

# Quanta Computer Corporate Social Responsibility Annual Report 2019



## Contents

3

### About The Report

About the report .....	4
Annual major progress .....	6

10

### Quanta Commitment & Stakeholders Communication

Message from Chairman & Vice Chaircan .....	11
Quanta CSR commitment .....	15
Stakeholders Identification, Communication and Responsibility .....	18

23

### Quanta Profile & Corporate Governance

Profile of Quanta computer .....	24
Corporate Governance and Ethics .....	28

33

### Human-Centric

Employee overview .....	34
Employee Relationship .....	37
Talent Development .....	44

4°

### Love The Earth

Occupational Health & Safety Management .....	50
Effluents and Waste .....	55
GHG management .....	63

6°

### Green Supply

Green Supply Chain Management .....	70
Conflict Minerals Due Diligence .....	74
Investigations and Management .....	75
Green Quality Management .....	75

78

### Social Participation

Social Participation Introduction .....	79
Quanta Culture & Education Foundation .....	80
Quanta Arts Foundation .....	91
Charity Club .....	96

110

### Appendix

GRI-Stantard Table .....	111
Independent Assurance Statement .....	114
Quanta CSR communication Questionnaire .....	116





# About The Report

About The Report 4

Annual major progress 6



## About The Report

### Boundary and Scope of the Report

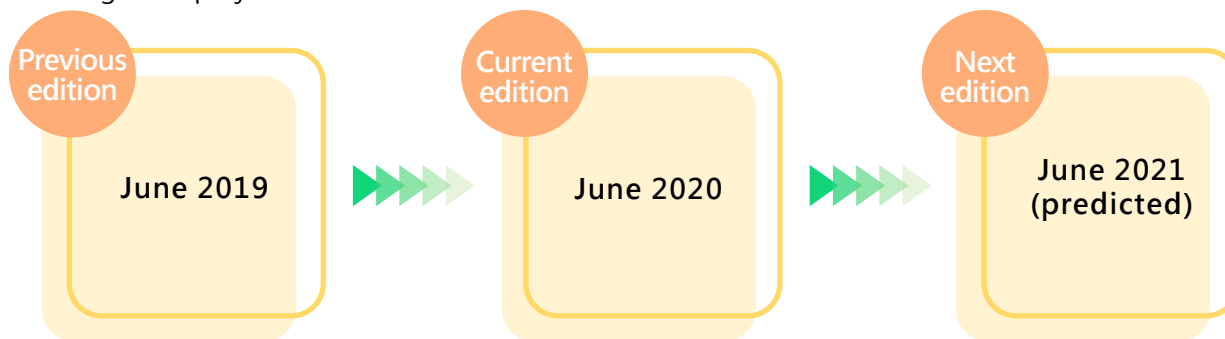
Quanta Computer Group (Quanta) CSR annual report covering CSR related information on numerous Quanta sites, including Quanta Research and Development Complex (QRDC), QTMC(Quanta Taiwan Manufacturing City ),Quanta Shanghai ManufacturingCity (QSMC), Quanta Changshu Manufacturing City (CSMC), Quanta Chongqing 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 11 consecutive years. The 2019 report discloses information from January 1st 2019 to December 31st 2019 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. Relevant announcements and publications have also been made on Quanta's website under the section [www.quantatw.com](http://www.quantatw.com) "About Quanta\_Corporate Social Responsibility."

## 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:** Isabella Huang  
**Tel:** +886-3-327-2345  
**Fax:** +886-3-397-3003  
**Mail:** qci.hr@quantatw.com



**QSMC**  
(Quanta Shanghai Manufacturing City)

**Department:** Social Responsibility Management Department  
**Address:** No.68,San-Zhuang Rd,Songjiang EPZ  
**Contact window:** Collines Zhou  
**Tel:** +86-21-3781-8168  
**Fax:** +86-21-5774-8291  
**Mail:** communication.ch@quantacn.com



**CSMC**  
(Quanta Changshu Manufacturing City)

**Department:** Social Responsibility Management Department  
**Address:** No.68,San-Zhuang Rd,Songjiang EPZ  
**Contact window:** Collines Zhou  
**Tel:** +86-21-3781-8168  
**Fax:** +86-21-5774-8291  
**Mail:** communication.ch@quantacn.com



**QCMC**  
(Quanta Chongqing Manufacturing City)

**Department:**Social Responsibility Management Department  
**Address:**No.18,Zongbao Road,Shapingba District,Chongqing,China 401332  
**Contact window:**Varya Wang  
**Tel:**+86-23-8811-8168  
**Fax:**+86-23-8811-9168  
**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 HwaYa 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.
- ▶ 2019 was a critical year for Quanta as the Company undertook significant adjustments to its global strategies and adopted innovative technologies including artificial intelligence (AI) to secure growth for the next 30 years. Despite the rapidly changing political and economic realities worldwide, Quanta employees have responded to the challenges quickly, confidently and pro-actively as a team, thereby enabling the Company to maintain revenues above NT\$1 trillion for another year in 2019. Not only was Quanta able to increase revenues and profits against all odds, the Company has also shown improvement in terms of gross profit margin, operating profit margin and net profit margin.
- ▶ Global consolidated revenues netted NT\$1.03 trillion for the year, resulting in a gross profit margin of 4.78%, net income of NT\$16.31 billion and EPS of NT\$4.14.
- ▶ Plans have been made to distribute previous year's earnings at NT\$3.70 cash per common share in 2020.

### Environmental Category

ISO 14064-1 Verification Statement

- ▶ Greenhouse gas inventories are conducted in each factory in accordance with ISO14064-1.
- ▶ 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 carbon trading 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

- ▶ Human rights-related training, including courses on corporate social responsibilities, safety and health, management issues and mental counseling, were organized for plants located in Taiwan and the Mainland. Overall, these courses received 877,696 enrollments and delivered 1,581,693.5 hours of training in total. The above training covered 100% of employees.
- ▶ Driven by a 2B focus (To be the owner, to be the leader) and strong emphasis on technology R&D, all four Quanta offices have taken the initiative and set high standards in the promotion of related events. Starting with small changes of each individual, we hope to accumulate grand changes for the entire organization.
- ▶ Quanta holds Excellent Teacher Awards ceremony on a yearly basis to commend Best Learning Individuals, Top Contributing Instructors, Best Learning Departments, Top Contributing Departments and Best Business Partners. Quanta held a special graduation ceremony for the Taiwan AI Academy in 2019 to commend employees who achieved excellence on the topic of AI in the Technology Leadership Course.
- ▶ Advanced training was introduced to the Knowledge Team in 2019 to improve team members' and frontline managers' problem-solving abilities and skills on site. After the training, members of the Knowledge Team have become more capable of solving problems at work, whereas frontline managers are able to manage work activities on site in a more positive manner.

Equality of culture and technology.

- ▶ Immersed in Intelligence is a program aimed to help elementary students develop an interest in programming language and build up the ability to communicate with the world. In 2019, courses were implemented in 51 schools, 150 teachers were trained and more than 2,100 students had participated.
- ▶ Quanta "Education through Gaming" program was first launched in 2019 and has accumulated more than 1.4 million uses to date.
- ▶ Quanta IIC Awards: A competition aimed at inspiring innovations in the education of aesthetics. It serves as a learning platform where students may exchange views and opinions with the teachers.
- ▶ Quanta "Design Learning" program: By engaging students in the design and planning of exhibition, the program aims to help students develop the ability to think, solve problems and learn independently. The program received participation from 18 junior high/elementary schools across 11 counties/cities in 2019, and trained a total of 90 teachers and 615 students.
- ▶ The program selects 10 to 15 culture ambassadors from foreign students who are studying in Taiwan. They are entrusted with the mission of introducing foreign cultures into junior high and elementary schools, and in doing so expand global vision and cultural awareness among Taiwanese students.
- ▶ To date, since 2012 the "Quanta Creative Arts DNA Scholarship" jointly introduced by Quanta and the Taiwan Fund for Children and Families has extended assistance to nearly 600 underprivileged students with artistic talents.

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

▶ Quanta Arts Foundation first introduced its "Creation Outsourcing" program in 2011, and has since contributed to 108 new creations to date. By exercising rigorous control over the quality of "themes, talents and resources," the foundation continues to encourage new ideas in Taiwan's performance arts sector, and actively explores new opportunities and new media channels to help market local performances. Building on top of "Creation Outsourcing," Quanta introduced "Performance Arts Golden Creative Award and Creation Outsourcing Selection Program" in 2019 with complete "rewards," "venture capital" and "performance channels" to support performance arts from funding to the final performance. With the establishment of Performance Arts "Golden Creative Award," we hope to support and promote quality productions and create a new ecosystem where performance arts may thrive.

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

▶ Quanta conducts on-site audit on new suppliers using common environmental, work rights, human rights, ethical and social standards. Other suppliers are subjected to bilateral survey. As of the end of 2019, 100% of new suppliers had completed on-site audit and participated in bilateral survey. 100% of new suppliers were found to have conformed with Supplier Management Guidelines after completing on-site audit in 2019.

2019 Quanta Green Material Standards Conference- helping suppliers benefit from co-prosperity

▶ 4 supplier conferences were held in Taiwan, Shanghai and Chongqing to a total of 1,178 participants.

## Management system

Board of Directors approval

▶ Corporate social responsibility strategies and annual reports continue to be raised for discussion and approval at board of directors meetings

CSR performance has been included as part of performance management system

▶ Social responsibilities have been incorporated into employees' work duties and performance management/ evaluation



## External credits and citation

- ▶ Won 2018 (presented in 2019) Shanghai Top Foreign Employers - 5th Place (Shanghai Association of Foreign Investment)
- ▶ Won 2018 (presented in 2019) Shanghai Top Revenue-generating Foreign Business - 8th Place (Shanghai Association of Foreign Investment)
- ▶ Won 2019 Tech-Front (Shanghai) Computer Co., Ltd. Export and Currency Exchange Award (Shanghai Songjiang Industrial Zone Administration Committee)
- ▶ Won 2019 Industrial Output Excellence Award (National Songjiang Bonded Area)
- ▶ Won 2019 Tech-Front (Shanghai) Computer Co., Ltd. Excellent Taiwanese Business Award (Shanghai Association of Taiwan)
- ▶ Won 2019 Tech-Front (Shanghai) Computer Co., Ltd. Charity Contributor Award (Shanghai Songjiang Industrial Zone Administration Committee)
- ▶ Won 2019 Charity Donation Award (Shanghai Charity Foundation - Songjiang)
- ▶ Won 2019 Tax Contribution Award (Songjiang Bonded Area Administration Committee)
- ▶ Won 2019 Songjiang "Coordinated Fire Safety Drill" - 1st Place (Songjiang Firefighting Team)
- ▶ Won 2019 Songjiang "Coordinated Fire Safety Drill" - 2nd Place (Songjiang Firefighting Team)
- ▶ Won 2019 Songjiang "Coordinated Fire Safety Drill" - 3rd Place (Songjiang Firefighting Team)
- ▶ Won 2019 "Shanghai May the 4th Youth Medal" (Shanghai Municipal Human Resources and Social Security Bureau)
- ▶ Won 2019 "Top-10 Model Recreational Sites for Songjiang Residents."
- ▶ Won 2019 "Active Contributor to Poverty Elimination" (Changshu Municipal Human Resources and Social Security Bureau)
- ▶ Won 2019 Economic Contribution Award (Top-100 Tax-paying Businesses) (Changshu People's Government)





# Quanta Commitment & Stakeholders Communication

Message from Chairman & Vice Chaircan	11
Quanta CSR commitment	15
Stakeholders Identification, Communication and Responsibility	18



## Message from Chairman & Vice Chaircan

### CSR Vision & Mission

2019 had been a critical year for Quanta as the Company undertook significant adjustments to its global strategies and adopted innovative technologies including artificial intelligence (AI) to secure growth for the next 30 years. Despite the rapidly changing political and economic realities worldwide, Quanta employees have responded to the challenges quickly, confidently and pro-actively as a team, thereby enabling the Company to maintain revenues above NT\$1 trillion for another year in 2019. Not only was Quanta able to increase revenues and profits against all odds, the Company has also shown improvement in terms of gross profit margin, operating profit margin and net profit margin.

These results are evident of the progress that Quanta has made in recent years in terms of technology upgrade, product portfolio optimization and operational enhancement, which enabled the Company to secure its foothold and thrive amidst challenges. We will continue building success on top of this foundation by focusing toward new technologies, new products and automated production for cost reduction as well as efficiency and quality improvements. At Quanta, we are dedicated to doing the right thing and doing things right, while accomplishing goals every step along the way.

Ever since the commencement of China-USA trade war, an increasing number of China-made exports to the U.S. has been subjected to tariff. Quanta was one of the first businesses to respond with feasible solutions aimed at helping customers avoid potential losses and taxes in this situation. Not only has the Company increased production capacity with the expansion of main plant and construction of 2nd plant, Dongyuan Plant and a new office/factory complex in Hwa Ya Technology Park, Taiwan, the Company also made its first attempt to expand into Southeast Asia with the creation of new production site in Thailand. Meanwhile, a series of optimizations are being made to existing production facilities located in the Mainland, USA and Europe. With the support of a comprehensive deployment strategy and highly efficient production sites, we are able to overcome negative impacts that the trade war has on global supply chain, trade and politics, and strengthen competitiveness and customer relations during the process.



Chairman

*Barry Lam*



Vice Chairman

*C. C. Keung*

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

### Laptop Market

Growth of notebook (NB) products has plateaued to the point that hardware and spec upgrades alone could no longer attract renewal purchase, despite the fact that market demand remains. Changes in NB shipment from year to year will be minimal unless driven by dominant macroeconomic or external factors.

Overall, the NB market in 2019 was affected by a number of cost-rising factors from the shortage of Intel CPUs to tariffs being imposed as a result of the China-USA trade conflict. Profit margin and shipment were negatively impacted across all NB brands, and many of the new appealing features introduced in 2019 were overshadowed by these shortcomings. According to research institution IDC, global NB shipment is estimated at 170 million units in 2019.

Due to prolonged shortage of Intel CPUs for mainstream NBs, there has been increasing market share of NBs powered by AMD chips and ARM SoC. Market share of AMD systems increased for another year to 16.7% in 2019, whereas shipment of Qualcomm-based 4G models and Mediatek-powered Chrome-books also picked up in the 4th quarter of 2019. In the future, we expect Apple, Qualcomm and Microsoft to introduce cost-competitive ARM-based PCs with the support of a supply chain ecosystem that rivals Intel's X86 platform. Although the COVID-19 pandemic posed severe disruption to supply chain activities in the first quarter of 2020, it nevertheless created demand for commercial NB and educational computers as home quarantine measures inspired new trends such as work from home (WFH), online learning and online economy. It is commonly expected that, if the pandemic can be contained in mid-2020, NB shipment for the current year should be comparable to 2019. However, market prospects may change if the pandemic does not improve after mid-2020.

DIGITIMES Research expects higher volatility in global NB shipment throughout 2020, with new changes taking place on a monthly and quarterly basis. Although demand remains strong for Apple's new budget offerings and business machines between 2019 and 2020, shipment figures and market outlook remain difficult to predict particularly given Intel's supply shortage, the China-USA trade conflict, the ongoing COVID-19 pandemic and general movement toward simplified consumer product lines across NB brands.

### Market for cloud computing businesses

In the cloud computing market, the latest data published by Synergy Research Group shows that the total number of data centers for hyperscale service providers had increased to 504 by the end of 2019 Q3, which far exceeded the 430 total reported at 2018 year-end and was three times the number of early 2013. The United States still represents 40% of the world's demand for cloud computing and Internet data centers, but areas such as Europe, The Middle East, Africa and Asia Pacific have all sustained high levels of growth. These products are also highly popular in China, Japan, UK and Australia, which aggregately account for 32% of total demand. New data centers were commissioned in 15 different countries and regions in the last 4 quarters, and most of which were located in USA, Hong Kong, Switzerland and China. Amongst hyperscale service providers, Amazon and Microsoft accounted for more than half of new data centers commissioned in the last year, whereas Google and Alibaba ranked second.

A cloud-based IT structure offers several features including agility, elasticity, serviceability and innovation, which are the design emphasis for hyperscale cloud-based data centers. Quanta has always been dedicated to improving the design of hyperscale cloud-based data centers, offering standardized yet open products, and optimizing performance in terms of efficiency, elasticity, reliability, manageability and serviceability for data centers of various service nature and work load. World-renowned research institutions have identified Cloud, Analytics, Mobile and Social (CAMS) as the four main trends of the future. These trends will change the IT infrastructure that the industry has accustomed to, forcing businesses to adopt an AI-driven and cloud-based IT infrastructure as means to support innovation and competitiveness.

Transformation of the telecommunication industry and materialization of 5G have attracted communication technology and information technology suppliers into taking part in the grand transformation. As 5G technologies standardize and mature, popularity of supported devices and networks should increase on a global scale, and given how consumers are accustomed to using smartphones and devices for communication, social networking, live streaming and media consumption, it is within expectation that all future smart devices will have mobile communication features built-in one way or another. Consumers also have rising expectation for lower latency and higher bandwidth in the mobile networks they use, which carriers will have to respond by introducing edge computing technologies and services and redirect computing instructions to the edge network, which in turn reduces core network load in favor of low-latency applications such as virtual reality, augmented reality, Internet of vehicles and Internet of things.



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

As the COVID-19 pandemic spreads around the world, the oil price keeps dropping. The isolation measures taken by many countries to contain the pandemic have inevitably resulted in a slowdown of consumer and economic activities and a sharp rise in unemployment rates, posing a serious challenge to the global medical and economic systems. In FY2020, there are still concerns for a recession of the global economy, and the overall economic situation leaves little room for optimism. Nevertheless, in such an uncertain environment, Quanta has embraced the challenge and kept going forward. We will continue to promote “innovation, change, transcendence” and focus on “R&D innovation” and “manufacturing upgrade” by following the trend in 5G development, developing AI applications and connecting the cloud technology and IoT. Putting tremendous efforts in new business opportunities, new applications and new products, we need to remain firm during such difficult times to gather more strength and seize the first opportunities.

For 5G applications, Quanta will continue to develop comprehensive 5G end-to-end hardware products and solutions. Quanta will also cooperate with telecommunication equipment providers in developing edge computing equipment products associated with 5G infrastructure in order to meet the demands of telecommunication operators for deploying 5G networks to build micro data centers and provide edge computing services.

For the development of AI technologies, Quanta will expand its investment in smart medicine by focusing on four areas: A (Algorithm), B (Big data), C (Cloud) and D (Device). The Quantum Artificial Intelligence Lab (QAIL) will be established for the development of algorithms and models of deep neural network learning. With integration of development and software technologies through the execution platform of the Quanta Research Institute, big data storage devices will be used to accelerate the application of AI customization and develop areas of application for precision medicine. Furthermore, we have engaged in extensive cooperation with leading enterprises and renowned academic institutions in AI applications with regard to big data software, tools and models. In Taiwan, for example, Quanta has worked together with government agencies and industries to create the “Taiwan Computing Cloud,” where supercomputers have been set up for the provision of high-speed computing resources, storage resources and big data to the academic and industrial fields to develop solutions for all kinds of innovative AI applications.

In recent years, the “Stay at Home Economic” has become a trend with the maturity of broadband services and cloud infrastructure. In 2020, it is expected that the computing demands arising from isolation measures such as working from home and remote learning will, in addition to outsourced business computing, keep supporting solid growth in the cloud server business and benefiting the demand for end products including notebook computers that are able to provide the needs of end product. We strongly believe that new technologies, techniques, tools and methods will eventually lead people out of difficulties and bring about new opportunities. Therefore, amid the challenge posed by the pandemic, Quanta is maintaining its investment in AI, 5G and other new areas and actively attracting talents for innovation. At Quanta, everyone is engaged in lifelong learning and non-stop thinking and works hard for innovation to accelerate growth. Those working at Quanta are committed to doing everything right and satisfactorily and follow the spirit of skilled craftsmen, namely continuous innovation, pursuit of excellence and perseverance under hardship. Through the use of “RE-THINK, RE-LEARN, RE-INVENT” (new thinking, new knowledge and new strategy), Quanta is making improvement in technology and management and taking advantage of the economic slowdown to get ahead of others in expectation of the next wave of market surge.

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

- ▶ Monitor RBA requirements and international CSR trends; conduct CSR assessments and coordinate supply chain CSR risk management according to customers' requirements.
- ▶ 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 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.
- ▶ Continue implementation of ISO14001, ISO14064 and ISO50001 and obtain certification for level 2 standard
- ▶ 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.
- ▶ Offer diversified EHS training to raise personnel's safety awareness, environment awareness and knowledge.
- ▶ Continue implementation of safe production standards and pass review.

## 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.
- Enforce seven main programs: Quanta "Immersed in Creativity," Quanta "Immersed in Intelligence," Quanta "Education through Gaming," Quanta "Design Learning," Quanta IIC Awards (Immersed In Creativity Award), Quanta Global Culture Ambassador 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.
- Implement a professional talent training program and establish training facilities for theatrical performance and management

### 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 2019 totaled NT\$415,151.

#### ▶ 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.

#### ▶ Managing Director of Songjiang Association of Work Safety

Quanta is a part of Songjiang Association of Work Safety and serves as its managing director. 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.

Work involved	Organizer	Role
2019 President Educational Award	Ministry of Education	Commissioner
MOE Art Education Committee	Ministry of Education	Commissioner
Art Maestro: 2019 Program Encouraging Schools to Hire Local Cultural Workers or Traditional Artisans	Ministry of Education	On-paper review commissioner
Cultural Industry and Technology Innovation Symposium	National Academy for Educational Research	Keynote speaker
Consultant of Education Department, New Taipei City Government	Education Department, New Taipei City Government	Consultant
Chiayi County Education Development Committee Consensus Conference	Chiayi County Education Development Committee	Commissioner
Sincewell Culture Salon Lecture	Wenzao Ursuline University of Languages Library Sincewell Gallery	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.

