

Vision - Passion - Action 2010 Quanta Corporate Social Responsibility Annual Report



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About the Report

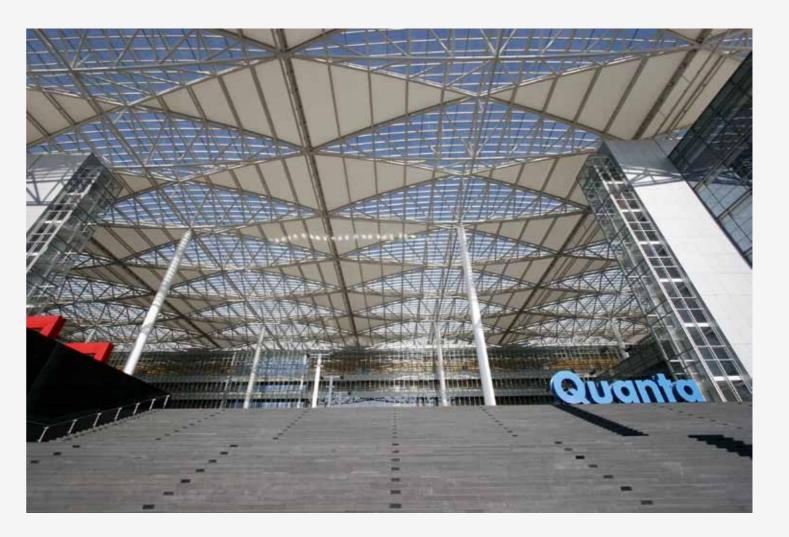
It has been almost a year since the Quanta Computer's announcement of its first "2009 Corporate Social Responsibility Report". For the past year, there were a lot of changes within the electronic industry, for instance: the industry placed more emphasis on issues such as heavy metal pollution, water-saving, energy-saving and carbon reduction. Due to the occurrences of some extreme incidents, the electronic industry is paying more attention to employees' body and mind health, where numerous enterprises even made more beneficial attempts and changes.

As a Full Member of the EICC (www.eicc.info), Quanta Computer continues to reinforce and improve its corporate social responsibility management, where it also actively participated in EICC's events while developing various forms of training of the related content, and further attempted to develop supplier social responsibility management, so as to convey the social responsibility awareness to the downstream suppliers.

As always, a significant amount of attention and expectation is placed on Quanta Computer from the investors, customers, fellow workers, suppliers, local communities and local government. The announcement of the 2009 annual report further attained positive feedbacks from customers and other interested parties. Quanta Computer also persists on the principle of openness and transparency, and continues to communicate the company's corporate social responsibility strategy, action plans, execution progress and management performance through different forms and channels, hoping to offer a clearer, all-encompassing and convenient channel for obtaining information for those who placed attention on Quanta.

Based on this foundation together with the valuable experience from the previous report, and with the attention and support from senior supervisors, we will be organizing the 2010 Corporate Social Responsibility Report via the endeavors of many divisions and personnel in the company. This report includes information on numerous companies, including Quanta Taiwan (QRDC: Quanta Research & Development Center), Quanta Shanghai Manufacturing City (QSMC), and Quanta Changshu Manufacturing City (CSMC), with the timeframe of the major content crossing from January 1st of 2010 to December 31st of 2010, which still contains some mid and long term projects.

The framework of the report is based on the third version of Sustainability Reporting Guidelines announced by the Global Reporting Initiative (GRI), disclosing indicators conforming to grade B defined by GRI (please refer to the attached comparison table at the end of this report for the specific disclosing indicators). The report is written in Traditional Chinese and English, and announced via electronic media on "Company Information" section on the company's website www.quantatw.com in accordance to the environmental protection principle.



For relevant information on this report or Quanta Corporate Social Responsibility events, please contact:

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BangLan

Message from Chairman & Vice Chairman

Quanta Computer has officially become a member of the Electronic Industry Citizenship Coalition (EICC) since 2006. Has actively and continuously played a key role in the electronic industry global supply chain to fulfill corporate social responsibilities in line with labor, health and safety, environmental responsibility, management system, and business ethics.

To promote the positive development of the economy and become a good corporate citizen, Quanta is in the pursuit of excellent corporate governance and was rated Class A at the 7th Evaluation of Information Disclosure of Listed/OTC Companies by the Securities & Futures Institute.

In 2010, Quanta was accredited for the Taiwan TrainQuali System (TTQS) and awarded as a "2010 Training Quality System" benchmark company by implementing strategic and systematic functional talent cultivation. Furthermore, Quanta was awarded with the highest honor, the "Innovation Excellence Award," of the "MOEA Industrial Technology Development Award," that, in addition to groundbreaking technology, injected more positive energy into Quanta's people-oriented service on the way to new 3C industry.

Quanta's green technology key strategies include:

- 1. Keeping up with the direction of international negotiations and category standards for new regulations
- 2. Paying close attention to the development of governing regulations including Greenhouse Gas Reduction, Renewal Energy Development Act, Energy Tax, and carbon emissions monitoring indicators.

- 3. Developing Cloud Computing, Connectivity, Client device, school and enterprise's computer remote effects as well as promoting low-energy consumption.
- 4. Enhancing carbon information disclosure or carbon footprint certification to help customers comply with international norms and promote low-carbon plan for the whole supply chain and production
- 5. Researching and developing green technology products continuously and utilizing green renewable energy.
- 6. Enhancing earnestly the environmental awareness of all staff to realize energy-saving and carbon-reduction practices.
- 7. Promoting energy education comprehensively.
- 8. Broadening the application of GRI-G3 international standards.

For the new application of the entire industry's value chain, Quanta has stipulated the core values of "Vision, Passion, Action (VPA)." Quanta fellows are expected "to say what you mean and mean what you say" as well as working "to get the job done right." And our mission is to live up to the expectations of all parties involved.

In striving to substantiate corporate social responsibility through the aforementioned green strategy, we expect to activate Green Opportunities for the sustainable development of resources on the earth by providing environmentally-friendly products and services.



c.c. Leung



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- Profile of Quanta Computer
- Quanta CSR commitment
- Corporate Governance and Ethics
- Honorable Events
- Stakeholders Communication and Responsibility
- Employee Overview
- Talent Development
- Employee Relationship
- Compensation and Benefit





Profile of Quanta Computer

I. Company Introduction

Quanta Computer was established in 1988, and is the largest professional R&D manufacturer of notebook computers in the world. It is the world's most prominent computer and electronic product company, offering the most competitive products and services on the market, including comprehensive solutions from design, manufacture to logistics services. Furthermore, it has established a longterm, close, mutual and trustworthy commercial partnership with the customers. Besides keeping ahead of others in the notebook computer market with leading technology and an outstanding R&D team, Quanta Computer further actively captures markets beside the notebook computer market by extending its domain to enterprise network systems, family entertainment products, mobile communications products, vehicle electronic products and digital family products etc. Through active expansion and industry integration, Quanta Computer is capable of more diversified development in the hi-tech market.

According to marketing research institute IDC's statistics, the total production quantity of notebook computers around the globe reached more than 200 million units in 2010, while Quanta Computer, which takes up 26% of the market share, was ranked first with a total production quantity of 52.1 million units.

"Deep-roots in Taiwan, Reaching out to the world" is the long-term development strategy for Quanta Group. With the Quanta R&D Center as the center for motivation, we have integrated the global technological resources in order to ensure Taiwan's technological prowess and become the stronghold for research, development, design and production of high value-added products. We will actively construct the planning and management center based in Taiwan, and integrate the various plants in the US, Europe and Asia to realize our strong competitiveness for global manufacturing and marketing.

In 2010, the number of employees for Quanta Computer Group exceeded 70,000 people globally, with approximately 5,000 people in Taiwan, where most of them are R&D and engineering personnel. QRDC — Quanta R&D Center which represents Quanta's long-term investment and deep-rooted technology, was inaugurated towards the end of 2005. It is a smart building featuring three major functions such as technological research and development, cultural education and life recreation. The

complex features quality facilities including various laboratories, an art performance hall with a capacity of 500 people, art and cultural space, gym and swimming pool etc. It emphasizes the balance and fusion between Culture and Technology, and is capable of accommodating 7,000 employees. It possesses unprecedented scale in Taiwan's technology industry in terms of architectural design, spatial layout or personnel arrangement.

Quanta Computer was incorporated into the Fortune 500 from 2006, which signifies the company's growth towards a brand new milestone. In 2010, Quanta Computer was further honored with the Distinguished Innovation Accomplishment Award for the Industrial Technology Advancement Awards. Looking into the future, Quanta persists constantly in the spirit of innovation and deep-rootedness, starting off from the foundation of OEM and ODM towards a revolutionary transformation, so as to advance in the fields of the New 3C Industry – Cloud Computing, Connectivity and Client Devices. It will become the supplier of Cloud Computing system solutions and stimulate the next phase of growth with innovative principles, so as to create another peak for the enterprise! (Quanta Computer is a listed company on the stock exchange in Taiwan, and the stock code is 2382).

II. Market Overview

Recovery of the global economy was sluggish

during the past year due to the influence of the European debt crisis and the economic recession in the United States, thereby impacting the demand of end consumers. However, through endeavors from the employees of Quanta Computer, the production goal of notebook computers for 2010 was accomplished successfully, with total production quantity reaching 52.1 million units, and an annual growth rate of over 40%. The outstanding production growth not only exceeded the average within the industry, but also catapulted Quanta Computer to the No.1 OEM manufacturer of global notebook computers again.

According to marketing research institute IDC's statistics, the production quantity for global PC market in 2011 is expected to reach 385 million units, of which the production quantity for portable computers is expected to reach 233 million units, with an annual growth rate of 10.4%. On the other hand, the panel PC applications are gradually being accepted by the market, and IDC estimates the annual production quantity for panel PCs will reach 44.6 million units in 2011. With Quanta's developmental progress in the panel PC market, it is expected to surpass the other companies by creating outstanding performances once again.

Looking at 2011, Quanta Computer's notebook computer production quantity for the entire year will conform to the average within the industry; the firm will seek the perfect balance between the production quantity growth and profitability. As for non-notebook businesses, Quanta will invest more labor and resources to advance towards the Cloud Computing business. Besides expanding the products and services, developing and deep-rooting target customer groups, we will also actively search for strategic partners to accelerate the promotion of Cloud Computing business. At the same time, we also estimate that the development of Cloud Computing, together with Mobile Computing and the prevalence of the digital family concept will become a strong dynamic force stimulating the growth of the company.

III. Financial Performance

Quanta Computer created a new record for revenue and production quantity in 2010. In 2010, Quanta's global combined net revenue was NT\$1.0125 trillion, which increased by 34% when compared to the figure of NT\$839.79 billion in 2009. The average gross profit was 3.45%, and the net profit after tax came in at NT\$19.3 billion. Basic earnings per share were NT\$4.89. Moreover, Quanta Computer issued the profit from the previous year in 2010, with approximately NT\$3.6 cash dividend issued for each common share.

IV. Enterprise Development

In order to complement the company's business growth, Quanta Computer's capital expenses for

2011 is estimated at between NT\$6~8 billion, which is expected to be invested in the following fields:

(I)Key material manufacturer: To enhance the control over key components and relevant technologies; the investment includes notebook computers and other fields in order to accomplish the vertical integration performance and enhance competitiveness.

(II)Cater to the demand of capital increment and expansion of the company and its overseas subsidiary companies: So as to serve customers more expediently, reduce costs and respond to the market changes. (III)Cloud Computing related investment: Actively search for appropriate collaborative and investment targets, including technological collaboration, market development, strategic alliance, investment or co-partnership, so as to accelerate the expansion of the Cloud Computing business

(IV)Other: Support research and development of new products, and invest in venture capital firms with target set in the emerging hi-tech industry.

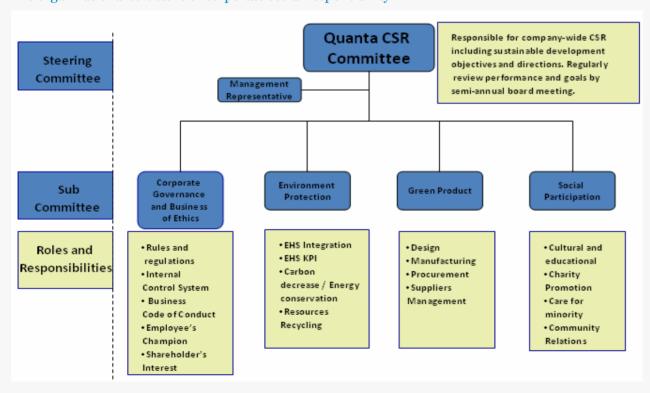


Quanta CSR commitment

Our CSR commitment

- 1. Create sustainable value to the company. Upgrade the stakeholders' rights and interests.
- 2. Ensure good corporate governance. Adhere to laws and regulations.
- 3. Get involved actively and encourage employees to participate in cultural, public welfare, environmental protection, and energy saving activities.
- 4. Manufacture green products to reduce impact on the environment.
- 5. Devote ourselves to green research and development. Protect the global environment.
- 6. Promote cooperation between the labor and capital, and respect employees' opinions.
- 7. Respect workers' freedom, prohibit any forms of forced labor, and do not accept suppliers or subcontractors to use forced labor.
- 8. Prohibit the use of child labor, and do not accept suppliers or subcontractors using child labor.
- 9. Provide equal and fair working environments, and prohibit any forms of discrimination.
- 10. Provide safe and healthy working and living conditions, and ensure employees' safety and health.
- 11. Arrange a production schedule, employee work time and rest time reasonably.
- 12. Provide reasonable salaries and benefits, which can at least satisfy employees' basic needs.
- 13. Respect employees' basic human rights, and prohibit any forms of insulting behavior.
- 14. Respect employee's rights to associate freely and bargain collectively.
- 15. Comply with the universal enterprise ethic standards.

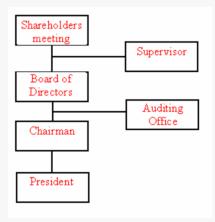
The organizational structure of corporate social responsibility



Corporate Governance and Ethics

Quanta insists on a transparent operation, focuses on shareholder's equity and social responsibility, and stipulates corporate governance structure and implementation in accordance with Company Law, the Securities & Exchange Act, and relevant regulations. Quanta reduces operating risks and improves operating efficiency by enforcing its internal control system effectively in order to help the Company achieve its vision.

1. Corporate governance organizational structure



2. Board of Directors

The Company's board of directors is one of the two main units in the corporate governance structure and it is organized in accordance with the election resolved in the shareholders meeting. There are five directors with much experience in business operations or academic study. Two of the five directors are independent directors, Mr. C.T. Lu and Dr. W.D. Pang who is the Dean of the Law School of Soochow University.

The responsibilities of the board of directors include exercising its functions and powers in accordance with the governing regulations, Articles of Incorporation, and shareholders resolution as well as monitoring the management and being responsible for the overall business operation.

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

A board meeting is summoned at least once every quarter. The Chairman had summoned seven board meetings and provisional board meetings in 2010.

3. Supervisors

The board of supervisors is the other main unit in the corporate governance structure and it is organized in accordance with the election resolved in the shareholders meeting. Quanta Computer has three supervisors on board. Two of the three supervisors are independent supervisors, Mr. C.L. Lee and Mr. J.Y. Chang.

The supervisor's responsibilities include monitoring business execution, directors and the management's due diligence, and the Company's internal control system implementation in order to reduce the Company's operational risk. The function of a supervisor is similar to the Audit Committee in the United States.

Supervisors are invited to attend the board meetings to comment as a nonvoting delegate in order to keep track of the Company's operating conditions, to monitor the board operation, and to present their views in due course.

Supervisors had attended the board meeting in 2010 without commenting on the bills proposed.

4. Internal control

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

The Auditing Office is formed in accordance with the law and it is responsible for the effectiveness and integrity of the internal control system enforcement as well as for the persistent and ad hoc supervision of an audit. The Auditing Office is to have the annual auditing plan drafted up for the approval of the board of directors in advance. All audit reports must be reviewed and approved by the supervisors. The Director of an internal audit is invited to attend the board meeting to report the enforcement of the internal audit and present the audit report for reference.

Quanta Computer has been without any significant internal control nonconformities identified and has had its internal control system implemented. The audit plan and audit results are both uploaded to the Market Observation Post System for the transparent disclosure of information.

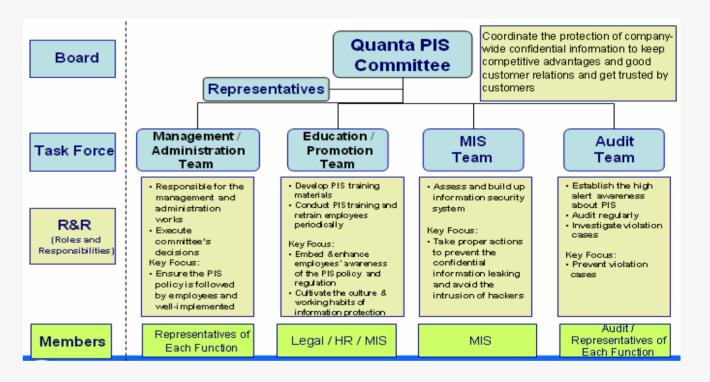
5. Staff Code of Ethics

Quanta Computer has continuously complied with the guideline of work ethics. Employees must be self-disciplined to uphold high-standards of personal conduct, quality and work ethics. Moreover, one must comply with the Company's ethical standards, protect the Company's reputation, and earn the respect of customers, suppliers, and others.

(1) Abide by the industry code of ethics
Employees are requested and obliged to perform
duties in accordance with the spirit of honesty,
precision, and professionalism. In addition, they
can not be involved in any illegal or inadequate
activity or participate in or abet others in conducting any activity or relationship that is detrimental to

the dedication toward duties or professional judgment. The code of ethics is not limited to laws and regulations. Self-discipline is also the key for its implementation. One must also, however, judge discretionally whether the code contradicts common sense or not.

The confidential information of the Company and customers must be kept in confidence. For the purpose of enhancing staff's awareness of protecting confidential information, Quanta has had a Proprietary Information Security (PIS) Committee set up in 2010 with a series of propaganda and training activities arranged. Quanta expects its employees and supply chain to fully understand and comply with the emphasis on and request of confidential information.





Proprietary Information Security (PIS) Confidentiality is our responsibility



Promise to comply with the "Say NO" to the following five breaches of confidentiality: Disclosing confidential information. Using illegal software. Plagiarizing intellectual property. Transmitting improper message. Violating company policy

(2) 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.

(3) Gifts and business entertainment

Do not accept or give gifts, gift money, and hospitality from and to the Company's suppliers, contractors, customers, and others related to the Company's business operation (including government agencies) that may influence normal business relations and judgment. Bribery in any form is prohibited.

The acceptance of presents and gifts in any form must be processed in accordance with the Code of Ethics.

(4) Enforcement of the Code of Ethics

Employees are obliged to comply with this policy and the relevant procedures. Managers at all levels must substantiate and ensure their subordinates understand, accept, and comply with the requirements. We seek for the understanding and support of the Company's customers, suppliers, business partners, and others related to the Company's business operation. Employees are expected to stay vigilant against any breach of the Code of Ethics. The Company will have the offender who has breached the Code of Ethics disciplined accordingly.

6. Compliance with company regulations

Quanta Computer has a Staff Code of Ethics stipulated as the guideline to employees and managers at all levels. The stipulation of the Code of Ethics is to advocate ethics, integrity, and ethical behavior. Moreover, gender equality, environmental protection, etc., are regulated for compliance. The said company regulations clearly express the Company's policy related to the Company's reputation, assets security, bribery behavior, conflict of interest, discrimination, health and safety, and environmental protection as well as, the Company's compliance with the regulations.

