

2020 ESG

Sustainability Report



Environment



Social



Governance



ASMedia SDGs Development Sustainable Performance

The United Nations has proposed 17 core goals (SDGs) for improving global conditions and moving toward sustainable development, with the goal of achieving sustainable environmental, economic, and social growth from 2015 to 2030. It also provides national, local government, corporation, and citizen groups with the direction to respond to advocacy and policy development.

Our business philosophy coincides with SDGs. In order to achieve our social mission of sustainable development, we are pursuing economic development while taking into account natural resources such as water, air, and land, as well as social fairness and justice. The Company has formulated its policies and activities with reference to the direction of the SDGs initiative, and has summarized the performance of actions developed during the year in the following table.

1 No Poverty



- Donated receipts to major charity organizations domestically, including Eden Social Welfare Foundation, Sunshine Social Welfare Foundation, and Syin-Lu Social Welfare Foundation. As of 2020, we have donated 3,497 receipts.

3 Good Health & Well-Being



- We pay attention to the health conditions of our employees, and provide on-site health consultation service by qualified doctors and nurses as well as the EAP (Employee Assistance Program).
- Promote sports culture, set up many sports clubs (jogging, basketball, softball, etc.), and hold many sports competitions throughout the year to keep employees in the best health.
- Actively respond to the new pneumonia epidemic by setting management guidelines and implementing various measures to reduce the risk of employees contracting the disease.
- Indefinite amount of donations were made each year to major medical institutions and related foundations in Taiwan, including the Taiwan Head and Neck Society (THNS), the Digestive Organs Transplantation Foundation and the Good Liver Foundation. As of 2020, the accumulated donation amount was NT\$10,900,000.
- Participated in the "Used Shoes, Save Lives" project of Step30 to Kenya, donating 150 pairs of used shoes to help save children from jiggers (sand fleas).

4 Quality Education



- Close industry-academic cooperation with domestic universities (NTU, NTUSC, NTHU, and Taipei Municipal Jianguo High School) to actively cultivate domestic talents. Accumulated investment of NT\$3,210,675 by 2020.

5 Gender Equality



- Strive to achieve gender equality in the workplace and increase the gender diversity of employees at all levels.
- To implement the policy of equal pay, regardless of gender, and to use the same salary for both men and women according to their academic experience.
- Implement the maternal health protection program, set up breast-feeding rooms in the company and have a complete system of unpaid parental leave for raising children.

6 Clean Water & Sanitation

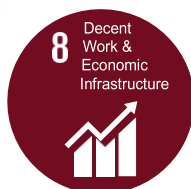


- Cherish water resources, implement various water conservation action plans and promotion, and reduce water consumption intensity by 44.3% compared with 2017 (base year), with remarkable water conservation results.
- Support the "Do One Thing for Tamsui River" campaign to promote green procurement and reduce waste water discharge. The total number of participants in this activity was 240.

7 Affordable & Clean Energy



- Improve product design to move toward more energy-efficient use of energy.
- Continued energy saving actions (replacement of energy-saving light bulbs and old air-conditioning equipment), and energy intensity decreased by 59.4% compared to 2017 (base year).



- Maintain strong economic momentum during epidemic, with operating profit of NT\$2.473 billion in 2020, demonstrating outstanding strength.
- The average annual salary of all employees in 2020 was the highest in the semiconductor industry.
- 100% of our major suppliers sign the RBA and the declaration of non-use of conflict minerals to improve the overall supply chain employment conditions and environment.
- Create a safe working environment, we follow the spirit of ISO 45001 occupational safety and health management system. The number of occupational injuries and occupational diseases in the past three years was zero.
- Assist in the development of local economy, with 100% local procurement of manufacturing and raw materials.



- Enhance our technological competitiveness and spent 12.8% of our total revenue on R&D in 2020.
- Continuously launch new high-speed products by enhancing performance and compatibility to meet market needs and enhance human welfare.



- Participate in the "Your Old PC, Their New Hope" used computer donation program and donate 80 used computers to shorten the digital gap between urban and rural areas.
- Appointed a quorum of people with physical and mental disabilities.



- Our suppliers comply with international environmental regulations and standards, such as RoHS, REACH, ISO 14001, etc., to reduce the negative impact of the production process on the environment.
- Reduce paper waste. By implementing Enterprise Information Portal (EIP) electronic system, we expect to save 56,180 sheets of printing paper.
- Send the waste wafers and test boards to legalize and professional environmental protection company for proper disposal to reduce the direct impact on the environment.



- We set up a short, medium and long-term plan for energy saving and carbon reduction, focusing on the use of office supplies and equipment, and expecting to save 2% of electricity and 1% of water per capita per year.
- For the first time, TCFD (Task Force on Climate-Related Financial Disclosures) was published in the sustainability report, and climate risk was incorporated into the internal risk management framework, and various climate adaptation actions were carried out to improve organizational resilience.
- Self-check of greenhouse gas emissions (scope 1, 2, and 3) to ensure a clear understanding of the emissions situation and continue to implement carbon reduction measures. 62.4% reduction in greenhouse gas emissions intensity in 2020 compared to 2017 (base year).



- Adhere to the core principles of corporate governance, including anti-corruption and honest management, and no ESG (environmental, social and corporate governance) related violations in 2020.



- Actively participate in domestic and overseas business exhibition activities to promote healthy cooperative relationships in the semiconductor industry and create a sustainable industrial environment.
- 100% of our major suppliers have passed ESG (Environmental, Social, and Corporate Governance) related international standards and criteria to create a sustainable supply chain environment.

Contents

1

Message from Chairman 5

2

About the Report 6

Report Overview & Frequency of Issuance	6
Report Contents & Topic Boundaries	6
Compile Guidelines	6
External Assurance	6
External Initiatives	6
Business Locations	6
Contact Information	6

3

Stakeholders 7

Stakeholders Engagement	7
Issues of Concerns	8

4

About Us 12

About ASMedia	12
Economic Performance	15
Corporate Social Responsibility	16
Epidemic Prevention & Management	17

5

Governance 19

Corporate Governance Policy and Guidelines	20
Governance Structure and Responsibility	21
Progressive Governance Team	21
Risk Management	22
Tax Policy, Governance & Risk Management	25
Regulatory Compliance	26

6

R&D Innovation 27

Innovative Technologies	27
R&D Advantages	30

7

Supply Chain 32

Sustainable Supply Chain	32
Local Procurement	33
Supplier Management & Appraisal	33
Customer Satisfaction / Service	35

8

Environment Protection 37

Environment Protection Policy	37
Climate Change Risks & Opportunities	38
Energy Management	40
Air Quality Management	42
Water Resources Management	43
Green Procurement	44

9

Happy Workplace 45

Diverse Employment Opportunities	45
Competitive Salary	46
Workplace Equity and Diversity	47
Comprehensive Welfare Protection	47
Occupational Safety & Health	52

10

Social Care 56

Nurturing Young Talents	57
Health Care Support	59
Social Welfare	59

Appendix 61

Member of Public Associations	61
Information for employees and other workers (2018, 2019)	61
Total number of new and departed employees (2018, 2019)	62
Statistics on the number of unpaid parental leave (2018, 2019)	62
GRI Standards Index	63

Chapter

1

Message from Chairman

COVID-19 has impacted and reshaped the economic order of the world, and it has become an urgent issue for all major companies to seek balance between epidemic prevention and revenue generation. In order to prevent the spread of the epidemic, various countries have adopted various restriction policies for the epidemic prevention, which have caused many industries to face operational difficulties. With the concerted efforts of all employees, ASMedia has been able to implement epidemic prevention measures and at the same time, maintain its work position to ensure smooth and sustainable operations.

With the advent of the epidemic era, the PC industry is benefiting from the remote distance demand, resulting in the growth of the high-speed transmission controller market, and also created market opportunities for non-US technology demand with the trade war between the U.S. and China. We will continue to create cutting-edge technology and provide customized and complete solutions to our customers, and strive to be the leader in the field of high-speed transmission.

The changing life and work patterns around the world are testing the operational resilience of enterprises, and the preparation of sustainable management is even more indispensable at this time. This year, we released our first sustainability report, following the international standard of GRI Standards, by revealing our actions related to each of our sustainability goals and our achievements in ESG (Environmental, Social and Corporate Governance). We are committed to continue our persistence and efforts in corporate sustainability and social responsibility to meet the expectations of all stakeholders.

In terms of the environment, we are committed to building a green workplace and have formulated a "short, medium and long-term plan for energy saving and carbon reduction". In addition to replacing all office equipment with energy-saving equipment year by year, implementing the principle of green procurement, and purchasing office supplies with environmental labels. We also strengthen the sustainable management of the supply chain by requiring suppliers to provide a conflict-free mineral guarantee policy, and sign a

declaration of conflict minerals and also a declaration of banned chemical substances to encourage our supplier partners to work together to protect the environment and ecology.

In terms of social aspects, we provide a wide range of benefits to our employees, implement a policy of pay equity and empower female employees to create a happy workplace. In addition, we spare no effort in caring for the society, and have been sponsoring public welfare organizations and medical institutions in various forms for years, so as to build a co-prosperous society through the power of enterprises.

In terms of corporate governance, ASMedia has demonstrated solid operational performance, which has been rewarded to all shareholders, and has adhered to the principles of integrity and anti-competitive and anti-trust governance. We have been selected as a competitive benchmark enterprise by major domestic and international organizations and media for many years.

Looking ahead, we will continue to consider SDGs and ESG as the core of our management, make sustainable development our corporate DNA, set feasible goals and effectively review action plans, interact and communicate with stakeholders to maintain good relationships, and work with partners to build a sustainable supply chain to create sustainable value.

Chairman of ASMedia
Jerry Shen




Chapter

2

About the Report

Report Overview and Frequency of Issuance

This is the first public offering of the Sustainability Report by ASMedia Technology. We will continue to issue this report to regularly reveal our operational results beyond financial performance and to realize our corporate vision of sustainable management through our actions.

This report is published in October 2021 and will be available for stakeholders to download and read in the Sustainability section of the Company's website.

Report Contents and Topic Boundaries

The information disclosed in this report covers the period from January 1, 2020 to December 31, 2020, and the scope is the head office of the Company.

The performance statistics in the economic category of this report are based on the consolidated financial statements of the annual report of the Company for the year ended December 31, 2020, and are disclosed in the scope of the head office of the Company; The information in the environmental and social category is also disclosed by the head office of the Company. For more detailed information about our affiliates, please refer to the 2020 Annual Report for more details. There were no significant changes in the size, structure, ownership and supply chain of the organization during the period under review.

Compilation Guidelines

This report is prepared in accordance with the Global Reporting Initiative GRI Sustainability Reporting Standards (GRI Standards) 2016 edition (GRI 207 for the 2019 edition). The GRI content index is provided in the appendix based on the core options of the GRI Standards.

External Assurance

The financial data disclosed in this report were obtained from the audited consolidated financial statements of Honest & Associates in accordance with the International Financial Reporting Standards (IFRS) and are denominated in New Taiwan dollars.

External Initiatives

In addition to issuing sustainability reports in accordance with GRI's sustainability principles, we also advocate the United Nations' 17 Sustainable Development Goals (SDGs) to promote sustainable business operations; follow the United Nations' Universal Declaration of Human Rights (UDHR); and establish a human rights policy statement. We also comply with the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI) to refrain from using conflict minerals, and require suppliers to comply with international environmental regulations and sign a declaration of banned substances, including RoHS, REACH and other EU regulations. In order to reduce the negative impact on the environment during the production process, suppliers are required to comply with international environmental regulations, including RoHS, REACH and other EU regulations.

Business Locations

Head Office of ASMedia Technology Inc.

Contact Information

If you have any suggestions or questions about the Sustainability Report, you are welcome to contact us through the following methods. In order to fulfill our responsibility to disclose corporate information, we have also published this report on our website for your reference.

ASMedia Technology Inc.

Address: 6F, No. 115, Minquan Rd., Xindian Dist., New Taipei City 231, Taiwan, R.O.C.

Website: <https://www.asmedia.com.tw>

Phone: 02-22196088

Public Relations: asmedia_pr@asmedia.com.tw

Investor Relations: asmedia_investor@asmedia.com.tw

Chapter

3

Stakeholders

Identify Stakeholders

Based on the relevance of the industry, the Company identifies stakeholders and includes their concerns in the materiality of the issues. In order to identify the scope of impact of the material issues, we identify the potential impact of these material issues on the organization internally and externally, i.e., the positive, negative, or potential impact on the economy, environment, and society, through the meetings of the members of each department of the Company, and identify various possible stakeholders by referring to the AA1000 Stakeholder Engagement Standard, 2015 Edition. The Stakeholder Engagement Standard (AA1000 SES 2015) is based on the following five principles: (1) Dependency, (2) Responsibility, (3) Tension, (4) Influence, and (5) Influence on the Company. Influence, and (5) Diverse Perspectives to identify the six major stakeholders of the year, including (1) shareholders or investors, (2) customers, (3) suppliers/contractors, (4) employees, (5) government agencies, and (6) communities.

In addition, to ensure that our CSR policies and resolutions are implemented in concrete terms, we have established corresponding management systems according to four major categories, including "green products, environmental protection, occupational safety and health, and social responsibility," which are in line with international norms and standards, and integrate our corporate sustainability and social responsibility policies and guidelines into our daily operations. We report to the Board of Directors at least once a year on the annual performance of CSR and the implementation goals for the next year.

Respond to Concerns

The Company collects the opinions of stakeholders through the managerial officer of each department and hold a meeting to discuss the opinions and concerns of the stakeholders. Then, it commissioned a team of professional consultants to review the GRI Standards and set up the major key topics for the year 2020 after internal resolution. In this Sustainability Report, we have responded to each of the topics of concern to our stakeholders.

In addition to the standard process above, we have also set up a stakeholder section on our website to provide a dedicated email address for communication and contact with our stakeholders, so that any questions, suggestions or even grievances on issues of concern can be maintained through this email address.

Customer Services: asmediaservice@asmedia.com.tw
Workplace Violence Complaint: #asmedia885@asmedia.com.tw
Investor Relations: asmedia_investor@asmedia.com.tw
Public Relations: asmedia_pr@asmedia.com.tw

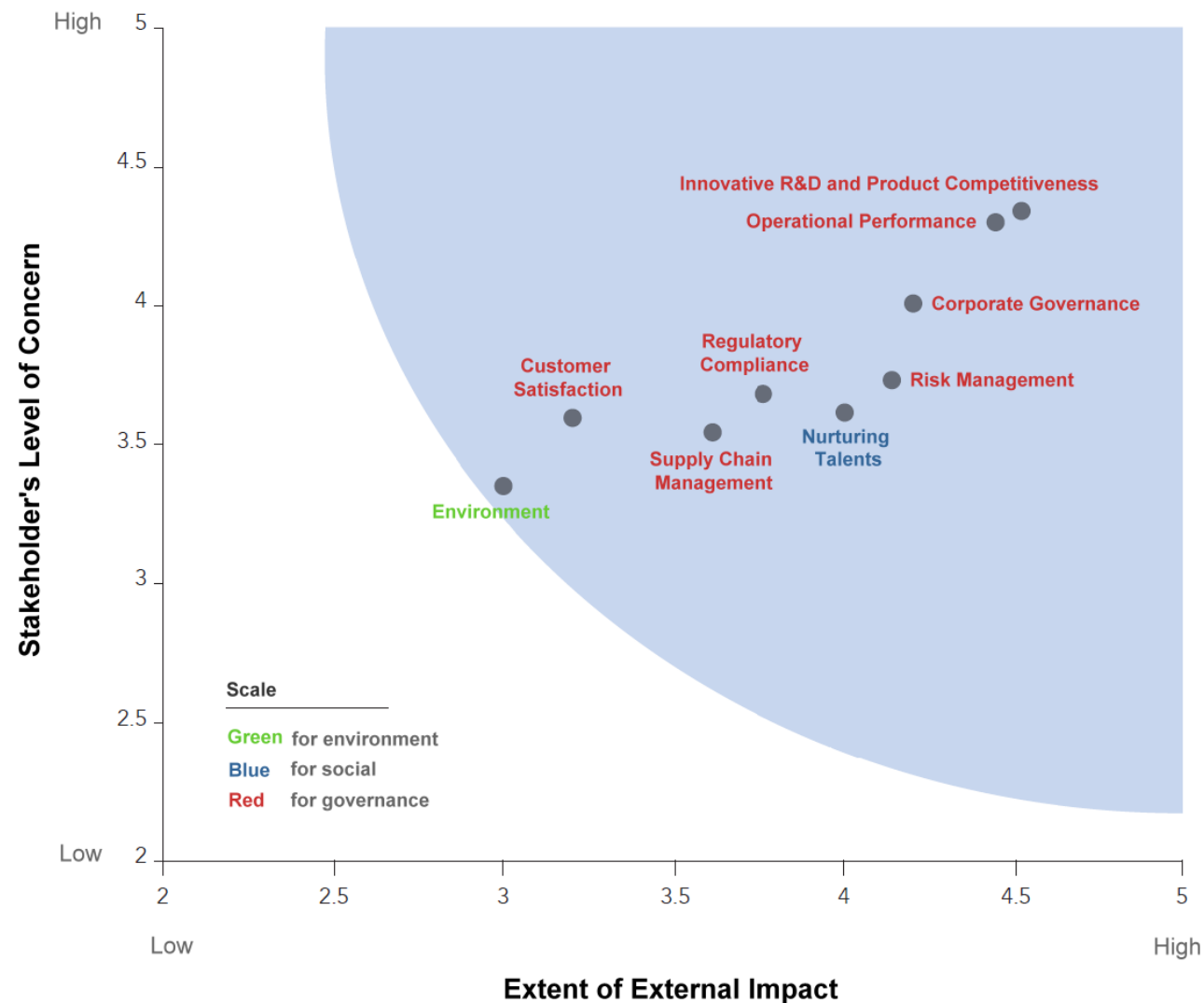
List of stakeholder concerns and communication methods, frequency and specific procedures

Stakeholders	Concerned Issues	Communication Methods and Frequency
 Shareholders or investors	<ul style="list-style-type: none"> • Market Image • Operational Performance • Product Technology and Competitiveness 	<ul style="list-style-type: none"> • Investor Conference: Occasionally twice a year • Shareholders Meeting: Each year in June • Corporate website: https://www.asmedia.com.tw • Investor relations: asmedia_investor@asmedia.com.tw • Market Observation Post System: https://mops.twse.com.tw/mops/web/index
 Customers	<ul style="list-style-type: none"> • Environmental Compliance • Supplier Environmental Assessment • Product Liability Compliance 	<ul style="list-style-type: none"> • Corporate website: https://www.asmedia.com.tw • Customer satisfaction survey: Once every 6 months • Mails and calls: Daily • Customer service: asmediaservice@asmedia.com.tw • Sign the environmental pledge
 Suppliers	<ul style="list-style-type: none"> • Environmental Compliance Supplier Environmental Assessment • Supplier Assessment for Labor Practices • Process Yield 	<ul style="list-style-type: none"> • Mails and Calls: Daily • Customer service: asmediaservice@asmedia.com.tw • Supplier appraisal or audit visit: Once a year • Quality meeting: Monthly or quarterly • Sign the environmental pledge
 Employees	<ul style="list-style-type: none"> • Employment Relationship • Occupational Health and Safety Environment • Education Training and Performance Evaluation 	<ul style="list-style-type: none"> • Corporate website: https://www.asmedia.com.tw • Report on ethical violations email: asmedia_risk@asmedia.com.tw • Workplace violence complaint email: #asmedia885@asmedia.com.tw • Employee satisfaction survey: Occasionally • Free employee health check and consultation: • Legal consultation: Electronic form for legal inquiry. • Performance interviews: Every six months
 Government Agencies	<ul style="list-style-type: none"> • Corporate Governance • Regulatory Compliance • Labor Relations • Anti-Corruption / Anti-Trust • Environmental Compliance 	<ul style="list-style-type: none"> • Correspondence: Occasionally • Market Observation Post System: https://mops.twse.com.tw/mops/web/index • Customer service: asmediaservice@asmedia.com.tw
 Communities	<ul style="list-style-type: none"> • Social Engagement • Labor relations • Environmental Compliance • Green Products 	<ul style="list-style-type: none"> • Public welfare activities: Occasionally • Industry-academic cooperation: Occasionally • Customer service: asmediaservice@asmedia.com.tw

Issues of Concerns

After communicating with stakeholders, the Company collects their concerns and identifies, ranks, verifies, and examines them in terms of sustainability, materiality, completeness, and stakeholder inclusiveness to determine the materiality of the issues to be covered in the report and the degree of impact on the organization and stakeholders.

Matrix Chart of Impact Levels on Issues of Concern



Issues and the Extent of Impacts

No.	Issues of Concerns	Reason for the selection as major concerns	Stakeholders					
			SHAREHOLDERS & INVESTORS	CUSTOMERS	SUPPLIERS	EMPLOYEES	GOVERNMENT	COMMUNITIES
1	Innovative R&D and Product Competitiveness	As a leading IC design company with the ability to develop high-speed transfer interfaces PCIe, USB, and SATA, innovation and R&D to maintain the competitiveness of the industry is the foundation of our company's niche.	●	▲	●	■		
2	Operational Performance	Focusing on product development and business operation, the company has been developing steadily and rewarding shareholders with actual profits and rewards.	■	▲	▲	■		
3	Corporate Governance	With a sound Board of Directors system and corporate structure, we understand the importance of transparency in corporate governance.	■	●		■	●	
4	Risk Management	Focusing on product development and business operation, the company has been developing steadily and rewarding shareholders with actual profits and rewards.	■	●	●	■		
5	Nurturing Talents	In order to strengthen our competitiveness in the market, and to promote the development of semiconductor technology progress, and to provide the company with quality and stable talents.				■		■
6	Regulatory Compliance	Based on the concept of honesty, transparency and responsibility, we have established management policies based on honesty and integrity, and improved corporate governance and risk control mechanisms to achieve the goal of sustainable development.	■		●	■	■	
7	Supply Chain Management	In addition to maintaining high standards in supplier selection criteria such as quality, service, delivery and cost, we also focused on CSR to ensure that the negative impact on the environment and society is minimized, and together we build a sustainable supply chain for the semiconductor industry.		●	■	●		
8	Customer Satisfaction	We consider customer suggestions as the motivation for growth and accept relevant suggestions from customers in an open and transparent manner to improve the relationships.	●	■				
9	Environmental Sustainability	We are committed to environmental protection and do our part for the earth by promoting various environmental friendly policies such as "energy saving and carbon reduction" and "resource reuse" in the workplace, in addition to no factory waste water and exhaust emissions.		●	▲	●		■

Management elements on issues of concern and their evaluation

No. Issues of Concern	Management Policy	Objectives	Evaluation & Performance of Management Policy	Corresponding Chapters	Corresponding GRI Standards
1 Innovative R&D and Product Competitiveness	<ul style="list-style-type: none"> • We will continue to invest in nurturing professional R&D technicians to innovate and advance in high-speed technology products, and maintain close cooperation with major international manufacturers and related supply chains. • As a leader in high-speed interfaces, we not only focus on innovative research and development to keep up with the changing specifications of each generation, but also actively expand our market, focusing on the development of customized products and the development of markets other than personal computers. 	<p>Continue to lead in the USB product line, providing customers with complete solutions from 5G, 10G, 20G and the future USB 4.</p> <p>Continue to drive the demand for signal intensifiers and amplifiers to provide customers with high speed signal design solutions.</p>	<ul style="list-style-type: none"> • R&D expenses in 2020 amounted to NT\$897.393 million, accounting for 12.84% of revenue 	<ul style="list-style-type: none"> • Innovative Technology • R&D Advantage 	<ul style="list-style-type: none"> • Self-defined
2 Operational Performance	<ul style="list-style-type: none"> • Maintain close cooperation with international manufacturers and related supply chains to enable the company to shine in its operations and product development and applications. • Enhance operational performance and pursue sustainable development goals. 	<p>The Company sets the operating target for the following year based on global economic fluctuations, domestic and international market conditions, and the Company's development strategy.</p>	<ul style="list-style-type: none"> • Combined revenue for 2020 is NT\$6.987 billion, an increase of approximately 87% from 2019. • Gross profit for 2020 is NT\$3.628 billion, an increase of approximately 95% from 2019, with an average annual gross profit margin of 52%. • Operating income is NT\$2.473 billion in 2020, an increase of 111% from 2019. • Total net income after tax is NT\$2.928 billion, with a net income ratio of 42% and earnings per share after tax of NT\$44.16, an increase of 175% from 2019. 	<ul style="list-style-type: none"> • Economic Performance 	<ul style="list-style-type: none"> • 201-1
3 Corporate Governance	<ul style="list-style-type: none"> • Enhance the functions of the Board of Directors to achieve the objectives of enhancing the company's credibility, strengthening the risk culture, and providing strategic management decision recommendations. • Reasonably define and configure the relationship between the rights and responsibilities of all shareholders, the operating team, and stakeholders. 	<p>To ensure that the interests of shareholders and stakeholders are maximized and that the rights and responsibilities of all shareholders, operating teams, and stakeholders are reasonably defined and configured through a system of supervision and checks and balances by the management team.</p>	<ul style="list-style-type: none"> • TOP5000 Outstanding Managing Company. • Selected as one of the Top 200 small and medium sized companies by Forbes Asia for two consecutive years. • Top 100 Fastest Growing Companies No.50 by Commonwealth Magazine. • No.26 of Top 100 CEOs in Taiwan by Harvard Business Review. • Selected as a GSA Best Financial Management Semiconductor Company. • Top 200 Resilient Companies - No.10 in Annual Growth Top 100 by Commonwealth Magazine. • No.1 in Top 100 High Value Companies of Business Next Magazine 	<ul style="list-style-type: none"> • Corporate Governance Policy and Guidelines • Governance Structure • Progressive Governance Team 	<ul style="list-style-type: none"> • 102-20 • 102-22 • 102-26 • 102-27
4 Risk Management	<ul style="list-style-type: none"> • The Company operates under conservative and prudent principles and does not engage in high-risk and speculative activities. • Identifies common risks and develops strategies to manage them in order to prevent losses. 	<p>We regularly identify risks and report them in a timely manner to ensure that transactions are reasonable and safe and that the Company's operations are stable and revenue is not affected by the risks incurred.</p>	<ul style="list-style-type: none"> • Implement risk management through the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles" and "Guidelines for the Adoption of Codes of Ethical Conduct". • Passed ISO 9001:2015 quality management system certification. 	<ul style="list-style-type: none"> • Risk Management • Climate Change Risks and Opportunities • Epidemic Prevention Management 	<ul style="list-style-type: none"> • 102-15 • 201-2

No. Issues of Concern	Management Policy	Objectives	Evaluation & Performance of Management Policy	Corresponding Chapters	Corresponding GRI Standards
5 Nurturing Talents	<ul style="list-style-type: none"> We are committed to nurturing future young talents by developing industry-academia cooperation with major universities, developing projects and providing research funding, and expanding the horizons of domestic students by sponsoring overseas competitions. To actively discuss industry-academia cooperation programs with various schools and provide students with the opportunity to familiarize themselves with the professional technology and knowledge of the industry through the sharing of practical experience with industry professionals, so as to nurture professional talents for the industry. 	To nurture students to become first-class industrial talents with international perspective through industry-academic cooperation model.	<ul style="list-style-type: none"> Donated NT\$5 million to the "Study Abroad Expansion Program" of National Tsing Hua University. Sponsored the development of "Taipei Municipal Jianguo High School Robotics Research Team" to support students' independent planning and learning of mechanical and robotic knowledge. By 2020, the total cumulative amount of the industry-academia cooperation program has reached NT\$3,210,675. 	• Nurturing Talents	• Self-defined
6 Regulatory Compliance	<ul style="list-style-type: none"> Based on the concept of honesty, transparency and responsibility, we have established management policies based on honesty and integrity and improved corporate governance and risk control mechanisms with reference to the Company Act, the Securities and Exchange Act, the Business Accounting Act, the Political Contribution Act, the Regulations Governing Listing on the Stock Exchange, or other business practices, in order to achieve the goal of sustainable corporate development. 	Maintain no corruption or breach of integrity in business operations.	<ul style="list-style-type: none"> Formulated the "Ethical Corporate Management Best Practices Principles" and "Procedures for Ethical Management and Guidelines for Conduct". Established a rigorous evaluation mechanism and procedures before entering into business relationships with customers. The Human Resources and Legal departments are responsible for formulating and monitoring the implementation of integrity management policies and preventive programs. During the year, there were no incidents of corruption or breaches of ethical management. 	<ul style="list-style-type: none"> Regulatory Compliance Tax Policy, Governance and Risk Management 	• 414-2
7 Supply Chain Management	<ul style="list-style-type: none"> In addition to the important inspection of the records of environmental and social impacts, all products must be provided in compliance with the environmental standards of the law. If there is any violation of the contract or legal regulations, we will be liable for compensation depending on the severity of the situation. 	<p>Continuous improvement of supplier sustainability management process and sustainability risk assessment.</p> <p>100% of raw materials are purchased from smelters approved by global sustainability advocacy organizations.</p>	<p>Use supplier audits and evaluations to review suppliers' performance in terms of quality of goods delivered and engineering capabilities, as well as ESG compliance and certification.</p> <ul style="list-style-type: none"> By 2020, 100% of our suppliers have passed the audit and 100% have received an A rating. 100% of major suppliers have passed environmental and social standards. In 2020, 100% of suppliers did not violate environmental, social and economic regulations. <p>Maintained a certain percentage of local procurement to reduce the impact of environmental pollution caused by carbon emissions from logistics and transportation.</p> <ul style="list-style-type: none"> By 2020, 100% of manufacturing and raw materials have been procured locally. In 2021, we expect to conduct a survey on conflict minerals from major suppliers and use the return rate as a performance evaluation indicator. 	• Supply Chain Management and Appraisal	<ul style="list-style-type: none"> • 204-1 • 308-1 • 414-1 • 414-2