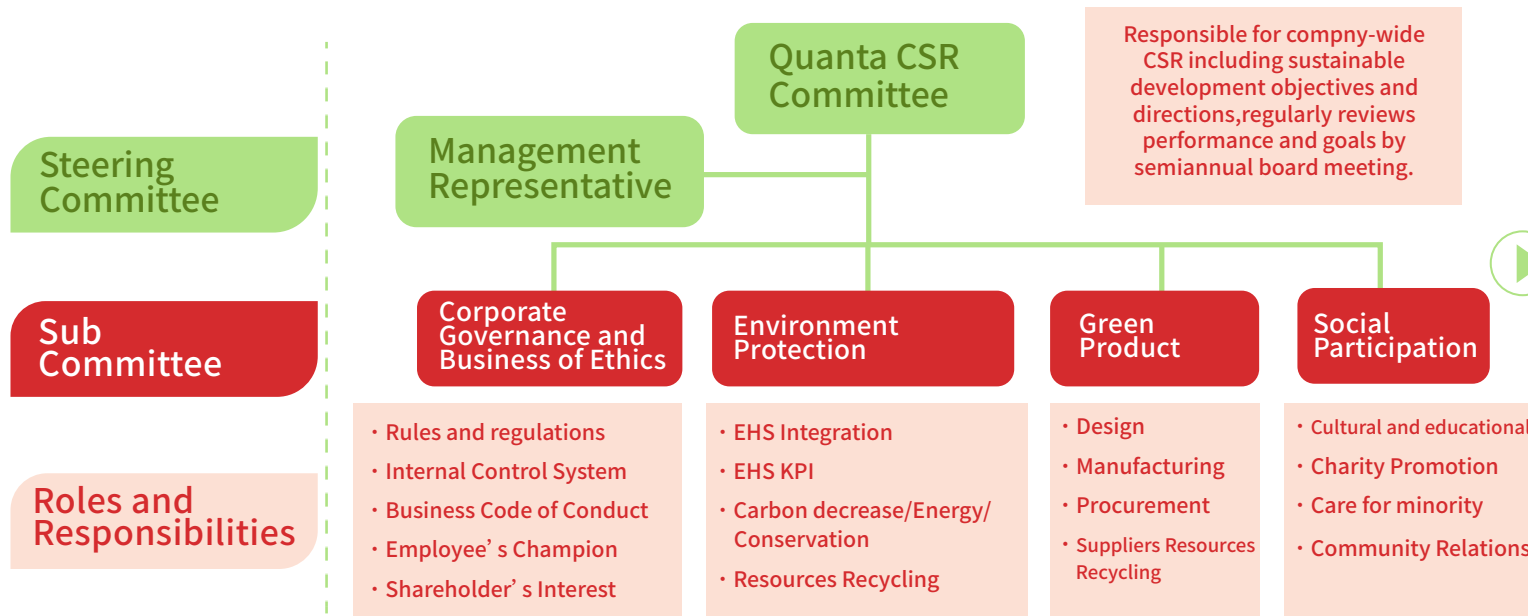
### Compliance

- ▶ 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.



CSR goals of the organization are divided and allocated to each functional unit and employee; they have been incorporated into individual performance evaluation to give all employees a better understanding of the scope of their responsibilities, while ensuring effective link between social responsibilities and various measures undertaken to fulfill them.

Step1:個人績效考核 Step2:職能評鑑 Step3:目標管理計畫 Step4:上傳與匯報

個人績效考核

各項次所錄入(新增或修改)之內容僅供儲存後，得以繼續錄入其他項次。 儲存

CSR目標項目參考

目標類別	年度目標	年中實際成果	年中自評	年底實際成果	年底自評	順序	刪除
KPI(*) CSR							X

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



# Stakeholders Identification, Communication and Responsibility

## Stakeholders Identification and Communication

Stakeholder identification was performed by following the 5 main principles of AA1000 Stakeholder Engagement Standards (2015), namely responsibility, influence, tension/attention, dependency and diverse perspective. Using the above principles, members of the CSR Committee Evaluation Panel and representatives had identified shareholders and investors, customers, suppliers, employees and local communities as Quanta's key stakeholders.

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"> <li>Economic performance</li> <li>Market presence</li> <li>Supplier environmental assessment</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Provide real-time and accurate information in order to ensure the equality of information disclosure</li> <li>Provide sustainable and steady dividend pay-out policy and generate adequate return on investment</li> <li>Clear and steady financial strategy, uphold company creditability and strong business performance</li> </ul>	<ul style="list-style-type: none"> <li>Annual general shareholders' Meetings</li> <li>Conduct conference calls and press conferences for institutional investors to announce quarterly financial reports and operational information every quarter</li> <li>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</li> <li>Set up e-mail and telephone number as ways of contact on the official website of the Company</li> <li>A dedicated corporate IR (Investors Relations) department has been created</li> <li>To hold face-to-face meetings or telephone conferences with domestic and overseas institutional investors on a regular basis</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Market presence</li> <li>Occupational safety and health</li> <li>Customer health and safety</li> <li>Anti-corruption</li> <li>Non-discrimination</li> <li>Customer privacy</li> <li>Environmental compliance</li> <li>Child labor</li> <li>Socioeconomic compliance</li> <li>Supplier environmental assessment</li> <li>Forced or compulsory labor</li> <li>Employment</li> <li>Human rights assessment</li> <li>Human rights assessment</li> <li>Supplier social assessment</li> </ul>	<ul style="list-style-type: none"> <li>Provide the most competitive and highquality products and services</li> <li>Provide an integrated solution including service of design, production, and logistics as well as improve customer satisfaction</li> <li>Form close, long-term, and trustworthy business partnerships with customers</li> <li>Advocate employee's responsibility for confidentiality and establish rules governing employees in situations when confronted by press</li> </ul>	<ul style="list-style-type: none"> <li>QBR(Quarterly Business Review)</li> <li>Conduct customer satisfaction survey every year</li> <li>Technology forum and seminar.</li> <li>Meet customers' requirements and inspections on product quality, environment, and responsibility; cooperate with customers on prevention and improvement</li> <li>PIS(Proprietary Information Security)– Advocacy and training of the rules governing employees in situations when confronted by press</li> </ul>

Stakeholders	Important topics and aspects	Primary responsibilities for Quanta Computer	Communication means and channels
Suppliers	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Customer health and safety</li> <li>• Anti-corruption</li> <li>• Non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>• Promote legitimate and fair trade</li> <li>• Understand environmental safety and health considerations and specifications</li> <li>• Understand and provide assistance to Quanta for fulfilling social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Request to Sign the Letter of Commitment to Environmental Protection</li> <li>• Request the products must be tested by the accredited public laboratories</li> <li>• Incoming inspection must be sampled and tested by the GP laboratory at Quanta</li> <li>• Quanta Green Website (green.quantacn.com)</li> <li>• Green supply chain annual convention</li> <li>• Annual audit of suppliers and contractors</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Labor-management relations</li> <li>• Child labor</li> <li>• Anti-corruption</li> <li>• Occupational safety and health</li> <li>• Forced or compulsory labor</li> <li>• Employment</li> <li>• Non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure and respect human rights</li> <li>• Promote employee development</li> <li>• Provide legitimate and fair evaluation and treatment</li> <li>• Promote environmental health and safety</li> <li>• Flexible benefits programs and health prom</li> </ul>	<ul style="list-style-type: none"> <li>• Bridge communications between supervisor and colleagues through face-to face meetings</li> <li>• Provide "70885 - please helpme" staff service hotline and message bulletin</li> <li>• "Quanta Wechat Account" - online consultation for employees' queries</li> <li>• Provide "70695 - please try to understand me" Complaint of sexual harassment hotline and mailbox</li> <li>• "70345" - complaint hotline for production line workers</li> <li>• Equipped with on-site medical care staff to provide employees with medical consultation services</li> <li>• Free annual health examination and consultation for employees</li> <li>• Quanta Elite School provides five major ELITE programs based on different job functions to provide occupational training, development and feedback</li> <li>• Employee satisfaction survey</li> <li>• Release quarterly magazine and manage regularly the information sharing platform each month.</li> <li>• "Employee Assistance Program" personnel available at all production sites to provide instant support and feedback</li> <li>• Conduct Labor-management Conference</li> <li>• Conduct Welfare Committee Conference</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Supplier environmental assessment</li> <li>• Supplier social assessment</li> <li>• Child labor</li> <li>• Customer health and safety</li> <li>• Forced or compulsory labor</li> <li>• Customer privacy</li> <li>• Human rights assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Effective disaster and accident prevention and support</li> <li>• Continuously promoting knowledge sharing and culture affluence</li> <li>• Participate in various public welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Quanta Culture &amp; Education Foundation</li> <li>• Quanta Arts Foundation</li> <li>• Charity clubs at various manufacturing sites</li> <li>• Environmental Quality Monitor Committee of Taiwan HwaYa Technology Park</li> <li>• Participate in forums and activities organized by competent authorities</li> <li>• Participation in external association activities</li> </ul>

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

## Identification of scope of major topics and materiality analysis

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



### Note

- 1 Primary issues of disclosure include: child labor, customer privacy, socioeconomic compliance, employment, anti-corruption, economic performance and forced or compulsory labor.
- 2 Secondary issues of disclosure include: customer health and safety, occupational safety and health, human rights assessment, environmental compliance, supplier environmental assessment, market presence, labor-management relations, non-discrimination and supplier social assessment.
- 3 Voluntary issues of disclosure: water, training and education, effluents and waste, emissions, energy and diversity and equal opportunity.
- 4 In this chart, the horizontal axis represents level of impact to the organization (scored by the CSR Team) whereas the vertical axis represents level of stakeholder's concern. Both axes were scored on a scale of 1-5 (1 being the lowest), and the results were analyzed using cross-impact matrix.
- 5 Average score for the two axes was calculated at 3.8, hence any issue that scored 3.8 or above was considered material. Based on score distribution, issues in the score range of 3.8-4.21 were classified as secondary material issues whereas those in the score range of 4.21 and above were classified as primary material issues.
- 6 When determining material issues for the year, we engaged the following stakeholders and gathered information through the use of questionnaire: shareholders & investors, customers, suppliers, employees, the general public, local communities, government agencies and others.

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

## 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.	●	●	●	●	●
	Market presence	Talent attraction and retention policies provide the foundation for Quanta's stable talent supply	●	●	●	●	
	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	A key factor affecting economic performance	●	●	●	●	
	Labor-management relations	Labor-management relation is part of the foundation to Quanta's ongoing growth	●	●	●	●	
	Occupational Health and Safety	Important regulation and foundation for labor issues.OHS corresponds to Quanta' s zero occupational accident policy	●	●	●	●	
	Non-discrimination	Maintaining labor human rights is an essential RBA labor policy.	●	●	●	●	
	Child Labor	A critical issue to RBA and international standards.All of the Company's manufacturing processes must be free of child labor.	●	●	●	●	
	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 changes: Change of material issues from the previous year

Category	2018	2019	Description
Economics	Economic Performance (201)	Economic Performance (201)	
	-	Market Presence (202)	New
	Anti-corruption (205)	Anti-corruption (205)	
Environmental	Environmental • Compliance (307)	Environmental • Compliance (307)	
	Supplier Environmental Assessment (308)	Supplier Environmental Assessment (308)	
Social	Employment (401)	Employment (401)	
		Labor-management Relations (402)	New
	Occupational Health and Safety (403)	Occupational Health and Safety (403)	
	Training and Education (404)	-	
	Non-discrimination (406)	Non-discrimination (406)	
	Child Labor (408)	Child Labor (408)	
	Forced or Compulsory Labor (409)	Forced or Compulsory Labor (409)	
	Human Rights Assessment (412)	Human Rights Assessment (412)	
	Supplier Social Assessment (414)	Supplier Social Assessment (414)	
	Customer Health and Safety (416)	Customer Health and Safety (416)	
	Customer Privacy (418)	Customer Privacy (418)	
Socioeconomic Compliance (419)	Socioeconomic Compliance (419)		





# Quanta Profile & Corporate Governance

Profile of Quanta computer 24

Corporate Governance and Ethics 28



## Profile of Quanta computer

### Company Introduction & Business Profile

Founded in 1988, Quanta Computer has grown to become a Fortune 500 company and the global leader in NB research, development, design and manufacturing. In addition to securing a dominant position in the NB market, Quanta also invests, expands and explores opportunities actively in new areas of expertise including cloud computing, corporate network solutions, mobile communication, smart home products, auto electronics, smart medicine, Internet of things and AI. Quanta Computer has consistently impressed customers with its R&D capacity through various projects; in 2019 and 2020, the Company was recognized among Derwent Top 100 Global Innovators for two consecutive years, which is a testament of its ability to innovate, develop and commercialize patents for new business opportunities.

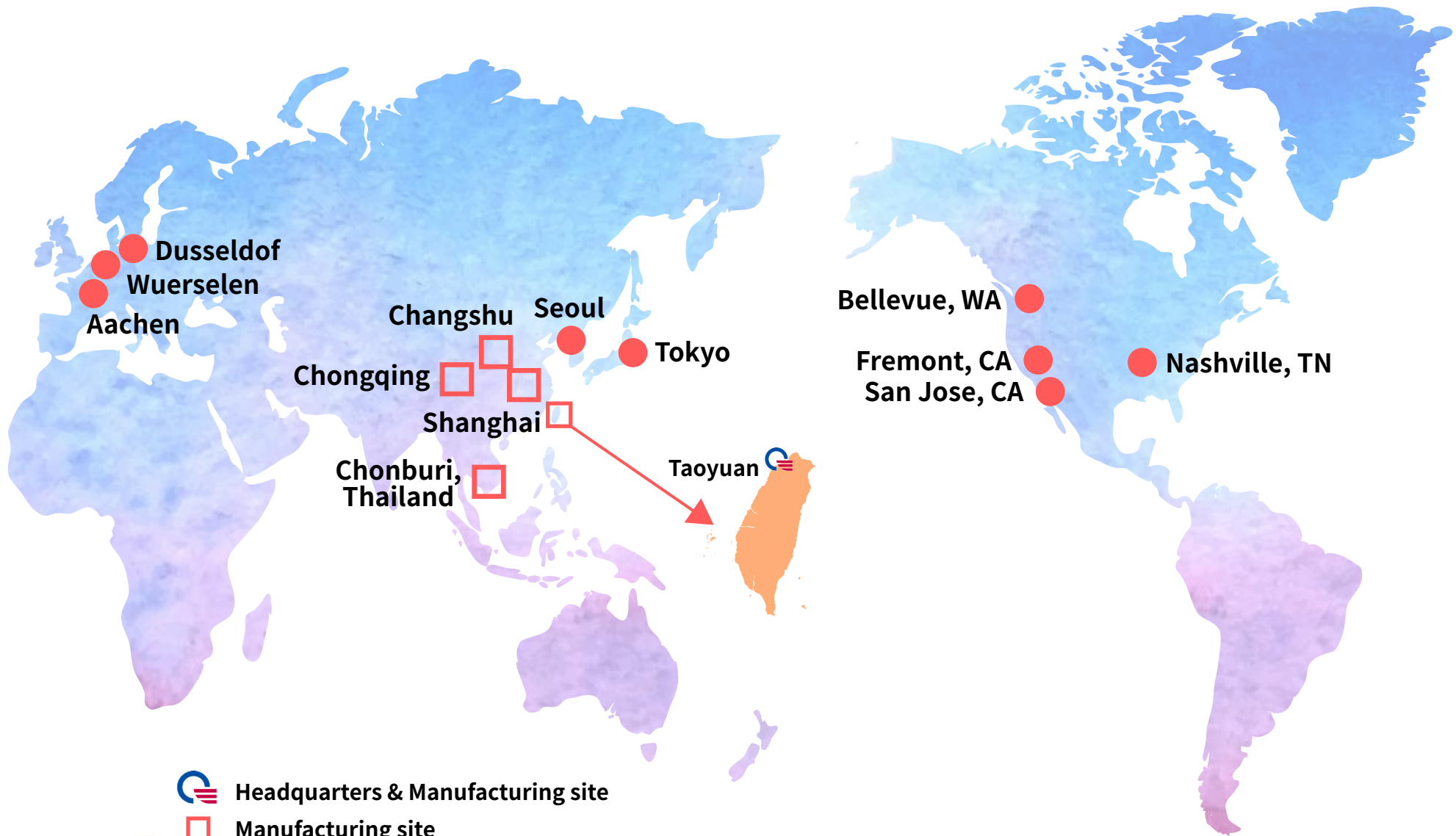
Quanta has production and service facilities deployed throughout Asia, North America, Latin America and Europe. It manages an extensive product portfolio stretching from IT, communication, consumer electronics to cloud computing, and actively integrates Taiwan's R&D and manufacturing expertise with production facilities in America, Europe and Asia to grow the organization's competitive advantage in manufacturing and sales.




Backed by strong competitive advantage in innovative R&D, Quanta has targeted "Cloud Computing," "Connectivity Technology" and "Client Device" as the new applications to invest resources in. By exploring the potentials of big data management, we aim to develop a comprehensive range of artificial intelligence tools that make us the key system solution provider in major AI applications. We actively develop innovative technologies to achieve "service automation with a people focus." Through advanced/high-performance server technology integration, quality enhancement and integration of IoT products and technologies, we have successfully extended our business reach to cloud computing solutions, AI applications, 5G communication, smart wearables, smart home application, smart mobile, smart health care and smart manufacturing, and developed the capacity to explore new customers with customized solutions and deliver better satisfaction with the best products and services.

Quanta has established highly efficient production facilities in Taiwan, Shanghai, Changshu, Chongqing and Thailand to support its global strategy of "Taiwan design, smart manufacturing, and global logistics and marketing." In addition to the above, Quanta also has regional manufacturing and service facilities deployed in Taiwan, USA and Europe. To maximize the benefits of mass production and just-in-time delivery, Quanta has committed extensive efforts to integrate its upstream and downstream and increase the level of automation and intelligence within factories. Over time, these efforts have enabled the Company to achieve more effective cost control and develop the capacity needed to produce higher quality products at larger volume and better efficiency. Meanwhile, overseas production facilities are being developed to serve customers up close; these facilities also provide added benefits including flexible product customization, shortened production time, reduced transportation cost and better satisfaction of customers' needs.

World-renowned electronic brands continue to innovate in line with market demand, and their efforts have contributed to the technology upgrade of the entire supply chain. As a smart manufacturer and service provider for electronic products, it is necessary for Quanta to adopt technological upgrades in line with product innovations around the world in order to provide high quality, flexible and responsive manufacturing services and maintain strong, beneficial relationship with customers, which are critical to future business growth. For this reason, Quanta has committed significant amount of resources not only to improve R&D capacity, but to refine production technology as well. Through equipment renewal, automation, product quality enhancement and yield improvement measures, the Company is able to continually advance its production technology while ensuring the consistency of products manufactured, and thereby secure its leadership position in the industry.

The 2019 issue of this report covers approximately 72,000 employees in total (including employees of QRDC - Quanta corporate headquarter, QTMC - Quanta Taiwan Manufacturing Center, QSMC - Quanta Shanghai Manufacturing City, CSMC - Changshu Manufacturing City, and QCMC - Quanta Chongqing Manufacturing City). Quanta Computer Inc. was listed for trading on Taiwan Stock Exchange Corporation (code: 2382) in 1999. No acquisition, merger or issuance of new shares in exchange for shares of another company had taken place in 2019. See the following chart for details on sources and categories of share capital and shareholder structure. No additional capital was raised publicly in the last 3 years. For related information, please refer to chapter "Four. Capital Overview" of Quanta's 2019 annual report.



-  Headquarters & Manufacturing site
-  Manufacturing site
-  Services and BTO CTO center

Its production and service facilities are primarily deployed in

- Taiwan
- China
- Germany
- Korea
- Japan
- Thailand

## Source of capital and category

Share type			Common	Total
Authorized Capital	Outstanding Shares	2017	3,862,627,432	3,862,627,432
		2018	3,862,627,432	3,862,627,432
		2019	3,862,627,432	3,862,627,432
	Unissued Stock	2017	737,372,568	737,372,568
		2018	737,372,568	737,372,568
		2019	737,372,568	737,372,568
	Total	2017	4,600,000,000	4,600,000,000
		2018	4,600,000,000	4,600,000,000
		2019	4,600,000,000	4,600,000,000
Remarks			Note	-

註 : 1. Above shares have been publicly offered.

2. Unissued shares include 300 million shares for convertible bonds and 50 million shares for employee warrants

3. No preferred share was issued.

## Shareholders' structure

Item		Number of shareholders	Shareholdings	Percentage(%)
Government Agencies	2017	0	0	0.00%
	2018	0	0	0.00%
	2019	2	660,100	0.02%
Financial Institutions	2017	44	563,196,607	14.58%
	2018	51	526,482,851	13.63%
	2019	59	629,674,441	16.30%
Other Institutional Investors	2017	225	1,017,189,087	26.33%
	2018	307	1,106,617,830	28.65%
	2019	336	1,151,913,212	29.82%
Foreign Institutions and Individuals	2017	884	1,252,959,885	32.44%
	2018	867	1,062,120,169	27.50%
	2019	925	1,007,675,496	26.09%
Domestic Natural Persons	2017	79,163	1,029,281,853	26.65%
	2018	91,750	1,167,406,582	30.22%
	2019	79,820	1,072,704,183	27.77%
Treasury Stock	2017	0	0	0.00%
	2018	0	0	0.00%
	2019	0	0	0.00%
Total	2017	71,950	3,862,627,432	100.00%
	2018	67,003	3,862,627,432	100.00%
	2019	81,142	3,862,627,432	100.00%

## Economic Performance

In FY2019, the consolidated revenue reported at NT\$1.03 trillion, a slight increase of 0.2% from the previous year. The gross margin and operating profit margin were 4.8% and 1.8% respectively, both up from 4.3% and 1.4% in the previous year, while the annual growth rates of both years were 12.1% and 32.8%. Regarding profits, the net profits after tax in FY2019 and FY2018 were NT\$16.32BN and NT\$15.33BN respectively. The net income attributed to owners of the parent were NT\$15.94BN and NT\$15.12BN, with an annual profit growth rate of 5.5%. EPS was NT\$4.14, which was at a four-year high. For distribution of the earnings, the Board of Directors decided that NT\$3.7 would be distributed as dividend per share, and the dividend distribution rate reached 89.4%. With respect to the financial balance, the non-operating income was NT\$1.56BN.

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	4.90 NT\$	4.0NT\$
2015	Around 1007.3 billion	4.61%	Around 17.75 billion	4.62 NT\$	3.8 NT\$
2016	Around 894 billion	5.21%	Around 15.41 billion	3.93 NT\$	3.50 NT\$
2017	Around 1021.2 billion	4.47%	Around 14.52 billion	3.73 NT\$	3.40 NT\$
2018	Around 1028 billion	4.27%	Around 15.33 billion	3.92 NT\$	3.55 NT\$
2019	Around 1029.6 billion	4.78%	Around 16.31 billion	4.14 NT\$	3.70 NT\$ (*)

**Note** Plans for 2019 earnings distribution has been resolved by the 2020 Board of Directors' Meeting and is subject to approval from the General Shareholders' Meeting.

