

The ASPEED logo is positioned on a dark blue diagonal band. It features the word "ASPEED" in a white, italicized, sans-serif font. A small, stylized horizontal line with a central dot is placed to the left of the letter "A".

ASPEED

2020 Sustainability Report

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About This Report



About This Report

Letter from the Editor

Welcome to the first Sustainability Report of ASPEED Technology Inc. (or "the Company"). The report covers corporate governance, environmental, and social sustainability pledges and actions. Through open and transparent information disclosures, it shows members of the general public and stakeholders the hard work and achievements of ASPEED Technology in the area of sustainability.

Report Disclosure Period

The report features information from 2020 (January 1st to December 31st, 2020) and was both published and announced on the ASPEED Technology website. Content covers specific practices and achievements relating to corporate governance, environmental, and social material topics of concern for stakeholders. This is ASPEED Technology's first Sustainability Report; in the future the Company will compile and publish a new Sustainability Report each year.

Report Scope

Information in the report primarily covers ASPEED Technology's sustainable operation achievements in Taiwan; it does not include information relating to the Company's branch office in the United States. Financial data follow International Financial Reporting Standards (IFRS), which are accepted by the Financial Supervisory Commission, and were audited by Deloitte. All monetary data are expressed in New Taiwan Dollars.

Compilation Principles

The report was prepared in accordance with the Core Option of the Global Reporting Initiative Standards (GRI Standards) and includes a GRI Standards comparison table that shows which chapters contain related information. Also taken into consideration when preparing the report were the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" and the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies." The report describes ASPEED Technology's sustainability achievements and results to interested stakeholders.

Report Management Methods

Company department supervisors approved information used in the report. The CSR Working Team then organized and compiled the information into draft form. Reviews conducted in accordance with administrative procedures concluded with approval by the company president, followed by publishing of the final report.

Publishing Information

Report disclosure period

January 1st to December 31st, 2020

Report publishing cycle

Once per year

Current report publishing period

November 2021 (first report)

Next report publishing period

Scheduled for November 2022

Sustainability Contact Information

For any advice or recommendations relating to the content of this report, please contact ASPEED Technology through the following channels:

ASPEED Technology Inc. CSR Working Team

Address: 4-1 Fl., No. 1, Sec. 3, Gongdao 5th Rd.

East District, Hsinchu City, 300

Tel: +886-3-5751185

Email: csr@aspeedtech.com

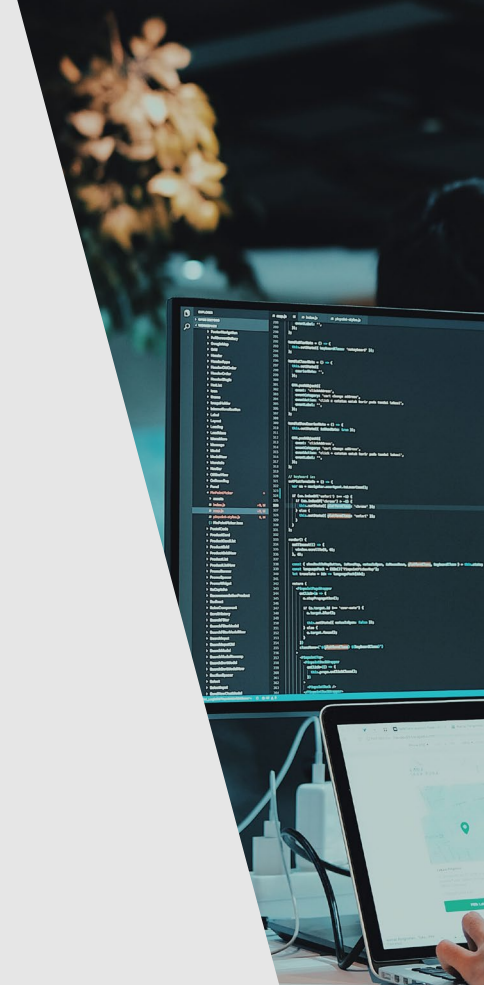
Website: www.aspeedtech.com



ASPEED Technology Website

C2

A Letter from
the President



A Letter from the President



ASPEED Technology
Chairman and President

We sincerely appreciate everybody's longstanding support for ASPEED Technology. An especially important milestone happened last year when, following establishment in 2004, we celebrated ASPEED Technology's 15th anniversary. Thinking back to the challenges and uncertainties we faced, we always adhered to three core principles that support sustainable development: upholding our vision to build world-leading SoC solutions, creating outstanding inclusive technologies that are suitable for people around the world, and making the concepts of "Innovation Without Boundaries" essential parts of our operational philosophy.

I am happy to share that the hard work of everyone at ASPEED Technology led to outstanding performances again in 2020. We set new records for annual revenues and profits. Our BMC SoC maintained its global market leading position. Remote work and quarantine measures due to COVID-19, together with the ongoing maturation of the environment for 5G, sparked greater demand for cloud services, which led to more growth in server and cloud computing markets. Recognizing that the sustainable development of ASPEED Technology requires development of new products, we began R&D on the Cupola360 Multi-Image Stitching Processing SoC in 2018. The arrival of the pandemic last year significantly increased demand for videoconferencing, which turned 360-degree video conferencing systems into the most popular use for Cupola360 SoC.

In light of the importance of sustainable development, in 2021 we are releasing ASPEED Technology's first 2020 Sustainability Report. Besides operational achievements and performance, we want all stakeholders to understand our corporate governance, environmental, and social contributions. For our products, we use green design concepts to provide customers with the most appropriate SoC solutions that optimize their energy efficiency. At the same time, we continue to invest in strengthening our Company's green R&D. For corporate governance, we insist on operational transparency and emphasize upholding the rights and interests of employees, shareholders, and stakeholders. We implement corporate governance best practice principles and a code of ethical conduct, in order to achieve robust corporate governance. For social measures, ASPEED Technology shares operational profits with employees. In 2020, we ranked 10th among firms listed on the TWSE for average salary of non-management employees, a highlight of the ongoing attention we pay towards employee welfare and talent management. We also take great pride in giving back to society by striving to be a good corporate citizen, including through CSR fulfillment.

Looking to the future, in 2021 ASPEED Technology will establish a Sustainability Committee that will support greater participation in corporate governance, environmental, and social issues. We will continue to develop core technological advantages and green energy-saving products that support global sustainable development. We will balance our pursuit of higher profits with corporate sustainable management and giving back to society. "Innovation Without Boundaries" has always been a core belief of ASPEED Technology. In the future, we will innovate in ways that support the sustainable, vigorous development of the Company while letting shareholders, customers, and employees share in our rich operational achievements.



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About ASPEED Technology

Company Introduction

ASPEED Technology Inc. is a leading fabless IC design company and a top pioneer of SoC (System on Chip) solutions. As the world's largest BMC SoC supplier, ASPEED Technology is devoted to developing proprietary innovative technologies that quickly respond to customer needs. ASPEED Technology's R&D areas include BMC SoC, PC/AV Extension SoC, and the latest Cupola360 Multi-Image Stitching Processing SoC.

Forbes included ASPEED Technology on its Asia's 200 Best Under a Billion list for three consecutive years from 2018 to 2020 after previously naming us to the list in 2014 and 2015, underscoring how we are a partner worthy of our customers' confidence. In 2016, ASPEED Technology announced the acquisition of Broadcom's Emulex Pilot™ BMC SoC business. In 2018, we officially released the Cupola360 Multi-Image Stitching Processing SoC and software solution, which expanded our product lines into images and graphics.

ASPEED Technology General Information

Company Name	ASPEED Technology Inc.
Date of Establishment	November 15th, 2004
Business Administration Number	27490748
OTC Market Listing	April 30th, 2013 (ticker: 5274)
Headquarters Location	4-1 Fl., No. 1, Sec. 3, Gongdao 5th Rd., East District, Hsinchu City
Capitalization	NT\$343 million
Revenues	NT\$3.064 billion (2020)
Industry	Semiconductors
Employees	89
Main Products and Services	Multimedia IC, computer peripheral IC, ICs for high-end consumer electronics



ASPEED Technology's Role in the Semiconductor Industrial Chain




Taiwan's fully developed semiconductor industry includes the following production segments: design tools, IC design, wafer materials, silicon wafers, photomask production, IC production, packaging, lead frames, testing, and peripheral support. Leading manufacturers in each of these areas together compose a vertical division of labor that promotes specialized development.

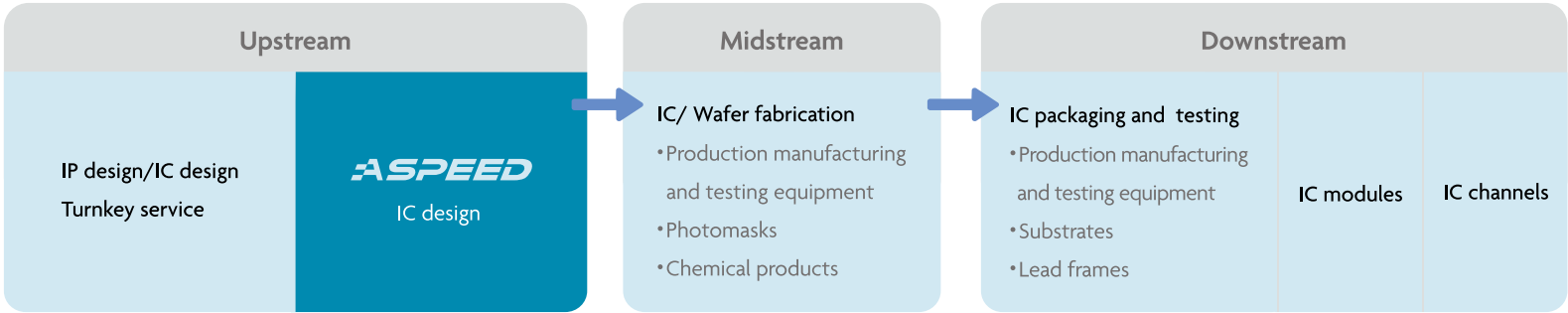
The semiconductor industry can generally be divided into upstream IC design firms, midstream IC wafer manufacturers, and downstream IC packaging and testing firms. ASPEED Technology is an upstream fabless IC design company that specializes in high-end IC design. Large-scale foundries as well as testing and packaging firms manufacture ASPEED Technology's IC designs. ASPEED Technology then markets and sells the finished IC products to domestic and foreign customers.

Main Products and Services

ASPEED Technology specializes in SoC design, a niche market with high gross profits. By

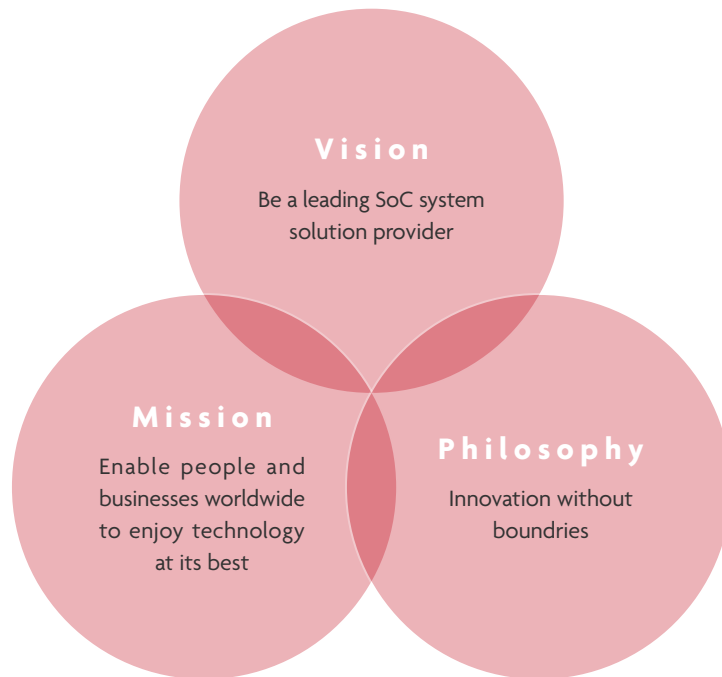
combining our R&D advantages with strengths in both hardware and software, we provide innovative, differentiated products that have a high value for our customers.

Product	Introduction
BMC SoC 	Applications include server motherboard management controllers, server backplane controllers, server graphics chips, as well as remote network keyboard, mouse, and monitor controllers
PC/AV Extension SoC 	Applications include professional integrated AV, remote personal computer extensions, remote AV extensions, remote USB extensions, digital AV matrix extension switches, digital TV walls, and digital signage
Multi-Image Stitching SoC 	Applications include 360-degree video conferencing systems and consumer cameras



Operational Philosophy

ASPEED Technology is devoted to quickly responding to customer needs by developing proprietary innovative technologies. We aim to be a pioneer of innovative SoC solutions with a focus on differentiated, niche products that demonstrate our core technological advantages while providing suitable products for customers and consumers. Our operational philosophy includes user-friendly management, respect for worker autonomy, and the use of innovative R&D together with teamwork to satisfy customer needs. We are committed to offering the highest quality services and technology in order to be a long-term cooperative partner that customers trust. Our mission is to provide global enterprises and people with outstanding technology.



Management Team



Chris Lin
Chairman and President

Mr. Chris Lin, the chairman and president of ASPEED Technology, has many years of experience in the SoC field. In 1993, as a member of Silicon Integrated Systems (SiS), Lin built a multimedia products R&D team. In May 2003, Lin led establishment of SiS spin-off XGI Technology Inc., where he was responsible for graphics chip development and served as general manager.

Lin founded ASPEED Technology in 2004 and devoted the Company to BMC development. Lin was responsible for all aspects of the business, including product planning, production, sales, and marketing. In 2016, Lin led the acquisition of Broadcom's Emulex Pilot™ BMC SoC business, which turned ASPEED Technology into the world's largest supplier of BMC SoC. In 2020, National Chiao-Tung University recognized Lin as a distinguished alumnus.



Luke Chen
Vice President of Sales

Mr. Luke Chen, a graduate of the EMBA program at National Chengchi University, previously was an assistant vice president of marketing at SiS and a deputy general manager of marketing at NITS Technology Inc. Chen has a strong academic and professional background in product marketing and business development, which aids his present duties as the vice president of sales at ASPEED Technology.



Hung-Ju Huang
Vice President of Hardware R&D

Mr. Hung-Ju Huang, a graduate of the Electrical Engineering Master of Science at National Cheng Kung University, has extensive experience in hardware R&D. Huang previously was a senior R&D manager at SiS and an assistant vice president of R&D at XGI Technology Inc. He is the vice president of hardware R&D at ASPEED and a key contributor to hardware development. Huang has demonstrated success in developing hardware products.



Morris Yang
Vice President of Software R&D

Mr. Morris Yang, a graduate of the Department of Information Engineering & Computer Science at Feng Chia University and the Master's Degree program in Accounting & Management Decision-Making at National Taiwan University, previously was deputy general manager of VRM at HTC Corp. Morris has extensive experience in software development and is the vice president of software R&D at ASPEED Technology. He is responsible for leading software and mobile application development by the software team.

Company Milestones

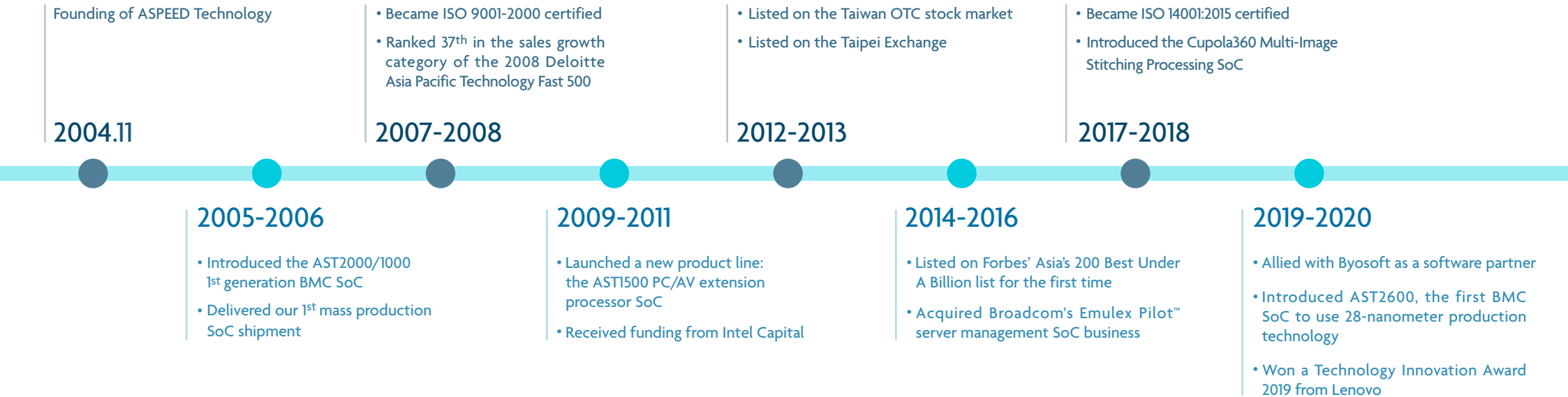
The Ministry of Economic Affairs approved the establishment of ASPEED Technology in Hsinchu City on November 15th, 2004. The Company's shares were listed on the Taipei Exchange on April 30th, 2013.

For more information on ASPEED Technology's milestones visit.



Public Association Participation

Organization Name	Participation Status	Role
Taipei Computer Association	Joins annual exhibitions and other related activities held by the Taipei Computer Association. Also is an active participant in association affairs.	Member
Open Compute Project	Active participant in the Open Compute Project and open source BMC firmware. Continues to develop customer solutions that work across heterogeneous systems.	Member



2020 ESG Performance

Governance

23.32% ↑ Operating revenue NT\$3.064 billion

20.87% ↑ Net income NT\$1.005 billion

For **15** consecutive years achieved record revenues and profit since founding

Ranks **No.1** global market share of BMC SoC

NT\$ **513 million** of R&D fee (16.74% of operating revenue)

45 total domestic and international patents (including 21 in Taiwan)

100% of our suppliers agreed to not use any conflict minerals

ISO 9001:2015 Quality Management Systems certification

94.74% High customer satisfaction

- complaints and penalties related to ethical corporate management
- complaints and penalties related to information security
- complaints and penalties related to customer privacy

Environment

ISO 14001:2015 Environmental Management Systems certification

100% legal compliance: Adhered to all regulations, including air, water, waste, energy management, noise, RoHS, Reach, and HF

82.71% Local procurement rate

0.06 metric tons/per square meter : Greenhouse gas emissions intensity

0.83 metric tons/per square meter : Water use intensity

61.34% Energy saving
Compared to AST2500, the 7th generation AST2600 reduce 483.42 metric tons of CO2e emissions

93.21% Energy saving
Compared to AST2000, the 7th generation AST2600 reduce 4187.63 metric tons of CO2e emissions

○ complaints and penalties related to environmental issues

Social

NT\$ **2.36 million** Average salary of non-management employees (Ranked 10th among listed firms in Taiwan)

NT\$ **288 million** Employee benefits welfare (18.06% ↑)

1,287 hours Total training hours in 2020

4.3 % Average employee turnover rate (well below industry average)

○ complaints and penalties related to human rights

NT\$ **8.08 million** Accumulated sponsorship

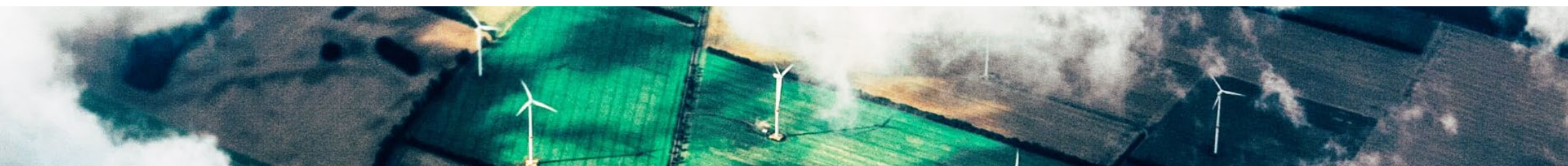
For **6** years participated in the Global View Educational Foundation's "Plant a seed of reading for children"

For **2** years cooperated with UBS to commission artworks for a charity project

4 year programs for higher education

National Tsing Hua University's Sunrise Scholarship program from 2020 to 2023

National Chiao Tung University's Junior Chair Professor sponsorship plan from 2020 to 2023



Recognition and Honors in Recent Years

The hard work and confidence of partners inside and outside the Company led ASPEED Technology to be ranked 37th in the sales growth category of the 2008 Deloitte Asia Pacific Technology Fast 500 in just our fourth year of business. In 2009, our AST1500 BMC SoC won a Best Choice of COMPUTEX TAIPEI 2009 Award. Forbes included us on its Asia's 200 Best Under a Billion list five times. In 2020, our customer Lenovo Group gave us a Technology Innovation Award 2019. In the future, we will continue to aim for self-improvements as we contribute to public welfare and social development.



