

GIGABYTE™



Sustainability Report of GIGABYTE

2011

About this Report

The first GIGABYTE Sustainability Report was published in 2010 and this is the second report to be published to date. In keeping with our philosophy of “Concern about the Society and Fulfilling the Obligations” , GIGABYTE continues to develop our CSR indicators to realize economic, social and environmental benefits. This report enables GIGABYTE to report to our stakeholders on our business operations, corporate governance, employee relations, business ethics, social concern and environmental protect. The report will hopefully inform stakeholders about the ongoing efforts and accomplishments achieved by GIGABYTE towards sustainable development.

Scope

The report covers the sustainability performance of the GIGABYTE Group's global operations between January and December, 2011. The indicators in the report encompass subsidiaries in Taiwan, China and other overseas regions.

Guidelines

The report follows the framework of the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G3.1) in disclosing the outcomes of GIGABYTE's CSR commitments, strategies and management policies during the reporting period.

Publication

GIGABYTE plans to publish the Sustainability Report on an annual basis. The report will only be available in electronic form on the GIGABYTE website (<http://www.gigabyte.tw/gigabyte.aspx?s=37>).

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1. From the Chairman

2011 marked the 25th anniversary of GIGABYTE's founding. After a quarter of a century, continued development and innovation has seen us grown from a small company with just NT\$700,000 in capital into a large enterprise with annual revenues in excess of NT\$40 Billion. As an "Info Tech 100 Asia" , "Info Tech 100 Taiwan" and "Top 100 Taiwan Brands" company with a brand value of US\$106 Million, we have established our place in the world as a global leader in innovative mainboard and graphics card products through Made in Taiwan quality.

At the same time, we upheld the spirit of corporate citizenship defined by "Concerned about the Society and Fulfilling the Obligations" through long-term contributions to social engagement and charity. This included the Ministry of Education's presentation of the "2011 Social Education and Charity Award" to the GIGABYTE Education Foundation in 2012. In the future, we will continue to promote technology education, innovation education, industrial design, arts & culture, charitable activities and community development.

Over the past year, the GIGABYTE Group has organized a series of environmental education activities under our "Green Action Plan" to educate employees about the importance of energy conservation, carbon reduction and environmental education. By raising the environmental awareness of all employees, the knowledge, attitudes and skills of environmental protection can be incorporated into everyday life to create a new GIGABYTE Green Action culture and encourage the embracing of

green design concepts. The creation of new green product values will enable both corporate and environmental sustainable development. GIGABYTE strives to practice proper environmental protection and our employees are expected to have the right mindset and practices. We embrace all corporate sustainability initiatives so they can be put into action.

2011 was a very challenging year due to the European debt crisis and extreme weather conditions caused by global warming. We must therefore not only closely monitor international developments but also incorporate climate risks to the global supply chain in our business strategy. The Green Action Plan is just the first step. GIGABYTE believes that "Sustainability" will become the most important issue of this century so we are doing our best to incorporate this thinking into our innovative product R&D and business strategy. The information disclosed in the report is our way of telling our stakeholders that GIGABYTE will not be found wanting when it comes to building a sustainable society.

President Dandy Pei-chen Yeh



2. Company Overview

2.1 About GIGABYTE

Established in 1986, GIGABYTE Technology Co., Ltd. is the world's No. 2 mainboard brand with a market share of nearly 12%. We have also achieved a significant presence in the market with our other products such as graphics cards, accelerator cards, notebook computers, desktop computers, computer peripherals, digital home appliances, network communications products, servers and mobile phones to satisfy consumer needs and build a complete digital lifestyle.

GIGABYTE has established an extensive service network to provide comprehensive after-sales support. With nearly 100 service sites located throughout Europe, Asia, North America, the Middle-East, South Africa and Oceania, we provide customers and consumers with the most responsive and professional service.

Table 2-1 Company Profile

Company Name	Gigabyte Technology Co., Ltd.
Capital	NT\$6.72 Billion
Revenue	NT\$42.6 Billion
Date Established	April, 1986

Products and Services	Mainboards, graphics card, computer systems, notebook computers, servers, mobile phones, computer peripherals.
Headquarters	No.6, Bao Chiang Road, Hsin-Tien Dist., New Taipei City 231,Taiwan

2.1.1 Global Service Locations

GIGABYTE's production sites are located in Pingzhen and Nanping in Taiwan as well as Dongguan and Ningbo in China. Overseas subsidiaries include the U.S., Germany, the Netherlands, the U.K., France, Russia, Poland, India and Spain. We have set up almost 100 service locations on all the major continents, all staffed by professional engineers to provide local customers with high quality and convenient after-sales support.



Figure 2-1 GIGABYTE global service locations

2.1.2 Core Values

- **Upgrade Your Life**
- **Excellent Service and Support**

“Upgrade Your Life” embodies the GIGABYTE spirit as well as our commitment to customers and consumers. GIGABYTE has therefore established an extensive service network to provide comprehensive after-sales support. With nearly 100 service sites located throughout Europe, Asia, North America, the Middle-East, South Africa and Oceania, we provide customers and consumers with the most responsive and professional service. To better understand the consumer needs and surpass our customers' expectations in the future, all members of the GIGABYTE Group will continue to emphasize innovation, care and service. By focusing on the development of key technologies, innovations in product design and improvements in quality and service, we will transform GIGABYTE into an energetic, competitive and high-value world-class brand.

2.2 Market Overview

- **Tablet growth to remain strong for the next 3 ~ 5 years**

Institute for the Information Industry (III) research found that 2010 to 2011 was a period of great change in the global PC industry. Due to a significant slowing in the global conventional PC products market, many major IT vendors have made strategic changes. The main cause of the slowdown was that parts of the PC market have been replaced by the popular iPad products released by Apple in 2010. Preliminary statistics collected by the international market research firm Gartner indicated that global PC

shipments for 2011 totaled 352,800,000 units, just 0.5% up from 2010. Despite the steady growth in the business PC market, the continued weakness of consumer PCs especially in developed markets has led to the stagnation of the market as a whole. In emerging markets, the lower PC penetration rate meant that growth remained steady.

Due to the popularity of tablets, tablet products are expected to achieve significant growth between 2012 and 2016, with the tablet market expected to grow by 50 ~ 60% in 2012 and possibly approach 100 ~ 120 million units in 2013 at the expense of the conventional PC industry.

- **Branded mainboards**

In 2011, global shipments of branded mainboards totaled 72 million pieces. The top 3 suppliers including GIGABYTE accounted for over 65% of the market so the trend towards market consolidation continues. In 2012, the top 3 mainboard suppliers are expected to account for over 70% of all mainboard shipments.

2.3 Business Activities

GIGABYTE began as a computer component manufacturer but evolved over time to provide customers with a greater variety of computer peripherals to choose from. In recent years, we have expanded our product line to own-brand notebooks and mobile phones. We are also working to establish a reputation of “Excellent from GIGABYTE” . In the future, we will continue to strive for innovation and transformation in the hopes of creating a better future for all through high quality products that defy the imagination and exceed all expectations. Product lines include :

- Component : Mainboards, graphics cards, network cards, optical drives, coolers, computer chassis and peripherals.
- Desktop PC : Desktop PC, Thin Client, Home Entertainment
- Portable PC : Notebook, Pocket PC
- Peripherals : LCD Monitor, Keyboard, Mouse, Flex Pointer, Flash Disk
- Wireless Communications : Wireless Adaptor, Access Point, Bluetooth, Wireless Router
- Network Communications : Broadband Router, Gigabit Switch, Media Application
- Server : Rack Mount Server, Tower Server, Blade Server
- Storage : Windows Storage Server, Storage Array Network
- Mobile Communications : PDA Phone, Feature Phone, Mobile Phone



Figure 2-2 GIGABYTE product lines

2.4 Business Development

2.4.1 Market Position

GIGABYTE's main product is mainboards and III reported that GIGABYTE was ranked No. 2 in the global mainboard market with a market share of 12%. The largest market was Asia and together with domestic sales accounted for more than 50%. Europe and North America were the next largest markets with 26.65% and 12.89% of all sales respectively.

Table 2-3 GIGABYTE mainboard sales around the world

Region	Ratio (%)
Asia	42.35
Europe	26.65
North America	12.89
Other	6.54
Domestic	11.57

● Technology R&D

GIGABYTE has been actively engaged in research for many years. At least 3% of annual revenues are set aside each year for R&D to develop key software and hardware technologies required for future growth. In 2011, R&D spending amounted to nearly NT\$1.665 Billion. In addition to research breakthroughs, we also seek to create new value. The strength of the GIGABYTE brand meant we were not only named the official supplier of mainboards for demonstration machines at the 2011 Taipei International

Flora Exhibition but also put on display as a Taiwanese brand at the Office of the President and the Taoyuan International Airport.

2.4.2 Business Strategy

● Own Brands

(1) Short-term Planning : On the market front, it is expected that demand from the global channel market will be gradually heating up in the second half of 2012 so GIGABYTE has set a shipment target 10% higher than 2011. While emerging markets will remain the main source of growth, niche markets such as gamers, overclocking enthusiasts and internet cafes are also key markets as well. On the product front, complete product lines featuring flagship, premium, mid- and entry level products will be released immediately to match the launch of new Intel, AMD and NVIDIA products. Product niches will be carefully chosen to meet the needs of different customers in different countries. With the increase in enthusiast users, we will strengthen the performance and value of mid- and high-end products in order to widen our lead over competitors. On the marketing front, we will engage in marketing innovation and differentiation as well as work with major upstream international brands (e.g. Intel, AMD, NVIDIA) and top brands in other industries (e.g. software vendors) on co-marketing activities in order to continue increasing the value of GIGABYTE channels and brand. On the channel front, we will strengthen our cooperation with distributors, ensuring that the targets of marketing strategies are properly implemented thoroughly. We will also gradually expand our reach to distributors to strengthen the overall supply chain and provide the

necessary services and support. On the service front, we will refine our customer satisfaction activities in order to serve customers more quickly and effectively as well as increase brand loyalty.

(2) Long-term Planning : We establish branded products as the core of our corporate competitiveness and then further expand our product and market strategies. GIGABYTE will work actively to improve the market positioning of our existing product lines and strive to develop new integrated products that take advantage of digital 3D media and lifestyle trends. By identifying new market opportunities for expanding the market and increasing the customer base, we will create new revenue sources and profits for the company over the long-term.

● Network Communications ODM Products

(1) A specialization in cloud computing will offer GIGABYTE the chance to increase the proportion of OEM products. Here we hope to leverage customers' confidence in GIGABYTE R&D, quality and service as well as to provide many support locations around the world to satisfy customer requirements and create more growth opportunities for the company.

(2) GIGABYTE continues to enhance customers' confidence in GIGABYTE R&D, quality and service, and that is the driving force for us receiving more orders for other IT products : Several strategic partners in Japan and Europe that used to depend on GIGABYTE mainboards have now expanded their mainboard orders into partnerships on other IT products.

2.5 Awards

GIGABYTE wins a number of awards from the international media and

leading agencies every year. We have not only remained one of Taiwan's top 100 exporters but also received more than 9,200 awards by 2011. The many accolades represent recognition of our products' excellent quality.

In 2011, GIGABYTE products have been awarded multiple prizes such as "Taiwan Excellence Award" , "COMPUTEX Taipei Innovation & Design Award" , COMPUTEX "Best Choice" Award and the 2012 iF Award (Germany). The company organization was named "2011 Info Tech 100 Taiwan" and "2011 Info Tech 100 Asia" and "Top 100 Taiwan Brands" while the GIGABYTE Foundation received the Ministry of Education's "2011 Social Education and Charity Award" . A list of awards is provided below.

Table 2-4 GIGABYTE 2011 Awards

Time	Award
2011-4	GIGABYTE GX-X68A-UD9 flagship mainboard received Silver Medal at Taiwan Excellence Awards
2011-4	GIGABYTE G1. Assassin gaming mainboard recognized by iF with 2011 Computex Innovation & Design Award.
2011-5	GIGABYTE G1. Assassin mainboard received COMPUTEX 2011 "Best Choice" award.
2011-6	GIGABYTE named in the "2011 Info Tech 100 Taiwan" and "2011 Info Tech 100 Asia" .
2011-7	GIGABYTE awarded "Top 100 Taiwan Brands"
2011-11	GIGABYTE Aivia M8600 wireless gaming macro mouse received grand prize at the iF 2012 Internal Design Forum.
2011-11	GIGABYTE Education Foundation presented with the 2011 Social Education and Charity Award by the Ministry of Education.

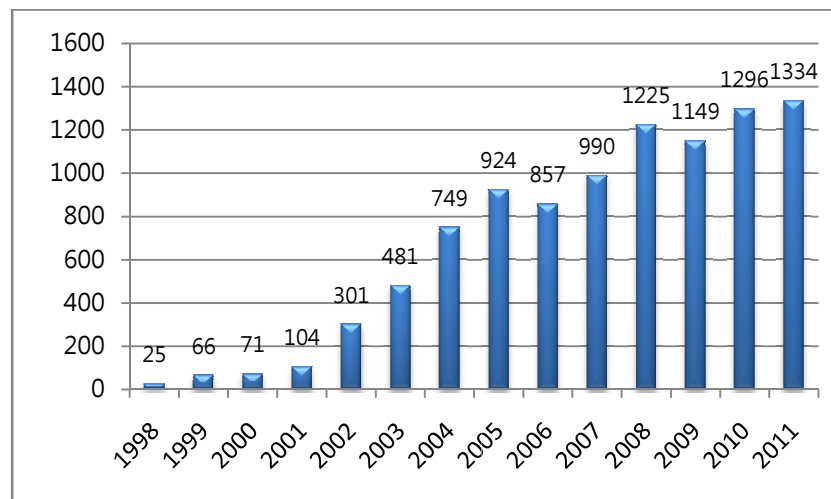


Figure 2-3 Statistical data of award winning records



Figure 2-4 History of global awards received by GIGABYTE

2.6 Association Membership

GIGABYTE is committed to improving the efficiency of energy and resource usage as well as eliminating the use of hazardous substances. To realize the target of zero waste and zero pollution, we have joined the Climate Savers Computing Initiative as well as Taiwan Electrical and Electronic Manufacturers' Association and the Taipei Computer Association. Membership in these organizations enables GIGABYTE to continue making a difference in the environment and society by upholding high ethical standards in sustainable development.

2.7 Financial Information

In 2011, GIGABYTE issued a dividend of NT\$2 per ordinary share for 2010. 2011 was one of the most economically unsettling periods in history with worsening European debt crisis affecting the whole world. In Q1, political unrest in the Middle-East and North Africa unsettled the international financial market and led to high international oil prices. The global information, communications and automobile supply chains were then disrupted by the Tohoku Earthquake in Japan. When the US lost its AAA credit rating for the first time in Q3, global panic ensued. The PC industry's hardware supply chain was then disconnected again by the Thai Floods in Q4.

GIGABYTE was severely affected by the events of 2011. Sales of GIGABYTE branded mainboards and graphics cards for the year amounted to 16,699,000 pieces and 3,089,000 pieces respectively, a decrease of 13.44% in annual revenues. Total net earnings after tax for the year was NT\$1.569

Billion.

More detailed disclosure on financial information can be found in the GIGABYTE 2011 Annual Report.

<http://www.gigabyte.tw/gigabyte.aspx?s=36>

Table 2-5 Financial information for the GIGABYTE Group, 2010 ~ 2011

Item	2011	2010	Change (%)
Operating Income	42.633 Billion	49.25 Billion	-13.44
Gross Operating Profit	6.66 Billion	7.235 Billion	-7.94
Net Profit after Tax	1.569 Billion	2.103 Billion	-25.40

3. Stakeholder Engagement

3.1 Stakeholder Communication

Good stakeholder communication is the cornerstone of proper CSR. GIGABYTE Group's stakeholders include government agencies, customers, employees, shareholders, investors, suppliers, communities and other non-profit organizations. We believe that each stakeholder has different set of expectations from our responsibilities, so we use a variety of methods and channels to understand what issues are important to them as well as their expectations of the GIGABYTE Group. The information is also used as a reference during policy making to convince each stakeholder of GIGABYTE Group's sincerity and determination to embrace sustainable development.