## Revenue breakdown by categories

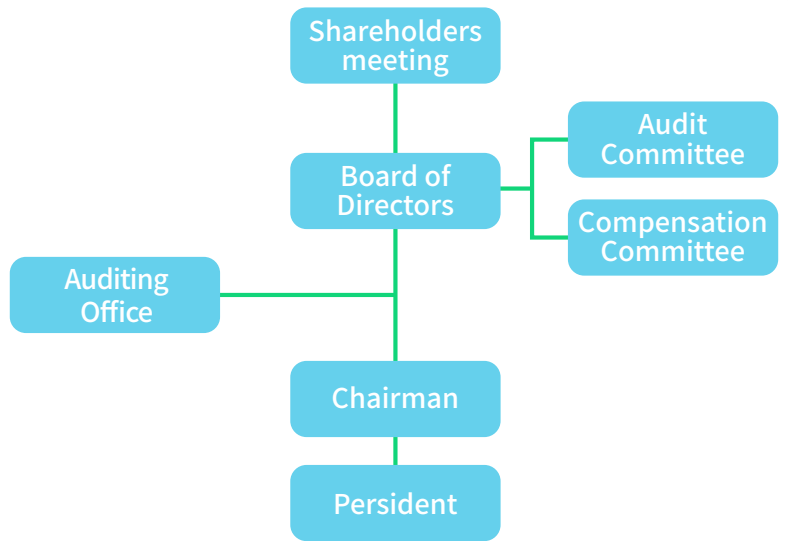
FY2019 major products revenue contribution is tabulated below:

Industry Sector	Product Category	Revenue Contribution (%)
Electronics	Computer products	97.93%
	Other electronics	2.07%
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. There are seven 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: Wei-Ta Pan - Ph.D. and President of Soochow University, Pisin Chen - Ph.D. and Professor of National Taiwan University, and Mr. Hung-Chin Li - person of professional accounting background. The board convenes meetings at least once a quarter, and a total of 9 meetings were held in 2019. Major resolutions made during board meetings are disclosed on Market Observation Post System and the Company's website.

Quanta has established a set of board meeting conference rules based on "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to enforce sound corporate governance, supervision and administrative practices. 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.

In 2019, the Company implemented a set of "Standard Operating Procedures for Resolving Directors' Requests" based on "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" with the approval of the Audit Committee and board of directors, and appointed a corporate governance officer whose main responsibilities are to: provide directors with the information needed to perform duties, assist directors in compliance, board meeting and shareholder meeting affairs, and ensuring compliance of shareholder meeting and board meeting with laws and corporate governance code of conduct. The Company also implemented "Board of Directors and Functional Committee Performance Evaluation Policy" toward the end of the year, which requires board performance and functional committee performance to be evaluated using appropriate assessment indicators at the end of each year. Performance evaluation is due to be completed before the end of the first quarter the following year to ensure that the board functions according to regulations. The 2019 assessment was completed in the first quarter of 2020, and the outcome of which was reported to the board of directors at the end of March 2020. The scope of assessment covered the board, individual directors and functional committees; the methods of assessment involved board self-assessment, director self-assessment, Audit Committee self-assessment and Remuneration Committee self-assessment.

Audit report and tracking report are prepared by the chief auditor; once approved, they are presented to each independent director for review before the end of the month following the audit. Independent directors may contact the chief auditor at any time if they require further insight into the audit progress or wish to follow up on certain outcome. The chief auditor is present at board meetings to report and discuss audit-related issues.

## Audit Committee

The Audit Committee is another key unit in Quanta's corporate governance framework. On March 31, 2016, the board of directors approved a set of "Audit Committee Foundation Principles" that outlines the purpose of the Audit Committee as well as its supervisory duties over fair presentation of financial statements, appointment (dismissal), independence and performance of financial statement auditors, effective implementation of internal control, compliance with laws and rules, and control over existing or potential risks. In addition to reviewing annual business reports, financial statements and earnings appropriation proposals and issuing audit reports, the chief auditor also engages CPAs and audit personnel in necessary communication to gain insight into the Company's audit policies and procedures. The chief auditor participates in and performs necessary reviews on critical work tasks.

The 1st Audit Committee was assembled on June 24, 2016 to replace supervisors. The Audit Committee comprised three independent directors, who elected Wei-Ta Pan to serve as convener and meeting chairperson. The 2nd Audit Committee was re-assembled on June 21, 2019 following a director re-election. The three new independent directors, namely Wei-Ta Pan, Pisin Chen and Hung-Chin Li, succeeded as members of the committee while Mr. Wei-Ta Pan continued his role as committee convener and meeting chairperson. The new independent directors have been appointed to serve a term of three years from June 19, 2019 until June 21, 2022, which coincides with terms of the current board of directors. The committee convened a total of 6 meetings in 2019.

## Internal control

Quanta has designed and established its internal control system under the approval of the board of directors and in accordance with "Regulations Governing Establishment of Internal Control Systems by Public Companies" after taking into consideration the Company's overall business activities. The internal control system exists to support business operations and to provide reasonable assurance over matters such as operational result, efficiency, reliability of financial report and compliance.

An Audit Team has been established according to regulations to oversee effectiveness and completeness of the internal control system. Supervision and audits are conducted on an ongoing as well as case-by-case basis. The Audit Team devises its audit plan on a yearly basis and seeks board of directors' approval before execution. All audit reports are subject to review and approval of the Audit Committee. Any defects discovered over the course of audit are followed up and improved upon until rectified. The chief auditor is invited to report execution of audit tasks and present summaries of audit report at board meetings. Owing to Quanta's robust internal control practices, no major defect concerning the Company's internal control was found in 2019.

## Remuneration policy

Quanta adopts a performance-driven compensation policy. Compensation to senior managers is directly related to economic performance and indirectly related to environmental or social performance. For more detailed disclosure on managers, please refer to Chapter Three. Corporate Governance Report of the annual report of Quanta Computer Inc.

## Remuneration Committee

### Remuneration Committee members:

The Remuneration Committee comprises three members; its current members include Mr. Wei-Ta Pan, Mr. Wei-Bin Li and Mr. Hung-Chin Li, with Mr. Wei-Ta Pan serving as convener and meeting chairperson for the committee.

### Functionality of the Remuneration Committee:

On August 31, 2011, the board of directors passed "Remuneration Committee Foundation Principles" in accordance with relevant laws to serve as compliance guidelines for related matters. Under the foundation principles, committee members' term of service are identical to that of the board of directors.

The committee's responsibilities are to exercise the care of a prudent manager, fulfill the following duties, and offer recommendations for discussion by the board of directors:

- ▶ Stipulate and review regularly the compensation policies, systems, standards and structures, and performance of directors and managers.
- ▶ Regularly review and adjust directors' and managers' compensation.

The Company assembled its first Remuneration Committee on September 30, 2011 and the 4th committee is currently in duty. Members of the 4th committee were appointed on July 12, 2019 following the re-election of board of directors; they were appointed to serve a term of 3 years from July 12, 2019 to June 20, 2022, which ends on the same day as directors of the current board. A total of three meetings were convened in 2019.



## 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 Company's "Work Ethics Policy" requires all employees to uphold integrity and outlines behaviors that corporate governance staff and employees are bound to follow. The Human Resource Center conducts annual reviews of the ethics policy to determine whether any adjustment, amendment or addition is needed given the prevailing circumstances. The updated version, once approved by the President, is published on Intranet and any recusal of conflicting interest is reported over the appropriate webpage.

Furthermore, corporate governance staff and employees are reminded to comprehend the "Work Ethics Policy" and sign a compliance commitment on a yearly basis. In addition to ensuring compliance from all our employees, we also seek understanding and support from our customers, suppliers, business partners and all we have business dealing with on related matters. Quanta has been asking selected suppliers to sign "Quanta Supplier Statement of Compliance with RBA Behavior Guidelines" since 2018, and received a total of 67 signed statements as of 2019. We also require high-risk suppliers to obtain RBA VAP/Non VAP Audit or arrange on-site audit, and all 45 targeted suppliers had completed the above in 2019.

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

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

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

**CAMP**  
Cloud Application Management Platform

尊啟的供應商：  
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 2018/09/25 前完成，屆時仍未完成者，我們將通知相應採購單位，感謝您的大力配合。

懇請：  
1. 點擊以下連結直接進入 RBA 符合性聲明閱讀簽署頁面，  
2. 認真閱讀相關內容，  
3. 于最下方同意處打勾，並完成個人相關資訊的填寫，  
4. 點擊“Submit”。

[Survey link](#)

Supplier's RBA Compliance Statement and Notification for Quanta

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. To ensure better understanding of company policies, Quanta also requires employees to undergo training for anti-corruption, which forms part of the orientation program for new recruits. Furthermore, the recusal online reporting system is viewed on a yearly basis for knowledge update.

In regards to conflicting interest reporting, all managers and indirect personnel with computer access are required to complete reporting of conflicting interest within two weeks, except for those who are on leave of absence or extended unpaid leave during this period. 2,934 managers from Taiwan plants (2018: 2,719) and 708 managers from Mainland plants (2018: 681) have completed their reports in 2019, which represented 100% of applicable employees. In addition to conflicting interest reports, we also distribute posters to communicate with employees. During the year, 8,807 employees from Taiwan Plant and 63,105 employees from Mainland plant had completed the relevant training, which represented 100% of applicable employees. (Data as of 2019/12/31)

Category	2017	2018	2019
Declaration Rate (*note)	100%	100%	100%

Note: Aside from colleagues who are on leave or temporary leave without salary, 100% colleagues with indirect labor who can access to computers in various sites, all filled in the conflict of interest avoidance declaration. The period of declaration statistics is September 3rd to September 18th.

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

### 2019年 迴避利益申報

- 堅持職業道德一直是廣達秉持的最高指導原則。希望廣達人共同維護公司的聲譽，以獲得顧客、供應商及其他各界人士的尊重與信任。
- 迴避利益是從業道德規範的一環，為避免同仁或其眷屬、近親的個人利益與公司利益之間產生衝突或可能的影響，請同仁主動申報個人利益與公司利益相抵觸的情況。
- 申報日期：9/3(二)~9/18(三) 請務必在期限內完成申報囉！
- 申報人員：全體廣達同仁

開始申報  
請點我

申報Q&A  
請點我

聯絡窗口：葉盈蘭 #16093

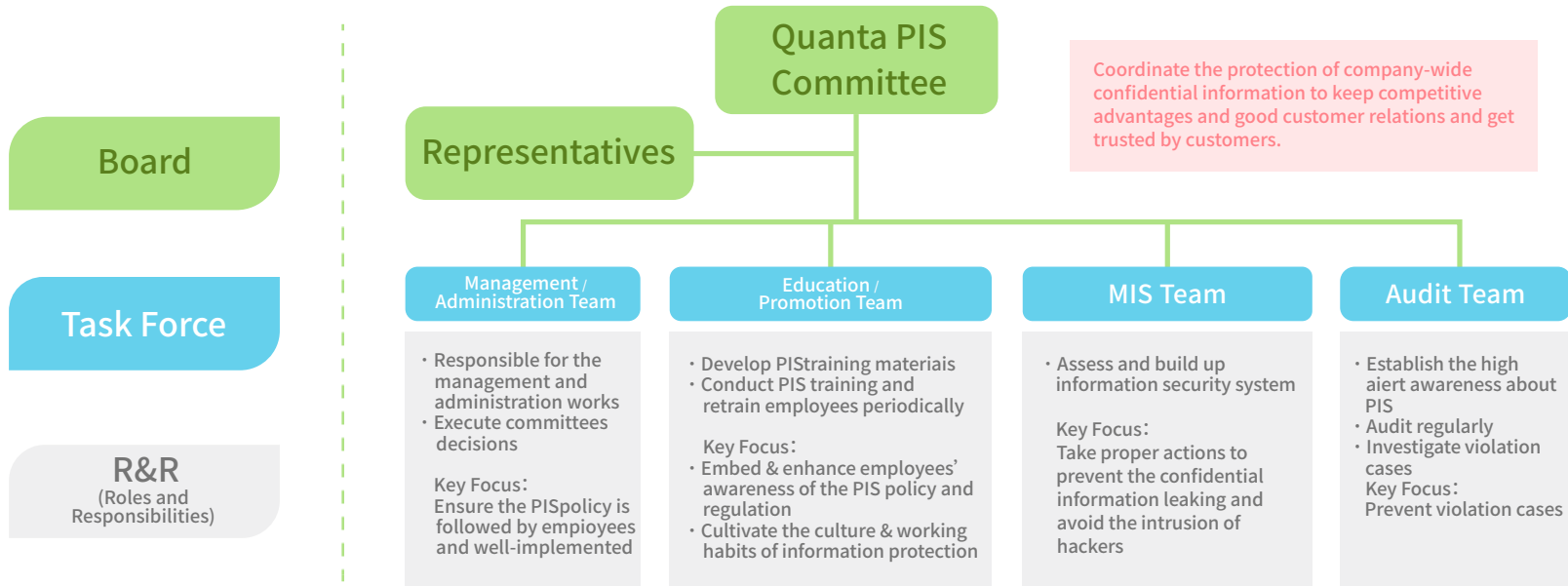
In the communication and training of our anti-corruption policy, in addition to arranging training in relation to the working rules and the avoidance of conflicts of interest for new employees in the orientation training, we have announced the need for avoidance of conflicts of interest and the code 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. 8,807 employees from Taiwan plants and 63,105 employees from Mainland plants had completed the training, representing 100% of employee size.

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.

## 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.

PIS committee meetings in 2019 were primarily held to discuss, promote awareness and train employees on issues including: rules and permit for restricted items, access control and permit, protection of business secret, computer security rules and cargo release rules. Total number of substantiated complaints regarding breach of customer privacy and losses of customer data in 2019 was 0.



## 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.

The Company did not violate any environmental or product safety-related regulation in 2019. In 2019, Taiwan plants were fined a total of NT\$1.49 million for one count of violation against Articles 24-1, 24-2 and 39 and 3 counts of violation against Article 32-2 of the Labor Standards Act. All violations have been communicated internally for improvement. Apart from the above, no other socioeconomic fine or monetary penalty had taken place during the year.



# Human-Centric

Employee overview	34
Employee Relationship	37
Talent Development	44

# 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			
		2018		2019		2018	2019	2018	2019	2018	2019	2018	2019		
		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term										
QRDC	Male	4,848	0	5,903	0	227	48	0	0	5,116	69.81%	5,951	67.57%	7,328	8,807
	Female	1,985	0	2,788	0	268	68	0	0	2,212	30.19%	2,856	32.43%		
China	Male	4,344	54,392	4,515	34,511	9,051	1,624	1,702	1,909	69,489	70.26%	42,559	67.44%	98,903	63,105
	Female	2,071	24,600	2,234	16,331	2,094	443	649	1,538	29,414	29.74%	20,546	32.56%		
Subtotal	Male	9,192	54,392	10,418	34,511	9,319	1,672	1,702	1,909	74,605	70.23%	48,510	67.46%	106,231	71,912
	Female	4,056	24,600	5,022	16,331	2,321	511	649	1,538	31,626	29.77%	23,402	32.54%		
	TTL	13,248	78,992	15,440	50,842	11,640	2,183	2,351	3,447	106,231	100.00%	71,912	100.00%		

- ▶ Statistics conducted at the end date of each year (12/31); this report provides statistics from 2018 to 2019.
- ▶ 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	2019
Taiwan	Governance Team Members	Under 30	0.00%	0.00%	0.00%
		30~50	0.00%	0.00%	0.00%
		Over 50	0.03%	0.02%	0.04%
		Subtotal	0.03%	0.02%	0.04%
	General Members	Under 30	1.04%	1.39%	3.30%
		30~50	4.32%	4.98%	8.03%
		Over 50	0.43%	0.51%	0.87%
		Subtotal	5.78%	6.87%	12.21%
China	General Members	Under 30	73.92%	67.14%	62.42%
		30~50	20.23%	25.91%	25.26%
		Over 50	0.04%	0.05%	0.07%
		Subtotal	94.19%	93.10%	87.75%
Grand Total			100.00%	100.00%	100.00%

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

## Ratio of employees protected by the Collective Agreement Act

Quanta values communication with employees. Despite absence of unions in Taiwan, the Company convenes quarterly labor-management meetings and has communication channels such as opinion box, hotline, grievance Email etc. in place. Employees are also encouraged to use the above channels for communication. In the Mainland, Quanta has unions established within Shanghai and Changshu Plants, whereas the Shanghai office (QSMC) signed a number of collective bargaining agreements on April 25, 2019 to address matters relating to union, wages and female workers, and thereby protects interests of both the Company and its employees. The Changshu office (CSMC) signed its first collective bargaining agreement with the union on July 1, 2016; the terms of the agreement and the values it conveys are extensive and highly relevant to prevailing laws, and marked a significant milestone in the Company's movement toward harmonic employment relations. On July 1, 2018, CSMC signed its second collective bargaining agreement that not only enforced employer's and employees' rights and improved efficiency and harmony of employment relations, but also outlined rules concerning workers' health and safety.

## 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 2019), 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. Quanta had no child labor in any of its plants in 2019; no significant violation concerning underage workers was found in customer audit or internal audit.

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, eductions, or disputes



# 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.

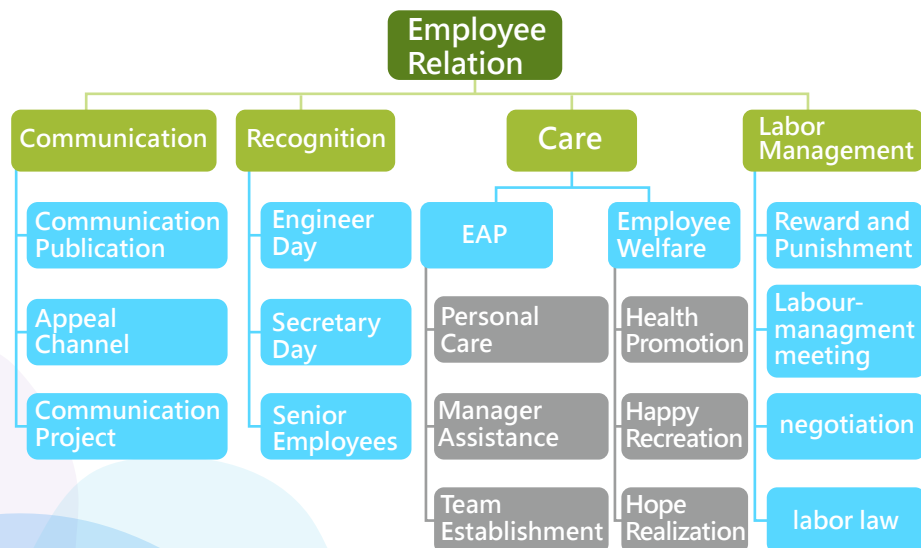
Quanta has made the commitment not to discriminate employees for their ethnicity, skin color, age, gender, sexual orientation, race, pregnancy, religion, political association, union membership or marital status, whether during recruitment, employment, promotion or training. The Company also refrains from judging employees' work ability, willingness and performance based on the above factors.

Motivated by people-oriented values, Quanta strives to maintain harmonic relationship with employees and constantly coordinates across departments and utilizes channels available at disposal to unite employees in a fair and transparent relationship. Quanta has CSR manual, procedures against forced labor, procedures against discrimination, procedures on disciplinary measures, employee complaint and reporting procedures, sexual harassment prevention policy and retaliation preventive statement in place to enforce its corporate social responsibility system. Appropriate internal processes and risk preventions have been adopted to support employment relation, and any termination of employment due to significant change in operations is notified in advance in compliance with laws.

Not only has each plant developed internal audit and management procedures based on individual requirements, they also engage outside parties to perform audit on issues concerning workers, health and safety, environment, management system and commercial ethics. Based on the audit outcome, pro-active actions are taken to eliminate and prevent possible risks. To source adequate number of employees for production activities, plants may recruit either directly or through reputable and sizable workforce service providers. For employees who are recruited through the latter channel, Quanta has several measures in place to protect their rightful interests.

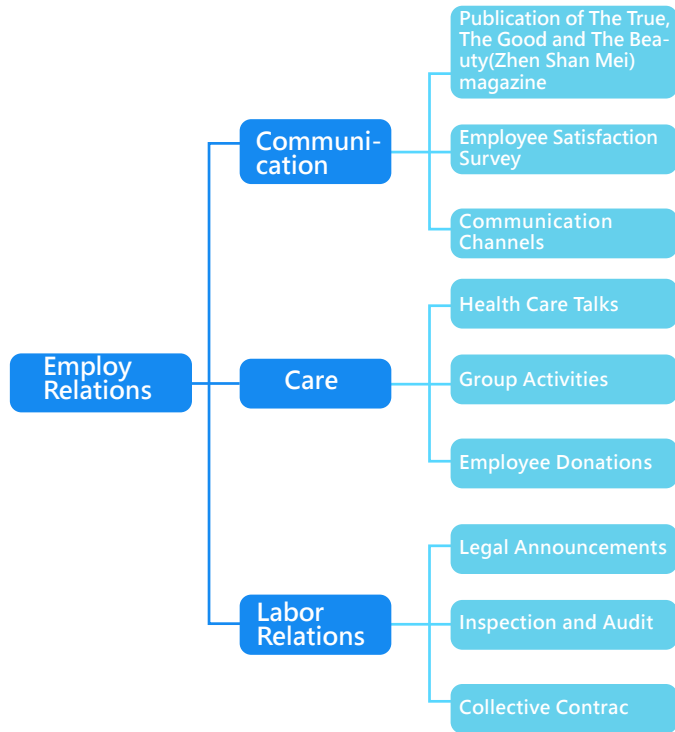
## Employee relation structure

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. By familiarizing managers with the range of management tools available at disposal, we hope to help them develop productive relationship with subordinates, and encourage them to exercise compassion, reason and discipline as part of their management activities.

▶ **Communication platform**  
 Labor-management meetings are held regularly to serve as means of communication between the employer and employees. 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"> <li>▶ Participate in stipulating joint contracts for employee salary, supervise employee punishment, and promote employeremployee relationships</li> <li>▶ Develop and establish House for Moms offers free training</li> <li>▶ Exclusive applications for severely illness employees</li> </ul>
Morale Support Team	Since November 2011	Promote corporate culture, Improve management, Opinion feedback and communication, Facilitate improvement of employee skills, Creating a healthy work atmosphere, Creating a better world for all	<ul style="list-style-type: none"> <li>▶ Utilize the platform' s constant communication with employees to organize group activities, promote Quanta' s corporate culture, engage in project promotions, create a sound work environment, promote and improve upon the 5S values, initiate various social</li> <li>▶ responsibility surveys, including surveys on social welfare and salary, collect employees' opinions, and ensure timely feedback as well as handling employee opinions and appeals.</li> </ul>
Morale Support Team	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"> <li>▶ Provide personnel with occupational health and safety training to increase their safety consciousness in workplace and minimize the risk of occupational hazards.</li> <li>▶ 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.</li> <li>▶ Conduct annual employee satisfaction surveys to continue elevating service quality.</li> </ul>

# 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.



Health



Happiness



Hope

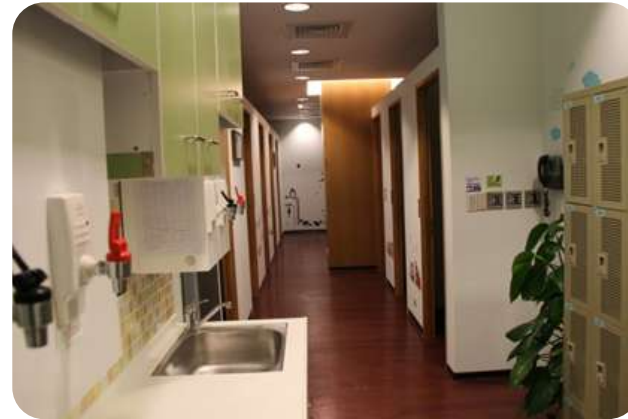


## China

- ▶ 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 2019, a total of 7,365 QRDC employees were qualified (working for QRDC for six months or longer) for the entitlement. In 2019, applicants of PLWOP included 33% of male and 67% of female, and the return to work rate was 68%.

