



2020

COMPEQ Sustainability Report

By COMPEQ CSR Team

About the Report

Report Scope and Framework

Report Overview

Every year we publish a corporate social responsibility (CSR) report with respect to the Sustainability Reporting Standards (GRI Standards) published by Global Report Initiative (GRI) to disclose in detail our actions, progress, and concrete achievements in major CSR areas, including economics, environmental protection, energy conservation, employee relationships, and social participation in the previous year.



Reporting Period and Boundaries

This report provides a summary of the activities in the fiscal year 2019 (January 1, 2020 to December 31, 2020), with boundaries covering Taiwan Headquarters in Luzhu Plant and Dayuan Plant in Taiwan; the production bases in mainland China including Compeq Manufacturing (Huizhou) Co., Ltd., Compeq Technology (Huizhou) Co., Ltd., Compeq Manufacturing (Suzhou) Co., Ltd., and Compeq Manufacturing (Chongqing) Co., Ltd., excluding offices in various locations. Unless otherwise remarked, all financial data is expressed in New Taiwan Dollar (NTD). Other relevant performances are expressed in text or figures through internationally accepted indicators. Exceptions, if any, will be explained specifically in the report.



Reporting Guidelines and Verification

This report has been assured by the third-party certification body: Taiwan Branch of TÜV Asia Pacific Ltd. The “Core” indicators of the GRI Standards and AA1000 AS v3 have been adopted to cover, as much as possible, the material sustainability issues that concern stakeholders and disclose the information relating to CSR implementation. The assurance statement is also appended to this report.



Basis of Report Calculations

The 2020 data contained in this report has been assured by the third-party TÜV NORD and is expressed in internationally recognized universal indicators. Estimations, if any, will be indicated in corresponding sections. The financial data expressed in NTD has been audited and verified by the accounting firm Baker Tilly Clock, & Co. The OH&S and environment management systems have been audited periodically through internal audits and reviewed and certified according to OHSAS18001 and ISO14001. GHG emissions have been audited according to ISO14064-1.



Date of Publication

This is the 11th CSR report issued by Compeq. We will continue to issue the CSR report on an annual basis and publish it on the Compeq website.

Previous issue: June 2020.

Current release: June, 2021

Next issue: June 2022

Report download: <http://www.compeq.com.tw/duty03.php>

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From the Chairman and President

To all friends of Compeq:

Besides slowing the market demand in Europe, the USA, and China, the COVID-19 pandemic and US-China trade war also led to a global economic downturn in 2020. According to the IMF statistics, the global GDP declined by 3.5% in 2020. According to the Prismark statistics, the PCB industry grew by 6.4% in 2020 over 2019, and our revenue also increased by 7.7% from NT\$56.17 billion in 2019 to NT\$60.52 billion in 2020, with a net income increasing by NT\$840 million from NT\$3.82 billion in 2019 to NT\$4.66 billion in 2020. To keep up with the high-frequency and high-speed applications of 5G products and the specification diversity of customer products in the future, we will optimize the organizational structure, improve product quality, enforce infrastructure development, and develop a competitive business and management model.

In response to the COVID-19 pandemic, Brexit, the rise of US protectionism, and the slow global economic recovery, we will cope with the market changes with caution and maintain conservative and steady investment in 2021. In the future, besides continuing with environmental protection to get ahead of the government's regulatory requirements, we will enforce corporate social responsibilities and value labor rights and interests to fulfill the expectations of shareholders/investors, customers, and the government and pursue sustainable development.

◆ 2020 Business Report

1. Financial performance: In 2020, the net income increased by NT\$840 million from NT\$3.82 billion in 2019 to NT\$4.66 billion and the EPS increased by NT\$0.7 from NT\$3.21 in 2019 to NT\$3.91.
2. Budget performance: We specialize (AmE: are specialized) in PCB and SMT assembly. The Luzhu and Dayuan plants in Taiwan and the Huizhou and Fuling plants in China are the PCB production bases. In 2020, the total capacity was about 32 million square feet, and the actual sales volume was 26.5 million square feet. The Suzhou and Huizhou plants in China are the production bases for SMT assembly, and the actual 2020 output was about 350 million pieces.
3. R&D performance: To facilitate long-term corporate development and maintain leadership in advanced-level PCBs and rigid-flex boards, we raise R&D capacity, improve R&D quality, enhance the collection of information of competitors and suppliers, and engage in constant R&D of new process technologies, including micro-hole design, 5G high-frequency, high-speed materials application, smart factory, enhancement of production environment safety, automation, waste reduction, emission reduction, and so on. In the assembly business, we will continue developing back-end-related technologies, over-molding power management modules, automotive electronics, connector modules, and so on.

◆ Business plan for the year:

1. Operational policy
 - Optimize organizational structure, improve product quality, enforce equipment-centered process management, enhance total quality awareness, implement infrastructure development, fulfill customer requirements, and achieve a competitive yield rate.
 - Constantly implement the business management cycle and build a competitive plant (quality, delivery time, and cost) in the selected product markets after optimizing plant setup and infrastructure. Sales staff accept orders based on the capacity of plants and keep all plants in full load to maintain steady operations.
 - Make continual improvements in operational management and systems and create a competitive business operational system to progressively enhance the competitiveness of all products and plants.
 - Strive to fulfill corporate social responsibilities, meet the expectations of the government, customers and society; continue to promote energy conservation and emissions reduction; protect human rights and improve employee living; and become a sustainable business.
2. Projected sales volume

We specialize (AmE: are specialized) in PCB sales, with the Luzhu and Dayuan plants in Taiwan and the Huizhou and Fuling plants in China as PCB production bases. The projected total sales for this year will be over 27 million square feet. The Suzhou and Huizhou plants in China are the production bases for SMT assembly, and the project sales for this year will be over 420 million pieces.
3. Key production and sales policy

Quality improvement, structure optimization, profit maximization, and overall competitiveness fortification will be the future goals for rigid PCBs, while structure optimization and suitable products for the plant will be the future goals for rigid-flex boards for the steady operations of plants. In SMT, we will continue to develop niche products and improve plant competitiveness in the markets and products for the steady operations of plants.



董事長 吳健

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1. Compeq Stakeholder Engagement and Communication

1-1. Stakeholder interaction

1-2. Analysis of material issues

1-3. List of sustainability performance

1-4. Material topics and impact boundaries

1-1. Stakeholder interaction

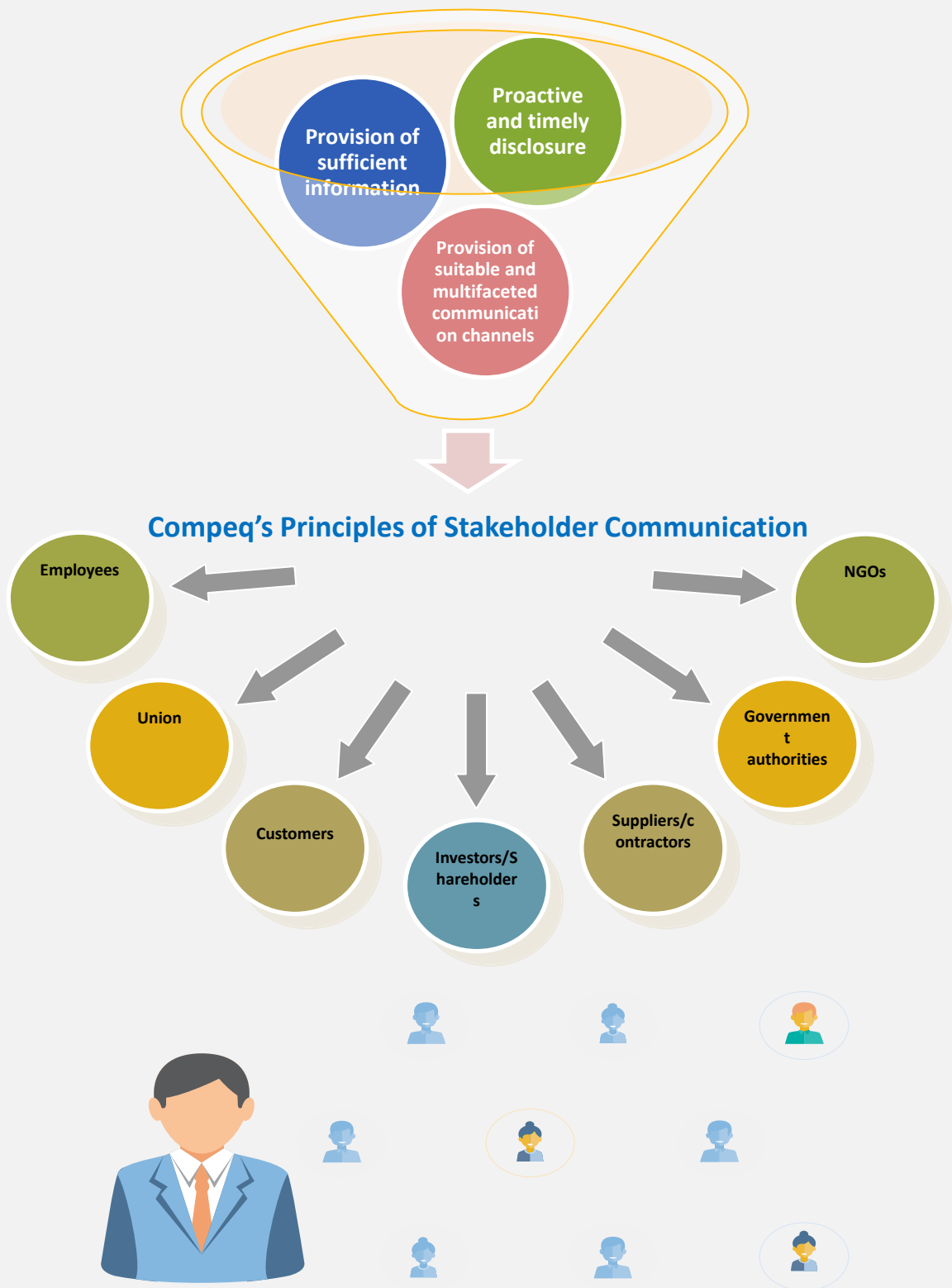
1-1-1. Stakeholder communication

Apart from planning and designing the mechanisms and processes for stakeholder communication, the CSR Team designs survey questionnaires regarding the aspects and disclosure items in the GRI Standards and distributes them in paper or electronic format for stakeholders to answer. Then, statistical analysis was conducted on the responses of the stakeholder survey to identify and integrate the issues to be disclosed in the Compeq CSR report. The analysis results were reported to the CSR team to produce the complete social responsibility report.






1-1-2. Types of stakeholders

In 2020, we selected 11 stakeholder groups, including employees, investors/shareholders, customers, local communities, suppliers/contractors, the media, government entities, NGOs, labor unions, external consultants, and third-party certification bodies. In addition, we followed the analysis framework of the previous years to identify stakeholders with respect to the five attributes of stakeholders in AA1000SES 2015: dependency, responsibility, tension, influence, and diverse perspectives, with members of the CSR team assessing the relevance to stakeholders. Through statistical analysis, the seven stakeholder groups of higher relevance in 2020 were identified as follows: employees → investors/shareholders → customers → labor unions → suppliers/contractors → NGOs → government authorities. Besides establishing comprehensive and complete channels for stakeholder communication, we understand and address the issues that concern them and make continuous reviews and improvements.



1-1-3. Communication channels for stakeholders

Stakeholders	Implications for Compeq	Communication Method or Channel	Communication Frequency	Communication Issue	Material Topics (Top 5) in CSR Questionnaire
Employees 	As an important organizational asset, we offer various respective benefits for employees to contribute to us and growth with us.	<ul style="list-style-type: none"> Town Hall Meeting Communication hotline, suggestion box, and email. Internal/External Website MEMO and weekly assembly Corporate Social Responsibility Questionnaire 	<ul style="list-style-type: none"> Ad Hoc Contact by Employee Ad Hoc Publication Every Week Every Year 	<ul style="list-style-type: none"> Remuneration, benefits Occupational Health and Safety Training and Education Labor Relations Employee Issues 	<ol style="list-style-type: none"> OHS Labor Relations Training and education Forced/Compulsory Labor Non Discrimination
Investors (Shareholders) 	Shareholders are those hold shares in the Company. They can also be referred to as investors. Those who hold shares in the Company have the right to attend and vote in the general shareholders' meeting.	General shareholders: <ul style="list-style-type: none"> Shareholders Meeting Annual Report Information Publication Website Corporate Social Responsibility Questionnaire Institutional investors <ul style="list-style-type: none"> Company Visit Seminar Corporate Social Responsibility Questionnaire 	<ul style="list-style-type: none"> Every Year Ad Hoc 	<ul style="list-style-type: none"> Corporate Governance Business performance Transparency Corporate Social Responsibility 	<ol style="list-style-type: none"> Economic Performance Indirect Economic Impacts Tax policy Anti-corruption/anti-competitive behavior Water and effluents
Customers 	Customers play an extremely important role in organizational production and business activities. Therefore, we fulfill their demands as much as possible.	<ul style="list-style-type: none"> Email Corporate Website Customer Satisfaction Survey Customer Audit Corporate Social Responsibility Questionnaire 	<ul style="list-style-type: none"> Ad Hoc Ad Hoc Every Year Every Year/Ad Hoc Every Year 	<ul style="list-style-type: none"> Product quality Product pricing Trade secrets Greenhouse gas emissions management Green Products Corporate Social Responsibility 	<ol style="list-style-type: none"> Customer Privacy Supplier Environmental Assessment Social Compliance Materials Economic Performance

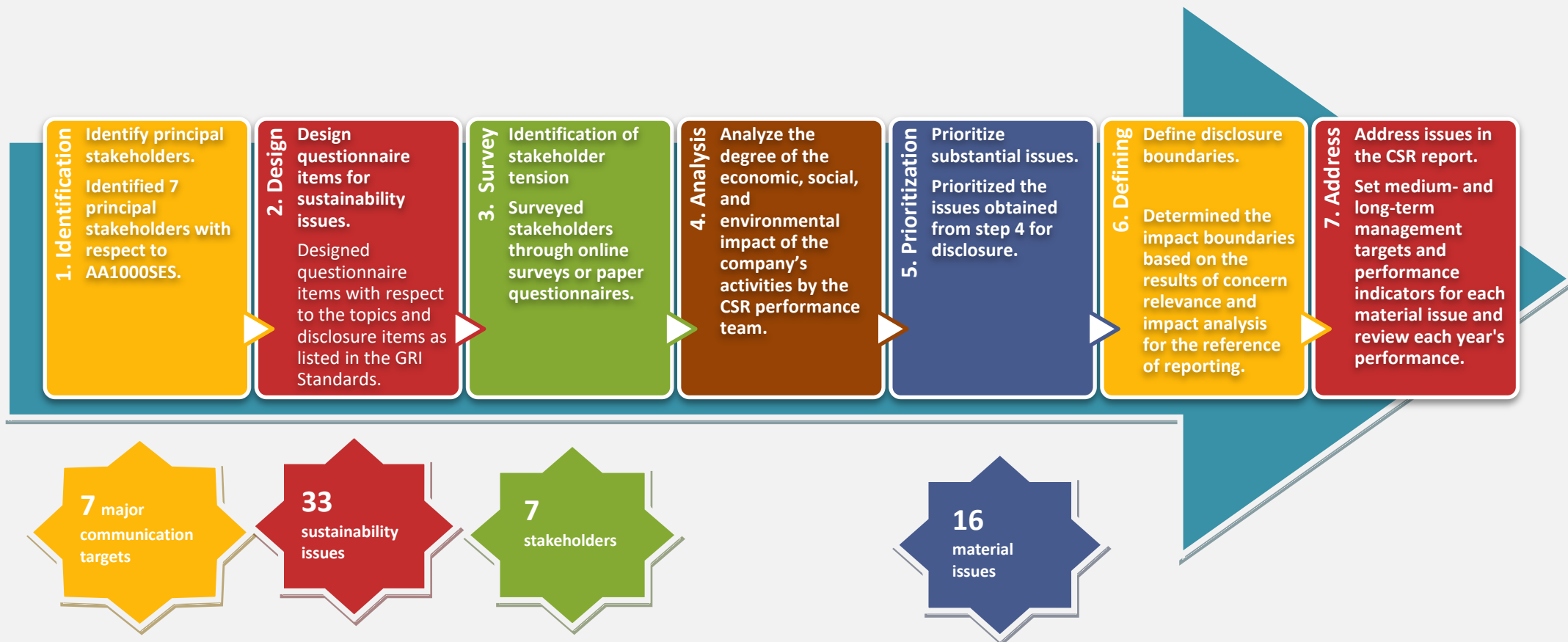
Stakeholders	Implications for Compeq	Communication Method or Channel	Communication Frequency	Communication Issue	Material Topics (Top 5) in CSR Questionnaire
 Union	Labor representatives produced through via elections held by company employees who propose reasonable employee benefits on their behalf and engage in reasonable, positive communication with the Company.	<ul style="list-style-type: none"> ● Union Directors and Supervisors ● General Meeting of Labor Representatives ● Labor-Management Meeting ● Corporate Social Responsibility Questionnaire 	<ul style="list-style-type: none"> ● Every Quarter ● Every Year ● Every Quarter ● Every Year 	<ul style="list-style-type: none"> ● Labor Relations ● Employee Issues ● Corporate Social Responsibility 	<ol style="list-style-type: none"> 1. Waste 2. Emissions 3. Environmental compliance 4. Employment 5. OHS
 Suppliers/Contractors	Partners who exist in symbiosis, share prosperity, and maintain long-term reciprocity with the Company.	<ul style="list-style-type: none"> ● Email ● Monthly supplier/contractor review meeting ● Annual self-assessment questionnaire, audit, and rating of suppliers/contractors. ● Corporate Social Responsibility Questionnaire 	<ul style="list-style-type: none"> ● Ad Hoc ● Monthly ● Every Year ● Every Year 	<ul style="list-style-type: none"> ● Supply chain management (delivery time, quality, unit price, labor human rights, environmental requests, etc.) ● Corporate Social Responsibility 	<ol style="list-style-type: none"> 1. Supplier environmental assessment 2. Customer Privacy 3. Social Compliance 4. Child Labor 5. Environmental compliance
 NGOs	Non-profit organizations (NGOs) focus on monitoring an enterprise's performance in labor, environment and safety, ethics, and they have a certain influence on the enterprise.	<ul style="list-style-type: none"> ● Email ● Corporate Social Responsibility Questionnaire 	Ad Hoc	<ul style="list-style-type: none"> ● Legal compliance in all categories ● Corporate Social Responsibility ● Environmental performance 	<ol style="list-style-type: none"> 1. Anti-corruption/anti-competitive behavior 2. Indirect Economic Impacts 3. Waste 4. Emissions 5. Water and effluents
 Government authorities	The Company is bound by the laws that the government passes.	<ul style="list-style-type: none"> ● Correspondence of official documents ● On-site interviews and inspections by competent authorities ● Corporate Social Responsibility Questionnaire 	Ad Hoc	<ul style="list-style-type: none"> ● Environmental safety/labor legislation compliance ● Political contribution ● Energy and water conservation 	<ol style="list-style-type: none"> 1. OHS 2. Non Discrimination 3. Anti-corruption/anti-competitive behavior 4. Environmental compliance 5. Labor Relations

1-2. Analysis of material issues

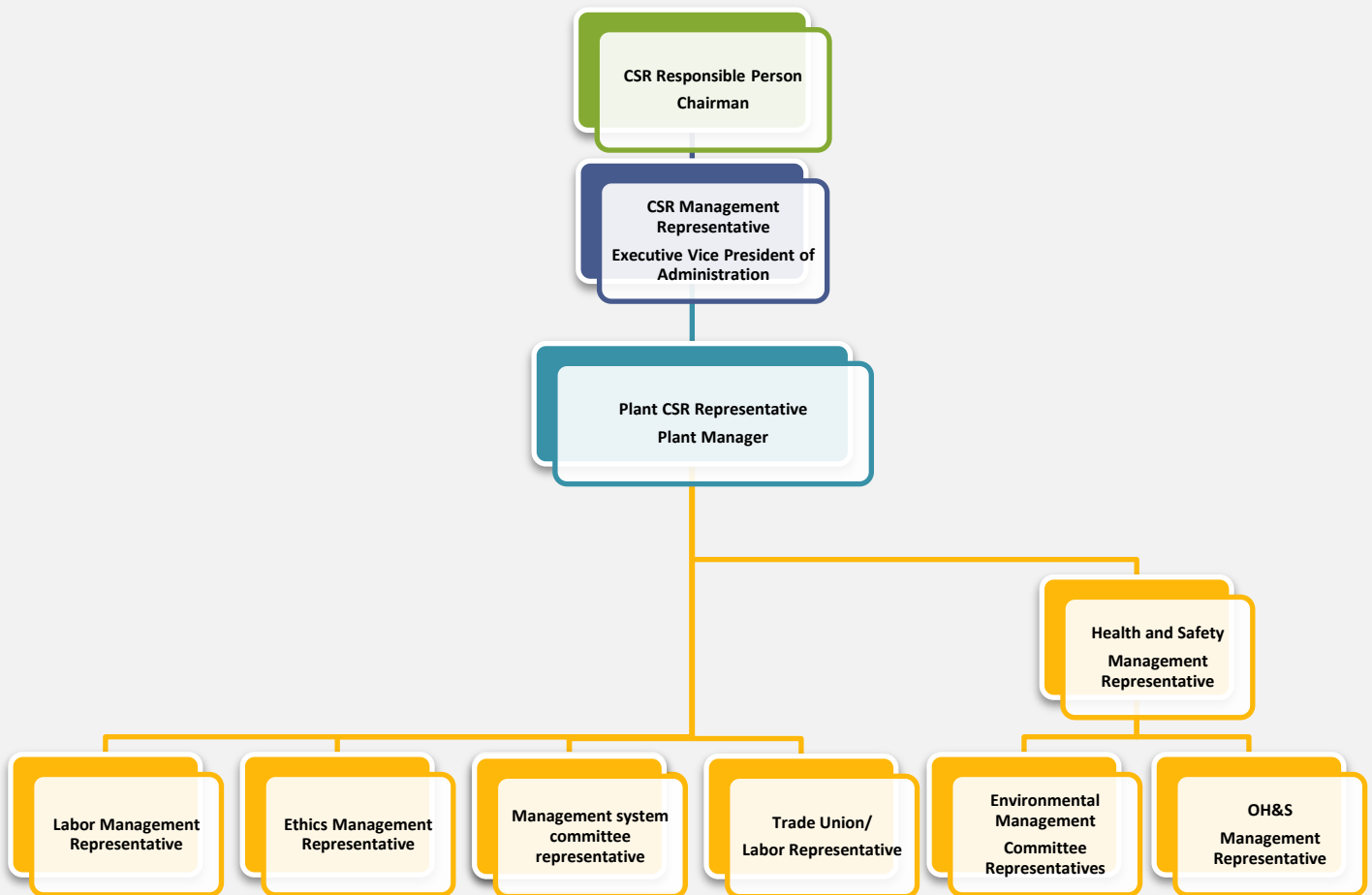
1-2-1. Procedures for analyzing material issues

In addition to providing comprehensive channels for regular communication, we have established an analysis framework with seven procedures to analyze material issues in environmental, social, and governance (ESG), economic category, labor human rights, and product responsibility through the procedures including identification, investigation, analysis, and prioritization to validate the scope of information disclosures in the report and the material challenges challenging sustainable development within and outside of the organization, and comprehensively review the effectiveness of sustainable operations to fulfill the expectations of Compeq stakeholders.

Apart from gathering the issues that concern stakeholders, we also analyzed the degree of stakeholder concern of individual issues with questionnaires and assessed the economic, social, and environmental impact of these issues before determining the scope, boundaries, and reporting period and presenting related data and performance to ensure that the information that concern stakeholders have been disclosed in the report.



1-2-2. CSR performance team



1-2-3. Statistics on stakeholder responses

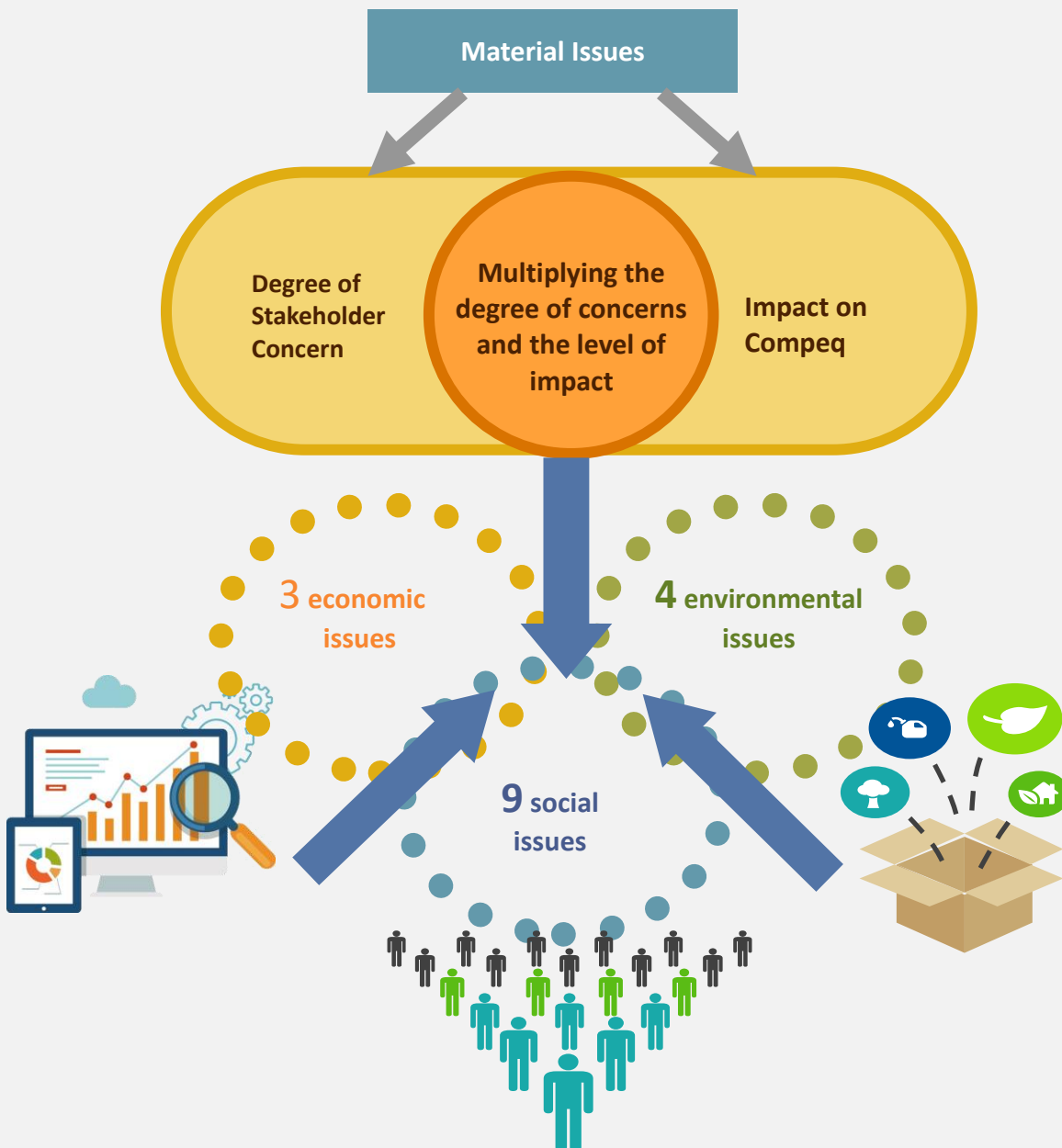
The questionnaire items were designed with respect to the topics and disclosure items listed in the GRI Standards. Of the 778 copies of questionnaires distributed, a total of 422 valid responses were collected, with a response rate of about 54%. After analyzing the degree of concern about individual issues of stakeholders, material issues requiring communication were prioritized by the tension of concern and degree of impact and presented in a matrix.



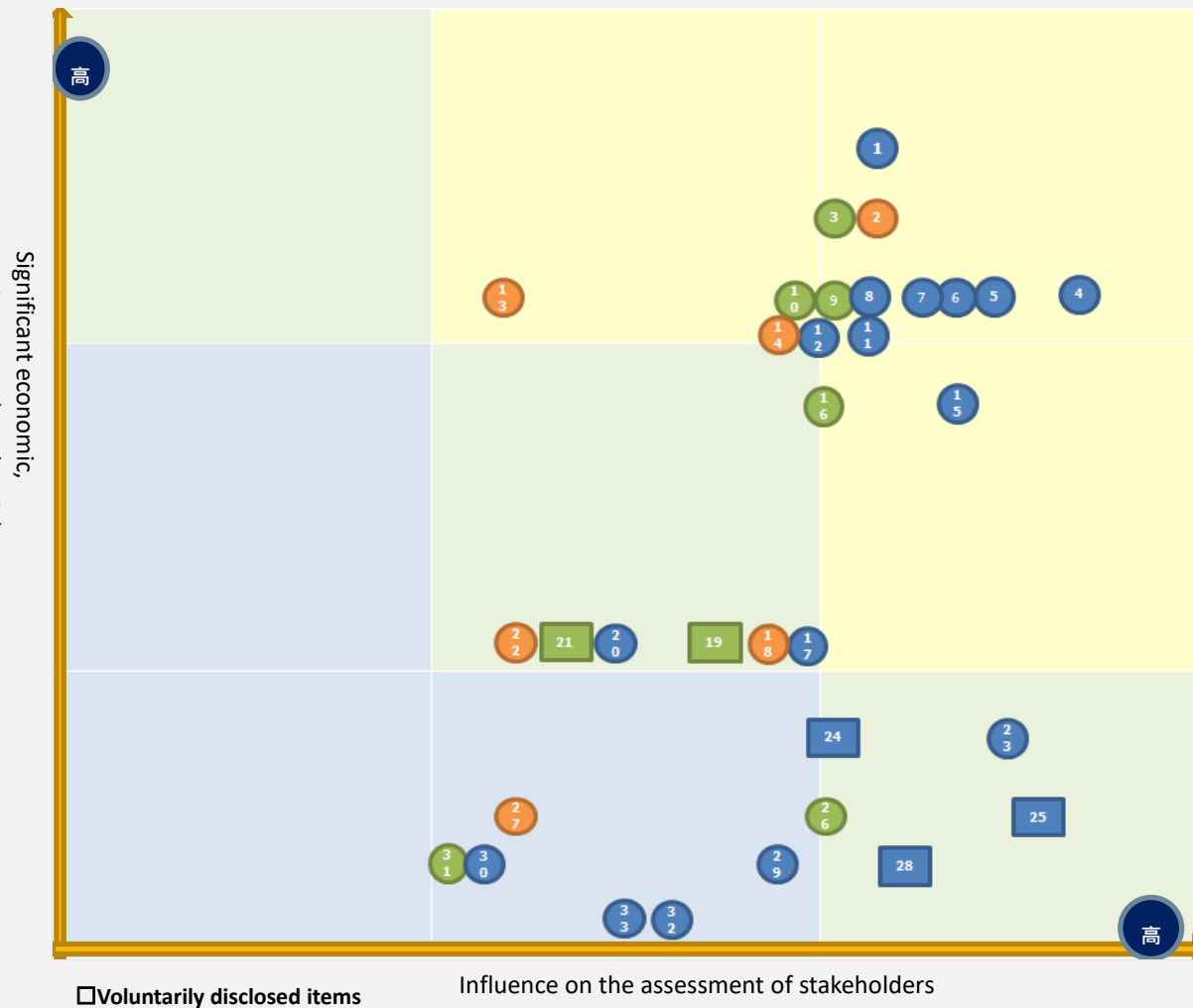
1-2-4. Analysis matrix of material issues

We identified material issues by summing up and then multiplying the score obtained from a five-point scale of the stakeholder tension and the degree of organizational impact assessed by the CSR performance of each issue. Issues with a score above the average were determined as material issues. Lastly, 16 issues were identified as material issues.

The three most-concerned issues by stakeholders and Compeq in 2020 were: employment, economic performance, and environmental compliance. As there was no difference from 2019, no adjustment of the corresponding GRI Standards was required. In consideration of international trends and rising concerns in the future, we have also voluntarily disclosed five material issues, including supplier CSR management and water management. Based on the continual improvement spirit, we will appropriately disclose the contents of the concerned issues in this report. In the future, we will make constant communication with stakeholders, list inadequacies as to the focus of improvement, and maintain sound communication, interaction, and cooperation with stakeholders.




Matrix of Compeq Material Issues





- High-Level Concerns
- 1 Employment
 - 2 Economic Performance
 - 3 Environmental Compliance
 - 4 OHS
 - 5 Labor Relations
 - 6 Customer Privacy
 - 7 Forced/Compulsory Labor
 - 8 Child Labor
 - 9 Waste
 - 10 Emissions
 - 11 Customer Health and Safety
 - 12 Local Communities
 - 13 Procurement Practices
 - 14 Market Presence
 - 15 Social Compliance
 - 16 Energy
- Medium-Level Concerns
- 17 Human Rights Assessment
 - 18 Anti-corruption/anti-competitive behavior
 - 19 Supplier environmental assessment
 - 20 Freedom of Association and Collective Bargaining
 - 21 Water and effluents
 - 22 Tax
 - 23 Non Discrimination
 - 24 Supplier Assessment for Impacts on Society
 - 25 Training and education
 - 26 Materials
 - 28 Diversity and Equal Opportunity
- Low-Level Concerns
- 27 Indirect Economic Impacts
 - 29 Marketing and Labeling
 - 30 Public Policy
 - 31 Biodiversity
 - 32 Security Practices
 - 33 Indigenous Rights




1-3. List of sustainability performance

For the above identified material issues, after analyzing their management approaches and performance in 2020, we have integrated them with the 17 Sustainable Development Goals (SDGs) of the United Nations and addressed their core concepts in terms of business activities, materials procurement, environmental protection, and labor safety.

Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
Economic	Economic Performance	<ol style="list-style-type: none"> 1. Evaluate future business development plans and analyze future market estimates every year based on the Company's global deployment and status of the industry. 2. As a listed company, we assess future business strategies through regular and irregular meetings (e.g., board meetings). 	<ul style="list-style-type: none"> • Achieve the Company's annual revenue goal. 	<ul style="list-style-type: none"> • In 2020 the revenue increased by 7.7% from NT\$56.17 billion in 2019 to NT\$60.52 billion, a new high in history, and the net income increased by NT\$840 million from NT\$3.82 billion in 2019 to NT\$4.66 billion. • The 2020 EPS increased by NT\$0.7 from NT\$3.21 in 2019 to NT\$3.91. 	<ul style="list-style-type: none"> • Continue with legal compliance and enhance the performance in the corporate governance evaluation. • Engage in the constant R&D of micro-hole design, 5G high-frequency high-speed materials application, smart factory, and automation and the constant development of back-end-related technologies for SMT assembly to provide customers with total PCB solutions to facilitate future long-term corporate development and maintain leadership in advanced-level PCBs and rigid-flex boards. 	<p>Improve the governance framework and competence and ensure legal compliance to enhance the trust in Compeq of stakeholders.</p> 
	Procurement Practices	Due to the complexity of product structure and characteristics, besides materials and equipment suppliers, other members in the supply chain include environmental protection (waste disposal), dispatched labor, and foreign worker suppliers/contractors. We manage and supervise suppliers with higher risk, including evaluation of new suppliers before cooperation, and periodic evaluation of current suppliers.	<p>Based on the results of supplier risk assessment (economic, environmental and social categories), we implement different management targets suppliers, including:</p> <ul style="list-style-type: none"> • Request all suppliers to sign an undertaking. • Perform documentary reviews on risky suppliers. • Implement on-site audits on high risk suppliers. 	<ul style="list-style-type: none"> • All new suppliers were requested to sign an undertaking (101 new suppliers in 2020). • All risky suppliers were requested to fill in the self-assessment sheet (159 suppliers in 2020) • All high-risk suppliers were requested to accept the on-site audit (111 suppliers in 2020). 	<ul style="list-style-type: none"> • Implement the on-site audit on all high-risk suppliers. • Request all suppliers to sign the undertaking. • Implement sustainable management of high-risk suppliers according to the RBA-CoC. • Maintain zero procurement of conflict minerals. 	<ol style="list-style-type: none"> 1. Promote long-term partnership with suppliers, implement total quality management, and ensure product quality, delivery punctuality, and cost control. 2. Ensure that suppliers reduce environmental impacts in the process of product and service provision, fulfill CSR with suppliers together, and create a win-win sustainable





Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
Environmental	Market Presence	Every year we conduct internal and external surveys on salary competitiveness (including current employees and new employees) and make necessary adjustments according to the survey results to determine a sound and competitive salary structure.	<ul style="list-style-type: none"> Ensure that wages meet the legal requirements. Enhance the competitiveness of the company's remuneration. Give employees with outstanding performance a raise above the average; improve target talents; identify qualitative and quantitative supply and demand; and introduce talents suitable for business operations. 	<ul style="list-style-type: none"> Taiwan: Provide a wage complying with the Labor Standards Act, overtime pay better than the legal requirements (double pay for overtime work on national holidays for shift workers), and well-planned benefits. Mainland China: Adjust and assess wages based on the local legal requirements and living standards, provide additional allowances for key positions, and constantly enhance salary competitiveness. 	<ul style="list-style-type: none"> Constantly gather information on internal and external salary and capture local living standards to cope with the future competitiveness of the labor market. Improve the quality and increase the quantity of target workforce supply and enhance labor market competitiveness to ensure the right person for the right place. 	<p>supply chain.</p>  <p>Realize productive employment for each employee to enjoy decent work and promote inclusive and sustainable economic growth.</p> 
	Environmental Compliance	Manage and supervise various environmental indicators through the ISO14001 system.	<ul style="list-style-type: none"> Total environmental compliance for Compeq businesses. Constantly pass ISO14001 certification for Compeq businesses. 	<ul style="list-style-type: none"> Taiwan: Improvement was completed for one waste disposal offense reported in 2020 to ensure sustainable environmental compliance. Mainland China: No environmental offense was reported in 2020, and sustainable environmental compliance will continue. No significant nonconformity was found in ISO14001 certification to ensure its continued effectiveness. 	<ul style="list-style-type: none"> Continue environmental management based on ISO14001 according to the PDCA cycle. Constantly implement ISO14001. Environmental compliance: Zero suspension/zero fine (annual reduction to zero). 	<p>Enhance energy management, lower the environmental impact of business activities, achieve the circulatory economy, constantly legal compliance, and enforce all internal regulations and systems that relate to environmental protection.</p> 
	Waste and water management	1. Monitor wastewater treatment quality and supervise wastewater	<ul style="list-style-type: none"> Implement real-time monitoring on wastewater treatment to 	<ul style="list-style-type: none"> Taiwan: Completed resin tower installation to lower average copper intensity to 	<ul style="list-style-type: none"> Continuously reduce wastewater copper intensity to 0.2mg/L. 	<p>Enhance risk management and pollution prevention,</p>

Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
		<p>treatment through the online system.</p> <p>2. Implement process technology improvement and reduce raw materials uses and waste outputs to achieve waste-to-resource and resource recycling.</p> <p>3. Constantly implement water conservation to maximize water efficiency.</p>	<p>reduce copper intensity to 0.3mg/L.</p> <ul style="list-style-type: none"> Stabilize the quality of wastewater treatment. Reduce hazardous waste output. Reduce water consumption by 1% and unit product water consumption by 3%. 	<p>below 0.3mg/L, reduced total copper discharge by 50%, and implemented the waste reduction program.</p> <ul style="list-style-type: none"> Mainland China: Both wastewater treatment and waste disposal met the regulatory requirements; established the electrolytic copper system to reduce hazardous waste production (1,800t/month); enhanced chemical copper ion TTS by 0.5ppm to reduce iron (II) consumption. Implemented continual improvement, such as reduction of scrapped dry films by 10 t/month and scrapped nickel liquid by 30 t/month. All targets were achieved. Average enterprise-wide (Taiwan and mainland China) water consumption increased by 2.9%, mainly in Taiwan due to capacity structure increased and changed, thus increasing water consumption. However, the enterprise-wide unit output water consumption was reduced by 5.9%. 	<ul style="list-style-type: none"> Continuously implement waste reduction and implement the waste life cycle system, and explore new waste reduction projects (capacity expansion of electrolysis equipment and increase in filter dryers) to reduce wastewater discharge and waste production. Continuously implement the process reasonable water consumption program (reduce water consumption by 3% and unit product water consumption by 6%). 	<p>lower impact on people and the environment, and monitor and control chemical substances emitted from production activities with the exhaust emission control system.</p>  
Emissions		<p>1. Implement GHG inventory, verify emission sources, and reduce carbon emissions.</p> <p>2. Implement low-carbon design in the production</p>	<ul style="list-style-type: none"> Establish an energy management mechanism to promote energy conservation and carbon reduction and reduce 	<ul style="list-style-type: none"> Scope 1: Direct GHG emissions in Taiwan and Huizhou increased (9-25%) due to the capacity increase, while a slight 	<ul style="list-style-type: none"> Continuously implement GHG inventory and energy conservation and carbon emission technology, upgrade production equipment, and 	<p>Implement GHG inventory, verify emission sources, and reduce carbon emissions.</p>

Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
Social Category		process and adopt optimal and feasible technology to reduce GHG emissions.	pollution emissions.	reduction by 5-11% was noted in all other plants. • Scope 2: Electricity consumption increased significantly due to Chongqing Plant's capacity increase and structure change, leading to the increase in indirect GHG emissions, while a slight reduction by 3-9% was noted in all other plants.	reduce carbon reduction (reduce unit product GHG emissions by 1% each year) • Implement certification of the new version of 14064-1 and include Scope 3 in the inventory.	 
	Energy	Continue to set the annual target of energy consumption reduction and plan the replacement of existing energy with renewable energy in the future.	• Reduce energy consumption rate every year.	• Although the enterprise-wide unit output electricity consumption reduced, the overall electricity consumption increased due to the increase in product output and change in the product structure. • Taiwan: Implemented 17 energy conservation programs in 2020 to reduce electricity consumption by 1,035,016.67kWh or 0.4%. • Mainland China: Implemented 9 energy conservation programs in 2020 to reduce electricity consumption by about 9,964,689.01kWh or 1.5%.	• Continuously reduce energy consumption (save electricity by 1%/year) implementing conservation programs through the energy management system and integrating all plants' equipment. • Continuously deploy renewable energy in response to future development and laws and regulations to meet with the government policy (Renewable Energy Development Act); complete 10% of the enterprise capabilities of green energy in 2025, and active assessment of plant green energy use projects (e.g., green electricity purchase).	Promote waste reduction and resource conservation and effectively recycle resources through high performance energy conservation measures. 
	Labor Relations	Review local laws and regulations each month, compare the differences with the current practice, and make corrections for the differences to ensure compliance with all systems.	• Total legal compliance of all personnel systems and no heavy fine for offenses.	In 2020, no heavy fine by the government entities was reported in both Taiwan and mainland China. However, small-amount fines (NT\$150,000) were reported from Taiwan mainly for	• Continuously comply with related labor laws and regulations. • Regularly gather the information of labor-related laws and regulations, verify the status of compliance, and make	Comply with applicable labor laws and regulations to maintain the human rights and labor rights of employees.




Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
				violation of overtime work, and active improvement has been made.	immediate adjustments to risky items.	
	Employment	Hold labor-management meetings and harmony and friendliness meetings every quarter and seminars every month, and constantly build a harmonious and friendly work environment.	<ul style="list-style-type: none"> Improve labor-management harmony, build a harmonious and friendly workplace environment, and constantly maintain zero labor-management dispute. 	<ul style="list-style-type: none"> In 2020, no serious labor-management dispute was reported by plants in either Taiwan or mainland China and all internal feedback cases were closed. Held the labor-management meeting every three months by law, maintained constant interaction with the union, and participated in the monthly union management meeting. 	<ul style="list-style-type: none"> Continuously optimize the internal communication platform and address employee feedback in real-time. Continuously improve the manageability of junior management to progressively achieve civilized management (close all employee complaints). 	
	OHS	<ol style="list-style-type: none"> Achieve management and supervision according to the OHSAS18001 occupational health and safety system and eliminate hazard factors. Continuously implement an all-out industrial safety culture, enhance safety awareness, and implement preventive management. 	<ul style="list-style-type: none"> No heavy fines. Pass the certification of OHSAS18001 and the version switch to ISO 45001 in 2021. Continuously encourage employees to make industrial safety proposals and implement practical training on production safety. Include industrial safety self-inspection in the PAD check system (self-inspection rate >95%). 	<ul style="list-style-type: none"> In 2020, no heavy fine was reported by plants in either Taiwan or mainland China, and continual improvement was made through the PDCA cycle for machine permits and tests, and worker licenses and health checkups. Reduced accidents and occurrences to achieve zero hazards for industrial safety. In 2020, a total of 392 proposals (133 from Taiwan and 259 from mainland China) on industrial safety were received and completed, and practical training on 	<ul style="list-style-type: none"> Continuously implement the OH&S management system through the enterprise's PCDA cycle, pass the interim audit of ISO 45001 and renew the certificate in three years. Total participation and OH&S proposals >200 (Taiwan) and >500 (mainland China), and continuously implement total practical training on industrial safety. Continuously implement total practical training on industrial safety, implement hazard assessment, and improve facilities, equipment, and operating environments to maintain zero work-related ill 	<p>Constantly comply with the government's ESH regulations and customer requirements, and promote safety for people, equipment, and the environment.</p> 

Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
				production safety was completed for 63,125 persons.	health.	
	Customer Privacy	<ol style="list-style-type: none"> 1. Protect customer privacy with respect to the Trade Secrets Act and other regulations. 2. Raise the employee's awareness of protection for customer intellectual property rights and protect the product information and various IP rights of customers. 	<ul style="list-style-type: none"> • No fine for leakage of customer privacy. • Customer satisfaction rating over 80 points. 	<ul style="list-style-type: none"> • In 2020, no fine for leakage of customer privacy was reported by plants in either Taiwan or mainland China. • The 2020 enterprise-wide customer satisfaction rating was 85 points. 	<ul style="list-style-type: none"> • Zero infringement of customer privacy. • Customer satisfaction rating over 90 points. 	<p>Comply with the principles of ethical corporate management, constantly develop service-oriented collaboration models, and enhance customer trust.</p> 
	Forced/Compulsory Labor	<ol style="list-style-type: none"> 1. Manage and supervise forced/compulsory labor with respect to the RBA-CoC and SA8000 system. 2. Provide comprehensive channels for employee communication and grievance and create a harmonious workplace. 	<ul style="list-style-type: none"> • No related employee complaint was reported. 	<ul style="list-style-type: none"> • In 2020, plants in either Taiwan or mainland China reported no complaint on forced or compulsory labor. • Passed the RBA and SA8000 audits in 2020, and no nonconformity was found. 	<ul style="list-style-type: none"> • Continuously accept periodic customer audits and maintain zero forced/compulsory labor. 	<p>Ban and eradicate forced labor, ensure no child labor, and comply with related labor policies and regulations.</p> 
	Child Labor	Manage and supervise child labor with respect to the SA8000 system in addition to the related measures and remedies for child labor prevention.	<ul style="list-style-type: none"> • No complaint related to child labor use was reported. 	<ul style="list-style-type: none"> • In 2020, no child labor was reported by plants in either Taiwan or mainland China, and self-supervision and identity checks were implemented according to the internal system. • Passed the RBA and SA8000 audits in 2020, and no nonconformity was found. 	<ul style="list-style-type: none"> • Continuously accept periodic customer audits and maintain zero child labor. 	
	Customer Health and Safety	Pass UL certification, use materials complying with the customer requirements, and implement the IECQ QC080000 HSPM system to eliminate materials containing hazardous substances, implement shop	<ul style="list-style-type: none"> • Total compliance with the UL 94-V0 or 94-V1 and IECQ QC080000 safety requirements. 	<ul style="list-style-type: none"> • In 2020, plants in both Taiwan and mainland China complied with customer requirements, no fine or litigious event for product health and safety was reported, and 	<ul style="list-style-type: none"> • Continuously keep up with the EU REACH and RoHS directives and the updated SVHCs, and submit products for examination regularly or as necessary (zero violation). 	<p>Strengthen hazardous substance management and ensure conformity with the specifications and requirements of materials and products.</p>

Aspect	Material Issue	Management Guidelines	Management Goal	2020 Performance	Long-Term Goal	Corresponding SDGs
		inspection periodically for quality assurance, and ensure the safety of certified products.		self-supervision was implemented.		
	Local Communities	Maintain harmony with local communities by implementing constant supervision and continual improvement in four aspects: community relationship promotion, care for the vulnerable, ecology and environmental conservation, and creation of a sustainable living environment.	<ul style="list-style-type: none"> • Maintain harmonious relations with residents in local communities and no major complaints. • Continuously contribute to and care for communities near our plants and establish and maintain sound relations with local communities through comprehensive friendship exchange and interaction. 	<ul style="list-style-type: none"> • In 2020, no major complaint from local communities was reported by plants in either Taiwan or mainland China, and we sponsored related projects (49 community activities) of community development associations. 	<ul style="list-style-type: none"> • Continuously sponsor the police, fire department, healthcare, and local cultural development projects. • Continuously care and make donations for the vulnerable groups and encourage employees to engage in various charitable activities. 	Contribute to society in real action through collaboration with local communities. 
	Socioeconomic Regulatory Compliance	Comply with all applicable international standards and local laws and regulations, abide by the code of ethics, and respect intellectual property rights. These include compliance with labor legislations and human rights, trade secret management, protection and management of intellectual property rights, protection of information security, antitrust regulations, the Foreign Corrupt Practices Act (FCPA), the Antitrust Law, and related confidentiality agreements.	<ul style="list-style-type: none"> • No violation and fine of any social, economic, and environmental laws. 	In 2020, plants in either Taiwan or mainland China reported no fine for violating major social and economic laws and regulations.	Continuously maintain zero violation of social, economic, and environmental laws (zero corruption, workplace violence, antitrust).	Ensure employees abide by anti-bribery and anti-corruption laws and regulations through education and enhance the company's accountability and transparency.  

1-4. Material issues and impact boundaries

The impact boundary on Compeq's supply chain in terms of the topics listed in the GRI Standards was assessed and the sections corresponding to the management guidelines were explained:

Aspect	Corresponding GRI Standard Topic	Boundary of Supply Chain Impacts		Sections Corresponding to DMAs	Corresponding SDGs
		Compeq's related	Suppliers/contractors		
Economic Aspect	Economic Performance	✓		2. Company Overview 3. Compeq Supply Chain Management	
	Procurement Practices	✓	✓		
	Market Presence	✓			
Environmental Aspect	Environmental Compliance	✓	✓	3. Compeq Supply Chain Management 5. Compeq Green Management	
	Waste and water Management	✓	✓		 
	Emissions	✓			 
	Energy	✓			
Social	Employment	✓		3. Compeq Supply Chain Management 4. Compeq Customer Management 6. Compeq Employee Management 7. Compeq Community Management	
	Labor Relations	✓	✓		
	OHS	✓	✓		
	Customer Privacy	✓	✓		
	Forced/Compulsory Labor	✓	✓		
	Child Labor	✓	✓		
	Customer Health and Safety	✓			
	Local Communities	✓			
	Social Compliance	✓	✓		 



2. Company overview

2-1. Company profile

2-2. Governance

2-1. Company profile

2-1-1. Company bases

Headquartered in Luzhu Plant, Taoyuan, Taiwan, Compeq Manufacturing Co., Ltd. engages in the manufacture of printed circuit boards (PCBs), the key component for containing all electronic components and interconnecting the signals of electronics. Our product ranges cover general multilayer PCBs, high density interconnect (HDI) PCBs, high layer count (HLC) PCBs, flexible printed circuit (FPCs), and rigid flex PCBs. In addition to the core PCB manufacturing business, we make revenue by offering surface mount technology (SMT) services at the request of customers.



2-1-2. Global footprint

We have been putting PCB manufacture as our core business since establishment. When China became the world's factory after its economic rise, we established a production base in Huizhou, China, in 1996 to fortify our global deployment and Compeq Manufacturing (Chongqing) Co., Ltd. in 2013 to provide customers with the required mid-level and advanced PCBs after the government deregulated the restrictions on China investments, in order to gain cost advantages, fulfill customer demands, and cultivate local potential markets. In view of the process and production environment demands of advanced PCBs, in 1998, we established an advanced plant with a level 1000 cleanroom in Dayuan Industrial Park, Taoyuan, as the base to develop and mass-produce various high-precision products. To develop various products to meet customer demands, we established Compeq Technology (Huizhou) Co., Ltd. and Compeq Manufacturing (Suzhou) Co., Ltd. in 2004 to provide customers with the required flexible PCBs and low-volume part assembly services, and constantly set up offices in Asia (Singapore, Japan, Malaysia, India, and Vietnam), the USA, and Europe to provide customers with the best proximate services. We also capture comprehensive customer needs, including design, manufacture, and quality, and the future trends to develop products ahead of others to become a co-development partner of customers.

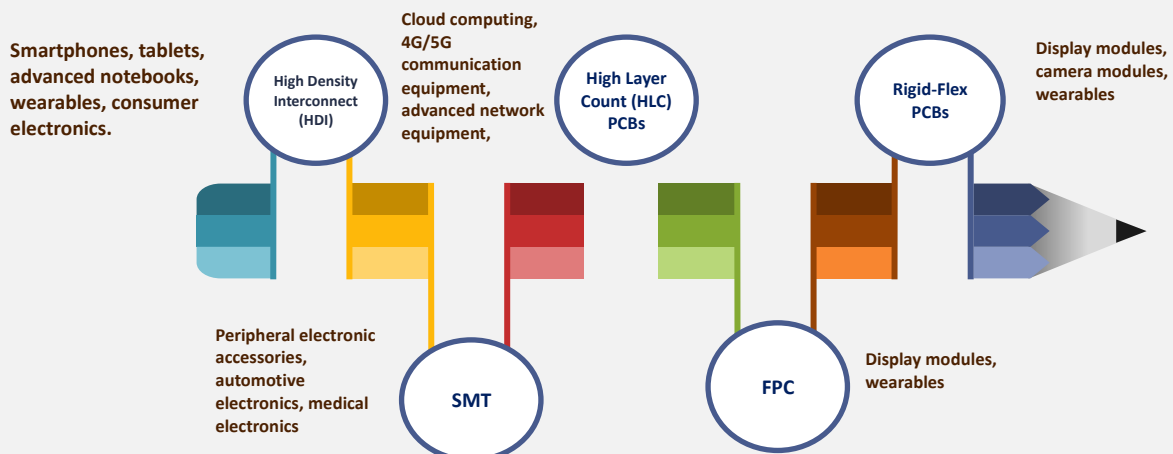
In response to the rapidly changing electronic products, industrial ecosystem, and technology advancements, we make appropriate adjustments to the product structure and business deployment through constant review of the macroenvironment change to capture market opportunities and meet customer demands. Currently, the applications of our PCB products cover computers (e.g., notebooks, servers, peripherals, etc.), communications (e.g., mobiles, tablets, base stations, etc.), network (switches, routers, network attached storage (NAS), etc.), and consumer electronics. In

addition, we integrate resources of worldwide production and service locations and the logistic support system of headquarters to constantly strengthen our responsiveness and competitiveness to provide customers with integrated services from product development to after-sales quality assurance.

Technological capacity has always been one of our key competitive strengths. In fact, we have spared no effort in developing new products and new technologies to meet the lightweight, slim, and small-size trends of electronic products. So far, we have developed precision and complex HDI technology (e.g., any-layer), flexible PCBs, and rigid-flex PCBs with a line with an interval at only 25μm, copper fill, and stack via. In view of the high-reliability requirement of advanced network equipment and server products, we have also developed the any-layer and high aspect ratio plating technology and PCBs using low Dk & low Df and high Tg materials.

The positioning and major product ranges of each plant are tabulated below:

Plant	Taiwan Plants		China Plants				
Project	Luzhu Plant	Dayuan Plant	Huizhou Plant			Suzhou Plant	Chongqing Plant
			Rigid PCB Plant	SMT Plant	FPC Plant		
Plant Positioning	Technical R&D center, highly flexible manufacturing plant, manufacturing plant for high-volume, short-lead time products	High-end PCBs, rigid-flex PCBs	Mass production plant with service for local customers in China	SMD prototyping and assembly service	FPC production. Slated for chip-on-film manufacturing in the future	SMD prototyping and assembly service	High-end PCBs
Main Products	Mobile phones, telecommunication s equipment, work stations, networking equipment, storage equipment, servers, vehicle electronics and other multi-layer PCBs	PCBs for telecommunications equipment, wireless communication s equipment and consumer electronics products	PCBs for mobile phones, telecommunications equipment, notebooks, servers, LCDs and consumer electronics products	Module assembly service	PCBs for telecommunications equipment, consumer electronics and LCD modules	Module assembly service	Smart phones, tablet PCs
Address	No. 91, Lane 814, Daxin Road, Xinzhuang Village, Luzhu District, Taoyuan City	No. 275 Zhongshan North Road, Dayuan Industrial Park, Dayuan District, Taoyuan City	No. 168 Huguang Road, Huzhen Town, Boluo County, Huizhou, Guangdong Province, China			Building 20, Suchun Industrial Square, Xinglong Industrial Park, Suzhou, China	No. 21 Julong Boulevard, Lidu New District, Fuling District, Chongqing City



2-1-3. Industry overview

In 2020 the COVID-19 pandemic brought unprecedented impact and challenge to the global economy. To prevent the pandemic from spreading, countries in the world implemented a range of strict controls over human mobility, such as city lockdowns, border closures, and home isolation, limiting global transactions and economic and trade activities to cause a global economic downturn. According to the International Monetary Fund (IMF), the 2020 global economic growth declined by 3.5%, the lowest over the years.

The pandemic also affected both the supply and demand of PCBs in 2020. Due to the lockdown policy in mainland China, the mobility of workforces and materials in the supply chain was limited in Q1. Later, the global economy was jeopardized as the pandemic spread worldwide. However, the pandemic also changed our lifestyle, giving us work from home (WFH) and the stay-at-home economy to boost the demand for laptops, tablets, game consoles, network communication, and related products, which also thrived the PCB growth. According to the Prismark statistics, the 2020 PCB market output increased by 6.4% from 2019 to US\$65.2 billion.

Looking out to the global economic trend in 2021, the launch of different vaccines and the start of vaccination in some countries have brought hope of amelioration. However, the emergence of variants and the off and on of the situation also bring much uncertainty to the future economic development. According to the IMF estimates, the 2021 global economic growth will be 5.5%. In the PCB industry, due to the recovery of the overall economics industry in 2021, with 5G, PC, automotive electronics, wearables, and AI still being the main sources of growth. According to Prismark estimates, the slowdown of the pandemic and economic recovery in 2021 will bring an 8.6% growth from 2020 to the PCB output.

2-1-4. Future business development plans

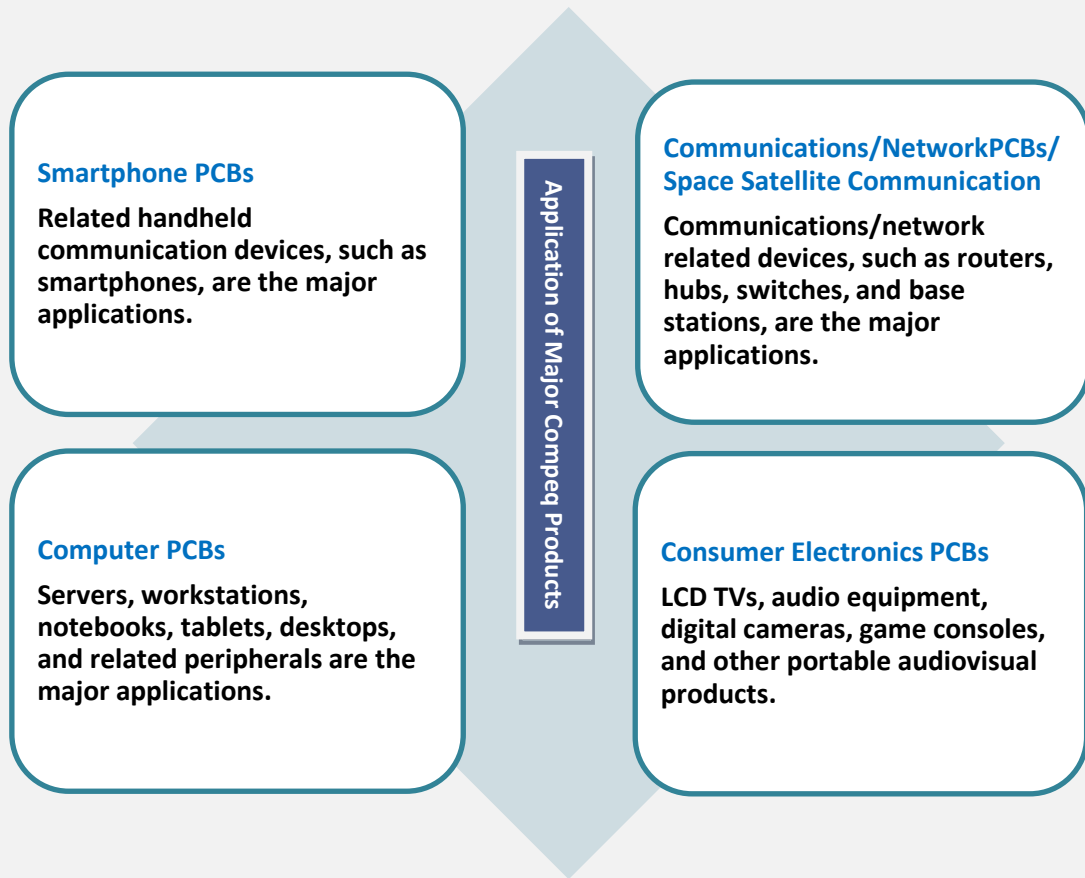
In terms of short-term business development, Compeq will follow the strategy of total product service. Emphasis will be given to high density interconnect (HDI), high layer count (HLC), flexible printed circuit (FPC), rigid-flex PCB, and SMT services. We will also continue to invest in the development of these technologies.

As for the plan of long-term business development, the current growth of smartphones, tablets, and personal computers in the market is no longer significant, thus the development strategy of Compeq is not only to closely maintain the relationship between the existing customers for mainstream products but also to actively develop products with potential future growth, including the wearable products (including VR), network communication products (such as 5G base stations, servers, high-speed network, and satellite communication products, etc.), auto electronics, products with 5G terminal applications, etc. Compeq will be continually dedicated to the research, development, manufacture and customer service in these products, to provide our customers with the best printed circuit board related products and services, as well as to invest more resources required for the product development and to offer related products and services to our customers.

In materials procurement, copper clad laminates (CCL), prepregs, electrodeposited copper foils, dry films, and various electroplating chemicals are the major materials for PCB manufacturing. We have been purchasing them from leading domestic and overseas suppliers for the long term through a long-term and steady partnership. Due to the metal (gold and copper) price fluctuation, the unit price of PCB materials also changed in 2020. It is predicted that market supply and demand and the unit price fluctuation in the global materials market will still affect the price of PCB raw materials in 2021.

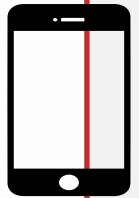
2-1-5. Market analysis

Consumer electronics, such as smartphones and tablets, and network communications products, such as 4G/5G base stations, cloud servers, and network appliances, will be the products that ensure the steady growth of the PCB industry in 2021. A market analysis on the above products is as follows:



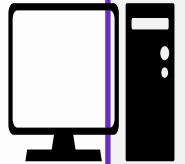
Mobile phones

- In 2020, while lockdown became a common epidemic control of many countries, the massive reduction of economic activities resulted in a global economic crisis. When consumer lost their faith as the unemployment rate soared, the mobile phone demand also declined. As a result, the market survey has once marked down the demand to below 1.2 billion phones. Fortunately, after people got used to a lifestyle with the pandemic and the continuous promotion of 5G telecommunications, positive growth in mobile phone shipping regained in Q4, boosting the 2020 shipping volume to 1.29 billion phones at a decline by 5.6% from 2018.
- Looking out to 2021, when people are gradually getting used to the “new lifestyle” with the pandemic, expenses in leisure, travel, and dining out reduce, expenses in electronics for work from home, school from home, and entertainment increase, the commercial operations of 5G in different countries begin, telecommunication companies actively promote 5G mobile phones. Smartphone manufacturers launch a range of 5G phones to stimulate buying, all these will benefit the smartphone market recovery. It is estimated that the 2021 global smartphone shipping volume will be about 1.36 billion phones, up by 5.1%.



Tablets and notebooks

- In 2020, quarantine and isolation for epidemic control changed the way of living and working of people. Work from home, school from home, and entertainment boosted the demand for related electronic products to bring an unexpected boom of tablets and notebooks that have long been stagnated. In 2020, the global tablet shipping volume rose by 12% from 2019 to 163 million units, and the global notebook shipping volume also increased by 22.5% from 2019 to 200 million units.
- Looking out to 2021, while work from home, school from home, and entertainment are expected to continue, the global tablet shipping will maintain at 160 million units and the global notebook shipping volume will increase to 217 million units, with an annual growth of 8.1%.



Communications and network equipment

- 2020 was originally considered as the year zero of 5G telecommunications. However, the COVID-19 pandemic and US-China trade war delayed the construction of 5G infrastructure, and the overall 5G deployment is still in progress. According to the ITRI estimates, the scale of the global 5G infrastructure in 2020 increased by 83.5% from 2019 to about US\$15.7 billion, with new 5G infrastructure in China as the major source of growth, and then the 5G network construction of other countries such as South Korea, Japan, Taiwan, and the USA.
- Looking out to 2021, 5G network construction is expected to increase and accelerate. The scale of the global 5G mobile infrastructure market will reach US\$21.4 billion, with an annual growth rate of 35.7%, and the demand in the Asia-Pacific market is the highest.



Servers

- In 2020, although the global server market was affected by the COVID-19 pandemic and US-China trade war, thanks to the thriving demand from offsite office and cloud services, AI big data, distance learning, network streaming, and online shipping, the 2020 server shipping volume increased by 7% from 2019 to 16 million units.
- Looking out to 2021, although the pandemic may continue to affect global economic performance, and corporate customers will cut expenses in server equipment, as work from home, school from home, and entertainment will become a common new lifestyle to constantly boost the demand for cloud services, the global server shipping volume will maintain annual growth of about 5.6%.

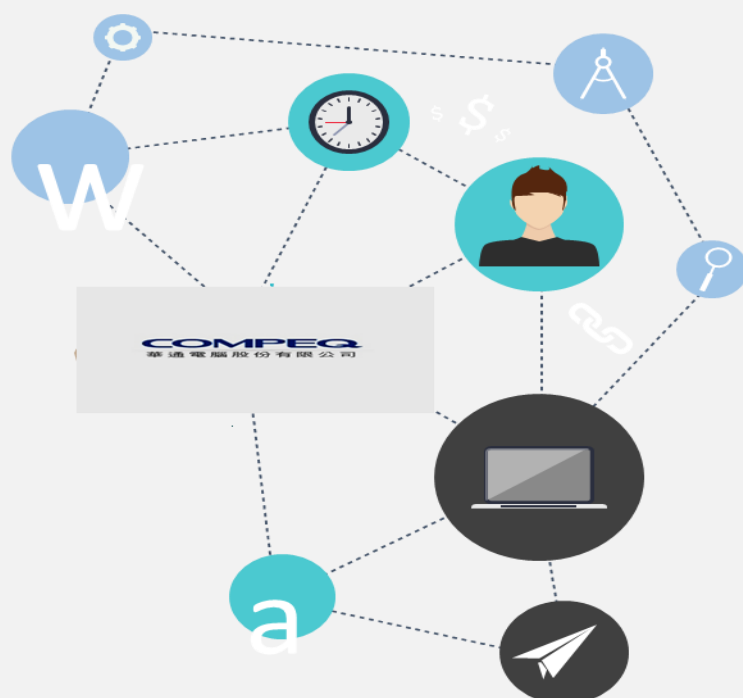


Although the growth of mainstream consumer electronics, such as smartphones, tablets, and PCs, gradually stagnates, the commercial operations of 5G will bolster investments in telecommunications infrastructure, and related terminal applications, such as streaming product VRs, wearables, and 5G smartphones, will naturally emerge. Alongside the demand for automotive electronics pushed by electric vehicles, the long-term development of the PCB industry is optimistic and promising, and Compeq will continue the R&D of related products.

2-1-6. Membership of associations and organizations

Region of the Association	Name of Associations/Organizations	Membership Type	Function of Organization
Taiwan	TPCA Taiwan Printed Circuit Association	Director	<ol style="list-style-type: none"> 1. Strengthen member service, promote group benefit 2. Train professional talents, reinforce human resource 3. Control market information, reinforce competitiveness 4. Increase industry interaction, upgrade industry economy 5. Participate in international business, upgrade international vision 6. Promote government cooperation and hold public interest events
Mainland China	TPCA China Printed Circuit Association	Member	<ol style="list-style-type: none"> 1. Strengthen member service, promote group benefit 2. Train professional talents, reinforce human resource 3. Control market information, reinforce competitiveness 4. Increase industry interaction, upgrade industry economy 5. Participate in international business, upgrade international vision 6. Promote government cooperation and hold public interest events
Mainland China	CPCA China Printed Circuit Association	Member	Promote revolution and development of printed circuit industry. Accelerate modernization of printed circuit industry.
Mainland China	Huizhou Electronic Information Industry Association	Member	<ol style="list-style-type: none"> 1. Services for enterprises: Help enterprises strive for government funding, resources, and policy support. 2. Services for the industry: Hold high-standard annual congress, high-end forums, and summits for the business exchange between government leaders and business owners to help enterprises capture business, technology, and policy trends. 3. Support for the government: Promote Huizhou's electronic information industry based on its development foundation, characteristics, and highlights; enhance the awareness and influence of Huizhou's electronic information industry; and promote the further categorization of Huizhou's electronic information industry for better and faster development.
Taiwan	Institute of Internal Auditors of the Republic of China	Member	<ol style="list-style-type: none"> 1. Promote academic research in internal audit and reinforce contact with international internal audit organizations 2. Broadcast internal audit theories and practice 3. Promote sound development of domestic internal audit system 4. Assist enterprises and institutional organizations to improve the operational management system
Taiwan	Police Friendship Association in Luzhu District	Consultant	Improve relationship between the police and the public, assist with the maintenance of social order, tranquility and enjoy a happy life together
Taiwan	Taoyuan City Human Resource Management Association	Director	The objectives are to study human resource management and development knowledge, reinforce training development, upgrade manpower quality, reinforce exchange and event with domestic and overseas human resource management professionals and improve international competitiveness.
Taiwan	Dayuan Industrial Park Manufacturers' Association	Executive Director	<ol style="list-style-type: none"> 1. Promote the common affairs and benefits of the industrial park. 2. Promote harmony, mutual assistance, and friendship exchange among manufacturers in the industrial park. 3. Enhance the contact and unity strength of manufacturers in the industrial park. 4. Promote various recreational, sports, and team-building

Region of the Association	Name of Associations/Organizations	Membership Type	Function of Organization
			activities in the industrial park. 5. Assist the government in promoting charity and social welfare.
Taiwan	Taoyuan City Fire Protection Association	Director	Promote friendship between the fire department and the public, assist with the maintenance of public order and peace, and enjoy a happy life together.
Taiwan Mainland China	Enterprise GHG Promotion Project (CDP)	Member	Promote energy conservation and carbon reduction in the industry, and achieve the goal of continuous annual reduction of energy intensity.
Taiwan Mainland China	RBA -ON platform	Member	Implement RBA's self-evaluation questionnaire (SAQ) through the RBA platform, and share the Company's audit information with important customers such as RBA members over the platform
Mainland China	Chongqing City Information Industry Personnel Management Association	Member	Share labor-related issues through communication with the HR department of enterprises in Chongqing.
Mainland China	Taiwanese Business Operators Association in Chongqing City	Member	Learn the future trends in various industries through communication with the Taiwanese Business Operators Association.
Mainland China	Suzhou Industrial Park Association of Taiwan Investment Enterprises	Member	Learn about various industry trends and other situations through exchanges with exchange associations.
Mainland China	Suzhou O HR Management Consulting Co., Ltd.	Member	Share the remuneration-related issues.



2-2. Corporate governance

2-2-1. 2020 Financial Performance

Besides publishing revenue reports every month and holding the annual investor conference and annual general meeting (AGM) of shareholders, we disclose related information in the shareholder's service area on the corporate website. Website: http://www.compeq.com.tw/accomplishments01_1.php

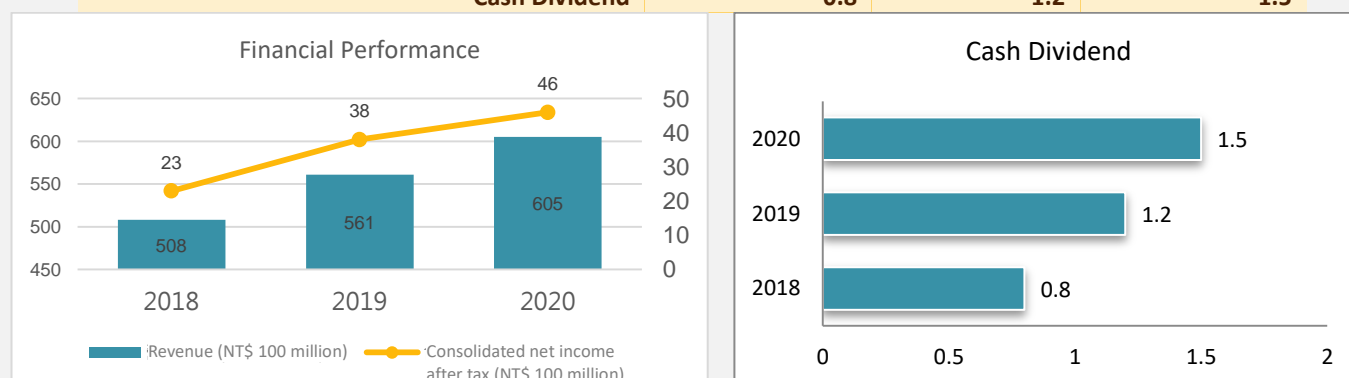
In 2020 the revenue increased by 7.7% from NT\$56.17 billion in 2019 to NT\$60.52 billion, and the net income increased by NT\$840 million from NT\$3.82 billion in 2019 to NT\$4.66 billion. To keep up with the high-frequency and high-speed applications of 5G products and the specification diversity of customer products in the future, we will focus on optimizing organizational structure to improve product quality, shorten delivery time, and build a competitive operational management model with big advanced data and smart factory management.

In 2020, in response to the COVID-19 pandemic, Brexit, the rise of US protectionism, and the slow global economic recovery, we will cope with the market changes with caution and maintain conservative and steady investment in 2021.

