

GIGABYTE™



GIGABYTE 2017 Corporate Social Responsibility Report



About the Report

GIGABYTE has published its corporate social responsibility report annually since 2010 and this is the 8th year. We uphold the belief of “care for the society and fulfill our duty” to promote corporate sustainable development continuously and to reach the major goal of economic, social and environmental three levels of triple bottom line. Through this report, we reported to the stakeholders an overview of business operation, corporate governance, employee relation, business ethics, social care and environmental protection of GIGABYTE. We expect to let the stakeholders understand our achievements in sustainable development through this report.



Reporting Principles and Reference Guiding

The report follows the GRI standard: It has opted for the core in accordance option and Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies. The report also takes reference from the UN's Sustainable Development Goals and other international guidelines to disclose GIGABYTE's commitments, strategies and implementations for corporation sustainable development during the time in the report.



Reporting Boundaries

This report covers the sustainable development performance from January to December in 2017 in global operational bases of GIGABYTE, including the Headquarters, Taoyuan Nanping plant, China Dongguan plant, China Ningbo plant (named GIGABYTE below) and influential subsidiary in Taiwan (G-STYLE LTD) Note.

The financial data validation disclosed in the report is the consolidated financial report information of GIGABYTE and its subsidiaries (the detailed disclosing scope please refer to 2017 GIGABYTE annual report <http://www.gigabyte.tw/Investor>). The conduction of greenhouse gas emission inventory and decrement data cover the operational Headquarters (not include Silicon Valley office), Taoyuan Nanping plant, China Dongguan plant and China Ningbo plant. The disclosure scope of other sustainability indicators are described in the report.

Note: Due to the adjustment of the operation strategy in 2017, we terminated the business of GIGABYTE Communications and GIGAZONE international. Therefore, the information of the 2 subsidiaries will not be included in the report from this year.



Issue

GIGABYTE issues the CSR report on an exclusive sustainable development website (<http://csr.gigabyte.tw/>) every year regularly. We also extract key points in the report and put them on the website, hoping the stakeholders caring for us can realize our efforts on CSR through all channels.

Issue time: June 2018

Last Issue time: June 2017

Next Issue time: June 2019 (scheduled)



Page	Chapter	Before Adjustment	After Adjustment	Reason
81	4.2.3 CDP score	2011 CDP disclosure score 57 2012 CDP disclosure score 79	2011 CDP disclosure score 59 2012 CDP disclosure score 76	Misplaced data
88	4.3.4 Carbon footprint of AORUS notebooks	X3 Line -194.28 X5 Line -265.58 X7 Line -321.86	X3 Line -213.22 X5 Line -282.06 X7 Line -335.78	Amendment of the carbon emission factors
88	4.3.4 Carbon footprint of GIGABYTE notebooks	AERO Line -157.29 P25 Line -266.77 P34 Line -206.82 P35 Line -252.25 P37 Line -258.75 P55 Line -209.10 P57 Line -278.96 U Line -171.67	AERO Line -166.22 P25 Line -274.51 P34 Line -211.53 P35 Line -258.65 P37 Line -265.45 P55 Line -215.02 P57 Line -289.92 U Line -173.82	Amendment of the carbon emission factors
132	5.3.4 Corporate volunteer - GIGABYTE Go Green Club	Accumulated walking mileage per person 218.33 km	Accumulated walking mileage per person 224.63 km	Misplaced data
147	147 Special Edition of SROI	Evaluative: Social impact -55% Company impact -27%	Evaluative: Social impact -27% Company impact -55%	Misplaced data



Data Quality Management

- Finance Data: Using finance report audited by the CPA
- Organizational greenhouse gas inventory (ISO 14064-1: 2006): SGS Taiwan
- Quality Management (ISO 9001: 2015): SGS Taiwan
- Environment Management (ISO 14001: 2015): SGS Taiwan
- Job Safety and Health Management (OHSAS 18001: 2007): SGS Taiwan

Feedback

If you have any question or suggestion for the contents of the report, please feel free to contact us. Thanks.

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Allege Use of Picture from UN's Sustainable Development Goals

Pictures of the UN's Sustainable Development Goals used in the report were downloaded from the publicizing materials of UN's Sustainable Development website <http://www.un.org/sustainabledevelopment/zh/news/communications-material/>



From the Chairman

To all friends of GIGABYTE:

GIGABYTE celebrated 30th anniversary last year. Looking back on our operation in the past, we conquered many challenges and created many events that GIGABYTE is proud of. In the process of getting to sustainable operation, GIGABYTE realizes deeply that the larger the Company's operation scale is, the stronger our influence and responsibility on the society are. "Upgrade Your Life" is the goal that we keep pondering and working hard to realize. We not only focus on our own field, but also are active on creating sustainable value on the economy, environment and society.

Making changes and leading the industry

With our extraordinary research and development capacity, and the originality and segmentation of the products, we successfully stood out in the market in the past. In addition to satisfying consumers' expectations, we also created good profits for the investors. However, 2017 was a year full of challenges. With the recent market demand slowing down, the market competition status became fiercer. Faced with the market demand change and the challenge of the IOT and AI development, we made some bold changes and repositioned the operation direction and integrate the resources in the Group. Besides developing high efficiency, high quality and high endurance for our brand, we also brought in the elements of gaming by launching a gaming brand "AORUS". As for the provisioning of the network communications products, we also successfully developed an all in one server for business and industrial use, creating a new AI solution. We will continue to focus on the efficiency and value of our products in the future to create a fine digital experience for the consumers and the clients and become the most advantaged leading brand in the gaming and industry market.

Combining the UN SDGs to explore the new value of sustainability

As a member of the global village, we not only have to provide products with high quality and high value for the consumers, but also are responsible for the mission and obligation of protecting the world. In 2017, we continued to carry out the "Reduction, Sharing, Love the Planet" on the basis of the Green Action Plan 2.0. We further combined the UN Sustainable Development Goals to show our philosophy and values are in line with the goals of responsible consumption and production, climate action, sustainable cities and communities, and quality education. In terms of our products, the carbon footprint calculation system was officially launched and available for all products in the Group. Carbon emission is taken into consideration from the design stage of a product. We also successfully applied the eco-friendly packaging materials 100% made of rice husk to AORUS X7 and X9 gaming notebooks, setting an important milestone for our environmentally and socially friendly goals of zero carbon and zero waste. In terms of the environmental protection, based on our concept to build G-HOME "returning trees to the earth", we cooperated with the Plant-for-the-Planet Foundation authorized by the UNEP to initiate the "Make Earth Green Again" project. The project will continue for at least 3 years, and be implemented together with consumers, suppliers, students and all other partners who concern about the earth. As for the social facet, G-HOME acquired the certificate of Environmental Education Facility and Field from the Environmental Protection Administration. As the first environmental education facility on a rooftop, GIGABYTE's G-HOME eco-roof continues to spread positive influence. In addition, we held the first friendly product design contest, "Reduction. Sharing. Love the Planet", in the hope of fostering and encouraging college students to show their sustainable philosophy, creativity and inspiration to design work that is friendly to the consumers, environment and society.



A journey of a thousand miles begins with a single step


We blend the philosophy of sustainability with our operation, which enables our efforts on the way to sustainable development to be acknowledged by lots of awards. In 2017, we were honored with the 13th CSR Award - Model of Electronics Technology Industry of Global Views Monthly, Climate Leadership Award, Golden Award of the TOP50 Corporate Sustainability Report, and TOP50 Taiwan Corporate Sustainability of the Taiwan Corporate Sustainability Awards (TCSA), as well as the SGS Environmental Performance Management Model Award. These are all our strong supports during the process of sustainable development and also become the strength for us to store more sustainable vigor.

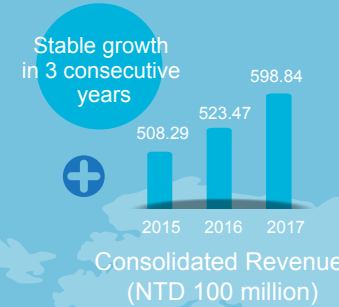
We make a united effort with the value chain to share the value through product innovation, uniting partners to put into the action to mitigate and adapt to climate change, and deep cultivation of sustainability and environment education. We also created our own sustainable culture and value. However, this will not be the end of our sustainable operation; instead, it is just the beginning. We will continue to spread our influence step by step with a humble attitude. "Upgrade your life" will not only be the self-motivate and self-demanding of GIGABYTE, but also be the drive to arouse the sense of mission in our minds.

Chairman

A handwritten signature in black ink, appearing to read "Pai. sh. 4L". The signature is written in a cursive, flowing style.

2017 Sustainable Performance Highlights

 The net consolidated revenue is **NTD59.884** billion, which has a **14.4%** growth compared to last year.

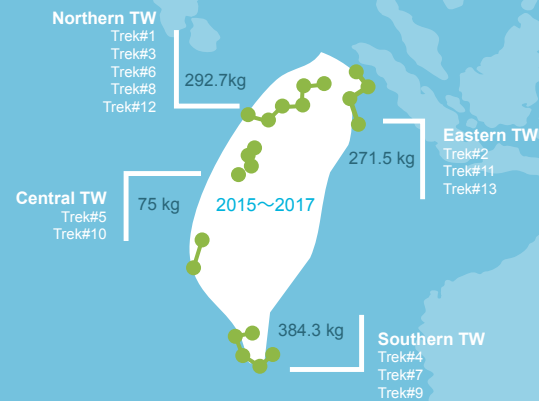


 We have **165** new patent applications this year, and **2,180** accumulated patents in total.

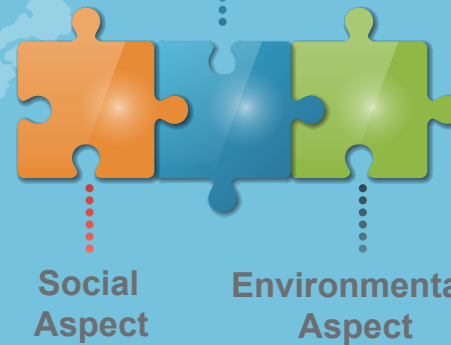
 Zero Occupational Injury in Taiwan Plant and Dongguan Plant in China.


 G-HOME Sustainable Eco-roof **1: 6.4**
 Thousand Mile Trek - Go Green Taiwan **1: 4.3**

 Corporate volunteer - Go Green Club traveling around Taiwan by foot and picking up trash accumulated
 **10,982** hours of voluntary service.



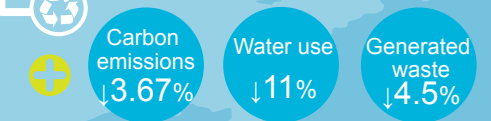
Corporate Governance and Economic Aspect



 Responding to the UNEP's Billion Tree Campaign to plant at least **75,000** trees in 3 years.




 The 333 Reduction Plan is achieved. Compared to last year:



 The Carbon Footprint Calculation System was officially launched.



 CDP supply chain project received Level B (Performance Level) for 2 consecutive years, which was higher than the average performance (D).



 Holding the first Plant-for-the-Planet Academy in Taiwan. Training **37** children to become first Taiwanese Climate Justice Ambassadors approved by the Plant-for-the-Planet Foundation.

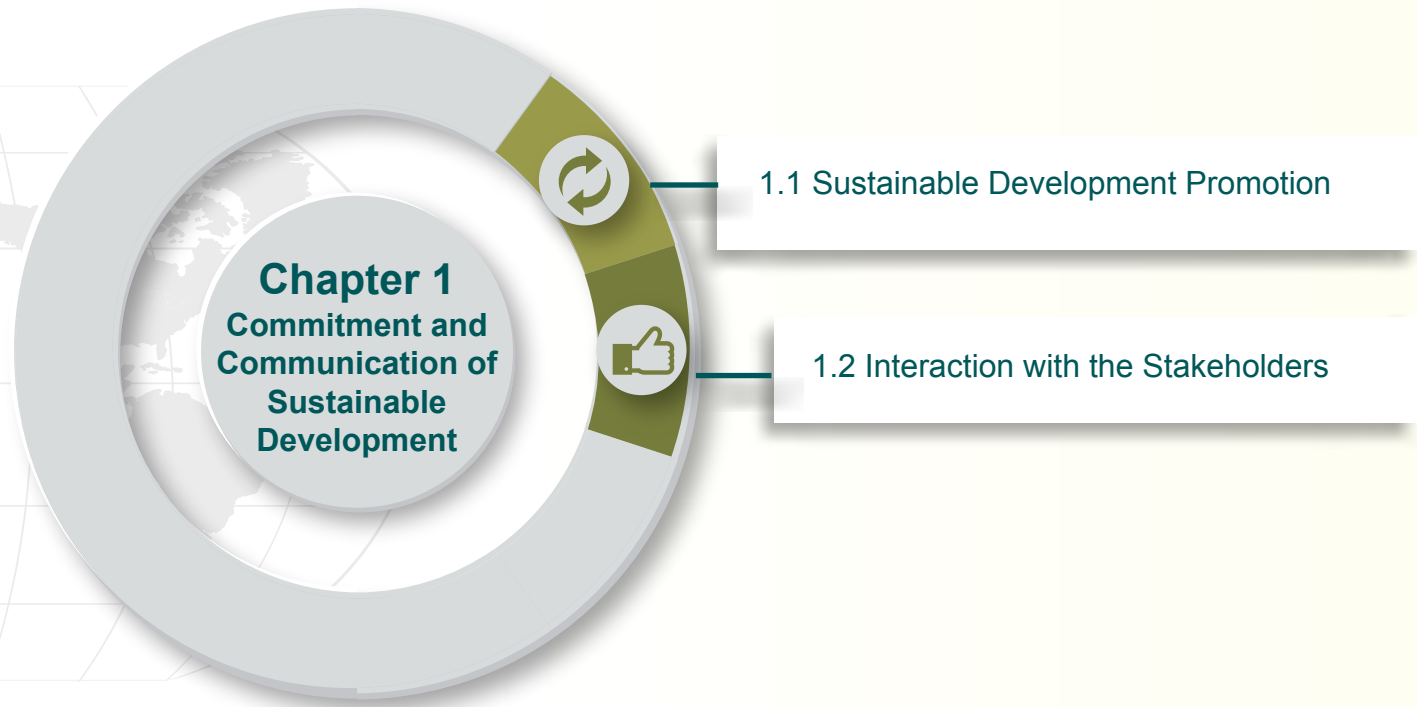


2017 Award of GIGABYTE



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Chapter 1
Commitment and
Communication of
Sustainable
Development

1.1 Sustainable Development Promotion

1.2 Interaction with the Stakeholders

The visions for GIGABYTE to promote sustainable development start from our corporate philosophy “Upgrade Your Life”. Then we proceed with the operational, product, environmental and social aspects to establish 4 promotion directions of sustainable development strategies. With the extraordinary research, development, and creativity, we developed the low-carbon technology to make GIGABYTE’s friendly products, service and the caring heart for the society actively create sustainable value for the environment and the society, reaching mutual benefits and common interests. After the establishment of the UN Sustainable Development Goals in 2015, we reconsider our promotion on sustainable development and our global influence. Therefore, from the 17 objectives of sustainable development, we link 6 goals and 2 voluntary responded goals that have higher relevance and bigger influence on GIGABYTE’s operation. We also combine them with our promotion direction of sustainable strategies in the hope of expanding our horizons and ambition when promoting relative projects and conducts in the future. We hope to promote more conducts that have prospective meaning and influence on the society.





1.1 Sustainable Development Promotion

Promotion Strategy and Goal of Sustainable Development

■ From Culture Construction to Philosophy Realization - Continue Deep Cultivation by Green Action Plan 2.0

The emergence of sustainability awareness and the implementation of environmental protection is a series of actions with scope and depth. We think employees can only perform the influence on their job position with the internal culture constructed first. Since every little helps a mickle, GIGABYTE will achieve the sustainable value this way. GIGABYTE launched the "Green Action Plan" in 2009. Apart from the focus on energy conservation, carbon reduction and environmental protection, sustainability and environmental awareness were also cultivated among all employees through a series of activities. These covered knowledge, attitude and skills as well as work and everyday life to gradually make sustainability concepts a part in the employees' minds. We also successfully accomplished the stage target.

Based on the outcome at the first stage of the Green Action Plan, we officially entered into the "Green Action Plan 2.0" in 2016, which was also divided into 3 stages. The first stage starts from 2016 to 2018, the second from 2019 to 2022 and the third will start from 2022. The vision of the first stage is "Core Concept Spreading and Value Sharing". From the sustainability transformation focused on ourselves in the past, we expand to the concept transmission externally and the realization of industrial sustainability. We hope to achieve the goal of "Reduction. Sharing. Love the Planet" in the aspect of the value chain and contribute together with the consumers, suppliers and the public to progress in all three aspects of the environment, economy and society, sharing the sustainability value together.

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GIGABYTE's Promotion Directions of Sustainable Development Strategies





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Outcomes and Future Prospects of Green Action Plan

Green Action Plan 2009 - 2015					
Begin with the Heart Opening the Gate of Sustainability	<ul style="list-style-type: none"> •Publishing CSR (sustainability) reports annually since 2010 to enhance communication bridge with stakeholders •Conducting inventory and reduction of scope 1 to 3 greenhouse gas. Emissions has been reduced by 39.83%compared to the level of 2009 •Holding 130 sustainability forums and activities to strengthen employees' recognition of sustainable development and related issues •Constructing the G-HOME Sustainable Eco-Roof to build a working environment that stays in harmony with the earth •Completing development of the green cloud platform, building GIGABYTE's sustainable supply chain •Establishing the GIGABYTE Go Green Club, initiating voluntarily the Thousand Mile Trek - Go Green Taiwan and having picked up 94.2 kg in 2015 •Setting up GIGABYTE Corporate Code of Conduct to construct the ethical concepts of the employees 				
	Green Action Plan 2.0 1st stage 2016 - 2018				
Concept Transmission Reduction Sharing Love the Planet	Target	Achieving Rate	Major Outcomes in 2017	Way of Continuances	Chapter in the Report
	Energy saving and emission reduction, water conservation, plastic reduction and waste decrease	●	<ul style="list-style-type: none"> V Internal information collection of the 333 Reduction Plan and reduction strategies draft V Continuing the carbon reduction projects and reducing 3.68% of carbon emissions compared to last year V Importing RFP environmentally friendly materials on products and reducing 32.5% of carbon emissions on raw materials 	<ul style="list-style-type: none"> →Continuing the promotion the 333 Reduction Plan →Continuing promoting the carbon reduction projects to actively achieve the carbon reduction target of 2030 →Expanding the application of the RFP environmentally friendly materials to reduce the plastic use on products 	Chapter 4 Environmental Aspect
	Promoting the sharing values of sustainable supply chain	●	<ul style="list-style-type: none"> V Expanding inventory scope of the conflict mineral survey, increasing 79.2% of the inventory rate compared to last year V Continuing calling for cooperation partners of sustainable supply chain initiative 	<ul style="list-style-type: none"> →Cooperating with the suppliers on the 333 Reduction Plan →Convening the supplier conference and sharing the practical experiences of sustainability →Having control over the locations and list of mineral smelting on all products 	3.3 Supplier Risk Management
	Realizing and deepening sustainability education	●	<ul style="list-style-type: none"> V Environmental Education Facility And Field from the Environmental Protection Administration Executive Yuan V Holding the first Plant-for-the-Planet Academy in Taiwan and cultivating 37 Climate Justice Ambassadors V Holding the friendly product design contest to spread the philosophy of friendly products 	<ul style="list-style-type: none"> →Continuing the promotion of the environmental education courses and boosting the educational meaning of G-HOME visiting →Continuing to hold the Plant-for-the-Planet Academy →Continuing to hold the friendly product design contest 	Chapter 4 Environmental Aspect Chapter 5 Social Aspect
Green Action Plan 2.0 2nd stage 2019 - 2022					
Friendly/ High-efficiency Social Enterprise	Developing high value and high quality products with innovative technology. Continuing boosting the efficiency of energy use and reducing environmental burden. Power that changes the world - dream, poverty free and the new world.				
Green Action Plan 2.0 3rd stage 2022 and go on					
Upgrade Your Life	Overall going green in the Company and targeting low-carbon, zero waste and pollution. A friendly environment and society to share the economic benefits together. A green innovation that pursues the target of 100% of friendly products.				

「●」 not implemented ; 「●」 in the process ; 「●」 stage target completed



■ Combining UN Sustainable Development Goals to Extend the Influence of Sustainability

The United Nations issued 17 Sustainable Development Goals (SDGs) and 169 targets in 2015. The SDGs not only set out the global development vision and goals for 2030 but also urged governments of individual countries and corporations to be more active when faced with global environmental and social problems.

As a computer hardware producer, GIGABYTE naturally has its own responsibility for the society and influence on it. We play an important

role on the issues of responsible consumption and production, and climate change during the operation. Besides, we provide the power for the employment and economy to grow. To understand more about our contribution and influence on SDGs, we considered the operational relevance in the aspect of the value chain. In 2017, we included our influence on the 17 SDGs and generalized 6 goals and 2 voluntary goals that had high relevance with operation and larger influence to reposition our sustainable influence.

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	Responsible Consumption and Production Linking particular targets 12.2, 12.4, 12.5, 12.6 and 12.8	Responding Chapter in the Report 3.3 Supply Chain Risk Management Chapter 4 Environmental Aspect
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Global Challenge

- According to the research of the United Nations University in 2017, there were 44.7 million tons of electronics wastes generated around the globe in 2016. It also predicted that there would be 52.2 million tons of electronic waste in 2021, causing huge environmental burden on the earth. However, there are only 20% of the waste being properly processed and recycled.
- The global population has reached 7.4 billion. With the growth of population, urbanization and economy, the need for natural resources will accelerate and lead to resources shortage.

Concrete Action

- Requesting all suppliers to comply with GIGABYTE's hazardous substance control regulation, in which 34 chemical substances have been listed.
- Introducing the product life cycle assessment system to analyze the carbon discharge and recycle use efficiency of raw materials.
- Holding sustainability seminars and professional education training to enhance the employees' practical application.
- Implementing the 333 Reduction Plan to urge continuous decrease on resource consumption of organization operation and product design.
- Publishing CSR (sustainability) report annually. We have published 8 reports.

	Decent Work and Economic Growth Linking particular targets 8.2, 8.4, 8.5, 8.7 and 8.8	Responding Chapter in the Report 2.1 Current Status and Development of GIGABYTE Chapter 5 Social Aspect
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Global Challenge

- There are 2.3 million people dying from their jobs around the world, 2 million of whom have occupational disease and the rest have occupational injury.
- The global unemployment rate is 5.7% in 2016 and unemployed youth became a global problem.
- Even though people have gradually focused on the child labor problem, there still are 168 million of child labors around the world and more than half of them still engage in dangerous jobs.
- The increase on global labor productivity is mostly lower than the status before the financial crisis.

Concrete Action

- Taking 3% of the operating revenue for the research and development of new technology and product regularly every year.
- Using the Responsible Business Alliance (original being EICC) to be the basic requirement of labor rights review. We also combined the OHSAS 18001, ISO 14001 management system to carry out the labor human rights, safety and healthcare responsibility to build a happy working environment.
- Actively protecting the working rights of the disadvantaged, hiring more people with disabilities than the laws and regulations require.

	Climate Action Linking particular targets 13.2 and 13.3	Responding Chapter in the Report 4.2 Climate Change Mitigation and Adaptation Make Earth Green Again
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Global Challenge

- The Paris Agreement became officially effective in 2016. However, there still are many unsolved problems on the agreement of the 2°C goal globally.
- The frequent occurrence of extreme climate events globally has influenced more than millions of people.
- Poverty, unbalanced regional development, environmental degradation and urban plan divide intensify the risk of climate disasters.

Concrete Action

- Analyzing risks and opportunities of climate change through legal aspect, operational aspect and product aspect. We also include the greenhouse gas inventory (scope 1 to 3) into the annual regular implementing projects to control the greenhouse gas emission status.
- Establishing the goal to reduce 50% of carbon emissions by 2030 to urge the organization to actively contribute to emission reduction.
- Responding to UNEP's Billion Tree Campaign, cooperating with the German Plant-for-the-Planet Foundation, and initiating the "Make Earth Green Again" project. In the project, we planned to perform a tree planting plan for 3 years and climate education promotion for children together with our consumers and partners.

	Good Health and Well-being Linking particular targets 3.4, 3.8 and 3.9	Responding Chapter in the Report 4.3 Environmentally Friendly Products 5.2 Healthy and Happy Workplace
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Global Challenge

- Family and environmental air pollutions are major environmental risks that endanger human's health. In the next 20 years, non-contagious diseases such as cardiovascular disease, diabetes, respiratory disease and cancer will cost more than US\$ 30 trillion (equal to 48% of the global GDP), causing millions of people living in poverty.
- There are about 300 million people suffering from depression and relative diseases around the globe.

Concrete Action

- With the philosophy of lessening the burden on the environment, we actively research and develop eco-friendly products through the hazardous substance control regulation and resource reduction.
- Providing employees with complete insurance plan and actively hold mental and physical health promotion activities such as healthcare forums, doctor's consultation, exercise events and employees caring platform.



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	<p>Sustainability Cities and Communities</p> <p>Linking particular targets 11.6 and 11.7</p>	<p>Responding Chapter in the Report 4.5 G-HOME Sustainable Eco-Roof</p>
Global Challenge		
<ul style="list-style-type: none"> • An important trend in the 21st century is that population will centralize toward cities. According to the prediction, there will be 2/3 of people living in the cities by 2050. • Air pollution and waste are important environmental issues in the cities. 78% of the cities' air quality does not meet the requirement of the WHO, and it will cause global health hazard. • Cities also play important roles on the climate change issue since 70% of greenhouse gas emissions are from urban activities. 		
Concrete Action		
<ul style="list-style-type: none"> • With the ideas of low-maintenance, ecological design and boosting multiple benefits of resources, we constructed the G-HOME GIGABYTE Sustainable Eco-Roof. • Actively promoting the concept of roof-greening to extend urban greenways. 		

	<p>Life below Water</p> <p>Linking particular target 14.1</p>	<p>Responding Chapter in the Report 4.3 Environmentally Friendly Products 5.3 Social Participation</p>
Global Challenge		
<ul style="list-style-type: none"> • 80 to 90% of the marine pollution comes from activities on the land, such as improper pollution and trash treatment. • The microbeads pollution in the sea is severe. It is predicted that the plastic in the sea will surpass the amount of fish by 2050. 		
Concrete Action (Voluntary Response)		
<ul style="list-style-type: none"> • Importing the environmentally friendly packaging design to reduce use of plastic on the products. • The Go Green Club organized the "Thousand Mile Trek - Go Green Taiwan" to travel around Taiwan on foot and pick up trash, responding to the pollution problem of marine trash. • Organizing internal and external promotion activities promoting the idea of sea protection with the topic of "plastic reduction". 		

	<p>Quality Education</p> <p>Linking particular targets 4.4, 4.5 and 4.7</p>	<p>Responding Chapter in the Report 5.1 Human Resources Management 5.3 Social Participation 4.4 Foster Internal Environmental Protection Culture</p>
Global Challenge		
<ul style="list-style-type: none"> • There are approximately 796 million people being illiterate, and 59 million people do not have the chance for basic education. • The division of technology and knowledge is one of the reasons that lead to the economic development and employment gap between countries and regions. 		
Concrete Action		
<ul style="list-style-type: none"> • Establishing training and development plan for the employees with 3 main schemes, job function training, professional training and self-development. • Organizing technology education activities such as digital love and computer learning to minimize the digital division between cities and counties and between different ages. • Actively promoting citizen environmental education through organizing the Plant-for-the-Planet Academy and making G-HOME an environmental education facility and field. 		

	<p>Life on Land</p> <p>Linking particular target 15.5</p>	<p>Responding Chapter in the Report Make Earth Green Again 4.4 Foster Internal Environmental Protection Culture 4.5 G-HOME Sustainable Eco-Roof</p>
Global Challenge		
<ul style="list-style-type: none"> • Terrestrial ecology has close relation to all kind of issues. For example, the loss of bio-diversity due to deforestation. It also affects climate change. • Land desertification and degradation impact more than half of the global agricultural land, causing it to disappear with the speed of 12 million hectares per year which will affect 74% of the poverty population around the globe. • The forest area in the world continues to decrease. Sub-Saharan Africa, Latin America and the Caribbean Sea Area have the most severe problems. 		
Concrete Action (Voluntary Response)		
<ul style="list-style-type: none"> • Responding to UNEP's Billion Tree Campaign, cooperating with German Plant-for-the-Planet Foundation, to establish the "Make Earth Green Again" project. In the project, we planned to perform a tree planting plan in Mexico for 3 years together with the consumers and cooperation partners. • Holding working holiday activities and responding to the Taiwanese leopard cat protection for 3 years consecutively. • Importing urban bee-keeping to spread the ecological value of G-HOME and be concerned about the issue of bee disappearance. 		

Note: The global statistic data are from 2016 PWC Navigating the SDGs, 2017 UN Sustainable Development Goals Report, and 2017 UNU The Global E-waste Monitor.