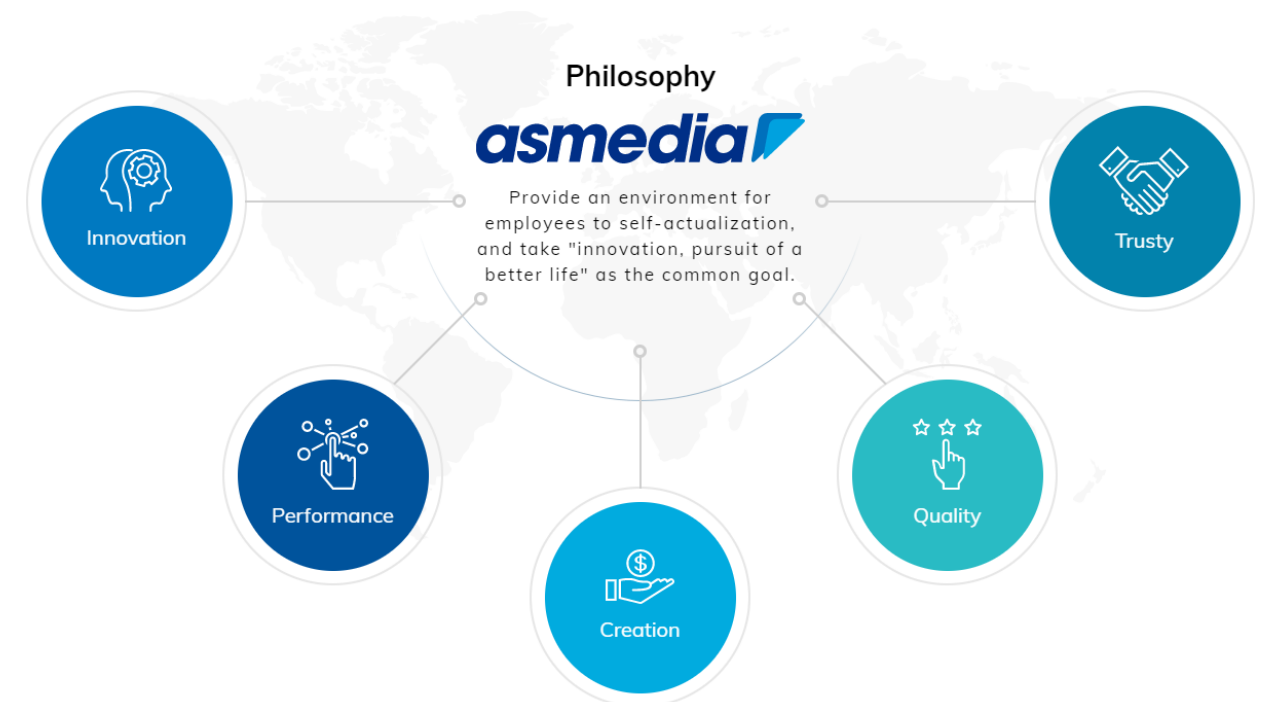
No. Issues of Concern	Management Policy	Objectives	Evaluation & Performance of Management Policy	Corresponding Chapters	Corresponding GRI Standards
8 Customer Satisfaction	<ul style="list-style-type: none"> We provide high quality products to our customers and maintain good customer relationship according to our management philosophy. 	<p>Short, medium and long term goals for customer satisfaction:</p> <p>Short-term: Within one year, we hope to achieve a customer satisfaction score of 87 or higher for a single customer.</p> <p>Medium-term: Within two years, we hope to achieve a customer satisfaction score of 90 or above for a single customer.</p> <p>Long-term: Within three years, we hope to achieve a single customer satisfaction score of 92-93 or higher.</p>	<ul style="list-style-type: none"> We conduct customer satisfaction surveys twice a year (first and second half of the year) to collect and quantify the level of customer satisfaction. The customer satisfaction survey results for both the first and second half of 2020 were 94.2 points. 	<ul style="list-style-type: none"> Customer Satisfaction / Service 	<ul style="list-style-type: none"> Self-defined
9 Sustainable Environment	<ul style="list-style-type: none"> Our outsourced fab plants are required to comply with environmental laws and regulations in their working environment and production processes, and their production materials are required to comply with the "Product Restricted Substances Control Procedures" stipulated by the company. We continue to promote energy conservation and resource recycling, including practical measures such as garbage separation, full adoption of energy-saving lamps, light saving, control of air-conditioning opening hours and temperature control, and paperless campaigns. The president will convene the relevant units to jointly formulate sustainability goals, CSR development strategies and guidelines, and report the implementation results at the Board of Directors' meeting. 	<p>Annual per capita electricity saving rate of 2%.</p> <p>Water saving rate of 1% per capita per year.</p> <p>Set short, medium, and long-term goals for energy conservation and carbon reduction, see: Green Workplace of short, medium and long-term plans for office energy conservation and carbon reduction.</p>	<ul style="list-style-type: none"> 70% of the total lighting fixtures were energy-saving in 2020. 100% of laptops were Energy Star certified in 2020. Green office supplies accounted for 57% of total office equipment spending in 2020. 	<ul style="list-style-type: none"> Green Process Energy Management Water Resources Management Reduce Energy Consumption Waste Reduction Green Purchasing 	<ul style="list-style-type: none"> 302-1

About ASMedia

Founded in March 2004 and headquartered in Taiwan, the Company was listed on the Taiwan Stock Exchange in December 2012 (stock code: 5269) and had a maximum market capitalization of approximately NT\$135.68 billion in 2020 with 249 employees. The Company specializes in high-speed IC development and design, and has the capability to develop high-speed physical layer, upholding the spirit of technology innovation, performance excellence, quality priority and value creation to become a reliable high-speed IC supplier. Our core business is the integrated design, development, sales and technical services of USB controller ICs, PCIe bridge ICs, SATA bridge ICs, high-speed switch controller ICs, and specific integrated chips (ASICs). Net sales in 2020 was NT\$6.98747 billion, with North America and Asia as the main sales markets.

The Company's USB 3.2 Gen 2x2 20G product is the fastest and the only controller chip in the market that can support both device and host end; the chip has entered mass production and has been well received by customers. In order to consolidate our competitive advantage in the market, we will continue to launch new products, optimize performance and improve compatibility, and continue to invest in research and development in related fields to maintain our leading position in the market.

Company Philosophy



4

About Us

Corporate Ownership and Legal Form

ASMedia Technology is a company incorporated under the Company Act of R.O.C., and the ownership of the company belongs to all shareholders.

Net Sales for 2020
NT\$ 6.98747 B



USB Controller

Full line up of USB host and device controllers covering USB 3.2 Gen 1, USB 3.2 Gen 2x1, USB 3.2 Gen 2x2 and USB 4.



SATA Controller

Target multiple applications with the need of high capacity storage and speed migration with RAID technology.



ASIC

Customized design for specific application.



PCIe Bridge Controller

Expand different specifications to broaden the usability of a wide range of consumer and enterprise applications. Our PCIe Switches are high performance, multi-purpose, flexible and configurable.



High-Speed Switch IC Controller

To boost signal quality and support directional scalability to maintain the signal integrity.

Exhibitions

We actively participate in domestic and international trade shows to announce the latest technology and products, and show the FPGA (Field Programmable Gate Array) chip samples of future products and the performance test of new products in the live demo. The main domestic and international exhibitions that we have participated in are as follows:

CES: The Consumer Electronics Show is held every January in Nevada, U.S.A. Sponsored by the Consumer Electronics Association, the show is a major overseas product launch event with many new product announcements.



1st from the left: USB-IF President & COO - Jeff Ravencraft
2nd from the left: ASMedia President - Che-Wei Lin
Center: ASMedia Vice President of Sales - Alex Chen
2nd from the right: ASMedia Vice President of Product Marketing - Weber Chuang
1st from the right: USB-IF CTO - Abdul R. Ismail, Intel Corporation

D Forum (formerly DTF Embedded Technology Forum): A seminar and exhibition event organized by DIGITIMES, a domestic technology industry media.



Computex Taipei is an international professional computer exhibition jointly organized by the Taiwan External Trade Development Council (TAITRA) and the Taipei Computer Association (TCA), and is the main product launch event in Taiwan.



Awards

We disclose the establishment and composition of our top governance body and ensure that decisions made by our top governance team are consistent with our operating objectives, including economic, environmental and social themes. In recent years, we have been honored with various awards and rankings in newspapers and magazines for our excellent corporate governance and management performance.



TOP5000 Outstanding Business Enterprises in 2012

The Taiwan TOP5000 is a ranking survey conducted by the China Credit Information Service, Ltd. (CCIS) for domestic private companies with revenue of over NT\$100 million. The CCIS is the only institute in Taiwan that uses individual financial reports as the survey.

No.26 of Top 100 CEOs in Taiwan by Harvard Business Review in 2020

Harvard Business Review has selected the top 300 companies by market capitalization from the data on the Taiwan Stock Exchange, and eliminated those with less than two years of tenure or criminal records. A total of 249 companies were ranked in 2020, and the top 100 were included in the "Top 100 CEOs in Taiwan" list for 2020. The Chairman of ASMedia, Jerry Shen, was voted as the 26th CEO of the Top 100.



Jerry Shen (right), Chairman of ASMedia, was voted as No. 26 in the Harvard Business Review (HBR) Top 100 CEOs in Taiwan, and Che-Wei Lin (left), President of ASMedia.

Ranked 50th in Top 100 Fastest Growing Company by Commonwealth Magazine in 2018

Adopted the database of "2000 Largest Companies in Taiwan" by Commonwealth Magazine, companies that meet the criteria of having NT\$100 million to NT\$10 billion in revenue and positive profits for three years in 2018 are ranked in the manufacturing, service, and financial sectors according to their revenue growth rates, and the top 100 companies are ranked the highest.



Selected as one of the Top 200 SMEs by Forbes Asia for two consecutive years in 2017 and 2018

Forbes Asia selected the Top 200 Asia Pacific SMEs with strong revenue and profit growth in sales and net profit growth, low debt and good corporate governance from among those with sales under US\$1 billion in Asia region.

With excellent corporate governance and impressive revenue, the company has been selected as one of the Top 200 SMEs in Asia for two consecutive years.



Selected as a GSA (Global Semiconductor Alliance) Best Financial Management Semiconductor Company in 2020

The GSA is comprised of 250 top industry members from 25 countries and aims to build a profitable and sustainable semiconductor ecosystem. The Best Financially Managed Semiconductor Company award is based on a multifaceted assessment of the financial position and performance of publicly traded semiconductor companies.



No.10 in "Top 200 Resilient Companies - Top 100 Annual Growth" by Commonwealth Magazine in 2021

"Top 200 Resilient Companies" emphasized that the top 100 companies were selected based on their annual net income after tax and revenue growth rate in the first half of the year.

No.1 in "Taiwan's Top 100 High Value Companies" by Business Next Magazine in 2021

The Business Next has targeted listed companies in 15 industries for long-term attention, and collected their 2020 financial reports through the Taiwan Economic Journal (TEJ) database, and ranked the top 100 companies with the highest scores by calculating the weight of different financial indicators.

Economic Performance

Our combined revenue for 2020 was NT\$6.987 billion, an increase of 87% from 2019, while gross profit for 2020 was NT\$3.628 billion, an increase of 95% from 2019, with an average annual gross profit margin of 52%; operating income for 2020 was NT\$2.473 billion, an increase of 111% from 2019; combined net income after tax was NT\$2.928 billion, an increase of 203% from 2019. After-tax net income was NT\$2.928 billion, with a net income ratio of 42% and after-tax earnings per share of NT\$44.16, an increase of 175% compared to 2019.

Even with the challenges of the global epidemic, the imbalance between supply and demand in the market, and the tight supply of upstream products, ASMedia still maintained its revenue growth and delivered a good report card, driven by proper management strategies and demand for related electronic products.



In addition to USB 3.2 10G/20G and other high-speed host controller chips that continue to maintain momentum on Intel and AMD high-end platforms, the market for external storage device controllers also maintains a growing trend due to strong demand from the PC industry driven by remote demand.

Ratio of major products in the past three years

(Unit: NT\$ Thousands ; %)

Item	2018		2019		2020	
	Revenue	Ratio	Revenue	Ratio	Revenue	Ratio
Main Products						
High-speed interface controllers	3,173,198	85.25	3,082,137	82.28	6,005,582	85.95
Device controllers and others	549,153	14.75	663,987	17.72	981,888	14.05
Total	3,722,351	100.00	3,746,124	100.00	6,987,470	100.00

Revenue and profitability for the past 3 years

(Unit: NT\$ Thousands, except for EPS)

Item / Year	2018	2019	2020
Operating revenue	3,722,351	3,746,124	6,987,470
Gross profit	1,755,378	1,864,969	3,628,141
Operating profit and loss	1,100,294	1,169,191	2,472,712
Non-operating income and expenses	44,138	(7,556)	872,207
Net income before tax	1,144,432	1,161,635	3,344,919
Net income for current period	955,847	965,207	2,927,912
Net income for continuing period	955,847	965,207	2,927,912
Other comprehensive income (net after tax) for the period	(11,074)	8,417	1,771,862
Total comprehensive income for the period	944,773	973,624	4,362,195
Net income attributable to owners of the parent company	955,847	965,207	2,927,912
Total comprehensive income attributable to parent company	944,773	973,624	4,362,195
Earnings per share (NT\$)	15.93	16.08	44.16

Direct economic value generated and distributed by Company (Unit: NT\$ Thousands)

Item / Year		2018	2019	2020
Direct economic value	Revenue	3,722,351	3,746,124	6,987,470
	Operating costs	2,120,943	2,042,882	3,570,272
Economic value distributed	Employee salaries and benefits	513,890	541,302	952,701
	Payment to funders (e.g. Board of Directors, shareholders)	735,830	840,870	1,674,814
	Payment to government (sales tax, income tax, property tax)	195,089	180,098	431,931
	Donation to charitable entities, or arts and educational activities, community recreational facilities	2,600	5,097	5,250
Retained economic value		153,999	135,874	352,502

Note: Retained economic value = Direct economic value generated - Economic value distributed

CSR

ASMedia's Sustainable Development Goals

Corporate Governance

Adhere to integrity and ethics, protect shareholders' rights and interests, and manage and reduce corporate risks.



- Increase the proportion of R&D expenditure year by year.
- Improve economic performance (e.g., net profit after tax, gross margin, EPS).
- Establish an impartial whistleblower mechanism so that employees are not subject to any coercion in their grievances.

Environmental Protection

Green design and development, energy saving and carbon reduction, and improvement of energy resource use efficiency.



- Develop energy saving and carbon reduction programs to save 2% of electricity and 1% of water per capita per year.
- Enhance the efficiency of the electronic system, reducing paper usage and waste generation.
- Green design products enable middle stream and downstream manufacturers reduce massive carbon emissions and environmental pollution during the manufacturing process.

Happy Workplace

Protect the rights and benefits of employees, complete talent training, and provide a safe and comfortable workplace environment.



- Promote Employee Assistance Program (EAP) and achieve more than 95% employee satisfaction rate every year.
- Zero occupational accidents.
- Increase the average number of hours of employee education and training.
- Emphasis on employees' physical and mental health, establishment of related clubs and provision of health promotion services.

Society Co-prosperity

We actively engage in social participation, care for the disadvantaged, and respond to environmental activities.



- Continued to invest in industry-academia cooperation to cultivate future IC design talents.
- Continued to promote the Green Computer Regeneration Project to shorten the digital gap between urban and rural areas.
- Donate resources to medical institutions and medical-related foundations to improve the quality and environment of medical care in Taiwan.

Supply Chain Management

We prohibit the use of conflict minerals, optimize our supply chain management system, and enhance customer value.



- Maintain 100% of major suppliers signing the Conflict Minerals Pledge.
- Maintain 100% of major suppliers signing the Responsible Business Associate (RBA) Code of Conduct.
- Meet customers' environmental and social regulatory and certification requirements.

Epidemic Prevention & Management

In response to the global epidemic in 2020, cities and companies of all sizes were severely impacted. In order to meet this challenge, ASMedia strictly followed the "Guidelines for Continuing Operations in Response to the Severe and Unusual Infectious Pneumonia (COVID-19) Epidemic" issued by the domestic government, and simulated the epidemic situation to formulate relevant measures to reduce the possible impact on ASMedia's operations

As a fab-less IC design company, we focus on the prevention of epidemics in the office area and consider the health and safety of employees as the core focus of our epidemic operation continuity, such as strengthening the cleaning of the office environment, conducting regular epidemic prevention campaigns, taking daily temperature measurements, providing relevant epidemic prevention supplies, and making daily epidemic adjustments.

For the control of visiting customers, we make dynamic adjustments according to the level of the epidemic: if the level of the epidemic is below two, visiting customers must take body temperature, wear masks and register by name; if the level of the epidemic alert is above two, visitors will be rejected.

We have also provided IT facilities for epidemic prevention, using technology to keep our operations resilient, such as promoting employees to download the epidemic social distance app to keep detailed records of contact history and effectively grasp whether employees are exposed to or exposed to high-risk epidemic areas and take timely and specific countermeasures; on the other hand, we have also completed an inventory of information equipment and network conditions at home and purchased video conferencing equipment to reduce the communication gap caused by remote work. In addition, our information security protection provide employees with the security of working remotely from home, as described in the [Information Security Risk](#) section.

In order to maintain uninterrupted operations during the epidemic period, we actively implemented various epidemic prevention measures and upgraded existing information equipment to meet the challenges of both the epidemic and information security risks, not only to protect the health of all employees, but also to ensure the continuity of operations to protect the rights of stakeholders.



Alcohol disinfection for visitor prevention and control



As a leading domestic IC design brand, we attach importance to the development vision of sustainable management and are committed to linking the core competencies of the company with corporate social responsibility. In addition to the pursuit of economic profits, we are also fully committed to the four sustainable development components of environment, society, corporate governance, and supply chain management, and respond to the United Nations Sustainable Development Goals (SDG), with clear management guidelines and specific actions to draw up a blueprint for sustainable development.

The Company's CSR matters are planned by the President's Office and implemented by all departments under it. Our CSR activities is operated according to the management cycle of "PDCA" (Planning, Execution, Checking, Action or Improvement). Through routine meetings, we focus on issues of concern to our stakeholders, discuss with external professional consultants, and distribute questionnaires (expected to start next year) to collect and consolidate major issues. By constantly reviewing changes in the internal and external environment, we can quickly adjust our policies and specific measures, and set appropriate performance targets in order to effectively respond to the demands of our stakeholders, so that we can continue to move forward on the path of sustainable development.

Preventive Measures and Instructions

Office
Cleaning and
Disinfection

- Disinfect door handles and meeting rooms, twice a day.
- Install induction thermometer and alcohol disinfectors at entrance and exits of each floor.
- Disinfection mats are installed.
- Air purifiers are placed in meeting rooms.
- Test equipment is disinfected daily with ultra-violet light disinfection lamps.
- Hire professional disinfection vendor every six months to disinfect the entire office. (The frequency of disinfection will be increased to once a week if epidemic alert is level 3 or higher).

Temperature
Measurement

- All employees are required to take their temperature on the day they enter the company and record the readings onto system database.
- If fever is detected (temperature $\geq 37.5^{\circ}\text{C}$), the employee should apply for sick leave and rest at home.

Access
Control

- Avoid visitors entering during epidemic prevention period and use telephone conferences and online video conferencing more often: visitor controls applied for level 2 alert or below; no visitors allowed when escalates to level 3 alert.
- All visitors shall take their temperature and fill out a visitor record.
- No entry allowed if fever (temperature $\geq 37.5^{\circ}\text{C}$) or are not wearing a mask.
- Private visitors are strictly prohibited and the visitor's activity area is limited to the staff lounge.
- Free lunch are provided by the Company during level 3 alert period to reduce unnecessary outings and protect the safety of employees.

Travel
Control

- All overseas business trips are suspended.
- All private overseas trips are prohibited.
- Leave for domestic travel must be specified to facilitate future tracing.

Leave of
Absence
Rules

- If family member needs to be isolated, please take the initiative to inform the company and apply for official leave to work apply for sick leave to rest at home.
- If signs of cold symptoms occurs (e.g. headache, sore throat, fever, cough, etc), wear a mask and seek medical attention ASAP.
- Those with acute respiratory symptoms or fever are advised to apply for sick leave to rest at home, and to reduce the number of visits to medical institutions.
- Employees may take official leave to medical institution for vaccination.

Temporary
Suspension
of Group
Activities

- AB work shifts during level 3 alert to reduce the flow of people in office.
- The office is divided into separate floors and the air conditioning is allocated independently to reduce the possibility of virus transmission.
- For meeting rooms with less than 5 people, checkerboard seating are conducted to effectively block droplets and reduce the risk of infection.
- Avoid holding or attending parties during the vaccination period.
- Keep a social distance of 1.5m indoors and 1m outdoors, or wear a mask if you are unable to do so.
- Wear a mask at all elevator rides and keep conversation to a minimum.
- Minimize the number of face-to-face meetings during the epidemic prevention period.
- To reduce the number of gatherings, all meetings should be held online.
- Temporary close the gym to reduce the risk of infection by reducing contact with people.

Health
Education
Promotion

- Free Immediate announce information about epidemic prevention.

COVID-19
Tracking

- Surveys were conducted for overseas contact history, footprints of ancestral holiday and Taoyuan hospital, work commuting method, and remote work questionnaire.

IT Preventive
Actions

- Establishment of corporate Line account for real-time transmission of epidemic prevention information.
- Employees are advised to download "Taiwan Social Distancing" app to keep track of contact history.
- Completed an inventory of home information equipment and network status, and purchased video conferencing equipment to reduce communication gaps caused by remote work.

1. All visitors are required to take temperature and fill out a visitor record.

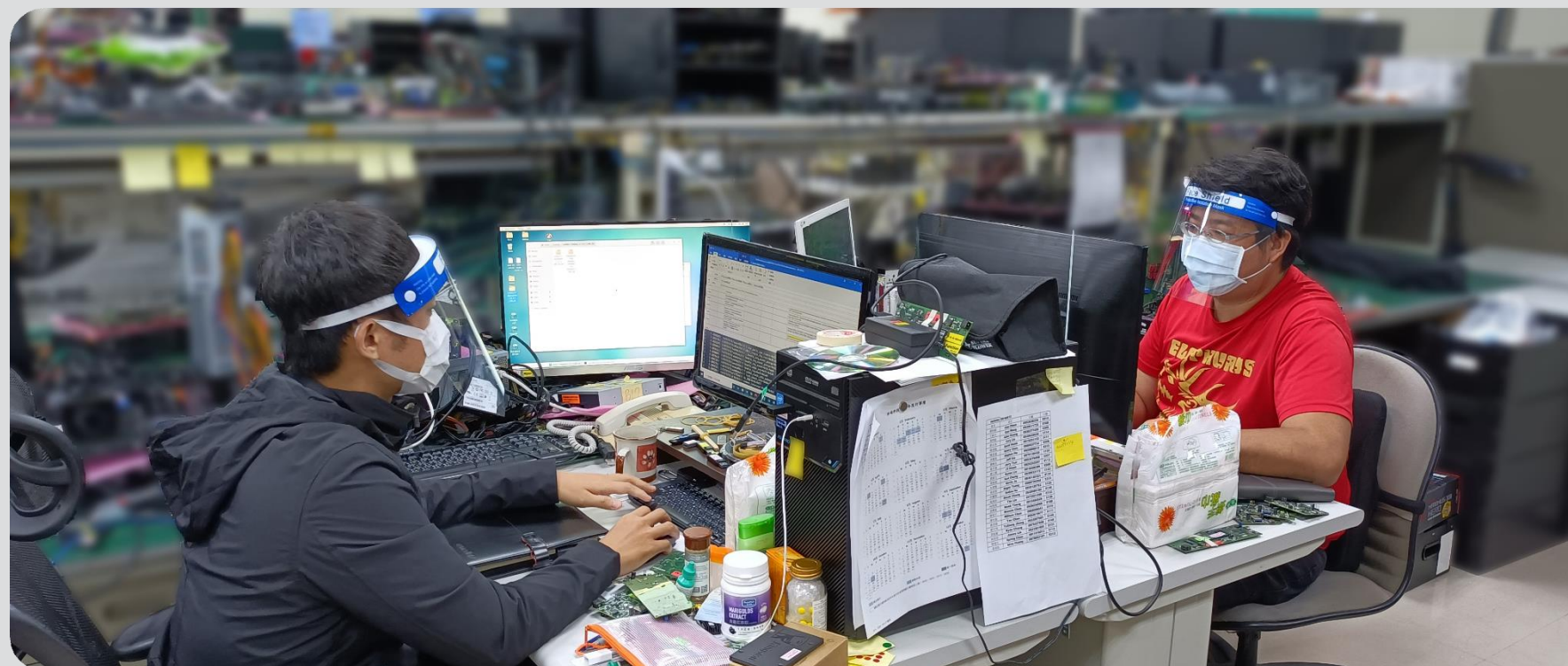
2. 3. ASMedia provides free vaccination supplies so that employees can protect their health and safety and keep the business operation uninterrupted.



1



2



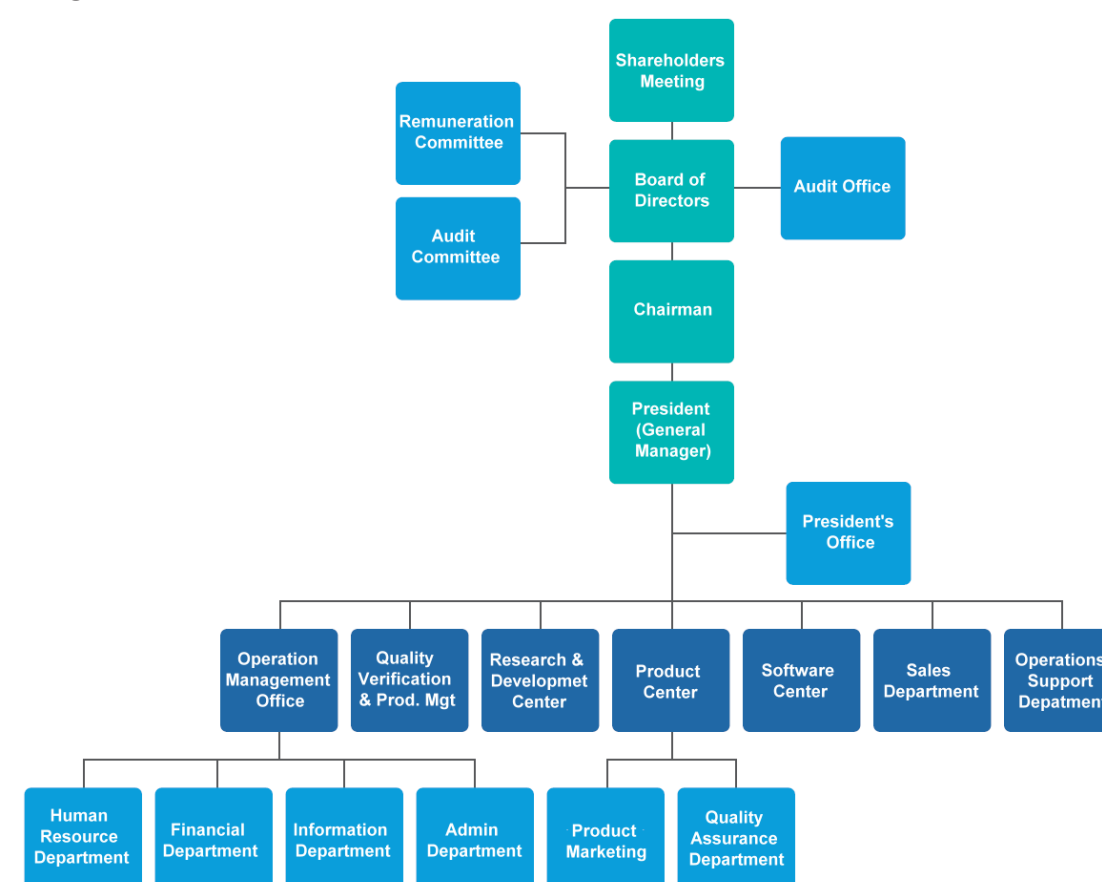
3

Corporate Governance Policy and Guidelines

In order to ensure that the rights and responsibilities of relevant organizations and individuals are in line with each other, we understand that transparency in corporate governance and organizational composition is more important. The ultimate goal of corporate governance is to ensure that the interests of shareholders and stakeholders are maximized, and that the rights and responsibilities of all shareholders, operating teams, and stakeholders are reasonably defined and configured through a system of supervision and checks and balances by the management team.

