfour Award at 30th anniversary: Quanta 30+ for a wonderful future!

To constantly encourage departments and employees to learn, share, innovate, and search for business opportunities at all times, we hold the Wonderfour Awards ceremony every year to commend the best learning individuals with outstanding learning or teaching performance, instructors with the best contributions, the best learning departments, departments with the best contribution, and the best contractors. In 2018 we held the ceremony at the Quanta Hall for the first time. The chairperson and vice chairperson attended the ceremony to present prizes to winners and delivered speeches to encourage them to challenge the AI trend. In 2018 we also added the BEST30 award to commend the best 30 instructors and benchmarking departments. The scope of instructor contributions during BEST30 covers smart homes, IoT, 5G, and AI with double investments from Quanta.



[Elite Project]

In 2018, Quanta China Manufacturing Headquarters (QSMC/QCMC/CSMC) entered a new development phase. As the "2B-To be" movement keeps developing deeply, people working in Quanta continue to achieve their positive attitude of "Change and develop to transcend". A small change of each person will bring a great change in Quanta.



[Quanta Online& English Learning Challenges] helps personnel to acquire knowledge on spot and receive instant messages

In 2018, the factory area side made its best to introduce self-developed learning mobile application "Quanta Online" of Business Public Version covering 6 core domains. Plants also developed training courseware for junior management for junior management including team leaders to improve their management competency. In addition, for new employees to know the Company's policies and related information better, total employee training was implemented over "Quanta Online" for direct labor to access resources for occupational development faster and more comprehensive. In 2018, CSMC/QCMC/QSMC organized the English debate contest to encourage employees to develop English speaking habits and improve their command of English to enhance their workplace competency. The actively included online and offline sections. Prizes for the former included individual vocabulary contests (monthly and quarterly contests) and department contests (quarterly contests), and the latter was the quarterly debate contest.



[Course of lectures] Face to face with executives

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.



[Morale Support Team & frontline leaders] Problem solving and conflict management training programs

To fortify the correctness of first-line managers' management competency and improve employees' capability and techniques dealing with existing problems in workplace, the advanced intimate team training program was organized in 2018. The intimate team was formed to fortify employees' capability and techniques dealing with existing problems in workplace and teach first-line managers to use correct management on site.



Meanwhile, to reinforce the teamwork spirit and ability, Quanta holds outdoor training activities to stir the team's enthusiasm and innovative spirit, and promote the team development.

[Outdoor Expansion] enhances departmental teamwork and cohesion to raise organizational commitment.

To enhance teamwork and coherence among employees in the department and raise organizational commitment, we introduced the “Outdoor Expansion” training in 2018 for employees to experience a different kind of training featuring an open training environment and effect, various ice-breaking activities, and brainstorming and physical missions.

● 2018 CSCM Outdoor Expansion



● 2018 QSMC Outdoor Expansion



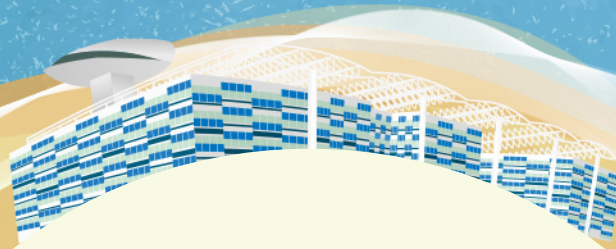
● 2018 QCMC Outdoor Expansion



[School-enterprise Cooperation] Personnel Learning Platform

Since Quanta started cooperating with schools in Network Education Program from 2010, the learning enthusiasm of personnel keeps increasing; participants include personnel working in the Company for more than one thousand people.

In 2018, Quanta cooperated with Renmin University of China and University of Electronic Science and Technology of China. QSMC has 198 trainees for vocational education and 100 students for undergraduate programs; CSCM has 273 trainees for vocational education and 65 students for undergraduate programs; QCMC has 225 trainees for vocational education and 50 students for undergraduate programs. There are more than 900 employees participated in Network Education Program in 2018. Over 900 employees learned and grew in academia-industry collaboration projects in 2018.



Corporate Social Responsibility
Annual Report 2018

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

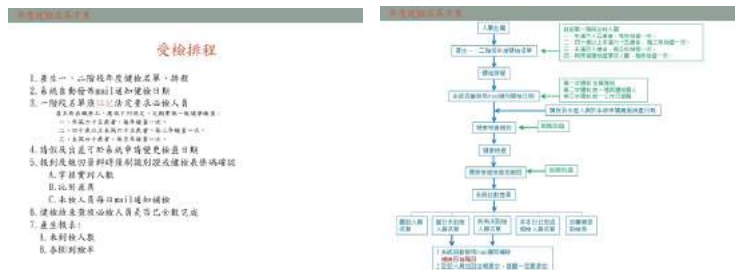
Site	QRDC/QTMC	QSMC	CSMC	QCMC
2018	0.789	0.608	0.716	0.573

Note: Calculations in 2018 were revised with respect to the GRI Standards.

QRDC

1.Labor health examination, improvement, and management plan

By computerizing the management of annual health examinations, including file creation, scheduling, fees registration, and results statistics, we can capture information regarding the attendance (absence) rate of employees to enhance the health examination rate.



2.OHS on-the-job education and training plan

We implement on-the-job (OTJ) education and training on occupational health and safety (OHS) in relation to work for general workers with respect to Article 32 of the “Occupational Safety and Health Act” and Article 17 of the “Occupational Safety and Health Education and Training Rules”. Workers are obliged to accept OHS education and training for a minimum of three hours triennially. Course contents cover work-related OHS matters.

職業安全衛生在職教育訓練-健康管理篇

Dear all:

依據「職業安全衛生法」三十二條規定及「職業安全衛生教育訓練規則」第十七條之法規內容，實施一般職業安全衛生在職教育訓練。

屬主對一般勞工，應依其工作性質實施職業安全衛生在職教育訓練，勞工對於職業安全衛生教育訓練，均應受之義務。

為符合法規要求，敬請同仁配合不必延誤，並於2/14前抽空完成。

時間: 25分鐘
 層級: 全體同仁
 適合對象: 全體同仁
 實施: 現安局課室

設有諮詢與報名窗口：職業安全衛生教育訓練-健康管理篇

職業安全衛生在職教育訓練

健康管理篇

QSMC

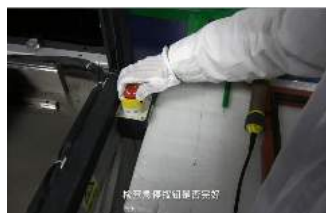
1. Production safety accident rate reduction plan

Investigations and analyses on the work-related injuries and accidents in recent years found that injuries and accidents caused by machinery and equipment continue. The introduction of new technologies and new equipment also brings in new safety risks. Due to the unfamiliarity with the hazard factors in new posts, accidents occur occasionally. For this reason, the Company first performs the safety acceptance of new machinery and equipment and posts danger warning signs and notices in noticeable locations on machinery and in areas with higher risks. The Company also performs safety checks and supervises hazard factor improvements periodically. Then, the Company arranges classroom and onsite education and awareness education for workers to minimize the accident occurrence rate. By implementing the above measures, the number of work-related injuries tended to reduce in 2018.



2. EHS awareness boosting plan

To boost the EHS awareness of employees, make safety training courses more interesting, and enhance learning efficacy, QSMC adopts comprehensive training and awareness education approaches by staging, acting, and producing short dramas for training courses. Currently, up to 150 minutes of videos have been produced, including the following seven topics: introduction to the EHS management system, safety production communication, work-related injury prevention, occupational health management, safety for special equipment and special operations, human factor engineering, and 10S and safety. In addition, the online quiz and levels games which were organized at the “Safety and Health Are Happiness” safety publicity carnival during the safety production month made safety education effective.



CSMC

1.Improvement of access to explosion-proof cabinet regulations

Classification of chemicals storage in all explosion-proof cabinets in the plant.

(1)Post the safety data sheets (SDSs) and emergency response plan on the door of the explosion-proof cabinet of respective chemicals to enhance the ease of access.

(2)Use of absorbent pads under chemicals to prevent unintended spills.

(3)Classify chemicals before storage and post related labels.



2.Identification of and operation control in confined spaces

To enhance confined space management, the OHS team inventories and assesses the operation safety of confined spaces, enforces the application system of dangerous operations, purchases dedicated ventilators for ventilation before operation in confined spaces, and posts warning signs in confined spaces.



QCMC

1.New machine guarding for speed testing wheels on production lines

A speed testing wheel is installed while erecting an automated production line. As the wheel is exposed in the air in routine operation, the risk of impact and pinch-point injuries occurs. After integrated analysis and assessment, we have added transparent guarding within the range of machine operation to prevent impact and pinch-point injuries from occurring, in order to prevent work-related accidents.



2.Two additional temperature monitoring devices for the SMT line reflow soldering vent

As temperature rises in the electric heating process of the reflow furnace, a grade 1 overtemperature protection device is installed on the equipment. If the device fails to activate in time in a temperature anomaly, overtemperature takes place causing the risk of equipment fire. To prevent this type of risk, two additional grade 2 temperature monitoring devices are installed at the reflow soldering vent. These devices are interlinked to the central control room to ensure effective monitoring of furnace temperature to prevent fire.



3. Anti-pinch guard between the corridor to the warehouse banding machine

Pinch-point injuries occur very easily at the seam between the corridor and the warehouse banding machine. To reduce the risk, anti-pinch guards have been installed between the corridor and the warehouse banding machine to prevent pinch-point injuries from occurring and prevent work-related accidents.



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:

- 1 2018 employee occupational accident and illness statistics (total number of workers includes fulltime employees and dispatch employees).
- 2 According to the International Labour 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

2016-2018 employee occupational accident and illness statistics

Injury rate

Site	Gender	Occupational accident category	Injury rate		
			Year		
			2016	2017	2018
QRDC/ QTMC	Male	Traffic injury and light injury	0.54	0.50	0.51
	Female	Traffic injury and light injury	0.64	0.51	0.82
QSMC	Male	Serious injury and light injury	0.20	0.28	0.25
	Female	Serious injury and light injury	0.20	0.15	0.04
CSMC	Male	Light injury	0.04	0.03	0.02
	Female	Light injury	0.03	0.03	0.01
QCMC	Male	Serious injury and light injury	0.60	0.64	0.65
	Female	Light injury	0.32	0.37	0.34

Absentee rate and Lost day rate

Site	Gender	Absentee rate			Lost day rate		
		Year					
		2016	2017	2018	2016	2017	2018
QRDC/ QTMC	Male	89.71	150.86	150.36	3.01	1.54	1.84
	Female	258.29	303.09	234.08	3.32	1.36	3.10
QSMC	Male	165.52	165.80	212.90	12.18	7.29	10.58
	Female	341.30	308.76	355.87	5.99	4.14	5.31
CSMC	Male	76.80	501.60	759.23	1.08	1.38	1.53
	Female	132.51	621.20	1012.78	3.90	2.14	1.25
QCMC	Male	87.09	80.46	222.44	11.69	12.78	12.12
	Female	157.96	125.89	94.15	7.99	4.63	7.82

- Note: 1.Occupational diseases rate (ODR) between 2016 and 2018 was zero.
 2."Working Day Loss" shall be calculated by the loss of estimated business days, and it shall be counted starting from the day of accident.
 3.Minor injuries shall be counted in "Injury Rate" as well.
 4.The data collection of contractor occupational accidents and disease information is still limited, thus it didn't include in statistical disclosure.