2008

Ranked 37th in the sales growth category of the 2008 Deloitte Asia Pacific Technology Fast 500

2009

Our AST1500 BMC SoC won a Best Choice of COMPUTEX TAIPEI 2009 Award

2014/2015/ 2018/2019/2020

Listed on Forbes Asia's 200 Best Under A Billion

2020

Technology Innovation Award 2019 from Lenovo

National Chiao-Tung University recognized Chairman Chris Lin as a distinguished alumnus

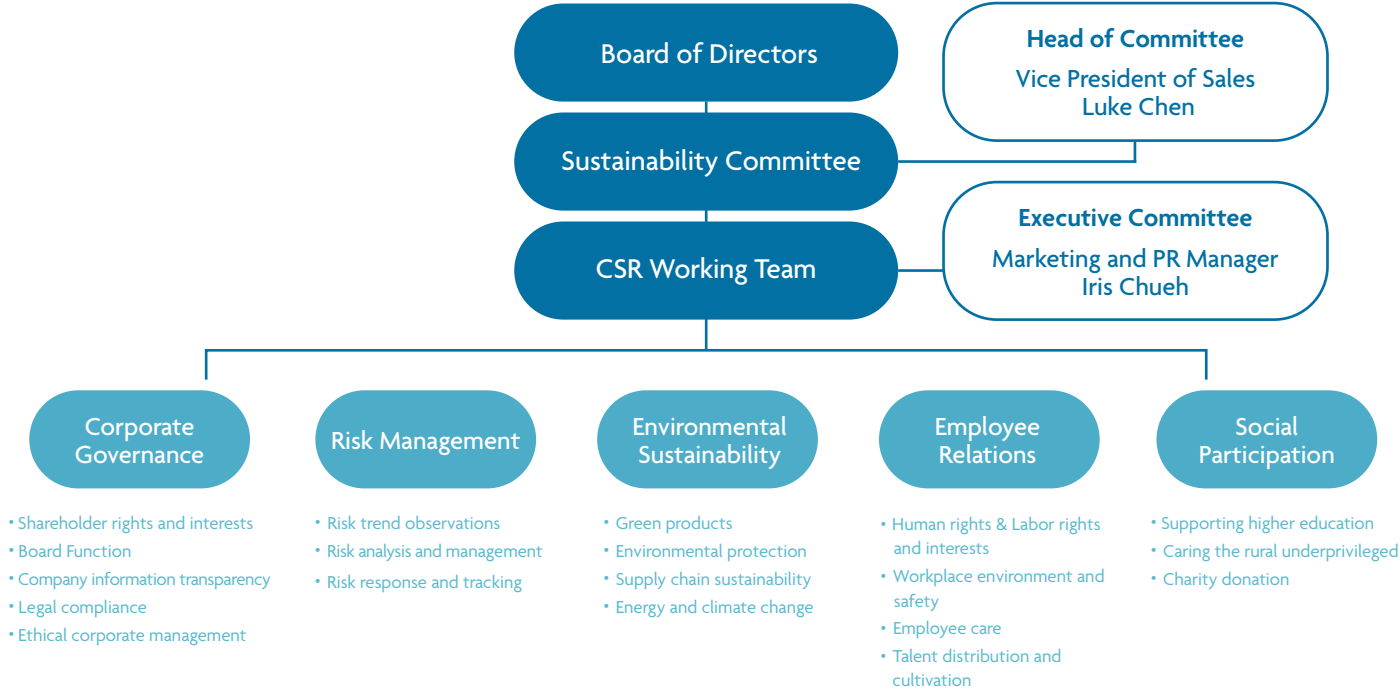
CSR Policies

ASPEED Technology firmly believes that business success and growth depend on the interplay of operational management with the pursuit of a sustainable development vision. As a leading fabless IC design company, we are committed to using innovative development, environmental sustainability, and social prosperity as objectives in the shared pursuit of sustainable development. At the same time, we steadfastly lead our employees, customers, suppliers & contractors, society, and other stakeholders in sharing the benefits of sustainability in this rapidly changing and competitive industry.

CSR Framework

ASPEED Technology's CSR Working Team is responsible

for sustainability decision-making, regular monitoring of sustainability activity performance, and incorporation of sustainable development as a consideration when determining corporate affairs and major strategies. In 2012, the Company approved the "Corporate Social Responsibility Best Practice Principles." Recognizing the need for sustainable development in the corporate framework, in 2021 the Company plans to establish the Sustainability Committee as a new functional committee under the Board of Directors. Led and convened by the vice president of sales, the committee shall supervise and make decisions on sustainability-related issues while reporting on implementation of CSR sustainability to the Board of Directors. Under the committee will be the CSR Working Team, which will include the marketing and PR manager as executive council and oversee five work teams: corporate governance, social participation, risk management, environmental sustainability, and employee relations. The CSR Working Team will be responsible for overall implementation, including compiling stakeholder-related topics and promoting sustainability issues, and shall meet biannually with each work team to report on implementation status and future planning.



Materiality Analysis

In the pursuit of an open business strategy, ASPEED Technology established clear, effective, and transparent communications channels for internal and external stakeholders. Our corporate website has a CSR area which includes a section on stakeholders. Through fast responses and communication, we learn stakeholder concerns and opinions so that we are better equipped to formulate corporate operations and maintain CSR.

In addition to releasing 2020 information in our annual report and financial report, for the first time ASPEED Technology published a Sustainability Report to disclose

our corporate governance, environmental, and social contributions. The Sustainability Report brings greater transparency and faster, comprehensive disclosures to topics of concern for stakeholders.

Identification of Stakeholders

ASPEED Technology's CSR Working Team identifies and evaluates core stakeholders based on the business and interactions of each department, pursuant to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES): Responsibility, Influence, Dependency, Tension, and Diverse Perspectives. In 2020, nine key stakeholders were ultimately identified as priority targets for engagement: employees, shareholders & investors, customers, suppliers, government agencies, media, public welfare organizations, academic research organizations, and partners.



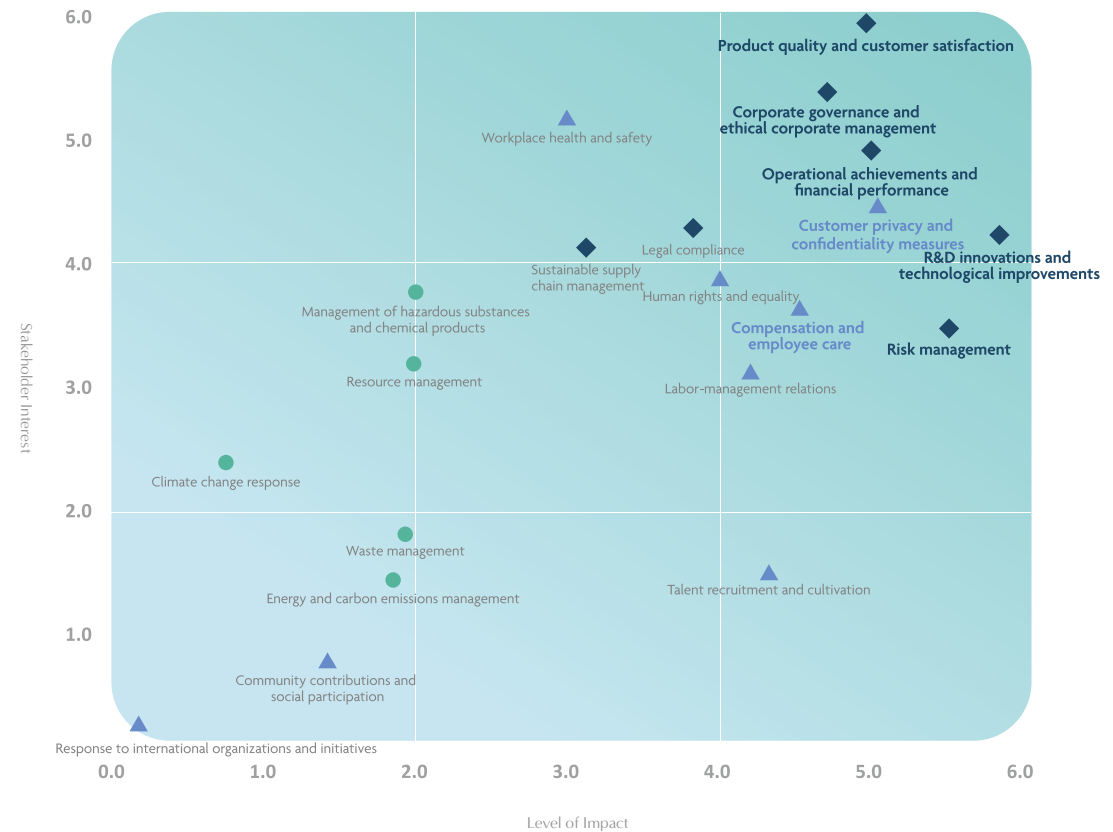
Communication with Stakeholders

Stakeholder Category	Engagement	2020 Communication Results	Topics of Concern
Employees Are the most important resource of ASPEED Technology and critical partners for the sustainable development of the Company	<ul style="list-style-type: none"> Opinions mailbox: hr@aspeedtech.com (regular) Labor-management coordination meeting (quarterly) Meeting of Employee Welfare Committee (quarterly) Manager discussions (biannual) Employee satisfaction survey (annually) Expressing opinions at the end of the year (annually) 	<ul style="list-style-type: none"> Held four labor-management meetings to offer comprehensive discussions and responses relating to labor movement and employee welfare. Manager discussions take place once every April and August. Performance assessment reviews with managers. A total of 77 reviews were held, for a completion rate of 100%. There were eight responses during 2020 to the year-end administrative service satisfaction online survey. All issues were addressed at the year-end outlook meeting. 	<ul style="list-style-type: none"> Operational achievements and financial performance Compensation and employee care Talent recruitment and cultivation Community contributions and social participation
Shareholders/Investors Influencing the stock price by appraisals of Company	<ul style="list-style-type: none"> Investor relations email address: ir@aspeedtech.com Shareholders' meeting (annually) Investors' conferences (ad hoc) 	<ul style="list-style-type: none"> In 2020, we held one shareholders' meeting and three online investors' conferences. For major topics we held ad hoc discussions with domestic and foreign institutional investors. 386 phone meeting in total during 2020. 	<ul style="list-style-type: none"> Corporate governance and ethical corporate management Legal compliance R&D innovations and technological improvements Operational achievements and financial performance Risk management
Customers Having the greatest influence on ASPEED Technology's product/technology development and design	<ul style="list-style-type: none"> Customer contact email address: sales@aspeedtech.com Customer satisfaction survey (annually) Sales interviews and interactions (ad hoc) 	<ul style="list-style-type: none"> Collected 133 valid customer satisfaction surveys, which showed a satisfaction rate of 94.74% No customer complaints were issued to our customer service team in 2020. Public responses to sustainable management issues raised by customers including CDP and RBA. 	<ul style="list-style-type: none"> Customer privacy and confidentiality measures Product quality and customer satisfaction Legal compliance R&D innovations and technological improvements Sustainable supply chain management Response to international organizations and initiatives Management of hazardous substances and chemical products
Suppliers Providing excellent raw materials of a consistent quality; through close cooperation, we jointly pursue corporate sustainability	<ul style="list-style-type: none"> General inquiry email address: info@aspeedtech.com Supplier meetings (annually) Supplier audits (annually) 	<ul style="list-style-type: none"> Held critical supplier meetings. Completed four audits of critical suppliers and one evaluation of a new supplier. Urged actions on green pledges, human rights protection, and pledges to not use conflict minerals, including the use of public pledges on our corporate website. 	<ul style="list-style-type: none"> Product quality and customer satisfaction Operational achievements and financial performance Risk management Legal compliance Sustainable supply chain management
Government Agencies Policies, laws or regulations can influence the operational directions or decision-making of ASPEED Technology	<ul style="list-style-type: none"> General inquiry email address: info@aspeedtech.com Official documents, emails, and meetings (ad hoc) Advocacy meetings, public hearings (ad hoc) 	<ul style="list-style-type: none"> Participated in the TWSE Corporate Governance Evaluations. Conducted ad hoc communication relating to our business or specific topics. We were not issued any fines or penalties by the competent authorities in 2020. 	<ul style="list-style-type: none"> Corporate governance and ethical corporate management Customer privacy and confidentiality measures Operational achievements and financial performance Risk management Legal compliance Labor-management relations
Media Reports and assessments impacting the Company's reputation and image	<ul style="list-style-type: none"> Media inquiry email address: media@aspeedtech.com Press releases for major news (ad hoc) 	<ul style="list-style-type: none"> In 2020, we gave six special interviews following media request. Issued press releases to announce major news. 	<ul style="list-style-type: none"> Corporate governance and ethical corporate management Operational achievements and financial performance R&D innovations and technological improvements Legal compliance
Public Welfare Organizations/ Academic and Research Organizations/ Cooperative Partners ASPEED Technology actively interacts with public welfare organizations, academic research organizations, and cooperative partners to fulfill our CSR obligations	<ul style="list-style-type: none"> Stakeholder inquiry email address: info@aspeedtech.com Social participation and public welfare activities (ad hoc) 	<ul style="list-style-type: none"> Accumulated contributions through 2020 were NT\$8.08 million Rural underprivileged caring : <ul style="list-style-type: none"> For a sixth consecutive year we participated in the Global Views Educational Foundation's "Plant a seed of reading for the children" event by sponsoring reading materials for students in the Taitung area. We had already donated 12,516 magazines to 84 schools in Taitung. For a second year we cooperated with UBS to commission artworks for a charity project, supporting contributions of NT\$300,000 to The Giver charity in 2020. Supporting the development of higher education : <ul style="list-style-type: none"> Launching the 4-year Sunrise Scholarship Program in National Tsing Hua University with estimated budget of NT 1.6 million. Launching the 4-year Junior Chair Professor Sponsorship Program: in National Chiao Tung University with estimated budget of NT 5.76 million. 	<ul style="list-style-type: none"> Compensation and employee care Talent recruitment and cultivation Response to international organizations and initiatives R&D innovations and technological improvements Community contributions and social participation

Identification of Material Topics

Through a combination of deliberation and engagement with various stakeholders, ASPEED Technology's CSR Working Team analyzes sustainability topics in accordance with the material topic identification procedures and the GRI Standards' four reporting principles for defining report content: stakeholder inclusiveness, sustainability context, materiality, and completeness. The material topics become an important basis for promoting CSR strategies and objectives.

ASPEED Technology compiled a list of 20 core sustainability concerns relating to three main areas: governance, environmental, and social, then conducted a stakeholder survey to identify material topics of concern. Using the answers from 160 distributed questionnaires (131 of which were returned and valid), the Company conducted materiality evaluations and analysis based on external level of concern and the potential internal impact on the Company. The results formed the basis of a materiality matrix (see figure). The 2020 materiality matrix has 20 items, including five that were identified as being of material concern: 1. Product quality and customer satisfaction, 2. Corporate governance and ethical corporate management, 3. Operational achievements and financial performance, 4. R&D innovations and technological improvements, and 5. Customer privacy and confidentiality measures. In addition, in response to current trends and in consideration of sustainable governance and managing talent in the IC design industry, the CSR Working Team designated two secondary topics as material topics: 1. Risk management and 2. Compensation and employee care. The chairman then approved these as the Company's seven material topics and the focal points of disclosures in this report, which provides a detailed explanation of response strategies, achievements, and performance for each topic. The report also includes appropriate disclosures of management measures and performance for the 13 remaining secondary topics.



◆ Governance

- Corporate governance and ethical corporate management
- Risk management
- Legal compliance
- Operational achievements and financial performance
- Product quality and customer satisfaction
- R&D innovations and technological improvements
- Sustainable supply chain management

● Environment

- Climate change response
- Energy and carbon emissions management
- Resource management
- Waste management
- Management of hazardous substances and chemical products

▲ Social

- Talent recruitment and cultivation
- Compensation and employee care
- Labor-management relations
- Workplace health and safety
- Human rights and equality
- Community contributions and social participation
- Customer privacy and confidentiality measures
- Response to international organizations and initiatives

Material Topic Analysis Workflow



Stage I: Identification

Step 1

Identify counterparts to communicate with
(Identify main stakeholders)

ASPEED Technology uses the AA1000 Stakeholder Engagement Standard to identify core stakeholders (employees, shareholders/ investors, customers, suppliers, government agencies, media, public welfare organizations, academic research organizations, and partners).

Step 2

Gather sustainability topics
(20 sustainability topics)

ASPEED Technology uses the GRI Standards as a reference and considers the sustainability concerns of domestic and international industry peers as a basis for gathering comprehensive information on sustainability topics then determining the Company's 20 core sustainability concerns.



Stage II: Analysis

Step 3

Investigate the external level of concern
(131 valid questionnaires)

Stakeholder feedback is one of the core factors in ASPEED Technology determining the materiality of an issue. The Company therefore sends a questionnaire on topics of concern to our nine main types of stakeholders to investigate their level of concern. In 2020, we received back 131 valid questionnaires.

Step 4

Analyze internal operational impact
(4 high-level managers)

Four high-level managers evaluate the economic, environmental, and social degree of impact of each topic and how it relates to the Company's operations in order to determine the importance of related disclosures.



Stage III: Confirmation

Step 5

Draft a materiality matrix
(7 material topics)

Based on the results of steps 3 and 4, the Company drafts a materiality matrix. Discussion of the results informed selection of the seven material topics that are disclosed in this Sustainability Report.

Step 6

Review disclosure content
(13 main disclosure items)

We compared the seven material topics to ten special topics based on the GRI Standards, three self-formulated topics, and. These results formed the boundaries of ASPEED Technology's stakeholder information disclosures and formed the foundation of this report.