The Company has formulated relevant codes of practice for each risk factor, such as the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles" and "Guidelines for the Adoption of Codes of Ethical Conduct", according to which risk management is implemented, and in addition to regularly promoting and requiring employees to comply with relevant regulations and ethical codes, a clear performance appraisal system for reward and punishments have been established and implemented. We also actively promote the implementation of corporate governance to enhance the company's reputation, strengthen the risk culture, and provide strategic management decisions.

Organization Chart



5 Corporate Governance

Members of the Board

There are 7 directors, 3 of whom are independent directors, accounting for 43% of the total number of board meetings held in 2020. The total number of board meetings held in 2020 was 8, with an overall attendance rate of 100%.

The members of the Board of Directors have professional knowledge and rich experience in corporate governance, commercial, legal, financial, accounting or other work experience appropriate to the company's business, as well as extensive reference to international trend reports, and continue to enhance the collective knowledge of the environment, society and economic subjects. In order to keep abreast of global risk trends and enhance the ability to respond to risks, the Board of Directors of ASMedia actively participates in external education, and in 2020, the Board of Directors had a total of 42 hours of study, with an average of 6 hours per person.

At the same time, the independent directors also form the Audit Committee and the Remuneration Committee. All members of the Board of Directors are selected through a nomination system that places emphasis on their professional ability as well as on their ethical conduct and reputation. The Board of Directors were re-elected in June 2020 for a term expiring in June 2023.

Candidates for independent directors must also meet the requirements of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies regarding professional qualifications, recognition of independence and restrictions on concurrent employment. The Board of Directors is responsible for the proper planning of corporate innovation and development strategies, effective supervision, protection of shareholders' rights and interests, and strengthening of corporate governance.

In accordance with the "Board of Directors' Performance Evaluation Regulations" approved by the Board of Directors, the Board of Directors, functional committees and individual board members will conduct an internal performance evaluation every year, and an external performance evaluation will be conducted by an independent professional organization every three years, and the results of the internal and external evaluations will be presented to the Board of Directors in the first quarter of the following year.

In 2020, the performance evaluation of the Board of Directors, Board members, Audit Committee and Remuneration Committee was conducted in accordance with the Board of Directors' performance evaluation method, and the performance evaluation results were all "excellent", which indicated that the overall operation of the Board of Directors was smooth and sound. We will continue to improve and refine the Board of Directors' related functions and talent diversity in the future, with the goal of creating a better corporate governance culture.

Member of the Board of Directors

Title	Name	Gender	Experience (Education)	Attendance
Chairman	Jerry Shen	Male	Graduate Institute of Electrical Engineering, National Taiwan University General Manager of Acer	8
Director and President	Che-Wei Lin	Male	Masters of Electrical Engineering, University of Missouri Columbia, Vice President, VIA Technologies Inc. Vice President, ASUSTeK Computer Inc	8
Director	Ted Hsu	Male	EMBA of National Chiao Tung University Vice-Chairman, Pegatron Corporation	8
Director	Chin-Chuan Hsu	Male	Graduate Institute of Clinical Medicine, NTU College of Medicine NTU Professor of Internal Medicine, NTU College of Medicine	8
Independent Director	Hung-Chih Chan	Male	Department of Economics, National Taiwan University Editor in Chief, United Daily News Wan-Hsiang Edition President, Yuan-Liou Publishing Chairman, Cite Media Holding Group	8
Independent Director	Chien-Ping Hsieh	Male	Ph.D. of Finance, Kent State University, Ohio M.A. in Enterprise Research, University of Missouri-Columbia Chairman/President, Chunghua Investment Chief Financial Officer and Vice President, Chunghwa Telecom Deputy President and Spokesperson, Mega Financial Holdings Professor, Institute of Finance, NTUST	8
Independent Director	Ching-Chi Wu	Male	Ph.D. of Educational Psychology, University of Minnesota B.A. of Education, National Chengchi University Member of the Executive Yuan Cultural and Creative Industry Promotion Group/Digital Content Industry Development Steering Group Committee Member of Chunghua Development Fund Management Chairman of National Chiang Kai-Shek Cultural Center Professor and Head of Department of Psychology, National Chengchi University Adjunct Professor of Business Administration, Entrepreneur Class, EMBA, IMBA of National Chengchi University Host of the Innovation Research of Top Universities Plan, Ministry of Education	8

Total Study Hours of Board Members in 2020

42 hours

Board Attendance in 2020

100%

Governance Structure & Responsibility

The Audit Committee and Remuneration Committee are set up by the Company, and the risk issues are evaluated and reviewed by each department. The supervisor will compile the major risk issues and report to the President. In the process of operation and management, risks that may occur are prevented and controlled, and relevant early warning measures are formulated. We will prevent and control the risks that may occur in the process of management, and formulate relevant early warning measures.

In addition, the President's office is responsible for coordinating the implementation of decisions regarding economic, social and environmental corporate social responsibility issues. The president will lead all departments to formulate sustainability goals, CSR development strategies and guidelines, and implement the plans in accordance with the responsibilities of each relevant department. To learn more about the corporate governance structure and the business management of each department, please visit our official website to download and implement the plan. For more information on the corporate governance structure and business management, please download the "Annual Report of 2020" from the official website.



Audit Committee

The Audit Committee's main function is to perform corporate risk control. The Audit Committee is composed of three independent directors who are elected by the shareholders' meeting and met five times in 2020, with an average attendance rate of 100%. The Audit Committee is responsible for the proper presentation of the Company's financial statements, the selection, independence and performance of the certified public accountants, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the control of the Company's existing or potential risks.



Remuneration Committee

The Board of Directors resolved on December 28, 2011 to establish the "Remuneration Committee Organization Regulations" and approved the appointment of the members of the "Remuneration Committee". The purpose of the Remuneration Committee is to assist the Board of Directors in the implementation and evaluation of the Company's overall compensation and benefits policy and the compensation of directors and managers. The Committee evaluates and reviews the reasonableness of the salaries and bonuses of the management team with respect to their individual capabilities, contributions to the Company and performance, and effectively manages the risk of talent turnover. For more details on the meetings of the Remuneration Committee and the attendance rate of each member, please refer to "2020 Annual Report" as published by the Company.

Progressive Governance Team

The continuous improvement in corporate governance is demonstrated by the fact that members of the Board of Directors are constantly pursuing related courses, including courses on global trends, legal compliance, business knowledge and ESG sustainable development, in order to grasp the pulse of market trends, effectively respond to rapid changes in the external environment, and implement specific actions in the areas of corporate management and risk control to create maximum benefits for all stakeholders, so as to achieve the mission and vision of sustainable corporate management.

Board of Directors Training Courses and Total Hours in 2020

Name of Director	Corporate Governance Training Courses	
	Course Title	Training Hours
Jerry Shen	Global investment trends and market practices	3.0
	Implementation of whistleblower system and corporate governance	3.0
Ted Hsu	Global investment trends and market practices	3.0
	Implementation of whistleblower system and corporate governance	3.0
Che-Wei Lin	Employee and Director Remuneration Issues - From the Amendment of Article 14 of the Securities and Exchange Act	3.0
	Case Studies on the "Establishment of Directors' and Supervisors' Breach of Trust and Special Breach of Trust	3.0
Chin-Chuan Hsu	Corporate governance and legal compliance	3.0
	Prevention of insider trading	3.0
Ching-Chi Wu	Corporate governance and legal compliance	3.0
	Corporate governance 3.0 - Blueprint for sustainable development	3.0
Hung-Chih Chan	Utilizing digital transformation to achieve a new take-off of Xinyi Realty	3.0
	Corporate governance 3.0 and the blueprint for sustainable development of the tourism industry	3.0
Chien-Ping Hsieh	Corporate culture and shareholder activism	3.0
	ESG indicators and long-term company growth	3.0
Total Time	42 Hours	

Risk Management

The Audit Committee and Remuneration Committee have been set up in the company, and each management unit regularly evaluates and reviews the risk issues, and then the President compiles the major risk issues and reports them to the Board of Directors on a regular basis. In the process of operation and management, we prevent and control the possible risks and formulate relevant early warning measures.

We have passed the ISO 9001:2015 quality management system certification, and formulated relevant early warning measures through the monitoring of risk indicators and process performance indicators in the process of operation and management, in order to reduce operational risks and enhance market competitiveness. The following are our more detailed risk management implementation details.



Risk Type	Description of Risk Causes	Unit of Authority	Strategy Development and Implementation
Strategy and operational risks	<ol style="list-style-type: none"> Daily operational risks are doubled due to epidemic, such as operational interruptions caused by staff or customers (suppliers) infected with epidemic. Need to redefine strategies due to inflation or poor economic conditions. 	Admin Dept Operations Support Dept	<ol style="list-style-type: none"> Develop and implement epidemic prevention measures to protect the safety and health of employees; to keep an eye on the operational status of customers and provide support as appropriate, such as epidemic prevention materials. Keeping abreast of changes in upstream raw material prices and maintaining good interaction with suppliers and customers to minimize the impact on the company's profit and loss due to changes in raw material costs. In addition, we will continue to refer to research reports and relevant economic data from major domestic and foreign economic research institutions and professional investment institutions to make appropriate policy adjustments in light of future inflationary conditions.
Market risk	<ol style="list-style-type: none"> Competitors develop new products or designs, resulting in the loss of existing customers. 	Product Marketing R&D Center	<ol style="list-style-type: none"> In terms of product development, existing IP are applied for high-level integration and power consumption reduction, and we are investing in new process development to meet the demand for high-speed IP development, such as IO hub products, differentiated USB 3.2 products, USB 4, Type-C, and PCIe Gen 4 related products. In terms of new technology acquisition, we will continue to develop ultra-high-speed physical layer. In future, we will also add energy-saving and low-power consumption function design in advanced processes development for future high-speed product and increase the possibility of convergence with international manufacturers.
Financial risk	<ol style="list-style-type: none"> Exchange rate risk arising from the Company's transactions with foreign companies. 	Finance Dept	<ol style="list-style-type: none"> In order to reduce the impact of exchange rate fluctuations on revenue and profitability and appropriately retaining the U.S. dollar portion of sales revenue to cover U.S. dollar purchases to achieve the natural hedging function, we also continue to observe the impact of the general economic situation on the exchange rate before deciding whether to hedge by means of forward foreign exchange contracts.
Legal risk	<ol style="list-style-type: none"> Risks of government regulations on related industries, such as waste water, waste discharge, etc., or regulatory restrictions related to raw material content. 	Human Resources Admin Dept Legal Affairs of President's Office	<ol style="list-style-type: none"> The Human Resources Dept regularly reviews personnel-related laws and regulations, and conducts annual evaluations and audits. The Administration Dept regularly reviews environmental safety-related laws and regulations, and conducts annual evaluations and audits. Regular review of industry-specific regulations by Legal Affairs of the President's Office.
Climate change risk	<ol style="list-style-type: none"> Increase in raw material prices. Regulatory and reputational risks caused by government regulations and international initiatives to limit carbon emissions. 	Operations Support Dept Admin Dept	<ol style="list-style-type: none"> Two or more suppliers to provide raw materials that meet the specifications. Replace energy and water saving equipment in office area and promote carbon emission reduction rules.
Supply chain management risk	<ol style="list-style-type: none"> Supply chain risks caused by human rights and environmental awareness. Possible risks caused by supply chain violation of government regulations. 	Quality Assurance Division	<ol style="list-style-type: none"> Major suppliers have signed the Responsible Business Alliance Code of Conduct (RBA), which addresses issues related to supplier human rights and environmental protection. If a supplier violates any relevant laws, we will immediately initiate risk investigation and evaluation, and decide whether to continue working with the supplier.
Occupational safety risk	<ol style="list-style-type: none"> Accidents caused by employees operating machinery. Hardware and equipment in the company building poses a safety risk. 	Human Resources Admin Dept	<ol style="list-style-type: none"> Pre-employment training courses for new staff to include industrial safety promotion. Regularly inspect the company's hardware and equipment (such as buildings, electrical appliances, etc.) to make sure they are in good condition.
Information security and personal information risk	<ol style="list-style-type: none"> Risk of employee and factory information leakage. Risk of leakage of confidential documents (including physical copies). Hackers may attack external websites or internal systems to steal confidential information. 	Information Dept Legal Affairs of President's Office Information Dept	<ol style="list-style-type: none"> The Information Dept regularly examines whether the operation of the official website is abnormal, whether the firewall has been invaded from the log, and whether the internal system is abnormal through anti-virus software system report, and record it. The Legal Affairs of President's Office promotes not to mention the contents of confidential documents inside and outside the company, and to mark and classify the level of confidentiality. Anti-virus software is installed on all computers distributed by the company and is regularly updated through the anti-virus server to ensure it can perform effectively. Engage professional consultants to make recommendations and assist in improving the company's information security system.

We are ISO 9001:2015 certified to meet product quality requirements and to improve our risk management capabilities.

Information Security Risk

Information Security Governance System

In order to enhance the management of information security, the Company will establish an Information Security Committee to effectively manage the information security governance policy and information security management operation of each unit of the Company. We expect to build a comprehensive information security protection mechanism and enhance the good information security awareness of employees, regularly evaluate information security risks and report to the president through the management, planning, supervision and promotion of the implementation of professional information security units.

Information Security Policy

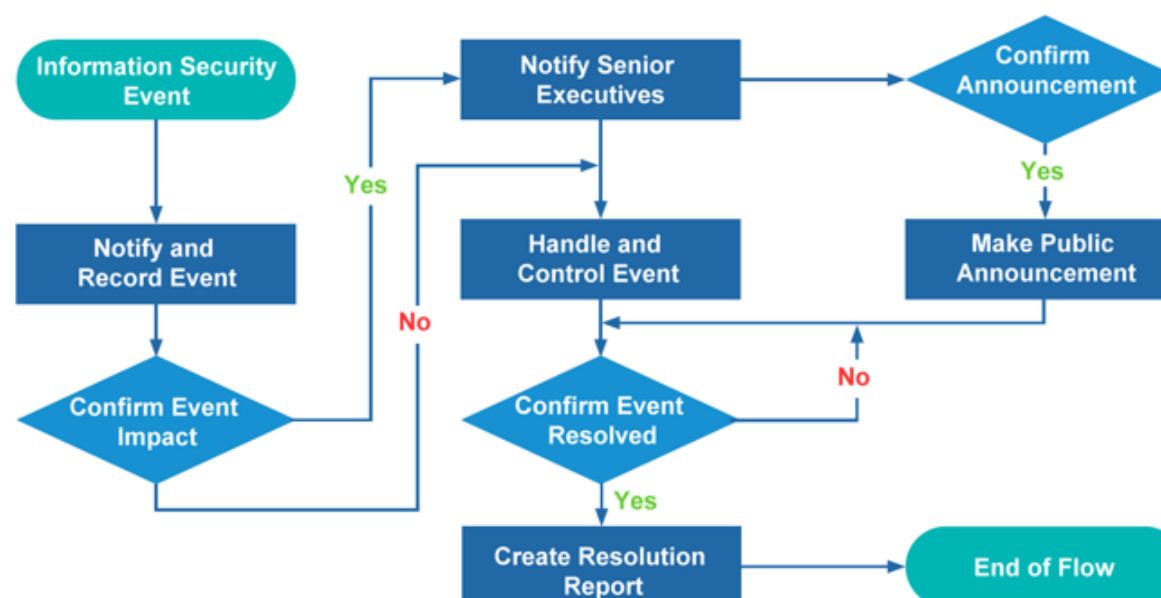
We use ISO 27001 and BS7799 as reference standards and formulate information security policies based on the actual management needs within the company. The main information security management needs are the basis for the establishment, and the relevant information services provided by the Information Management Center and the relevant departments of the company are the main scope.

In order to maintain the company's competitive advantage, all employees are expected to manage themselves in accordance with the relevant information protection policies promulgated by the company, and to be aware of information security. In addition to information security control measures for information system services, we also focus on protecting the confidentiality, integrity and availability of important personal and transaction information. We also strengthen information security management to ensure the security of hardware and software information such as data, systems, equipment and networks, create a healthy information environment, deploy innovative information security protection technologies, and implement and promote information security management operations to enhance the quality of secure services.

To achieve this policy, we have formulated relevant information security regulations to enhance the effectiveness of information security management operations.

- Each unit in the Information Management Center establishes a list of relevant information assets and identifies the owners. Risk assessment is performed according to the difference in the level of information assets, and risk management is conducted for risks above acceptable levels to effectively reduce risks and continuously implement various control measures.
- Relevant personnel shall be hired with the necessary assessment and sign relevant operation regulations, and their information assets shall be returned when they change or leave their jobs.
- The company shall implement the regulations on access control and carrying in and out of the company building and information security control area.
- Employees are strictly prohibited from setting up network equipment to connect external networks with the company's internal network. Firewalls, DMZs, and necessary security facilities are set up to protect the internal and external networks, and appropriate backup or monitoring mechanisms should be set up to maintain the availability of important equipment. Anti-virus software should be installed on personal computers and virus codes should be updated regularly, and the use of unauthorized software is prohibited.
- Personal accounts, passwords, and privileges held by employees should be properly stored and used, and the management should regularly check and review them.
- System development should consider the establishment of security control mechanism at the initial stage, and the outsourced development part should strengthen the control and contract information security requirements, and evaluate the control requirements of the system to take the necessary control.
- In the event of information security incidents, the company shall immediately report the incident and cooperate with the responsible department to solve the problem.
- Daily operations of the Company shall implement a confirmation review mechanism to maintain the accuracy of information, and supervisors shall supervise the implementation of the information security compliance system to strengthen the awareness and legal concepts of information security among employees.
- The Company regularly reviews its information security policy to reflect the latest developments in government regulations, technology and business to ensure the effectiveness of information security practices.

Information Security Operation Process



Specific management plan for information security management

In the future, we will plan to establish an information security committee to coordinate, manage, and supervise all information security operations of the company, and have a dedicated information security engineer to handle information security work, and regularly conduct vulnerability scans, social engineering drills, protection system effectiveness checks, and other related information security tests, and provide related information security promotion and education training courses. Although we have not purchased information security insurance for the time being, we will provide a safe and secure information security environment and protect the information security of our services through the operation of the Information Security Committee and the implementation of information security policies. The next goal is to complete the information security expert system to strengthen the information security protection network and the information security joint defense mechanism. Currently, we have joined TWCERT (Taiwan Computer Network Crisis Management and Coordination Center), and will continue to promote the expansion of information security personnel and the planning of related training and certification, so that we can improve our information security in terms of manpower and capability and be trustworthy.

In addition, we also pay attention to the huge impact and risk that natural disasters may have on enterprises, especially under the current situation of extreme weather conditions such as water shortage and power outage caused by climate change, we have prepared to introduce Business Continuity Management and develop BCM plan to enhance the effectiveness of enterprise risk management and strengthen the ability to respond to various disasters, and to achieve the goal of business continuity by reducing operational shocks and recovery time.

In terms of BCM, in addition to the existing server room uninterruptible power supply system, we will also consider building independent server room generators or server room collocation in the future to enhance the reliability of the server room; we will also evaluate the addition of uninterruptible power supply system for network cabinets on each floor, and change the main machine of staff from desktop computers to notebook computers to increase the flexibility to respond to emergency crises.

Remote connection of epidemic information security management

In 2020, due to the impact of the epidemic, major domestic and foreign enterprises have adopted the work mode of work diversion in order to sustain their operations, so that the situation of working from home has increased greatly, and enterprises are facing this new work mode, which also creates different risks than before, such as remote connection operation by employees working from home, which makes enterprises face greater information security risk vulnerability. According to the BCI Horizon Scan Report, information and communication disruptions and network attacks are among the top two most challenging threats to business operations in the future, and the direct and indirect financial losses they can cause to enterprises are considerable.

In response to this risk challenge, ASMedia has formulated relevant management measures to prevent various attacks by network hackers, reduce the possibility of business interruption, and further increase the organizational resilience of ASMedia. We use the Mobile One Time Passport (MOTP) as the primary requirement for home office users to access the Virtual Private Network (VPN), and use the constantly changing MOTP feature to effectively solve the problem of account password theft and enhance the security protection of ASMedia in network usage. In addition, we have set up security rules for VPNs and established firewalls to control internal and external traffic, effectively blocking malicious attacks from the Internet and implementing the information security policy regulated by ASMedia.

In the future, we will continue to implement relevant remote connection information security management plans and measures to build a stronger information security moat to protect the information security of the company and employees, and to strengthen the operational resilience of ASMedia and continuously enhance our crisis response capability.



Tax Policy, Governance and Risk Management

The Company has established a tax governance policy and a transfer pricing policy, a sound tax management system and a tax governance culture, and a prompt handling procedure, in the spirit of tax compliance and corporate social responsibility, with the goal of creating corporate value and improving tax risk management. The Company has established the following tax governance policies to further enhance corporate value, fulfill our corporate social responsibility, fulfill our corporate citizenship obligations, and implement sustainable corporate development.



Tax Governance-related Organizations and Responsibilities

The organization and responsible authority related to tax governance are as follows:

1. Board of Directors

The BoD is the highest decision-making unit for the Company to establish an effective tax risk management mechanism. It approves the overall tax governance policy in accordance with the overall operation strategy and business environment to ensure the effective operation of the tax management mechanism.

2. Tax Management Unit

The tax management unit is the Finance Department, which reports regularly to the Board of Directors on tax-related management situations.



Tax Governance Policy, Control and Risk Management

The Company's tax governance is based on transparency, openness and compliance with laws and regulations:

1. Compliance with laws and regulations

- The Company is committed to comply with the local tax regulations and the spirit of the legislation of each operating location and to comply with the international tax standards, calculate the tax correctly and report the tax within the legal period, so as to fulfill the tax obligations.
- The annual financial information of the Company is provided by PwC Taiwan for tax reporting.

2. Transparency of information

- Ensure transparency of tax reporting information, such as country-specific reports, group master file reports and transfer pricing reports to tax authorities in accordance with national regulations.
- Ensure that tax assessments related to decision making are conducted with the participation of a professional internal tax team and external experts with the appropriate qualifications and experience.
- Use legal and transparent tax incentives and do not use methods that violate the spirit of the law to enjoy tax breaks.

3. Business Substance

- The corporate structure and transactions are in line with business substance and do not use tax structures that are intended to avoid tax liabilities or shift profits to low tax rate jurisdictions for tax avoidance.
- Related party transactions shall comply with the principles of regular transactions and endeavor to comply with the transfer pricing regulations of the tax laws and regulations of each jurisdiction in which they operate, and fulfill their tax obligations in the jurisdictions where the value is created.
- Based on mutual trust, information transparency and regulatory compliance, we will interact with tax authorities of different countries in an honest, straightforward, respectful and fair manner, and proactively raise important tax issues to help improve the tax environment and system.

4. Honest Communication

- Inter-affiliate transactions are conducted in accordance with the transfer pricing principles published by the Organization for Economic Cooperation and Development (OECD), as well as the relevant regulations of the Base Erosion and Profit Shifting Program (BEPS).
- To establish mutual trust and honest communication with tax authorities in different operating regions, and to provide practical views and professional advice to help improve the tax environment and system.

5. Risk Management

- Establish a solid tax risk control structure and organizational culture, and prudently evaluate tax risks and countermeasures, taking into account the optimization of the Company's overall tax burden and the impact on reputation, risk control and sustainable value in various countries under global operations.



Communication Policy for Stakeholders on Tax-Related Issues

The Company's main stakeholders are the tax authorities of each country's government. Tax reporting and payment operations are conducted in accordance with the relevant laws and regulations of each country, and if there is any uncertainty regarding the applicable laws and regulations in the course of daily operations, the Company will contact the government authorities directly or through the accountant's office of Capital United to inquire about appropriate handling methods. In the event of tax audits, we will prepare relevant information immediately upon notification and cooperate with the tax authorities in conducting the audits.

Law & Regulatory Compliance

Ethical Values and Practices

In order to promote integrity and ethical practices, and to comply with laws and regulations, the Company has established a management policy based on integrity, transparency and accountability, and a comprehensive corporate governance and risk control mechanism with reference to the Company Act, the Securities and Exchange Act, the Business Accounting Act, the Political Contribution Act, the Regulations Governing Listing on the Stock Exchange and other business practices, in order to achieve the goal of sustainable development. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Guidelines for the Adoption of Codes of Ethical Conduct" and frequently educates employees on matters that should be followed in accordance with relevant laws and regulations.

We have always been committed to the integrity of all business activities, and implement the provisions of Article 23 of the Company's "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Management and Guidelines for Conduct", and set up a whistleblower system to adopt a "zero tolerance" policy for any violation of the ethical conduct regulations, and never allow corruption or any other illegal acts. The Company keeps the whistleblower's personal information confidential and takes protective measures in accordance with the law to protect personal information and privacy.

Reports on ethical violations: asmedia_risk@asmedia.com.tw

Whistleblower Reporting System

1. To establish and announce the internal independent whistleblower mailbox and hotline or to entrust other external independent organizations to provide whistleblower mailbox and hotline for the use of internal and external personnel of the Company.
2. If a report involves a director or senior executive, it shall be reported to the independent director or supervisor, and the type of the report and the investigation standard operating procedures shall be established.
3. The record and preservation of whistleblower cases, investigation process, investigation results and related documents.
4. The identity of the whistleblower and the contents of the report shall be kept confidential.
5. Measures to protect whistleblowers from improper disposal because of the whistleblowing situation.
6. Incentives for whistleblowers.

If the Company's investigation reveals any material violation of the law or any risk of material damage to the Company, the Company shall immediately report the matter to the independent directors in writing.

For important company regulations, please refer to the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct".



Effectiveness of Legal Compliance Education

To ensure that all employees are aware of the various compliance issues, we provide internal training and advocacy resources. In 2020, there were no significant monetary penalties or other non-monetary penalties for non-compliance in the economic, environmental and social categories.

Environmental Laws & Regulations

- In 2020, no fines or penalties were imposed for violating environmental laws and regulations, and no environmental impact complaints were been filed, handled, or resolved by the formal complaint mechanism.

Social Laws & Regulations

- In 2020, no fines or penalties were imposed for violations of workplace discrimination or corruption-related laws and regulations, and no human rights complaints were been filed, handled, or resolved by the formal complaint mechanism.

Economic Laws & Regulations

With respect to the sales process of our products, we will not be subject to large fines in 2020 for violations of laws and regulations regarding the provision and use of products and services, and we will comply with the Fair Trade Act and will not be subject to legal proceedings involving anti-competitive, antitrust and monopoly practices.

- In 2020, there were no fines or warnings for violations of health and safety regulations and voluntary protocols related to products and services
- In 2020, no fines or warnings were issued for violations of information and labeling regulations for products and services.
- No fines or warnings for violations of marketing communications (including advertising, marketing and sponsorship) in 2020
- No complaints of invasion of customer privacy or loss of customer data in 2020.