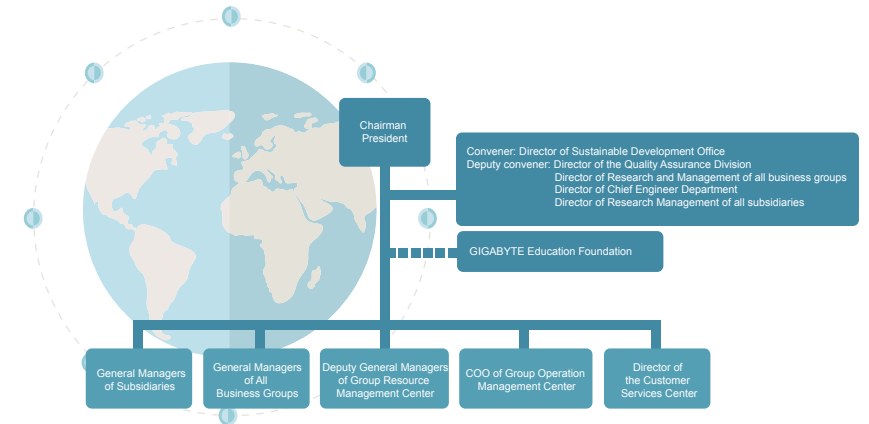
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Organization for Promotion of Sustainable Development

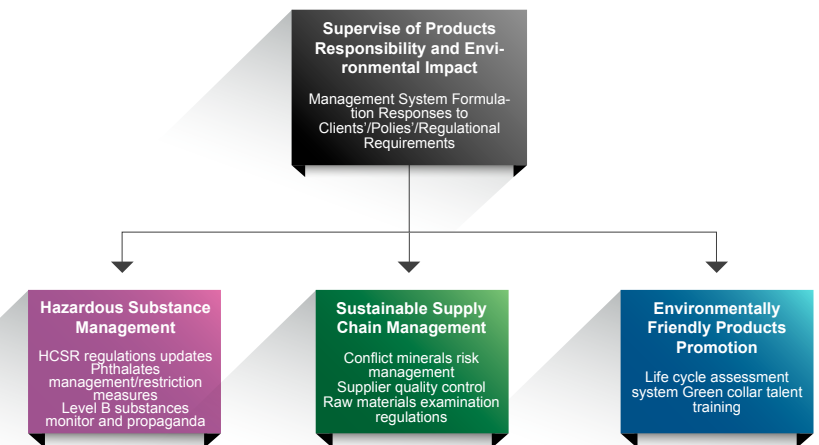
The “Green Sustainable Development Committee” is the decision making and operational organization on the promotion of sustainable development affairs in GIGABYTE. The Chairman, Dandy Yeh, serves as the chairperson, and the Director of the Sustainable Development Office serves as the convener. Cross-BU, cross-site and cross-subsidiary meetings are convened every month. Organizational representatives also continuously communicate with and collect feedback from stakeholders as part of routine operations, and they grasp the strategic pace of the global market and the impact of the domestic and international environmental laws to ensure proper management of stakeholder issues. The conclusions and messages from the monthly meetings are regularly reported to the Office of the President during the joint monthly report. The information helps the management team track GIGABYTE's progress on its commitment to sustainable development and implementation of CSR policies.

In addition, the boards of directors are regularly reported with the implementation of the sustainable development strategies of the current year and the plan budget for promotion in the next year every year. These are all for urging CSR to be part of our operational strategy, leading GIGABYTE to promote green sustainable development measures and keeping up with the times.

Organizational Structure of Green Sustainable Development Committee



2017 Concerned Issues by Green Sustainable Development Committee





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1.2 Interaction with the Stakeholders

Management Mechanism with the Stakeholders

The requirements and opinions of the stakeholders are important references for us to establish sustainable development strategies and relative project promotion. Effective communication with the stakeholders is an important part on the Company's way to sustainable development and the foundation stone to carry out sustainable development.

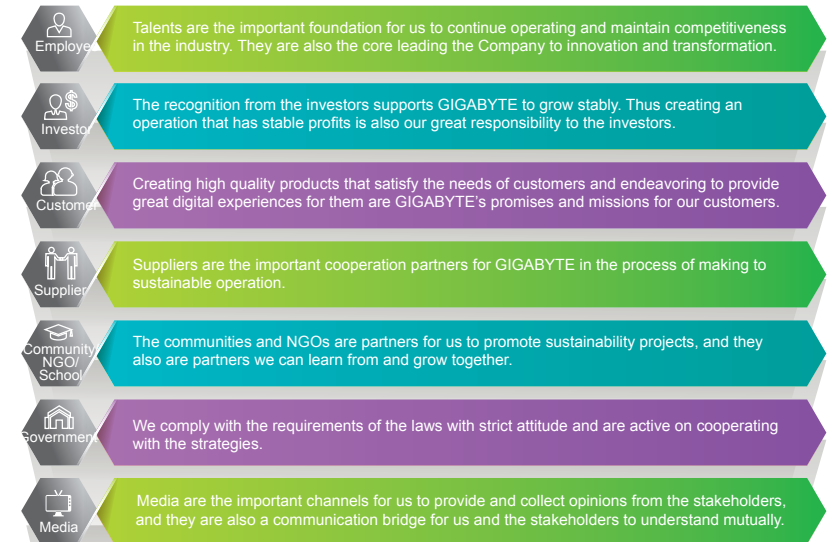
GIGABYTE concerns very much about the stakeholders' requirements and expectation on our sustainable development information. We thus establish a management mechanism with the stakeholders to be the reference for us to disclose sustainable development information. We respond to the stakeholders' expectation and suggestions through CSR reports, the official CSR website, press releases, and social media like fan group to reach mutual communication.



Identification and Communication with the Stakeholders

GIGABYTE's stakeholders are internal or external organizations and individuals that influence or are influenced by the Company. We took reference from the AA1000SES Stakeholder Engagement Standard to identify 7 categories of stakeholders according to the attributes of dependency, responsibility, influence, diverse perspectives and tension, and proceed to discussions with the Sustainable Development Office.

GIGABYTE's Stakeholders





We think that we have different responsibilities for different types of stakeholder, thus we communicate with them through various ways and channels, hoping the stakeholders can realize our sincerity and determination to fulfill sustainable development. Besides having built diverse communication channels for the stakeholders, we establish a

“Stakeholders” page (<http://www.gigabyte.com/CSR/74>) on our website to take in all kinds of opinions. Stakeholders can use their own exclusive complaint and communication channels to exchange opinions and communicate with us.

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Communication Chart between GIGABYTE and Its Stakeholders





Identified Topics and Materiality Analysis

To effectively understand the topics the stakeholders are concerned with, we categorize sustainability issues from international sustainable development trends, the GRI Standard and the sustainability topics analyzed by domestic and international competitors. Using materiality analysis method, we analyzed the sustainable development topics that had larger influence to us and concern our stakeholders to become the major disclosed information in the annual report this year. A total of 15 major topics are selected.



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2017 Sustainability Topics Adjustment

To enhance the effectiveness and the reasonableness of the materiality analysis, we have adjusted and merged the 40 sustainability topics identified last year into 26 topics this year.

Category	Original Sustainability Topic	Sustainability Topic after Adjustment
Operational Management	Ethics and Integrity	GIGABYTE operates on the basis of ethics and integrity, and we also integrate ethics and integrity into the corporation's code of conduct. Therefore, we merge the 2 highly related topics into "Ethics and Code of Conduct".
	Corporation's Code of Conduct	
	Operating Strategy and Overview	Operating strategy and overview is our basic disclosed information every year, thus are excluded from the scope of sustainability topics.
	Communication with Stakeholders	To better understand the stakeholders' evaluation toward each communication channel, we enlarge the topic to be "Communication with Stakeholders and Complaint Mechanism".
	Information Disclosure	We think information disclosure and the participating the initiatives and the international organizations are basic literacy for a business on the way to sustainable operation.
Participation in Initiatives and International Organizations		
Economy	Financial Performance	Financial performance and industry competitive advantage are highly relevant. To increase the effectiveness and the reasonableness of the materiality analysis, we merged the 2 topics into "Financial Performance".
	Industry Competitive Advantage	
	Innovative Research and Development	Innovative research and development are the foundation to become the leader of the industry. To expand the scope of the topic, we modified the name to be "Innovation Management".
	Product Responsibility	GIGABYTE thinks providing high quality products and keeping products' qualities are the basic elements for maintaining the customers' trust. We thus merged the topics to become "Customer Relations Management" and expanded the scope of the issue.
	Customers' Trust	
Environment	Green product	To increase the effectiveness and the reasonableness of the materiality analysis, and respond to our strategies of product development, we modified the topic to be "Friendly Products".
	Green Technology Research and Development	
	Raw materials and renewable material used	
	Energy Saving Product	
	Greenhouse Gas Reduction	In response to the development trend of the current climate change issues, we modified the issue to be "Greenhouse Gas Emission and Carbon Management".
	Waste Management	Considering piratical operational status and the scope covered by the topic, we modified it to be "Pollution Prevention".
	Environmental Cost	Environmental performance is the basic information for information disclosure. It has been covered by other related topics. We excluded it to increase the effectiveness and the reasonableness of the significance analysis.
Environmental Performance		
Society	Talents Attraction and Preservation	We think salary and benefits, and the development statuses of the employees are both conducts for the Company to attract talents and preserve them. This types of issues are highly relevant, thus we merged them into "Talents Attraction and Preservation" to increase the effectiveness and the reasonableness of the significance analysis.
	Salary and Benefits	
	Employees' Development	
	Human Rights	In response to the development trend of human rights, equality and diversity, we expanded the scope of the issue and modified it to be "Human Rights, Equity and Diversity".
	Labor Index	
	Digital Inclusion	As a member of computer related industry, improving the technology divide and increasing the society's digital tolerance are the core ability for us to promote the society toward sustainability. Hence we add this new topic to expand the scope of the sustainability issues.

Note: Sustainability topics that are not listed are the same as those in the report last year without any modification.

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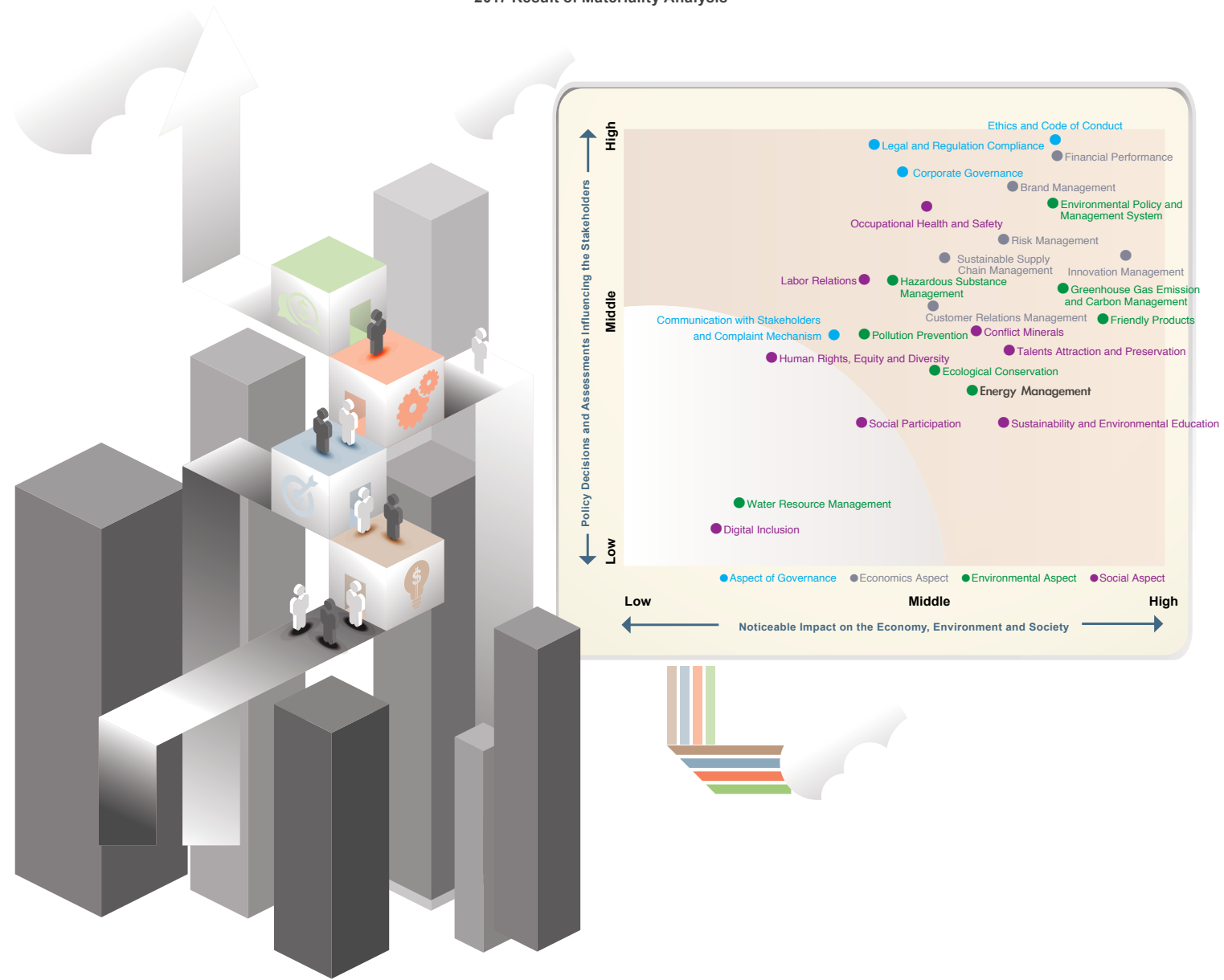
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This report has detailed elaboration on the 15 major topics. Considering the sharing value of the rest topics, we also disclosed part of the performance in the report.

2017 Result of Materiality Analysis



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The Meaning of the Major Topics for GIGABYTE

Major Topics	Meaning for GIGABYTE's Sustainable Development	Significant Change Compared with Last Year	Link to UN SDGs
Ethics & Code of Conduct / Corporate Governance	Honesty and integrity have always been parts of our core values, and they are also the fundamental principles for the conducts of the employees. Comprehensive and stable corporate governance is also the key point for business sustainability. "Honesty and Integrity & Stable Operation" is exactly the important philosophy for us to realize sustainable operation.	No change	
Legal and Regulation Compliance	GIGABYTE regards legal and regulation compliance as the fundamental principles of operation. It is also the focus the stakeholders pay great attention to. With the requirement of laws and regulations, we actively pursue the management goals better than what are in the laws and regulations besides the laws and regulations compliance.	Importance Increase	
Financial Performance	Computer components industry has become the industry with high competition and low profits. We have to always grasp our own operational advantages and know the status of the market to adjust the operational direction and goals, endeavoring to create higher economic profits for the investors.	No change	
Brand Management	Creating brand recognition and boosting loyalty are important to an own branding company. They also are the core philosophy of our brand management.	Increase	
Innovation Management/ Friendly Products	With the brand philosophy of "Upgrade Your Life", we continue to launch diverse and innovative products. In addition to research and develop products with high quality, endurance and efficiency, we also endeavor to research and develop eco-friendly products. We hope to transform the green technology and green ideas into the customers' trust for us, creating more growth.	No change	
Sustainable Supply Chain Management	"Quality and Customers First" is the foundation stone for us to build customers' trust. Faced with the industry of high separation, carrying out sustainable management of the supply chain and focusing on the conflict minerals are important management principles for us to take responsibility to complete the products, realize CSR and expand our influence.	No change	
Conflict Minerals		Increase	
Occupational Health and Safety/Talent Attraction and Preservation	With the philosophy of "Upgrade Your Life", GIGABYTE focuses on human resources management issue, provides inspiring remuneration system and builds safe and healthy working place, and sets up a complete job function training system. These are the key points of formulating the human resources and intelligence capitals in GIGABYTE.	No change	
Environmental Policy and Management System/ Greenhouse Gas Emission and Carbon Management/ Sustainability and Environmental Education	In the generation that protecting the earth is the current universal value, GIGABYTE desires to pursue the win-win situation of the Company and the environment. To carry out the concept of "Production, Life and Ecology", we actively control the operational impact on the environment, realize self-management, and promote environmental education to carry out green ideas in life. We bring the Company and the environment value of sustainability.	No change	
Risk Management	Carrying out risk identification and complete control mechanism will be the important instruments for us to respond and control the operational risk.	Increase	

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Regarding the responses to the major topics and GRI Standard, the major topics' boundaries and the correspondent chapters of the report, please refer to the chart below.

Major Issues	Covered GRI Standard	Impacted Boundary					Correspondent Chapter/ Page	
		Within the Organization		Outside the Organization			Chapter	Page
		GIGABYTE	G-STYLE	Customer	Supplier	Community/ School/ Other		
Ethics and Code of Conduct	Anti-corruption (205) Anti-competitive Behavior (206) Public Policy (415)	●	●		●	We consider the suppliers important cooperation partners, thus they also need to follow the basic principles of ethics and integrity to deal with business	2.2 Corporate Governance	28
Corporate Governance	No applicable GRI Standard	●	●					
Legal and Regulation Compliance	Environmental Compliance (307) Customer Health and Safety (416) Marketing and Labeling (417) Socioeconomic Compliance (419)	●	●		●	Legal and regulations compliance is one of the basic elements for GIGABYTE and supply chain management		
Financial Performance	Economic Performance (201)	●	●				3.1 Business Overview	36
Brand Management	No applicable GRI Standard	●	●	●		Customers' commitment and loyalty for our brand will affect our product selling.	2.1 Current Status and Development of GIGABYTE	23
Innovation Management	No applicable GRI Standard	●	●					
Friendly Products	Materials (301)	●	●		●	We introduce the designing ideas of eco-friendly products to further affect the raw materials' procurement and the supply chain management	4.3 Environmentally Friendly Products	63
Sustainable Supply Chain Management	Procurement Practices (204) Supplier Environmental Assessment (308) Freedom of Association and Collective Bargaining (407) Child Labor (408) Forced or Compulsory Labor (409) Supplier Social Assessment(414)	●	●		●	The sustainability performance of the suppliers and the cooperative relations between us and the suppliers not only affect the brand reputation indirectly but also influence the society directly	3.3 Supply Chain Risk Management	42
Conflict Minerals	No applicable GRI Standard	●	●		●	The survey and management of the conflict mineral would affect the procurement relation between us and the suppliers		

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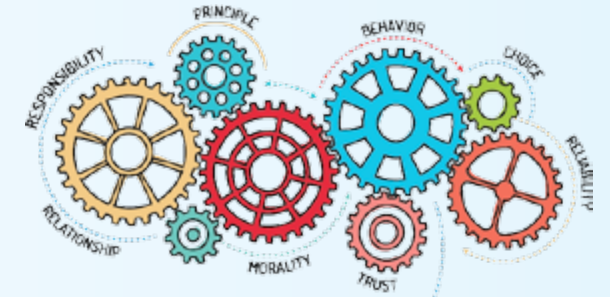




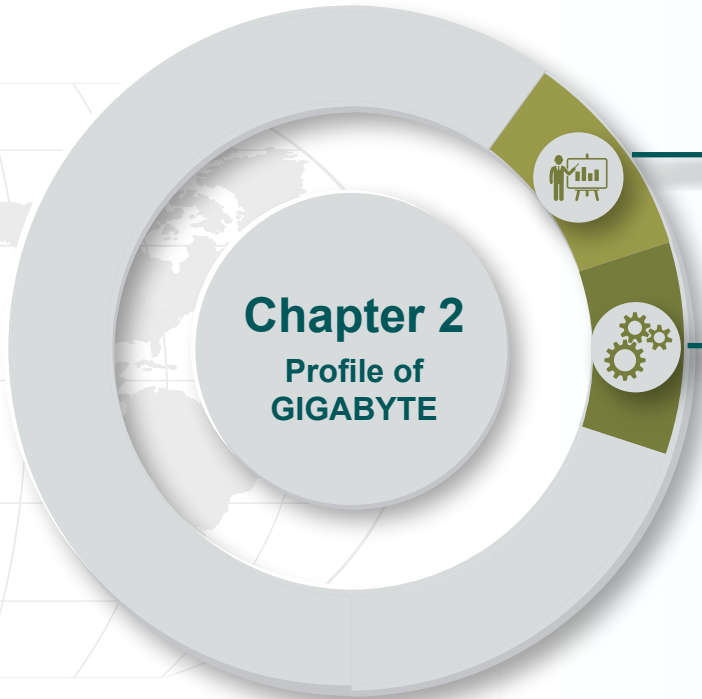
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Major Issues	Covered GRI Standard	Impacted Boundary					Correspondent Chapter/ Page	
		Within the Organization		Outside the Organization			Chapter	Page
		GIGABYTE	G-STYLE	Customer	Supplier	Community/ School/ Other		
Occupational Health and Safety	Occupational Health and Safety (403)	●	●			● The sustainability performance of the suppliers and the cooperative relations between us and the suppliers not only affect the brand reputation indirectly but also influence the society directly	5.2 Healthy and Happy Workplace	85
Talent Attraction and Preservation	Employment (401) Training and Education (404)	●	●			○ We think a complete talent development system and benefits will attract more outstanding talents and bring positive impact on the society	5.1 Human Resources Management	76
Environmental Policy and Management System	No applicable GRI Standard	●	●			● Our basic requirement of environmental policies and management system for the cooperated suppliers not only affects the brand reputation indirectly but also influences the society directly	4.1 Environment Management	50
Greenhouse Gas Emission and Carbon Management	Emissions (305)	●	○	○ Viewing from the perspective of value chain, the power used by our customers when using our products would lead to carbon emissions	○ Viewing from the perspective of value chain, the carbon emissions of the materials purchased by GIGABYTE also affect the whole environment		4.2 Climate Change Mitigation and Adaptation	54
Sustainability and Environmental Education	No applicable GRI Standard	●	●	● Together with consumers, we promote the project "Make Earth Green Again" to contribute to environmental sustainability and bringing positive impact on the society	● We launched the initiative of sustainable supply chain with the suppliers, bringing positive impact on the society	● We promote environmental education with the communities and schools to bring positive impact on the society	4.4 Foster Internal Environmental Protection Culture	68
Risk Management	No applicable GRI Standard	●	●				Risk Management	33

「●」 Causing impact on the boundary during the operation of the organization. Related management policies and performance are disclosed in the report.
 「○」 Causing impact on the boundary during the operation of the organization. Only partial information is disclosed in the report.



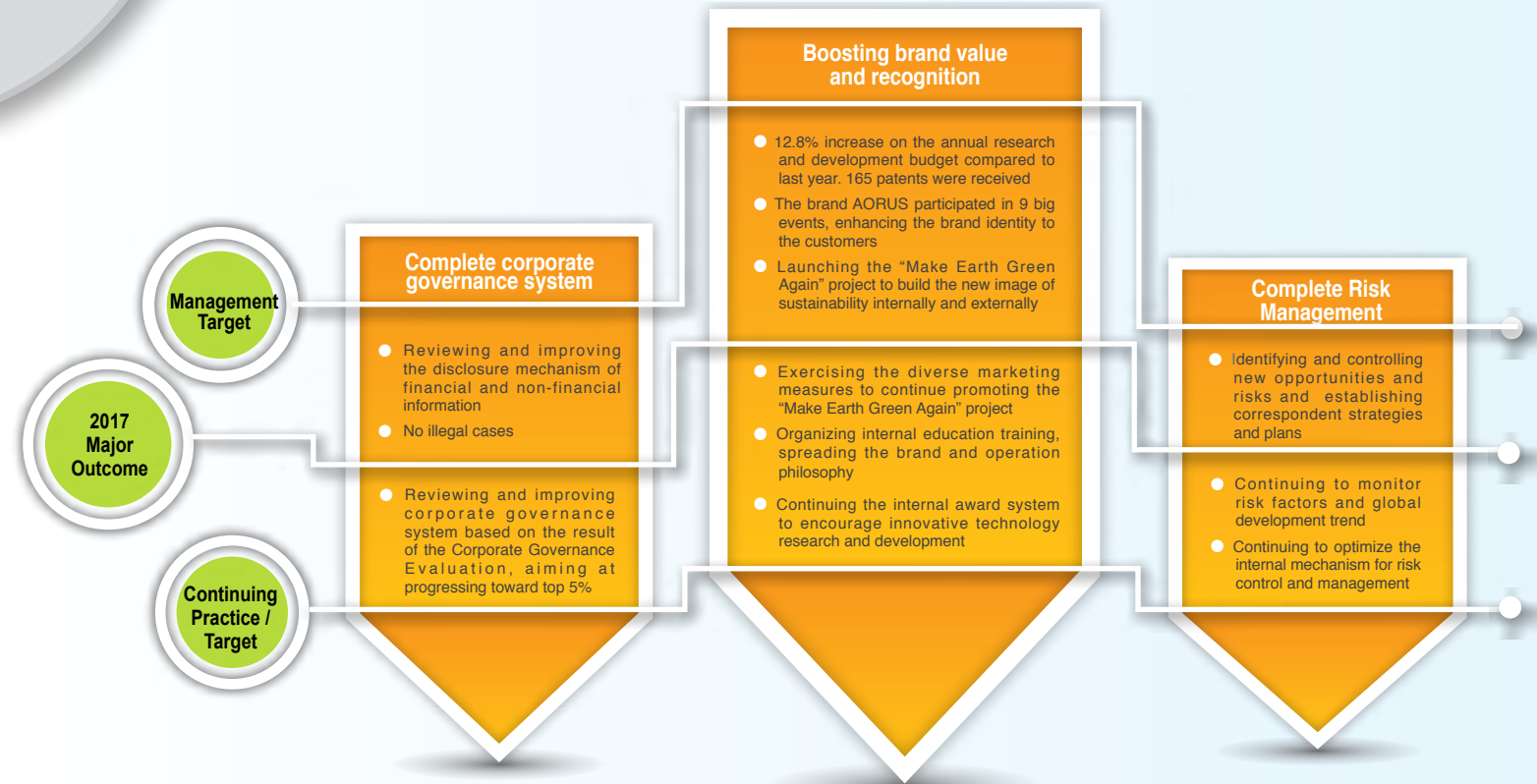
Business Ethics



Chapter 2 Profile of GIGABYTE

2.1 Current Status and Development of GIGABYTE

2.2 Corporate Governance



「●」 not implemented; 「●」 in the process 「●」 stage target completed



Chapter 2 Profile of GIGABYTE

2.1 Current Status and Development of GIGABYTE

We're Committed to Progress - Exceed Expectation and Pioneer in the Industry

Founded in 1986, GIGABYTE is committed to providing top-notch solutions that "Upgrade Your Life". On the research and development of products, we integrate the advantages of departments to organize the resources quickly. We imported new function of energy saving to work toward the goal of higher safety and efficiency, saving resources unnecessarily consumed. We are regarded as a pioneer in innovation with groundbreaking excitements such as Ultra Durable™ - a revolutionary technology that redefines the industry, WINDFORCETM - exclusive heat dissipation design that builds for extreme performance, and BRIX series- a versatile mini-PC that can be hold in a palm. These make us establish our unshakable place in the industry and become the innovative leader of the motherboards and VGA products around the world. We started up the Company from computer components. With time passing by, we successfully expanded the product line to the fields of laptops, tablets, desktop computers, computer peripheral products, IOT devices and sever through syndicated management.

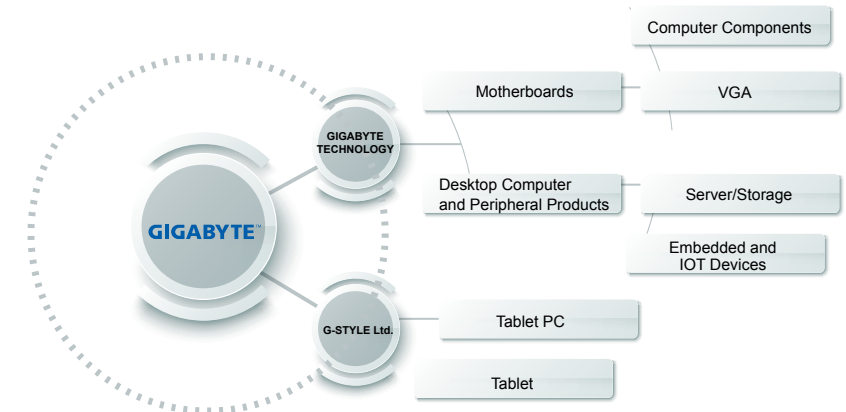
Faced with the high competitive industry and market change, we modified our operational strategies in 2017. We announced the business cease of GIGABYTE Communications and GIGAZONE international and conducted internal organizational change and merger. With higher demand in the gaming market recently, we launched the high-end gaming brand AORUS. We established the designated team for the gaming brand AORUS with an integration of resources from the original brand GIGABYTE and the gaming brand AORUS. We will continue to focus on the efficiency, value and green manufacturing of the products to build great experiences for the customers and clients and boost the brand identity of GIGABYTE.

We insist the high standard of "Innovative Technology and Stable Quality" and exercise localized marketing and service strategies. GIGABYTE has continuously brought unique new ways of digital world and created marvelous products that empower you with meaningful and charming experiences.

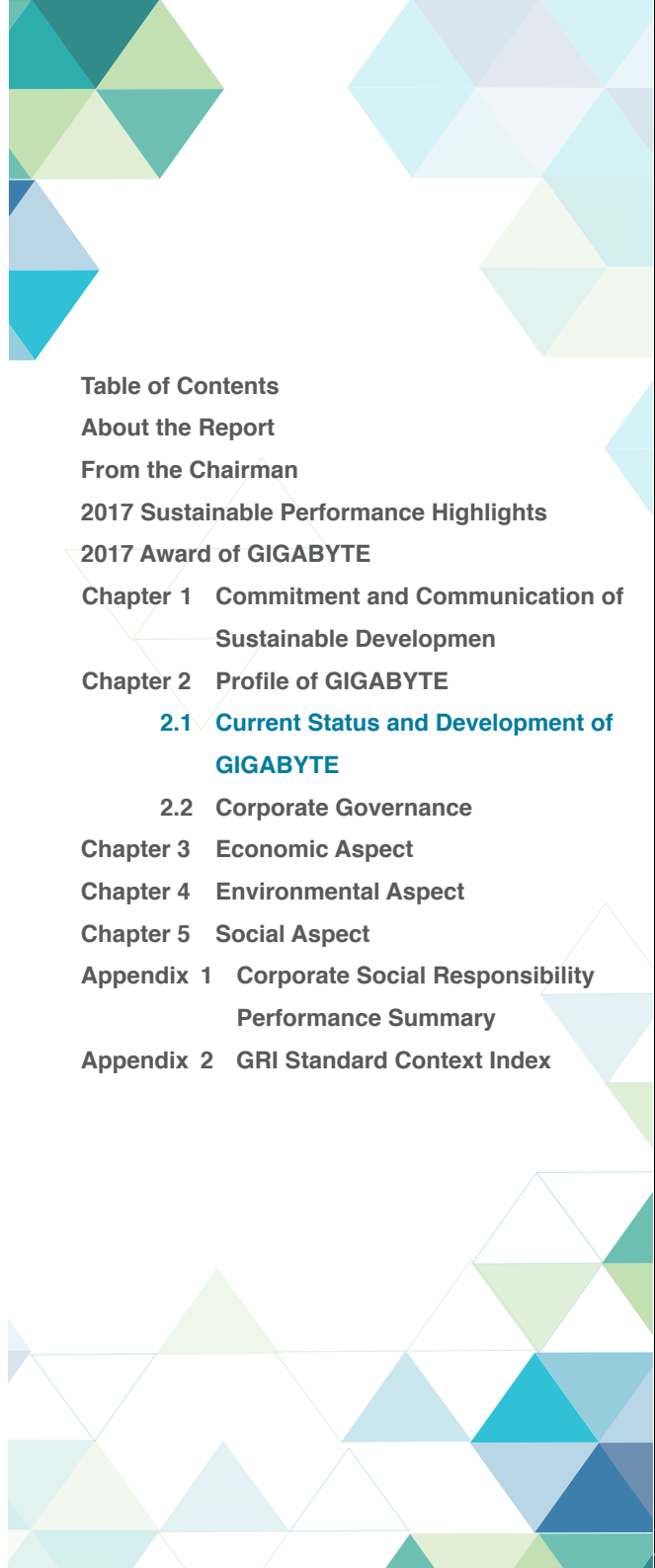
Profile of GIGABYTE

Full Name	GIGABYTE Technology Co., Ltd.
Capital	NT\$6.332 billion
Number of Employees	8,200 globally
Date of Establishment	April, 1986
Listing Date	First listed in Taiwan Stock Exchange Corporation on September 24, 1998(stock symbol 2376)
Chairman	Dandy Yeh
General Manager	Liu, Ming-Hsiung
Operational Headquarters	No.6, Baoqiang Rd., Xindian Dist., New Taipei City 231
Manufacturing Plant	Nanping Plant in Taoyuan, Taiwan, Dongguan Plant and Ningbo Plant in China

Organizational Structure of GIGABYTE



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Global Service Bases





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Spirit of Sustainable Enterprise, New Change in Brand Value

GIGABYTE endeavors to create new technology. We created lots of groundbreaking innovative designs with customers being the core. To make life better and energetic, “Upgrade Your Life” has always been the goal we want to realize. Only with continuous innovative value can we continue to progress. We pursue perfection to achieve the quality.