Quanta Computer has business operations in accordance with domestic and international regulations. In addition the Company pays attention to the addition and modification of the governing regulations.



2010 Honorable Events

QCI

- Selected as one of the World's Top 500 Famous Brand (Organized by the World Famous Brand Assembly)
- Honored as No. 12 of 2010 World's Most Praised Enterprises by the Fortune Magazine
- Honored with the Distinguished Innovation Accomplishment Award for the Industrial Technology Advancement Awards
- Attained Grade-A Recognition for the 7th Information Disclosure and Evaluation of Publically Traded and OTC Companies
- Quanta Computer, President Lin Bai-li and Quanta Culture & Education Foundation were honored with the Golden Award for the Arts & Business Awards (Council for Cultural Affairs)
- Honored as the 2010 Indexing Enterprise for TTQS Taiwan TrainQuali System (Bureau of Employment and Vocational Training)





OSMC

- 2010 Advanced Organization for Creating Profits (Songjiang Industrial Park Management Committee)
- 2010 First-grade Award for Pay Tax Outperformance (Songjiang Industrial Park Management Committee)
- 2010 Second-grade Award for Pay Tax Increase (Songjiang Industrial Park Management Committee)
- Shanghai Outstanding Foreign Investment Enterprise (Shanghai Municipal Commission of Commerce)
- Shanghai Foreign Investment Enterprise with Advanced Technology (Shanghai Municipal Commission of Commerce)
- Shanghai Foreign Investment Product Exportation Enterprise (Shanghai Municipal Commission of Commerce)
- Advanced Organization for Fire Control, Songjian District, Shanghai (Shanghai Sonjiang Fire Control Safety Joint Meeting)





CSMC

- Top Ten Open Enterprises (Changshu City)
- Foreign Investment Enterprise with Advanced Exports (Suzhou City)
- Foreign Investment Enterprise with Great Exportations (Suzhou City)
- Water-saving Enterprise (Jiangsu Provincial Department of Housing and Urban-Rural Development)
- Model Enterprise for Law and Order Culture (Changshu City)
- Champion for Fire Control Skills (Changshu City)





Stakeholders Communication and Responsibility

1. Stockholders identification and communication

The communication affairs within the Company are primarily promoted by the Governance & Business Ethics Committee in accordance with the concerns of the stakeholders. In addition, this is included in the job responsibility and work plan of the relevant departments. The provisional missions relevant to environmental trends and evolution are dealt with by the collaboration of all units.

In response to the expectation of the stakeholders, Quanta has striven to ensure the fulfillment of responsibilities and maintain close contact and communication through all communication means and channels as a reference for preventive and corrective actions.

| Stakeholders | Primary responsibilities of Quanta Computer | Communication means and channels |
|-------------------------------|---|---|
| Shareholders and investors | □ Provide real-time and accurate information timely; also, be devoted to the equality of information disclosure □ Provide long-term stable dividend policy, generate adequate return on investment □ Provide prudent financial strategy, maintain company creditability and business performance | □ Conduct communication meetings from time to time □ Hold annual shareholders meetings □ Conduct conference calls and press conferences for institutional shareholders periodically □ Publish information on the Market Observation Post System of Taiwan Stock Exchange Corporation and the Company website synchronously. |
| Customers | □ Provide the most competitive and high-quality products and services. □ Provide an integrated solution including the service of design, production, and logistics as well as improve customer satisfaction. □ Form a close, long-term, and trustworthy business partnership with customers □ Advocate employee's responsibility for confidential ity and the rules governing employee's confronting the media | □ QBR □ Customer satisfaction survey □ Technology forum and seminar □ Meet customers' requirements and inspections of the products, environment, and responsibility; as well as fulfill collective prevention and continuous improvement. □ PIS – Advocacy and training of the rules governing employee's confronting the media |
| Suppliers | ☐ Promote legitimate and fair trade ☐ Understand environmental safety and health consid erations and specifications ☐ Understand and provide assistance to Quanta for fulfilling social responsibilities | ☐ Sign the Letter of Commitment to Environmental Protection ☐ Products must be tested by the accredited public laboratories ☐ Incoming inspection must be sampled and tested by the GP laboratory of Quanta ☐ green.quantacn.com ☐ sub.quantatw.com ☐ Green supply chain annual convention ☐ Annual audit of suppliers and contractors |

| Stakeholders | Primary responsibilities of Quanta Computer | Communication means and channels |
|-------------------------|---|---|
| Employees | □ Ensure and respect human rights □ Promote employee development □ Provide legitimate and fair evaluation and treatment □ Promote environmental health and safety □ Provide optional welfare and health promotion | □ Conduct communication meetings between supervisor and colleagues from time to time □ Provide "70885 - please help me" staff service hotline and message bulletin □ Provide "70695 - please try to understand me" Complaint of sexual harassment hotline and mailbox □ Personal training and development for occupational competence; Quanta TMC school □ Employee satisfaction survey □ Quanta Quarterly Newsletter and Bimonthly journal |
| Community and others | □ Effective disaster and accident prevention and support □ Promote knowledge sharing, culture, and affluence continuously. □ Participate in public welfare activities. | □ Quanta Culture & Education Foundation □ Quanta Arts Foundation □ Communication unit responsible for regional views □ Maintain good interaction with the competent authorities and participate in the relevant seminars. □ Exchange of opinions by MIT experts □ Participation in external activities |

2. Responsibility to investors

For a long time, Quanta Computer has upheld a prudent business strategy and financial policy for safeguarding and increasing the investment value of long-term investors. Quanta values business growth and innovative research and development as well as providing higher ratios of return on shareholder's equity than the industry and continuing to create value for investors.

Since its listing in 1999, Quanta has provided adequate returns on investment to long-term investors by the distribution of dividends and interest every year. At the same time, the Company has striven to maintain a prudent financial structure in accordance with the balanced prudent financial policy during the rapid growth period. Quanta has the investment value, position, and reputation of a company that upholds international standards. In addition, it continues to strive to become an excellent enterprise with sustainable development.

Quanta Computer has an effective communication system constructed and has the material information of the company transmitted to investors worldwide immediately and rapidly. The management of the company holds a financial report press conference periodically and conference calls for investor conferences to publish and explain quarterly financial statements, business operations, and prospects to the media and investors worldwide.

Furthermore, the Company's Investor Relations Office has frequently arranged face-to-face communication meetings and conference calls with local and global investors and analysts to answer their questions regarding the company's business operation. The Company's senior management has also attended large investment forums and tours from time to time to meet global investors face-to-face. Quanta had several hundred investor communication meetings held in 2010.

Quanta strives to provide investors with accurate, real-time, and clear operating conditions and financial data. All documents published in accordance with the requirements of the competent authorities are uploaded to the Company's Web site synchronously. At the same time, the Company has the information of main activities and important events communicated by e-mail to the investment institutions as well as having them uploaded to the Market Observation Post System and the Company's Web site synchronously. Quanta's effort in information transparency, information disclosure, corporate governance, and equal treatment for investors in recent years has been appreciated by the market and investors.





Employee Overview

Talents are the backbone of Quanta Computer. Quanta attaches great importance to recruiting and nurturing talents and has implemented scholarship programs and outstanding scientific and technological personnel training programs. It has actively taken part in offering studies at home and abroad and university-cooperation with universities and colleges, commenced Quanta wealth achievement classes, and set up scholarships to reward academic achievers and actively train corporate talents for society in order to meet future manpower needs, enhance the corporate competitiveness, and contribute to social and technological developments.

Quanta's recruitment is open and fair. In terms of the recruitment policy, we have consistently adhered to the principle of non-discrimination; regardless of ethnic group, class, language, thought, religious, political affiliation, origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, disability, or trade union membership in the past, all are treated equally and fairly when recruiting skillful and competent talents.

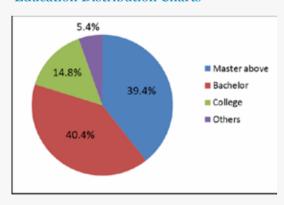
Character comes first and competency is the basis of recruitment. In compliance with the local laws and regulations, the regulation on minimum working age according to the international and China laws and regulations are strictly implemented to resolutely put an end to child labor. In terms of the proportion of employees' work region distribution, Taiwan comprises about 10.9%, Mainland China comprises about 85.2%, America comprises about 3.7%, and Europe comprises about 0.2%. In addition, in the technical environment of the electronics industry, Quanta also has relatively balanced gender ratios. In Taiwan, females account for about 30% and males account for about 70%; in Mainland China, females account for about 45% and males account for about 55%.

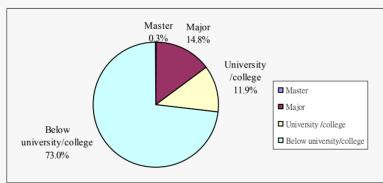
The total number of people in the Taiwan R&D Center as the end of 2010 grew to over 5,100, of which 79.8% have university education (or higher), and the majority fall under the age group of 25-35 years old, accounting for 58.6%.

In Mainland China, the Shanghai Songjiang plant is the manufacturing base of Quanta Group in East China. Since the establishment of Shanghai Songjiang Export Processing Zone in 2000, six plants, four supply firms, one logistics center, and one research laboratory building have been completed. Of the over 50,000 employees, about 15% have university/college (or higher) education while the majority of the production line workers are high school graduates. In 2010, the Jiangsu Changshu Plant successfully completed the first five-year plan, and the number of employees reached over 17,000 people—a growth rate of 11.5%. More than half of the employees fell into the 19-22 years old age group.

Although the workers are from different provinces in China and that are not the same age, speak different dialects, and have different professions, through mutual trust, work sharing, cooperation, and inspiration, there are no barriers. In addition, due to the continuous growth and expansion in terms of company scale, there is a great need for middle-rank and high-rank talents or low-rank manpower. For this reason, the human resources department continues to explore and construct multiple channels, and standardize the system of labor recruitment in order to meet the company's development needs and head toward a common goal.

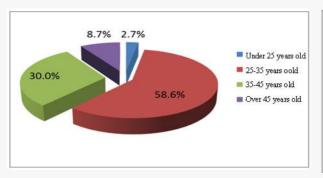
Education Distribution Charts

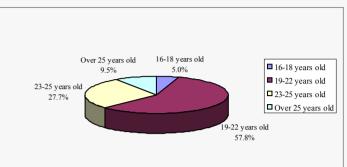




Taiwan Mainland China

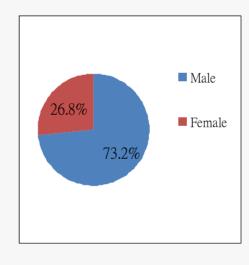
Age distribution

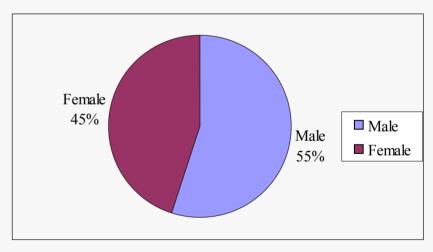




Taiwan Mainland China

Gender Distribution





Taiwan Mainland China

Talent Development

1, Quanta Training System

The Quanta TMC School and Quanta Elite School have been established in order to foster successors in the various sectors of Quanta for the next century, achieve balanced development, and enhance the overall literacy of employees at Quanta.

The mission of Quanta TMC School is to become the cradle of talent cultivation for Quanta Group. In the field of science and technology, it bears the responsibility of cultivating innovative talents and high-tech integration capabilities; in management, the focus lies in fostering leaders to engage in more effective technical R&D; in terms of cultural literacy, staff's cultural literacy is expected to continue to be enhanced through the various life and arts education contributions, coupled with the Company's pursuit of the corporate spirit "truth, goodness, and beauty", which in turn deeply enroot work and living aesthetics in the hearts of people and enrich life.

The ultimate goal of the Quanta TMC School is to ensure Quanta products and services continue to contribute more positively to human civilization through the accumulation and launch of knowledge. To this end, we have adhered to the spirits of "talent strengthening, organizational performance enhancement, and meeting the development needs of the Company. Over the years, we have spared no effort in developing talents. In addition, the Quanta Elite School has engaged in cooperation with MIT, HBS, and other world-renowned schools to introduce first-class faculty and devote in elite training, and build leadership pipelines.

2. Staff Development

The ongoing talent development is intended to strengthen the overall competitiveness of the Company. In 2010, the training organized by QRDC reached 113,303 hours in total, with 39,369 participants in total. The supervisors, indirect staff, and direct staff received average training hours of 29.72 hours, 19.57 hours, and 15.52 hours respectively.

| | Supervisors | Indirect staff | Direct staff | Total |
|--|-------------|----------------|--------------|---------|
| (A) No. of employees (as of 12/31) | 1,342 | 3,582 | 214 | 5,138 |
| (B) Total training hours | 39,883 | 70,099 | 3,321 | 113,303 |
| (C=B/A) Average training hours of the various types of employees | 29.72 | 19.57 | 15.52 | 22.05 |

(1) Development and Training Program

Quanta offers a wide range of staff development and training programs, from new employee training to high-rank staff development, a complete range of learning maps and courses have been planned, including five fields: management development, technical training, personal effectiveness, functional expertise, and new employee training.

In order to ensure more goal-based, systematic, and efficient learning for employees at Quanta, the core competency model and management competency model have been set up. In addition, based on the competency models, a series of training courses have been offered. Quanta's employees may plan appropriate long-term personal development plans based on their current competency standards and after discussing with the supervisors. In conjunction with the Company's performance and dual-track career development system, the employees may select relevant training courses based on their own development needs.



個人發展計畫

| | Areas for future Development | Focus on <i>(please tick)</i> 重點發明(後句配) | | Manager Inputs | 學習方式 | Completion Time 定成a躹 (yyyyyhmn/dd) | |
|----|------------------------------|--|------------------------------|----------------|------|---------------------------------------|--------|
| | 未水能力额及项目 | Enhancement | ancement Improvement 主管意见 代码 | | 代码 | Plan | Actual |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| | was a bara. | • | | • | | , | |

- 學習活動方式代码: C: coursework includes classroom and e-learning for both internal and external courses
- C: coursework includes classroom and e-learning for both internal and external courses
 OJT: On-the-Job training includes skills practicing, presentation, representing the supervisor at meeting, and teaching others.
 SI: Self-improvement includes reading books, articles, manuals, and attending lectures and speeches.
 JE: Job enhancement includes job scope enlargement, content enrichment and autonomy.
 JR: Job assignment includes joining a project team, leading a task force, job rotation and matrix management.
 CON: Consulting includes Internal consulting, external consulting and career counselor.

(Fig.: Training Organizational Chart/IDP)

(2) A Wide Range of Development and Learning Pathways

Each employee can obtain enriched learning resources through diversified channels, including online learning, classroom learning, on-job trainings, lectures, external courses, etc. to assist employees in improving their professional skills. In 2010, more than 440 training courses were offered, of which, the e-learning platform was constructed to ensure course management efficiency. In addition to the ability to construct online course, an interactive learning platform has also been provided for all students.



(Fig.: Quanta TMC School / My eHR)

(3) Training Performance

In addition to the timely provision of accurate and adequate training, importance is also attached to training and students' applications upon course completion. After-school related counseling such as PM newsletter, PM Club learning seminars, and so on have also been provided in order to ensure learning effectiveness.

Through strategic and systematic competency base talent cultivation and comprehensive feedback evaluation mechanisms, Quanta obtained the Taiwan TrainQuali System, TTQS National Training Quality System Standards certification and received the honor of the "2010 training Quality Assessment System" benchmark business.



(Fig.: PM newsletter / TTQS Awarding Ceremony)

3. Training Innovation and Features

In addition to the promotion of training courses, Quanta has also engaged in integrated planning in terms of learning culture and system.

In terms of learning culture promotion, in-house instructors have been actively fostered. In addition, Teaching Bell Award activities are held annually on Teacher's Day to encourage lecturers and employees who contribute positively to the training programs offered in the Company. In terms of the system aspect, the education training related policies and guidelines, including the training and administrative management guidelines, Organizational Guidelines for the Technical Education Consultancy Team, Internal Lecturers Guidelines, Supervisor Training and Development Program Guidelines, elite development guidelines, customized training guidelines, employee training subsidies guidelines, etc. have been set up, and English level standards required for job promotions of sales representatives have been regulated.





(Fig.:2010 Teaching Bell Award Ceremony / Learning Newsletters)

4. Future Prospects

In the face of the increasingly competitive environment, Quanta will continue to devote more resources for talent cultivation and development in order to enhance the quality of manpower and the Company's overall competitiveness.

[QSMC]

In 2010, the employees training mainly targets new comer orientation, in order to foster the elite program targeting the local cadres. First-line manger trainings were conducted for first-line managers. In addition, in response to the clients' needs and enhance the employees' knowledge of CSR, the CSR corporate social responsibility intensive training for the respective unit staff, soft skill improvement, emotional release and stress relief related annual planning courses, and so on were conducted. The learning development needs of employees of different levels during work development were met, the employees' awareness of the Company, understanding of the rules and regulations, and improvement of self-production were facilitated while the employees were assisted in improving their work skills.

1, New Comer Orientation

(1) Direct New Employees Training

Mainly helps new employees to adapt to the corporate environment, work and live happily, introduce the overview of the plant and living area during training, and understand the Company's rules and regulations. The Chairman also personally attended the new employees training to share the corporate culture with all the colleagues and care about their living conditions.

Six hours were allotted for the entire new employees training, which took place the day after the new comers reported to work. As of 2010, the cumulative new employees were 61,783 people, and 94 sessions were held.

(2). Indirect New Employees Training

In addition to the commencement of nine required courses, many courses such as occupational attitude creation, electrical knowledge, and so on. The number of training days increased to 2.5 days in which the cumulative training time was 15 hours.

(3). Team leaders Project

More comprehensive trainings were conducted for employees that are about to become first-line supervisors. In addition to the regular IDL functional trainings for new employees, technology development classes, team leaders project classes, and other special classes have been commenced. The curriculums also have also included communication, creation of good working environments, team building, and corporate social responsibility programs. The training has been conducted for five days, 30 hours in total. In 2010, ten batches of team leaders project classes (including technology development classes) were held, through which about 370 people received training.

2 Elite Training Program

The goal of the Elite Training Program was to develop technical expertise and business elites into management cares. In 2010, eleven sessions of introductory courses were held, through which 671 people received training; six sessions of intermediate courses were held, through which 279 people received training; two sessions of advanced courses were held, through which 82 people received training.



3. Corporate Social Responsibility Intensive Training

In response to customer demand and in order to ensure all employees' in-depth understanding of CSR related contents, the CSR corporate social responsibility intensive training, targeting all employees, were held. The training covers: "work-related injuries and occupational disease prevention", "occupational health and safety", "introduction of corporate social responsibility system", "creation of a good working environment", "contract and payroll system", and "trade secrets".

(1).Online learning is available for employees with access to computers. Learning and assessment tests can be conveniently completed by logging on the learning system, thus the 99% CSR training completion rate by all the employees. In addition, the "trade secrets" online course completion rate reached 100%.



- (2). The shared learning pathway is available for employees (mainly first-line operators) without access to computers that learning guide and test are conducted by department assistants, instructors, or team leaders, thus the completion rate of 100% by departmental employees directly involved in the production and the completion rate of 99% by departmental employees not directly involved in the production.
- (3). In addition, the CSR related contents put up on bulletin boards in the respective plant areas are regularly updated. Furthermore, the CSR posters on the study areas of the plants are also changed monthly, and the online learning system is available in order to expand the scope of advocacy through multiple channels and achieve better training results.