Innovative Technology

We are a leading IC design company with R&D capabilities in PCIe, USB and SATA high-speed transmission interfaces. We are mainly engaged in the research, development, design and sales of high-speed transmission interface ICs and device-side high-speed control ICs, such as high-speed Switch ICs, PCIe bridge ICs and USB control ICs, among which high-speed transmission interface ICs (i.e. high-speed Switch ICs and PCIe bridge ICs) are mainly used in personal computers, while device-side high-speed control ICs (i.e. USB control ICs) are mainly used in storage devices.

With various high-speed SerDes PHY IPs developed by ASMedia, including various PCIe Switches (high-speed switch/multiplexer), ReDriver (signal regenerator/signal repeater) to increase signal quality on high-speed interfaces, and host/device bridge ICs for high-speed bus interfaces such as USB 3.2, PCIe Gen 4, etc., to be widely used in computer components, notebook computers, external storage devices, USB to VGA/HDMI video converter boxes, digital recording systems, etc.

Since high-speed interface signals are more susceptible to interference, it is not easy to process the signals. To solve the problem of high-speed signal quality, a differential mode circuit is derived to reduce the operating voltage (below 1.5V), reduce power consumption, increase noise suppression, and reduce electromagnetic interference. DeSerializer (SerDes) is introduced to decompose the parallel data bits and transmit them in a serialized circuit, and then deserialize them at the receiving end to convert them back to the original data; the internal reference clock signal is also synchronized with the data transmission bit signal.

R&D and Product Innovation

USB Product Line

After more than a decade of development of USB 3.0 to 3.2, from the beginning of numerous contenders until now, only a few vendors are able to launch these products steadily. Among them, ASMedia is the only Taiwanese IC design company that covers Host/Device/ReDriver products at the same time, and is also the first Taiwanese IC company to obtain the USB-IF certification.

At present, we maintain our leading position in USB 3.2 Gen 2x2 products, including both host and device chips, which have been developed and are in mass production, and are well received by our customers. In addition, as a model in USB 3.1/3.2, we are the world's No.1 in UASP certification, KGD (Known Good Device), and PDK (Product Development Kit). After leading the world with the first USB 3.1 solution in 2014, we continue to lead in USB host and device end controller IC, and will continue to lead the market and develop niche products with high added value.

USB-IF Certification

USB-IF defines the technical specifications of USB 3.0/USB 3.1, including the interface and structure of the product design. In order for manufacturers' products to comply with the maximum transfer speed specification of 5Gbit/s/10Gbit/s and pass the test, USB-IF has developed the Compliance Program to provide a reasonable evaluation range of standards. This test method is designed for hardware manufacturers to provide USB 3.0/USB 3.1 specification compatibility testing, and products that pass the test will be added to the Integrator List and receive the right to use the USB 3.0/USB 3.1 logo certification.

Note: USB 3.0/USB 3.1 was the previous specification, USB-IF has renamed USB 3.0 as USB 3.2 Gen 1 and USB 3.1 as USB 3.2 Gen 2.

USB 4 Preview

Currently, we are also actively participating in the development and discussion of USB 4 specifications. Compared with USB 3.2 Gen 2x2 products, the USB 4 product line includes ASM424x host controller and ASM246x device controller. A complete USB 4 solution were been deployed ahead of schedule and expects to begin mass production in 2022.

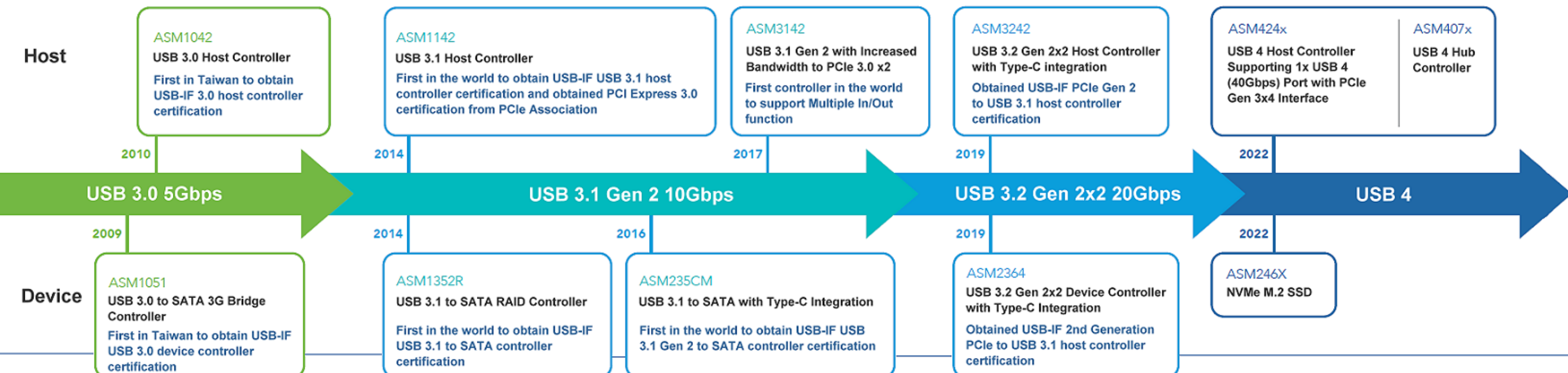
ASM424x

Support PCIe Gen 4x4 interface for two USB 4 (40Gbps) ports and is backward compatible with USB 3.2 Gen 2x2 (20Gbps)

ASM246x

Support PCIe Gen 4x4 NVMe interface for full USB 4 40Gbps performance.

Development and Highlights of USB Series Products



PCIe Product Line

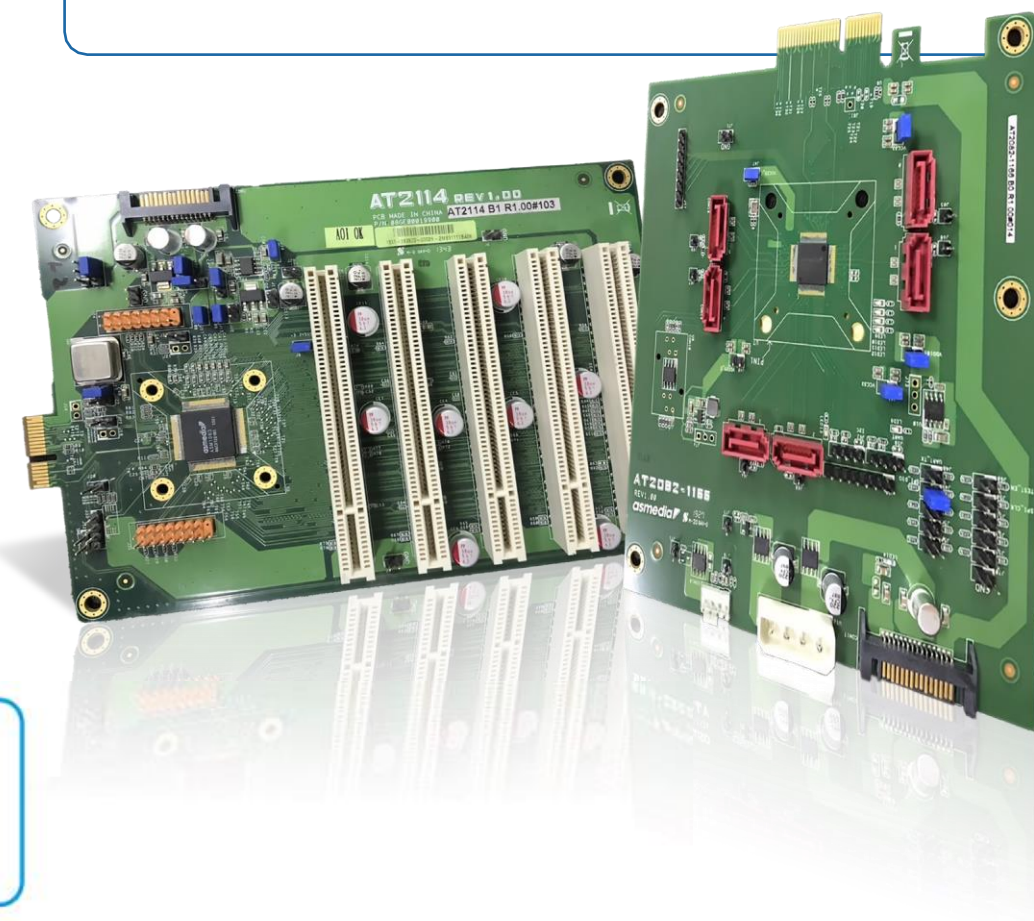
The new PCIe Gen 3 multiplier controller chip has been developed and entered mass production. In addition, the new generation PCIe Gen 3 to multi-port SATA chip has also been developed and has entered sample production stage, offering customers with high demand for industrial control and data access a different choice than the U.S. manufacturers. In terms of new technology, we have invested in the development of PCIe Gen 4 IP to continue to cultivate the high-speed IC market.

PCI-Express (PCIe) is currently the fastest slot design for computer bus bandwidth. PCIe Gen 4 is primarily targeted at addressing the needs of big data applications, workstations, servers, desktops, laptops, tablets, embedded systems, peripherals, and high-performance computing markets by increasing bandwidth in a cost-effective manner. Initially, PCIe Gen 3 was the dominant interface for graphics cards, but PCIe Gen 4 products has become available after 2019.

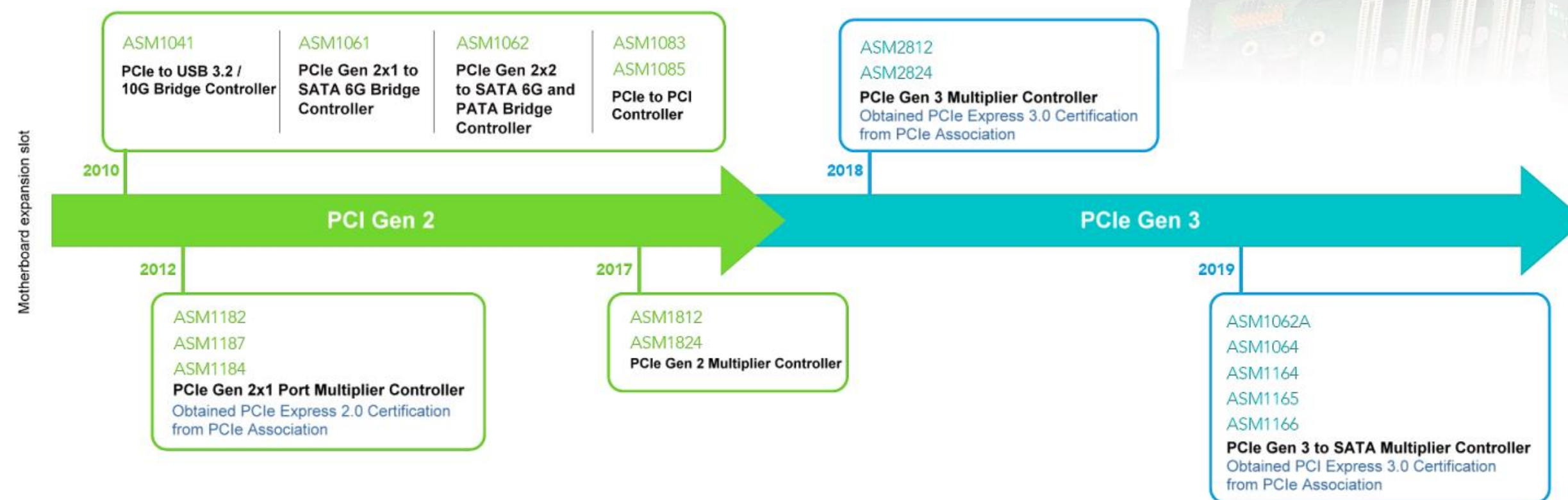
PCIe Gen 4 has higher bandwidth than PCIe Gen 3, with a bandwidth (BW) of 2GB/s per lane, double that of PCIe Gen 3, and is still backward compatible with previous versions of connectors. Hence, there is no need to upgrade existing devices to adopt PCIe 4.0.

PCIe Certification

PCI-SIG (Peripheral Component Interconnect Special Interest Group) is the electronic industry consortium responsible for setting the PCIe specification, PCI Express is a registered trademark of PCI-SIG and is a bus specification on computer motherboards. PCIe Express certification can be obtained through electrical signal test inspection, structure space inspection of PCI Express devices, connection layer protocol test and transaction layer protocol test.



Development and Highlights of PCIe Series Products



Switch IC Controller

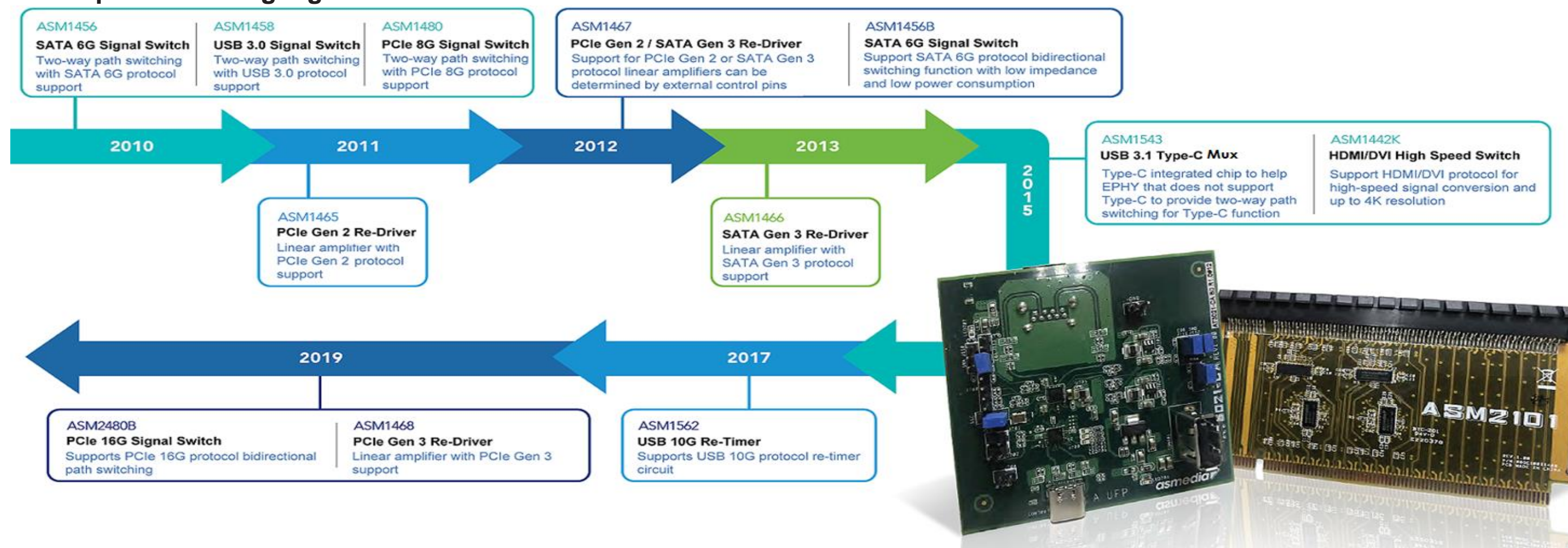
With the trend of CPU chipset manufacturers pursuing higher performance and lower cost, the chipsets are not designed to support multiple signal transmission specifications, or with the popularization of high-speed interfaces, the design constraints have increased. The high-speed Switch ICs and PCIe Bridge ICs have become the main solutions for motherboard manufacturers and related applications to meet the demand of supporting multiple signal transmission specifications at the same time.

With the use of high-speed Switch ICs and PCIe Bridge ICs will enable SATA, the main transmission signal for hard drives, and USB, the main transmission signal for external devices to convert to PCIe, the main signal support for chipsets. It also allows the chipset to support multiple applications and external high-speed signal transmission at a lower cost.

Re-Driver and Re-Timer

With the advent of huge amount of data and digitization, high-speed data transmission has become a major trend in today's technology development, which has created high-speed transmission interfaces such as USB 4 and PCIe 5.0. In order to reduce the transmission error rate on the high-speed interface, a Re-Driver is used to amplify the digital signal, or a Re-Timer is used to reconstruct the digital signal with noise into a clean signal to increase the transmission quality.

Development and Highlights of Switch/Re-Driver/Re-Timer Series Products



R&D Advantages

We have the ability to develop in-house PHY technology for high-speed physical layer (PCIe Gen 2/Gen 3/Gen 4, SATA 6Gbps, USB 2.0/3.0/3.1/3.2 Gen 2x2) to reduce compatibility issues, and we have better development speed and technology mastery. In addition, we have the core technologies of system-on-chip and analog circuit design which are highly competitive to meet the diversified and immediate needs of the market.

“
Total amount invested
in R&D for 2020
NT\$ **897.393 M**
”

R&D Overview

For mainboards and data storage devices, we have PCIe Gen 1/Gen 2/Gen 3 high speed switch IC, USB 3.0/3.1 high speed switch IC, Type C re-timer/re-driver, SATA 3G high speed switch IC, SATA 6G high speed switch IC, LVDS high speed switch IC, PCIe and HDMI/DVI/DP high speed switch IC, HDMI level shifter IC.

For mainboards and PC, we have PCIe Gen 2 to PCI, PCIe Gen 2 to SATA 6G High Speed Switch IC, PCIe Gen 2 to SATA 6G High Speed Switch IC. For motherboards and PCs, we have PCIe Gen 2 to PCI, PCIe Gen 2 to SATA 6G, PCIe Gen 2 to USB 3.0/3.1 bridge controller IC, PCIe Gen 2 to PCIe.

For data storage devices, we have USB 3.0/3.1 to SATA 3G controller IC, USB 3.0/3.1 to SATA 6G controller IC and SATA to SATA controller IC, and we have also developed Hardware RAID. Therefore, the Company has a high competitive advantage in strengthening the layout and planning of related applications and product extension and expansion.

Investment in R&D in the past three years

(Unit: NT\$ Thousands ; %)

Item	2018	2019	2020
R&D Expenses	497,548	534,869	897,393
Net operating income	3,722,351	3,746,124	6,987,470
In proportion to revenue (%)	13.37	14.28	12.84

Green Design

In order to pursue sustainable care for the environment and friendly coexistence with all things, we have integrated the concept of sustainable green from the design stage of our products to achieve the goal of energy saving and carbon saving with advanced technology, so as to achieve our commitment to environmental friendliness.



Product Energy-Saving Design

At the chip circuit design stage, we use lower supply voltages to reduce chip power consumption and customize designs to help customers meet industrial standards (e.g. California Energy Code) and follow industry standards for power-saving designs (e.g. Microsoft Modern Standby).



Environmental Compliance

Comply with the European Union's (EU) environmental protection directive (RoHS) which does not contain the 10 toxic substances prohibited and the related EU REACH regulations.



Sustainable Supply Chain

As a leading IC design company with the capability of developing PCIe, USB and SATA high-speed interfaces, we are in the upstream of the semiconductor industry, mainly engaged in the research, development, design and sales of high-speed transmission interface ICs, device side high-speed control ICs, such as high-speed Switch ICs, PCIe bridge ICs and USB control ICs. IC design companies are mainly engaged in the research, development, design and sales of high-speed transmission interface ICs, device-side high-speed control ICs such as high-speed switch ICs, PCIe bridge chip ICs and USB control ICs, etc. After the product design is completed, professional foundries or IDM factories (integrated semiconductor factories, from IC design, manufacturing, packaging, testing to final sales) are commissioned to produce semi-finished wafers, which are tested in the front-end, then transferred to professional packaging factories for cutting and packaging, and finally to professional testing factories for post-testing. There were no significant changes in the supply chain in 2020.

In addition to maintaining high standards in traditional supplier selection criteria such as quality, service, delivery and cost, we also pay attention to our supplier's performance in the areas of corporate social responsibility and ESG (environmental, social and corporate governance). We also focus on whether the suppliers have passed the relevant international standards and requiring them to sign various declarations, which can not only examine the supplier's risk control capabilities, but can also ensure that the overall business practices minimize the negative impact on the environment and society, and work with our partners to build a sustainable supply chain for the semiconductor industry.

All of our major suppliers have passed 100% of the following ESG-related international certification standards and regulations:

Supply Chain Co-Prosperity

 **Environment**

E

ISO 14001 : 2015
ISO 14046 : 2014
ISO 14064-1 : 2018
ISO 50001 : 2018
Sony GP SS-00259

IECQ QC 080000 : 2017
RoHS
PFOS
Halogen Free
REACH (SVHC)

 **Social**

S

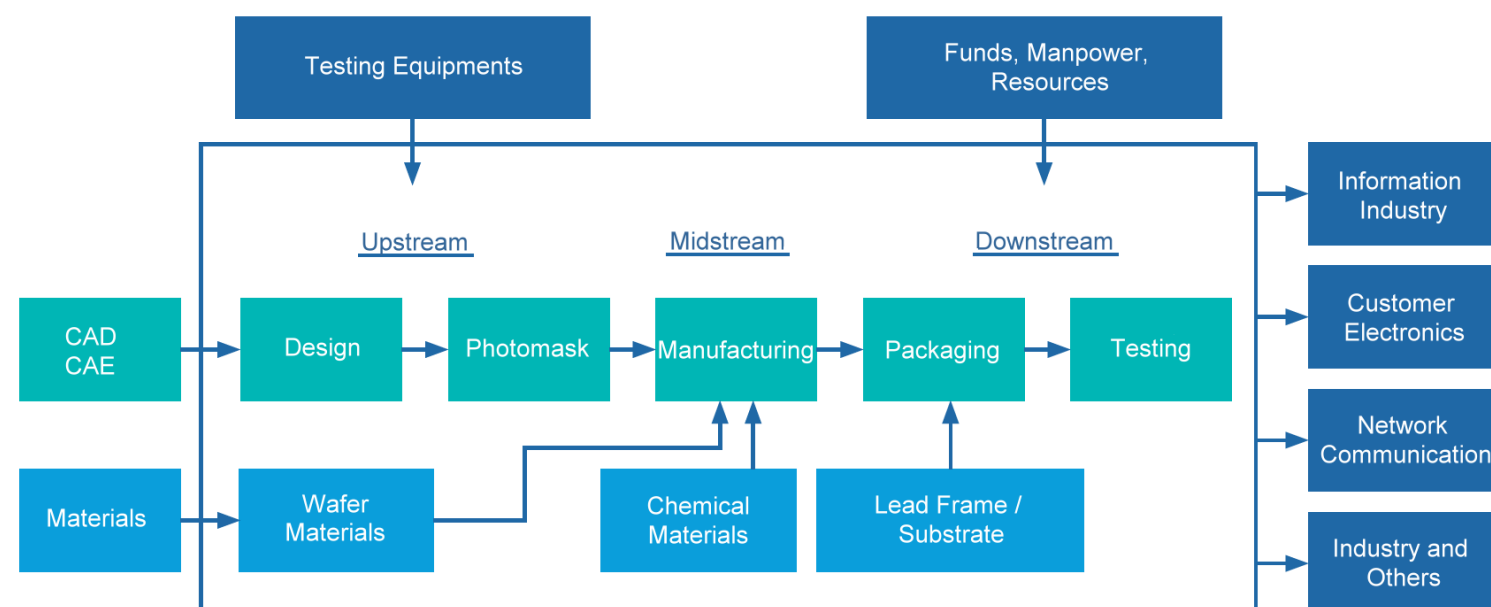
RBA 7.0
RBA 7.0 VAP
ISO 45001 : 2018

 **Governance**

G

ISO 9001 : 2015
IATF 16949

Supply Chain Overview



In addition, we prohibit child labor under the age of 16, forced labor, and any improper employment discrimination, and require our suppliers to follow the same international standards and laws related to labor employment in their business locations. 2020, there was no significant risk or incident of child labor or forced labor in our company or suppliers. All labels on the products manufactured by ASMedia comply with local laws and regulations regarding information and labeling of semiconductor products. During the reporting period, there was no violation of the product and service information and labeling regulations.

Local Procurement

We have increased the proportion of local procurement in manufacturing, fixed assets and raw material procurement through careful planning to reduce carbon emissions from logistics and transportation, and to enhance our local economic competitiveness. By 2020, we spent more than 95% on local sourcing; 100% of our raw materials were sourced from smelters approved by the Global Sustainability Initiative.

Procurement expenditure in the last two years

Item	2019	2020
Manufacturing	100%	100%
Fixed asset	100%	85.81%
Raw materials	99.90%	100%

“
Manufactured in Taiwan
100 %
”

Supplier Management and Evaluation

Supplier Management Policy

In order to strengthen the sustainable management of the supply chain, we conduct annual evaluation and irregular audits of suppliers according to our supplier management procedures. The QA department conducts the evaluation. We evaluate our suppliers according to the criteria of quality of goods delivered and engineering capability. In addition, we have added ESG sustainability criteria this year, and suppliers that meet the audit screening criteria will be evaluated by QA. By 2020, all suppliers were 100% compliant with our supplier management policy.

The Company and its suppliers maintain a good cooperative relationship and sign relevant cooperation contracts or contractual agreements to protect the rights and obligations of both parties, and obtain test reports from suppliers to perform audits on suppliers. We will conduct annual audits of our supplier partners, and the results of the 2020 audits have not revealed any significant deficiencies or risks. If there are any deficiencies in the process operation data, such as upper and lower limits, or undefined return control of finished goods, suppliers are required to reply within a certain period of time to correct the deficiencies and improve the measures.

Use of Non-Conflict Minerals

We request our suppliers to refrain from purchasing and using Conflict Minerals, and in accordance with the Conflict-Free Smelter Program (CFSP), the Responsible Business Alliance (RBA), and the Global Sustainability Initiative (GeSI), we expect to conduct a conflict minerals survey in 2021. We will require our major suppliers to submit conflict-free metal pledges, certifying that the metals used in their products do not come from conflict zones, to ensure that the minerals used in our products, such as tin, tantalum, tungsten and gold, do not contribute to the profitability of armed conflict. Supporting our social responsibility of not using conflict mineral by action.

We require our suppliers to sign a Conflict Minerals Declaration and a Banned Chemical Substance Declaration to supplying product or parts, including product accessories, packaging materials, and other accessories related to product delivery, in the event of a breach of the relevant regulations, so that supplier partners can work together to enhance corporate social responsibility.



Declaration
of not using
Conflict
Minerals and
Banned
Chemical
Substances



Supplier Audits

We conduct audits every year to ensure the quality of qualified suppliers, and we ask suppliers to propose appropriate improvement plans for the relevant deficiencies, and specify specific practices and improvement time. In addition, we will continue to pay attention to our suppliers' actions in environmental protection and labor rights to meet international regulations and sustainable development goals. In 2020, there were a total of 5 audits completed, achieving 100% of the expected number of audits.

Supplier Evaluation

Through continuous communication with our suppliers, we understand the status of our partners' compliance with laws and regulations, and ensure or remind the implementation of various laws and regulations. In addition, our suppliers have fulfilled various evaluation items, including quality assurance, engineering capability, occupational safety, environmental protection, social responsibility, etc., in order to create a more positive and good supply chain environment, and also to reduce the overall business risk. In the past three years, our suppliers have been assessed to have no major deficiencies, and 100% of our suppliers have maintained their A-grade performance.

Supplier's audit in the past three years

	2018	2019	2020
Estimated number of audits	5	5	5
Actual number of audits completed	5	5	5
Achieved Rate	100%	100%	100%

Grade of supplier's audit

Grade	Action
A	Priority Purchasing
B	Maintain normal purchasing
C	Reduce Purchasing
D	Request a deadline for improvement, and the QA Department will arrange another time for re-evaluation; if the supplier fails to pass the re-evaluation, the cooperation qualification will be cancelled.

The results of supplier's audit in the last three years

Vendor	Grade	2018	2019	2020
Supplier	A	5	5	5
	B	0	0	0
	C	0	0	0
	D	0	0	0

Supplier Risk Evaluation

In order to diversify risks and continuously improve the overall quality of our supply chain, in addition to our stable cooperation and good relationship with our existing suppliers, in 2020, all of our major suppliers were certified with ISO 14001 environmental management system, accounting for 100%, and all of them have signed the Responsible Business Alliance Code of Conduct (RBA), accounting for 100%. There were no new suppliers in 2020.