“Marvelous Product, Consumer Delight and Admired Brand” is our brand visions. We believe firmly that we can only achieve the visions of high brand value when standing in the position of the customers and providing innovative value. We spread our philosophy of brand management and information of products and service to the customers, cooperation partners and media through our website, advertisements, product exhibition and activities. In addition, we use timely and vigorous marketing method through the channel of social media to increase the interaction with users and potential customers and increase the users’ brand commitment. Our social media group attracts at least 3 million fans with the hit rate of 180 thousand on the website. We maintain a fine interactive relation with the customers.

We do not forget to save resources even with the progress of technology. Realizing staying in harmony with nature is not only our philosophy but a promise. We continued to think from the operational perspective and combined the product aspect and the partners in the value chain to actively realize the sustainable development strategy of “Reduction. Sharing. Love the Planet” based on the Green Action Plan 2.0 in 2017. “Upgrade Your Life” is not just our promise for the customers on sustainable management. It is also the mission that we are responsible for the society. Innovative technology and products are the power pushing toward to a beautiful world and they also become the new sustainability culture of GIGABYTE.

For the internal communication of brand, we established complete education training plan to let all employees understand our business culture and brand visions. The business internal platform provides the latest trend, sponsored activities, benefits and resources to convey the core and vigor of the brand effectively and unanimously. We hope that all employees can grow with the Company together, turn the culture into corporate's DNA, and build a team that shares cohesive force together.

To make the world better has long been our starting point. We will still hold the philosophy of “Upgrade Your Life” in the future to build a better tomorrow for the consumers, employees, society and environment. We will build GIGABYTE an international brand with vigor, competitiveness and high value.

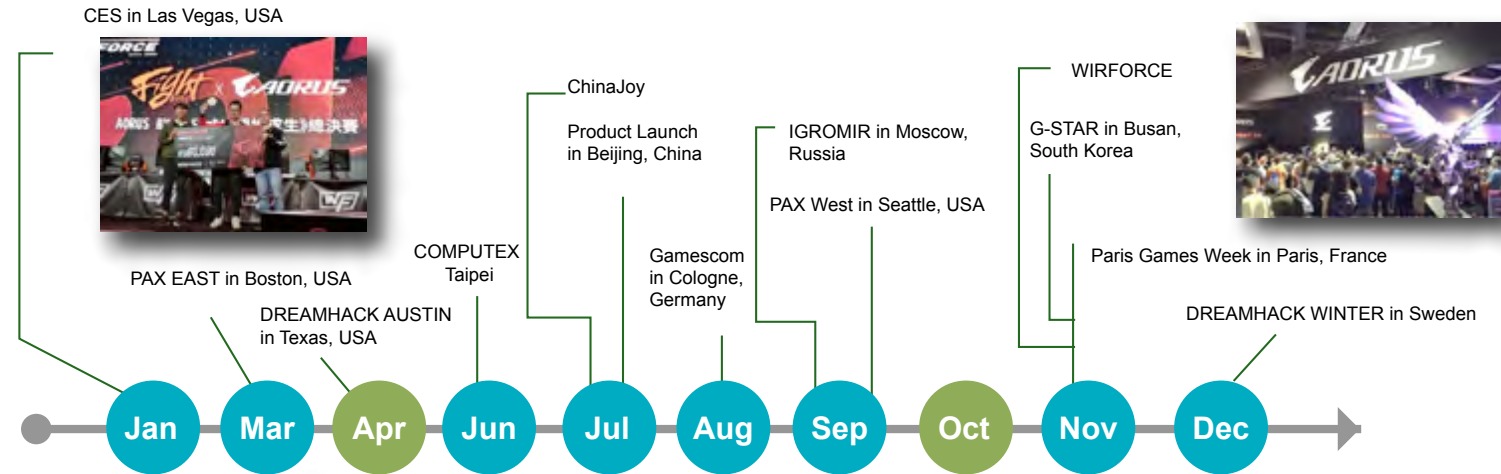


Social Media of GIGABYTE
 *GIGABYTE Facebook <https://www.facebook.com/GIGABYTEofficial/>
 *GIGABYTE Channel <https://www.youtube.com/user/GIGABYTEChannel>
 *GIGABYTE Instagram https://www.instagram.com/gigabyte_official/
 *GIGABYTE SNS <http://www.gigabyte.com/SocialMedia>

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Important Branding Events in 2017

Team up, Fight on ! Global Tour of GIGABYTE and AORUS



We launched the “Make Earth Green Again” project on the Earth day. Cooperating with the Plant-for-the-Planet Foundation, we adopt trees and become the first IT company in Taiwan that responded to the UNEP’s Billion Tree campaign

Working with the Plant-for-the-Planet Foundation, we held the first Plant-for-the-Planet Academy in Taiwan, cultivating the climate justice ambassadors of the next generation. Through educating children to understand the climate issues, we hope they will spread the concepts to their friends and the school, influencing more people to become the actors in protecting the earth



Launching “Make Earth Green Again” project to protect the earth together with our consumers



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Innovative Technology

The research and development of innovative technology is always the essential factor of GIGABYTE'S value. We take 3% of the operating revenue, which equals to 25% of the net income, for the research and development of technology and product. From 2001 to 2017, we received 2,180 patents. We launched brand new technology products, such as the motherboards of the Gaming series on the X299 and AX370 platform and AORUS water-cooled gaming VGA with flagship GTX 1080 Ti graphics processing unit, with the high quality technology and service in 2017.

(For more product introduction, please refer to GIGABYTE's website:<https://www.gigabyte.com/tw>)

Participation in International Organization and Association

GIGABYTE actively participates in international organizations, such as the Climate Savers Computing Initiative, the Carbon Disclosure Project (CDP) and the Plant-for-the-Planet Foundation authorized by the UNEP's to perform the Billion Tree Campaign. We also join important associations of the industry, such as the Taiwan Electrical and Electronic Manufacturers' Association and the Taipei Computer Association. Our Vice Chairman, Ma, Meng-Ming, is the director of the Taipei Computer Association. In addition, we also actively participate in holding the Associations' activities. We have been the cooperation partners of the TRANS ACTION AWARD for 4 consecutive years since 2014, serving as a judge and a teacher of the game to foster cross-field talents for the industry.

To respond to the stakeholders' emphasis on the sustainability issues and the current trend, we organized the "Corporate Green Competitiveness Alliance" with partners in and outside the field. The COO of GIGABYTE's Operation Management Center, Mr. Guang-Hua Bai, serves as the chairperson of the Alliance and we promote sustainable development with high ethical standards through this multilateral communication platform. We hope to use the innovation in the technology to solve environmental and social problems and make concrete contribution.

The 3rd Award Ceremony of the TRANS ACTION AWARD





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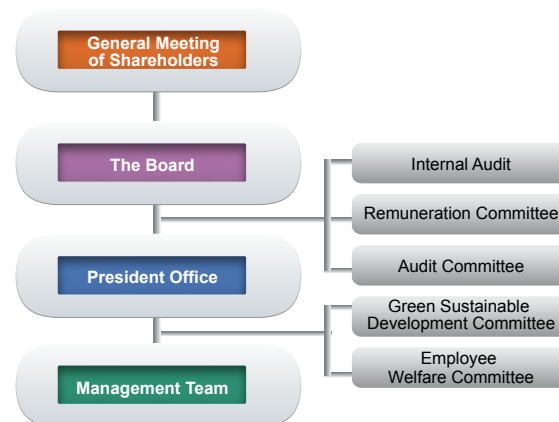
2.2 Corporate Governance

“Honesty and Integrity” is root of corporate sustainable management and we hold it as the core values of corporate management. We hope to strengthen our operation performance and realize business sustainable operation through complete operation of corporate governance. We will do our best on the social responsibility to meet the expectation of the shareholders and the society.

Corporate Governance Structure

GIGABYTE's board of directors, Remuneration Committee and Audit Committee operate their job function in accordance with the “Rules of Procedure for Board of Directors Meetings,” the “Remuneration Committee Rules,” and the “Audit Committee Rules”.

(Implementation of the corporate governance policies, corporate governmental rules, procedures for directors election, rules of procedure for Board of Directors meetings, rules of procedure for shareholder meetings, the Remuneration Committee's rules, rules of the Audit Committee, and management procedures for handling internally material Information can be found on the website of GIGABYTE's investors : <https://www.gigabyte.com/Investor> .



Board of Directors

GIGABYTE's board of directors is composed of 8 directors from different backgrounds, including 5 directors and 3 independent directors, and they are responsible for the operation and supervision of the Company. Under the lead of the Chairman, the board of directors takes its responsibility seriously, and it is a board of directors of independence, attentiveness and profession. It is also the highest governing level and major management decision center in the Company. Our current chairman is Mr. Dandy Yeh. We convene the board of directors' meeting regularly and 7 meetings were convened in 2017. Meanwhile, we established GIGABYTE's “Rules of Procedure for Board of Directors Meetings” in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” established by the authority to enhance the governance policies of the board of directors.

(For directors' education backgrounds, experiences, and their positions in other companies, please refer to the GIGABYTE's website for investors. Link : <https://www.gigabyte.com/Investor/82>

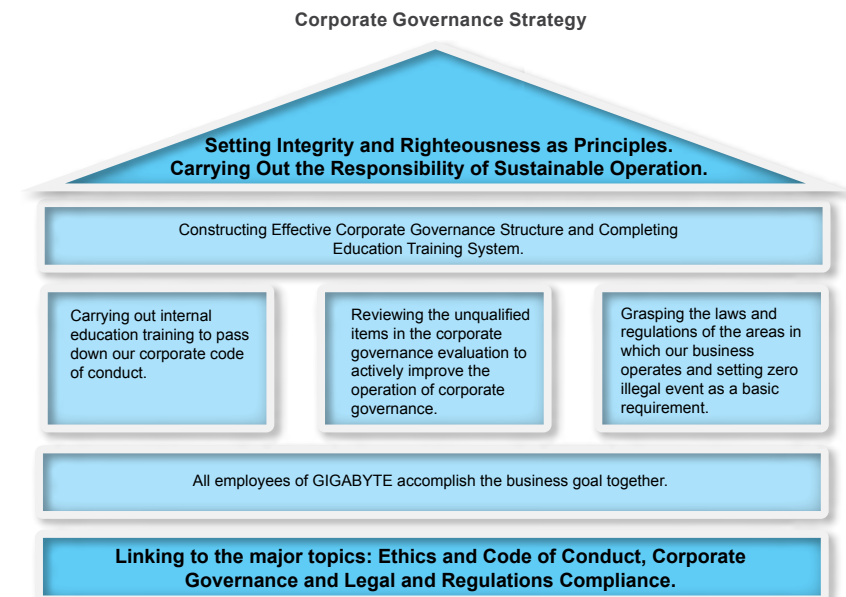




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Members of the Board of Directors [1]

Title	Name	Attendance Rate of the Board of Directors	Note
Chairman	Dandy Yeh	100%	Re-elected in 2015/6/17 re-election
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	100%	Re-elected in 2015/6/17 re-election
Director	Shi Jia Investment Co., Ltd. Representative: Ma, Meng-Ming	100%	Re-elected in 2015/6/17 re-election
Director	Yueh Yeh Kai Fa Investment Limited Corporation Representative: Tseng, Chun-Ming	85.71%	Re-elected in 2015/6/17 re-election
Director	Shi Da Investment Limited Corporation Representative: Ko, Tsung-Yuan	85.71%	Re-elected in 2015/6/17 re-election
Independent Director	Yang, Zheng-Li	100%	New elected in 2015/6/17 re-election
Independent Director	Chan, Yi-Hung	100%	New elected in 2015/6/17 re-election
Independent Director	Wen-Lie, Huang	71.43%	New elected in 2016/6/15 election

Note [1]: All GIGABYTE's members of the Board of Directors are male, which consisted of one member 30~50 years of age and seven members above 50 years of age.

To preserve the director's professional advantage and capacity, the 8 directors currently in office participated in all categories of advanced courses, including corporate governance, anti-corruption, tax administration and etc. The annually education hours of each directors was at least six (6) hours. The courses they participated in 2017 are described as follow.

The Directors' Participation in Courses

Organizer	Course Name	Training Hours	Participated Directors
Securities and Futures Institute	How the enterprise adapt to contemporary white-collar crime	3	Dandy Yeh; Liu, Ming-Hsiung Ma, Meng-Ming; Ko, Tsung-Yuan Yang, Zheng-Li; Chan, Yi-Hung
Accounting Research and Development Foundation	The pattern, case study and relevant legal liability discussion of the "Breach of Trust" in Economic Crime	3	Dandy Yeh; Liu, Ming-Hsiung Ma, Meng-Ming; Ko, Tsung-Yuan Yang, Zheng-Li; Chan, Yi-Hung
Taiwan Corporate Governance Association	The Director's fiduciary duties and business judgment rule	3	Yang, Zheng-Li
	The analysis of international and cross-strait anti-avoidance tax rule and enterprise's countermeasure (part 1) (part 2)	6	Huang, Wen-Lie
Taiwan Academy of Banking and Finance	Corporate Governance Forum - Family enterprise inheritance	3	Yang, Zheng-Li
Taiwan Institute of Directors	An era of tax anti-avoidance and tax administration governance	3	Chan, Yi-Hung



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■ Remuneration Committee

To ensure a sound remuneration structure for GIGABYTE directors, supervisors and executives, the Board of Directors established the "Remuneration Committee" in 2011. The mission of the Committee is to assist with the evaluation of the company's overall remuneration and welfare policies as well as the remuneration of directors and executives. The Company's rules state that the Remuneration Committee shall consist of 3 members appointed by Board resolution. One committee member serves as the convener and his term of office is identical to that of the Board.

The remuneration and wage adjustment of senior managers in GIGABYTE are described as below.

The Comparison between Highest Gross Annual Income and Wage Adjustment and the Median of General Employee's Gross Income and Adjustment Note ^[1] ^[2]

Region	The Magnification of Highest Gross Annual Income and the Median	The Magnification of the Highest Wage Adjustment Ratio and the Median
Taiwan	25	3.6
China	5.6	1.8

Note (1): The gross annual income is the aggregation of fixed salary and variable pay
 Note (2): Applied the on-job employees at the end of December as the systematic basis

(For the composition, duties and operation of the Remuneration Committee, please refer to 2017 GIGABYTE Annual Report, website "https://www.gigabyte.com/Investor"





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■ Audit Committee

To enhance the credibility and independence of internal audits, the Board of Directors established the Audit Committee in 2015 to provide oversight of the Company's financial reports, the retention (termination), independence and performance of the CPA, effectiveness of internal controls and the Company's management of potential risks. According to the organization rules, the Audit Committee is made up of all independent directors and must contain at least 3 members. One member must also have an accounting or finance background. In 2017, the Audit Committee held 5 meetings. The members of the Audit Committee are expected to exercise their role as managers in good faith. Their missions is to ensure the reliability and objectivity of the financial reports and audited items, strengthen the Company's internal control standards, reduce fraud and unethical business behavior, improve organizational discipline and create an atmosphere of rigorous management.

■ Internal Audit

GIGABYTE's internal audit unit is an independent unit that reports directly to the Board of Directors. In addition to regular reports at routine Board meetings, the internal audit also report to the chairperson each month or as necessary. The internal audit system aims to assist the Board and management with inspecting and following-up on deficiencies in the internal control system, measurement of operational results and efficiency, and provide suggestions for improvements when appropriate to ensure the effective implementation of the internal control system and provide a reference for revisions to internal controls. The auditing work is based on the Board-approved audit plan that is divided into regular internal audits and ad hoc internal audits. In 2017, the audits centered on the procedure of 9 business transaction cycles, the Financial Supervisory Committee regulated auditing items and the subsidiary internal control system. Each audited units and subsidiaries were informed the audit results and took appropriate improvement measures according to the suggestions immediately.

GIGABYTE upholds the principle of accurate and fair disclosure to regularly provide operation, finance and the Board of Directors information on the Company website and Taiwan Stock Exchange Corporation's Market Observation Post. GIGABYTE ranked among the top 21-35% in the 4th Corporate Governance Evaluation. In the future, we will continue to

review, improve and gradually perfect the Company's governance system through re-examining the operation model of the shareholder's meeting, information disclosure platform and the establishment of management regulations and expect ourselves to march toward the rank of top 5% in the Corporate Governance Evaluation.

Code of Conduct

As a large enterprise, GIGABYTE not only pursues continued improvements in product technology and service quality but also strive to ensure the integrity, honesty and legality of all management and business practices. It is also our responsibility to protect the interests of all stakeholders. The "GIGABYTE Corporate Code of Conduct" is the core guide to the practice of the GIGABYTE corporate values. Everyone at GIGABYTE and its subsidiaries is required to understand the ethical standards and obligations expected of GIGABYTE employees during the performance of their duties. For the efficacious publicity, the internalization of Corporate Code of Conduct as a required awareness among GIGABYTE employees and the strict prohibition of any corruption, bribery and blackmail behavior, besides related information disclosed on the Company's internal website, all employees are required to sign the "Employee Ethics Code of Conduct" at the date of employment to follow relevant anti-corruption standards. GIGABYTE's new recruit educational training also includes anti-corruption and intellectual property promotion to maintain GIGABYTE's business integrity, laws and ethics standards.

GIGABYTE's employees should strictly comply with the code of conduct. If any violation is discovered, the Company will take appropriate disciplinary action depending on the seriousness of the case. If the employees discover any suspected cases of violating the code of conduct, they can report to the Executive Vice President (Email: liu@gigabyte.com) and the Company will conduct investigations and further processing.





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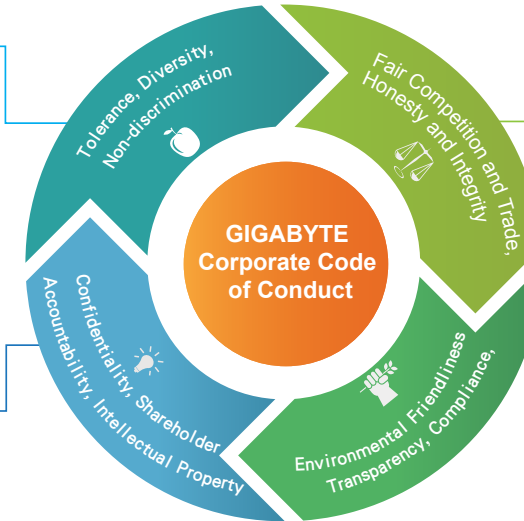
GIGABYTE Corporate Code of Conduct

Safe and Equal Workplace

GIGABYTE is committed to providing every employee with an equal, safe and healthy working environment and career opportunities. We also respect employee privacy and rights no matter what.

Protect Company Assets

It is also the duty of every employee to safeguard company assets, respect IP and copyrights, protect business secrets, uphold the brand image, maintain accurate records and accounts, and work together to strengthen and enhance the value of the company.



External Business Activities

GIGABYTE embraces "ethical" management and expects this to be the highest guiding principle for all employees during business transactions. We believe in positive competition with competitors, ethics and accountability with customers and consumers, transparency in interactions with the government and the media, avoiding conflicts of interest, and adherence to the company's business principles.

Compliance and Social Responsibility

All commercial activities by GIGABYTE should comply with the law. Taxation and disclosure shall follow the law as well. We adhere to international regulations on trade and product requirements. We also aim to protect the overall interests of society and to reduce our environmental impact. Employees responsible for related businesses are expected to take an active interest and ensure full compliance.

Detailed contents of the Corporate Code of Conduct can be enquired on GIGABYTE CSR website. Website: <https://www.gigabyte.com/CSR/73>

Legal Compliance

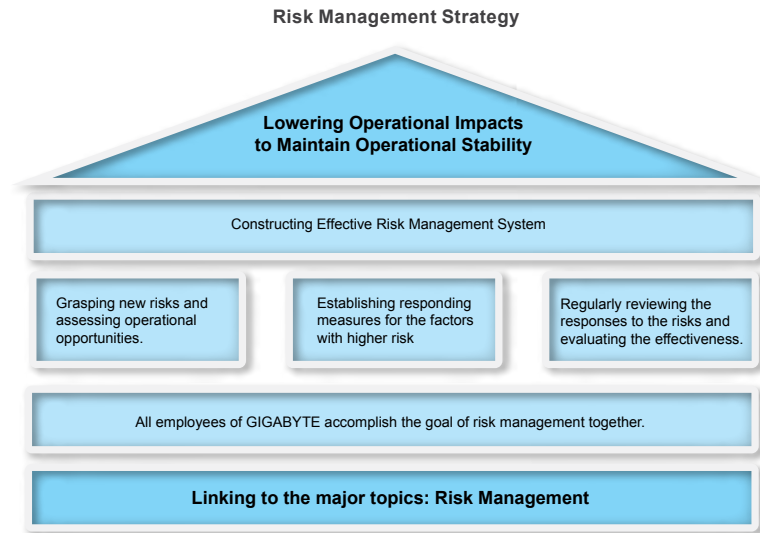
GIGABYTE has established business locations at major cities around the world, thus the Legal Affairs Department is fully aware of the compliance with the local regulations. We also consulted local legal consultant to provide new regulations information, particularly the international regulations developments. If encountering material regulations developments, we seek professional suggestions from the local law professions for the legal personnel to understand and adapt to the regulations of the local authority and enable GIGABYTE to comply with the laws of the local authority in order to preserve its image. In addition, the Legal Affairs Department irregularly arranges the legal personnel to attend the domestic and international laws and practice lectures and conferences to enrich the latest regulation developments and related information so that

legal personnel can adapt to the latest laws when managing legal cases. Aiming at the development and comprehension of domestic regulations, the Legal Affairs Department irregularly holds education training courses, particularly the knowledge of intellectual property laws for the employees to understand regulation contents and compliance. If the department needs legal consultations and all the group contracts need reviews, the legal personnel will provide assistance to ensure the legal rights of the group's other members and avoid tort at all times. In 2017, GIGABYTE has not involved in any litigation against violating the fair-trading or anti-monopoly, nor any significant fines for noncompliance with relevant environmental, social, marketing, customer's health and safety laws and regulations.



Risk Management

Owing to the increasing changes in current operating environment, advance prevention and adjustment plan drafting are crucial to the reduction of operational impact and the maintenance of business competitiveness. GIGABYTE considers stable operation is not only the basic requirement but also our important responsibility to investors and employees. GIGABYTE's risk management integrates related daily operational departments to identify risk factors, gives priority to interfere in the issues with higher risk and establishes improvement plans, creates opportunities and forms adjustable risk control model.



Risk Control Model

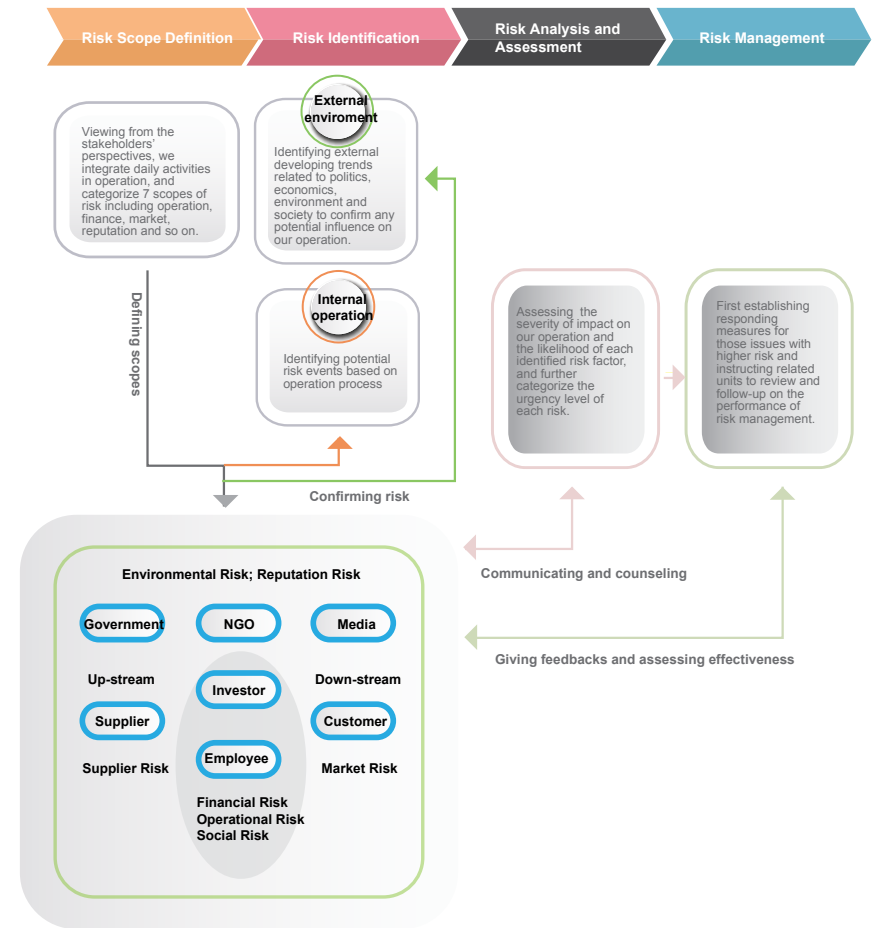


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Under the interaction of external operating environment pressure and our operating value, we identified three global trends that have the greatest impact on operation as well as potential risks and opportunities that related to business.