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 ISO 14001 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 QTMC 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 2016~2018:

Site		Water usage (tons)			Source of water
		2016	2017	2018	
Taiwan sites	Quanta Research and Development Complex (QRDC)	166,773	184,778	187,611	Taiwan Water Corporation
	Quanta Taiwan Manufacturing City (QTMC)	36,289	34,990	44,865	
China sites	Quanta Shanghai Manufacturing City (QSMC)	1,081,720	1,142,398	1,322,812	Shanghai Songjiang Public Water Company
	Changshu Manufacturing City (CSMC)	355,411	485,962	483,419	Changshu Municipal Water
	Quanta Chongqing Manufacturing City (QCMC)	447,085	580,984	612,216	Chongqing Municipal Water Company

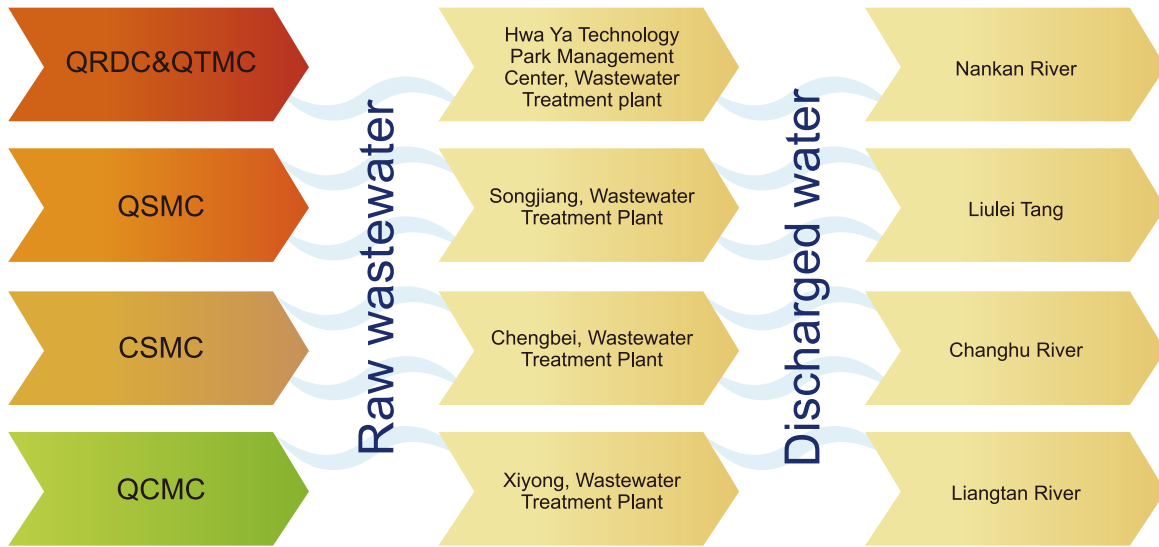
Source: Water acquisition based on public water meters and utility bills

Effluent Management

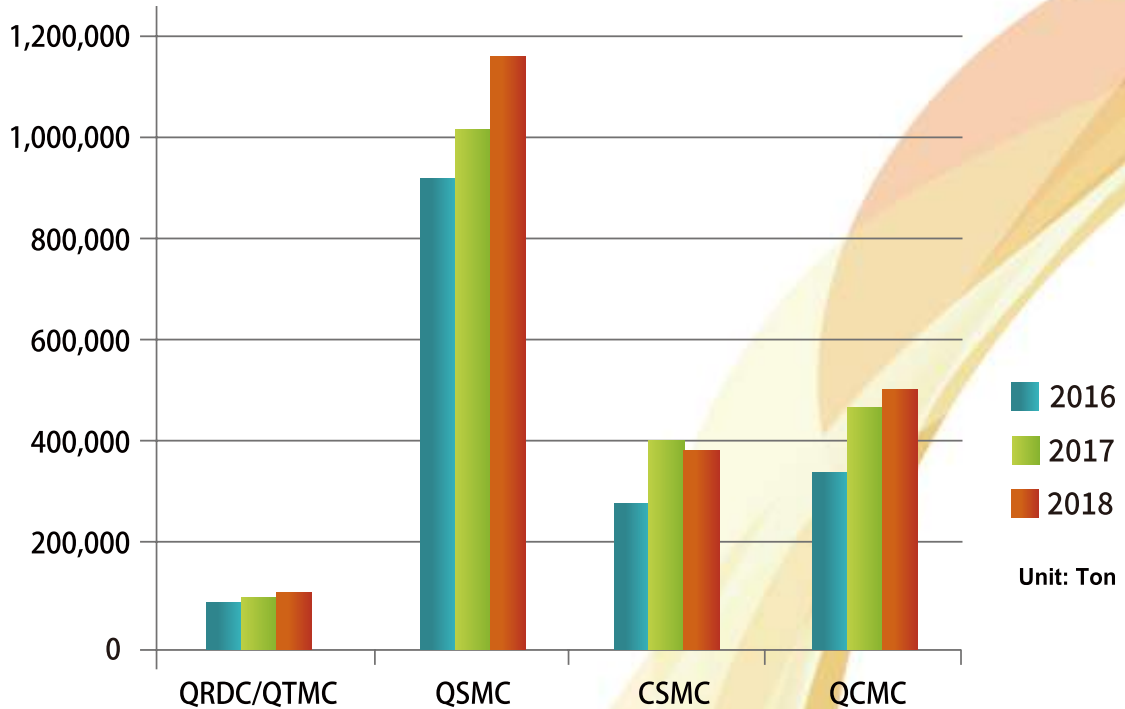
Wastewater generated at various sites includes domestic and canteen effluent. There is no process wastewater. Hence, this Report only covers voluntary disclosures of domestic effluent within the plant.

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. In addition, no effluent will be reused by other organization.

Effluent discharge diagram



Volume of effluent water at various sites



2016-2018 effluent volume at Various Sites (ton)

Site		Year	2016	2017	2018
Taiwan sites	QRDC		86,228	92,225	92,315
	QTMC	Production building	2,830	3,174	5,963
		R&D building	2,118	3,247	3,168
China sites	Quanta Shanghai Manufacturing City (QSMC)		934,251	1,028,158	1,190,531
	Changshu Manufacturing City (CSMC)		302,099	413,068	410,906
	Quanta Chongqing Manufacturing City (QCMC)		380,022	493,836	520,384
Total			1,707,548	2,033,708	2,223,267

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)
 3.The formula of wastewater volume at QSMC factory is Domestic Wastewater= Volume of Tap Water Consumed* 0.9 (Discharge Agreement)

2018 Taiwan discharge standard and test results

Item	Standards	QRDC Results (Quanta RD Center)		QTMC Results (Production building)		QTMC Results (R&D building)	
		I	II	I	II	I	II
BOD(mg/L)	200	14.4	18.2	10.5	37.2	66.8	38.5
COD(mg/L)	350	126.0	142.0	96.6	123.0	181.0	127.0
SS(mg/L)	200	91.0	92.0	26.0	21.0	44.0	14.8
pH	6-9	7.4	7.4	8.1	7.9	7.7	7.8
Temperature°C	Below 45	26.3	28.1	21.7	23.7	21.7	24.0
Fat(mg/L)	20	1.6	4.0	-	-	-	-

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 2018/04/24
 II Test date 2018/10/30

2018 QSMC effluent discharge standard and test results

Item	Standards	F1	F2	F4	F5	F6	F7	Q-BUS
pH	6.5-9.5	7.22	6.86	7.18	7.91	7.73	7.69	6.86
SS(mg/L)	400	71	24	50	72	32	62	71
COD(mg/L)	500	80	37	94	182	96	130	87
BOD(mg/L)	350	26.6	13.1	32.6	58.6	31.6	42.6	27.1
Total Nitrogen(mg/L)	70	19.4	6.53	5.34	40.6	8.12	12.2	10.6
NH ₃ -N (mg/L)	45	14.7	4.84	3.82	36.9	6.56	9.76	8.64
Total Phosphorus (mg/L)	8	0.92	0.31	0.39	3.06	0.57	0.77	0.65
Anionic Surfactant	20	0.44	0.14	1.00	0.44	0.35	0.33	0.22
Fat(mg/L)	100	0.36	0.14	0.38	2.54	0.54	2.62	0.36

Note: 1.Regulated by «Wastewater quality standards for discharge to municipal sewers» (GB/T31962-2015)
 2.We began third-party inspections once a quarter as of Q2 2018. The above table shows the data of Q4 2018 acquired from the tests in December 2018.

2018 CSMC effluent discharge standard and test results

Item	Standards	Terminal 1	Terminal 2	Terminal 3
BOD(mg/L)	300	154	97	188
COD(mg/L)	500	490	246	470
SS(mg/L)	400	173	37	162
pH	6-9	8.38	8.86	7.42
Fat(mg/L)	100	1.58	1.79	3.56
Total Nitrogen(mg/L)	70	68.4	66	23
Total Phosphorus (mg/L)	8	7.62	5.26	2.35

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 2018/05 -2018/6.

2018 QCMC effluent discharge standard and test results

Item	Standards	F0	F1	F2	F3	P1	P2	P3	F5
COD (mg/L)	500	223	490	371	83	372	372	286	278
SS (mg/L)	400	70	70	79	56	66	66	67	89
NH ₃ -N (mg/L)	-	46.45	97.55	94.85	13.34	79.06	79.06	3.25	36.3
Fat(mg/L)	100	-	-	-	-	1.67	1.67	26.15	1.04
BOD(mg/L)	300	-	-	-	-	-	-	-	83.3

Note: 1. Based on Table 4 Maximum Discharge Intensity of Category III Pollutants, China's GB8978-1996 "Integrated Wastewater Discharge Standard".

2. Sampling method: 《National water quality testing standard》 (GB11914、GB11901、HJ537)

3. The monitoring data came from the test reports provided by the third party. The date of test: March 2017. Due to the fact that P1 and P2 use the same biochemical pool, the data of P1 and P2 is identical.

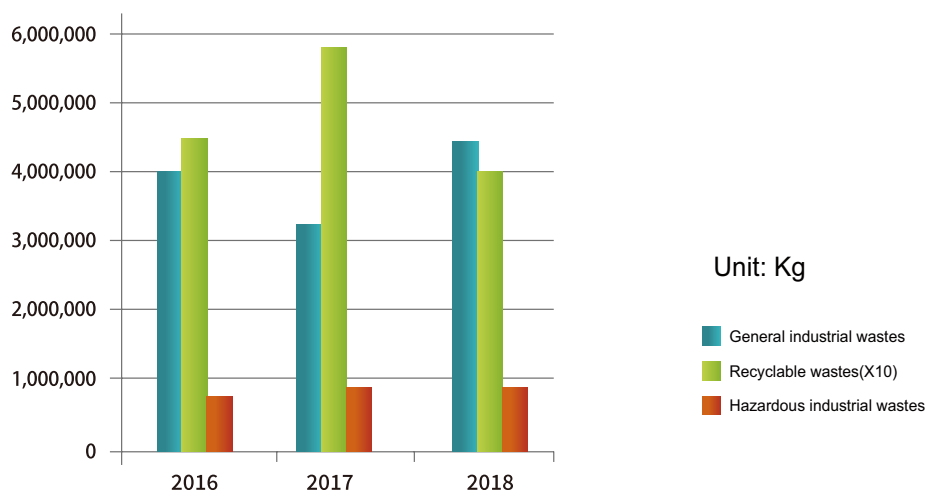
4. P3 and F5 are new factory buildings starting operations in 2018. Tests of P3 were conducted in August 2018 and F5 in November 2018.

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.

The ratio of Category 3 waste for all factories over the years is displayed in the following diagram.



General industrial waste

2016-2018 Analysis Table of General and Recyclable Waste Production in Various Sites

General waste

Site	General waste (kg)			Treatment
	2016	2017	2018	
QRDC	223,310	244,290	245,560	Incineration
QTMC	38,540	43,670	125,500	Incineration
QSMC	2,599,600	1,621,857	2,630,548	Incineration
CSMC	529,420	761,248	921,630	Incineration
QCMC	730,000	730,000	730,000	Burial
Total	4,120,870	3,401,065	4,653,238	

Recyclable waste

Site	Recyclable waste (kg)			Treatment method
	2016	2017	2018	
QRDC	66,724	99,329	180,889	Recycled and reused
QTMC	13,419	3,266	4,170	
QSMC	33,165,778	47,831,964	30,365,842	
CSMC	4,075,390	5,836,373	4,124,083	
QCMC	9,743,156	5,857,790	6,109,660	
Total	47,064,467	59,628,722	40,784,644	

- Note:
- 1 QRDC and QTMC: 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 2018 is about: $4 \times 500 \times 365 = 730,000$ 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 2016-2018 Statistics of Hazardous Wastes in Various

Site	Hazardous Wastes				
	Category	Treatment method	Quantity (kg)		
			2016	2017	2018
QRDC/ QTMC	Waste electronic components, leftover and defective products	Recycled and reused / Physicochemical treatment	320	466	350
	PCB waste and powder which containing metals		270	415	353
QSMC	Mixture of waste oil and water	Incineration	400	-	-
	Waste oil cloth		25,990	21,680	23,370
	Organic waste solvents		12,630	10,500	10,360
	Waste adhesive (rubber hose)		1,200	1,100	1,200
	Waste acid	Physicochemical treatment	-	5,100	6,000
	Lead-acid battery waste	Recycled and reused / Physicochemical treatment	-	30,900	-
	Waste fluorescent tubes		-	1,000	400
	Paint slag waste	Incineration	10	-	-
	Waste activated charcoal	Incineration	60	-	-
CSMC	Waste activated charcoal	Incineration	9,200	7,550	9880
	Waste containers		140	150	3993
	Waste glue		330	350	350
	Waste rags		243	250	250
	Waste fluorescent tubes	Recycled and reused / Physicochemical treatment	200	-	-
QCMC	Waste UV rubber hose	Incineration	500	-	1,000
	PCB leftover	Recycled and reused / Physicochemical treatment	-	1,000	2,090
	Paint slag waste	Incineration	516,000	560,000	710,480
	Used paint basket	Recycled and reused / Incineration	171,810	257,780	162,065
	Black ink waste	Incineration	42,180	67,680	46,915
	Organic solvent waste	Incineration	11,370	24,450	-
	Waste activated charcoal	Incineration	47,990	45,270	40,420
	Waste acid	Physicochemical treatment	-	-	-
	Waste oil	Physicochemical treatment	3,200	4,700	11,510
	Waste paint	Physicochemical treatment	960	-	-
	Waste lead-acid battery	Incineration	-	-	7,255
Total			844,503	1,040,341	1,037,241

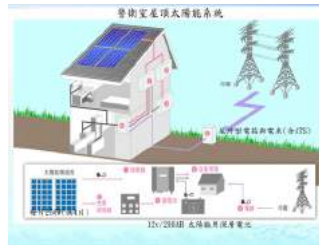
Note: 1.QRDC hazardous industrial waste statistics are derived from the industrial waste co-treatment control triplicate forms.
2.QSMC, CSMC and QCMC hazardous waste statistics are derived from the "hazardous waste electronic manifest" filed after transshipment and treatment.