In terms of environmental aspect, the Company conducted environmental impact assessment of the actual suppliers traded during the reporting year. In addition to the ISO 14001 environmental management system certification, all major suppliers have also passed the ISO 14064 water footprint standard, ISO 14064-1 greenhouse gas inventory standard, and ISO 50001 energy management system certification. We also conduct risk assessment for suppliers with potential negative environmental impacts. The number of major suppliers with actual significant or potential negative environmental impacts was identified as 0.

In the aspect of society, the Company conducted a social impact assessment on the suppliers actually traded during the reporting year, and 100% of the major suppliers signed the Code of Conduct for Responsible Business Alliances. We also evaluated suppliers with potential negative social and human rights impacts, and identified zero suppliers with actual or potential negative social impacts.

Suppliers must sign the declaration of banned chemical substances and conflict minerals to be qualified as suppliers, and 100% of major suppliers have met the above-mentioned standards in 2020.

Actively assist suppliers in implementing continuous improvement programs to meet quality, environmental protection, and product safety requirements, and ensure timely delivery according to schedule. At the same time, we shall implement improvements in employee health and safety, human rights, corporate social responsibility, and continuously improve our risk management capabilities.

Customer Satisfaction / Service

For the maintenance of customer relationship, the core principle is to satisfy customer needs and solve customer problems. In order to accurately track customer feedback on our products and services, we conduct customer satisfaction surveys twice a year (in the first and second half of the year), targeting the top 10 direct customers in terms of total shipment amount, and establishing four major components of evaluation, namely product quality, shipment quality, service quality, and new product promotion. There are 10 indicators for customers to rate, in order to collect and quantify the level of customer satisfaction. The customer satisfaction survey results for the first and second half of 2020 were both 94.2, maintaining the excellent performance of high customer satisfaction. In the future, we will adjust the content of the customer satisfaction evaluation in response to market conditions and customer feedback in order to fully respond to customer needs and provide customized product design services.

Evaluation of the Structure		Selection Criteria
Product Quality	<ul style="list-style-type: none"> Product function Product storage method 	
Shipment Quality	<ul style="list-style-type: none"> Product delivery time control Packaging and delivery 	
Service Quality	<ul style="list-style-type: none"> Engineering support Product problem recovery efficiency Crisis management capability Professional competence 	
Promotion of New Products	<ul style="list-style-type: none"> Clarity of new product promotion content Business promotion attitude 	

Evaluation score: 2: very dissatisfied; 4: dissatisfied; 6: still acceptable; 8: satisfied; 10: very satisfied

Customer satisfaction results for the past three years

Target : Average customer satisfaction score > 90

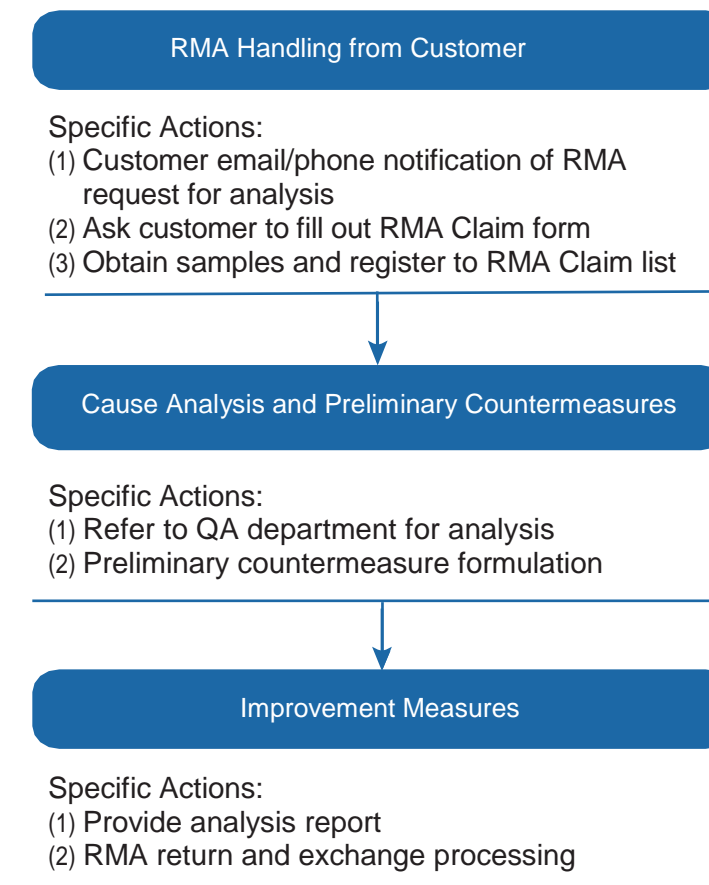
Year	2018		2019		2020	
	First Half	Second Half	First Half	Second Half	First Half	Second Half
Positive Items (Avg. > 9.8 pts)	Product delivery time control Crisis management ability	Crisis Management Ability	Business Promotion Attitude	—	Business Promotion Attitude	Business Promotion Attitude
Mean Score	93.4	92.6	93.0	91.8	94.2	94.2

In addition, we have established a clear and complete customer complaint handling process / Return Materials Authorization (RMA) process, and detailed the specific actions of each process to effectively respond to customer feedback. We provide a customer service mailbox on our official website: asmediaservice@asmedia.com.tw. We regard customer suggestions as the fuel for the growth of ASMedia, and accept relevant suggestions from customers / clients in an open and transparent manner to improve the relationship between ASMedia and customers.

Customer Satisfaction Survey Process



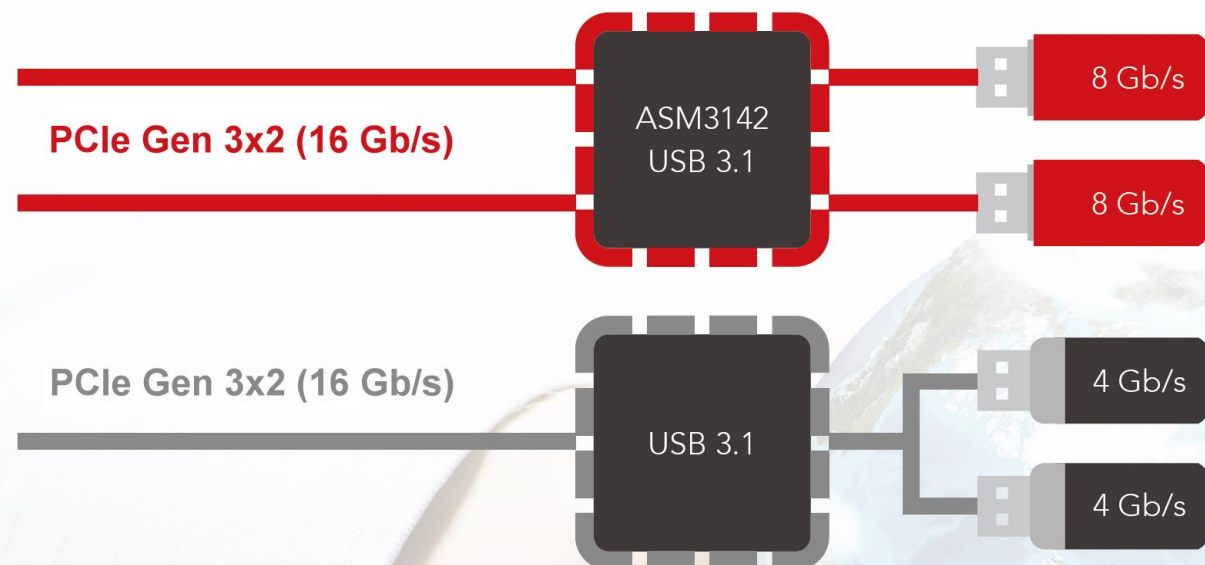
Customer Complaint Process



Green Products and Customized Services for Customer Needs

In recent years, with the global trend of low carbon, more attention is paid to the friendly protection of the environment, whether electronic products can be operated in a more efficient way by using energy, reducing power usage with low-power product design to achieve the goal of energy saving, and the concept of green product design has emerged. We see this challenge as an opportunity to provide customized design services, redesign firmware and drivers, and successfully propose solutions to meet customer requirements, and become long-term partners with our customers to create a new era of green products.

For example, a well-known host manufacturer uses our ASM3142 USB 3.1 Gen 2 controller chip to enhance the efficiency of USB transmission on the motherboard with PCIe Gen 3x2 (16Gb/s), making it the fastest solution on the market and reducing energy consumption by at least 50% compared to the previous ASM2142 product.



Case

1

A customer who manufactures storage devices wanted to launch energy-saving green products to differentiate themselves in the market with energy-saving products. When we received this request, we immediately started to solve the problem of how to help the customer produce end products with lower energy consumption chips. In the end, we were able to provide customized hardware and firmware to successfully meet our customer's requirements and have received excellent feedback and long-term cooperation with them.

Case

2

In response to a motherboard manufacturer's request to adopt a new industrial standard for a new functional chip to meet the energy saving requirement, it was also a new barrier to market entry for us, but once this challenge was overcome, we were able to become a supplier of this solution. Therefore, we redesigned the product, and passed the customization test, and finally we were able to achieve our goal and provide a solution.

Case

3

A motherboard vendor requested to incorporate a new industry standard into their existing product to meet energy saving requirements, hence ASMedia needed to overcome this challenge with their existing product. We provided customized firmware and drivers to solve this problem, and finally we achieved our goal and provided a solution.

Environment Sustainable Policy

Although we are engaged in the production and sales of IC design wafers, which is a fabless IC design industry and has no direct impact on the environment, we are still committed to environmental protection, and do our part for the earth by promoting various environmental-friendly policies such as "energy saving and carbon reduction" and "resource reuse" in the workplace, in addition to no factory waste water emissions. In addition, we obtain the test reports from suppliers in a timely manner and perform audits on suppliers. All of our customers sign a declaration of non-use of hazardous substances and use safe materials and parts certified by environmental standards, and comply with RoHS, PFOS, Halogen Free, and REACH SVHC standard.

In the future, we will continue to conduct more precise management and complete planning for energy resources use and carbon emissions, with the aim of becoming a green company and making the overall environment sustainable. In order to achieve these goals, we have set short/medium/long term goals related to our environmental policy. In addition to the annual per capita electricity and water savings rates of 2% and 1%, we have also set the reduction of resource consumption in the office as an important indicator.

Green Workplace Energy Saving and Carbon Reduction Plans

Although we do not have a plant set up and our workplace is mainly our office, we still have a short, medium and long term plan for energy saving and carbon reduction, listing the relevant energy saving and carbon reduction measures to be carried out in the short, medium and long term. Adapting the principle of S.M.A.R.T (Specific; Measurable; Achievable; Relevant; Time-Bound) to develop energy-saving solutions and target performance, to draw up a reasonable and energy-saving path that is in line with the industry, and to create a green workplace that is good for the environment in line with the company's own policies and target visions in energy management.

8



Environmental Protection

Short-Term Plan

1. Use recycled paper towels (by paper pulps) from July, 2020.
2. Install water saving devices in the pantry and toilets.
3. Gradually replace office split type air conditioners with variable frequency energy saving air conditioners, the replacement rate is expected to reach 10%.
4. Advise employees to set the office air conditioning to the appropriate temperature.
5. Replace 7th floor office lighting with LED lighting (save 20% of lightings).

2021

2027 or later

2022~2026

Long-Term Plan

1. Replace all office split type air conditioners with variable frequency energy saving air conditioners.

Medium-Term Plan

1. Fully adopt energy-saving air conditioning system in MIS server room.
2. Replace all office lighting with LED lighting.
3. Gradually replace office split type air conditioners with variable frequency energy saving air conditioners, with an estimated replacement rate of 60%.

Risks and Opportunities of Climate Change

In response to the business risks brought about by climate change, each department will take stock of the climate-related risks involved in its own business scope, and then report and consolidate them to the president, and refer to the Task Force on Climate-related Financial Disclosures (TCFD) framework. Through the four core elements of "Governance", "Strategy", "Risk Management", and "Indicators and Targets", we identify potential climate change risks and opportunities, grasp the impact and influence of climate change on our operations, and formulate relevant strategies and measures in advance to prevent the risks and harm caused by climate change.

TCFD Core Elements and Financial Disclosure

Core Elements	Action Plan
Governance	Based on their own business scope, each department will take stock of and identify the potential impact of each risk issue on the internal and external aspects of the organization, including the identification and assessment of climate change risks and the response to climate impacts. We also hold regular meetings to identify our priority initiatives for sustainable development, including issues related to climate change, and take practical action to fulfill our corporate social responsibility.
Strategy	Based on the business type and operation status, we identify the risks and opportunities of entity and transformation, and actively promote the green energy and environmental protection policy. To address the impact of global climate change and the greenhouse effect on the environment, we have established energy-saving and carbon-reduction measures, promoted energy-saving management in offices and public areas, reduced waste, implemented green procurement, and purchased products with energy-saving and environmental protection labels.
Risk Management	In order to identify and evaluate existing and future activities related to sustainable operations, products and services that may pose significant impacts or risks, starting in 2021, the risk will be regularly assessed by the responsible unit and a risk policy will be established as the basis for policy formulation and targeting, and the implementation will be regularly checked by the Auditing unit. The results of the assessment are as follows: The risk assessment mechanism proposed by TCFD will be implemented to evaluate specific issues related to climate change in order to understand the specific potential financial impact and adopt relevant response strategies.
Targets and Objectives	<p>In response to reducing the impacts and risks caused by climate change and achieving green energy and carbon reduction related targets, targets are used to manage the risks and opportunities associated with climate change.</p> <p>Energy saving and carbon reduction: Long-term promotion of "energy saving and carbon reduction measures", the main measures are as follows:</p> <ul style="list-style-type: none"> • Electricity consumption: Use energy-saving and environmental protection labeled products for lighting equipment (replace office lighting with LED lighting, and gradually replace office split type air conditioners with variable frequency energy-saving air conditioners); turn off air conditioners and lighting when offices, meeting rooms and public areas are not in use, and instruct employees not to set air conditioner temperatures too low. The target annual per capita energy saving rate is 2%. • Water resources: Promote water conservation by installing water saving devices at toilets to control the amount of water discharged from the toilets, and prioritize the use of faucets and toilets with the "Water Saving Label" when replacing old equipment. We also regularly inspect pumping motors, water towers, faucets and other plumbing connections, as well as walls and underground pipes for leaks. The goal is to save 1% of water per capita per year. • Waste: Promote waste reduction policies such as double-sided printing or reuse of official documents and paper as much as possible, and increase the use of the online signature system for official documents to reduce the printing of paper documents, and switch to environmentally friendly hand towels (using recycled paper pulp) from July 2021 to protect the natural environment and love the earth. • Greenhouse gases: In 2020, the greenhouse gas emissions in Scope 1 were 0.76 metric tons of CO₂e and Scope 2 were 360.46 metric tons of CO₂e. It is expected that the Carbon Disclosure Project (CDP) will provide suppliers with relevant carbon emission data in the future.

Climate Related Risks and Financial Impacts

Type	Climate-related Risks	Potential Financial Impact	Actions to be taken in 2020
Transformation Risks	Policies and Legal Regulations		
	<ol style="list-style-type: none"> In response to Taiwan's greenhouse gas reduction and management regulations, we need to improve the energy efficiency of our operating bases. Carbon tax and carbon trading system are becoming mainstream, and Taiwan may need to impose carbon tax in the future. Increased costs or reduced demand for products and services due to fines and judgments, or policy changes. 	<ol style="list-style-type: none"> May be affected by the potential carbon tax, carbon trading system, and the cost of sourcing compliant raw materials and parts to increase operating costs. 	<ul style="list-style-type: none"> Promote turning off unused appliances and unoccupied area lights in the office. By 2020, green office supplies purchase will account for 57% of total office supplies purchases. Laptop purchases must comply with Energy Star certification label, accounting for 100% of total laptop purchases. Supplier partners will pass various international environmental certification standards to form a sustainable supply chain and reduce environmental pollution in the industry as a whole.
	Technology		
	<ol style="list-style-type: none"> The inevitable development of low-carbon technologies to reduce carbon emissions in response to regulatory and advocacy restrictions, resulting in additional capital investment. The development of new and alternative technologies to replace existing products or services. The cost of adopting new and alternative technologies to develop practical operations and processes. 	<ol style="list-style-type: none"> Capital investments in technology development. New and alternative technology research and development, which may result in lower demand for existing products and services and a significant decline in revenue. New and alternative technology development expenditures, resulting in higher costs for new products. 	<ul style="list-style-type: none"> In the future, we will invest more resources in energy-saving and low-power consumption functional design and develop advanced manufacturing processes to effectively meet the challenges of climate risks. We expect to continue to invest \$560,000,000 in R&D in 2021.
	Market		
	<ol style="list-style-type: none"> In recent years, due to climate change and the rise of sustainability awareness, low pollution and low energy consumption products have gradually emerged in the market. 	<ol style="list-style-type: none"> Increased awareness of sustainability, customers will likely purchase lower carbon goods or services in the market. 	<ul style="list-style-type: none"> Introduce sustainable product design, focusing on two major directions of energy efficiency and harmful substance reduction, in order to enhance market competitiveness.
	Reputation		
	<ol style="list-style-type: none"> Due to climate change and rising environmental awareness, more attention is being paid to corporate environmental concepts and sustainable management policies. 	<ol style="list-style-type: none"> Working with high carbon emission suppliers may affect customers' trust in the company. Low climate resilience may affect investor and stakeholder trust in the company. 	<ul style="list-style-type: none"> Maintain long-term relationships with suppliers that have adopted environmentally relevant management systems to ensure that the overall supply chain is in line with international market trends in carbon management. Strengthen climate risk assessment and formulate countermeasure strategies.

Type	Climate-related Risks	Potential Financial Impact	Actions to be taken in 2020
Physical Risks	Immediate risks (e.g. rainstorms, typhoons, hurricanes, floods)	<ol style="list-style-type: none"> Climate factors may lead to a decrease in production capacity and revenue (e.g., unavailability of transportation leading to supply chain disruption, unstable room temperature or affecting the life of instruments and equipment, write-off and early retirement of existing assets, and higher infrastructure costs). Damage to plant equipment at operating sites due to climatic disasters, resulting in increased maintenance costs. Employees are unable to work and productivity is affected, resulting in lower revenue and higher occupational safety and health costs. Extreme weather causes increased rainfall, which may lead to flooding, or increased rainfall that does not fall in the catchment area, leading to drought and water restrictions. 	<ul style="list-style-type: none"> Create a green supply chain and effectively grasp the energy usage of the supply chain to enhance the overall operational resilience. Pay attention to natural disaster information and prepare sufficient raw materials in advance if traffic disruptions are predicted. Regularly review equipment for possible damage, and repair and fix them before a natural disaster strikes. Refer to the announcement of Central Personnel Administration, Executive Yuan to reduce or suspend work if the scale of the natural disaster endangers the lives of employees. Plan to use the top floor water tower (approximately 29 metric tons of water storage) and basement pool (approximately 15 metric tons of water storage) as a water restriction buffer for approximately 5 working days (one week). Waterproof gates will be installed at the entrance of the basement driveway where flooding is most likely to occur to prevent flooding, and pumping machines will be installed to drain the accumulated water.
	Long-term risks (e.g., extreme weather, rising average temperature, rising sea level)	<ol style="list-style-type: none"> Rising average temperature will lead to an increase in the use of air conditioners at operating sites, resulting in an increase in electricity costs year after year. The increase in annual average temperature will lead to an increase in electricity consumption across Taiwan, which may result in power restrictions or zoning of electricity supply, resulting in higher costs. 	<ul style="list-style-type: none"> Strictly control the air conditioning and temperature of offices and conference rooms, and turn them off immediately if they are not in use. Install UPS for network cabinets on each floor in 2022, which can supply power for 30 minutes. In 2022, a generator is expected to be installed in the server room. Laptop computers will be replaced gradually to avoid losses caused by temporary power outages, and the replacement rate is expected to reach 50% in 2021.

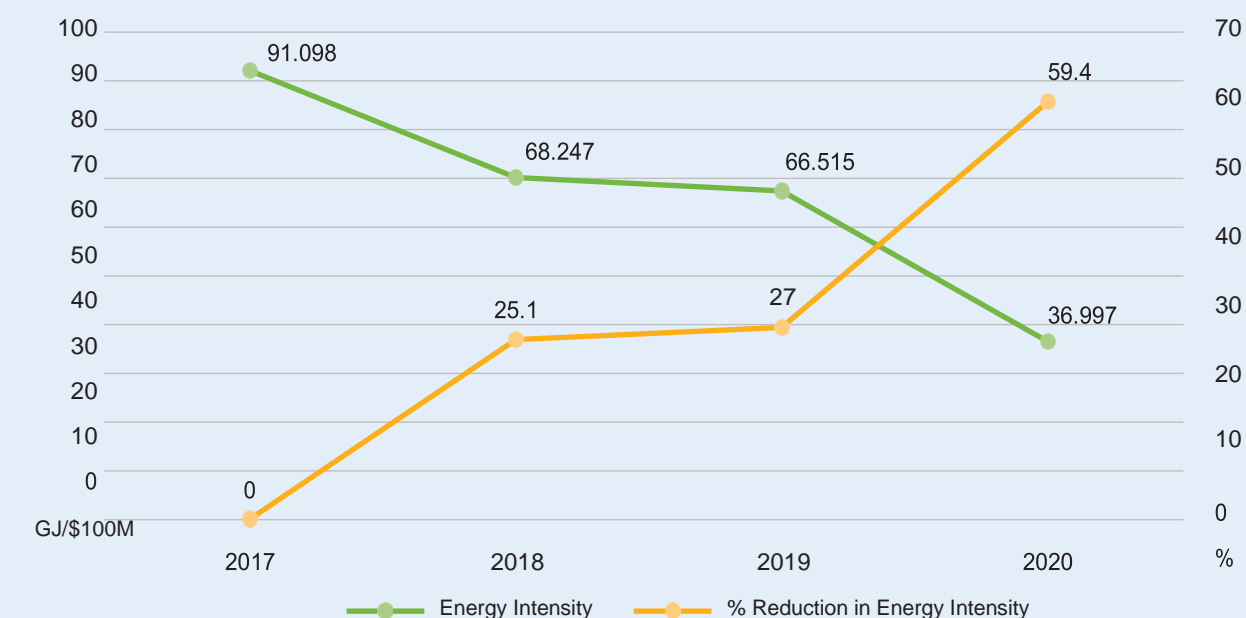
Climate related opportunities and financial impact

Type	Climate-related Opportunities	Potential Financial Impact	Actions to be taken in 2020
Resource Efficiency	<ol style="list-style-type: none"> 1. Recycling of paper and waste. 2. Switch to more efficient electrical equipment. 3. Reduce water consumption. 	<ul style="list-style-type: none"> • Reduce the purchase cost of consumables. • Reduce electricity consumption and carbon emissions. • Reduce water costs. 	<ul style="list-style-type: none"> • Continuously promote various energy performance management through energy-saving improvement management programs such as building lighting and air conditioning equipment. • Establish corporate Enterprise Information Portal (EIP) electronic signature system, implement paperless offices, and increase the efficiency of human resources. • Purchase and install energy-saving LED lamps to save 2.57 tons of carbon emissions by 2020. • Promote water conservation policy and save 1% of water per person by 2020.
Energy Sources	<ol style="list-style-type: none"> 1. Introduce green energy related products. 2. Adopt solar power generation equipment in office. 	<ul style="list-style-type: none"> • Reduce operating costs 	<ul style="list-style-type: none"> • Implement various energy-saving plans and measures for lighting and air-conditioning equipment to create a low-carbon life.
Products & Services	<ol style="list-style-type: none"> 1. Research and development of new and alternative technologies. 	<ul style="list-style-type: none"> • Increasing revenue through the design of low-carbon products and services. • Drive revenue through new solutions to meet customer needs for climate adaptation. • New technologies, although more expensive to develop, can be an asset to the company and can attract interested companies to collaborate. 	<ul style="list-style-type: none"> • Design more low-power products, such as those that meet industry standards, such as the California Energy Code, and industry standards for power-efficient designs, such as Microsoft Modern Standby, to enable suppliers to effectively reduce emissions in their processes.
Market	<ol style="list-style-type: none"> 1. Launch of energy-saving products. 	<ul style="list-style-type: none"> • Meet the trend, improve the company's image and sales profit. 	<ul style="list-style-type: none"> • Continuously introduce energy-saving products and green design to reduce operating voltage and improve product manufacturing process.
Resilience	<ol style="list-style-type: none"> 1. Integrate climate change risks and handling methods to enhance the company's response capability. 	<ul style="list-style-type: none"> • Strengthen corporate resilience to reduce losses from climate change and supply chain losses. 	<ul style="list-style-type: none"> • Starting from 2021, the responsible unit will regularly evaluate climate-related risks and formulate risk management policies to strengthen the company's risk management and disaster response capabilities, and to stop the continuous expansion of disasters in order to reduce losses. The auditing unit will conduct regular audits to confirm the implementation status.

Energy Management

As a professional IC design company in Taiwan, we are fully aware of the possible risks brought by climate change. Therefore, reducing energy consumption has been our continuous effort, and we are thinking about how to increase the proportion of green energy in the future. We are committed to improving the energy efficiency of our daily operations, and we have made reference to the backbone of international environmental standards such as ISO 14001/ISO 50001/ISO 14064-1 as our annual management guidelines and guidelines for various energy-saving and carbon-reduction measures, and in the future, we will consider passing the above-mentioned environment-oriented management system and certification standards as one of our future goals to achieve more effective energy managements.

Percentage Reduction in Energy Consumption and Energy Intensity



Energy-related statistics for the past four years

Year	2017	2018	2019	2020
Electricity Consumption	753,081	705,601	692,129	718,060
CO ₂ e/Mt	417.206	376.085	352.293	360.466
Gigajoule (GJ)	2,711.091	2,540.163	2,491.664	2,585.016
Energy Intensity	91.098	68.247	66.515	36.997

Note:

1. The electricity emission factor for 2017 is 0.554 kgCO₂e/kWh; for 2018 is 0.533 kgCO₂e/kWh; for 2019 is 0.509 kgCO₂e/kWh; for 2020 is 0.502 kgCO₂e/kWh.

2. According to GRI Standards, metric tons of CO₂e is the unit of carbon dioxide.

3. Greenhouse gases are aggregated into the Operations Control Act.

4. Energy intensity: Annual electricity usage (unit: GJ)/Annual revenue (unit: NT\$100 million).

Reducing Energy Consumption

In recent years, in addition to the comprehensive energy saving activities, ASMedia has been actively implementing relevant energy saving action plans to encourage colleagues to introduce the concept of energy saving into their processes and lives. In 2020, ASMedia's energy intensity decreased by 44.37% compared to last year, demonstrating excellent energy saving results. The following are the various energy-saving action measures of ASMedia:

- Promote employees to develop the habit of turning off the lights and power supply.
- Regular daily energy-saving inspections, etc., and turning off lights for one hour during the lunch break.
- Encourage employees to take the stairs during work hours and between floors to reduce the use of elevators.
- Use LED power-saving lightings in office areas.
- Change the lighting equipment in the staircase to sensor type to reduce unnecessary lighting time.
- Continuously improve the process of electronic form signing, reduce the use of paper, and move towards the goal of paperlessness.
- Encourage employees to walk up and down the stairs to save energy by organizing a daily 10,000 steps campaign.

Energy saving action plan and energy saving performance for 2020

Action Plan	Electricity saving (kWh)	Energy consumption reduction (J)	Carbon emission reduction (Mt CO ₂ e)
Replace with energy-saving lightings	5050	18,180,000,000	2.57

Note:

1. Purchased electricity 1 kWh = 3,600,000 Joule.

2. The Energy Bureau of the Ministry of Economic Affairs announced that the electricity emission factor for 2020 is 0.502 kgCO₂e/kWh.