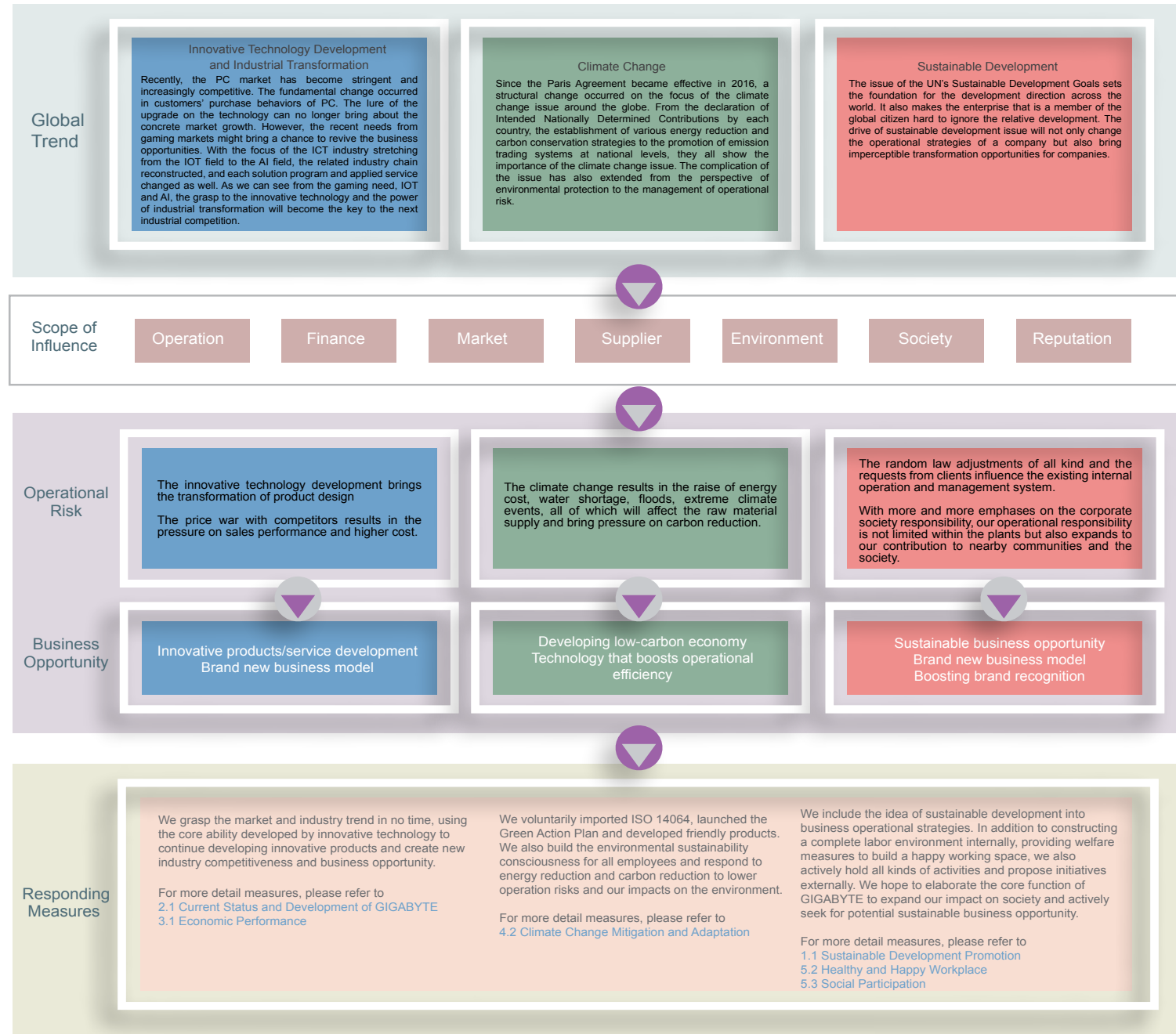


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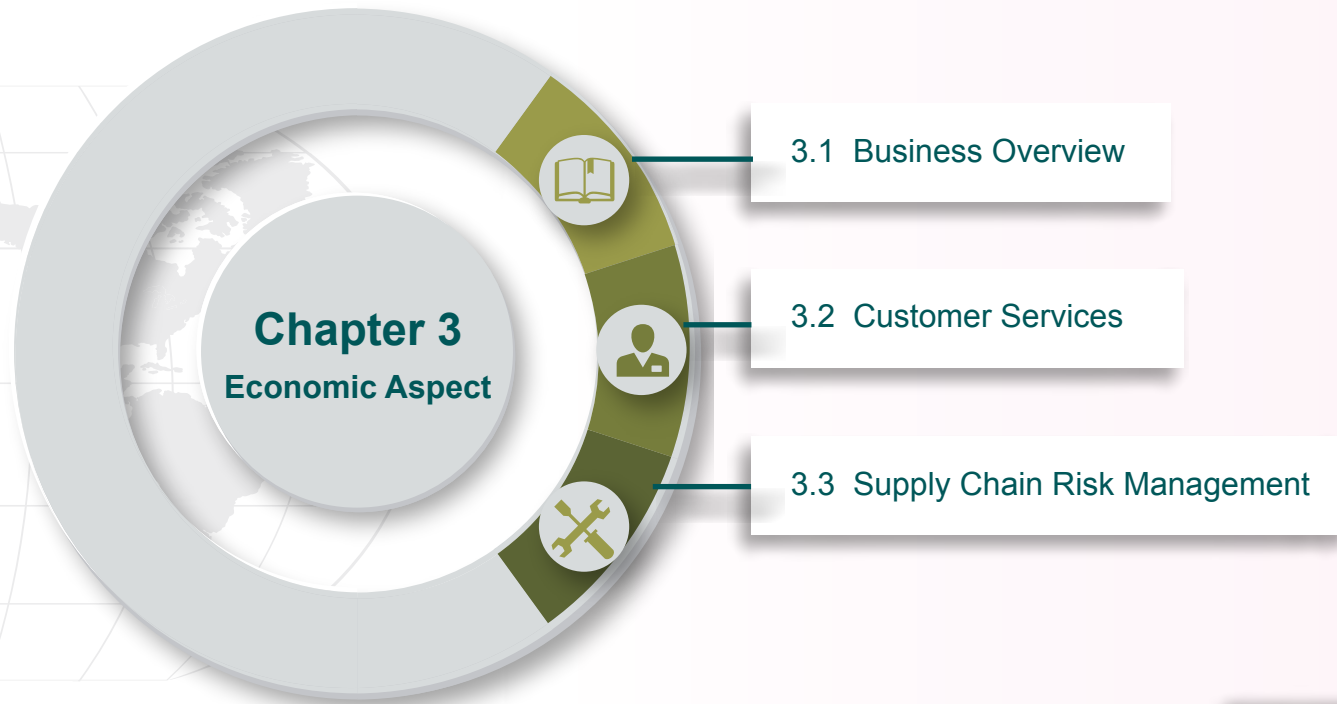
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GIGABYTE Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Promoted value-added products and continued revenue growth for three years
- Strengthened relevant measures of sustainable supply chain management and influenced total 370 suppliers
- Spread the influence of the 333 Reduction Plan and actively cooperated with the suppliers on the implementation of sustainable natural resource management



「●」 not implemented; 「○」 in the process 「■」 stage target completed



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Chapter 3 Economic Aspect

3.1 Business Overview

According to the Gartner research report, the shipment of global personal computer decreased 2.8% in 2017 compared to 2016, meaning that the annual shipment has been decreasing for 6 consecutive years. However, Gartner considered the market has revealed parts of optimistic attitude. Major manufacturers took advantage of their competitiveness to exclude middle and small manufacturers from the market. Besides, the consumers focused more on the quality and functions rather than comparing which product has the lowest price. This has pushed forward the average selling price (ASP) and improved profitability in the long term. Another subject worthy of commendation is the rapid developing cryptocurrency applying the block chain technology. Due to the application of the display card to accelerate the currency receiving process (generally known as mining), the display card market prospered in 2017 and even presenting the phenomenon of the demand outgrows supply.

Although the global PC market presents a restrained condition in 2018, the gaming and high-end PC markets will still continue to grow. With the investment in new generation technology and products, the market might have a chance of good performance. With the prosperous market growth of bid data and AI servers, we can expect a more stable operation performance in this year.

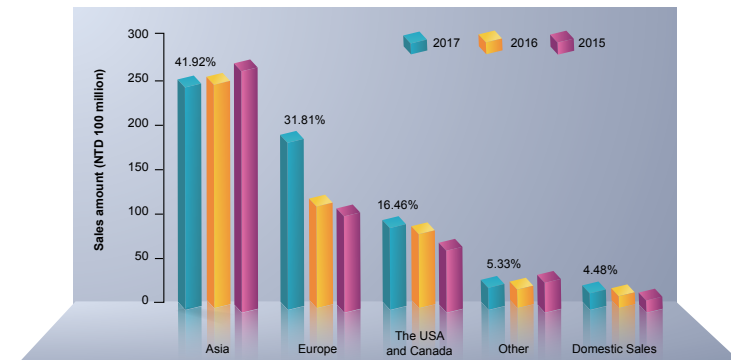
Operation Performance

Honesty and Integrity has always been GIGABYTE's enterprise model. Equipped with good operation management, sales channels and perfect customer services, we also have brand and technology innovation and breakthrough, our values deep rooted in customers and were approved and received recognition from international awards and the media. We also had stable growth in operation. We distributed 2016 annual surplus in 2017 that each common stock is paid a dividend of NTD4.41 per share. The revenue has increased 14.40% while the earning per share increased NTD 0.77. For detailed information, please refer to the relevant financial information disclosure on the 2017 GIGABYTE Annual Report. <https://www.gigabyte.com/investor/83>

GIGABYTE's Operation Performance in Recent 3 Years

Financial Performance	2015	2016	2017
Consolidated revenue (NTD 100 million)	508.29	523.47	598.84
Operating cost (NTD 100 million)	420.67	432.77	496.86
Operating expense (NTD 100 million)	75.10	73.81	79.73
Income tax (NTD 100 million)	7.49	6.78	4.62
Employee salary and benefits (NTD 100 million)	52.22	53.70	57.06
Earnings per share (NTD)	3.05	3.64	4.41

GIGABYTE's Sales Amount and Ratio in Recent 3 Years by Region





GIGABYTE's Production Volume and Production Value in Recent 3 Years

Main Product	2015		2016		2017	
	Production Volume	Production Value	Production Volume	Production Value	Production Volume	Production Value
Motherboards	17,150	22,619	14,970	20,870	11,919	16,418
Other	5,447	21,771	6,112	26,066	6,638	37,060
Total	22,597	44,390	21,082	46,936	18,557	53,478

Unit: thousand pieces, NTD million

2017 Financial Aid from the Government

Item	Plant	
	Taiwan	China
Tax reduction and credit	Applied for R&D credit and tax preference in accordance with the industrial innovation regulations	Possessed tax preference in accordance with The Law of the People's Republic of China on Enterprise Income Tax
Subsidy	0	20,030
Investment grant, R&D grant and other related types of grants	0	0
Reward	0	902
Royalty exemptions	0	0
Financial aids from the Export Credit Agency (ECAs)	0	0
Financial reward	0	0
Aiming at the organizations' financial aids received or possibly received from any operations or institutions	0	0

Unit: NTD 1,000

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Future Development Plan

The continued creation and innovation of hardware design or services in the current market production and the cooperation with the professional supply chain partners has helped GIGABYTE to plan the future direction of development in accordance with factors like market and channel deployment. With the brand philosophy of "Upgrade Your Life", we continue to launch attractive and competitive products.

Target	Direction
Expand product's green value	As the top gaming brand, AORUS continues to prosper in the international gaming market. Besides characteristics of high quality and high efficiency, we spare no effort in expanding research and development of new green environmental protection materials. Combining green and technology elements to develop high efficiency, high quality and high endurance environmentally friendly products, we promised to be the friendliest brand leading in the gaming market.
Expand new market	Echoing to the trend of the cloud technology development and personalized digital living, we will continue to pursue new and multiple innovative products and services such as high efficient block chain application and cloud computing series to develop market opportunities in different fields. Meanwhile, we will also expand the market size and fasten the market expansion of new digital generation product.
Integrate value chain marketing	Integrating with upstream international companies like Intel, AMD, NVIDIA and cross-industry strong brand (like software firms) for cross-selling to increase the brand publicity and awareness.
Intensify supporting services	As the arrival of digital new generation, the clicks and mortar supporting services interacts more efficiently with the customers and founds a permanent relationship that can further increases customer satisfaction.
Integrate clicks-and-mortar channels	Intensifying the cooperative relationships with the dealers, gradually integrating clicks-and-mortar channels, realizing local marketing and providing appropriate services and support to increase the intensity of the brand and sales

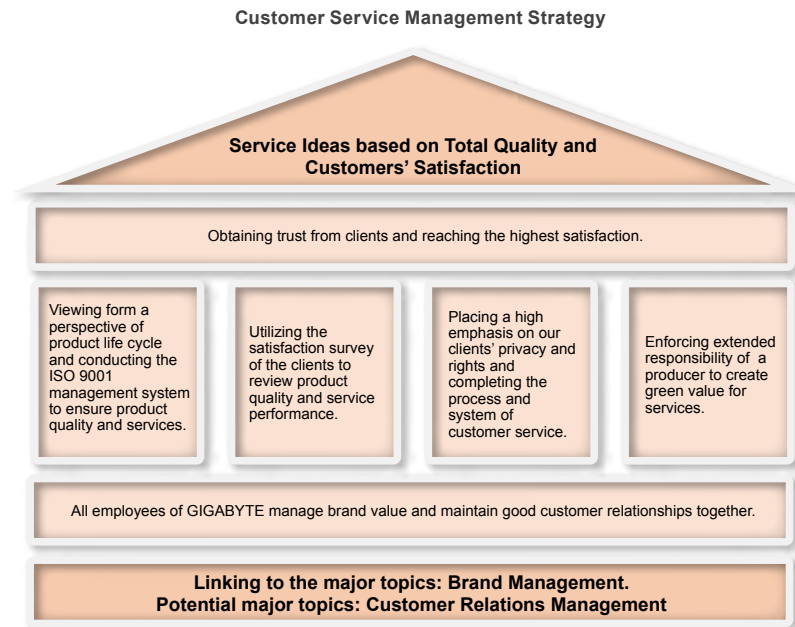
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3.2 Customer Services

In addition to the continuous and stable growth of the economic performance, placing importance on the feedback of the customers, meeting their requirements, and obtaining their recognition and support are the important facets for the sustainable operation of an enterprise. GIGABYTE persists in the attitudes of innovation, care and service to provide consumers with excellent product experiences, win their trust, and achieve the goal of the highest customer satisfaction.

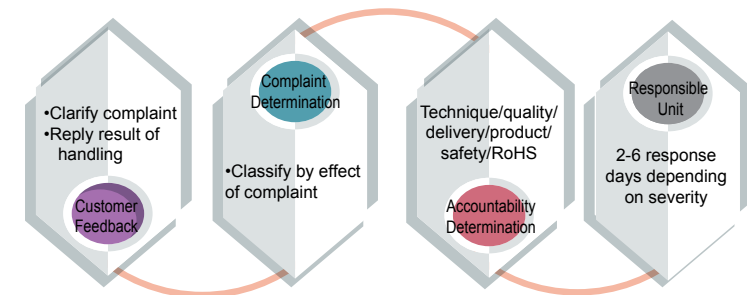


It's You that Matters -

Emphasis on Customer's Interests and Privacy

GIGABYTE emphasizes customer's interests and privacy. We use complete management systems and measures to protect customer's rights and interests in handling of customer complaints and protection of personal information. As for customer complaints, we grade the feedback of our customers collected from different communication channels based on the severity of the problems. These problems are then forwarded by type to the customer service center of each business unit and are responded and solved in a careful, appropriate, and timely manner in order to improve the quality and efficiency. 4 customer complaints occurred in 2017, mainly concerning about extension of warranty registration and warranty repair matters. We have appropriately eliminated those customers' doubts with an attitude of solving problems for consumers proactively. As for the protection of personal information, we have established the Personal Information Protection Committee pursuant to the Personal Information Protection Act. The Committee comprises the groups of personal information training and promotion, personal information inventory and management, planning and improvement, internal audit, and IT technology support to ensure compliance with internal and external personal information protection measures. There were no cases involving in infringement on customer's privacy or personal information in 2017.

Customer Complaint Handling Process





Personal Information Protection and Management Measures

1. Check GIGABYTE personal information periodically and hold personal information protection and management meetings
2. Promote personal information awareness and provide training among current and new employees
3. Collect personal information regulations periodically, modify rules and management regulations, and make improvement against deficiencies
4. Conduct internal audit periodically, submit report of deficiencies, and follow up processing status
5. Develop and alter systems in line with personal information management requirements; plan and set up hardware and network communication equipment

To protect the rights and interests of the customer and fulfill our obligation to take product responsibility, we explain the cases involved in the concern about products in recent periods as follows to help consumers know the correct information and take measures in a timely manner.

Case 1: Analysis of the nonconformity in the PC host identified by the Department of Consumer Protection and Bureau of Standards, Metrology & Inspection during the random inspection of quality

As for the random quality inspection of PC hosts and labels, the Department of Consumer Protection of the Executive Yuan and the Bureau of Standards, Metrology & Inspection of the Ministry of Economic Affairs announced in 2017 that a model of PC host with a label of "GIGABYTE Inside" on the shell did not comply with the regulations of "radiated interference" and "conducted interference".

[Analysis of the concern]

Currently, the only complete machine product that we sell is notebook computer. The product that did not pass the inspection was a PC host. All the components, except for the motherboards made by us, and the assembly of the machine were outsourced. Many components, such as the shell and power supply, might bring about electromagnetic interference. Although our motherboards passed the verification of the Bureau of Standards, Metrology & Inspection of the Ministry of Economic Affairs, we cannot assure that other components in the PC host not made by us complied with the standards.

To sum up, since the GIGABYTE motherboards was mounted in the inspected machine, a label of "GIGABYTE Inside" was attached to the shell. This may make consumers think that the complete machine was produced by GIGABYTE and have concern about the product. Since most of our products are the parts and components to be used in complete electronic and IT machines, a small label is usually attached beside the brand label. To manage the quality more systemically, we will further review the regulations related to GIGABYTE Inside and brand labels to avoid recurrence of such concerns and disputes.

[Technical knowledge]

"Radiated interference" and "conducted interference" are what must be tested pursuant to CNS 13438, "Information Technology Equipment - RF Disturbance Characteristics - Limit Values and Measurement Methods". The item to be tested is the electromagnetic noise emitted from the product when it is used normally. The interference through the power cable is the conducted interference while the interference through the air is the radiated interference. The normal use of other nearby electric apparatuses may be affected if the noise level is greater than the specified limit value.

Protection Measures for Customer's Personal Information

1. The triplicate repair forms of customers are sent back to the headquarters by mail every six months pursuant to our internal ISO process. These documents will be sealed and destroyed.
2. Records of call service are only used in the intranet and accounts are set for different access rights.
3. For the replies by mail, accounts with different access rights are set for the personnel using the system. Reading of the information is limited to specified channels in the network and no links are provided outside it.
4. Accessories are only sold by phone to avoid the risk of divulging personal information through online shopping.

Case 2: Proactive assistance for consumers in preventing the deficiencies of the Intel processor's dynamic execution technology

Intel, one of our chip suppliers, is exposed to security vulnerability with its processor. This may bring about security crisis to the personal information of the consumers. We think all the problems that affect the experience of the consumer in use of our motherboards are serious and must be highly respected. Whenever receiving the notification of potential security problems, we cooperate with our chip suppliers to develop the solutions and solve the problems immediately.

[Provision of solutions right away]

We integrate the latest security-certified processor microcode version recommended by Intel® and introduce the latest protection solutions to protect consumers from being affected by the deficiencies in the speculative execution and indirect branch prediction. We suggest all the GIGABYTE motherboards users to update to our latest BIOS to ensure optimal protection of the system. Please refer to the website below for more information:<https://www.gigabyte.com/MicroSite/481/intel-sa-00088.html>

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Promote Green Value of Service

Customer Satisfaction and Make Earth Green Again

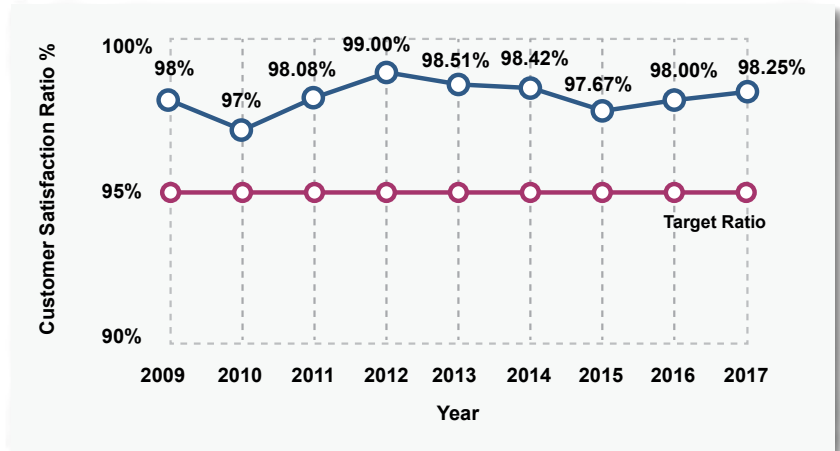
In addition to providing friendly products of high quality and creating a complete after-sales service system, we, as a conscientious manufacturer, think that provision of additional green value for the service is helpful in the enhancement of our perpetual influence in the production and consumption cycle. We combined the service of all the service centers in Taiwan with the sustainable project of “Make Earth Green Again” in 2017, and encouraged consumers to make use of the services of “product repair”, “purchase of renovated products”, and “recycle of computer, communication and consumer goods of all brands” at the service center and respond to the planting projects sponsored by the United Nations Environment Programme (UNEP) in their own names. Sustainable actions are the responsibility of every one of us. Both manufacturers and consumers have their own responsibilities and obligations, and we hope all of us can unleash our strength and make contributions to the environment. (For more information about the “Make Earth Green Again” project, refer to 4.2 Special Series of the “Make Earth Green Again”)



Customer Satisfaction

We deem the result of customer satisfaction survey an important performance indicator and a significant criterion for assessment of the growth in the future. We firmly believe that improvement of the customer satisfaction is one of the elements for increase of the customer loyalty and growth of the business. We conduct customer satisfaction survey regularly to provide a basis for improvement of the product and service quality and adjustment of the quality competition strategy, hoping to provide services to the greatest satisfaction of the customer. For B2C customers, we ask customers to enter the consumer service system and complete the customer satisfaction questionnaire. The survey is comprised of five categories including repair quality and service. The questionnaires are summarized to know the result of the satisfaction. The satisfaction with our quick service center from 2009 to 2017 reached up to 98.1%. For B2B customers, routine customer interview and survey, annual customer satisfaction survey, and customer quality meeting are conducted to understand important product issues such as the yield rate of products, customer complaints, reliability, major quality or engineering nonconformities, communication, and costs.

Historical Customer Satisfaction Survey of the Quick Service Center





3.3 Supply Chain Risk Management

We, as a manufacturer in the midstream and downstream of the industry chain, provide various products including motherboards, GPU, notebook computer, and server. However, as the labor in the industry chain is divided more precisely, the association between the upstream and downstream in the chain becomes closer. Suppliers are important partners of GIGABYTE. We have been maintaining a stable cooperative relation with Intel, NVIDIA, AMD and other important material suppliers to jointly strive for sustainable operation and growth through close cooperation.

Overview of Major Materials Supply

Major product	Major Material	Supplier	Status
Motherboards and Graphics cards	Chip set and IC	INTEL	Stable
		NVIDIA	
		AMD	
	Other important components	Global Brands Manufacture Ltd.	
		Foxconn Interconnect Technology Limited	
		Lotes Co., Ltd.	
		Hing Ying Technology (Shenzhen) Co., Ltd	

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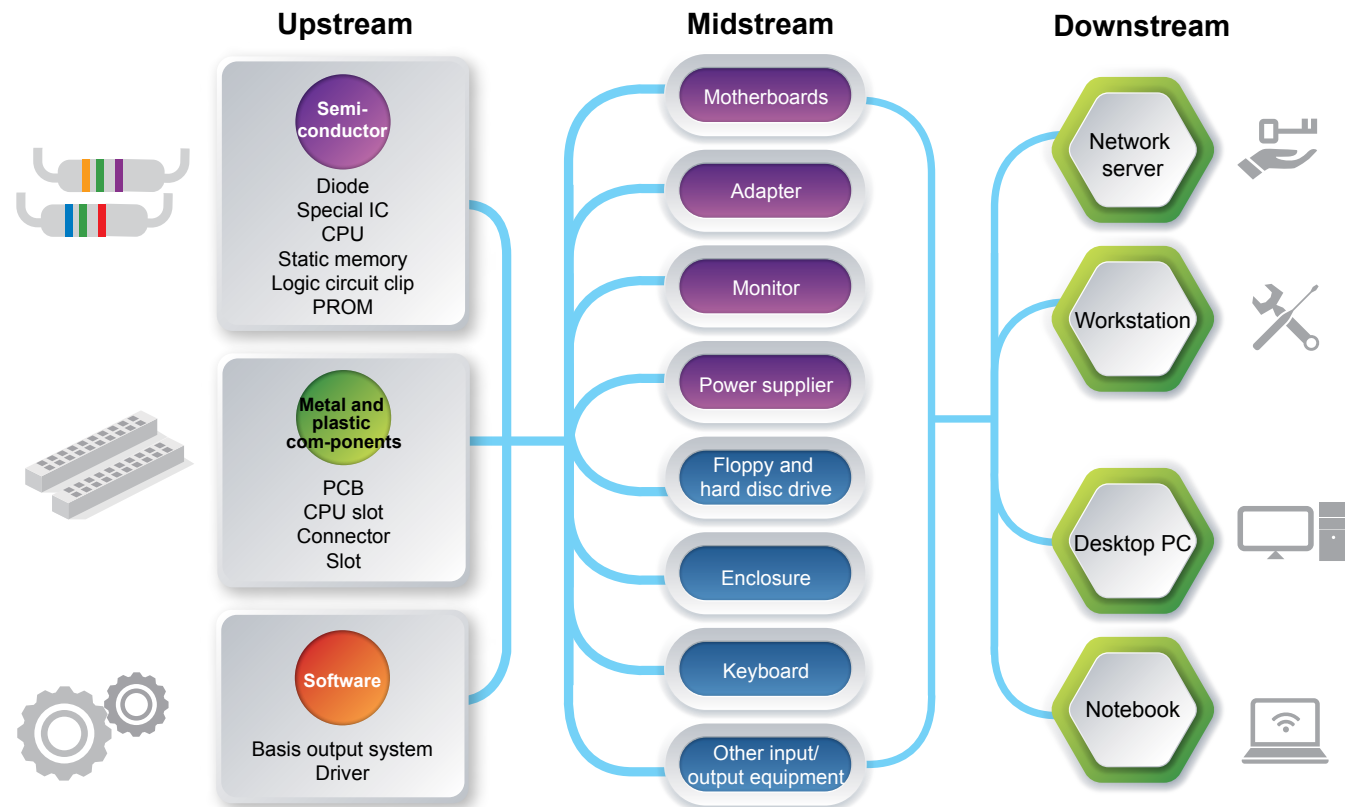
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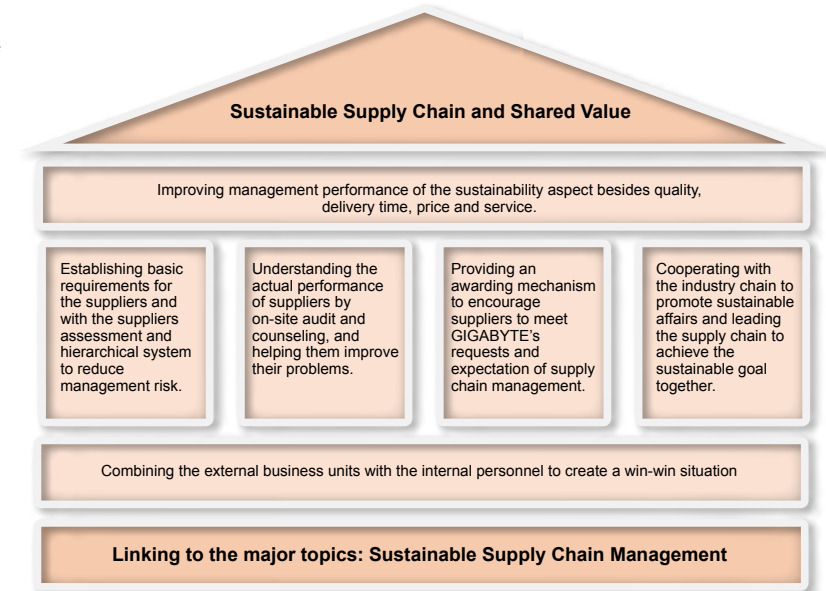
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Overview of the IT Manufacturing industry

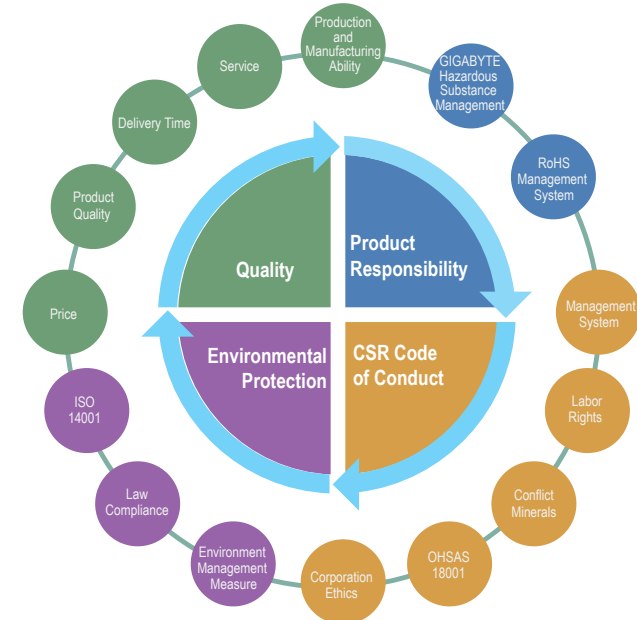




Sustainable Supply Chain Management Strategy



Sustainable Supply Chain Management Requirements



As for the supplier management strategy, we establish basic supplier management requirements and urge suppliers to enhance their sustainable management such as environmental protection, respect for human rights, and improvement of the safety and health at the workplace by means of auditing, assisting, evaluating, and cooperative initiatives, in the hope to achieve the goal of sustainable supply chain management of the Green Action Plan 2.0 and grow together with the entire value chain.

Intensifying Management Requirements on Environmental and Social Aspects

In addition to ensuring provision of reasonable purchase price, product quality, lead time, and service, we basically ask suppliers to incorporate the product responsibility, environmental protection, labor and occupational safety in the management. We also evaluate suppliers using a routine evaluation system and specify a time frame for the suppliers whose evaluation does not reach the required criteria.

To enhance the management in the social and environmental aspects, we adjusted and reestablished the documented supplier evaluation criteria and the signature requirements for agreements/letters in 2017 in line with the Electronic Industry Code of Conduct (EICC; renamed to RBA Code of Conduct in 2017), and attached a new RBA self-evaluation form to complete the overall supplier management regulations and measures.

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■ Establish Zero Tolerance Requirements to Reduce Supply Chain Risks

We establish zero tolerance regulations for four conducts of “use of child labor, forced labor, discharge of untreated toxic or harmful matters or materials, and behavior that may cause direct injury to employees” to implement the supply chain management regulations. Improvement shall be made within a specified time frame if any violation is identified. Otherwise, we will notify the customer if the supplier involved is designated by it, or reduce the orders or cease the transaction if the supplier involved is not designated by the customer. For the supplier who refuses to make improvements, we will disqualify them to reduce the supply chain risk and avoid any damage to the customer. No supplier who violated the zero tolerance regulations was identified in 2017.

■ Complete Conflict Minerals Management

The conflict materials means the metal mines exploited in an environment of armed conflict, illegal exploitation, human rights infringement, or bad work environment, in particular the minerals including tantalum, tin, tungsten, and gold owned by armed forces in the Democratic Republic of the Congo and near countries and exploited for support armed conflicts. Since a great number of these metal mines are used in the technology and manufacturing industries, they are the risks to which more attention must be paid in the supply chain management. To prevent our products from using any metallic materials that are provided by the suppliers with conflict mineral risks, we communicate to the suppliers in the supply chain through our official website or agreement that we do not support or use any conflict minerals. We also ask suppliers not to use conflict minerals in the parts and components they provide. To ensure that suppliers' procurement to be in line with our expectation, we take self-management measures in the hope to complete the conflict mineral management by signing letters of undertaking, investigating conflict minerals, and analyzing relevant issues.

We made conflict mineral investigation aiming at the suppliers who provide products of potential high risk in 2016 and extended the investigation to

the suppliers of all products in 2017. A total of 310 suppliers were subject to the investigation and 283 of them gave replies, with a response rate up to 91.29%. Follow-up actions were taken toward the suppliers who did not give a reply and they were followed up continuously until giving the reply.