-安东尼·罗宾斯

2010年度计划课程之情绪与压力管理

(4). The "Truth, Goodness, and Beauty" Bimonthly includes the CSR column where relevant knowledge is advocated regularly.



4. First-line Supervisor Training

The first-line supervisor training program targets production line instructors, team leaders, and section cadres. The training contents include: team building, legal knowledge, psychological care, communication skills, leadership skills, and other courses. From June to September, 703 people completed the instructor training implemented in 12 batches, including five courses completed in 2.5 training days; 301 people completed the team leader training implemented in 6 batches, including 6 courses completed in 3.5 training days; 70 people completed the section cadre training implemented in 1 batch, including 6 courses completed in 4.5 days.

5. Annual Plan Training

In order to enrich the lives of employees and better meet their development needs, numerous courses including team communication, work coach, emotional management, PPT can be fun, and so on have been commenced. The contents include: work skills, interpersonal communication, office software skill, and other scopes. A total of 287 people participated in the courses.



6. Quanta TMC School Online Learning Platform

A total of 219 courses and classes have been commenced. Of the 35,234 participants, 30,483 passed the course.

7 External Training

The external training course mainly includes 109 courses with 492 participants. The training mainly includes the certification and training of special skills, including high and low voltage electrician training, hazardous chemicals training, X-ray radiation operation training, safety management training, internal auditor training, forklift training, etc. The Company regularly organizes relevant unit staff to participate in these trainings.

[CSMC]

The extensive training courses in 2010 include: new comer orientation, annual training courses, team leaders and instructors courses, CSR courses, elite programs, psychological care courses, external training courses, trade secrets courses etc. By providing training and development programs, the employees' continued employability and performance can be strengthened.

| Course category | New comer orientation | Annual training | CSR series | Elite plan | | | Team leaders and instructors training |
|-----------------|-----------------------|--------------------|---------------|------------|----|----|---------------------------------------|
| Course quantity | 12 | 35 | 5 | 20 | 31 | 49 | 7 |

New Comer Orientation

Targeting the DL new staff, the Company has offered 11 courses, including: company profile, corporate culture, professional attitude shaping, safety knowledge, personal rules and regulations, general management rules and regulations, Quanta's green product requirements, ESD basics, health habits and basic etiquette, introduction of living area, and corporate social responsibility.

The department supervisors serve as lecturers to allow new employees to fully understand the corporate culture and rules and regulations of the Company. The course takes 8 hours to complete. New employees are required to take the 11 courses in addition to one quality awareness course, for 10 cumulative hours.

137 sessions were conducted in 2010. The number of trainees reached 40,468, and the training coverage rate reached 100%.

2 Annual Training Courses

Based on the analysis of the annual survey result of the training requirements, the courses are divided into three categories: the technical category, management category, and regular category, a total of 35 courses.

It mainly covers: supplier QSA and QPA, CPK process capabilities, and SPC statistical applications, TS16949:2002 internal auditor training, The seven QC theories and practices, ESD/MSD theory and practice, the multi-system internal audit training, administrative assistant training, safe use of electricity, fire safety lectures, problem analysis and solving skills, TTT training, hypothesis testing, simple and effective management, project management, the art of appreciation and criticism, conference management, successful presentation skills, time management, conflict management, personal finance seminars, stress and emotion management, health lectures, communication skills, goal setting, advocacy of social security related knowledge, and so on.



3. Team leader and instructor Courses

Targeting team leaders and instructors, in order to equip them with the managerial knowledge and ability, the following courses have been commenced: leadership and communication, the creation of a first-class team, the seven practices of QC, IE improvement practices, legal knowledge, psychological care, and effective communication.

A total of 507 people received the training for a total of 3,307.5, or the average time of 6.5 hours per person.

4. CSR Courses

On client request, the CSR courses have been commenced to advocate the CSR related knowledge through various ways and enhance their awareness and of protecting their own interest and the ability to do so.

- (1) The CSR courses have been incorporated into the new CSR training courses to ensure every employee understands his or her rights and interests.
- (2) CSR posters are published monthly and are put up on bulletin boards throughout the Company.
- (3) CSR handbooks ensure the employees fully understand the CSR related knowledge and have access to it at any time and any place.
- (4) CSR knowledge contests are held every quarterly where lucrative bonuses are allotted to encourage independent learning.
- (5) To strengthen the employees' knowledge of CSR, CSR knowledge consolidation and training have been conducted by all employees, which accounts for a training coverage rate of 100%. 25,323 people have received the training.



5. Elite Program

Talent is the drive for growth. The 3-stage elite training program is intended for excellent achievers with development potentials. The program is intended to cultivate middle-rank cadres who display knowledge, expertise, and elegant temperament. Four elementary classes have been commenced since 2009.



6. Psychological Care Courses

In order to enrich employees' lives and ease the psychological stress felt by employees, a series of lecture courses have been commenced. Prior registration is not required as the lecture courses are open to all any time.

The courses cover life and work related dimensions, Since the first commencement in 2009, a total of 28 courses have been launched, which have been held twice a month, achieving growth cheerfully, leading happy lives, being a friend of time, setting goals, realizing ideals, taking control of one's future, friends are all around, health knowledge for late sleepers, taking charge during one's ten prime years from 18-28 years old, shaping one's sunny side, enjoying a happy life, living life to the fullest, the four personalities at the work place or when in love, seeking happiness at work for the experience of it and discovering the beauty of life, discovering the source of one's charms, taking control during one's younger days, the future is not a dream, taking stress lightly-management of emotions and stress, living more diverse and colorful lives, health guides: winter health knowledge, enjoying work, changing one's life, speaking up, etc.





7. External Training Courses

The external training mainly targets the special sills training, which consists of 49 courses, including high voltage and low voltage electrical training, hazardous chemicals training, X-ray radiation operation training, safety production and management training, plant motor vehicle training, fire safety management, etc. THE Company shall regularly organize the relevant unit staff to participation in these trainings in order to ensure all employees are licensed and have the special skills required for their job posts.

Employee Relationship

Quanta deems its employees as the most important partners. Only with dedicated employee and their willingness to trust the company can a better future be created in joint efforts.

Therefore, we are committed to creating a harmonious working environment and expects to retain talents through positive employee relations. In addition, by establishing an internal employer brand, more outstanding talents will be drawn to Quanta.

1. Communication

To achieve downward, upward and parallel barrier-free communications through the various feasible communication platforms:

(1)To engage in direct and effective communication through all forms of communication meetings, such as the President's lectures, supervisors' business meetings, departmental meetings, welfare committee meetings, and labor conferences.



(2) The instant messaging through newsletters allow employees to stay updated with the internal information, such as Quanta mail sent on an irregular basis, monthly information exchange stations, etc.

(3) The internal publications allow employees to keep updated with the company dynamics in order to achieve the purpose of idea exchanges: Quanta's quarterly newsletter provides employees with the group trends, industrial information, internal activities, etc. It also serves as a platform for staff exchanges and article contributions by staff that wish to display their style of writing. "Truth, Goodness, and Beauty" and "Wisdom Monthly" are also available in China.



- (4) The daily industrial news dynamics and the quarterly technology forums provide the latest industrial information.
- (5) Accessible complaint and feedback channels that can respond immediately and effectively solve staff problems: such as Quanta message boards and staff assistance 70885 24-hour hotline services that serve as a public window for staff to seek and resolve problems. The 70695 sexual harassment prevention hotline, welfare committee mailbox, Recreational Hall mailboxes, staff restaurant mailboxes, and so on are available. There is also a staff suggestion box in each plant. Letters will be regularly collected and processed in a timely manner.
- (6) Bulletin boards and signboards are available in all places to effectively convey messages.
- (7) The VOE (Voice of Employee) staff opinion survey: Based on impartiality and confidentiality, objective and professional academic institutions are invited to conduct one staff opinion survey every two years in order to understand the employees' ideas and opinions of the work content and environment, management approach, learning development, salary and welfare, and so on, which shall serve as a reference for the management in improving the management performance.
- (8) From interviews with former employees, the reasons for leaving were analyzed, and their opinions shall be explored and improved.

2. Recognition and Encouragement

Through different activities, the employees work recognition as well as acknowledging one's contribution and enhancing the staff involvement.

- (1) All kinds of activities are intended to ensure the employees pleasure derived from work, such as the Secretary Day, Engineer Day, DL day, internal image video filming, etc.
- (2) To encourage employees to contribute and be ready to work through different methods: such as senior employee incentive activities, Quanta good patent incentives, etc.



3. Employee Caring

There are 24 hours in a day. It is impossible for employees to leave everything behind, including their family and life-related matters, and devote themselves to work at eight o'clock in the morning when arrive at work. Neither can they share all the problems they have with others.

Therefore, the Employee Assistance Program (EAP) has been imported to help employees resolve personal issues, and provide legal advice as well as financial and health advice. Moreover, the EAP provides consultation for the competent management, promotes assistance for the various project implementations, and resolves distressing issues for different staff groups.

In addition, a psychological counseling room has been set up in China where counselors with class II national registration have been hired to engage in face to face and free individual counseling to help those troubled by emotional and family problems. The consultation covers adolescent adaptation and development related problems, marital problems, personality adjustment, occupational stress, and other issues. Also, the psychological service hotline 17668 (the same phonetic sound as "Let us chat) has been set up to help employees release their mental stress.

Furthermore, the EAP Report intended for employees and supervisors has been simultaneously. Through the closest real-time management channel of line manager, observation and management skills are imparted for supervisors. Also, the annual health checkup has also included physical and mental stress in order to ensure employees stay in good physical and mental state and have good family and interpersonal relationships, thereby establishing a complete social support network!



4. Employee-employer Harmony

To ensure the company system meets or exceeds the legal requirements of the government in order to protect the interest of employees and actively provide opinions and management skills for management level employees, thereby enhancing the employee-employer harmony within the company.

The Plant side: Through our active involvement in the internal activities, humanistic care has been strengthened and cohesion has been enhanced; externally, through the legal system or the advocacy and interaction of the health issues, the employees' overall interpersonal links and significances in and outside the company have been promoted, as described below:

(1) The launch of group recreational activities: Activities are held to cultivate sociability, promote group cooperation and fair competition, and conform leading and be led, thereby achieving the function of instruction in recreation.





- (2) Extensive club activities: including Golden League ball games, chess games, club exhibitions, charity club activities, etc.
- (3) To set up round-table forums: What should be done to make employees happy at work and in life? How should the concept of humanistic management be implemented in practice? How can good corporate culture be maintained to achieve sustainable innovation development? On May 25th, 2010, the "Humanistic Management of Technology Companies" round-table forum organized by "Truth, Goodness and Beauty" was held where the team leadership experience was discussed, including respect for team members, not only respect for individuals, but also respect for family, education, and personality. Whenever someone makes a mistake at work, it is always dealt with based on the facts in order to help others discover problems and solve them. Any personal attacks should not be made. Secondly, it is suggested that new comers be guided as apprentices to help them familiarize with their job and be able to work as a team. Meanwhile, efforts to enhance the group members' literacy should be strengthened in order to offer care through various formal and informal routes and help the members blend in the organization. In addition, during routine work, supervisors must not only seek results without knowledge of the process. When problems arise, the problems should be handled with the collaborated efforts of all the employees so that no one would feel helpless.

(4) The launch of first-line supervisor training: In order to enhance the first-line supervisors' awareness of active management and enhance their coordination and management capabilities in terms of communication, leadership, and anti-stress aspects, sort out correct work directions, use correct management methods in daily production management, gather basic-level staff's productivity, and achieve the goal of excellent performance, from June to September 2010, a 3-month training targeting first-line supervisors was conducted where six courses were commenced, including Lone Star Survival (sand table simulation), psychological care, legal knowledge, situational leadership, effective communication, and team building.



(5) "A Trip to the Soul and Health" staff care activities (2010.11.07 New District Hospital in Chang Shu, Jiangsu, Office of Justice in Yu Shan Zhen, and Psychological Association in Chang Shu)

The interview room and hand in hand club of the company invited five health care workers, three national class II counselors, and 3 lawyers to participate in the activity for staff consultation of physical, psychological, and legal-related issues. The staff actively participated in the "Thousand Knots" group activity and had good talks with the invited experts. The wish wall is also filled with family, friendship, and love related blessings.









(6) The "Public Law Club" (The Central People's Government of the People's Republic of China, Chang Shu, Jiangsu 2010.06.08 and Gao Xin Yuan in Yu Shan Zhen 2010.09.28 ~ Supreme People's Procuratorate of the People's Republic of China)

In recognition of companies' efforts in legal advocacy and step up publicity efforts, the Chang Shu government decided to set up the New Public Law Club in the company as a microcosm of the community work environment and shape legal awareness in advance. The politicians who attended the opening ceremony include: Secretary of the Politics and Law Committee in Chang Shu, Deputy Director of City People's Congress Standing Committee, leaders of high-tech industrial parks, company leaders, and company employee representatives. The legal education seminar focused on juvenile crime cases to understand the criminal mentality and gain an insight into the cases, which won praises from the colleagues.









(7) "AIDS Prevention" Knowledge Training (Center for Disease Control, Chang Shu, Jiangsu)
The Center for Disease Control in Chang Shu organized the AIDS prevention training seminar and subsequently conducted a series of promotional works through peer education for 700 employees.



Compensation and Benefit

1. Overall compensation

Talents are the most important assets to Quanta Computer. The mission of Quanta is to allow all employee to work at ease and perform to their potential. A comprehensive salary and benefit package helps secure the staff's daily necessities and allows the staff to concentrate at work and achieve optimal effects.

To understand the latest market trends effectively, Quanta has striven to provide its staff with a competitive salary structure and adequate salary policy through industry salary investigation in order to retain talents achieving operational objectives.

Our staff's salary depends on education, experience, performance, and market conditions. The salary ratio of male staff and female staff is 1:1 without sex discrimination. In conclusion, the staff's salary is not affected by sex, race, religion, political stance, and marital status.

Salary and bonuses are paid in accordance with the governing salary ordinances. In addition, rewards, allowances, raises, and performance or service incentives are paid from time to time for the hard work of the staff during the busy seasons. Quanta has appropriated a certain percentage of the earnings annually as a year-end bonus and dividend to employees to share the operating results; thus inspiring excellent staff and retaining talents.

2. Performance management and development

Quanta has its staff's interim and annual performance and development evaluation conducted with the e-Performance Management System (e-PMS) to understand the staff's performance for reference in planning promotion, annual bonuses, training and development, and performance remuneration.

Performance evaluation is performed for reviewing and developing future goals. Employees who have performed poorly will be given an opportunity for improvement in order to upgrade the employee's work efficiency.

3. Insurance

Insurance benefits include labor insurance, health insurance, and group insurance.

A comprehensive welfare and security system is provided in Mainland China in accordance with the Labor Contract Law. Quanta's employees are entitled to the protection of social insurance (medical, unemployment, pension, maternity leave, and work injury) including the coverage of accident insurance. At the same time, the Company takes effort to care for and be compassionate toward its trainees by arranging transportation, providing insurance, protecting the trainee's personal safety during the internship, and communicating to the stationed teachers frequently to provide psychological counseling to students and help them resolve hardships in life.

4. Off work and attendance

We provide employees with comprehensive annual leave with pay, business trip allowance, sick leave, maternity leave, and maternity leave for man as well as care for employee's health with an infirmary set up in each plant site for our employee's daily medical care and consultation.

Female workers in Mainland China who meet the family planning regulations are entitled to the benefits of prenatal leave, maternity leave, breast-feeding leave, ligation leave, and free gynecological examinations. All employees by age group are entitled to free physical check-ups once every two or three years for early detection, early diagnosis, early treatment, and disease prevention.

Due to the huge flow of people in Yangtze River Delta during the World Expo in 2010, the Company had contacted local Disease Control and Prevention Center voluntarily to give the new recruits free measles vaccinations for the protection of their health and safety.

5. Pension provision

In terms of pensions, employees in Taiwan are entitled to the pension provision of the "Labor Standard Act" and "Labor Pension Act" for the protection of the employee's work and life.

(1) "Labor Standard Act" pension plan

This is a defined benefits plan. The Company has its pension reserve provisioned and then deposited in a special account with the Bank of Taiwan to fund pension payments. A benefits formula is processed in accordance with the Labor Standard Act.

(2) "Labor Pension Act" pension plan

It is a defined contribution plan. The Company has its pension reserve provisioned in accordance with the "Labor Pension Act" since July 1, 2005. The pension reserve is deposited in the individual pension account with the Bureau of Labor Insurance. For the protection of the employee's interests, the monthly pension reserve deposit record is available on the Human Resources System for employee's online inquiry.

6. Welfare system

(1) The mission of Chairman / Commissioner

For the proper care of employees and society, the Company has created cultural and self-improvement activities through recreation programs. It has also helped employees and their family dependents experience wellness through a cheerful life.

(2) Purpose of the Welfare Committee

The purpose of the Welfare Committee is to improve employee's overall welfare and provide employees with a healthy, happy, and hopefully lifestyle in order to promote industrial harmony and increase productivity.

(3) 3H activity

- 1. Health: Exercise to stay fit, nourishment and delicacy Enjoy a healthy and willful life
- (1) Health promotion activity 3-high prevention plan (high blood pressure, diabetes, and high cholesterol), physical fitness activities, body shaping health plan, and road race activities.
- (2) Sports and fitness activities Ball games, swimming competitions, water sports, and an aerobic carnival.



- (3) Health curriculum planning Fitness exercise bike, street dancing, magic steps, Latin Pop, MV dance, and yoga body sculpting
- (4) Help Taiwan Farmers program Assist in the procurement of unmarketable agricultural products and help Taiwan farmers (banana)
- (5) Employee health examinations



- 2. Happiness: Recreation and culture, convenient life Enjoy happiness and appreciate life
- (1) Cultural activities: Drama appreciation, concerts, Taiwan films appreciation and analysis and promotion of traditional cultural performances.
- (2) Happiness sharing activities: Year-end banquet, anniversary, Singing contests, photo poll, and engineers festival.





- (3) Benefit of a convenient life: Merchants, group shopping Web site, and SALES event (Chinese New Year, Dragon Boat Festival, and August Moon Festival)
- (4) Club activities: Employees may attend club activities with friends after work according to their own preferences. Club activities include the photography club, arts and crafts community, and flute society as well as the dance club, Yoga club, and scuba diving club.

- 3. Hope: Intellectual development, sweet sharing To give hope, To build up a colorful life
- (1) Book club
- (2) Children's Summer Camp





- (3) Unmarried staff social activities
- (4) Arts and culture lecture



- (5) Care for the motherland and love Taiwan program: Promote staple cuisines in Taiwan, arrange food sampling for the employees periodically and introduce local staple attractions in order to help increase tourism consumption.
- (6) Book subscription activity for charity: Help underprivileged children.
- (7) Invoices collection
- (8) Welfare subsidies application: Wedding and funerals and happy events, emergency and disaster relief, and department tours and recreational activities.
- (9) Social care plan: Plant trees, reduce carbon emissions, and love the Earth.



Symbiosis with the Earth—Environmental Philosophy and Policy

Environmental Philosophy

Recently, greenhouse gases, green energy and energy conservation have become one of the most important global environmental issues. Driven by the wave of global environmental warming and environmental protection issues, Quanta has also constantly and actively become involved in related environmental protection activities and projects; from the environment to procurement of electronic components, R&D, manufacturing and production, until the final product recycling and reuse, Quanta persists in using green energy and green products both internally and externally as our ultimate target.