Table 3.1 GIGABYTE Communications with Stakeholders

Stakeholder	GIGABYTE's Role and Responsibility	Method of Communication
Government	<ul style="list-style-type: none"> ✧ Observe laws and regulations ✧ Pay taxes ✧ Provide advice on lawmaking ✧ Cooperate with promotional activities 	<ul style="list-style-type: none"> ■ Join industry organizations to set up a platform for stakeholder communication ■ Participate in legislative public hearings ■ Provide promotional

Stakeholder	GIGABYTE's Role and Responsibility	Method of Communication
		resources as necessary
Customer	<ul style="list-style-type: none"> ✧ Provide quality products and services ✧ Improve customer satisfaction ✧ Cooperate with the customer to achieve environmental and social responsibility targets 	<ul style="list-style-type: none"> ■ Conduct customer satisfaction surveys ■ Organize technical workshops and seminars ■ Carry out environmental/social responsibility surveys and improvements required by customers
Employee	<ul style="list-style-type: none"> ✧ Provide a quality work environment ✧ Provide reasonable compensation ✧ Provide career development and training ✧ Protect basic human rights 	<ul style="list-style-type: none"> ■ Provide employees a communication e-mail box ■ Provide employees with a message board ■ Organize regular employee health exams ■ Provide internal and external trainings
Investor	<ul style="list-style-type: none"> ✧ Correct and timely disclosure ✧ Provide appropriate return on investment 	<ul style="list-style-type: none"> ■ Host shareholder and institutional investor meetings on a regular basis ■ Publish annual reports ■ Organize extraordinary communication meetings

Stakeholder	GIGABYTE's Role and Responsibility	Method of Communication
Supplier	<ul style="list-style-type: none"> ✧ Provide reasonable transaction pricing ✧ Educate on GIGABYTE's CSR practices ✧ Assist with green procurement and CSR 	<ul style="list-style-type: none"> ■ Provide an electronic communication platform ■ Organize suppliers' meetings ■ Consult on green procurement specifications
Community	<ul style="list-style-type: none"> ✧ Prevent environmental and safety accidents ✧ Provide employment opportunities ✧ Respect local culture and customs ✧ Participate in local charitable activities 	<ul style="list-style-type: none"> ■ Provide a communication platform ■ Examine environmental pollution indicators regularly ■ Draw up emergency response plans ■ Establish a foundation to co-organize related activities
Non-Profit Organization	<ul style="list-style-type: none"> ✧ Respond to issues of interest ✧ Participate in public welfare and environmental protection activities ✧ Establish the GIGABYTE Education Foundation 	<ul style="list-style-type: none"> ■ Establish communication platform ■ Participate in relevant organizations and forums ■ Support relevant activities

3.2 Identifying Stakeholders' Material Issues

GIGABYTE communicates with stakeholders through a variety of means and channels. Stakeholders' concerned issues are compiled and a materiality analysis is undertaken to highlight the issues of relevance to each unit and then the issues are sorted into major issues, secondary issues or ordinary issues according to the degree of materiality. Major issues are given priority in the annual work plan or targets.

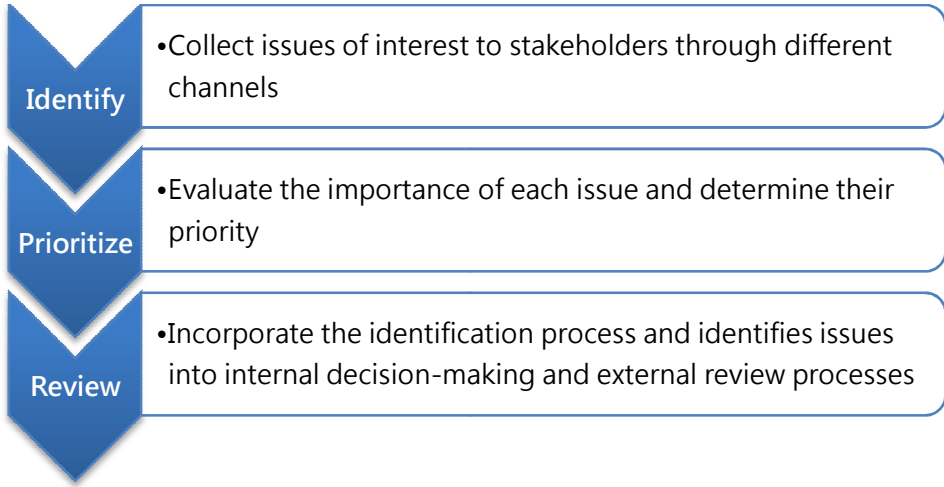


Figure 3-1 Stakeholder Material Issues Identification Process

3.2.1 Stakeholder Issue Materiality Matrix

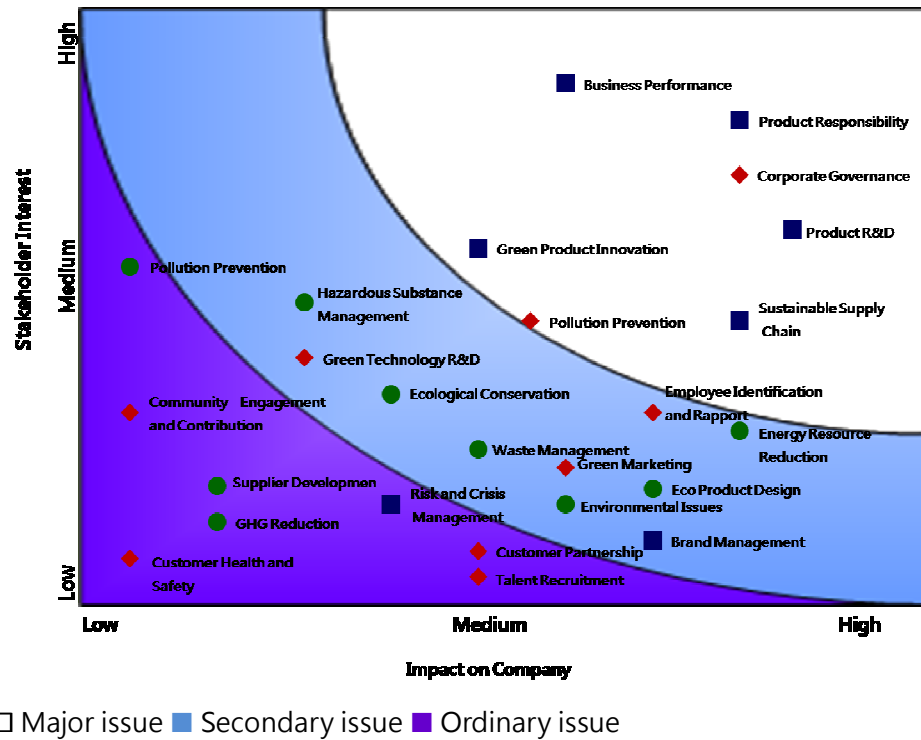


Figure 3.2 Stakeholder Issue Materiality Matrix

According to result of the materiality analysis, the issues most important to stakeholders and GIGABYTE were : corporate governance, business performance, product R&D, green product innovation, product responsibility, sustainable supply chain and code of conduct. Detailed explanation of each issue is provided in the following sections :

Table 3-2 Stakeholder Issue Index

Issue	Explanation
Corporate Governance	Corporate Governance (P14 ~ P17)
Business Performance	Corporate Development (P7 ~ P8) Financial Information (P10)
Product R&D	Technology R&D (P7) Green Product (P53 ~ P55)
Green Product Innovation	Green Product Innovation Activities (P65)
Product Responsibility	Hazardous Substance Control (P37) Development of Smart Phone Product Category Rules (P49) Quality and Environmental Management (P53) Green Product (P53 ~ P55)
Sustainable Supply Chain	Supply Chain Management (P36 ~ P38)
Code of Conduct	Code of Conduct and Risk Management (P15 ~ P17)

4. Corporate Governance

GIGABYTE operations are transparent and we believe strongly in shareholders rights. The company's continued profitability in recent years has been made possibly by a professional and committed management team. We have also met shareholder and society's expectations on fulfilling our social responsibilities. The company organization is as shown below.

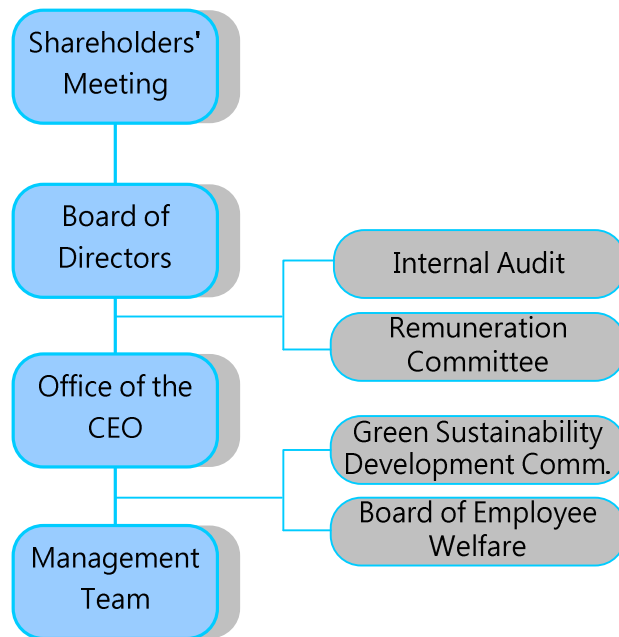


Figure 4-1 GIGABYTE Corporate Governance Organization

4.1 Board of Directors and Management

GIGABYTE complies with the relevant principles on corporate governance set out by the Company Act, the Securities and Exchange Act and other relevant laws and regulations of the R.O.C. We respect shareholders' rights and conduct regular reviews of internal controls. The leadership of the chairman assists the Board of Directors in fulfilling its responsibility to be an independent, diligent and professional Board of Directors. The current chairman is Mr. Yeh, Pei-Chen.

GIGABYTE convenes regular board meetings with voice recording and minutes kept as required by law. The attendance of directors and supervisors are re also on record. Directors are expected to excuse themselves where a conflict of interest may exist. All important decisions made by the Board are disclosed on the Market Observation Post System website as required by law. To improve the governance of the Board of Directors, GIGABYTE has drawn up the "Board of Directors' Procedural Rules" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" proclaimed by the competent authorities. The current GIGABYTE management team is as follows.

Table 4-1 GIGABYTE Directors

Name	Current Positions within GIGABYTE
Yeh, Pei-Chen	President of GIGABYTE Technology Co., Ltd. Chairman of GIGABYTE Communications Inc. Chairman of G-Style Co., Ltd.
Ming Wei Investment Co., Ltd. Representative : Liu, Ming-Hsiung	COO of GIGABYTE Technology Co., Ltd. Director of GIGABYTE Communications Inc. Director of G-Style CO., Ltd.
Shi Jia Investment Co., Ltd. Representative : Ma, Meng-Ming	Senior VP of GIGABYTE Technology Co., Ltd. Director of GIGABYTE Communications Inc. Director of G-Style CO., Ltd.
Yueh Yeh Kai Fa Investment Corp. Representative : Tseng, Chun-Ming	Senior VP of GIGABYTE Technology Co., Ltd. Director of GIGABYTE Communications Inc.
Lin, Huo-Yuan	Senior VP of GIGABYTE Technology Co., Ltd.

4.2 Code of Conduct and Risk Management

4.2.1 Code of Conduct

As a sound enterprise of many years' standing, GIGABYTE is against speculation and illegal activity, places a strong emphasis on employee and public welfare, and has issued the "Employee Work Rule" to define a clear system for rewards and disciplinary action. We have publicly declared our willingness to abide by the international Electronic Industry Code of Conduct (EICC) and the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" in Taiwan. The relevant information is

also disclosed in the annual report.

The GIGABYTE "Employee Work Rule" provides employees with guidelines on acceptable behavior. The work rules also help stakeholders understand the ethical standards and practices expected of GIGABYTE employees in the performance of their duties. The work rules are published in full on the intranet where they are accessible to all employees. The rules are also explained to new employees when they report for duty.

Chapter 3 Rules of Service - For the sake of the company's sound development and the welfare of all company personnel, all employees are expected to obey the following rules of conduct :

- (1) Follow the company policy, the relevant regulations and all company rules in a diligent and responsible manner.
- (2) Obey superiors' orders and the management supervision. Supervisors should treat employees with respect and provide them with guidance.
- (3) All tasks and practices should meet the standards for "Practicality, Innovation, Integrity and Service" .
- (4) All employees should trust, tolerate, assist and support each other. They should work together as a team, attack difficult problems with vigor and not make excuses.
- (5) Pride, sloth, waste, immorality and other unsavory behavior that reflect negatively on the company are prohibited.
- (6) Do not exploit the company's name for self-gain or engage in the same business activities as the company.
- (7) Employees may not absent themselves without leave or undertake outside work without authorization.

4.2.2 Anti-corruption and Anti-bribery

The GIGABYTE “Code of Integrity” requires all employees to adhere to all applicable laws, statutes, regulations and international regulations when on company business. Employees should also do their utmost to ensure that all company business is conducted ethically and in accordance with trading conventions. A fair, just and open relationship should be maintained between employees and shareholders with all business activities conducted in a fair manner. The Code explicitly requires the following :

(1) Personnel involved with purchasing, general administration and outsourcing should select the most competitive products or services in terms of quality, price, delivery date and after-sales service while upholding the principles of integrity, impartiality and professional ethics. Personnel are prohibited from soliciting suppliers for rebates or other improper benefits. Employees and their families are strictly prohibited from accepting cash or gifts with a value of more than NT\$1,500 from suppliers, or accepting their hospitality in any form. Any gifts accepted out of etiquette should be reported to the General Manager for confiscation or conversion to company lottery prizes.

(2) Employees should not exploit their position to fraudulently acquire or steal materials, monies or information from the company or employees. All expenses and quantities should be reported truthfully. Employees should not overstate travel expenses, overtime, advance payments or overtime hours.

4.2.3 Risk Management

The head of internal audit has set up a risk-based internal audit plan to determine the relative priority of internal audit activities and ensure that they are consistent with organizational goals. Internal Audit can support, promote, and guide the process of the risk management. The role of internal auditors with the corporate governance structure is to provide risk management, maintain a sound control environment and provide validation services. Internal Audit has therefore been upgraded from its traditional supervisory role to internal consultants on risk management.

Risk-oriented internal audit functions include :

- Expanding traditional internal controls based around auditing of financial reports to including strategic planning & execution, operating efficiency and legal compliance.
- Adopting a risk-oriented approach that connects company goals, risk acceptance and strategies as well as actively assisting the company management with keeping the risks within an acceptance level.
- Serve as a bridge between the Board of Directors, executive management, business units, external auditors and the competent agencies.
- Assisting with identifying and handling enterprise-wide risks
- Assisting with evaluating reasonable resource requirements and allocations

To cope with internal and external impacts as well as challenges to company operations, GIGABYTE drew up the “Crisis Response Management Procedure” in 2001 that is used for setting up a cross-unit

discussion group on potential natural disasters or threats to corporate image so appropriate response strategies and reporting mechanisms can be put into place. A risk identification and post-incident review mechanism can help minimize the potential impact.

GIGABYTE has passed Authorized Economic Operator (AEO) certification and has set up an internal AEO education webpage to practice proper risk assessment and management. This ensures the safety of goods throughout the supply chain by reducing human and goods-related risks. Safety training and information integration has also been strengthened to reduce the risk of damage and loss to intellectual property. All units now work closely together to actively identify potential losses of intellectual property, patent infringements or misuse, or losses due to fraud or theft. By following the relevant laws and regulations, we ensure that the safety requirements of customs authorities and customers are met. GIGABYTE is currently continuing to evaluate and execute supply chain safety solutions to strengthen the protection of company assets. Finally, management reviews and improvements are rigorously executed to ensure the suitability and effectiveness of supply chain safety systems.

At the same time, we have dedicated personnel monitoring climate change management related issues and the conclusions reached by annual United Nations conferences on climate change. Close attention is paid to potential carbon risk issues with international consensus taken into account when defining the company's environmental policies and targets. In 2011, group-wide energy conservation and carbon reduction education was carried out through the "GIGABYTE Green Sustainability Development Committee" and "Green Action Plan". By ensuring that employees

understand can respond to potential related problems, these can be incorporated into the company's management and new product planning. Relevant measures such as testing product performance in extreme climates or coping with rising fuel, water and electricity prices can all be taken into account during planning as well.



Figure 4-2 GIGABYTE's internal AEO awareness webpage

4.3 Remuneration Committee

To ensure a sound compensation scheme for company directors, supervisors and executives, at the end of 2011 GIGABYTE established the "Remuneration Committee" in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a

Company Whose Stock is Listed on Stock Exchange or Traded over the Counter” . The Committee has a membership of three and is appointed by the Board. One member serves as the convener and the term of appointment is the same as the Board of Directors. The role of the Committee is to evaluate the remuneration policy and scheme for company directors, supervisors and executives from a professional and objective perspective. The Committee ensures that the company's remuneration complies with the relevant laws and is sufficient to attract talented personnel. The Committee also advises the Board on related decisions. The Remuneration Committee is convened at least twice a year but extraordinary meetings may be called when necessary.

4.4 Internal Audit

Internal Audit at GIGABYTE is an independent unit that reports directly to the Board of Directors. In addition to reporting regularly to the supervisors on auditing affairs, the head of Internal Audit is also required to make a report to the Board of Directors each quarter. The “Guidelines Governing the Internal Audit System” drawn up by the Audit Office specifically states that Internal Audit is an independent and objective verification and consultation activity for creating value and improving organizational operations. Internal Audit assists the organization to evaluate and improve risk management, control and governance in a systematic and disciplined manner so the organizational goals can be achieved. Internal Audit assists the Board and management with checking and reviewing the flaws of the internal control system as well as measuring operational performance and

efficiency. Also, Internal Audit provides improvement suggestions in order to ensure the effectiveness and continuous implementation of the internal control system as well as provide grounds for improvement.

4.5 GIGABYTE Green Sustainability Development Committee

In 2005, GIGABYTE set up the “WEEE/RoHS Committee” in response to the EU WEEE and RoHS directives. The mission of the Committee was to introduce measures for legal compliance as well as promoting environmental issues and training within the Group. To expand the promotion of green issues, the Committee was renamed the “GIGABYTE Green Sustainability Development Committee” in 2009. Sustainable development was enshrined as the goal of future management. To make a contribution to environmental, social and economic sustainability, each month the Committee organizes inter-business unit and inter-site conferences for promoting sustainable development initiatives within GIGABYTE. The following short, medium and long-term targets have also been set :

- Short-term : Provide a tangible implementation of environmental safety policy and commitments; guarantee that manufactured products can satisfy customer and environmental requirements; educate all employees on customer expectations of the product environmental management system.
- Medium-term : Establish an organizational greenhouse gas (GHG) and product carbon footprint performance indicator system to effectively reduce products' carbon emissions and environmental impact.