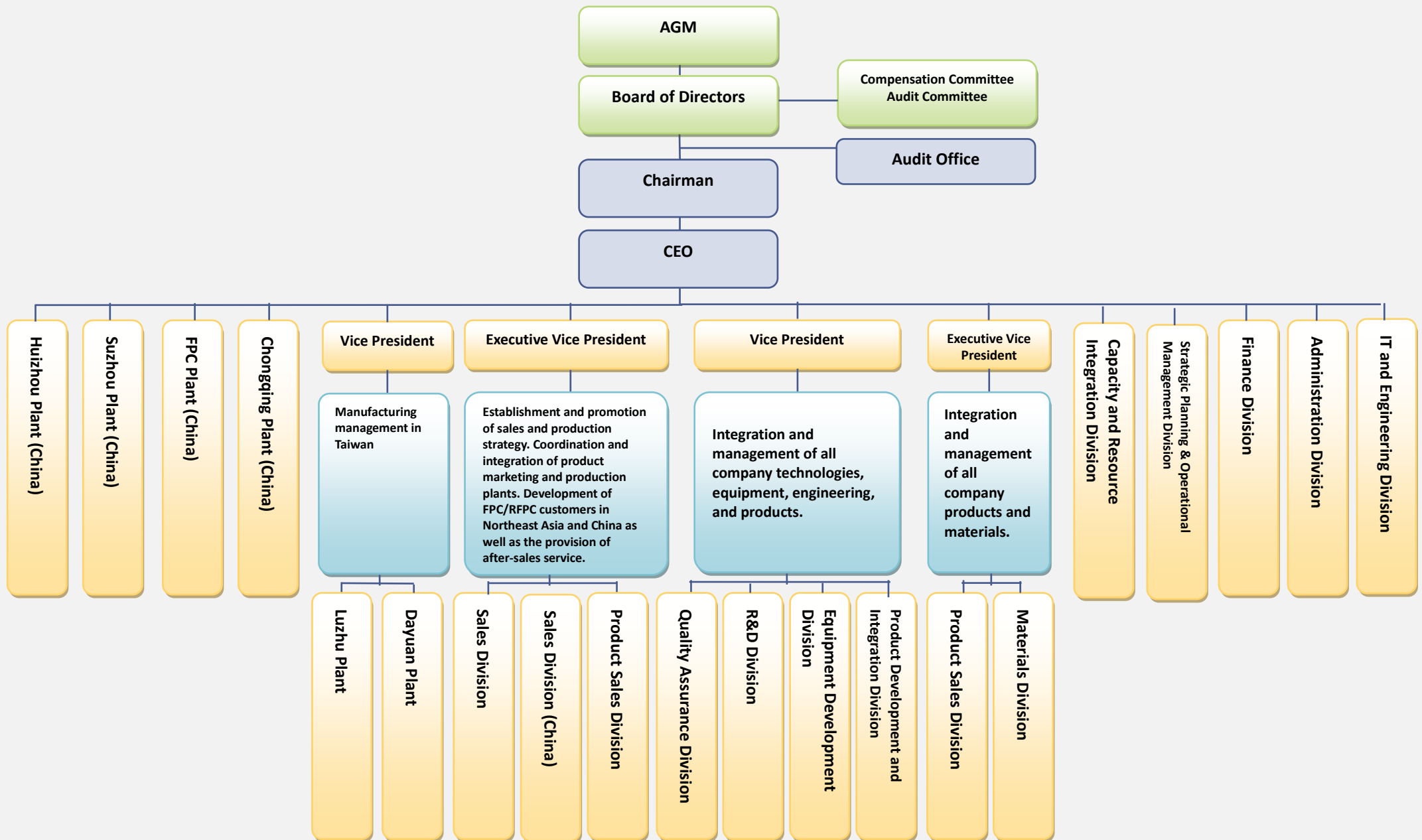
Table of Compeq's Financial Status in the Last Three Years

Note: The overall 2020 revenue was higher than that of 2019, and EPS also increased by NT\$0.7 over 2019, with a growth of 21.8%.

Financial Performance in the Last 3 Years			
Item (NT\$ thousands)	2018	2019	2020
Operating Income	50,828,101	56,174,889	60,516,929
Operating Cost	(43,602,667)	(46,176,617)	(49,513,908)
Operating Gross Profit	7,225,434	9,998,272	11,003,021
Operating Net Profit (Loss)	4,621,060	6,143,891	6,637,749
Non-operating Income	628,706	544,667	398,383
Non-operating Profit and Loss	(856,667)	(652,274)	(431,039)
Non-operating Financial Expenses	(474,459)	(469,477)	(352,748)
Consolidated Net Profit Before Tax	3,918,640	5,566,807	6,252,345
Consolidated Net Profit After Tax	2,399,731	3,822,418	4,664,701
Amount of government subsidy (educational training)	0	0	0
Community Investment	N/A	N/A	N/A
Employee benefits expenses (including salary/labor insurance and NHI/pension/others)	8,776,098	9,160,493	9,582,132
Earnings per share	2.01	3.21	3.91
Income Tax Expenses	1518909	1,744,389	1,587,644
Cash Dividend	0.8	1.2	1.5



2-2-2. Compeq organization chart



2-2-3. Board of directors

Compeq's organization chart shows that no specific functional committee has been established under the board of directors. The chairperson of the board is the chairperson of the company. The board consists of five directors and three independent directors. All eight board members have extensive management knowledge and professional backgrounds. The members of the board are detailed below:

Title	Name	Experience	Current positions in Compeq and other companies
Chairman	Charles C. Wu	Department of Chemical Engineering, Tunghai University Chairman of Tai Yeh Company Director of Chung Tai Lease Company	Chairman, Chang Chi Investment Co., Ltd.
Director	K. S. Peng	Department of Business Administration, Chinese Culture University Director of Ming Yu Enterprise Co., Ltd.	None
Director and President	P. K. Chiang	Department of Chemical Engineering, Tamkang University Vice President of Compeq Manufacturing Co., Ltd.	CEO of Compeq Manufacturing Co., Ltd. Product President of Compeq Manufacturing Co., Ltd. Chairperson, Huaton Holdings Limited Chairman, Compeq Manufacturing (Huizhou) Co., Ltd. Chairperson, Compeq Manufacturing (Chongqing) Co., Ltd. Director, Compeq Technology (Huizhou) Co., Ltd. Chairperson, Hong Kong Huaton Holdings Trading Company Limited
Director and Executive Vice President	P. Y. Wu	Master of Electrical Engineering, State University of New York, USA. Product President of Compeq Manufacturing Co., Ltd.	Executive Vice President, Compeq Manufacturing Co., Ltd. Director, Compeq Manufacturing (Huizhou) Co., Ltd. Chairperson, Pelican Cove Investment Ltd. Chairperson, Compeq Technology (Huizhou) Co., Ltd. Chairperson, Compeq Manufacturing (Suzhou) Co., Ltd. Director, Chang Chi Investment Co., Ltd. Chairperson, Chang Chi Investment Co., Ltd.
Director and Vice President	P. H. Wu	Master of Physics, National Chiao Tung University Plant Manager, Compeq Manufacturing Co., Ltd.	Vice President of Compeq Manufacturing Co., Ltd. Director, Compeq Manufacturing (Huizhou) Co., Ltd. Chairperson, Huanien Investment Co., Ltd. Supervisor, Compeq Manufacturing (Chongqing) Co., Ltd. Supervisor, Chang Zhi Holdings Co., Ltd. Chairperson, Xuedun Investment Co., Ltd.
Director and Executive Vice President	Andrew Chen, Representative of Chang Zhi Investment Company	Department of Chemical Engineering, Tunghai University Vice President, Compeq Manufacturing Co., Ltd.	Executive Vice President, Compeq Manufacturing Co., Ltd. Director, Compeq Manufacturing (Huizhou) Co., Ltd. Director, Compeq Manufacturing (Suzhou) Co., Ltd. Director, Compeq Manufacturing (Chongqing) Co., Ltd.
Independent Director	Huang Tung-chun	PhD, Ohio State University, USA Professor, Graduate Institute of Human Resource Management, National Central University Professor, Professor of Chien Hsin University of Science and Technology	Member, Compensation Committee, ABC Taiwan Electronics Corporation Member, Compensation Committee, Compeq Manufacturing Co., Ltd. Member of Compensation Committee, Compeq Manufacturing Co., Ltd.
Independent Director	Chiu Tzu-kuan	PhD in Finance, University of Pennsylvania, USA. Associate Professor, Department of Finance, National Central University	Professor, Shanghai Advanced Institute of Finance at Shanghai Jiao Tong University Independent Director, Founder Fubon Fund Management Co., Ltd. Member, Compensation Committee, Compeq Manufacturing Co., Ltd. Member of Compensation Committee, Compeq Manufacturing Co., Ltd.
Independent Director	Liu Teng Ling	National Taipei University of Technology (formerly Taipei Institute of Technology) Vice Chairperson, Compeq Manufacturing Co., Ltd.	Member, Compensation Committee, Compeq Manufacturing Co., Ltd. Member of Compensation Committee, Compeq Manufacturing Co., Ltd.

1. Attendance of board meetings

BOD regularly provides management reports that describe the operating results of each period. Relevant information such as the BOD activities and the remuneration for directors and supervisors are disclosed in the annual report (the annual report is available on our corporate website www.compeq.com.tw). Also, board meetings are held as required on regular basis. There were a total of 5 meetings in the latest year, with the following attendance by directors and supervisors:

Title	Name	Actual Attendance	Attendance by proxy	Actual Attendance Rate (%)
Chairman	Charles C. Wu	5	0	100%
Director	K. S. Peng	4	1	80%
Director	P. K. Chiang	5	0	100%
Director	Andrew Chen	5	0	100%
Director	P. Y. Wu	5	0	100%
Director	P. H. Wu	5	0	100%
Independent Director	Huang Tung-chun	5	0	100%
Independent Director	Chiu Tzu-kuan	5	0	100%
Independent Director	Liu Teng Ling	5	0	100%

2. Avoidance of conflicts of interest

When a director is required to recuse himself from a proposal to avoid a conflict of interest, the name of this director, the proposal involved, the reason(s) for recusal, and the participation in the voting of this director shall be specified. The 1st and 2nd meetings in 2020 of the 15th Board; the 2nd and 3rd meetings in 2020 of the 16th Board; and the 1st meeting in 2021 of the 16th Board were held on 2020/3/12, 2020/5/7, 2020/8/6, 2020/11/5, and 2021/3/11, respectively. When the Compensation Committee discussed the salary system of directors and officers, Chairperson Charles C. Wu, Director P. K. Chiang, Director Andrew Chen, Director Wu Po-yi, and Director P. H. Wu withdrew themselves from the discussion and voting of their remuneration. The proposal was unanimously approved by all present directors.

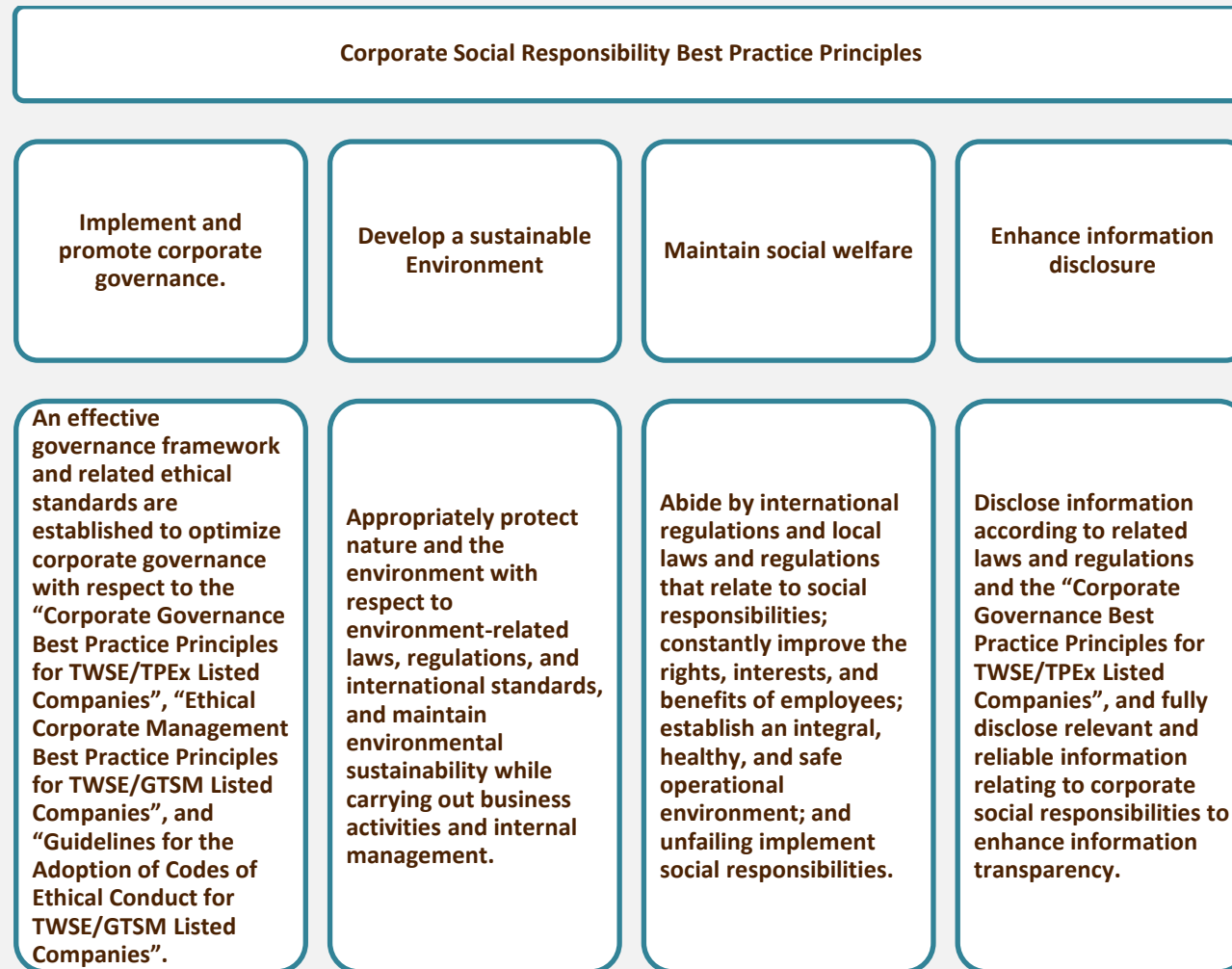
Operation and member of the Compensation Committee

The duty of the committee is to review the articles of the organization, the compensation committee, and recommend amendments as necessary. It also regularly reviews the remuneration and compensation system for the directors and officers of the company and recommends the pay to the board of directors. The Compensation Committee is formed by three members. The present term of these members started from June 18, 2020 and will end on June 17, 2023. In the four committee meetings held in 2020, the qualifications and attendances of members are as follows:

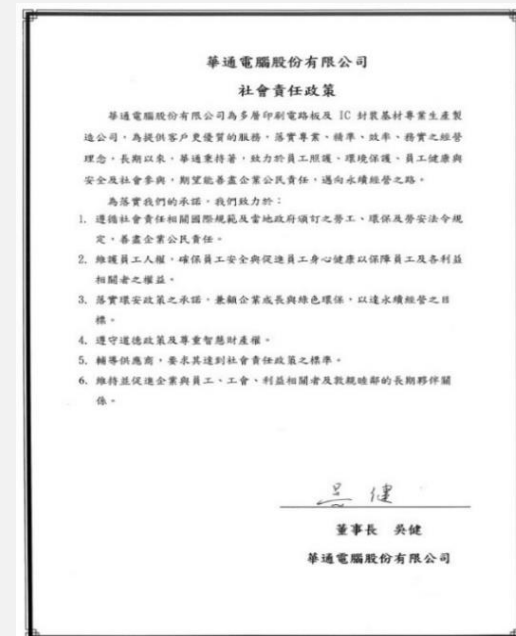
Role	Name	Have at least 5 years of experience and the following professional qualifications		
		Lecturer or higher at a public/private university in business, law, finance, accounting or other disciplines needed by company operations	Passed the national examination for judges, prosecutors, lawyers, accountants or other areas, or possesses certification for occupations by skills needed in company operations	Has relevant background in business, law, finance, accounting or other areas needed by company operations
Independent Director	Huang Tung-chun	V	-	V
Independent Director	Chiu Tzu-kuan	V	-	V
Independent Director	Liu Teng Ling	-	-	V
Title	Name	Actual attendances	Attendance by proxy	Actual attendance rate
Convener	Liu Teng Ling	4	0	100%
Committee Representatives	Chiu Tzu-kuan	4	0	100%
Committee Representatives	Huang Tung-chun	4	0	100%

2-2-4. Corporate governance and risk assessment and performance

Compeq is a public company and conducts risk assessments on governance and business issues each year. Our systems, measures, and performance in environmental protection, community engagement, social contribution, social service, social welfare, consumer rights, human rights, safety & health, and other CSR activities were assessed without any differences, and the descriptions are as follows:



Compeq CSR Policy



Project	Risk Type	Practice
Implement and promote corporate governance	Strategic risk and operational risk	<ul style="list-style-type: none"> ● The operational unit periodically reports strategic issues to the board; lowers strategic risk through the participation, recommendation, and supervision of board members; and continuously manages the annual policy and target achievement through the operational performance meeting. ● Apart from establishing the “Corporate Governance Best Practice Principles” in 2019, the board formulated the “Corporate Social Responsibility Best Practice Principles” in 2020 and published them on the corporate website (http://www.compeq.com.tw/company03.php).
	Legal risk	<ul style="list-style-type: none"> ● We have appointed the spokesperson and deputy spokesperson. If shareholders give suggestions or complaints to the spokesperson, the spokesperson will handle the suggestions or complaints. In the event of litigious matters, the legal affairs unit will take care of related legal affairs. ● We establish and implement the risk control and firewall mechanism with affiliates; clearly define the scope of responsibility of each organization according to the internal control system; and operate according to related internal regulations. ● We have appointed the chief corporate governance officer (CCGO) to implement affairs that relate to corporate governance. We have also established the “Regulations for Management of Insider Trading Prevention” to prevent insider trading.
	Information security risk	<ul style="list-style-type: none"> ● We plan and implement a data protection mechanism to lower the risk of data leakage by users. ● We enhance the protection of external information services and strengthen the capacity to block hacker attacks. ● We issue memos periodically to publicize new knowledge in information security to enhance the employee’s awareness of information security.
	Customer corresponding risk	<ul style="list-style-type: none"> ● Our business model does not aim for the ultimate consumer; therefore, we only provide assurance on products and services for customers and suppliers as well as collections, acceptance, and payment in accordance with the agreements between both parties and legal requirements as described below: <ol style="list-style-type: none"> 1. Ensure that the product or service provided is consistent with the agreement between the parties and legal requirements. 2. Within the appropriate and feasible extent, provide correct and clear information related to the content, maintenance, storage, and disposal of the product or service, if possible, for customers to make fully informed decisions. 3. Provide customers with a transparent and effective grievance procedure and fairly and timely resolve customer grievances without incurring improper cost or burden. 4. Not to engage in any deception, misdirection, fraud or unfair statement or omission, or any other improper acts. ● We adhere to the relevant regulations, international principles and customer requirements on the marketing and labeling of products and services.
	Material price risk and supply chain risk	<ul style="list-style-type: none"> ● We will not change suppliers easily after procurement rating and trial run to stabilize supply sources and ensure material quality. We also constantly evaluate and actively cultivate new material sources to prevent supply oligopoly. ● A safety stock is set and makes early response through intelligence gathering or market surveys; maintain part of the stock for spot sourcing to make flexible product responses. ● CSR performance is one of our main concerns in supplier selection. Apart from requesting qualified suppliers to sign the “Compeq Supplier CSR and Code of Ethics Undertaking”, we require suppliers to fill in the “Supplier CSR Self-Assessment Form” or conduct a “Supplier CSR Audit” in respect of their risks to ensure business continuity management and establish common CSR goals.

Project	Risk Type	Practice
Develop a sustainable Environment	Climate change risk and environmental risk	<ul style="list-style-type: none"> ● We strive to improve the recycling and reuse of different resources (e.g., recovery of water, copper, gold and silver metals) as well as the reuse of pallet materials to reduce waste production. ● We have set up an ISO 14001 environmental management system with complete documentation and regular external audits. ● In addition to implementing GHG inventory and reduction, we voluntarily disclose our achievements through channels including the CSR report published every June, customer survey, and the Carbon Disclosure Project (CDP). ● Besides reviewing GHG emissions, water consumption, and waste total weight on a regular basis, we have established related policies and targets for periodic review and continual improvement in order to fulfill CSR.
Maintain social welfare	Personnel management risk, education/training risk, labor relations management risk	<ul style="list-style-type: none"> ● We follow international guidelines as defined in SA8000 and RBA-CoC to protect our employees. If there are any conflicting provisions, the strictest provision will be adopted. ● We have comprehensive grievance and communication channels in place, including email, physical mailbox, telephone line, and labor union. Employee feedback is addressed in accordance with the relevant regulations. ● Compeq executives communicate directly with employee representatives on a regular basis through employer/employee meetings, employee welfare meetings and operating reports. ● We provide a range of comprehensive training programs based on our organization and roles. The head of each functional unit is responsible for defining the skills and knowledge required for personnel of all levels in their particular field. With the assistance of the training unit, these are converted into suitable training courses that give employees the professional skills and knowledge required to carry out their work. All employees are encouraged to actively share their knowledge and combine the results with the performance evaluation system in order to realize the goal of employee learning and the passing down of experience.
	Occupational safety risk	<ul style="list-style-type: none"> ● We have passed the certification of the OHSAS 18001 international standard and the TOSHMS Occupational Safety and Health Management System standard of the Ministry of Labor, and the certification is still valid. We provide a safe and healthy work environment as well as regular safety and health education and training that meet the required standards. Regular audits are also undertaken. ● We organize competence and practical education and training on industrial safety, review and find operational risk, and make continual improvements to lower the likelihood of accident occurrence. ● We implement contractor management and request contract suppliers and contractors to sign the ESH policy undertaking to abide by the EHS regulations and reduce hazards and pollutions. ● We strengthen the health management and occupational disease prevention of employees to improve their physical and mental health.
Enhance information disclosure	Reputational risk	Currently, we have set up a corporate website in both Traditional Chinese and English to disclose information related to operations. We also assign the stock service department to gather information and disclose material information about the company. We have appointed a spokesperson and a deputy spokesperson to speak for the company externally.

2-2-5. Ethical management and risk assessment and performance

Compeq has not defined its own ethical management principles but has established its own internal controls and management rules in accordance with the Company Act and Securities & Exchange Act in 2020. The annual CSR also describes Compeq's ethics policy and execution, and is certified by an independent third party. All Compeq operations conform to the spirit and principles of ethical management.

Project	Practice
Defining ethical management policy and programs	The board passed the "Ethical Corporate Management Best Practice Principles" in May 2020. It published the corporate website, hoping that the ethical management policy can provide an ethical standard for various business activities operated within the company. The board also specified the integral, fair, accurate, timely, and understandable disclosure of related accounting systems and internal control systems; announces the implementation of the code of conduct, preventing corruption, and protecting against retaliation to provide suitable channels of reporting.
	An "Ethics Policy" has been defined by Compeq's ethical management unit (the management) and published on the external website. The "Code of Ethics Management Rules" and "CSR Handbook" have also been formulated. The "Supplier CSR and Code of Ethics Declaration" include an ethics clause to ensure that Compeq's business activities conform to the relevant ethical standards and regulations. The associated accounting and internal controls must be complete, appropriate, accurate, timely and coherently provide disclosure. The Code of Ethics is also published to prevent corruption and provide protection for whistleblowers through the use of appropriate complaint channels.
	We have established the "Guidelines on Labor and Ethical Risk Management" based on the articles governing unethical behavior from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies". The "Code of Ethics Management Rules" also identifies and provides preventive measures for business activities at higher risk.
Enforce ethical management	The "Supplier CSR and Code of Ethics Declaration" designed by the ethical management unit includes an ethical behavior clause to ensure that all business activities within the organization are conducted in compliance with the ethical and CSR standards specified in our ethical management policy. The Declaration also explicitly states that the management is entitled to terminate or reject a contract signed with the contractor that has caused irreparable loss to either company or customers.
	We have set up a CSR organization headed by the chairman of the Company who designates a senior executive as the CSR management representative. The CSR organization discloses the CSR report and report to BOD the progress of report publication by the end of June every year.
	We have established the "Code of Ethics Management Rules" that states the conflicts of interest policy and initiatives. The code of ethics and anti-corruption measures have been implemented along with protection for whistle blowers through proper complaint channels.
	We have established an accounting system, an internal control system, and various management regulations in accordance with the Compact Act, Business Accounting Act, and Securities and Exchange Act. In addition, the internal audit unit draws up an annual audit program based on risk assessments to verify the performance of internal controls.
	We organize annual CSR and ethical management training for all employees and request them to take the recurrent training every year.

Project	Practice
Implement the Whistleblower System	<p>We have established grievance channels for employees to report any found or probable violation of laws, the Compeq Code of Ethics or corruption (e.g., financial data fraud, theft of company property, embezzlement of corporate property, acquisition of undue advantages, abuse of authority, leakage of trade secrets). Disciplinary actions will be taken based on the severity of offense or reward will be given according to the Employee Work Rules and related regulations.</p> <p>We have also established the “Regulations for Management of Grievances and Whistleblower Protection” to stipulate the standard operating procedures for investigation. We have also established a “Whistleblower Protection Policy” to protect whistleblowers against improper treatment or retaliation.</p>
Enhance information disclosure	Besides setting up a CSR section on the corporate website, we publish the CSR report at the end of every June to disclose information on ethical management and other policies. In addition, we also include important regulations in the internal audit page, disclose important operations-related documents, such as the ethics management regulations, and update various information ubiquitously.

2-2-6. Environmental risk assessment and performance

Project	Practice
Impact on environmental regulations and waste disposal/effluents management and performance	<ul style="list-style-type: none"> ● Environmental regulations: To reduce the risk of farmland pollution, the Environmental Protection Administration (EPA) amended six effluent standards in 2016 to impose stricter control over heavy metals including cadmium, total chromium, hexavalent chromium, copper, zinc, and nickel on the effluents from the wastewater or sewerage system in specific areas. ● On February 2, 2016, the Taoyuan City Government approved the Xinjie River basin area and the Puxin River in Taoyuan City as the total volume control area. The Xinjie River basin is the receiving river of effluents from the Luzhu Plant. It is a level 2 total volume control area with a heavy metal limit of half of the standard control value of effluents as of February 3, 2018. Therefore, we have already applied for a permit registration change by law. and installed six ion-exchange resin towers to remove copper in effluents. Currently, the average intensity of copper emissions is <0.3ppm. In 2021, we will install two more ion-exchange resin towers. Besides meeting the regulatory requirements, we will enhance the management on copper intensity in effluents to reduce the load of receiving water. ● To improve the water quality of the Laojie River, Dayuan Industrial Park completed the effluent management system in 2020. To meet the Ministry of Economic Affairs requirements, Dayuan Plant includes wastewater meets the discharge standard to the effluent system for secondary pollution reduction to minimize environmental pollution. ● With respect to the new boiler emission standards announced in September 2018 and implemented as of July 1, 2020: PM_{2.5}<30ppm, NO_x<100ppm, and SO_x<50ppm, Luzhu Plant completed the modification of the boiler fuel system from crude oil into diesel on March 31, 2020. The new fuel system has been tested to comply with the upcoming boiler emission standards. ● Effluents and waste: Luzhu Plant implemented the heavy metal reduction program to cope with the tightened control standards of effluent heavy metals. In 2020, we installed the electrolytic copper recovery system. ● The government has progressively amended the law to levy the water surcharge and request manufacturers requiring high electricity consumption to install green energy equipment. As the legal amendment for the water surcharge is still in progress, we will keep track of the outcomes. In the green

Project	Practice
	energy section, the government requests the completion of 10% green energy by 2025.
Risk assessment on energy conservation and performance	As a result of global climate change, water and power shortages have become quite common in Taiwan in recent years. Besides switching to green energy, water reclamation is also encouraged. We have started related planning in response to the overall environmental impact. Plants in Huizhou and Chongqing have also started planning the use of renewable energy and green energy at the request of customers.

2-2-7. Financial risk assessment and future responses

Project	Practice
Impact of changes in interest rate, foreign exchange rate and inflation on the company's bottom line as well as future initiatives:	<p>Interest rate changes: While interest rates are unpredictable, as shown in the historical trend, we regularly assess their impact on our bank loans to adjust our financing policy quickly.</p> <p>Exchange rate changes: Most Compeq products are produced for export. Accounts receivable are mostly billed in US Dollars, while payments are mainly made in NT Dollars or Chinese Yen. So most of Compeq's foreign exchange profit and loss is incurred from the conversion of US Dollar into NT Dollar or Chinese Yen. Past exchange rate trends showed us that exchange rates are almost impossible to predict with any prediction. Natural hedging of asset against debt was therefore used where possible by Compeq last year. Pre-sale of USD at the forward rate was also used to reduce exchange risks. The hedging position is increased or reduced based on the trend of the USD exchange rate.</p> <p>Inflation: There is currently no serious inflation problem in Taiwan so inflation does not have a material impact on our bottom line at the moment.</p>
Policies, the main reason(s) for profit or loss, and future countermeasures for engaging in high-risk and high-leverage investments, lending funds to others, making guarantees and endorsements for others, and trading derivatives investments:	<p>In making endorsements and guarantees for others, none of our wholly owned subsidiaries or their wholly owned investees make endorsements or guarantees for others. Therefore, there are limited risks and no loss or gain from endorsements and guarantees.</p> <p>Although the chairperson is entitled to authorize trading derivatives under the Company's "Procedures for Asset Acquisition or Disposition", our current policy only allows for engagement in forward exchange for hedging purposes. Future trading in derivatives will be mainly for hedging purposes as well. Trading for profit will be avoided to prevent major losses from incorrect judgements.</p>
Future R&D plans and planned R&D spending	<ul style="list-style-type: none"> ● In 2020, considerable growth is maintained in overall operations, and R&D momentum constantly advanced alongside new product development. Therefore, we invested about 3.97% of the revenue in R&D. In the future, we will continue our R&D tradition to develop newer technologies to fulfill the demand for and the challenge of rapidly changing new products. In 2021, we will continue the R&D in 2020 by investing in about NT\$2 billion to NT\$2.5 billion. Adjustment will be made according to actual needs. ● Our R&D focuses on HDI, FPC and RFPC products and technologies include: mSAP 25/25 circuit process, development of HF satellite antennas, implementation of materials for 5G application products, space communication application, FPC automatic printing/copying connection/thin STS



3. Compeq Supply Chain Management

3-1. Supply Chain management

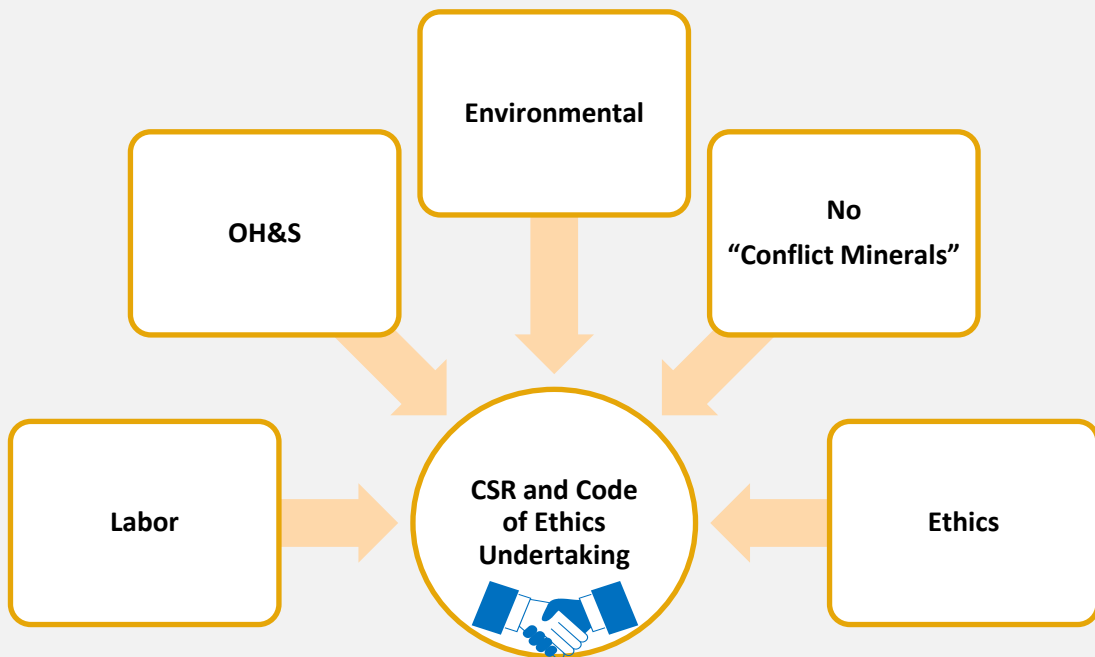
3-2. Management of hazardous substances in the raw materials supply chain

3-1. Supply chain management process

3-1-1. Supplier CSR management concept

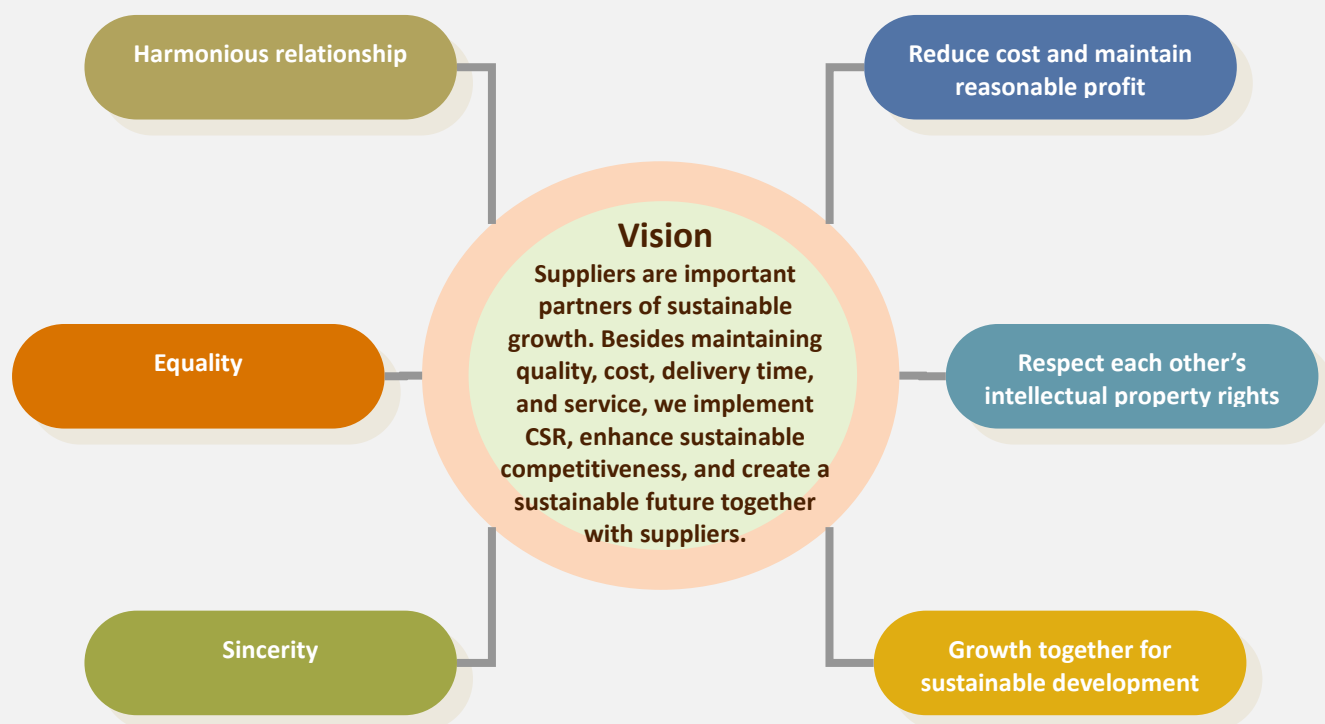
Suppliers are our important partners. Therefore, we are committed to developing long-term cooperation with suppliers, hoping to build a steadily growing sustainable supply chain. In addition to technology, product quality, and delivery punctuality, we urge suppliers to meet the CSR standards, request them to sign the “Compeq Supplier CSR and Code of Ethics Undertaking”, and invite suppliers to fulfill CSR together, improve health and safety, protect the environment, and value labor human rights, in order to optimize risk management and business continuity planning.

We add labor, industrial safety, environment, ethics, and conflict minerals in the supplier evaluation and encourage suppliers to comply with CSR-related regulations through supplier self-assessment to demonstrate our corporate social influence and promote balanced and sustainable economic, social, and environmental development aspects.



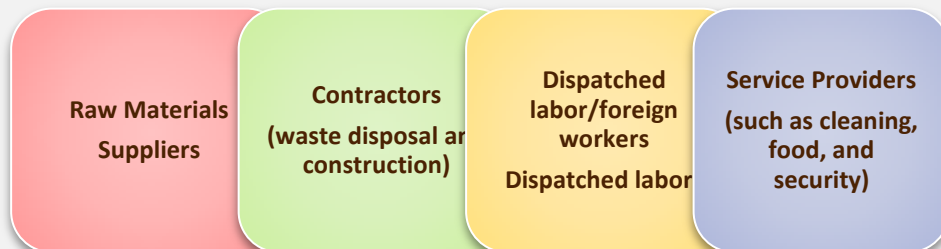
The corporate structure has also changed from multinationals to global enterprises. Subcontractors and suppliers are all affected as well. Facing such challenges, it is our responsibility to consider the social responsibility of the entire supply chain. Therefore, we hope that suppliers can pass the certification of SA8000, RBA, ISO45001, ISO14001, and ISO14064.