Environmental Management Plans in 2018

QRDC/QTMC

1.Green energy promotion and management program

Apart from a shade that insulates heat and lowers temperature, solar panels installed overhead of checkpoints can supply electricity required by the checkpoint to reduce the energy consumption of the QTMC Plant. Regarding the energy efficiency of this device, a fully charged solar cell can supply electricity at 110VAC for the checkpoint.



2.Common conference rooms environmental control system management program

The program aims to monitor the condition of use of common conference rooms via the Internet of Things (IoT) to avoid lighting and air-conditioning waste in order to build an environmental control system for common conference rooms.



QSMC

Water chiller replacement and inverter installation for aircon program

For environmental protection and energy conservation, we replaced old water chillers (heat recovery) and installed inverters on the air conditioner system respectively in 2018. The new water chillers are equipped with a heat recovery function to supply warm air in office areas with recovered heat, so that we can disable heat pumps in winter. By installing the inverter to air conditioner units, the system can automatically adjust the output power based on the production floor temperature to save up to 30% of energy consumption.



QCMC

1.Site cooling water tower wastewater recycling and reuse program

The cooling tower is a required piece of equipment for cooling the air conditioner system. In the cooling process, a large amount of water is evaporated, up to 300m.t./day in summer. When over-evaporation takes place, the total hardness and conductivity of the cooling water will exceed the limit. In this case, it is necessary to discharge such water and refill new water inside to change water quality. While direct discharging sewage in the sewage pipeline will increase sewage discharge, it is recycled for reuse to wash toilets in order to reduce sewage discharge and water consumption at the same time.



2.P3 compressor heat recovery connection with RMA air conditioner FCU program

1. There are four model 90 compressors in P3, each with a rated power of 90KW, and all four compressors are equipped with the heat recovery device. As the current compression air demand is high at the production lines, all four compressors are in service.

2. Currently, hot water recycled from compressors is directly cooled through the cooling tower.

3. The humidity requirement of the RMA on the 1st floor is RH=30-60%. As hot water is required to maintain the required humidity, heat pumps are currently used to supply hot water.

4. Hot water recycled from compressors is transported to the RMA air conditioner hot water pipe via the plate heat exchanger for reuse by the RMA to reduce or replace heat pump use, reduce heat pump operating cost, and thereby conserve energy.



3. Nitrogen generator construction program

As the small nitrogen generator installed at the SMT line in QCMC cannot fulfill the line nitrogen demand, it is necessary for the plant to purchase nitrogen to fill the needs. In addition, as the small nitrogen generator consumes more energy, a large nitrogen generator is built in QCMC (outsourced project through lease) to replace the small nitrogen generator to fulfill the nitrogen demand of the SMT line. Apart from reducing energy consumption from nitrogen generation, this can save more energy.



Replacing lighting with energy-saving LEDs

In 2018, 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 2,792Mkh.

Site	Emergency indicator lights along the aisle	Quantity (lighting)	Reduced energy consumption (kWh)
QRDC	Offices, public walkways, parking lots, street lights around the factories	2,625	150,523
QSMC	Lighting of production floor, offices, and toilets.	42,552	1,690,000
	High-efficiency air compressors	2	400,950
	New water chillers	1	309,000
CSMC	Lighting for the production floor and conveyor lines	2,800	241,113



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 ISO 14064-1. <ul style="list-style-type: none"> ● The Shanghai site has been certified with ISO 14061-1 since 2011. ● The Taiwan, Chongqing and Changshu sites have received third-party certification ISO 14061-1 since 2015.
		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 member of the Responsible Business Alliance (RBA), Quanta must initiate practical control measures. Both the RBA and CDP emphasize disclosure and management of supply chain. Such requirements pose a significant challenge to Quanta in terms of the depth and scope of carbon emissions, carbon management, and energy management.	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.
		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 CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. The major emission sources include natural gas, diesel, petrol, LPG, CO₂ 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 2018.

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. Each year, the Company will conduct the greenhouse gas emission inventory check and acquire the verification certification. 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.

In 2015, Quanta completed greenhouse gas emission certification, 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.

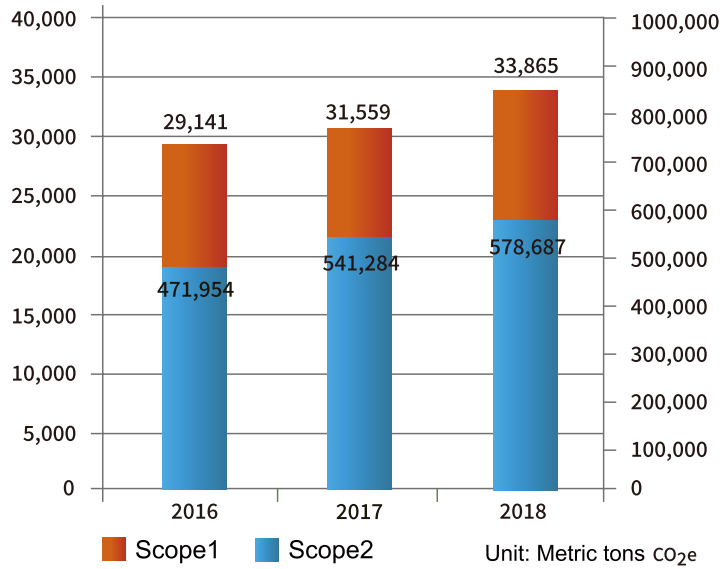
Work with carbon-trading demo cities

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.

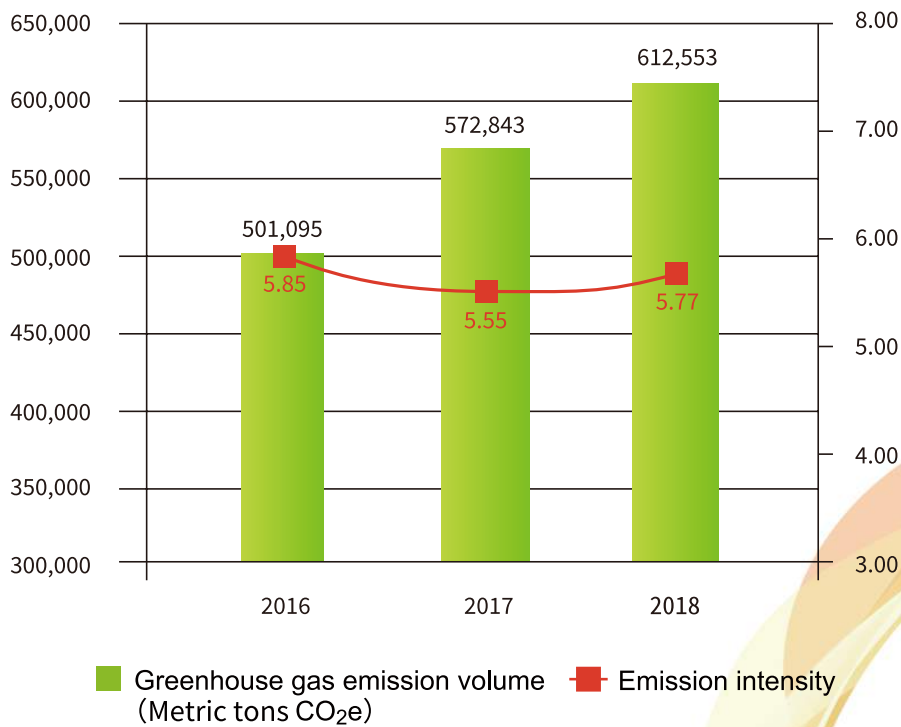
Outcome of greenhouse gas inventory checks at various sites

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.

Sites in China have complied with the following regulations and policy prescriptions: the Energy Conservation Law of the People's Republic of China, China's Policies and Actions for Addressing Climate Change, the Working Plan for Greenhouse Gas Emissions Control of the 12th Five-Year Plan, and the Energy-Saving and Carbon-Reduction Measures of the 12th Five-Year Plan. We have proactively responded to evolving government policies by gradually promoting energy-conservation projects and replacing old equipment with energy-saving facilities.



Greenhouse gas emission statistics of Scope1 & Scope2 during 2016-2018



Greenhouse gas Emission intensity during 2016-2018

Greenhouse gas emission statistics of Taiwan site

Site	(QRDC & QTMC)		
Year	2016	2017	2018
Greenhouse gas emission - Scope 1 (Tons of CO ₂ e) /Ratio (%)	413/ (2.43%)	332/ (1.83%)	428/ (1.98%)
Greenhouse gas emission - Scope 2 (Tons of CO ₂ e) /Ratio (%)	16,584/ (97.57%)	17,784/ (98.17%)	21,233/ (98.02%)
(Tons of CO ₂ e)	16,997	18,116	21,661
Emission intensity	3.11	3.02	2.96
Greenhouse gas emission volume by type	CO ₂ : 16,780.86 CH ₄ : 7.79 N ₂ O: 0.27 HFCs: 208.36	CO ₂ : 17,979.56 CH ₄ : 7.61 N ₂ O: 0.21 HFCs: 128.73	CO ₂ : 21,416.55 CH ₄ : 113.60 N ₂ O: 0.18 HFCs: 130.89
CO ₂ emission volume produced by biomass burning	0	0	0

Greenhouse gas emission statistics of QSMC

Site	QSMC		
Year	2016	2017	2018
Greenhouse gas emission - Scope 1 (Tons of CO ₂ e) /Ratio (%)	12,386/ (4.51%)	15,349/ (4.88%)	13,840/ (4.19%)
Greenhouse gas emission - Scope 2 (Tons of CO ₂ e) /Ratio (%)	261,991/ (95.49%)	299,197/ (95.12%)	316,521/ (95.81%)
(Tons of CO ₂ e)	274,377	314,546	330,361
Emission intensity	6.82	8.54	8.60
Greenhouse gas emission volume by type	CO ₂ : 271,140.35 CH ₄ : 1,500.64 N ₂ O: 24.08 HFCs: 1,710.04 PFCs: 2.12	CO ₂ : 308,275.68 CH ₄ : 1,544.94 N ₂ O: 19.15 HFCs: 4,611.27 PFCs: 94.68	CO ₂ : 325,923.76 CH ₄ : 1,568.80 N ₂ O: 19.13 HFCs: 2,755.02 PFCs: 94.68
CO ₂ emission volume produced by biomass burning	0	0	0

Greenhouse gas emission statistics of CSMC

Site	CSMC		
Year	2016	2017	2018
Greenhouse gas emission - Scope 1 (Tons of CO ₂ e) /Ratio (%)	3,738/ (5.20%)	6,311/ (7.10%)	6,776/ (8.10%)
Greenhouse gas emission - Scope 2 (Tons of CO ₂ e) /Ratio (%)	68,118/ (94.80%)	82,561/ (92.90%)	76,916/ (91.90%)
(Tons of CO ₂ e)	71,856	88,872	83,692
Emission intensity	2.98	2.42	2.36
Greenhouse gas emission volume by type	CO ₂ : 68,716.48 CH ₄ : 1600.56 N ₂ O: 27.42 HFCs: 1,511.34	CO ₂ : 84,634.39 CH ₄ : 2831.30 N ₂ O: 50.94 HFCs: 1,355.29	CO ₂ : 74,432.81 CH ₄ : 2819.44 N ₂ O: 55.35 HFCs: 1,385.21
CO ₂ emission volume produced by biomass burning	0	0	0

Greenhouse gas emission statistics of QCMC

Site	QCMC		
Year	2016	2017	2018
Greenhouse gas emission - Scope 1 (Tons of CO ₂ e) /Ratio (%)	12,604/ (9.14%)	9,567/ (6.32%)	12,821/ (7.25%)
Greenhouse gas emission - Scope 2 (Tons of CO ₂ e) /Ratio (%)	125,261/ (90.86%)	141,742/ (93.68%)	164,018/ (92.75%)
(Tons of CO ₂ e)	137,865	151,309	176,839
Emission intensity	8.68	6.40	7.06
Greenhouse gas emission volume by type	CO ₂ : 129,835.16 CH ₄ : 724.47 N ₂ O: 8.8 HFCs: 7,291.23 PFCs: 5.88	CO ₂ : 146,160.95 CH ₄ : 3,467.24 N ₂ O: 10.12 HFCs: 1,664.81 PFCs: 5.88	CO ₂ : 169,626.67 CH ₄ : 4,359.92 N ₂ O: 117.92 HFCs: 2,728.76 PFCs: 5.87
CO ₂ emission volume produced by biomass burning	0	0	0

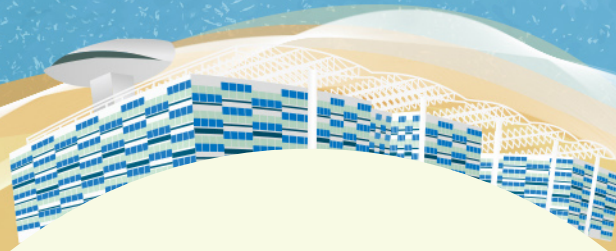
- Note: 1.The greenhouse gas emission is calculated based on the operational control method
 2. Sources where the purchased power emission coefficient derived from: (Due to the fact that the emission coefficient of year 2018 is not published, Taiwan factory's data of year 2017 and China factory's data of year 2017 were used in the report.)
 (1)Taiwan factory: Bureau of Energy's 2017 power purchase emission coefficient (0.554Kg CO₂e /kWh)
 (2)China factory: 2017 Baseline Emission Factors for Regional Power Grids in China
 a.QSMC、CSMC：emission coefficient for Huadong region (0.8046Kg CO₂e /kWh)
 b.QCMC：emission coefficient for Huazhong region (0.9104Kg CO₂e /kWh)
 3.The greenhouse gas emission GWP is derived from:
 (1)QRDC: IPCC's 4th assessment report published in 2007
 (2)QSMC,QCMC, CSMC: IPCC's 5th assessment report published in 2013
 4.Emission intensity per capita
 5.Statistics of 2018 greenhouse gas inventory of all sites were all certified by ISO 14064.