Item	Gender	2018		2019					
		Number of Applicants	Subtotal	Number of Applicants	Subtotal				
Number of employees applying for PLWOP	Male	12	41	13	39				
	Female	29		26					
Number of employees due to return to work after taking PLWOP	Male	18	46	15	47				
	Female	28		32					
Number of employees that did return to work after PLWOP	Male	14	39	11	32				
	Female	25		21					
Total number of employees returning from PLWOP in the prior reporting period(s)	Male	10	100%	35	100%	11	79%	31	79%
	Female	25	100%			20	80%		

- 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 2019, 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 2019 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.
- 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.
- The following chart shows that the number of workers' complaints had increased in 2019 compared to 2018. This was mainly due to the additional production lines implemented in Taiwan plants throughout 2019, and the larger number of employees combined with frequent use of internal communication channels resulted in higher complaints.

Year/Numbers Case Type	2018			2019		
	Cases Established	Case Handled	Case Closed	Cases Established	Case Handled	Case Closed
Number of Labor Practice Appeals	34	34	34	62	62	62
Number of Human Rights Issues Appeals	3	3	3	4	4	4

- Labor practices: employment practice, health and safety practice, harassment or abuse, employment relations, wages and compensation
- Human rights issues: including non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced and compulsory labor, and rights of indigenous people

# Talent Development

The Company has long devoted attention to talent training. Aside from training courses held within each department, other educational activities such as AI instructor seminar, AI forum and themed discussions were also arranged to promote organizational transformation and upgrade throughout 2019. The Company even works with National Center for High-Performance Computing, Institute for Information Industry, Industrial Technology Research Institute and Taiwan AI Academy in a series of training programs aimed toward AI talents.

In a speech delivered in 2019, the Chairman outlined Quanta's future prospects and used examples to explain the inevitable uprise of AI throughout the world. AI applications in manufacturing, mobility, healthcare, AR display and 5G connection all require additional investment of human capital to ensure satisfactory service to customers of different technology and professional background. During the recruitment process, it is important to respect and notify employees of their rights and make sure that they are familiar with relevant policies and responsibilities. Quanta has devised training roadmaps for managers and new recruits that outline the mandatory courses they must complete. For R&D personnel, the Company has implemented a mandatory credits system that encourages employees to grow in multiple directions depending on their needs. Meanwhile, the Company is adopting smart manufacturing in response to changes in the global commercial environment. Given the ongoing expansion and upgrade of smart manufacturing, production line workers are subjected to classroom-based orientation and given access to APP-based mobile learning for up-to-date knowledge and information.

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

Quanta ELITE School (QES) has been established under the Taiwan headquarter and entrusted with the mission of developing human capital. QES offers courses in five major categories and has a comprehensive and diverse range of learning solutions to address skill requirements outlined for each role:

- 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. Study groups are formed to encourage sharing and learning among employees, and the process has proven useful to inspiring new research ideas.
- 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		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Year	2017	2018	2019	2017	2018	2019	2017	2018	2019
QRDC /QTMC	21.8	23.6	26.4	20.1	18.8	18.1	22.3	25.7	29.1
QSMC	48.2	24.7	30.6	38.7	20.8	24.4	52.2	26.4	33.3
CSMC	32.3	17.8	64.5	28.5	15.5	52.1	33.8	18.7	71.4
QCMC	30.4	19.9	28.5	24.2	18.0	22.4	33.2	20.9	31.5

## Average Training

Job Category	Supervisor (Associate manager to Associate Vice President, including Project track and Technical track)			Indirect Labor (Non-manager) Direct Labor			Direct Labor			
	Year	2017	2018	2019	2017	2018	2019	2017	2018	2019
QRDC /QTMC		18.9	28.5	36.2	24.3	27.1	25.0	1.7	3.2	4.6
QSMC		8.5	29.8	20.3	6.0	10.9	13.0	60.0	28.3	37.7
CSMC		13.1	14.5	49.2	12.6	12.7	17.4	33.6	18.1	74.7
QCMC		25.8	18.9	30.5	9.1	8.8	17.9	35.9	22.5	30.8

## 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 (antiworkplace-violence and sexual harassment prevention), case management, and counseling. In 2019, a total of 877,696 persons in Taiwan, Hong Kong, Macau, and China received a total of 1,581,693.5 hours of training, and the employee training rate is 100%.

## Human Capital Investment

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

2B (To Be) Initiative - 2019 marked the 4th year of Quanta's 2B initiative, and "pro-activeness" and "high standards" remained the main themes of the Company's efforts during the year. One of the key values that the Company had conveyed internally in 2019 was to encourage employees to think in the position of others, and to apply the 2B spirit in problem-solving. Simulation activities were organized to demonstrate the level of pro-activeness and high standards expected under the 2B Initiative.





• [Quanta30+, AI++] Quanta 31st Anniversary Excellent Teacher Awards

One of the goals of QES is to encourage departments and employees in ongoing learning, sharing, innovation and search for new opportunities. Quanta holds Excellent Teacher Awards ceremony on a yearly basis to commend Best Learning Individuals, Top Contributing Instructors, Best Learning Departments, Top Contributing Departments and Best Business Partners.



The Chairman was present at the award ceremony, during which he gave a speech saying that AI is a revolution that involves everyone. In the world of AI, "You don't have to prove, you have to improve," which is why every employee is expected to learn on an ongoing basis. Quanta held a special graduation ceremony for the Taiwan AI Academy in 2019 to commend employees who achieved excellence on the topic of AI in the Technology Leadership Course.



• [Elite Project] Innovation, Change and Excellence

In 2019, Quanta had adhered to its 5-year plan and progressed with "Innovation, Change and Excellence" in mind. Inspired by the 2B (To Be) Initiative, Quanta employees not only seek "Innovation, Change and Excellence" in work activities, but also explore small, individual changes that would amass to major changes for Quanta on the organization level.

2019 QSMC Elite Project



2019 CSMC Elite Project



2019 QCMC Elite Project



• [Quanta Online& English Learning Challenges] helps personnel to acquire knowledge on spot

[Quanta Online] is a mobile learning APP, and it continued to serve its purpose in 2019 as a means for Quanta employees to learn the latest announcements, knowledge and news. The APP provides information on six main aspects to satisfy employees' working, learning and lifestyle needs. A number of training courses have also been developed and delivered over the APP to help team leaders and entry-level managers develop the necessary skills. [Quanta Online] is also being used to distribute information concerning corporate policies and deliver general training courses that are targeted at all employees, and thereby ensure more direct and faster access to complete resources that are relevant to employees' career development.

QSMC even established a Quanta English Learning Center (QELC) in 2019 and introduced business English course (BEC), TOEIC training, online training and salon training to create a better learning environment for employees who have an interest or need to learn. Furthermore, study competitions and rewards are being arranged as incentives for employees to devote themselves in the improvement of English skills.

- **[Course of lectures] Face-to-face discussion with senior managers on Quanta's future directions**

Senior managers are eager to share their management practices and work experience, and would go to great extent to explain the Company's policies and listen to employees' opinions. In this year, seminars were organized to create opportunities for more people to share their experiences. Quanta also grows with time. In an era where AI technologies thrive, the Company takes part in the development and organizes seminars on related topics so that employees may have a timely understanding of where businesses are heading in the future. AI and 5G are two of the most prominent trends of the future. Given how 5G will unlock the potentials of AI technology, both the CEO and the Chairman had held separate seminars in 2019 to share with the audience the prospect of AI in manufacturing as well as Quanta's AI directions. In the meantime, senior managers of the Company and professionals from outside the organization were invited to share knowledge on AI.

### 2019 QSMC AI Seminars



### 2019 CSMC AI Seminars



### 2019 QCMC AI Seminars



- **[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 2019. 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.

### 2019 QSMC Outdoor Expansion



### 2019 CSMC Outdoor Expansion



### 2019 QCMC Outdoor Expansion



## **[School-enterprise Cooperation] Personnel Learning Platform**

Since Quanta started cooperated 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 2019, Quanta worked with Renmin University of China in a school-enterprise cooperation to help more than 600 employees grow. Shanghai Manufacture City had 146 people signed up for diploma and 177 people signed up for undergraduate program during the year, while 49 and 39 people from Changshu Manufacture City and 110 and 101 people from Chongqing Manufacture City had signed up for diploma and undergraduate programs, respectively, in 2019.



# Love The Earth

Occupational Health & Safety Management	50
-----------------------------------------	----

Effluents and Waste	55
---------------------	----

GHG management	63
----------------	----





## 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 Year	QRDC (including QTMC)	QSMC	CSMC	QCMC
2019	0.707	1.387	0.694	0.939
2018	0.789	0.608	0.716	0.573

### QRDC/QTMC

#### 1 Addition of pedestrian signals at road intersections within plant premise

Pedestrian signals were implemented to achieve effective control over pedestrian flow and vehicle flow on plant premise, and therefore ensure the safety of people traveling between plants and on/off work.



#### 2 Total replacement of meal trays in the dining area

Meal trays in QRDC had been used so extensively that bumps were formed in the bottom, making them easy to slide on flat surface and cause accident. In 2019, the Company made a total replacement of meal trays and added rubber strips to prevent them from sliding. These changes were made to ensure employees' safety and prevent them from cut or burn while dining.



Older version

New version

### QSMC

#### 1 Solvent room safety improvement plan

QSMC engaged a third-party institution to conduct total evaluation on the safety of the solvent room and recommend improvements if any to enhance management of chemical safety and prevent occurrence of safety incident due to oversight. Based on the outcome of the evaluation, the Company decided to install 6 standard safety signs at solvent room entrance, including: fire safety warning chart, danger warning sign, safety responsibility sign, safety operation sign, emergency protocol sign and area floor plan. Meanwhile, static electricity removers have been deployed at the entrance so that employees may remove static electricity at the entrance to prevent fire accident.



## 2 EHS awareness enhancement plan

QSMC has been promoting employees' EHS awareness through training and propaganda. Training courses were arranged as planned whereas online quizzes and challenges titled "Safe, Healthy and Happy" were organized during occasions such as safe production month. QSMC also hosts a 5S safety competition called "The Quanta Cup" as an incentive for departments to engage more actively in EHS affairs and take initiative instead of passive management practice. The Quanta Cup takes into account two factors: on-site inspection and reported performance; it evaluates the level of pro-activeness each department has demonstrated with respect to safety management, and is an opportunity for employees to grow, share and learn from each other.



## CSMC

### 1 AED procurement and training

A 4-phase training on first aid and use of automated external defibrillator (AED) was held to equip general affairs staff with the knowledge and skills needed to respond to emergencies including cardiac arrest.



### 2 Equipment handling safety training

CSMC's safety and health team organizes safety training for equipment movers to promote safety awareness as well as proper work practice, and thereby reduce chances of accident.



### 3 First-aid personnel training

The general affairs department organizes first aid training and helps employees obtain proper certification so that CPR can be performed at the first instance if need be.



### 4 Establishment of double prevention mechanism

As a response to the government's call for double prevention against production incidents, the Company has divided its premises into areas of different risk level.





## QCMC

### 1 Addition of safety doors to Coil to BC and Magnet to BC stations at F5 plant assembly line.

The equipment had too much space for operators to reach into and no safety barrier was present to restrict operator's hand movement. Improvements should be made to promote safety as the first priority. Following a thorough analysis and evaluation, the Company has added a total of 48 safety doors to Coil to BC and Magnet to BC stations that previously were not present for safety reasons.



### 2 Addition of safety grid to SMT robotic arms at F5 plant.

DFX department requires people to operate and the loading of containers presents safety concern. Following a thorough analysis and evaluation, a total of 5 robotic arms and protective railing were installed with process automated to minimize human operation and risk of collision and jamming injury. These measures provide employees with additional safety assurance



### 3 Addition of safety interlocks to automatic screw machine at P1 plant

The automatic screw machine incorporated into the production line may require employees to come into physical contact with the equipment for troubleshooting or other purpose, which puts the employee at risk of collision and jamming injury. Following a thorough analysis and evaluation, safety interlocks were added to the protective shield of the automatic screw machine, so that the equipment shuts down whenever the protective shield is opened. This addition protects employees from injury due to contact with active equipment, and therefore prevents work incident.



## Occupational Health 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 incompliant 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:


- 2019 employee occupational accident and illness statistics (total number of workers includes fulltime employees and dispatch employees).
- 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 ate (ODR)	$(\text{Total \# of Occupational diseases cases} / \text{Total working hours}) \times 200,000$
Annual fatalities	Fatalities

## 2017-2019 employee occupational accident and illness statistics

Injury rate 

Site	Gender	Occupational accident category	Injury rate		
			Year		
			2017	2018	2019
QRDC /QTMC	Male	Traffic injury, laceration and crushing injury	0.50	0.51	1.05
	Female	Traffic injury, collision and crushing injury	0.51	0.82	1.27
QSMC	Male	Machine-related injury, sprain and battering	0.28	0.25	0.31
	Female	Battering, and traffic injury	0.15	0.04	0.25
CSMC	Male	Crushing injury, fall and traffic injury	0.03	0.02	0.16
	Female	Fall and traffic injury	0.03	0.01	0.19
QCMC	Male	Crushing injury, jam and fall (sprain)	0.64	0.65	0.47
	Female	Traffic injury, fall (sprain) and collision	0.37	0.34	0.25

Absentee rate and Lost day rate 

Site	Gender	Absentee rate			Lost day rate		
		Year					
		2017	2018	2019	2017	2018	2019
QRDC /QTMC	Male	150.86	150.36	217.74	1.54	1.84	5.32
	Female	303.09	234.08	322.97	1.36	3.10	11.74
QSMC	Male	165.80	212.90	1,128.96	7.29	10.58	477.97
	Female	308.76	355.87	1,552.00	4.14	5.31	186.45
CSMC	Male	501.60	759.23	1,826.91	1.38	1.53	7.59
	Female	621.20	1012.78	2,060.17	2.14	1.25	11.25
QCMC	Male	80.46	222.43	116.44	12.78	12.12	10.21
	Female	125.89	94.15	170.16	4.63	7.82	11.01

Note:

- ① Occupational diseases rate (ODR) between 2017 and 2019 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 waterutilizing 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 2017~2019:

Site	Water usage (tons)			Source of water	
	2017	2018	2019		
Taiwan sites	Quanta Research and Development Complex (QRDC)	184,778	187,611	187,886	Taiwan Water Corporation
	Quanta Taiwan Manufacturing City (QTMC)	34,990	44,865	106,410	
China sites	Quanta Shanghai Manufacturing City (QSMC)	1,142,398	1,463,150	1,325,616	Shanghai Songjiang Public Water Company
	Changshu Manufacturing City (CSMC)	485,962	483,419	390,542	Changshu Municipal Water
	Quanta Chongqing Manufacturing City(QCMC)	580,984	612,216	777,693	Chongqing Municipal Water Company

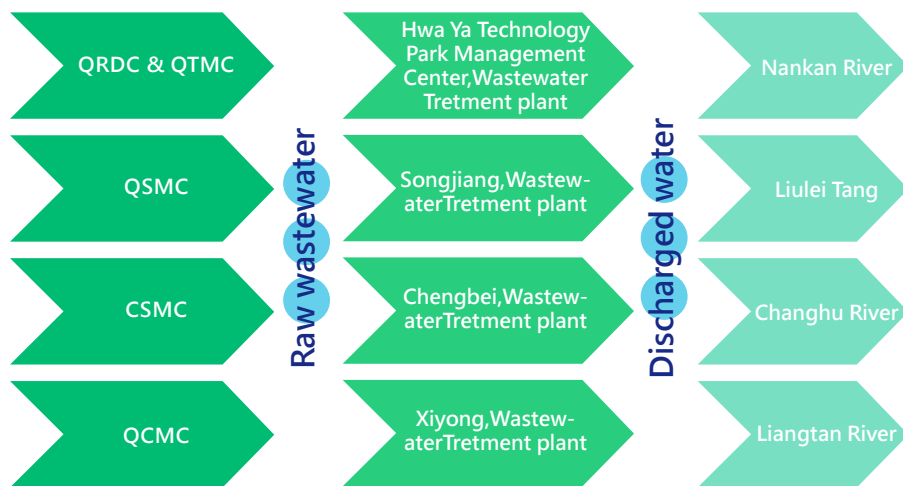
Source: Water acquisition based on public water meters and utility bills

### Effluent Management

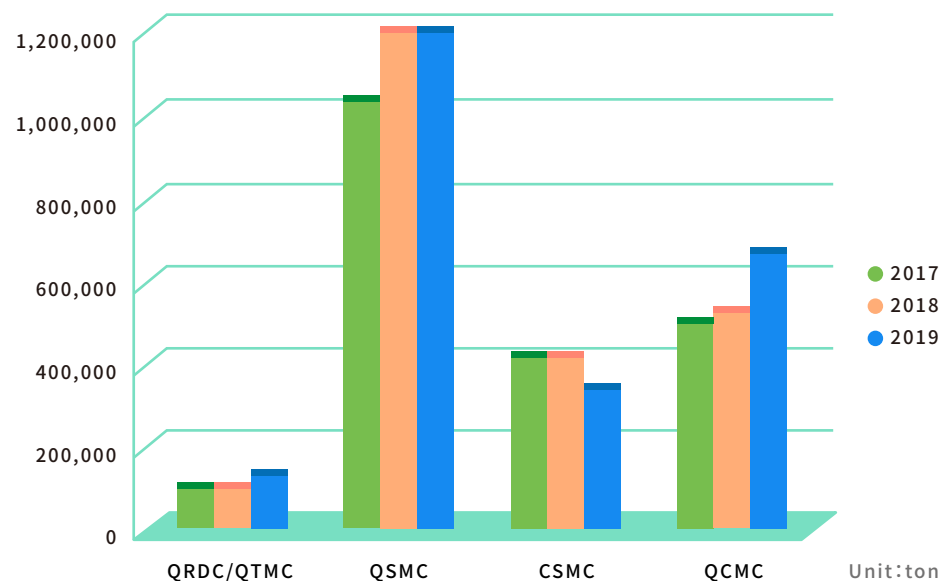
Wastewater generated at various sites includes domestic and canteen effluent. There is no process wastewater. Hence, this Report only covers voluntary disclosures of domestic effluent within the plant.

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.

Effluent discharge diagram



Volume of effluent water at various sites



## 2017-2019 effluent volume at Various Sites (ton)

Site		Year	2017	2018	2019
Taiwan sites	Quanta Research and Development Complex (QRDC)		92,225	92,315	87,463
	Quanta Taiwan Manufacturing City (QTMC)		6,421	9,131	33,616
China sites	Quanta Shanghai Manufacturing City (QSMC)		1,028,158	1,190,531	1,193,054
	Changshu Manufacturing City (CSMC)		413,068	410,906	331,961
	Quanta Chongqing Manufacturing City(QCMC)		493,836	520,384	661,039
total			2,033,708	2,223,267	2,307,133

Note:

- QAT (Dongyuan Plant) was the only facility in Taiwan that calculated domestic wastewater volume as: volume of fresh water used \*0.85 (a self-estimated domestic wastewater coefficient); all other Taiwan plants measured domestic wastewater at the discharge outlet.
- The effluent volume of factory in China is calculated with the following equation: Household effluent volume= tap water volume\*0.85 (household effluent coefficient)
- The formula of wastewater volume at QSMC factory is Domestic Wastewater=Volume of Tap Water Consumed\*0.9 (Discharge Agreement)

## 2019 Taiwan discharge standard and test results

Item	Standards	QRDC (Quanta RD Center)		QC1 Production building		QC1 R&D building		QC2	QAT
		I	II	I	II	I	II	II	-
BOD(mg/L)	200	204.0	93.8	24.6	177.0	8.8	25.8	5.4	-
COD(mg/L)	350	266.0	229.0	68.4	307.0	82.9	147.0	23.1	60.0
SS(mg/L)	200	145.0	112.0	70.0	59.5	35.0	35.0	4.8	8.0
pH	6-9	7.5	7.6	7.8	8.1	7.9	8.0	7.9	6.72
Temperature°C	Below 45	25.1	27.4	18.2	24.9	18.3	25.6	25.2	-
Fat(mg/L)	20	9.7	1.7	-	-	-	-	<1.0	-

Note:

- According to 《wastewater treatment plant intake limit of Hwa Ya Technology Park Management Center》
- Sampling technique: EPA' s industrial effluent discharge standard sampling method (NIEA W109.51B)
- QRDC has a dining area whereas QC2 has a utensil washing area, which is why additional devices have been installed to detect grease.
- The test is conducted semiannually by a third-party certification institution approved by the EPA
  - Test date 2019/04/01
  - Test date 2019/10/09
- QAT (Dongyuan Plant) is situated on rented property and occupies two floors in an eight-story building. For this reason, effluent volume is calculated based on the water quality test report prepared by Hwa Ya Technology Park (test date: 2019/10/02).

## 2019 QSMC effluent discharge standard and test results

Item	Standards	F1	F2	F3	F4	F5	F6	F7		Q-BUS
pH	6.5-9.5	7.52	7.78	7.79	7.7	7.82	8.24	7.52	7.69	7.69
SS(mg/L)	400	150	66	22	100	22	74	125	50	70
COD(mg/L)	500	273	9	8	353	11	77	44	13	7
BOD(mg/L)	300	156	2.9	1.9	130	3	28.6	16.3	3.1	1.4
Total Nitrogen(mg/L)	70	23.6	6.36	3.09	42.2	9.58	16.9	3.46	4.67	3.93
NH3-N (mg/L)	45	12.6	3.77	0.955	27	4.09	7.06	1.33	0.765	1.65
Total Phosphorus (mg/L)	8	1.45	0.705	0.118	3.65	0.636	1.45	0.132	0.305	0.197
Fat(mg/L)	100	6.23	1.28	0.28	9.43	1.09	3.24	5.58	0.09	1.11
Petroleum (mg/L)	15	0.44	0.33	0.11	0.35	0.27	0.42	0.23	0.69	0.22

### Note:

- 1 Based on level 3 standards shown in Table 2 of "Shanghai Integrated Wastewater Discharge Standard" (DB31/199-2018)
- 2 The Company engages independent third parties to conduct tests once a quarter. The above data was taken from the 2019 4th quarter test report, and the tests were dated 2019/11/26-2019/12/12.