To keep suppliers in the best condition, we adopt reasonable evaluation criteria and methods to discern the qualification and suitability of suppliers. We also regularly audit the supply capacity (quantity and delivery time), quality standard, market price, and social responsibilities of new and current suppliers. We also provide them with the results for the reference of review and improvement. Our supplier management philosophy covers:



3-1-2. Supply chain type

Due to the complexity of product structure and characteristics, apart from raw material and equipment suppliers, there are contractors or suppliers of waste disposal and cleaning service, dispatched labor, and foreign workers on our supply chain classified by service type as follows, and there was no significant change in the supply chain in 2020:



3-1-3. Proportion of local purchase

We encourage the local purchase of materials to practice materials localization, reduce unnecessary air and sea transportation costs, and reduce the carbon footprint from transportation. Apart from achieving energy conservation and carbon reduction, local purchases can directly reduce purchasing costs. The table below shows that the proportion of local purchases is high in both Taiwan and mainland China, maintaining at over 90%.

Proportion of Local Purchase of Materials in 2020					
Region/Item	Taiwan Plants		China Plants		
	Luzhu Plant	Dayuan Plant	Huizhou Plant	Suzhou Plant	Chongqing Plant
Percentage of Local Suppliers	96.8%	98.3%	93.8%	92.6%	93.3%

3-1-4. Supply chain CSR risk analysis

In response to the structural complexity and variety of products, we have a total of about 1,658 suppliers, including 1,552 materials suppliers, 68 waste disposal and construction contractors, 27 dispatched labor/foreign worker agencies, and 11 service providers. The significance of suppliers is assessed in social, economic, and environmental terms. After preliminarily screening, we put labor rights and interests, environmental protection, and OH&S as the risk control of suppliers. The risk analysis of these suppliers is as follows. In addition, we have established different management and supervision mechanisms for new and current suppliers.

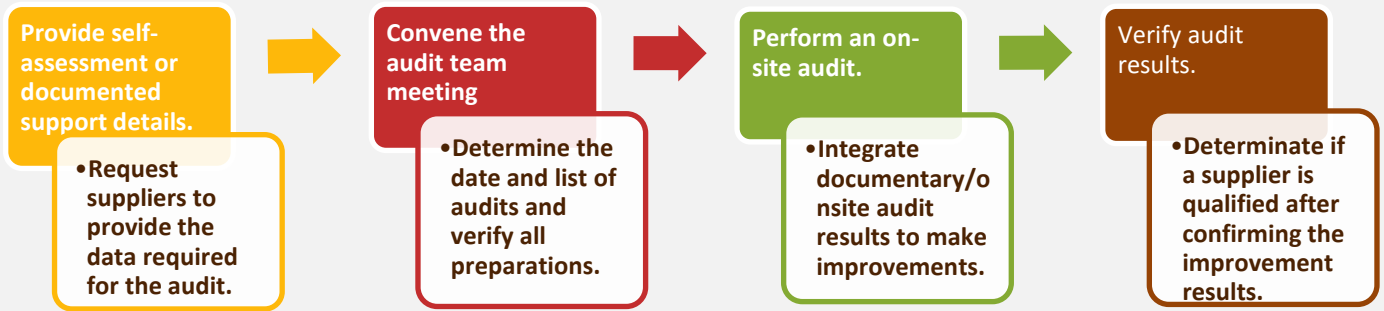
Economic Aspect	Environmental Aspect	Social
<ul style="list-style-type: none"> •Quality (yield stability) •Cost (wastage reduction and stable prices) •Delivery time (punctual delivery and contingency) •Service (quick response and proactive concerns) •Technical capacity •Business ethics and ethical management 	<ul style="list-style-type: none"> •Environmental compliance and management system •Water Resource Management •Waste and air pollution management 	<ul style="list-style-type: none"> •Employee health and safety •Labor human rights and no child labor •Conflict minerals management •Working hours and wage •Labor and OH&S legal compliance •Customer Privacy

Supplier Type	Material suppliers	Waste disposal and construction contractors	Dispatched labor/foreign workers agencies	Service Providers (such as cleaning, food, and security)
Number of Suppliers	1,552	68	27	11
Percentage (%)	93.6%	4.1%	1.6%	0.7%
Risk of Environmental impact	Failure to operate according to environmental protection laws and regulations.		None	None
Risk of Labor Impact	1. Failure to acquire related work permits by law. 2. Violation of labor laws and regulations, limits on overtime work and leave. 3. Involvement in employment discrimination 4. Nonconformity with labor human rights.			
Risk of Health and Safety Impact	1.Failure to use personal protective equipment by law. 2. Human hazards in the work environment.		None	Food safety issue
Risk of Community Impact	Noise pollution, air pollution, water pollution, and waste.		None	None

3-1-5. Mechanisms for evaluation of new suppliers

We have established a comprehensive assessment mechanism for new suppliers. First, we request all suppliers to sign the “Compeq CSR Undertaking” and other relevant documents. Second, we use different methods to evaluate different types of suppliers. As most suppliers are raw material vendors, raw material suppliers are used as examples below.

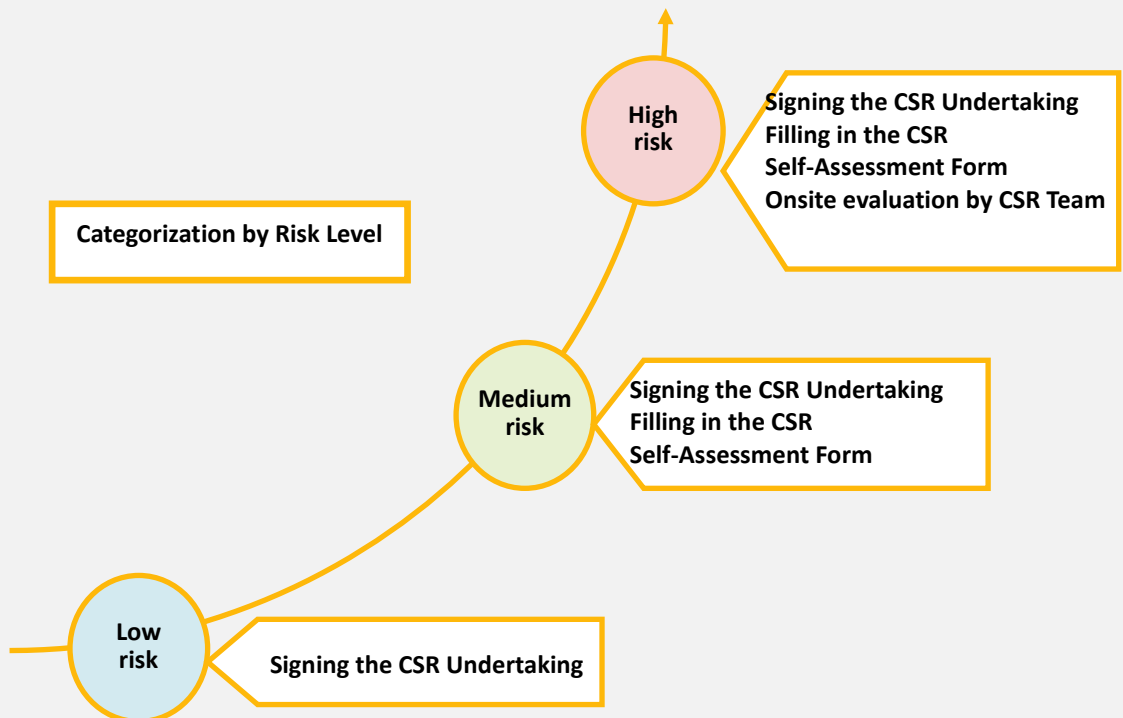
As shown in the table below, after a supplier submits the undertaking, we will issue an audit notice to inform the supplier of the scope of audit. The audit scope covers social and environmental aspects, and the audit team will conduct the audit. The processes are shown in the flowchart below:

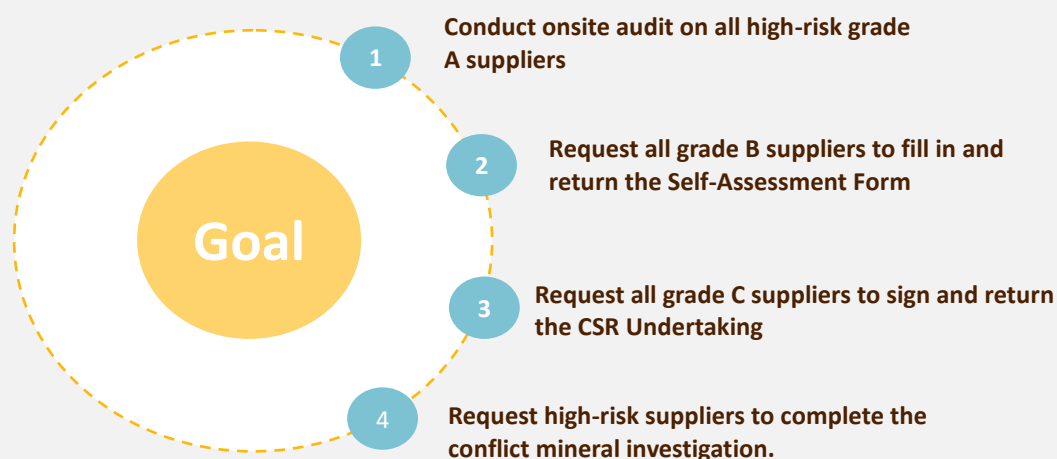


3-1-6. Mechanisms for evaluation of current suppliers

At the end of each year, we classify current suppliers by CSR risk level (social and environmental aspects) into three levels: high, medium, and low. Low-risk suppliers will be checked if they have signed the Compeq CSR Undertaking. Medium-risk suppliers will be requested to fill in the Compeq CSR Self-Assessment Form in addition to signing the Compeq CSR Undertaking, and only suppliers with a score of over 80 points in the self-assessment will become qualified suppliers. High-risk suppliers will need to receive an onsite evaluation performed by our CSR team in addition to signing the Compeq CSR Undertaking and receiving a score over 80 points in the self-assessment.

Evaluation process for the existing suppliers





Targets	Strategy and Action	Performance	
		2019	2020
Total compliance with the Compeq Supplier's Code of Conduct (including labor practices, health and safety, and environmental compliance)	Signing the CSR Undertaking	100%	100%
	Filling in the CSR Self-Assessment Form		
	Onsite evaluation by CSR Team		
	Conduct onsite supplier evaluation and audit, and follow up suppliers until problem improvement is completed.	100%	100%
Use only conflict-free minerals	Request suppliers to purchase no conflict minerals Implement according to the OECD due diligence framework.	100%	100%

3-1-7. Supply chain social responsibility overall audit results

The audit standards are set with respect to SA8000 and the RBA standards, with contents covering labor practices, health and safety, environment, ethics, and management system. In 2020 we conducted onsite audits on 119 grade A suppliers, including materials suppliers, waste disposal contractors, and dispatched labor/foreign worker agencies in the high-risk group, as shown below.

Plant	Number of audited suppliers						Total
	Materials suppliers	Waste disposal contractors	Dispatched labor agencies	Foreign Workers Domestic foreign worker agencies	Foreign Workers Overseas foreign worker agencies	Service Providers (such as cleaning, food, and security)	
Taiwan	15	22	5	5	8	3	58
Huizhou	10	10	9			3	32
Suzhou	10	0	1	No foreign worker hired		0	11
Chongqing	9	7	0			2	18

*Waste disposal contractors: With respect to Article 28, subparagraph 6, Regulations Governing Determination of Reasonable Due Care Obligations of Enterprises Commissioning Waste Clearance: "Having checked the entrusted enterprises receiving the waste listed in attachment 2 at least once a year to understand their operation management regarding waste storage, clearance, disposal and reuse, and having recorded the details which shall be properly retained for five years". Overall, we audit the disposal of hazardous waste every year.

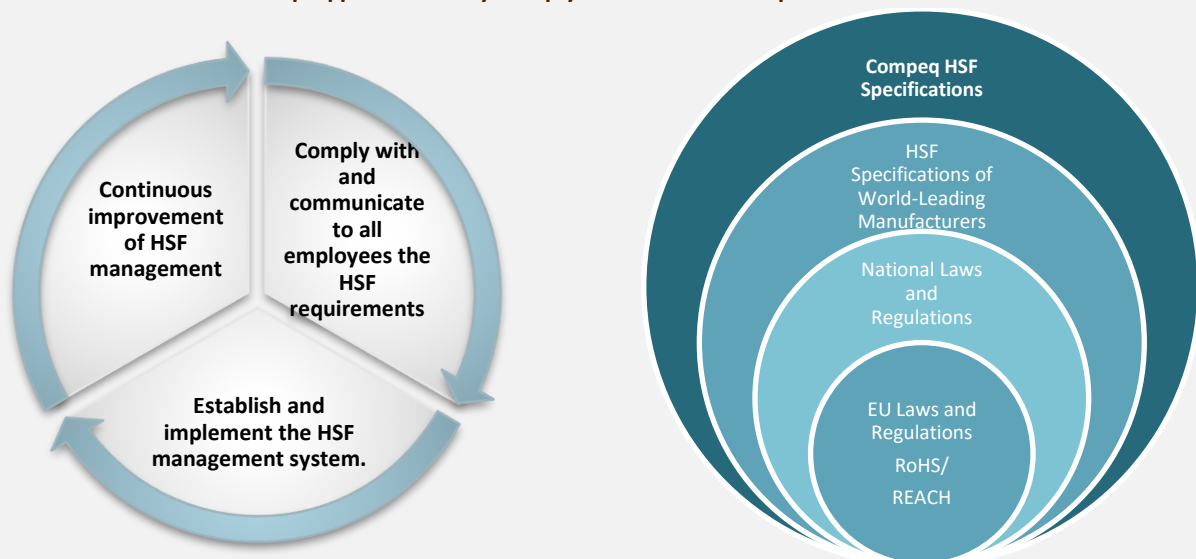
Nonconformities found in the 2020 supply chain audit:

- ◆ In terms of labor practices, “recruitment discrimination”, “absence of grievance procedures”, and “violation of working hours” were the major nonconformities found in 2020. In health and safety, ineffective implementation, absence of translation of hazard signs for foreign workers, and absence of periodic risk assessment in some plants were the nonconformities found in 2020.
- ◆ Apart from requesting suppliers to propose corrective actions, we will conduct a second audit where necessary to ensure all audited nonconformities are improved. In 2020, all suppliers reported the CAP and completed improvements. Therefore, we did not terminate cooperation with any supplier. In addition, six important suppliers have published their own CSR reports to disclose related information.

3-2. Management of hazardous substances in the raw materials supply chain

3-2-1. Requirements and procurement management of HSF-restricted

HSF stands for hazardous substance-free. It includes the RoHS requirements (Restriction of Hazardous Substance; and halogen products must have met these requirements) and halogen-free requirements. HSF requires products to be free of harmful substances to the human body and the environment to protect the Earth and humankind. To reduce or restrict the use of hazardous substances by the designated time limit, to protect the Earth and the environment without sacrificing customer requirements, and to lower the impact on the ecosystem of our business and production activities, we have established and implemented a prohibited/restricted substances management system and the HSF policy. The scope of management covers the requirements of RoHS, China RoHS, WEEE, REACH, and halogen-free requirements. In addition, we hire third-party certification bodies to conduct external audits and renew our certificates at planned intervals to ensure the system is effective and all Compeq products fully comply with eco-label requirements.



Apart from meeting the HSF requirements within the organization, we request related suppliers to sign the “Commitment to No Use of Prohibited/Restricted Substances Specified in Related Environmental Regulations” to ensure suppliers do not violate any prohibited/restricted requirements in related environmental regulations of any countries and fully comply with related requirements on prohibited/restricted substances (including, without limitation, the EU WEEE and RoHS) in the manufacture, packaging, storage, and transportation of their products. We also implement effective control over the sources of raw materials and related materials to meet the green product standard and lower the environmental impact from production processes in order to fully comply with Compeq’s requirements on prohibited/restricted substances.

In addition, the regulations governing the direct/indirect HSF content and specifications of materials provided by suppliers described in the table below:

Targets	COMPEQ HSF Restricted Substance Contents and Specifications
Direct/Indirect materials provided by suppliers	<ul style="list-style-type: none"> ❖ To meet the requirements of all customers, we have compiled the hazardous substance limits of all customers in the “International Regulations and Customer Requirements Survey List” on the HSF website and set the lowest value as the “Compeq Limit” to replace the material input threshold. ❖ For the analysis (monitoring) of the same element, the method detection limit (MDL) of different laboratories must be smaller than or equal the “Compeq Limit”. ❖ Specifications for independent certification body reports provided by material suppliers: <ol style="list-style-type: none"> 1. Ten requirements of EU RoHS/China RoHS <ol style="list-style-type: none"> a. Cr⁶⁺ in packaging materials must be <8ppm; and Hg, Cr⁶⁺, and Cd in other materials must be <2ppm. b. PBBs and PBDEs must be <5ppm. c. Pb in direct materials must be <50ppm and <80ppm in other materials. d. DIBP in packaging materials must be <50ppm, and PAEs (DEHP, BBP, DBP, and DIBP) in other materials must be <100ppm. 2. Antimony (Sb) must be <560ppm; 3. Some of the direct materials used in P/P, CCL, RCC, ink (S/M, S/S, via solder-mask) may contain halogen and can omit the halogen-free requirements; other direct and indirect materials must conform to the Halogen requirements, i.e. chlorine (Cl) <900 ppm, Bromine (Br) <700 ppm, total chlorine (Cl) and bromine (Br) concentration <1500 ppm. 4. The following restrictions apply to direct materials (except for packaging materials): <ol style="list-style-type: none"> a. Total organotin compounds (TBT, TBTO, TPT, DBT, DOT, DBB) must be <5ppm, replaceable with total tin (Sn) must be <5ppm. If Sn exceeds the limit, a test of the organotin compounds is required. b. Beryllium (Be) <2 ppm, Arsenic (As) <25 ppm, PFOA <50 ppm, PFOS <10 ppm. ❖ XRF testing specifications: Subject to the Incoming Materials Management Regulations and materials specifications.

The HSF restricted substance content specifications are shown below. They apply to the packaging materials provided by suppliers, products shipped to customers, and packaging materials provided for customers:

Targets	COMPEQ HSF Restricted Substance Contents and Specifications
Packaging Materials Provided by Suppliers	<ul style="list-style-type: none"> ❖ Requirements for the examination reports issued by a third-party laboratory submitted by suppliers of packaging materials: The total concentration of Pb, Hg, Cr⁶⁺, and Cd <80ppm. ❖ XRF testing specifications: Total concentration of lead (Pb), Mercury (Hg), Hexavalent Chromium (Cr⁶⁺) and Cadmium (Cd) < 70 ppm
Products Shipped to Customers	<ol style="list-style-type: none"> 1. Comply at least with RoHS: <ol style="list-style-type: none"> 1-1. Lead (Pb), Mercury (Hg), Hexavalent Chromium (Cr⁶⁺), Polybrominated biphenyls (PBBs), Polybrominated biphenyl ethers (PBDEs) <1000 ppm. 1-2. Cadmium (Cd) <100 ppm 2. Requirements for halogen-free materials: Chlorine (Cl) <900 ppm, Bromine (Br) <900 ppm, total Chlorine (Cl) and Bromine (Br) concentration <1500 ppm 3. If there are special customer OQC requirements (e.g., TVOC), OQC tests are implemented according to the “HSF-OQC Instructions” (C00034881) or the Customer Quality Management Notice to ensure compliance with the customer OQC requirements.
Packaging for Customer Shipments	Requirements for packaging materials: Total concentration of Lead (Pb), Mercury (Hg), Hexavalent Chromium (Cr ⁶⁺) and Cadmium (Cd) <80ppm

3-2-2. Management of conflict minerals procurement

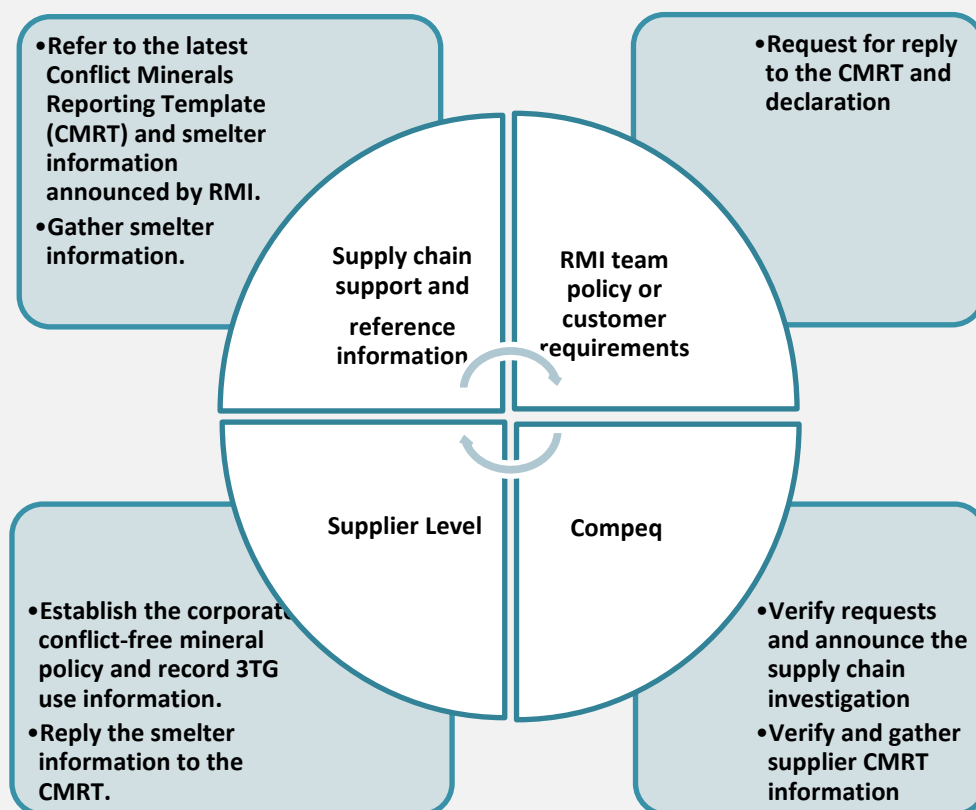
As a corporate citizen, it is our duty to fulfill social responsibilities and promote the healthy development of the supply chain. Apart from abiding by the RBA-CoC and customer requirements, we hereby agree to not purchase, either directly or indirectly, the “conflict metals (3TG)” that bring profit to the Democratic Republic of the Congo and the armed groups in its neighboring regions. In compliance with this policy, we shall:

1. investigate the supply chain with due diligence with respect to the “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas” published by the OECD;
2. continue to support the use of conflict-free minerals from Congo and neighboring regions without affecting or causing the reduction of the “responsible mining” in the region;
3. purchase only from conflict-free smelters that are approved by an independent third party or from the list of conflict-free smelters announced by the RMI/RJC/LBMA; and
4. continue to communicate this policy to our suppliers and request them to communicate to their next level of suppliers, with the goal of facilitating smelters to participate in the conflict-free smelter program (now Responsible Minerals Assurance Process, RMAP).

Note 1: The term “conflict metals” refers to minerals from mines in the armed conflict regions in the Democratic Republic of Congo. They include tantalite, cassiterite, wolframite and gold. As these minerals can be refined into tantalum, tin, tungsten, and gold, they are often referred to as “3TG”.

Note 2: “Responsible mining” refers to mining fulfilling social and environmental responsibilities.

Apart from publishing the above policies on the corporate website, we request suppliers sign related statements to ensure no use of “conflict minerals (3TGs)” that will profit armed groups. Currently, the smelters supplying minerals are internationally recognized conflict-free smelters (CFSs).



In view of the hierarchical supply chain relationship between the supply chain and mineral sources, before performing due diligence, we first investigate the raw materials of the supply chain and define the applicable categories of 3TG in our products and identify suppliers requiring due diligence of conflict minerals. Through the top-down serial investigation of suppliers with respect to the RMI-defined tools, we constantly follow up and adopt due diligence to minimize supply chain risk.



4. Compeq customer Management

4-1. Legal compliance—Products

4-2. Customer-related management

4-1. Legal compliance—Products

We comply with all applicable international and local government regulations, code of ethics, and practices related to intellectual property rights. These include compliance with labor legislations and human rights, trade secret management, protection and management of intellectual property rights, protection of information security, antitrust regulations, the Foreign Corrupt Practices Act (FCPA), the Antitrust Law, and related confidentiality agreements.

In addition, in response to the latest CSR requirements of RBA, SA8000, and customers, we perform periodic assessments and plan countermeasures, such as working time requirements and improvement of health and safety conditions, in order to fulfill the customer expectations in the customer's annual audit.

4-1-1. Customer health and safety

We are a PCB manufacturer, and safety is the biggest challenge in product launch during new product development. We have passed UL certification. Furthermore, materials prepared for certification conform with customer requirements. We also inspect our plants regularly to ensure the safety of certified products. We are 100% compliant with the UL 94-V0 or 94-V1 Standard for Safety of Flammability of Plastic Materials for Parts in Devices and Appliances testing. In addition, we implement controls over the material sources of suppliers in production and materials procurement, with the scope of control covering HSF, REACH/SVHC. In 2020, no nonconformity relating to the health and safety of products and services, safety regulations, and voluntary codes was reported.

To ensure that all Compeq products contain no hazardous substances, we have established a comprehensive management system. The green products and standard verification items of all plants are as follows:

Compeq green products and standard verification items ○ Verified - Not verified					
Region/Item	Taiwan Plants		China Plants		
	Luzhu Plant	Dayuan Plant	Huizhou Plant	Suzhou Plant	Chongqing Plant
RoHS 2.0	○	○	○	○	○
Halogen Free	○	○	○	○	○
REACH/SVHC	○	○	○	○	○
QC 080000	○	-	○	-	○
Green Partner(SONY、SAMSUNG)	○	○	○	-	-
GHG	○	○	○	-	-

IECQ Certification of Plants in Taiwan



IECQ Certification of Huizhou Plant in China



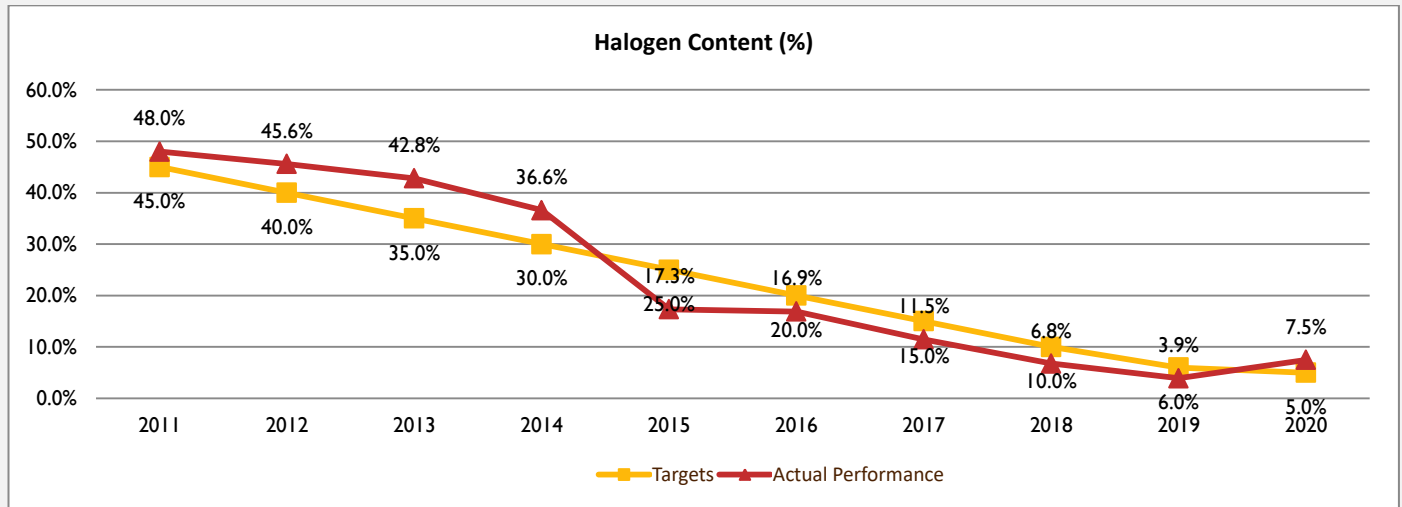
ISO9001 Certification of Plants in Taiwan



ISO9001 Certification of Huizhou and Chongqing Plants in China



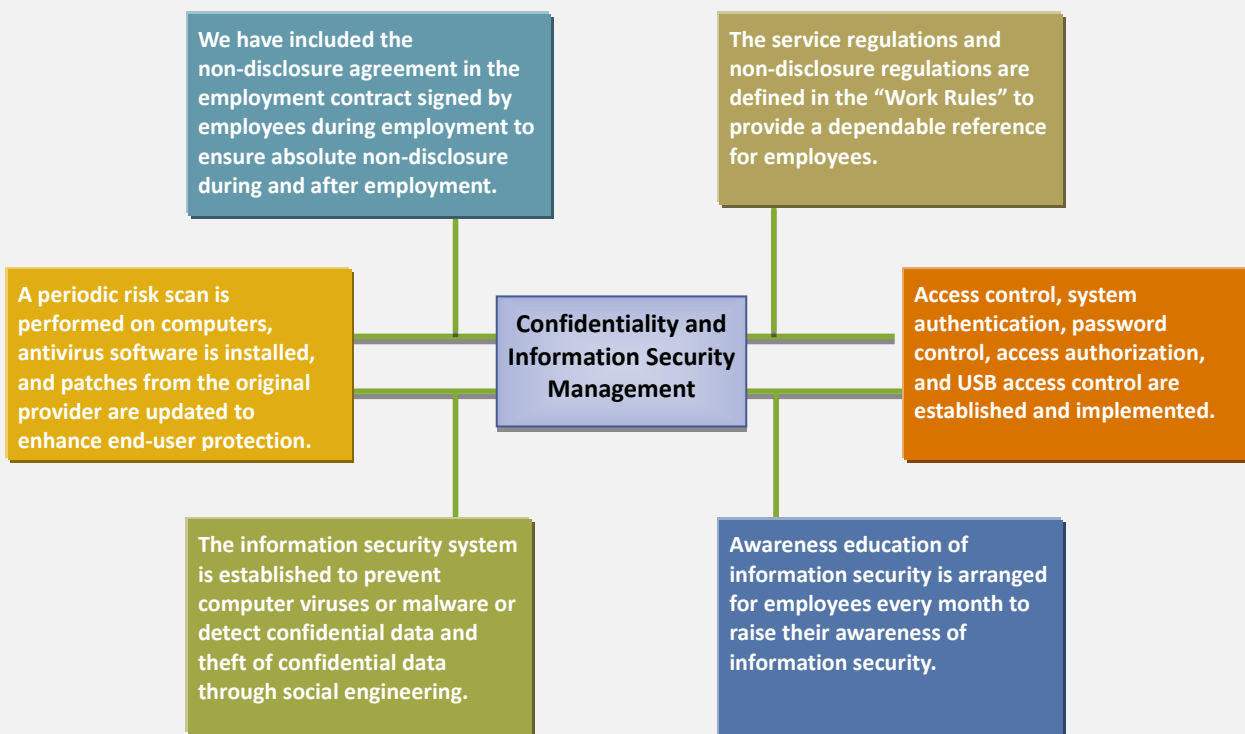
We are doing everything possible to minimize the use of hazardous substances. In terms of hazardous substance contents, the table below shows that the halogen percentage in Compeq products has been reducing since 2011. Due to the use of special products provided by customers, halogen contained in products in 2020 increased by 1.5% over 2019. Through continuous communication with customers, we plan to maintain the target at 5% in 2021. We also hope to reduce halogen contained in products every year until the ultimate target of 0% is reached.



4-2. Customer-related management

4-2-1. Customer privacy management

We value customer confidence and privacy, enforce the protection of customers' intellectual property right, and request employees and suppliers to keep confidential and protect the technology, invention, creation, material, documentation, and data provided by customers, in order to ensure security management and eliminate trade secret leakage. We have also established a set of management rules covering information that the customer asked us to keep confidential and confidentiality agreements signed with the customer. By ensuring confidentiality is maintained by our personnel in the course of their work, we protect the business secrets and interests of our customers.

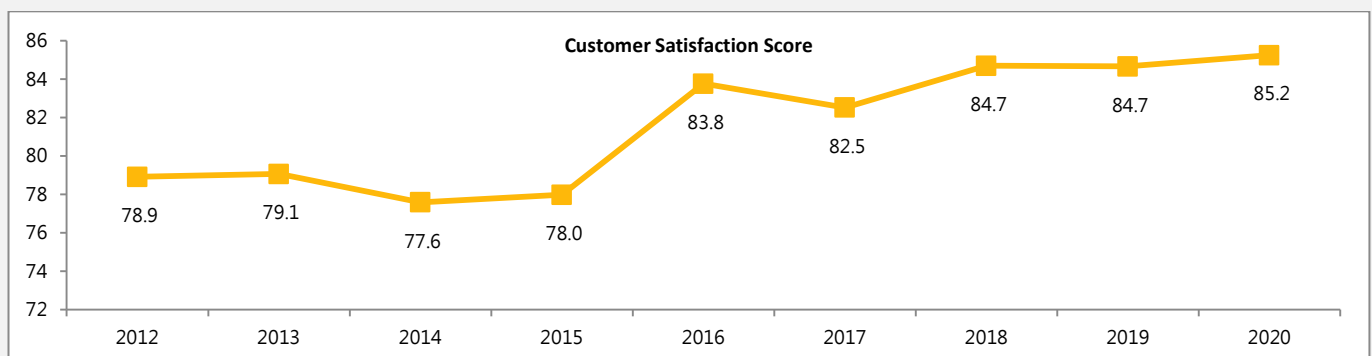


To protect the intellectual property of customers and Compeq, we request employees and customers to comply with related ethical corporate management policies. Related measures include:

- (1) Equip each unit with an exclusive information section with protection against unauthorized access by other units.
- (2) Assign an ID to each customer to prevent direct customer data leakage and generate an in-house part number in production to facilitate confidentiality.
- (3) Anonymize all customer names in correspondences to prevent unauthorized access.
- (4) We arrange awareness education for employees covering an introduction to antitrust regulations, trade secrets, and patents through internal training and education. We also request all employees sign the "Agreement on the Ownership of Employee IP Rights, Non-Disclosure, and Information and Internet Resources Use" when they join Compeq. By doing so, we aim to guarantee the obligation of non-disclosure to any third party of customer confidences and privacy. In addition, we arrange full anti-corruption and ethics and integrity education for employees. Offenders will be punished according to the Company's ethics management regulations. In 2020, no nonconformity relating to disclosure of customer privacy was reported.

4-2-2. Customer satisfaction

We follow the principle of "Quality First, Customer First" and continue to improve our cooperation with the customers. Every year our business unit conducts a satisfaction survey on major customers. Through statistics and analysis, we review and monitor various elements that affect customer satisfaction. The survey covers product technology R&D, quality, delivery punctuality, price, and no use of hazardous substances. Based on the survey results, the sales department provides a review report and draws up improvement plans. The overall customer satisfaction in 2020 increased by 0.6% over 2019 to 85.2 points. Customer satisfaction has been rising progressively in the last three years. Besides keep at this performance, we aim to achieve 90 points in the future. In 2020 no heavy fine for nonconformity with laws and regulations relating to service provision was reported.





5. Compeq Green Management

5-1. Green commitment and climate change response

5-2. Greenhouse gas emission management

5-3. Energy conservation

5-4. Water conservation

5-5. Waste Management

5-6. Environmental performance indicators

5-7. Environmental improvement and directions for future pollution prevention

5-1. Green commitment and climate change response

Compeq Environmental Safety Policy and Commitment

Compeq Manufacturing Co., Ltd. is a professional manufacturer of general multilayer PCBs, high density interconnect (HDI) PCBs, high layer count (HLC) PCBs, flexible printed circuit (FPCs), and rigid-flex PCBs. In order to provide the customers with better services and practice the management philosophy featuring expertise, precision, efficiency and pragmatism, make continuous efforts in upgrading product quality, prevent environmental pollution, build a safe and comfortable work environment, and fulfill corporate social responsibility and commitment, we make the following undertakings to provide the necessary resources for policy implementation.

1. Business activities will be consistent with environmental safety legislation and the requirements of stakeholder groups.
2. Strive to minimize the impact and hazard of our business activity through continuous improvement, prevention of environmental protection, and mitigation of risks to employee safety and health.
3. Implement green products and realize the non-use of environmentally sensitive substances during production.
4. Provide reasonable time and resources to promote employees' engagement in the ESH management system. Practice consultation and communication to achieve the goal of environmental protection and occupational hazard prevention.
5. Promote positive community relations to enhance corporate image and realize the goal of sustainable development.