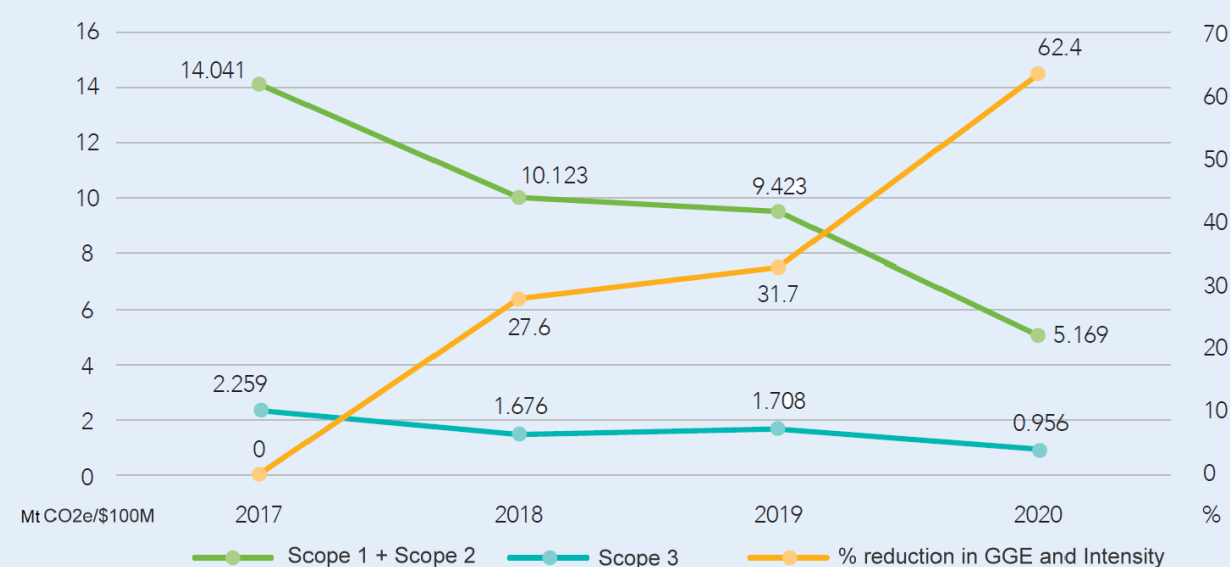
Air Quality Management

In order to fulfill our responsibility as a global citizen, although the greenhouse gas inventory standard ISO14064-1 has not yet been introduced, we are still actively disclosing greenhouse gas emission (GHG) information and calculating the total greenhouse gas emissions with 2017 as the base year, and the emission types including Scope 1, Scope 2, and Scope 3. In addition, we also calculate the intensity of GHG emissions and use 'revenue' as the denominator to calculate the measure of the intensity ratio.

In 2020, the total greenhouse gas emissions of ASMedia Technology increased by 2.66% compared to last year, mainly due to the increase in the number of employees and office leased space. As for GHG emission intensity, it decreased from 11.131 (Mt CO₂e/NT\$100 million revenue) last year to 6.125 (Mt CO₂e/NT\$100 million revenue) this year. If we take 2017 as the base year, its greenhouse gas emission intensity has decreased by 62.4%, which is a significant effect of emission reduction.

The year 2017 was chosen as the base year for Greenhouse Gas (GHG) emissions mainly in that year for the first time in the inventory of the GHG volume in Scope 1, 2 and 3, as well as through the advice of external experts and repeated discussions with internal units responsible for carbon reduction projects, so that the year 2017 was set as the base year for GHG reduction in order to effectively track the performance and targets of the Company in terms of emission reduction.

Percentage Reduction in Greenhouse Gas Emission and Intensity



Greenhouse Gas Emission (Unit: Mt CO₂e)

Year	2017	2018	2019	2020
Scope 1	0.662	0.681	0.709	0.761
Scope 2	417.206	376.085	352.293	360.466
Scope 3	67.235	62.369	63.975	66.831
Carbon Dioxide	484.441	438.455	416.269	427.3
Methane	0.657	0.675	0.703	0.755
Hydrofluorocarbon	0.005	0.005	0.005	0.005

Note:

1. The electricity emission factor for 2017 is 0.554 kgCO₂e/kWh; for 2018 is 0.533 kgCO₂e/kWh; for 2019 is 0.509 kgCO₂e/kWh; for 2020 is 0.502 kgCO₂e/kWh.

2. The method of compiling the amount of greenhouse gases is the operation control method.

Greenhouse Gas Emission Intensity (Unit: Mt CO₂e/NT\$100M revenue)

Year	2017	2018	2019	2020
Scope 1	14.041	10.123	9.423	5.169
Scope 2				
Scope 3	2.259	1.676	1.708	0.956
Carbon Dioxide	16.278	11.780	11.112	6.116
Methane	0.022	0.018	0.019	0.010
Hydrofluorocarbon	0	0	0	0

Note:

1. GHG intensity = Greenhouse Gas emissions for the current year / annual revenue for the current year.

2. Annual revenue for 2017 is NT\$2.976 billion, for 2018 is NT\$3.722 billion, for 2019 is NT\$3.746 billion, and for 2020 is NT\$6.987 billion.



Water Resources Management

According to an US report published in 2019 by the World Resources Institute, 17 countries accounting for a quarter of the population, are in danger of their water resources drying up and going to zero. For this reason, we attach great importance to the disclosure of the amount of water it takes, and uses 100% third-party water (tap water) for the total amount of water it takes.

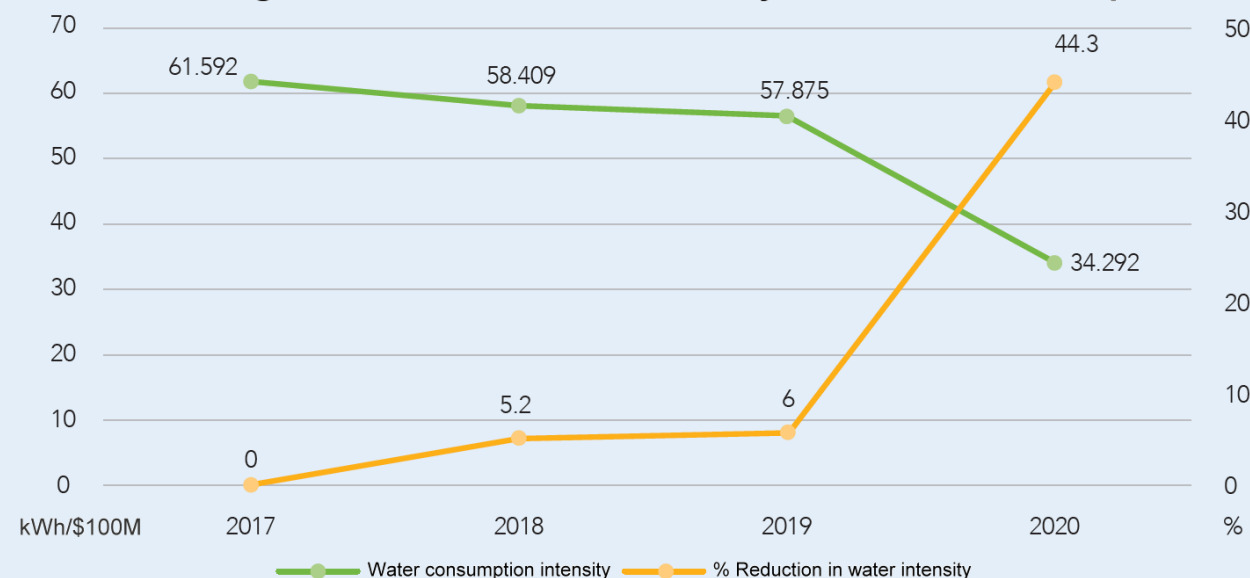
In the face of the increasingly severe extreme weather in recent years, Taiwan is still in danger of water shortage and drought even though it is surrounded by the sea. Therefore, ASMedia has formulated water restriction and prevention measures, using the water tower on the top floor of the operation site and the basement cistern (with 44 metric tons of water) for emergency use in case of water shortage and suspension, which can be used for about five working days a week to keep the operation running.

In 2020, the water consumption intensity was 34.292, a 44.3%

decrease compared to 2017, which shows the excellent results of the water conservation actions actively advocated by ASMedia in recent years, making the use of water more efficient and reducing unnecessary waste.



Percentage Reduction in Water Intensity and Water Consumption



Total water consumption and carbon emission of all regions in the past four years

Year	2017	2018	2019	2020
Total water consumption (Unit: m ³)	1,833	2,174	2,168	2,396
Total carbon emissions from water use (Unit: kgCO ₂ e)	127.576	144.571	137.234	138.968
Water Use Intensity	61.592	58.409	57.875	34.292
Indoor Water Use Intensity (Indoor WUI)	1.2746	1.3092	1.2897	1.3196

Note:

1. Total carbon emissions from water use: Total water use (m³) x approximate CO₂ equivalent emission per m³ of water used (calculated based on the data by Taiwan Water Supply Corporation for that year).
2. Water use intensity: Total water consumption (m³) / Annual revenue (NT\$100 million).
3. Indoor water use intensity: Total water consumption (gallons) / total office area (square meters)

Do One Thing for Tamsui River

How to balance "economic development" and "environmental protection"? Rapid economic development has also led to many cases of environmental and ecological damage, and Taiwan, with its abundant water resources, is not immune to this. Nearly 3% of the Tamsui River in New Taipei City is still heavily polluted, not only the domestic wastewater discharged by the public, but also the industrial wastewater of enterprises. The serious pollution of wastewater not only causes considerable negative impact on the habitat of organisms, but also affects the 8 million people who live in the river basin.

On May 28th, 2020, we first responded to the "Do One Thing for Tamsui River" campaign by On May 28th, 2020, we first

responded to the "Do One Thing for Tamsui River" campaign by acknowledging and signing the Tamsui River Convention initiated by CSR@Commonwealth, with a total number of 240 participants showing their support through actions including green procurement, strengthen the audit of suppliers' environmental practices, and join other 189 domestic companies to help restore water resources. In the future, we will continue our environmental initiatives and take practical actions to realize the vision and goal of environmental sustainability. We hope that we can become a company with goodwill and sustainable spirit.

Do One Thing for Tamsui River

"Do One Thing for Tamsui River" Official Website



Waste Reduction, Recycling and Reuse

In order to achieve the goal of waste reduction, we have implemented relevant reduction programs and measures. For example, we have introduced the Enterprise Information Portal (EIP) electronic signature system, which not only significantly shortens the time of signature delivery and improves administrative efficiency, but also reduces the large amount of CO₂ emissions generated by paper manufacturing. Since its implementation in April 2013 until the end of 2020, we estimate that we have saved a total of 56,180 sheets of printing paper, which is roughly estimated to be NT\$8,427 at NT\$0.15 per sheet of A4 paper.

Benefit Analysis of Enterprise Information Portal (EIP) System on Monthly Paper Savings (Jan-Dec 2020)

Jan 199 x 2 = 398 sheets	Jul 351 x 2 = 702 sheets
Feb 283 x 2 = 566 sheets	Aug 337 x 2 = 674 sheets
Mar 468 x 2 = 936 sheets	Sep 350 x 2 = 700 sheets
Apr 318 x 2 = 636 sheets	Oct 366 x 2 = 732 sheets
May 500 x 2 = 1000 sheets	Nov 328 x 2 = 656 sheets
Jun 517 x 2 = 1034 sheets	Dec 482 x 2 = 964 sheets

Total 4,499 x 2 = 8,998 sheets

Estimated total savings

56,180 printed sheets

We will continue to promote source reduction and recycling of waste in our plants, and work with the entire supply chain to reduce the amount of raw materials used and the environmental impact of production. We will continue to establish a strict control and audit mechanism for waste flow and qualified vendor screening to ensure proper and legal waste flow and strengthen our sustainable strength. 2020 saw no pollution leakages that caused the company to shut down production or residents to surround the plant, and no major environmental fines. The following are the measures to reduce waste:

- Set up recycling bins and outsource manual sorting of domestic waste.
- Implementing waste separation and recycling of waste dry batteries.
- Send the waste wafers and test boards to legalize and professional environmental protection company for disposal to reduce the direct impact on the environment.
- Give away environmentally friendly dishes and bags to encourage colleagues to reduce the waste of disposable tableware: 217 people received environmentally friendly dishes and bags in 2017.
- Implement the recycling of food waste and reduce environmental pollution by using recycling methods.



Strictly implement waste separation and recycling to achieve the goal of waste reduction.

Green Procurement

With the belief that corporate growth and ecological environment coexist and co-prosper. Through green procurement, we support low energy consumption, non-toxic, recyclable and environmental labeled office supplies, such as LED lighting, Energy Star labeled laptops, eco-friendly toner cartridges for photocopiers, and eco-friendly paper with the concept of "farming tree paper" that does not damage natural forests and protects the ecology.

- The percentage of laptops with the Energy Star label has reached 100% for three consecutive years.
- 25% increase in spending on office supplies with environmental labels.
- The proportion of LED lighting will increase year by year, reaching 70% by 2020, a 10% increase from previous year.



To reduce environmental pollution by practicing green procurement and purchasing products that are friendly to the environment and have energy-saving labels.

Diverse Employment Opportunities

Our employees are the most important asset of ASMedia. We are committed to creating a friendly workplace that brings happiness to our employees, so that they can develop their talents, make continuous progress, and find enthusiasm and balance between work and life in our company.

As of the end of 2020, the total number of company employees was 249, including 7 executive managers and 242 general employees; 80% of all employees are male and 20% are female. As for the proportion of female supervisors, the number of female supervisors has exceeded 10% for three consecutive years; there were 6 female supervisors in 2020, accounting for 12.8% of the total number of female employees.

In the future, we will continue to work on gender equality in the workplace and enhance the gender diversity of our employees at all levels to maintain the competitiveness of our workplace.



9

Happy Workplace

Information on ASMedia employees and other workers in 2020

Primary Category	Secondary Category	Male		Female		Total	
		Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
Nationality	Local	202	81.1	47	18.9	249	100
	Non-Local	0	N/A	0	N/A	0	N/A
Subtotal		202	81.1	47	18.9	249	100
Hiring Type	Full-time	199	80.9	47	19.1	246	100
	Part-time/ Contractor	3	100	0	N/A	3	100
Subtotal		202	81.1	47	18.9	249	100
Employee Type	Managerial	55	90.2	6	9.8	61	100
	Non-managerial	147	78.2	41	21.8	188	100
Subtotal		202	81.1	47	18.9	249	100
Age	21-30	33	73.3	12	26.7	45	100
	31-40	76	79.2	20	20.8	96	100
	41-50	68	85.0	12	15.0	80	100
	51-60	24	88.9	3	11.1	27	100
	61-65	1	100.0	0	N/A	1	100
Subtotal		202	81.1	47	18.9	249	100
Education	Doctorate	2	100.0	0	N/A	2	100
	Master	119	90.8	12	9.2	131	100
	University	81	69.8	35	30.2	116	100
	High School	0	N/A	0	N/A	0	N/A
Subtotal		202	81.1	47	18.9	249	100

Note: The statistical data in this table are as of December 31, 2020.

Competitive Salary

We provide competitive salaries to recruit and retain the talents needed for the company's operation, so that the company can grow steadily and sustainably. In addition, we attach importance to the value of equal pay for equal work. We are committed to implementing the policy of pay equity by adopting the same salary according to academic experience without gender disparity.

The Company's employees are paid fixed salaries and variable salaries: fixed salaries are paid monthly with reference to industry pay and labor market statistics, and are adjusted in a timely manner taking into account the position, job nature, professional ability and job market supply and demand; variable salaries come from year-end bonuses, employee bonuses and performance bonuses, and through variable salaries, part of the salary is linked to operational performance. According to the report of Business Next, the average annual salary of the employees in 2020 was as high as NT\$3.7 million, ranking 5th among the listed companies in Taiwan, and even ranked No. 1 in the semi-conductor industry, which fully demonstrates the positive impact of the company's operational growth and premium to the employees' compensation and benefits.

The Company has established the "Remuneration Management Regulations" and "Performance Bonus Regulations" to inform employees through new employee orientation and internal mail system announcements so that they can fully understand the Company's remuneration system. In addition, the Company has established policies, systems, standards and structures for performance goals and salary and compensation. The compensation and benefits of managers and above must be submitted to the Remuneration Committee and the Board of Directors for approval to enhance corporate governance and compensation transparency. In 2020, the average total salary for non-executives at ASMedia was approximately NT\$2.636 million, which was 86% higher than the average for employees in the industry. The median salary for non-executive employees in the industry was NT\$2.076 million.



Workplace Equality and Diversity

For new employees in 2020, there were 16 male employees and 6 female employees. In terms of employee retention, 13 employees have left in 2020 with 8 male employees (4%) and 5 female employees (10.6%). The Company will continue to strengthen work-life balance, enhance supervisory capabilities and provide career development opportunities to promote employee retention.

In addition, during the onboard period, the same salary scale was applied to both men and women according to their academic experience, regardless of their job level, which is in line with our equal pay policy. We are also committed to providing employment opportunities for people with physical and mental disabilities, and we meet the legal employment quota every year.

Total number of new and departed employees by age group and gender in 2020

Primary Category	Secondary Category	Male		Female		Total	
		Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
New Employee	21-30	10	30.3	4	33.3	14	31.1
	31-40	4	5.3	2	10.0	6	6.3
	41-50	1	1.5	0	0	1	1.3
	51-60	1	4.2	0	0	1	3.7
	61-65	0	N/A	0	N/A	0	N/A
Total of new employees		16	7.9	6	12.8	22	8.8
Departed Employee	21-30	7	21.2	1	8.3	8	17.8
	31-40	1	1.3	4	20.0	5	5.2
	41-50	0	N/A	0	N/A	0	N/A
	51-60	0	N/A	0	N/A	0	N/A
	61-65	0	N/A	0	N/A	0	N/A
Total of departed employees		8	4.0	5	10.6	13	5.2

Note:

1. The percentage of new employees is calculated as the number of new employees in each category/total number of employees in each age group.
2. The percentage of employees who left the company is calculated as the number of employees who left the company in each category/total number of employees in each age group.

Comprehensive Welfare Protection





Welfare System






In order to protect the rights and interests of our employees and enhance the company's centripetal force, we provide a comprehensive welfare system for our regular employees. In addition to the basic rights of labor and health insurance, special leave, maternity leave, and parental leave, we also provide rich and diversified employee benefits, such as 14 months of annual salary protection, vacation days, life insurance, medical insurance, disability insurance, pension, emergency relief, birthday gifts, performance bonuses, wedding and childbirth gifts, funeral subsidies, and various allowances, etc. We also provide flexible leave for employees to raise and care for their children.

We have also established an Employee Welfare Committee (EC) in accordance with the law, which allocates 0.08% of monthly sales to employee welfare, and assigns the EC to handle important company gifts, year-end bonuses, birthday bonuses, wedding and funeral subsidies, company trips, clubs and other activities. The details of our employee benefits are as follows:

Compensation and Benefits

	Benefit Measures	Benefit Descriptions and Performance
 Remuneration	Long-term employee recognition	<p>For employees who have served for more than 5, 10, 15 years (5 years upwards cumulative), we provide medals to thank and reward long-time employees for their hard work and dedication to ASMedia, which are issued regularly every year.</p> 
	Festival Gifts and Bonuses	To show our appreciation for the hard work of our employees, we offer three festivals gifts during Spring Festival, Dragon Boat Festival and Mid-Autumn Festival.
 Health Promotion	On-Site Health Consultation Service	We provide health consultation service by qualified doctors and nurses as well as Employee Assistance Program (EAP) for our employees to keep track of their health status.
	Massage service by blind and visually impaired	<p>Professional masseurs are hired to provide services within the company, and appointments are open to employees every week. As of December 31, 2020, the cumulative number of users has reached 1,136.</p> 
	Health checkups	Regularly conduct health checkups for all employees once a year. By 2020, every employee maintains good physical functions and conditions. For those with physical abnormalities or chronic diseases, regularly follow up on their physical condition in the future.

	Benefit Measures	Benefit Descriptions and Performance
 Health Promotion	Organize sports competitions	<p>To encourage employees to exercise more to maintain their health, we hold fat loss competitions and fitness walking competitions.</p> <p>Fat loss competition: The top 3 places will receive NT\$6,000, NT\$5,000, and NT\$3,000 respectively; full attendance awards will be given to those who participated in the whole competition and seminars. The number of participants was 54, the number of finishers was 47, and the number of full attendance award winners was 31.</p> <p>Fast walking competition: The top 3 finishes the competition will receive NT\$3,600, NT\$2,500, and NT\$2,000 respectively; the average daily steps of 8,000 will be rewarded with convenience store coupon of NT\$200. The number of participants was 59, and 54 have reached the target.</p> <div> <div>Workplace Health Promotion Program</div> <p>To encourage employees to develop a healthy lifestyle, and to enhance their knowledge of health management, so that they can actively promote and establish regular exercise and proper eating habits.</p> <ul style="list-style-type: none"> Slender Curves and Fat Loss Competition Fast Walking Competition </div>
	Sports Club	To promote the physical and mental health of our employees, we have created many sports-related clubs, and provide semi-annual subsidies, including yoga club, jogging club, basketball club, and softball club, etc. As of the end of 2020, 40% of our employees participated in these clubs, and the accumulated subsidies amounted to NT\$2,201,689.
	Exercise Facilities	<p>Set up an exclusive staff gym, yoga classroom, table-tennis room.</p> 

	Benefit Measures	Benefit Descriptions and Performance
 Complete facilities	Maternal health protection facilities	Breastfeeding rooms are set up inside companies in accordance with the law, so that new mothers can have private space to nurse their children and implement basic human rights for gender equality.
	Staff Lounge	<p>A lounge with automatic coffee machine, free tea, and a newspaper/magazine shelving area is provided to enable employees to balance work and relaxation and to enhance work efficiency.</p> 
	Bathroom Facilities	We provide clean and bright bathroom facilities, including bidet toilet seats, showers, and other equipments, and regularly clean the environment to maintain hygiene.
 Employee Care	Employee Assistance Program	Incorporate with Online Employee Assistance Program (EAP), which provides assistance to employees in five major areas, including legal, financial, psychological, medical, and management.
	Staff Travel	An annual staff travel is held to unite the centripetal force of ASMedia's employees. In 2020, due to the epidemic, the staff travel is suspended and replaced by cash payments to show compassion for employees' hard work.
	Childcare Allowance	In response to the government's policy to encourage childbirth and to help reduce the burden of caring for newborns, the company will provide an additional monthly childcare allowance of NT\$3,000 for newborns until they reach the age of 4.
	Sign up for Childcare Facilities	Signing special contracts with decent childcare centers and nursery schools near the company to reduce employees' childcare anxiety.
	Car parking allowance subsidy	We provide subsidies for parking fees.
	Department Luncheon	Regularly hold departmental luncheon once a quarter to provide employees with a good opportunity to cultivate their feelings, in order to unite employees' centripetal force and identify with the friendly family of ASMedia.
	Afternoon Tea	The afternoon tea and snacks are provided each month at regular intervals.



We encourage our employees to maintain good physical fitness and have created many sports clubs that are good for their health and unite them as a team.

Protection of Labor-Relations

Although the Company has not established a labor union and an occupational safety and health committee, the Company still protects labor relations by holding regular labor-management meetings and can convene ad hoc meetings when necessary in accordance with Article 83 of the Labor Standards Act. Ad hoc meetings are convened for two-way communication and consultation on issues related to the promotion of labor-management cooperation, coordination of labor-management relations, improvement of labor conditions, and labor welfare planning.

In order to protect employees' rights and labor conditions and to minimize the impact of major operational changes, the Company will comply with Article 16 of the Labor Standards Act and exercise the minimum notice period for termination of labor contracts. During the reporting period, there were no significant changes in the Company's operations.

Maternal Protection Program

The Company has established a workplace maternal health protection program in accordance with the maternal health protection policy of Article 31 of the Occupational Safety and Health Act and the "Regulations for the Implementation of Maternal Health Protection for Female Workers". To provide a safe, hygienic, healthy and friendly workplace environment for pregnant, post-pregnancy and breastfeeding employees, and to ensure the physical and mental health of pregnant, post-pregnancy and breastfeeding female employees in order to achieve the purpose of maternal employee health protection.

After six months of employment and before each child reaches the age of three, all employees of the Company may apply for unpaid parental leave until the child reaches the age of three, but no more than two years. The employee can continue to participate in the original social insurance during the period of unpaid parental leave.



Statistics on the number of people applying unpaid parental leave in 2020

	Male	Ratio	Female	Ratio	Total
(a) Number of people eligible to apply in 2020	14	5.6%	6	2.4%	20
(b) Number of people applied in 2020	0	N/A	1	0.4%	1
(c) Number of people applied and is expected to resume work in 2020	0	N/A	2	0.8%	2
(d) Number of people resumed work in 2020	0	N/A	2	0.8%	2
(e) Number of people applied and resumed work in 2019	1	0.4%	0	N/A	1
(f) Number of people returned to work with one year of service after applied in 2019	1	0.4%	0	N/A	1
Percentage of people who have applied b/a	N/A		16.7%		5%
Percentage of people who have returned to work d/c	N/A		100%		100%
Percentage of people returned to work over 1 year f/e	100%		N/A		100%

Note:
(a) Estimated number of employees who have applied for unpaid parental leave in the past three years (2018-2020).
(b) Actual leave date in 2020.
(c) Estimated year of returning to work in 2020.
(d) Estimated number of employees who are expected to return to work in 2020 and actually returned.
(e) Actual year of returning to work in 2019.
(f) Actual number returning to work in 2019 with one year of service after reinstatement (still in service in 2020).

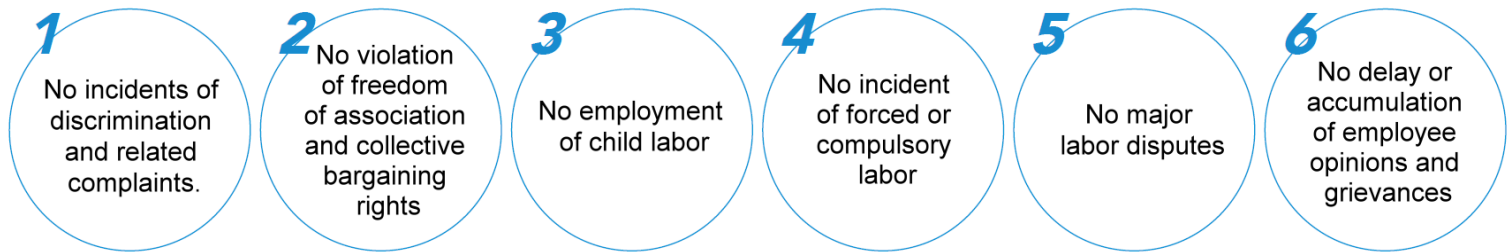
Retirement System

Under the old pension system of the Labor Standards Act, monthly contributions to the retirement reserve are made in accordance with the Labor Standards Law and are supervised by the Labor Retirement Reserve Fund Supervisory Committee and deposited in the name of the Committee in the Bank of Taiwan, which is responsible for the receipt, custody and use of the funds. For those who are subject to the new pension system under the Labor Pension Act, the Company shall make monthly contributions at a rate of 6% of the Labor Pension Fund in accordance with the monthly salary scale approved by the Executive Yuan and deposit the contributions into the employee's personal pension account established by the Bureau of Labor Insurance.

Barrier-Free Communication

In order to promote harmonious and sustainable development of labor relations and smooth communication between employers and employees, we have established a transparent, open and effective multi-way communication channel to collect valuable opinions from all employees. We have established employee complaint emails, including a report on ethical violation email at asmedia_risk@asmedia.com.tw and a workplace violence complaint email at #asmedia885@asmedia.com.tw. We understand the needs and expectations of our employees and actively respond to their concerns.