- Long-term : Promote Corporate Social Responsibility (CSR) and develop environmentally friendly products that create customer value with fulfilling the company's CSR as the goal.

The current chairman of the GIGABYTE Green Sustainability Development Committee is our company CEO. The convener is the head of the Quality Policy Management Division while the deputy conveners are the heads of each business unit, R&D managers at subsidiaries as well as the head of the General Engineering Division. Apart from collecting and introducing customer requirements and international environmental protection laws into the R&D process, the Committee also supervises the purchasing of materials, manufacturing, shipping and after-sales service for green products. This ensures their smooth implementation and continuous improvement in order to realize the targets set by the GIGABYTE Green Sustainability Development Committee. The Committee organization is as follows.

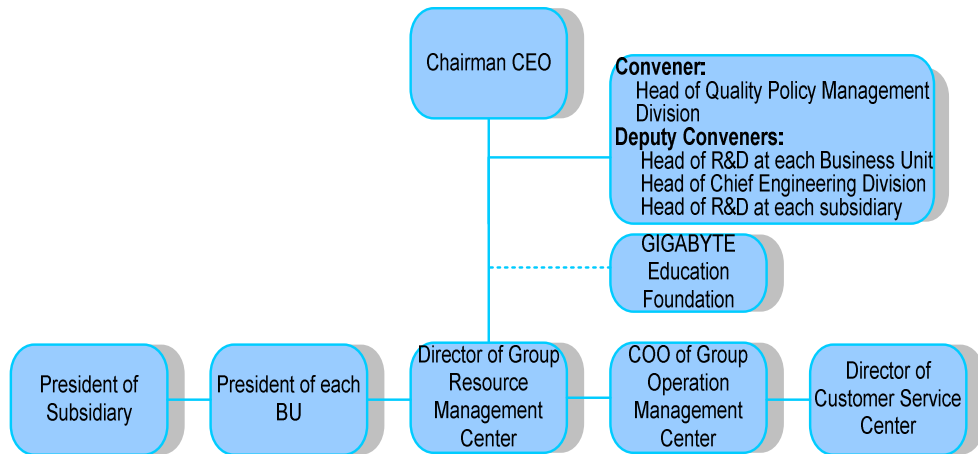


Figure 4-2 GIGABYTE Green Sustainability Development Committee

4.6 Political Contribution

GIGABYTE Group has always remained politically neutral but employees are encouraged to exercise their right to vote, play an active role in politics and vote for their preferred election candidates.

5. Employees

In the fierce battle over human resources, it is imperative for every company to choose and employ the right people from the start to maximize their benefits. "Human resource management" has therefore become an increasingly important issue for GIGABYTE. Apart from aggressively searching for outside talent, GIGABYTE also strives to identify, cultivate and retain talented individuals within the company as well. GIGABYTE is committed to providing employees with an incentive salary scheme, a broad range of benefits and a training & development system centered around core competencies. A strong emphasis is also placed on the cultivation of management skills. Educational and cultural workshops are held at different times to help employees expand their horizons as well as find a balance between work and leisure.

5.1 Employment

At the end of 2011, the GIGABYTE workforce totaled 7,197 people with 3,406 specialists and 3,791 production workers. Among the 3,406 specialists, 48.8% were male, 29.3% were involved in R&D, 39.2% involved in marketing, 15.2% involved in administration 16.3% involved in customer service. Out of the 3,791 production workers, 975 were from Taiwan and 2,816 were from China. Foreign personnel accounted for 10.8% of all managers and specialists.

5.1.1 Employee Structure

The majority of GIGABYTE employees, or 67.5%, hold a college degree and the average level of education is gradually increasing every year. The average age of employees is 35.1 years and average years of service is 6.9 years. As the production lines employ a higher proportion of female workers, there are more female employees than male employees at GIGABYTE. Managers at the section level or above account for 20.4% of all employees.

Table 5-1 Distribution of education level among GIGABYTE employees

Education	2009	2010	2011
Doctorate	0.2%	0.2%	0.2%
Master	10.3%	11.2%	11.7%
Undergraduate	66.8%	67.1%	67.5%
High School or lower	22.7%	21.5%	20.6%

Table 5-2 Average age and years of service for GIGABYTE employees

Item	2009	2010	2011
Average Age	35.3	34.8	35.1
Average Years of Service	7.4	6.4	6.9

5.1.2 Employee Turnover

GIGABYTE encourages employees to enrich their work-life balance. Apart from offering flexible working hours to help employees deal with family

matters, employees may also apply for unpaid parental leave and related subsidies as allowed by law. Thanks to these measures to improve employee retention, in the last 2 years 37% of employees that applied for unpaid parental leave eventually returned to work. The turnover rate for employees in Taiwan in the last 2 years has also stayed below 1%.

5.1.3 Recruitment

GIGABYTE focuses on employee ability and core competencies during recruitment. We do not discriminate on age, gender, race, religion or nationality. A variety of different channels are used to recruit talented personnel from around the world. GIGABYTE also meets our quota on the employment of disadvantaged groups such as the handicapped and intermediate/old-age unemployed. All groups enjoy fair and equitable access to company benefits and promotion opportunities. A channel for dealing with complaints on sexual harassment has also been set up to protect the rights of female employees.

All of our global business locations provide employees with a comfortable office environment, excellent benefits and smooth communication channels that meet local government standards and customs. These efforts are aimed at stimulating employees' creativity and productivity.

5.1.4 Prohibition on Child Labor

In accordance with the Labor Standards Act, GIGABYTE does not employ children under the age of 15. Child labor between the age of 15 and 16 is also not employed in heavy, repetitive or dangerous labor.

5.1.5 Performance Management and Development

Each year, GIGABYTE sets individual Key Performance Indicators (KPI)

through the performance management process to encourage managers to communicate with employees. Each unit also distributes performance bonuses based on their business performance and each employee's actual contribution. In addition to the fixed monthly salary and annual bonuses, a variety of employee incentives such as patent bonuses, sales bonuses, performance bonuses and employee dividends are also available.

5.1.6 Human Rights

As GIGABYTE believes that every employee should be treated fairly and with respect, and we strive to conform to all international conventions on human rights banning discrimination, mistreatment and illegal employment. We also promise to follow high ethical standards in complying with local laws and the EICC (Electronics Industry Code of Conduct). At the same time, we expect all suppliers in our supply chain to conform to the standards on environmental protection, safety & health, workers' human rights and working conditions. These include the conflict metal free policy, respect for employees, fair treatment of employees and taking responsibility for manufacturing processes and environments.

5.2 Employee Development

Employee learning and development is very important at GIGABYTE. The upper management takes an active role in all management and core competency courses by making introductory remarks and conclusion after courses in order to provide maximum encouragement and support to employees. The GIGABYTE vision is "Upgrade Your Life". Apart from cultivating employee innovation and professional skills, GIGABYTE also

takes an interest in enhancing employees' living aesthetics and cultural refinement as well. These efforts have played a crucial role in helping GIGABYTE maintain its market leadership. At the end of 2011, GIGABYTE conducted a total of 17,202 hours of training for 2,587 employees. Management training totaled 4,967 hours and specialist training totaled 12,235 hours.

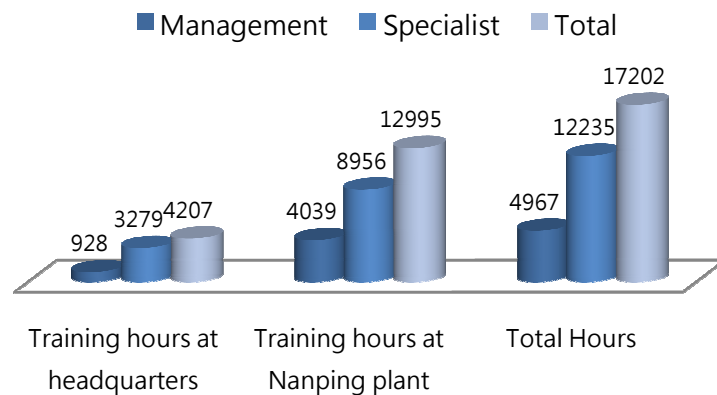


Figure 5-1 GIGABYTE employee training hours

5.2.1 GIGABYTE Training & Development Plan

GIGABYTE provides employees with courses on management skills, core competencies, professional skills and general knowledge skills based on the needs of their position. These are supplemented by subsidies for optional external training and language classes to ensure that employees receive full company support in self-development. All employees are required to take courses on "Quality Consciousness", "Brand and CIS" and "Supply Chain Safety Policy". As the GIGABYTE Group is a leading international

brand, all employees are expected to understand the company's quality consciousness, brand identification, risk management and safety. The GIGABYTE training & development plan is as follows :

- (1) New employee orientation : This orientation is to assist new employees become a part of the GIGABYTE family as soon as possible. New employees must first undergo one day of orientation training to learn about the work rule as well as the various procedures and regulations. The headquarters also arranges a half-day tour at the Nanping plant for new employees so they can view the production process in person. There is a presentation provided to help new employees understand the company's operations and important information. New employees are also assigned a mentor before they start work. Mentoring helps new employees familiarize themselves with their work as well as learn about their surroundings and corporate culture.
- (2) Management skills training : A series of courses has been designed for each level of management to strengthen their management skills. Management skills training include : annual executive bonding conference, middle and upper management training, divisional manager workshop and new manager training. The course subjects are tailored to each position and the company's overall development strategy. All training, teaching materials and extended activities are carefully reviewed and planned to help managers improve their management ability.
- (3) Core competency training : The training is to cultivate the expected level of general knowledge and consensus. Core competency training focuses on two core themes : "Enhancing quality consciousness" and

“Problem analysis and solving” . GIGABYTE follows a philosophy of “Continuous Cultivation” in the comprehensive and continuous promotion of these two core competencies by introducing the quality course throughout our China operations in 2010.

- (4) Professional training : The professional training is to strengthen technical expertise and product-related knowledge and skills. Professional training includes learning about each unit's products, green innovation, green technology and the necessary professional skills such as : equipment engineering, product support, green regulations, green technology, intellectual property laws and financial accounting.
- (5) External training : Subsidies are provided for external training courses that help with acquiring the latest industry information and technologies. For specialized or unusual new topics or technologies where no suitable resources are available within the company, employees may opt to attend a suitable external training organization at the company's expense. The employees can then share what they learned within the company.
- (6) General knowledge : The purpose is to share of information on issues such as lifestyle and careers with all employees. General knowledge subjects provided at GIGABYTE include employee lifestyle and career, aesthetics & culture and practical skills. The “Upgrade Your Life” workshop is hosted every month and invites leaders of society through the GIGABYTE Education Foundation to share their personal experiences with GIGABYTE employees and expand employees' horizons.



Figure 5-2 Group photo of upper management consensus conference

- (7) Language training : Subsidized language training courses are provided to improve internationalization capability. As a transnational enterprise and international brand, GIGABYTE encourages employees to expand their international horizons. In addition to general knowledge and management instruction, subsidies are available to encourage employees to learn foreign languages.
- (8) E-Learning : Any courses can be selected without time or space constraints. Courses developed by Human Resources, celebrity workshops and online courses taped by internal instructors are available through the “E-Learning Center” . This provides another channel for learning as employees can choose whatever subjects they are interested in and go through them at a convenient time.

5.2.2 Evaluation of Training Benefits

In addition to providing a wide variety of training programs, GIGABYTE has expended significant time and resources on evaluating training results. Continued training is contingent on how effectively training changes students' existing behaviors. We have therefore designed several forms to help us improve training efficiency. To begin with, pre-class preparations or reading lists allow students to prepare for the course in advance so they can learn more effectively. After the course, students must not only provide feedback but are also observed by their direct supervisor with the findings reported to Human Resources. If student behavior does not show any significant change then they are asked to retake the course next year. A variety of different methods and channels are also used to reinforce students' training including the annual quality extension activities, the monthly elevator essays and the weekly columns on the human resources website.

5.3 Employee Welfare Committee

GIGABYTE has established the "GIGABYTE Employee Welfare Committee" in accordance with the "Employee Welfare Fund Act". The Committee provides employee benefits such as Dragon Boat Festival/Mid-Autumn/Birthday shopping coupons, subsidies for employee marriages/births/children's education/clubs/travel and also organizes large-scale events such as celebrity lectures, family days, annual banquets and end-of-year lottery draws. The Committee also organizes group buys of tickets for recreational activities and has set up 10 clubs to improve

employees' work-life balance.

The Employee Welfare Committee currently has 39 members and includes representatives from both the Taiwan and China sites. Apart from the five honorary members, all Committee members are elected for one-year terms. A chairman is elected by popular vote among Committee members and one director is appointed for each region to help organize employee welfare affairs.



Figure 5-3 GIGABYTE Employee Welfare Committee's internal webpage

5.4 Remuneration

To ensure a sound compensation scheme for company directors, supervisors and executives, at the end of 2011 GIGABYTE established the "Remuneration Committee" in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a

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5.5 Occupational Safety and Health

All company production processes conform to labor safety & health regulations, employ the statutory number of OSH managers and have passed OHSAS 18001 occupational health and safety management system certification. Apart from free annual health exams for full-time employees that have completed at least a year of service, the Administration Department regularly hosts health education seminars on cervical cancer, breast cancer, workplace psychological and other health issues. Through these seminars, employees can recognize and prevent potential illnesses. We look after both their physical and mental wellbeing.

- **Employee Health Exams**

Health exams protect the rights of both the employer and employee. Health exams are also used to determine if an employee is suffering from

occupational or infectious diseases, making it crucial in maintaining employee health. One of the key factors in a sustainable enterprise is retaining quality employees. To attract and retain quality employees, the business itself must not only possess development potential but also provide a healthy and high-quality work environment. GIGABYTE partnered with the Cardinal Tien Hospital to host the 2011 health exams between September and October. Health exams were offered to all eligible employees and those with abnormal readings had a repeat examination arranged by the Medical Office. The health management system was also used for regular monitoring and follow-up.

5.6 Work-Life Balance

A fitness center and aerobics classroom is provided in B1 of the Xindian headquarters. Several aerobics and yoga classes are now hosted several days a week. There are currently 10 clubs including the Triathlon Club, Basketball Club, Xindian Badminton Club, Body Sculpting Aerobics Exercise Club, Eye Taiwan Cycling Club, Baseball Club, Photography Club, Boxercise Club, Nanping Badminton Club and the GIGABYTE League of Legends e-Sports Club. Employee Family Day events are organized on a regular basis to encourage employees to enjoy the great outdoors. There is also an Art & Culture Gallery and change exhibitions on a regular basis. A variety of different celebrity, music, art and health workshops are held as well to refine employees' hearts and minds so they can achieve a balance between work and leisure.



Figure 5-4 GIGABYTE Triathlon Club and 2011 Family Day activities

5.7 Employee Care

In keeping with our philosophy of a “Happy Career and Glorious Life” , GIGABYTE observes the government labor laws and provides employees with a message board and opinion box. Dedicated personnel are assigned to respond to all feedback to ensure smooth lines of internal communications. The Employee Welfare Committee also hosts welfare and preferential activities on an irregular basis while employees can freely take part in their favorite clubs and activities. These activities help with employees' wellbeing and provide a healthy, safe workplace that balances work and leisure.

- Comprehensive insurance : GIGABYTE provides employees with the best possible care and protection. Employees are not only entitled to labor and national health insurance as required by law but are also provided with comprehensive group insurance. This provides employees with additional life insurance, accidental insurance, medical insurance and cancer insurance coverage.
- Flexible Attendance Scheme : GIGABYTE offers business leave, business travel leave, sick leave, accident leave, marriage leave, childbirth leave, occupational injury leave, menstruation leave, paternity leave, funeral leave, national public holidays, special leave, family leave, parental leave and indigenous ritual leave. GIGABYTE's special leave provides employees with a flexible way of taking advantage of their accumulated leave.
- Statutory pension scheme : GIGABYTE has defined regulations governing employee retirement in accordance with the “Labor Standards Act” and “Labor Pension Fund Act” . The company contributes to the employee pension fund as required by law. When an employee retires, a retirement ceremony is also held to thank the employee for their contribution.
- Employee benefits : The employee welfare fund is funded by company and employee contributions. Regular benefits include annual festivals and birthdays. Other benefits include marriage, childbirth, funeral, emergency, club, computer and children's scholarship subsidies.
- Product promotions : Employees discounts are offered on purchases of GIGABYTE products. The Employee Welfare Committee also organizes group buys in partnership with outside vendors to provide employees with great discounts.

- Club activities : Employees are encouraged to organize interest-based clubs outside of work to achieve a balance between work and leisure. The Employee Welfare Committee organizes annual events every year such as family days, sports carnivals, end of year banquets, travel and movie screenings to enrich employees' lives.
- Company facilities : Employees have access to the fitness center, aerobics classroom and nursing room.
- Art & cultural activities : Hosting of celebrity, music, art and health workshops as well as the art & culture gallery.

5.7.1 Celebrity Workshops

➤ Professor Wynn Pan - “Health Food is Not the same as Medicine”

In April, 2011, Professor Wynn Pan, the host of the “Cooking for Health” TV show, professor pharmacology at the National Yang Ming University and Taipei City Councilor was invited to host a workshop at GIGABYTE. Professor Pan is a popular guest on health-related TV talk shows in Taiwan. During the workshop, Professor Pan talked about the purpose and dosage of health foods on the market. The information on new medical developments as well as the proper use of health foods and medicines helped employees effectively manage their own health.