Material Topics / Value Chain / Implementation Results of the Material Topics

● Direct Impact ○ Indirect Impact

Material Topics	Degree of Impact on Operations	Corresponding GRI Standard	Impact on the Value Chain Suppliers R&D Design Customer Use			Performance Indicators	2020 Results	2021 Objectives
Corporate governance and ethical corporate management	A robust corporate governance system and implementation of ethical corporate management policies form the cornerstone of the Company's sustainable development.	205 Anti-corruption	●		●	Participate in corporate governance-related assessments or award competitions.	• Our ranking in the TWSE Corporate Governance Evaluations increased compared to 2019, lifting us into the 36-50% bracket.	• Continue to advance in Corporate Governance Evaluations by strengthening the Company's governance system. • Participate in corporate governance award competitions.
		206 Anti-competitive Behavior	●		●			
Risk management	Build and maintain effective risk management mechanisms. The capacity and measures to quickly respond to risk are needed to support business continuity.	Self-formulated Topic	●	○	●	Comprehensive risk management policies, organization, and implementation plan.	• Completed annual identification of risks and developed plans for risk management and business continuity.	• Complete an internal climate-related inventory based on the Task Force on Climate-related Financial Disclosures. • Use ISO 22301 Business Continuity Management systems as an inventory reference and to develop related implementation measures. • Introduce third-party certification for information security management systems (ISO 27001).
Operational performance and financial performance	Maintaining the Company's competitiveness and steady growth of operational performance are important factors in supporting sustainable operations.	201 Economic Performance	●	○	●	Operational performance status	• Annual operating income was NT\$3.064 billion, an increase of 23.32% compared to 2019. Continued our streak of annual growth dating back to the company's establishment.	• Maintain annual double digit profit growth.
Product quality and customer satisfaction	Maintain close relations with customers and understand their needs to raise product quality and customer satisfaction.	Self-formulated Topic	●	●	●	Customer satisfaction	• No major customer claims • Immediate follow-up and handling upon receipt of customer feedback • Customer satisfaction rate of 94.74%	• Maintain our record of no major customer claims. • Maintain a customer satisfaction rate of above 90%. • Continue to increase the return rate of customer satisfaction surveys.
R&D innovations and technological improvements	Continue to invest in innovative R&D to maintain our competitive advantages.	302 Energy	○	●	○	Patent applications and receipt	• Applied for five patents; received three patents.	• Increase patent applications to 20. • Increase scope of patent applications to include Taiwan, the US, and China.
		Self-formulated Topic	○	●	○			
Compensation and employee care	ASPEED Technology offers excellent compensation packages to attract and retain high-quality talents. At the same time, our people-oriented work system and environment keep everyone on the same page so that we can work together towards achieving sustainable growth.	102 General Disclosures		●		Turnover rate Employee average salary	• Average employee turnover rate of 4.30% • Ranked 10 th among listed firms for average salary of non- management employees.	• Raise employees' guaranteed wage (annual). • Maintain an average turnover rate of below 5%.
		201 Economic Performance		●				
		401 Employment		●				
		404 Training and Education		●				
		405 Diversity and Equal Opportunity		●				
Customer privacy and confidentiality measures	ASPEED Technology considers customer privacy rights to be of the utmost importance. Taking appropriate measures to protect customers' personal information is a primary objective of the Company.	418 Customer Privacy		●	●	Check for infringements of customer privacy rights and data leaks.	• There were no infringements of customer privacy rights or data leaks.	• Maintain our record of no infringements of customer privacy rights or data leaks • Introduce an information security management system and pass third-party certification (ISO 27001) • Introduce Cortex XDR 2.0

Material Topics Management Approach

Material Topics GRI Standards	Corporate Governance and Ethical Corporate Management 205 Anti-corruption 206 Anti-competitive Behavior	Risk Management Self-formulated topics	Operational Performance and Financial Performance 201 Economic Performance
Policies/Pledges	By adopting a comprehensive and robust corporate governance system, the Company upholds ethical corporate management, legal compliance, and the rights and interests of shareholders. Operating the Company in a sustainable manner fulfills the expectations of shareholders and other stakeholders.	Through risk management policies and risk assessment surveys the Company gains an early understanding of risks that could potentially impact operations in order to formulate advance response strategies that lower impact on sustainable operations. These measures ensure uninterrupted services for customers and stakeholders.	Our promise to shareholders and society is that we achieve sustainable profits; each year, we raise product competitiveness and sustainable profits in order to ensure sustainable operations.
Objectives	<p>Short-term Objectives</p> <ul style="list-style-type: none"> Establish the Sustainability Committee. Raise information transparency and the disclosure of non-financial information. Promote and provide training to support ethical corporate management, anti-corruption, and the prevention of anti-competitive behavior. Continue to raise the Company's performance in Corporate Governance Evaluations. <p>Mid-to-long-term Objectives</p> <ul style="list-style-type: none"> Strengthen the structure and operations of the Board of Directors as well as the role of each functional committee. Compete in and win domestic and international sustainable management and corporate governance-related award competitions. 	<p>Short-term Objectives</p> <ul style="list-style-type: none"> Implement internal audits and develop an operational risk management plan. <p>Mid-to-long-term Objectives</p> <ul style="list-style-type: none"> Periodically review and improve risk management and the Company's business continuity plan. Identify climate change-related risks and opportunities then incorporate the results into the Company's overall risk management framework. Identify information security-related risks. 	<p>Short-term Objectives</p> <ul style="list-style-type: none"> Achieve sustained annual growth in revenues and profits. Achieve stable growth in our existing product lines. Suitable deployment of marketing resources to expand promotion of new products. <p>Mid-to-long-term Objectives</p> <ul style="list-style-type: none"> Strengthen our financial structure and continue to invest in innovative R&D and technology improvements, in the pursuit of long-term profits and growth. Enhance the Company's product mix and diversification, continue steady operations on existing product lines, and actively promote new product lines.
Responsibility and Appeals Mechanisms	<ul style="list-style-type: none"> Operational Unit: Members of the Board of Directors, the General Administration Department, and audit managers. Claim Channel: <ul style="list-style-type: none"> General Inquiries: info@aspeedtech.com Sustainable Management Inquiries: csr@aspeedtech.com 	<ul style="list-style-type: none"> Operational Unit: The CSR Working Team- Risk Management Team Claim Channel: csr@aspeedtech.com 	<ul style="list-style-type: none"> Operational Unit: Finance Department, Sales & Marketing Department Claim Channel: <ul style="list-style-type: none"> Media Inquiries: media@aspeedtech.com Investor Inquiries: ir@aspeedtech.com Sales Inquiries: sales@aspeedtech.com
Evaluation Mechanisms and Results	<ul style="list-style-type: none"> Continuing Education Training of Board Members: Total of 48 hours. Publishing the 2020 Sustainability Report. Corporate Governance Evaluation Results: In 2020, ASPEED Technology advanced one bracket in the 7th Taipei Exchange Corporate Governance Evaluations to place in the 36th – 50th percentile. Results of Internal Audits of the Board of Directors: In 2020, the Company was not accused of any acts of corruption or anti-competitive behaviors, nor did it face any lawsuits relating to antitrust or monopoly violations. 	Task force meetings are held biannually to effectively control potential risks. In 2020, we identified five material risks but managed to maintain normal operations through a combination of risk management and business continuity planning.	<ul style="list-style-type: none"> In 2020, our annual operating revenue rose by 23.32% to reach NT\$3.064 billion and our net profit after tax rose by 20.87% to reach NT\$1.005 billion. Market Expansion: The Business Development unit promotes new products and applications to help add new customers. Marketing and Promotion: Promoted the Cupola360 Multi-Image Stitching Processing SoC by attending domestic and international public exhibitions such as COMPUTEX, CES, and MWC. Cooperated with media firms to further raise awareness of our products.

Material Topics Management Approach

Material Topics GRI Standards	Product Quality and Customer Satisfaction Self-formulated topics	Innovative R&D and Technology Improvements 302 Energy Self-formulated topics	Compensation and Employee Care 201 Economic Performance 401 Employment 404 Training and Education 405 Diversity and Equal Opportunity	Customer Privacy and Confidentiality Measures 418 Customer Privacy
Policies/Pledges	All products meet domestic and international quality standards; quality guarantees generate customer satisfaction.	Develop green, energy-savings products that are beneficial to the environment and customers. ASPEED Technology is a fabless IC design company that seeks to protect the environment by making products more energy efficient and green.	Provide generous wages and robust benefits to employees in order to build a healthy workplace environment and grow sustainably together with our employees.	ASPEED Technology adheres to business ethics and personal information protection while protecting customer data in a way that ensures respect and protection for privacy.
Objectives	Short-term Objectives <ul style="list-style-type: none"> Maintain our quality management system (ISO 9001) operations and credentials. Achieve an average return rate of over 70% for customer satisfaction surveys among potential and existing customers. Maintain a customer satisfaction rate of over 90%, reply to customer opinions within 72 hours, and quickly solve problems. Mid-to-long-term Objectives <ul style="list-style-type: none"> Raise product quality and cooperate with customers to provide products and services that meet their needs. Optimize service procedures to raise customer confidence. 	Short-term Objectives <ul style="list-style-type: none"> Continue to raise product environmental protection and energy-saving qualities, including during the R&D process and in the product specs. Continue to invest in R&D and provide financial incentives that encourage employees to engage in innovative R&D. Mid-to-long-term Objectives <ul style="list-style-type: none"> IC design talent cultivation. Continue to focus on R&D and innovative new technologies. Deployment of domestic and international intellectual property that increases patent acquisition and applications. 	Short-term Objectives <ul style="list-style-type: none"> Adopt a performance-based compensation system while providing employees with generous, appropriate wages so that we attract and retain talented people. Provide an employee cultivation plan that produces professionals who support the Company's future development. Optimize the office environment and offer diverse, meaningful benefits that consolidate team spirit. Mid-to-long-term Objectives <ul style="list-style-type: none"> Offer employees compensation that is competitive on the open market and fair based on internal standards while providing diverse, meaningful benefits that consolidate team spirit. Create green lifestyles that fulfill our sustainable vision. 	Short-term Objectives <ul style="list-style-type: none"> Review information security risks and establish information security policies. Strengthen information security awareness to protect personal information and customer privacy while upholding the rights and interests of stakeholders. Integrate the Cortex XDR 2.0 information security management system. Mid-to-long-term Objectives <ul style="list-style-type: none"> Pass ISO 27001 certification to reduce network and information security risks, thereby protecting personal information and customer privacy while upholding the rights and interests of stakeholders.
Responsibility and Appeals Mechanisms	<ul style="list-style-type: none"> Operational Unit: Quality Control and System Design Department, Sales & Marketing Department. Claim Channel: sales@aspeedtech.com. 	<ul style="list-style-type: none"> Operational Unit: Product Development Department, Quality Control & System Design Department Claim Channel: <ul style="list-style-type: none"> Sales Inquiries: sales@aspeedtech.com Sustainability Management inquiries: csr@aspeedtech.com 	<ul style="list-style-type: none"> Operational Unit: General Administration Department Claim Channel: hr@aspeedtech.com 	<ul style="list-style-type: none"> Operational Unit: The CSR Working Team - Risk Management Team, Quality Control and System Design Department. Claim Channel: sales@aspeedtech.com.
Evaluation Mechanisms and Results	<ul style="list-style-type: none"> Management Review Committee and Quality Control Audits: In 2020, we achieved all ISO 9001 quality objectives. Return rate of over 51% for customer satisfaction surveys among potential and existing customers. Customer satisfaction rate of 94.74% in 2020, without any major claims. 	<ul style="list-style-type: none"> R&D fees of NT\$513 million. Patent Applications and Acquisitions: In 2020, we had five patent applications and acquired three patents. New Product Energy Savings and Environmental Protection Effectiveness: Our AST2600 7th generation BMC SoC is 93.21% more efficient than the 1st generation SoC. 	<ul style="list-style-type: none"> Compensation Performance: In 2020, we ranked 10th among listed firms for average salary of non-management employees. More than NT\$288 million spent on employee welfare (after deducting monetary awards for Board members). Better working environment : Moving to new office with the average floor space per employee increased from 21.81 m² in 2019 to 47.93 m². Employee Satisfaction: Our 2020 employee satisfaction survey did not show any material items of dissatisfaction. Average employee turnover rate of 4.30% was below industry average. 	<ul style="list-style-type: none"> 100% of employees signed an NDA. Complaints due to violating customer privacy : None in 2020. Verified customer information leaks, theft, or loss: None in 2020.



Corporate Governance

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Corporate Governance

ASPEED Technology formulated the “Corporate Governance Best Practice Principles” and the “Code of Ethical Conduct” in order to build an effective corporate governance framework and related ethical standards needed for robust corporate governance. We uphold transparent operations and closely heed the rights and interests of shareholders and society. In order to aid corporate operations and oversight, we believe that corporate governance should be built on a foundation of a strong, complete Board of Directors in conjunction with supporting committees, including the Audit Committee, the Remuneration Committee, and the CSR Working Team (to be reorganized as the Sustainability Committee in 2021).

Corporate Governance Performance

In 2020, ASPEED Technology advanced one bracket in the 7th Taipei Exchange Corporate Governance Evaluations to place in the 36th – 50th percentile. We will continue to make improvements based on the evaluation results to further strengthen the Company's corporate governance performance, including providing detailed disclosures of specific items in the Company's annual report and corporate website as well as the adoption of a nomination system for choosing directors and

independent directors. In the future, the Company will maintain effective corporate governance mechanisms in all aspects of operations, strengthen the structure and operations of the Board of Directors, and increase transparency of information disclosures, so that we can more effectively integrate a spirit of sustainability into our operational management and fulfill the social responsibilities of our Company.

Company Organization

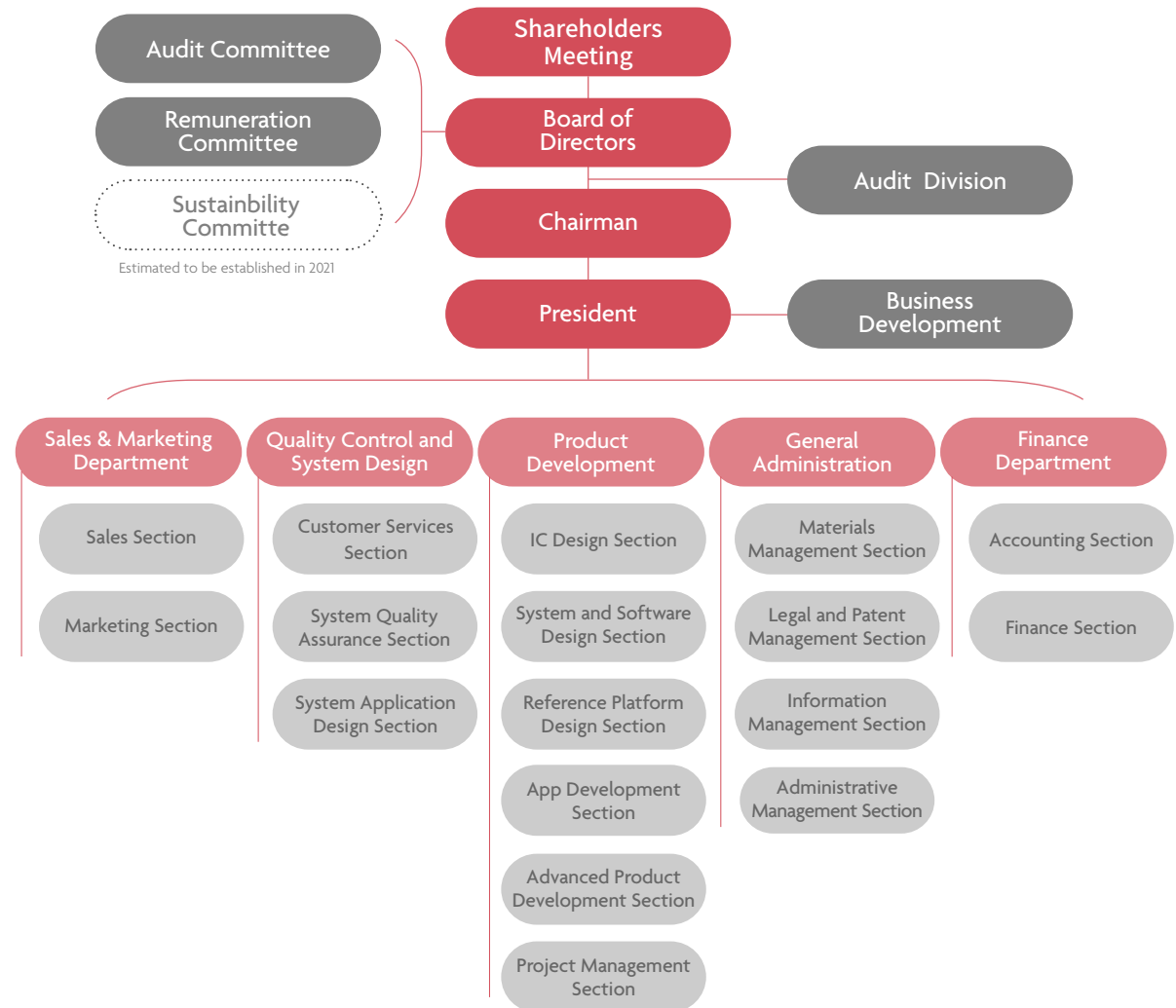
The Board of Directors is the highest administrative unit of ASPEED Technology. The nomination and selection of Board members is conducted by following the “Procedures for the Election of Directors and Supervisors.” Oversight of Company operations, formulation of strategies and guidelines, identification of operational risks, and planning of CSR development guidelines are carried out in accordance with the “Company Act,” the “Articles of Incorporation,” and authority assigned by Board decisions.

Operations of the Board of Directors

ASPEED Technology's 2020 Board of Directors consists of nine directors with diverse backgrounds and both practical and academic research experiences in operational, technological and finance fields. The three independent directors on the Board form the Audit Committee and Remuneration Committee, which provides oversight. Required to convene at least once per quarter, the Board met five times in 2020 and the directors had an attendance rate of 100%. Directors undergo training in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” in order to stay updated on the latest legal revisions and emerging issues, so that they are equipped to provide more effective corporate governance.



Organization Structure



Board Members and Continuing Education

Title	Name	Gender	Primary Positions		Board Meeting Attendance Rate	2020 Continuing Education Course Name
Chairman	Chris Lin	Male	<ul style="list-style-type: none"> Chairman and President, ASPEED Technology Inc. Director, Linvest Wealth Corp. Director, Linvest Fortune Corp. Director, ASPEED Technology (Samoa) Inc. 	<ul style="list-style-type: none"> CEO, ASPEED Technology (U.S.A.) Inc. Director, ASPEED Technology India Private Ltd. Chairman, Cuploa360 Inc. 	100%	<ul style="list-style-type: none"> OTC “Corporate Governance 3.0 - Sustainable Development Roadmap” forum agenda (3 hours) Corporate governance and enterprise sustainable operations research and study class (3 hours)
Corporate Representative	Arnold Yu	Male	<ul style="list-style-type: none"> Director, Machvision Inc. Director, Autovision Technology Inc. Supervisor, AtechOEM Inc. Director, Stark Technology Inc. 	<ul style="list-style-type: none"> Director, ChipAI Co., Ltd. Independent Director, Cipherlab Co., Ltd. Director, ASPEED Technology India Private Ltd. 	100%	<ul style="list-style-type: none"> Audit Committee establishment and operations (3 hours) Discussion of Taiwan's enterprise operational strategies and transformation from the perspective of global political and economic conditions (3 hours)
Corporate Representative	Nicholas Lin	Male	<ul style="list-style-type: none"> Director, ATEN Technology Co., Ltd. Vice President, ATEN Technology Co., Ltd. Chairman, Zheng Sheng Technology Co., Ltd. Director, ATEN International Co., Ltd. 		100%	Resigned as director on April 1 st , 2020
Corporate Representative	Nick Chen	Male	President, Avago Technologies International Sales Pte. Ltd., Taiwan Branch.		100%	<ul style="list-style-type: none"> Must-know trends of corporate governance assessment indicators for directors and supervisors – intellectual property management (3 hours) Corporate methods of fraud investigation and prevention, and creating whistleblower mechanisms to strengthen corporate governance (3 hours)
Corporate Representative	Luke Chen	Male	Vice President, ASPEED Technology Inc.		100%	<ul style="list-style-type: none"> Assessing the functioning and effectiveness of the Board of Directors (3 hours) Responsibilities of directors and supervisors when financial reports are wrong (3 hours)
Director	Ted Tsai	Male	Chairman, Maojet Technology Corp.		100%	<ul style="list-style-type: none"> Impact of Taiwan's “Fair Trade Act” and global antitrust measures on local companies, with case analysis (3 hours) Corporate governance and sustainable operations research and study class (3 hours)
Independent Director	Chyan Yang	Male	<ul style="list-style-type: none"> Adjunct Professor, Institute of Business and Management, National Chiao Tung University. Independent Director, ACTER Co., Ltd. Supervisor, Chia Chang Co., Ltd. 	<ul style="list-style-type: none"> Independent Director, MARS Semiconductor Corp. Independent Director, Associated Industries China, Inc. 	100%	<ul style="list-style-type: none"> Corporate financial information analysis and decision-making (3 hours) Corporate financial crisis warnings and pattern analysis (3 hours)
Independent Director	Dyi-Chung Hu	Male	<ul style="list-style-type: none"> Chairman and CEO, Siplus Technology Co. Director, Raytek Semiconductor, Inc. 		100%	<ul style="list-style-type: none"> OTC “Corporate Governance 3.0 - Sustainable Development Roadmap” forum agenda (3 hours) Corporate governance and enterprise sustainable operations research and study class (3 hours)
Independent Director	Robert Lo	Male	<ul style="list-style-type: none"> Vice President of Investment, Globaltec Director, Unitech Computer Co., Ltd. Director, Unitech Electronics Co., Ltd. 		100%	<ul style="list-style-type: none"> Latest trends in CSR and sustainable development (3 hours) Innovation, digital technology, and competitive advantages (3 hours)

Operation of Audit Committee

ASPEED Technology established the Audit Committee to strengthen the Company's governance and operations. The committee's oversight of financial reporting procedures enables it to monitor internal controls and inspect financial reports, so that it can evaluate and guide the Company's audit related tasks. The current committee's term is from June 11th, 2018, to May 29th, 2021. In 2020, the committee convened three times, with the attendance rate of the committee's three independent directors as follows:

Title	Name	Meetings During Term	Actual Attendance	Attendance by Proxy	Attendance Rate %
Independent Director	Chyan Yang	3	3	0	100%
Independent Director	Dyi-Chung Hu	3	3	0	100%
Independent Director	Robert Lo	3	3	0	100%

Operation of the Remuneration Committee

To support corporate governance and strengthen compensation mechanisms for the Company's directors, supervisors, and managers, ASPEED Technology established the Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." The committee charter gives the committee authority to oversee the compensation mechanisms for the Company's directors, supervisors, and managers. The committee shall faithfully perform its official powers and submit its recommendations for deliberation by the Board of Directors. The committee consists of three members, one of whom is convener. The current committee's term is from June 11th, 2018, to May 29th, 2021. In 2020, the committee convened two times, with the attendance rate of the committee's members as follows.

Title	Name	Meetings During Term	Actual Attendance	Attendance by Proxy	Attendance Rate %
Convener	Chyan Yang	2	2	0	100%
Director	Dyi-Chung Hu	2	2	0	100%
Director	Robert Lo	2	2	0	100%

Independent Directors and Internal Communication

ASPEED Technology's independent directors (also the Audit Committee members) and CPAs communicate with each other during quarterly Audit Committee meetings or individually via meetings, discussions, phone calls, or email. The CPAs report the Company's financial statements and discuss issues related to finances, taxes, securities management, or other rules and regulations. Meetings shall be convened whenever needed following a major incident. Independent directors (also the Audit Committee members) also communicate with internal audit manager during quarterly Audit Committee meetings or individually via meetings, discussions, phone calls, or email. The auditors discuss the execution and results of the Company's auditing, and report on any problems and subsequent tracking and improvements.