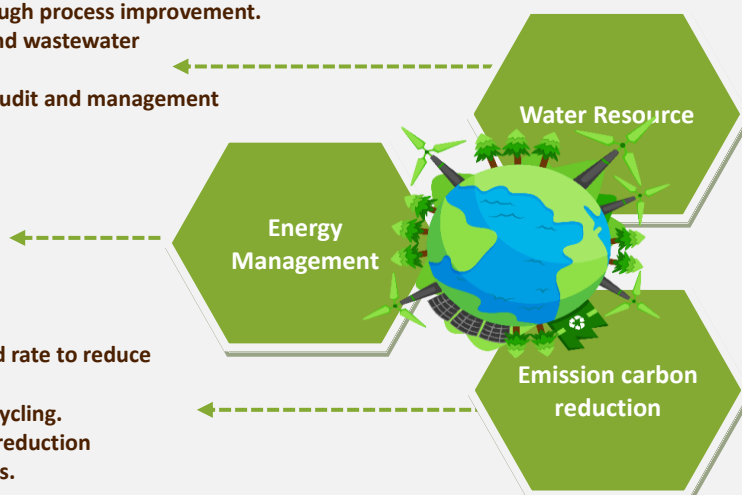
5-1-1. Climate change response

To mitigate climate change, we began to implement voluntary GHG inventory every year in 2009. In response to the requirements of local governments and the organizational sustainable development strategy, the CSR management team, EHS Center, and related units identify the potential risk factors of climate change in our routine operations, assess the significant climate change risks and opportunities that relate to Compeq, and identify the outcomes and plan countermeasures.

The results of the assessment show that legal, climate, and reputation are the three major types of potential risk. We have planned related countermeasures based on the outcomes, including enhancing disaster response, mitigation, and active implementation of energy conservation and carbon reduction. Related responsible departments have also planned budgets to implement the relevant programs.

Risk Type	Significant Risk Item	Consequences and Potential Financial Impact	Mitigation/Adapation or Opportunity
Policies and Regulations	<ol style="list-style-type: none"> 1. GHG cap and trade. 2. Enhanced GHG inventory and reporting. 3. Renewable energy policies and development regulations, environmental tariff, energy tax, and carbon tax of different countries. 	<ol style="list-style-type: none"> 1. Increase in operating costs (increase in legal compliance cost, insurance fee, or management fee). 2. Increase the installation and operating costs of carbon reduction equipment (increase in the cost for low-carbon, green product development). 3. Increase in the cost for developing technology for energy storage and renewable energy inventory at the customer's request for using renewable energy. 	<ol style="list-style-type: none"> 1. Participation in incentive and collaboration projects from the public sector. 2. Creation of the enterprise-wide GHG emission inventory for all production bases, implementation of GHG inventory every year; and third-party verification. 3. Disclosure of carbon emission information by answering the CDP questionnaire every year to review and strengthen carbon management capacity.
Climate Disasters	<ol style="list-style-type: none"> 1. Extreme climate events and natural disasters. 2. Power failures and power outages due to overload in summer. 3. Water shortages (changes in rainfall patterns and distributions, extreme rainfall and drought, changes in average rainfall) 	<ol style="list-style-type: none"> 1. Extreme climate events and natural disasters affect production and transportation, disrupting product supply and affecting production (financial loss and revenue drop). 2. Purchased electricity is the major source of GHG of Compeq. Currently, power curtailment will be implemented in summer to directly affect output and raise both costs and carbon emissions. 3. The government will implement water rationing due to water shortages caused by unstable rainfall. This will affect water supply for both domestic and industrial uses, forcing Compeq to either reduce production or dispatch water supply by tankers, lowering the overall operating value. 	<ol style="list-style-type: none"> 1. Strength climate change response, reduce the probability of operation interruption and potential loss, and propose measures for energy conservation and carbon reduction every year. 2. Actively reduce water consumption in the production process, improve process technology to reduce water consumption and pollution in the production process. 3. Enhance utilization rate and shut down unnecessary machines in capacity planning, continuously implement various energy conservation plans, and replace old machines with new ones to achieve energy conservation and carbon reduction. 4. Raise product yield rate to reduce raw materials consumption, and increase ware recycling to reduce waste output.
Reputation	Increase in the value of non-financial performance (e.g., the increasing importance of ESG) by stakeholders.	<ol style="list-style-type: none"> 1. Damage to corporate reputation or image for failure to fulfill the expectations of stakeholders. 2. Increase in operating cost at the rise of ESG investment (e.g., higher investment costs and increase in management costs). 3. Determination in investments based CSR performance of related stakeholders. 	<ol style="list-style-type: none"> 1. Fulfill the customer's demand for energy-efficient products, increase revenue, engage in the development of energy-efficient products. 2. Capture the movement and information of the demands of stakeholders, and continuously fulfill the expectation of related parties with the optimal service model. 3. Publish the CSR report every year and actively address mainstream issues concerning ESG.

- Reduce water consumption through process improvement.
 - Reclaim water from scrubbers and wastewater treatment plants for reuse.
 - Establish a water consumption audit and management system.
-
- Use clean energy.
 - Reduce electricity consumption through process improvement.
 - Review energy use every quarter.
-
- Raise product yield rate to reduce materials use.
 - Increase waste recycling.
 - Implement waste reduction improvement plans.



5-2. Greenhouse gas emission management

5-2-1. Methods and results of greenhouse gas inventory

In 2009, besides establishing the GHG emission inventory and promoting GHG inventory, we also set this year as the base year for GHG emissions. Furthermore, we established the internal inventory mechanism according to ISO14064-1 to actively implement voluntary GHG inventory. Currently, we have acquired the third-party assurance for Luzhu, Dayuan, and Huizhou plants; and Suzhou and Chongqing plants implement voluntary inventory and disclosure. In addition, we constantly engage in energy conservation and energy efficiency enhancement to reduce environmental impacts. Furthermore, we do not use ozone-depleting substances like chlorofluorocarbon-11 (CFC-11).

We also actively participate in the Carbon Disclosure Project (CDP) to disclose GHG emissions, reduction targets and performance, and our management approach for carbon in the supply chain questionnaire to set the CDP evaluation results as the direction for evaluating our continual improvement in carbon management.

Passed Environmental Management System Certification

ISO14001 Certification of Plants in Taiwan

ISO14001 Certification of Plants in China (Huizhou/Suzhou/Chongqing)

ISO14064 Certification of Plants in Taiwan

ISO14064 Certification of Huizhou Plant in China



GHG inventory includes the qualitative and quantitative inventory of Scope 1: direct greenhouse gas emissions and Scope 2: indirect greenhouse gas emissions, while the inventory of Scope 3 has not been conducted. The following table shows the range and methods of implementation for each scope.

Table: Scope and Implementation of GHG Inventory

Scope 1 Direct GHG Emissions	Scope 2 Energy Indirect GHG Emissions
<ul style="list-style-type: none"> •Stationary burning sources: Boilers and in-house emergency generators. •Transportation mobile burning sources: Officer cars, company sedans, company trucks, in-house transportation trucks, company bus, forklift trucks. •Process emission sources: Acetylene, methane, desmear agents, N₂O. •Fugitive GHG emission sources: Coolants, laser mixtures of gases, CO₂ fire extinguishers, gas circuit breakers, wastewater anaerobic treatment, septic tanks. 	<ul style="list-style-type: none"> •Greenhouse gas emissions from purchased electric power, heat, or steam or other fossil fuels.

The table below shows our GHG inventory results. The total GHG emissions in 2020 were 732,156 tCO₂e. The main sources included the carbon dioxide at 77.6% (615,753t) generated by purchased electricity required for routine operations and the GHG at 22.4% (177,914t) produced by the fuel for the boiler oil, vehicles and emergency generators used in the manufacturing process. These results show that 80% of the GHGs from Compeq were indirect emissions from purchased electricity, heat, and steam. To effectively reduce GHG emissions, cutting electricity consumption is the most straightforward way. Each plant engaged in the reduction of process energy consumption, equipment efficiency enhancement, and energy management improvement (see. 5-3 Energy Conservation for details) to reduce the consumption and enhance the efficiency of different forms of energy and thereby reduce GHG emissions.

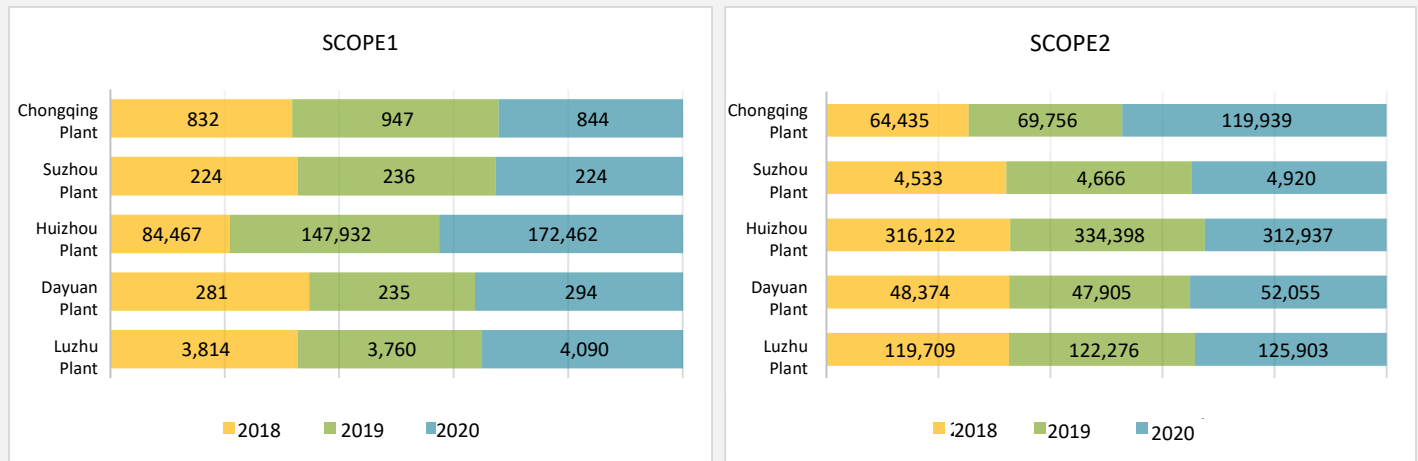
The 2020 GHG emissions increased by 61,512 tCO₂e or 8.4% over 2019 mainly because of the support for the high-end product development trend, increase in the process machines and auxiliary equipment, and changes in the product structure. Following the increase in product output, raw materials consumption, unit energy consumption, and GHG emissions also increased. In the future, we will progressively introduce energy conservation and carbon reduction technologies to reduce unit product GHG emissions.



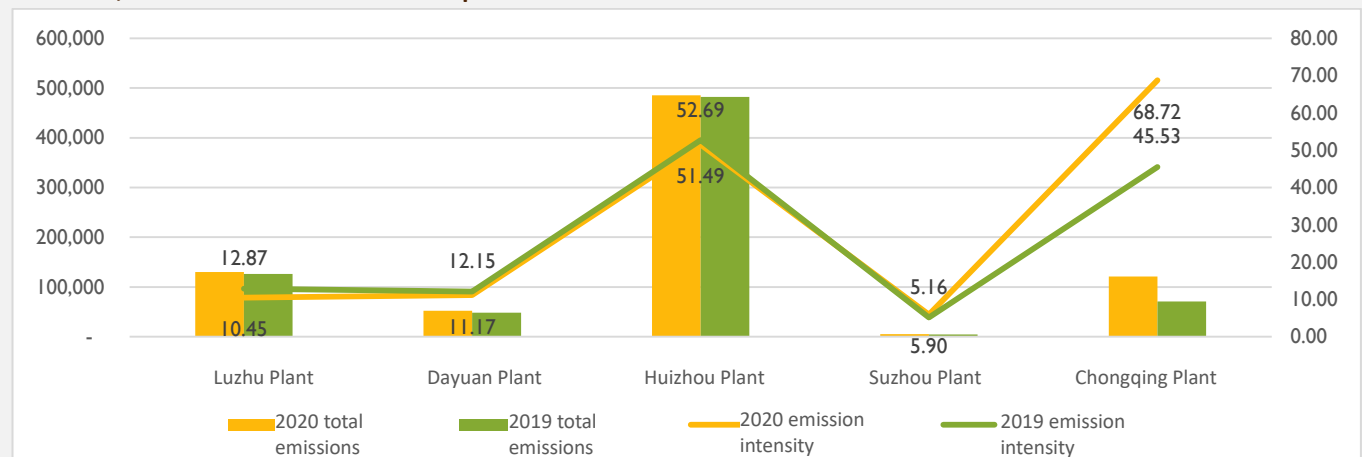
Table: Statistics on GHG Emissions 2018-2020

Statistics on GHG Emissions in Last 3 Years						
Region/Item		Taiwan Plants		China Plants		
		Luzhu Plant	Dayuan Plant	Huizhou Plant	Suzhou Plant	Chongqing Plant
2018	Scope 1 (tCO ₂ e/year)	3,814	281	84,467	224	832
	Scope 2 (tCO ₂ e/year)	119,709	48,373	316,122	4,533	64,435
	Subtotal (tCO ₂ e/year)	123,523	48,655	400,589	4,757	65,267
	Grand Total (tCO ₂ e/year)	642,791				
	Output (NT\$)	8,176,735,582	4,035,277,017	7,417,601,000	1,048,210,000	1,037,487,383
	Emission intensity (tCO ₂ /millions of NTD)	15.11	12.06	54.01	4.54	62.91
2019	Scope 1 (tCO ₂ e/year)	3,760	235	147,932	236	947
	Scope 2 (tCO ₂ e/year)	122,276	47,905	334,398	4,666	69,756
	Subtotal (tCO ₂ e/year)	126,036	48,140	482,330	4,902	70,702
	Grand Total (tCO ₂ e/year)	732,110				
	Output (NT\$)	9,789,276,396	3,963,103,298	9,153,472,380	950,220,000	1,552,942,648
	Emission intensity (tCO ₂ /millions of NTD)	12.87	12.15	52.69	5.16	45.53
2020	Scope 1 (tCO ₂ e/year)	4,090	294	172,462	224	844
	Scope 2 (tCO ₂ e/year)	125,903	52,055	312,937	4,920	119,939
	Subtotal (tCO ₂ e/year)	129,993	52,349	485,399	5,144	120,783
	Grand Total (tCO ₂ e/year)	793,668				
	Output (NT\$)	12,441,641,346	4,686,747,002	9,426,918,880	871,564,410	1,757,633,702
	Emission intensity (tCO ₂ /millions of NTD)	10.45	11.17	51.49	5.90	68.72

※Emission data of Luzhu Plant, Dayuan Plant, and Huizhou Plant was verified by a third-party certification body. Outputs of plants in mainland China were calculated in CNY.

Trends of Scope 1 and Scope 2 Emissions:

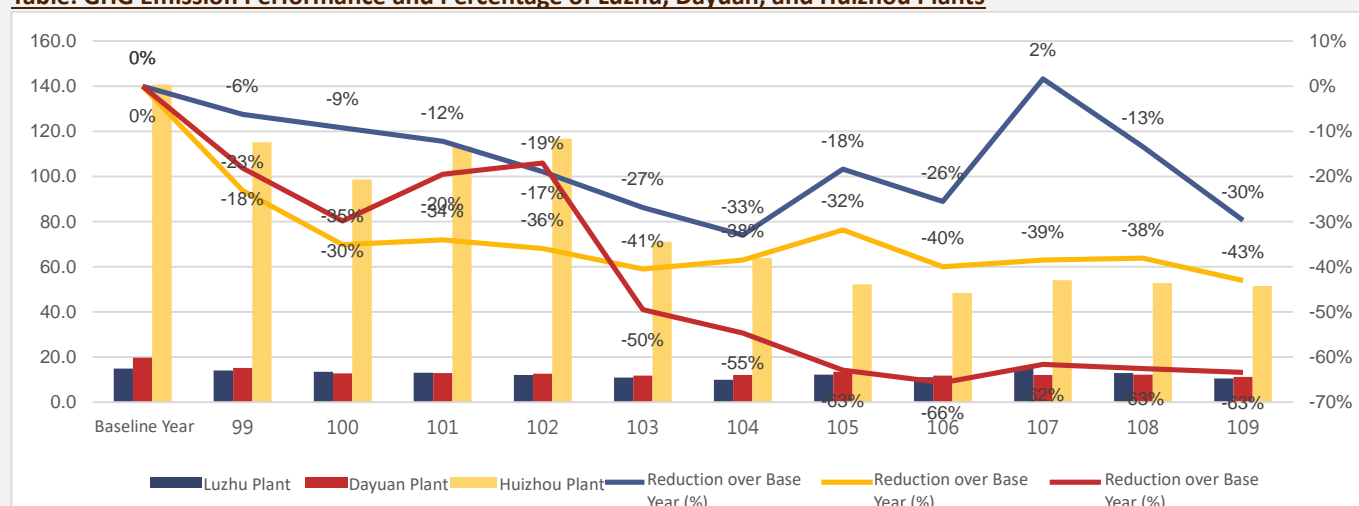
Although the enterprise-wide unit output electricity consumption reduced, the overall electricity consumption increased as a result of the increase in production output and product structure change. The increase in Taiwan and Chongqing Plants is more significant than that of other plants, leading to the increase in both direct/indirect GHG emissions, while GHG emissions in other plants remained the same.

**5-2-2. Energy conservation and carbon reduction**

We value the workplace of employees and take air pollution prevention very seriously. Plants are equipped with scrubbers and dust collectors to gather waste gases and powder from the production process. This also improves ventilation in the operational environment. In addition, to maintain the optimal operation of equipment, besides continuously implementing daily check, weekly maintenance, monthly maintenance, and quarterly maintenance on every equipment, we also arrange complete education and training for operators, maintain normal system operation, and ensure no exhaust will harm the living environment.

We also constantly monitor and control NOx, SOx, and VOCs and hire contractors to monitor the intensity of air pollutants in the exhaust to ensure conformity with the pollutant emission standards stipulated in the local environmental regulations. We also progressively change diesel into heat pumps and crude oil boilers into diesel boilers with respect to the condition of individual plants and local environmental policies. In 2020, apart from replacing the crude oil boiler of Luzhu Plant with the diesel boiler, we massively renewed the plant's air pollution prevention equipment to measure, control, and optimize the exhaust processing process to reduce VOCs and pollutants.

In addition, to promote energy conservation and carbon reduction of industry, we constantly set 1% of energy intensity reduction as our annual target. Although reduction performance has exceeded the 1% target since 2010 (as shown in the table below), we will continue to realize GHG emissions every year to extend our determination to GHG reduction. We also participate in the "Industrial Voluntary GHG Reduction Program" launched by the Industrial Development Bureau (IDB) of the Ministry of Economic Affairs (MOEA). The program aims to assist industries in progressively reducing emissions through voluntary reporting and implementing GHG reduction to gradually accumulate Taiwan's experience and ability in GHG reduction to prepare for the total volume control and emission trading in the future.

Table: GHG Emission Performance and Percentage of Luzhu, Dayuan, and Huizhou Plants

*The performance and percentage of Chongqing and Suzhou plants were excluded as their data has not gone through third-party verification.

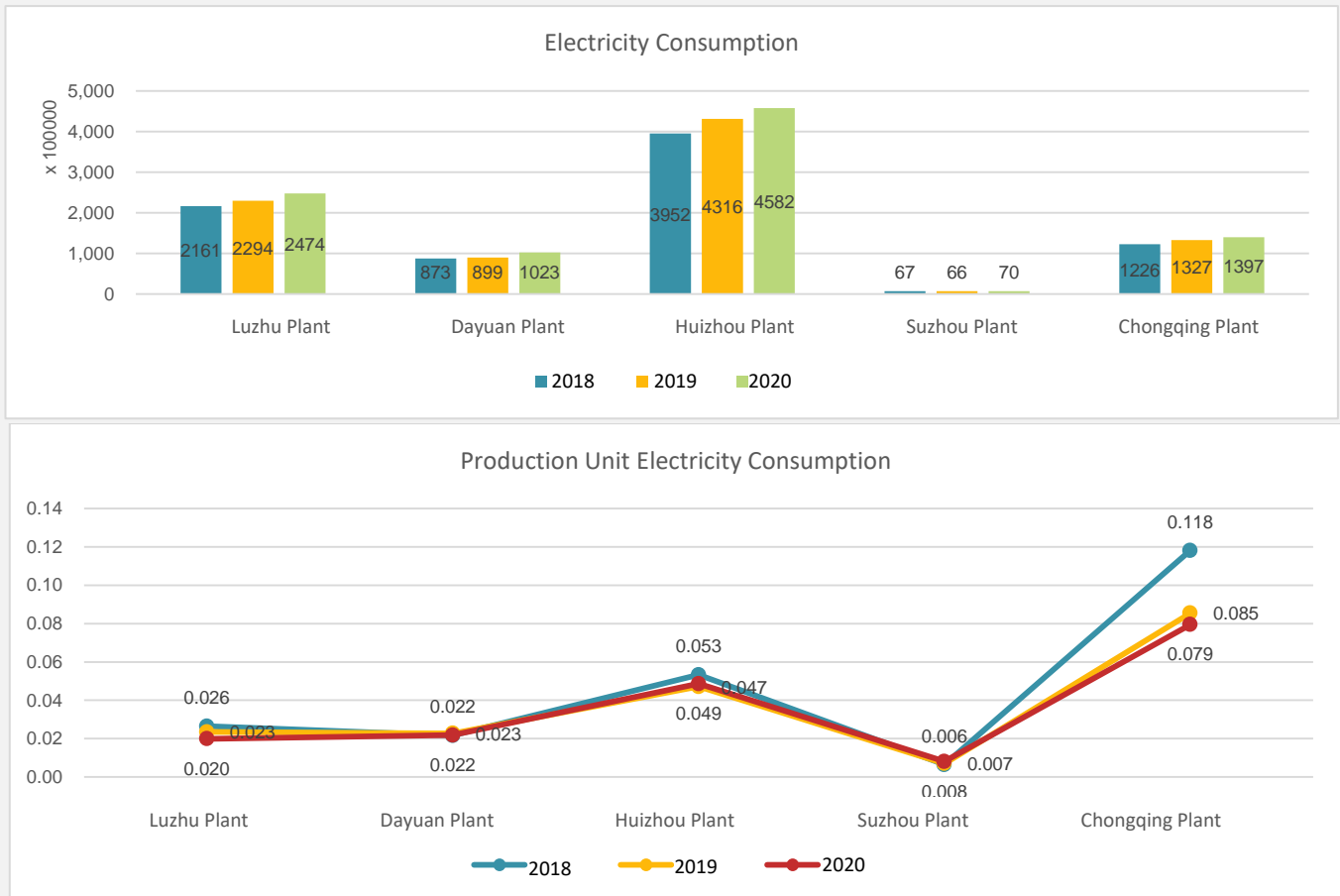
5-3. Energy conservation

Purchased electricity required for business operations is the main energy consumed by Compeq, and crude oil and diesel the second important forms of energy (see 5-6 Environmental Performance Indicators for details). In 2020, the total electricity consumption in Taiwan increased by 30.33 GWh over 2019 mainly because of the capacity increase and restart of mothballed equipment of plants in Taiwan. The total electricity consumption in mainland China increased by 34 GWh due to capacity increase.

To continue to save energy, in 2020 we continued to replace traditional lighting equipment with energy-efficient lighting, compressor dryers, and compressor cooler fans. Our unchanged policy for energy conservation is to constantly lower energy consumption and reduce electricity use in cooperation with the proposal reward system.

Table: Electricity Consumption in 2018-2020

Statistics on Power Consumption in Last 3 Years						
Category/Region		Taiwan Plants		China Plants		
		Luzhu Plant	Dayuan Plant	Huizhou Plant	Suzhou Plant	Chongqing Plant
2018	Electricity Consumption (kWh /year)	216,081,600	87,316,800	395,195,204	6,682,177	122,569,860
	Output (NTD/Year)	8,176,735,582	4,035,277,017	7,417,601,000	1,048,210,000	1,037,487,383
	Unit Output Electricity Consumption (kWh/NT\$)	0.026	0.022	0.053	0.006	0.118
2019	Electricity Consumption (kWh /year)	229,411,200	89,877,600	431,572,900	6,632,620	132,691,340
	Output (NTD/Year)	9,789,276,396	3,963,103,298	9,153,472,380	950,220,000	1,552,942,648
	Unit Output Electricity Consumption (kWh/NT\$)	0.023	0.023	0.047	0.007	0.085
2020	Electricity Consumption (kWh /year)	247,353,600	102,268,800	458,232,472	6,993,801	139,674,780
	Output (NTD/Year)	12,441,641,346	4,686,747,002	9,426,918,880	871,564,410	1,757,633,702
	Unit Output Electricity Consumption (kWh/NT\$)	0.020	0.022	0.049	0.008	0.079



5-3-1. Key energy conservation programs and performance in 2020

In 2020, plants in Taiwan and mainland China implemented 17 programs and 9 programs relating to energy conservation respectively, to save electricity consumption up to 10,999,705.68kWh.

Electricity saved in Taiwan: 1,035,016.67 kWh.

- Replaced low and high rotors to enhance air compressor efficiency.
- Renewed old air compression dryers.
- Replaced traditional T5/T8 fluorescent lamps with LED tubes.
- Rewed cooling towers.
- Replaced cooling tower cooling materials.
- Reduced nighttime operation of cooling towers.
- Renewed laser drilling machines.
- Maintained air compressor efficiency
- Added an inverter to the total effluent pump at the wastewater treatment plant.
- Conserved energy of the biological blower at the wastewater treatment plant.
- Conserved energy by reducing process frequency (DES connection vacuum two-phase mixture absorption pump)

Electricity saved in mainland China: 9,964,689.01 kWh.

- Replaced the carrier type plating equipment with the vertical continuous plating (VCP) equipment.
- Replaced the low-efficiency chiller with maglev inverter centrifuge.
- Renewed old air dryers.
- Replaced the screw air compressor with the centrifugal air compressor and improved the leakage of the compressor air valve.
- Improved the lighting delay of the dust chamber.
- Continuous replacement of LED lighting.
- Improved the interlocking of degassing equipment.
- Improved process equipment (increase oven layers from 2 layers/side to 4 layers/side).

5-4. Water conservation

5-4-1. Water consumption statistics

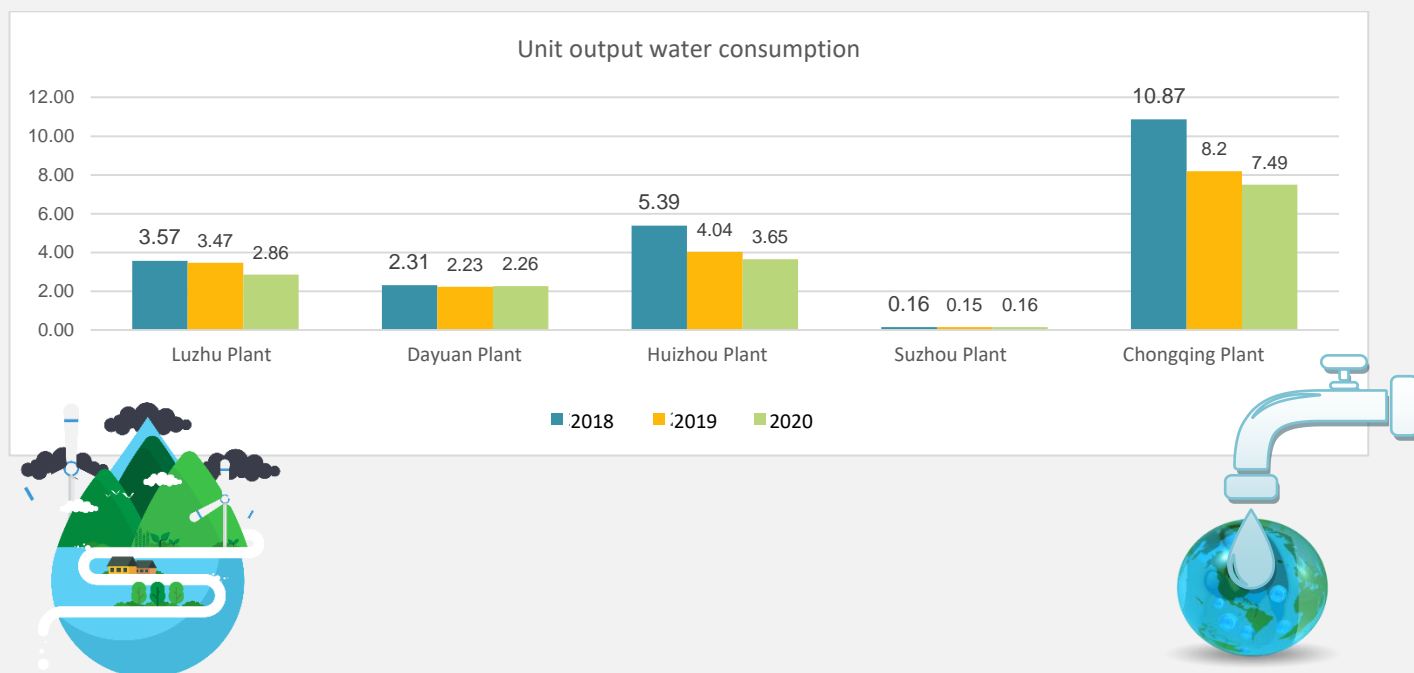
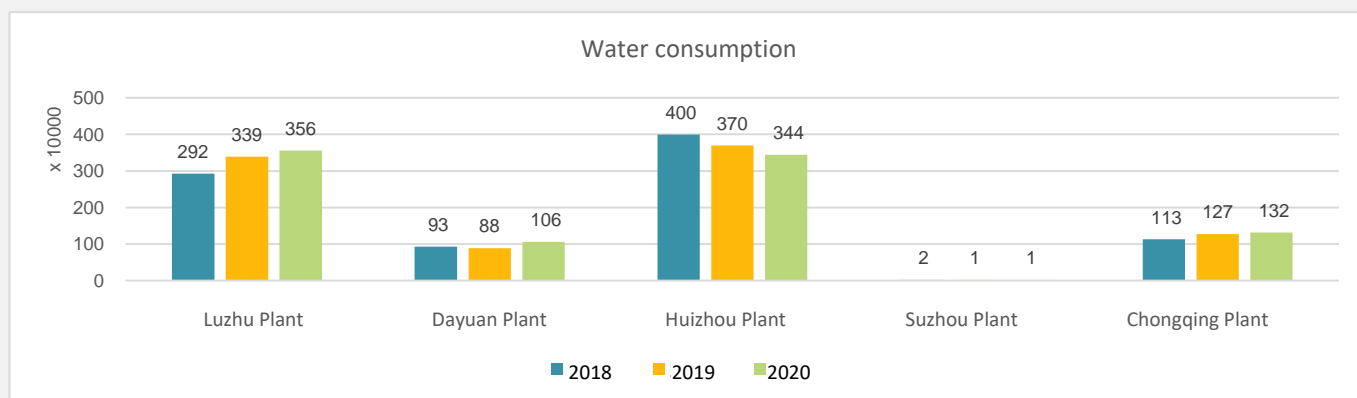
Our production bases are all located in Taiwan and mainland China. As rainfall distribution is extremely uneven by region and by season, regional or seasonal droughts are common. As a result, water management is essential to our operations. Therefore, we constantly enhance water efficiency based on the “reduce--> recycle --> reuse” model. We use 100% tap water at plants and offices in both Taiwan and mainland China. Water is mainly consumed by daily life and factory equipment. Compeq is headquartered in Xinzhuang Village, Luzhu District, Taoyuan City. There is no ecological protection area on or near the site. The Danan and Pingzhen waterworks are the major tap water sources of Luzhu and Dayuan plants, with water mainly withdrawn from the Shimen Reservoir. Tap water is also the main water source of all plants in mainland China. Water consumed by Huizhou Plant mainly comes from the Huzhen Waterworks withdrawn from the Xiangang Reservoir. Water consumed by Chongqing Plant mainly comes from the Yihe and Lidu waterworks withdrawn from the Suimotan Reservoir. Water consumed by Suzhou Plant mainly comes from the Suzhou Industrial Park 1st Waterworks withdrawn from the Taihu Reservoir. Water supply is sufficient in all plants and there is no water supply shortage. Water consumption does not affect local ecosystems and their water consumption.

In water consumption over the years (as shown below), the 2020 water consumption of Luzhu, Dayuan, and Chongqing plants increased over 2019 mainly because of the changes in the production process and product structure. As the product unit price increased, unit output water consumption reduced, while water consumption in all other plants tended to reduce. Overall, although water consumption increased throughout the company, the water consumption per unit of output reduces progressively.

Apart from actively considering and assessing the increase in water reclamation and reuse, we emphasize the sequence or reduce--> recycle--> reuse in water consumption. We introduce high-performance recycling equipment to treat wastewater before recycling according to the water quality requirements of each point of use for use in production, environmental cleaning, etc. In 2020, we implemented a range of water conservation programs, such as installing osmosis at the output of the membrane bioreactor (MBR) and establishing the water audit system to increase recycling volume (220,000t in Taiwan and 888,000t in mainland China). By auditing water consumption with the onsite water use control system, we constantly reduce process water consumption toward the target of below 1%.

Table: Water Consumption in 2018-2020

Statistics on Water Consumption in Last 3 Years						
Category/Region		Taiwan Plants		China Plants		
		Luzhu Plant	Dayuan Plant	Huizhou Plant	Suzhou Plant	Chongqing Plant
2018	Water Consumption (megaton/year)	2.92	0.93	4.00	0.02	1.13
	Output (NTD/Year)	8,176,735,582	4,035,277,017	7,417,601,000	1,048,210,000	1,037,487,383
	Unit output water consumption (t/10,000 NTD)	3.57	2.31	5.39	0.16	10.87
2019	Water Consumption (megaton/year)	3.39	0.88	3.70	0.01	1.27
	Output (NTD/Year)	9,789,276,396	3,963,103,298	9,153,472,380	950,220,000	1,552,942,648
	Unit output water consumption (t/10,000 NTD)	3.47	2.23	4.04	0.15	8.20
2020	Water Consumption (megaton/year)	3.56	1.04	3.44	0.01	1.32
	Output (NTD/Year)	2,441,641,346	4,686,747,002	9,426,918,880	871,564,410	1,757,633,702
	Unit output water consumption (t/10,000 NTD)	2.86	2.26	3.65	0.16	7.49



5-4-2. Effluent standard

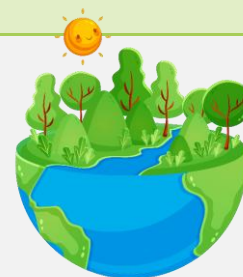
Sewage produced from the plants is treated with appropriate sewage treatment facilities or directly drained to the dedicated wastewater treatment plant via the sewer system. Luzhu and Dayuan plants in Taiwan and Huizhou in mainland China have dedicated wastewater treatment plants (natural sedimentation or chemical coagulation). As Chongqing Plant and Suzhou Plant have not independent treatment facilities as they are located in the industrial park, wastewater must be managed and controlled. Therefore, all production wastewater and domestic sewage are collected separately. Wastewater must be properly treated and examined to meet the standards before discharging.

While there are recoverable substances in wastewater, ion-exchange resin, electrolysis, refrigerating crystallization are applied to recover precious metals, such as copper and gold, from wastewater to reduce sludge production. In addition, we implement new treatment methods, such as biological treatment, Fenton, and electrocoagulation, to enhance treatment efficiency and reduce effluent contamination. For example, effluents from Luzhu and Dayuan plants are all surface water (runoff) discharged to the Puxin River and Laojie River. Both plants have also acquired the discharge permit and drainage construction permit issued by the Taoyuan Department of Environmental Protection and Taoyuan Department of Water Resources to discharge effluents legally. In 2020, we completed six ion-exchange resin towers to remove copper, and two more will be built in 2021. In the future, besides meeting the related requirements, we will tighten our management of copper contained in effluents to reduce the load of receiving water. To meet the Ministry of Economic Affairs requirements, Dayuan Plant includes wastewater that meets the discharge standard to the effluent system for secondary pollution reduction to minimize environmental pollution. In addition, we examine the water quality of effluents periodically to meet the national effluent standards before discharging, as shown in the table below.

The effluent standards and performance of Compeq plants are as follows:

Monitored Item	Luzhu Plant		Dayuan Plant		Huizhou Plant		Chongqing Plant	
	Allowed value	Actual condition	Allowed value	Actual condition	Allowed value	Actual condition	Allowed value	Actual condition
Discharge (megaton/year)	5.45	3.29	1.53	0.96	3.17	3.03	1.24	1.19
pH	6~9	7.60	6~9	7.72	6~9	7.29	6~9	8.20
Copper (mg/L)	1.5	0.26	1.5	0.62	0.5	0.34	0.5	0.20
COD (mg/L)	120	36	120	75.66	20	17.5	400	96
BOD (mg/L)	50	6.60	50	14.65	-	-	-	-
TSS (mg/L)	50	1.40	50	6	30	11.10	320	24.0
Ammonia nitrogen (mg/L)	-	-	-	-	1	0.43	35	11.20
Total phosphorus (mg/L)	-	-	-	-	0.2	0.15	7	1.10

Note: Due to business characteristics, data of Suzhou Plant was excluded.



5-5. Waste management

5-5-1. Waste generation statistics

We are a professional PCB manufacturer. Waste generated from production is categorized as hazardous and non-hazardous by law. A responsible unit is established according to the ISO14001 environmental management system to effectively capture the waste output of the source. Based on the concept of minimization of waste generation and maximization of waste recycling, we select qualified contractors that can effectively dispose of waste to make proper waste disposal. We also audit waste disposal contractors from time to time for lawful waste disposal to ensure waste is properly disposed or recycled. Waste within the enterprise is disposed of domestically and no transnational waste disposal is practiced.