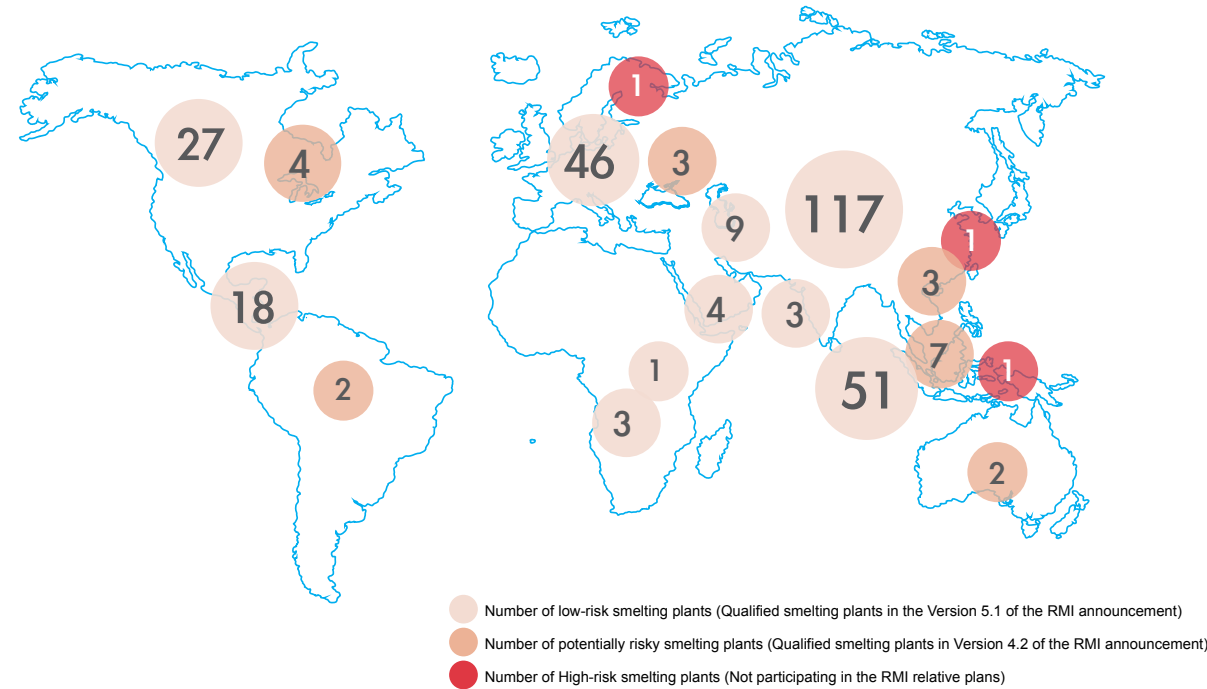
With reference to the list of qualified smelters announced by the Conflict-free Sourcing Initiative (CFSI; renamed to Responsible Minerals Initiative or RMI in 2017), we identified a total of 303 smelters in 2017 and 280 of them (92.4%) were the qualified smelters announced in Version 5.1, 20 of them (6.6%) were the qualified smelters in Version 4.2, and the rest 3 (1%) did not participate in any RMI programs. (For the information about the list of smelters, refer to GIGABYTE's CSR website. Address: <https://www.gigabyte.com/CSR/188>) For management of the conflict minerals, we will continuously follow up the suppliers to understand the status of their smelters and ask to partner with the smelters that meet the RMI requirements.

GIGABYTE Conflict Minerals Management Measures

- Promoting social responsibility and code of conduct among suppliers and confirming subscription of the letter of undertaking for social responsibility
- Establishing internal systematic and documented management systems
- Establishing an annual supplier investigation system
- Analyzing and retaining conflict mineral investigation data



The Global Distribution and Risk of 3TG (Tantalum, Tin, Tungsten, Gold) Smelters in 2017

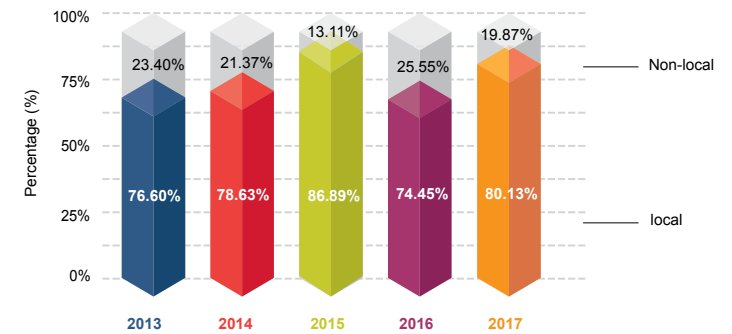


- Number of low-risk smelting plants (Qualified smelting plants in the Version 5.1 of the RMI announcement)
- Number of potentially risky smelting plants (Qualified smelting plants in Version 4.2 of the RMI announcement)
- Number of High-risk smelting plants (Not participating in the RMI relative plans)

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In addition to the requirements above, we give preference to quality local suppliers due to supply efficiency and to support the local economy under our overall procurement strategy. By reducing attrition from logistics, energy resources and carbon emissions, a win-win outcome can be achieved for both parties. GIGABYTE's main production facilities are located in Taiwan as well as Dongguan and Ningbo in China. Since 2014 there have been around 370 long-term suppliers and contractors. The average proportion of local purchasing in the past 5 years is above 75%, and there was a 5.68% increase in 2017 compared to 2016, with companies in Taiwan taking up more percentage.

Distribution of Raw Material Procurement



Note: Local procurement considers Taiwan and China (including Hong Kong). The total statistics are counted based on procurement amount in each year.



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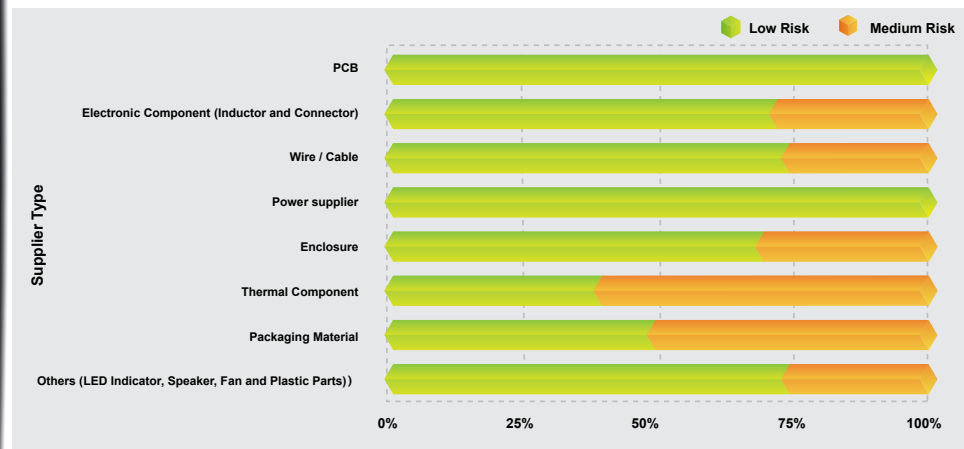
Double-track Supplier Audit to Control Supplier Risk

To make sure the control over the suppliers' implementation of environmental protection, products responsibility, code of conduct of social responsibility and other aspects, GIGABYTE performs two auditing measures, including self-audit and on-site audit on the annual cooperative suppliers. For self-audit, the supplier must finish the survey of quality built by GIGABYTE and RoHS system accreditation and the RBA self-accreditation chart, and then our supplier audit team performs information audit and risk assessment. For those suppliers that take up more procurement amount and those with higher risk after self-audit, we will further perform on-site audits. We counsel the suppliers with risk and ask them improve within 60 days to increase the products' quality and decrease the sustainability risk, reaching the win-win goal that the Company and the suppliers grow together.

GIGABYTE spot-checked 43 suppliers in 2017. 12 of them were listed as suppliers with medium risk after the quality and RoHS accreditation, and their main problems were quality in the manufacturing process. The

above mentioned problems of the suppliers had all improved after project counseling and re-auditing. There were also 12 suppliers that were listed as suppliers with medium risk (with some qualified items and a score between 65 and 85) on the part of social responsibility. Most problems were not immediate hazardous items, hence we counseled them and passed down experiences to them regarding the problems in the audit. We proceeded step by step to gradually improve the suppliers' conducts and performances on social responsibility.

Audit Result of Suppliers' Quality and RoHS system



Audit result of Suppliers' CSR Performance





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Annual Supplier Evaluation to Encourage Excellence

To encourage the suppliers to actively response to GIGABYTE's quality service control and management, and the expectation of the sustainable chain management, we established the Partner Excellence Award, Best Partner Award and Supplier Sustainability Award and other awards for excellent suppliers. We also showed our gratitude for the suppliers' support and excellent contribution at the end-of-year supplier events every year.

The Sustainable Supplier Award started in 2012, GIGABYTE designs annual CSR accreditation tool for suppliers based on the request of supplier chain management and the promotion of sustainability project every year. The suppliers first self-evaluate their implementation performance on 6 aspects of CSR management, including environmental protection, labor rights, fair commercial conduct, supplier's responsibility and social/local contribution. The supplier accreditation team in the Sustainable Development Office then evaluates the suppliers' practice of sustainable affairs regarding the aspects of completeness, reasonableness, recognition level and emphasis level. With the process above, we select cooperation partners with excellent quality and honest operation, and we identify the sustainability risk of the suppliers. We give out the sustainability awards for our suppliers that have good performance on each aspect of CSR, and we have held the awards for 6 years.

As request for CSR becomes higher and higher, we held the ideas of surpassing perfection and pursuing excellence to modify the contents of the evaluation tool in 2017. We enhanced the identification and depth of the evaluation tool and added the contents of performance accreditation on UN's Sustainable Development Goals, greenhouse gas, water resources and waste management, and labor rights management. In the aspect of environmental protection, the suppliers focus more on the greenhouse management in general. 78.57% of the suppliers conduct greenhouse gas inventory and 54.55% of them further establish carbon reduction goal. Suppliers selected in the accreditation in 2017 reduced 2.845 million tons of carbon in total. As for water and waste management, most of suppliers took basic management measures, thus the establishment of reduction goal is not obvious. To boost CSR performance of the entire supply chain, we will continue the alliance cooperation and audit counseling to increase the overall competitiveness of the supply chain.

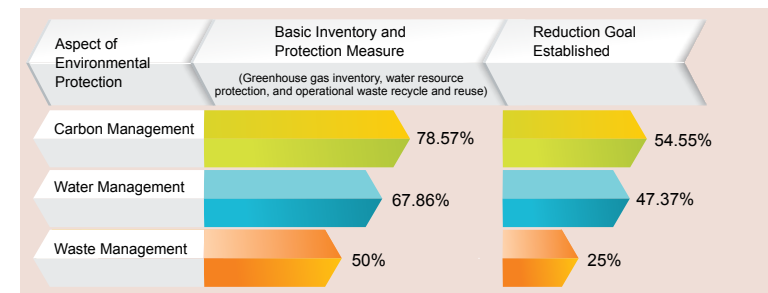
The 6th Supplier Sustainability Award



Texas Instruments

- Promoting science, technology, engineering and math in remote elementary schools
- Actively promoting energy saving. 270 projects have positive influence on the environment.
- Being selected in the World's Most Ethical Companies for 10 years consecutively

Environmental Management Footprint of Suppliers



Note: The statistics of the survey is the implementation percentage (%) of the environmental protection related conducts from the suppliers selected in the accreditation of the current year.

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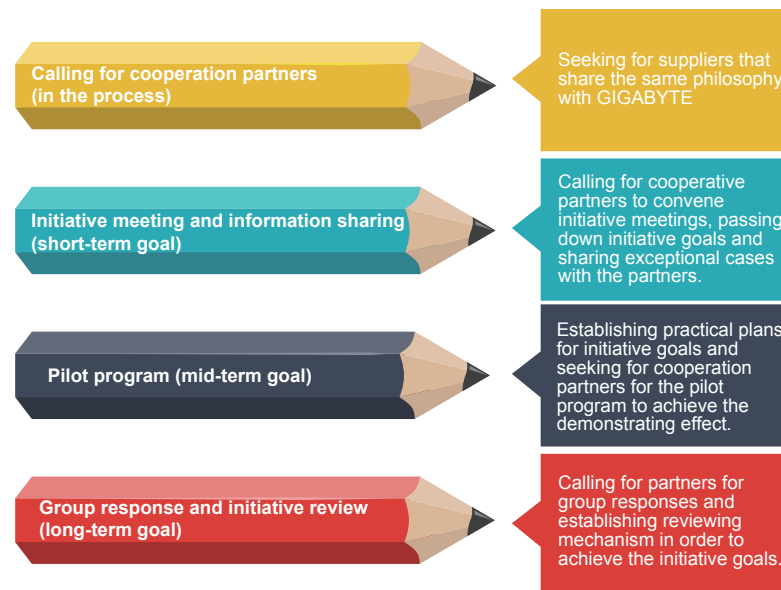
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Alliance Cooperation to Create Synergistic Benefits

To enhance the concrete contribution of the overall supply chain on environmental protection, GIGABYTE called for the "Sustainable Supply Chain Partnership Initiative" in 2015 to urge the main suppliers to join. We also planned to form the "Love the Planet through Reduction Alliance" to promote the "333 Reduction Plan" which had the environmental goal of reducing 3% of the carbon, water and waste respectively. We realized the concept of resources sharing to conduct "Green Sharing", urging members to share the information of environmental impact, conflict minerals management, substance announcement management and new environmental knowledge through the system platform. And the members can respond to the risks and opportunities of global environment, society and economic development. We have called for 42 cooperative partners until 2017. We are expecting to convene partner initiative meeting in the future to not only share our experience of reduction but also hope the partners to join our promotion of sustainability projects. We conduct good deeds together, creating the future of sustainability.



GIGABYTE Jungle Game

Jungle Game with the Suppliers to Seek for Sustainability, Innovation, Quality and Core Values

To make the suppliers understand GIGABYTE's requirement for quality, environmental issues and sustainable management of the supply chain, we hold supplier conferences to promote relative issues. We have also reached cooperation consensus in the suppliers' end-of-year event for 6 years consecutively. The topic of 2017 end-of-year event was "Jungle Game". We invited the suppliers to participate in this big event. The event combined VR, drone and online interaction game with the guest to let the suppliers feel our ambition of innovation and ground-breaking. Our philosophy and conducts of carbon, waste and water reduction and plant for the planet are the main topic of the whole adventure event. We hope to cooperate and respond with other partners together, and with the principle of sustainability, innovation and quality, we can create the visions of the sustainable development for the value chain, marching toward the future of the economy, society and environment thriving together.





GIGABYTE Contribution to SDGs

11 SUSTAINABLE CITIES AND COMMUNITIES: Sustainability Cities and Communities

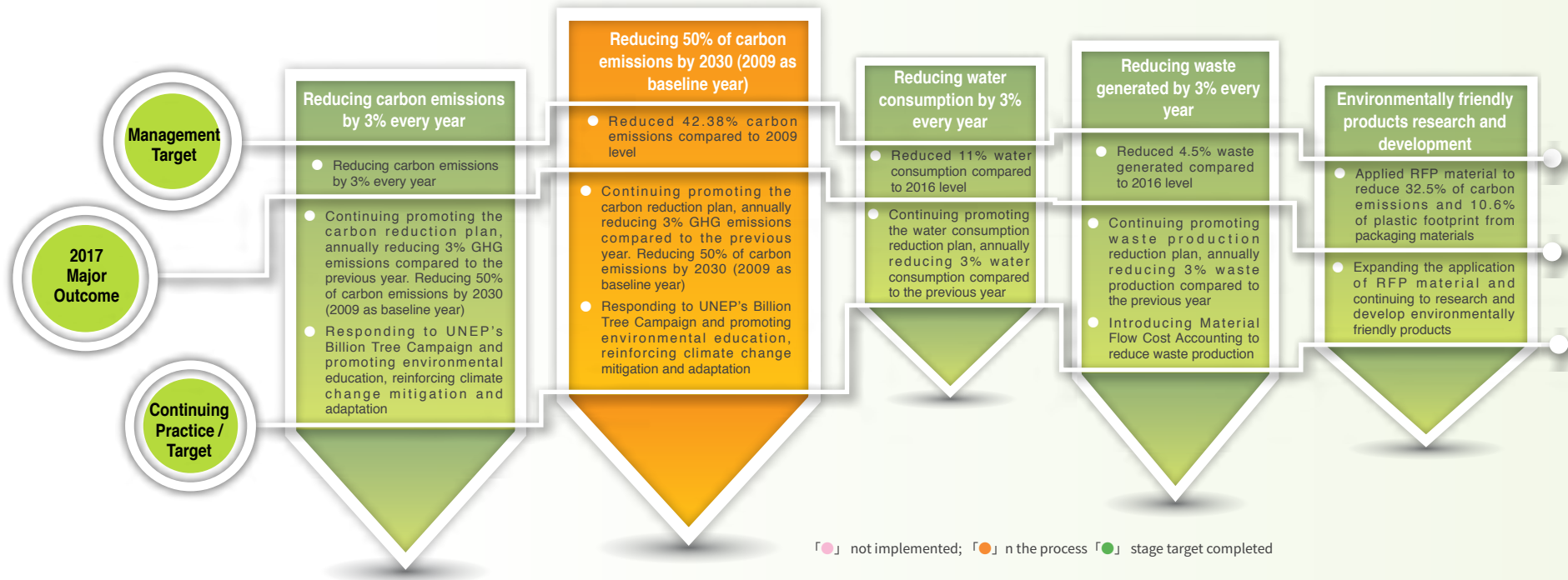
12 RESPONSIBLE CONSUMPTION AND PRODUCTION: Responsible Consumption and Production

13 CLIMATE ACTION: Climate Action

14 LIFE BELOW WATER: Life Below Water

15 LIFE ON LAND: Life On Land

- Built G-HOME and provided innovative action of sustainable city and urban climate action
- Reduced 1,076.78 tons of CO₂e emissions compared to 2016 level; planted at least 75,000 trees in three years and actively put urban climate action into practice
- Promoted the 333 Reduction Plan, reduced water consumption 39,200 tones and waste production 76.36 metric tons in 2017
- Held activities like the plastic reduction seminars, working holidays and the Plant-for-the-Planet Academy and urged the organization to pay close attention to environmental protection internally and externally





Chapter 4 Environmental Aspect

4.1 Environment Management

GIGABYTE believes that business operations should coexist with the harmony in natural environment to actually achieve the goal of sustainable operation. Complying with local environmental laws and regulations at each business locations is our basic conduct rules, we also pay close attention to the latest development of each global environmental issue and positively adapt each environmentally friendly action.

The configuration management approach has been adopted in the management strategy for the introduction of ISO environment and quality management system such as ISO 14001, ISO 14064-1, ISO 9001, IECQ QC080000 and OHSAS 18001 etc. With regular independent third-party verification on the auditing of documentary and operating procedures, we accurately implemented the factory's internal environment control system (the current execution and verification of relevant management systems please refer to GIGABYTE's CSR website. Website: <https://www.gigabyte.com/CSR/74>). Besides, we further integrated aspects of operation, production and culture to decrease the operation energy resource consumption, greenhouse gas inspection and carbon management, develop eco-friendly products, enhance the environmental sustainability consciousness and implementation, expecting to gradually reach low-carbon economy and pursue the triple surplus of economy, environment and society.

"Reduction" is the important goal of the first phase of Green Action Plan 2.0. To lower the environmental impact resulted from operation, we had set 333 Reduction Plan in 2016 to urge self-enhancement of operation management and stimulate innovative management and practice through continuously reducing the carbon emissions, generation of waste and water consumption by 3% each year.

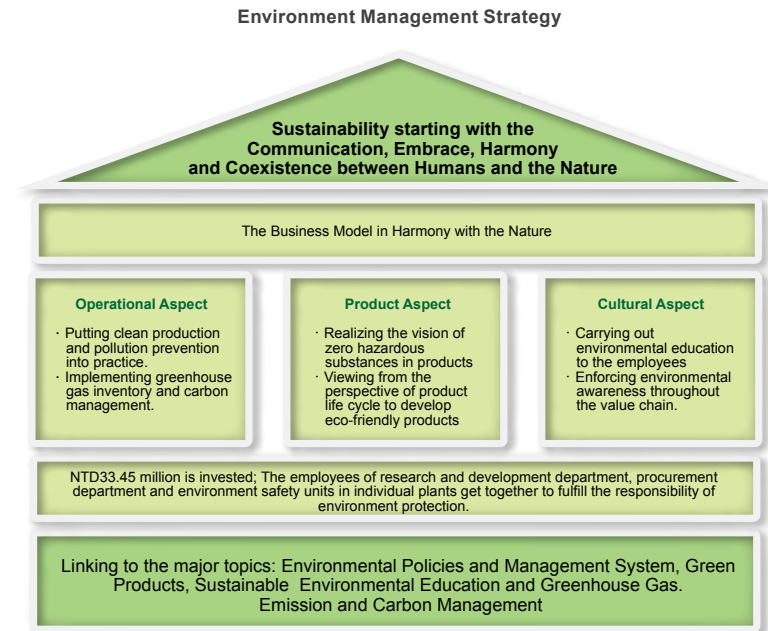


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4.3 Environmentally Friendly Products

4.4 Fostering Internal Environmental Protection Culture

4.5 G-HOME GIGABYTE Sustainable Eco-Roof

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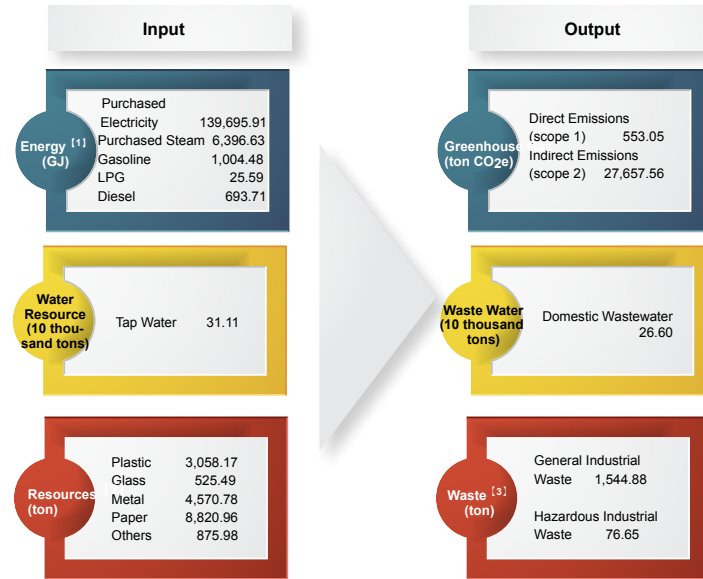
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Summary of Annual Environmental Information



Note 1: The energy conversion unit is based on factors of the areas that the plants are located in. The factors of vapor, liquidized petroleum gas and gasoline take reference from the data in China. The factors of diesel and gasoline take reference of the conversion table of heating value from the energy statistic book published by the Bureau of Energy, Ministry of Economic Affairs.

Note 2: The input resources include packaging materials used by all products and the input resources for the total production of ATX, Micro ATX and Mini ITX motherboards. All the input resources are non-renewable substances.

Note 3: Industrial Waste includes domestic garbage

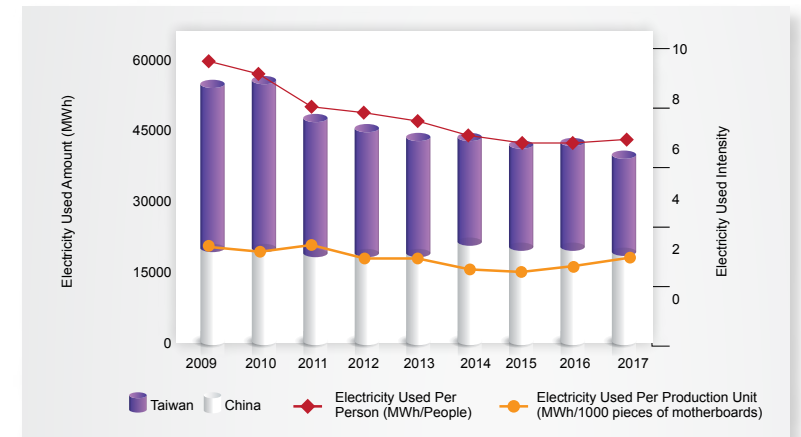


Clean Production and Pollution Prevention

Energy Conservation

In an era that promotes energy conservation and carbon reduction, energy saving has already become one of the important environmental management goals for a corporation. In the past few years, the amount of total electricity use in GIGABYTE's 4 plants was from the range of 48,000 to 53,000 MWh. Since the "Green Action Plan" was performed in 2009, the electricity used has dropped gradually. The electricity use decreased down to 38,804 MWh in 2017, which was 13,176 MWh less compared to the base year 2009. And the average electricity use per person went down from the 9.64 in 2009 to 6.95 (MWh/person)

GIGABYTE's Electricity Use by Region



Note: The data are from the billings of each plant (excluding G-STYLE Ltd and the office in Taipei Silicon Valley)



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To effectively increase the efficiency of electricity use, we have started to promote energy saving and modification projects in the Headquarters and each plant since 2015. The Headquarters mainly improved the equipment in working area, and the production locations mainly optimized the production devices and updated the lighting equipment. We are expecting to save 658.3 MWh (2,370.17 GJ) after the performance of each project. We can save 2% of the electricity use compared to 2017 level.

2017 Electricity Saving Project in GIGABYTE's Bases

Base	Electricity Saving Project	Expected Electricity Saving (MWh)
Headquarters	Energy saving from lighting improvement in the public area II	15.61
Nanping Plant in Taiwan	Replacement of light tubes with LED ones II	364.77
Dongguan Plant in China	Establishment of digitalized energy monitoring system Electricity circuit modification in the restaurant	-
Ningbo Plant in China	Inverter air compressor modification Variable frequency pump modification	278

■ Saving Water Resource

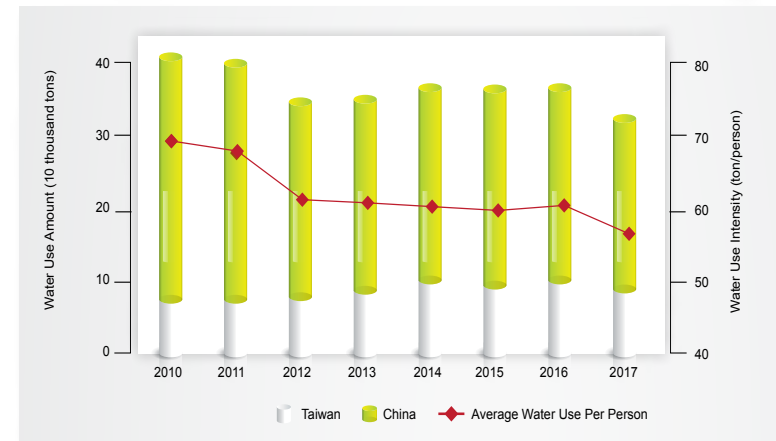
According to the Global Risks Report from the World Economic Forum, the water resource crises have listed among the top 5 risks on the globe in the past 7 years. It shows that if a water resources issue happens, its influence will be deep and wide reaching. As a result, the development and distribution of water resources has not only become an important issue of countries, but also become a risk in corporate operation. GIGABYTE's main operational locations are in Taiwan and China, and both areas have problems of unbalanced water distribution and higher risks in water shortages and water disaster.

Our current manufacturing process of the main products does not use water. The main water use is on the basic equipment of plants, such as circulating water on air conditioner and air compressor, and domestic water use. The water type is tap water. We do not use any river water or underground water, thus we do not have any potential impact on the water origin and the water used in the communities. Even though we are not a major water consumer, we are still in the area with higher water resource risk. Therefore, cultivating the concept of water conservation

into everyone's behavior is extremely important. We use devices with water conservation labels in our corporate building and plants. We also post notice to enhance the promotion of water conservation methods. The G-HOME Sustainable Eco-Roof at the Headquarters also has a water collecting design and rainfall water recycle system. The efficiency of the water collecting design can reach 54%, and the water amount collected from rainfall can reach 362 tons. In addition, we adopt diverse channels to enhance everyone's concept of saving water resources. For example, on the World Water Day in 2017, we were inspired by the domestic water footprint inventory and we asked the employees to make promises on voluntary water conservation. After the long promotion and the boost on self-awareness, our plants in Taiwan and China used 311.1 thousand tons of water in 2017, which was 11% less compared to the total used water amount in 2016. We successfully reached the 3% water use reduction in the 333 Reduction Plan. And the average water use per person was 55.7 tons, which was 17.98% less compared to that in 2010.

We will move toward enhancing water use inventory and boosting the percentage of water resources recycle and reuse in the future. We will actively minimize the domestic water use and expand the scope to the entire value chain. We start from product designing and seek for raw materials with less water consumption to continue reaching the reduction goal of 3% water conservation.

GIGABYTE's Water Use by Region



Note: The data are from the billings of each plant (excluding G-STYLE Ltd and the office in Taipei Silicon Valley)



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■ Pollution Prevention

Our manufacturing process of products is simple, mainly including solder paste printing, insertion, mounting and wave soldering. As for air pollution prevention, the Ningbo Plant installed the device to process waste gas during painting and electronic use for proper handling of xylene and non-methane hydrocarbons. Manufacturing process in other plants is mainly assembling without discharging controlled pollutants in the local laws and regulations. As for the wastewater management, the total wastewater amount was 266 thousand tons in 2017, which was mainly domestic wastewater. The wastewater was discharged to the public sewage according to the local laws and regulations thus had less impact on the environment and ecology.

■ Waste Reduction

GIGABYTE's hires legal cleaning agents for waste treatment and properly use of recycled elements for all wastes. We produced 503.45 tons of industrial wastes, 1,041.43 tons of recycled elements and 76.65 tons of hazardous waste, which mainly included waste tin and lead sludge, waste metals and waste solution, during the operation in 2017. In 2017, the total waste amount was 1,621.53 tons, which was 4.5% less compare to 2016. We successfully reached the 3% waste reduction in the 333 Reduction Plan.

Moreover, we discard computer components and recycle empty box in the offices and plants every two (2) months to properly process electronic waste. To continue practicing the goal of 3% reduction, GIGABYTE has planned the short-term, mid-term and long-term waste reduction strategy. Starting from boosting individual's environmental consciousness and reducing domestic waste, we further expand it to product design and manufacturing process in plants. Cooperating with the suppliers, we actively seek for the opportunities of waste reduction and recycle. We are expecting to import the ISO 14051 Material Flow Cost Accounting into the Nanping plant in 2018. We hope to realize the reduction from resource input at the front-end through the systematic viewpoint of manufacturing, and then expand it to the goal of the overall operational resource and waste reduction.



GIGABYTE's Waste Production and Processing by Region (ton)

Region	Category	Industrial Waste				Hazardous Industrial Waste		
		Recycle and Reuse	Landfill	Incineration	Compost	Recycle and Reuse	Landfill	Incineration
Taiwan		291.85	192.87	33.89	8.02	33.62	0	1.62
China		749.58	268.67	0	0	15.38	0	26.03
Total		1041.43	461.54	33.89	8.02	49.00	0	26.95

Note: The industrial wastes cover the domestic garbage. The compost only covers the data of the Headquarters in Taiwan with other plants excluded.