## 2019 CSMC effluent discharge standard and test results

Item	Standards	Terminal 1	Terminal 2	Terminal 3
BOD(mg/L)	300	9.6	21.2	10.9
COD(mg/L)	500	30	56	40
SS(mg/L)	400	10	12	13
pH	6-9	7.04	8.17	7.58
Fat(mg/L)	100	0.18	7.42	1.62
NH3-N (mg/L)	70	8.32	13.9	18.1
Total Phosphorus (mg/L)	8	1.10	1.02	0.45

### 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 2019/05 -2019/6.

## 2019 QCMC effluent discharge standard and test results

Item	Standards	F0	F1	F2	F3	F1	F2	F3	F5
COD (mg/L)	500	94	346	361	202	184	184	230	484
SS (mg/L)	400	82	52	231	76	87	87	60	132
NH3-N (mg/L)	-	74.9	82.6	105	84.6	84.7	84.7	92.7	37.1
Fat(mg/L)	100	2.96	4.42	4.97	2.19	4.18	4.18	2.06	1.88
Oil(mg/L)	20	0.38	0.17	0.5	0.2	0.23	0.23	0.14	-
BOD(mg/L)	300	-	-	-	-	-	-	-	156

Note:

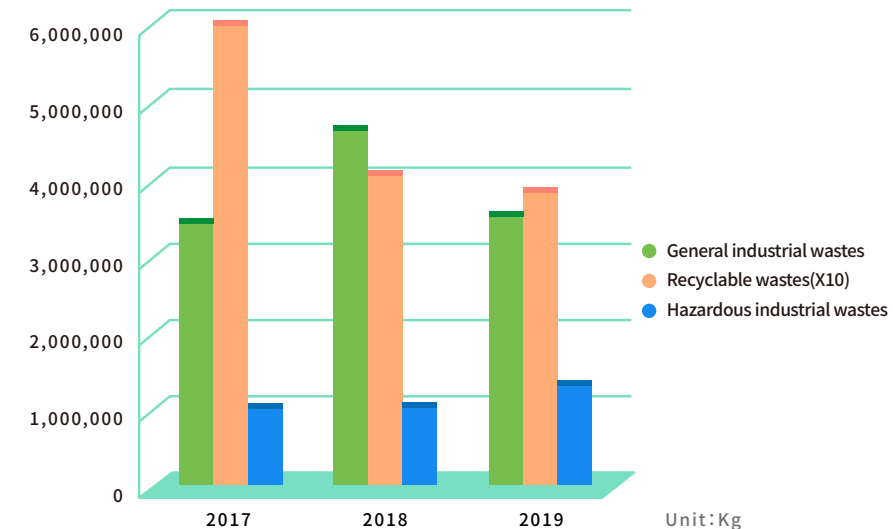
- ① Based on Table 4 Maximum Discharge Intensity of Category III Pollutants, China's GB8978-1996 "Integrated Wastewater Discharge Standard" .
- ② Sampling method: 《National water quality testing standard》(GB11914 · GB11901 · HJ537)
- ③ Measurement data was taken from the test report prepared by an independent third party. Plant F5 was tested in 2019/12 while other plants were tested in 2019/03. Plants P1 and P2 share one biochemical pool, therefore measurements for P1 are also used for P2.

## 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 right diagram.



## General industrial waste

### 2017-2019 Analysis Table of General and Recyclable Waste Production in Various Sites

#### General waste

Site	General waste (kg)			Treatment
	2017	2018	2019	
QRDC	244,290	245,560	303,580	Incineration
QTMC	43,670	125,500	459,120	Incineration
QSMC	1,621,857	2,630,548	1,168,860	Incineration
CSMC	761,248	921,630	766,460	Incineration
QCMC	730,000	730,000	730,000	Burial
Total	3,401,065	4,653,238	3,428,020	

General industrial waste

## Recyclable waste

Site	Recyclable waste (kg)			Treatment
	2017	2018	2019	
QRDC	99,329	180,889	181,367	Recycled and reused
QTMC	3,266	4,170	2,264,812	
QSMC	47,831,964	30,365,842	25,459,960	
CSMC	5,836,373	4,124,083	3,175,946	
QCMC	5,857,790	6,109,660	7,330,250	
Total	59,628,722	40,784,644	38,412,334	

### 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

### 2017-2019 Statistics of Hazardous Wastes in Various

Site	Category	Treatment method	Quantity (kg)		
			2017	2018	2019
QRDC /QTMC	Waste electronic components, leftover and defective products	Recycled and reused / Physicochemical treatment	466	350	2,714
	PCB waste and powder which containing metals		415	353	158,748
	Flash point of waste fluid below 60°C		-	-	18,935
QSMC	Waste oil cloth	Incineration	21,680	23,370	20,600
	Organic waste solvents		10,500	10,360	11,600
	Waste adhesive (rubber hose)		1,100	1,200	3,000
	Waste acid	Physicochemical treatment	5,100	6,000	5,760
	Lead-acid battery waste	Recycled and reused / Physicochemical treatment	30,900	-	24,000
	Waste fluorescent tubes	Physicochemical treatment	1,000	400	-
	Waste activated charcoal	Incineration	-	-	4,200
CSMC	Waste fluid container	Incineration	-	-	24,800
	Waste activated charcoal	Incineration	7,550	9,880	2,550
	Waste containers		150	3,993	6,110
	Waste glue		350	350	200
Waste rags	250		250	2,440	
QCMC	Waste UV rubber hose	Incineration	1,000	2,090	2,555
	PCB leftover	Recycled and reused / Physicochemical treatment	560,000	710,480	733,348
	Paint slag waste	Incineration	257,780	162,065	123,110
	Used paint basket	Recycled and reused/Incineration	67,680	46,915	57,070
	Organic solvent waste	Incineration	24,450	-	11,770
	Waste activated charcoal	Incineration	45,270	40,420	3,000
	Waste oil	Physicochemical treatment	4,700	11,510	8,115
	Lead-acid battery waste	Incineration	-	7,255	7,400
	Waste cloth	Incineration	-	-	6,970
	Waste filter	Incineration	-	-	2,165
	Washing ball	Incineration	-	-	5,040
Total			1,040,341	1,037,241	1,246,200

### Note:

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

# Environmental Management Plans in 2019 QRDC & QTMC

## QRDC & QTMC

### Switching toward energy-efficient lighting and equipment

The Company replaced and installed approximately 9,696 pieces of LED lighting and equipment at production line, office area and common areas such as the carpark for higher energy efficiency and lower wastage, and thereby ensure attainment of energy-saving goals. These measures are estimated to produce energy-saving effects of 656,516 kWh per year.



## QSMC

### 1. Automated control of equipment ventilation

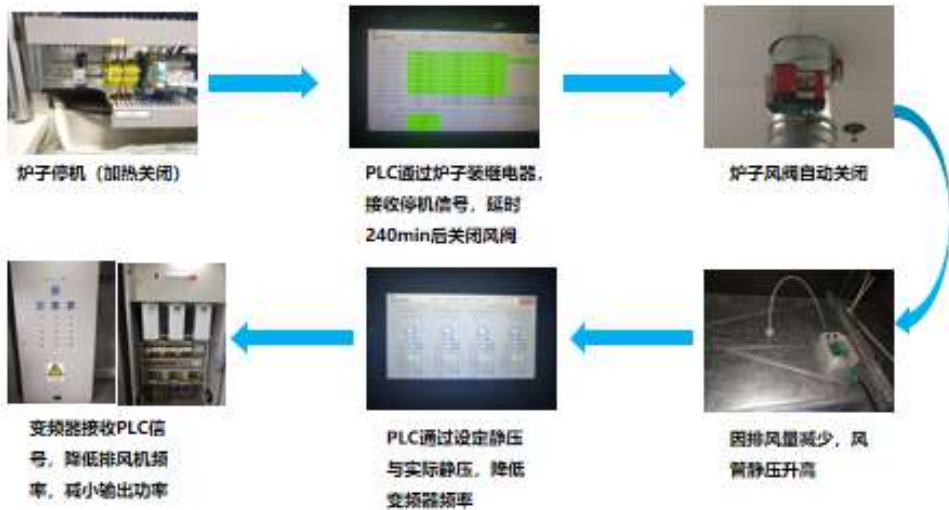
Electric valves were installed on equipment ventilation to reduce energy wastage and protect the environment. They function by controlling turbine and valve opening/closure based on pressure difference. 18 pieces of equipment were modified in 2019 to deliver estimated energy saving effect of approximately 1,426,304 KWH per year.

### 2. Compressed air leakage test

The Company uses ultrasound leak detectors to detect leakage in compressed air pipes, valves and connections throughout a factory, so that repairs and improvements can be made. QSMC tested a total of 1,331 production lines during the year, which saved 29,558,171 cubic meters of gas leakage and 2,615,116 KWH of power as a result.

### 3. Change of vacuum generators

Automated equipment that operate in vacuum, such as robotic arms, generally involve the use of vacuum generators, and switching from pneumatic vacuum generators to other alternatives offers the benefit of reduced energy wastage from conversion. In 2019, the Company installed two 1,000 CMH vacuum pumps that are estimated to achieve 2,049,840 KWH of energy-saving benefits a year.





### 1. Anti-seepage treatment to floor surface in temporary hazardous waste storage areas

Floor surface of the temporary hazardous waste storage area at QCMC had worn off due to prolonged usage, and as a result, waste fluid could seep through cracked surface to contaminate the soil and groundwater. To address the potential risk, QCMC had applied 3 layers of fabric, 5 layers of grease and epoxy to ground surface, intercepting ditch and collection well of the temporary hazardous waste storage area so that waste fluid does not seep into the soil. This treatment serves environmental protection purpose.



### 2. Chiller heat recovery at F1 plant

- 1 The chiller at F1 plant could not recover and reuse heat effectively during winter (the energy was released without serving any benefit), and air conditioning in office areas operates on a standalone heat pump that consumes additional energy and is susceptible to malfunction.
- 2 Modifications were made to the small chiller (used for production purpose) at F1 plant so that the extra heat generated can be recovered to heat office areas, thereby reducing the duration of heat pump operations and energy usage. This arrangement also provides some level of assurance to office heating when the heat pump malfunctions.



### 3. Heat recovery solution for air compression system of P1/P2 plants

Air compressors at QCMC's P1/P2 plants generate heat during operation. By heating recycled water with the generated heat and redirecting the heated water into the heat pump, we are able to transfer heat from the recycled water and in doing so reduce the duration of heat pump operations and achieve lower energy consumption while maintaining heat supply throughout the plants.





# 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:

- ① Commitment to greenhouse gas inspection in order to monitor the emission of greenhouse gases.
- ② Based on the inspection results, voluntary greenhouse gas reduction related programs will be implemented.
- ③ Continue to promote and support carbon reduction measures to foster sustainable operations and fulfill our CSR.
- ④ 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.	<p>Natural disasters were analyzed and the risks assessed. Corresponding emergency response measures and drills have been implemented as well.</p> <p>Water and power-saving measures to improve resource use efficiency.</p>
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.	<p>Greenhouse gas inventory checks were implemented at various sites in accordance with ISO 14064-1.</p> <ul style="list-style-type: none"> <li>● The Shanghai site has been certified with ISO 14061-1 since 2011.</li> <li>● The Taiwan, Chongqing and Changshu sites have received third-party certification ISO 14061-1 since 2015.</li> </ul> <p>Identification of legal compliance and monitoring regulatory developments.</p>
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.	<p>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.</p> <p>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.</p> <p>An Environmental Protection Committee was established to review project implementation and set targets on an annual basis.</p> <p>Voluntary Emission Reduction Market: Participate in the Chongqing Municipal Voluntary Emission Reduction Market and carry out internal inventory checks every year.</p> <p>Focus on the carbon emissions and trading market: Corporate carbon emissions have been calculated annually to actively secure carbon-emission allowances.</p> <p>Actively participate in various energy projects supported by customers.</p>

## Greenhouse gas types and scope of inventory checks

Quanta Greenhouse emissions include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC<sub>s</sub>, PFC<sub>s</sub>, SF<sub>6</sub> and NF<sub>3</sub>. The major emission sources include natural gas, diesel, petrol, LPG, CO<sub>2</sub> fire extinguisher, methane from septic tanks, refrigerant leakage and purchased electricity. According to the statistics of the past, the source of greenhouse gas emissions by Quanta is mainly generated from the electricity purchased for operation. This emission source accounted for more than 90% of the Company's overall emissions in 2019.

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.

Greenhouse gas emission per employee increased substantially in 2019 compared to 2018; it was largely due to the automation and outward transfer of production capacity that resulted in a smaller employee size, and hence the higher emission per employee. Comparing emission intensity in revenue terms, the Company emitted 0.64 tonne of CO<sub>2</sub>e/million dollars in 2019 and 0.62 tonne of CO<sub>2</sub>e/million dollars in 2018, representing an increase of 3.23%.

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.

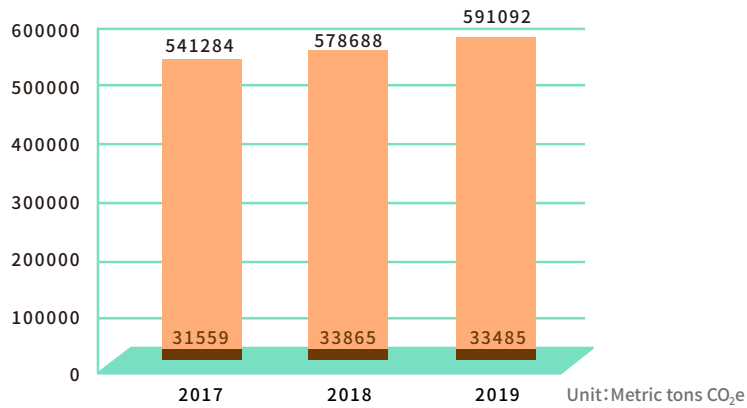
## Work with carbon-trading demo cities

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

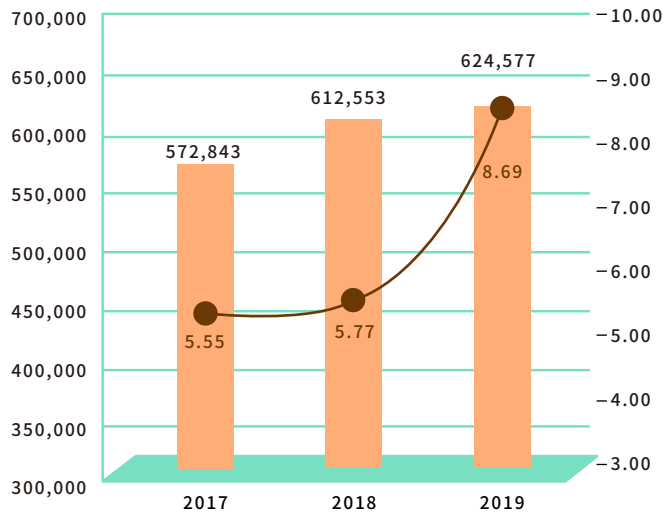
QRDC have complied with the Regulations for Energy Saving Objectives and Implementation Plan for Energy Users published by the Ministry of Economic Affairs (MOEA) according to the Energy Administration Act. Overall, annual energy savings of 1% or more have been achieved. As well as the autonomous regulations 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.



- Scope1
- Scope2

Greenhouse gas emission statistics of Scope1 & Scope2 during 2017-2019



- Greenhouse gas emission volume (Metric tons CO<sub>2</sub>e)
- Emission intensity

Greenhouse gas Emission intensity during 2017-2019

### Greenhouse gas emission statistics of Taiwan site

Site	QRDC & QTMC		
	2017	2018	2019
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	332/ (1.83%)	428/ (1.98%)	531/ (1.54%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	531/ (1.54%)	21,233/ (98.02%)	33,966/ (98.46%)
(Tons of CO <sub>2</sub> e)	18,116	18,116	34,497
Emission intensity	3.02	2.96	3.92
Greenhouse gas emission volume by type	CO <sub>2</sub> : 17,979.56 CH <sub>4</sub> : 7.61 N <sub>2</sub> O: 0.21 HFCs: 128.73	CO <sub>2</sub> : 21,416.55 CH <sub>4</sub> : 113.60 N <sub>2</sub> O: 0.18 HFCs: 130.89	CO <sub>2</sub> : 34,166.30 CH <sub>4</sub> : 193.30 N <sub>2</sub> O: 0.24 HFCs: 137.66
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0

### Greenhouse gas emission statistics of QSMC

Site	QSMC		
Year	2017	2018	2019
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	15,349/ (4.88%)	13,840/ (4.19%)	14,570/ (4.24%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	299,197/ (95.12%)	316,521/ (95.81%)	328,786/ (95.76%)
(Tons of CO <sub>2</sub> e)	314,546	330,361	343,356
Emission intensity	38.54	8.60	12.37
Greenhouse gas emission volume by type	CO <sub>2</sub> : 308,275.68 CH <sub>4</sub> : 1,544.94 N <sub>2</sub> O: 19.15 HFCs: 4,611.27 PFCs: 94.68	CO <sub>2</sub> : 325,923.76 CH <sub>4</sub> : 1,568.80 N <sub>2</sub> O: 19.13 HFCs: 2,755.02 PFCs: 94.68	CO <sub>2</sub> : 338,153.04 CH <sub>4</sub> : 1,372.33 N <sub>2</sub> O: 18.48 HFCs: 3,647.48 PFCs: 137.90
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0

### Greenhouse gas emission statistics of CSMC

Site	CSMC		
Year	2017	2018	2019
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	6,311/ (7.10%)	6,776/ (8.10%)	4,830/ (7.79%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	82,561/ (92.90%)	76,916/ (91.90%)	57,191/ (92.21%)
(Tons of CO <sub>2</sub> e)	88,872	83,692	62,021
Emission intensity	2.42	2.36	7.18
Greenhouse gas emission volume by type	CO <sub>2</sub> : 84,634.39 CH <sub>4</sub> : 2,831.30 N <sub>2</sub> O: 50.94 HFCs: 1,355.29	CO <sub>2</sub> : 74,432.81 CH <sub>4</sub> : 2,819.44 N <sub>2</sub> O: 55.35 HFCs: 1,358.21	CO <sub>2</sub> : 58,770.10 CH <sub>4</sub> : 1835.35 N <sub>2</sub> O: 30.37 HFCs: 1,385.21
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0

## Greenhouse gas emission statistics of QCMC

Site	QCMC		
	2017	2018	2019
Year			
Greenhouse gas emission - Scope 1 (Tons of CO <sub>2</sub> e)/ Ratio (%)	9,567/ (6.32%)	12,821/ (7.25%)	11,251/ (6.15%)
Greenhouse gas emission - Scope 2 (Tons of CO <sub>2</sub> e)/ Ratio (%)	141,742/ (93.68%)	164,018/ (92.75%)	171,705/ (92.63%)
(Tons of CO <sub>2</sub> e)	151,309	176,839	182,956
Emission intensity	6.40	7.06	6.85
Greenhouse gas emission volume by type	CO <sub>2</sub> : 146,160.95 CH <sub>4</sub> : 3,467.24 N <sub>2</sub> O: 10.12 HFCs: 1,664.81 SF <sub>6</sub> : 5.88	CO <sub>2</sub> : 169,626.67 CH <sub>4</sub> : 4,359.92 N <sub>2</sub> O: 117.92 HFCs: 2,728.76 SF <sub>6</sub> : 5.87	CO <sub>2</sub> : 177,084.87 CH <sub>4</sub> : 2,081.01 N <sub>2</sub> O: 59.15 HFCs: 3,724.83 SF <sub>6</sub> : 5.88
CO <sub>2</sub> emission volume produced by biomass burning	0	0	0

Note:

- The greenhouse gas emission is calculated based on the operational control method
- 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.)
  - Taiwan factory: Bureau of Energy's 2017 power purchase emission coefficient (0.554Kg CO<sub>2</sub>e /kWh)
  - China factory: 2017 Baseline Emission Factors for Regional Power Grids in China
    - QSMC、CSMC : emission coefficient for Huadong region (0.8046Kg CO<sub>2</sub>e /kWh)
    - QCMC : emission coefficient for Huazhong region (0.9104Kg CO<sub>2</sub>e /kWh)
- The greenhouse gas emission GWP is derived from:
  - QRDC: IPCC's 4th assessment report published in 2007
  - QSMC,QCMC, CSMC: IPCC's 5th assessment report published in 2013
- Emission intensity per capita
- With the exception of QC2 and QAT, all other plants in Taiwan and Mainland have completed greenhouse gas survey for 2019 and had results certified by third parties according to ISO 14064-1:2006.



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 2019 greenhouse gas inventory checks at each site. Heat value data was based on the list of per unit heat value of energy products provided in the 2015 Bureau of Energy Manual. The following describes the calculations:

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

#### Categories of energy consumption

Event types			QRDC&QTMC			QSMC			CSMC			QCMC		
			2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Fuel	Diesel	Kiloliter (KL)	4.28	2.08	0.44	89.68	82.19	94.06	34.50	24.96	32.40	5.30	2.40	7.609
		Gigajoule (GJ)	150.53	73.16	15.48	3,153.99	2,890.69	3,308.17	1,213.39	877.86	1,139.53	186.41	84.41	267.61
	Petroleum	Kiloliter (KL)	1.23	1.33	1.65	173.29	175.82	164.257	161.00	113.83	108.78	114.82	105.96	155.088
		Gigajoule (GJ)	40.17	43.44	53.89	5,659.49	5,742.04	5,364.40	5,258.03	3,717.53	3,552.60	3,749.86	3,460.51	5,064.96
	Natural gas	Cubic meter (M <sup>3</sup> )	-	-	-	3,908,947.69	4,067,728.59	4,048,971.15	789,625.61	1,007,582.45	600,295.67	1,892,170	2,412,200	2,288,100
		Gigajoule (GJ)	-	-	-	130,934.11	136,252.64	135,624.34	26,449.30	33,749.98	20,107.50	63,380.13	80,799.05	76,642.20
	LPG	ton	55.95	53.93	60.02	-	-	-	-	-	-	-	-	-
		Gigajoule (GJ)	2,776.04	2,675.81	2,977.98	-	-	-	-	-	-	-	-	-
Electricity	Power consumed	Megawatt hours (MWh)	33,617.95	38,326.50	63,727.13	368,832.08	387,600.88	408,633.04	90,414.11	82,745.03	64,638.97	154,697.07	189,294.33	199,184.83
		Gigajoule (GJ)	121,024.62	137,975.39	229,417.69	1,327,795.49	1,395,363.17	1,471,078.95	325,490.80	297,882.11	232,700.31	556,909.45	681,459.59	717,065.38
Total energy consumption		Gigajoule (GJ)	123,991	140,768	232,465	1,467,543	1,540,249	1,615,376	358,412	336,227	257,500	624,226	765,804	799,040



# Green Supply

Green Supply Chain Management	70
Conflict Minerals Due Diligence Investigations and Management	74
Green Quality Management	75



## 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 2019 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 2019, Quanta completed the onsite audit and two-way participatory survey on all new suppliers. In addition, all suppliers audited onsite in 2019 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"> <li>• RBA Validated Audit Process Operations Manual 6.0.1 (Rev.3)</li> <li>• Statutory regulations</li> </ul>		
Category	Labor & Ethics	Health & Safety Environmental	Management System
Overall observations	<ul style="list-style-type: none"> <li>• For ethical standards, most suppliers demonstrated compliance with the standards and requirements.</li> <li>• For labor and human rights, requests for systematic improvements to management have been made for issues such as overtime work, under-aged labor management, 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Environmentally, most suppliers comply the standards.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• For management systems, the review showed that suppliers have largely complied with the relevant standards and requirements.</li> </ul>

Overall, there is no report of serious violation of the CSR Code of Conduct as revealed in the 2019 Supplier Audit results. There is also no report of the phenomenon and risk of the use of child labor or forced labor in suppliers.