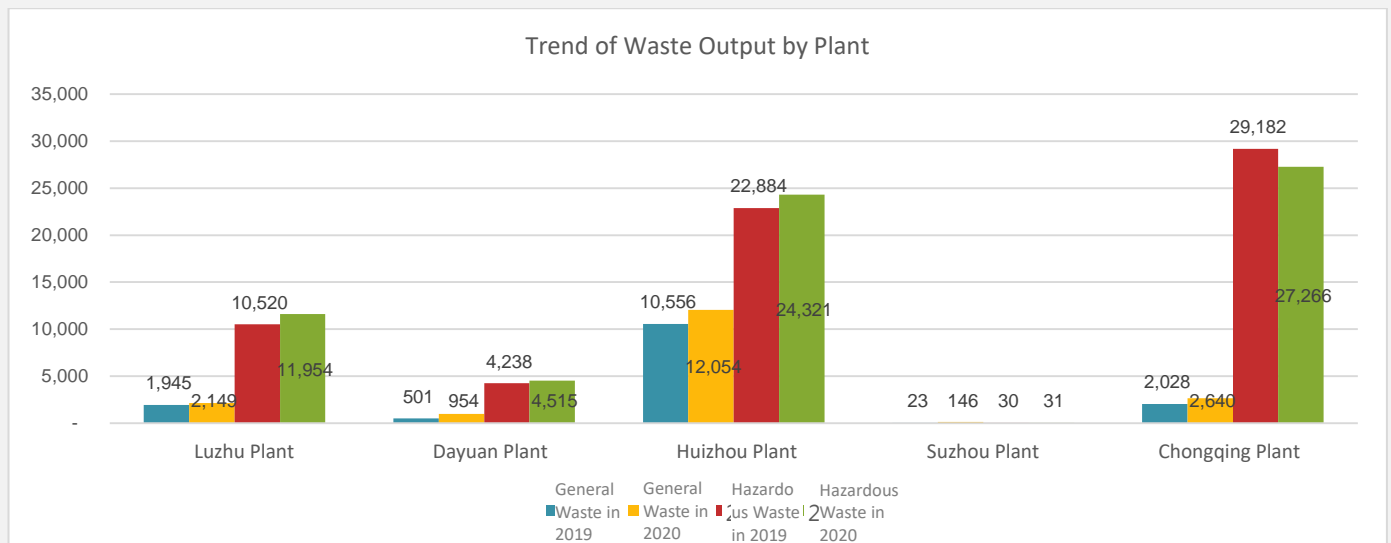
In principle, recycling is the preferred method of waste disposal. For example, heavy metal sludge produced by the wastewater treatment plant is listed as industrial waste by law and must be disposed of by qualified waste disposal contractors. The introduction of the recycling system has greatly reduced the amount of sludge generated. In addition, the secondary cofferdams and liquid-proof dikes are built for the important wastewater and waste liquid tanks and buckets, and no serious leakage has ever occurred.

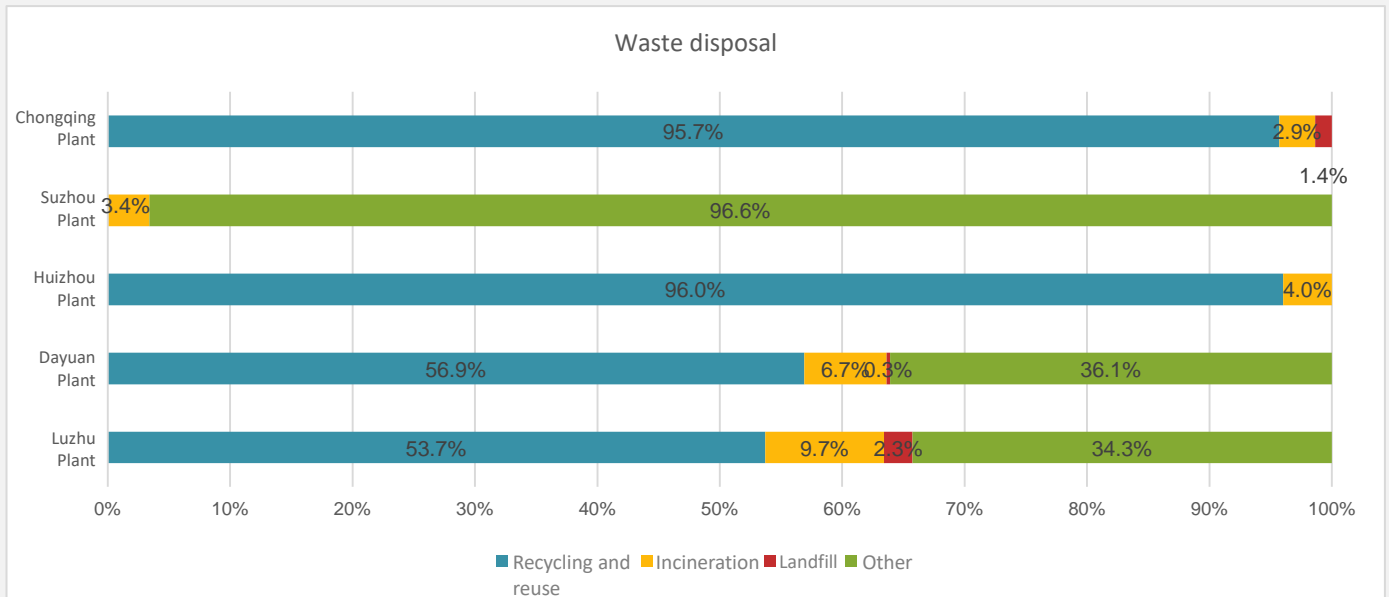
As scrapped PCBs are also waste, we also outsource their disposal. Currently, we are developing effective recycling technology to turn waste into resources to reduce waste generation. In addition, as waste to resources and waste detoxification are our focus, we dispose of waste according to related laws and regulations. The table below shows the weight of waste we produce by type and by disposal method. In 2020, waste output increased by 4.6% over 2019 (including 77% of general waste and 23% of hazardous waste) mainly in Luzhu and Huizhou plants because of the constant capacity increase in new processes, leading to the increase in waste. However, 86.4% of waste was recycled into industrial materials by contractors. In the future, we will continue with waste reduction and recycling enhancement for effective waste-to-resource to achieve sustainable development.

Table: Statistics on Waste Weight in 2019-2020

Category/Region		Taiwan Plants				China Plants					
		Luzhu Plant		Dayuan Plant		Huizhou Plant		Suzhou Plant		Chongqing Plant	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Weight of general waste (t)	Weight of recycled waste (t)	335	327	169	133	12,054	10,556	-	-	2,230	2,028
	Percentage in total weight (%)	15.6%	16.8%	17.7%	26.5%	100.0%	100.0%	0.0%	0.0%	84.5%	100.0%
	Weight of incinerated waste (t)	1,333	1,432	297	334	-	-	-	-	-	-
	Percentage in total weight (%)	62.0%	73.6%	31.1%	66.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Landfill (t)	321	157	16	7	-	-	-	-	410	-
	Percentage in total weight (%)	14.9%	8.1%	1.7%	1.4%	0.0%	0.0%	0.0%	0.0%	15.5%	0.0%
	Other (t)*	160	29	472	27	-	-	146	23	-	-
	Percentage in total weight (%)	7.4%	1.5%	49.5%	5.3%	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Total weight of general waste (t)		2,149	1,945	954	501	12,054	10,556	146	23	2,640	2,028
Weight of hazardous waste (t)	Weight of recycled waste (t)	7,407	6,621	2,932	2,423	22,873	21,446	-	-	26,393	28,341
	Percentage in total weight (%)	62.0%	62.9%	64.9%	57.2%	94.0%	93.7%	0.0%	0.0%	96.8%	97.1%
	Weight of incinerated waste (t)	-	-	72	52	1,447	1,437	6	5	873	841
	Percentage in total weight (%)	0.0%	0.0%	1.6%	1.2%	6.0%	6.3%	19.4%	16.7%	3.2%	2.9%
	Landfill (t)	-	-	-	-	-	-	-	-	-	-
	Percentage in total weight (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other (t)*	4,547	3,899	1,511	1,762	-	-	25	25	-	-
	Percentage in total weight (%)	38.0%	37.1%	33.5%	41.6%	0.0%	0.0%	80.6%	83.3%	0.0%	0.0%
Total weight of hazardous waste (t)		11,954	10,520	4,515	4,238	24,321	22,884	31	30	27,266	29,182
Total weight of waste (t)		14,103	12,465	5,469	4,738	36,375	33,440	177	53	29,906	31,210

Note: Other disposals include thermal treatment, physical, and chemical treatment.

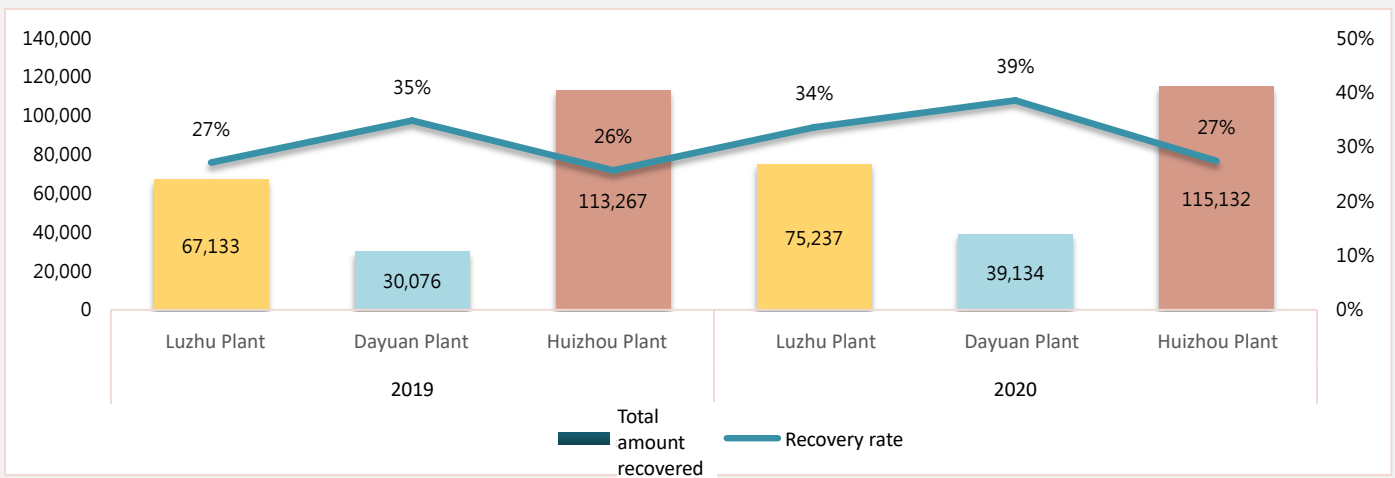




5-5-2. Recovery and reuse of potassium gold cyanide

Due to PCB process factors, potassium gold cyanide is one of the raw materials used Luzhu, Dayuan, and Huizhou plants. After internal assessment and based on the rising environmental awareness, we recycle and reuse the potassium gold cyanide used in manufacture. Although the 2020 consumption of potassium gold cyanide was higher than that of 2019 because of the immersion gold capacity, number of lines, and product structure, the recycling rate also increased by 14.6%.

Reuse/	2019			2020		
Recycling Item	Luzhu Plant	Dayuan Plant	Huizhou Plant	Luzhu Plant	Dayuan Plant	Huizhou Plant
Gold salt consumption	247,583	86,339	441,144	223,790	101,485	419,758
Recovered gold salt (ageing liquid)	58,143	20,843	103,535	62,194	26,156	103,555
Recovered gold salt (gold stripping liquid)	8,990	9,234	9,731	13,043	12,978	11,577
Total amount recovered	67,133	30,076	113,267	75,237	39,134	115,132
Recovery rate	27%	35%	26%	34%	39%	27%



5-6. Environmental performance indicators

Environmental Performance Information	Taiwan Plants				China Plants					
	Luzhu Plant		Dayuan Plant		Huizhou Plant		Suzhou Plant		Chongqing Plant	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total GHG emissions (tCO ₂ e/year)	126,036	129,993	48,186	52,349	482,330	485,399	4,902	5,144	70,702	120,783
Electricity consumption (kWh /year)	229,411,200	247,353,600	89,877,600	102,268,800	425,943,724	458,232,472	6,632,620	6,993,801	132,691,340	139,674,780
Diesel consumption (GJ/year)	10,887	22,707	0	331	1,734	1,066	633	45,110	692	668
Heavy oil consumption (GJ/year)	5,628	1,008	0	0	0	0	0	0	0	0
Petrol consumption (GJ/year)	2,090	2,020	120	121	2,015	1,775	2,412	64,514	590	560
Natural gas consumption (GJ/year)	0	0	0	0	49,458.25	47,510.71	210	1,285,966	4,646	-
Total waste production (t/year)	12,465	13,742	4,738	5,497	33,440	36,375	53	177	31,210	29,903
Total waste recycled (t/year)	6947	7,382	2,556	3,128	32,003	34,928	0	0	30,221	28,623
Waste recycling ratio (%)	55.73%	53.72%	53.95%	56.90%	95.70%	96.02%	0.00%	0.00%	96.83%	95.72%
Water consumption (megaton/year)	3.11	3.56	0.88	1.06	3.70	3.44	0.01	0.01	1.27	1.32
Discharge (megaton/year)	3.04	3.14	0.83	0.96	2.77	2.94	0.01	0.01	0.93	0.98
Water recycled (megaton/year)	0.13	0.13	0.09	0.09	0.85	0.88	0	0	0.02	0.01
Water Recycling Ratio (%)	4.1%	3.7%	9.6%	8.5%	23.0%	25.6%	0.0%	0.0%	1.6%	0.6%
NO _x emissions (kg/year)	1,369	1,307	0	0	189	594	0	0	0	0
SO _x emission (kg/year)	1,332	661	0	0	1,836	2,062	0	0	0	0
VOCs emissions (kg/year)	23,126	25,681	11,025	15,532	311	0	38	0	758	2,280
Violation of Environmental Legislation and Total Penalty	284,000	0	0	0	0	0	0	0	0	0
Total number and volume of significant spills	0	0	0	0	0	0	0	0	0	0
Environmental Expenditure/Investment	TWD 148,630,000	TWD 193,330,000	TWD 41,520,000	TWD 41,310,000	CNY 71,960,000	CNY 91,920,000	CNY 520,000	CNY 310,000	CNY 19,720,000	CNY 24,800,000

Following the international footsteps, we progressively implement the ISO14001 and ISO14064-1 management systems and support the 17 SDGs proposed by the United Nations with our action and commitment. In 2020, all plants continued to increase environmental expenditures and investments. In Taiwan, environmental expenditure increased by 23.4%, and in mainland China, environmental expenditure increased by 26.9%, revealing our attitude change and determination in environmental protection. We also plan to progressively include policy participation and collaboration with the supply chain, domestic and overseas enterprises, and government units in future environmental protection and energy management actions.

In 2020, no pollution leakage causing production interruption, complaint from residents of local communities, or fine for violation of environmental regulations was reported. In the future, we will continue to implement self-monitoring and self-supervision based on the PDCA cycle of the environmental management system. The ESH Management Committee will also audit the environmental legal compliance of plants from time to time. Plants will increase onsite inspection of environmental performance to prevent violation of environmental regulations and environmental pollution.

Project	Explanation	Luzhu Plant	Dayuan Plant	Huizhou Plant*	Suzhou Plant*	Chongqing Plant*
Capital Expenditure	1. Pollution equipment investment costs 2. Pollution prevention equipment maintenance and operating costs	149,510,904	32,466,592	71,090,000	266,790	7,720,000
Environmental Expenditure	Water quality examination fee, soil and water resource remediation fee, industrial waste disposal fee, environment/environmental management system establishment and certification fee	43,787,419	8,841,013	20,836,000	44,506	17,079,000
Environmental fine	Environmental fine (wastewater/air pollution)	0	0	0	0	0

*Huizhou, Suzhou, and Chongqing plants are calculated in CNY.

5-7. Directions for environmental improvement and future prevention

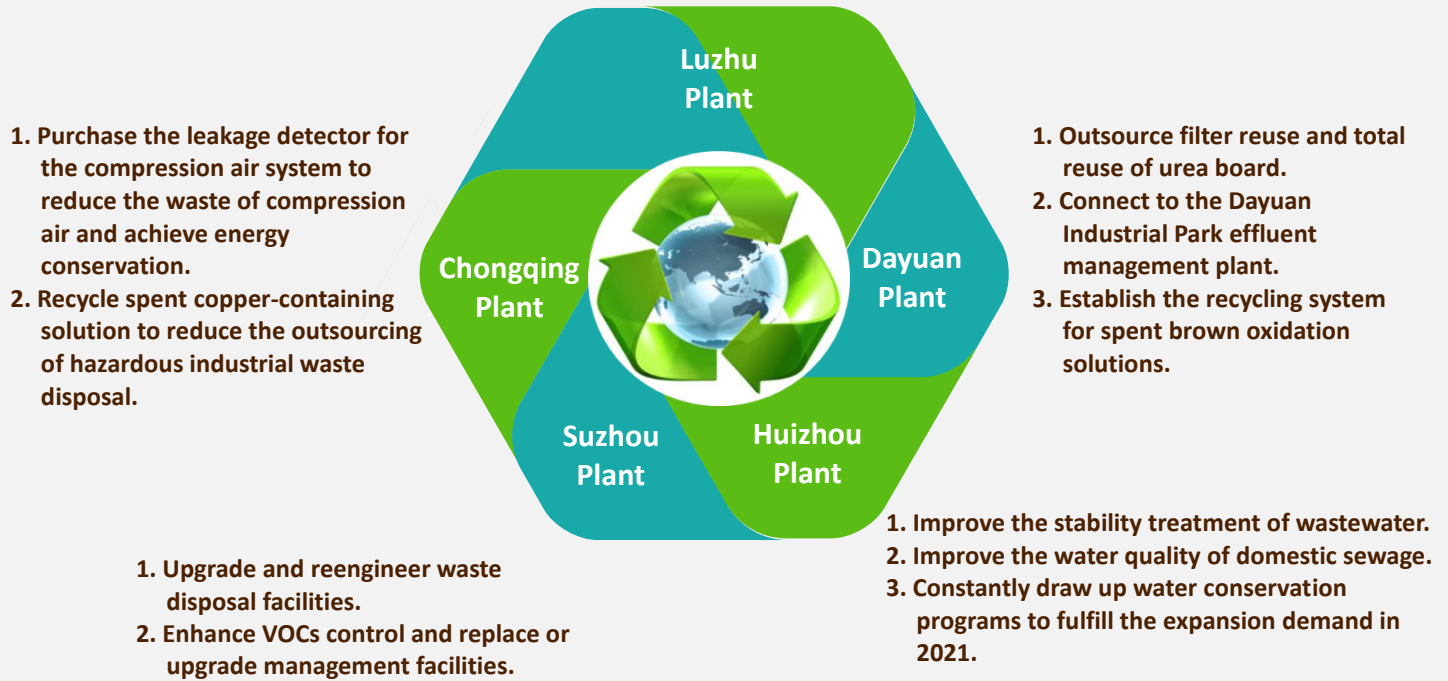
5-7-1. Environmental improvement in 2020

	Contents of	Status
Taiwan	Filter reuse outsourcing and urea board total reuse.	Currently, Luzhu Plant has entered the trial stage, and implementation will continue after approval.
	Reduction of copper-containing waste	Total electrolysis recycling of spent dross oxidation fluid has been implemented at Luzhu Plant, and Dayuan Plant will follow suit in 2021.
	Puxin River total volume control: Copper in effluents <0.3ppm.	Ion-exchange resin towers have been built for copper adsorption to reduce the average copper intensity in overall effluents to <0.3ppm.
	Dayuan Industrial Park effluent management plant connection	Already connected to the effluent management plant to remove overall copper and COD by 20%.
Mainland China	Reduction of the external load of nickel-containing sludge	Replaced the belt filter press with the frame filter press to reduce moisture from 89% to 70%.
	Reduction of the external load of leavening agent	Spot-spreading leavening agent to the wastewater treatment system to reduce the external load by 30%.
	Reduction of scrapped dry films	Installed scrapped dry film reduction equipment at the DES line and immersion gold line to reduce moisture in scrapped dry films to lose weight by 10 t/month.
	Establishment of the electrolytic copper system to recover spent copper-containing solution	Self-treatment of spent copper-containing solution instead of outsourcing to reduce spent copper-containing solution by 1,800 t/month.
	Reduction of spent nickel-containing solution in the immersion gold line.	Replaced water circulation rinsing of the immersion gold tank with high-pressure jets to reduce water consumption and spent nickel-containing solution by 30 t/month.



5-7-2. Directions for future pollution prevention

1. Build more ion-exchange resin towers to reduce the copper intensity in effluents.
2. Build more electrolysis equipment to raise the recovery ratio of spent copper-containing solution in the plant.
3. Ensure total legal compliance for sustainable zero complaints, zero reporting, and zero violation ticket.
4. Quantity and weight reduction of filter and filter bag dehydration
5. Reduce waste production to reduce environmental load.





6. Compeq Employee Management

6-1. Occupational health and safety (OH&S)

6-2. Important occupational health and safety programs

6-3. Workforce status

6-4. Labor-management relations

6-5. Training and education

6-6. Employee recruitment and

6-1. Occupational health and safety (OH&S)

6-1-1. Optimizing the OH&S management system

To upgrade the overall OH&S system and enhance OH&S management performance, we began to promote the OHSAS 18001 management system at all plants in 2005 and progressively passed the certification of OHSAS18001 and TOSHMS through concerted efforts. Following the revision of OHSAS 18001, we will pass the certification of the revised version in 2021. Every year, we activate the regulation and hazard identification and risk assessment procedures and change management for any measure changes. We also assess the risk of high-risk operations and minimize risk severity through risk control. For example, we constantly arrange special health checkups for employees engaging in high-risk operations, including noise, ionizing radiation, etc. We also arrange graded health management for them according to the checkup results.

Passed OH&S management system certification

OHSAS Certification of
Plants in Taiwan



OH&S Management System
of Plants in Taiwan



OHSAS Certification of Plants
(Huizhou and Chongqing) in China



We have established the OH&S Management Committee according to the Company Act (Taiwan) and the Safety Production Committee (mainland China), with labor representatives taking one-third of seats by law. The plant director is the top supervisor of the OH&S Management Committee. Labor representatives can directly report occupational safety problems or opinions to the department representative or communicate them to the top supervisor through the committee. When an emergency industrial safety incident occurs, employees can establish corresponding internal communication procedures to make immediate reports. We value all employees' opinions and assure that no retaliation or punishment will be imposed on any employees.

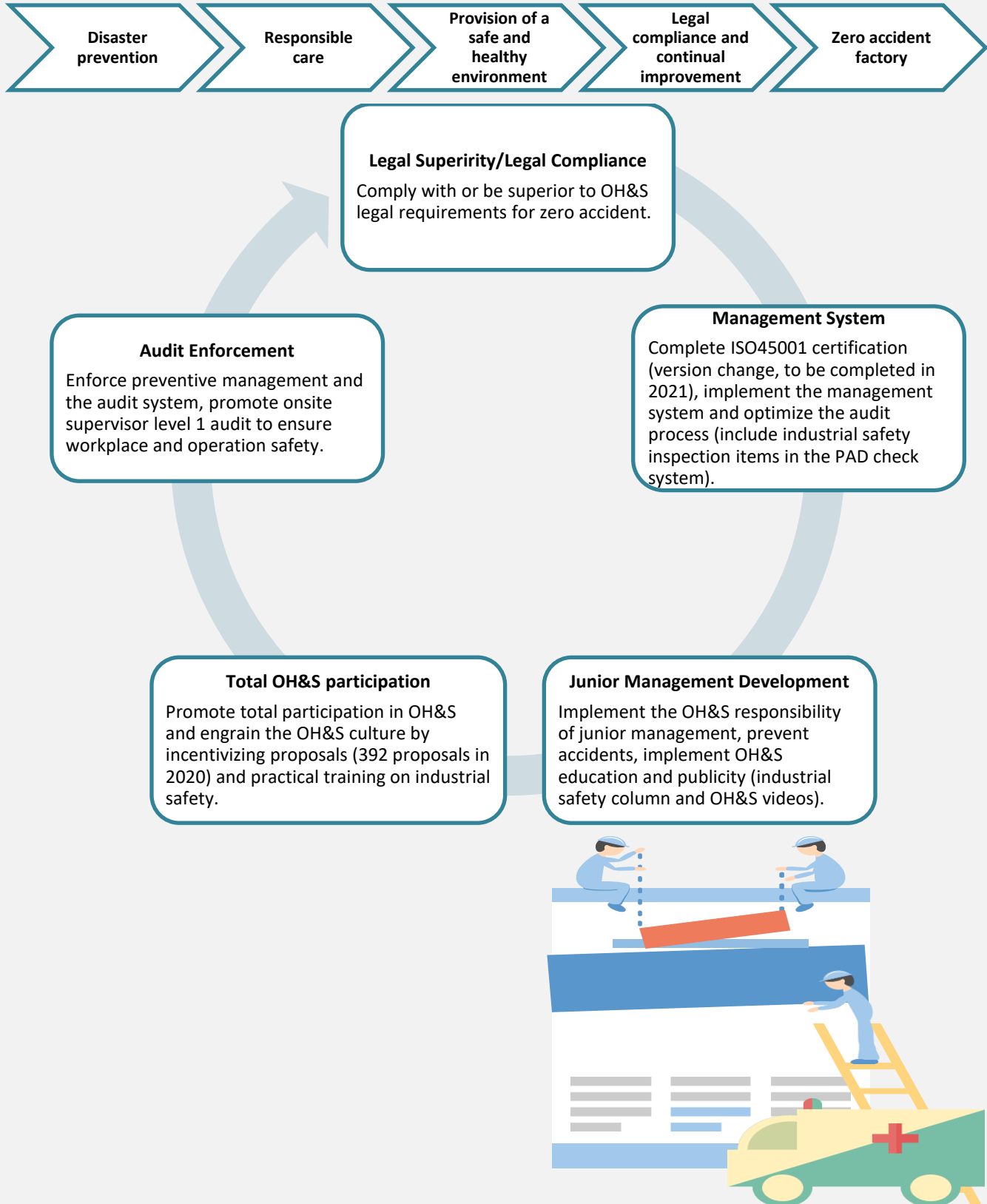
The OH&S Management Committee holds a committee meeting once a quarter to periodically discuss OH&S issues and occupational hazard investigation reports. At the meeting, the labor safety unit reports the indicators of OH&S performance to the meeting regularly. Potential or probable safety issues are discussed and solutions are planned according to the PDCA cycle. In 2020, the participation rate of labor representatives was 100% to establish OH&S related protection. The table below shows the labor participation in committee operation and issues discussed in 2020 of each plant.

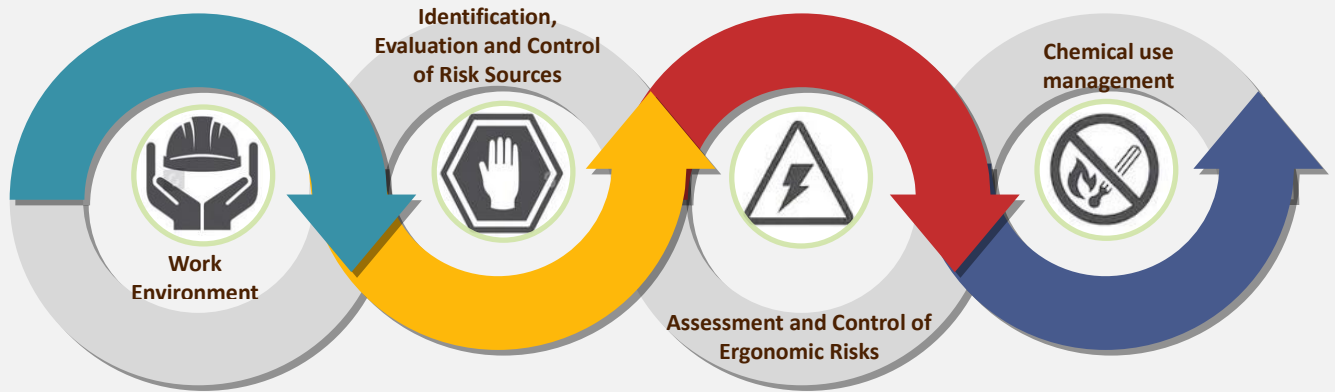
Table: Composition of OH&S Management Committee

Plant	Number of company representatives	Number of employee representatives	Percentage of employee representatives %	Key Issue Discussed
Luzhu Plant	21 persons	10 persons	32%	1. Implementation and version change of the OH&S management system
Dayuan Plant	13 persons	7 persons	35%	2. Enhancement of OH&S awareness in employees
Huizhou Plant	14 persons	9 persons	39%	1. Enhancement of OH&S awareness in employees
Suzhou Plant	Due to the differences in industry characteristics, no OH&S committee has been established so far.			2. Equipment safety protection and management
Chongqing Plant	12 persons	9 persons	43%	3. Accident prevention and improvement

Occupational Safety and Health Management System

With respect to the operation of the management system, we establish the OH&S management policy according to the law, customer requirements, and the company's sustainable development concept. In addition, based on the concept of "prevention", we plan the management system, abide by the OH&S laws and regulations, and make continual improvements in OH&S performance to achieve the ultimate goal of zero accident (zero severe injuries).



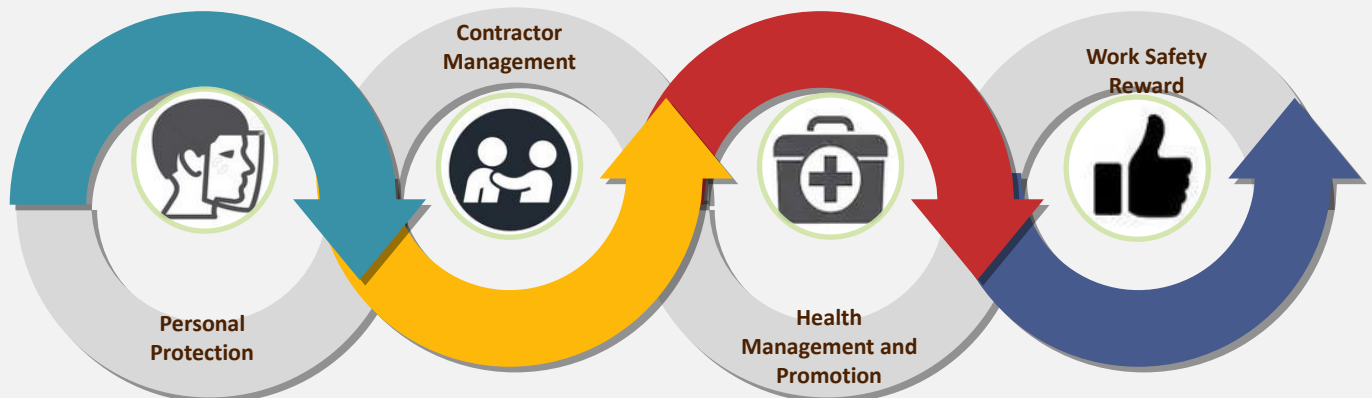


To make continual improvement of the employee's working conditions, apart from implementing controls over temperature, humidity, lighting, noise, and toxic substances right in the design phase, we implement onsite inspections with reference to related safe workplace regulations. After comparing and reviewing all indicators over the years, we found that our working conditions conform to statutory requirements.

We have established the "Rules for Identification and Assessment of Health and Safety Risks" to prevent occupational hazards and reduce health and safety risks. We have also mobilized all divisions to identify and evaluate risk factors, sort risk factors based on the significance of risk and propose controls to standardize the safety of management or procedure for equipment, materials and work programs.

In response to the new domestic laws and regulations, and to prevent musculoskeletal-related occupational injuries in employees, we began to evaluate and improve all the styles of operation of all processes in our plants in 2014 with respect to the applicable ergonomic hazard evaluation methods stipulated in "Guidelines for Prevention of Ergonomic Hazards". So far, we have provided employees with a safer, more comfortable work environment.

To improve the safety of personnel working with chemicals, we control the safety data sheet (SDS) of all chemicals used in production activities and maintain safety management of status of chemical uses and the storage environment. We also arrange periodic OHS education and training activities for employees, in order to raise their awareness of safe chemicals use. In response to the new government measures of chemical management, we implement graded management of chemicals used in production activities based on their operating environment, dose, storage, number of users, in order to improve the work environment or related equipment.



To enhance personal protection at work, we provide employees with PPE appropriate to their work and actual requirements. We also install labels of the required PPE in respective regions to remind employees. A dedicated management unit is established to provide employees with training and supervise them on PPE use to effectively raise personal protection awareness in employees.

To strengthen the in-house safety management of contractors, we establish related management regulations and implement contractor evaluation and audit, advanced safety notification, contractor plant entry education/training, advanced job safety analysis, construction permit application, high-risk operation control, and before/during/after inspection sheets. We also request contractors to follow our regulations and allow only qualified contractors to work onsite. In 2020, contractor employee safety training was completed in Taiwan and mainland China to achieve zero occupational hazards.

In addition to the physical examination before employment, we arrange periodic health checkups for employees by law and inform them of the examination results. We also arrange general and special health checkups, organize health promotion activities, and summarize health information for employees every week. We completed the general and special health checkups for 2020. We have also established an occupational medicine clinic at the plant infirmary to diagnose work-related diseases through specialists.

To encourage employees to engage more in OH&S improvement and maintenance, we implemented the industrial safety rating system in 2005 to rate the industrial safety performance of each unit every month to encourage all units to make continual improvement with rewards from self-assessment. A progress award was established and presented to winners at the weekly meeting to implement industrial safety in daily work and feel proud of the reward.

6-1-2. OH&S in-service training

For all current employees (including dispatched labor), an annual education and training plan is arranged every year with respect to the safety and health related legislation and requirements of the plant for employees to develop the awareness of hazards in the work environment and the OH&S knowledge and concepts required for disaster prevention, in order to ensure that each employee is equipped with the correct safety and health concept.

In 2020, we organized the enterprise-wide related internal and external training courses, such as newcomer and in-service OH&S education and training and emergency response and fire prevention training. In addition, to enhance the OH&S awareness in employees and prevent disasters, “Industrial Safety Practical Training” (for employees to practice and understand the OH&S hazard sources in workplaces and jobs) was implemented for employees to understand the causes of potential hazards and their countermeasures and develop proactive safety awareness to reduce accidents caused by unsafe behavior. In addition to the training courses, we also arrange education and training for specific incidents or major defects as necessary from time to time.

The table below shows that although the total hours of safety education and training reduced in each plant as prevented by the COVID-19 pandemic, we constantly implemented practical training on industrial safety to enhance employees' safety awareness through practice. Therefore, the overall safety education and training enhanced compared to 2019.

Table: Total Hours of Safety Education and Training in 2019-2020

Project		Taiwan Plants		China Plants		
		Luzhu Plant	Dayuan Plant	Huizhou Plant	Suzhou Plant	Chongqing Plant
2019	Health and safety training/education hours per person in 2019	4.9	4.7	3.8	5.0	4.6
	Total hours of health and safety training/education hours in 2019	17,773	5,398	41,430	4,790	10,802
2020	Health and safety training/education hours per person in 2020	4.8	6.4	3.6	4.8	4.2
	Total hours of health and safety training/education hours in 2020	17,336	8,303	37,201	4,925	10,916
	Total hours of practical training on industrial safety	5,438	4,066	19,450	1,589	1,011
	Total number of persons participating in the practical training on industrial safety	10,875	8,132	38,900	3,196	2,022

*Unit: hours/person

*The annual OH&S training hours per person cover the total hours of internal and external training/annual average total employees



**Practical training of
machinery safety**





Fire drill



Forklift safety training



Radiation safety training



First aid training

6-1-3. Fire drills

To enhance employee awareness of emergency evacuation and firefighting, every year, we organize firefighting task force training and emergency evacuation drills, such as the in-house emergency response and reporting procedures, commanding system, and handling of fires, gas leaks, chemical spills, odors, earthquakes, and radiation leaks with respect to related laws and regulations. These practical training and drills aim to equip employees with the awareness of fire and the ability to use firefighting equipment. With such drills, employees can evacuate in a safe and swift manner in case of emergency to reduce the loss of property and life from fires on the organizational premises.

In addition, we design and build fire prevention and firefighting facilities strictly according to the fire regulations and implement the “Fire Safety Accountability System” in workplaces for employees to carry out routine maintenance and management of fire safety facilities. We also outsource hardware maintenance to outstanding fire protection engineering companies and hire third-party fire safety consultants to perform system audits every year. Furthermore, we plan and implement education, training, and emergency response drills for fire safety to enhance the fire safety awareness and emergency response skills of employees.



Evacuation process



Roll call at the rendezvous spot



Practical training on fire extinguisher operation



Practical training on fire hydrant operation



6-1-4. Actions addressing COVID-19



As a multinational, we immediately controlled staff expatriating to mainland China when COVID-19 broke out in 2020. At the outbreak, we immediately established an epidemic control team to capture the health condition of employees and stakeholders, such as customers and suppliers. We also followed up the operations of the supply chain and overseas subsidiaries to ensure the health of employees and the normal operations of the company. So far, the health condition of employees and their friends and relatives of both Compeq and subsidiaries is safe and sound, and no case has been confirmed at Compeq or subsidiaries.

Foci and Aspects of Epidemic Response



System Management



Hardware Facilities



☐ Employee Health Education and Publicity

☐ Widely deployed hand sanitizer dispensers in plants, environmental disinfection 2 times/day, elevator buttons and escalator handrail disinfection once every two hours.

☐ Adjusted seat layout in the office and made backup plans for work shifts or work from home.

☐ Dispatched resources to provide health personal protective equipment for expatriates in epidemic-affected areas.