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 2018 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		Fuel								Electricity		Total energy consumption Gigajoule (GJ)
		Diesel		Petroleum		Natural gas		Liquid petroleum gas (LPG)		Power consumed		
		Kiloliter (KL)	Gigajoule (GJ)	Kiloliter (KL)	Gigajoule (GJ)	Cubic meter (M ³)	Gigajoule (GJ)	ton	Gigajoule (GJ)	Megawatt hours (MWh)	Gigajoule (GJ)	
QRDC & QTMC	2016	10.12	355.88	1.41	45.92	-	-	51.61	2,560.50	31,408.53	113,070.70	116,033
	2017	4.28	150.53	1.23	40.17	-	-	55.95	2,776.04	33,617.95	121,024.62	123,991
	2018	2.08	73.16	1.33	43.44	-	-	53.93	2,675.81	38,326.50	137,975.39	140,768
QSMC	2016	93.54	3,289.75	240.52	7,855.16	3,866,822.06	129,523.07	-	-	322,967.46	1,162,682.86	1,303,351
	2017	89.68	3,153.99	173.29	5,659.49	3,908,947.69	130,934.11	-	-	368,832.08	1,327,795.49	1,467,543
	2018	82.19	2,890.69	175.82	5,742.04	4,067,728.59	136,252.64	-	-	387,600.88	1,395,363.17	1,540,249
CSMC	2016	30.99	1,089.65	142.96	4,668.75	115,277.47	3,861.33	-	-	79,053.06	284,591.02	294,211
	2017	34.50	1,213.39	161.00	5,258.03	789,626.61	26,449.30	-	-	90,414.11	325,490.80	358,412
	2018	24.96	877.86	113.83	3,717.53	1,007,582.45	33,749.98	-	-	82,745.03	297,882.11	336,227
QCMC	2016	2.41	84.79	97.95	3,198.96	1,987,995	66,589.88	-	-	132,299.32	476,277.55	546,151
	2017	5.30	186.41	114.82	3,749.86	1,892,170	63,380.13	-	-	154,697.07	556,909.45	624,226
	2018	2.40	84.41	105.96	3,460.51	2,412,200	80,799.05	-	-	189,294.33	681,459.59	765,804



Corporate Social Responsibility
Annual Report 2018

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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 1,400 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	12.Green Product Management	0.0%	0.0%
D. APM	13.Automotive 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	
Automotive Product Management Criteria:			
Qualified		$GQS \geq 70$, and $GPM \geq 85$ & $PC \geq 75$, and $APM \geq 80$	
Conditional Qualified		$60 \leq GQS < 70$, and $GPM \geq 85$ & $PC \geq 75$, and $60 \leq APM \leq 80$	
Unacceptable		$GQS < 60$ or $GPM < 85$ or $PC < 75$ or $ARM < 60$ 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

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
Automotive Product Management Criteria:	
Qualified	$GQS \geq 70$, and $GPM \geq 85$ & $PC \geq 75$, and $APM \geq 80$
Conditional Qualified	$60 \leq GQS < 70$, and $GPM \geq 85$ & $PC \geq 75$, and $60 \leq APM \leq 80$
Unacceptable	$GQS < 60$ or $GPM < 85$ or $PC < 75$ or $ARM < 60$ 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 2018 are similar to those in 2014. New quality audit items and acceptance criteria for automotive products were added.

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. Assessments show that there is no high-risk suppliers of engaging child labor or minimum age labor in dangerous work at high-risk suppliers, nor is there high-risk supplier of forced or compulsory labor. Suppliers found violating labor practices, human rights and ethics in the audit and failing to make corrections by a time limit will be rejected and disqualified for being a quality vendor of Quanta.

Number of on-site audits for new suppliers

Quanta performs onsite audits on general new suppliers with environmental, labor, human rights, and ethics, and social impact indicators and surveys them with the two-way participatory survey as used on other suppliers. By the end of 2018, Quanta completed the onsite audit and two-way participatory survey on all new suppliers. In addition, all suppliers audited onsite in 2018 complied with the “Supplier Management Standard”, with a compliance rate of 100%.

Supplier annual CSR RBA audit

Quanta is an official Responsible Business Alliance (RBA) 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"> ● RBA Validated Audit Process Operations Manual ● Statutory regulations 		
Category	Labor & Ethics	Health & Safety Environmental	Management System
Overall observations	<ul style="list-style-type: none"> ● For ethical standards, most suppliers demonstrated compliance with the standards and requirements. ● For labor and human rights, requests for systematic improvements to management have been made for issues such as overtime work, under-aged labor management, breastfeeding female personnel's working hour management, establishment the content and management of labor contracts, and availability of a religious venue management policy, reasonableness of salary deductions, insufficient paid leave, and discriminatory practices. 	<ul style="list-style-type: none"> ● Environmentally, most suppliers comply the standards. ● In OHS, systematic management is required for the emergency response plan, dangerous chemicals management, fire equipment check, use of personal protective equipment at special stations, safety labeling defects, and drinking water testing. 	<ul style="list-style-type: none"> ● For management systems, the review showed that suppliers have largely complied with the relevant standards and requirements.

Overall, there is no report of serious violation of the CSR Code of Conduct as revealed in the 2018 Supplier Audit results. There is also no report of the phenomenon and risk of the use of child labor or forced labor in suppliers.

2018 Quanta Green Standards Conference - helping suppliers benefit from co-prosperity

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

Quanta Computer Inc. 議程

時間	主題	講師		備註
		台灣	中國	
13:20-13:30	集到	PDC	PDC	10min
13:30-13:40	開場			10min
13:40-14:00	A. 廣達綠色規範介紹	張光偉 Dean Chang	施佩蓉 Jessica Shih	20min
14:00-14:30	B. 材料宣告(MD)重點說明	羅婉婷 Tina Cheng	羅婉婷 Tina Cheng	30min
14:30-15:00	C. SGS 全球環保法規趨勢介紹	黃國智 Vincent Huang	劉高 Ryan Liu	30min
15:00-15:20	休息時間			20min
15:20-16:10	D. 廣達全物質宣告(FMD)系統	吳唯丞 Ethan Wu	林政立 Allen Lin	50min
16:10-16:25	E. 聯軍二甲級編譯檢測開發暨供應鏈業務管理與要求	張弘毅 Brian Chang	李鳳雲 羅周正 Brook Lee Lemis Loo (ISIRI) (ISIRI)	15min
16:25-16:45	Q&A			20min
16:45-17:00	散場			

Statistics of numbers of registrants and attendees are as follows:

Region	No. of registrations			Attendance			Attendance rate (%)		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Quanta-Taiwan	330	394	384	299	354	321	90.61%	89.90%	83.59%
Quanta-Shanghai A	150	120	109	149	123	87	99.33%	102.50%	79.82%
Quanta-Shanghai B	319	377	460	270	402	366	84.64%	106.63%	79.57%
Quanta-Chongqing	207	239	320	195	237	273	94.20%	99.16%	85.31%
total	1,006	1,130	1,273	913	1,116	1,047	--	--	82.07%





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 were set up to ask suppliers to complete 100% of the investigations, and 100% of declared smelters shall obtain audit certifications including Responsible Minerals Initiative (RMI) (formerly known as Conflict-Free Sourcing Initiative), The London Bullion Market Association (LBMA), Responsible Jewellery Council (RJC), or TI-CMC (Tungsten Industry—Conflict Minerals Commitment). In the future, the Company will follow the international industry trends by cooperating with the RMI and its customers to carry out assessment on high-risk area development, conflict minerals management and cobalt risk management.

Quanta's position on conflict minerals

Quanta continues to adopt conflict minerals procurement policy to support RMI's policies and practices regarding conflict minerals. In addition, the Company has adopted the Conflict Minerals Reporting Template and management tools published by RMI to investigate if its suppliers have implemented the aforementioned policies.

Summary of Quanta's due diligence investigations in 2018

Preparations

It includes identifying the research objects and verifying the contact person of research objects. We asked the sourcing representatives to claim their own suppliers and changed previous annual survey into the procedure that the person in charge of procurement replied directly by sending emails to the suppliers who left messages on Cloud Application Management Platform (CAMP). Furthermore, the CAMP was upgraded to keep in touch with suppliers by providing updated and valuable information; our personnel continued to offer assistance and instructions on time in order to achieve more comprehensive and perfect goals of risk control.

Questionnaire system investigations—Latest version of CMRT

The supplier due diligence investigations of conflict minerals in 2017 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:

Q1. Is any 3TG intentionally added or used in the product(s) or in the production process? 是否在產品或生產流程中有意添加或使用任何 3TG ?

Q2. Does any 3TG remain in the product(s)? 是否有任何 3TG 仍存在於產品中? *

If you have a "yes" answer to any of above 2 questions, please choose "Yes" below; only when you have 2 "no" answers, you may choose "No" below. Please choose:

以上2個問題任意1個回答是"yes"，請在下面選擇"Yes"；只有2個問題回答都是"no"方可選擇"No"，請選擇：

Yes

No

Blank CMRT Download Linkd 空白CMRT下載連結: CFSI_CMRT5.11

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

線上填寫問卷或上傳Excel檔案 上傳請點選資料夾圖示

Web Reply

Upload Excel(CMRT)

CMRT版本升級為5.11了，請大家以最新版本來做報告囉

CMRT version upgraded to 5.11, please use it to do the report.

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

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. After the Company's units responsible for these tasks analyzed and improved the potential problems, they will compile the data and provide CMRT due diligence investigation reports based on the needs of clients.



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

International trends and customer requirements Overview

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.

Quanta conducts health and safety impact assessment in each phase of life cycle on all its products and services to efficiently keep a close eye on the health and safety impact in each phase of life cycle of products and services.

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	

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.

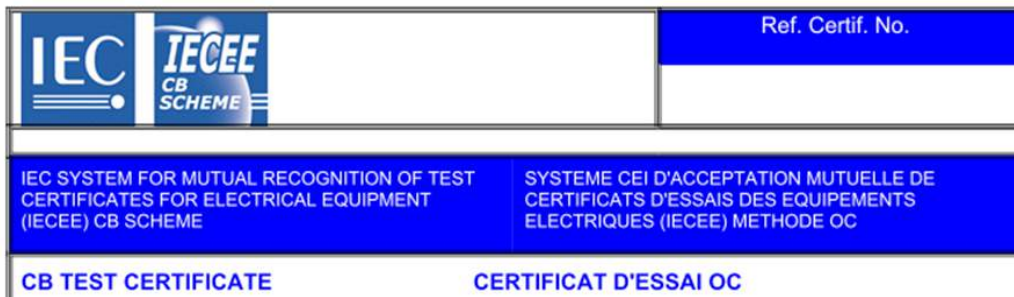
In accordance with the standards announced by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), Quanta implemented the green product management, based on the fundamental structure of the ISO 9001 quality management system. Quanta also obtained 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.

- During the product's research and development period, suppliers shall update third-party material test reports on Quanta Environment System website and declare prohibited and restricted substances to make material procurement process meet the requirements of green product control.
- Risk assessment shall be performed on ancillary materials used in the manufacturing process. Suppliers of controlled ancillary materials to submit a material composition declaration (MCD) to ensure compliance.
- In product control, Quanta voluntarily establishes proprietary inspection laboratories to perform sampling tests on incoming materials and outgoing products.

Internal and external audits carried out every year were used to verify the effectiveness of our green products management system. Assessment results for 2018 were compliant with our expectations and demonstrated the continuing effectiveness of the green product management system.