# 2019 Quanta Green Standards Conference-helping suppliers benefit from co-prosperity

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



時間		主題	講師		備註
			台灣	中國	
13:20-13:30	概別		PDC	PDC	10min
13:30-13:35	開場				5min
13:35-13:50	A. 廣達綠色規範介紹		王斌 Tien Wang	施佩蓉 Jessica Shih	15min
13:50-14:20	B. 材料宣告(MD)重點說明		羅麗萍 Tina Cheng	吳雅晶 Ethan Wu	30min
14:20-14:50	C. 全球環保法規趨勢介紹		馮智聰 CTI_George Fang	劉磊 SOS_Ryan Liu	30min
14:50-15:10	休息時間				20min
15:10-16:00	D. 廣達全物買宣告(FMD)系統		林政立 Alex Lin	張光偉 Dean Chang	50min
16:00-16:15	E. RoHS 2.0 案例分享及供應商管理要求		張弘毅 Brian Chang	李佩宜 Brook Lee (GSMC) 蔡汝欽 Wayne Tsai (GSMC)	15min
16:15-16:30	Q&A				15min
16:30-17:00	晚餐				

Statistics of numbers of registrants and attendees are as follows:

Region	No. of registrations			Attendance			Attendance rate (%)		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Quanta-Taiwan	394	384	414	354	321	350	89.90%	83.59%	84.54%
Quanta-Shanghai A	120	109	87	123	87	67	102.50%	79.82%	77.01%
Quanta-Shanghai B	377	460	600	402	366	422	106.63%	79.57%	70.33%
Quanta-Chongqing	239	320	377	237	273	339	99.16%	85.31%	89.92%
total	1,130	1,273	1,479	1,116	1,047	1,178	--	82.07%	80.43%





# 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). As part of the global trend, RMI and customers have made specific due diligence and risk management requirements on cobalt (Co) throughout the supply chain, and the Company plans to have 100% of cobalt smelters certified in 2020.

## 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. Furthermore, the Company will be conducting due diligence investigation on the source of cobalt throughout the supply chain, and gather/report information using the standards outlined by RMI for conformity with international trends and customer requirements.

## Summary of Quanta's due diligence investigations in 2019

### 1. Preparations

The Company works with an extensive number of suppliers and has undertaken a number of measures in the preparation stage to ensure more efficient investigation of conflict minerals; these measures include: identifying and verifying supplier's correspondent for the due diligence investigation and person in charge of procurement.

### 2. Investigation stage

The CAMP system sends URL for due diligence questionnaire to suppliers and notifies the person in charge of procurement to follow up on investigation in a more efficient manner. Suppliers are required to disclose information using the latest CMRT published on the RMI website. Quanta Group has dedicated department in place to review suppliers' responses in a timely manner and to engage them in ongoing communication, thereby achieve risk control and satisfy customers' requirements. Survey results are kept on the CAMP system for at least 5 years.

### 3. Consolidation and reporting stage

The Company uses internal resources to verify suppliers' due diligence response, and reports survey outcomes depending on the needs of different customers.

Not only did the Company complete due diligence investigation for the year, it also made improvements and added new management features to the CAMP system to ensure ongoing and more effective exchange of relevant information with suppliers. This level of open communication allows timely support and guidance to suppliers for more comprehensive and robust risk control.

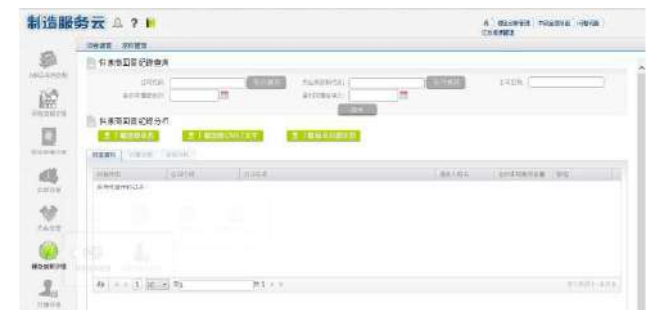
### Questionnaire analysis and reports

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.

### Systems Page Instruction Update:



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



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.

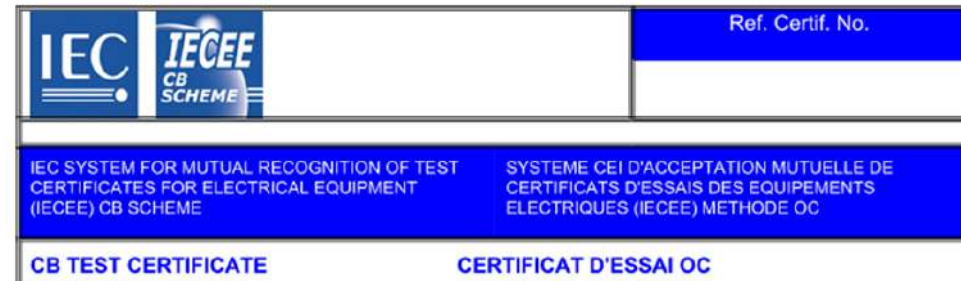
In accordance with the standards announced by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), Quanta implemented the green product management, based on the fundamental structure of the ISO 9001 quality management system. Quanta also obtained 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 terms of product control, Quanta uses proprietary laboratory to test the quality of purchased materials and shipped goods.

Quanta conducts annual internal audit and management review to verify effectiveness of the above activities. Processes are certified by third parties to ensure that all produced goods conform with environmental protection laws worldwide and customers' green product requirements.

## 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?

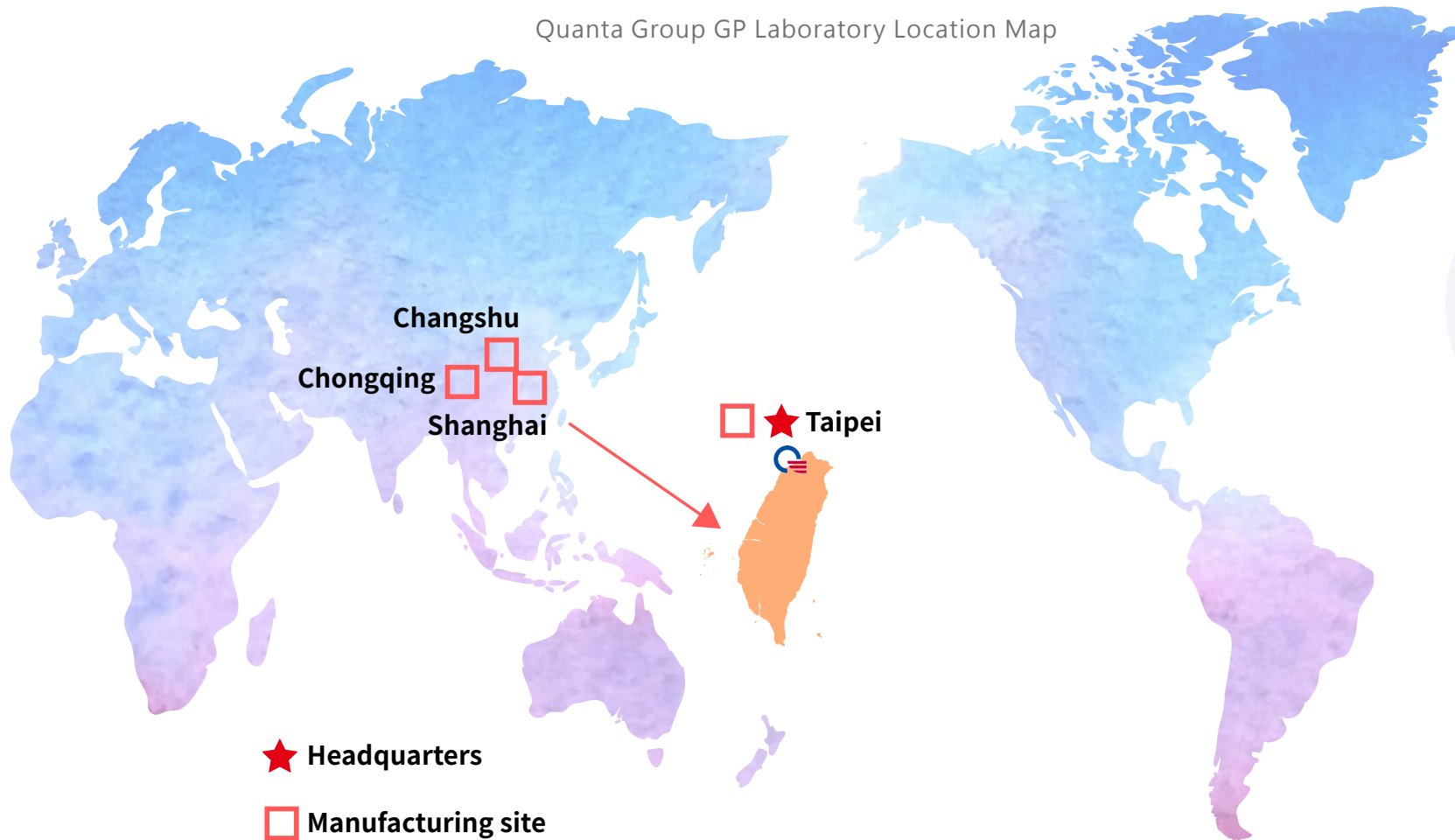
The management of labs at various sites have been standardized and made consistent with one another. Each lab is capable of supporting each other for verification testing. During product development phases, the labs can help verify and confirm solutions to various problems so as to improve the effectiveness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



★ Headquarters

□ Manufacturing site

## 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.

The 2019 customer satisfaction survey conducted by Quanta Group covered quality management and green product control, which customers gave a slightly more favorable overall response compared to 2018. Any area requiring improvement and any suggestion raised by customers in the questionnaire are addressed pro-actively with the underlying causes analyzed and discussed for improvement. Outcomes of customer satisfaction survey from various business segments are reviewed as part of the annual management meeting. Survey responses are analyzed using a broad range of indicators to highlight areas of improvement and support decisions such as quality system upgrades and next year’s goals.

Through the above product management processes, no non-compliance of customer health and safety was reported in 2019.

# Social Participation

Social Participation Introduction	79
Quanta Culture & Education Foundation	80
Quanta Arts Foundation	91
Charity Club	96



# 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. In Taiwan, related activities are carried out by the Company, Quanta Culture & Education Foundation and Quanta Arts Foundation; in the Mainland, activities are primarily handled by volunteer clubs of the respective plants.

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 (Unit: NT \$ 10,000)			No. of Participants (persons)			Other Resources Invested (materials, equipment, venues etc.)
	2017	2018	2019	2017	2018	2019	
Quanta Culture & Education Foundation*	Approx 5,309	Approx 5,204	Approx 4,460	Approx 1,067,000	Approx 1,125,000	Approx 1,734,000	Exhibits, guidebooks, learning objects, programming education toolkits, and tablets.
Quanta Arts Foundation*	Approx 4839	Approx 5,347	Approx 4,154	Approx 125,000	Approx 131,050	Approx 100,000	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
Charity Club	Approx 79.5	Approx 115.4	QSMC:70.20 CSMC: 6.77 QCMC:10.18 TTL:87.15	Approx 5,150	Approx 7724	QSMC:5419 CSMC: 194 QCMC:706 TTL:6,319	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

### Awards received in 2019

#### 6th Arts Education Contribution Award - Organizational Excellence Award

Arts Education Contribution Award is an event organized by the Ministry of Education for the purpose of commending organizations and individuals that make long-term contributions to arts education and promotion. After winning Arts Education Contribution Award in the 1st year, Quanta Culture & Education Foundation was once again awarded this year.

#### 14th (2019) Arts & Business Awards - Gold

Arts & Business Awards, now in its 14th year, is an event organized by the Ministry of Culture to commend businesses that have made special contributions to the preservation and promotion of arts and culture. Quanta Culture & Education Foundation is a 10-time winner of this award to date.

#### Future Education Taiwan 100 Awards

The award was given by Global Vision Educational Foundation to 100 educational projects in total, and Quanta Culture & Education Foundation's "Immersed in Creativity" program was chosen as one among the hundred in 2019 because it not only introduced a new curriculum that focused on character building, but also combined expertise from teachers of different fields to bring new learning methods to life. Overall, the program was favored for its potential to help children develop the proper knowledge and attitude as a global citizen.

### Action plan

Art and technology are like the left and right hemispheres of our brain: they coordinate without conflicting each other. Art and technology represent two keys through which a society develops its cultural and technological strength, and the force that turns the keys is "education." An artistic mindset helps bring aesthetics to new technology, making them more easily acceptable and more appealing to general users. Much of what Quanta Culture & Education Foundation does revolves around education and campus; its "Immersed in Creativity" program focuses on "Art as an essence" whereas the "Immersed in Intelligence" program emphasizes on "Technology as an instrument." Only when "art" and "technology" work in complement may our children develop the "soft power" needed to support growth of the nation and mankind.

----- Chairman Barry Lam

## Overview of the seven main programs

### Quanta "Immersed in Intelligence" Program

Aimed to arouse interest among elementary school students in programming language, and help them develop the proper computing mindset and logical thinking.

In 2019, courses were implemented in 51 schools, 150 teachers were trained and more than 2,100 students had participated.



### Quanta "Education through Gaming" Program

The program brings "Immersed in Creativity" online so that anyone with Internet access is able to learn and approach art without being restricted by form, location or time. The program was launched in 2019 and has accumulated more than 1.4 million uses to date.



### Quanta "Immersed in Creativity" Program

The program aims to bring art exhibition onto campus and make art accessible to teachers and students.

Between 2004 and 2019, schools from 22 counties and cities participated in the program and a total of 2,614 exhibitions were held. In 2019 alone, 268 exhibitions were held across 22 counties and cities, which received a total of 216,712 visits.



### Quanta IIC Awards

A competition aimed at inspiring innovations in the education of aesthetics. It serves as a learning platform where students may exchange views and opinions with the teachers.



### Quanta "Design Learning" Program

By engaging students in the design and planning of exhibition, the program aims to help students develop the ability to think, solve problems and learn independently. The program received participation from 18 junior high/elementary schools across 11 counties/cities in 2019, and trained a total of 90 teachers and 615 students.



### Quanta Global Culture Ambassador

The program selects 10 to 15 culture ambassadors from foreign students who are studying in Taiwan. They are entrusted with the mission of introducing foreign cultures into junior high and elementary schools, and in doing so expand global vision and cultural awareness among Taiwanese students.



### Public affairs

The foundation actively participates in public affairs through multiple approaches such as "Creative DNA Scholarship," volunteer program, sponsorship and subsidy to artistic and cultural groups and institutions, engagement in public policy debate and offering of education-related advices.





## Activation of Quanta "Immersed in Intelligence" Program

### Connecting with world's education trends



The program aims to "help elementary students develop an interest in programming language and build up the ability to communicate with the world." Through modularized teaching tools and teacher's workshop, the program brings programming language into the classroom and helps students develop understanding toward digital technology, computing and logical thinking through practice.

Quanta "Immersed in Intelligence" program introduces a 3-phase course that even teachers without IT background are able to quickly adopt and apply in classes. These courses have been designed for students to experience programming and application of new technologies , and progressively expand their vision toward smart lifestyle.

The program received participation of more than 2100 students from 51 junior high and elementary schools across 9 counties/cities in 2019, and 5 teacher's workshops were organized to train 150 instructors. To ensure accomplishment of program goals, the program was divided into two phases: the basic phase that aims to increase popularity of programming education in Taiwan and the advanced phase that aims to inspire innovative teaching through technology. The two phases had progressed simultaneously.

## Quanta "Education through Gaming" Program

### Game-based learning without restrictions



Quanta's "Education through Gaming" program brings "Pen-less Art Class" and "Quizzes" of the Immersed in Creativity program onto "Elementary School" and "Junior High School" sections of PaGamO, an online game platform

Activated since December 2017, the program has successfully attracted the attention of online players and expanded students' study horizon with its exclusive virtual museum, which inspired a new trend of online art learning across schools in Taiwan. A new game module called "Art Journey" was introduced in 2019, which uses content-rich scenarios, missions and quizzes to take students on a tour though the history of arts around the world.

Through the use of quizzes, students are given quick knowledge on the topic of arts and aesthetics. By December 2019, more than 900,000 attempts had been made to complete the quiz.

## Quanta "Immersed in Creativity" Program

### Bringing museum to campus



In collaboration with local and overseas museums, the foundation designs educational exhibitions that are suitable for junior high and elementary school students and presents artworks in replica at campus, thereby giving students and teachers easy access to art. Through art observation and study, we hope to bring balance to students' growth and inspire them in ways that would benefit them later on in life.

In 2019, Quanta hosted 21 exhibitions comprising 17 main themes under its "Immersed in Creativity" program in 22 counties and cities nationwide. These exhibitions were divided into three main series: Eastern Culture, Western Arts and Environmental Arts.

### Eastern Culture - 6 exhibitions

- Max Liu - Forever a Child at Heart
- Sung Dynasty Cultural Exhibition
- A Tide of "Song" Fun - the Song Dynasty that is!
- Huang Gongwang - Dwelling in the Fuchun Mountains
- This is My Hometown: Exploring the Eternal Dialogue Across Generations
- Time Transgressive Innovation - How Qi Bai-shi, Xu Bei-hong, Chang Dai-chien and Zao Wou-ki Became the Classic of Chinese Art

### Western Arts - 7 exhibitions

- The Dream World by Niki de Saint Phalle
- Touring Exhibition - Millet
- Embracing Van Gogh, Exploring Life's Palette
- The Beauty and Love of Marc Chagall
- An Italian Renaissance Sampler
- Joan Miro's Fantastical Universe
- Baroque - Master of Light and Shadow

### Environmental Arts - 4 exhibitions

- Singing Insects
- It's Our Future, Make the Save
- Space - A Door to Imagination
- A Visionary Perspective: Beauty in the Micro

### Quanta "Immersed in Creativity" new exhibition of the year- "Time Transgressive Innovation"



This exhibition showcases the artworks of four modern Chinese artists, namely Chang Dai-Chien, Qi Bai-Shi, Xu Bei-Hong and Zao Wou-Ki, and introduces the audience to their creative career as well as some of their most prominent works in the Chinese art history. Through this exhibition, students were able to develop an understanding of how artists had combined western values with Chinese traditions to come up with new ideas and presentation style after the Qing Dynasty, and created a modern path for Chinese arts.

In 2019, 268 exhibitions were held in schools across 22 counties and cities, which received a total of 216,712 visits.

Municipality	Exhibition	Number of exhibitions	Municipality	Exhibition	Number of exhibitions
Keelung City	A Tide of "Song" Fun - the Song Dynasty that is!	8	Yunlin County	Space - A Door to Imagination	6
	Baroque Masters of Light and Shadow	5		Joan Miro's Fantastical Universe	6
Taipei City	Singing Insects	6	Chiayi City	Millet	6
	Space - A Door to Imagination	5		Song Dynasty Cultural Exhibition	5
New Taipei City	Baroque Masters of Light and Shadow	6	Chiayi County	Max Liu - Forever a Child at Heart	5
	NIKI	6		A Visionary Perspective: Beauty in the Micro Embracing Van Gogh, Exploring Life's Palette	4
	A Visionary Perspective: Beauty in the Micro	4	Tainan City	Millet	9
	Singing Insects	4		This is My Hometown: Exploring the External Dialogue Across Generations	6
Taoyuan City	Singing Insects	10	Kaohsiung City	A Visionary Perspective: Beauty in the Micro Embracing Van Gogh, Exploring Life's Palette	8
	The Beauty and Love of Marc Chagall	6		Time Transgressive Innovation	6

Municipality	Exhibition	Number of exhibitions	Municipality	Exhibition	Number of exhibitions
Hsinchu City	The Beauty and Love of Marc Chagall	6	Pingtung County	A Visionary Perspective: Beauty in the Micro Embracing Van Gogh, Exploring Life's Palette	9
	Huang Gongwang-Dwelling in the Fuchun Mountains	5		A Tide of "Song" Fun-the Song Dynasty that is!	5
Hsinchu County	The Beauty and Love of Marc Chagall	11	Yilan County	An Italian Renaissance Sampler	7
	Max Liu - Forever a Child at Heart	7		The Beauty and Love of Marc Chagall	5
Miaoli County	Song Dynasty Cultural Exhibition	8	Hualien County	An Italian Renaissance Sampler	1
	Millet	6		Huang Gongwang - Dwelling in the Fuchun Mountains	3
Taichung City	This is My Hometown: Exploring the External Dialogue Across Generations	7	Taitung County	Millet	4
	A Visionary Perspective: Beauty in the Micro	5		Huang Gongwang - Dwelling in the Fuchun Mountains	6
	An Italian Renaissance Sampler	6	Lienchiang County	It's Our Future, Make the Save!	5
	Singing Insects	7		A Tide of "Song" Fun-the Song Dynasty that is!	1
Nantou County	Joan Miro's Fantastical Universe	9	Kinmen County	A Visionary Perspective: Beauty in the Micro Embracing Van Gogh, Exploring Life's Palette	1
	A Visionary Perspective: Beauty in the Micro Embracing Van Gogh, Exploring Life's Palette	8		Max Liu - Forever a Child at Heart	2
Changhua County	It's Our Future, Make the Save!	6	Penghu County	A Visionary Perspective: Beauty in the Micro Embracing Van Gogh, Exploring Life's Palette	2
	NIKI	5			



## Quanta IIC Awards

### Sharing and commendation of creativity

In an attempt to inspire teachers' creativity and help children develop pro-active learning, creative thinking and verbal skills, Quanta hosts "IIC Awards" and introduces two competitions: "Creative Teaching" and "Distinguished Guide" for artistic inspiration.