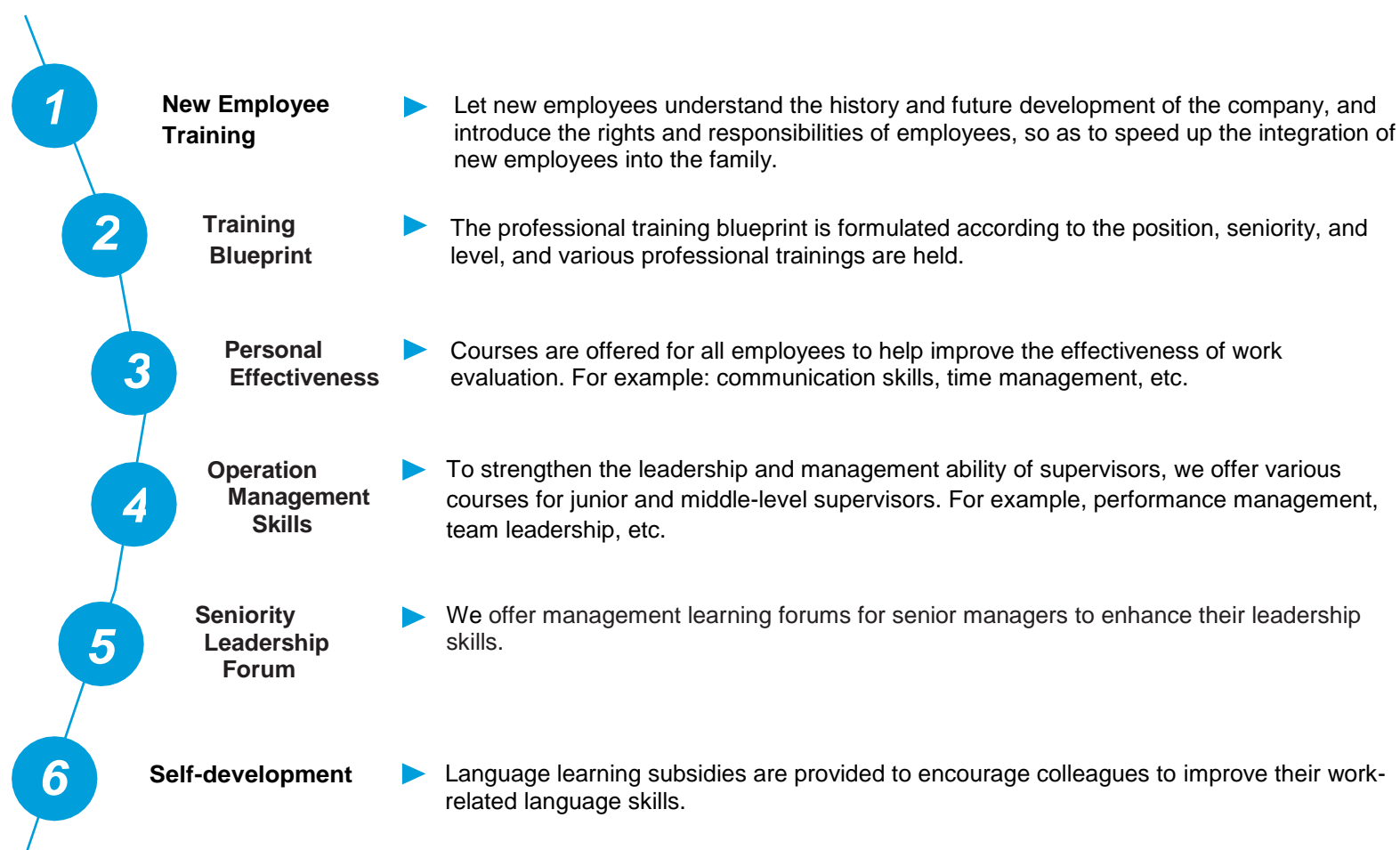
The Company strives to create a communication-free labor-management relationship and, as a result, did achieve the goals of protecting labor rights during the reporting period, including:



Diversified Training Channels

We provide strong resources for the function development of internal staff and provide various training contents according to the nature of each department. The average number of training hours per employee was 3.4 hours in 2020. The training covers a wide range of topics, including management, product marketing, technical expertise, and production. In 2020, for the first time, we held a sustainability-related course to help employees understand the concept of the SDGs and the skills of writing sustainability reports, with the aim of cultivating sustainable talents.

At the same time, we also conduct regular promotions to our employees on related issues, including legal affairs, health education, and gender equality, in the hope of enriching their knowledge, demonstrating their cross-disciplinary abilities, and building a better career for themselves. In order to provide the best learning environment for our employees, we have introduced various learning platforms. In addition to physical classroom learning, we are currently planning a digital learning platform for online learning and knowledge management system, and have established an online teaching satisfaction survey mechanism to conduct satisfaction surveys at the end of each course. Dedicated personnel are responsible for planning and promoting various learning and training activities as well as talent development and function enhancement projects.



Education and training related statistics from 2017 to 2020

(Unit: hours)

Education Course	2017	2018	2019	2020
Business Management	501	826	839	596
Product Marketing	107	297	288	135
Technical Expertise	81	1086	296	49
Production	0	0	0	0
Others	27	38	360	0
Total Hours	716	2247	1783	780
Total number of courses (session)	21	36	40	15
Total attendance (persons)	181	660	722	227
Average hours per person	4.0	3.4	2.5	3.4

The number of training hours for the last three years for various types of staff training

Year	Internal Training		External Training	
	Total training hours	Avg. training hours per person	Total training hours	Average training hours per person
2018	1970	3.1	276	10.6
2019	1596	2.3	186	10.3
2020	655	3	125	17.9

Note: Average training hours per person = total training hours / total number of trainees in the year.



Cumulative of training period
9,057 hours
 Since 2013 to 2020

Cumulative of Seminars
252 Sessions
 Since 2013 to 2020

Occupational Safety & Health

We are committed to creating a friendly workplace and prioritizing employee protection, and have made every effort to protect the "safety" and "health" of our employees, meeting the standard requirements of "physical work environment", "psychosocial work environment", and "personal health resources". The company has also been certified as a healthy workplace by the Ministry of Health and Welfare for six consecutive years, including the "Smoke Prevention Workplace Label" and the "Healthy Workplace Activation Label", making it a happy workplace that everyone envies.

Certified as a healthy workplace by the Ministry of Health and Welfare

6 Consecutive Years

Safety

- Access control devices are installed at all entrances and exits, and security guards are stationed at the main entrances to ensure the safety of employees.
- All electrical and mechanical equipment (such as fire alarms and fire extinguishers) are regularly maintained and repaired on a yearly, quarterly and monthly basis to ensure that they are in the best working condition at all times.
- Regular annual health checkups and fire drills for employees so that they have a proper understanding of their workplace safety and can respond correctly when they encounter unexpected situations.
- Insure public accident liability insurance to increase employees' protection at work.

Build a happy workplace with safety and health care

Health

- Dedicated to promoting a smoke-free environment with fitness equipment and medical consultation services.



Worker Health Promotion

As one of the top-ranking IC design companies in Taiwan, ASMedia has been actively promoting employee health promotion for a long time, which not only protects the physical and mental health of employees, but also has qualitative benefits to the company itself. Therefore, we hold regular health checks for all employees every year, including general health checks and special health checks. The results of the medical checkups are examined by specialists in plant nursing and occupational medicine for health education and health follow-up, and on-site evaluation of suspected work-related diseases may be performed when necessary. As of the end of 2020, there were no major abnormalities in the medical examinations of the Company's employees due to special operations.

Employees examined with significant abnormalities in 2020

0 Person

Health classification management statistics for employees in the past three years

Year	2018	2019	2020
Number of people diagnosed	215	221	233
Class 3 health managed personnel	19	17	18
Class 4 health managed personnel	2	5	10

Weekly Health Consultation Service

12/18 (Wed) 13:30-15:30
12/26 (Thu) 13:30-15:30

Nurse Consultation Hours

Employees are welcome to use this service.

Please make appointment by using the Voting button

- ★ Health Report Inquiry
- ★ Musculoskeletal
- ★ Health Education
- ★ Symptom Inquiry

Please bring the medical reports of the last two years.
The content of the conversation will be kept confidential.

Physician Health Consultation Service

6/12 (Fri) 14:00-16:00

Physician Consultation

Employees are welcome to use this service.

Please make appointment by using the Voting button

- ★ Health Report Inquiry
- ★ Musculoskeletal
- ★ Health Education
- ★ Symptom Inquiry

Please bring the medical reports of the last two years.
The content of the conversation will be kept confidential.

Provide consultation with physicians and nurse practitioners to meet the basic rights and needs of employees in health promotion.

We expect our employees to achieve a balance between work, health and life. In 2020, we introduced the spirit of EAP (Employee Assistance Programs) and integrated internal and external professional service resources to help employees solve problems that affect their work performance due to health, family, legal and psychological issues.

- **Psychological counseling:** Master Chang's special counseling service.
- **Physician on-site:** Provides health consultation service with physician/nurse practitioner on-site.
- **Lawyer consultation:** Online EAP/Enterprise Information Portal (EIP) for legal consultation.
- **Health consultation:** Online EAP/health examination results consultation advice.
- **Corporate life insurance consultation:** Contact the contact person of China Life's group insurance.
- **Workplace abuse/sexual harassment/response hotline:** Report on ethical violation mailbox/Workplace violence complaint mailbox.
- **Self-test:** Self-testing of employees' body temperature during epidemic prevention and logging into the health management-self-health monitoring system.
- **Health information:** Regularly post the latest health information on bulletin boards and the company's intranet site. During the COVID-19 epidemic in early 2020, the company has compiled and announced relevant information on epidemic prevention to strengthen employees' concept of epidemic prevention.



Worker Training on Occupational Safety & Health

In order to enable our employees to work in a healthy and safe working environment, we regularly conduct safety training for new employees and refresher training for current employees so that they can learn the necessary safety knowledge for their work.

In order to avoid the recurrence of similar accidents, our company also conducts regular accident education training and accident investigation and analysis to help employees understand the true causes of accidents, reduce the occurrence of occupational safety accidents and strengthen the health and safety of employees.

Every year, we hold many health education activities and announcements for all employees, such as infectious disease prevention and control, diet and health, and exercise promotion, etc., to convey the importance of physical and mental health of employees and to create an excellent workplace environment.

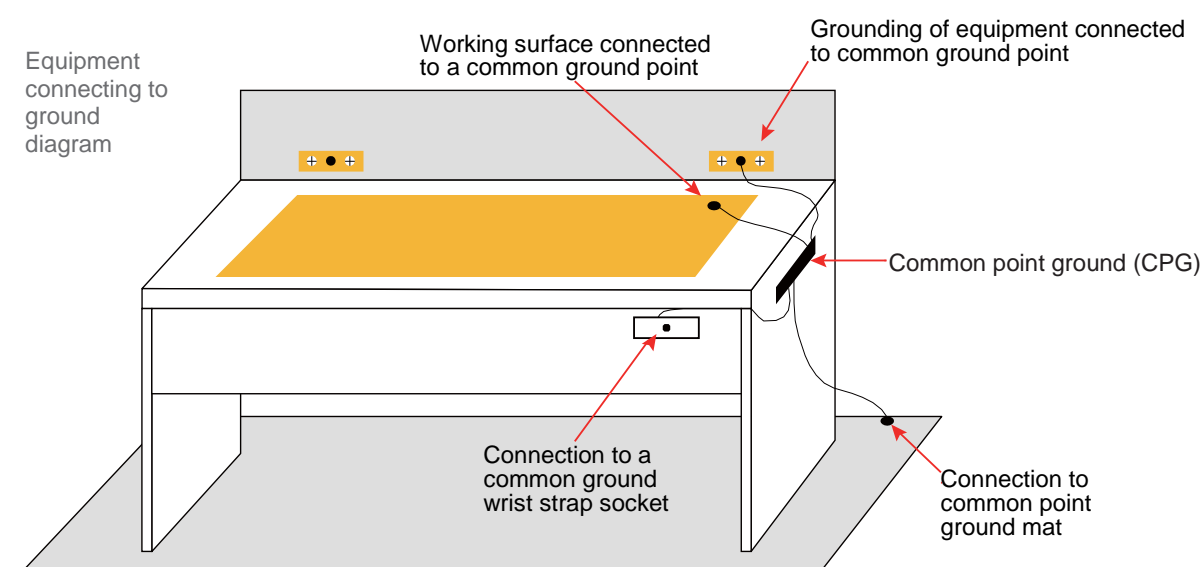
“Occupational safety & health announcements were held in 2020

17 Times”

Year	Target Audience	Name and Context
2020	All staff	• COVID-19 Coronavirus Promotion: Infectious Disease Prevention and Control Bulletin, Vaccination Promotion, and Outbreak Footprint Survey
2019	All staff	• Measles awareness. • Enterovirus awareness. • Fat loss competition: Convey the correct concept of exercise and healthy diet.
2015	All staff	• Exercise Health Seminar - How to Eat Healthy: Teaching balanced diet, identifying "real food" and healthy eating ordering skills.

Active Prevention of Occupational Hazards

In order to implement occupational safety and health management thoroughly and prevent occupational disasters comprehensively, our company focuses on the following 7 areas.



	Measures	Unit in Charge
Safety and health management	<ul style="list-style-type: none"> We are an IC design company without factory plant. Our office is a leased commercial building in the city. In order to provide a safe working environment for our employees by using access control at all major entrances and elevators, the building security personnel have implemented visitor registration to prevent non-company personnel from entering and exiting the building at will. At the same time, we have a security system that is connected to the security company 24 hours a day to protect the safety of our employees and property. The office building where the company is located is equipped with a comprehensive fire safety system and regularly conducts various disaster prevention drills to enhance the disaster response capability of personnel and reduce disaster losses. The company regularly conducts environmental disinfection, water quality testing of drinking fountains, and air conditioning system inspection, and places air purifiers in offices to provide employees with a good working environment. We have obtained the Smoke Prevention Label, an independent certification for a healthy workplace from the National Health Bureau to establish a workplace free of secondhand smoke. 	Admin Dept
Safety and health education and training	<ul style="list-style-type: none"> Disaster prevention and first-aid videos are placed on the online education platform. 	Human Resources
Standard operating procedures and work safety analysis	<ul style="list-style-type: none"> For test board welding work, we set up hazardous work practice guidelines and provide employees with masks, goggles, anti-static bracelets, anti-static slippers, smoke extraction equipment and air purifiers to reduce the immediate and chronic injuries to employees from toxic gases and hazardous liquids generated by operating welding machines: <ol style="list-style-type: none"> Customized ventilation workstations to avoid large amounts of toxic chemical gas emissions. Conduct special inspection for welding personnel in the annual company health check. For ESD testing work, we set up hazardous work practice guidelines and strictly implement occupational hazard prevention measures to reduce ESD hazards to employees: <ol style="list-style-type: none"> In accordance with the JEDEC JESD625 specification, the test platform is connected to the building ground cable. Testing personnel are required to wear electrostatic bracelets when execute tasks. <div style="border: 1px solid gray; padding: 5px; margin-top: 10px;"> Solder Operation Precautions <ol style="list-style-type: none"> Turn on electrical switches (such as soldering irons, small fans, hot air guns, etc.) before starting operations. Must wear protective equipment (mask, protective glasses, gloves, etc.) before welding. Open the fume extraction equipment (can be used with a small fan). When using a soldering iron or hot air gun, the heat should not be directed at people. Turn off all power switches after use. </div>	Work execution related units
Safety and health inspection	<ul style="list-style-type: none"> Drinking fountain with E. coli inspection: every 3 months. Office CO₂ level testing: every 6 months. Air conditioning maintenance: once a year. Fire safety inspection: once a year. Infrared thermographic inspection of electrical panels: once a year. Office cleaning and disinfection: every 6 months if there is no epidemic. Once every two months when the epidemic is level 2 alert or below, and once a week if it is level 3 alert. 	Admin Dept
Emergency Responses	<ul style="list-style-type: none"> The office building where our company is located is equipped with a complete fire safety system, and we regularly conduct various disaster prevention drills to enhance the disaster response capability of personnel and reduce disaster losses. 	Admin Dept
Health management and promotion	<ul style="list-style-type: none"> Health checkup for all employees: once a year. Employee Assistance Program (EAP). Visually impaired massage service. Health consultation with nurses: 3 times a month, 2 hours each time. Medical consultation: 2 times a year. 	Human Resources
Safety and health activities	<ul style="list-style-type: none"> Health education and promotion. Conduct health promotion related activities. 	Human Resources

Occupational Injuries

The main types of occupational injuries in our company are falls, pinch injuries, bruises, cuts and abrasions, etc. However, there are no occupational hazards that pose a serious risk of occupational injury. When an occupational injury occurs, it will be immediately reported to the human resources administration department and a summary medical treatment will be performed. All workers are included in the following calculations.

In the event of an occupational disaster, the company's notification process is as follows:

> Major Occupational Hazards

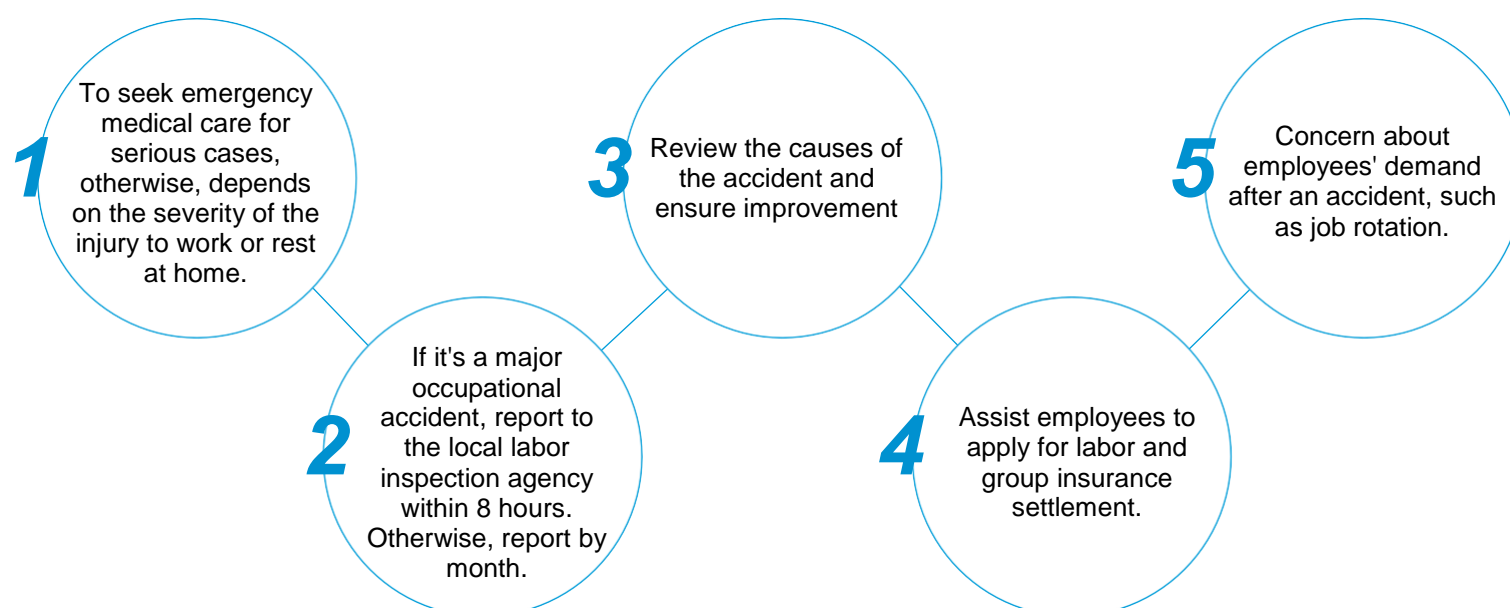
The following occupational injuries are reported (via Internet or phone) to local labor inspection agency of the jurisdiction within 8 hours when we are noted.

> Non-Major Occupational Hazards

Occupational accidents other than workplace fatalities and serious injuries. The Company will use the Internet to report regularly to local labor inspection agency.

1. The occurrence of a fatal disaster.
2. When the total number of permanent total disability, permanent partial disability and temporary total disability of workers in the same disaster reaches 3 or more.
3. When more than one person is sent to the hospital for hospitalization after diagnosis (excluding hospitalization for observation).

Occupational Injury Treatment Procedure



Death due to occupational injuries = number of deaths due to occupational injuries / hours worked (total hours worked) x1,000,000

Year	2018	2019	2020
Head Office	0	0	0

Note: 1,000,000 refers to the rate per 500 employees based on 50 weeks per year with 40 working hours per week.

Serious occupational injury rate (excluding fatalities) = number of serious occupational injuries (excluding fatalities) / hours worked (total hours worked) x1,000,000

Year	2018	2019	2020
Head Office	0	0	0

Note: 1,000,000 refers to the rate per 500 employees based on 50 weeks per year with 40 working hours per week.

Recordable occupational injury rate = Number of recordable occupational injuries / hours worked x1,000,000

Year	2018	2019	2020
Head Office	0	0	0

Note:

1. 1,000,000 refers to the rate per 500 employees based on 50 weeks per year, 40 working hours per week.
2. Recordable occupational injuries are office accidents, minor injuries in the office, and traffic accidents.

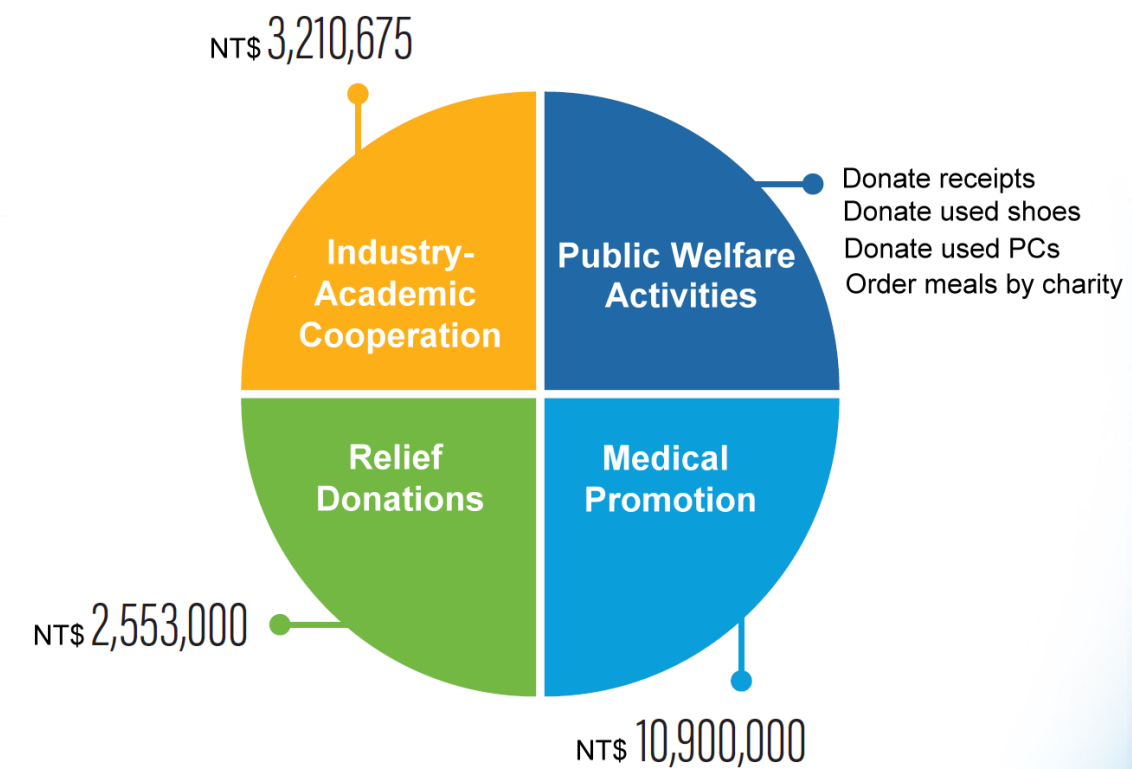
Occupational Symptoms

Type	Employee		
	Cases	Fatalities	Death rate
Chemical Hazards	0	0	0
Psychosocial Hazards	0	0	0
Human Factors Hazards	0	0	0

Note:

1. Mortality rate = number of deaths caused by occupational symptoms / hours worked x / 1,000,000.
2. Chemical hazards: photo keratitis, respiratory diseases.
3. Psychosocial hazards: post-traumatic stress syndrome, cerebrovascular disease.
4. Ergogenic hazards: carpal tunnel syndrome, disc herniation.

In addition to focusing on the technical improvement and economic performance of our own product design, we have also been engaged in social participation activities for years, including "industry-academia cooperation" to cultivate future pillars, "medical support" to improve the domestic medical environment and resources, and "participation in public welfare activities" to care for the disadvantaged groups. We hope to create a sustainable and mutually beneficial society with people from all walks of life. As of 2020, the total amount invested in social participation activities was NT\$16,663,675.

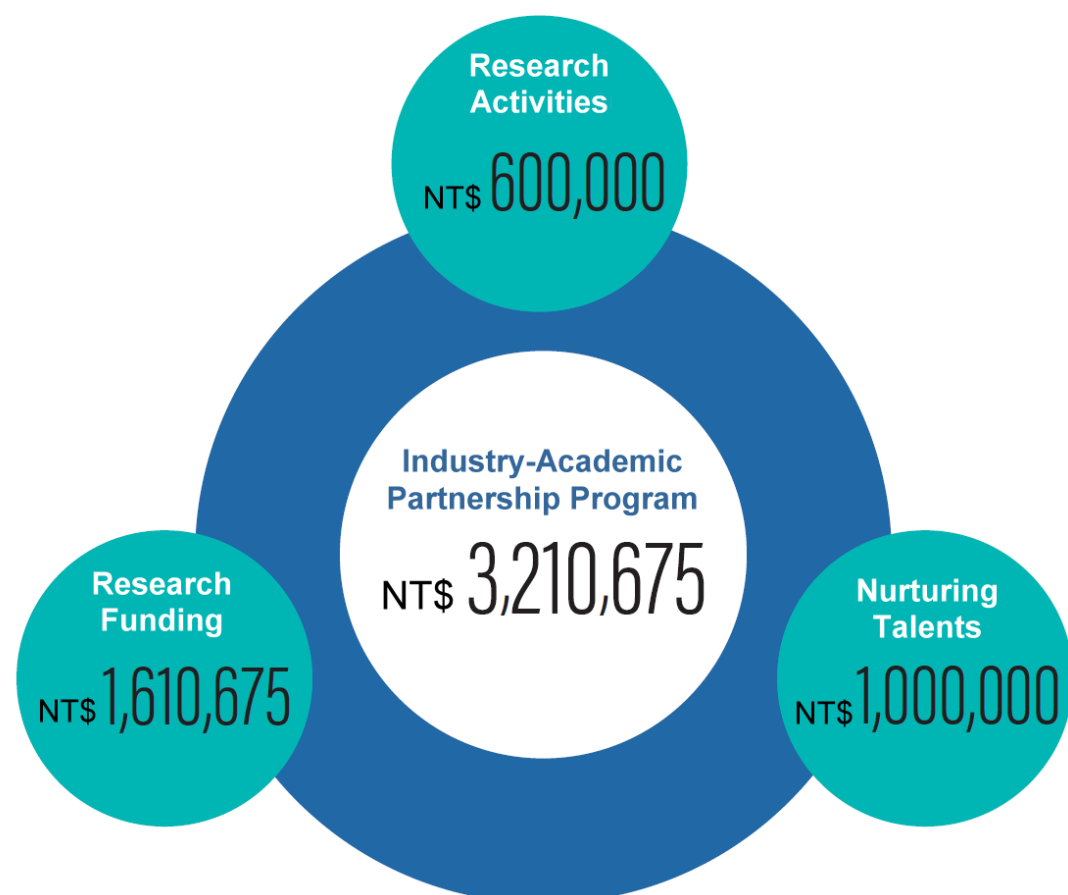


10

Social Care

Nurturing Young Talents

To strengthen our competitiveness in the market and to promote the R&D energy and technological advancement of semiconductor, as well as to provide the company with quality and stable talents, we have been actively engaged in industry-academia cooperation with major universities to develop various projects and provide research funding, and are committed to nurturing future young talents. As of 2020, the cumulative total amount of our industry-academia cooperation program has reached NT\$3,210,675.



Through the sharing of practical experience with industry professionals, we not only nurture talents for the industries, but also improve the employment rate of young people through campus recruitment, and implement the United Nations Sustainable Development Goal 4 "Quality Education" and Goal 8 "Decent Work and Economic Growth".

We provide students with opportunities to familiarize themselves with industry expertise and knowledge, and to expand the horizons of domestic students by sponsoring overseas competitions and organizing international seminars; at the same time, we hope to establish a long-term campus development program so that students can gain more relevant experience after graduation or further training and give back what they have learned to the workplace.



Sponsor "Study Abroad Expansion Program" to help students become world-class talents

Recognizing the importance of broadening students' international horizons, Mr. Che-Wei Lin, President of ASMedia, donated \$5 million to support National Tsing Hua University's "Study Abroad Expansion Program" to fulfill our corporate social responsibility and help domestic students open up their international horizons and become first-class management talents in the future.

This program is proposed by NTHU's Department of Science and Technology Management to subsidize students to go abroad for exchange, internship, international competitions, seminars, and volunteer work, which is expected to double the percentage of students going abroad for exchange during their study period from the current 25% to more than half.

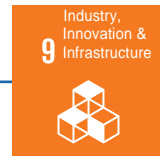


Although the number of students applying for university and exchange scholarships has been increasing year by year in recent years, only about half of the students are successful in applying for university-level scholarships. Therefore, in order to encourage those who have not applied for scholarships to fulfill their dreams of going abroad, National Tsing Hua University's Department of Science and Technology has raised funds from corporations to subsidize the airfare of students to go abroad so that they can accomplish their dreams of going to school abroad.