Internal Audit Responsibilities

Besides establishing an internal audit unit that is overseen by the Board of Directors, ASPEED Technology assigns a management-level internal auditor as needed based on the Company's scale, business conditions, management needs, and legal requirements. In line with internal audit implementation rules, the Audit Committee decides the appointment or dismissal of the internal auditor and the Board of Directors must approve the decision by resolution. The internal auditor is subject to annual evaluations and the Chairman determines his or her compensation.

Based on risk assessment results the internal audit unit produces an audit plan that must then be passed by the Audit Committee and the Board of Directors. Periodic and ad hoc reports on implementation results are made to the committee and the Board. The implementation plan shall include annual self-evaluations of control measures by all internal units followed by an audit of the self-evaluations by the internal audit unit. The overall results shall become the basis for an internal control measure statement by the Board and the president.

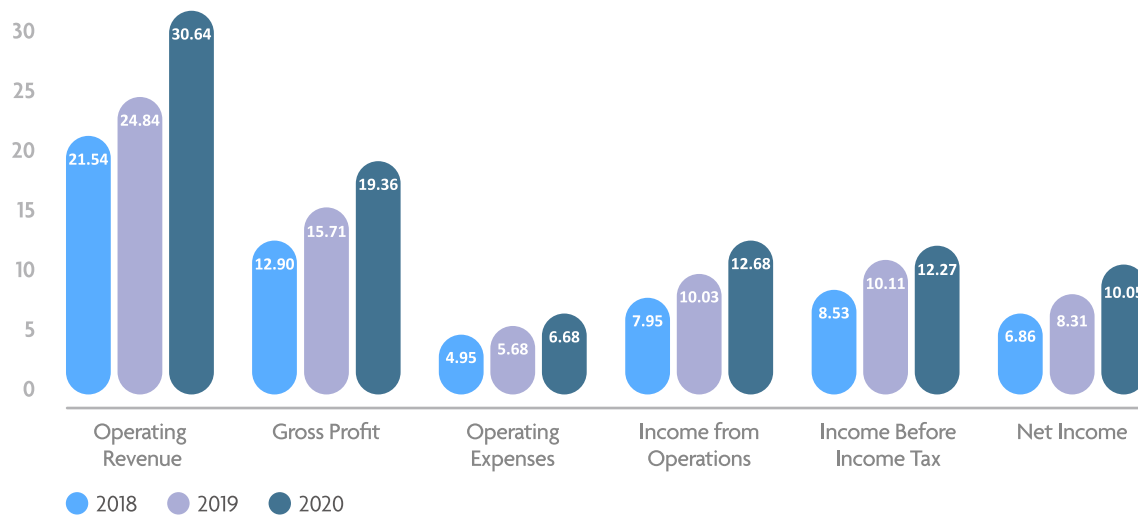
Operational Performance

Since establishment in 2004, ASPEED Technology has maintained impressive annual profits. Even in 2020, a year of stark changes marked by the impact of COVID-19 on lifestyle patterns and various industries, and in an environment where the pandemic destabilized global supply chains, ASPEED Technology was able to perform excellently. Thanks to the efforts of all of our colleagues and partners, as well as the trust of each of our shareholders, we again achieved new records for annual operating revenue and profit.

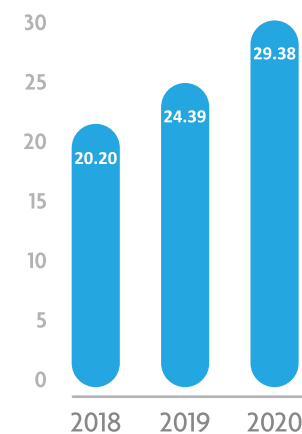
Compared to 2019, our 2020 operating revenue rose by 23.32% to reach NT\$3.064 billion and our net profit after tax rose by 20.87% to reach NT\$1.005 billion. Gross profit margin in 2020 was 63.19%, operating profit margin was 41.38%, and earnings per share was NT\$29.38. These results again set a new standard for the Company.

Our BMC SoC has firmly maintained its position of having the largest market share in the world. Our 7th generation server management processor, the AST2600, was mass produced and delivered successfully in 2020 as the first BMC SoC to adopt 28-nanometer advanced production technology. We continued to develop our PC/AV Extension SoC, the Cupola360 Multi-Image Stitching Processing SoC, and the Cupola360 app. In the future, each of these three product lines will advance towards stable growth.

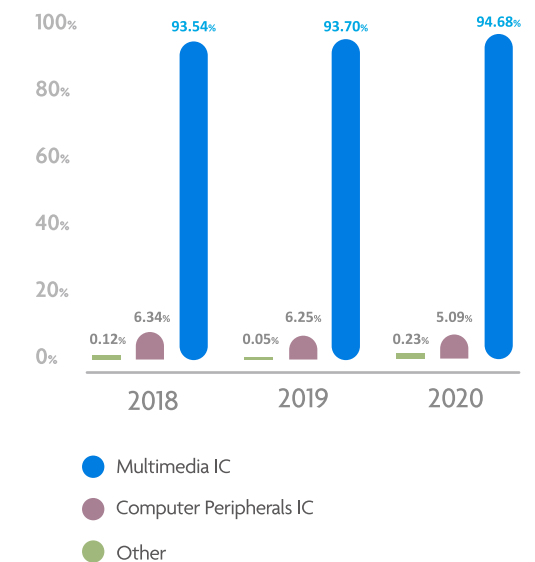
Financial Performance (Unit: NT\$100 million)



EPS (Unit: NTD /share)

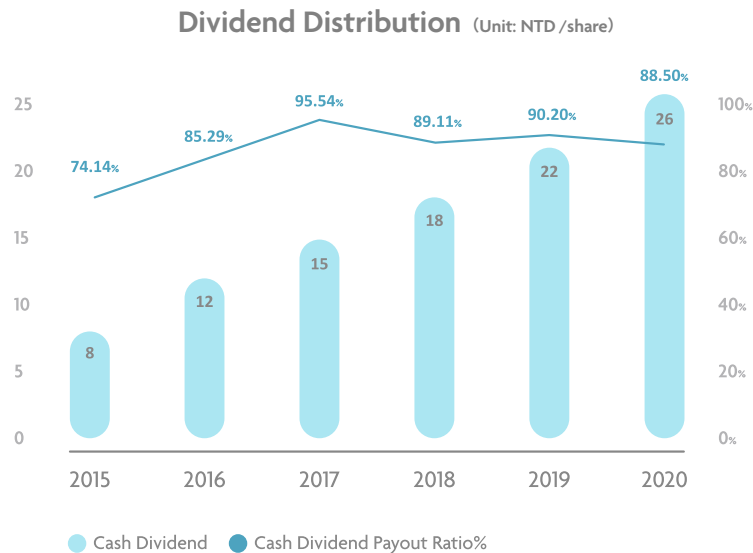


Revenue Breakdown of Main Product Lines



Dividend Policy

ASPEED Technology's dividend policy is to allocate not less than 10% of its distributable earnings to shareholders' dividends each year, taking into account current and future development plans, the investment environment, capital requirements, domestic and foreign competition, and shareholders' interests. If the accumulated distributable earnings are less than 50% of the Company's paid-in capital, the dividend bonus shall not be distributed. Dividends are paid in cash or stock; the ratio of the cash dividend, however, shall be not less than 10% of total distribution.



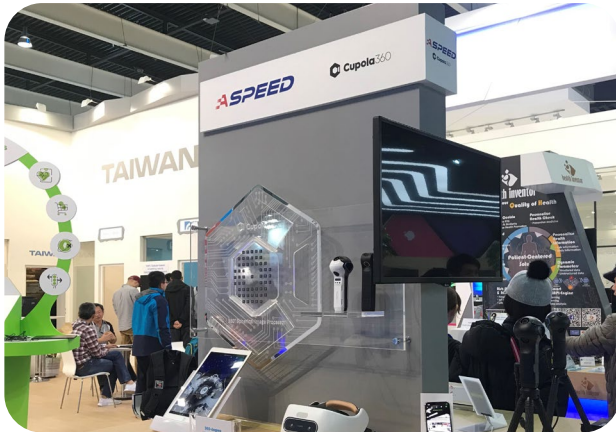
Market Communications and Business Expansion

While high-end BMC SoC remains ASPEED Technology's main product line, the Company continues to invest in the development of innovative new products. The Business Development unit surveys market conditions and future trends each year then considers ways for the Company's core R&D technologies to be applied towards planning new SoC applications. Besides BMC SoC and PC/AV Extension SoC, the Company strongly believes in the potential of 360-degree image related fields. Since making inroads in this area in 2018 with the official release of the Cupola360 Multi-Image Stitching Processing SoC, we have continued

to conduct more research while acquiring more IP. In 2020, we successfully expanded our customer base while increasing mass production. Demand for the Cupola360 was generated through interaction and cooperation with our customers. In addition to our original plans for 360-degree consumer camera products, we obtained product application recommendations from customers to develop the Cupola360 for use with 360-degree video conferencing systems. This type of joint development and growth with our customers produces a winning situation for all parties.

ASPEED Technology tailors market communications to suit the special properties of the Company's three main product lines. In 2019 and 2020, marketing and promotion campaigns primarily focused on the Cupola360 Multi-Image Stitching Processing SoC. On the one hand, we raised the profile of the product through marketing and promotional activities, which supported efforts by the Business Development unit to expand potential customers. At the same time, we could explain new product direction and positioning to institutional investors and other investors at public events, including domestic and international public exhibitions and product fairs such as COMPUTEX, CES and MWC. In 2020, research efforts centering on the Cupola360 began to bear fruit as we readied bulk production for our customers. In the future, Cupola360 will follow on the heels of our primary BMC SoC product line and PC/AV Extension SoC to provide another considerable source of revenue for the Company, supporting a more robust overall product structure.





MWC2019

We leveraged an appearance at the popular Mobile World Congress (MWC) to continue to raise the profile of our products on the international stage. Besides jointly exhibiting with companies from other industries, such as Chunghwa Telecom, we cooperated with a European PR firm to run local media promotions and issued press releases in English, German, and Spanish.

During the four-day event we held seven exclusive interviews with media, over 10 impromptu interviews to introduce our products, six discussions with foreign institutional investors, and dozens of visits with customers. A total of 18 media groups reported on our Company. Our main purpose at this year's MWC was to join the Taiwan Pavilion, which was hosted by the Industrial Development Bureau, Ministry of Economic Affairs. Crowd exposure provided us with great benefits.



Computex2019

At COMPUTEX 2019 we focused on promoting in the Taiwan market. Besides inviting key brands and customers to meet onsite for us to introduce the Company, we conducted exclusive and joint interviews with major media organizations.

During the five-day event we held 12 exclusive interviews with media, including mainstream organizations such as Commercial Times, Economic Daily News, and Digtimes. In addition, we gave product introductions in 14 media interviews while dozens of customers, investors, and institutional investors visited to learn more about our products.



CES2020

For more efficient communication with the major clients, an indoor exhibition was held. To have in-depth communications, we pre-arranged the meetings with clients and foreign institutional investors.

CES 2020 is indoor exhibition only, but we still were a popular stop for visitors and arranged meetings. During the four-day event we had 13 one-on-one meetings with customers and 11 external discussions with institutional investors.

*In 2020, besides CES 2020, in-person events for most major exhibitions were cancelled due to the COVID-19 pandemic. Some activities still took place via online channels.

Ethical Corporate Management

Ethical corporate management is a core value of ASPEED Technology's corporate governance and the highest standard we hold ourselves to when conducting business. The Company therefore created the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" to ensure that each employee acts in an ethical, just manner while complying with government laws and regulations. Members of the Board of Directors and executives must manage the Company based on the principle of integrity. If the Company discovers that a business counterparty, supplier, or other partner conducts business in an unethical manner, we shall immediately terminate the business relationship and abstain from future business relations. These measures ensure effective implementation of our ethical corporate management policy.

The General Administration Department is responsible for promoting and implementing ethical corporate management. Annual reviews of policy content as well as periodic and ad hoc meetings with employees support greater advocacy so that employees clearly understand the Company's ethical corporate management concepts and standards. At the same time, the Company uses announcements and management discussions to further entrench ethical behavior into the minds of employees so that they understand the importance of ethical corporate management and practice it in their everyday work. If unethical behavior is discovered, administrators and managers from related departments review the incident, propose improvements, and report to the Board of Directors. ASPEED Technology has always been committed to operating in a fair and just manner.

We therefore resolutely adopt fair business practices, oppose anti-competitive behavior, and follow all antitrust and monopoly regulations.

Legal Compliance

ASPEED Technology strictly adheres to the law in all areas of business. Each business unit periodically conducts a regulatory review that covers its area of responsibility, in order to ensure compliance with related laws and regulations. At the same time, business units monitor regulatory changes to respond early to any changes. In order to help all employees understand legal compliance issues, the Company conducts internal messaging to share the latest regulatory information and trends. Employees learn about new or amended regulations to enhance policy and regulatory knowledge in their professional field. Audit mechanisms are in place to ensure that business execution adheres to regulatory requirements. When an audit uncovers a violation, the problem is investigated to uncover the cause. Measures are then adopted to improve controls and make corrections that reduce the impact of the violation and prevent a reoccurrence. In the future, using education and training we will strengthen legal understanding and advocacy. Starting in 2021, we plan to hold at least one companywide training event that covers the prevention of corruption and anti-competitive practices to ensure full support among employees for complying with the law and ethically conducting business. The following is a list of all external corporate governance training events and corresponding hours attended by Company employees in 2020:

External Training	Hours
Exploration of the applications and legal liabilities relating to the use of the business judgement rule in economic crimes.	3
Practices and analysis of the latest interpretations of the "Company Act" following implementation.	6
Policy explanation and internal control management practices relating to the competent authorities' efforts to improve companies' financial report compilation capabilities.	6
Responses by internal auditors to problems frequently encountered when compiling IFRS financial reports.	6
Continuing education for internal auditors of public companies.	12

To ensure ethical corporate management, adherence to antitrust rules, and prevention of violations relating to anti-competitive or monopoly practices, both internal employees and external partners can write to hr@aspeedtech.com to notify the Company of any inappropriate behaviors they discover. In 2020, the Company scrupulously followed rules, regulations, and social norms. There were zero known incidents of corrupt behavior by employees, and the Company did not commit any legal violations nor was it subject to any domestic or foreign fines.

For more information relating to ASPEED Technology’s ethical corporate management systems and provisions, refer to the following links:



Ethical Corporate Management
Best Practice Principles



Procedures for Ethical Management
and Guidelines for Conduct



Risk Management

Risk Management Policies

ASPEED Technology is a fabless IC design company. Having adopted a “fabless lite” operational model, our workforce primarily consists of R&D personnel, management and marketing staff, and administrators. We do not routinely engage in foundry production processes. To respond to global economic and environmental changes as well as the potential impact that sustainability risks pose to internal and external operations, the Company established risk management policies and business continuity plans. Using corporate governance, environmental, and social topics as a foundation, we sought to identify risks that could have an impact on the Company’s sustainable development then formulated follow-up response strategies that are in line with primary areas of concern for our stakeholders as well as international trends.

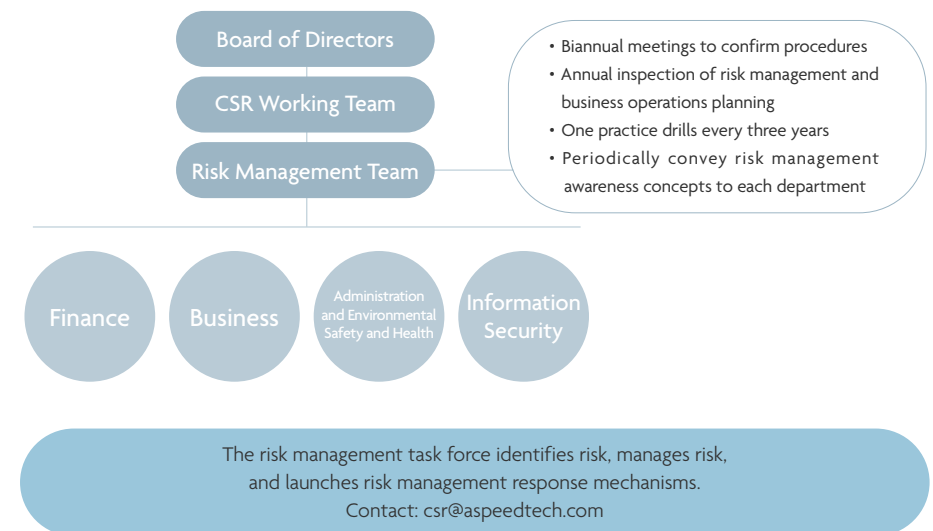
Primary Objectives of Risk Management

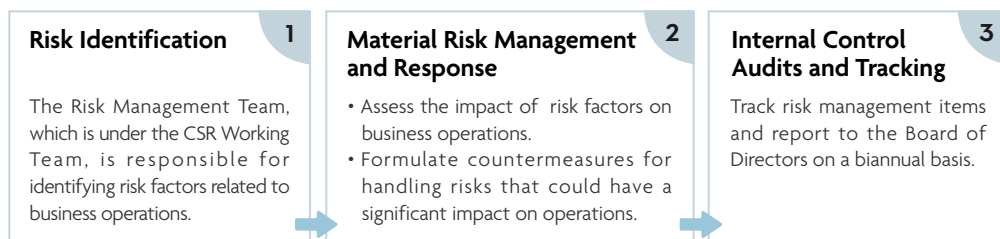
- **Risk management and business continuity of the Company headquarters (business risk)**
 - Ensure that risk assessment procedures are followed and survey primary risks in order to reduce potential impact on the Company and achieve our goal of uninterrupted operations.
 - Continue to provide customers and stakeholders with comprehensive, advanced services.
- **Supplier management and business continuity (operation risk)**
 - Only choose Tier 1, world class manufacturers and suppliers to ensure that we can provide continuous, uninterrupted production and manufacturing services.

- Periodically track and audit suppliers in order to guarantee that the rights and interests of customers and stakeholders are upheld.

Major Risk Management

To cope with the unpredictable risk during business operation and effectively prevent the impacts from internal and external environment change, the Company has established a risk management team under the CSR Working Team. The risk management team system is built up based on multiple business operation continuity standards and interval evaluations, and the management structure is composed of finance, business, information security, and administration and environmental safety & health units responsible for monitoring, analysing and confirming risks, then reporting to management level and initiating a response mechanism. As for external communication, investor relations and public relations units are responsible for communicate with the stakeholders at appropriate times to eliminate doubts and concerns.





Risk Identification

ASPEED Technology carries out risk identification, analysis, evaluation, response, and tracking based on the Company's internal organization and core business as well as external environmental conditions. Scope covers corporate governance, environmental, and social aspects and other sustainable development areas. In 2020, five material risk factors we identified were: interest rate & exchange rate fluctuation, research and development and intellectual property protection, supply chain management, information security, and facility management & disaster response. For each risk factor we formulate emergency response management processes to ensure that when a disaster or other event that has a major impact on the business does occur, we can maintain operations at an acceptable level and have a path to recovery. These measures protect the rights and interests of our customers and stakeholders.

Interest Rate & Exchange Rate Fluctuation

ASPEED Technology mainly operates on Company funds and only has a low amount of bank loans, so interest expenses are limited. Furthermore, the Company generally keeps operating capital in short-term time deposits, so interest revenue is not high. In the future, the Company will continue to monitor changes in the economic environments of Taiwan and overseas then take necessary measures in a timely manner to avoid the risk of rising interest rates.

The Company's transactions are mainly calculated in USD, so changes in the NTD/USD exchange rate have certain impact on profit and loss. Exchange gains (losses) accounted for (0.81%) and (2.01%) of net operating income in 2019 and 2020, respectively, showing that

changes in exchange rates did not have a material effect on profit and loss. The Company closely follows exchange rate fluctuations and establishes specific hedging measures. Related response mechanisms are as follows:

- 1.Utilization of the natural hedging effect from procurements and sales both denominated in foreign currency.
- 2.Dedicated personnel closely follow exchange rate fluctuations, collect information on international exchange rate trends and exchange rate fluctuations, are fully aware of future trends in exchange rates, and keep in touch with the foreign exchange department of banks. After considering the professional advice provided by the departments and the Company's cash requirements, the personnel reduce risks by making timely currency exchanges.
- 3.Dependent on the position of foreign currency, hedging is carried out in accordance with the Operating Procedures for Asset Acquisition or Disposal when necessary.