## Winners of the 10th Quanta IIC Awards

### Distinguished Guide

The purposes of this competition are to help students develop confidence, communication skills and the ability to share creative ideas, improve students' observation and art appreciation skills, inspire students' curiosity, judgment, problem-solving skills and passion in learning, and enhance students' character and leadership skills in a team environment. This live competition is divided into Elementary Division and Junior High Division, and progresses over three rounds (preliminary, secondary and final) to conclude 6 winning Distinguished Guides.

#### Distinguished Guide winners - Junior High Division

National Keelung Girls' Senior High School  
Kaohsiung City Ming Yang High School  
New Taipei Municipal Qingshan Elementary and Junior High School

Yin-Yin Lin  
Ping-Yen Huang  
Cheng-Yen Yeh



#### Distinguished Guide winners - Elementary Division

Hsinchu County Dong Xing Elementary School  
Tainan City Kaiyuan Elementary School  
Chinese Taipei School (Kuala Lumpur)

Hsin-Yueh Shieh  
Fan-Jou Tsai  
Tzu-Ching Hsu



## Creative Teaching Award

This award is intended to recognize teachers who try to incorporate ideas of the "Immersed in Creativity" program into their respective fields of teaching and adopt fun yet insightful course designs in an attempt to inspire children's learning interest and diverse thinking.

### First prize

Taitung County Sin Sheng Elementary School and Chiayi City Ta-Tung Elementary School (a team from different county and city)

### Award of excellence

Hsinchu County Dong Xing Elementary School  
Jakarta Taipei School



## Administrative Support Award

Quanta "Immersed in Creativity" program not only recognizes teachers' participation, but also the administration team's support for maximizing the teaching yield. For this reason, an "Administrative Support Award" was created to recognize the administration team's efforts on 5 aspects: knowledge transfer, creative strategy, education through games, arts in education, and resource integration.

Taichung Municipal Jen-Mei Elementary School  
President Yung-Hsiung Chang

Taichung Municipal Jen-Mei Elementary School  
Teacher Wan-Ni Hsieh

Nantou County Fukong Primary School  
President Ming-Cheng Chen

## Quanta Explore Reality

"Explore Reality" is a part of the "Immersed in Creativity" program where the participants, having learned about art through replicas, are taken on a journey to see the real piece. They are also expected to engage foreign counterparts in an exchange of opinions as part of the mission. Winners of the 10th Quanta IIC Awards traveled to Austria in August 17~25 for the Explore Reality mission.



## Quanta "Design Learning" Program

### Stimulating hunger for knowledge within students

The purpose of this program is to "redesign education" to incorporate elements such as logical thinking, creative thinking, peer cooperation and action, so that students are able to develop the 4C skills (Critical thinking, Communication, Collaboration and Creativity) over time.

The "Design Learning" program was launched in 2019 in response to the global movement toward AI, and is intended to help students develop a digital mindset on top of their integrated learning for history, culture and arts.

The 2019 school selection and teachers training program comprised two missions: "Digital Mission" and "Exhibition Mission." Theme for the year's mission was "2030 ??," showcasing futuristic technologies and learning methods. A total of 90 teachers and 615 students from 18 junior high/elementary schools in 11 counties and cities were selected.





## Quanta Global Culture Ambassador

10 foreign students studying in Taiwan were chosen as Global Culture Ambassadors in 2019. They were entrusted with the mission of introducing foreign cultures including language, nature, history, geography, lifestyle and dietary habits into junior high schools and elementary schools, and in doing so, they helped expand global vision cultural awareness among Taiwanese students.



## Public Outreach

The foundation actively participates in public affairs through multiple approaches such as "Creative DNA Scholarship," volunteer program, sponsorship and subsidy to arts and creativity, engagement with international organizations and schools, participation in public policy debate and offering of education-related advices. Through these actions, the foundation hopes to rally support from a greater number of organizations and individuals, and convey the beauty of arts and culture as well as their potential contributions to the society.



## Quanta Creative DNA Scholarship

### Wings for children's dreams

Since 2008, Quanta employees have been donating part of their monthly salaries to support underprivileged students with artistic talents, so that their learning is not disrupted by financial distress. The "Quanta Creative DNA Scholarship" jointly introduced by Quanta and Taiwan Fund for Children and Families in 2012 has extended assistance to nearly 600 underprivileged students with artistic talent to date. Junior high school and elementary school students are given NT\$12,000 per year whereas high school students receive NT\$30,000 per year under the scholarship program. Through the use of financial support, we hope to provide children with the means to continue their studies and develop the skills needed to overcome prevailing realities and realize their dreams.

Quanta Creative DNA Scholarship				
Education Level	Creative DNA /persons	TFCF /persons	Number of persons	Grand total
Elementary and junior high school	87	27	114	1,368,000
Senior high school	2	17	19	570,000
Elementary and junior high school	48	22	70	840,000
Senior high school	12	11	23	690,000
Elementary and junior high school	25	23	48	576,000
Senior high school	6	12	18	540,000
Elementary and junior high school	41	20	61	732,000
Senior high school	12	12	24	720,000
Elementary and junior high school	32	20	52	624,000
Senior high school	8	12	20	600,000
Elementary and junior high school	41	10	51	612,000
Senior high school	12	16	28	840,000
Elementary and junior high school	33	19	52	624,000
Senior high school	8	20	28	840,000
Elementary and junior high school	32	15	47	564,000
Senior high school	7	14	21	630,000
Total			676	11,370,000

## Actual scholarship beneficiaries

### Qian/5th grade

Despite lacking the financial support to undertake art studies, Qian still practices relentlessly. This scholarship not only serves as an affirmation to Qian's artistic talents, but also enables her to develop skills further for a dream career in arts.



### Tian/8th grade

Mature at a relatively young age, Tian has been studying whole-heartedly in the field of arts. This scholarship not only provides significant financial relief to Tian's family, but also enables her to acquire better quality tools and sharpen skills further for a promising career.



### Hung/9th grade

Hung, who has been longing to improve art skills to the next level, is able to purchase the tools needed without causing financial burden to the family, or even relieve part of the strain because of the scholarship.



## Collaborative projects of the foundation

Driven by its mission "inspire creativity and explore the world through art," the foundation has been cooperating with art and cultural organizations to support artistic and cultural activities locally and abroad. By integrating and sharing globally accepted, innovative and effective teaching resources with schools in Taiwan, the foundation hopes to bring seeds of art and culture into campus and help children develop aesthetics and global vision that will ultimately contribute to Taiwan's soft power.



Opening ceremony of "Centre Ponpidou - Creative Sand Sculpture & Tadao Ando Workshop"



Opening ceremony of " MOVE with Creatures"



Opening ceremony of "Centre Ponpidou - Circus Workshop"



## Quanta volunteer program

"Aesthetics is a spiritual ascension that everyone should have a chance to enjoy." — Barry Lam, Chairman



2019/07 - Quanta volunteers during IIC Awards



2019/08 - Quanta volunteers giving tour to children of Taiwan Fund for Children and Families



2019/07-08 - Quanta volunteers giving tour to residents from Taipei Happy Mount



"Technology on hand, culture at heart." — Barry Lam, Chairman



2019/10 - Quanta volunteers delivering programming education at Gongpu Elementary School



2019/11 - Quanta volunteers delivering programming education at Ruixiang Elementary School



## Engagement in public affairs

Quanta Culture & Education Foundation has always been devoted to improving the quality of education in Taiwan, and is a long-time participant of education-related topics. Backed by extensive experience working with academic institutions, the foundation is able to provide government agencies and partnered institutions with practical and constructive advices on the topic of education.

Work involved	Organizer	Role
Art Maestro: 2019 Program Encouraging Schools to Hire Local Cultural Workers or Traditional Artisans	Ministry of Education	On-paper review commissioner
2019 President Educational Award – Development Team	Ministry of Education	Commissioner
MOE Art Education Committee	Ministry of Education	Commissioner
Cultural Industry and Technology Innovation Symposium	National Academy for Educational Research	Keynote speaker
Chiayi County Education Development Committee Consensus Conference	Chiayi County Education Development Committee	Commissioner
Sincewell Culture Salon Lecture	Wenzao Ursuline University of Languages Library	Keynote speaker
Consultant of Education Department, New Taipei City Government	Education Department, New Taipei City Government	Consultant



## 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

Having weathered through "foundation building," "growth" and "development" stages, each lasting 3 years, Quanta Arts Foundation is steadily progressing toward maturity. Today, the foundation has established direct channels with counterparts throughout the Mainland and Asia to promote Taiwan's performance arts locally and to the rest of the world. Quanta Arts Foundation supports creative works that involve a combination of technology and arts, and has made noticeable contribution by setting the stage and providing an effective platform for knowledge exchange. In the future, the foundation will play the key role of helping creators explore and adapt to the changing environment and providing the needed solutions. In 2020, we will be working with professionals with established reputation to form a think tank and support group that is constantly coming up with new ideas to promote creations. Through the newly introduced Performance Arts "Golden Creative Award" and international themed visits, the foundation will be providing support to artists' creative energy and exploring channels to match quality creations with potential buyers, so that creativity can be put into the best use.

### Vision

- **Commissioned creations:** This initiative has given rise to 108 new creations to date since 2011. By exercising rigorous control over the quality of "themes, talents and resources," the foundation continues to encourage new ideas in Taiwan's performance arts sector, and actively explores new opportunities and new media channels to help market local performances. Building on top of "Creation Outsourcing," Quanta introduced "Performance Arts Golden Creative Award and Creation Outsourcing Selection Program" in 2019 with complete "rewards," "venture capital" and "performance channels" to support performance arts from funding to the final performance. With the establishment of Performance Arts "Golden Creative Award," we hope to support and promote quality productions and create a new ecosystem where performance arts may thrive.
- **Cross-strait exchange:** In 2012, the foundation established its Beijing Office to help create performance opportunities for Taiwanese and Mainland troupes. "Avant-garde Theater Festival of Taiwan and China" was one of the events organized to promote original creations from Taiwan, which opened up entry for many quality productions into Southeast Asia in 2018 and the Mainland in 2019.
- **Technology in arts:** The foundation has been actively exploring and promoting creative integration of technology and performance arts since 2010. For more than 10 years, this effort has helped bring several dozens of creation to life, including "Huang Yi & Kuka," "Emptied Memories" and "Solo Date." In 2019, Quanta Arts Foundation cooperated with Divertimento Media to bring Taiwan-produced theatrical performance - "Code: Cytus 2.0" to "LIFT Festival" in Malaysia. In addition to bringing technology into arts, the foundation also accomplished its goal of exchanging art knowledge with international counterparts.
- **Talent training:** The foundation has been actively exerting influence over "Yisi Shu Academy" and sharing platforms since 2017, and for three consecutive years, the foundation has been hosting theater technician training courses to expand the nation's back-stage staff base. Starting from 2019, the foundation has been organizing culture and art tours to China and Korea either in its own capacity or through an external party. This program will be expanded in the future to facilitate culture and art exchange with greater number of countries.

## Core objectives

### Encourage new works

#### Quanta Performing Arts "Golden Creative Award"

Ever since the launch of "Commissioned Creation" program since 2011, Quanta Arts Foundation has supported 108 performance art creations of various genre to date. Building on top of "Creation Outsourcing," Quanta has expanded beyond its existing boundaries and introduced a new "Performance Arts Golden Creative Award and Creation Outsourcing Selection Program" in 2019 with complete "rewards," "venture capital" and "performance channels" to support performance arts from funding to the final performance. With the establishment of Performance Arts "Golden Creative Award," we hope to support and promote quality productions and create a new ecosystem where performance arts may thrive. The 2019 winning teams will be delivering their first performance in 2020, and the main focus for the year will be "The Last Dinner" by Voleur du Feu Theatre.

#### Winning teams of 2019

<b>Gold</b>	"Debug" by 3Aqua Production Co., Ltd.
<b>Silver</b>	"The Last Dinner" by Voleur du Feu Theatre
<b>Bronze</b>	"Birthday Party Crasher" by Sasha Limen Huang X May Mei
<b>Honorable Mention</b>	"S huang-Wen Lin the Disobedient Taiwanese" by Fevervine Dance Theatre
<b>Honorable Mention</b>	"My Preoccupied Bif Sister" by TOTAL Musical Theatre

Application for the 2nd Quanta Performance Arts "Golden Creative Award" was accepted from January 31 to March 13 in 2020.

#### Performances held at Quanta Hall in 2019

- Spring Flash Art Festival:
  - 1/24 "Yiingjia Xue Piano Recital"
  - 3/19 "Xiang Xue - A Night of Classics"
  - 3/27 "Roommates " by Yang's Ensemble
  - 4/11 "Lantern 600" by Ming Hwa Yuan Arts & Cultural Group
  - 4/23 "A Connected World Part 2" by LongTan Philharmonic Orchestra
  - 4/25 "Bossa Zoo" by Bossa Baby
- Musical Faver:
  - 6/13 Quanta Theatre Production No. 4 - "A Time to Remember" (modern musical)
  - 10/24 "A Tale of Courtesans" (costume musical) by Open Theater Group
- The Black Box International Festival:
  - 11/14 "Oleanna" by Kwok Wai Lee X Dirks Theatre
  - 11/21 "Archaeology Bird" by Faye Leong X The Hong Kong Academy For Performing Arts
  - 11/28 "How to present the love life of Hong Kong People to Aliens in the time of Pandemic" (multimedia solo performance) by Pat To Yan X Reframe Theatre
- Year-end Stress Relief:
  - 12/12 - "One More Dream" by Punctum Drama
  - 12/19 - "X'mas JAZZ Concert" by Q Player
  - 12/26 - "Funning Man" by Enjoy Entertainment

#### Quanta Theatre Production tour plan

Quanta Theatre Production No. 4 - "A Time to Remember" was a modern musical produced by Quanta Arts Foundation in 2018 under the invitation of New Taipei City Cultural Affairs Department. The show made a strong comeback in 2019 and toured through Yunlin, Taoyuan, Hualien and Taitung, calling audience of the four cities to appreciate Teresa Teng's timeless classic and relive their dreams once more.

## 2019 C Musical

2019 C Musical was lead-organized by "Punctum Drama," a musical production group based in Taiwan, and supported by Quanta Arts Foundation. Starting from October 2019, C Musical ran for a period of 5 weeks, during which 5 original musical productions and 5 activities were introduced to the audience. It is currently the most ideal platform of organizing tours for small and medium-size musicals and related activities.

## 2019 [Cross-strait Young Playwright and Original Script Creation Platform]

Quanta Arts Foundation is a participant of "Cross-strait Young Playwright and Original Script Creation Platform," a venture capital platform founded by Monkey Cloud Co., Ltd. and Jalent (Beijing) Culture Communication Co., Ltd. in 2017 that aims to discover young talents and publish original scripts from Taiwan and the Mainland. After going through a 3-stage selection process, "Farewell at 30" by Mu-Tien Wang and "The Cream Robbers" by Hung-Wei Hsu caught the attention of interested producers and were awarded a NT\$300,000 contract to be produced into theatrical play and TV show, thereby fulfilling the dreams of the two winners to become playwrights.

## 2019 [Asia Connection]

Quanta Arts Foundation has long been supporting performance arts and strengthening connection with cultural and artistic counterparts throughout the world. In 2019, it leveraged the long-established global network of "National Theater & Concert Hall" to introduce a 3-year program called [Asia Connection]. Through Asia Connection, the foundation hopes to engage Asian counterparts in art creation and provide a unified gateway that the European art and culture industry may use to search for creative partners in Asia. The program carries the motto - "We Art Together" and is intended to open up new possibilities in performance arts.

## Cross-strait exchange

### Setting up the stage: A promotion platform of performance arts in Chinese-speaking regions

Quanta Arts Foundation has been running a "Chinese-speaking Region Performance Arts Promotion Platform" since 2015 to support exchange of performance arts, expand global vision and explore market opportunities in Chinese-speaking regions. The platform operates to achieve three main goals: "promotion," "deal matching" and "talent training," a series of programs including "Mainland Performance Arts Trade Show - Taiwan Session," "Script Reading," "Artist Creation" and "Marketing and Producer Talent Internship" have been organized to bridge exchange of performance arts within Chinese-speaking regions. Overall, it serves as an ideal promotion platform for performance art creators in Taiwan.

## Technology in arts

### Putrajaya LIFT Festival, Malaysia

Quanta Arts Foundation prides itself for serving as a performance arts platform in the Chinese-speaking world. In 2019, a new platform called "Quanta Boutique" was created to facilitate international exchange of performance arts and to promote quality productions to the rest of the world. During the year, the foundation received invitation from Malaysian exhibition organizer Joe Sidek to showcase Science Arts' commissioned production - "Code: Cytus 2.0" by Divertimento Media to the Putrajaya LIFT Festival in Malaysia on December 28 and 29, 2019. Through this festival, the foundation was able to showcase Taiwan's immense creativity and prominent accomplishment in performance arts to the world.

## Talent development

Yisi Shu Academy is a program dedicated to training theatrical talents through course offerings and proprietary as well as outsourced art/culture/creativity exchange. In addition to arranging theater technician training courses for the development of backstage talents and hosting cross-strait exchange with the Mainland, the Yisi Shu Academy cooperated with Korea's Daegu International Musical Festival (DIMF) for the first time in 2019 to arrange visits by performance art industry participants from Taiwan to various lectures, musical performances and backstage tours in Korea.

- Commissioned course for Shanghai Culture Square - 2019 Art Management Talent Training
- Commissioned course for Daolue Performing Arts Institute - Taiwan Performing Arts Branding and Creativity Workshop
- Joint project with Daegu International Musical Festival - Daegu International Musical Festival Group Tour
- Yisi Shu Academy Technical Talent Training Course
- Commissioned course for Quanzhou Grand Theatre - Cross-strait Theater Management Talent Training
- Commissioned course for Shu-Te University Department of Arts Management - "International Art Tour" to Singapore and Malaysia



## 2019 events

### Quanta Performing Arts "Golden Creative Award"



Award ceremony for the 1st (2019) Golden Creative Award



Rehearsal for the 1st (2019) Golden Creative Award

### Quanta Theatre Production



Rerun of musical featuring Teresa Teng's classic - A Time to Remember in 2019  
(creation of the show was commissioned by New Taipei City Cultural Affairs Department in 2018)

## Cross-strait culture exchange



Beijing Daolue Performing Arts Exposition



China Shanghai International Arts Festival



Wuzhen Theatre Festival



Guangzhou Performing Arts Trade

## Talent development



3rd "Theater Technology and Management Training"



1st Daegu International Musical Festival Group Tour



International Art Tour to Singapore and Malaysia



# Ognization

董事長

林百里

董事

王孟超、朱宗慶、林懷民、林谷芳、吳興國、劉炬渭

歷屆董事

胡乃元、賴聲川 (依姓氏筆畫排列)

顧問

于國華、王文儀、李惠美、李哲藝、林家文、黃韻瑾、劉培能 (依姓氏筆畫排列)



總管理部

執行長  
執行長特助兼行政總監

楊忠衡  
羅夏天



企劃部

主任  
專員

歐立傑  
陳芸榛、牛俊傑



節目部

總監  
經理  
主任  
前台組長  
專員

廖思琦  
蔡明聰、陳鈺芬  
林宏修、鄭微馨  
鄭恬玟  
李佳琦



人才  
發展部

經理  
北京辦公室 經理

李珮齊  
宋玲



媒體部

經理  
主編  
網路主編  
主任  
專員

盧屏彤  
曾琬婷  
許家銘  
范盛源  
詹揚筑



# Charity Club

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

**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.

## Structure and summary description of the 2019 development plan

List of community development projects		Challenges eliminated or adjustments made
Environmental care	Arbor Day program - "Hope of Green" Yushan environmental protection event (2 sessions)	Unable to support all activities and projects due to limited budget. Solution: source additional sponsors and request for budget support from the Company
Respect for elders	Service at Yushan Elders' Home Service at Xinyi Community	
Gratitude	Mother's Day event	
Special education	Service at special education schools in Changshu Service at children's homes in Changshu	

## 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)

### "Winter Warmth" garment donation event

Kindness has driven the winter chill away! This year's garment donation event received overwhelming support from Quanta employees! 800 pieces of clothing in total were collected from employees throughout this event, and distributed to those in need. Through this event, we hoped to expand our act of kindness to cover more people and inspire more donors to care for the society.



### "Laba Festival at Quanta"

Laba is an important day for it signifies the arrival of Chinese New Year! On this harvest festival, we gathered in joy, treated ourselves a serving of traditional Laba porridge and gave out spring festival couplets as a blessing to our employees. The festival was filled with shows, fun games and lottery draws that kept participants entertained throughout the day. It had been one of the most joyful and memorable Laba Festival experience for everyone.



### Tree plantation event - "Spring Seeding"

At Quanta, we make active contributions to the environment and are constantly bringing green elements into our home!





## "Duanwu Celebration"

This year's Duanwu Festival had kept employees excited over the long weekend. The festival event progressed in the form of an open concert featuring performance from bands, ventriloquist and dancers. A number of festive activities such as egg painting, dumpling making, scent pouch making, games and traditional well-wishing were also organized to give employees a very different Duanwu experience.



## Donation to Hubei Changyang County Zhizheping Elementary School

Beneficiaries of the donation this time round are the optimistic and grateful children of Hubei Zhizheping Elementary School. In light of the school's outdated facilities, shortage of stationery supply and simple utilities, campaign ambassador Ms Wen donated on behalf of the Company some basic supplies such as double decker beds, office desks, chairs, clarinets, stationery and sports equipment to the benefit of children and teachers.





## "Blood Donation"

Quanta employees continued to care for the society through blood donation in 2019. A total of 1204 donors had committed to the life-saving act of donating their own blood for the benefit of others. In addition, the activity also promoted people's awareness and knowledge on blood donation. The Company has been named top blood donor by Shanghai City and Songjiang District authorities on multiple occasions, whereas blood supply at Quanta Hospital is also strongly supported by Shanghai City and Songjiang District authorities.



## "Safe Cosmetics" awareness promotion

At the request of Shanghai Municipal Administration of Industry and Commerce Songjiang Branch, Quanta organized a campaign called "Safe Cosmetics" to promote employees' awareness toward skincare and rational spending. The campaign took several approaches including scientific knowledge seminar, on-site consultation, cosmetic concessions and performances to interact with employees and convey knowledge on skincare and rational spending.



## Visit to elders' home

Members of the volunteer club gathered at Xiao Kunshan Elders' Home and joined residents in a birthday celebration for those who were born in December. Besides birthday cake, the elders also indulged themselves in massage, manicure service and fun shows. The volunteers and the care, gifts and laughter they brought with them had kept the elders entertained throughout the day, and lifted everyone's spirit at the elders' home. The superintendent and the residents were very glad and comforted by the volunteers' presence.