☐ Measured body temperature before factory entry and requested visitors to fill in the personal health declaration.

☐ Installed transparent acrylic partitions in the cafeterias.

☐ Provided beddings, toiletries, ear thermometers, drinking water, and food for employees in quarantine after expatriation. Three meals each day were delivered to the pick-up area by the dormitory manager.

☐ Temporary cancelled all multiparty meetings and replaced face-to-face meetings with videoconferencing.





Guarantees for epidemic control materials



Infrared body temperature screening system



Total PCR test



Isolation dormitory



Countertop partitions for dining safety



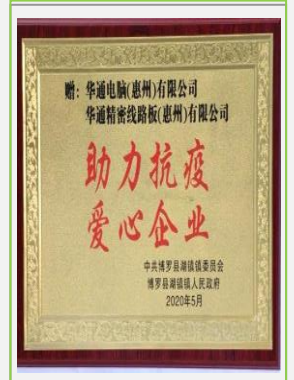
Vaccination



Supplier management



Distribution of the epidemic control guide and health education kits



Recognition for epidemic control

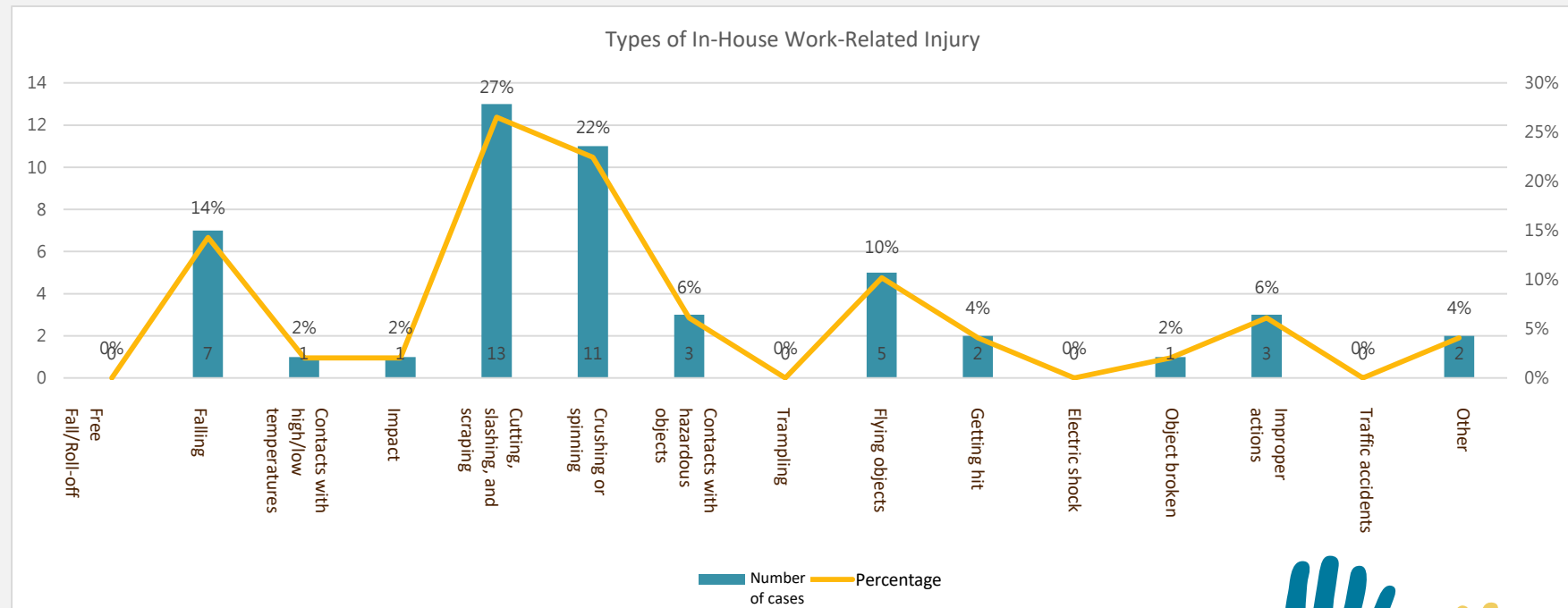


6-1-5. 2020 statistics on work-related injuries (employees)

Practical training on industrial safety continued in 2020. Through the smart audit, such as using the PAD, we predict and correct the risky behavior of employees to put “safety” first in production, construction, and various operations and ensure safety is not sacrificed for speed. The table below shows the statistics on work-related injuries of Compeq and non-Compeq employees in 2020. The work-related injury statistics are produced and reported by law. When an industrial safety accident occurs, it will be reported to related officers through the internal reporting processes, the accident investigation will be initiated immediately, and corrective and preventive actions will be taken to prevent the recurrence of similar accidents. In the management of non-Compeq employees, all plants manage resident employees of suppliers and contractors according to local laws and regulations currently in practice. In 2020, no fatality or work-related ill health of non-Compeq employees was reported.

Gender		Male							
Plant	Total hours Worked	Disability injury frequency	Injury rate (IR)	Number of cases of recordable work-related ill health	Occupational diseases rate (ODR)	Number of lost days	Lost day rate (LDR)	Sick leave + leave hours	Absentee rate (AR)
	(A)	(B)	(C)=(B/A) *200,000	(D)	(E)=(D/A) *200,000	(F)	(G)=(F/A) *200,000	(H)	(I)=(H/A) *100%
Luzhu Plant	4,552,488	21	0.92	0	0.00	237.28	10.42	84,559.63	1.86%
Dayuan Plant	1,773,461	1	0.11	0	0.00	14.00	1.58	33,962.10	1.92%
Huizhou Plant	19,522,046	3	0.03	0	0.00	237.00	2.43	455,577.00	2.33%
Suzhou Plant	1,813,680	2	0.22	0	0.00	10.00	1.10	43,754.00	2.41%
Chongqing Plant	2,235,116	6	0.54	0	0.00	182.00	16.29	8,524.00	0.38%
Gender		Female							
Plant	Total hours Worked	Disability injury frequency	Injury rate (IR)	Number of cases of recordable work-related ill health	Occupational diseases rate (ODR)	Number of lost days	Lost day rate (LDR)	Sick leave + leave hours	Absentee rate (AR)
	(A)	(B)	(C)=(B/A) *200,000	(D)	(E)=(D/A) *200,000	(F)	(G)=(F/A) *200,000	(H)	(I)=(H/A) *100%
Luzhu Plant	3,523,816	5	0.28	0	0.00	453.00	25.71	37,553.47	1.07%
Dayuan Plant	1,162,843	1	0.17	0	0.00	3.00	0.52	37,457.23	3.22%
Huizhou Plant	10,052,905	0	0.00	0	0.00	0.00	0.00	217,857.00	2.17%
Suzhou Plant	1,182,720	1	0.17	0	0.00	6.00	1.01	29,917.00	2.53%
Chongqing Plant	2,160,354	1	0.09	0	0.00	8	0.74	10,251.00	0.47%

In 2020 the enterprise-wide IR tended to fall to below 1% for male and female workers, meeting expectations. The LDR also reduced progressively in all plants, except for Luzhu and Chongqing plants, still with a higher LDR mainly because the personnel recovery rate was slower than expected to extend the recuperation period. We will keep a constant track of the root cause(s) of work-related injuries and continuously take corrective and preventive action to eliminate unsafe environments and behavior to prevent their recurrence through engineering improvement, education and training, enhanced implementation



6-1-6. 2020 statistics on work-related injuries (workers, such as contractors and service providers)

Gender		Male							
Plant	Total hours Worked	Disability injury frequency	Injury rate (IR)	Number of cases of recordable work-related ill health	Occupational diseases rate (ODR)	Number of lost days	Lost day rate (LDR)	Sick leave + leave hours	Absentee rate (AR)
	(A)	(B)	(C)=(B/A) *200,000	(D)	(E)=(D/A) *200,000	(F)	(G)=(F/A) *200,000	(H)	(I)=(H/A) *100%
Luzhu Plant	715,072	0	0	0	0	0	0	0	0%
Dayuan Plant	198,414	0	0	0	0	0	0	0	0%
Huizhou Plant	180,000	0	0	0	0	0	0	0	0%
Suzhou Plant	47,450	0	0	0	0	0	0	0	0%
Chongqing Plant	28,512	0	0	0	0	0	0	0	0%
Gender		Female							
Plant	Total hours Worked	Disability injury frequency	Injury rate (IR)	Number of cases of recordable work-related ill health	Occupational diseases rate (ODR)	Number of lost days	Lost day rate (LDR)	Sick leave + leave hours	Absentee rate (AR)
	(A)	(B)	(C)=(B/A) *200,000	(D)	(E)=(D/A) *200,000	(F)	(G)=(F/A) *200,000	(H)	(I)=(H/A) *100%
Luzhu Plant	406,592	0	0	0	0	0	0	0	0%
Dayuan Plant	86,724	0	0	0	0	0	0	0	0%
Huizhou Plant	652,415	0	0	0	0	0	0	0	0%
Suzhou Plant	42,900	0	0	0	0	0	0	0	0%
Chongqing Plant	106,656	0	0	0	0	0	0	0	0%

6-1-7. 2020 workplace health promotion activities

We value the health of employees. Therefore, we hire physicians and nurses at all plants in Taiwan to provide employees with healthcare services. We also hire health professionals at plants in mainland China to plan the annual healthcare service program with nursing expertise and new concepts in health promotion. The program includes health checkups, anomaly follow-up, and related health promotion events for all employees to access well-planned healthcare services.

In addition to health checkups better than the regulatory requirements and frequency, we arrange individual health consultation services based on the analysis of past health checkup data for employees to better understand their health condition and constantly follow up various ill-health items for “early detection and early intervention.”

The general health checkup for 2020 covered all newcomers, in-service employees, annual health checkups, and special VIP health checkups. Special health checkups were also arranged by law for employees working in special work environments at different plants. Graded management, follow-up, and health guidance were also arranged afterward. Health promotion is the health empowerment for employees. Through health promotion, employees are given access to correct health knowledge to develop a positive attitude toward health and personal health promotion behavior to eventually build a sound lifestyle. Therefore, we plan comprehensive health promotion activities based on the characteristics of individual plants to promote the physical, mental, and spiritual health of employees. We also organize health issue sharing every month in support of law publicity for employees to understand more about their rights, interests, and obligations and first-aid courses to develop the ability to save themselves and others.

Health Issue Sharing

- “Five Yes Principles” for Year-end Reunion What causes pain?
- How to prevent kidney stones? Dining Out? Understanding low GI.
- Causes of back pain? Common symptoms of asthma and nose allergy.
- Epidemic Control? Quit Smoking Now. What wounds need medical attention?
- Food for nourishing eyes. Should fur on the tongue be cleaned?
- Signs of myocardial infarction? How long should we exercise each time?
- Five keys to farewell gout. Common causes of drowning.
- How is keratitis different from conjunctivitis?



Health Promotion

- Bone mineral density test and body fat testing
- Pap smear test, mammogram
- Vision and intraocular pressure test
- First responder CPR recurrent training
- AIDS screening
- Health and fit experience

Health Issue Sharing

- Interview with and health guidance by maternity protection doctors
- Oral cancer and betel nut and oral healthcare
- Onsite health publicity of PM2.5
- Interview, health guidance, and consultation for overwork
- Annual anomaly consultation and health guidance
- Onsite publicity of allergy prevention
- Heat injury prevention
- Dengue fever and meningitis
- Understanding influenza and influenza-like illness
- Introduction to Hexafluorine® solution
- Publicity of COVID-19 prevention and control
- Care for employees staying in medium-high risk epidemic-affected areas
- Care for employees in epidemic quarantine

Legal Review

1. Newcomer physical examination, special physical examination, annual general/special physical examination, half-yearly special physical examination
2. Annual noise checkup
3. Flu vaccination



First-aid training



Bone mineral density test



Body fat testing



Oral healthcare



Intraocular pressure test



Breast examination



Exercise encouragement



6-2. OH&S improvement programs

To enhance OH&S performance and reduce the profit loss of stakeholders, we constantly implemented a series of industrial safety programs in 2020, including industrial safety patrol and inspection automation, transportation vehicle, and key pipeline pump improvement. Apart from enhancing industrial safety audit performance through patrol and inspection automation, we lowered significant industrial safety and fire risk through engineering improvement.

Cart hardware and operation improvement

- While injuries will likely occur due to the improper operation of workers or when traveling across bumpy surfaces, we added the safety lock to about 800 carts after the design review to prevent racks from falling out.
- The two-stage check is included in cart transportation to lower industrial safety risks.

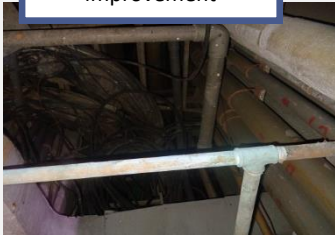
Shaft improvement

- Wires and cables inside the shaft are rather disorganized. Besides making maintenance difficult, this will increase the risk of fire.
- Shaft wire and cable organization was implemented and an inspection footpath and ladder were equipped to facilitate maintenance and repair.

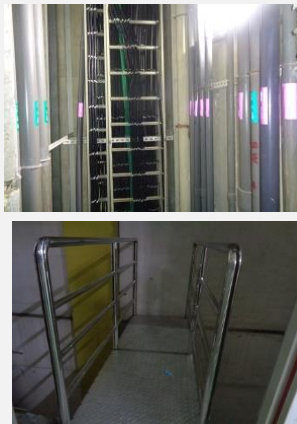
Fire pump room improvement

- The existing fire pumps are installed in open air, and no spare booster pump was installed.
- A fire pump room was built and a spare booster pump was installed.

Shaft before improvement



Shaft after improvement



Open-air fire pump room (before improvement)



Open-air fire pump room (after improvement)



Installation of a spare booster pump (after improvement)

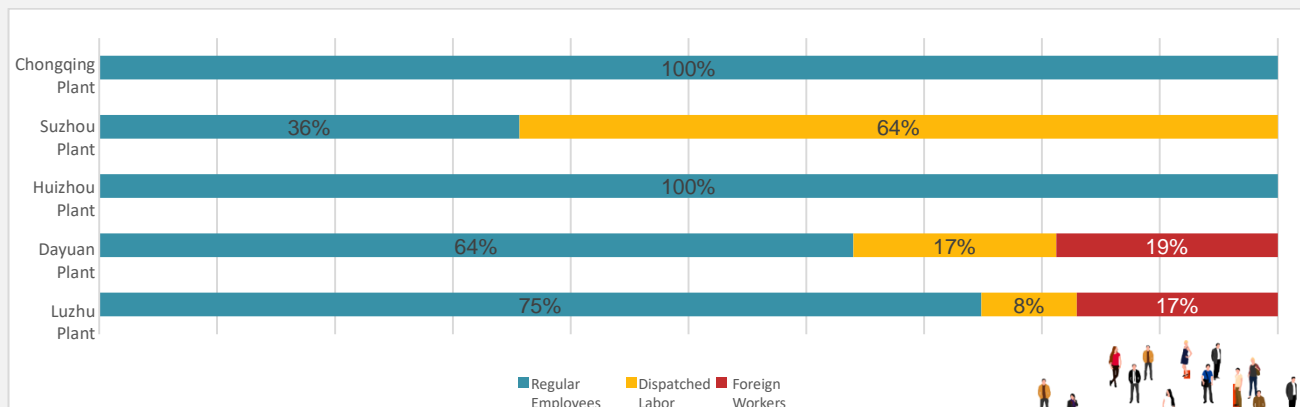
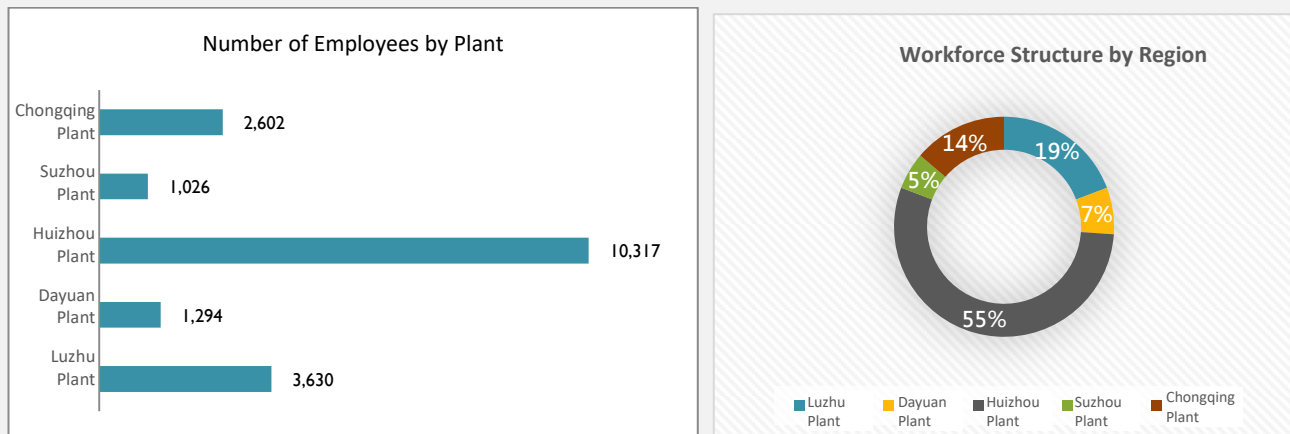


6-3. Workforce status

Employees are an important asset to Compeq. Apart from the strict adherence to labor laws and regulations, we also strive to comply with even stricter labor, health and safety, environment, ethics, and other standards as stated in international and customer codes of conduct and related management systems. Furthermore, we have voluntarily applied for and passed the certification of the SA8000 Standard for Luzhu, Dayuan, Huizhou, and Chongqing plants. We have also applied for participation in the RBA-ON (currently the RBA) platform to self-assess our CSR performance every year and disclose the results to customers.



The number of employees has been growing alongside our global deployment. By December 2020, we have about 18,869 employees worldwide, reduced by 138 persons over last year, with neither significant changes nor differences. Most employees are found in Huizhou Plant in mainland China, accounting for about 55% of the total; then in Luzhou Plant in Taiwan, accounting for about 19% of the total. Foreign workers from the Philippines, Indonesia, and Thailand accounted for about 18% of direct labor in Taiwan. In 2020, there was no indirect labor, and all employees were direct labor. We do not restrict or extort employees according to related CSR requirements, nor do we use any form of involuntary labor, including forced, prison, or bonded labor; or forfeit their identity card, passport, alien resident certificate, or money. Employment must be voluntary.



Due to the industry's characteristics, labor outsourcing took place at Suzhou Plant.



Plant	Taiwan Plants						China Plants			
	Luzhu Plant		Dayuan Plant		Huizhou Plant		Suzhou Plant		Chongqing Plant	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Regular Employees	1,562	1,155	517	311	6,643	3,674	178	188	1,286	1,316
Percentage (%)	43.0%	31.8%	39.9%	24.0%	64.4%	35.6%	17.4%	18.3%	49.4%	50.6%
Dispatched/outsourced labor	180	114	127	96	-	-	421	239	-	-
Percentage (%)	4.90%	3.1%	9.8%	7.4%	0.0%	0.0%	41.0%	23.3%	0.0%	0.0%
Foreign Workers	277	342	129	114	-	-	-	-	-	-
Percentage (%)	7.6%	9.4%	9.9%	8.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employees with disabilities	34		9		173		0		39	
Ethnic minorities	40		20		983		34		82	

6-3-1. Workforce composition

1. Gender distribution and management composition of individual plants

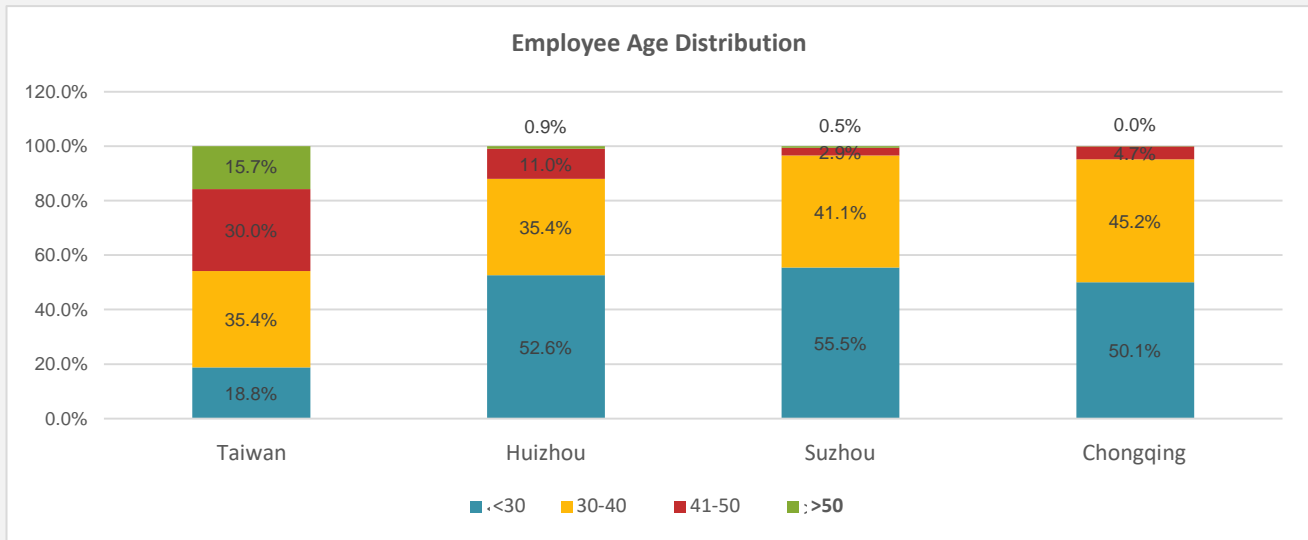
Local employment has always been our major principle to fully create job opportunities for residents in local communities. Therefore, apart from prioritizing local residents in recruitment, we actively develop them into outstanding management staff. In 2020, most management staff in all Compeq plants were local employees. In Taiwan, all management staff are Taiwanese. As plants in mainland China have higher employee turnover, except for Huizhou Plant located in Guangdong, that the proportion of local management staff is lower. However, about 60% of the management staff in Chongqing and Suzhou plants are local employees.

Plant	Taiwan Plants						China Plants			
	Luzhu Plant		Dayuan Plant		Huizhou Plant		Suzhou Plant		Chongqing Plant	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Management Staff	151	24	33	5	364	107	29	35	51	10
Number of local management staff	151	24	33	5	46	16	13	23	25	8
Percentage (%)	100%	100%	100%	100%	13%	15%	45%	66%	49%	80%

2. Workforce composition

In Taiwan, most employees are aged 30-50 years, accounting for about 65.5% of the total. In mainland China, most employees are aged over 30 years, accounting for about 52.7% of the total, suggesting that both employees and job applicants in mainland China are younger. In addition, we are committed to hiring persons with disabilities and provide them with suitable job openings to increase the job opportunities for persons with disabilities and create a friendly workplace environment. Currently in Taiwan, we hire persons with disabilities in the number as stated by law. In the future, we will constantly assess job openings to hire sufficient and even more persons with disabilities.

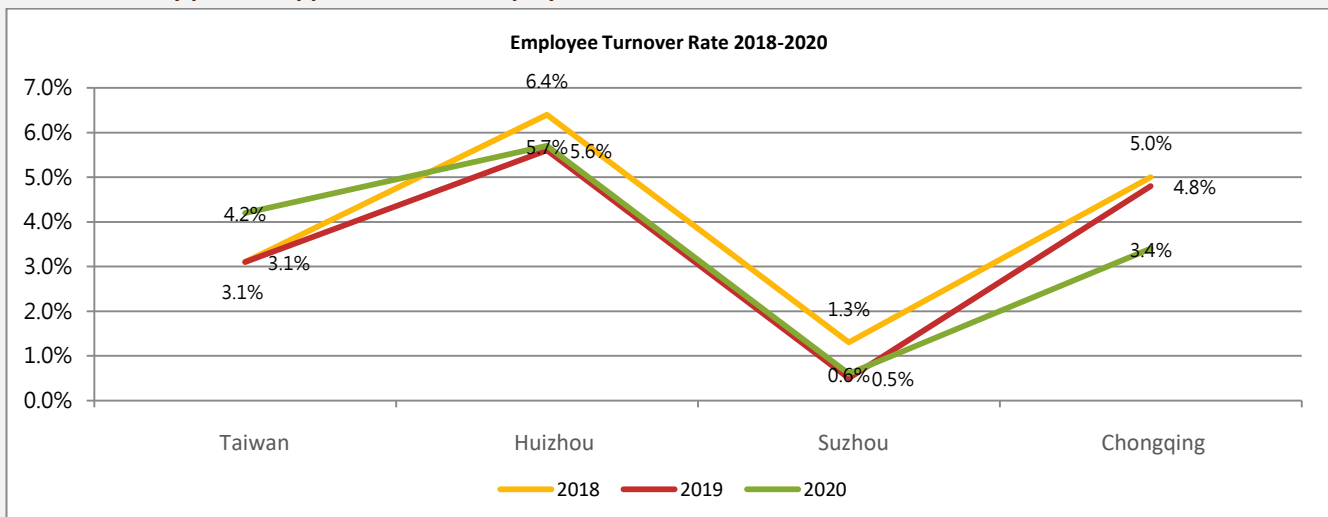




3. Age distributions of new/resigned employees

We abide by local labor laws and regulations and strictly identify the exact age of employees in recruitment to avoid unintended use and hiring of child labor. We also ensure no worker aged under 18 engages in dangerous or hazardous jobs and provide appropriate protection for pregnant employees against dangerous or hazardous jobs. As PCB is a technology- and labor-intensive industry that requires an intensive on-site operation, most employees are male, explaining why we have more male workers than female workers (about 1.3:1). In terms of new employees, the new employee rate is below 1% in Taiwan and 3% in mainland China. Compared to that of 2019, the new employee rate in 2020 in mainland China was below 1% mainly because of COVID-19 which reduced the number of jobseekers.

In terms of employee turnover, the rate in Taiwan slightly increased in 2020, mainly because of COVID-19 and the provision of preferential retirement. A higher turnover rate of direct labor was noted in mainland China, about 3.2% (0.5% less than 2019). We also constantly investigate the causes of termination through the counselor system and termination process improvement for supervisors and HR officers to conduct termination interviews. In addition, we achieve employee retention by adjusting personal specialties, job contents, and workplaces or providing opportunities for internal transfer. We also actively provide opportunities for employees to return to work.



Country/Region			Taiwan Plants				China Plants					
			Luzhu Plant		Dayuan Plant		Huizhou Plant		Suzhou Plant		Chongqing Plant	
Item/Gender			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
*Note 1: Number of New Employees	Age Distribution (years)	<30	157	106	96	81	4,076	1,432	211	119	586	340
		30-50	146	134	98	53	788	355	81	33	135	257
		>50	1	2	3	1	0	0	2	0	0	0
	Newcomer Rate (%)	<30	0.4%	0.2%	0.6%	0.5%	3.3%	1.2%	1.7%	0.9%	1.9%	1.1%
		30-50	0.3%	0.3%	0.6%	0.3%	0.6%	0.3%	0.7%	0.3%	0.4%	0.8%
		>50	0.002%	0.01%	0.02%	0.01%	0.0%	0.0%	0.02%	0.0%	0.0%	0.0%
	Number of Resigned	<30	476	313	260	153	4,181	1,321	42	17	478	242
		30-50	502	321	284	125	1,064	426	10	3	146	203
		>50	31	18	8	3	0	5	0	0	0	0
*Note 2: Turnover Rate	Age Distribution (years)	<30	1.1%	0.7%	1.7%	0.9%	3.4%	1.1%	0.3%	0.1%	1.5%	0.8%
		30-50	1.2%	0.7%	1.8%	0.8%	0.9%	0.3%	0.1%	0.02%	0.5%	0.7%
		>50	0.1%	0.04%	0.1%	0.02%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*Note 1: "Newcomer" refers to an employee accepted by and reported to Compeq during January 1-December 31, 2020.

*Note 2: Employee turnover calculation: (Number of resigned employees/12 months)/active employees by the end of 2020. Turnover includes resignation, discharge, retirement, and line of duty death.

6-4. Labor-management relations

6-4-1. Compeq labor union

Compeq plants in Taiwan formed the labor union in 1979, while plants in Huizhou and Suzhou established their labor unions in 2011 and 2010 respectively, and Chongqing Plant has labor representatives. We respect employees' rights by law and neither obstruct nor interfere with the employee's freedom of association.

Although we have not signed any collective bargaining agreement with employees, through the formation of labor unions and the election of labor representatives, employee rights are under full protection. In Taiwan for example, over 90% of employees are union members, and their rights and interests are protected by related laws and regulations. Apart from the quarterly labor-management meeting with management and the annual member congress, the union holds a union meeting every month or extraordinary director and supervisor meetings, and convenes team leader meetings from time to time to communicate the policies of the Company and the union and gathers member opinions. The union also organizes various activities, such as group recreational activities and employee care activities. To maintain the rights and interests of employees and stabilize labor-management relations, the union organizes labor education activities regularly and hires external famous instructors to offer workplace-related and health-related courses to enhance the labor awareness of employees.

華通企業工會留言版

留言主旨:

單位:

姓名:

電話/分機:

E-Mail Address:

您的留言:

刪除留言 儲存留言



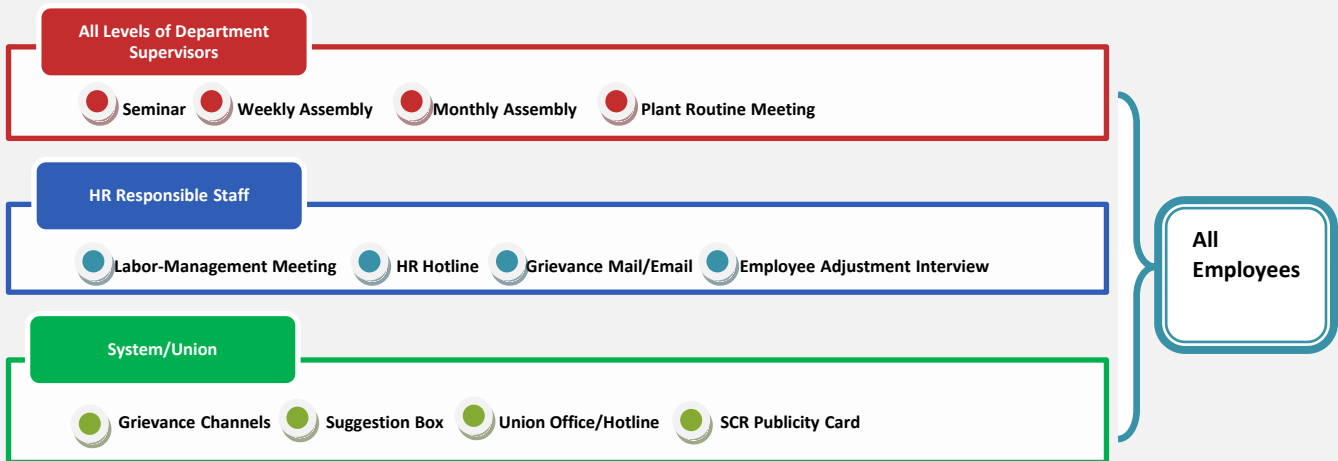
 華通首頁
 工會首頁

At the labor-management meeting, management can communicate the Company's policies to employees, understand their needs, and reach a consensus. Likewise, employees can give feedback and recommendations to achieve labor-management harmony. Representatives from both sides also understand and discuss affairs that concern employees and make effective and feasible solutions. After each labor-management meeting, we disclose the minutes for all employees to understand the management's responses to their problems.

6-4-2. Communication channels

We value having dialogs with employees in hope of understanding their needs and opinions through various communication channels. While employee communication enables us to optimize all policies and practices, we have established diversified internal grievance and communication channels and release memos every month to encourage employees to use various communication channels. These channels include "direct communication with supervisors", "direct communication with the HR unit/HR head", "employee suggestion box", "email", "grievance hotline", and "seminar". In Taiwan, we translate memos into the languages of foreign workers and post them in each plant and the shoe changing area to achieve barrier-free communication with all employees.

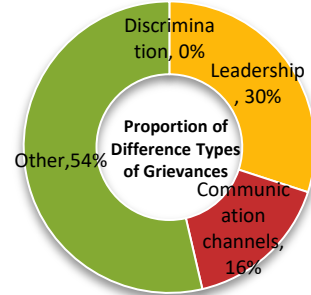
For employees to understand the Company's business policy and performance, we hold the weekly assembly and monthly assembly. For important matters requiring public notification, special staff will notify all employees by email or memo.



Employee feedback covers labor practices, industrial safety, and environmental safety. In 2020, there were grievances about leadership and management mainly because of maladjustment to the dictatorial management of supervisors. We arranged related CSR courses for supervisors, including leaders (foremen), section chiefs, and managers having direct contact with employees to improve this problem. The attendance rate was 100%. With these courses, we hope that supervisors can understand the current trends of labor rights legislation and the importance of CSR. Therefore, no forced or compulsory labor event was reported in recent years, and no heavy fine or non-monetary sanction for violation of social or economic issues was reported.

We also actively build a friendly workplace environment, restrict any form of tangible or intangible sexual harassment or discrimination in the workplace to demonstrate our determination in "zero tolerance" of workplace violence and enforce workplace gender equality. We have also established sexual harassment prevention and complaint hotline and email. Under this mechanism, the information of complainants and the right to report employees are protected to create a peaceful and safe work environment for employees. In 2020, no sexual harassment event was reported. In addition, for all employees to understand workplace sexual harassment and know how to deal with it and where to seek help, we arranged recurrent training periodically over the internal e-learning platform and include workplace sexual harassment as a required course for new employee training for employees to understand more and better about workplace sexual harassment to protect their rights and interests.

- We establish a grievance hotline, a grievance email, and a suggestion box for employees in every plant for employees to freely express their opinions and recommendations.
- In 2020, all 110 grievances and recommendations were addressed and closed.
- Among all accepted grievance, none was involved with discrimination based on race, religion, color, nationality, and gender. We also install suggestion boxes and post bills in workplaces and employee canteens for employees to express their employees and needs in real-time.



6-4-3. Harmonious and friendly workplace

The CSR responsible unit holds targeted meetings on organizational harmony and a friendly workplace periodically. Attendees include the parties involved and supervisors or management staff of the personnel unit, general affairs unit, industrial safety unit, and the Employee Welfare Committee (EWC). We also request all function owners to make suggestions or proposals each quarter for improving working conditions or employee benefits with their creativity and through discussions and brainstorming for the CSR representative to approve their feasibility.

In 2020, we continuously improved the hardware facility in major activity spaces, including the office area, employee canteen, and dormitory, to provide each employee with a friendly and comfortable environment. We also strengthened road safety management within the plant and enhanced planning for pedestrian and vehicle lane separation, parking remediation, EV parking space planning, and periodic road surface maintenance to prevent and reduce traffic accidents and ensure employee safety in the plants. We also earned the recognition of 1111 Job Bank, which presented us the Happy Enterprise Award.

Human Resources



- Network card service for employees expatriated to mainland China.
- Assessment of enterprise-wide salary adjustment.
- Promotion of preferential retirement plan better than legal requirements

General Affairs/Benefits



- Increase in contract travel agents.
- Provision of separate pedestrian and vehicle lanes
- Establishment of the EWC website.

Health



- Employee health and blood donation activities.
- Employee body fat tests.
- Flexible adjustment of the service hours of the employee clinic.
- Enhancement of publicity for employee health activities.
- Heaters for breastfeeding rooms

Pavement rain shelters



Parking rain shelters



EV parking



6-5. Training and education

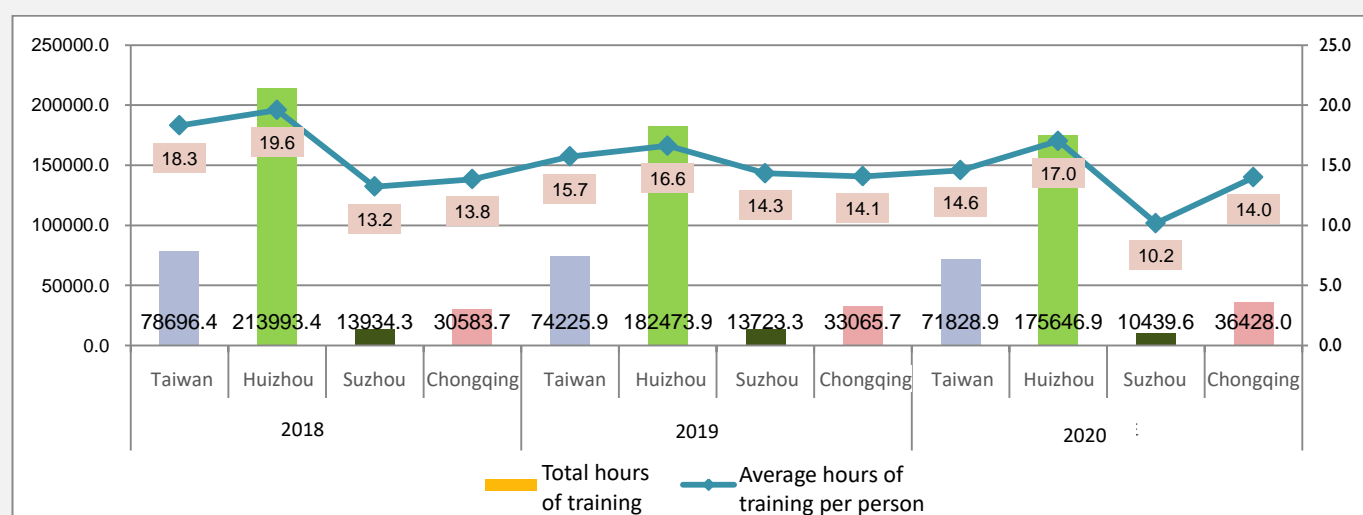
Professional talents are essential to deal with all kinds of challenges. Therefore, we insist on cultivating comprehensive quality human resources through professional techniques and methods. We provide a series of comprehensive training courses tailored for the Company's organizational structure and functions (e.g., R&D, Sales, Production, QC, Finance, Management, etc.). The head of each functional area must define the skills and know-how expected at all levels for that field. They must also take responsibility for cultivating their subordinates.