Risk Type	Risk Factor Explanation	Responsible Unit	Management Strategies
Market Risk	Impact of interest rate and foreign currency exchange rate changes on income and expenditures	• Finance unit	Long-term monitoring of international conditions and investment markets. Follow appropriate risk standards when evaluating investments and hedging interest and foreign exchange rates.
Operational Risk	<ul style="list-style-type: none"> • R&D investment to create competitive advantage • Protection of trade secret and intellectual property • The impact of R&D brain drain 	<ul style="list-style-type: none"> • Business unit • Administration and environment safety & health unit 	<ul style="list-style-type: none"> • Continue to invest in R&D and innovation. • Establish short-, mid-, and long-term plans for intellectual property and global development • Focus on employee benefits and the potential IC talent cultivation.

Risk Type	Risk Factor Explanation	Responsible Unit	Management Strategies
Operational Risk	<ul style="list-style-type: none"> • Supplier management • Product quality management • Purchase, sales, and inventory risks, including supply of goods, capacity, and lead time • Impact of supply chain disruptions 	<ul style="list-style-type: none"> • Business unit 	<ul style="list-style-type: none"> • Carefully evaluate manufacturers while periodically tracking and auditing suppliers to confirm smooth supplies, deliveries, and operations • Only choose Tier 1, world class manufacturers and suppliers to ensure high quality products and lead times • Establish a “wafer bank” stock replenishment model that ensures an uninterrupted supply of raw materials and a continuous inventory of our main products • Sign capacity guarantee agreements with our downstream packaging plants • Periodically confirm our supplier backup and return-to-work plans
	Information system abnormalities or disasters lead to system interruptions that harm the Company's operations	<ul style="list-style-type: none"> • Information security unit • Administration and environment safety & health unit 	<ul style="list-style-type: none"> • Establish information security backup plans and periodically back up information • Incorporate information security management and ISO certifications
Environmental Risk	Accidents and natural disasters can lead to injuries; facility management interruptions can disrupt operations	<ul style="list-style-type: none"> • Administration and environment safety & health unit 	Add a class 1 manager of occupational safety and health who periodically plans, implements, and reviews related advocacy and drills

Research and Development and Intellectual Property Protection

The underlying factors for profiting are Research and Development and Intellectual Property Protection. Thus, ASPEED Technology sets mid and long-term goals and management measurements. More information available at the section titled “Green Breakthroughs”

Besides, employees are the most important assets for the development of a company and thus

ASPEED Technology focuses on employee benefits and the potential IC talent cultivation. For more information, see the section titled “Social Prosperity”.

Supply Chain Risk Management

As a fabless IC design company, ASPEED Technology must guarantee that commissioned manufacturers are quality driven and effectively manage their lead times. Guaranteeing upstream and downstream deliveries and capacity is a critical part of supply chain management and needed to prevent supply disruptions that could affect the Company's operations. It is the most important aspect of ASPEED Technology's supply chain risk management. For more information, see the section titled “Sustainable Supply Chain Management” And “Product Quality and Customer Service”.

Information Security Risk Management

ASPEED Technology formulated the Information System Disaster Recovery Plan to prevent information system abnormalities and disasters while having a protocol in place if such a situation does occur.

Information security management at ASPEED Technology includes close monitoring of information security risk factors that could lead to system abnormalities or disasters. The Company established operating procedures for administrative management of information as well as software/hardware management to reduce information security risks in our network, protect personal information and customer privacy, and uphold the rights and interests of stakeholders. At the same time, to prevent a disaster from causing system disruptions that affect operations, the Company has an information backup plan that includes local and remote storage as well as regular data backup. Details are described in the “Information Security” section of this report.

Other Facility Management & Disaster Response Risk Management

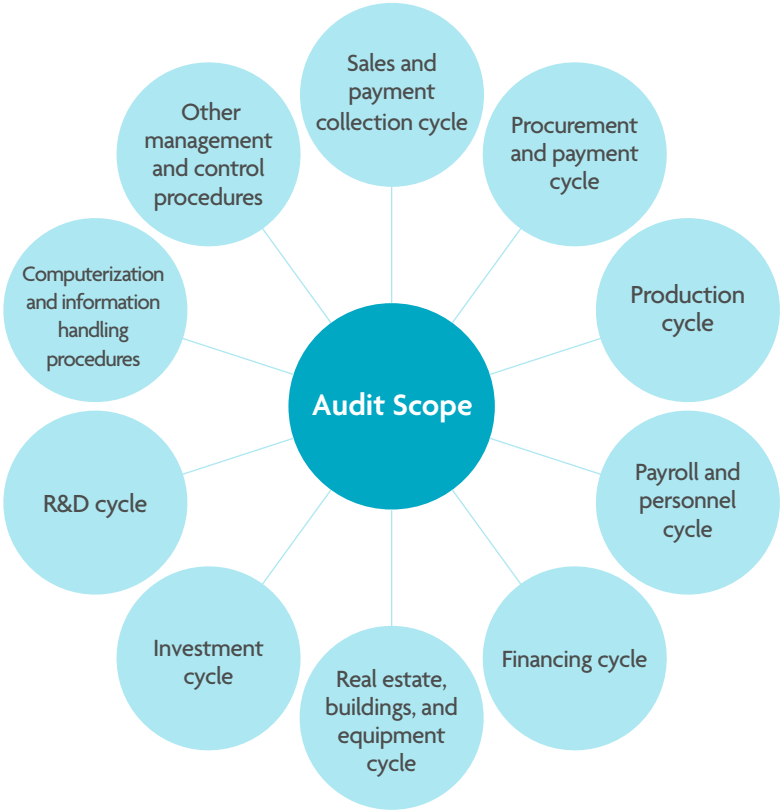
ASPEED Technology's headquarters is located in the TFC One building in Hsinchu. Since the Company has offices but no factory, our main environmental risks relate to accidents or natural disasters that could cause human injuries or facility disruptions that interfere with normal operations. The administration and environmental safety & health unit is responsible

for planning facility management & disaster responses. A class 1 manager of occupational safety and health is appointed to regularly plan, implement, and review related advocacy and drills. Periodic occupational safety and health training together with emergency response drills prepare employees for emergencies so they can report and handle incident in accordance with operating procedures then quickly resume work. While keeping employees safe and healthy, we minimize disaster-related damages and build a strong, resilient company. For more information on occupational safety and health, see the “Employee Care” section of this report.



Internal Control Audits and Tracking

ASPEED Technology weighs risks against the Company's overall objectives in order to formulate operational level goals then uses the risk design control points of each goal as a basis of internal control procedures. The Company also formulates annual internal control audit plans that are implemented and reviewed following approval by the Audit Committee and the Board of Directors.



In 2020, the Company discovered two internal control deficiencies that were corrected. No other major issues were detected.

Audit Items	Deficiencies and Abnormalities	Improvements and Tracking
Management procedures for the Audit Committee	A review showed that in 2020 the Audit Committee met on March 2 nd and August 3 rd , but not in May 2020, violating the rule that the committee convene at least once per quarter.	After finding the deficiency, the Audit Committee was urged to make immediate correction and track progress. Since August 3 rd , 2020, the committee has met quarterly on the same day that the Board of Directors convenes for its quarterly meeting. This corrects the deficiency in line with Company rules.
Management procedures for the Remuneration Committee	A review showed that the seventh meeting of the 4 th Remuneration Committee took place on May 5 th , 2020, but members were not notified of the meeting until May 4 th , 2020, violating Company rules.	After finding the deficiency, the Remuneration Committee was urged to make immediate correction and track progress. For the eighth meeting of the 4 th Remuneration Committee, which took place in August 2020, organizers notified committee members by email seven days in advance. This corrects the deficiency in line with Company rules.

Information Security

ASPEED Technology Information Security Policies and Objectives

For business to proceed smoothly and to ensure confidentiality, integrity, and availability, ASPEED Technology formulated an information security policy that all employees must follow.

Information Security Policy

- Strengthen information security management systems and acquire third party certification.
- Strengthen information security and prevent hacker, virus, and extortion attacks.
- Implement an information and data backup plan that involves local and remote storage.
- Effective management of information assets, including continuing to implement risk analysis and adopting suitable prevention measures.
- Protect information systems to prevent unauthorized access and maintain confidentiality.
- Prevent unauthorized changes to protect the integrity of the information system.
- Ensure that authorized users can access information systems when needed.
- Adhere to all information rules and regulations.
- Establish disaster recovery plans for core information systems so that operations can continue after a manmade or natural disaster.
- Strengthen information security education and training to raise employee information security awareness.
- Establish information security management and advocacy programs for suppliers.
- Conduct audits and manage the review process to ensure continued improvements to information security management systems.

Information Security Objectives

- In 2021, the Company plans to adopt a new information security management system and pass third-party certification (ISO 27001), with certification expected to be awarded in 2022.
- At the end of September 2021, the Company completed integration of Cortex XDR 2.0 to stop hacking, virus, and extortion attacks.
- Achieve information system reliability of at least 99.99% (hours of interrupted service/total usage hours $\leq 0.01\%$).
- Achieve 100% rate of compliance with rules regarding reporting, response, and recovery following information security incidents.
- Complete information security education and training (once per year).
- No more than two data breaches affecting the Company's information systems in a year.
- Respond to legal and external technological changes in a timely manner by revising information security and maintenance procedures to avoid any attacks, including unauthorized access, use, control, leaks, damage, changes, or destruction, with the aim of ensuring confidentiality, integrity, and availability.
- Enhance supplier selection, monitoring, and management while rigorously reviewing commissioned contracts in order to confirm that supplier relations information is secure. Raise information security awareness among Company employees to effectively detect and prevent external attacks.

Information Security and Data Protection

As part of a commitment to managing information security, ASPEED Technology designated operating procedures for administrative management of information and operating procedures for software/hardware management. These procedures reduce information security risks in our network, protect personal information and customer privacy, and uphold the rights and interests of stakeholders. At the same time, we actively publicize information security measures to raise awareness among employees.

For internal management, ASPEED Technology established a comprehensive internet and computing security network to maintain vital corporate functions, such as manufacturing operations, procurement and sales, and accounting. The Company periodically reviews and assesses cybersecurity architecture to ensure adequacy and effectiveness. Besides enhancing efficiency and backing up important information stored in our databases, in an evolving landscape of internet security threats, the Company must protect computer systems to prevent external network attacks that can cripple our systems. These measures prevent theft or hacking attacks on our trade secrets, intellectual property, and confidential information.

For external suppliers and cooperative partners, ASPEED Technology achieves mutual assurance of information confidentiality by periodically confirming that suppliers have comprehensive information security management and backup plans in place. Furthermore, ASPEED Technology protects confidentiality by requiring 100% of employees to sign a non-disclosure agreement. For some projects and cases cooperative partners must also sign an NDA to guarantee that each parties' information is protected.






In 2020, ASPEED Technology was not aware of any material information security incidents or cyberattacks, nor had it been involved in any legal proceedings or regulatory investigations related thereof. The audit and assurance firm Deloitte conducted an information operations audit on the Company in 2020 that covered the following areas: understanding the customer's computer processing environment, general computer controls, and application system automated controls. It did not uncover any problems. To further strengthen risk management, ASPEED Technology plans to introduce an ISO 27001 Information Security Management plan starting in June 2021 and to complete certification in 2022. At the end of September 2021, the Company completed integration of Cortex XDR 2.0 to prevent hacking, virus, and extortion attacks. In 2020, the Risk Management Team reviewed and reformulated the

Company's information security policies and made plans to change irregular information security education and training into an annual event to further strengthen information security awareness. Our aim is for ASPEED Technology's information security management to provide a more secure environment for employees, customers, suppliers, and cooperative partners.

Information Security Disaster Response Plan

To prevent information security-related abnormalities or natural or manmade disasters that cause a material impact on operations, the Company established an information security response plan. The plan includes risk analysis, business impact analysis, and recovery strategy so that the Company can reduce disruptions to key operations when facing information security-related disasters.

Besides regularly backing up information, ASPEED Technology established a remote data backup plan that includes periodic system and information backups between the data centers at the Company's Hsinchu headquarters and Taipei office. If there is a minor information security breach or damage to the ERP system hardware, restoration is completed within 12 hours and a remote backup of the data is available. If an unavoidable disaster occurs which causes severe damage to a data center or ERP system hardware or software, or leads to loss of data, the Company shall conduct equipment repairs and replacement within 24 hours and prepare the remote data backup.

Information Security Disaster Response Plan		
 Recovery Procedure	Local recovery	Remote recovery
 Location	Hsinchu headquarters data center	Taipei office data center
 Time	Within 12 hours	Within 24 hours
 Scope	If an unavoidable natural disaster or other situation causes minor damage to the ERP hardware or data loss, these operating procedures are used to complete local recovery and remote backup.	If an unavoidable natural disaster or other situation causes significant damage to the data center or the ERP hardware or software, or if it leads to data loss and recovery is not possible within 24 hours, these operating procedures are used to complete remote backup.
 Response Measures	If there is minor damage to the hardware, backup items are used to make repairs when available. For further damage the emergency repair system is used to acquire additional needed parts for fast repairs.	Launch the Taipei data center main backup and database recovery system. Use these to restore the damaged system to its original state after repairs on the data center and equipment are completed.

Product Quality and Customer Service

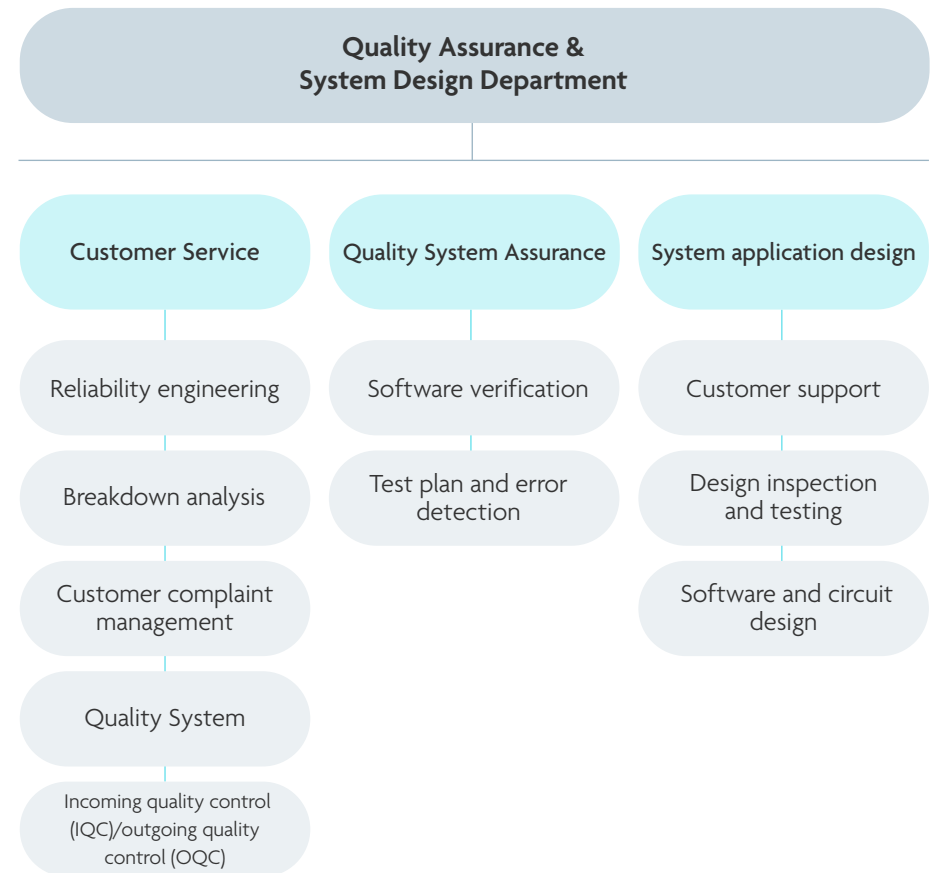
Product Quality Management

In order to provide customers with high-quality products and services, ASPEED Technology adopted ISO 9001 Quality Management Systems standards and passed ISO 9001:2015 certification. The Company also integrated an ERP computer operations system that digitally organizes all corporate operations from receiving orders to production, including raw materials procurement, deliveries and inventory, quality control, and finance management. The system provides fast, accurate data and analysis for management of each department to use as a timely reference.

ASPEED Technology follows the Plan-Do-Check-Act model when conducting quality control. Nonconformity management procedures provide comprehensive methods for handling defective products found through internal testing by suppliers or the Company as well as customer returns and claims.

- **Supplier Quality Abnormality:** When quality control staff discover a nonconformity with a suppliers' product they record the problem on the supplier defective product report then handle it with the supplier.
- **Abnormality Detected During Internal Testing:** When quality control staff discover a nonconformity during IQC, they record it on the internal testing abnormality report then begin management and communication procedures.
- **Response to Customer Returns and Claims:** If a salesperson or quality control staff receive a return or claim, he or she must complete an online claim management form that describes the situation to

relevant departments while requesting that the departments begin improvement procedures. If the customer is not satisfied by the improvements, the departments shall follow through with additional improvements until the customer is satisfied. The departments shall also follow up with the customer to ensure that the improvements are conducted effectively.



Quality Policy	2020 Results
<ul style="list-style-type: none"> • Product Innovation • Attention to Quality • Customer Confidence 	<ul style="list-style-type: none"> • No major quality issues • No discrepancy between the order and delivered quantity • No errors on the delivery documents • Customer satisfaction was 94.74%, and the Company provided timely responses to customer opinions and recommendations

Customer Service Management

Besides providing excellent quality products, ASPEED Technology maintains close interaction with customers so that we understand their needs and are always prepared to fulfill them. This approach is the best type of customer service. The Company's business units provide specialized services that are designed to support all types of customers. We established a customer service management unit and a quality control unit, which support product sales and solve post-sales problems. Each of these units contributes towards guaranteeing quality at every stage from production to delivery while maintaining open communications channels with customers.

ASPEED Technology places great importance on customer satisfaction. At the end of each year, sales staff are responsible for managing an online customer satisfaction survey. In 2020, a total of 257 surveys were delivered to customers, 133 of which were returned, for a return rate of 51% and a satisfaction rate of 94.74 %. On 126 of the returned surveys, customers said they were satisfied with the Company's performance, and on the remaining seven they said the Company's performance was "ok." None of the customers said they were dissatisfied. Sales staff investigated and compiled opinions from the seven customers that said the Company's performance was only "ok," including by calling the customers to understand their concerns and solve any problems. For product-related or technical issues, the sales staff arranged for support from R&D members in order to quickly respond to and solve all problems our customers faced.

Department	Service Explanation
Marketing	Conducts periodic visits and calls to customers, communicates about product needs, serves as a bridge between the customer and R&D departments, confirms case openings, manages cases, tracks R&D progress, provides product software and firmware, and examines customer satisfaction.
Customer Service	Manages procurement and sales procedures, optimizes the service process, answers and solves problems, conducts return merchandise authorization (RMA), and provides after-sales service.
Quality Control	Product design quality management, management of the plan do check act process, and ISO quality management.

Customer Satisfaction and Opinions or Complaints	Explanation
Satisfaction Survey: Distribution of Online Questionnaires	In 2020, the overall satisfaction rate was 94.74%. Timely handling of all customer opinions and doubts included the following: 1. Conducted calls, visits, or teleconference meetings with domestic customers. When necessary, the Company arranged for engineering or R&D staff to provide assistance. 2. Used email or online meetings to communicate with foreign customers. When necessary, the Company arranged for engineering or R&D staff to provide assistance.
Complaints Made Via the Corporate Website	Customers can write to sales@aspeedtech.com to engage in timely communication with the Company and to express opinions. In 2020, most communication via this email address, which is found on the Company's website, involved price inquiries from potential customers or opinions expressed by non-customers. The Company quickly responded to each email.
Complaints Made Via Phone	In 2020, the Company did not receive any complaints or opinions by telephone.

Sustainable Supply Chain Management

Supplier Management and Evaluation Process

The General Administration Department convenes quality assurance and product development units to form an evaluation team, which conducts an onsite evaluation of the supplier based on items contained in the supplier initial evaluation form. Suppliers who score at least 75 points are registered as qualified suppliers. When an onsite evaluation is not possible, or for international suppliers, the supplier can conduct a self-evaluation. The evaluation team reviews the results to determine whether the supplier should be approved.

ASPEED Technology's suppliers can be divided into two main categories: critical suppliers and general business suppliers. Critical suppliers provide main raw materials, production, and testing. Considering the importance of this group towards the Company's operations, we only choose world-class Tier 1 manufacturers and suppliers and confirm that they meet our standards for social responsibility, green environmental protection, occupational safety and health, labor rights, and human rights. They must follow the Code of Conduct-Responsible Business Alliance, and priority shall be given to suppliers that pass ISO9001, ISO14001, or ISO45001 certification. In addition, the Company requests that suppliers produce and publicly release annual sustainable management reports to support audits and assessments. The Company also monitors to see whether the suppliers have any incidents that cause reputational damage or face any fines from international customers.