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 all products 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)

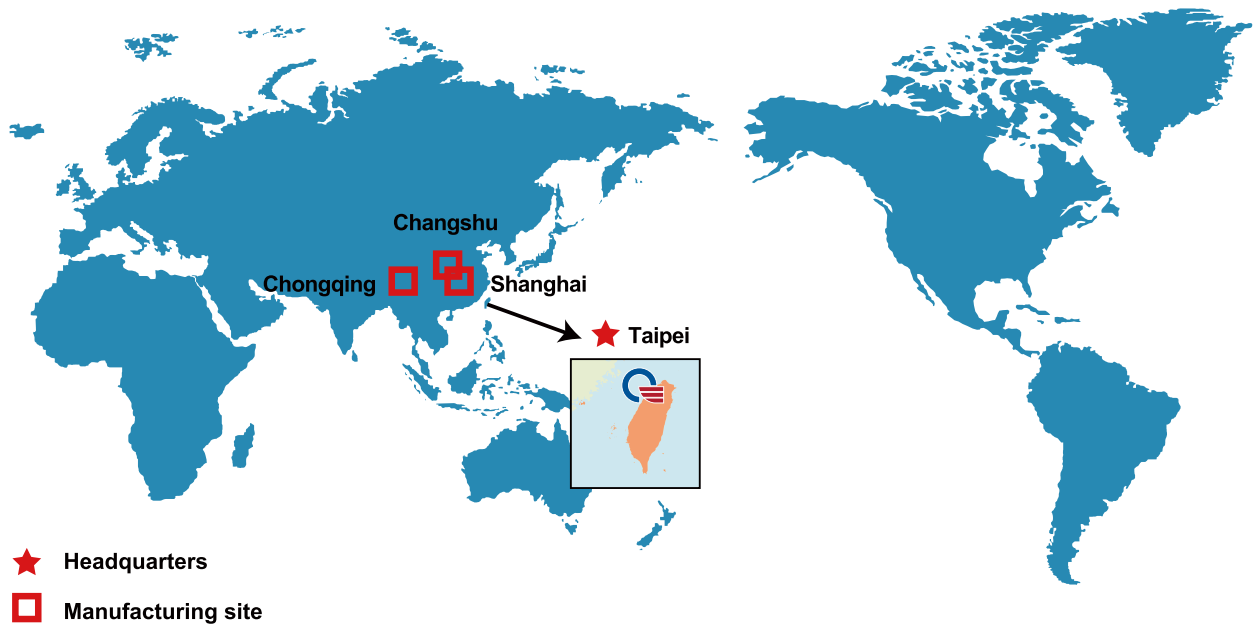
To achieve an effective management, Quanta established GP laboratories in Shanghai, Changshu, Chongqing and Taiwan Taoyuan respectively. The detection methods are based on the IEC 62321 and the international testing standards. Tests and inspections on materials, parts, sub-materials and finished products are performed to detect hazardous materials, including lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), poly brominated biphenyls (PBBs), poly brominated diphenyl ethers (PBDEs), chlorine (Cl), bromine (Br) and phthalate ester according to the laws and regulations as well as customers' requirements. Meanwhile, Quanta proactively introduced quick screening equipment to improve regulatory compliance's detection efficiency of materials and finished products in accordance with the updated requirements of RoHS regulations on phthalate.

In 2018 Quanta already purchased the quick screening equipment for the inspection and test process. Apart from enhancing inspection and test efficiency, such equipment ensure quick verification of material compliance.

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



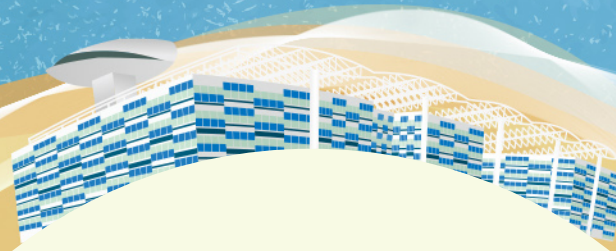
Customer satisfaction

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 2018, we conducted customer satisfaction surveys on quality management and green product control. Results showed that customers’ overall satisfaction with Quanta is the same as that of 2017. 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.

Through the above product management processes, no non-compliance of customer health and safety was reported in 2018.



Corporate Social Responsibility
Annual Report 2018

Social Participation

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Social Participation Introduction

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.

benefit assessments, and development projects.

Organization	Invested Fund(NT\$)			No. of Participants(persons)			Other Resources Invested (materials, equipment, venues etc.
	2016	2017	2018	2016	2017	2018	
Quanta Culture & Education Foundation*	Approx 4,703	Approx 5,309	Approx 5,204	Approx 1,561,000	Approx 1,067,000	Approx 1,125,000	Exhibits, guidebooks, learning objects, programming education toolkits, and tablets.

Quanta Arts Foundation**	Approx 10,940	Approx 4839	Approx 5,347	Approx 268,000	Approx 125,000	Approx 131,050	<p>Quanta Hall National Concert Hall Banlam Grand Theatre, Xiamen Performance facilities and cultural & creative parks in northern, central, and southern Taiwan Banlam Grand Theatre, Xiamen Pingtung Performing Arts Center Experimental Theatre, Pingtung Performing Arts Center New Taipei City Arts Center Xinzhuan Cultural Arts Center Huashan Umay Theater Taipei Expo Park Taipei City Hakka Cultural Park Wellspring Theater Cloud Gate Theater</p>
Charity Club	Approx 67.4	Approx 79.5	Approx 106.8	Approx 10,500	Approx 5,150	Approx 3,066	<ul style="list-style-type: none"> ● Donation of QSMC charity fans, student desks and chairs, childrens' socks, adult socks, stationery, fruit and daily necessities. ● CSMC; charity labels; club flags; daily necessities; kitchen items. ● QCMC charity labels, donation of children's playground facilities, stationery and paper, quilted slippers for the elderly, food, fruit, and daily necessities.

Note*: The number of participants includes the total number of people participating in activities directly organized by foundations subordinate to Quanta Computer Incorporated as well as indirectly sponsored activities.



Quanta Culture & Education Foundation

Our Vision: Equal opportunity to explore in culture and technology

Our Mission: “Education as a foundation,” “Art as an essence,” “Technology as an instrument,” and “Creativity as a principle.”

Our Goal: Facilitator for innovation in education. Bridge of culture across time and space

2018 Action Agenda

Art and technology are complementary, just like our left and right brains, where both elements work in harmony. In order to materialize the goal of equal opportunity to explore in culture and technology in society, art and scientific technology represent the keys to open two doors, and the impetus for turning the keys is education. People are more easily moved by technology developed with art and aesthetics in mind than cold, blatant technology. With education as the core, QCEF strives to let education take root in school campuses; Quanta Immersed in Creativity draws inspiration from the philosophy of “Art as an essence”, while Quanta “Immersed in Intelligence” emphasizes the realization of “Technology as an instrument”. Only by upholding the perspective of art and technology as being complementary will make our future generations be endowed with soft power, thereby becoming the beacon of light for the country and humanity.

Barry Lam
Chairperson

Seven operations at a glance

Quanta’s “Immersed in Intelligence” Program

Focusing on the objective of “Inspiring elementary school children’s interest in programming language to cultivate their ability in global communication”, Quanta “Immersed in Intelligence aims to let technology education take root through programming education so that students will be able to cultivate their computational and logical thinking skills. In 2018, 6 elementary schools offered the “Immersed in Intelligence” program and trained 24 seed teachers, and over 200 students participated in the program.

Quanta’s “Education through Gaming” Program

Through collaboration with online learning platform PaGamO, we made the art resources of “Immersed in Creativity” accessible ubiquitously for everyone to learn over the Internet and become acquainted with art. Since the program was launched, more than half a million people have benefitted from the program.

Quanta’s “Immersed in Creativity” program

Let museums walk into campuses and let students and teachers access art at ease. Between 2004 and 2018, schools from 22 counties and cities in Taiwan and seven schools overseas signed up to the program, under which a total of 2,361 traveling exhibitions have been held. In 2018, a total of 276 educational exhibitions with a total of 217,958 visitors were held in schools across 22 counties and cities in Taiwan and four Taiwanese schools overseas.

IIC Awards

The Awards aims to encourage innovation in education. Major competition awards included the Creative Curriculum Award, Student Vanguard Award, and Administrative Support Award. In 2018 there were 842 contestants running for the Student Vanguard Award, the highest over the years.

Quanta's "Design Learning" Program

The program aims to flip teaching and learning through exhibition design and planning to develop independent thinking, problem-solving, and self-learning abilities in students. In 2018, 19 elementary and junior high schools from 12 municipalities took part in the program, training 96 teachers from various fields, as well as 724 student vanguards.

Quanta Global Culture Ambassador

Fifteen foreign students in Taiwan were selected as culture ambassadors to share exotic lifestyles and cultures to the elementary and junior high schools in Taiwan for two-way exchange, and thereby stimulate the global culture awareness of Taiwanese students.

Public Outreach

We actively participate in a range of public affairs, continuously organize the "Quanta Creative DNA Scholarship", promote volunteer projects, sponsor and fund groups and schools promoting art and culture, and participate in public policy discussions and make recommendations for education.

Initiation of the "Immersed in Intelligence" Program

– Aligning with international trends in education



In order to endow children in Taiwan with basic programming concept, Quanta "Immersed in Intelligence" was launched in 2018, focusing on the objective of "Inspiring elementary school children's interest in programming language to cultivate their ability in global communication". The aim is to let technology education take root through programming education so that students will be able to cultivate their computational and logical thinking skills and enhance their global competitiveness. We also created an interesting and challenging atmosphere for learning technology and stimulate students' interest in learning programming languages for them to understand the application of digital technology and experience smart life through the process of driving objects with the computer.

In 2018 we collaborated with the National Kaohsiung Normal University. Through the teacher empowering program, we enabled teachers with or without IT backgrounds to quickly bring programming languages to classrooms. For example, simulating road junction traffic signs and parking sensors enable students to come into contact with programming through application to connect with the global educational trend nowadays. In 2018, the program trained 24 seed teachers and implemented related courses in six elementary schools for over 200 students.

Quanta's "Education through Gaming" Program

– Breaking the boundaries of game-based learning



In response to the diversifying and rapidly changing epoch, in 2018 we launched the "Immersed in Excellence" program. Through collaboration with well-known domestic online learning platform PaGamO, game-based learning approach is adopted to expand the art resources of Immersed in Creativity beyond the campus walls. Unbounded by form, location and time, everyone can learn over the Internet and become acquainted with art. By attracting students to learn proactively, the online defense game not only endows them with the fundamental prior knowledge of art but also enhances their ability in comprehending and appreciating art, in turn making more children fall in love with arts through gaming!

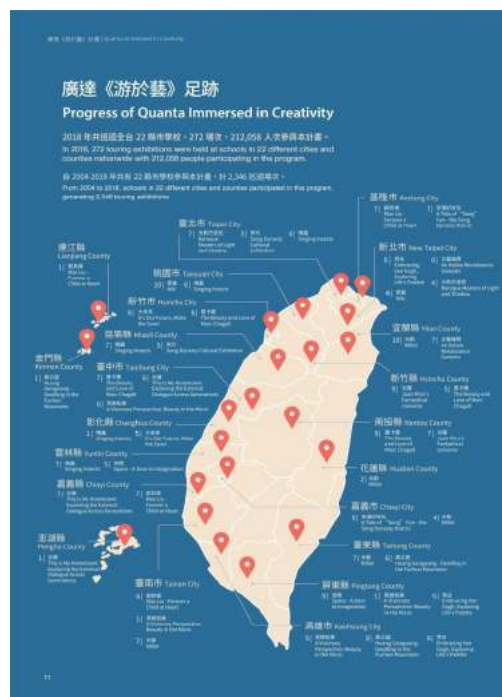
Since the program was launched, more than half a million people have benefitted from the program. The "2018 Quanta e-Sport National Competition: The Conquest of Museums—Conqueror of Art" organized under the program was divided into elementary school and junior high school groups. Each team included one supervisor and three students. A total of 2,072 persons participated in the competition. After the online preliminary round, the top eight teams from each group were selected for the final held at the EcoARK in the Taipei Expo Park on December 15. Blending "art" to "technology" and "games" can generate more comprehensive and interesting ways of learning. Apart from stimulating the students' interest in knowledge about aesthetics, they can flip the imagination of education!

Quanta's "Immersed in Creativity" Program

– Introducing museums to campuses

In collaboration with museums at home and abroad, QCEF has curated educational exhibitions suitable for elementary and junior high school students. Art exhibits from across time and space are introduced to campuses in the form of replicas, allowing teachers and students to be exposed to art in a casual, natural manner. By learning and being immersed in creativity, they will be able to achieve balanced mind-body development and pursue a brighter future.

In 2018, 272 touring exhibitions were held at schools in 22 different cities and counties nationwide with 212,058 people participating in the program. From 2004 to 2018, schools in 22 different cities and counties participated in this program, generating 2,346 touring exhibitions.



Influence of “Immersed in Creativity”

Influence on schools

- An administrative member of staff from Pingtung County executing the program many times:

By completing missions including works decoration, guided tour planning, and guide service through collaboration, the administration team, art and culture teachers, library volunteers, and training teachers understand the capacity of one another. On seeing more highlights in students, we are more eager to plan and arrange related learning courses for them.