Based on a common belief in living with nature, Quanta and staff are committed to the company's environmental policies. Taking the Earth as the main body, we shall pursue harmony and coexistence with the environment. In doing this, we hope to bring further attention to the long-term issue of the Earth's existence by using our corporate influence.

Environmental Policy

Quanta Computer is an ODM company producing professional notebooks and laptop computers, the main environmental impacts we generate are exhaust gas, sewage and waste etc. Persisting in the philosophy of symbiosis with Earth, all colleagues are committed to completing the following environmental policies in order to achieve the spirit of pollution prevention and constant improvement.

- We use employee training and implement the ISO 14001 System to let our employees be well informed that environmental protection is the responsibility and obligation of everyone.
- We all work to reduce air and water pollution and waste production, so as to mitigate our environmental impact.
- We strictly abide by relevant statutory regulations and other essential requirements while carrying out product design and production.
- We set forth environmental targets for continued improvement.
- We consider environmental issues while designing products, aiming to implement low energy consumption and low pollution.

Occupational Safety and Health Policies

Compliance with Statutory Regulations, Risk Assessment, Participation of The Entire Staff, Continued Improvements, Hazard Mitigation.





Implementation Guidelines

- Continued improvement in occupational safety and health
- Implement risk management
- Enhance employee training and contingency response
- Guide the entire staff for total participation
- · Abide by occupational safety regulations to protect employees' health

Environmental management system

[QRDC]

I.Environmental safety and health management system

Quanta HQ started the Environment Management System at Hwa Ya Science Park in 1999 and attained DNV ISO 14001 certification in 2000. Furthermore, the OHSAS 18001 Occupational Safety and Health certification was licensed in 2004. The firm's environmental safety and health promotion plays a core role in the environmental and occupational safety/health system; in addition to promoting and implementing the firm's environmental and safety management systems, they also constantly demand improvements towards numerous management systems such as the construction by contractors, use of organic solvents, extension cords and waste. Improvements in the employees' work safety and health related knowledge, as well as promotion of occupational safety and health information are achieved through education and training; furthermore, in accordance with the legal regulations of the Labor Safety and Health Act, occupational safety/health training courses and related educational training are conducted, for instance: new employees, emergency rescuers, operation of forklifts, high pressure gas facility operations and managerial staff etc. In addition, emergency response organizations are established according to different conditions, and regular firefighting training, evacuation drills and chemical leakage drills are conducted to ensure personnel safety and reduce losses incurred by disasters.

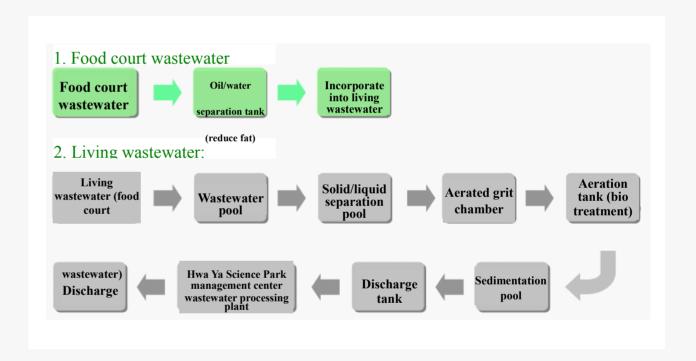




II.Pollution emission and pollution control

(I) Wastewater

The QRDC is a R&D building, producing mostly living and kitchen sewage, which has a relatively small impact on the environment. In order to comply with the standards of the Hwa Ya Science Park management center, kitchen sewage must pass through an oil-water separation tank and be pretreated like ordinary living sewage. Moreover, the water quality should be tested every six months by a third party notary (including biochemical oxygen demand, chemical oxygen demand, aerosols, pH, temperature and fat). The proper functioning of the wastewater process system is evaluated based on the above mentioned test results, consequently, environmental impact are minimized through monitoring and measurement.



(II) Industrial waste management

The total living garbage produced by Hwa Ya Science Park in 2010 was approximately 268 tons, while recycled resources amounted to 56 tons; harmful wastes amounted to 0.62 tons; waste removal and processing operators approved by the EPA are used and the trucks are equipped with GPS to monitor their whereabouts. Furthermore, each truck must be weighed to keep record, while reports are filed on EPA's Industrial Waste Control Center Report System to ensure the flow of wastes and the processing status.

(III) Air pollution prevention

The main pollutants of QRDC are cooking fumes and the diesel generator. Targeting at the cooking fume, in addition to regularly washing the washable kitchen hood, the static electricity collector plates of the static electricity cooking fume purifier are also regularly replaced, while the diesel generator has been equipped with exhaust purification system, and the flue gas is regularly checked to ensure compliance with emission standards. The items checked include particulates, nitrous oxides and sulfur oxides.



(IV) Noise control

Quanta's Hwa Ya plant is classified as a class four noise control area, which has no significant external source of noise, most noises originate from the commuting vehicles. The ambient noise is tested every year and conforms to the required standards.





III.Environmental accounting

Green Management and Sustainable Development is the never-changing philosophy of Quanta; in an effort to maintain the natural environment, Quanta has committed a great deal of resources each year to the prevention, maintenance and processing of water, air and waste pollutants. In addition, environmental protection related expenditures are also increase yearly, with the intention of contributing towards the Earth's environment.

2010 Environmental protection related expenditures Unit: NT\$

| Number | Item | Amount | Ratio |
|--------|---|-----------|--------|
| 1 | Waste removal and processing fees | 995,892 | 16.82% |
| 2 | Wastewater is incorporated into the park pro- | 651,877 | 11.01% |
| | cessing fee | | |
| 3 | Air pollution prevention equipment mainte- | 551,647 | 9.31% |
| | nance fee | | |
| 4 | Sewage pre-treatment maintenance fee | 240,000 | 4.05% |
| | (removal of liquid waste) | | |
| 5 | Wastewater pre-treatment equipment mainte- | 330,000 | 5.57% |
| | nance fee (oil/water separation tank) | | |
| 6 | Park management center environmental qual- | 318,179 | 5.37% |
| | ity monitoring and testing fee | | |
| 7 | Environmental monitoring fee | 74,082 | 1.25% |
| 8 | Air conditioner filter | 652,620 | 11.02% |
| 9 | Forestation | 2,088,000 | 35.26% |
| 10 | Other | 20,160 | 0.34% |
| | Total | 5,922,457 | 100% |

[QSMC]

I. Management System Certification

Quanta Shanghai Manufacturing City (QSMC) introduced the ISO 14001 Environment Management System and the OHSAS 18001 Occupational Safety and Health Management System in 2001 and attained a supplier certificate in July 2002. After system alteration, the ISO14001:2004 Version was awarded in June 2005; the OHSAS 18001:2007 Version was certificated in September 2010. New plant F5 also certified in September 2010.

| Factory name | Location | Process | ISO14001 | OHSAS18001 |
|--------------|---------------------|-------------------|-----------|------------|
| QRDC | Taoyuan, Taiwan | RD, SMT, assembly | 2000 | 2004 |
| F1 | Songjiang, Shanghai | SMT, assembly | 2002, 10 | 2002, 10 |
| F2 | Songjiang, Shanghai | SMT, assembly | 2003, 10 | 2003, 10 |
| F4 | Songjiang, Shanghai | SMT, assembly | 2004, 10 | 2004, 10 |
| F5 | Songjiang, Shanghai | SMT, assembly | 2010 , 09 | 2010 , 09 |
| F6 | Songjiang, Shanghai | SMT, assembly | 2005, 10 | 2005, 10 |
| F7 | Songjiang, Shanghai | SMT, assembly | 2008, 10 | 2008, 10 |
| Q-BUS | Songjiang, Shanghai | SMT, assembly | 2007, 10 | 2007, 10 |
| CSMC | Changshu , Jiangsu | SMT, assembly | 2007, 07 | 2007, 07 |
| Dormitory | Songjiang, Shanghai | Living campus | 2007, 09 | 2007, 09 |

II.Statistics of Environmental Protection Expenditures

QSMC is dedicated to environmental protection; the annual expenditure on environmental protection is phenomenal. 2010 environment protection expenditure totaled RMB 8,238,059. Most of this went to engineering and investment in energy-saving equipment.

Major future environmental protection expenditure of the company will include: upgrade costs for the existing environmental protection and power saving equipment; operating cost of the same; costs of refuse treatment; and environment monitoring costs.

III.Environmental Impact

The environment policy of the company says, "to reduce the pollution of air and water and the production of wastes in order to decrease environmental impacts." In order to preserve the Earth, Quanta has fully complied with statutory regulations of the local government. Based on this, Quanta reduces environmental impacts by way of improvement to production processes and legal disposal of hazardous wastes.

(I) The following table gives inspection results of three major wastes discharged:

1. Livelihood wastewater

| Place of sampling | Item | Result | Unit |
|--------------------|--------------------------------|--------|--------|
| | PH | 7.24 | / |
| | Color degree | 8 | Chroma |
| | SS | 13 | mg/L |
| | CODCr | 55.9 | mg/L |
| Wastewater Outfall | BOD5 | 15.7 | mg/L |
| | Ammonia | 8.57 | mg/L |
| | Vegetable oils and animal fats | 0.12 | mg/L |
| | Volatile phenol | 0.06 | mg/L |
| | LAS | 0.717 | mg/L |

2.Exhaust Gas

| Place of sampling | Item | Consistency mg/m3 | Speed of emission Kg/h | Height of exhaust port m |
|-------------------|--------------------------------|-----------------------|------------------------|--------------------------|
| CAT | Tin and its compounds | 3.99*10 ⁻³ | 7.87*10 ⁻⁵ | |
| SMT workshop | Particles | 3.25 | 6.57*10 ⁻² | |
| 5.6 exhaust port | Non-methane total hydrocarbon | 4.82 | 9.63*10 ⁻² | |
| CMT was dealers | Tin and its compounds | 2.15*10 ⁻³ | 3.43*10 ⁻⁵ | |
| SMT workshop | Particles | 2.47 | 4.22*10 ⁻² | |
| 7.8 exhaust port | Non-methane total hydrocarbon | 4.95 | 8.27*10 ⁻² | 18 |
| CNAT | Tin and its compounds | 2.08*10 ⁻³ | 3.67*10 ⁻⁵ | |
| SMT workshop | Particles | 3.17 | 6.61*10 ⁻² | |
| 9.10exhaust port | Non-methane total hydrocarbon | 12.2 | 0.239 | |
| CMT workshop | Tin and its compounds | 2.07*10 ⁻³ | 8.5 | |
| SMT workshop | Particles | 4.65 | 7.91*10 ⁻² | |
| 11.12exhaust port | Non-methane ~total hydrocarbon | 5.33 | 8.94*10 ⁻² | |

3. Noise Level at Plant Boundary

| Dia sa af sayaring | Main Carman | Result Leq During the day | | | | | |
|--------------------|--------------|----------------------------|-------------|-------------------------|--------|--|--|
| Place of sampling | Main Source | | | g the day 2010.11.26 | | | |
| | | Time | Measurement | Background Value | Result | | |
| 1# 1 meter outside | Noise in the | | 55.6 | 53.9 | 55.6 | | |
| the east plant | plant | | | | | | |
| 2# 1 meter outside | Noise in the | | 53.8 | 52.6 | 53.8 | | |
| the south plant | plant | 14:00 | | | | | |
| 3# 1 meter outside | Noise in the | —14:15 | 56.2 | 55.0 | 56.2 | | |
| the west plant | plant | | | | | | |
| 4# 1 meter outside | Noise in the | • | 58.4 | 55.1 | 55.4 | | |
| the north plant | plant | | | | | | |
| | | | Res | sult Leq | | | |
| Place of sampling | Main Source | | Durin | g the day | | | |
| | | | Date 2 | 2010.11.26 | | | |
| | | Time | Measurement | Background Value | Result | | |
| 1# 1 meter outside | Noise in the | | 50.6 | 50.0 | 50.6 | | |
| the east plant | plant | | | | | | |
| 2# 1 meter outside | Noise in the | | 49.8 | 48.3 | 49.8 | | |
| the south plant | plant | 22 : 30— | | | | | |
| 3# 1 meter outside | Noise in the | 22 : 50 | 49.9 | 47.6 | 49.9 | | |
| the west plant | plant | | | | | | |
| 4# 1 meter outside | Noise in the | | 48.6 | 47.3 | 48.6 | | |
| the north plant | plant | | | | | | |

(II) Treatment of Harmful Waste

Major harmful wastes generated from Quanta's production processes include used light bulbs, organic fluids, non-organic fluids, used machine oils, rags with used machine oils and used air-filters made of paper; they are all entrusted to resource suppliers for harmless disposal. Major treatments in 2010 are as follows:

| Hazardous Waste | Weight/Amount | Hazardous Waste | Weight/Amount |
|------------------------|---------------|-----------------------------|---------------|
| Waste fluorescent tube | 4280PCS | Waste oil cloth | 5160KG |
| Waste oil/water | 1618KG | Waste binder | 712KG |
| Waste acid | 4000KG | Waste adsorption filter and | 54.5KG |

[CSMC]

I.Certification system and environmental protection expenditure statistics

CSMC is determined to perform environmental protection and invests significant environmental protection budget each year. In 2010, the total environmental protection expenditure is 4,674,995 RMB; in particular, emphasis is placed on the processing of the three wastes and environmental monitoring.

In the future, it is estimated that the main environmental protection expenditure and projects will include: Fees for the renewal and upgrading of existing environmental protection and energy conservation facilities, fees for the processing of relevant wastes, forestation and fees for environmental monitoring etc.

II.Environmental impact

(I)Water resources management

The sewage generated by CSMC mainly originates from the employees' office and living usage, therefore the impact on the environment is relatively small as compared to industrial wastewater. The sewage produced is fed into the park's sewage treatment plant; furthermore, all discharged sewage is tested and the sewage processing fee is paid. The quality of the drinking water conforms to various national standards. The CSMC has also been awarded the laudatory title of Water-saving enterprise in Jiangsu Province.



Garbage collecting activity at Yushan



Water-saving enterprise medal

(II)Waste management

All wastes from CSMC are processed by qualified operators and all harmful wastes comply with the environmental protection regulations. In 2010, CSMC produced 185 tons of solid waste, in particular, 15 tons were harmful wastes. The firm also encouraged the colleagues to participate in environmental protection activities in order to contribute towards creating cleaner and more harmonious city.

(III) Environment monitoring

In order to protect employee health, regular operating environment testing is conducted regularly, including factory air quality, ambient noise checking etc. to ensure work environment quality. At the same time, by referring to the firm's ambient environment considerations and external communication needs, various environmental monitoring is held irregularly.

In addition, in an attempt to protect the health of part of the colleagues who are involved in occupational hazard related works, regular tests are regularly conducted on relevant environmental elements to accurately control the work environment condition and the efficacy of anti-pollution facilities, in turn reducing the impact on the colleagues' health. Furthermore, human factor engineering is implemented to protect colleagues from injuries at work from all aspects; this received positive feedback from the government in 2010 and all annual inspections were successfully passed.

Risk assessment and crisis management

[QRDC]

I.Disaster and accident risks

Faced with rapid transformations and challenges in the industry, the responsibility for environmental protection, occupational safety and health has also become increasingly important! However, in terms of environmental and industrial management, although one may attempt to intervene and manage them, they can nevertheless not be completely eradicated, therefore one must acknowledge the existence of risks and crises, assess them and take appropriate measures to eradicate or minimize the impact.

Therefore in 2000 and 2004, Quanta obtained the ISO14001 environmental management system and OHSAS18001 occupational safety and health management certification; through constant review and improvement in the systems, all potential environmental impacts and occupational safety/health risks generated by raw materials, R&D, equipment, construction and operation during routine or nonroutine company operations are effectively identified, thereby formulating the necessary improvement measures and operational procedures.

As for significant environmental and occupational safety/health risks, they will become the foundation on which environmental safety/health management policies, the formulation of environmental safety/health management objectives, targets and management plans are based. In order to achieve them efficiently, individuals in charge of the implementation of various plans must employ the various monitoring, recording or control methods in the environmental or occupational safety/health management systems, in turn conducting audits on the progress and performance of the plans, and report the findings to the environmental and occupational safety/heath management team.

In terms of ensuring the work environment quality, aspects including operational environment assessment, discharged water, ambient air and noise all fall into the scope of the environmental safety/health monitoring; through planning, sampling, analysis, instrument measurement and supervision to accurately monitor the actual condition of labor operating environment and the anti-pollution processing efficiency, our colleagues are effectively prevented from contacting or being exposed to environments with harmful substances, thereby guaranteeing the colleagues' health and reducing the environmental impact.

II.Crisis management

When emergency accidents or safety hazards occur, there will not be sufficient decision making time and room for coordination, therefore ordinarily safety and health related personnel are required to identify all potential emergency situations where accidents may occur, formulate the emergency reaction plans and protocols in order to minimize all possible harm and losses.

In an effort to prevent the occurrence of accidents, disasters and reduce personnel casualties and damage to property, Quanta organizes annual fire fighting and evacuation drills; each firefighting squad carries out their duties dutifully, making sure all employees, guests and visitors are evacuated to safety by following the evacuation routes. The measures are implemented to ensure that when accidents occur, the damage may be minimized. In addition, multiple firefighting drills are organized each year so that the colleagues may gain a deeper understanding into disaster prevention and the correct ways to deploy fire extinguishers.

In addition, in case of emergency responses for chemical or gas leaks, underground oil tanks, power failures,

typhoons and earthquakes, seminars and drills are held to strengthen the emergency response personnel's familiarity towards handling accidents, so that they may be mobilized to quickly arrive at the scene of accidents and contain or eradicate the threat.

Quanta has formulated numerous operational control methods and review plans; in addition to preventing potential hazards to the firm, in terms of the response mechanism, the fundamental awareness of the response measures are also strengthened, in turn significantly reducing the probability of occupational disasters and thereby enhancing the overall response ability and achieving the basic objective of disaster prevention.



This year, all accident prevention education and promotion are integrated through the Firefighting Week project in order to raise awareness.

III.Contractor responsibilities

Contractor management has become an integral part of the environmental and occupational safety/health management; ISO14001 & OHSAS1800 has clearly incorporated contractors into the regulations. Under such trend, the managerial requirements for contractors have become increasingly stringent, Quanta's Hwa Ya plant has also established a comprehensive contractor construction management system.

(I) Contractor information management:

All contractors must fill in basic contractor information when entering the park for the first time and be evaluated by Quanta's occupational safety/health management unit for their operational safety capabilities. (II) Safety/health terms of agreement

The contractor is required to fill in the contractor safety/health environmental operating regulation, which regulates the contractor's commitment in the plant and the relevant occupational safety/health items that should be observed in accordance with the law.

(III)Informing construction crew of potential hazard

Before entering the plant, the contractor's construction crew must read the workplace environment and hazardous element notification carefully; after signing, the contractor may enter the plant to perform work. The contractor should prepare the relevant safety equipment or measures in accordance with the requirements on the notification.

(IV) Work operations permit:

After the worker education and training is completed, the contractor must fill in the Work Application Permit, which should be approved by the engineering unit and occupational safety/health unit before work may commence. Contractors that have not applied or have not been approved may not enter the plant to carry out work.

(V) Special operation permit

If the work process involves fire, operating within limited space, scaffolding operations, nighttime illumination, hoisting, organic solvents, chemicals or high voltage electricity, it is considered as a special operation and must apply for special operation permit.

(VI) Construction venue inspection:

In addition to routine plant area inspection, the environmental unit also needs to conduct random inspections at applied construction sites, paying special attention to those with special operations and implementing the contractor management system, so as to avoid the system from falling into mere formality. Moreover, violations will be fined and filed into the contractor management system for future reference when selecting contractors.