We are deeply convinced of the benefits of this project for future talents and our president has generously donated NT\$5 million to support the project so it can be most effective, and effectively expand the subsidies for the students' internship, competition and other forms of overseas exchanges. As a result, students will have the opportunity to meet and communicate with people from different cultural backgrounds and perform tasks together, thus laying a good foundation for their future employability and becoming first-class management personnel with an international perspective.



Mr Lin Che-Wei, President of ASMedia, generously donated NT\$5M to support the "Study Abroad Expansion Program" of National Tsing Hua University to help promote top management talents.

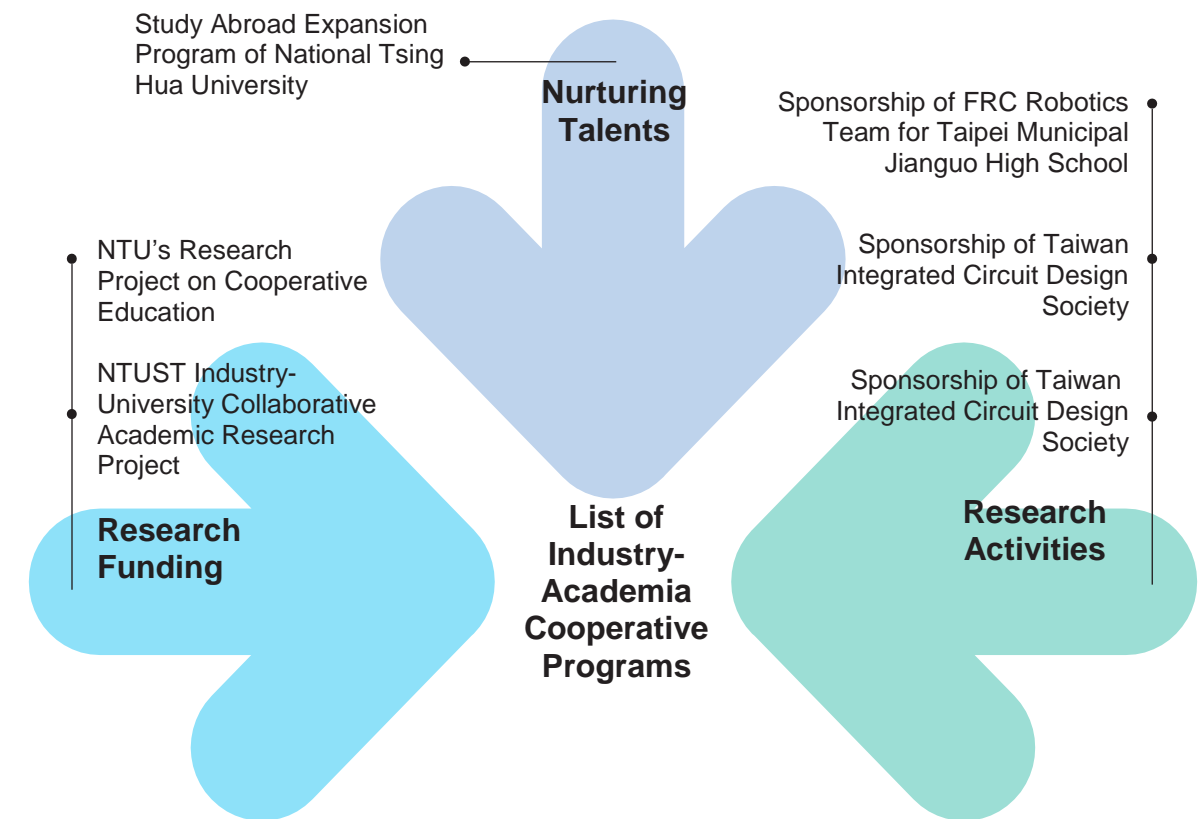


Sponsor "Jianguo Robotics" for future of infinite possibilities

In order to build the key talents of artificial intelligence in the future, ASMedia provides funding to assist the development of the Jiangguo High School Robotics Research Team, fully supporting students to plan their own mechanical knowledge and providing a professional teacher network to cultivate more competitive and innovative talents, hoping to give back to society through industry-academia cooperation and become a part of a better smart city in the future.

The establishment of the Jiangguo Robotics Research team started in 2019. The core focus of the team is to build "self-learning" capabilities. Students in the team will not only establish an effective new and innovative team management model, but will also be required to plan their own robotics-related learning programs for more than 10 hours per week, and will be able to enhance their learning outcomes through a strong network of industry mentors.

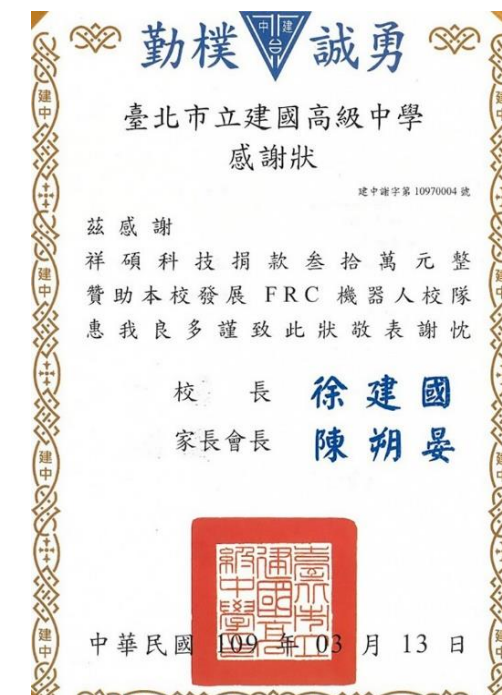
In the "2020 World Robotics Competition (FIRST Robotics Competition; FRC) Science Park 5G Digital Regional Competition", Jiangguo Robotics Research team was ranked top in the qualifying rounds with excellent data strategy analysis and stable machine performance, and finally won the first runner-up (Finalist) in the finals with allied teams and the Jury's Creativity Award.



“

With the guidance of the school principal, on-campus mentors, strong industry online experts, and the help of corporate sponsors, I realized that independent study is not just about writing reports or applying to school, but about the possibilities of starting a business in the future.

”



1. In 2020, Jiangguo Robotics Research team was awarded the first runner-up and the Jury's Creativity Award for its excellent technical performance and creativity.
2. Jiangguo High School presented a certificate of appreciation for the donation of NT\$300K to support the FRC robotics competition.

Health Care Support



Donate to medical institutions and related foundations

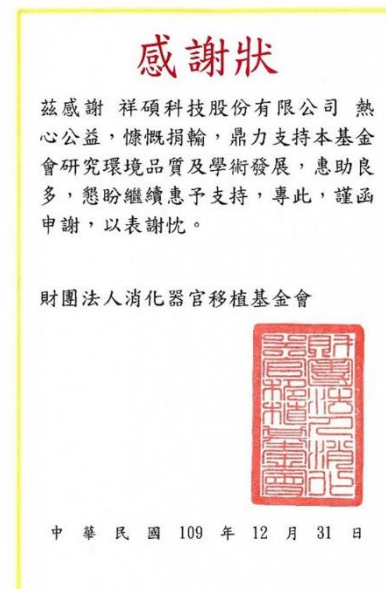
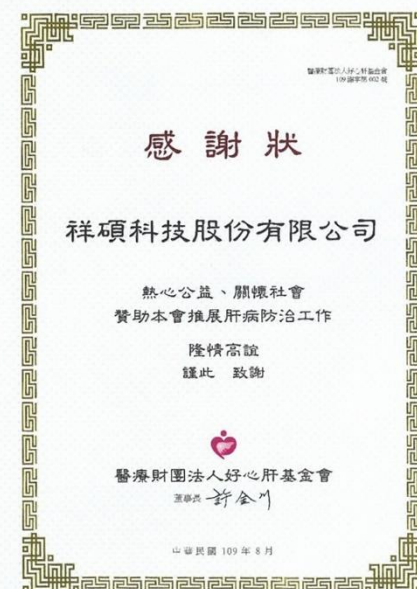
Through donations to medical institutions and related foundations, we help promote medical research and medical practice to improve the quality and environment of medical care in the country and to implement the United Nations Development Goal 3 "Good Health and Social Welfare", so that people of all ages can have equal and complete medical welfare, with the aim of creating a sustainable and healthy society together with the public. As of 2020, the accumulated sponsorship amounted to \$10,900,000, accounting for 81.0% of ASMedia's investment in social participation.

The following is a list of our sponsorship efforts in support of health care in recent years:

Sponsorship of Good Liver Foundation's promotion of liver disease prevention and treatment

Sponsorship of Digestive Organ's Transplantation Foundation to enhance research and promote academic development

Sponsorship of the Taiwan's Head and Neck Society (THNS) to organize medical and academic activities



ASMedia is committed in supporting major medical institutions to improve the medical resources and environment.

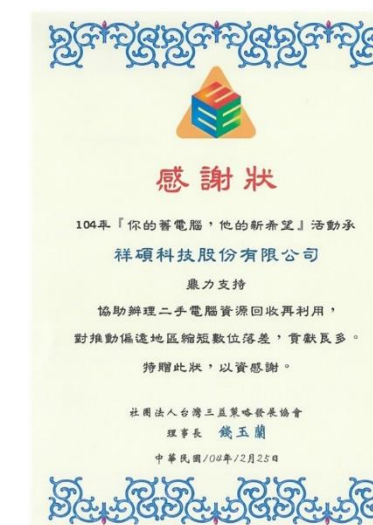
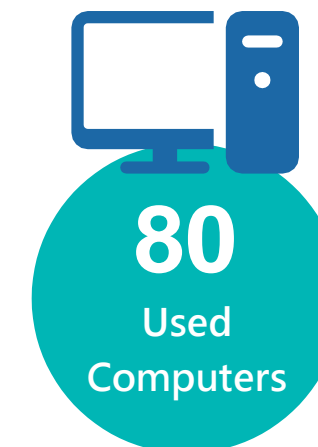
Investing in Social Welfare

We understand that our mission is not only to achieve economic performance, but also to contribute positively to the community. We have a long history of reaching out to people in need in all corners of society through disaster relief donations, material donations, and support for disadvantaged groups to improve the economic and environmental conditions of disadvantaged groups to improve their quality of life, and to meet the United Nations Development Goals 4 "Quality Education" and 10 "Reducing Inequality", in the hope that the value of working with society can continue to grow and flourish.



Donate used PCs to shorten digital gap

As an electronic technology enterprise, we understand the convenience and value that digitalization brings to our life, so we strive to reduce the digital gap between urban and rural areas. Participated in the "Your Old Computer, His New Hope" campaign organized by the Triple-E Institute for years, donating used computers to enable children and disadvantaged families in rural areas to enjoy the basic right to use digital products. This not only realizes the environmental protection concept of reusing resources and reducing waste, but also contributes to reducing the digital gap between urban and rural areas and the overall social inequality.



For the second year in a row, the Taiwan Triple-E Institute has presented a "Certificate of Appreciation" to thank ASMedia for the contribution of shortening the digital gap.



Used Shoes Save Lives for Step30.org

In sub-Saharan Africa, many children are unable to live beyond the age of five, and more than a million school children have no shoes to wear and travel to school for an average of 60 to 90 minutes each day. Sand fleas are a common disease in children without shoes and put the lives of many children at risk.

Recognizing that there are still many people around the world who are suffering from a lack of necessary materials, we have extended our support around the world. With the same sustainable concept of reusing resources, we have donated a total of 150 pairs of used shoes to children in the remote villages of East Africa, so that these children can be free from the sand fleas and their feet can run freely on the African desert. In the future, we will continue to develop the spirit of humanity and take practical actions to care for the disadvantaged groups around the world, to implement the goals of sustainable development, and to make the world a better place.



ASMedia donates used shoes to children in remote areas of Africa and receives a certificate of appreciation from the project team.

"Used Shoes, Save Lives" Project Overview

The project is currently working in Kenya, Uganda, Tanzania, Burundi, and Rwanda in East Africa, and continues to care for the neighboring regions of Zambia, Congo, South Sudan, and Swatini. The program works with more than 300 local house churches, international organizations around the world, and local non-profit organizations in Africa by bringing together young people from around the world to think firsthand about poverty issues.



Appendix

Membership of Associations

Item	Participated Associations	URL of Associations	Membership
1	PCI-SIG (under ASUS)	https://pcisig.com/	Member
2	USB-IF	https://www.usb.org/	Contributor
3	ONFI	http://www.onfi.org/	Contributor
4	UEFI	http://uefi.org/	Contributor
5	VESA	https://vesa.org/	Member
6	NFC Forum	https://nfc-forum.org/about-us/our-members/associate/	Associate
7	SATA-IO (under ASUS)	https://sata-io.org/	Member
8	Vmware	https://www.vmware.com/	Member
9	SDDC Integration	https://code.vmware.com/programs/partner-onboarding-form	Member

Information on employees and other workers (2018, 2019)

Information on ASMedia employees and other workers in 2018

Primary Category	Secondary Category	Male		Female		Total	
		Number	Ratio	Number	Ratio	Number	Ratio
Nationality	Local	183	81.7	41	18.3	224	100
	Non-Local	0	N/A	0	N/A	0	N/A
Subtotal		183	81.7	41	18.3	224	100
Hiring Type	Full-time	182	81.6	41	18.4	223	100
	Contractor/Part-time	1	100	0	N/A	1	100
Subtotal		183	81.7	41	18.3	224	100
Employee Type	Managerial	49	86.0	8	14.0	57	100
	Non-Managerial	134	80.2	33	19.8	167	100
Subtotal		183	81.7	41	18.3	224	100
Age	21-30	36	83.7	7	16.3	43	100
	31-40	66	74.2	23	25.8	89	100
	41-50	69	87.3	10	12.7	79	100
	51-60	12	92.3	1	7.7	13	100
	61-65	0	N/A	0	N/A	0	N/A
Subtotal		183	81.7	41	18.3	224	100
Education	Doctorate	1	100.0	0	N/A	1	100
	Master	107	90.7	11	9.3	118	100
	University	75	71.4	30	28.6	105	100
	High School	0	N/A	0	N/A	0	N/A
Total		183	81.7	41	18.3	224	100

Note: The statistics in this table are up to December 31, 2018.

Information on ASMedia employees and other workers in 2019

Primary Category	Secondary Category	Male		Female		Total	
		Number	Ratio	Number	Ratio	Number	Ratio
Nationality	Local	191	80.3	47	19.7	238	100
	Non-Local	0	N/A	0	N/A	0	N/A
Subtotal		191	80.3	47	19.7	238	100
Hiring Type	Full-time	189	81.1	44	18.9	233	100
	Contractor/Part-time	2	40.0	3	60.0	5	100
Subtotal		191	80.3	47	19.7	238	100
Employee Type	Managerial	52	86.7	8	13.3	60	100
	Non-Managerial	139	78.1	39	21.9	178	100
Subtotal		191	80.3	47	19.7	238	100
Age	21-30	36	76.6	11	23.4	47	100
	31-40	67	74.4	23	25.6	90	100
	41-50	70	86.4	11	13.6	81	100
	51-60	18	90.0	2	10.0	20	100
	61-65	0	N/A	0	N/A	0	N/A
Subtotal		191	80.3	47	19.7	238	100
Education	Doctorate	1	100	0	N/A	1	100
	Master	115	92.0	10	8.0	125	100
	University	75	67.0	37	33.0	112	100
	High School	0	N/A	0	N/A	0	N/A
Total		191	80.3	47	19.7	238	100

Note: The statistics in this table are up to December 31, 2019.

Total number and percentage of new employees and departed employees (2018, 2019)

Total number and percentage of new employees and departed employees by age group and gender in 2018

Primary Category	Secondary Category	Male		Female		Total	
		Number	Ratio	Number	Ratio	Number	Ratio
New Employees	21-30	10	27.8	2	28.6	12	27.9
	31-40	5	7.6	1	4.3	6	6.7
	41-50	1	1.4	0	N/A	1	1.3
	51-60	0	N/A	0	N/A	0	N/A
	61-65	0	N/A	0	N/A	0	N/A
Subtotal		16	8.7	3	7.3	19	8.5
Departed Employees	21-30	4	11.1	0	N/A	4	9.3
	31-40	4	6.1	2	8.7	6	6.7
	41-50	1	1.4	1	10.0	2	2.5
	51-60	0	N/A	0	N/A	0	N/A
	61-65	0	N/A	0	N/A	0	N/A
Subtotal		9	4.9	3	7.3	12	5.4

Note:

1. The percentage of new employees is the number of new employees in each category/total number of employees in each age group.

2. The percentage of employees who left the company is the number of employees who left each category/total number of employees of each age group.

Total number and percentage of new employees and departed employees by age group and gender in 2019

Primary Category	Secondary Category	Male		Female		Total	
		Number	Ratio	Number	Ratio	Number	Ratio
New Employees	21-30	9	25.0	8	72.7	17	36.2
	31-40	5	7.5	2	8.7	7	7.8
	41-50	1	1.4	0	N/A	1	1.2
	51-60	1	5.6	0	N/A	1	5.0
	61-65	0	N/A	0	N/A	0	N/A
Subtotal		16	8.4	10	21.3	26	10.9
Departed Employees	21-30	3	8.3	2	18.2	5	10.6
	31-40	2	3.0	1	4.3	3	3.3
	41-50	3	4.3	0	N/A	3	3.7
	51-60	0	N/A	0	N/A	0	N/A
	61-65	0	N/A	0	N/A	0	N/A
Subtotal		8	4.2	3	6.4	11	4.6

Note:

1. The percentage of new employees is the number of new employees in each category/total number of employees in each age group

2. The percentage of employees who left the company is the number of employees who left each category/total number of employees of each age group.

Statistics on the number of unpaid parental leave (2018 and 2019)

Statistics on the number of people applied for unpaid parental leave in 2018

	Male	Ratio	Female	Ratio	Total
(a) Number of people eligible to apply in 2018	25	11.2%	6	2.7%	31
(b) Number of people applied in 2018	0	N/A	0	N/A	0
(c) Number of people applied and is expected to resume work in 2018	0	N/A	0	N/A	0
(d) Number of people resumed work in 2018	0	N/A	0	N/A	0
(e) Number of people applied and resumed work in 2017	0	N/A	0	N/A	0
(f) Number of people returned to work for 1 year after applied in 2017	0	N/A	0	N/A	0
Percentage of people who have applied b/a	N/A		N/A		N/A
Percentage of people who have returned to work d/c	N/A		N/A		N/A
Percentage of people returned to work over 1 year f/e	N/A		N/A		N/A

Note:

a. Estimated number of employees who have applied for unpaid parental leave in the past three years (2016-2018).

b. Actual leave date in 2018.

c. Estimated year of returning to work in 2018.

d. Estimated number of employees who are expected to return to work in 2018 and actually returned.

e. Actual year of returning to work in 2017.

f. Actual number returning to work in 2017 for one year after reinstatement (still in service in 2018).

Statistics on the number of people applied for unpaid parental leave in 2019

	Male	Ratio	Female	Ratio	Total
(a) Number of people eligible to apply in 2019	16	6.7%	7	2.9%	23
(b) Number of people applied in 2019	1	0.4%	1	0.4%	2
(c) Number of people applied and is expected to resume work in 2019	1	0.4%	0	N/A	1
(d) Number of people resumed work in 2019	1	0.4%	0	N/A	1
(e) Number of people applied and resumed work in 2018	0	N/A	0	N/A	0
(f) Number of people returned to work for 1 year after applied in 2018	0	N/A	0	N/A	0
Percentage of people who have applied b/a	6.3%		14.3%		8.7%
Percentage of people who have returned to work d/c	100%		N/A		100%
Percentage of people returned to work over 1 year f/e	N/A		N/A		N/A

Note:

a. Estimated number of employees who have applied for unpaid parental leave in the past three years (2017-2019).

b. Actual leave date in 2019.

c. Estimated year of returning to work in 2019.

d. Estimated number of employees who are expected to return to work in 2019 and actually returned.

e. Actual year of returning to work in 2018.

f. Actual number returning to work in 2018 for one year after reinstatement (still in service in 2019).

Major Topic	Core	Disclosure No.	Disclosure Item Title	Page No.
GRI 102:2016				
Organizational Profile	Core	102-1	Name of the organization	P11 About Us
Organizational Profile	Core	102-2	Activities, brands, products and services	P11 About Us
Organizational Profile	Core	102-3	Location of headquarters	P11 About Us
Organizational Profile	Core	102-4	Location of operations	P6 Business Locations
Organizational Profile	Core	102-5	Ownership and legal form	P11 Ownership and legal form
Organizational Profile	Core	102-6	Markets served	P11 About Us
Organizational Profile	Core	102-7	Scale of the organization	P11 About Us P62 Diverse Employment Opportunities
Organizational Profile	Core	102-8	Information on employees and other workers	P47 Employees and other workers information (2020) P62 Employees and other workers information (2018, 2019)
Organizational Profile	Core	102-9	Supply chain	P33 Sustainable Supply Chain
Organizational Profile	Core	102-10	Significant changes to the organization and its supply chain	P33 Sustainable Supply Chain
Organizational Profile	Core	102-11	Precautionary Principle or approach	P23 Risk Management
Organizational Profile	Core	102-12	External initiatives	P6 External Initiatives
Organizational Profile	Core	102-13	Membership of associations	P62 Membership of Associations
Strategy	Core	102-14	Statement from senior decision -maker	P5 Message from the Chairman
Strategy		102-15	Key impacts, risks, and opportunities	P23 Risk Management
Ethics & Strategy	Core	102-16	Values, principles, standards and norms of behavior	P20 Corporate Governance Policy and Guidelines
Governance	Core	102-18	Governance structure	P22 Governance Structure & Responsibilities
Governance		102-19	Delegating authority	P22 Governance Structure & Responsibilities
Governance		102-20	Executive-level responsibility for economic, environmental, and social topics	P22 Governance Structure & Responsibilities
Governance		102-21	Consulting stakeholders on economic, environmental, and social topics	P7 Stakeholders Engagement
Governance		102-22	Chair of the highest governance body	P21 Professional Board Members P22 Governance Structure & Responsibilities
Governance		102-26	Roles of highest governance body in setting purpose, values and strategy	P20 Corporate Governance Policy and Guidelines
Governance		102-27	Collective knowledge of highest governance body	P22 Progressive Governance Team
Governance		102-30	Effectiveness of risk management processes	P23 Risk Management
Governance		102-32	Highest governance body's role in sustainability reporting	P22 Governance Structure & Responsibilities
Stakeholder Engagement	Core	102-40	List of stakeholder groups	P7 Identification and Selection of Stakeholders
Stakeholder Engagement	Core	102-41	Collective bargaining agreements	Non-applicable
Stakeholder Engagement	Core	102-42	Identifying and selecting stakeholders	P7 Identify Stakeholders
Stakeholder Engagement	Core	102-43	Approach to stakeholder engagement	P7 Stakeholder concerns and communication methods, frequency and specific procedures
Stakeholder Engagement	Core	102-44	Key topics and concerns raised	P7 Stakeholder concerns and communication methods, frequency and specific procedures

Major Topic	Core	Disclosure No.	Disclosure Item Title	Page No.
Reporting Practice	Core	102-45	Entities included in the consolidated financial statements	P6 Report contents and boundaries
Reporting Practice	Core	102-46	Defining report content and topic boundaries	P6 Report contents and boundaries
Reporting Practice	Core	102-47	List of material topics	P8 Issues of concerns and the extent of impact
Reporting Practice	Core	102-48	Restatements of information	Information were not restated
Reporting Practice	Core	102-49	Changes in reporting	P6 Report contents and boundaries
Reporting Practice	Core	102-50	Reporting period	P6 Report contents and boundaries
Reporting Practice	Core	102-51	Date of most recent report	Non-applicable due to first time release.
Reporting Practice	Core	102-52	Reporting cycle	P6 Report overview and frequency of issuance
Reporting Practice	Core	102-53	Contact point for question regarding the report	P6 Contact information
Reporting Practice	Core	102-54	Claims of reporting in accordance with the GRI Standards	P6 Contact information
Reporting Practice	Core	102-55	GRI content index	P64 GRI Standards Index
Reporting Practice	Core	102-56	External assurance	P6 External assurance

GRI 103:2016				
Management Approach		103-1	Explanation of the material topic and its boundary	P8 Issues of concerns and the extent of impact
Management Approach		103-2	The management approach and its components	P8 Issues of concerns and the extent of impact
Management Approach		103-3	Evaluation of the management approach	P8 Issues of concerns and the extent of impact

GRI 200:2016				
Economic Performance		201-1	Direct economic value generated and distributed	P16 Direct economic value generated and distributed by the organization
Economic Performance		201-2	Financial implications and other risks and opportunities due to climate change	P39-P41 Climate change risks and opportunities
Indirect Economic Impacts		203-1	Infrastructure investments and services supported	P57 Social Care
Procurement Practices		204-1	Proportion of spending on local suppliers	P34 Local Procurement
Anti-Competitive Behavior		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P27 Effectiveness of legal compliance education
Taxation		207-1	Approach to tax	P26 Tax policy, governance and risk management
Taxation		207-2	Tax governance, control, and risk management	P26 Tax policy, governance and risk management
Taxation		207-3	Stakeholder engagement and management of concerns related to tax	P26 Tax policy, governance and risk management

Major Topic	Core	Disclosure No.	Disclosure Item Title	Page No.
GRI 300:2016				
Energy		302-1	Materials used by weight or volume	P41 Energy management
Energy		302-3	Energy intensity	P41 Energy management
Energy		302-4	Reduction of energy consumption	P42 Reduce energy consumption
Emissions		305-1	Direct (Scope 1) GHG emissions	P43 Air quality management
Emissions		305-2	Energy indirect (Scope 2) GHG emissions	P43 Air quality management
Emissions		305-3	Other indirect (Scope 3) GHG emissions	P43 Air quality management
Emissions		305-4	GHG emissions intensity	P43 Air quality management
Emissions		305-5	Reduction GHG emissions	P43 Air quality management
Environmental Compliance		307-1	Non-compliance with environmental laws and regulations	P27 Effectiveness of legal compliance education
Supplier Environmental Assessment		308-1	New suppliers that were screened using environmental criteria	P35 Supplier risk assessment
Supplier Environmental Assessment		308-2	Negative environmental impacts in the supply chain and actions taken	P35 Supplier risk management

Major Topic	Core	Disclosure No.	Disclosure Item Title	Page No.
GRI 400:2016				
Employment		401-1	New employee hires and employee turnover	P63 Total number of new employees and departed employees (2018, 2019) P63 Total number of new and departed employees by age and group and gender in 2020
Employment		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P48-P51 Welfare system
Employment		401-3	Parental leave	P63 Statistics on the number of unpaid parental leave in 2018 and 2019 P51 Statistics on the number of unpaid parental leave in 2020
Labor/Management Relations		402-1	Minimum notice periods regarding operational changes	P51 Protection of employer-labor relations
Training and Education		404-2	Programs for upgrading employee skills and transition assistance programs	P52 Diversified training channels
Diversity and Equal Opportunity		405-2	Ratio of basic salary and remuneration of women to men	P47 Competitive salary
Non-Discrimination		406-1	Incident of discrimination and corrective actions taken	P51 Barrier-free communication
Child Labor		408-1	Operations and suppliers at significant risks for incidents of child labor	P34 Sustainable Supply Chain
Forced or Compulsory Labor		409-1	Operations and suppliers at significant risks for incidents of forced or compulsory labor	P34 Sustainable Supply Chain
Supplier Social Assessment		414-1	New suppliers that were screened using social criteria	P35 Supplier risk assessment No new suppliers. All existing suppliers have passed the relevant social standards
Supplier Social Assessment		414-2	Negative social impacts in the supply chain and actions taken	P35 Supplier risk assessment
Customer Health and Safety		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P27 Effectiveness in legal compliance education
Marketing and Labeling		417-2	Incidents of non-compliance concerning product and service information and labeling	P33 Sustainable Supply Chain P27 Effectiveness in legal compliance education
Marketing and Labeling		417-3	Incidents of non-compliance concerning marketing communications	P27 Effectiveness in legal compliance education
Customer Privacy		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P27 Effectiveness in legal compliance education
Socioeconomic Compliance		419-1	Non-compliance with laws and regulations in the social and economic area	P27 Effectiveness in legal compliance education