Supplier Audit Management

ASPEED Technology conducts annual onsite or written supplier assessments. Suppliers must score at least 75 points to pass; those who fail must make improvements within a limited time period then apply for reassessment. If a supplier fails reassessment it no longer qualifies to be a supplier of the Company. The assessment process includes quality control, design procedures and management, document records, storage, and inspections, as well as green product management and ESG. If a serious quality problem occurs with an approved supplier, ASPEED Technology increases the proportion of sampling tests in accordance with the inspection and testing management procedures. Rigorous reviews continue until improvements are completed. If following guidance, a supplier is still unable to make expected improvements the supplier loses its supplier qualification. In 2020, the Company completed assessments on five suppliers, including annual assessments of four critical suppliers and an assessment of one new supplier. All five passed.

Evaluation Method	Explanation
Onsite Evaluations	The General Administration Department convenes quality assurance and product development units to form an evaluation team, which conducts an onsite evaluation of the supplier based on items contained in the supplier initial evaluation form. Suppliers who score at least 75 points are registered as qualified suppliers.
Documentary Evaluations	When an onsite evaluation is not possible, or for international suppliers, the supplier can conduct a self-evaluation. The evaluation team reviews the results to determine whether the supplier should be approved.

Supplier Management of ASPEED Technology

Evaluation of New Supplier		Annual Supplier Audit		Supplier Data Management	
Suppliers	Critical	Components of Evaluation QDCS	QDCS	Method	Written Audit
			Governance		
			Environment	Onsite Audit	
	General		Society		
				Results	Management of Qualified Suppliers
					Improvement Plans for Unqualified Suppliers

In 2020, ASPEED Technology supported the Company's green pledge, human rights protection, and conflict-free minerals policy by issuing a public statement on the corporate website proclaiming that the Company and the Company's suppliers shall uphold their social and environmental protection responsibilities. They shall not accept minerals from conflict zones or illegal mines. The Company required that all suppliers commit to implementing these measures.

Declaration of Minerals Conflict-Free

ASPEED Technology subscribes to the responsible minerals procurement position raised by the RBA (formerly the Electronic Industry Citizenship Coalition) and the Global e-Sustainability Initiative (GeSI). We expect and require our suppliers to purchase from conflict-free and qualified mineral suppliers and faithfully disclose their conflict minerals information. Compliance is included in annual supplier evaluations, which enables us to implement our conflict-free procurement program. In the event that we discover that products or raw materials from suppliers contain conflict minerals from non-qualified sources, we take the necessary measures to stop use. ASPEED Technology issued a public declaration of support for responsible minerals procurement on the Company's corporate website and seeks to fully implement this social responsibility.

RBA Code of Conduct

To comply with the RBA Code of Conduct, ASPEED Technology is committed to ensuring that working conditions at the Company and in the Company's supply chain are safe; that workers have a safe and healthy work environment and are treated with respect and dignity; and that business operations are environmentally responsible and conducted ethically.

Supplier Risk Management

ASPEED Technology is a fabless IC design company that manufactures all products through turnkey service providers. The providers' process technologies, quality, yield, capacity, and delivery time are key factors to whether a product is successful. Therefore, when deciding on the turnkey service provider, besides considering the completeness of its silicon IP, its use of ISO certified suppliers, and its Auto Place & Route (APR) technical capabilities, which foundry, assembly house and testing house it is in a strategic alliance with is even more important.

ASPEED Technology built long-standing and stable partnerships with members of the Company's upstream and downstream supply chain. The Company cooperated with foundry partners (turnkey service providers) on building a wafer bank, with the aim of maintaining a four-to-six-month inventory to ensure that there are no supply disruptions. For product assembly and testing, the Company's turnkey service providers sign capacity guarantee agreements with first rate domestic assembly firms on the Company's behalf. Orders are distributed to multiple suppliers to reduce risk. Due to the impact of the COVID-19 pandemic, many enterprises have been unable to meet their delivery lead times. ASPEED Technology, on the other hand, has relied on close partnerships with suppliers to uphold the quality and smooth delivery of products, without facing any severe impact caused by overall economic conditions.

In addition, considering the potential for natural disasters and other unavoidable situations such as earthquakes, typhoons, or fires, the Company joined with turnkey service providers in building reporting channels that can be used to immediately obtain related information about suppliers' condition, in order to quickly understand when work can resume and respond by transferring orders if needed. The Company conducts follow-up tracking until the situation is resolved and normal production resumes.



Environmental Protection

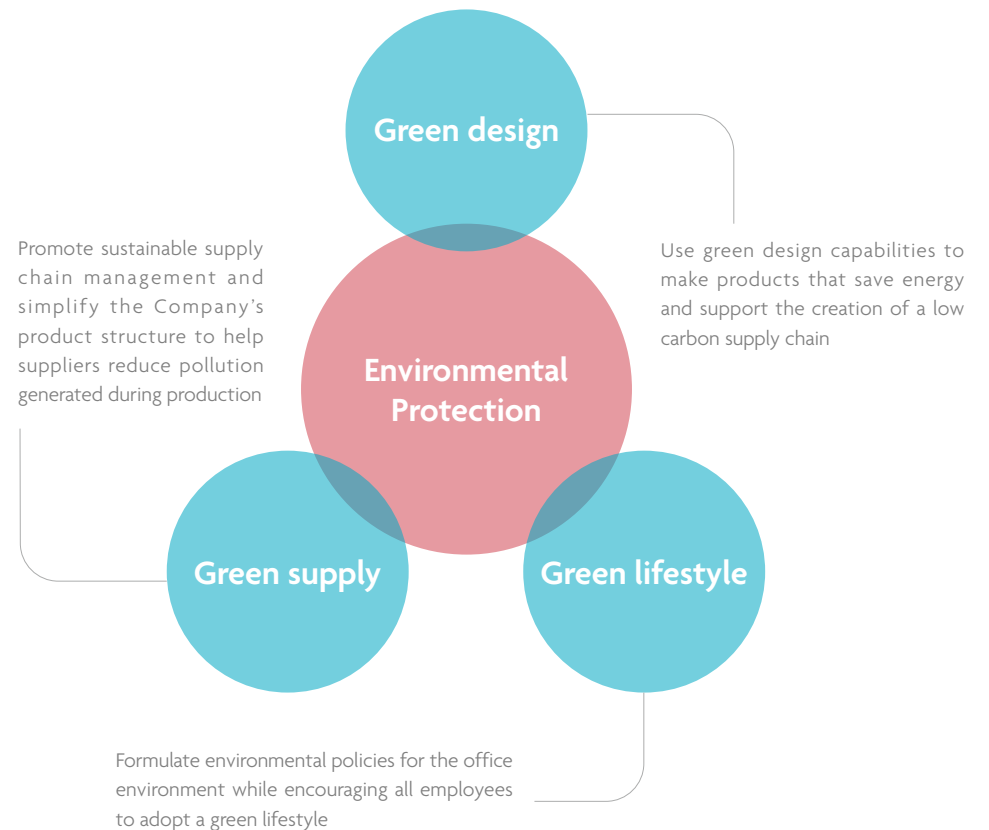
Environmental Management 46

Green Breakthroughs 48





While ASPEED Technology does not directly manufacture products, we aim to leverage the Company's core IC design capabilities and the three principles of green design, green supply, and green lifestyle to contribute towards protecting the environment.



Environmental Management

ISO 14001 Environmental Management Systems

Environmental Policies

- Adhere to environmental protection laws and regulations
- Raise environmental awareness
- Foster earnest, full participation
- Prevent environmental pollution
- Continue to improve the environment

2020 Environmental Objectives

- Adhere to air, water, waste, energy management, noise, RoHS, Reach, and HF laws and regulations
- Fully implement ISO 14001:2015 Environmental Management Systems
- Create procedures related to environmental management



In everyday operations ASPEED Technology makes every effort to implement environmental protection policies. We formulate environmentally sound operating standards suited to our industry and scrupulously observe norms. We adopt energy saving, carbon reducing, and GHG reduction policies while taking steps towards increasing energy efficiency and lowering water use, with the objective of reducing the burden on the environment. Since ASPEED Technology does not operate a factory, we mostly produce general waste. Our waste management therefore primarily involves implementing and promoting strict waste separation, recycling, and reduction. The industrial waste that we do produce are ICs, BGA IC substrates, PCBs, and other items used for R&D. Each year we commission an operator with a level A waste management license to dispose of these items in accordance with procedures that include making an inventory, taking photos, and recording weight.



Year	GHG Emissions		Water Use		Waste
	Emissions (metric tons of CO2e)	GHG Emission Intensity (metric tons of CO2e/square meter)	Water Use (metric tons)	Water Use Intensity (metric tons/square meter)	
2019	177.66	0.10	892	0.50	151
2020	271.66	0.06	3531	0.83	23.7

*Average fuel consumed during business travel is assumed as 10km/L

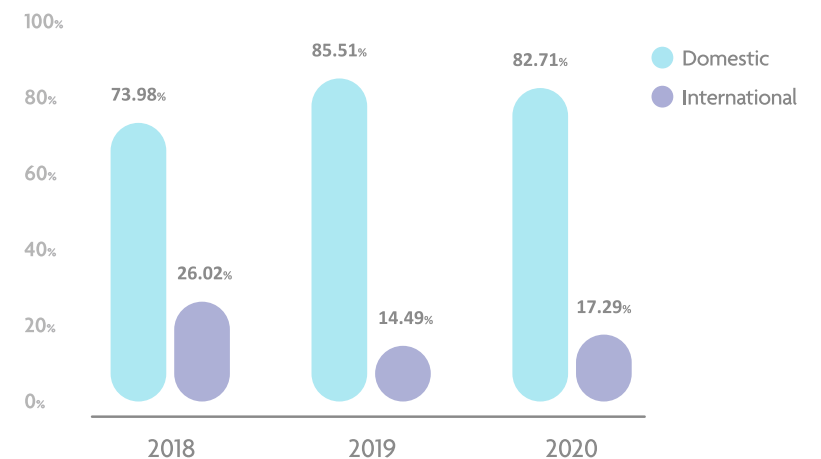
*Each carbon emission factor is referred from the GHG emission factor management list by Environmental Protection Administration Taiwan.



Since ASPEED Technology does not operate a factory, most of our GHG emissions originate from electricity used by our employees, driving of our company vehicles, and fuel consumed during business travel. At the end of 2019, ASPEED Technology's Hsinchu-based headquarters moved to a large office building with more public space and over NT\$800,000 was spent for LED as an energy efficient measure for office lighting. Due to moving to the new headquarter, the Company's floor area increases to 2.41 times (the Company's floor area rose from 1,772 m² at the old building to 4,264 m² at the new building). This resulted in more overall carbon emissions and water use compared to previous years. Our public share of electricity accounted for 17.09% of our total electricity use, and our public share of water accounted for 23.25% of our total water use. In 2020, our GHG emission intensity was 0.0635 metric tons of CO₂e per square meter, a reduction of 36.36% compared to 2019, and our water use was 0.826 metric tons / per square meter. In 2020, to response to the COVID-19 epidemic as well as to promote ASPEED Cupola360 video conferencing SoC, we encouraged employees to adopt on-line meeting with customers to reduce business travel. Compared to 2019, the business traffic expenses in 2020 significantly reduced by 34.84%, and GHG emission also reduced 4.49 metric tons of CO₂e. In the future, we will continue working to protect the environment by lowering our GHG emissions and water use per square meter.

Increase Local Procurements

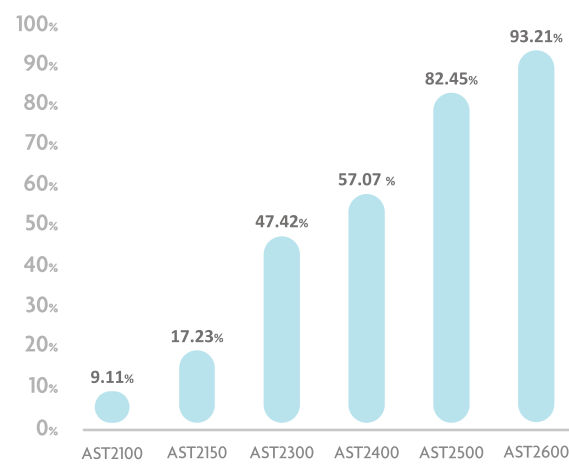
ASPEED Technology is committed to local procurements. Since 2018, we committed to rise the ratio of goods procured in Taiwan, which we hope can reduce the amount of carbon emissions that are produced during the transit of raw materials. Procurement quantity by value is illustrated in the following table:



Green Breakthroughs

To support environmental protection and energy savings, on the supplier side ASPEED Technology seeks to strengthen supplier management and reduce environmental risk by suppliers. Internally, the Company seeks to design more energy efficient products. Companies that use our BMC SoC in data centers can reduce their cloud service computing costs, energy use, and carbon emissions, contributing towards our goal of reducing overall carbon production in the industry.

Energy savings for various generations of BMC SoC to achieve the same computing power as the AST2000 1st generation model used at 80% workload

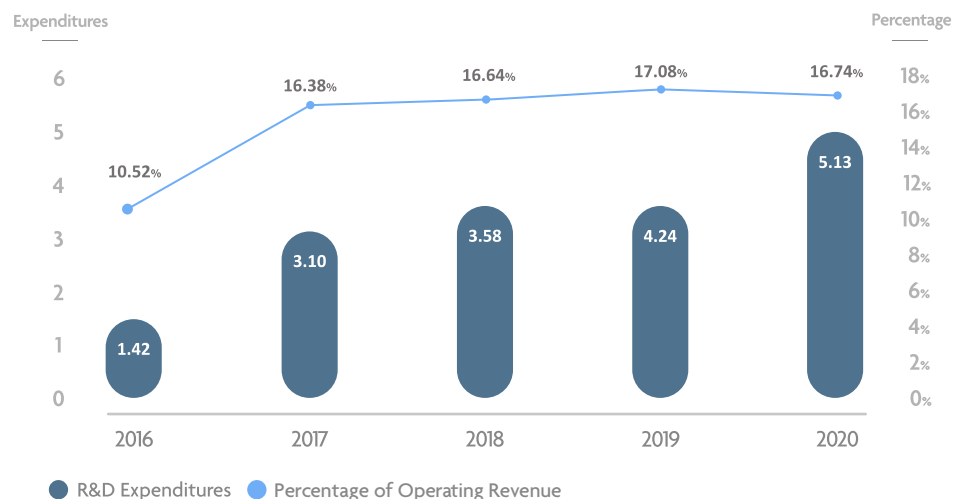


BMC SoC remains ASPEED Technology's main product line, from the first generation AST2000 to the 7th generation BMC AST2600, which uses a dual core ARM Cortex A7 processor and is the first BMC SoC to adopt 28-nanometer advanced production technology. New design techniques and a new generation of semiconductor manufacturing contributed towards a significant increase in computing capacity, so that every unit of power consumption provides faster, higher volume computing results. On the application side, the new BMC SoC reduces product quantity and optimizes computing power, effectively reducing overall power consumption. Considering the importance of information security to our customers, the AST2600 supports Secure Boot mode and integrates the ARM Cortex A7 internal TrustZone, so that customers feel safe and secure. In the BMC SoC product category, ASPEED Technology accumulated many years of development and design experience while working closely with customers. When designing and developing this seventh generation BMC SoC, our objective was to offer customers a high performance, high security, and low electricity consumption product choice.

In product applications, using the electricity consumed by the first generation BMC AST2000 at 80% workload as a benchmark, every new generation of BMC achieves the same level of performance with lower energy consumption. For example, on average over the course of a year our 2020 AST2600 7th generation BMC SoC can achieve the same work output as the AST2000 1st generation model with 93.21% lower energy use. In 2020, energy savings from this new generation BMC were equivalent to a reduction of 4,187.63 metric tons of carbon emissions, or about the equivalent of the carbon absorbency of 5,131 acres of U.S. forests in one year. Meanwhile the 7th generation AST2600 BMC SoC is 61.34% more efficient than the 6th generation AST2500 model, which in 2020 was equivalent to savings of 483.42 metric tons of carbon emissions, or about the 10-year absorbency of 7,993 trees in the U.S.

*Based on the 2019 electricity carbon emission factor of 0.509 kg of CO₂e per kWh, as announced by the Bureau of Energy, Ministry of Economic Affairs
*Used 2020 AST2600 deliveries to calculate total carbon emissions savings for the year
*Used the Greenhouse Gas Equivalencies Calculator, from the US Environmental Protection Agency, to calculate carbon absorption capacity

R&D Expenditures, 2016-2020 (Unit: NT\$100 million)



*R&D expenditures generated by the Taiwan parent company of ASPEED Technology, from 2016 to 2020

Intellectual Property

ASPEED Technology deeply values intellectual property rights, patent acquisition, and patent protection for critical technologies. Since establishment in 2004, the Company has made significant efforts towards acquiring and protecting patents, in part by regularly encouraging research teams to pursue key patents. In 2016, the Company acquired Broadcom's Emulex Pilot™ business and related assets, in order to expand the scope of our BMC patents and techniques. ASPEED Technology's patent strategy is to focus on both core technology development and high-quality products, in order to continue to raise patent quality and quantity. By 2020, the Company had acquired 45 patents, consisting of 21 patents in Taiwan, 19 in the United States, and an additional five from Broadcom's Emulex Pilot™ business.

Key Results	2018	2019	2020	2021 Objectives
Patent Applications	4	3	5	<ul style="list-style-type: none"> · Increase applications to 20 · Increase the scope of patent application countries to include Taiwan, the United States, and China
Patent Acquisitions	10	3	3	

*The number of patents acquired in each year depends on the period and time for reviewing application in patent countries



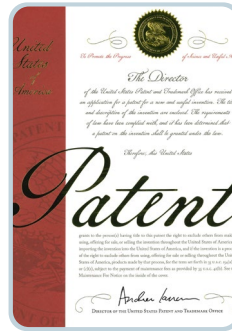
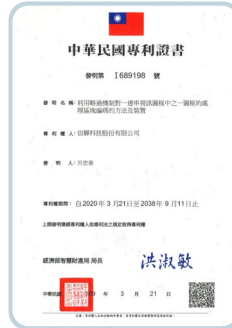
In the future, ASPEED Technology will continue to improve the ability of SoC software and hardware researchers to acquire patents and intellectual property. Our new patent applications and technologies will focus on seamless stitching and rotating of panoramic images as well as core technologies for image displays and tracking in wide-angle/panoramic image meeting systems. At the same time, we will increase patent deployment in our main markets and countries to cover primary production locations and part of our sales regions, which will enhance the Company's enterprise value and internationalization.

Long and Mid-Term Objectives of ASPEED Technology's Intellectual Property Planning:

1. Build an intellectual property team and an intellectual property management system to support the Company's technical leadership position and further reduce maintenance costs.
2. Design diverse mechanisms for encouraging innovation supplemented by evaluation processes with ranked reviews to encourage employees to propose invention applications.
3. Build connections between the registration and management systems for our patent proposals and trade secrets, in order to ensure that all intangible, critical secrets are recorded in a centralized management system that better protects our trade secrets.
4. Increase patent applications and the countries where we apply for patents each year in order to expand intellectual property rights protection and global deployment.

Coordination of Global Intellectual Property Deployment with Internal Review and Reward Mechanisms, to Encourage Innovative R&D by Employees

Reward Name	Proposal Reward	Application Reward	Approval Reward	Trade Secret Reward	Patent Risk Proposal Reward	Special Project Reward
Reward Approval Stage	Submit a "patent proposal application" to the committee	Complete a patent application with the Intellectual Property Office or the competent authorities	Complete the review process and obtain a patent from the patent authority of the nation or nations where the application is submitted	Passed by the committee and approved by the Company president as a trade secret	Established by ruling of the competent authority	The proposal is used by the Company and leads to significant benefits; distribution of the reward is approved by the Company president
Reward	NT\$ 1,000	NT\$ 5,000	<p>The committee shall decide the level of contribution that is used to determine the reward amount:</p> <p>Taiwan:</p> <ul style="list-style-type: none"> Level I NT\$ 40,000 Level II NT\$ 30,000 Level III NT\$ 20,000 <p>United States:</p> <ul style="list-style-type: none"> Level I NT\$ 50,000 Level II NT\$ 40,000 Level III NT\$ 30,000 	<p>The committee shall decide the level of contribution that is used to determine the reward amount:</p> <ul style="list-style-type: none"> Level I NT\$ 20,000 Level II NT\$ 15,000 Level III NT\$ 10,000 Level IV NT\$ 5,000 	<p>The committee shall decide the level of contribution that is used to determine the reward amount:</p> <ul style="list-style-type: none"> Level I NT\$ 30,000 Level II NT\$ 20,000 Level III NT\$ 10,000 	Decision made by the Company president





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Social Prosperity

Compliance with International Human Rights Norms

ASPEED Technology scrupulously abides by the laws and regulations of each location it operates while following the principles of international human rights conventions, including upholding employees' freedom to form associations and opposing any behaviors that infringe on or violate people's rights. In employment, the Company opposes any form of discrimination. Employees shall not be discriminated against on the basis of their race, age, gender, sexual orientation, disability, maternity, politics, or religion. All employees sign a labor agreement in accordance with the law, and work regulations stipulate that employees' freedom to assemble or form associations shall not be infringed upon, child labor shall not be used, and there shall be no forced labor. These rules protect workers' basic human rights. If a special circumstance arises in Taiwan where the Company must terminate a labor agreement with an employee, the Company prepares and pays severance in accordance with the "Labor Standards Act." In 2020, the Company did not have any incidents of employing child laborers or forced labor, and did not receive any complaints related to human rights, child labor, or forced labor.