Figure 5-5 Celebrity Workshop (1) : Wynn Pan

➤ Tom Wang - “Workplace Wisdom in Film”

In July, 2011, the author of best-sellers *The Protein Girl* and *Silver Bullet* in Stanford was invited to talk about the wisdom in film. As the plot and dialogue in films are often more creative than real life, if they are applied in real life they can achieve startling results. As an expert on marketing and film, Wang used Hollywood blockbusters as examples to discuss how film can help improve one's EQ at the workplace and cope with changes in the workplace.



Figure 5-6 Celebrity Workshop (2) : Tom Wang

➤ **Dr. Shou-shan Chiang - “Health Starts with a Good Home”**

In October, 2011, Dr. Shou-shan Chiang, the attending physician of Shin Kong Memorial Hospital's Nephrology Department, COO of Dr. Fish, CEO of Dr. Living and special host of News 98's “Doctor on Call” primetime radio program was invited to host a workshop at GIGABYTE. Dr. Chiang is also the author of Don't Let Your House Destroy Your Health and Cancer is Preventable! During the workshop, Dr. Chiang taught everyone about practical home furnishing rules and how to assess the health of your own home. Through the workshop, employees learnt how to “Build a safe, healthy and LOHAS living environment by conducting your own home health inspections and eliminating pollution sources” .



Figure 5-7 Celebrity Workshop (3) : Shou-shan Chiang

5.7.2 Art & Cultural Subsidies and Workshops

In addition to the “ Upgrade Your Life” art gallery in the main lobby, GIGABYTE also seeks to improve the cultural refinement of employees by offering each employee the opportunity to purchase discounted tickets for two to art & cultural events each quarter. Art & culture workshops are also held at various times.

➤ **Heinrich Wang - “To be the best and only”**

Heinrich Wang is the leading creative glass artist at “Tittot” . Under his leadership, a breakthrough in Taiwanese glass art and mass production technology was achieved to create a world-class boutique brand that has become a source of national pride. After many years of effort, he re-ignited his passion for ceramics. Wang's exquisite attention to detail in ceramic design, material selection and production process achieved another breakthrough in traditional crafts to become “NewChi Contemporary Porcelain” , the new pinnacle in modern ceramic art. In February, 2011, Wang was invited to share his story of “To be the best and only” in ceramic art. The audience was impressed by the tremendous creative energy displayed by Wang in working with both glass and ceramics.



Figure 5-8 Art & culture workshop - Heinrich Wang

➤ **Nicholas Fan - “Approaches to Photography” Workshop**

In February, 2011, Nicholas Fan, the US-based photographer and M.A. graduate of the Brooks Institute of Photography in California, USA, was invited to speak about his new book *Approaches to Photography*. Fan had previously been chosen as the product spokesperson for well-known camera makers including Leica of Germany, Hasselblad of Sweden, SONY and Kodak. The book compiles his photography experience into a handbook on aesthetics that makes photography simple. For beginners to photography he offers clear direction and for photography enthusiasts he offers new and constructive ideas.



Figure 5-9 Art & culture workshop - Nicholas Fan

➤ **Wang Chia-ming and Wu Pong-fong - “Bluesy Lee - Welcome to the 70s”**

In April, 2011, the talented director Wang Chia-ming and Wu Pong-fong, winner of the Golden Horse Award for Best Supporting Actor, provided an exciting preview on their new stage performance *Bluesy Lee - Welcome to the 70s*. The legend of the dragon tackles the issues of national identity and

world politics in 1970's Taiwan. The performances combines imagery, cha cha, aikido, martial arts, folk songs, film scores and rock 'n roll to create a new style of contemporary theater aesthetics.



Figure 5-10 Art & culture workshop - Wang Chia-ming and Wu Pong-fong

➤ **Taiwan e-Learning and Digital Archives Program Promotion Team - “Cyber Island” Image Workshop**

In July, 2011, the Taiwan e-Learning and Digital Archives Program Promotion Team was invited to introduce “Cyber Island”, the national digital imaging platform, to the audience. The Taiwan e-Learning and Digital Archives Program is one of the key components of the National Science Council's national technology projects dedicated to cultural preservation and constructing a national digital archives system. The “Cyber Island” online platform provides a hub for digital images of Taiwan and strives to present the diversity of Taiwan's culture, society and natural environment. Through the platform, everyone can see the digital representation of Taiwan created by the efforts of the entire people.



Figure 5-11 Art & culture workshop - "Cyber Island" image platform

➤ **Li Mei-shu Memorial Gallery - The "Footprints in Eternity" Centennial Exhibition of Li Mei-shu**

The centennial birthday anniversary of Li Mei-shu coincided with an exhibition of the great painter's works by the GIGABYTE "Upgrade Your Life" gallery. Li was one of the great early artists of Taiwan and was known as the "Great Wall" of Taiwanese art movements. His paintings were renowned for their painstaking attention to detail and varied techniques. In October, 2011, the "Upgrade Your Life" Workshop invited Mr. Li Jin-wen, the CEO of the Li Me-shu Memorial Gallery, to visit GIGABYTE. Li was the third eldest son of Li Mei-shu and for the past 17 years he had dedicated his life to the Sanxia Zushi Temple and Li Mei-shu Memorial Gallery to educate more people about his father's contribution to the temple and art. The workshop covered the creative works of Professor Li, his life, creative style and the founding of the Sanxia Qinshui Zushi Temple as well as his lifelong devotion to art.

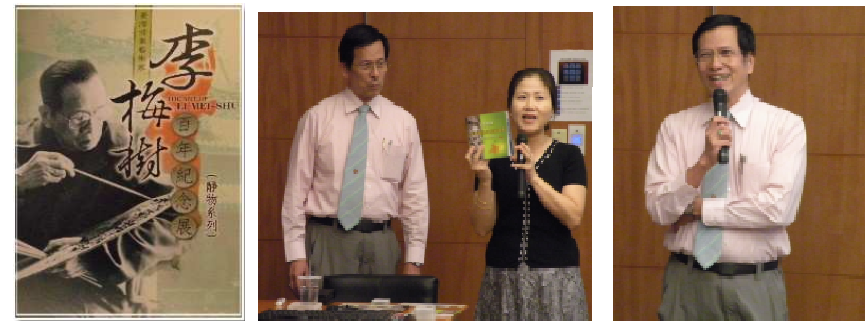


Figure 5-12 Art & culture workshop - Li Mei-shu Foundation

➤ **Green Show - An Afternoon with the Cello and Piano**

"An Afternoon with the Cello and Piano" was held in November, 2011, with the cellist Jiazhen and pianist Yuna. The two musicians, both born in the 1980's, love popular music and are original artists in their own right as well. During the workshop, they shared their love of music with GIGABYTE employees and provided an introduction to classical music. Through a combination of performance and guided listening, they introduced the touching story or musical theory behind each piece and immersed everyone in the beauty of classical music in a lively manner.



Figure 5-13 Art & culture workshop - An Afternoon with the Cello and Piano

➤ **GIGABYTE Concert - “Mandolin Surprise”**

For the Taipei Mandolin Ensemble, “building anticipation and surprise into your products” means letting the audience enjoy the song of life through the strains of music. In October, 2011, the Taipei Mandolin Ensemble was invited to perform as a quintet. At the concert that night, the very air itself seems to dance to every note.



Figure 5-14 GIGABYTE Concert - Mandolin Surprise

5.7.3 Health Workshops

➤ **Discovery Workshop**

At the end of each busy day all you want to do is sink down and relax on the sofa. How long has it been since you paid any attention to the dreams of your youth? In January, 2011, Ms. Ripley was invited to host the “Come and Discover Your Dream Workshop” . The participants not only gained a great deal from the workshop but also learned how to find a balance between work and life.



Figure 5-15 Health workshop - “Come and Discover Your Dream” Workshop

➤ **Skin Beauty - Secret of Stopping Time**

A study of women aged between 20 and 70 showed that 65% of women experienced premature aging. What modern women want is to know the secret to stopping time and achieving a younger-looking. In March, 2011, the Skin Beauty Workshop invited a professional beautician to demonstrate the secret.

➤ **Skin Beauty - Beauty Comes from Healthy Skin**

The environment of the modern society has changed the internal and external condition in the human body, and put the skin under an immense threat. This is because the changes make cells age faster and results in poor skin metabolism, In April, 2011, an expert was invited to teach employees how to keep their skin looking young and healthy.

➤ GIGABYTE Mind & Body Camp

Many diseases today have their origins in obesity. For the sake of employee health, GIGABYTE partnered with the I Care Health Institute to hold the “Mind & Body” weight loss camp. The class offered numbers of places 30 for employees determined to lose weight for health. The class was held once a week over 10 weeks and each class lasted for 90 minutes. The target was to achieve a weight loss of 5 ~ 10%. Each participant was assigned a personal health manager and each class was taught by qualified sports medicine fitness experts, psychologists, stylists, nutritionists, beauticians, health managers and doctors. At the start of the event, each participant's body, constitution, weight, posture and fitness underwent a professional assessment so an optimized health management plan could be developed. At the end of the event, total weight loss amounted to 89.4kg with each person losing on average 3kg. Body fat index was reduced by 69.5kg, a reduction of 2kg per person. Total waistline shrunk by 83cm, or 3cm per person.



Figure 5-16 Health workshop - GIGABYTE Mind & Body Camp

➤ Skin Beauty - Battle for Fresh Breath

Evidence increasingly suggests that oral health is far more important than good looks; it is essential for modern people to learn how to maintain your oral health so you can have fresh and healthy breath. The Battle for Fresh Breath workshop held in May, 2011, taught everyone how to keep their breath fresh.

➤ Skin Beauty - Perfect Summer Beauty

Sun protection is not only needed in summer. A proper understanding of sun protection and practicing sun protection every day from an early age is important for keeping the beautiful and healthy skin! In June, 2011, an expert was invited to teach employees about sun protection tips.

➤ Healthy Psychology for a Positive Life

Psychological issues have become a major health problem in recent years. These psychological issues are not easy to identify and are often blamed on a short temper. Those issues are particularly common in jobs that involve heavy labor, poor working conditions or high stress. To prevent and reduce the negative impact of stress on employees and the organization, many businesses are now paying attention to the problems of employee's psychological health. In September, 2011, an application was placed with the Taoyuan County Government for a workshop to promote workplace communications, reduce psychological problems from work-related stress and improve productivity. The workshop helped GIGABYTE to work with employees in creating a psychologically health workplace.

➤ **Stress Relief and Awareness**

In October, 2011, the “Stress Relief and Awareness” workshop was held as part of the quit smoking program. Dr. Wang Tsung-hsi from the Department of Psychiatry at Tzu Chi Hospital was invited to share with employees on how to identify personal, work and family-related stress as well as how to improve personal emotional management and stress relief. Long-term stress increases the risk of illness so stress relief and awareness helps us identify the sources of stress as well how they effect on us. This makes it possible to learn how to accept that stress, cope with the stress or remove the source of stress.



Figure 5-17 Health Workshop - Stress Relief and Awareness Workshop

5.7.4 Recreational Activities

➤ **Smile 25 - 2011 GIGABYTE Smile Family Day**

In May, 2011, the “2011 GIGABYTE Smile Family Day” was held at the Daonan Riverside Park in Taipei City. There were play equipment and games provided for employees and their families. Fun competitions were hosted between business units, centers and subsidiaries. The day provided employees with an opportunity to spend time with their family and bond with other colleagues outside of work.



Figure 5-18 Recreational activities 2011 GIGABYTE Smile Family Day

➤ **Club Activities**

- March, 2011 : Members of the GIGABYTE Triathlon Club undertook a 9-day round-island cycling tour
- April, 2011 : GIGABYTE Triathlon Club took part in the “Taitung Flowing Lake International Triathlon”
- May, 2011 : Female GIGABYTE employees competed as a team in the “2011 Free Yourself Nike Women's Road Run”



Figure 5-19 Recreational activities - GIGABYTE employees taking part in recreational activities (1)

- June, 2011 : GIGABYTE Badminton Club hosted the “GIGABYTE vs. Sweet Town Bio-Tech Co. Ltd. Badminton Invitation Match”
- July, 2011 : GIGABYTE Baby Love Club hosted family gathering
- September, 2011 : GIGABYTE Badminton Club competed as a team in the “Sun Moon Lake Swim”
- October, 2011 : GIGABYTE entered a team in the “7th Mizuno Marathon Relay”



Figure 5-20 GIGABYTE Badminton Invitation Match

- December, 2012 : GIGABYTE entered team in the “Taipei-Fubon Marathon”



Figure 5-21 Recreational activities - GIGABYTE employees taking part in recreational activities (2)

5.8 GIGABYTE's Labor Law Breach Explained

GIGABYTE values the opinions and voice of our employees. We are committed to establishing an open and transparent communication channel for promoting harmonious labor relations. In 2011, the Labor Affairs Department of New Taipei City expanded its labor inspection of the high-tech electronics industry. GIGABYTE was found to have violated labor laws regarding excessive work hours and unpaid overtime. To balance employee well-being with the company's competitiveness, GIGABYTE convened a meeting to review the existing shift system. Managers were educated about the relevant legislation, and employees were informed about the overtime work application process. In order to improve managers and employees' communication and review the workflow, the automated reminder system was introduced to send automatic alert messages to managers and employees when employees' clocking in and out times are abnormal. At the end of 2011, the labor authorities conducted another inspection on overtime and overtime payments. GIGABYTE passed the repeat inspection with no further breaches of the Labor Standards Act. The improvement showed GIGABYTE's determination to comply with labor laws and fulfill its CSR.

6. Supply Chain Management

GIGABYTE considers suppliers to be our long-term partners in building a stable and sustainable supply chain. In addition to product quality, delivery time, cost and service, suppliers are asked to pay attention to human rights and global environmental issues so they can work with GIGABYTE to build a sustainable supply chain and fulfill our CSR.

6.1 Supplier Management

GIGABYTE Group requires tier-1 suppliers to set up an environmental management system and all tier-1 suppliers have now passed ISO 14001 certification. As part of supplier assessments, supplier must fill out assessment forms on “Product Environmental Management Substance System” and “Environmental Safety and Health Management” . In addition to basic assessment criteria (such as quality, price, delivery time and service), suppliers must conform to GIGABYTE's “Harmful Chemical Substance Requirements” (HCSR) and sign a declaration of conformity. For components, Green Supply Chain Management (GSCM) is used to integrate component suppliers and link to the relevant regulatory review and approval processes. Through effective communication, tracking and management, components that contain restricted chemical substances are eliminated from the supply chain. All suppliers can use the system platform

to check the latest version of HCSR issued by GIGABYTE Group as well as the relevant green product specifications.

6.2 Supplier Code of Conduct

6.2.1 Supplier Labor Rights and Electronic Industry Code of Conduct (EICC)

The issue of workers' human rights in the electronics industry's supply chain has been an important issue for the Electronic Industry Citizenship Coalition (EICC) in recent years. GIGABYTE promises to follow high ethical standards in complying with local laws and the EICC. At the same time, we expect all suppliers in our supply chain to conform to the standards on environmental protection, safety & health, workers' human rights and working conditions. These include the non-use of “conflict metals” , respect for employees, fair treatment of employees and taking responsibility for production processes and environments.

6.2.2 Non-Use of Conflict Minerals

GIGABYTE uses our website and long-term supply contracts to impress on the suppliers in our supply chain that we do not support or use “conflict minerals” mined from conflict zones, illegal mining operations or poor working conditions. We also require our suppliers to ensure that the components they provide to the GIGABYTE Group are “conflict minerals” free as well. We hope that “non-use of conflict minerals” can translate into actual action through self-regulation of the supply chain .

6.3 Hazardous Substance Control

GIGABYTE became the first system brand vendor in the world to pass IECQ QC 080000 certification in 2005. Lead-free production processes were adopted for our products and a green material management system was introduced to establish a green supply chain. Green Supply Chain Management (GSCM) is used to integrate component suppliers and link to the relevant regulatory review and approval processes. Through effective communication, tracking and management, components that contain restricted chemical substances are eliminated from the supply chain. All suppliers can use the system platform to check the latest version of HCSR issued by GIGABYTE Group as well as the relevant green product specifications.

Product suppliers are required to conform to the GIGABYTE Technology Group Guideline for the Management of Harmful Chemical Substances Requirements (HCSR), RoHS, WEEE and other regional pollution prevention or waste disposal-related environmental regulations. For environmental laws or substance management regulations specified by GIGABYTE such as the Substances of Very High Concern (SVHC) defined by the EU REACH legislation or Level B and Level C substances defined in the HCSR, suppliers should cooperate with inspections and voluntarily report the results. Suppliers must also sign the Certificate of Non-use for the Controlled Substances as well as a declaration of conformity on SVHC according to EU REACH legislation.

6.4 Green Procurement

GIGABYTE's dealings with suppliers are governed by the principle of "Fair Trade and Green Procurement". Apart from purchasing materials at a reasonable price to prevent suppliers from using hazardous substances to cut costs, we require all purchased products must conform to GIGABYTE's HCSR to reduce the risk posed by hazardous substances to mankind and the environment. To ensure that suppliers understand GIGABYTE's CSR and sustainable development practices, we strengthen communication with suppliers and enables assistance to be provided where necessary through the GP platform, everyday communications and suppliers' meetings before each policy or measure is implemented.

6.5 Assisting Suppliers with Quality Improvement

GIGABYTE not only assesses suppliers' "Product Environmental Management Substance System" and "Environmental Safety and Health Management" but also evaluates supplier's quality and delivery times every quarter. In this way, we can establish a close working relationship with suppliers to correct any deficiencies. The goal is to build a stable and sustainable supply chain together that benefits both the GIGABYTE Group and our supplier partners.