- An administrative member of staff participating in the program for four years:

- 1.Changes in the teaching contents and methods for teachers.
- 2.Students care more about applying knowledge in daily life.
- 3.Community characteristics are included in the teaching materials and fields.

Influence on teachers

A teacher from New Taipei City participating in the program many times:

Learning with and from teachers of different fields of specialization can cohere friendship among colleagues and make teaching livelier.

A teacher from Hsinchu County executing the program many times:

The program allows me to jump out of the box of existing curriculums and teaching materials, and brings me more possibilities to think about “aesthetics presentation”, “zeroing thinking”, and “reformation and innovation”.

Influence on students

A teacher from Taoyuan City participating in the program many times:

The program allows students who rarely visit a museum or an art gallery to appreciate the works of greater masters and to learn the attitude and manners for visiting an exhibition. The student vanguard guided tour course enables students to appreciate art while cultivating their ability to appreciate and to express.

A course teacher from New Taipei City participating in the program for the first time:

In addition to a deeper understanding of artists, students can present themselves more happily and find that aesthetics education can be integrated and demonstrated in daily life.

Themes of the touring exhibitions in Taiwan of Quanta’s “Immersed in Creativity”

In 2018, 20 touring exhibitions were held in schools in 22 cities and counties across Taiwan under the “Immersed in Creativity” program in 16 themes falling into three series: Oriental Culture, Western Art, and Environmental Art.

“Immersed in Creativity”—Overseas

In 2018 we arranged two sets of traveling exhibitions for four Taiwanese schools overseas in Ho Chi Minh City of Vietnam, Jakarta and Surabaya of Indonesia, and Kula Lumpur of Malaysia. At the “It’s Our Future, Make the Save!” exhibition held at the Taiwanese schools in Ho Chi Minh City and Jakarta, we arranged inspiring environmental artworks for students to understand the diversity of art creation, stimulate their environmental awareness, and encourage them to care for environmental protection. At the “A Visionary Perspective: Beauty in the Micro” exhibition held at the Taiwanese schools in Surabaya and Kula Lumpur, we guided students to realize the aesthetic elements in works and enlighten their brand-new perspectives and visions through the application design of invention and practice.



“Immersed in Creativity”—Overseas not only provides the same art education resources for Taiwanese schools overseas and domestic schools, but also plans online teaching training and student vanguard training. In fact, many outstanding art tour guides have been trained through the program, and both students and teachers participating in “Immersed in Creativity” have demonstrated excellent achievements at the IIC Awards.

“IIC Awards” – Sharing creativity and rewards for creativity

In inspiring the teachers’ creative teaching abilities and the training the children’s active learning, creative thinking and verbal communication skills, Quanta IIC Awards provides the teachers and students with a stage to exchange experiences through the Creative Curriculum and Student Vanguard Competition, thereby achieving the objective of inspiring creativity via art.

The 9th Quanta IIC Awards

To encourage education innovation, the theme of “Immersed in Creativity – Exploring the World” linked all awards at the 9th IIC Awards. Locations in different countries that have played host to previous Overseas Exploring Reality Missions and classic artworks are replicated in the exhibition venue. This year, the number of student vanguard competition participants has set an all-time record of 842.



Overseas Exploring Reality Mission

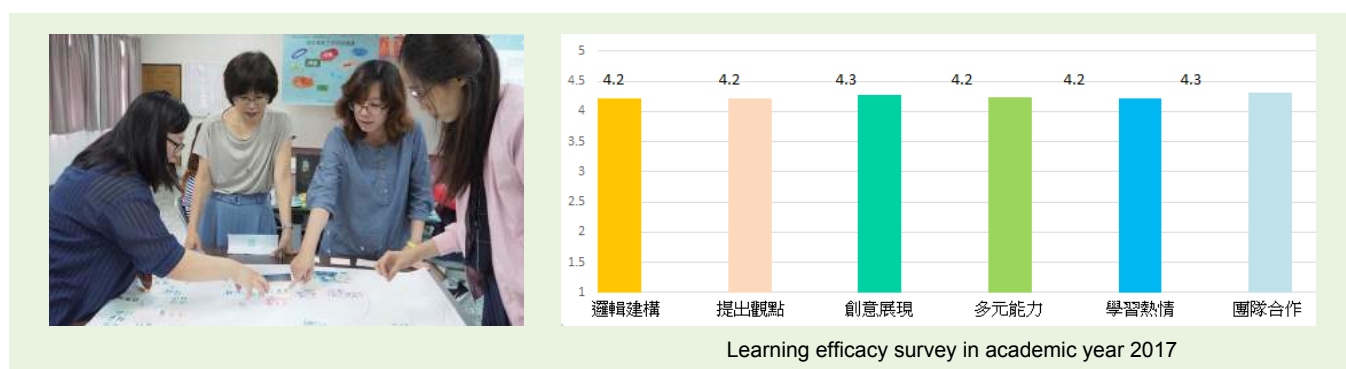
“Reality” refers to the process taking participants to walk toward the authentic works after understanding art from the replicas displayed at the “Immersed in Creativity” traveling exhibitions. By “exploring” the unknown environment, the “mission” is achieved in the two-way exchange overseas. The 9th IIC Awards took participants to explore reality in Russia from August 18-27 to visit internationally acclaimed museums including the Winter Palace (the State Hermitage Museum), the State



Russian Museum, the Pushkin State Museum of Fine Arts, and the State Tretyakov Gallery. In addition to the guide service for visitors across the world offered by the winner of the “Student Vanguard Award”, we visited Taiwan’s representative office in Moscow, engaged an in-depth exchange with the director of the Pushkin State Museum of Fine Arts, and experienced the education promotion activities arranged by the museum. Apart from bringing Taiwan’s art perspective to Moscow, we learned the spirit and practice of art education in Moscow.

Quanta’s “Design Learning” Program – Evoke the students’ enthusiasm to learn

During the exhibition curating process, the stereotype of teaching and learning is shattered to cultivate the students’ independent learning and problem-solving ability. Teachers and students will work hand in hand to design the learning process, and the teaching potential is transformed through exhibition curating, so as to accompany the teachers to design expert roles based on learning, and facilitate the students’ development and motivate them to learn independently.



After one semester, students taking the mission course can clearly see the actual changes in themselves and classmates. The questionnaire clearly shows the progress in the program’s six core competencies: logical thinking, self-expression, creativity, multi-talent, enthusiastic learning, and teamwork.

Seeing learning flip

In the theme of “Beauty of My Hometown”, we organized the achievement exhibition and forum for academic year 2017 in April. The forum was conducted through “reverse thinking”. Teachers from 18 schools shared the changes in students on the program in terms of the creativity and learning achievements in their works.

Mr. Jian-ming Liao of Guangming Elementary School, Taoyuan City: “I can feel the aesthetics of knowledge when I see the fire of learning coming out from the eyes of students. Besides the great ideas presented in the work, it is the exhibition planning that enables us to find the treasure of knowledge and me to feel the obsession and ecstasy.”

Miss Jia-ling Hong of Liuling Elementary School, Chiayi County: “I gradually change my role from a teacher to a facilitator to rack my brain to guide students to the right track, so that they can make planning on their own. Because of their discussion, the teaching progress became a question challenging the integrated feedback competence of teachers. The unknown outcomes also became the uncertainty in teaching. Yet, when I saw how students develop their own ideas and make achievements, I was enchanted by such an outcome from design leaning.”

Quanta Global Culture Ambassador



In 2018, we selected 15 foreign students in Taiwan as the Quanta Global Culture Ambassadors to exchange with elementary and high schools in Taiwan to bring rich exotic lifestyles and cultures, including languages, nature, history, geography, culture, and dietary culture, for two-way exchange, expand the international view of students, and further stimulate the culture awareness of Taiwanese students.

In 2018, there were 15 candidates from eight countries enrolling on the “Quanta Global Culture Ambassador” program. They all were selected from foreign students studying at 153 colleges and universities in Taiwan to exchange with 15 elementary and high schools across Taiwan. These foreign students must achieve the missions proposed by these elementary and high schools and stay in such schools to exchange with students in Mandarin Chinese. By sharing the culture of their home country and their life experience in Taiwan, these foreign students inspire Taiwanese students to think about each other’s cultural differences, how foreigners perceive Taiwan, and where Taiwan is located on the world map. In turn, the aim is to encourage Taiwanese teachers and students to appreciate the value and features of their local culture, thereby endowing them with a more inclusive worldview.

Public Outreach

We actively participate in a range of public affairs; continuously organize the “Quanta Creative DNA Scholarship”, promote volunteer programs, sponsor and fund groups and schools that promote art, creativity, and international exchange; participate in public policies to propose education-related recommendations. We hope to exert our influence to recruit more groups and individuals to join us, in order to appeal more groups and individuals to join its ranks, conveying the beauty of art and contribute to society.

Quanta Creative DNA Scholarship – Equipping students with the wings of dreams

Since 2008, we have been directly funding talented students living in poverty with the donation from the salary of employees to ensure their education will not be disrupted due to financial problems. In 2012, we founded the “Quanta Creative DNA Scholarship” in collaboration with the Taiwan Fund for Children and Families. Over the years, nearly 600 talented students from low-income families have benefited. The scholarship is NT\$12,000 a year for elementary school students and junior high school students, and NT\$30,000 for senior high school students. With the scholarship, these students can maintain steady schooling, develop the capacity to flip adversities, and overcome the obstacles standing in the way of their dreams.

Quanta Creative DNA Scholarship					
Year	Education Level	Creative DNA / persons	TFCF / persons	Number of persons	Grand Total
101	Primary School	87	27	114	1,368,000
	Secondary School	2	17	19	570,000
102	Primary School	48	22	70	840,000
	Secondary School	12	11	23	690,000
103	Primary School	25	23	48	576,000
	Secondary School	6	12	18	540,000
104	Primary School	41	20	61	732,000
	Secondary School	12	12	24	720,000
105	Primary School	32	20	52	624,000
	Secondary School	8	12	20	600,000
106	Primary School	41	10	51	612,000
	Secondary School	12	16	28	840,000
107	Primary School	33	15	48	576,000
	Secondary School	8	14	22	660,000
Total				598	9,948,000

Warm feedback from benefited students

"Dear Quanta Uncles and Aunties, I hope you all are doing well. In the blink of an eye, I will soon be applying for university. This could only happen because of your help throughout the years. I've grown a lot more mature and independent. Thank you for your selfless love and unchanging benevolence, I will keep it up!"

Sincerely yours, Chun



"The scholarship not only enabled me to purchase the expensive material for studying advertising design, but also imbued tremendous self-confidence and affirmation. I will continue to pursue my dream in drawing!"

Sincerely yours, Chu



"Thank you for sponsoring the scholarship. When I become an adult, it will be my turn to give back to the society, help those in need, and make the world a better place."

Sincerely your, Chia



Collaborative projects



To achieve the aim and core value of "inspiring creativity with art" and "exploring the world with art", we collaborate with art and culture groups to fund quality cultural and art activities at home and abroad and integrate and share international, innovative, and educational teaching resources with schools across Taiwan in order to bring the seed of culture and art to campuses, enrich aesthetics literacy and broaden the international vision of students, and develop Taiwan's cultural soft power together.

Education cooperation with museums

Major partners in 2018 included the National Taiwan Museum in the "Prehistoric Monsters: Paleontological Exhibition" and the National Museum of Natural Science in the "Amazing New Visions: Science Images Contest". We also sponsored the "2018 Forum on Education for Disadvantaged Minorities" and the "2018 Forum on Legal Philosophy Education" organized by the InEdus to promote art and culture, popular science, and education. Over ten thousand people benefited.

Exhibition cooperation

In 2018, we co-organized the following cultural activities with the media: “Einstein: Life in Four Dimensions”, “Centre Pompidou Kids Atelier: Playing with the Images”, “Treasures of the Natural World”, and “Masterpieces of French Landscape Paintings from The Pushkin State Museum of Fine Arts, Moscow”. These exhibitions benefited over 400,000 people and successfully promoted art, culture, and natural sciences in different aspects.

Quanta volunteer programs

To implement the “equal opportunity to explore in culture” concept of Chairman Barry Lam, we invited patients of Happy Mount Colony to appreciate the “Exploring the World with ‘Immersed in Creativity’” at a closer distance in front of Quanta Headquarters. Most patients of Happy Mount Colony come from disadvantaged families and suffer from severe or profound disabilities. Quanta volunteers introduced each work, including features and history, for them during lunchtime. Both were inspired and touched in the interaction. Each volunteer service is a scene of a beautiful life with endless aftertaste.



Participation in public affairs

QCEF has spared no effort to improve the education quality of Taiwan by participating in various conferences in relation to education over time. In addition, with the rich experience in campus cooperation, QCEF makes solid and constructive education recommendations for the government and partner organizations.