[QSMC/CSMC]

I.Risk management

In order to prevent the occurrence of incidents and take effective measures, the contingency management plan established in 2002 has been constantly improved; based on the Environmental Consideration Management Plan and the Occupational Safety/Health Risk Assessment and Management Operations Plan, the SOP of various departments are thoroughly checked. In addition, combined evaluation is performed according to the environmental or safety hazard level, scope of impact and occurrence frequency etc., thereby prioritizing them based on the level of risk.

As for assessing higher risk incidents, the firm has stipulated relevant response contingency plans; currently there are 22 mature contingency plans in operation, including firefighting contingency plan, chemical leak contingency plan and snowstorm contingency plan.

Contractors play critical roles in production activities of the company, yet they cannot be treated or controlled as employees. Furthermore, the activities of contractors are full of risk. How to manage

contractors is a critical issue to most company managers. The 2004 version of ISO 14001 Environment Management System includes contractors as associating parties to be controlled.

Recently, through contingency plan drills or implementation, experiences are constantly being absorbed, and post-hoc contingency plans are gradually transformed to loop-type management mechanisms.



| | Loop-type | Description |
|--|---------------------------------|--|
| | Prevention and contingency plan | Avoid and reduce the causes of emergencies, be prepared in terms of people, finance and property so as to enhance the ability to handle emergencies. |
| | Monitoring and early warning | Monitor potential emergencies in order to eradicate them before they are out of control. Assess contingency response information to protect the employees' right to know. Take appropriate measures to control the spreading and expansion of emergencies. |
| | Handling and rescue | Eliminate the perniciousness of the contingencies to avoid property loss and personnel casualties, as well as to prevent further incidents. |
| | Restoration and reconstruction | Restore normal life, infrastructure and service system, alleviate detrimental outcomes, absorb experiences and lessons, prevent the occurrence of future contingencies. |

II.Implementation of contingency plan related operations in 2010

In 2010, constantly conducted updates, educational training and drills for the existing contingency plans, so that related personnel may be familiarized with the handling method and procedure when confronted with emergencies, thereby reinforcing the contingency response knowledge and improving the actual handling capability under urgent circumstances.

(I)Firefighting training and drill

Through rapid economic development, the occurrence of fire related accidents is also increasing; fire not only inflicts tremendous impact on the victims and families, it is also a deadly loss in terms of company development.

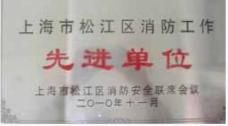
Therefore, Quanta has always perceived great importance in firefighting safety and is committed to the firefighting philosophy of Prevention First and Integration of Protection and Elimination; by launching promotional education, supervision and management work, not only are all employees required to accept firefighting and safety training, the firefighting squad must also receive at least one professional training each season. In addition, in order to enhance the contingency response capability under urgent situations, at least three firefighting and evacuation drills are organized each year, involving all employees from the day or night shift.











In 2010, QSMC was awarded as an advanced unit for firefighting work in the Songjiang District, Shanghai

(II) Activation of snowstorm contingency plan

In the winter of 2010, in response to snowfall disaster, the snowstorm contingency plan was activated, where the weather was constantly monitored and threats were reported. Moreover, snow on the road of the plant was cleared by implementing the disaster relief work as planned, so as to ensure the normal entry/exit of company employees. After restoration, the activation condition of the contingency plan was summarized to make the contingency plan more comprehensive.



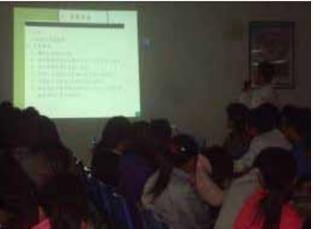


Looking to the future, it is expected to improve various contingency plans in an effort to strengthen the emergency response teams and creation of the emergency response information platform to form an emergency rescue mechanism with unified command, comprehensive function, quick response and high efficiency qualities. Regular organizational training and emergency response drills, constantly correcting and improving the plans, will improve the emergency response management standard and skills of command the rescue personnel. Based on contents such as prevention, risk evasion, self-rescue, mutual rescue and disaster reduction, promotional and educational work is conducted to all employees to constantly increase their crisis awareness and response ability.

(III)Contractor management and training

Contractors' assistance is essential to Quanta's development. In order to maintain a safe environment during development, the company has set forth a series of contractor management regulations. They are updated during the implementation. In 2010, QSMC trained a total of 12,316 contractors' operational staff, with more than 500 contractors involved.





In addition to contractor training, Contractors are subject to examination and selection and shall submit relevant company information to Quanta. Contractors will be informed of environment safety regulations of Quanta, and are requested to sign a Commitment Letter on Safety and Health and a Safety Agreement. The workforce of the contractor is requested to wear discernible helmets and construction vests. For implementing dangerous operations, applications must be filled out in advance for work permits. Such operations can only be performed after attaining the permit and a safety person shall be present at the site for supervision.



Emergency evacuation drill

69/70

Greenhouse gas inventory

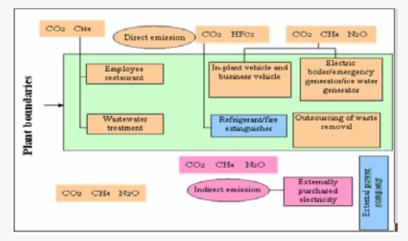
1. Challenges and opportunities

Through increase in international awareness on environmental protection, the concept of green consumption has also emerged, while the general public's demand towards an enterprise's environmental performance and social responsibility has also increased gradually. In addition to facing attention from domestic environmental protection organizations and legal restrictions, international trade sanctions and environmental protection treaties have also indirectly become the source of pressure for enterprise management and competition.

Faced with environmental challenges, Quanta has gradually adopted greenhouse gas and climate change as the guideline for the enterprise's sustainable development; they are also incorporated into the management strategy in order to capitalize on the advantages of carbon reduction in the new era of energy conservation and carbon reduction, in turn achieving the objective of increasing Quanta's green productivity and further transforming the current impact and crisis of controlling greenhouse gases into an opportunity where the enterprise is endowed with more competitiveness.

2. Carbon disclosure

Quanta initiated the greenhouse gas inventory in 2008 and has set the year as the benchmark inventory year; within the framework of ISO14064 and based on the boundaries of the Hwa Ya plant in Taiwan, the scope of the first category emission source investigation include emergency generators, electric boilers and natural gas for restaurants etc.; the scope 2 is primarily based on externally purchased electricity (such as Taiwan Power Company), the scope 3 concerns the outsourcing of waste treatment.



3. GHG quantity and management 【ORDC】

The GHG management goal and strategy of Quanta is: Formulate company strategy and guidelines on carbon management, reduce carbon emission, energy and resource reutilization, create a comprehensive carbon management information system, conduct information gathering and quantified assessment/analysis, optimize corporate planning and management, reduce operating costs and the environmental impact.

| 2010 carbon emission inventory | | | | | |
|----------------------------------|-------|----------------------------|-----------|--|--|
| Source of emission | Scope | Emission volume (Ton/CO2e) | Ratio (%) | | |
| Externally purchased electricity | 2 | 14225.42 | 97.44 | | |
| Gasoline | 1 | 4.36 | 0.03 | | |
| Diesel | 1 | 17.93 | 0.12 | | |
| CO2 gas | 1 | 0.10 | 0.001 | | |
| Wastewater | 1 | 49.86 | 0.34 | | |
| LPG | 1 | 168.80 | 1.16 | | |
| Incinerator | 3 | 133.04 | 0.91 | | |
| Total | | 14599.51 | 100 % | | |

Quanta Hwa Ya plant's GHG carbon emissions in 2010 were 14,599.5 (ton/CO2e), an increase of 526.5 (ton/CO2e), or 3.74% as compared to the 2009 figure of 14,073 (ton/CO2e). Since Scope 2 externally purchased electricity already constitutes 95% of the firm's total carbon emissions, therefore energy conservation is currently the main direction of focus for the firm in terms of carbon reduction.

In the future, Quanta will continue to promote various management measures for reducing GHG emissions and establish the carbon management information system to effectively examine the conditions of various carbon emitting activities. Through the carbon management team's information gathering, relevant improvement regulations and strategies will be formulated and improvement projects will continue to be promoted and implemented.

| GHG Emission(ton CO2e/Y) | | | | | |
|--------------------------|--|---------|-----------|---------|-----------|
| year | | Scope 1 | Scope 2 | Scope 3 | Total |
| 2008 | | 663.84 | 13,429.64 | 212.32 | 14,305.8 |
| 2009 | | 562.02 | 12133.48 | 209.17 | 14,073.8 |
| 2010 | | 241.05 | 14225.42 | 133.04. | 14,599.51 |
| | | -57.1% | 17.24% | -36.4% | 3.74% |

(QSMC)

In 2010, the total carbon emissions for the plant area was 270,862.2 tons, while the living area's total carbon emission was 23,809.21 tons; in particular, scope 2 electricity was the main source of GHG emissions, constituting 99% of total emissions in QSMC. (Scope 1 includes diesel for emergency generators, fuel consumption for business vehicles, firefighting training and refrigerant for air conditioners; scope 2 mainly consists of externally purchased electricity).

As of 2010, the firm has invited a professional consultancy to dispatch senior consultants to train ISO14064 internal auditors and provide assistance in creating the GHG inventory system in order to enhance the systematic and reliable operation of the GHG inventory system. In the future, the ISO14064 certification project will be implemented in an effort to strengthen carbon emissions management.

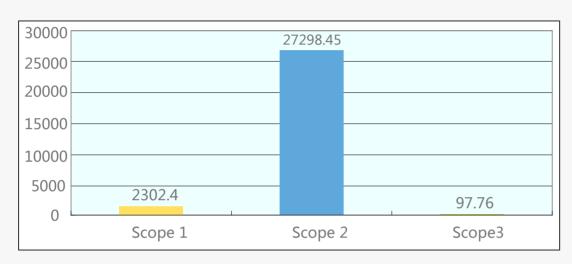
In 2010, Quanta actively participated in the WRI and WBCSD's product lifecycle GHG emission accounting systems testing, where eight of the firm's products underwent calculations. The results revealed that approximately 60% of the product's lifecycle GHG emission originated from the material of the product, 39% were generated while using the product, only 1% is attributable to the manufacturing process. During manufacturing, the majority of GHG emission is generated by the usage of electricity. Therefore, we expect to conduct further researches on product materials, energy conservation and the use of energy-saving facilities.

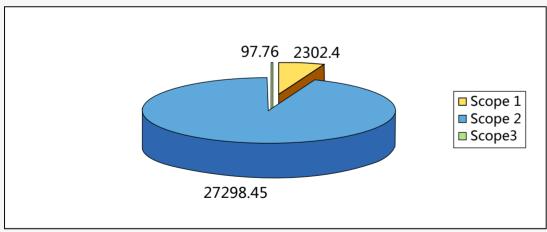
The annual total energy consumption of QSMC is: total electricity consumption is 292,120,000 KWH, 115,380 liters of diesel, 380,600 liters of gasoline, 2,790,000 tons of water. In order to reduce carbon emissions, we have actively formulated various emission reduction measures such as installing water-saving apparatus on taps, optimization and reduction of plant area illumination, use of nitrogen to improve production process, modification of air compressors to inverter-type, air conditioner temperature monitoring, production line nitrogen monitoring, improvement modification of T5 lighting fixtures to T8 type, procurement of new energy-saving facilities etc. to decrease carbon emissions.

[CSMC]

CSMS began conducting GHG inventorying in accordance with ISO14064 in 2009, scope 1 includes emergency generator diesel, business vehicle fuel consumption, firefighting training and refrigerant for air conditioners; scope 2 consists of mainly externally purchased electricity and scope 3 includes wastewater generated from daily living.

The total carbon emission for CSMC in 2010 was 29,698 tons, of which scope 2 electricity was the main source of GHG emission; emission proportions from various categories are illustrated below:





The total annual energy consumption for CSMC was: total electricity consumption 32,000,000 KWH, diesel 750 liter, gasoline 72,598 liter, water consumption 313,407 tons, there were no one-off energy consumption. In an attempt to decrease carbon emission, various emission reduction measures have been actively implemented such as avoiding using the elevator if the employee is not hauling cargo, adding inverters to air compressors and modifying the taps etc.

Through heat recovery air compressor and adding inverters to air compressors, heat recovery air compressors can save approximately 80m3 of natural gas per day, 70,000 RMB per year; for the installation of the inverter compressor, electricity savings one year is about 230,000 degrees that can save 13 million.

Love the Earth through Environmental protection and Energy Conservation

[QRDC]

1. Promotion

In order to increase the awareness of environmental protection and energy conservation, promotional materials on energy conservation and carbon reduction are produced in resonance with the current affairs and government promotion; furthermore, environmental education is also implemented to advance employee awareness and encourage all colleagues to love the Earth by contributing their efforts.



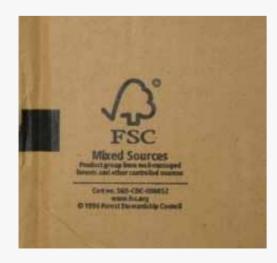
An online environmental video playback platform is also established inside the firm, showing the documentary $\pm 2^{\circ}$ C: Truth Taiwan Must Face. Chairman Barry Lam contributed NT\$2 million as an entrepreneur to support the making of the documentary, and the film may be browsed by the employees at will to promote energy conservation and carbon reduction.

The film is a documentary on climate warming starting from Taiwan's perspective; it macroscopically examines the impact of global warming on Taiwan and urges the people of Taiwan to confront the problems brought about by global warming.



2. Green purchasing

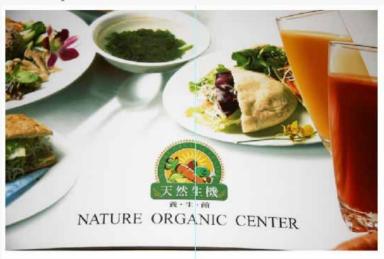
Purchase products with eco-label such as FSC certified paper and Energy Star to promote green consumption and green purchasing, thereby fulfilling the social responsibility of protecting the Earth.





3. Promotion of organic food and vegetarianism

Production of 1kg of beef creates an equivalent of 36.4kg of CO2 in terms of GHG emissions. Quanta offers natural macrobiotic meals at the employee cafeteria to promote the benefits of organic fruits and vegetables. Consume less beef products to reduce carbon emissions.



4. Everyday energy conservation

Electricity has always been one of the largest energy consumptions of the firm, through relentless promotion and implementation by the management department, electricity conservation is now a basic understanding and habit of every employee.

- Architectural structure: Use of skylights to increase interior lighting and wide stairs to decrease elevator usage.
- Energy conservation facilities: Use fluorescent lights with electronic stabilizers; install infrared sensors in parking lots, elevators and areas with less people, so that the lights are only switched on when people are detected to conserve electricity. Add black screens to lower radiant heat and decrease power consumption by air conditioners.
- · Lights out during lunch break: Lights are turned off for one hour during lunch break.
- Office nighttime illumination: Lights are divided into regions of 6~8 lights per region, employees working overtime may use desk lamps to avoid unnecessary power wastage.



- 5. Everyday water conservation
- 1. Infrared sensor type taps help to achieve water conservation.
- 2. Rain sensor: Detects rainfall so that the sprinklers will not operate during or after rainfall to avoid water wastage.





6. Central control system

- Office air conditioning on each storey is regulated automatically by a central control system, maintaining the temperature at 26°C in order to conserve air conditioner energy. Employees are encouraged to dress light during summer through promotions so as to reduce loading on air conditioners and avoid wastage.
- Switch and surveillance system for illumination and air conditioners in conference rooms, exterior corridors and laboratories are controlled simultaneously to prevent forgetting to switch off the air conditioner after meeting. The effective monitoring and controlling in turn decreases power wastage.
- Parking lot: Under the premise of not affecting interior air quality, the operation of ventilators in terms of quantity and time is regulated according to peak and off-peak hours. By doing so, 4,900KWH of air conditioner electricity usage may be saved every month.





7. Convenient life reduces carbon footprints

Establish convenient stores, bookstores, ATMs and cafes to strengthen regional service function and reduce traffic volume, thereby attaining the objective of carbon reduction.









8. Alternative transportation

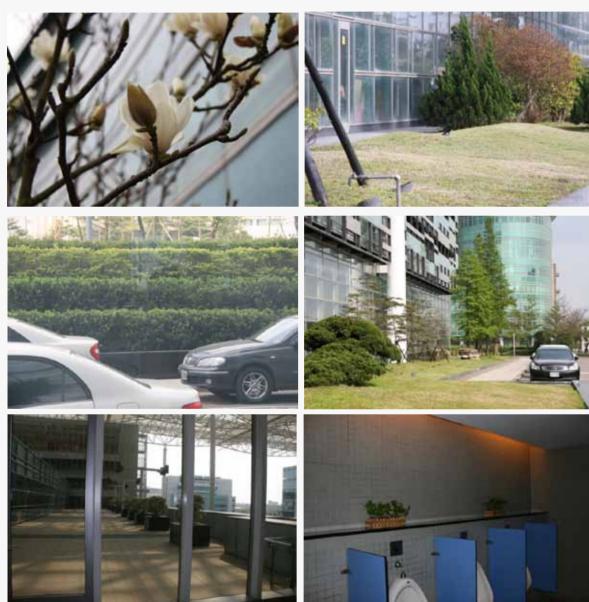
- Create carpool networks: Provide information platforms.
- Commuting vehicles: Commuting vehicles for employees going to and coming from work.
- Bicycles: Establish bicycle parking lots to encourage short distance employees to ride bicycles to and from work.





Through energy conservation and carbon reduction, 2.5kg of CO2 may be saved per kilometer.

- 9. Environment forestation and bio-diversity
- Expand green space: Plant trees and protogenic species around the plant area to create a ecology for the symbiosis with birds and insects. Shrubs are cultivated for small areas.
- Strengthen forestation of balconies.
- Cultivate pot plants in interior space: Beautify the environment and purify the air.



10. Paper conservationDigitization of payroll: Replace printed paper payroll and reduce carbon footprint.

[QSMC]

1. Cultivation of Environmental Protection Consciousness

Combined with ISO 14001/OHSAS 18001 operations, EHS Teams have conducted multiple employee trainings for EHS Management and operators of EHS tasks. Through on-the-job training of substantial EHS tasks, environment protection concepts are implemented on all levels, cultivating the environmental consciousness of the staff and continued increase of overall performance in protecting the environment. Annual trainings in 2010 included Environment Protection Consciousness Training for Baseline Management, ISO 14001 Internal Auditor Training, Training on relevant knowledge of GHG Emission and Certification Systems (ISO14064) and Training on Reach Statutes and relevant knowledge.





2. Promotion of Environmental Protection





EHS teams from the company take advantage of company intranet resources to promote environmental protection projects. The theme presents room for deeper thinking and provides tips to the staff for carrying out environmental protection tasks.

Besides organizing EHS trainings and promoting EHS themes, they also make use of bulletin boards in the company by posting EHS information posters, EHS statutes and results of environmental and occupational safety and health to stress and enhance the EHS consciousness of employees.

3. Environmental protection activities





The tree planting activities led by the Chairman of QSMC. High-level management and employee representatives planted trees.







Third stop of QSMC's 2010 Love Society: City Makes Life More Wonderful environmental protection public welfare event involved picking up litter on Songjiang Old Street and the new city region on May 29.



Tenth stop of QSMC's 2010 Love Society: Happy and Thankful Journey public welfare event involved clearing illegal ads in the plant area and living area on November 25.