6.6 Partner Excellence Award

GIGABYTE not only promotes the ideals of our expectations on quality, environmental issues and sustainable supply chain management at suppliers' conference but also achieve consensus at the end-of-year banquet for suppliers for three straight years to emphasize the importance that GIGABYTE places on sustainability issues. To thank our supplier partners for their longstanding support and contribution, outstanding suppliers are recognized through the "Partner Excellence Award" and "Best Partner Award" .



Figure 6-1 2011 Annual Supplier Banquet

6.7 Customer

All GIGABYTE business activities are based on the philosophy of "Total Quality Assurance and Customer Satisfaction" . We not only insist on innovation, care and service but also on green product R&D and innovative design. We use our expertise to help protect the planet and strive to implement all of the relevant environmental management standards. Our

quality, environment, OHS and hazardous substance management systems are all aimed at realizing the targets of continuous improvement. We successfully prolong product service life by upgrading the product's quality. Furthermore, we avoid unnecessary consumption of energy and resources, make the most use of the Earth's resources and deliver maximum customer satisfaction.

6.7.1 Customer Service

GIGABYTE provides a dedicated customer service website for describing the services we offer. In addition to operating nearly a hundred service locations in 25 countries around the world, we provide a toll-free technical support hotline for users in Taiwan to quickly resolve any product questions they may have. As a result, our rapid service center achieved an average satisfaction rating of over 98% between 2010 and 2011. We also host customer relationship building promotions at different times to thank consumers for their support.

- Service website for consumers in Taiwan : <http://service.gigabyte.tw/>



Figure 6-2 GIGABYTE's service website for consumers in Taiwan

Protecting the customer's privacy during the technical support process is important to GIGABYTE. Measures taken by the customer service center to protect customers' personal details include :

- ✧ Our company's ISO process requires all copies of customer repair forms to be sent back to the headquarters for sealing and destruction every 6 months.
- ✧ Telephone support records are only available on the intranet and access is controlled by account permissions. The records cannot be accessed from outside the network.
- ✧ For e-mail correspondence, system access is controlled through employee accounts. The data can only be accessed by specific network connections and cannot be accessed from outside networks.
- ✧ Component sales are handled over the phone to avoid the risk of personal details being leaked through online shopping.

6.7.2 Chinese Mainboard Distributor Conference

At the start of 2011, GIGABYTE arranged for our distribution partners in China to visit Taiwan and attend the Chinese mainboard distributor conference. The visitors were not only personally received by the chairman but were also given a factory tour to learn about GIGABYTE's history and the actual mainboard production process. Every process from the quality controls to final product packaging all left a strong impression on the distributors. The tour improved our distributor partners' understanding of GIGABYTE and gave them more confidence in our products.



Figure 6-3 Group photo of Chinese motherboard distributors during their visit to Taiwan

6.7.3 2011 Computex Plurk Tour

GIGABYTE has not only taken advantage of social networking websites such as Facebook and Plurk to interact with consumers but also organizes a GIGABYTE Plurkers tour during COMPUTEX Taipei each year to introduce our various products to our longtime fans. Factory tours are also hosted at different times for our fans so they can learn about the production process of their favorite products and appreciate our corporate philosophy of "Excellence from GIGABYTE" .



Figure 6-4 2011 GIGABYTE fan tour

7. Social Welfare

7.1 Talent Development

7.1.1 G-Design Contest



The GIGABYTE Education Foundation has been hosting the G-Design Contest since 2002 to encourage students to engage in creative design. Each year, a different theme is set for the event based on current affairs or industry developments. The two submission categories are “Innovative Technology” and “Glorious Life” with the winning entries receiving up to NT\$200,000 in prize money. The event has continued to attract record entries every year and is not only a well-known design competition in Taiwan but has also helped cultivate many talented homegrown designers.



Figure 7-1 2011 G-Design Symposium

For 2011, the theme chosen for the Innovative Technology category was “Touch your heart” while the Glorious Life category was “Let's Explore” . A total of 1,316 registrations were received from 36 schools in 2011, with 286 submissions in the Innovative Technology category and 411 submissions in the Glorious Life category. Preliminary judging narrowed the selection down to the top 8 submissions in each category before a practical design workshop was held for the finalists. The final 16 entries then competed to win the Gold Award for each category. The 2011 winners are listed below.

Table 7-1 2011 G-Design Gold Award Winners

Image	Title	Description	Winner
	TRANS	The product uses technology to interpret different communication methods, enabling the deaf and mute to communicate normally with ordinary people.	National Taiwan University of Technology Huang, Hsiao-yuan
	Hide & Seek	By the means of the light of a torch and a game of hide & seek, new discoveries can be made indoors. The game helps with building family bonds and learning all kinds of trivia.	National Chiao Tung University Hsu, Feng-pin

7.1.2 The Secret to Learning Computers

GIGABYTE began hosting the Secret to Learning Computers activity in 2003 to help children learn about computers. The classes teach students about computer architecture and GIGABYTE also provides parts to students so they can practice assembling their own computer after class. Factory tours are organized so children can learn about how parts are manufactured and how computers work. In 2011, GIGABYTE carried out 50 sessions of The Secret to Learning Computers at 8 schools.



Figure 7-2 2011 The Secret of Computers activity

7.1.3 Factory Tours

The Taiwanese mainboard industry owns the lion's share of the global market and has long been one of Taiwan's best-performers. GIGABYTE is more than willing to share this honor by inviting clubs, organizations and schools to tour our factories, learn about the mainboard production process and see our rigorous management for themselves. The tours help visitors appreciate the technology industry's commitment to "High Quality

Production" and invites students to think seriously about their future career. Since the launch of the factory tours in 2005, the number of visitors has continued to grow each year. In 2011 there were 1,568 visitors from 34 schools and organizations as listed below. The visitors came from all walks of life and that reflected the strong public interest in the No.1 industry in Taiwan.

- Teachers from Houpu Elementary School
- 3 tours by students and teachers from Bo-ai Elementary School
- Yuan T. Lee Winter Science Camp
- Department of Business Administration, National Dong Hwa University
- 2 tours by the Department of Industrial Engineering, Chung Yuan Christian University
- Students and teachers from Cheng-Kung Vocational Senior High School
- Counseling Center, Minghsin University of Science and Technology
- Department of Computer Science and Information Engineering, National Taiwan University of Science and Technology
- Department of Computer and Communications Products, R.O.C. Military Academy
- Career Center, National Central University
- 2 tours by the Digital Electronics Course and Communications Electronics Course, Taishan Vocational Training Center
- Jinwen University of Science & Technology and Xiamen City University
- Students and teachers from the Department of Industrial Design, Chaoyang University of Technology
- Students and teachers from the Department of Industrial Design, Ming

Chi University of Technology

- Management College, National Defense University
- 3 tours by Electrical Engineering Camp/Communications Engineering, National Central University
- International Leaders Camp, Chung Yuan Christian University
- Graduate Institute of Services and Technology Management, National Taipei University of Technology
- General Vocational Skills Program, National Jhongli Commercial High School
- Taoyuan Mental Hospital
- 2 tours by students and teachers from Dafeng Elementary School
- School excursion from Daqiao Elementary School
- Excursion by Yuan T. Lee Science Camp
- GIGABYTE Summer Camp
- Elementary School Parental Association
- Excursion from Xindian Elementary School
- Teachers and students from the Department of Electrical Engineering, Aletheia University

7.1.4 GIGABYTE Summer Camp

To give the children of GIGABYTE employees a better idea of what their parents do at work as well as educate them about computer components, the GIGABYTE Education Foundation began hosting the “GIGABYTE Summer Camp” in 2008. The camps are for the children of GIGABYTE employees only and attract strong interest every year. When the 2011 camp was announced, the 50 places filled up right away. Camp activities included introduction to different kinds of computer equipment and peripherals, computer assembly, tour of the production line and team competition. The feedback forms showed that the students all benefited tremendously from attending the camp.

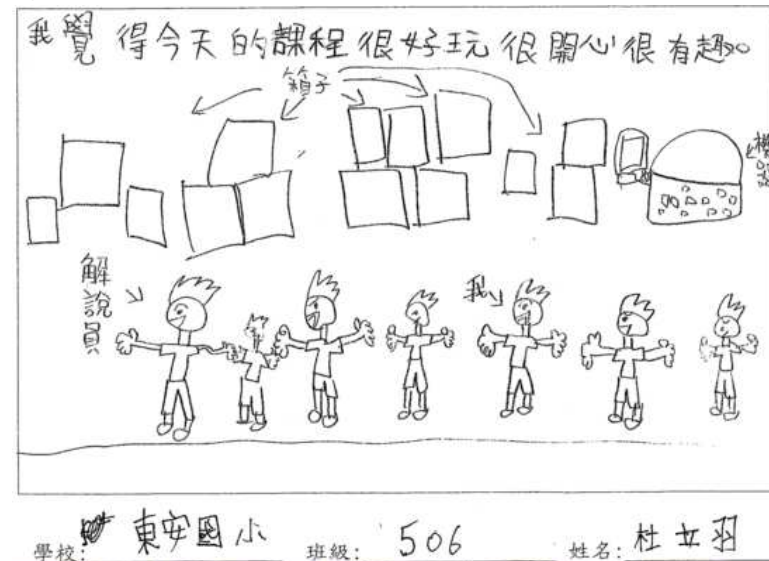


Figure 7-3 Feedback form for GIGABYTE Summer Camp

7.2 Community Development

7.2.1 GIGABYTE Charity Donations

The GIGABYTE Education Foundation launches the “Love at GIGABYTE” end of the year fund-raiser. Employees can choose to make fixed amount regular donations and one-time donations for disadvantaged groups or specific causes. Employee fundraisers are also held for major local or foreign disasters such as Typhoon Morakot and the Tohoku Earthquake to provide timely disaster relief. In 2011, GIGABYTE assisted with the following fundraising drives :

1. Bereavement Grant for students : Assistance is provided to students in temporary economic difficulties due to a bereavement, accident or serious illness in the family. The assistance helps the students continue their education and show that society cares. In 2011, a total of 150 employees made donations to help 56 students experiencing family difficulties with their schooling for one year.
2. Raising funds for treatment of hearing-impaired children from disadvantaged families : 95% of hearing-impaired children retain a part of their hearing but early intervention is required to help them speak. The cost of treatment for each hearing-impaired child is \$46,000 a year. The Children's Hearing Foundation asks for donations to help more hearing-impaired children learn to speak. The donations go to the “Early intervention fund for hearing-impaired children from disadvantaged families” and are provided between the ages of 0 ~ 6, the golden period for speech development. In 2011, a total of 135

employees made donations to the CHF for the “Rural Portable Hearing Testing Equipment Fund” (purchase of one electro-acoustic analyzer).

3. Donations for long-term care and single-parent families : The rising rate of divorce, domestic violence and premarital birth has led to an increase in the number of single-parent families. Unemployment, unequal distribution of income in an M-shaped society and natural disasters have all made the situation even more difficult for disadvantaged families. The number of families requiring assistance has continued to increase in recent years as a result. GIGABYTE supported Tzu Chi's efforts to provide long-term care for aid recipients until they can stand on their own feet. We assist to care recipients and single-parent families and respect their situation. In 2011, 68 employees donated to help long-term care recipients and single-parent families.

自由時報
The Liberty Times

苦學劉冠廷 爭氣上交大外語系 (2011-3-12)

〔記者潘杏惠／新北報導〕新北市國立新店高中學生劉冠廷，因父親經營失利，家道中落，儘管環境困頓，她力爭上游，繁星計畫錄取國立交通大學外語系。

劉冠廷的爸爸原本開建設公司，媽媽賣保養品，加上姊妹一家五口，家境中等，不過，國中起，她卻得開始經歷不斷遷徙的日子，住的房子越來越小，越來越簡陋，稚嫩的她，始終相信媽媽「換新家住」的理由，而爸爸也在搬家後，不再出現在家裡。直到唸高中，她才知道爸爸公司經營不善，家中已成了低收入戶，媽媽每天得靠賣飾品養活三個女兒。

劉冠廷說，會讀書，未來機會比較多，她希望靠唸書扭轉自己的命運。

助學金對我的幫助

學校：國立新店高中 年級：三 (已畢業)
 姓名：劉冠廷 交大英語之旅

我如何使用助學金：
分擔部分房租、水電費、瓦斯費 以及
購買大學教科書。

心得：在家中經濟陷入困境時，受到貴會的幫助，有如及時雨，解救了我即將枯萎的稻苗。讓我能繼續在學業方面更加專注。將來也會以我所學，不遺餘力得幫助需要幫助的人，回饋社會！

1. 如果您學業完成，有能力了，就業後，是否願意將您工作第一年的一個月薪資，捐給任何公益慈善機構，幫助需要幫助的人，以延續愛心接力？是

2. 您是否願在您受幫助期間，每年參加 1 次社會公益活動或擔任志工？是 (目前已從事志工及社會公益活動，將來也還會繼續參與！)

Figure 7-4 Scholarship recipients presenting their results and thanks

7.2.2 GIGABYTE Charity Winter Aid

Each year the GIGABYTE Education Foundation joins forces with the Xindian District Office on the eve of the Lunar New Year to give GIGABYTE Charity red packets and supplies to the families that have young adults as primary wage earners. The number of single-parent families that are not eligible for low-income household assistance has increased in recent years. As these families have limited access to welfare resources, GIGABYTE donates red packets and King Rice so these needy families can enjoy a Happy New Year as well. For the winter of 2011, GIGABYTE distributed 814 red packets and 814 5kg packs of King Rice. The donations were collected by Section Chief

Ming-fu Hsu and the Social Affairs Section from the Xindian District Office then made them available for pickup by families on the register. GIGABYTE has always spared no effort when it comes to helping disadvantaged groups and the winter donations showed once again our readiness to give back to the community. Through these donations, the spirit of compassion and goodwill can be spread to everyone's hearts.



Figure 7.5 GIGABYTE Charity Winter Aid

7.2.3 Digital Charity Computer Classroom

In the today's high-tech society means, middle-aged and senior citizens that don't know how to use IT equipment often find a yawning generation gap between themselves and the next generation. GIGABYTE appreciates the importance of IT education and believes that the IT-disadvantaged urban groups (seniors/women/foreign-born spouses) should also acquire essential modern IT skills. To help bridge the digital divide, GIGABYTE drew on our core corporate expertise to offer free computer classes in the local Xindian community. GIGABYTE branded computers and IT equipment are provided for free to students in the class and GIGABYTE employees also

volunteer 2 hours a week as teachers or tutors. As the classes involve our core competencies, this made us better equipped to handle any software and hardware problems that turn up. Up to 3458 people have benefited from the classes since they were launched at the end of 2008.

“Digital Charity Computer Class” - Story of Li-chen Hsieh, a Senior Student



Did mom dictate while my little brother did the typing?” was her daughter's first reaction. When Li-chen Hsieh, a grandmother born in 1952, entered a new stage in life when she

began learning how to use a computer, she said : “I typed all this myself! I've already picked up typing and I can play the game “Outpost Combat” now. I started out not knowing the English alphabet but I've mastered that and phonetics as well.” Even her grand-nieces are impressed. Hsieh has also learned how to chat online through MSN as well so her daughter now has to remind her to not overdo it. Hsieh is very grateful to the Tzu Chi Foundation and GIGABYTE for their selfless generosity. They have helped senior citizens with no computer knowledge and opened their eyes to a new and colorful online world. Through the Internet, they can now interact with society and also bond with their children as well!

“Digital Charity Computer Class” - Story of Pei-yu Lai, a Volunteer Teacher



I used to teach physics and chemistry before retiring in 2003. In 2010 I began working as a teaching assistant in computer class and took part in the teacher training. The class was targeted at senior citizens

and while they all were different ages and from different educational backgrounds, but all of them cherished the opportunity and worked hard for fear of forgetting what they had learned. Even when learning speed is slow they refused to give up without a fight.

Many students not only wanted to learn about computers but also longed to reach out to other people and groups. They also wanted to learn more about young people and their world. Learning improved their self-esteem and sense of accomplishment. It also helped them bond with their children. Helping other people provided a way for continuous self-improvement and teaching older students helped enrich my own life experience as well. Being able to help other people makes me feel happy.

7.2.4 Joint Blood Donation Drive for Xindian

GIGABYTE organizes a blood donation drive every 6 months to encourage employees from GIGABYTE and other companies in Xindian to give blood and save lives. The gifts provided as a reward to employees who answer the call are better compared to normal blood donations. The event has been held without interruption since 2003 and has continued to set new records for the amount of blood donated. This reflects positively on the spirit of charity at GIGABYTE. In February, 2011, 216 people rolled up their sleeves and donated a total of 81,000 cc in 324 250cc bags (approved). The joint blood donation drive in August, 2011, ended up with 1,305 bags of blood with GIGABYTE accounting for 371 bags from 251 people. This made GIGABYTE the biggest donor among the participating companies and showed our willingness to support public welfare with our actions.



Figure 7-6 Annual GIGABYTE blood donation drive

7.3. Revitalizing the Community through Reading, Art and Culture

Typhoon Morakot inflicted deep wounds on Taiwan and its people. To help the affected people rebuild their communities as soon as possible, GIGABYTE resolved to support community identification and cultural preservation through “Reading” and “Art & Culture” . The community's unique culture was combined with reading and life by conducting five projects. We hope this will support the “Community Engagement, Development and Investment” in the social dimension of CSR while also bridging the rural education gap and encouraging more people to read.