Employee Care and Communications Channels

Employees are the most valuable resource of ASPEED Technology. We have a high-quality labor force that we provide with comprehensive employee welfare benefits. We care for our employees and their households while supporting their lifestyles. By conscientiously heeding employee opinions, we use communication as a bridge for connecting employees' work with the Company vision. Employees build trust with one another, which encourages joint hard work and continued growth. ASPEED Technology's organizational framework has a linear design that supports internal free flow of opinions and open communications channels. Employees share their opinions at the end of each year in Company satisfaction surveys as well as labor-management meetings, digital mailboxes, and through the Employee Welfare Committee. These channels make it easy for employees to share their thoughts with the Company, so that the responsible Company unit can offer a timely response, fostering positive interaction and trust between labor and management. Creating a seamless communication culture and an active, enlightened work environment enables us to better guarantee workers' rights and interests.

Channel	Content	Frequency
Digital mailbox	Any opinions or topics relating to the Company	Ad Hoc
Labor-management meetings	Labor-management relations, labor conditions	Quarterly
Employee Welfare Committee	Employee welfare topics	Quarterly
Manager discussions	Work performance, goals and plans, career development	biannual
Employee satisfaction survey	Corporate environment, administrative affairs support, various welfare activities, and open questions about anything else relating to the Company	Annual
Annual prospect meeting	Company performance and communication of coming year goals \ employees feedbacks	Annual

At the end of each year, we hold the service satisfaction survey “I have something to say,” in which employees are able to anonymously say whatever they want in an online survey. Employees offer their views on benefits, administration, systems, the Company, or managers. HR organizes each of these views for the Company’s top management to offer responses in an open setting. Management gains a better understanding of employees’ viewpoints while opening a new channel for labor-management interaction. In 2020, the online survey was distributed to all employees, each of whom responded anonymously. Management provided responses to issues raised by eight employees. Open discussion took place during our annual prospect meeting, in which each issue was solve.

Each quarter employees vote for labor representatives to engage in labor-management communications. Main agenda items include an explanation of operational conditions from the previous quarter, a discussion of the current quarter’s Company activities, and other ad hoc motions. Employees are also welcome to submit anonymous surveys before the meeting for managers of related departments to respond to during the meeting. In 2020, the Company held four labor-management meetings, in which all issues raised by employees were addressed by department managers or administrative units.



Employee Care

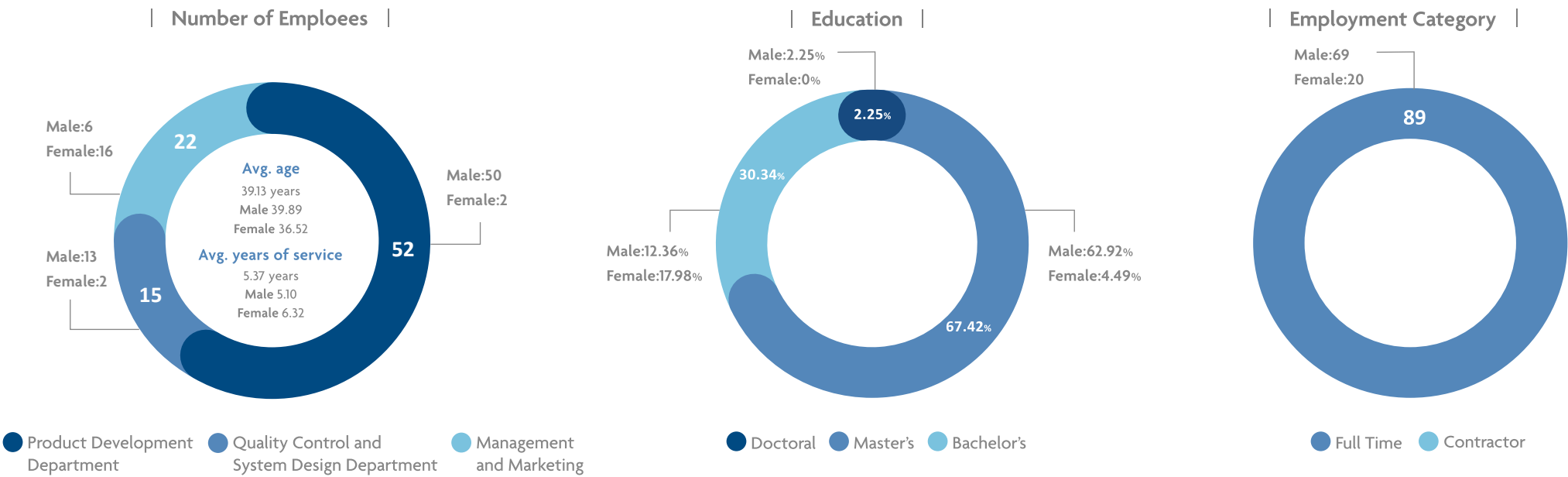
Comprehensive Labor Structure

The pursuit of excellence, innovation, and a good environment form the foundation of the Company's sustainable operations. ASPEED Technology owes today's success to the high degree of enthusiasm that employees bring to their work. This enthusiasm is a vital support behind the Company's strong and steady growth, and a valuable resource for the Company to use when facing future challenges or promoting sustainable operations. ASPEED Technology therefore continues to strengthen R&D capabilities and recruit outstanding employees. Besides growing our workforce, we place even greater importance on our labor structure and quality. Besides providing compensation and employee care that is competitive within the industry, we strive to build a prosperous, friendly work environment while caring

for employees' health and supporting their families. We want employees to be completely dedicated at work and able to exhibit their full sense of creativity without having to worry about their family receiving adequate care and attention.

In 2020, ASPEED Technology had 89 employees (all full-time) with average age of 39.13 years and average years of service 5.37 years. Males accounted for 77.53% of the total, and females for 22.47%. The main reason that the Company has not achieved greater gender balance is because the engineering talent pool in Taiwan leans heavily male. The Company will continue to focus on the issue of women in science in technology while providing a friendly work environment for all genders and supporting school training of new engineering talent. R&D staff make up 67.41% of our staff, and 69.67% of our total staff have either a master's degree or Ph.D., underlining the Company's commitment towards developing new innovative technologies. More than 90% of employees are based at the Company's main operational headquarters in Hsinchu, Taiwan, while some employees provide R&D and technical support services from the Taipei area. ASPEED Technology offers an excellent work environment that supports cooperation and growth by our outstanding team of employees, which thus accelerates our product development timetable and our technical support responsiveness, so that we can demonstrate our core innovative values.

2020 Company Labor Structure Data (Unit : number of people)

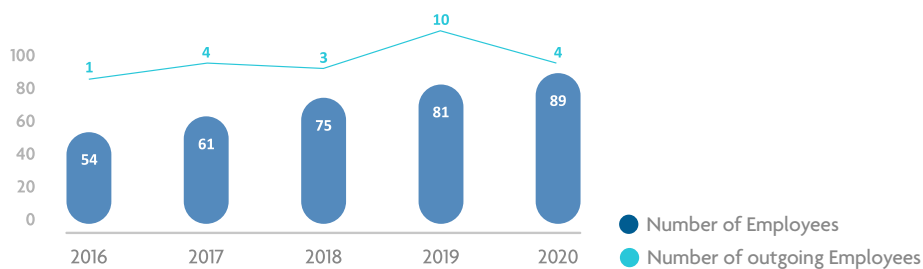


ASPEED Technology's workforce in 2020 consisted of 60 R&D members (including the R&D members in Quality Control & System Design Department), 22 managers and salespeople, and 7 quality control members. The distribution of talent suits the Company's recent business development needs and growth. Maintaining a strong, steady workforce requires both good recruitment and retention of talent. In 2020, the Company's employee turnover rate was 4.3%, which was far below the industry average (in 2020, 104 HR Academy's "FBI report" listed a turnover rate of 17.1% in the digital information industry). This is closely related to the Company's excellent performance in recent years as well as growth in employee compensation and benefits.

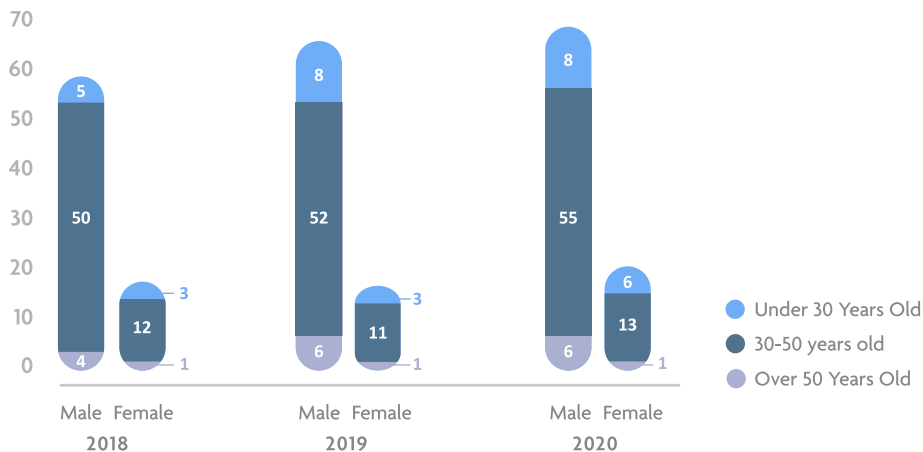
* The industry turnover rate is based on the HR FBI report released by the 104 HR Academy in 2020 with the total turnover rate for IT industry equivalent to 17.1 %

*Turnover rate : Outgoing employees / (number of employees at the beginning of each year + new employees) x100%

Employee Growth, 2016 – 2020 (Unit : number of people)



Age and Gender of Employees (Unit : number of people)



Management of Occupational Safety and Health

To prevent occupational disasters while protecting employees' safety and health, ASPEED Technology has a class 1 manager of occupational safety and health who regularly reviews related issues and environmental protection topics. Since the Company does not directly operate a factory, the occupational safety and health manager primarily focuses on identifying hazard sources in the office environment. The only chemical employees encounter is unleaded welding chemicals used by R&D personnel. In accordance with regulations, employees who handle these chemicals must wear an N95 mask and the environment must be well ventilated. Lead toxin health exams are conducted to ensure that there is no impact to employees' health.

The Company adopts appropriate occupational safety and health measures while using risk management concepts when formulating emergency response procedures. By attending occupational safety and health education/training as well as emergency response drills, employees understand response procedures to report and handle emergencies. Occupational disaster education and training includes the following:

- One labor safety and health lecture for new employees
- One labor safety and health lecture every three years for employees
- Two fire drill and training sessions every year (together with the TFC One building drill)

According to the disability standards of the Occupational Safety and Health Administration, Ministry of Labor, excluding traffic accidents outside the Company, in 2019 and 2020 ASPEED Technology did not have any incidents of employee injury, disability, or death. In 2020, two employees suffered minor injuries during traffic accidents that occurred while commuting, though they fully recovered following treatment. Following these incidents, the Company immediately provided assistance, and the General Administration Department promoted traffic safety among all employees to prevent a similar incident from happening again.

Minimum Notice Period for Operational Changes

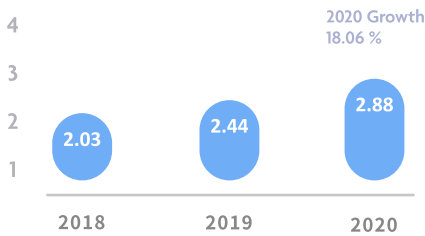
When a major operational change or related measure that will have an impact on employees' rights or interests is set to occur, the Company must first discuss the matter with employees in a labor-management meeting and notify affected employees in advance, in accordance with the law. The Company also provides related complementary measures, such as helping transfer employees to other departments or supporting government aid applications. In accordance with the "Labor Standards Act," the Company gives employees at least 10 to 30 days advance notice based on the employees' years of service.

Compensation and Employee Welfare

The most important element of a successful IC design company is its ability to attract and integrate top-rate talent. ASPEED Technology provides employees with an excellent work environment. Using a people-oriented management approach, the Company respects employees' autonomy and offers compensation that is competitive on the open market and fair based on internal standards while providing diverse, meaningful benefits that consolidate team spirit, so that we can grow together. After moving to our new office building at the end of 2019, the Company had 2.4 times as much space. The average floor space per employee increased from 21.81 m² in 2019 to 47.93 m², an increase of more than 2.2 times.

In 2020, the Company spent NT\$288 million on employee welfare fees, which was an increase of 18.06% compared to 2019. Total salary of non-managerial, full-time employees was NT\$184 million, for a year-on-year increase of 14.2%, and average salary was NT\$2.361 million. We ranked 10th among listed firms in 2020 for average salary of non-management employees. In the future we will continue to provide more comprehensive salary and welfare packages.

Employee welfare fees (Unit: NT\$100 million)
(including salary, labor and health insurance, pension, RSA)



Total salary of non-managerial, full-time employees		2018	2019	2020	2020 Growth
Total salary	(unit: NT\$100 million)	1.31	1.61	1.84	14.20 %
Average salary	(unit: NT\$10,000)	214.9	233.8	236.1	0.98 %
Median salary	(unit: NT\$10,000)	116.7	126.2	198.0	56.89 %

Designing a Performance-based Compensation System

ASPEED Technology's incentives system was designed to support the Company's operational goals and was formulated based on our employees' duties, professional knowledge and skills, and performance. The Company's employee assessments are 100% individual based, and employee rewards include the stipulation that at least 8% of the Company's annual profits (if any) shall be distributed to employees as a bonus, which exceeds the standard of distributing at least 1% of annual profits as bonuses that is generally followed by other companies. Salary raises and bonuses shall also reflect employee performance, in order for our compensation system to have a stronger impact on the Company. We want to encourage employees to demonstrate team spirit and show cooperation, so they can find innovative ways to generate more profits to share in the future.

To examine employees' development and work performance results, ASPEED Technology established an employee performance management system. Separate assessments are conducted for new employees during their trial period and all employees for their annual performance review. Every employee who reported before October 31st of the previous year, apart from those on fixed-term contracts, must participate in the performance reviews regardless of gender, age, or work category. Employees' managers and colleagues review goal fulfillment as well as the values and capabilities that employees bring to their future career planning. Together, they reach agreement on key areas of development to make personalized improvement recommendations that support career development planning.

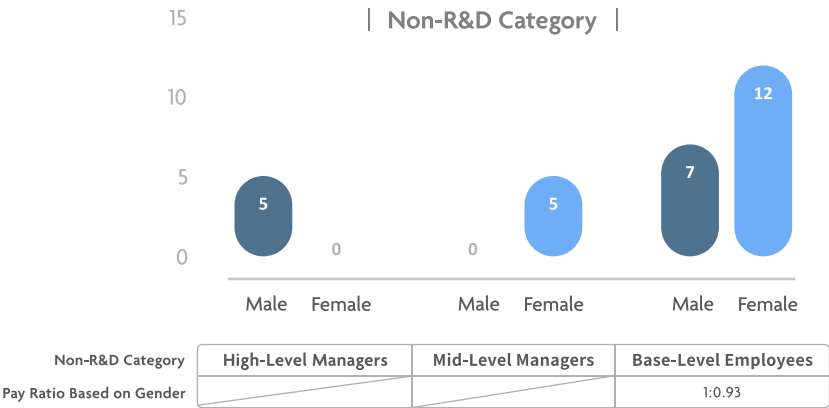
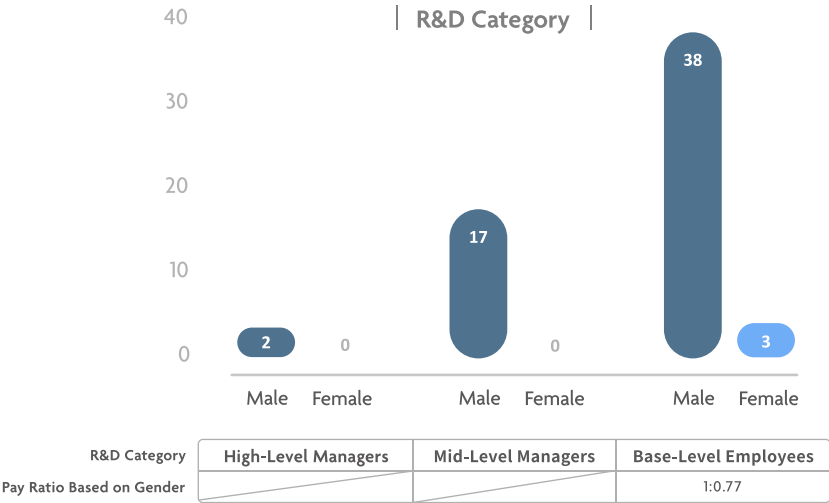
Percentage of Employees Undergoing Performance Reviews, 2018 - 2020			
	2018	2019	2020
Number of Employees	75	81	89
Employees Subject to Review	56	67	77
Actual Percentage That Underwent Review	100%	100%	100%

*Employees subject to review are employees who reported to the Company before October 31st of the previous year

Gender Pay Ratio

ASPEED Technology's employee recruitment and overall compensation system are based on individual performance and professional skills. Our employment strategy is to build a diverse, tolerant workforce that provides equal opportunities for all genders.

2020 Pay Ratio Based on Gender (Unit : number of people)



*Pay ratios are calculated to compare the difference in income between men and women for the same work. For employees who reported to the Company between 2018 and 2020, pay in their first year was prorated to a full year's income (total pay/number of months * 14 = annual pay)

Birth Incentives/Parental Leave

In accordance with the "Labor Standards Act," ASPEED Technology's "Worker attendance and leave rules" state that the Company shall not terminate an employee's labor contract when the employee is on parental leave. Female workers qualify for a combined total of 56 days of maternity leave before and after childbirth. An employee may take five days paid leave during a spouse's pregnancy or within 15 days before, after, or on the day of birth (miscarriage). The Staff Welfare Committee provides birth gifts to congratulate the addition of a new member to an employee's family. Employees who need to provide child care can apply for parental leave. Since the Company offers flexible work hours, employees can arrange their schedules in a way that helps them to care for their families.

Comprehensive Employee Insurance Plan

Besides enrolling employees in the government-mandated Labor Insurance and National Health Insurance, the Company also provides employees with comprehensive group insurance that covers life, major illness, accident and injury, medical, cancer, and disaster. When employees face an unexpected major illness or accident, they can receive comprehensive medical care, financial support, and economic protection. For employees who travel overseas for business, we offer high coverage travel insurance to provide even greater guarantees.

Retirement Planning

ASPEED Technology established the "Regulations for Employee Retirement" in accordance with the "Labor Standards Act" and the "Labor Pension Act." Following enactment of the "Labor Pension Act" on July 1st, 2005, all employees adopted the new retirement system. For employees who use the new retirement system, every month the Company deposits 6% of their salary into their personal retirement account at the Bureau of Labor Insurance. We also assist in voluntary submission in accordance with the wishes of each employee.

Implementation of Other Welfare Measures

ASPEED Technology offers compensation that is competitive on the open market while providing comprehensive benefits and care. The Company established the Employee Welfare Committee which is made up of representatives put forward by each department. The committee is responsible for overall planning and implementation of various welfare measures

and employee care initiatives. Besides legally required welfare measures, the Company provides an excellent work environment and conditions and seeks to balance employees' physical and mental health, with the goal of helping employees to achieve a positive work-life balance.



(Unit: NT\$10,000)




Item	2018	2019	2020
Amount of Employee Welfare Expenditures	766.4	934.2	1002.1
Proportion of Employee Welfare Expenditures	1.55%	1.64%	1.50%
Average Welfare Fees Per Person	10.9	12.1	11.5

*Employee welfare expenditures consist of employee welfare fees minus salaries, Labor Insurance and National Health Insurance fees, RSA, and pension fees.

*Proportion of employee welfare expenditures refers to the percentage of employee welfare expenditures in our business expenses.

*Average welfare fees per person consist of employee welfare expenditures in 2020 divided by the average number of employees per month.