## "Safe and Legal Drug Use" awareness promotion

The event was organized to provide the public with a better understanding of safety in drug use, and how drugs should be used to treat the right illness. Information on legitimate sources of licensed drugs was also conveyed during the event to ensure safety in drug use.





## External commendation and affirmation

### Social awards won by QSMC in 2019



Shanghai May the 4th Youth Medal  
Certificate  
Commendation



Charity organization - "Love without Borders"  
in Songjiang District  
Certificate



Reading competition - "Extreme Challenge"  
in the Economic Development Zone  
Winner



"Workers Table Tennis Tournament"  
in the Economic Development Zone  
Male single champion/Female single champion  
Female single runner-up/Mixed runner-up  
Certificate for mixed 2nd runner-up



Won title for  
"Songjiang District March 8 Red Flag Bearer"  
For outstanding women  
Certificate  
Trophy



Donation to Hubei Changyang County  
Zhizheping Elementary School  
Silk flag



"Swimming Category" during the  
6th Songjiang District Sports Competition  
Grade 3 Award/Grade 5 Award  
Grade 6 Award/Grade 7 Award  
Certificate



"Top-10 Model Recreational Sites  
for Songjiang Residents"  
Commendation

## Activity Snapshots(CSMC)

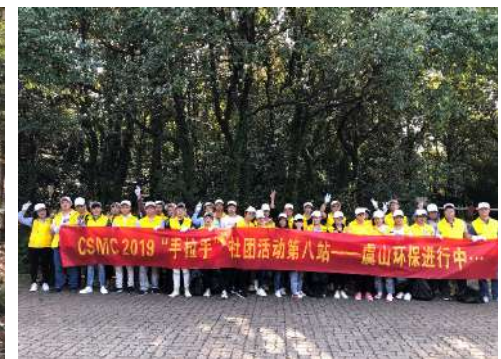
### Arbor Day program - "Hope of Green"

Employees were mobilized to plant trees as a means to create green space and contribute to the beauty of our environment. The event received participation from 53 people and a total of 10 plum trees were planted that day.



### Environmental protection at Yushan (2 sessions)

Spring, a season of blossoming flowers and gentle breeze, makes a perfect time for outdoor activities. It was sunny the day the event took place, and we gathered in excitement at the dormitory area before departing for Yushan, Changshu. Upon arrival, we were each handed a set of tools, and those who received their tools began walking down the mountain path, searching for trash and picking them up with trash tongs along the way. Trash picking is a physically demanding work, but everyone did their best to pick the place clean and returned with their bags fully filled. Through this activity, employees were able to appreciate the difficulty and hard work involved in keeping the environment clean, and have become more convincing at influencing others to care for the environment. This day, we all contributed our effort to making our lives better!





## "Mother's Day" event

Mothers were invited bring their children to the Mother's Day event. As the event commenced, the mothers engaged their children in a number of interactive games, and joined them in making bouquets and appreciation cards that show gratitude to the mother. This event not only strengthened parental bond for those who participated, but also served as reminder for others to show appreciation and gratitude for parents' love. On this special day, we wished all mothers a happy Mother's Day. Even a gesture as simple as one stalk of carnation or a "thank you" would bring smile to mother's face, so join us and show our appreciation for all mothers in the world!



## Care to elders (2 sessions)

**(Service at Yushan Elders' Home)** On the day of the event, we gathered at the dormitory area and departed for the day's service at Dayi Elders' Home in Changfu. We entered the elders' home feeling nervous yet joyful. Throughout the day, employees kept the elders company in conversation, massage and manicure service as well as exciting shows. Milk and bread were served between shows, a simple act of kindness that would go a long way of keeping the elders satisfied and warm. This event has been especially meaningful in the way that it gives each employee a chance to experience what it is like to care for and contribute to the society, and become better persons because of it. More importantly, the joy, care and warmth that employees bring to the elders' home is proof that even a small gesture of kindness would make someone's day.



**(Service at Xinyi Community)** On the day of the event, members of the volunteer club gathered at the dormitory area and took a bus to Xinyi Community in Changshu to commence their service for the day. Upon arriving Xinyi Community, the workers showed us around and the elders were particularly glad of our visit. One by one, the volunteers engaged elders in deep conversation to learn their conditions, and reminded them to take good care of their health. Through this visit, we not only showed our care for lone elders but also exerted influence through action to rally more attention to them, for they are truly in need of material and spiritual support.



**Care for children with special needs in Changshu (Care for children with autism)**

“Children's Day” had arrived once again, and while many parents pondered how to make the day memorable for their children, Manager Shengli Li led members of the volunteer club on a mission to care for children with special needs, and brought them gifts as token of inspiration. We arranged a special dance performance for the children, and seeing smile on their faces had been our greatest reward for the day. Time flew by and our joyful acquaintance with the children came to an end. On this Children's Day, we not only gave children a joyful time and built their confidence for the future ahead, but also made them aware of the support they have from teachers and the society. Our influences may be insignificant as individuals, but we still hope to rally support from a greater number of employees to care for these children with special needs, and become the light that brightens their darkest moments in life!





## Service at children's homes in Changshu

On the day of the event, members of the volunteer club gathered at the dormitory area and took a bus to Changshu Children's Home to commence their service for the day. Upon arriving the children's home, the workers gave us a tour and we met the children, played and talked with them, and found them to be extremely likable. These children did not despair because of their challenges, but instead accepted to live with their condition and embrace life with courage and smile, for it is their belief that brave people will always find light and warmth. There is satisfaction in giving, and helping them enabled us to grow. Through these actions, we hope to rally more people to our cause and plant seeds of hope within each child that may someday become the driving force for their growth.



## QCMC Charity Club

### Structure and summary description of the 2019 development plan

List of community activities		Challenges eliminated or adjustments made
Care for employees	Care for dormitory residents by Volunteer Club: The initiative brought attention to employees living in dormitories	Despite budget limitations, game tools were used repeatedly to bring unlimited joy to employees
Environmental care	Arbor Day event - "The Path of Green" by Volunteer Club: The event helped create green space within the Company	
Gratitude	Mother's Day event - "Mamamia" and Father's Day event - "My Dad the Hero" by Volunteer Club to promote parental relations.	
Special education	Care for children with special needs by Volunteer Club on International Children's Day	
Contribution	Contribution to the society through blood donation organized by the Volunteer Club; Garment donation by the Volunteer Club - brings warmth to people living in remote areas.	
Respect for elders	Visit to elders' home and care for elders by the Volunteer Club	

## Activity Snapshots(QCMC)

### Care for dormitory residents 2019 by Volunteer Club of QCMC

On the coldest day of the year, the volunteer club paid a warm visit to workers at the dormitory. As morning broke, members of the volunteer club gathered early outside QCMC's dormitory area to serve ginger tea to workers traveling to and back from work, hoping to lift workers' spirit amidst the chill and drizzle. Later on that day, the volunteers and mascots went into the dormitory to greet workers, listen to their stories and share experiences working at Quanta. The volunteers' visit had been a pleasant surprise to dormitory residents; they were comforted by the brief interaction they had with the volunteers, and their spirits were lifted by the small yet practical gifts they received. Although we came from different homes and backgrounds, this was the moment when we treated each other as family. The employees felt the care that the volunteers and the Company had for them, and the volunteers were equally satisfied with their contribution that day. This was the kind of work relationship that enabled us to achieve excellence in 2019.



### Arbor Day event 2019 - "The Path of Green" by Volunteer Club of QCMC 2019

Spring had returned, and along with it new life, colors and hope. It was during this magical season when nature flourished that we celebrated our annual Arbor Day. With everyone's support, we planted 24 seedlings of white sandalwood in total that day. We look forward to seeing the seedlings grow in spring and may someday provide us with shelter in summer, decorate our garden in autumn and bring us comfort in winter. On this Arbor Day, we made our small contribution to the environment and welcomed the seedlings into the Quanta family.

Over time, these trees will grow and bear witness to Quanta's environmental protection commitment for decades to come!





## Mother's Day event 2019 - "Mamamia" by Volunteer Club of QCMC

Mothers spend their whole lives looking over children; they are the light that guides us forward. On this Mother's Day, the volunteer club prepared an exquisite banquet along with a broad variety of treats to pamper all mothers at Quanta.

Activities including free eyebrow grooming, free manicure, interactive games and drawing were organized throughout the day, giving children and their mothers a wonderful time together.

Lastly, the event ended with a touching sight of children presenting hand-made flower crowns to their mothers and saying "mommy I love you." The volunteer club, too, gave all mothers one stalk of carnation as a gesture of their most sincere blessing.

Let us turn to our mothers and express our love for them on this special day.



## Father's Day event 2019 - "My Dad the Hero" by QCMC

On this Father's Day, we saw the many different sides of fathers at Quanta as they engaged children in a variety of activities. Some wore high heels and stumbled with shopping bags in their hand just to make children laugh, a few of them braided hair for their daughters, while others worked with children to complete challenges. They walked through maze, ducked through doors, threw balls and rolled tires just to prove themselves capable.

Father's love is like sunshine, shining through even on the cloudiest day. They may not be wealthy, tall, strong or open about their feelings, but they give whatever they have and however they could for life. To all fathers who stand tall and offer guidance for their children, we would like to wish them a happy Father's Day.





## International Children's Day 2019 by Volunteer Club of QCMC

June 1 is the day for all children of the world. Early in the morning, volunteers of QCMC packed their toys, snacks, gifts and bicycles and set off to Leyi Special Kindergarten in Geyue Mountain. Their mission was to join children in the celebration of this special day and send them their greatest blessing. At first, the children were simply curious to check out their new visitors, and it did not take long for them to welcome the visitors with open arms and join them in fun and laughter. With every smile, every hug and every visit, the volunteers gave children something to look forward to, a figure to look up to and someone to rely on.

It is said that the greatest act of kindness is one that has no boundaries and asks no returns. At Quanta, we always encourage employees to provide service and make contributions to the society in addition to fulfilling their work duties, and through this event, we hoped to bring comfort to children studying and living in special schools and show them the attention the society has for them. It is also our intention to not only strengthen the sense of social responsibility of our volunteers, but to enforce them in action and direct the public's attention to this special group of children, while learning to care for and appreciate the people around us. In the future, we will continue caring for the underprivileged and contribute toward building a harmonic society.



## Blood donation 2019 by Volunteer Club of QCMC 2019

Blood is essential to supporting life, and healthy blood has the potential to save lives. A drop of spare blood may work wonders in another person, just like how a kind smile could dissolve the tension between people.

In response to the call of Chongqing Blood Center, the volunteers participated in the rescue efforts and donated blood to save lives. This blood donation event had been jointly arranged by QCMC's volunteer club and Chongqing Blood Center.

On the day of the event, employees from various departments and offices swarmed to the blood center and queued up to give blood despite the light rain. From registration, check-up, testing, waiting, blood-taking to recuperation, the donors coordinated with the medical staff and volunteers in an orderly manner. The event saw many first-time donors among regulars, all of whom had gathered for a good cause.

The donation yielded 13360ml of blood from 45 donors in total. Together, they represent the passion of Quanta employees, their positive energy and devotion to spreading message of hope.

We believe that kindness is abundant in this world, and all it takes is a small spark to light them.





## Garment donation 2019 by QCMC

The following items were gathered through this event:

Project	Upper body garment	Trousers	Others
Quantity	70 pieces	68 pieces	3 scarves, 1 pair of gloves and 1 hat

People in the mountains could barely make a living with average income of less than one thousand a year. The children could not afford school, the elders could not afford healthcare, and people had to wear worn clothes day in and day out.

Although we do not have extra savings to spare or the means to donate an entire elementary school, we could donate old clothes to those in need and put them into good use.

All clothes gathered through this donation will be donated to Jianbanu Village in Danga Town, Saga County, Zhikatsé City, Tibet. This garment donation demonstrates the kind character and selflessness of Quanta employees, and we believe that these clothes will bring warmth and hope to the new owners. Charity participation has emerged to become a dominant trend in the society today. As Quanta employees, we support the Company's social responsibilities to care for underprivileged children living in mountain areas. Although we could not provide them with full material satisfaction, we do our best to comfort them on a spiritual level.

We deeply appreciate the contribution that Quanta employees have made in this regard, and hope for everyone to carry on Quanta's charitable spirit in the future!





## Respect for elders has been a timeless virtue of the Chinese people.

This time round, members of the charity club and volunteer club visited Bishan Town Elders' Home, where they engaged elderly residents in conversation, massage service and shows, and developed closer understanding and bonds. The volunteers even organized a heartfelt birthday celebration for an elderly man who was turning 80. Despite their age, these old people still possess a young heart and long for quality life. They enjoy their time with us and the joyful moments we shared. Our energy inspires them, and our faces remind them of their youth.

"Respect all elders as you would for your family" has been the motivation for the volunteers, and it is our belief that a simple gesture of care would go a long way of bringing them comfort. The charity club would like to wish all elders a healthy, joyful and purposeful life ahead.



## External commendation and affirmation

QCMC received invitation from Chongqing Blood Center to participate in the "Blood Donation Appreciation Gathering" held on October 22, during which it was awarded trophy and commendation by Chongqing Blood Center.





# Appendix

GRI-Standard Table	111
Independent Assurance Statement	114
Quanta CSR communication Questionnaire	116



# GRI-Stantard Table

GRI Index	Relevant chapters and Description	Page	External Assurance
<b>GRI 102:General Standard Disclosures</b>			
102-1 Name of the organization	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-2 Activities, brands, products, and services	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-3 Location of headquarters	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-4 Location of operations	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-5 Ownership and legal form	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-6 The markets served	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-7 The scale of the organization	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-8 Information on employees and other workers	Employee Overview : Employee Structure	34	●
102-9 Supply chain	Green Supply Chain Management:General Background of the Supply Chain	70	●
102-10 Significant changes to the organization and its supply chain	Profile of Quanta Computer:Company Introduction & Business Profile	24	●
102-11 Precautionary Principle or approach	Occupational Health & Safety Management Green Supply Chain Management	50 70	●
102-12 External initiatives	Quanta CSR commitment	15	●
102-13 Membership of associations	Quanta CSR commitment	15	●
<b>Strategy</b>			
102-14 A statement from the most senior decisionmaker of the organization	Message from Chairman & Vice Chairman	11	●
<b>Ethic and Integrity</b>			
102-16 Values, principles, standards, and norms of behavior	Corporate governance and ethics : Business Ethics	28	●
<b>Governance</b>			
102-18 Governance structure	Quanta CSR commitment : CSR committee's structure : Identify of Quanta related economic, environmental and social issues Corporate governance and ethics : Corporate governance organizational structure	17 28	●

GRI Index	Relevant chapters and Description	Page	External Assurance
<b>Stakeholders engagement</b>			
102-40 List of stakeholder groups	Stakeholders Identification \ Communication and Responsibility: Stakeholders Identification and Communication	18	●
102-41 Collective bargaining agreements	Employee Overview	34	●
102-42 Identifying and selecting stakeholders	Stakeholders Identification \ Communication and Responsibility: Stakeholders Identification and Communication	18	●
102-43 Approach to stakeholder engagement	Stakeholders Identification \ Communication and Responsibility: List of Stakeholders	18	●
102-44 Key topics and concerns raised	Stakeholders Identification \ Communication and Responsibility: List of Stakeholders	18	●
<b>Reporting practice</b>			
102-45 Entities included in the consolidated financial statements	About the report	4	●
102-46 Defining report content and topic Boundaries	About the report Stakeholders Identification \ Communication and Responsibility: List of Stakeholders	4 18	●
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	20 21	●
102-48 Restatements of information	About the report:Boundary and Scope of the Report	4	●
102-49 Changes in reporting	About the report	4	●
102-50 Reporting period	About the report	4	●
102-51 Date of most recent report	About the report	4	●
102-52 Reporting cycle	About the report	4	●
102-53 Contact point for questions regarding the report	About the report	4	●
102-54 Claims of reporting in accordance with the GRI Standards	About the report	4	●
102-55 GRI content index	About the report	4	●
102-56 External assurance	About the report	4	●
<b>GRI 103:Management Approach</b>			
103-1 Explanation of the material topic and its Boundary	Stakeholders Identification \ Communication and Responsibility: Major Aspects on Specific Standards of Disclosure	21	●



GRI Index	Relevant chapters and Description	Page	External Assurance
103-2 The management approach and its components	Corporate Governance and Ethics	28	●
	Employee overview	34	
	Employee Relationship	37	
	Talent Development	44	
	Occupational Health & Safety Management	50	
	Effluents and Waste	55	
	GHG management	63	
103-3 Evaluation of the management approach	Corporate Governance and Ethics	28	●
	Employee overview	34	
	Employee Relationship	37	
	Talent Development	44	
	Occupational Health & Safety Management	50	
	Effluents and Waste	55	
	GHG management	63	
Green Supply Chain Management	70		
<b>Economic</b>			
201 Economic Performance	Profile of Quanta Computer	24	●
202 Market Presence	Employee Overview: Ratio of Base Wage between Male and Female Employees	35	●
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	35	●
205 Anti-Corruption	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.	31	●
205-2 Communication and training about anticorruption 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.	31	●
<b>Environmental</b>			
302 Energy	GHG Management	63	●
303 Water And Effluents	Effluents and Waste :Water Resource Management	55	●
303-1 Interactions with water as a shared resource	Effluents and Waste :Water Resource Management	55	●
305 Emissions	GHG Management	63	●
305-1 Direct (Scope 1) GHG emissions	GHG Management	63	●

GRI Index	Relevant chapters and Description	Page	External Assurance
305-2 Energy indirect (Scope 2) GHG emissions	GHG Management	63	●
305-4 GHG emissions intensity	GHG Management	63	●
306 Effluents and Waste	Effluents and Waste	55	●
306-1 Water discharge by quality and destination	Effluents and Waste: Effluent Management	56	●
306-2 Waste by type and disposal method	Effluents and Waste: Industrial Waste management	59	●
307 Environmental Compliance	Corporate governance and ethics : Compliance with company regulations	32	●
307-1 Non-compliance with environmental laws and regulations	Corporate governance and ethics : Compliance with company regulations	32	●
308 Supplier Environment Assessment	Green Supply Chain Management	70	●
308-1 New suppliers that were screened using environmental criteria	Green Supply Chain Management: Supplier Management Criterion	70	●
<b>Social</b>			
401 Employment	Employee Relationship	37	●
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Relationship: Full-time employees benefits	39	●
401-3 Parental leave	Employee Relationship: Reinstatement rate of parental leave	40	●
402-1 Labor/Management Relations	Employee Relationship If the Company terminates employment, the Company will notify employees in advance abide by the law.	37	●
403 Occupational Health and Safety	Occupational Health & Safety Management	50	●
403-1 Occupational health and safety management system	Occupational Health & Safety Management	50	●
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health & Safety Management	54	●
404 Training and Education	Talent Development	44	●
404-1 Average hours of training per year per employee	Talent Development	44	●
405 Diversity and Equal Opportunity	Employee overview :Employee diversity and equal opportunities	34	●
405-1 Diversity of governance bodies and employees	Employee overview :Employee Structure Employee overview :Age categorization and analysis	34 35	●

## GRI-Stantard Table

GRI Index	Relevant chapters and Description	Page	External Assurance
405-2 Ratio of basic salary and remuneration of women to men	Employee overview : Ratio of Base Wage between Male and Female Employees	35	●
406 Non-Discrimination	Employee Relationship: Non-discrimination	42	●
406-1 Incidents of discrimination and corrective actions taken	Employee Relationship: Non-discrimination	42	●
408 Child Labor	Employee overview :No Child Labor and Protection of Young Workers	36	●
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	36 70	●
409 Forced or Compulsory Labor	Employee Relationship:Unforced labor measures	41	●
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Relationship:Unforced labor measures	41	●
412 Human Rights Assessment	Talent Development	44	●
412-2 Human Rights Assessment	Talent Development	44	●
413 local communities	Social Participation	78	●
413-1 Operations with local community engagement, impact assessments,and development programs	Social Participation	78	●
414 Supplier Social Assessment	Green Supply Chain: Supplier Management Criterion	70	●
414-1 New suppliers that were screened using social criteria	Green Supply Chain: Supplier Management Criterion	70	●
416 Customer Health and Safety	Green Quality Management	75	●
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Corporate governance and ethics : Compliance with company regulations Green Quality Management	32 75	●
418 Customer Privacy	Corporate governance and ethics : Compliance with company regulations	32	●
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate governance and ethics : Compliance with company regulations	32	●
419 Socioeconomic Compliance	Corporate governance and ethics : Compliance with company regulations	32	●
419-1 Non-compliance with laws and regulations in the social and economic area	Corporate governance and ethics : Compliance with company regulations	32	●

# Independent Assurance Statement

## 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 2019 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 2019 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 1 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in 2019 Quanta Corporate Sustainability Report for the 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2019;
- 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)<sup>1</sup>
  - 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.

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

## 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;
4. Visits to 1 site located in Taiwan (Taoyuan City), remote visit to 3 sites located in China (Shanghai City, Jiangsu-Changshu City, Chongqing 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 2019 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 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2019;
- 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.



# Independent Assurance Statement

## 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:

- Gather more diverse opinions during the Stakeholder Engagement process to avoid over-focusing on specific groups such as suppliers. (INCLUSIVITY)

## 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 2019 full year revenues reached 5.1 billion euros. The Group's adjusted net profit for 2019 reached 832 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.

26<sup>th</sup> May, 2020



**AA1000**  
Licensed Assurance Provider  
000-76





# Quanta CSR communication Questionnaire

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

Your Organization/Company Name: \_\_\_\_\_

Your Department: \_\_\_\_\_

Please let us know what would interest you most in Quanta CSR annual report.

### Governance

Degree of concern  
(5-Very High/4-High/3-Average/2-Low/1-Very Low)

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

### Economic

	5	4	3	2	1
Economic Performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market Presence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Indirect Economic Impacts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Procurement Practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anti-corruption	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anti-competitive Behavior	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Degree of concern  
(5-Very High/4-High/3-Average/2-Low/1-Very Low)

### Environmental

	5	4	3	2	1
Materials	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Biodiversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Emissions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effluents and Waste	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental Compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supplier Environmental Assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Social

	5	4	3	2	1
Employment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Labor/Management Relations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Occupational Health and Safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training and Education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diversity and Equal Opportunity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-discrimination	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Freedom of Association and Collective Bargaining	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Child Labor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Forced or Compulsory Labor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Security Practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rights of Indigenous Peoples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Human Rights Assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local Communities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supplier Social Assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public Policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer Health and Safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing and Labeling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer Privacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Socioeconomic Compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

Thanks for your feedbacks, other opinions or suggestions :



Thank you!