The Songlin Elementary School in Tainan County's Xigang Township (Shelin Community) and the Tucheng Elementary School in Tainan County's Annan District (Chengbei Community) in the Morakot disaster area were chosen as the sites for the following projects :

1. Preliminary training, initial training, interim exchange and final workshop : Post-disaster counseling, education & training, reading and art therapy were introduced to train community story tellers and reading companions.
2. Morakot Hope Library : The creation of a library and reading clubs encouraged children and parents in the disaster areas to get in the habit of reading and make it a part of their everyday life. With the help of Yangduo Reading Camp from Tainan (led by Mei-chin Yang and Li-yin Li) as well as Ouyang Chi, the head of Magic Story Group, a reading list of 100 books in five categories such as “Life Education” , “Ethnic Culture” , “Identification with the Land” , “Ecological

Conservation” and “Community Reconstruction” were purchased to set up the community Hope Library.

3. Themed Reading Clubs : A total of three sessions were hosted with the authors or illustrators of books in the “Life Education” , “Identification with the Land” and “Community Reconstruction” categories invited to introduce their works and share their thoughts.
4. Art & Cultural Performances : A total of three performances were presented by the If Kids Theater.
 - A. Life Education - “The Brave Scarecrow” was a story of how the scarecrow became stronger after a typhoon.
 - B. Identification with the Land - “The Journey of the Water Drop” described how the building of the Wushantou Reservoir changed the life of the local people and led people on a journey through nature.
 - C. Community Reconstruction - “Happiness of Weaving” describes how the disappearing craft of bamboo weaving brought not only economic benefits for local people but also embodied the rustic rural culture. Weaving was also part of the cultural bonds that hold families together.
5. Homeland Tour on Paper : After reading the books in the “Identification with the Land” and “Community Reconstruction” series as well as taking part in the themed reading clubs, author/illustrator's workshops, art performances, storytellers and reading companions, children were invited to introduce their

homeland. The training of young guides helped preserve their cultural heritage.

6. Community Reading Clubs : A community reading club was held at a fixed time each month (the sessions were led by community storytellers and local parents and students were invited to take part)



Figure 7-7 “Revitalizing the Community through Reading, Art and Culture” activities (1)



Figure 7-8 “Revitalizing the Community through Reading, Art and Culture” activities (2)

7.4 Supporting Taiwanese Agriculture

Purchasing agricultural products directly from producers not only protects farmer's interests but also provide greater control over quality through pre-sale inspections. Employees are not only able to purchase fresh and pesticide-free products more cheaply but group buys also improve profits for farmers, resulting in a win-win situation. GIGABYTE hosts internal group buys of agricultural products at irregular intervals and also provides each employee with \$6000 of vouchers. The vouchers can be used to purchase locally-grown produce in support of quality agriculture. Past group buys of products included :

- | | |
|------------------------------------------|-----------------------------------------|
| 1. Grapes from Puxin | 8. Oriental pears from Xinshe |
| 2. Sweet Potato from Shuilin Township | 9. Pomelos from Bali |
| 3. Asian pears from Wuling | 10. Sweet Yams from Jinshan |
| 4. Persimmons from Wuling Farm | 11. Irwin mangoes from Yujin and Nanhua |
| 5. Citrus from Gukeng | 12. Nectarines from Wuling |
| 6. Bananas from Guoxing Township, Nantou | 13. Nashi pears from Dongshan |
| 7. Pomelos from Hegang Township, Hualien | 14. Sesame Oil from Xigang |

The “GIGABYTE Education Foundation” was set up by GIGABYTE in accordance with our philosophy of “Upgrade Your Life” . We hope that the promotion of technology education, innovation, art & culture and charitable activities will fulfill our commitment to CSR. Through the

donations towards community medicine and schools, we can repay society for its support and to carry out the company's social responsibility. These activities have included the donation of school computer equipment, donation of ambulances and medical equipment to local hospitals and the organizing of DIY computer system building workshops. Our commitment to Taiwan has seen us included in the "Taiwan Employment Index 99 Companies" compiled by the Taiwan Stock Exchange. We remain committed to employing more workers in Taiwan and creating more local employment opportunities.

7.5 Development of Smart Phone Product Category Rules

The Environmental Protection Administration determined that a common standard was necessary to ensure the fairness and transparency of carbon footprint calculations for similar products and services. The private-sector was therefore invited to work together to define the "Product Category Rules, PCR". GIGABYTE, CompalComm, the Environment and Development Foundation and the Taiwan Electrical and Electronic Manufacturers' Association joined forces to draft and define the "Product Category Rules" (PCR) for the "Smart Phone" category. On December 6, 2011, a stakeholder conference was hosted with the industry invited to review the draft rules. The PCR has now been verified by expert review and has been officially proclaimed in the EPD/PCR area of TEEMA. The new PCR helps manufacturers or service providers define the scope of the system boundaries and the data used for calculations.

8. Environmental Protection

8.1 Environmental Safety Policy

The GIGABYTE quality policy of “Total Quality and Customer Satisfaction” seeks to conform to the requirements of ISO 9001/TL 9000 so we can provide the best quality to all of our customers. In environmental safety management, GIGABYTE has defined the following environmental safety policy based on the requirements of ISO 14001/OHSAS 18001 :

1. Execute clean production, contamination prevention and continual improvement.
2. Observe environmental, health and safety regulations, and other related requirements.
3. Encourage suppliers to perform environmental protection, health and safety programs.
4. Control safety and health risks. Prevent injury and bad health.
5. Volunteer to monitor, control and reduce greenhouse gases, and to continually save energy and resources.
6. Achieve no environmentally prohibited substances in product, and achieve recovery, reuse and recycling ratio.
7. Communicate company-wide with all personnel controlled by the company and make them aware of their personal environmental safety and health responsibilities.

There were no breaches of environmental law by GIGABYTE in 2011. We will continue to uphold our existing policy and promote internationally recognized rules and regulations. At the same time, GIGABYTE will strive to realize even higher quality and standards so we can deliver perfect performance through a process of constant refinement.

8.2 Climate Change and Greenhouse Gas Management

8.2.1 Greenhouse Gas Management Goals

The GIGABYTE Group is very much aware of the worsening global climate and environmental due to global warming. As a global citizen, GIGABYTE has introduced clean production systems and developed energy-saving products as well as improved the production processes and efficiency. At the same time, we have introduced the ISO 14064 GHG inventory system to report our GHG management efforts. By effectively tracking our GHG emissions, GIGABYTE is able to build up consensus within the company and continue with our GHG reduction efforts in order to help slow global warming and fulfill our CSR.

Our GHG reduction target is defined as : Develop low-carbon technology and define concrete carbon reduction targets. For Taiwan, 2007 has been set as the baseline year with a target of a 20% reduction in emissions from internal activities by 2015; for China, the baseline year is 2009 and the target is a 15% reduction in emissions from internal activities by 2015; for the GIGABYTE Group as a whole, we aim to reduce carbon emission from internal activities by 20% compared to 2009 by 2020.

8.2.2 Greenhouse Gas Inventory

● Organizational Greenhouse Gas Emissions

In 2011 GIGABYTE continued with our corporate-wide GHG inventory from January to December, 2010. The inventory was carried out in accordance with ISO 14064-1 standards and covered the company's Xindian headquarters, the Nanping plant, the Dongguan plant (China) and Ningbo plant (China). The data was verified by SGS. In 2010, total emissions amounted to 45763.25 tonnes of CO₂e. The overwhelming majority of emissions came from indirect emissions (97.29%).

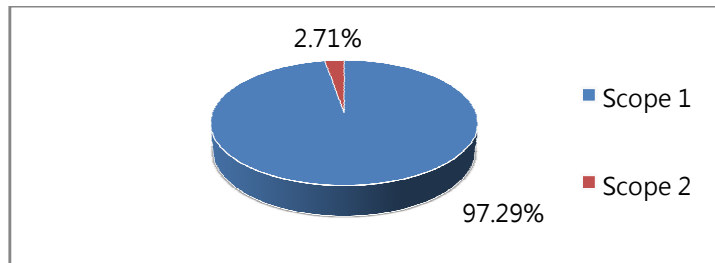


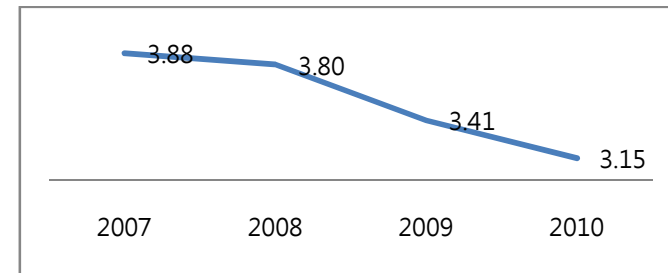
Figure 8-1 Comparison GIGABYTE GHG emission sources, 2010

Note : Scope 1 refers to direct emissions such as diesel for emergency generators, fuel for company cars, natural gas for boilers and coolant released by chillers; Scope 2 referred to indirect emissions such as electricity consumed by offices and dormitories.

● Carbon Emission per Unit of Product Reduced by 18.8%

Based on the results of the company-wide GHG inventory as well as our own production data, we found that our carbon emissions per thousand units had dropped from 3.88 tonnes CO₂e in 2007 to 3.15 tonnes CO₂e in

2010. GIGABYTE is not only aggressively improving our production processes to maximize energy efficiency but also strengthening energy management at all sites.



(unit : Tonnes of CO₂e/Thousand units)

Figure 8-2 Average GHG emissions per thousand units each year

● Greenhouse Gas Reduction Strategy

Based on the above, we have formulated the following GHG reduction strategies after evaluating GIGABYTE's internal situation and outside conditions :

1. Implement energy-saving and carbon reduction measures through the enterprise based on a principle of "No Regrets" . Green products and services are to be developed at the same time to leverage our own corporate expertise and help society realize green innovation.
2. SOPs are to be defined for steam and diesel generators in China to reduce interference from external factors such as climate and government policy.
3. To meet the GHG reduction targets set by the organization,

aggressively implement energy-saving and carbon reduction measures in a way that does not impact employees' working conditions. The targets will take the form of short-, medium- and long-term reduction goals.

4. China is now actively developing renewable energy sources. We will evaluate the feasibility of transitioning over to purchase green power in the future in order to reduce GHG emissions from excessive power use.

8.2.3 Energy Saving and Carbon Reduction Measures

We have implemented various energy-saving and carbon reduction measures to realize the above strategic goals. The measures for enforcing energy management and optimizing energy efficiency are as follows :

1. Environmental education : In addition to 1 ~ 2 hours of quality and environmental protection law training for new employees, a range of increasingly specialized courses are provided depending on personnel roles to enhance their environmental awareness.
2. Promote energy and water conservation : Reminders have been placed on the switches of each conference room to remind users to turn off the lights when they leave. Water-saving measures are displayed on toilet doors to encourage employees to conserve.
3. Embrace 5S : Monthly audits are conducted in accordance with five principles of 5S : Seiri (Sorting), Seiton (Stabilization), Seiso (Sweeping), Seiketsu (Standardizing) and Shituke (Practice), Penalties are issued for non-compliance and the emphasis is on employee introduction of environmental protection through 5S.

4. Personal waste sorting : All waste is now sorted by employees instead of cleaning staff. Self-sorting encourages employees to think about ways of reducing waste before their next purchase.
5. Encourage the use of stairs instead of elevators : Signs are posted in front of elevators to remind employees that taking the stairs is good for health.
6. Provision of bicycle parking spaces : To encourage employees to cycle to work, bicycle stands are provided for parking and securing their bicycles.
7. Two vegetarian days a week : To reduce the amount of GHG emissions from the consumption of meat, GIGABYTE organizes two voluntary vegetarian days a week and assists with group orders of vegetarian lunch boxes.
8. Video conferencing : To reduce energy consumption from transportation, all inter-plant training and meetings have now been replaced by video conferencing.
9. No disposable utensils in the cafeteria : Our company cafeteria provides metal cutlery to reduce the amount of waste.
10. Worldwide adoption of reusable RMA packaging : GIGABYTE has made improvements to RMA packaging. The new green packaging named Service Care can be used with all ATX and mATX mainboards. When we mail the repaired mainboard back to the customer using this packaging, the customer can reuse the same box the next time they need RMA service. The arrangement lowers the demand for printed boxes, reduces environmental pollution and saves trees from being cut down. That can use the Earth's resources in a more effective way.

8.3 Quality and Environment Management

GIGABYTE believes that product and service quality is the key to brand management and sustainability. Our quality is our competitive advantage and our brand commitment as well. By creating amazing products that provide the customer with a pleasant brand experience, GIGABYTE can become a brand that users can trust and be proud of. In this way, our goal of sustainable management can be realized. GIGABYTE has introduced various management systems to this end. Continual improvement is carried out using the PDCA management model and we are gradually achieving third-party verification that these management systems have been successfully internalized by GIGABYTE. The latest management system certifications achieved by GIGABYTE are listed below.

Table 8-1 Standard certifications achieved by GIGABYTE

System Name
Authorized Economic Operator (AEO)
ISO 14064-1 : 2006 Greenhouse Gas Inventory Certification
PAS 2050 : 2008 Product Carbon Footprint
ISO/TS 16949 : 2002 Automotive Quality Management Systems Certification of Conformity
IECQ QC 080000 RoHS International Certification on Hazardous Substance Management
ISO 9001 : 2008 Quality Management Certification
TL 9000-H Communications Quality Management Certification
OHSAS 18001 : 2007 Occupational Safety and Health Management Certification
ISO 14001 : 2004 Environmental Management Certification

8.4 Green Products

GIGABYTE takes into account the potential environmental impacts during the product design stage. Products are designed to “reduce their environmental impact” from the source to the end-user. The following green design measures are currently in use at GIGABYTE.

8.4.1 Hazardous Substance Management

GIGABYTE became the first system brand vendor in the world to pass IECQ QC 080000 certification in 2005. Lead-free production processes were adopted for our products and a green material management system was introduced to establish a green supply chain. This ensured our compliance with EU RoHS requirements and allowed us to provide users with safe computer equipment. All current GIGABYTE mainboards, graphics cards, optical drives, computer chasses and power supply products conform to the RoHS directive. We have also continued to monitor the development in national environmental legislation so controls or bans on hazardous substances can be adopted as necessary. REACH and China RoHS are all examples of laws that required hazardous substances to be eliminated. This ensures consumers' peace of mind as well our commitment to “Excellence from GIGABYTE” .

8.4.2 Raw Materials

The ratio of recycled materials has become the most important issue for electronics products today. Over 85% of the raw materials used in GIGABYTE mainboards are recyclable as shown in Figure 7-4. Most of this consists of metals but in the future, recyclable plastics and other raw materials will also be considered during design. Also, the materials will not require any processing or treatment for improving the reusability of materials.

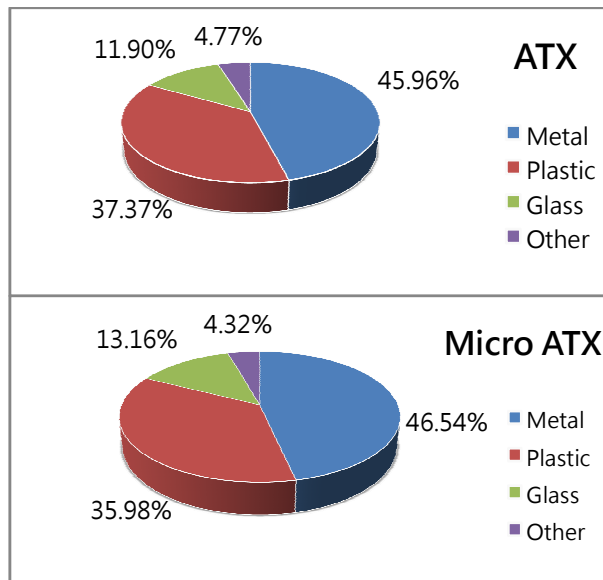


Figure 8-3 Proportion of materials used in ATX (above) and Micro ATX (below) mainboards

8.4.3 Extended Producer Responsibility

Mainboards with solid state capacitors have longer lifetime than those with conventional capacitors especially under high temperatures. For this reason, GIGABYTE introduced mainboards with all solid state capacitors in 2006 and it is now an industry standard. Today GIGABYTE offers the most comprehensive product range of any mainboard maker. GIGABYTE's Mainboard sales also account for the greatest share of revenues as well. Solid state capacitors are now used throughout the whole range from entry-level to high-end mainboards, ensuring not only long service lives but also greatly boosting system stability. This was why GIGABYTE announced in 2011 that it would become the first mainboard maker to start offering 4-year product warranties, a year longer than the standard 3-year warranty at the time. By taking the product lifecycle into account at the very start, this reduced waste and helped protect the environment in the most practical way.

Some materials in waste electronic products still possess very high reuse value. To help create a recycling society, GIGABYTE embraced the spirit of extended producer responsibility to conform to the EU WEEE directive. Product recycling channels have now been set up in Europe, North America and Taiwan where consumers can deliver their waste products to the nearest recycling point. In this way, waste can be recycled and reused. For more information, please visit the GIGABYTE website at <http://www.gigabyte.tw/gigabyte.aspx?s=37>.



Figure 8-4 Webpage featuring GIGABYTE's announcement of 4-year product warranty in 2011

8.4.4 Product Packaging

GIGABYTE has long spared no effort when it comes to product packaging. All effort is made to use minimal packaging and recyclable materials, restrict the use of polystyrene buffer materials and hazardous substances, and provide recycling labels on packaging materials. These measures are intended to facilitate future recycling and reuse. GIGABYTE has now adopted soy-based ink for printing product packaging and plans to adopt FSC-certified paper across the board for more environmentally-friendly packaging.