[CSMC]

1. \[Love the Environment and Protect the Earth \] —Tree Planting Festival event: 2010.03.12/near the A1 plant.

In order to strengthen forestation and environmental protection awareness and to create a green hometown, the firm organized the tree plantation event near the A1 plant on the day of the Tree Planting Festival. A total of more than 60 colleagues participated in the event, planting over 100 trees.





2. \[\text{World Environment Day \] \] \(-\text{Yushan environmental protection public welfare event:} \] \(2010.06.05/\text{Yushan, Changshou City, Jiangsu Province.} \]

In order to contribute the enterprise's strength towards environmental protection, the colleagues set an example by conducting the environmental protection event in Yushan, Changshou City, which not only beautified the environment and was good exercise, but also enhanced friendship among the colleagues.



3. Start from Me, Start from Now — environmental protection theme event: 2010.08.15/area surrounding CSMC

In order to expand the firm's environmental protection team and raise more awareness among the colleagues, colleagues were gathered to carry out cleaning activities in areas surrounding the firm. During the signing event, colleagues responded enthusiastically to demonstrate their determination to participate in environmental protection. In addition, they have also made a commitment to the society and to themselves!





- Green Policy and Quality Management System
- Supplier Relationship
- Green Procurement
- Green Design and Green Production
- A Pioneer in Developing Standards for the Industry - Green Accomplishments and Prospects





Green supply Green Quanta

Quanta Taiwan Headquarter

Green Policy and Quality Management System

"Green Enterprise Realization" has always been the quality policy and guideline that Quanta follows. It is the goal that Quanta's people work toward together and also contains Quanta's long-term attempts at sustainable management and promoting green environmental protection competitiveness.



Quality Policy

While the international environmental protection issue continues to have an impact on the electronics industry, the European Union's RoHS instructions have already become the basic requirements for the industry. In 2010, Quanta is continuingly growing with its customers. In addition to complying with related laws and regulations strictly, Quanta conforms to all kinds of environmental protection requests from customers, and expects to upgrade its green competitiveness in this green wave.

In recent years, the halogen-free requirement from brand-name customers has been a big challenge in the green material management ability of Quanta. It has also changed Quanta's green management policy from complying with regulations to "Satisfying customers' needs". After improving management procedures several times and upgrading the examination ability of its GP laboratory, Quanta has full confidence in its ability to control halogen-free production to provide environmental protection products that can satisfy customers' and the market's expectations.

In addition, the EU Commission announced RoHS instructions, the revised draft of which stated that HBCDD, DEHP, BBP and DBP were listed as limited usage materials and would be appraised beginning in December 3, 2008. This has gradually influenced the electronics industry. On the other hand, PVC is another material that customers and environmental protection groups pay close attention to. On this issue, Quanta carried out related material investigations by using an internal material management system and communicated actively with suppliers. Quanta is continuing to pay attention to DEHP, BBP, DBP and PVC in relation to the dynamic requirements of laws and regulations, carrying out evaluations ahead of time, and developing substitution materials that have high quality and price advantages in order to comply with laws and meet customers' green requests.

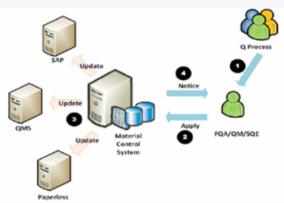
1. Green Product Committee

In order to carry out Corporate Social Responsibilities (CSR), Quanta established a Quant CSR Committee in 2009 led by Chairman Barry Lin, who delegated corresponding liabilities to four committees including the Green Product Committee that takes care of R&D for green products. The Green Product Committee will regularly meet with respective business divisions and relevant units, including Procurement, QA, Production Lines, Product Design Center, and others to discuss trends of and methods for compliance with international statutes. This is to ensure that all the manufactured electronic products comply with requirements of international green statutes.

2. The Green Quality Control "Environmental Management System QCo80000"

Quanta's Quality System is prepared in accordance with Hazardous Substance Process Management System Requirements and Quality Assessment System of Electronic Components (IECQ QCo80000) set forth by ISO and IEC. Quanta has attained both ISO 9001 certification and IECQ 080000 Management System Certificates. Strict environmental protection requirements are realized via the QC 080000 Hazardous Substance Process Management System. All products comply with relevant international environmental protection laws and statutory requirements as well as green product requirements of the customer.

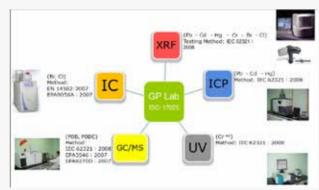
Quanta invested a lot of resources in harmful substance system management. Many management procedures were also carried out, especially by suppliers' management, and their products had to pass a long-term examination by Quanta's internal laboratory. Quanta always regards products' environmental protection profile as a quality issue; to ensure customers' rights and interests and avoid products' misusing harmful materials, Quanta has actively developed a systematized GP management system. The system can avoid personnel communication problems caused by time differences that lead to the product's misuse or double work so that the system management efficiencies of transparency, immediacy, and lack of mistakes can be achieved.



GP Management System Concept Map

3. Green Product Laboratory (GP Lab)

To ensure the conformity of product quality to legal and statutory regulations and customer requirements, Quanta Lab passed ISO 17025 laboratory accreditation by the China National Laboratory Accreditation (CNLA) System in July 2008. And is able to carry out tests for hazardous substances such as lead (Pb), Cadmium (Cd), Mercury (Hg), Six-valence Chromium (Cr6+), polybrominated biphenyls (PBBs), polybrominated biphenyls ethers (PBDEs), Haloid Chlorine (Cl) and Bromine (Br).



Shanghai Examination Center – GP Laboratory Facility Equipment Lists

To assist customers in promoting environmental-protection product ideas and provide competitive environmental protection products, Quanta carried out a series of method developments in the Shanghai and Changshu laboratories in 2010. The XRF of arsenic (As) metal detection was adding to the exam; if the XRF of arsenic (As) exam value was over the control limit, the product was then sent to a third-party laboratory for chemical analysis to ensure that the arsenic metal contained in the product met the customer's requirement. At present, in accordance with the environmental protection laws and customer requests, the laboratory has begun to develop a self-examination ability in DEHP, BBP and DBP.

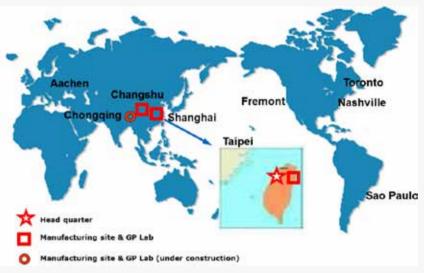


The method development procedure of XRF in arsenic examination ability

On the other hand, a GP laboratory was established in Taiwan in August 2010 so that production in Taiwan could benefit from faster and more immediate examination. So far the facilities include XRF and Cr6+ qualitative analysis related equipment. They mainly provide a material screening examination mechanism. The chemistry examinations are going through several third-party examination organizations, or they contact with Quanta's Shanghai laboratory rapidly. Once the Taiwan GP laboratory screens an XRF or Cr6+ qualitative analysis as a high risk material, it can then be delivered to a laboratory with chemical analysis ability for examination and analysis right away in order to avoid producing products with material that do not comply with environmental protection standards.



Taiwan's Huaya Factory - newly established GP laboratory



Quanta Group GP Laboratory Location Map

4. Green Products Satisfaction Survey

In the process of green product production, Quanta has paid a lot of attention to trends in international regulations and actively seeks feedback from customers. Therefore, Quanta has carried out surveys on green product satisfaction every year with customers and pays special attention to product satisfaction in order to comply with international regulations and market expectations.

As a result of these efforts, which have taken place over the course of many years, it is clear that over 90% of customers are satisfied, as indicated by their answers to Quanta survey questions; in 2010, in particular, 100% were satisfied with Quanta's "examination ability in harmful substance". Compared to 2009, "the control result of harmful substance", "processing speed in unusual events" and "the compliance in product and specification" showed over 10% satisfaction growth, and earned high satisfaction from customers. Quanta expects to provide more environmental protection products for customers and the public in 2011's green product development.

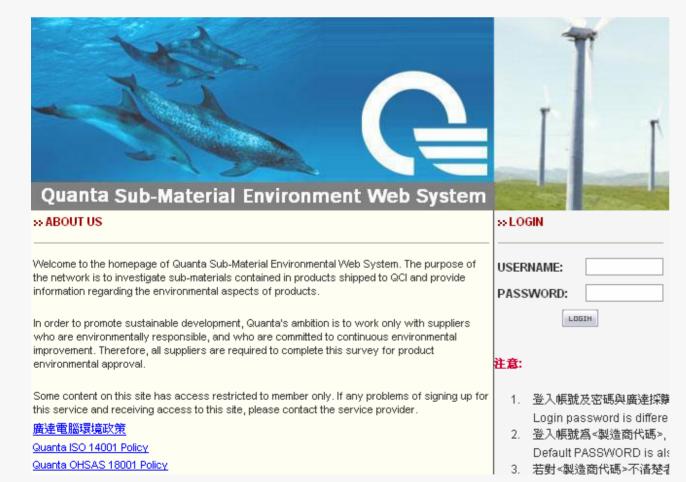


Supplier Relationship

I. Selection of Green Suppliers

Quanta has cooperated with suppliers in producing green products. In order to enhance environmentally friendly design and production by the supplier, in addition to a "Letter of Commitment to Environmental Protection" signed between the supplier and Quanta, the company has requested suppliers to pass tests performed by certified supporting laboratories for the delivered goods and declare the test report. At the same time, Quanta implements random inspections according to categorized Risk Management while accepting materials, with samples sent to Quanta's GP Lab for Hazardous Substance Monitoring.

In order to effectively communicate with suppliers and manage the huge database, the company has established web pages at green.quantacn.com and sub.quantatw.com, to control raw materials and auxiliary materials, respectively that are purchased by the company. Since 2006, Quanta hosted a Green Suppliers Seminar to actively promote effective management of Design Origin and Supply Chain.

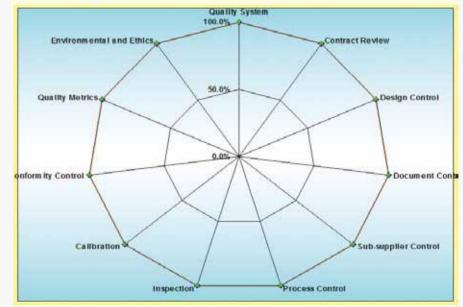


sub.quantatw.com

Quanta carefully screened new candidate suppliers in 12 major aspects (see Table below), of which the environment, ethics and green product management are indispensable items. Only a healthy supply chain can provide materials and products that support the sustainable operation of enterprises. Quanta is eager to promote and spread this concept to upstream and downstream businesses to jointly contribute to protecting the Earth's environment.

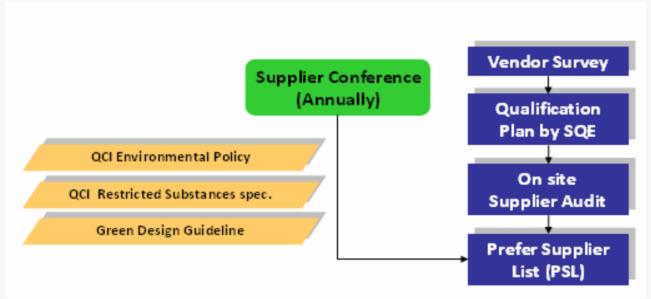
Categories of qualifications for ratifying candidate suppliers

| Item | Qualification Category |
|------|--------------------------|
| 1 | Quality System |
| 2 | Contract Review |
| 3 | Design Control |
| 4 | Document Control |
| 5 | Sub-supplier Control |
| 6 | Process Control |
| 7 | Inspection |
| 8 | Calibration |
| 9 | Nonconformity Control |
| 10 | Quality Metrics |
| 11 | Environmental and Ethics |
| 12 | Green Product Management |



II. Green Supply Chain Management

In the Green Supply Chain Management System, Quanta requests Tier 1 suppliers to set up relevant management systems, e.g., ISO9001 and ISO14001 validation, to ensure products made by Quanta do not violate any quality specification or requirement. Quanta also perform on-site audits for hazardous substance management addressing the ISO Management System to confirm the supplier conforms to Quanta's green policy and corresponding solutions, so as to eliminate risks of non-conformities and achieve effective and beneficial management.



Quanta Supplier Selection and Summary of Annual Supplier Training

For effective communication with suppliers on the Quality Policy, Quanta holds supplier conventions every year, inviting all system and vital component suppliers. This is to promote Quanta's Quality Policy and Quality Targets and to ensure that products comply with respective environmental specifications. Year 2010 also focus on Halogen Free to deliver several GP Supplier Conferences for Halogen Free related high concerning suppliers. The lessons learn will help suppliers to prevent the un-expected noncompliance happening to their design or process control.





Quanta QSMC 2010 Green Supply chain Convention

III. Environmental Requirements over Supply Chain

Quanta sets up environmental specifications for all parts according to requirements of international industrial standard JIG-101. In case the customer requests more strict specifications, the unit for setting up environmental specifications (e.g., Product Design Center) will assist in performing differential analysis and set forth specially customized control requirements.

Suppliers are requested to upload necessary information/data to Quanta's environmental website and must be audited based on requirements of Quanta GP Management. The supplier shall assign a trained QC engineer to visit the plant and review and query, item by item, the content of the control file and the corresponding supporting data (i.e., the supplier is required to set up a management system for complying with GP Management requirements, which includes material/parts acknowledgment, purchase, material acceptance, production processes and delivery/shipping management). In case the supplier fails to pass the audit, a deadline will be set for improvement; those who fail to improve as requested will be eliminated.

For the management of upstream suppliers, caution is taken about whether the supplier abides by hazardous substance restrictions and customer's specific control requirements. Via Process Control Flowcharts, procedures including part acknowledgement, purchasing, material acceptance, production process, delivery, and so on are strictly monitored; after material/part acknowledgement, an acceptance inspection is also performed before the material/part enters the plant for production use.

While carrying out manpower allocation for executing tasks, the existing workforce is adequately employed and environmental requirements are incorporated into management of daily-tasks in the existing process for searching environmental statutes, reviewing supplier documents, implementing requirements of green supplier management system, and verifying compliance of delivery goods; by way of information technologies, ruling principles are incorporated into systematic inspection of the Green Product Management, for saving manpower and avoiding any human error.

An example of this is during the acceptance inspection of a supplier material. The Engineer will check if the material has passed GP Acknowledgement via the SAP System; if not, the material will be held by the material acceptance department until it passes GP Acknowledgement. Only after that can the material enter the plant for use. On completion of acceptance inspections, the inspection data will be uploaded to the Quanta Environmental Database to facilitating the queries of internal personnel.

During the production process, semi-finished and finished goods are scanned with hand-held XRF equipment for critical-point random inspection. In case of any doubtful piece, the production will be stopped immediately in order to clarify the problem. The production will be resumed only when conformity is confirmed. Environmental management is not only performed on general parts; all the auxiliary materials that are easily omitted (such as soldering pastes, tin filaments, glues, markers that are used in the production process) are subject to risk assessments, with different levels of control measures carried out to secure total prevention.

And finally, there is a link with the SAP System for a compliance check before delivery. All products shall be confirmed by the delivery-compliance check for being released for shipment. By way of multi-level control mechanisms of the Information Technology platform, all the incoming material, the production processes and the delivered goods are guaranteed to conform to Green Product requirements.

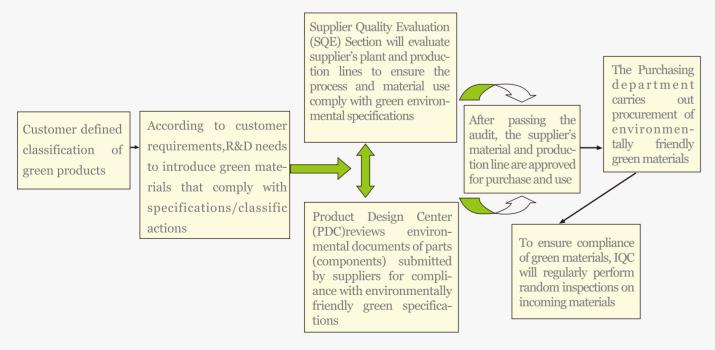
Green Procurement

Regarding Green Procurement, Quanta Purchasing Department requests that part (component) suppliers comply with to environmental standards for all their materials and production processes. Each of the suppliers of materials or modules, based on a different environmental classification, shall upload the environmental classification of its plant (process) and material via Quanta's parts/materials validation system (Agile, PDM). After this is done, it can obtain acknowledgement of PDC/SQE review and auditing and the Quanta Purchasing Department can place orders accordingly via the electronic purchasing system.

Additionally, even for acknowledged suppliers within the system, Quanta IQC still performs random tests to ensure that products delivered conform to the acknowledged classification. This is to ensure that all the products delivered by Quanta conform to environmental specifications.

From the front-end design to mass production, the purchasing department is responsible for ensuring that suppliers and their supply of materials match the production schedule. In case of any problem in the process of promoting Green Products, the purchasing department will communicate with the supplier immediately for a timely production of the green product.

Flowchart of Green Procurement is as follows:



Green Design and Green Production

To reduce the pollution and environmental impact associated with production, Quanta devotes itself to "low-toxicity", "resource savings" and "ease of recycling and dismantling" as three major green-manufacturing approaches to assist promoting a green image and green rankings among our brand-name customers. For example, Greenpeace carries out a performance comparison of the main electronic brand-name manufacturers' green promises and achievements every season. The "Guide to Greener Electronics" they publish is then used to make environment-friendly products for end users and to maximize green production benefits. This also brings green opportunities to Quanta and enables the substantial development of the earth's resources.

The details of Quanta's three green design approaches and production strategies are as follows:

1. Low-toxicity

With the whole world paying attention to environmental protection, related laws and regulations for electronic and electrical products have also moved into green design development. Therefore, by managing supply chains and promoting green-innovation technology actively, Quanta has made every part of an assembled notebook comply with international regulations and fulfill the spirit of the "precautionary principle" to limit or pre-eliminate materials listed in RoHS 2.0 and to meet the halogen-free requirement in this industry. Quanta products comply with at least the following regulations:

(1)EU's harmful electronic and electrical materials are forbidden (EU RoHS conformity): To comply with 2002/95/EC regulations about the homogeneous material content of 6 harmful materials. (The threshold value of Cadmium must be below 100ppm, the others must be below 1,000ppm).

- Lead
- Cadmium
- Mercury
- Hexavalent Chromium
- Polybrominated biphenyls: PBBs
- Polybrominated diphenyl ethers: PDBEs

(2)EU POFS forbidden instructions (POFS conformity): The notebook computers that Quanta manufactures are in the "Article" category. PFOS seldom is used in electronic articles; therefore, they satisfy the 2006/122/EC limitation to PFOS, which is that PFOS levels must be lower than 0.005%.

- PFOS value in articles < 0.005%
- PFOS value in semi-finished articles or parts <0.1%
- Textile products or coating materials <1µg/m2

(3)EU's harmful material instructions (EU REACH conformity)

Based on the definition of EC (No) 1907/2006, the notebook computers that Quanta manufactures conform to the "Article" identity for potentially hazardous substances will not be released in normal or foreseeable conditions. Therefore they do not need to fulfill the obligations of "Registration". Even so, being a final product assembly factory, Quanta includes four groups

totaling 46, as announced by the European Chemical Agency in the limited material management regulations and investigation. If there is any SVHC content higher than 0.1% in the product, the name of the material and the safety application information will be provided to the brand-name customer in order to fulfill the obligation of product material information exposition. In addition, harmful materials that are limited, or forbidden to be used in the electronic or electrical products that are listed on the front page of appendix 17 (Annex XVII), are also listed and controlled by Quanta for the sake of sustainable development as well as to enable the product to circulate in the EU market.