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4.2 Climate Change Mitigation and Adaptation

According to the Global Risks Report from the World Economic Forum in 2018, “extreme climate event”, “nature disaster” and “failed climate change mitigation and adaptation” are the most emphasized environmental risks in the top 5 risks with higher occurrence rate and influence. The 3 issues are highly relevant and influence each others. The issue of climate change is an important issue that will affect the global development and corporate operation. What are the most important for corporate operation are carbon emission management and adaptation to climate change. GIGABYTE views the issue of climate change as an important lesson for sustainable operation and management. We not only focus closely on the trend of global climate change and the international response, but also list the issue of climate change as one of the major corporate risks. We respond to global carbon management trends through systematic measures like risk and opportunity identification, strategy establishment, and gas emission

management in order to analyze issues related to control and management. We actively march toward to the low-carbon technology.

Identification of Risk and Opportunity

To effectively control the developing trend of the climate change issues, we have designated personnel to focus on issues related to international climate change management, such as the laws and regulations of countries, corporate management trend, and the risks and opportunities to monitor the climate change. We convene relative meetings regularly to control issues with higher risk, plan timely correspondent strategies and respond to international consensus.

	Risk Source	Risk Type	Risk Evaluation		Creating Opportunities	
			Product Aspect	Operational Aspect		
				Taiwan		China
Correspondence to Policies and Regulations	Greenhouse Gas Reduction and Management Act	Greenhouse Gas Emission Reduction			<ul style="list-style-type: none"> • Increasing the efficiency of energy use and reducing the operational cost • Reducing the dependency on electricity use, developing new energy and strengthening operational resilience • Participating in the carbon trading market to make extra profits • Introducing a complete organizational carbon management system to reduce the difficulties in entering new markets and thus enhancing competitiveness 	
	The 13th Five-Year Plan					
	Policies and Laws Corresponding to the Paris Agreement in Individual Countries					
	Energy Administration Act	Energy Reduction				<ul style="list-style-type: none"> • Meeting the clients' and the consumers' needs to actively develop innovative products and services, which will then bring opportunities to new markets and increase brand's competitiveness
	Air Pollution Control Act	Change in the Energy Cost				
	The Electricity Act					
	Renewable Energy Development Act					
National Emission Trading System in China (CN ETS)	Management Cost					
International Trend	Information Disclosure on Products/ Organizational Environment	Brand Reputation/ Technology Transformation			<ul style="list-style-type: none"> • Enhancing complete ability of operational risk correspondence and adaptation that increases the operational resilience and competitiveness 	
	Consciousness of Green Consumption					
	Technology Innovation					
	Low-Carbon Management Request from Clients					
Physical Factors	Disasters caused by extreme climate factors such as heat wave, water shortage, flood and other acute events	Emergency Response/ Management Cost			<ul style="list-style-type: none"> • Enhancing complete ability of operational risk correspondence and adaptation that increases the operational resilience and competitiveness 	
	Long-term Climate change such as rising average temperature and sea level	Climate Change Adaption				
Low Risk (bringing less obvious influences within 5 years; belonging to indirect influence)						
Medium Risk (bringing obvious influences within 3 to 5 years; belonging to direct influence)						
High Risk (bringing obvious influences within 3 years)						



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Strategic Layout Responding to Climate Change Issues

Faced with risks and opportunities of climate change, GIGABYTE plans and establishes strategies correspondent to climate risk and management through the Green Sustainable Development Committee and the Green Action Plan. We start from the climate change mitigation and adaption, and we perform the 5 main strategies, including “greenhouse gas emission management”, “research and develop innovative products”, “environmental education” and “innovative management”. We also use the participation of

the international Carbon Disclosure Project and the reduction goal audit as our evaluation system for effectiveness. We hope that we can reduce the operational risk, respond to the stakeholders’ expectations and become a corporate citizen that is equipped with operational resilience and that can also give consideration to the development of the society.

Energy Saving and Development	Inventorying operational status quo and fulfilling improvements on plants
<ul style="list-style-type: none"> • We regularly take inventory on the energy use status and greenhouse gas emissions • We establish operational SOP for all facilities consuming energy in order to enhance energy efficiency and reduce carbon emissions • We establish a emission reduction goal and promote energy saving and carbon reduction projects in all plants, such as eliminating old facilities and improving air conditioning/exhausting, to decrease the greenhouse gas emission from business operation. • We actively assess the potential and suitability of using renewable energy to reduce our dependence on fossil fuels 	
Risk Prevention	Always being aware of risks and strengthening operational resilience
<ul style="list-style-type: none"> • We establish emergency response measure to avoid operational impacts caused by climate events. • We continue to pay attention on the development of carbon trading systems, and evaluate the feasibility of setting internal carbon pricing and its pilot implementation. 	
Product Management and Innovation	Grasping the market’s trend and developing innovative products
<ul style="list-style-type: none"> • We actively develop products with lower energy consumption through our strong strength of research and development and our high standard for the quality • We hold the innovative green products activity to encourage the employees to provide ideas of products that give consideration on both innovation and environmental care • We construct an evaluation system for products’ environmental impact to self-examine and seek for an opportunity of improvement from the initial stage of design 	
Environmental Education	Spreading the ideas and internalizing environmental sustainability consciousness
<ul style="list-style-type: none"> • We cultivate all employees with environmental education through the Green Action Plan, construct the concept related to environmental sustainability, such as climate change and energy and resource saving, and bring all employees to respond to the sustainable conducts and measures together • We promote the Make Earth Green Again project, bringing the public to respond to the tree planting issue together • We hold the Plant-for-the-Planet Academy and train Climate Justice Ambassadors in Taiwan 	
Innovative Management Action Plan	Building innovative management strategy with adaptation and mitigation actions
<ul style="list-style-type: none"> • With industry-government-academia cooperation, we built the G-HOME GIGABYTE Sustainable Eco-Roof based on ecological design. The idea was not only about energy saving and carbon reduction, but to provide a climate change mitigation and adaption action plan that integrates diverse functions and is applicable in the urban area. • We respond to the UNEP’s Billion Tree Campaign to view the climate change issue with the global perspective and use tree planting as our starting point toward carbon neutral 	



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Greenhouse Gas Inventory and Reduction

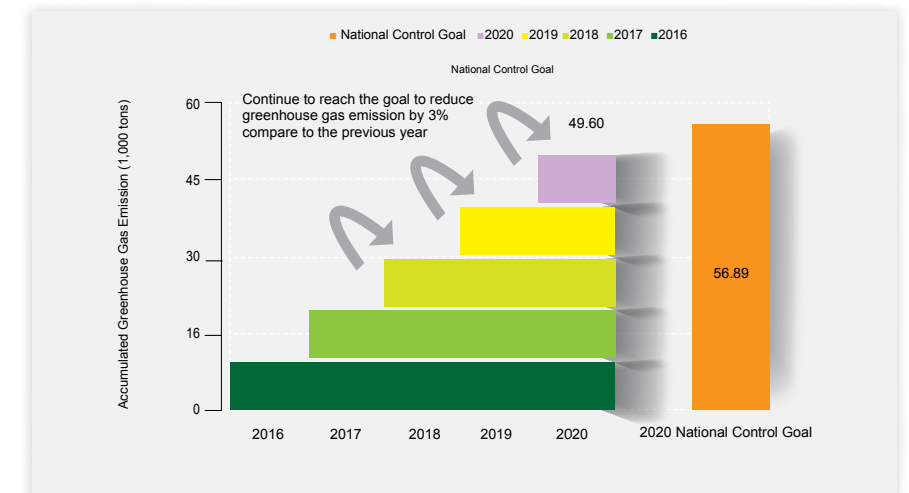
The goal of the 1st stage of greenhouse gas control in Taiwan has now already been approved, and the 13th Five-Year Plan for controlling greenhouse gas emission in China has also become a national policy that the local governments need to cooperate with. Moreover, countries around the world also have policies correspondent to the Paris Agreement. These all show that individual countries' policies and laws related to greenhouse gas control are gradually complete. The development of the greenhouse gas emission control and potential risk requirement will affect the market opportunities and capacity layout of GIGABYTE's locations. Although GIGABYTE is not directly controlled by relative laws and policies currently, we can expect the potential influence of the relative control in the future. As a member of the manufacturing industry, GIGABYTE needs to carry the responsibilities and obligations of reduction. We started to follow the request of the ISO's greenhouse gas inventory since 2010, and we also imported ISO 14064-1. We set 2009, the year we started the Green Action Plan, as the base year, constructing internal documents and investigation process, promoting all staff participation and building consensus. Taking the inventory on the emission is our important and basic tools for managing greenhouse gas, and the inventory result at the end of a year is also an important reference for us to examine the effectiveness of carbon reduction. In 2017, we not only examined our own reduction goal of greenhouse gas emission, but also start to examine our contribution to the national reduction goal of Taiwan. We hope to contribute to the overall reduction goal of the nation in the process aside from our own realization of the carbon reduction goal.

Achieving Status of GIGABYTE's Greenhouse Gas Reduction Goal

Carbon Reduction Goal	Greenhouse Gas Reduction Status	Achieving Status
Short-term Reduced 3% of the carbon emissions compared to the last year	↓3.68% 2016: 29,287.85 tons of CO ₂ e 2017: 28,211.06 tons of CO ₂ e	●
Long-term Reduced 50% of carbon emissions by 2030 (2009 as baseline year)	↓42.38% 2009: 48,957.14 tons of CO ₂ e	●

“●” not implemented; “●” in the process; “●” stage target completed

Achieving Progress of GIGABYTE in Taiwan Compared to the National Greenhouse Gas Control Goal



Note 1: The statistic of the control goal in Taiwan is based on the 1st stage goal of greenhouse control published by the Environmental Protection Administration that the gross emission from manufacturing sector shall be under 741.543 million tons from 2016 to 2020, and GIGABYTE's contribution is estimated by its percentage to the whole manufacturing sector.

Note 2: The total accumulated greenhouse gas emission from 2018 to 2020 is based on the greenhouse gas emissions of GIGABYTE's locations in Taiwan (i.e. Headquarters and Nanping Plant) in 2017 and is estimated according to the short-term goal.



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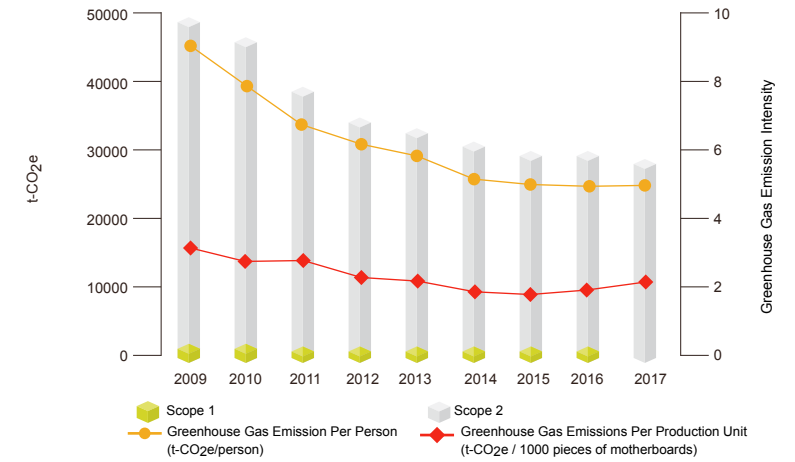
Greenhouse Gas Inventory

GIGABYTE started to perform organizational greenhouse gas inventory and external audit operation since 2010. The scope of inventory includes the Headquarters (excluding the Silicon Valley office), Nanping Plant in Taiwan, Dongguan and Ningbo Plant in China. The gross organizational greenhouse gas emission in 2017 (Scope 1 and Scope 2) was 28,211.06 tons CO₂e. Its main contribution was from Scope 2, indirect emission, which took up about 98.04% of the total emission. The total emission amount decreased 20,746.08 tons compared to the based year 2009.

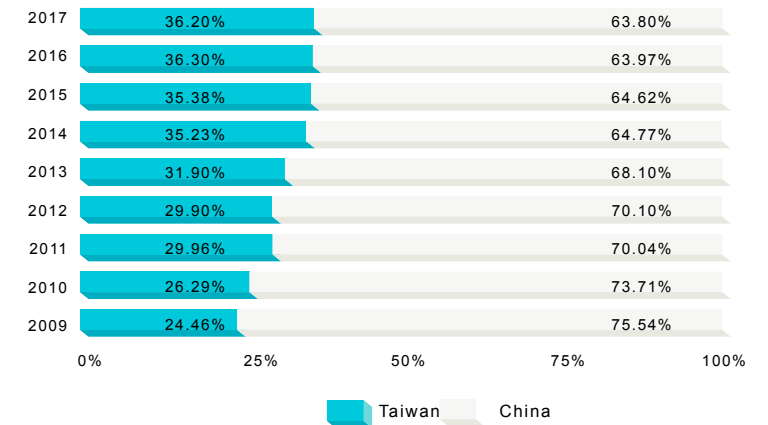
According to ISO 14064-1, the origin of GIGABYTE's greenhouse gas emission can be divided into Scope 1, direct emission, and Scope 2, indirect emission. Scope 1 includes the gasoline consumption of the company cars; diesel oil used for power generation in emergency; liquidized petroleum gas used in the manufacturing process and the restaurant; refrigerant emission from the refrigerator and AC; and the septic tank. Scope 2 includes the purchased electricity and steam.

To understand more exactly and completely about our greenhouse gas emission status, we first completed the inventory of 9 material Scope 3 categories in 2016. When viewing the inventory result of Scope 3, we found that the "purchased products and service" in the upstream and the "use of sold products" in downstream were major sources of emissions. Compared with Scope 1 and 2, Scope 3 was our potential key point of carbon reduction. In addition to continuing the inventory on Scope 3 emissions in 2017, we performed hypothetical scenario analysis to be the prior assessment for promoting future reduction in Scope 3. We hope that with the continuing reduction in Scope 1 and 2, we can also push the whole value chain toward carbon reduction operation from the perspective of activities in the upstream and downstream.

GIGABYTE Greenhouse Gas Emission (Scope 1 and 2)



GIGABYTE Greenhouse Gas Emission Proportion by Region





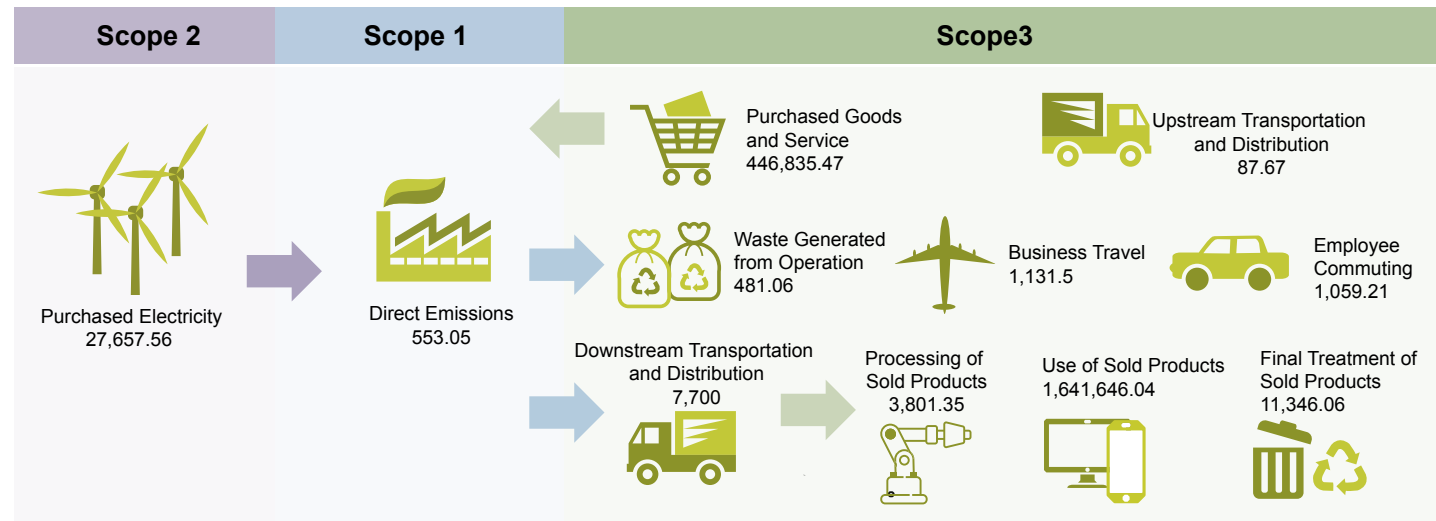
GIGABYTE Greenhouse Gas Emission (Scope 3)

214.23 million t-CO₂e

↓16.32% compared to 2016

Gross Greenhouse Gas Emissions (Scope 1, 2 and 3)

Unit : t-CO₂e



Inventory boundary:

Upstream: For area-related categories, only Taiwan area was considered (Headquarters and the Nanping Plant in Taoyuan). For product-related categories, only motherboards, our main product, were considered.

Downstream: For area-related categories, all bases in the Group were considered, including the Headquarters, Nanping Plant in Taoyuan, Ningbo and Dongguan Plant in China. For product-related categories, only motherboards, our main products, were considered.

Calculation: The formulas for calculation were direct activity data * carbon emission factors

Purchased products and service: Considering raw materials purchased in 2017 for assembly of motherboards

Upstream transportation and distribution: Considering the total weight of purchased goods for manufacturing motherboards in 2017. The figures of transportation mileage referred to Google Map (domestic) and SeaRates (international). The emission factors referred to the Carbon Footprint Platform of the Environmental Protection Administration, Greenhouse Gas Protocol, and the database of SimaPro.

Waste generated in operations: The amount of waste was collected and divided into 3 types, domestic waste, recyclable waste and hazardous industrial waste. The emission factors referred to the carbon footprint database of the Environmental Protection Administration.

Business travel: Only considering the emissions from business trips by air in 2017. The flying mileage was calculated based on employees' business travel record in 2017. The calculation relied on the carbon footprint calculator of the International Civil Aviation Organization (ICAO).

Employee commuting: We conducted a questionnaire survey to the employees of the Headquarters to collect their commuting information, and then enlarged the figure by the proportion of samples to total amount of employees. The emission factors of different transportation measures referred to the High Speed Railway, Taiwan Railway and the carbon footprint database of the Environmental Protection Administration.

Transportation and distribution of sold products: Considering the shipping amount of the motherboards to other countries in 2017. The transportation mileage referred to SeaRate international shipping database and the statistics of the China Railway Express. The emission factors referred to the database of the Environmental Protection Administration and the Greenhouse Gas Protocol.

Processing of sold products: Considering B2B motherboards we exported to clients in 2017. (i.e. providing to clients to further assemble as a PC or a server)

Use of products: Referring to the formulas suggested by the Environmental Protection Administration that were used for calculating the carbon footprint of the integrated computer at the usage phase.

End-of-life treatment of sold-products: We first inventoried the procurement information of all the packaging materials purchased in 2017, and then categorized them by types of materials. The final figures were calculated based on the weight, rate of recycle and the emissions factors at the disposal phase.

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Scenario Analysis Result of Scope 3

Waste Reduction 	<p>According to the goals of the 333 Reduction Plan, we expects that general waste of the 4 plants reduce by 3% annually. Under this assumption, we compare the the reduced waste estimative scenario to the BAU scenario based on the performance in 2017.</p>	<p>➔ 2018-2020 : ↓28.5 tons of CO₂e 2018-2025 : ↓162.6 tons of CO₂e 2018-2030 : ↓391.7 tons of CO₂e</p>
Increasing Taking Public Transportation 	<p>Taking the result of 2017 employee commuting survey as the base, we assume that the employees who drive less than 20 kilometers all take public transportation (buses) and the employees who drive scooters less than 3 kilometers change into cycling and walking.</p>	<p>➔ ↓61 tons of CO₂e</p>
Decreasing use of Plastic in Package 	<p>We endeavor to use other eco-friendly and recyclable materials to replace plastic packaging materials, and assume that the procurement amount of plastic packaging can decrease by 3%.</p>	<p>➔ ↓30 tons of CO₂e</p>
Increasing Shipping Amount of B2B Motherboards 	<p>We assume that the shipping amount of the B2B motherboards increases by 10%.</p>	<p>➔ ↑380 tons of CO₂e</p>
Increasing Local Procurement 	<p>Taking the procurement data in 2017 as the base, we assume that all procurement of materials are purchased from local suppliers, except some oversea procurement with higher trading amount (more than NTD 10 million).</p>	<p>➔ ↓6 tons of CO₂e</p>

Participating in International Carbon Disclosure Project (CDP) to Review Carbon Management Performance

GIGABYTE responded to the clients' request to respond the supply chain module of the Caron Disclosure Project (CDP) since 2011. By participating in CDP, we respond to the clients' expectations and the global expectations. We also self-review our practices of carbon management and the gap between the industries to encourage ourselves and adjust managing principles for a complete carbon management system. GIGABYTE received score B (management level) in the CDP in 2017, which was higher than the average score D of the overall supply chain. We also made a progress of a band up on the risk and opportunity management aspect compared to 2016 (B→B), and it indicated that we had a certain degree of improvement on the carbon management issue. We will continue reviewing each management direction, advance ourselves in terms of governance strategies, emission reduction, and risk and opportunity management and actively move toward the goal of low-carbon technology.

	2011	2012	2013	2014 ^[1]	2015	2016 ^[2]	2017
Disclosure Score	59	76	84	88	97	B	B
Performance Score	D	C	A-	B	C		

Note [1]: CDP modified the scoring methodology in 2014. Besides a general score, a company was also scored from 4 aspects: governance and strategy; risk and opportunity management; emission management; and inventory, as assessment items.

Note [2]: The scoring framework used to be a disclosure score and a performance score before 2015. Since 2016, the CDP score changed into representing a company's performance level by giving a performance band from A to D.

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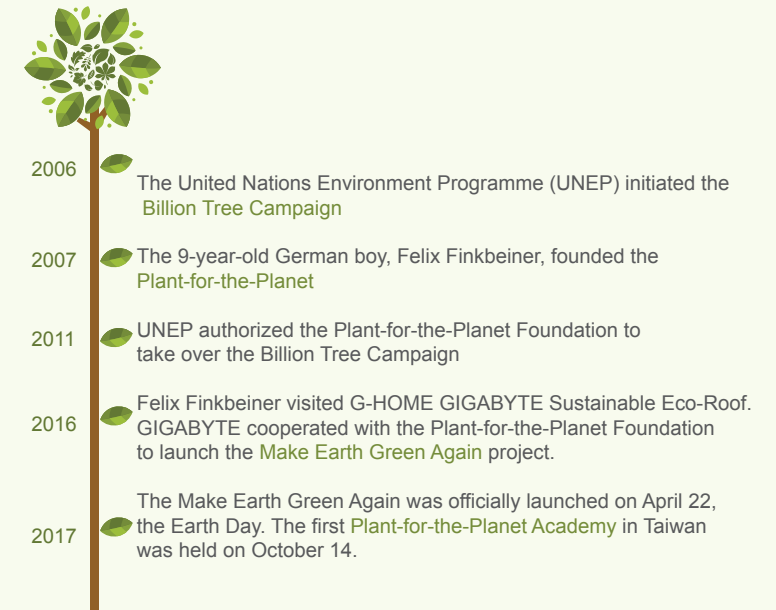


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Make Earth Green Again

Phrases such as “the hottest on record”, “extreme weather” and “climate refugee” have kept popping up in our life unceasingly. It is not hard to imagine that the climate change have caused many potential influences and impacts on the environment we are living in. When climate change becomes a public affair instead of the government’s affair, we should view the matter more seriously and respond to this unavoidable environmental disaster.

As a corporate citizen and a member of the global village, we not only actively reduce carbon from our operations but also call for the public to respond to climate change hand in hand. Continuing the philosophy of “returning trees to the planet” of the G-HOME Sustainable Eco-roof and the support of tree planting action by Mr. Lai, we cooperated with the Plant-for-the-Planet Foundation to launch the “Make Earth Green Again” project in 2017. With the tree planting actions and local climate literacy education, we hope that we can use our influence to be a source of enlightenment when Taiwan is fighting the issues of climate change and global warming internationally. We also want to push the visions and philosophy of planting for the planet further to be an important action to respond to the UN’s sustainable development goals.



GIGABYTE™ +



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"We hope to arouse the sense of missions in everyone's mind to make the problem of climate change no longer other people's business." The philosophy of the project we promote, Make Earth Green Again, is not only to plant trees for the earth but also to let everyone realize that we all can use our influence to let hope sprout in everyone's mind. We promise to plant at least 75,000 trees in 3 years. We plant trees in Mexico in the name of our employees, consumers and of any person concerned with sustainability of the earth. The tree planting action not only is to cool down the earth, but also to create job opportunities for local people around the forest area. That is, it is also a spark of realizing climate justice.



You buy a laptop, we plant a tree for you



Responses from our employees



Project promotion at the 2017 GRI Annual Meeting

For the exclusive project webpage for consumers, please refer to: <https://csr.gigabyte.com/make-earth-green-again/index.html>

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Stop Talking Start Planting

“It is right to give hope to the future generation”. In the environmental documentary “An Inconvenient Sequel: Truth to Power”, the former US Vice President Al Gore urges adults to give the option to the future generation when they are facing the problem of climate change. We not only need to help the future generation understand the climate crisis attacking the world, but also give them the strength and courage to eliminate the crisis. In addition to supporting the goal of the United Nations to plant 1 billion trees for the environment by planting 75,000 trees, the local climate literacy education is one of our important missions to train “Climate Justice Ambassadors” among children and promote the climate education of the Plant-for-the-Planet to everywhere in the world.

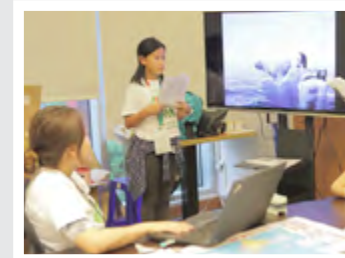
The first Plant-for-the-Planet Academy in Taiwan was held in 2017 and trained 37 Climate Justice Ambassadors recognized by the Plant-for-the-Planet. We will invest resources continuously to organize 2 Academies per year and train more Climate Justice Ambassadors. In this way, children can be attentive to or participate in local environmental issues and the young generation can understand the meaning of planting trees to the global climate issues by acting as volunteers or assistants. This may also make the decision and ability of the enterprises in Taiwan to support the global environmental issues visible to the world.



Understanding the world and global environmental and climate problems



Planting trees together



Training for Climate Justice Ambassador presentation



Presenting climate action plans proposed by children themselves





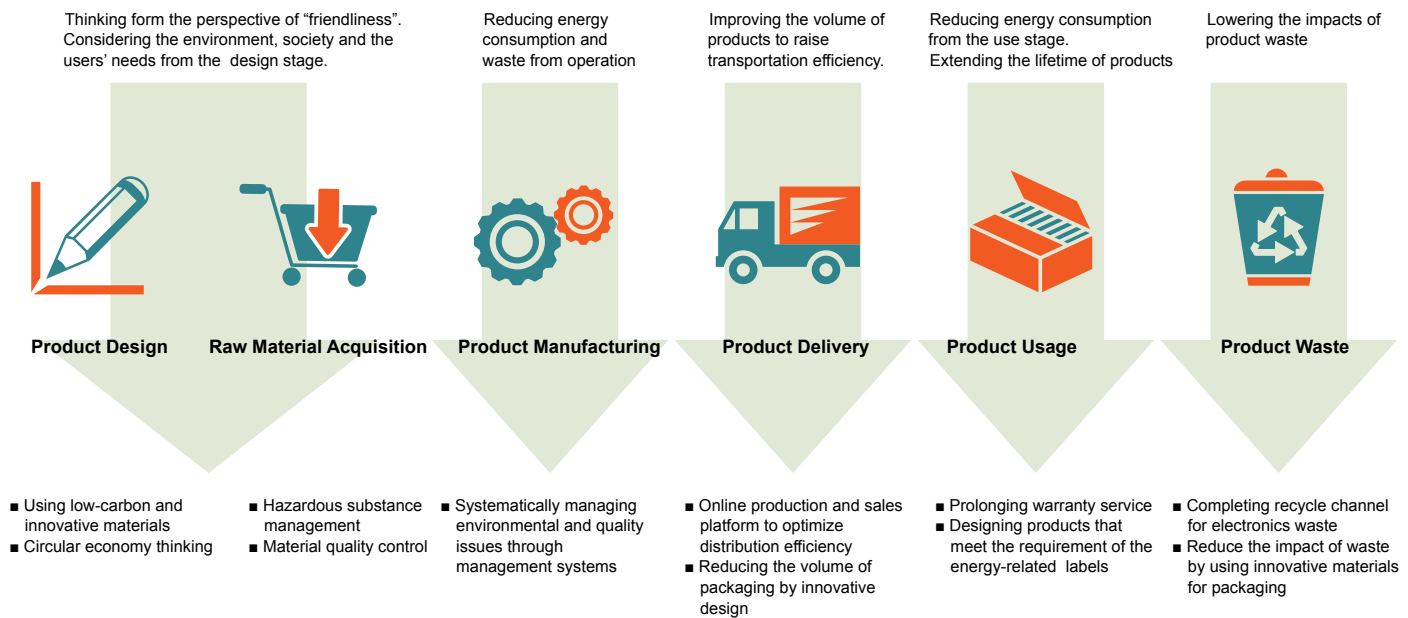
4.3 Environmentally Friendly Products

Facing the environment full of risks and survival crises, people are concerned about not only whether business operations meet basic requirements of environmental protection, but also how to improve the sustainability of the products. By establishing a systematic green product management procedure, we take environmental impacts into account from the very beginning of the design and conceive the idea of the product base on the philosophy of "lessening the burden on the environment", in addition to assuring and continuously improving the environmental quality of our product. We persist in the "Upgrade Your Life" as the purpose of the

Company in the hope that all of our products are made from the viewpoint of the friendliness to the environment, user and society, and our innovative products can upgrade the life of you and me.