In 2011, the GIGABYTE Group used 14107.05 tonnes of paper and 499.04 tonnes of plastic in product packaging. The recyclability ratio of 96.58% was a significant improvement over the 93.06% in 2010. In the future, GIGABYTE will continue to try and reduce the amount of packaging materials by practicing green packaging design.

8.4.5 Energy Saving Products

Extending the service life is GIGABYTE's main approach to reducing energy consumption. Solid state capacitors, ultra-durable mainboards, dynamic energy-saving and 24-phase power saving design are all features that can reduce the mainboard's temperature, reduce energy consumption and extend product life to realize optimal resource utilization.

- **ECO 500 / ECO 600 Wireless Mouse**

In 2011 GIGABYTE welcomed the coming of the Green Era by unveiling the all-new ECO 500 / ECO 600 long battery-life wireless mouse concept. Compared to conventional wireless mice that require a battery change every 3 ~5 months, GIGABYTE's long-life wireless mouse can run up to 12 months on a single set of batteries. The long battery life not only makes frequent battery changes unnecessary but also reduces battery costs as well as battery waste.

- **80Plus Certified Power Supply Units**

80Plus is an important certification with the modern emphasis on energy conservation. The US Ecos Consulting organization developed the 80Plus energy-efficiency standard in response to the global energy shortage as a way to encourage manufacturers to develop more efficient models. Under the standard, the power supply unit (PSU) used in desktop PCs and servers must maintain an energy conversion efficiency of over 80% at 20%, 50% and 100% loading to reduce the amount of wasted energy. At the moment, 19 of GIGABYTE's PSU products have now achieved 80Plus certification.

8.5 Environmental Performance

8.5.1 Air

GIGABYTE's Ningbo plant in China has two sets of powder coating and electronic waste emission treatment systems for treating Xylene and non-methane hydrocarbons (NMHC). All other plants in Taiwan and China are in industries that do not require EPA monitoring and their processes do not emit controlled pollutants.

8.5.2 Water

● Water Consumption

GIGABYTE plants in Taiwan and China used 382,600 tonnes of water in 2011, 10,000 tonnes less than the 390,000 tonnes used in 2010. The Dongguan plant accounted for the majority of the water consumption at 63.46% followed by the Ningbo and Nanping plants. As these three sites are all manufacturing plants with a higher number of workers, the water consumption is also correspondingly higher. Xindian is the company headquarters and so accounted for just 5.85% of the total water consumption.

● Wastewater Discharge

All wastewater from GIGABYTE's Taiwan and China plants are treated by appropriate sewage treatment facilities or discharged directly to a dedicated local sewage treatment plant. Wastewater discharge was estimated to be 80 ~ 90% of water consumption and the discharge quality conformed to all current regulations. In 2011 GIGABYTE's wastewater discharge amounted to 330,400 tonnes, with the majority coming from Dongguan (66.14%) followed by Ningbo (16.14%).

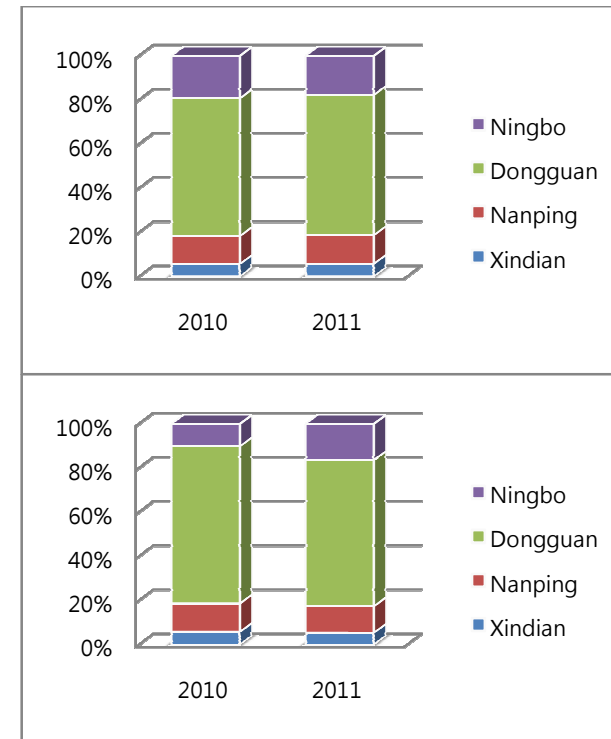


Figure 8-5 Comparison of water consumption (top) and wastewater discharge (bottom) at the four GIGABYTE plants in 2011

● Water Recovery

All production processes at the Ningbo plant in China are equipped with wastewater treatment equipment. Plastic spray painting production line's wastewater treatment equipment has a recovery rate of 100% with 1500m³ of water recycled annually; metal powder coating production line's wastewater treatment equipment has a recovery rate of 80% with 1000m³

of water recycled annually; plastic molding workshop cooling equipment has a recovery rate of 100% with 1000m³ of water recycled annually; recovery of condensate from steam cleaning in the mold workshop has 500m³ of water recycled annually.

8.5.3 Waste

GIGABYTE produced approximately 484.02 tonnes of general waste in 2011, with 1932.97 tonnes being recyclable waste. 95.63 tonnes were hazardous waste, a decrease of 25.10 tonnes from the 120.74 tonnes produced in 2010. The results showed that our efforts in waste reduction have begun to produce results. All of the waste from GIGABYTE is removed and suitably disposed of by certified contractors and conform to the requirements of the Basel Convention.

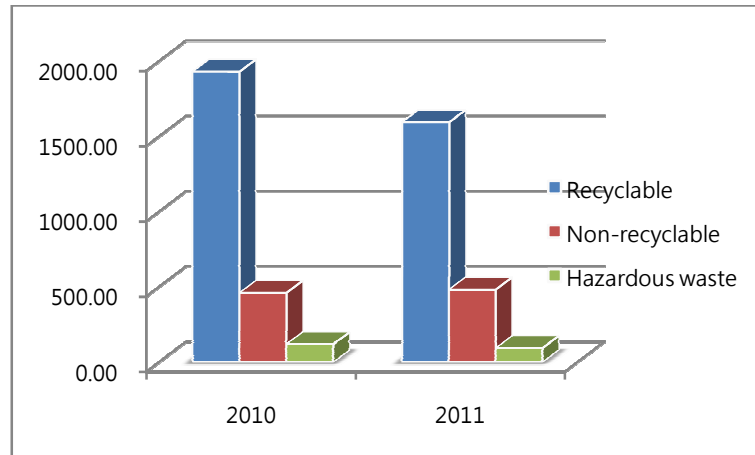


Figure 8-6 Waste produced by the four GIGABYTE plants in 2011

8.5.4 Energy

In recent years the total power consumption at the four GIGABYTE plants have ranged between 48000 ~ 53000 KWH. After the "Green Action Program" was launched in 2010, power consumption has dropped significantly to 45,706 KWH. The four GIGABYTE plants also used 48.14 KL of petrol, 114.6KL of diesel, 0.05KL of bio-fuel and 49.49KL of natural gas in 2011.



(Unit : KWH)

Figure 8-7 Total power consumption at the four GIGABYTE plants between 2007 ~ 2011

8.6 Safety and Health Management

8.6.1 Emergency Response

In accordance with the firefighting equipment management procedure, monthly inspections of the firefighting equipment are carried out by the

GIGABYTE Group while fire safety reports and improvements are carried out once a year. Every year the buildings also undergo public safety checks and expired fire extinguishers are replaced. In accordance with the occupational disaster prevention management procedure, an annual worker safety management plan is drawn up. Occupational safety & health training, emergency response and firefighting training were conducted as described below with 2,845 people participating in 2011.

- **Firefighting Exercise**



Each plant conducts a firefighting exercise every 6 months. The exercises are conducted with the assistance of the Firefighting & Disaster Prevention Center and the 4th Corps (Pingzhen branch) of the Taoyuan County Fire Bureau.

Figure 8-8 Firefighting exercise at the GIGABYTE Nanping plant

- **Solvent Spill Emergency Response Exercise**



Each plant conducts a solvent spill emergency response exercise each year involving the response team and environmental safety personnel. There were no spills in 2011.

Figure 8-9 Solvent spill emergency response exercise at the GIGABYTE Nanping plant

- **Solder Furnace Emergency Response Exercise**



Each plants hosts the solder furnace emergency response training session once a year.

Figure 8-10 Soldier furnace emergency response exercise at the GIGABYTE Nanping plant

8.6.2 Occupational Injury Statistics

GIGABYTE tracks the Disabling Frequency Rate (FR - the number of disabling injuries per 1000,000 work hours in the workplace) and Disabling Severity Rate (SR - average number of days lost per 1,000,000 work hours in the workplace) as the two main indicators for occupational injury statistics as required by the Council of Labor Affairs (CLA). The occupational injury statistics for the four GIGABYTE plants in 2011 were as shown in Table 7-2. Occupational safety and health management has long been a priority at GIGABYTE, and in accordance with the “Regulations Governing the Management of Occupational Safety and Health Management Organizations and Self-Inspections” , workers make up more than one-third of the safety and health committees.

Table 8-2 Occupational injury rates at the four GIGABYTE plants in 2011

Plant	Occupational Injury Rates
Xindian	FR : 0.00 / SR : 0.00
Nanping	FR : 0.36 / SR : 7.18
Dongguan	FR : 0.00 / SR : 0.00
Ningbo	FR : 2.98 / SR : 25.9

Note: Disabling Frequency Rate (FR) : Number of disabling injuries x 1,000,000/total work hours
 Disabling Severity Rate (SR) : Number of days lost due to injury x 1,000,000/total work hours

8.6.3 Labor Health Promotion Activities

To promote health education, employee health and a proper health concept, 25 health promoting activities were held in 2011. 7 sessions were held in Xindian and 18 sessions in the Nanping plant. Total participation was 2,507 people.

Table 8-3 GIGABYTE health promoting activities in 2011

Region	Event Description	Partner
Xindian	Free Influenza Vaccination	Xindian Public Health Center
	Weight-Loss Class (2 months in duration)	I Care
	Intestinal Health Workshop	MoProbi vendor
	Pap Smear	Xindian Public Health Center
	Quit Smoking Class	Tzu Chi
	Stress Relief Workshop for Quitting Smoking	Tzu Chi
	Health Diet for Quit Smoking Workshop	Tzu Chi
Nanping	Health Workshop - "How to deal with the problem of late night snacks"	Safety and Health Section
	Health Workshop - New Year Weight Loss Campaign	Safety and Health Section

Nanping	Health Workshop - HPV Prevention	MSD
	Free Mammogram Referrals	Tien-Chen Hospital, Zhongli
	Free Pap Smears	Chang Gung Memorial Hospital Linkou Pingzhen City Public Health Center
	Foreign Worker Chest X-Ray Follow-up	Pingzhen City Public Health Center
	Health Workshop - "Health Summer Living"	Pingzhen City Public Health Center
	Intestinal Cancer Screening	Ming-Sheng General Hospital
	Weight Control Activity	Taoyuan County Health Department Pingzhen City Public Health Center
	Annual Health Exams	Ming-Sheng General Hospital
	2011 Health Exam Satisfaction Survey	Safety and Health Section
	2011 Healthy Workplace Voluntary Certification	Bureau of Health Promotion, Executive Yuan
	First Aid Refresher Training	Ming-Sheng General Hospital
	Free Oral Membrane Screening	Ming-Sheng General Hospital
	Health Workshop - "Introduction to Depression and Stress Relief Techniques"	Taoyuan County Health Department Taoyuan Lifeline
	Influenza Vaccination	Ming-Sheng General Hospital
	Physical Fitness Testing	National Taiwan Sport University
	Free Bone Density Test	Ming-Sheng General Hospital
	Influenza Vaccination	Ming-Sheng General Hospital

8.7 Green Action Plan

The GIGABYTE Group initiated the “Green Action Plan” in 2010 with a series of activities to promote the importance of energy-saving, carbon reduction and environmental protection among all employees. Though these activities, employees' environmental awareness, environmental knowledge, attitudes and skills can be enhanced and incorporated into their work and everyday life. The Green Action Plan represents a new GIGABYTE culture. The Eco-Design concept can then be promoted among all employees and combined with our core competencies to realize both sustainable corporate and environmental development through the creation of green product values.

Green Action is a multi-year program launched by the “GIGABYTE Green Sustainability Development Committee” that involves the environment, products and public welfare. 2010 served as the planning phase for design activities and assigning activity owners. 2011 was the sprouting phase and included not only the design of a dedicated Green Action website but also environmental education activities to boost environmental awareness. Employees were encouraged through green creativity ideas to think in new ways and then willingly embrace different environmental protection initiatives.

Approximately NT\$1.31 million were spent on the Green Action Plan in 2011 with 8,475 people taking part. The year's results included a reduction of CO₂e emissions by 86,132kg, 62,439 hours of environmental education workshops and 322.5kg of maritime waste collected during beach clean-ups. Employees take a personal part in changing the beach

environment and understand the causes of maritime pollution. A clean and natural seashore is essential to the natural development of the seaside, littoral belt and maritime creatures. Only then can the rich and diverse maritime biological resources of Taiwan's seashore be restored. In support of tree planting activities, 614 trees were planted and are expected to absorb more than 60,000 tonnes of carbon emissions each year. Forestation is one of the most cost-effective ways regulating the climate and protecting the land. Native Taiwanese plants were used to help conserve the soil and water in a sustainable manner. Vegetarian lunch boxes were provided at all company workshops and activities during the year, resulting in 9,870 lunch boxes replaced. Other quantitative indicators included :

- (1) Collected 322.5kg of maritime waste during beach clean-ups
- (2) Planted 614 trees as part of tree planting activities
- (3) Replaced 9,870 lunch boxes containing meat with vegetarian lunch boxes at company workshops and activities during the year.
- (4) Provided 5,273 servings as part of the two vegetarian days a week.
- (5) Organized 62,439 hours of employee environmental education.
- (6) Reduced carbon emissions at Xindian headquarters and Nanping plant by at least 86,132kg CO₂e.
- (7) Power consumption : In 2011, total power consumption at Nanping plant and Xindian headquarters was 18,647 KWH, a decrease of 686KWH compared to 19153KWH in 2010.
- (8) Hazardous waste amounted to 95.63 tonnes, a reduction of 25.10 tonnes compared to 120.74 tonnes in 2010.

The results above showed that our commitment to waste reduction is beginning to bear fruit.



Figure 8-11 Green Action Plan website

8.7.1 Celebrity Workshop

The celebrity workshops of the Green Action Plan focused on two main themes : energy-saving and carbon reduction, and sustainable corporation development. Leading domestic experts in the field were invited to share their experiences and increase the environmental knowledge of all employees. In 2011, a total of 4 Green Action celebrity workshops were held with topics listed below.

Table 8-4 GIGABYTE Green Action Celebrity Workshops

Workshop Name	Speaker	Speaker Title
1. Love the Earth by Protecting the Environment	Yeh, Xin-cheng	Dean of Graduate Institute of Environmental Education, National Taiwan Normal University

2. Challenges and Opportunities in the Low-Carbon Age	Jian, You-xin	Chairman of the Taiwan Institute for Sustainable Energy
3. Sustainable Management Strategies	Shen, Yong-shun	Director of Holistic Education Center, Mackay Medical College
4. Global Green Sustainable Enterprise Challenge	Huang, Zheng-zhong	Secretary General of the Taiwan Business Council for Sustainable Development



Figure 8-12 Green Action Plan Celebrity Workshops – Dean Yeh Xin-Cheng (top left), Chairman Jian You-xin (top right), Secretary-General Huang Zheng-zhong (lower left), Director Shen Yong-shun (lower right)

8.7.2 Environmental Education

Green Action Plan arranged for a number of workshops and activities to enhance employees' environmental awareness so they can incorporate environmental knowledge, attitudes and skills into their work and everyday life. From Tzu Chi's promotion of recycling concepts to teaching everyone how to grow their own pot plants, the activities listed below helped to enrich everyone's green life.

Table 8-5 GIGABYTE Green Action environmental education activities

Workshop Name	Speaker	Speaker Title
Symbiosis with the Earth	Feng, Jian-sheng	Tzu Chi volunteer/Owner of a construction company
From Seed to Pot Plant	Lin, Hui-lan	Author of Seed Planting Guide
Green Collar Learning AAA	Chen, Yang-wen	CEO of CarbonZero Too
Wetlands of Formosa	Li, Rong-hua	Convener of the Maritime Care Team, Society of Wilderness
Global Warming and the Response to Global Warming	Pu, Nien-wen	Doctor of Chemical and Materials Engineering, College of Engineering, National Defense University
Cancer Prevention and Environmental Protection	Fan-Jiang, Yu-ong	Director, Department of Infectious Diseases, Taoyuan Hospital
Creative Aesthetics vs. Practical Living Workshop	Wei, Zhao-rong	Creative Director of Aim Culture



Figure 8-13 Green Action environmental education activities

8.7.3 Outdoor Activities

Outdoor excursions as part of environmental protection effectively strengthen our employees' commitment to environmental protection and can be converted into environmental protection skills. The following activities were therefore organized by GIGABYTE to improve employees' environmental awareness.