(4) BFR/PVC free

Based on the spirit of the early warning principle and in accordance with buyer demand, Quanta started to require suppliers to introduce a halogen-free production system at the end of 2007, and gradually limited products that contained halogen in 2008. Quanta coordinated with brand-name customers to introduce the halogen-free production system in 2010; demand for halogen-free products has grown two to three times since 2008. Quanta has assisted in and urged a well-known brand-name customer to advance in ranking in the fourth season of Green peace's "Guide to Greener Electronics" in 2010. Having received green halogen-free technology, Quanta's R&D design team is going to widely apply this technology.

(5) RoHS 2.0 pre-conformity

Although the EU parliament proposed a revised version of the RoHS Directive at the end of 2010, the four SVHC (as below) were not listed on the

limited usage list after the first reading. Based on the consideration of clean and green production, Quanta cooperated with brand-name customers invited by the manufacturers in the supply chain to develop alternatives for the following four pre-limited materials ahead of time. There are more than 38 models of notebook computers that Quanta produced in 2010 to pre-comply with the RoHS 2.0 regulations. In addition to complying with RoHS 2.0 in advance, Quanta is also proactively investigating and evaluating replacements for materials such as "Arsenic, As", "Beryllium, Be", "Bismuth, Bi", and "Antimony, Sb".

- (Bis (2-ethyl(hexyl)phthalate), DEHP)
- (Dibutyl phthalate, DBP)
- (Benzyl butyl phthalate, BBP)
- (Hexabromocyclododecane, HBCDD)

2. Resource saving

Although the manufacture and usage of electronic and electrical products only accounts for 2% of global greenhouse gas emissions, the related upstream and downstream supplier chain is huge. Therefore, through the green resource-saving technology in the supply chain, as well as the development and utilization of more environmentally responsible materials, Quanta and its suppliers can make a significant contribution to reducing greenhouse gases and upgrade the overall electronics industry. In addition, as the whole world searches for responses to climate change and looks to improve environment protection, more than 90% of Quanta's OEM or designed-and-manufactured products conform with the US energy-star qualifications; this truly contributes to carbon reduction and energy savings.

(1) The E-Star Specification that complies with resource saving (E-star 5.0/5.2 computer specification). To promote the E-Star plan and increase authority and popularity in the energy and resource efficiency domain, Quanta had fully prepared, for the fourth season in 2010, for the United States Environmental Protection Agency (USEPA) and United States Department of Energy's proposals in January 2011, so that all products that apply for E-Star qualifications must to be verified by a third approval organization. In 2010, over 90% of products that Quanta manufactured complied with this standard and 100% should reach it in the next year.

(2) The Use of "post-consumer recycled content, PCR"

To reduce climate change caused by greenhouse gas, in addition to designing and manufacturing energy-saving products, recycling and reusing abandoned materials can also achieve the effect of reducing greenhouse gases. Therefore, starting in 2010, Quanta began cooperating with plastic raw material suppliers, plastic-injection molding factories, the Quanta Institution Pilot Research Department and brand-name customers to test post-consumer plastic materials in numerous products. After getting the evaluation of the amount of greenhouse gas reduced and the environmental profile of the product, and satisfactory results in product basic safety, reliability and mechanical strength, PCR was introduced in several products effectively with content as high as 30% to 60%. This high ratio of recycled material induction assisted a brand-name customer of Quanta's in obtaining the edge of a TCO application. This is not only helpful for the sustainable development of the Earth, but also promotes Quanta green production and brand-name customers' green image, and brought great added value.

3. Easy to recycle / Easy dismantling

Through the life cycle's design of modeling, tenon, and replaceable or extendable samples, the products that Quanta manufactures not only conform to the spirit of WEEE 3R, but when the life cycle finishes and the product enters the recycling system, product recycling and reusing reach rates of at least 65%. Quanta's green products and manufacturing not only completely comply with the above green design principles but, based on the green-design spirit, various Quanta environmental protection products have assisted brand name-customers in winning many Eco-label Awards for global ecology environmental protection in 2010.

Table 1: 2010 Quanta Global Eco-label Award Statistics

Unit: Case Quantity

| Green Label Award Type | Country | Pro | oduct Category | |
|---------------------------------|---------|-----------------|----------------|--------|
| Green Laber Award Type | Country | NB | All-in-One | Non-NB |
| | | Gold Medal:24 | Gold Medal:4 | |
| EPEAT | US | Silver Medal:11 | Silver Medal:2 | N/A |
| | | Bronze Medal:2 | Bronze Medal:0 | |
| Taiwan Green Mark | Taiwan | 6 | 1 | N/A |
| KOECO | Korea | 6 | 1 | N/A |
| TCO | Sweden | 1 | 2 | 3 |
| TCO edge | Sweden | N/A | 2 | N/A |
| China Environmental Certificate | China | 6 | 1 | 1 |
| Japan PC Green | Japan | N/A | 1 | N/A |

Note: The numbers in the table above are for reference only; they do not represent Quanta's total quantity in 2010

Moreover, under the early-warning principle, Quanta focuses on superiority in pre-eliminating materials. The performances are quite remarkable.

Table 2: the statistic of harmful materials that are required to be replaced by regulations under the early warning principle

Unit: Case Quantity

| Other Dre elimination havesful metavials list | Product Category | | |
|---|------------------|------------|--------|
| Other Pre-eliminating harmful materials list | Notebook | All-in-One | Non-NB |
| BFR/PVC Free | 28 | 11 | 6 |
| RoHS 2.0(1) | 28 | 9 | 4 |
| Phthalates | 25 | 6 | 4 |
| Beryllium | 24 | 8 | N/A |
| Bismuth | 24 | 8 | N/A |
| Antimony | 24 | 8 | N/A |
| Selenium | 24 | 8 | N/A |
| Bisphenol A | 24 | 8 | N/A |
| Arsenic | 24 | 9 | N/A |

Note:

- (1) RoHS 2.0, revised version, proposes 4 kinds of pre-eliminated materials: DEHP, DBP, BBP and HBCDD
- (2) The numbers in the table above are for reference only; they do not represent Quanta's total quantity in 2010

A Pioneer in Developing Standards for the Industry - Green Accomplishments and Prospects

As the world's top computer OEM/ODM Manufacturer, Quanta understands that we play an important role in reducing environmental impacts in production. Therefore, Quanta's R&D department works closely and actively in all aspects with well-known brand vendors, spare-parts suppliers and official non-government organizations (such as R&D departments), devotes itself to environmental protection and green technology innovation and development, and expects to make substantial contributions in environmentally sustainable development.

Meanwhile, Quanta is looking forward to becoming the leader in the industry so that we can participate in developing all kinds of drafts in laws and regulations or set up standards for the industry. Based on this faith, Quanta is ahead of the world, having gained full sponsorship of the Industrial Development Bureau, Ministry of Economic Affairs in May 2010, in cooperation with the Foundation of Taiwan Industry Service, the environment and Development Union and the Taiwan Electrical and Electronic Manufacturers' Association. Held a consultation and explanation conference with interested and related stakeholders on July 27th to draft "The E-reader Product Category Rule, PCR, 2010:1.0". This rule passed the examination of the Global Environmental Declarations Network, GEDNET, smoothly on 22nd October 2010 and was announced on the GEDNET website as a reference for global E-reader manufacturers' future products, their carbon trail investigation, and a third category of environmental announcements.





E-Reader Application Products 2010



Holding a conference with interested and related stakeholders

PCR related news

BOUT GEDNET GUIDEBOOK MEMBERSHIP

New PCRs published in Chinese Taipei

The Environment and Development Foundation (EDF) in Chinese Taipei is pleased to announce the publication of the following Product Category Rules (PCR) for e-Reader, Integrated Computer and Personal Navigation Device (PND). The three completed PCRs and their respective development partners are:

Quanta Computer Inc. for e-Reader, MiTAC International Corp. for PND and Micro-Star International Company Limited for Integrated Computer.

Quanta is continuing to devote effort to green design and green innovation technology and is working toward the following goals. We hope the earth's resource consumption can be reduced effectively, and will move toward the goal of sustainable development of the earth's resources:

- A. Continue to perform R&D and manufacture environmentally conscious commercial models exhibiting green competitiveness. Via green strategies and green promotion opportunities, we hope that Quanta's green advantages can be maximized and promoted in large plants around the world as an option for brand-name customers to choose and thus create green competitiveness.
- B. Encourage R&D designers to participate in green technology and new material development training programs to understand the importance of green design, and further introduce new green technology into products.
- C. Cooperate with suppliers proactively to develop green environmental protection materials and complete a green environmental protection database so that more opportunities can be created to provide green solutions for brand-name customers to choose from and thus create "three-win" situations.
- D. Based on the spirit of sustainable development for the earth, Quanta has started reducing energy and resource consumption itself and is gradually bringing this idea forward to supply chain resources to use effectively, so that a clean environment can be retained for the next generation.

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Knowledge Sharing and Equal Wealth through Culture – 2010 Quanta Culture & Education Foundation

In the spirit of "a cultural foundation and a profound education, and giving back to society", Quanta established the "Quanta Culture & Education Foundation" in October 1999. Our ideal is "Derive from society; use for society". It is our promise to give back to society. Our enterprise's spirit is that "The truth is the most important principle in technology, ultimate good is the most important principle in humanities, and ultimate beauty is the most important principle in perception". Our faith is expressed in "high humanities, high technology and high perception". We want to plant the seeds of "technical education, social caring, environmental protection, and art inheritance"; Therefore, the foundation provides long-term support to local and international arts activities, helps children in remote areas go to school, participates in social welfare activities, and promotes art work and cultural accomplishments so that the target of "knowledge sharing and equal wealth through culture" can be reached.

390 activities in exhibition R&D, sponsors, educational touring exhibitions and promotions were carried out in 2010 with total participants numbering 848,018.

1. Exhibition R&D and Sponsors: 82 events in R&D of Arts and Culture exhibition materials, sponsored performance activities and art and public welfare projects, with 658,304 total participants.

| Types | Name of Activity |
|-------------|--|
| | Taichung National Museum of Natural Sciences "Cry Insects Exhibition" |
| Exhibition | (Research was developed into learning handbooks, learning tools, and displays for junior |
| R & D | high and primary schools' touring exhibitions) |
| | National Palace Museum "Culture and Art Shaoxing, South Song Art and Culture Exhibi- |
| | tion"(Research was developed into learning handbooks, learning tools, and displays for |
| | junior high and primary schools' touring exhibitions) |
| | Taipei Fine Arts Museum "From Manet to Picasso" |
| Exhibition | Ceramic Museum "2010 Taiwan International Ceramic Art Bi-annual Exhibition" |
| | The 4th Taiwan Designer Week |
| Sponors | Afterain design "Can't See" Exhibition |
| | 18th Taichung Children's Association Painting |
| | Philharmonic Radio Taipei FM99.7— Quanta Music Mealbox Program |
| | Jiou Ge folk Wind and String Orchestra: "Island Music – From Taiwan" |
| | Wang Yue Culture "Theme - Zhang Zhihong Kunju Opera Art Performance" |
| Perform- | Taipei Children's Art Festival – Ten Lessons of Angels |
| ing Arts | FlyingGroup "2010 Super-close Small Play Details" |
| | Taipei Big Bowl of Tea |
| | 88 Project – Quanta Rescue Campus 5-year Action Plan |
| Caring | Taipei Medical University Sponsor |
| society, | Taoyuan County Huaxun Primary School Aborigial Baseball Team Caring Plan |
| support | Taichung County's Wenchang Primary School Hong Kong Handball invitational tourna- |
| p u b l i c | ment |
| welfares | Taoyuan County Puding Primary School "happy to have rice" Organic Rice Charity Sale |
| wellares | (The income was used for school lunches for poor students) |

Quanta 2010 CSR REPORT

Truth Goodness Beauty

2. Educational touring exhibitions / Education Activities: 308 activities were held, with 189,714 participants

A. Educational touring exhibition descriptions –

Quanta Touring in Arts Campus Touring Exhibitions cooperated with large domestic and international art exhibitions to authorize the images, producing guideline booklets, displays, and interaction learning tools. The tours were carried out at all level of schools and art and culture organizations. They also encouraged the exhibitions to integrate with local cultures and present local character.

There were 10 large educational touring exhibitions carried out simultaneously in 2010. Every exhibition had 1 to 2 sets of displays and stayed in each school or organization for 15 to 30 days. There were 136 touring exhibitions in 2010 nationwide, including Kinmen, Lienchiang, Penghu and Lanyu etc.

B. Educational Activities –

Together with educational touring exhibitions, "Teacher research and study camp" and "Little art soldier" trainings were carried out in many schools to experience teaching, leading teachers and students to visit museums and feel the atmosphere, with different specialists in each exhibition invited to present lectures or share experiences. There were 172 events held in all kinds of museums in Taiwan in 2010.

| Types | Name of Activity |
|-------------|--|
| | "Culture and Art Shaoxing – Song "wave" is fun |
| | Cry Insect Exhibition – Big Insects Band |
| | Hug Von Gogh – Explore the Color Palette of Life |
| | The Secret in the Sky – Touring the Starry Sky with KAGAYA |
| Educational | Treasure from the Master - Millet Exhibition |
| Touring | NIKI's Soul Castle |
| Exhibition | Eastern Tribute – Song Dynasty Culture and Educational Exhibition |
| | Touring with Lines |
| | Mosaic Rainbow Kingdom, Flying over the Garden of Eden – Africa Photography Exhibition |
| | Naughty Child in Art – Liu Chiwei – Explore the world |
| | Teacher Research and Study Camp |
| Educational | Little art soldiers training |
| Activities | Taoyuan County Music Everywhere in Schools |



"Culture and Art Shaoxing - Song "wave" is fun"

Date: 1st May, 2010

Venue: National Palace Museum

South Song Dynasty Exhibition – The teacher Research and Study Camp attracted 250 teachers from 17 counties. The foundation provided members with professional lecturers together with guides from the museum to understand the exhibition more completely.





Little Guide Soldiers training"

Date: 18th Nov., 2010

Venue: National Palace Museum

The training helped kids develop courage and express confidence through dancing and devel-

oping facial and body languages.

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Cry Insect Exhibition – Big Insects Band

Date: 10th April, 2010

Venue: Taichung Creative and Cultural Park Through experience, the sound of crying insects can be copied by using tools from daily life.



Dates: 21st Sep., 2010 and 15th Oct, 2010 Venue: Taipei National Zoo

If you want to see the arts, go to the museum; if you want to know about insects, of course you can receive training in the zoo. Through cooking wild vegetables, the children experienced nature.



"Hug Von Gogh – Explore the Color Palette of Life"

Dates: July 2010

Venue: Holland Von Gogh Museum, Kroller-Muller Museum and Von Gogh former residence 15 people were chosen nationally and organized into three teams to go to Holland to have a conversation with the master, Von Gogh.



Date: 7th Oct., 2010

Venue: Taipei Municipal Taiping Elementary School

Creations from students in nine schools were collected for a charity auction. The auction was run by the students, and the income was donated to poor students interested in art, so that we won't miss any little Von Goghs in this generation.



"My self-portrait" from Li Kai, Taitung County Lichia Primary School, received the highest auction price, ten thousand dollars. He hopes everybody is as happy as he is in the picture.



Date: 6th Jan., 2010

Venue: Kinhu Primary School, Kinmen County
The joint opening of the Von Gogh Exhibition
was held by five townships and counties. Kids
were attracted by the interactive learning tools.
The chief of Kinmen County Education Bureau,
Li Zaihang, participated too.



Date: 2nd April, 2010 Venue: Huxi Primany School, Penghu County Older students guiding younger ones in painting



Date: 23rd June, 2010

Venue: Langdao Primary School, Lanyu Lanyu did not have much cultural stimulation before. Quanta's "Touring in the Arts" finally visit Lanyu with the expectation of bringing the beauty of art to kids.



Date: 7th July, 2010 Venue: Hualian Jail

In the summer vacation period, the exhibition moved to a jail and had college students guide prisoners so that they could have a different kind of growth.

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"Treasure from the Master - Millet Exhibition"

Date: 24th Sep., 2010

Venue: Taipei Fine Arts Museum

Students from Hsinchu County were in the museum and listened to the teacher's explanation carefully and enjoyed art works from the master.



"NIKI's Soul Castle"

Date: 27th Sep. 2010

Venue: Hsin Gang Primary School, Chiayi

County

County Magistrate Chang Huaguan, who is an art fan, participated in the opening of the Chiayi Area.



Date: 20th Oct., 2010

Venue: Jhuci Primary School

The tour guide's little soldiers training. They were led by professional teachers to learn to use body language, display confidence and enjoy learning.



"Mosaic Rainbow Kingdom, Flying over the Garden of Eden – Africa Photography Exhibition"

Date: 14th May, 2010

Venue: Lunbei Primary School, Yunlin County Little soldiers guided kindergarten kids to uncover the mysterious masks of Africa.



"Naughty Child in Art – Liu Chiwei – Explore the world"

Date: 20th Oct., 2010

Venue: Hsinshen Primary School, Taitung

County

In the opening of the Liu Chiwei exhibition, the little soldiers put on African costumes while guiding the tour.





Date: 5th Feb., 2010

Venue: Kaohsiung MRT Cultural Center Station The Liu Chiwei Exhibition was located in a public space so that the public could enjoy the paintings and be touched, too.

The Chief of Kaohsiung City Education Bureau Tsai Chinhua awarded service certificates to the little soldiers.



"The first location of Quanta "Touring in Art" is Taoyuan. Taoyuan County 5-year achievement performance from 2004 to 2010"

Date: 19th Jan. 2010

Venue: Taoyuan County Government

Chairman Lin Baili and County Magistrate Wu Zhiyang worked together, playing "Praise of love" with the An Dong Primary School

Recorder Band

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3.88 floods – Quanta statement on school rescue 5-year plan

There are three stages in this plan – "Rescuing schools and assisting students plan", "School Resettlement Plan" and "Quanta touring the in arts plan". About 100 schools and 28,500 students and teachers benefited.

Stage 1 – Rescuing schools and assisting students plan: Help Liugui Township and Namaxia Township children continue to go to school.

Cooperated with Dharma Drum Mountain Social Welfare and Charity Foundation and Taiwan Children and Family Aid Foundation to help 1087 young students in Liugui and Namaxia Township, Kaohsiung County through grants and assistance funds. A rainbow work station was also established in the schools in Namaxia Township for children's psychological counseling.

A. "Dharma Drum Mountain Liugui Township Study Assistance Plan"

345 students from 7 schools in Liugui Township were assisted in the first semester; and 342 students from 9 schools in the second semester. A total of 687 students benefited. We also encourage local college students to work part-time (on study counseling and camp) during winter and summer vacations to give back to their hometowns.



There were about 100 students plus team instructors and volunteer mothers who participated in the 3-day Liugui "Children's Psychological Protection Experiencing Camp" that started 9th July, 2010, which made the activity very lively.

B."Namaxia Township Family Aid Rainbow Work Station Plan"

Awarding first-stage grants to junior high and primary school students from Namaxia Township who were hit by the 88 floods. 400 students from three primary schools (including kindergarten) and one junior high school in the Township benefited. (NT1000 to every primary and kindergarten student per semester and NT1500 to every junior high school student)



The grants were issued in the "learning bank book" format so that each student was accompanied and supervised by their teacher to learn how to manage and use the money. The money was mainly used for learning stationery, books and notebooks, uniforms, and excursion fees.