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Goals and Implementation Strategies of GIGABYTE Friendly Products





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Hazardous Substance Management

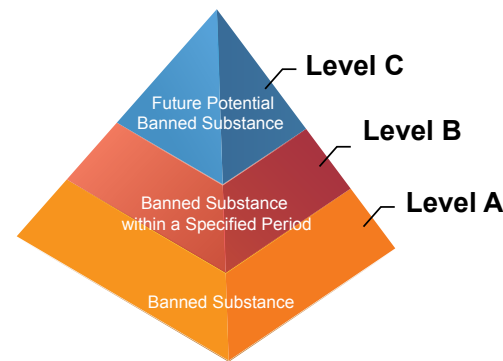
We always pay attention to the development of the environmental regulations (such as REACH and RoHS) of the countries all over the world to provide consumers with the products meeting the international norms and customer's requirements. All of our products, including the motherboards, VGA, CD-ROM drive, shell, and power supply, comply with the EU RoHS Directive. We establish the Harmful Chemical-Substances Requirements (HCSR) and ask our partners to comply with these regulations. We manage harmful substances systematically at different levels and incorporate the harmful substances to be controlled pursuant to different regulations in our controlled high-risk substances list in a timely manner to eliminate these substances as required by the law. In response to the additional control on PAE materials by RoHS 2.0 and the amendment of REACH, we revised the HCSR to Version 4.3 in 2017 to adjust the control level (from Level B to Level A) of the 4 PAE materials (DEHP, BBP, DBP, DIBP) and add 2 prohibited substances of DBB and PFOSF. To ensure that all of the products meet the RoHS 2.0 requirement by 2019, we have promoted and activated the control requirements at the year-end event of the suppliers since 2016. An overall inspection and spot check of the suppliers was conducted in 2017 and the suppliers of high risk must provide a test report from the lab of a third party. Follow-up actions are taken afterward to ensure that all the suppliers meet the HCSR.

Reducing Resource Consumption

Reduction of resource consumption is the first step toward friendly products. (Raw) material and packaging as well as waste material and production cost may be reduced by selecting innovative materials, providing the products that are disassembled and repaired easily, and extending the service life of the product to realize a win-win situation for the economy and environment.

Reducing Use of (Raw) Materials

We have set up a designated unit to investigate the material for all products and continuously adjust the (raw) material parameters to optimize and minimize the consumption. This not only lowers production costs but also reduces the pollution and waste. Metal and plastics were the major materials for production of our motherboards production in 2017 and a total of 4,570.78 tons of metal, 2,749.76 tons of plastics, 525.49 tons of glass, and 595.25 tons of other materials were used for the production with an average recovery rate of more than 88%. Recycled plastics and metal will be taken into account in the design to improve the ratio of recycled materials and reduce the impact of the product on the environment.





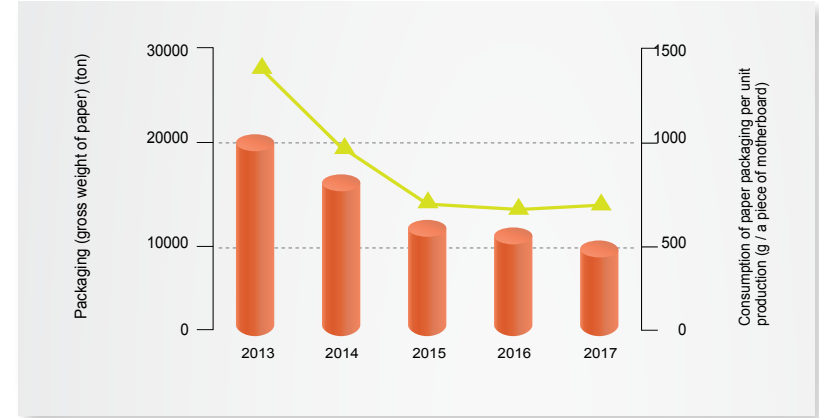
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Application of Innovative Materials and Creation of the Sustainable Packaging Value

In addition to the reduction of (raw) materials used in the product, the packaging plays an indispensable role in the production. Being a kind of disposable materials, it protects the product and is the part of the product that first contact the consumer. We proactively search to find how to reduce the impact of the packaging on the environment and make the packaging friendlier to the environment and user. We have kept the recovery rate up to more than 96% in the recent 5 years by minimizing the packaging materials, using recyclable materials, eliminating EPE foam buffer materials, and restricting hazardous substances used in the packaging. 8,819.11 tons of paper and 308.41 tons of plastics were used in the packaging in 2017, and 96.62% of them were recyclable. The consumption of the plastic packaging material for a unit production was reduced from 29.59 g / thousand pieces of motherboards in 2013 to 23.95 g / thousand pieces of motherboards in 2017.

To maximize the benefit of the packaging and achieve the goal of green design, we have provided creative packaging training courses since 2016. Eternal professional consultants were invited to enlighten the employees and help them know more about the green packaging with the green design concept, friendly packaging, and the trend of technology and environmental packaging as the core.

Historical Records of Consumption on Paper for Packaging



Historical Records of Consumption on Plastics for Packaging

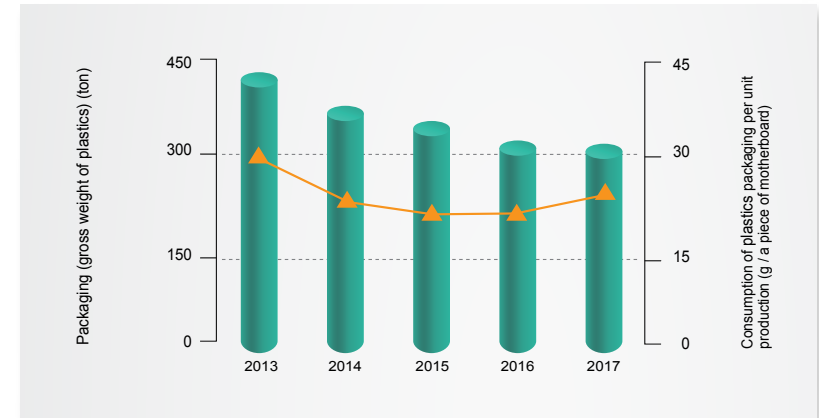


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Reusing of agricultural waste to make packaging purely natural

With our innovative R&D capability, we successfully applied the RFP (Recycle Fiber of Plant) made from rice husk, a kind of agricultural waste, to the packaging of our AORUS X7 Series in 2017. This new-generation packaging material helped reduce carbon emission by 32.5% and the plastic footprint by 10.6%. The packaging design with this material was recognized with the IF Design Award and Golden PIN Design Award. Let us strive for low carbon, zero waste, environmental and social friendliness to march toward a new era.

[RFP Packaging Features]

- The material is purely made from agricultural waste (e.g. wheat husks, corn stalks, bagasse, coconut shells and coffee grounds). No plastic material is added. The waste is recycled and thus the consumption of new resources is reduced.
- The manufacturing process is relatively simple that produces minimum impact on the environment.
- The material is decomposable and can also be completely recycled. It is taken from the nature and now returns to the nature, achieving a positive sustainable cycle.



Environmentally Friendly Product Research and Development

Our products (motherboards and VGA) are mainly peripheral components of the computer. Though they are not the products for which application can be made for Taiwan Green Mark, we are still dedicated to the compliance with the green mark regulations and standards of the countries in the world. We used a sulfur protection design in the motherboards in 2017 and supported the CEC 2019 energy saving regulations by extending the service life of the product and reduce the consumption of energy. The BRIX Super Microcomputer redefines the expectation of the consumers for the performance of the mini PC. A dual feature of user friendliness and environmental care is realized by applying efficient spatial design and extensive functions to reveal a brand-new opportunity for the R&D of friendly products.

Anti-sulfur	First Responding to CEC 2019
<p>We grant the ultra-durable motherboards a brand-new value with the proprietary anti-sulfur technique. It can prevent the sulfide in the air from penetrating the built-in resistor of the motherboards and causing short circuit. [Note 1]</p>	<p>CEC certification is the Appliance Efficiency Regulation brought into force by the California Energy Commission to establish a strict power consumption standard for the computer system. Our Z370 motherboard is the first product that meets the CEC 2019 energy saving requirements to ensure satisfying the energy saving standards while pursuing high efficiency. [Note 1]</p>
BRIX Mini PC	80 Plus Power Supply
<p>A spatial design of high efficiency is adopted. The simple and compact features enable its use in different environments and provide the user with a balanced performance and size. Compared to laptops and desktop PCs, the product is made of fewer materials and thus reduces more resource consumption. [Note 1]</p>	<p>The product complies with the EU ErP Lot 6 regulations and 80 Plus certification standards in the aspect of environmental protection and saving of energy. A conversion efficiency of more than 80% is guaranteed in any loading circumstances. The product provides an energy saving alternative for the consumer. [Note 1]</p>

For more information about the product please refer to GIGABYTE official website:
<https://www.gigabyte.com/>

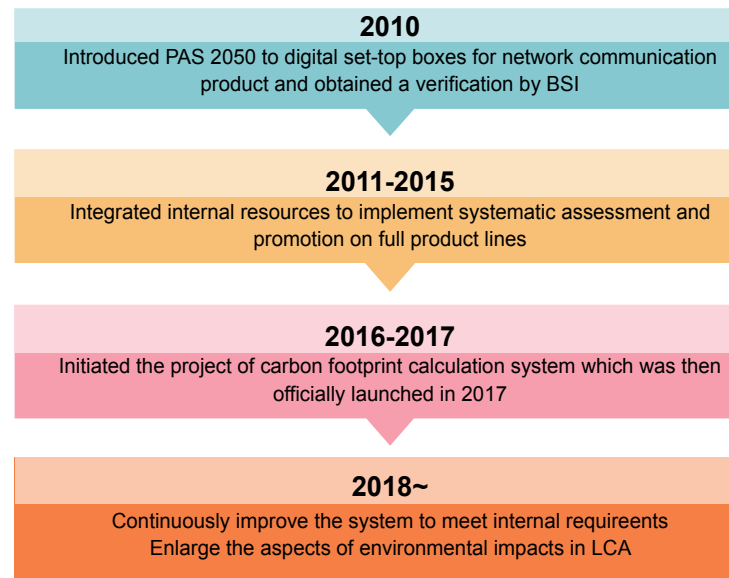


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Systematic Carbon Footprint Assessment

To achieve the goal of reducing carbon footprint of our products effectively, we have launched the carbon footprint calculation system project based on our previous experience in promoting PAS 2050 standard for all of our products since 2016. The carbon emission calculation process was simplified by combining the R&D unit, information department and the designated person in charge of sustainable management to build an online assessment system. This is helpful for the R&D personnel to check the carbon emission status of the product at each phase during its life cycle, compare different (raw) materials and production steps for their respective impact on the environment, and identify the opportunity and way to reduce carbon emissions. The carbon footprint calculation system for all of the product lines was officially put into use in 2017. This provides a basis for the R&D unit to develop environmentally-friendly products and help us march more closely toward the goal of low-carbon economy.

Promotion Progress of Product Carbon Footprint Assessment

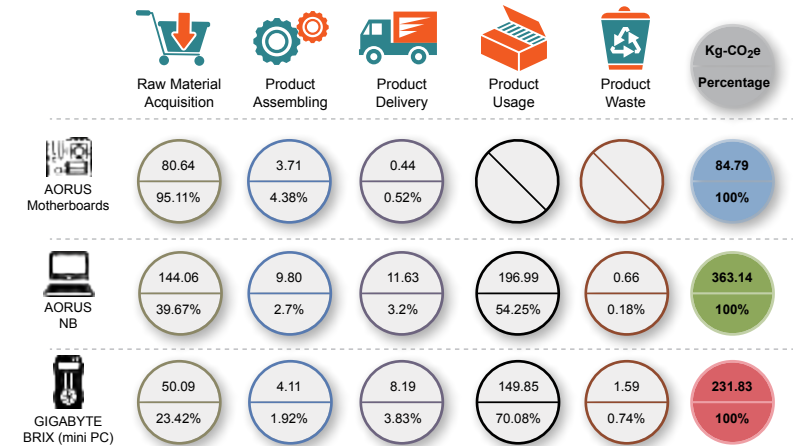


Carbon Footprint Calculation Platform



Note:
 1. Figures of carbon emission comes from activity data * emission factors at different phases
 2. The carbon emission factors mainly refer to the SimaPro data of the latest version.

Carbon Footprint of GIGABYTE Motherboards

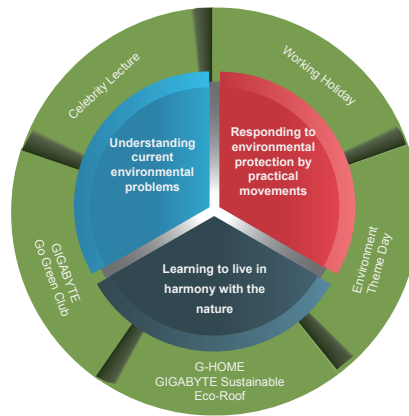


Note:
 1. Since the motherboards must work with other components to function, only cradle-to-gate emissions are considered.
 2. The transport phase means the transport from the plant to the Phase-1 distribution station and warehouse.
 3. The use phase refers to the formula suggested by the Environmental Protection Administration to calculate carbon footprint of an integrated computer at its usage phase.

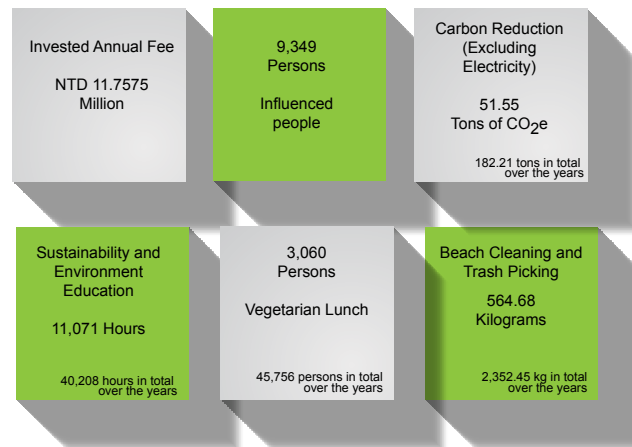
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4.4 Fostering Internal Environmental Protection Culture

Fostering the internal awareness and culture of environmental protection is a key point to promote sustainability projects and even expand the influence within a corporate. We take the “realizing and deepening sustainability education” as an important goal of the phase I of Green Action Plan 2.0. The competence of environmental protection and sustainable development are promoted to the workplace and daily life by executing the series activities of the Green Action Plan. From improvement of the awareness to the practice in the life, we hope that all the GIGABYTE folks can “begin with the heart” to maximize the strength in the workplace and daily life.



Annual Resource Investment and Outcomes



Innate Environmental Protection Knowledge and Competence

To help employees understand the latest development of the sustainability issues and improve their comprehension of the environmental knowledge, we arrange celebrity lectures under the Green Action Plan every year and invite famous experts and scholars in Taiwan to share special topics on the issues of energy saving, carbon reduction, and sustainable development of enterprises. The “Connecting to the Nature” is the topic of the celebrity lecture in 2017. Professor Shin-Cheng Yeh and Professor Ju Chou of the Graduate Institute of Environmental Education, National Taiwan Normal University, were invited to give lectures respectively titled “Low Carbon, Sustainability and Social Communication: The Core Thought and Strategy of Enterprise Sustainability” and “How to Surpass myself - Relink the Human with the Nature”. They shared with the employees about how an enterprise marches toward low-carbon economy in such a development trend and what attitude we shall have toward the relation between the human and nature.



Low Carbon, Sustainability and Social Communication: The Core Thought and Strategy of Enterprise Sustainability

The goal of carbon reduction cannot be achieved only by our daily behaviors. However, if we do nothing, the emissions would definitely increase. Hence, it is still important to do our best to take actions.



How to Surpass myself - Relink the Human with the Nature

The closer our life and high technology becomes, the more balanced the relation between humans and the nature needs. The combination of technological application and natural experience will improve our intelligence and innovative thinking capability.

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Environment Protection - Starting from Caring for the Surroundings

We support the World Environment Day every year and provide meaningful experiencing activities, such as beach cleanup, protection of riverbank environment, and planting activity, by connecting environmental protection activities to our daily life. To show our support to the Taoyuan City Planting Festival, we set out from Taoyuan, where our manufacture base (Nanping Plant) in Taiwan is located, and hiked to Datan Algal Reef to clean up the beach in 2017, hoping that our plant is compatible to and co-exists with local green environment and both can benefit each other.

I love Taoyuan. Planting Together



Protect the algal reef in Taoyuan - hike and clean up the beach



Working Holiday - Protecting Endangered Species in Taiwan

To help employees participate in environmental issues personally and form a united whole among them to realize the service spirit, we arrange working holidays to provide employees with totally different experiencing activities. We also support and promote related environmental event issues to improve the sensitivity and activity of the employees in the environmental protection and social participation.

We have supported the environmentally-friendly "leopard cat rice" since 2015 and organized working holiday activities at the Fengshu Community, Tongsiao Township, for 2 consecutive years. In 2017, 45 employees personally worked in the rice field and participated in the production process of the "leopard cat rice" using ancient agricultural machinery and harvesting skills. In addition to the harvesting work, we helped the residents of the community to build "hotels" for solitary bees to make the surroundings of the leopard cat field friendlier to the ecology. Employees perceived the philosophy of "friendliness" through personal participation in this activity and understood that every creature has its value. As a part of the nature, humans should not think only from the perspective of the "human". Rather, we should expand our horizon to all things in the nature. Being friendly to the human, to the environment, and then to the society, we learn how to co-exist with nature and find a way for coexistence and mutual prosperity.





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4.5 G-HOME GIGABYTE Sustainable Eco-Roof

In 2012, we built a sustainable eco-roof that united the ecological environment, urban sustainability, and corporate welfare based on the



duel concept of "returning trees to the earth and improving physical and mental health of employees". Almost 5 years have elapsed since completion of the rooftop. The management strategies of G-HOME are extended from our business operational philosophy, setting out from 5 values including Green Innovation (G), Health (H), LOHAS (O), Mind (M), and Ecosystem (E) to outline the interaction model of symbiosis and harmoniousness between the human and nature. The G-HOME is not only the little world for the GIGABYTE's employees to relax and take a rest, but also a rare urban oasis in the concrete jungle.



GIGABYTE		Green - Green Innovation. Circle of Life.
Upgrade Your Life		A green rooftop different from ordinary landscaped gardens is built with innovative ideals of low maintenance requirement, harmonious ecological design, and multiple benefits of resources.
Harmless		Health - Friendly Farming. Share of Health.
Refuse harmful substances Reduce impacts		We develop happy gardens and learn from the nature in the implementation of natural farming. They are the land of happiness that the employees share their happiness and friendly fruits with each other.
Optimum		LOHAS - Begin with the Heart for Spiritual Blessing
Continue to optimize Pursue excellence		Be a neighbor of the nature and create a stress relief space to balance between work and life
Marvelous		Mind - Begin with the Heart for Spiritual Blessing
Create a miracle Achieve a marvel		We provide solutions for urban climate adaptation and spread environmental education, enlarging positive influence of the eco-roof.
Eco-friendly		Ecosystem - Biodiversity for Coexistence and Mutual Prosperity
Energy-saving and extensive lifetime Environmentally Friendly Products		The microhabitats planted with the native plants and designed with ecosystem-imitating thinking provide homes to various species. It is an eco-roof functioning as a seed bank as well an ecological corridor in urban areas.

(For more information about the construction of the G-HOME Sustainable Eco-roof, please refer to GIGABYTE CSR website. Website: <https://www.gigabyte.com/CSR/190>)



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Give Bees a Sweet Home - Rediscovery of Sustainable City Value

Compared with landscaped gardens that need more time and resources, the G-HOME (800 m3 in size) is spatially designed with the concepts of sustainable ecology, sustainable energy and resources, and zero waste integrated in the innovative application of a multi-dimensional space. It is advantageous in the saving of manpower and maintenance costs, and creates invisible multi-environmental benefits such as a habitat space for urban species, thermal insulation to lower temperatures, and absorption of carbon dioxide. G-HOME officially joined the urban beekeeping family in 2017 (with the bee as the new dweller) to increase the pollination opportunity for the bee plants, make a contribution to one of the current important issues - crisis of bee disappearance, and give assistance in the construction of a complete urban ecosystem. G-HOME's sweet "G-BEE Honey" is a specialty that every GIGABYTE folk is eager for. The ecological benefits that G-HOME has produced since its setup are undoubtedly a new solution for the residents of the city in their adaptation to climate change. G-HOME is an important enabler for the development of a sustainable city.

(For more information about the ecological benefits of the G-HOME Sustainable Eco-roof, please refer to GIGABYTE CSR website. Website: <https://www.gigabyte.com/CSR/190>)



Environmental Education on Rooftop- Experience Passing On and Ideas Sharing

In addition to providing a place for the employees to have a rest, we hope that the promotion of the G-HOME sustainability and environmental ideas can communicate the conception of the sustainable ecological rooftop and spread our introspection and care for the environment. By opening the rooftop to the external organizations, we hope more people understand the context and meaning of this issue and help materialize the introspection and action. 31 groups of visitor visited G-HOME in 2017. A total of 410 external organizations (including government agencies, enterprises, suppliers, schools, communities, NGOs, and media) and up to 2,483 persons have visited the G-HOME since 2013.

With the experience accumulated for many years, we give G-HOME a new mission and vision of environmental education. In addition to the GIGABYTE folks, we hope to spread the empathy of our care for the living environment and ecology to the public by doing so. For this, we have converted our extensive experience in roof greening and the dedication to the production of friendly products into systematic environmental education courses. We acquired the "Environmental Education Facilities Certification" from the Environmental Protection Administration, Executive Yuan, in June 2017. The G-HOME has the function to promote green rooftops and provide an excellent place for us to bring the citizenship education into practice. This makes the education on the rooftop a seed to arouse the passion of everyone to treasure and care for the environment and increase G-HOME's influence.



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Rooftop Greening is not Just a Dream

Object: Students above high school level
Hours: 2 hours

With the practical experiences for more than 4 years of G-HOME, we keep promoting how rooftop greening can ease the current environmental problems in urban areas. We selflessly share our experiences from the choice of a piece of materials to actual effectiveness of improving the nearby environment quality. This course not only includes observing and thinking activities but also guides students to put what they learn into practice with their creativity. Are you interested in rooftop greening? "Rooftop Greening is not Just a Dream" will make your own eco-roof come true.

The World is a Circles

Object: General public
Hours: 2 hours

The course focuses on the hottest issue when discussing industrial transformation in recent years - Circular Economy (cradle to cradle). It combines GIGABYTE's years of effort with eco-friendly products and the spirit of diverse renewable energy, recycling resources, and zero waste applied to the G-HOME Sustainable Eco-roof. Also, it expands the scope from production to life, getting rid of the linear economic thinking to understand the entire life circle of products. "The World is a Circle" leads you to learn a different ways of thinking for production and consumption.

For more information about the registration for the environmental education, refer to GIGABYTE CSR website (Traditional Chinese version).
Website: <http://csr.gigabyte.tw/Home/Content/226>

Connection of Urban Green Corridors - Extending the Green World

The G-HOME at the Headquarters has operated maturely after we have made efforts for 4 years and accumulated various experiences. What the G-HOME gives us is not only an urban oasis, but also the happy portrait combining the employee, environment and life. We started planning a G-HOME extension program in 2016 and successfully extended the G-HOME to our Nanping Plant in Taoyuan in 2017. Unlike the education mission of the Headquarters, the eco-roof in Nanping Plant has more "creativity". In addition to the ecological pond that has a meaning of ecological conservation, the rooftop there combines the "Recycling - Installation Art Area" and "Parents and Children - Color Painted Walls for the World under the Sea". We hope that the G-HOME will persist in the same concept of the Nanping Plant's ecological rooftop - "Urban Green Corridor without the End" - and realize the spirit of sustainability in the harmony with the nature.

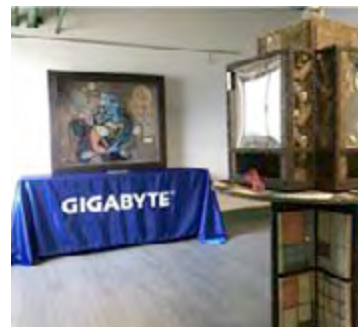




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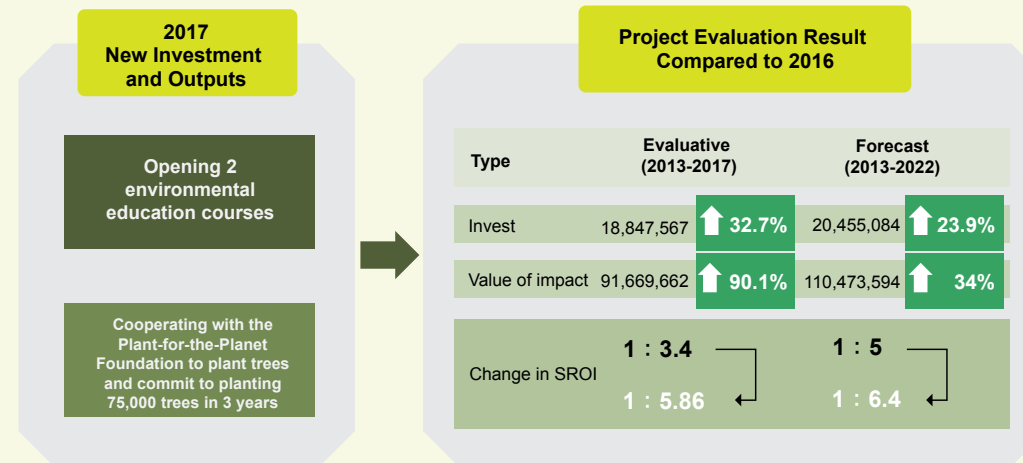
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Appendix 6

SROI of G-HOME Sustainable Eco-Roof

To comprehend CSR project's impact on the society and environment, GIGABYTE introduced the Social Returns on Investment (SROI) in 2016 to analyze the value of the G-HOME. We also add more contents and take innovative actions to enhance the influence of the G-HOME on the society and environment. The G-HOME became a venue of environmental education authorized by the Environmental Protection Administration in 2017, and, with the same awareness of "returning trees to the planet", a tree planting project was launched in cooperation with the German Plant-for-the-Planet Foundation. Hence, with the two new factors and their influences, we conducted and renewed SROI to G-HOME project again in 2017, and continuous follow-up actions were taken to ascertain the effectiveness and review was made in a timely manner.

2017 G-HOME SROI Result ⁽¹⁾



Note 1: For the annual calculation result's comparability, this analysis applied the updated 2017 data without changing other index, data or the impact factors setting. Besides the newly added impacts in 2017, for other detailed index results and analysis process, please refer to 2016 GIGABYTE CSR Report – S.1 Special Edition of SROI





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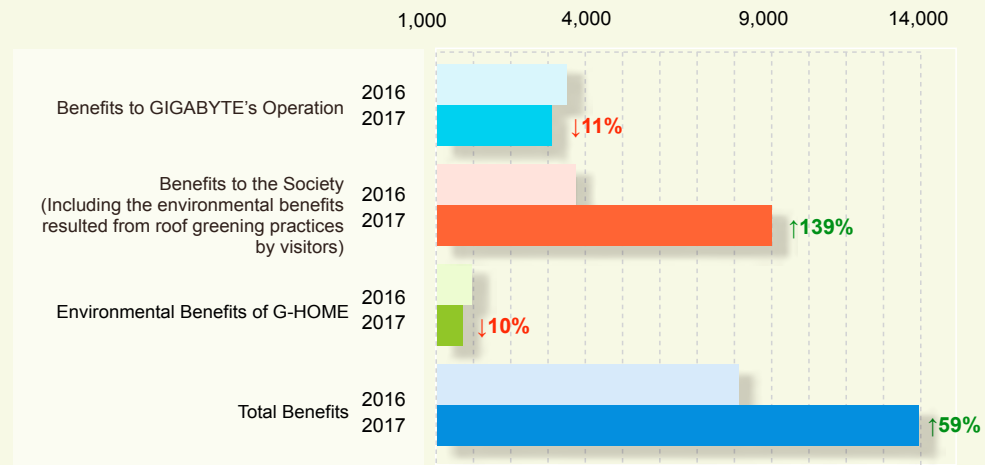
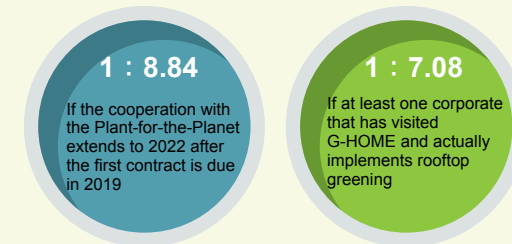
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G-HOME Creating More Social Benefits

According to the result of the assessment this year, the influential scope of the G-HOME was almost same as 2016. The promotion benefits in the social aspect were most significant and occupied the highest percentage. The social promotion benefits increased substantially in 2017 thanks to the tree planting project in cooperation with the Plant-for-the-Planet. However, compared with the initial stage, the management and operating costs became higher as the G-HOME project entered a rather mature period. The financial quantification and price fluctuation in the environmental benefits were also the factors that influenced the overall benefits in the environmental and operating aspects. In general, the overall G-HOME benefits increased by 59% compared with 2016 due to the innovative action and continuity.

Outlook and Influence in the Future

The G-HOME has been promoted since 2013. We are making efforts to develop the potential measures to be taken in the future to enhance the influence of the G-HOME. The G-HOME project provides a land of happiness for the GIGABYTE folks and may have profound influence on the environment and society. For this, we made impact estimation for G-HOME's outlook under different development modes in the future in the hope to find suitable actions to promote the project and ensure its effectiveness.



Unit : NTD 10 thousand



GIGABYTE's Contributions to SDGs

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

- Held 10 health seminars and 15 health promotion events. A total of 2,324 persons participated in these activities.
- Organized technology education activities such as digital love and computer learning, and a total of 4,566 persons participated in these activities.
- Took the standards of the Responsible Business Alliance as basic requirements and combined with OHSAS 18001 and ISO 14001 management systems to fulfill labor human rights, safety and healthcare responsibility.



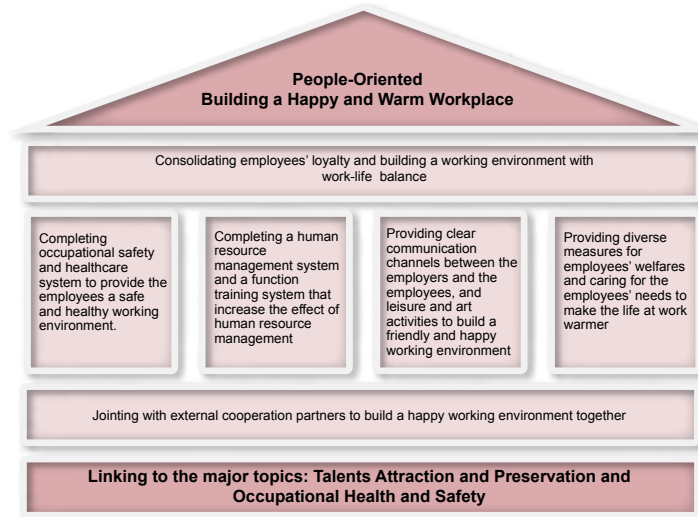
「●」 not implemented; 「○」 in the process 「■」 stage target completed



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5.1 Human Resources Management

In addition to hunting suitable talents, we are dedicated to find, train and retain existing talents in GIGABYTE. With the "Upgrade Your Life" as our operating philosophy, we emphasize the management strategy of "humanism" and provide employees with safe and health working environment, an incentive pay system, various welfare measures, and a complete functional training system. We also take care of the family members of every employee and act as the powerful backing of all the employees. The support of the employees to the Company is ensured through social activities as well as intellectual lectures and seminars on humanities and cultures. We actively create an organization full of energy and a friendly workplace, and formulate a blueprint of happy workplace for GIGABYTE to a great extent at which every GIGABYTE folk can proudly say "GIGABYTE is my home!"