1. Experiencing the environmental culture at Tzu Chi recycling depots
2. Fish protection at Jingualiao River and Zero Carbon Cycling
2. Cloud sea and glow worm tour
4. Experiencing the earth house at Ergeshan



Figure 8-14 Green Action outdoor environmental education activities

8.7.4 Green Action

GIGABYTE knows that atmospheric and maritime pollution are the most serious trans-border pollution issues in the world today. This is why we supported many global campaigns on important environmental protection days and also called upon the rest of the industry and general public to take part in caring about environmental protection. The following activities were supported by GIGABYTE :

1. Taoyuan County Government's tree planting event in the High Speed Rail district
2. 2011 Global million-tree planting project for Earth Day
3. Environmental Bureau, Taoyuan County Government's beach clean-up at Yong-an Fishing Harbor
4. Wazhiwei beach-clean up on World Oceans Day
5. Good Neighbors 917 Street Sweeping Event
6. "One person per tree, Yes, I can do" tree planting event



Figure 8-15 Green Action Plan's green activities - Tree planting and beach clean-ups

8.7.5 Green Ideas Collection and Voting

To make employees feel like they are making a contribution to the Green Action Plan, GIGABYTE hosted the "Green Ideas Collection and Voting Event" . Employees were invited to submit their green ideas in three categories : "Energy Conservation" , "Environment Protection" and "Green Products" . A popularity vote was then taken among all employees with the top five authors each receiving a notebook computer. Additional "Popularity" , "Creativity" and "Participation" awards were also set up. Employees that took part in the voting were also given fine gifts to encourage all employees to support going green. The results of the vote could also be used by GIGABYTE as a reference for future environmental protection measures and product design. Increasing employees' identification with each green idea may also inspire them to start from within and do their part for the environment.

The event was held between 5/11 ~ 6/30 and received 109 submissions. The submissions could be divided by type into "Environment Protection" (46 copies), "Energy Conservation" (34 copies) and "Green Products" (29 copies). Event announcements were liked more than 32, 888 times. Judging was handled by manager-level and higher executives with 20% of the score assigned for creativity, 30% for benefits, 30% for feasibility and 20% from the popular vote. Eventually the top 5 winners and 5 distinctions were presented with awards by the Chairman, Deputy Chairman and CFO to recognize employees for their contribution. The prizes were as follows :

Table 8-6 GIGABYTE Green Ideas winners' list

Place	Title	Award Description
1	Green Product Challenge	Extension of green creativity that can also be converted into an external competition or submitted for external green awards or certifications. This will in turn help the company enhance its green design concepts and standards.
2	RMA Packaging Makeover	RMA Packaging Makeover was developed by employees as a part of process improvements. The new packaging deserves praise and recognition for their improved capacity and reusability.
3	Change Street Lighting at Front Gate to Wind/Solar-Powered	Changing the street lights at the front gate to wind/solar-powered lighting delivers self-sufficient, energy-saving and carbon-reducing lighting. Other benefits include beautifying the environment and demonstration of green values.
4	Using Soy-based Ink with Packaging	GIGABYTE has previously introduced soy-based ink for printing colored boxes but these do not feature a logo for eco-friendly

		ink. GIGABYTE should consider adding this logo and expanding this to printing on other products such as PCB text. This will deliver increased environmental benefits for minimum product outlay so is well worth researching.
5	Green Packaging is Easy	Using plastic films or sleeves for the packaging while retaining a plain box exterior allows them to be reused by the consumer. This will also make future recycling easier and reduce environmental impact.
Distinction	Addition of Power Socket Switches of Office Partitions	Adding power switches for power sockets on office partitions will encourage employees to cultivate the habit of turning off the power when not in use, providing an effective and practical way of reducing carbon emissions.
Distinction	Free Mouse Pad with Mouse Purchases	Using a mouse pad as the packaging for a mouse is a very creative idea. By using environmentally friendly materials, waste can be reduced and recycling ratio increased.

Distinction	Change Emergent Exit Lights to LED	LED lights are more energy-efficient and have a long service life. Improved technology means the prices are coming down as well. Implementation can take the form of replacing broken conventional lamp sockets. This will reduce mercury pollution, improve environmental friendliness and save energy.
Distinction	Use FSC-certified Paper in the Office	This is a practical way of promoting the sustainable forest concept. It will not only protect the ecology but also reduce impact from environmental pollution and CO ₂ on GHG.
Distinction	Promote Vegetarianism	This creative and practical idea combines personal health and carbon reduction as vegetarianism is an excellent way of reducing carbon emissions. Vegetarian recipes can be posted online so everyone can fall in love with vegetarian cuisine.



Figure 8-16 GIGABYTE Chairman presenting the awards for the Green Ideas competition

8.8 Green Product Innovation

Continue to encourage employees to take part in green product innovation: GIGABYTE hopes that employees will take environmental considerations into account at the design stage to reduce and manage the product's environmental impact, protect the environment, reduce waste and conform to the requirements of green regulations. As green products are a market trend and a key part of sustainable corporate development, it is GIGABYTE's mission to continue developing green products and enhance our reputation as a green brand.



Figure 8-17 Green Product Innovation platform

Green Product Innovation Categories

- **Material (plastic) reduction** : Reduce the number of material types, modularization, reduce the number of parts and reduce the amount of plastic used. The goal is to reduce the total weight of the product.
- **Long-term usability** : Make the product easy to upgrade, sturdy, durable and safe. The goal is to extend the product's service life.
- **Resource recyclability** : Allow all product products to be recycled for reuse. Use compatible materials to improve the recycling ratio.
- **Ease of disassembly** : Simplify the mechanical structure and clearly label each product to improve recycling benefits. Design the mechanisms to be easy and quick to disassemble.

- **Environmental friendliness** : Choose environmentally-friendly materials for products. The materials must be non-toxic to the human body, avoid depleting the Earth's resources and not generate toxic substances.
- **Energy saving** : Improve the power and operational efficiency of the product. Examples include lowering the product's heat output to reduce carbon emissions.
- **Packaging materials** : Avoid using toxic packaging materials and making packaging more lightweight. All packaging improvements can be classified in this category.
- **Product system innovation** : Design innovative new products. Examples include an innovative product that combines the functionality of three devices in one.
- **Green production** : Increase production efficiency, reduce the consumption of energy and resources as well as reduce the amount of waste produced.
- **Smart energy saving applications** : Use smart energy-saving systems or programming solutions.

9. Other Sustainability

Indicators

9.1 Economy

- Compensation for members of the highest governance body and executives (GRI G3.1 [4.5]); Processes for evaluating the highest governance body's own performance (GRI G3.1 [4.10])

According to the 2011 GIGABYTE Annual Report, the compensation standards for the directors, supervisors, CEO and deputy CEO were as follows :

Description \ Title	Director and Supervisor Compensation	CEO and Deputy CEO Compensation
1.Compensation Policy	The company charter specifies that the compensation of company directors and supervisors is calculated as a proportion of the profit surplus distribution and may not exceed 3%.	Compensation is determined according to the company's compensation regulations, employee performance evaluation procedure and employee profit sharing regulations.

	Directors and supervisors are not entitled to any other compensation. Any additional allocations or changes must be approved by the shareholder's meeting.	
2.Criteria and Portfolio	Distribution is weighted according to duties and responsibilities of the directors and supervisors.	Base salary, living allowance, food allowance, duty allowances and travel allowance if no company car is provided.
3.Compensation Determination Procedure	The Board of Directors prepares the surplus profit distribution proposal and this is voted on at the shareholders' meeting.	Compensation is determined by education, work experience, performance and level of authority.
4.Linkage between business performance and future risks	Dependent on the company's business performance and profitability. Fulfill management and supervisory responsibilities by setting company policy and turning crisis into opportunity.	The compensation is determined according to the target completion rate, and each business unit's performance, profitability and contribution. The employee loyalty can be strengthened to realize the goal of profit/loss-sharing by both the employer and employee, so that they can face the risk environment together.

- **Government Financial Assistance (GRI G3.1 [EC4])**

GIGABYTE's main product is the mainboard and this is a key export product for Taiwan so we enjoy R&D tax credits and exemptions based on the Industrial Innovation Act. We have also applied for Technological Development Program grants from the Ministry of Economic Affairs for several R&D projects.

9.2 Environment

- **Natural Conservation (GRI G3.1 [EN11], [EN13], [EN14])**

GIGABYTE has operational and manufacturing sites in New Taipei City's Xindian District, Taoyuan's Pingzhen Township as well as Dongguan and Ningbo in China. The corporate headquarters in Xindian District is located within a mixed residential/commercial zone but it is used purely for business administration. There are therefore no production processes that may create noise or ecological problems. All other plants are located within government-planned industrial zones and all natural conservation-related matters have been evaluated by the government during the development of the industrial zone. All GIGABYTE plants obey local emission standards and there have been no violations reported since the start of operations. GIGABYTE believes in the importance of community relations and has assisted with local clean-up activities. We will continue to strive for the best interests of both the company and society in our future planning.

9.3 Society

- **Minimum Notice Period(s) Regarding Operational Changes (GRI G3.1 [LA5])**

According to the regulations in Taiwan, when there is a major changes of the business operation that may affect the interests of the employees, the required notice period will depend on the following circumstance.

Between 3 to 12 months of service : At least 10 days' notice

Between 1 ~ 3 years of service : At least 20 days' notice

Over 3 years of service : At least 30 days' notice

- **Total hours of employee training on policies concerning aspect of human rights and percentage of employees trained (GRI G3.1 [HR3])**

All new employees are made aware of the company rules upon arrival as well as employee benefits and rights. Training is provided to 100% of all new employees.

- **Percentage of security personnel trained in the policies concerning aspects of human rights (GRI G3.1 [HR8])**

GIGABYTE security personnel underwent 708 hours of training and nearly 50% of the training was related to human rights.

- **Percentage or number of operations that have been subject to human rights reviews and/or impact assessments (GRI G3.1 [HR10])**

The GIGABYTE Group's human rights policy is as described in 5.1.6. There were no specific human rights matters that required investigation in 2011.

- **Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities (GRI G3.1 [SO9], [SO10])**

GIGABYTE headquarters has no negative impacts on the local community. Apart from adopting roads and pedestrian overpasses, GIGABYTE also organizes joint community blood donation drives, winter charity and computer classes for senior citizens.

- **Violations of product and service information regulations (GRI G3.1 [PR3], [PR4], [PR7], [PR8], [PR9])**

There were no violations of product and service information regulations by GIGABYTE in 2011.

Appendix : GRI G3.1 Index

The "GIGABYTE 2011 Sustainability Report" was compiled using the Global Reporting Initiative G3.1 Guidelines (GRI G3.1) as a guide. The sections of the report that correspond to each indicator are as listed below.

	GRI Indicator	Corresponding Section in the Sustainability Report
1	Strategy and Analysis	
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	1
1.2	Description of key impacts, risks and opportunities	2.4
2	Organizational Profile	
2.1	Name of the organization	2
2.2	Primary brands, products and/or services	2.3
2.3	Operational structure of the organization	4
2.4	Location of organization's headquarters	2
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the	2.1

	report	
2.6	Nature of ownership and legal form	2.1
2.7	Markets served	2.2
2.8	Scale of the reporting organization	2.1
2.9	Significant changes during the reporting period regarding size, structure, or ownership	2.3, 2.4
2.10	Awards received in the reporting period	2.5
3	Report Parameters	
3.1	Reporting period	Inside cover
3.2	Date of most recent previous report	Inside cover
3.3	Reporting cycle	Inside cover
3.4	Contact point for questions regarding the report or its contents	Inside cover
3.5	Process of defining report content	3.1
3.6	Boundary of the report	Inside cover
3.7	State any specific limitations on the scope or boundary of the report	Inside cover
3.8	Joint ventures, subsidiaries, leased facilities and other entities that can significantly affect the organization	2.1
3.9	Data measurement techniques and the bases of calculations	Inside cover
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reason	Inside cover
3.11	Significant changes from previous reports	Inside cover

3.12	Table identifying the location of the Standard Disclosures in the report	GRI/G3.1 Index
3.13	External assurance of the report	Not applicable
4	Governance, Commitments and Engagement	
4.1	Governance structure of the organization	4
4.2	Indicate whether the chair of the highest governance body is also an executive officer	4.1
4.3	The number of members of the highest governance body that are independent and/or non-executive members	4.1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	2.7, 5.7
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	4.3
4.6	Processes in place for the highest governance body to ensure conflicts interest are avoided	4.4
4.7	Processes for determining the composition, qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economy,	4.1

	environment, and society	
4.8	Statement of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation.	4.2
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, and adherence or compliance with internationally agreed standards, codes of conduct and principles	4.2 · 4.4
4.10	Processes for evaluating the highest governance body's own performance	9.1
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	4.2
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	3.1, 5.1.4, 5.1.6, 7.5
4.13	Memberships in national/ international advocacy organizations	2.6
4.14	List of stakeholder groups	3.1
4.15	Basis for identification of stakeholders	3.2
4.16	Approaches to stakeholder	32

	engagement	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those	3.1
Economic Indicators		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	2.7, Annual Report, 7
EC2	Financial implications and other risks and opportunities due to climate change	4.2.3, 8.2
EC3	Coverage of the organization's defined benefit plan obligations	5.1~5.4
EC4	Significant financial assistance received from government	9.1
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operations	5.4
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	6
EC7	Procedures for local hiring and proportion of senior management	5.1

	hired from the local community at locations of significant operation	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	7
Environmental Indicators		
EN1	Materials used by weight	8.4.2
EN2	Percentage of recycled materials used	Not disclosed
EN3	Direct energy consumption by primary source	8.5.4
EN4	Indirect energy consumption by primary source	8.5.4
EN5	Energy saved due to conservation and efficiency improvements	8.5.4
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions achieved	Not applicable
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	8.2.2
EN8	Total water withdrawal by source	8.5.2
EN9	Water sources significantly affected by withdrawal of water	No significant effect
EN10	Percentage and total volume of water recycled and reused	8.5.2
EN11	Location and size of land adjacent to areas of high biodiversity value	9.2
EN12	Significant impacts of activities,	No significant effect

	products, and services on protected areas and other areas of high biodiversity value	
EN13	Habitats protected or restored	9.2
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	9.2
EN15	Impact on protected species affected by operations	No significant effect
EN16	Total direct and indirect greenhouse gas emissions	8.2.2
EN17	Other relevant indirect greenhouse gas emissions	8.2.2
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	8.2.1
EN19	Emissions of ozone-depleting substances	8.5.1
EN20	NO _x , SO _x and other significant air emissions	8.5.1
EN21	Total water discharge by quality and destination	8.5.2
EN22	Total weight of waste by type and disposal method	8.5.3
EN23	Total number and volume of significant spills	GIGABYTE Group experienced no major spills in 2011
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel	8.5.3

	Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	
EN25	Significant impact on the ecological environment by discharges of water and runoff from the reporting organization	9.2
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	8.2
EN27	Percentage of products sold and their packaging materials that are reclaimed	8.4.2 · 8.4.4
EN28	Significant fines and total number of sanctions for non-compliance with environmental laws	There were no violations of environmental laws by the GIGABYTE Group in 2011
EN29	Significant environmental impacts of transporting products and transporting members of the workforce	No significant effect
Labor Practices and Decent Work		
LA1	Total workforce by employment type, employment contract, and region	5.1
LA2	Total number and rate of new employee hires and turnover by age group, gender and region	5.1
LA3	Benefits that are only provided to full-time employees by significant locations of operation	5.2~5.6

LA4	Percentage of employees covered by collective bargaining agreements	Not disclosed
LA5	Minimum notice period(s) regarding operational changes	9.3
LA6	Percentage of total workforce represented in formal health and safety committees	8.6.2
LA7	Rates of injury, occupational disease, lost days, and absenteeism, and number of work-related fatalities by region	8.6.2
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	8.6.3
LA9	Health and safety topics covered in formal agreements with trade unions	5.2
LA10	Average hours of training per year per employee by category	5.2.1
LA11	Professional training programs	5.1.5
LA12	Percentage of employees receiving regular performance and career development reviews	5.1
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of	5.1

	diversity	
LA14	Ratio of basic salary and remuneration of women to men by category	5.1.2
Human Rights Indicators		
HR1	Percentage and total number of significant investment agreements that include clauses incorporating human rights concerns	5.1.6
HR2	Percentage of significant suppliers and contractors that have undergone human rights screening, and actions taken	5.1.6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	9.3
HR4	Total number of incidents of discrimination and corrective actions taken	5.1.6
HR5	Operations where the right to exercise freedom of association and collective bargaining have been identified to be at significant risk, and actions taken to support these rights	5.3
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective	5.1.4

	abolition of child labor	
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	5.1.6
HR8	Percentage of security personnel trained in the organization's human rights policies and procedures relevant to operations	9.3
HR9	Total number of incidents of violations involving rights of indigenous people	5.8
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments at site of operations	9.3
HR11	Number of grievances related to human rights filed, addressed and resolved	5.8
Social Indicators		
SO1	Percentage of operations with implemented local community engagement, impact assessments (including in and out of the community and operations), and development programs	7.2
SO2	Percentage and total number of business units analyzed for risks related	4.2

	to corruption	
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures	4.2
SO4	Actions taken in response to incidents of corruption	4.2
SO5	Public policy positions and participation in public policy development and lobbying	4.6
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	4.6
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	4.1
SO8	Gross monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	5.8
SO9	Operations with significant potential or actual negative impacts on local communities	9.3
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	9.3

Product Responsibility Indicators		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	8.4
PR2	Incidents of non-compliance with health and safety-related regulations on products and services	There were no incidents of non-compliance on health and safety-related regulations on products and services by the GIGABYTE Group in 2011
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	9.3
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome	9.3
PR5	Practices related to customer satisfaction, including results of surveys	6.7

	measuring customer satisfaction	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Not disclosed
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	9.3
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	9.3

GIGABYTE™