With the assistance of the educational training unit, these skills and knowledge are transformed into suitable training programs, allowing the employees to possess the professional skills and knowledge required for their jobs. This also confirms that the skills and knowledge will be put into practice in their work. The results will be combined with the employee performance review system to achieve the purpose of employee learning and forwarding of experience. The average training length in 2020 was as follows:

Country/Region		Taiwan Plants				China Plants					
Item/Gender	Category	Luzhu Plant		Dayuan Plant		Huizhou Plant		Suzhou Plant		Chongqing Plant	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	Newcomers	22.8	22	15.6	15.5	23.1	23.1	12.5	9.7	24	24
	Direct Employees	7.5	7.3	8.6	9.2	12.8	11.6	3.5	4.3	9.1	8.7
	Indirect Employees	10	6.2	10.5	6.2	18.7	12.2	18.2	11.0	11.2	9.8
	Dispatched/outsourced labor	11.9	12.1	12.5	12.3	-	-	2.6	3.1	-	-
	Foreign Workers	7	8.2	8.7	8.5	-	-	-	-	-	-
RBA and SA8000 Training Hours		2		2		2		2		2	

*Safety and health training were excluded from the above training courses.



We provide a range of education and training courses for employees and allocate training resources regardless of gender and age. All new employees, foreign workers, or temporary workers are required to receive pre-service training. For active employees, we arrange both e-learning and classroom courses. The variety of courses covers classes, workshops, group discussions, posters, weekly assemblies, and PA. We also implemented e-learning in 2019 to enhance training timeliness. Every year, we plan training for different levels of employees based on the operational strategy and competence and design different types of training for different jobs for employees to improve learning efficacy, connect with their work, and apply what is learned from training to enhance work quality and efficiency.

Professional Skills Evaluation

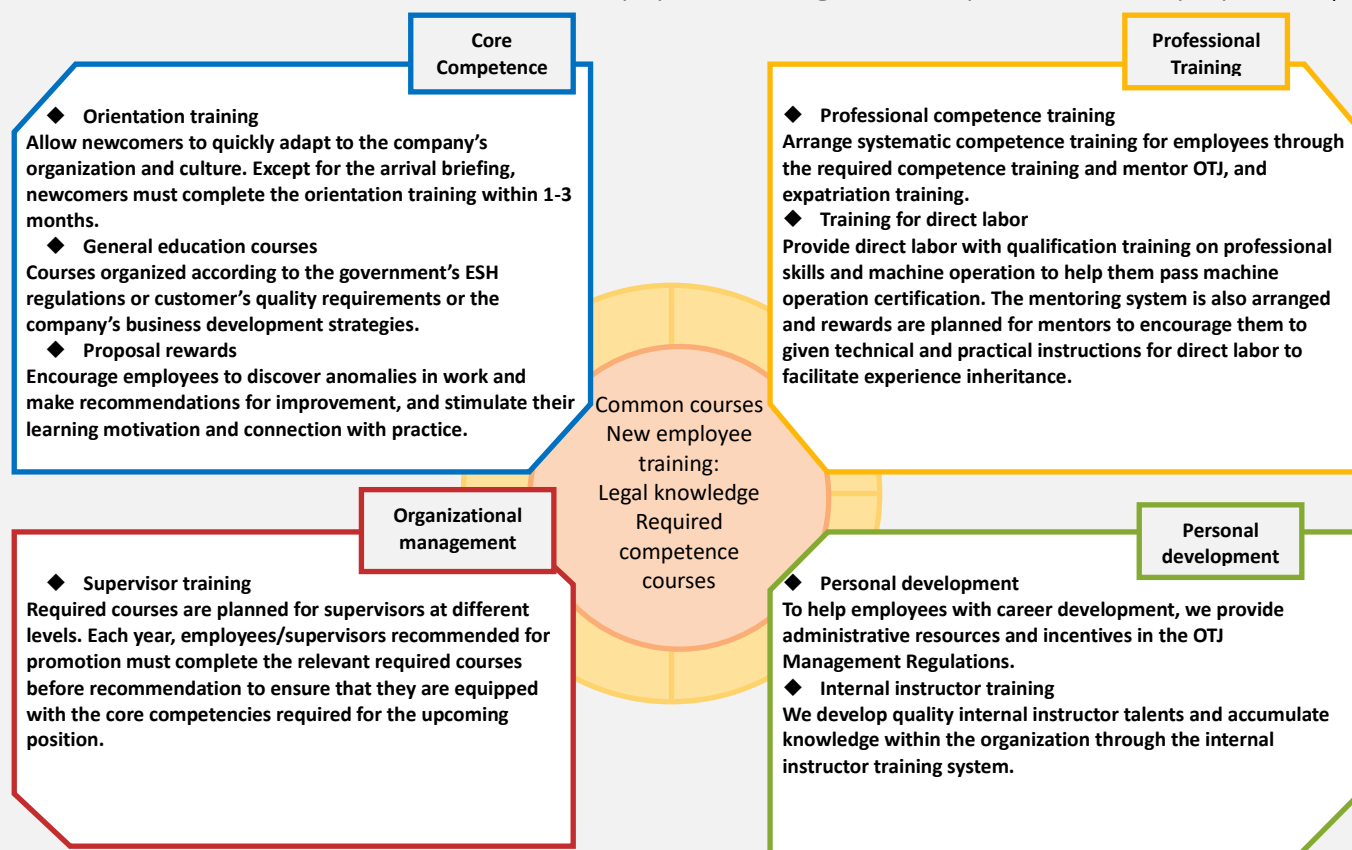
- Basic/practical links to jobs, emergency response ability
- Periodic training of qualifications and skills
- Continuous multifunctional labor training

Newcomer Mentoring System

- Senior employees or supervisors will be the mentor of newcomers to ensure OJT implementation. The mentoring system covers daily life advice and professional instructions.
- Citations and rewards will be provided for mentors with outstanding performance.

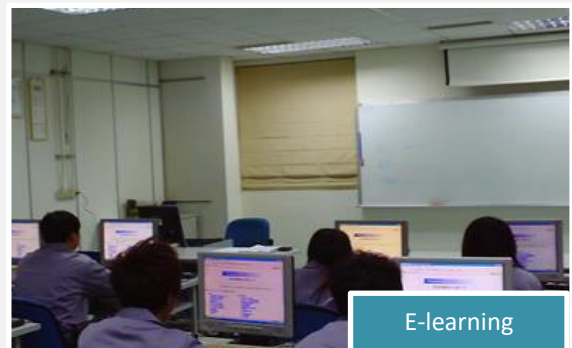
Multicultural Courses

- We hire employees from different countries. After their arrivals, newcomer training will be arranged in different languages to help them quickly adapt to our corporate culture and understand our policies and systems.



Compeq Training Matrix

	New employee training			Level-specific training	Competency-based training							Self-development	Instructor System	Expatriates	
Division Director and above	New employee training and education	Indirect labor	Mandatory industrial safety course	The Compeq Way	Management competence	QC	Sales	Process technology	P / P / C	Production	Product implementation	Equipment	Language ability	Internal lecturer training	Assignment training and management
Manager															
Assistant Manager															
Section Chief															
Production Manager															
Foreman															
Technician															
Engineer															
Technician															
Operator															



6-6. Employee recruitment and retention

6-6-1. Diversity and equal opportunity

We maintain conformity with gender equality and recruitment procedures and processes with respect of local laws and standards in hiring practices to recruit suitable talents through fair and impartial processes. We support employee diversity and earn the recolonization of “Deer” Youth Career from the Taoyuan City Government. The employment of persons with disabilities of plants in Taiwan also meets the requirements of government incentives (receiving incentives from the Taoyuan City Government every quarter, NT\$55,000 in total in 2020). We also hire indigenous peoples and give them one day of indigenous leave each year for them to enjoy and preserve the indigenous culture. Plants in mainland China also hire ethnic minorities, such as the Tu, Zhuang, Miao, and Yi peoples.

Furthermore, we ban child labor with respect to the requirements of SA8000, RBA, and important customers. To prevent the unintended use of child labor, we have established a set of well-planned child labor relief management procedures. These procedures include front-end recruitment, such as screening processes and handling unintended use of child labor, provision of necessary education and protection, and support for related education expenses. By doing so, we aim to ensure that unintended child labor can continue to receive compulsory education.

Passed International Labor System Certification

Taiwan SA8000 Certification



SA8000 Certification of Plants (Huizhou and Chongqing) in China



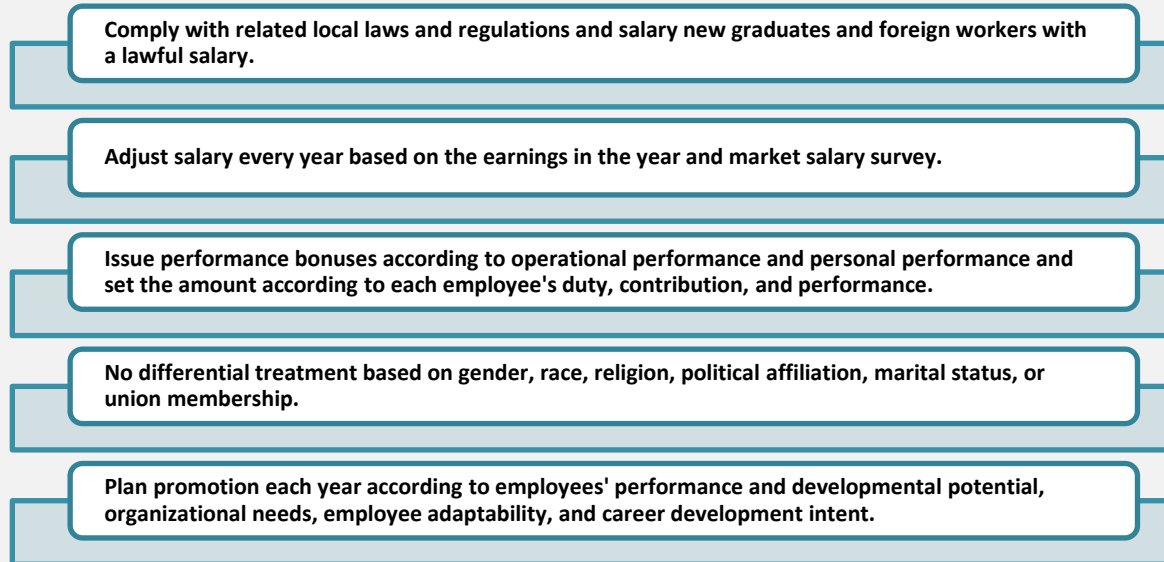
RBA Certification of Plants in Taiwan/China (Huizhou)



6-6-2. Competitive salary

1. Wage Equality

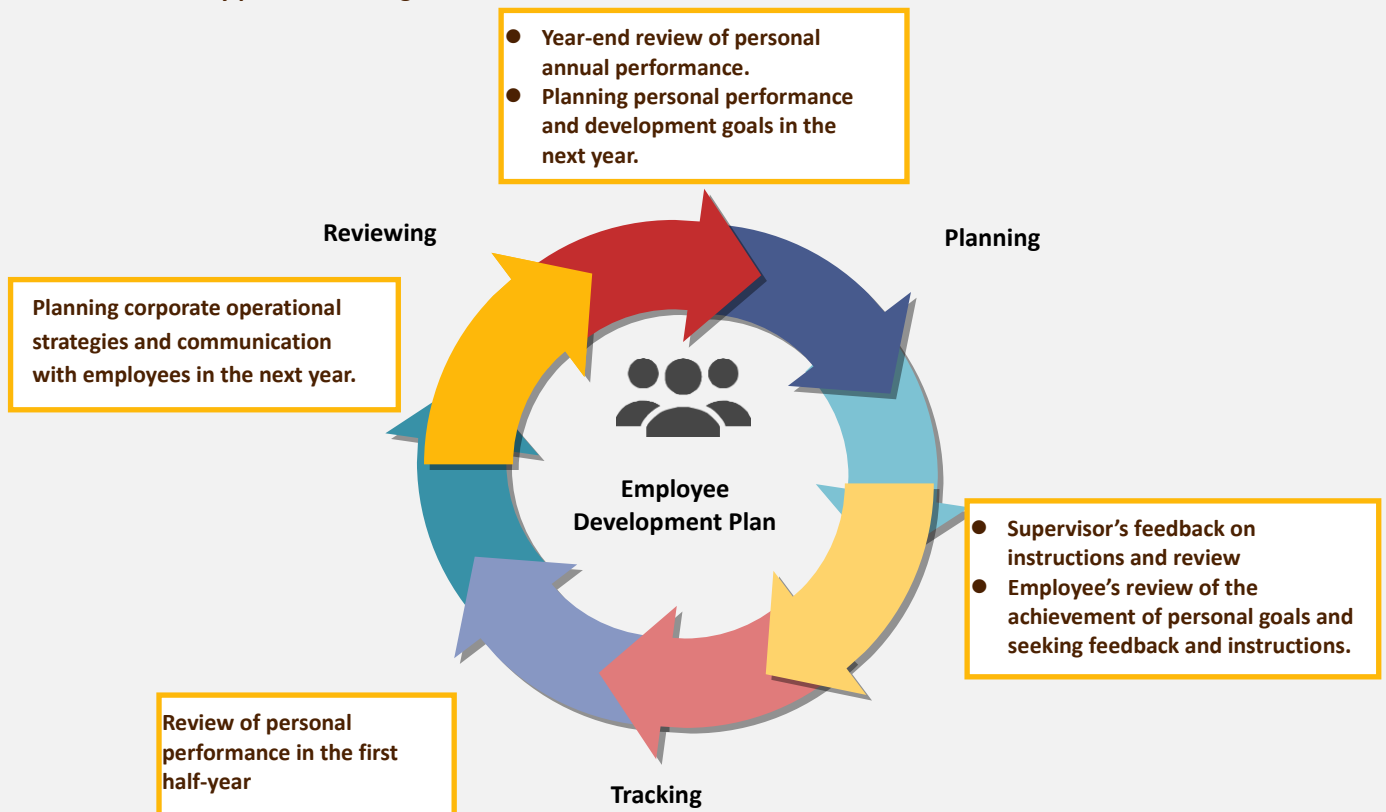
At Compeq, we have established a salary system with external competitiveness and internal equality. The starting salary is determined in accordance with the educational attainment and work experience of employees, regardless of race, ethnicity or social background, social class, descent, religion, physical disabilities, gender, sexual orientation, family responsibility, marital status, union membership, political opinion, age or other reasons. Our wage conforms with local laws and regulations. In addition, we salary employees according to their performance. Every year we participate in the TPCA salary survey. In addition to the base salary, we adjust employee salary according to the Company's business performance and the industry standard to ensure the overall pay is competitive in the market.



2. Robust promotion system

A robust and reasonable promotion and transfer system can motivate employees and lower employee turnover. A compensation scheme that is competitive in the job market assures talent retention. We reward employees without outstanding achievements based on our business performance and the employee's performance to boost morale and productivity.

Supervisors instruct employees to set work targets to achieve the medium- and long-term organizational goals. We also provide performance communication channels to periodically (monthly, half-yearly, annually) review performance and discuss improvement with employees to objectively and fairly assess the work performance of employees and provide a reference for the development, transfer, promotion, and salary adjustment of employees. In 2020, all direct labor accepted the review. If an employee is unfit for the current job, we will provide guidance and improvement plans or assistance for a job transfer. If an employee is unable to cooperate with other employees, we will provide appropriate notification and redundancy pay by law and related certification of service to help apply for unemployment compensation and other assistance and thereby protect their rights and interests.



3. Insurance, pension, and care

Besides arranging labor insurance, national health insurance, and group insurance for employees according to local laws and regulations, we provide employees with different types of paid leave with respect to the attendance system. Leave includes annual leave, personal leave, sick leave, menstrual leave, maternity leave, and paternity leave. In addition, employees are entitled to unpaid parental leave. The table below shows that in 2010 the return to work rate and retention rate was 90% and 78% respectively, suggesting that Compeq provides an unfettered unpaid parental leave channel for employees to balance family and career and for the Company to enforce the “Act of Gender Equality in Employment”, in order to provide better protection for both male and female employees. We also observe the adjustment of employees returning to work. Employees who do not return to work after parental leave because of the continuing need for family care will apply for voluntary resignation.

Total Number of Employees Applying for Parental Leave in Taiwan	Gender		Total
	Male	Female	
Number of employees applying for parental leave in 2020	8	25	33
Number of employees due to return to work after taking parental leave in 2020	5	10	15
Number of employees that did return to work after parental leave in 2020	5	8	13
Return to work rate	100%	80%	90%
Number of employees returning from parental leave in 2019	6	14	20
Number of employees retained 12 months after returning to work in 2020 following a period of parental leave in 2019	5	8	13
Retention rate (%)	89%	67%	78%

To provide female employees with a worry-free work environment, besides arranging priority parking spaces and pregnancy meals for pregnant employees, we have planned breastfeeding rooms to provide mothers with a quiet and comfortable environment for milk collection. The infirmary also provides maternity health and hazard assessment for pregnant and breastfeeding employees. We also abide by the Occupational Safety and Health Act to adopt hazard assessment, control, and grade management for jobs with threats of maternity health hazards. For female employees in pregnancy or within one year after delivery, we will adopt health protection measures including duty adjustment or replacement according to the adaptive assessment and recommendations given by the factory physicians and maintain relevant records. In addition, we provide employees with health education information, hold maternity health talks regularly, and provide childcare consultation services for pregnant employees through the factory nurses.



In addition, we have set well-planned retirement plans participated by all employees. According to Taiwan's Labor Standards Act, we determine the period and rate of contribution for employee pension after careful calculation. According to the "Labor Pension Act", we began to contribute a specific amount (6% monthly) of the salary to employees' personal accounts on 2005/07/01. Employees may adjust their contribution at 0-6% of their salary and deposit the amount to the personal pension account. In mainland China, we arrange the endowment insurance and provide full-scale contributions according to local laws and regulations to provide employees with coverage after retirement. We will also regularly review the list of employees meeting the retiring age and inquire about their retirement intention in advance to guide employees to make later life planning. We also offer preferential retirement plans as necessary (two times in 2020).

We contribute the Labor Pension Reserve according to the old labor pension scheme and review the pension contribution at the end of each year to estimate the amount to be disbursed to employees qualified for retirement until the end of December 31 in the next year to ensure there is sufficient balance to disburse the payment. In mainland China, we arrange the social insurance (endowment insurance/medical insurance/ employment injury insurance/ maternity insurance/unemployment insurance) and housing provident fund for employees according to the "Basic Endowment Insurance Regulations" by contributing a fixed amount in the employee's personal account. Please refer to our financial statements for other employee benefit expenditures.

In addition to the Labor Insurance and NHI, we provide employees with different group insurance riders with discounted premiums, including catastrophic illness insurance, medical insurance, accident insurance, travel insurance for overseas business trips, to protect the work and daily life safety of employees and provide their family with different insurance plans for employees to feel safe at work. We also arrange resident insurance services in our plants for employees to make inquiries and buy insurance more conveniently and understand the actual contents and coverage of different plans.

6-6-3. Termination notice

Plants in both Taiwan and mainland China give employees the freedom to terminate employment. However, to protect the right to work of employees, we prioritize transfer to replace resignation. If an employee cannot fit in their job and apply for resignation, apart from assigning related supervisors to interview these employees, the HR unit will interview each of them to understand their reason for resignation to arrange a job transfer or assistance as necessary. We also pay, including related benefits, employees during the notification period.

6-6-4. Employee benefits

1. Leave system better than legal requirements

We provide employees with a well-planned leave system better than the requirements in the Labor Standards Act, such as the 14-day paid personal leave, which is adopted at the same time by overseas plants. In addition, we offer compassionate (bereavement) leave better than that of the Labor Standards Act, including one-day paid compassionate leave for the decease of the employee's uncles and their spouses or the spouse of siblings. To take care of the health of employees, we offer half-paid sick leave from the 31st day for employees to recuperate without worries. This is also better than that of the Labor Standards Act.

2. Commendation of senior employees and model employees

In recognition of the efforts and contributions of each employee, particularly senior employees, for their perseverance over time, we present bonuses and trophies to senior employees servicing at Compeq for 5, 10, 15, 20, 25, and 30 years every year to express our gratitude for their organizational commitment. In addition, we commend model employees every May at the in-house commendation ceremony. We also announce their names on the intranet to encourage other employees



3. Comprehensive employee club activities

At Compeq, there are 20 employee clubs, including the snooker club, jogging club, ballroom dance club, table tennis club, badminton club, board game club, music club, photography club, etc. In 2020, over 600 employees participated in the activities organized by these clubs. To increase club exposure, we encourage members to organize recruitment every year.

Comprehensive Club and Leisure Activities

- For employees to extend their social life and develop hobbies, we encourage employees to establish different types of clubs with funds and assistance.
- In 2020, a total of 620 clubs were established in Taiwan. Every year, we organize different ballgames for employees to develop exercise habits and boost sports within the company.

Club Activities in Taiwan

- Compeq Family Day (once a year): Job for employees and their family.
- Compeq cultural and creational activities (at least twice a year).
- Other regional arts and cultural activities including mountaineering, hiking, Zhuwei Fishing Harbor Clean-up, group reunion, and picnics.

Club Activities in mainland China

- One big thematic event each month (e.g., basketball game, soccer match, karaoke singing contest), and additional events on specific festivals (Women's Day, Dragon Boat Festival, Mid-Autumn Festival).
- Parties: Year-end party, celebrities are also invited to give performances to reward the efforts of employees.
- Cohere employee loyalty with the sports meet.
- Various interesting activities, e.g., after-work exercise, Happy Farm, and drift of the Fitness Club.

Taiwan



Badminton rally



Bowling Club activities



Road-Running Club



Mountaineering and Hiking Club



Tug of War



Drifting

China



Basketball Club- 3x3 basketball



Dragon boat race on Dragon Boat Festival

Taiwan+ Mainland China*

				
Life and Entertainment Free employee dormitory (suite for engineers)+* Free employee canteen+* Company bus+* Travel allowance Club activity subsidy+* Birthday parties+* Year-end Party/Family Day+* Employee tour allowance+ Shopping discounts from contract merchants+*	Health care Periodic health checkup for general employees+* Supervisor VIP health checkup+* Health promotion activities and talks+* Disease prevention talks+* Breastfeeding room+* Infirmary with physicians and nurses+	Benefits and Allowances Birthday vouchers+ Cash gifts for three major folk festivals+ Model/senior employee commendation+* Retirement gift+* Salary transfer discount+ Housing purchase allowance* Employee retention bonus* EV parking+	Family Care Wedding cash gifts+* Maternity allowance+* Consolation money for hospitalization+* Funeral allowance+* Children scholarships and grants+* Retirement medal+*	Social Security Survivor benefits (basic benefits, seniority benefits, company affairs benefits)+* Labor and National Health Insurance+ Group insurance+ Social security insurance and housing provident fund*

*The actual contents of benefits vary at different plants according to individual differences.

Food

Accommodation

- All plants provide free meals. Due to employees from different regions, plants in mainland China offer a wider range of meals.
- Air-conditioned dormitories with WiFi networking and sports and recreation facilities, including pool table, table tennis and exercise equipment. Huizhou Plant even offers soccer, table tennis and basketball equipment as well. Employees can therefore play sports and unwind at any time to keep fit.
- We also supply special meals to pregnant employees for them to enjoy meals with balanced nutrients in-house.

Gym



A wide range of meals



Employee leisure area



Employee dormitory

Employee canteen

Education

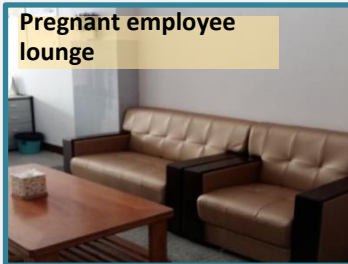
Entertainment



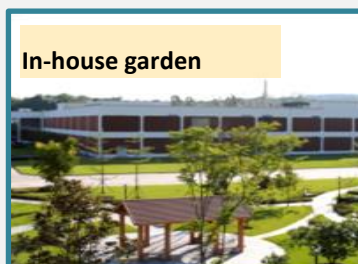
Employee library



Company bus



Pregnant employee lounge



In-house garden

- We establish the Employee Welfare Committee (EWC) by law to arrange picnics, employee club subsidization, local and overseas tour subsidization, and subsidization for wedding, funeral and childbirth. We also offer bonuses on three major folk festivals, birthday gifts, and scholarships for employees' children through EWC.
- Plants in Taiwan have even signed a preferential contract with nearby daycare centers and kindergartens to provide employees with comprehensive care covering food, clothing, accommodation, transportation, education, and entertainment.
- To encourage employees to interact and bond with each other in order to build up employee consensus and rapport with the company, Compeq organizes family day events with group activities. The family day events provide employees with an opportunity to bond with their family so they can achieve a balance between work and family life.
- We organize one Spring Festival tour every year for foreign workers to enjoy fun in Spring Festival.



Periodic interplant basketball



Soccer match of foreign



Yoga classroom





7. Compeq Community Management

7-1. Friendship maintenance with local communities and local contributions

7-2. Social participation and influence

7-1. Friendship maintenance with local communities and local contributions

Dayuan, Suzhou, and Chongqing plants are located in the local industrial parks and thus have no community in the surrounding areas. Before building the Luzhu and Huizhou plants, we have evaluated the local environment and communities in accordance with the requirements of the local government and legislation. Government regulations are followed during plant construction.

Luzhou Plant is located in Xinzhuang Village, Luzhu District, Taoyuan City. We always believe that local communities are like the soil where an enterprise ingrain. Despite our own efforts, the success of the enterprise depends on a good community relationship. Therefore, all operating Compeq plants spare no effort in taking care of local communities, fulfilling our CSR for sustainable development, and making contributions to local communities for “social inclusivity”.



Community Relationship Promotion

We constantly support local culture and local activities and effectively promote community relationship development with in-house resources.

Besides supporting local environmental clean-up and disinfection and entertaining environmental volunteers, we constantly contribute to local activities and provide free cleaning, maintenance, and greening services of nearby roads to optimize the local environment and appearance.

We also constantly support medical and fire prevention development projects to create a harmonious society with co-prosperity and common good through different aspects.



Care for the Vulnerable

In 2020, besides continuously making donations for 9 children's welfare institutions in Taiwan, we recruited goods periodically. In mainland China, we promote charity donations to local primary schools every year and encourage employees to engage in charitable activities.



Environmental and Ecological Conservation

We promptly renew wastewater pipelines and hire third parties to periodically perform soil and groundwater tests to prevent pollution.

We maintain continuous soil and water source investigation and monitoring and recruit volunteers to participate in related activities to improve river conditions and restore habitats in the vicinity to achieve biodiversity.

7-2. Social participation and influence

Besides directly engaging in social welfare through project sponsoring and public donations, we encourage employees to participate in and support related activities in real action. We constantly engage in the long-term development of community relationships and care about the daily life of local residents. Through participation in community activities, we establish the community relationship promotion team and volunteer team. Through visits and communication, we establish channels for mutual trust and mutual assistance with local residents. In addition, we care about elderly people, children, and other vulnerable groups; assist local or outstanding welfare organizations in organizing festivities or charitable pre-owned goods markets; encourage employees to become environmental protection volunteers to contribute to local communities and Earth. We hope to make social contributions through real actions and spread the seed of love and hope to all parts of society together with local communities, in order to create a win-win situation for both sides.



Reindeer Children's Home



Kindness Value Social Welfare Association



SOS-Kinderdorf International



Fun Chao Home for Special Education



Yu De Children's Home



Next Media Charity Foundation

In community communication and coordination, we organize a community conference every year to publicize to local residents our communication channels. In addition, we exchange and interact with local communities through funding local temple fairs and participation in spring and autumn community activities. We also sponsor activities organized by nearby educational institutions, such as the recorder team development fund of Xinzhuang Elementary School in Luzhu District, to help promote local education development.



Recorder team development of Xinzhuang Elementary School



Gas mask donation for Dalin Fire Brigade



Social exchange with Luzhu Precinct

In Boluo of Huizhou, we maintain sound interaction and communication with local communities and governments. Apart from constantly donating scholarships and grants for students from low-income families, we sponsor the local public affairs of Huzhen Town, such as the civilized city development of the Huzhen Town Government, fund for users in Xiangang, the party service center construction fee and environmental management fee of Huzhen Town. We engage in active communication with local governments, such as assistance in the planning and traffic maintenance of the trunk road off the plant, hoping to achieve zero accidents and protect the traffic safety of employees.



Civilized city development of the Huzhen Town Government



Visit sanitation workers and low-income families at Mid-Autumn Festival.



Visit on June 1 Children's Day

Project	Event
Community Relationship Promotion	Donation of "gas masks" to Dazhu Fire Brigade, 3rd Corp, Taoyuan City Fire Department.
	Sponsoring the anniversary sports meet expenses of Wuchuan Elementary School in Dayuan District.
	Sponsoring the recorder team development fund of Xinzhuang Elementary School and community sport meets of Luzhu District.
	Sponsoring the commencement expenses of Dazhu Junior High School in Luzhu District.
	Sponsoring the expenses of the community joint sports meet of Dazhu Elementary School in Luzhu District.
	Sponsoring the anniversary sports meet expenses of Dayuan Junior High School in Dayuan District.
	Anniversary and community joint sports meet of Dahua Elementary School in Luzhu District.
	Sponsoring the expenses of the community joint sports meet of Hsinhsing Elementary School in Luzhu District.
Community Care	Scholarships and grants and consolation money on June 1 Children's Day in Huzhen Town.
	<ul style="list-style-type: none"> Charitable donations in Taiwan: Next Media Charity Foundation, Reindeer Children's Home, LOHAS Preschool, SOS-Kinderdorf International, Yu De Children's Home, Kindness Value Social Welfare Association, Fun Chao Children's Home, Chensenmei Social Welfare Foundation, and Dandelin Immigrant Service Association. Charitable donations in mainland China: Civilized city development for Huzhen Town, expenses for civilized city development and public security patrol of Huzhen Town, and visit sanitation workers and low-income families at Mid-Autumn Festival.
Support for Local Culture	Sponsoring the anniversary celebration of Guangfu Shrine in Xinzhuang Village.
	Sponsoring the Lantern Festival celebration and lucky draw of Fulongyan Temple in Xinzhuang Village.
	Sponsoring the expenses of the 2020 Lantern Festival Celebration and Blessing Ceremony of Dayuan District, Taoyuan City.
	Sponsoring the expenses of the "Lantern Festival Blessing Ceremony and Riddle Guess" held by Neihai Community Development Association.
	Sponsoring the fair expenses of Fude Temple, Fulong Temple, and Daxing Temple.
	Sponsoring the expenses of the autumn team and family reunion of Dazhu Joint Community Watch of Luzhu District.
	Sponsoring the expenses of the "Environmental Education and Exchange" organized by Daxin Water Environment Watch of Xinzhuang Village.
	Sponsoring the Double 9th Elderly Birthday Party of Xinzhuang Village, Luzhu District.
	Sponsoring the expenses of the "Environmental Education and Exchange" organized by the Xinzhuang Village Environmental Protection Volunteer Team.
Environment Conservation	Construction fund of the Chen Village Party Service Center of Huzhen Town in mainland China.
	Adoption of rivers in Dayuan Industrial Park
	Water conservation publicity activity of Daxin Water Environment Watch and Daxin Environmental Protection Volunteer Team, Xinzhuang Village.
	Environmental protection and management fees of Guangning, Guanghui Village, mainland China.

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Verification Certificate (Assurance Statement)

查證聲明書

香港南漢德技術監督服務亞太有限公司台灣分公司(簡稱 TUV NORD)接受華通電腦股份有限公司(以下稱華通公司)的委託,根據 GRI 永續性標準(GRI 準則)執行的 2020 華通電腦企業永續報告書查證(以下稱 CSR 報告書),TUV NORD 的社會責任報告書查證是依據全球永續性標準理事會(GSSB)發布的 GRI 永續性標準(GRI 準則)執行。

報告書內的資料蒐集、分析、彙整與呈現由華通公司負責,TUV NORD 執行此項報告查證作業的責任係依據與華通公司議定之範疇及參數準則規定,查證的責任範圍係以該報告書內所提供之完整且真實的數據與資訊為依據。

聲明書性質與範疇

TUV NORD 所發展的一系列專為企業社會責任報告書之查證作業,係根據全球永續性標準理事會(GSSB)發布的 GRI 永續性標準(GRI 準則)執行。

華通公司此份 CSR 報告書的內容涵蓋華通台灣總公司、台灣備用廠、大園廠、及大陸區子公司(惠州廠、蘇州廠、重慶廠),2020 華通電腦企業永續報告書的聲明書包含下列:

- 1) 華通公司的經濟、環境與社會指標報告;此社會責任報告書所涵蓋的活動年度自 2020 年一月到 2020 年十二月;
- 2) 華通公司發行、回應、績效數據、案例研究及下列管理社會責任相關數據與資訊系統相關的資訊;
- 3) 依據 GRI 準則選擇核心「Core」編製並宣告。

查證方法論

我們的查證服務係根據 GRI 準則與 TUV NORD 社會責任查證協定規定,就 CSR 報告書的查證進行規劃與執行。

我們的查證包含下列活動:

- * 如報告中提及,收集相關績效指標的客觀證據。
- * 檢閱任何由外部人士提出而可能與華通政策相關的議題。
- * 檢閱本地或國家法規的預期;公眾觀點及/或專家意見中提出的國際標準與此類一般性考量相關事項。
- * 文件於 GRI 準則應用需求背景下檢閱紀錄與報告內容評估。
- * 與經理級和相關工作人員就公司對於利害關係人查證事項進行討論。
- * 與涉及社會責任管理、收集資訊與報告準備的相關人員面談。
- * 檢閱重要的組織發展及檢閱內外部審計結果。
- * 根據報告內整理的資訊檢閱支援的證據。
- * 用於確保數據的正確度的採樣方法。

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意見陳述

華通公司的 CSR 報告書提供該公司社會責任的計畫與績效的觀點適當;CSR 報告書中有關利害關係人關切的經濟、社會與環境的議題,提供相關績效指標的呈現;報告書中揭露的社會責任績效指標展現出華通公司的努力,獲得其高階管理部門與利害關係人的認可。華通公司恪守 GRI 準則的利害關係人包容性、永續性的脈絡、重大性與完整性及利害關係人查證的相關資訊。

利害關係人包容性:華通公司透過422份有效問卷,收集利害關係人關注之議題,經報告書彙編小組進行綜合性的評量及討論,選定16個重大主題與範疇邊界作為報告中揭露的方向。華通公司已完整識別其利害關係人,並說明如何回應他們的合理期望與利益,惟問卷收集過程中宜多考量其平衡性。

永續性的脈絡:華通公司的報告書中說明永續性與組織策略間的關係,以及揭露的背景,並參考聯合國永續發展目標(SDGs)評估出重大主題。華通公司在描述經濟、社會與環境主題如何與長期策略、風險、機會和目標相關時,點出與呼應的七項SDGs目標訂立相應的量化長期目標。

重大性:華通公司對於重大主題的識別乃遵循GRI準則的指引,合理反應華通公司的經濟、環境及社會衝擊,或會影響利害關係人的決策。惟對於顯著經濟、環境和社會衝擊面宜考慮更積極的進行管理或控制,例如:氣候變遷。

回應性:華通公司遵循GRI 準則的指引以經濟、環境和社會的顯著衝擊影響利害關係人評估兩面向,綜合考量內外部因素後,評量出華通公司在經濟、環境、及/或社會上的相關衝擊所造成的後果及以價值鏈為報告書主題邊界,惟近年來國際間對環境面衝擊及績效評估,多係基於生命週期思維,華通公司宜加強深化對價值鏈上下游的瞭解,方可因應。

績效資訊的可信度與準確度

根據依照AA1000 AS v3保證標準的第一應用類型(實質性原則查證),中度保證等級的要求,可以做出社會責任報告書內所述內容為可信的結論。華通公司具有健全的管理系統可取得客觀證據及數據以供華通公司CSR報告書中的報導採用。

獨立聲明與職能

TUV NORD 集團是監督、測試與認證業的世界領導者,在全球超過 70 個以上的國家經營事業與提供服務,服務內容包含管理系統與產品證明;品質、環境、社會與道德審核及訓練;環保相關之社會責任報告查證。

TUV NORD 與華通公司為相互獨立的組織,在執行 CSR 報告書查證時並無與華通公司或是其任何附屬機構與利害關係人有利利益衝突。關於華通公司的 CSR 報告書,TUV NORD 除了對報告書查證事實做出聲明外,不負有或承擔任何有關法律或其他的責任。

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查證團隊由 ISO 9001、ISO 14001、ISO 14064-1、ISO 45001、SA 8000、QC 080000、ISO 50001、ISO 27001 等經驗豐富的認證師組成,並受過 AA1000 AS 實質性訓練的 CSAP - 查證執業資格認證。查證團隊根據其資格、廣博的知識以及產業的經驗,於本委任書中提供許多所需的專業意見。

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