Stage 2 – School Resettlement Plan

A. "To Win with Books"

Help 60 damaged schools purchase new books and rebuild their library facilities. Eighty thousands books were sent out and 25240 children were continuing to benefit from basic non-text books.



The free books from the foundation (61 schools and 85,000 books in total) were well utilized by every school. It is good to see the kids "build the habits of reading automatically" and heal their souls through reading.

B. "Book Touring Plan"

Via regional foundations or schools, 4000 books were sent to the flooded area and benefited more school areas. The foundation also provides volunteers to read to children and help them overcome pain through books and reading. The organizations that we worked with include: Caterpillar Philosophy for Children Foundation, Ming Dao Culture & Educational Foundation, Zhennan Primary School.



In cooperation with the Caterpillar Philosophy for Children Foundation, the Big Nature Experience Camp was held for primary school students from the Taitung flooded area to teach them about survival in the wild, build up their courage and to learn about respect through experience and reading during a 3-day 2-night camp.



Cooperating with the Ming Dao Culture & Educational Foundation to hold a "Reading Passport" and "Reading Feedback Competition" for four schools with mainly aboriginal students in Nantou and encourage them to read through collecting points, competition, and sharing.

C. "Library set-up facilities"

The foundation visited and evaluated 16 schools that needed library facilities in Chiayi, Kaohsiung, and Pingtung's flooded area. After on-site evaluations and several discussions among five specialists, the "Rueili Primary School, Chiayi County" was decided to establish the first Quanta Library. The program is going to get under way in 2011 and hopefully more reading, multimedia and art and culture spaces can be provided to students and communities.





In order to make the library set-up plan closer to the expectations of flooded schools, we visited and evaluated 16 schools during November and December 2010 to deeply understand the current situation and needs of schools.

Stage 3 – Quanta touring in arts plan "Art Therapy Study Camp"

The "Five-year Flooded Area Art Therapy Plan" was carried out in this stage, which focused on the teachers' training classes in three regions — Chiayi County, Kaohsiung County and Pingtung County. There were three classes carried out in all three counties between January 2010 and January 2011. The classes were conducted as workshops which included lectures and sharing. About 150 teachers joined the classes.

Lu Yaqing, a Professor at Taipei Municipal University's Education Art Therapy Institute, was invited to participate in this art therapy plan as a consultant and as the main lecturer. Teachers from flooded areas and teachers who are interested in psychotherapy were invited. Through the activities of relaxing your soul and art therapy, art therapy counseling methods were passed on to the first line teachers and built a foundation of abilities to be applied to art therapy classes.





Dates: 25th to 29th Jan.

Event: Kaohsiung Seeds Teacher Research and Study Camp

Dates: 13th to 16th July

Event: Chiayi Seeds Teacher Research and Study Camp

Through four consecutive days of classes, students can self-explore, share and discuss, build trust between each other, and feel a warmth that heals every member.

Technology and the Arts are never at opposite ends of the world – Quanta Arts Foundation – from technology to culture

In the time arc of human culture, technology has always played the role of pioneer. Whenever there was a new discovery, people changed their notions and philosophy, formed new lifestyles and finally reflected all these in art works and developed new aspects of culture. On the other hand, people are molded by arts, which also guide a next wave of exploration in new directions. Technology and the Arts are never at opposite ends of the world. They live and exist together and rely on one another, just as two sides to a coin can't exist independently.

As planned by Chairman Barry Lam, Quanta Computer established the "Quanta Arts Foundation" in 2010 to connect and promote the entire process of "from technology to culture" so that the idea of people pursuing spiritual advancement could be achieved more thoroughly, as well as to enrich our culture and make life more complete.

The goals of the "Quanta Arts Foundation" are to promote cultural activities, develop social and cultural cultivation and to establish equal wealth in culture. The missions are to enhance the spirit of "Quanta Arts" and build a communication platform for enterprise and arts, as well as to preserve and promote traditional cultural and performing arts, encourage new creation, support individuals and groups who exhibit outstanding performance and promote the overall art and creation industry. In addition to being devoted to the demands and future directions of Taiwanese performance and art circles, the foundation brings together intelligence from elites. By employing active strategies through study and discussion, the Foundation influences the ecology and development of performing arts in the Greater China Area, supports and participates in all kinds of performing arts and social welfare activities, and also fulfills its social responsibility actively through practical actions.

"Quanta Computer" is a company that improves human lives through specific actions. It also proposes an enterprise ideal of "humanism" in the new age. The professional performance hall at Quanta's R&D Park has been in operation since January 2010 with a capacity of 600. It is used as a base to cultivate the artistic accomplishment for Quanta colleagues, and also hopefully become a place for community neighborhoods to appreciate high-standard performances.



Quanta's friends come from the arts and enjoy the arts – Written by Mr. Qin Xiaoyi at Baili Gallery, Quanta Arts Hall







Quanta Arts professional performance hall has a capacity of 600 people

Via the planning and execution of the foundation, the performing arts were brought to Quanta. Also giving back to the community and schools through Quanta's influence to let more people have the opportunity to know and have contact with the arts. The ultimate objective is to mold one "art foundation with Quanta's group characteristics" so that the actions of the foundation are not only beneficial to society, but also have the function of communicating the enterprise's ideals.

Ouanta Arts Goals

1.The worker forms Quanta's cultureBuild a broad, deep Quanta enterprise culturethat integrates art, humanities, and inclusion.2.Promoter of equal wealth in Taiwanese cultureEqual wealth in culture benefits everyone!Establish the "Quanta Arts Hall" as an important

arts and culture performance center, make it a cradle for Taiwanese Performing Art works, and bring the enterprise's concern for art and humanities to every comer of society.

3. Supporter of Chinese performing arts Support young and potential local performance teams and reward original work.

4. Promoter of traditional performance culture Preserve and record precious historical cultural properties. Publish and disseminate via modern technology.

5.A new center in the global art network Promote performing arts communication and exchanges in the Greater China Area and globally. Actively promote them to the world and present Chinese performing arts to international society.

Quanta Arts Policies

1.Build a communication platform for art and enterprise

Act as a bridge between performance groups and the enterprise. Understand well the ecology and demands of performance and art circles, discover works and groups that are worth promoting and apply resources for people, events and objects effectively.

2.Stand in Taoyuan, facing the world

Take Taoyuan as the starting point, via Quanta Arts Hall's performance program planning; make it an important art and cultural location of Northern Taiwan. Hold all kinds of art festivals and performances, and make "Quanta Arts Festival" a grand occasion that audiences look forward to.

3. The growth base for outstanding performance groups

Make "Quanta Arts Hall" the growth base for performance groups. Utilize the facilities and spaces of "Quanta Arts Hall" and expand practice spaces for performance groups.

4. Subcontract creations and publications

"Creation" is the basis for all performances. Carefully choose works and plans with potential; give rewards and counseling; provide performance opportunities and achieve the goal of "Golden Touch".

The achievements of Quanta Arts' involvement in the community

1.Participate in Taiwanese culture and art ecodevelopment

Promoting the inheritance of and innovation in Taiwanese performing arts is an important task for the Quanta Arts Foundation.

In order to achieve this goal, the foundation collected suggestions for improving the current performing arts ecology by holding consultant conferences, meeting with internet organizations, and participating in government and public discussions to find out what kind of key roles the Quanta Arts Foundation should play in the current ecology in order to integrate resources, redress ecological shortages and bring the benefits into full play. Therefore the mission of the foundation is not to "improve on perfection" in supporting famous performance occasions but to find the places that need reinforcement, giving timely assistance and providing foundational, constructive actions.

For example, the difficulties that need to be solved urgently right now in the ecology are: providing the new-generation creators a bigger development and survival space; developing and activating performance and art works across the strait; assisting in the promotion of the rebirth of traditional arts; establishing a performing arts database and enabling the usage, reach, development and promotion of new-technology performing arts; improving the Taiwanese and Chinese musical creation environment; researching arts and cultural communication media in a new age; discussing, in a multidimensional manner, performing location insufficiencies; evaluating and encouraging maintenance of environments; and so on.

2.Encourage and support performance groups
2.1 In order to encourage innovation in Taiwanese performing arts, the company provides a music creation fund for XinXin Nanguan Ensemble to produce the world's first Nanguan opera, "Feather". It was performed in the Experimental Theatre of the National Theatre in 2010 and later moved to Quanta Arts Hall and was performed again.

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"Feather" Performing pictures in Quanta Arts Hall



"Feather" Discussion after performing in Quanta Arts Hall

2.2 Heluo Gezai Opera was sponsored in 2010. Through our support, a group that contributed to Taiwanese traditional arts for many years can continue carrying out their mission.

2.3 Built a long-term cooperation relationship with "Little Giant Chinese Chamber Orchestra" to promote Taiwanese music creations; the series will be performed in 2011.

3. Profoundly work on local cultural location – Quanta Arts Hall

3.1 There were 24 performances held at Quanta Arts Hall in 2010. Other than inviting related art groups and professionals to participate, we also provided tickets for high school and primary school students and welfare groups to enjoy the performances. There were also three outdoor performances and exhibitions that attracted nearby residents. This community service was provided to about 5000 people in 2010.



Students from the schools nearby lined up to enter the "Steel Drum Concert" by the Ju Percussion Group



Students from Tagang Junior High School participated in the "Digital Art Exhibition of Technology Performing Art Festival"



"Temple Night.Chen Xihuang Hand Puppet Theater"

80-year-old skillful artist's inheritance and innovation – to learn, perform and create as long as he lives.



Chen Xihuang documentary film "Red Box" after-show discussion



Chen Xihuang, the eldest son of Taiwanese national art master Li Tianlu, personally showed the kids from Chunggung primary school and Qiaoli kindergarten how to control the puppets.



Theater-guiding activity for students from the nearby Tagang Junior High School

3.2 Offered Quanta Arts Hall to the Youth Orchestra of Guishan Township, Taoyuan County for the "Taoyuan Youth Orchestra International Music Camp Teachers and Students Presentation" in August, 2010.

3.3 Provided part-time work opportunities for nearby college students, so that they could gain contact with performance and art activities while they work.

4. Pass down traditional arts and create new arts 4.1 Quanta Arts Orchestra: it is an orchestra formed by new-generation musicians. Their mission is to play contemporary Chinese musical works and bring different creations and feelings to art circles. The orchestra had its first performance in 2010. In the performance they also played the young composer Wang Qian Ting's recent work, "Wave Four Seasons — Quanta Four season Pictures".





4.2 It is a tendency for technology to influence the performing arts and add technical elements to performances. The Quanta Arts Foundation also actively researches the impact of technology with arts producers. In the "2010 Quanta Arts Technology Performing Art Festival", the Digital Arts Center team of Taipei University of the Arts was subcontracted to produce a new play, "The Afternoon with Gravitation," which combined technology with a play. It became an innovation in technology's combination with the performing arts in Taiwan.



2010 Quanta Arts Technology Performing Art Festival: Transfuture technology performance theater, "The Afternoon with Gravitation"



An outdoor performance attracted more than 1000 people



High school bands participated in the outdoor performance



"Digital Art Exhibition of Technology Performing Art Festival" open to the public on weekends





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5. Use modern technology and electronic media effectively

Well-utilized electronic media and video technology help manage and run internet social groups, and make the internet the "Official Media". There are more than 9000 subscribers who receive the "Quanta Arts Facebook" Newsletter, which is run by the Quanta Arts Foundation. Readers include performing artists, scholars and experts, arts students, as well as the public.

Currently the performance news is renewed daily and accepts members' posts. Also, starting at the end of 2010, news themes were planned and designed as part of the newsletter. In addition to the articles, video and music techniques are presented to expand multi-dimensional communication, such as carrying out a "2010 Top Ten Performing Arts Internet News Voting Activity" for one week, attracting more than 10,000 fans who participated in the arts voting event.

In the future, it is expected that via the internet all kind of activities held by the "Quanta Arts Foundation" and news about Taiwanese performing arts can reach not only local publics but also break time and space limits to be seen and heard all over the world.





2010-12-31 No.65 粉絲:8415

藝文費斯簿Arts@Facebook【自由轉載・自由傳遞】 <u>邀請朋友加入 | 提供意見 | 前期電子報總覽 | 廣藝部</u> 落格

十大表藝新聞票選活動 特刊



Quanta Arts Foundation. Exclusive art and culture facebook Arts@Facebook

Quanta's Heart. With Care

[QRDC]

The Employees' Welfare Committee brought the concept of caring for our home town and loving the earth into all kinds of events, which makes the activities more meaningful.

- Employee Donation: Donate money, secondhand goods to charities, invoices donations.
- Launched Book gifts to disadvantaged families.
- Recruit the physical and mental challenge candidates as Quanta's suppliers to provide laundry service. Invited disabilities groups for New Year charity sale events.
- Support domestic agriculture: Purchase crops from the local farmers, to help farmers, and cultivate trees in suburban.





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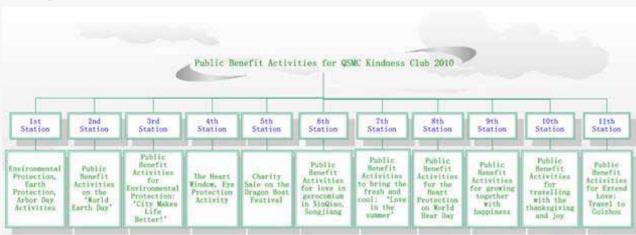
"Love our home town" event: promote Taiwan specialty to stimulate tourism and consumption.

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(QSMC)

QSMC Kindness club was founded in Mar, 2010. Till the end of 2010, had traveled 11 stations. The target for the activities were not only encouraging colleagues to offer the compassion to do good things, but also rich their life. Moreover, it can spread love much further and warmer to the society.

I.Loving Activities Table



II.Summary for the Loving Activities

Event 1: Public benefit activities on the 'World Earth Day'

Date: 22nd April, 2010

In Apr. 2010, the 7.1 Level earthquake happened in Yushu, Qinghai Province, it destroyed the life and property in disaster areas. Kindness Club and the company colleagues tied the golden thread, lighted the candles, prayed for the victims.





Event 2: Public Benefit Activities for Environmental Protection: 'City Makes Life Better!' Date: 29th May, 2010

Members from Kindness club, including the Taiwanese cadres and their families also joined the activity to clean the garbage in Song-Jiang Area. They contributed their strength for the environmental protection. Let the city makes life better.





Event 3:Public Benefit Activities for charity sale on the Dragon Boat Festival: Pass the love and accomplish the hope

Date: 16th June, 2010

The Charity Sales was separated from the area and raised funds RMB 7,050. All the funds have been delivered to the colleague-Hongxiang Zhang. Wish can help her to overcome the difficulties.





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Event 4: Public Benefit Activities to step into gerocomium in XinQiao, Songjiang: Devoting the Love Date: 24th July, 2010

We provided the medical and haircut services, performed the shows. Besides, we also brought the fruits, daily necessities, company articles, to let grandpa and grandma felt happy and warm.





Event 5: Public Benefit Activities to bring the fresh and cool: 'Love in the summer' Date: 28th August, 2010

Provided the ice-cooling water to the police and environment protect workers.





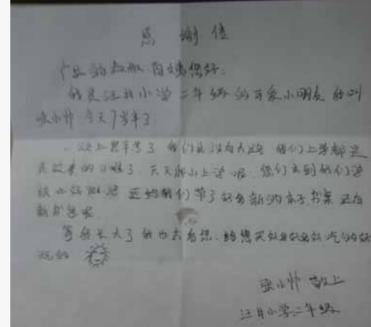
Event 6: Public Benefit Activities to travel in Guizhou

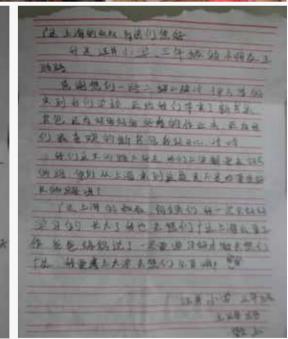
Date: 17th September, 2010

The loving angels-Ms Wen and Ms Lin leading the kindness club members came to WangJing School. They gave the new desks, school uniforms, learning tools as well as the company greetings to them.









III. The Loving Activities will be on going:

In the beginning of each month, we will hold a "holiday market", with "Love Charity" booth, which have charity and donation events. All the fund will use to the members who needs help in the company or society.

In addition, we will also hold the Public Benefit Activities every month and prepare the funds to help the children in the poverty area. We wish more and more members will join in Kindness Club to create the bright and beautiful tomorrow.

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[CSMC]

Event 1: "Traffic Safety" cultural and art performance

Date: 7th July, 2010

Organizers: Changshu City, Jiangsu Province Safety Supervision Bureau and Hi-Tech Park, Town of Yushan

In order to promote knowledge about road safety, we worked with the community actively and held a cultural and art performance with the topic of "Safe development, prevention first." The performance was organized by Changshu City, the Jiangsu Province Safety Supervision Bureau and the Hi-Tech Park of the Town of Yushan, and was given by a well-known theatrical troupe in Changshu City. The entire program was splendid and was well attended by colleagues. They answered questions eagerly and learned a lot about traffic safety in a relaxed and happy atmosphere.









Event 2: "Love makes life shine" fundraising activity

Date: 10th – 22nd July, 2010 For Colleague Li Dajing, who is sick

Colleague Li Dajing is sick, and has had to stay in the hospital since May 17, 2010. The high medical expenses have exhausted all his family's savings and the continuing expenses are an enormous burden for a family that works on a tight budget. After this was learned by the company, a fundraiser was organized rapidly. 7000 people donated to this activity over 2 weeks, and all the funds have been delivered to Li Dajing.



Receiving care and help from brothers and sisters in a big family full of love, Li Dajing expressed his appreciation to colleagues.



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Event 3: "Voluntary Blood Donation" public welfare activity

Date: 13th Nov. to 31st Dec.

Venue: Blood Station at Changshu City, Jiangsu Province

Due to low supplies of blood in the blood bank, the company contacted the Changshu City blood station and held an event on 13th and 14th Nov. to recruit colleagues to participate in the "Blood Donation" activity. There were almost 300 colleagues participating and 70,500ml of blood were donated.

Being encouraged by the active participation in this event, the Changshu City blood station had its blood van park in the living area to collect further donations daily until 31st Dec., and there were about 200 more colleagues who donated a further 50,000ml of blood.

The company was commended by the leader of the Changshu City blood station for its actions and won high praise for the "Changshu City Advanced Group of Voluntary Blood Donation Work."









Event 4: "Under the same sunshine, love heats up the world" Charity Fundraising Activity

Date: 20th to 28th Dec., 2010

Organizer: Charity Federation of Changshu City, Jiangsu Province

With every little bit gathering together, sand can grow into a tower and the fine trickles of water can form a river. In response to the call of the Charitable Federation of Changshu City, Jiangsu Province, the company passed a message of love and care to all colleagues from 20th to 28th Dec. 2010 to participate in the "Under the same sunshine, love heats up the world" Charity Fundraising Activity. All the funds were delivered to the Charity Federation of Changshu City.



常熟市慈善总会

达富电脑 (常熟)有限公司



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Appendix, GRI-G3 (Global Reporting Initiative) Table

| GRI Index | Relevant chapters and Description | Page |
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| | (Quanta products are shipped by air and sea; employees commute by riding motorcycles, driving cars, or taking shuttle vehicles) | |
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| services life cycle (PR1) | Green Design and Green Production: I.Low-toxicity; II.Resource saving; III. Easy to recycle / Easy dismantling | 96~100 |
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