Types of Participation	Organizer	Role
National Chi Nan University Department of International and Comparative Education Career Planning Lecture	National Chi Nan University	Keynote speaker
MOE Art Education Committee	Ministry of Education	Commissioner
Asia-Pacific Office for Aesthetic Education	National Academy for Educational Research	Commissioner
2018 Excellent Teacher Awards, Education Contribution Award Examining Committee	Ministry of Education Department of Teacher Education and Arts Education	Review commissioner
New Taipei City 2018 Junior High School and Elementary school Culture & Arts and Humanities Teaching Development and Promotion Task Force	Education Department, New Taipei City Government	Commissioner
Art Maestro : 2018 Program Encouraging Schools to hire Local Cultural Workers or Traditional Artisans	Ministry of Education	On-paper review commissioner
2018 President Educational Award — Development Team	Ministry of Education	Commissioner
2018 Pilot Overseas Internships — Business management (University Division)	Ministry of Education Department of International and Cross-strait Education	Review commissioner
2018 InEdus Forum	InEdus	Keynote speaker



Quanta Arts Foundation

“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.

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.

"Quanta Arts Foundation" dedicates itself to promoting Taiwanese performance arts, starting from commissions to organizing Cross-strait City Art Festival, Technology Art Festival, Quanta Orchestra Project, Musical Carnival, etc. The performance art environment is growing with a high rate of speed. The "talents" are the main source of vitality. Therefore, Quanta Arts Foundation focuses specially on "Cultivation of Talents" and cooperation with cross-strait academic and performance institutions to realize education ideals, create relevant programs and workshops and add a new force to Taiwanese or even Chinese theater industry.

Strategies

After three “3-Year Plans”: establishment, growth, and development, QAF will enter its maturity for steady promotion. By establishing direct linkage with China and other Asian countries and regions, we hope to make “developing in Taiwan and blooming worldwide” a reality of Taiwan’s performing arts. Our efforts to sponsor creation, blend technology with art, and provide platforms for the development and exchange of performing arts have borne fruit. In the future, we will observe and explore the environment for performing arts to become a solution provider. In 2019, we will team up with young adult leading artists to form a think-tank and partner with organizations and propose new promotion methods, including brand-new regulations for grants of performing works and commissioning works, the 1st Taiwan Performing Works Recommendation, and the cross-strait thematic visits and exchange. In doing so, we aim to increase creation energy and support the good and improve matching channels and expand contacts for artists to exert their creativity at will.

Vision

- **The commissioned works:** Since 2011, 87 excellent performance art pieces have been created. From three aspects, namely "Talent Selection, Talent, Resource", Quanta Arts Foundation is going to continue encouraging Taiwanese performance to create more new subjects, develop new opportunities, expand the planning and establishment of creative media and establish more versatile marketing channels for arts performance groups.
- **Cross-strait exchange:** The Beijing Office established in 2012 matches performing groups between Taiwan and China and earned fame for Taiwan with the “Cross-Strait Mini Theater Festival”. In 2018 we facilitated local works to enter the South Asian market. In 2019, we organized the 1st Quanta Performing Arts Recommendation.
- **Talent cultivation:** In 2017, invited leading instructors to give classes through the YISI SHU ACADEMY and shared platforms to cultivate new talents to join performing arts in order to supplement the insufficiency of technical talents to become the future pillars of the stage and support the steady growth of the industry.

Core objectives

Encourage new works

Seven Years of Commissioned Works

Since Quanta Arts Foundation launched its "The Commission Works" project in 2011, there are already 87 pieces of new Taiwanese art performance. In 2018, we designed brand-new contents for the "Commission Works" project to revolutionize the past regulations in order to keep close to the contents of works and the essence of creation. Apart from separating "full funding" and "partial funding" and presenting the project in a two-year period or by stage, we provide capital, technology, marketing, and subsequent campaigning resources.

Commissions in 2018

- | | |
|-------------------------------------|--|
| Plan A-Trial Performance (2 groups) | Plan B-Commission Works with Partial Funding (3 groups) |
| ● W Production Breaking Up Happily | ● MOVE Theater: The Unnamed |
| ● C MUSICAL: The Lost City | ● Shakespeare's Wild Sisters Group: Notes Exchange III: Café |
| | ● Lumière |
| | ● Creative Society: Mother Singer |

2018 Performances in Quanta Hall

- QAF Spring Festival: 4/12 C MUSICAL: Non Reading Club; 4/28 Hyper Kids Theater: The Legend of Elf; 5/17 Spring Sun Performing Arts Troupe: Love Wasabi; 5/24 Studio M: Cabaret.
- QAF Summer Music Festival: 6/7 Men Envy Children: Feel the heat; 9m88: 9m88 and its Nine Head Hinano; 6/14 True&Love: We are True & Live; misi Ke: Don't Make a Sound Tour
- Highlight Commissioned Works: 6/21 Mira Lin: Women in Love & Agony crossover musical
- Traditional Opera Beyond Imagination Series: 9/6 Po You Set: Flashback Sketch of the famous Assassin Jin Ke; 9/13 Yi-Shin Taiwanese Opera Troupe: Hazardous Games around Hearts and Arrows
- Black Box Art Festival: 11/1 Theatre AxixA: The Unspoken Words of Almond Tofu, 11/8 GarsonPlay Studio: A-BEI
- Year-End Stress Relief: 12/24-27 Co-coism: Xmas Crisis—Immediate Rescue
- Charity Concert: 5/5 Seven Schools in Gushan: Gushan District Mother's Day Concert, 11/17; QCI x QAF x Rotary Club of Linkou x Genesis Social Welfare Foundation: Boom Saxophone Charity Concert, 10/13 Longtan Philharmonic Orchestra: Great Guests and Kind Neighbors Charity Concert

New Taipei City Commissioned Works Project

"2018 Musical on Classics of Teresa Teng: When Will You Return?" is an urban musical commissioned by the New Taipei City Cultural Affairs Bureau.

New Taipei City Original Musical Festival

The 2018 New Taipei City Original Musical Festival was co-organized by the New Taipei City and QAF. In addition to a highlight to market New Taipei City, it is a platform indispensable to link Asian musicals.

New Taipei City Musical Talents Cultivation Program

The 2018 New Taipei City Musical Talents Cultivation Program was co-organized by the New Taipei City and QAF. It aims to engrain musical composition in New Taipei City and cultivate more young musical audiences. Through three big events: “Senior High School Residency Instruction”, “Senior High School Interschool Musical Contest”, and “Musical Contest Reality Show”, the program emphasizes promotion on campus and composer and discovery of young musical composers and artists.

Cross-Strait Exchange

Stage Exhibits: A Platform for Promoting Arts in Chinese-speaking Regions

To encourage performing arts exchange in Chinese-speaking regions, understand the international view, and expand the Chinese-speaking market, QAF launched the “A Platform for Performing Arts in Chinese-Speaking Regions” program since 2015, to integrate “promotion”, “matching”, and “cultivation” and link a series of solid actions: “Taiwan Site at the Mainland China Performing Arts Fair”, “Script Reading”, “Artists Residency Program”, and “Marketing and Production Residency Practice” to link performing arts exchange in Chinese-speaking regions and thereby build a perfect promotion platform for Taiwanese performing groups.

Chinese Art Gathering International Forum

Successfully organized the George Town Festival and Rainforest Fringe Festival in Malaysia in collaboration with local producer Joe Sidek Productions. More than 50 Taiwanese artists were invited to performances, artist village residency, exhibitions, and marketplaces held in Malaysia. The “ISLE of ISLE – Spotlight Taiwan” targeted show was planned to demonstrate the abundant creativity and achievements of Taiwan’s performing arts. Commissioned works including Formosa and QARing project work Second Body were performed in Malaysia to demonstrate Taiwan’s soft power in performing arts.

Talents development

YISI SHU ACADEMY is committed to cultivating production, technology, and marketing talents for theaters and has developed a range of theater courses. The second “Theater Technology and Management Training Course” in 2018 was organized to provide training on management, generation education, stage, lighting, sound effects, and video. This was the first ever course of its kind in Taiwan’s performing arts industry. YISI SHU was also invited by related units in mainland China to offer courses with mentors in relation to theater operations, management, and technology. In addition, YISI SHU took Chinese trainees to visit performance venues in northern, central, and southern Taiwan to promote cross-strait theater competencies and exchange.

- Theater Management Talent Stage Technology Training Program entrusted by Banlam Grand Theater
- Taiwan Theater Operation and Cultural and Creative Project Investigation and Exchange Program entrusted by Daolue Industrial Performing Arts Center
- YISI SHU ACADEMY Theater Technology Talent Program
- Pingtung Performing Arts Center – Theater Lighting and Stereo Technology Training Program
- Performing Marketing and Arts Education Promotion Training Program entrusted by Banlam Grand Theater
- Pearl Delta Heritage of Performing Arts International Internship and Visit Program entrusted by Department of Arts Management, Shu Te University

Sketches of Events in 2018

Commissioned Works



The Lost City by C MUSICAL., 2018



“Musical on Classics of Teresa Teng: When Will You Return?” commissioned by New Taipei City.
photography by Andrew Ore



The Lost City, the first transnational musical by Taiwan and South Korean artists.
photography by Andrew Ore



New Taipei City Musical Talents Cultivation Program – “Senior High School Interschool Musical Contest”
photography by Andrew Ore

Cross-Strait Exchange



Performing Arts in China & China Parent-Child Expo



Chinese Arts Consortium: George Town Festival in Malaysia





Pearl Delta Heritage of Performing Arts International Internship and Visit Program



Second "Theater Technology and Management Training Course"



廣藝組織圖
Organization



董事長 | 林百里
董事 | 朱宗慶、林懷民、林谷芳、吳興國、劉炬清、王孟超
(依姓氏筆畫排列)

歷屆董事 | 胡乃元、賴聲川

總管理部
執行長 | 楊志銜
行政總監
兼執行長特助 | 羅夏天
經理 | 劉姿廷

顧問
顧問 | 劉培能、黃韻瑾、李哲藝、林家文、王亞玲

表演藝術發展部

北京辦公室
行政經理 | 宋玲

媒體企劃部
網路總監 | 胡福財 經理 | 盧屏彤
主編 | 曾琬婷 視覺統籌 | 許家銘
主任 | 周劭璇

節目製作·科技藝術
總監 | 孫旭娟 經理 | 陳鈺芬

人才發展部
經理 | 陳郁賢
專員 | 李佳琦

廣藝廳
劇場總監 | 廖思琦
劇場經理 | 蔡明聰
前台組長 | 鄭恬玟



Charity Club

Mission Statement: Start from the smallest things, and start from those around us

2018 Goal: 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, and express care for local vulnerable groups of all ages and all genders. Events were held on Arbor Day, Mother's Day, care for ADHD children, visits to the homes of the elderly, and clothes donation for people living in the mountainside. Apart from demonstrating our influence, these events aim to repay local communities proactively.

Development project framework and summary information in 2018

Table of community development projects		Problem resolution or other related adjustment measures
Environmental care	Green home, Green Life, Green Quanta spring tree planting Event Environment Beauty and Protection Starts with Me Program Care for the environment, food resources, as well as water, power, and other resources.	Limited event budget, thus unable to support the event and project completely: Expand sponsors and apply budget from the company.
Respect the elderly	Visit Nursing Home	
Thanksgiving	Voice of Heart: Mother's Day Mother's Day Thankfulness Program	
Care about special education	Hand in hand with Primary School (Anqi) for dependents of migrant workers. Hand in hand with special education facilities in Changshu City. Hand in hand with Amur Second Primary School and Tuqiang Primary School in Heilongjiang. Hand in hand with Love Union Kindergarten to express care for children requiring special education.	
Charity	Charitable Blood Donation Program Love is Happiness: Care-loving Angel Program World Consumer Rights Day (Mar 15), World Skincare Day, and World AIDS Day	

Integrated planning for internal organizations and human resource allocation

Integrated planning: Regular task performance assessments of various personnel

Human resource allocation: 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 (QSMC)

Journey of Love - Trip to Heilongjiang

We donated 365 sets of new student desks and chairs, 12 platforms, 24 sets of teacher desks and chairs, and learning tools and sports equipment worth CNY200,000 to Mohe City Tuqiang Primary School and Amur Second Primary School in Heilongjiang to give children a good learning environment. In return, we were recognized by the local government, and awarded pennants.



Blood Donation Program (QSMC/QCMC)

Blood donation program held in 2018 expressed Quanta's gratitude for the love and sacrifice of society. Using love to show the gratitude for society. In the program, a total of 62 people working in Shanghai provide health education regarding blood donation.



Green Quanta - Tree Planting Program

Conduct tree-planting programs to contribute our love to the Earth and give out a little strength of ourselves to make love come true and build up a beautiful home. A total of 22 loquat (*Eriobotrya japonica*) trees were planted in Shanghai Factory during that day (152 participants).



Visited an elderly care home (twice)

Members of the Charity Club visited the Chedun Elderly Home and brought small gifts to the elderly there. In addition, club members pounded backs and trimmed fingernails for the elderly, and chatted and played jigsaw puzzles with them. Some club members even did their hair for them and presented their favorite shows to the elderly residents.



“Love Earth: Operation Empty Dish”

We thank the Earth for the environment and abundant resources from the nature. We aim to promote energy conservation and environmental protection. Therefore, we implemented the promotion in all restaurants. We must stick to “energy conservation and environmental protection” and extend the spirit of energy conservation to everything in our life.