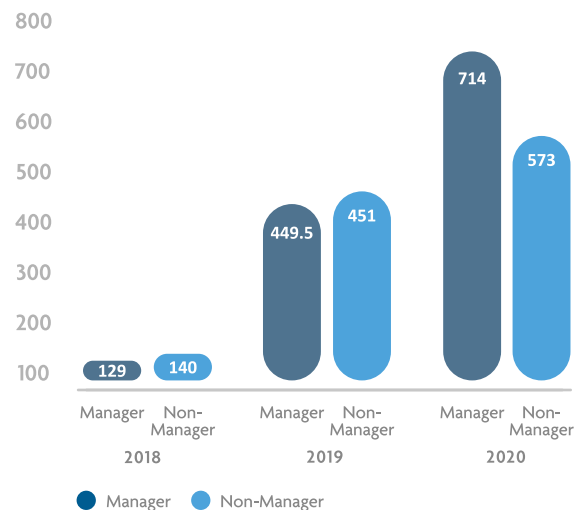
Annual Employee Welfare Items

Category	Content	Explanation
Activities	Domestic and international travel Family day activities	 <ul style="list-style-type: none"> • Due to the pandemic, in 2020 employees voted for distributing department store gift certificates as a substitute for the usual travel subsidy, so that they and their families could still enjoy this benefit. • In 2020, we distributed department store gift certificates with a total value of NT\$258.5 million to 88 employees. • For the annual family day, employees and their families are invited to join in free activities.
	Wednesday afternoon tea time	<ul style="list-style-type: none"> • As a small pleasure for employees, every Wednesday afternoon we provide tea and treats that help to build camaraderie.
	Holiday activities	<ul style="list-style-type: none"> • End-of-year activities and banquet, Mid-Autumn Festival evening BBQ, and Company anniversary commemorative activities offer more chances for interaction between families.
Holidays	Flexible holidays Flexible work hours	 <ul style="list-style-type: none"> • We go beyond requirements of the “Labor Standards Act” by immediately offering new employees seven days of national holidays and annual leave, so our workers have more chances for vacation. • Monthly accumulated flexible rest hours can be extended up to six months and are deducted on a ‘first-in, first-out’ basis.
Health	Annual health examinations	<ul style="list-style-type: none"> • We offer each employee one comprehensive health examination per year at a medical institution. • Each year, R&D personnel who use unleaded welding chemicals undergo lead toxin health exams to ensure that there is no impact on their health.
Arts and Culture	Arts and culture, celebrity lecture hall	<ul style="list-style-type: none"> • We hold a variety of arts, culture, and celebrity lecture hall events to increase employees’ soft knowledge of topics from outside the workplace.
Subsidies	Activities, customs, education, food and beverage, and various types of congratulatory gifts	<ul style="list-style-type: none"> • Domestic and foreign travel subsidies, wedding and birth congratulations, sympathy payments for injury/illness/hospitalization, funeral payments, birthday gift certificates, and language study subsidies.
Lifestyle	Discounts at designated shops	<ul style="list-style-type: none"> • The Staff Welfare Committee signed agreements for special discounts with more than 200 shops, which are available to employees who show their Company ID. The committee releases information on these discounts on the Company’s welfare website.
Other	Seniority based on past experience	 <ul style="list-style-type: none"> • Employees fill out a staff information form that includes their experience. Their direct supervisor considers their experience in related industries and professional level in determining who should be designated for promotion. • Past experience is weighted at 30%. Up to three years can be included as time of service when calculating vacation allowances.

Talent Development

ASPEED Technology is a leading IC design company that has always relied on an innovative R&D team and cooperation with customers to provide the highest quality services and technologies. For talent management, we analyze each position to determine the needed knowledge, techniques, capabilities, and personality characteristics. We then formulate recruitment policies based on required core skills. At the same time, ASPEED Technology regularly holds school recruitment activities to connect and interact with our core targets while promoting the Company's image and expanding our influence. Summer internships, which offer flexible learning opportunities for students and an early experience of life in the workplace, help us to attract top quality talents. We also cooperate with the government by recruiting R&D substitute service members, which provides another steady source of talent for the Company.

Total hours of employees training (Unit : hour)



*The number of people refers to the total number of people who underwent training that year (includes employees who later left their job)

Besides active recruitment of new employees, ASPEED Technology cultivates internal talent. The Company consolidates internal and external resources to build a diverse, rich learning environment that favors continuing learning. Through training and results-based mechanisms, we help employees and managers to examine past performance then use their insights to establish future work objectives and development guidelines. These become a foundation for learning development. We place great importance on employees' long-term career planning. By helping employees to open new directions of development and tap their individual potential, we help our employees to grow with the Company.

- **New Employee Training:** Designed to meet each department's requirements, ASPEED Technology introduced a senior mentor program for new employees. The program provides basic training and employment guidance to assist new employees in quickly adapting to the team.
- **General Training:** Skills training that embodies the core values of the Company and teaches employees knowledge they will routinely need in their everyday work and lives. Includes training required by government regulations and professional skills that employees must possess. Besides professional skills and training classes, the Company considers general training classes that are needed as part of continuing education.
- **Professional Skill Training:** Identify the professional training needs of each department then provide the training to employees to strengthen their professional competence.
- **Management Skill Training:** For employees with management potential, the Company provides training courses to build management thinking, cultivate strategic analysis, and foster organizational planning capabilities. Our objective is continuity of organizational development and team operations.
- **Celebrity Lectures:** A series of lectures planned to provide opportunities for employees to hear from top thought leaders in various fields to broaden their horizons and inspire new thinking.
- **Workshops:** Through experiential learning, employees join situational activities to learn how to incorporate business management theory into their regular work, leading to higher quality, better results.
- **Self-study and Development:** ASPEED Technology offers an open, diversified study platform for employees to access professional online courses that can raise their professional skills. The Company also fully subsidizes tuition for external training courses.

Professional Certificates Obtained by Employees, 2018 - 2020

Year	Category	Certificate Name	Number
2018	Finance	Regulations governing the acquisition and disposal of assets by public companies and introduction to related internal control and inspection mechanisms	2
		Continuing education of the principal accounting officers of issuers, securities firms, and securities exchanges	
2019	Finance	Practical review techniques	6
		Continuing education for internal auditors of public companies	
		Regulations governing the acquisition and disposal of assets by public companies and introduction to related internal control and inspection mechanisms	
		Continuing education of the principal accounting officers of issuers, securities firms, and securities exchanges	
	Others	Signal and power integrity analysis and practices	
		Occupational education and training for occupational safety and health affairs managers and personnel	
2020	Finance	Policy explanation and internal control management practices relating to the competent authorities' efforts to improve companies' financial report compilation capabilities	5
		Responses by internal auditors to problems frequently encountered when compiling IFRS financial reports	
		Continuing education of the principal accounting officers of issuers, securities firms, and securities exchanges	
		Annual continuing education class for accounting supervisors	



Social Participation

Besides focusing on core operations, every year ASPEED Technology contributes towards social participation so that we can give back to the community. Our focus has always been on disadvantaged people and rural communities. The Company cooperates with first-rate universities to keep top professors in Taiwan and encourages students to focus on academic research. We aim to fulfill our role as a corporate advisor that provides direction for students engaged in life planning. In 2020, besides providing manpower and resources, the Company contributed close to NT\$8.0777 million towards social causes, and in the future we will continue working to fulfill our social objectives.



Rural Education

ASPEED Technology is committed to the idea that reducing the gap between rural and urban communities must begin from education. Since 2013, we have cooperated with the Hsinchu Branch of the Taiwan Fund for Children and Families in holding the “Let the Books Roll” project and reading promotion. The program circulates a large quantity of books and other reading materials between various rural schools. Our employees are encouraged to join in book organization and donation activities so that they can personally experience the importance of direct action. In 2014, we sponsored the Boyo Social Welfare Foundation in providing schoolwork guidance to children from disadvantaged families. Our hope is that rural children can enjoy abundant resources and develop good study habits, so that they can lead a successful life. Since 2015, for six consecutive years we have participated in the Global Views Educational Foundation’s “Sow the Seeds of Reading to Give Children a Great Future” activity by donating periodicals to Children in the Taitung area. Enthusiasm among the children led to us to turn this into a long-term endeavor and to expand the scope of our donations from elementary schools to junior high schools. Through 2020, we had already donated 12,516 magazines to 84 schools in 16 townships in Taitung. Starting in 2017, the Company began paying even closer attention to the uneven distribution of educational resources. Whether in terms of reading or learning, we advocated for more suitable development of rural students by investing in children who showed talent for sports or music. Besides subsidizing repairs to school facilities, so that the children could confidently study, we began sponsoring sports and music events, such as offering financial assistance to the Vox Nativa Association in Nantou, supporting winter training activities for the baseball and judo teams at Pei Nan Junior High School in Taitung, and sponsoring dragon boat and canoe teams in Taitung. These initiatives made it possible for students to develop their talents without worrying about funding. We hope that as the students showcase their gifts, in the future they will also be able to give back to their home communities.

Combining Public Welfare and Corporate Core Development Through Higher Education Programs

In recent years, as ASPEED Technology conducted CSR, we considered ways to tie public welfare activities back to the Company's core business so that our charitable and regular work could complement each other. In 2015, we participated in the "Beyond the world of exams and credits" initiative with the Electrical Engineering Department of National Tsing Hua University, which provides corporate mentoring to students, and for three consecutive years we offered scholarships to the electrical engineering students at Tsing Hua. Our aim was to provide financial support to young scholars while giving the students a chance to interact with our Company chairman, who could inspire the students to explore their interests and clarify their career ambitions.

1.Junior Chair Professor Sponsorship Program: The program is contributing approximately NT\$11.52 million over four years to sponsor junior chair professors at National Chiao Tung University and National Tsing Hua University. The program consists of monthly contributions that sponsor young professors, which supports the local higher education environment by helping schools to keep talented teachers in Taiwan. When connections exist between the young professors' R&D plans and ASPEED Technology's business, the Company promotes further interaction. We started the program with National Chiao Tung University in 2020 then expanded it to National Tsing Hua University in 2021.

2.National Tsing Hua University Sunrise Scholarship Program: The program provides financial support to underprivileged students. Over the course of four years the Company is contributing NT\$1.6 million, providing aid to four underprivileged students each year so they study without facing financial concerns.

3.Acadamic Exchange: We offer a series of speeches, lectures, and course planning for both schools. One aim of the program is to promote our brand as an employer among young adults who will soon enter the workforce, in order to support future recruitment. In this way the program supports the Company's internal core talent development program and talent cultivation.



Timeline of Social Commitments



2013

- **Taiwan Fund for Children and Families (TFCF), Hsinchu Branch**
“Let the Books Roll” project and reading promotion
- **World Citizen Culture Association**
Joined the “W. island” activity



2014

- **Mei Hua Elementary School, Jianshi Township, Hsinchu County**
Volunteers joined a reading promotion camp
- **Fun Arts String Quartet**
Sponsored the Winter Sonata Tour and charitable activities
- **Fengtian Junior High School, Taitung County**
Sponsored sound equipment in the stadium
- **Taiwan Fund for Children and Families (TFCF), Hsinchu Branch**
“Wake Up and Smell the Books” rural reading promotion project



2015

- **Fengtian Junior High School, Taitung County**
Sponsored replacement of equipment in the AV classroom
- **Hsin-Sheng Junior High School, Taitung County**
Sponsored improvements to the classroom environment
- **Fung Li Elementary School, Taitung County**
Sponsored improvements to the classroom environment
- **Jia Hsin Elementary School, Jianshi Township, Hsinchu County**
Volunteers joined a rural reading promotion camp
- **Guang Ming Elementary School, Taitung County**
Sponsored improvements to the classroom environment
- **Global Views Educational Foundation**
Donated periodicals to rural schools as part of the “Sow the Seeds of Reading to Give Children a Great Future” project



2016

- **Electrical Engineering Department, National Tsing Hua University**
Sponsored an international exchange scholarship
- **Affiliated Kindergarten of Taiping Elementary School, Taitung County**
Sponsored floor renovations
- **Taiwan Fund for Children and Families (TFCF), Hsinchu Branch**
“Let the Books Roll” project and reading promotion
- **Global Views Educational Foundation**
Donated periodicals to rural schools as part of the “Sow the Seeds of Reading to Give Children a Great Future” project
- **Hsin-Kang Junior High School, Taitung County**
Sponsored improvements to the reading room air conditioning equipment
- **Rui Yuan Junior High School, Taitung County**
Sponsored the purchase of archery equipment by a mostly indigenous school
- **Bin-Lang Elementary School, Taitung County**
Sponsored the installation of air conditioning equipment and light steel frames for electric fans





2017

- **Vox Nativa Association, Taiwan**
Corporate sponsor
- **Judo Team, Pei Nan Junior High School, Taitung County**
Sponsored training fees
- **Electrical Engineering Department, National Tsing Hua University**
Sponsored an international exchange scholarship
- **Taiwan Fund for Children and Families (TFCF), Hsinchu Branch**
“Let the Books Roll” project and reading promotion
- **Baseball Team, Pei Nan Junior High School, Taitung County**
Sponsored training fees
- **Global Views Educational Foundation**
Donated periodicals to rural schools as part of the “Sow the Seeds of Reading to Give Children a Great Future” project



2018

- **Canoe Team of the Taitung Sports Association**
Sponsored attendance at the 2018 Taiwan International Dragon Boat Championships
- **Electrical Engineering Department, National Tsing Hua University**
Sponsored an international exchange scholarship
- **Global Views Educational Foundation**
Donated periodicals to rural schools as part of the “Sow the Seeds of Reading to Give Children a Great Future” project



2019

- **Cooperated with UBS to commission artworks for a charity project**
Charity donation to the The Giver Charity, New Taipei
- **National Tsing Hua University and a 360-degree image association**
Sponsored attendance at an international 360-degree photo competition by professors and students
- **Global Views Educational Foundation**
Donated periodicals to rural schools as part of the “Sow the Seeds of Reading to Give Children a Great Future” project



2020

- **National Chiao Tung University**
Sponsored the Junior Chair Professor sponsorship plan
- **National Tsing Hua University**
Sponsored the Sunrise Scholarship program
- **Cooperated with UBS to commission artworks for a charity project**
Charity donation to the The Giver Charity, New Taipei
- **Global Views Educational Foundation**
Donated periodicals to rural schools as part of the “Sow the Seeds of Reading to Give Children a Great Future” project



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GRI Standards Comparison Table



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GRI 102 General Disclosures 2016

Organizational profile

102-1	Name of the organization	Company Introduction	P.8
102-2	Activities, brands, products, and services	Company Introduction	P.8
102-3	Location of headquarters	Company Introduction	P.8
102-4	Location of operations	Company Introduction	P.8
102-5	Ownership and legal form	Company Introduction	P.8
102-6	Markets served	Company Introduction	P.8
102-7	Scale of the organization	Company Introduction	P.8
102-8	Information on employees and other workers	Comprehensive Labor Structure	P.54
102-9	Supply chain	Sustainable Supply Chain Management	P.42
102-10	Significant changes to the organization and its supply chain	No major changes this year	None
102-11	Precautionary principle or approach	Risk Management	P.33
102-12	External initiatives	Sustainable Supply Chain Management	P.42
102-13	Membership of associations	Public Association Participation	P.12

Strategy

102-14	Statement from senior decision-maker	A Letter from the President	P.6
102-15	Key impacts, risks, and opportunities	Risk Identification	P.34

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GRI 102 General Disclosures 2016

Ethics and integrity

102-16	Values, principles, standards, and norms of behavior	Ethical Corporate Management	P.31
102-17	Mechanisms for advice and concerns about ethics	Ethical Corporate Management	P.31

Governance

102-18	Governance structure	Corporate Governance	P.24
102-19	Delegating authority	Corporate Governance	P.24
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Policies	P.15
102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Analysis	P.16
102-22	Composition of the highest governance body and its committees	Corporate Governance	P.24
102-23	Chair of the highest governance body	Corporate Governance	P.24
102-24	Nominating and selecting the highest governance body	Corporate Governance	P.24
102-26	Role of highest governance body in setting purpose, values, and strategy	CSR Policies Corporate Governance	P.15 P.24
102-27	Collective knowledge of highest governance body	Corporate Governance	P.24
102-30	Effectiveness of risk management processes	Risk Management	P.33
102-32	Highest governance body's role in sustainability reporting	Materiality Analysis	P.16

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GRI 102 General Disclosures 2016

Governance

102-33	Communicating critical concerns	Materiality Analysis	P.16
102-34	Nature and total number of critical concerns	Materiality Analysis	P.16
102-35	Remuneration policies	Corporate Governance Compensation And Employee Welfare	P.24 P.56
102-36	Process for determining remuneration	Corporate Governance Compensation And Employee Welfare	P.24 P.56

Stakeholder engagement

102-40	List of stakeholder groups	Materiality Analysis	P.16
102-41	Collective bargaining agreements	Did not enter into any collective bargaining agreements	None
102-42	Identifying and selecting stakeholders	Materiality Analysis	P.16
102-43	Approach to stakeholder engagement	Materiality Analysis	P.16
102-44	Key topics and concerns raised	Materiality Analysis	P.16

Reporting Practice

102-45	Entities included in the consolidated financial statements	About This Report	P.4
102-46	Defining report content and topic boundaries	About This Report	P.4
102-47	List of material topics	Materiality Analysis	P.16
102-48	Restatements of information	None	None
102-49	Changes in reporting	None	None
102-50	Reporting period	About This Report	P.4

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GRI 102 General Disclosures 2016

Reporting Practice

102-51	Date of most recent report	None (this is the first year of this report)	None
102-52	Reporting cycle	About This Report	P.4
102-53	Contact point for questions regarding the report	About This Report	P.4
102-54	Claims of reporting in accordance with the GRI Standards	About This Report	P.4
102-55	GRI content index	Appendix, GRI Standards Comparison Table	P.67

GRI 103 Management Approach 2016

103-1	Explanation of the material topic and its boundaries	Materiality Analysis	P.16
103-2	The management approach and its components	Materiality Analysis	P.16
103-3	Evaluation of the management approach	Materiality Analysis	P.16

GRI200 Economic

GRI 201 Economic Performance 2016

201-1	Direct economic value generated and distributed	Operational Performance	P.28
201-3	Defined benefit plan obligations and other retirement plans	Compensation and Employee Welfare	P.56
201-4	Financial assistance received from government	None in 2020	None

GRI 204 Procurement Practices 2016

204-1	Proportion of spending on local suppliers	Environmental Protection	P.47
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GRI 205 Anti-corruption 2016

205-2	Communication and training about anti-corruption policies and procedures	Ethical Corporate Management	P.31
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GRI 205 Anti-corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	None in 2020	None
GRI 206 Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None in 2020	None
GRI 300 Environmental			
GRI 302 Energy 2016			
302-5	Reduction in energy requirements of products and services	Green Breakthroughs	P.48
GRI 303 Water			
303-3	Water withdrawal	Environmental Management	P.46
GRI 305 Emission 2016			
305-1	Direct (Scope 1) GHG emissions	Environmental Management	P.46
305-2	Energy indirect (Scope2) GHG emissions	Environmental Management	P.46
305-3	Energy indirect (Scope 3) GHG emissions	Environmental Management	P.46
305-4	GHG emissions intensity	Environmental Management	P.46
GRI 307 Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	None in 2020	None
GRI 308 Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain Management	P.42
GRI 400 Social			
GRI 401 Employment 2016			
401-1	New employee hires and employee turnover	Employee Care	P.54
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Employee Welfare	P.56

Code	Disclosure Items	Corresponding Chapter	Page
GRI 401 Employment 2016			
401-3	Parental leave	Compensation and Employee Welfare	P.56
GRI 402 Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	Employee Care	P.54
GRI 403 Occupational Health and Safety			
403-2	Injury types; ratio of injuries, occupational diseases, lost work days, and absences; and incidents of occupational-related death	None in 2020	None
403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupation of Aspeed's employee is not involved with any high high incidence or high risk of diseases	None
GRI 404 Training and Education 2016			
404-1	Average hours of training per year per employee	Talent Development	P.60
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development	P.60
404-3	Percentage of employees receiving regular performance and career development reviews	Compensation And Employee Welfare	P.56
GRI 405 Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Employee Care	P.54
405-2	Ratio of basic salary and remuneration of women to men	Compensation and Employee Welfare	P.56
GRI 406 Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	None in 2020	None
GRI 407 Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The Company has not formed associations or a union	None

Code	Disclosure Items	Corresponding Chapter	Page
GRI 408 Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	None in 2020	None
GRI 409 Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None in 2020	None
GRI 414 Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain Management	P.42
GRI 417 Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling	None in 2020	None
GRI 418 Customer Privacy			
418-1	Claims due to verified attacks on customer privacy or loss of customer information	None in 2020	None
GRI 419 Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	None in 2020	None