External credits and citations



2018 Charity Club 75th Station “Journey of Love” Trip to Heilongjiang (awarded a charity pennant)



The 18th Soccer Match of the National Level Shanghai Songjiang Economic and Technological Development Zone 2018 (fourth place)



2018 cross-sector cooperation: Charity Together—“Charity Partner”



2018 Autumn Moon Festival Reunion for Shanghai Foreign-Invested Company Entrepreneurs (Best Program Award)



2018 Songjiang District Citizen Exercise Competition (second place)

Activity Snapshots (CSMC)

Green Hope, Care with Effort: Arbor Day Event

To green Earth by growing trees together, to contribute love to Earth, to do our part in beautifying the environment, to practice charity, and to build a beautiful home together.



A total of 37 employees of Changshu Plant planted 10 red plum (Prunus mume) trees that day.

Care for children requiring special education (AHDH children)

A total 50 of CSMC volunteers brought shopping vouchers and presented wonderful performances to children with ADHD to expand their horizons.



Visits to elderly care homes

A total of 55 CSMC Charity Club members brought thoughtful gifts and laughter and presented wonderful performances to the elderly. They also cut hair and measured blood pressure for the elderly.



Hand by hand to schools for dependents of migrant workers

A total of 40 CSMC volunteers visited Anqi Primary School for dependents of migrant workers to express love and care to them by presenting to them fresh flowers, stationery, vacuum bottles, and bookbags.



External credits and citations



The CSMS “Hand by Hand” voluntary service project was rated as the 2018 Outstanding Brand (Project) of Voluntary Service of Gaoxing District (Changfu Borough) of Yushan.

Activity Snapshots (QCMC)

QCMC Charity Club Arbor Day event

“Sowing Green and Protecting the Environment”: Officers and employees planted 25 white figs (*Ficus virens*) at the QCMC plant to contribute to the greening of Earth and to remind employees the need to care about Earth and save resources!



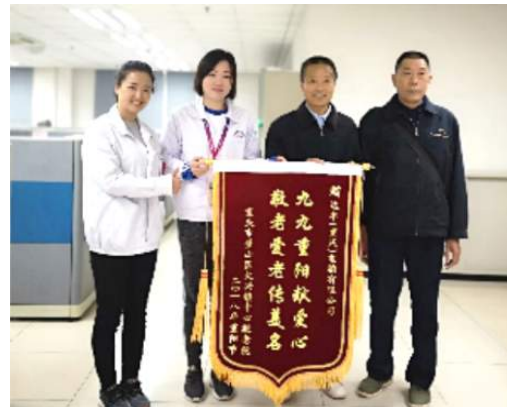
Care for children event at QCMC Charity Club

Members of the QCMC Charity Club visited the Love Union Kindergarten to express love and care and donate a total of 300 sets of educating toys, snacks, daily necessities, and teaching aids to this special education facility to help students to fuse with society better.



Care for the elderly event of QCMC Charity Club

On Double Ninth Festival, members of the QCMC Charity Club visited an elderly care home in Daxing Town, Bishan, Chongqing, to express care to the elderly. Members of the QCMC Charity Club presented wonderful and warm shows to the elderly to shape a sound corporate image and develop word of mouth for QCMC.



Daxing Town Elderly Home presented a pennant to QCMC to commend its efforts to love for the elderly on the Double Ninth Festival.



Corporate Social Responsibility
Annual Report 2018

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GRI-Standard Table

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102-3 Location of headquarters	Profile of Quanta Computer : Company Introduction & Business Profile	26	●
102-4 Location of operations	Profile of Quanta Computer : Company Introduction & Business Profile	26	●
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102-10 Significant changes to the organization and its supply chain	Profile of Quanta Computer : Company Introduction & Business Profile	26	●
102-11 Precautionary Principle or approach	Occupational Health & Safety Management Green Supply Chain Management	53 75	●
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102-47 List of material topics	Stakeholders Identification \ Communication and Responsibility: Identification of scope of major topics and materiality analysis : Major Aspects on Specific Standards of Disclosure	23	●
102-48 Restatements of information	About the report	4	●
102-49 Changes in reporting	About the report	4	●
102-50 Reporting period	About the report	4	●
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103-2 The management approach and its components	Corporate Governance and Ethics Employee overview Employee Relationship Talent Development Occupational Health & Safety Management Effluents and Waste GHG management Green Supply Chain Management	30 37 40 47 53 59 68 75	●
103-3 Evaluation of the management approach	Corporate Governance and Ethics Employee overview Employee Relationship Talent Development Occupational Health & Safety Management Effluents and Waste GHG management Green Supply Chain Management	30 37 40 47 53 59 68 75	●
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202 Market Presence 2016	Employee Overview	37	●
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employee Overview : Ratio of Base Wage between Male and Female Employees	38	●
205 Anti-Corruption 2016	Corporate governance and ethics :Business Ethics	32	●
205-2 Communication and training about anti-corruption policies and procedures	Corporate governance and ethics :Business Ethics The disclosure does not include the total number and proportion of business partners communicated with for trade secret reasons.	32	●
CATEGORY: ENVIRONMENTAL			
302 Energy 2016	GHG Management	68	●
302-1 Energy consumption within the organization	GHG Management	68	●
302-3 Energy intensity	GHG Management	68	●
303 Water And Effluents	Effluents and Waste :Water Resource Management	60	●
303-1 Interactions with water as a shared resource	Effluents and Waste :Water Resource Management	60	●

GRI Index	Relevant chapters and Description	Page	External Assurance
305 Emissions 2016	GHG Management	68	●
305-1 Direct (Scope 1) GHG emissions	GHG Management	68	●
305-2 Energy indirect (Scope 2) GHG emissions	GHG Management	68	●
305-4 GHG emissions intensity	GHG Management	68	●
306 Effluents and Waste 2016	Effluents and Waste	59	●
306-1 Water discharge by quality and destination	Effluents and Waste: Effluent Management	60	●
306-2 Waste by type and disposal method	Effluents and Waste: Industrial Waste management	63	●
307 Environmental Compliance 2016	Corporate governance and ethics: Compliance with company regulations	35	●
307-1 Non-compliance with environmental laws and regulations	Corporate governance and ethics: Compliance with company regulations	35	●
308 Supplier Environment Assessment 2016	Green Supply Chain Management	75	●
308-1 New suppliers that were screened using environmental criteria	Green Supply Chain Management: Supplier Management Criterion	75	●
CATEGORY: SOCIAL			
401 Employment 2016	Employee Relationship	40	●
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Relationship: Full-time employees benefits	42	●
401-3 Parental leave	Employee Relationship: Reinstatement rate of parental leave	43	●
403 Occupational Health and Safety	Occupational Health & Safety Management	53	●
403-1 Occupational health and safety management system	Occupational Health & Safety Management	53	●
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health & Safety Management	53	●
404 Training and Education 2016	Talent Development	47	●
404-1 Average hours of training per year per employee	Talent Development	47	●

GRI Index	Relevant chapters and Description	Page	External Assurance
405 Diversity and Equal Opportunity 2016	Employee overview :Employee diversity and equal opportunities	37	●
405-1 Diversity of governance bodies and employees	Employee overview :Employee Structure Employee overview :Age categorization and analysis	37 38	●
405-2 Ratio of basic salary and remuneration of women to men	Employee overview: Ratio of Base Wage between Male and Female Employees	38	●
406 Non-Discrimination 2016	Employee Relationship: Anti-discrimination and unforced labor measures	44	●
406-1 Incidents of discrimination and corrective actions taken	Employee Relationship: Anti-discrimination and unforced labor measures	44	●
408 Child Labor	Employee overview :No Child Labor and Protection of Young Workers	39	●
408-1 Operations and suppliers at significant risk for incidents of child labor	Employee overview :No Child Labor and Protection of Young Workers Green Supply Chain: Supplier Management Criterion	39 75	●
409 Forced or Compulsory Labor	Employee Relationship: Anti-discrimination and unforced labor measures	44	●
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Relationship: Anti-discrimination and unforced labor measures Green Supply Chain: Supplier Management Criterion	44 75	●
412 Human Rights Assessment	Talent Development	47	●
412-2 Employee training on human rights policies or procedures	Talent Development	47	●
414 Supplier Social Assessment	Green Supply Chain: Supplier Management Criterion	75	●
414-1 New suppliers that were screened using social criteria	Green Supply Chain: Supplier Management Criterion	75	●
416 Customer Health and Safety	Green Quality Management	81	●
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Green Quality Management	81	●
418 Customer Privacy	Corporate governance and ethics: Business Ethics	30	●
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate governance and ethics: Business Ethics	30	●
419 Socioeconomic Compliance	Corporate governance and ethics Compliance with company regulations	30	●
419-1 Non-compliance with laws and regulations in the social and economic area	Corporate governance and ethics Compliance with company regulations	30	●



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 2018 Quanta Corporate Sustainability Report. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the 2018 Quanta Corporate Sustainability 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 AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum, Type 2 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in 2018 Quanta Corporate Sustainability Report for the 1st January, 2018 to 31st December, 2018;
- 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 Accountability Principle (2018)¹
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- 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 Standards.

The levels of assurance have been applied as high level 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.;
3. Review performance data listed in report with sampling basis;

<http://www.accountability.org.uk>



4. Visits to 1 site located in Taiwan (Taoyuan City);
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 **2018 Quanta Corporate Sustainability 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 **1st January, 2018 to 31st December, 2018**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum's principles of Inclusivity, Materiality, Responsiveness and Impact 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 AA1000 Accountability Principle (2018)

Inclusivity

QUANTA COMPUTER INC. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2018 covering a range of material topics 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 topics 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.



Impact

QUANTA COMPUTER INC.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

GRI report Structure

QUANTA COMPUTER INC. does fully provide the information to achieve the GRI Standards 'core' in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards.

Key areas for ongoing development

Based on the work conducted, we recommend **QUANTA COMPUTER INC.** to consider the following:

- Encourage organizations to continually disclosure relevant significant topic and set clear management objectives to achieve continuous improvement. Look for benchmarks that can be used to assess sustainability performance so that the intended users of the report can easily understand the management results of the organization. (RESPONSIVENESS)

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 190 years history in providing independent assurance services. Bureau Veritas 2018 full year revenues reached 4.79 billion euros. The Group's adjusted net profit for 2018 reached 758 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.

28th May, 2019



AA1000
Licensed Assurance Provider
000-76

Technical Reviewer: *Andrew Lee* Date: 28/May/2019

Assurer: *Lin* Date: 28/May/2019



Quanta CSR communication Questionnaire

To every stakeholder that pays close attention to Quanta!
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
- Other (please describe) _____
- Supplier
- School, research institution
- Government
- Third-party certification institute
- General public

Your Organization/Company Name : _____

Your Department : _____

Quanta CSR overall issues

Please let us know what would interest you most in Quanta CSR annual report.
(Degree of concern : 5-Very High /4-High /3-Average/ 2-Low/ 1-Very Low)

Governance	Degree of concern				
	5	4	3	2	1
The governance structure and its composition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The role of the highest governance body in setting the organization's purpose, values, and strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The competencies and performance evaluation of the highest governance body	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The role of the highest governance body in risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The role of the highest governance body in sustainability reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The role of the highest governance body in evaluating economic, environmental and social performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Remuneration and incentives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Next Page)

CATEGORY: ECONOMIC

Degree of concern

	5	4	3	2	1
Economic Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Presence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indirect Economic Impacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Procurement Practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CATEGORY: Environmental

Degree of concern

	5	4	3	2	1
Materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emissions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effluents and Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Products and Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplier Environmental Assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Grievance Mechanisms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CATEGORY: Social Labor Practices and Decent Work

Degree of concern

	5	4	3	2	1
Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labor/Management Relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Occupational Health and Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training and Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Diversity and Equal Opportunity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equal Remuneration for Women and Men	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplier Assessment for Labor Practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labor Practices Grievance Mechanisms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Next Page)

CATEGORY: Social Human Rights

Degree of concern

	5	4	3	2	1
Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Freedom of Association and Collective Bargaining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child Labor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forced or Compulsory Labor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security Practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indigenous Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplier Human Rights Assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Rights Grievance Mechanisms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CATEGORY: Social Society

Degree of concern

	5	4	3	2	1
Local Communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anti-corruption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anti-competitive Behavior	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplier Assessment for Impacts on Society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grievance Mechanisms for Impacts on Society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

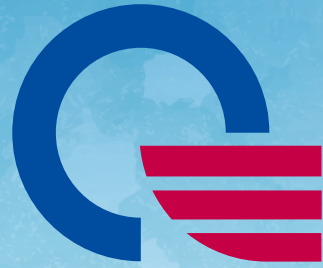
CATEGORY: Social Product Responsibility

Degree of concern

	5	4	3	2	1
Customer Health and Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product and Service Labeling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Privacy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Other opinions or suggestions:



Quanta Computer

Corporate Social Responsibility
Annual Report 2018



Vision·Passion·Action