Stable Human Resources Structure

We had a total of 7,171 employees by the end of 2017. 99.26% of them were official and full-time employees while 0.74% of them were temporary workers (student interns or employed under collaboration between the industry and school). Female employees occupied 41.78% of all the employees and male employees occupied 58.22%. When classified by function, 5,973 were professional employees and 1,198 were management personnel. To ensure the rights of both management and labor, all of our employees (including full-time employees and temporary workers) were bound by the labor contract to protect the interests of both parties.

Human Resources Statistics

Human Resources Statistics	Taiwan Base		Overseas Base		China Base		G-STYLE		
	Male	Female	Male	Female	Male	Female	Male	Female	
Total number of employees	1,237	1,345	916	452	1,975	1,145	47	54	
Function	Management	435	154	213	75	199	100	12	10
	Professional	802	1,191	703	377	1,776	1,045	35	44
Contract	Official	1,221	1,330	910	439	1,975	1,145	46	52
	Temporary	16	15	6	13	0	0	1	2
Employment	Full time	1,221	1,330	910	439	1,975	1,145	46	52
	Part time	16	15	6	13	0	0	1	2
Group	Domestic	1,214	1,014	0	0	1,975	1,145	44	54
	Aborigine	3	8	0	0	0	0	0	0
	Disabled	21	10	0	0	3	0	0	1
	Foreigner	23	331	916	452	0	0	3	0

Note: Statistics based on the data acquired on December 31, 2017.

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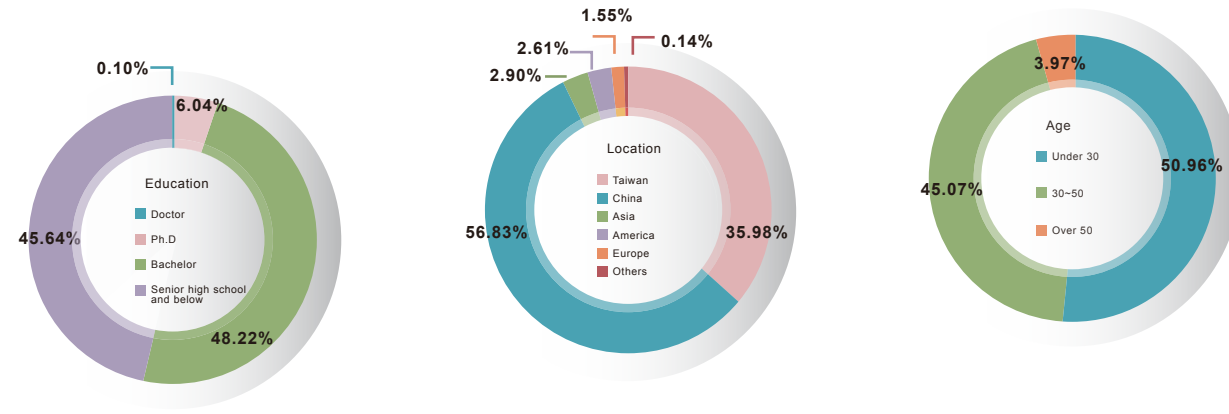
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GIGABYTE Employees by Location, Educational Level and Age



Recruitment and Retention Management

When recruiting employees, we take competence and core function as the focus of the selection and treat all the candidates equally without prejudice against the age, sex, race, religion, nationality, political party, birth place, sexual orientation, marriage, appearance, or disability. Different recruitment channels are applied to employ and select suitable talents in a fair and open manner.

We recruited 526 new employees in Taiwan in 2017. The ratio of new employees and the turnover of the existing employees on the production line are high in China due to local cultural factors.

New Comers and Resigned Employees

Human Resources Statistics	Taiwan Base		Overseas Base		China Base		G-STYLE		
	Male	Female	Male	Female	Male	Female	Male	Female	
New Employee	Under 30	118	129	99	52	5,172	2,369	9	15
	30-50	67	53	71	27	380	278	6	3
	Over 50	6	0	20	12	0	0	0	0
	New Employee Rate %	15.44	13.53	20.74	20.13	281.11	231.18	31.91	33.33
Resigned Employee	Under 30	68	175	121	84	5,384	2,455	9	18
	30-50	89	149	108	57	377	261	5	8
	Over 50	7	20	1	2	3	3	0	0
	Turnover Rate%	13.26	25.58	25.11	31.64	291.85	237.47	29.79	48.15



We absolutely comply with the requirements of the Labor Standard Act and do not hire the person under 15. No hard or dangerous work is assigned to the child labor over 15 and under 16. We also protect the right to work of the disadvantaged and promote more people of disability, at middle or advanced age, unemployed and aborigines than required. In Taiwan, we together with G-STYLE hired 32 employees of disability in 2017, exceeding the 1% promotion percentage required by the "People with Disabilities Rights Protection Act".

We encourage balanced work and life. In addition to the flextime allowing employees to deal with household affairs, we provide them with unpaid parental leave and help them apply for allowance to increase the retention rate.

Unpaid Parental Leave and Retention Statistics

Item	Male	Female	Total
Number of employees entitled to parental leave	90	96	186
Number of applicants	3	36	39
Number of employees returned to work in the reporting period after parental leave in 2017 (A)	4	26	30
Number of employees actually returned to work after parental leave in 2017 (B)	2	8	10
Number of employees actually returned to work after parental leave and worked for a full year in 2016 (C)	0	9	9
Number of employees actually returned to work after parental leave in 2016 (D)	0	11	11
Return to work rate (B/A)	0%	31.58%	33.33%
Retention rate (C/D)	0%	81.82%	81.82%

Note 1: The statistics contains the data collected from GIGABYTE's bases in Taiwan and China and G-STYLE Ltd.

Note 2: The number of the employees qualified for unpaid parental leave is calculated based on the number of those employees who have children under 3 as stated in the insurance data of dependents provided by the Bureau of Health Insurance.

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■ Compliance with Labor Regulations and International Norms

Believing that every employee shall be respected and treated fairly, we follow the international conventions of human rights and do not discriminate or maltreat laborers or hire them illegally. We are also committed to observing local laws under high moral standards and the "Responsible Business Alliance" (RBA; the former EICC) and promote a working environment of gender equality, establish sexual harassment prevention policies, and take mother-friendly measures. No cases of sexual harassment or discrimination were identified and no human rights complaints were filed in 2017.

We take practical measures in compliance with the laws and regulations of local governments as well as local conditions and customs, and execute personal management in line with the operating strategies and policies of the Company. As for management regulations, the HR department establishes and amends internal management documents related to labor management, recruitment, and the code of conduct. We promote rules of work by means of professional training and online service systems as well as personal consultation to enhance the attention and understanding of relevant issues among the employees.

■ Focus on the Right of Work and Protection of Harmonious Labor-Capital Relations

The Labor Standard Act of Taiwan was amended substantially in 2016, such as five-day work week and national holiday. We observe the amendment to the Labor Standard Act in Taiwan and modify our organization management regulations. As for the national holiday, our vacation system is better than what the law requires that the 7 national holidays were not deleted in 2017 to protect the rights and interests of the employees in Taiwan plants.

The employees of the subsidiaries GIGAZONE international and Gigabyte Communications that were affected due to adjustment of the operating policies were informed in advance within the time frame stricter than that required by the applicable laws (10 days beforehand to the employees serving more than three months and less than one year; 20 days beforehand to the employees serving more than one year and less than three years; 30 days beforehand to the employees serving more than

three years), and provide them with the opportunity to transfer within the organization, start a business or retire under a favorable condition and with munificent severance in the hope to protect their right to work.





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Smooth Labor-Capital Communication Channels and Dynamic Interactive Exchange Platforms

Establishment of an appropriate communication channel and maintenance of good communication are important for developing relationship with the employees and eliminating the communication gap between the labor and the management levels. Although there is no labor union in GIGABYTE, we establish different fair communication channels for the employees and encourage them to state their opinions and participate in the activities of the organization. A labor-capital meeting is held every quarter pursuant to the "Labor Standard Act". The participants of the meeting are comprised of the representatives of the labor and management, and the number of them is equal in proportion (fifty-fifty). Full communication with the employees is conducted during the meeting. We further ensure that we listen and response to the opinions and questions of our employees through discussion meetings with the top management and each business unit, online service systems, and satisfaction questionnaire surveys to narrow the gap between the management levels and the employees at the bottom level. The communication channels include as follows:



Communication Channel	Annual Communication Result	Annual Communication Focus (Abstract)
Labor-capital Meeting	4 meetings	<ul style="list-style-type: none"> • Amendment of work rules according to RBA • Response to the Labor Standard Act amendments • Discussion of baby and child care measures • Addition and improvement of subvention
Intranet Portal	-	<ul style="list-style-type: none"> • Important internal messages • Promotion of events
Internal Newsletter "GIGA HI"	113 article publications	<ul style="list-style-type: none"> • Reports of Company-organized events • Stories of outstanding teams and individuals
Human Resource Website	Share of 102 articles 150,000+ visitors	<ul style="list-style-type: none"> • Human resource management regulations and documents • Carrier experience sharing
Personal Consultation Service	1,077 cases	<ul style="list-style-type: none"> • Recruitment and appointment • Personnel, salary, insurance
Discussion Meetings with Division-level Management	3 meetings	<ul style="list-style-type: none"> • Sharing of trend and internal management systems
Message Board and Opinion Sending Center	-	<ul style="list-style-type: none"> • Instant communication available to the employees through the Chairman's Mailbox, HR's Mailbox, and Innovation Mailbox



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Competitive Salary and Welfare

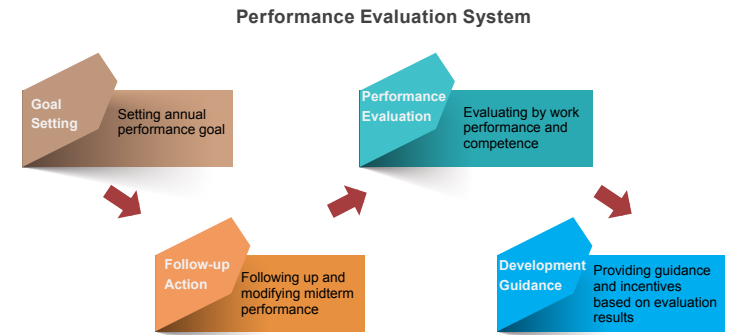
Our level of pay is determined in compliance with relevant laws, economic conditions, the status of the salary market, and the financial condition of the Company. In addition to regular market investigation and review of policies, we use a performance evaluation system to provide a basis for determination of the starting salary, adjustment of salary, promotion, and payment of dividends for the employees to ensure a complete and sound salary system.

Minimum Salary Standard Better than Legal Requirements

The salary system is comprised of the base pay, living allowance, and meal allowance. The amount of the salary is determined in consideration of the approved job level, educational level and work experience, seniority, and work performance. It may be adjusted with change of jobs. Our starting salary is higher than what the minimum salary standard in the place of our operating basis requires. Taking the starting salary in Taiwan base as an example, it was higher than the monthly base pay of NT\$ 21,009 required by the government in 2017. The ratio of the pay for the employees at the bottom level to the minimum wage determined by the government was 1.18:1 for male and 1.16:1 for female employees.

Performance Evaluation and Incentive Measures

To improve the efficiency in the execution of the personal, departmental and corporate goals and ensure evaluating the performance fairly and reasonably to motivate the employees, we implement a performance evaluation system and ask all the employees to carry out the processes of goal establishment, midterm and final evaluation, and development guidance. The results are used as a basis for the Human Resources Department to determine the bonuses, dividends and promotions for the employees.



Comparison of Salaries between Male and Female Employees

Item			Taiwan		China			
					Dongguan		Ningbo	
			Male	Female	Male	Female	Male	Female
Pay to Local Minimum Salary			1.18	1.16	1.49	1.5	1.43	1.45
Average Salary Adjustment % for Official Employees			4.16%		6.02%		8%	
Male-female salary ratio	Management	Senior Manager	1.38	1	1.01	1	1.07	1
		Manager	1.10	1	0.96	1	1.12	1
	Professional	Senior Engineer	1.45	1	-	-	-	-
		Engineer	1.17	1	1.06	1	1.21	1

Note 1: Senior manager (job level M06 and higher); manager (job level M01-M05); senior engineer (job level P06 and higher); engineer (job level P01-P05)

Note 2: The minimum salary is the salary of the full-time employees (excl. bonus and overtime pay); average salary is comprised of the base pay, living allowance, and meal allowance, excluding annual bonus



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In addition to the performance evaluation, we praise outstanding teams and employees for their excellent contribution in different fields by providing internal incentive plans to encourage them in innovation, growth, and competitiveness improvement for them and for the Company.

Service seniority awards and retirement gifts are provided to appreciate senior employees for their contribution to the Company over a long period of time. 18 employees retired from the Headquarters in 2017 with 17.5 years of service on average. 325 employees who have worked for the Company over 5 years were recognized with the service seniority award.

A patent award is provided. 48 employees received this award in 2017. We appreciated them for raising unique, novel and actionable proposals.

An incentive award was granted to the employees who make a concrete contribution by designing remarkable products, engaging in R&D and creating innovative value, or making an overall plan of products.

Acceptance Speech of GIGABYTE Award Winners

Pushing forward from the first 5-year level to the third level in the 15th year, I have become from the younger sister of many of you to the elder sister. I have experienced many customers difficult to handle and the stubborn bugs that caused abnormalities for no reasons in GIGABYTE. These helped me grow in my career, letting me know that there is no unsolvable problem but evadable attitude. Like marathon, if you decide to participate in the game, you must overcome all the psychological or physiological bottlenecks, for example, to reach the finish line. I sincerely appreciate GIGABYTE for giving me an environment where I can learn how to become braver when I am frustrated. And I am very happy to work with so many outstanding and nice colleagues. Let us go forward for the next 5 years, or 10 years.

The 15th years in the Headquarters, Li

You are happy if you can work and have a job. You are happier if you are working in a big family like GIGABYTE.

I like working with the colleagues here and love this environment and the employee welfare. I am very happy to have reasonable remuneration and for the learning opportunities that GIGABYTE gives me. I was an occupational health nurse when I joined GIGABYTE 15 years ago, and was transferred to be in charge of occupational safety and health 10 years ago. From a beginner to a senior employee, my manager gives me instruction as well as many learning opportunities. I have learnt on my own in line with the requirements of the customers and accumulated professional experiences that no one can take away. Thank you, GIGABYTE. Thank you!

The 15th year in Nanping Plant, Chou

First of all, I would like to say thank you for the friendly workplace that GIGABYTE builds. We have a secure job here and can work without worry. I appreciate the managers and colleagues for your timely and appropriate care, company and help all the way. I have received a lot of support, encouragement and tolerance from you. Many of you extend your work to your life. We come together to care for the disadvantaged, take part in further education, exercise, travel, and engage in many other concrete activities to materialize the abundant energy and splendidence, and implement the "Upgrade Your Life" together. I am very proud that I can work with you in this environment full of positive and harmonious atmosphere.

The 10th year in Nanping Plant, Lin





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Premium Welfare Measures for Benefits of Employees

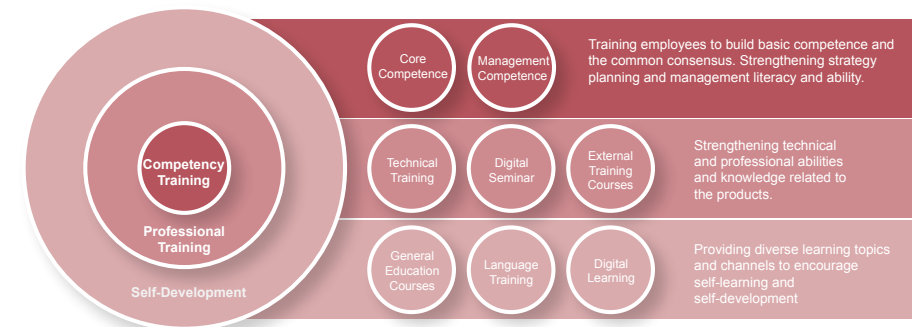
For us, every employee is an indispensable part of the GIGABYTE family. So, we take it an important responsibility to care for the requirements of the employees and the life or their family. In addition to providing various complete work-life balance measures, we are dedicated to establishing different welfare policies through the Employee Welfare Committee and organize a variety of special welfare events to enhance the identification of the employees with the Company and attract and retain talents effectively. To encourage the employees to give birth and engage in self-learning, we amended the welfare subvention regulations in 2017 to double the birth allowance and widened the applicability of the scholarship.



Training and Growth in a Lifelong Learning Hall

Competence is the capability that affects the success of the work. We pay more attention to employees' learning and development and develop training and development plan with reference to the core and management competences. By doing so, we provide the employees with courses on competence development, professional technique, and general skill. These and other auxiliary open external training and language improvement courses ensure that the employees committing themselves to the development of their competence can have full support from the Company.

Training and Development Plan





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We organized training courses up to 35,603 hours till the end of 2017. The training courses were provided based on the level of competence. Managers took the training for 5,786 hours and professional personnel took the training for 29,817 hours.

Training Hours of Employees

Region	Function	Professional		Management	
		Male	Female	Male	Female
Taiwan	Headquarters	2,522	1,964	1,450	503
	Nanping Plant	3,010	7,414	1,152	745
China	Dongguan Plant	2,219	1,588	619	360
	Ningbo Plant	7,225	3,875	574	383
Total Training Hours		14,976	14,841	3,795	1,991
Average Training Hours		5.81	6.34	5.99	7.83

■ Training for Deep Awareness of Competence

The core and management competences are important capabilities that the employees must have. As for the core competence, we plan training courses such as “newcomer training”, “quality improvement awareness”, and “analysis and solution of problems”. The managerial capability is the focus for the courses for management levels. This includes the annual consensus meeting of the senior management team, management training for the managers at the middle and high levels, management workshop for the managers at the division level, and the training for new managers. The topic of the course is determined depending on the competence requirements and the overall development strategies of the Company. All the training designs, teaching materials and extended activities are reviewed and planned strictly to help the managers improve their managerial literacy. To communicate the operating philosophy and culture of the GIGABYTE, all the newcomers must finish the following 6 courses: “quality awareness”, “brand and corporation identification”, “supply chain security policy”, “information security management”, “labor safety and health education”, and “sustainable development strategies and actions”.

■ Professional Training for Capability of Understanding the Trend and Improving Professional Skills

The professional training includes the product knowledge to be known by each department and the professional technical capability required for the job, such as equipment engineering, repair of products, legal affairs and intellectual property rights, finance and accounting, and other courses. With the “Upgrade Your Life” as the purpose of the Company, we find that GIGABYTE folks need to further develop the professional skills and shall have more sensitivity to the trend of the technology and the introspection capability in the daily life. We have organized digital lecture courses since 2017 to help the employees quickly understand and keep updated the keys and turning points in the trend of technology. A total of 5 lecture classes were held. For any special new issues of technologies, we allow the employees to select suitable external training institutions for further study if the Company cannot provide related resources. We give subsidies in this case and ask the employee to share internally after finishing the training.

■ Self-growth and Lifelong Learning without Limitation

Providing a variety of learning channels for the employees to help them learn and grow is the purpose of talent training in GIGABYTE. In addition to the professional skills, we provide general courses, including aesthetics and culture, life and health, in the hope that the employees can have balanced work and life. Subvention to the personal language learning courses is provided to encourage employees to broaden their international horizons and enhance their willingness to learn foreign language. We also set up a digital learning system covering the engineering technique, labor safety, quality certification, management competence, language, and art and culture lecture class. The employees can learn freely at any time and in any place.



5.2 Healthy and Happy Workplace

We persist in the “humanism” and attentively build a happy workplace with warmth to create a working environment of goodness, safety, and harmony in the hope that the employees are happy when they come “from their home to the GIGABYTE family”. We realize a healthy and happy working environment with the job safety and healthcare system, EAP, friendly and happy workplace and diverse measures for employees’ benefits as the core of implementation.

Safe and Healthy Working Environment

We take the “elimination of hazards, zero disaster in the plant, and promotion of labor safety and health” as the important ESH management goals in each plant. We systematically promote occupational safety management pursuant to the OHSAS 18001 Occupational Health and Safety Management System and various labor safety and health regulations. The actions include regular meetings of the Occupational Safety and Health Committee, physical examination, working environment monitoring, safety and health education and training, 5S audit and follow-up and emergency response exercises. We also built an accident reporting system and establish the safety and health rules of work to ensure the workplace safety and the physical and mental health of the employees. An “Occupational Safety and Health Committee” is set up in each plant in which more than one third of the employees participate in the Committee. As for the operation level of the Committee, the director of the Sustainable Development Office serves as the chairman of the Committee at the Headquarters, which is subordinate to the Group Operation Management Center, and the Committee of each plant is directly subordinate to the manager of the plant.

Safety and Health Management Strategy



2017 Labor Representative Percentage in Occupational Safety and Health Committee

Item \ Plant	Taiwan		China	
	Headquarters	Nanping Plant	Dongguan Plant	Ningbo Plant
Labor Representative	11	14	28	47
Total Members	27	33	49	64
Labor Representative %	40.7%	42.4%	57.1%	73.4%

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Upgraded Working Environment Inspection to Nip in the Bud

Risk identification is conducted for important environmental safety and health issues every year. The equipment with high risk and extension cords were identified as important environment and safety control items in 2017. Hence, in addition to the traditional working environment monitoring items and the self-monitoring of environmental radiation concentration, we have implemented the temperature control plan for high-risk equipment since 2017. A precise infrared device was used to measure and monitor the temperature change of the machine on a quarterly basis. When any significant abnormal temperature change was identified, the using unit and its head were informed immediately to make reexamination and improvement. A safety risk control plan was made for the extension cord. It was used to conduct overall inspection and eliminate the extension cord that has been used for a long period of time and not complied with safety regulations. The preventive measures are implemented appropriately by doing so.



Evacuation exercise without early warning at the Headquarters



Tin furnace rescue exercise at Nanping Plant

Emergency Response Exercise and Safety and Health Educational Training

Effective prevention of industrial safety and health accidents, emergency responses and fire safety related measures depends on the comprehension of and alert to such accidents among the employees. To ensure that employees can respond to emergency incidents brought about by the human or nature, the plant plans emergency response exercises based on their major operation items, such as the emergency fire drills held every six months, the exercise of emergency response to chemical spills every year, and the annual educational training on occupational safety and health to ensure that the employees are familiar with the emergency response procedures and measures of related incidents. To enhance the alert of the employees to related incidents and review the appropriateness of the response procedure, a fire protection exercise was held without advanced warning at the Headquarters in 2017. After the exercise, fire protection grouping as well as rearrangement and improvement of response measures at lower levels were conducted. The purpose of these activities was to eliminate avoidable risks before emergencies occur and to build a truly safe and healthy working environment through establishing a holistic safety protection through appropriate and systematical overall plans.

Occupational Safety Education and Training in 2017

Training for Management Technique	Number of Participants	Training for Professional Technique	Number of Participants
Security system	92	Fire theory and response training	332
Disaster prevention/evacuation response training	3,742	Safe production skill and response training	123
Occupational health knowledge training	478	Labor safety and health knowledge training	39
Contractor RBA Code of Conduct training	24		



Special equipment response exercise at Ningbo Plant



Chemical spills response exercise at Dongguan Plant

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Contractor Safety and Health Management

To prevent any accident from occurring when a contractor enters the fab and to ensure our employees' and related operators' working safety as well, we establish the "Contractor Management Instructions" and ask related contractors to understand our safety regulations for the operation such as anoxic or confined space, fire, overhead, electric, hanging, and other tasks. The contractor shall sign a letter of commitment according to the regulations to ensure executing required protective measures beforehand and conducting safety inspection after the operation is finished to minimize the risk of accident. To help all the employees working in the plant understand the management requirements of GIGABYTE pursuant to the Electronic Industry Code of Conduct (EICC; renamed to RBA Code of Conduct in 2017), we held RBA training and evaluation courses for the contractors (covering the freight transport, catering, cleaning, intermediary service, etc.) in 2017. A total of 8 on-site contractors finished the training and 24 participants passed the evaluation.

Inspection and Replacement of Equipment and Occupational Accident Statistics

To ensure the safety management of each plant, in addition to routine maintenance and inspection of existing fabrication facilities, we conducted inspection of the emergency button equipment and pipeline flow direction marking, and replaced the exhaust air ducts and fire extinguishers in the plug-in workshop in each plant in 2017 to make the production safety of the fab more complete.



Replacement of the exhaust air ducts in the plug-in workshop

We establish the accident reporting and handling regulations to prevent industrial safety and health accidents and enhance relevant awareness among the employees. The safety and health management unit of the plant takes the responsibility to define the handling principles and reporting procedures for the accidents in the fab and during the commuting period as well as major occupational accidents. The responsible unit shall submit an occupational accident statistics report every month. As for the occupational accident statistics, we select the Disabling Injury Frequency Rate (FR), Disabling Severity Rate (SR), Absence Rate (AR), and Occupational Diseases Rate (ODR) as the analysis indicators and make occupational accident statistics every month according to the Occupational Accident Statistics Index of the Ministry of Labor and the statistical index set by the GRI Standards to understand the safety status of the fab. In 2017, there was no occupational disease among the employees of GIGABYTE, and, thus, the ODR was zero. There were 4 FR cases mainly brought about by inappropriate operation or the accidents occurring during the events of the fab. Currently, we minimize the occurrence rate of the occupational accidents by continuous dissemination of safe operation procedures and auditing of safety management measures.

Occupational Accidents by Business Base in 2017 Disabling Injury Frequency and Severity Rates^[1]

Base ^[2]		Disabling Injury Frequency rate (FR) ^[3]			Disabling Injury Severity Rate (SR) ^[4]		
		Male	Female	Total	Male	Female	Total
Taiwan	Headquarters	0	0	0	0	0	0
	Nanping Plant	0	0	0	0	0	0
China	Dongguan Plant	0	0	0	0	0	0
	Ningbo Plant	0.98	1.51	1.19	64.78	16.19	49.05

Note [1]: The statistics are based on the occupational accidents data and cases of minor injuries at the work site reported by each base (cases where the injuries could be treated with first aid are not included)

Note [2]: None of the contractors at our business locations encountered any occupational accident in 2017

Note [3]: Disabling injury frequency rate (FR) = Average number of cases involving disabling injuries for every 1 million working hours at the work site

Note [4]: Disabling injury severity rate (SR) = Average number of work days lost for every 1 million working hours at the work site

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Occupational Accidents by Business Base in 2017-Absence Rate

Base		Absence Rate (AR)		
		Male	Female	Total
Taiwan	Headquarters	0.16	0.51	0.29
	Nanping Plant	0.14	0.44	0.36
China	Dongguan Plant	0.06	0.12	0.08
	Ningbo Plant	0.66	1.04	0.81

Note: Absence rate (AR) = Days of absence/Total work days*100%; Absence: An employee becomes absent from duty due to loss of the ability to work (such as work injury or occupational disease). It includes sick leave and personal leave, but excludes authorized leave, maternity leave, parental leave and funeral leave.

Comprehensive Care for Physical and Mental Health of Employees

Corporate sustainability inevitably requires a company to protect the physical and mental health of its employees to maintain business productivity. In addition to providing a safe working environment, we actively formulate visionary plans for health and prevention. We implement a variety of health care measures, design mother-friendly space, organize health promotion events and offer assistance to our employees. All these are done to realize the goal of a happy workplace.

On-Site Health Examination Service at Plants

A happy company is built on a basis of healthy employees. Health examination protects the rights of employers and employees and is also used to understand any occupational or contagious disease of employees. It serves as a vital basis for understanding the health conditions of employees. Stringent health examination is performed in a way suitable for our employees in accordance with their ages. Every year, health examination is performed at the plants in cooperation with large hospitals. Our employees can therefore enjoy instant and comprehensive services of health examination at the company without having to travel a long distance or request additional leave. During annual health examination, our employees are encouraged to fill out the "Over fatigued Assessment Questionnaire" in order to identify high-risk groups and protect our

employees from diseases resulting from abnormal conditions including working long hours. This enables the company to actively intervene for over fatigued prevention and stress management. To stay healthy, our employees may also search online for their history of health examination and acquire all kinds of health information through the monthly consultation service provided by doctors for free at the plants. In 2017, 766 employees from the Headquarters, 741 from Nanping Plant, 620 from Dongguan Plant and 564 from Ningbo Plant underwent the annual health examination.

Ergonomic Hazards Prevention Plan

Musculoskeletal injury, work fatigue or any other related disease usually occurs due to heavy stress, maintenance of poor posture for a long time, bad habits or the specific task performed. In order to effectively keep track of the health conditions of our employees and prevent diseases, we have designed an ergonomic hazards prevention plan. With the plan, we analyze the work processes of our employees to identify potential ergonomic hazards and conduct assessment on rectification. Since 2016, we have replaced a large number of chairs and old seats in the conference rooms to build an ergonomic and comfortable environment to reduce the frequency of occupational accidents caused by ergonomic hazards.



Annual health examination



Promotion of a Healthy Life Makes Our Employees Healthy and Energetic

Our employees can stay healthy only with correct concepts of health care and hygiene. We hold health seminars on an irregular basis by inviting health experts to give lectures at the company. The aim is to disseminate correct concepts of health to our employees. We also distribute information on health care to remind our employees of its importance in their daily lives. Furthermore, to make it convenient for our employees to undergo health examination, we organize disease prevention events in cooperation with nearby hospitals and health centers to help our employees pay attention to their health as early as possible. In 2017, we held 10 health seminars and 15 health promotion events and a total of 2,324 persons attended the activities.

Health Promotion Events in 2017

Type	Theme	Title/Content
Health Seminar	General health care/life knowledge	<ul style="list-style-type: none"> ●Secrets to Beauty: Skin and Health Care ●Cozy Smelling, Easy Healing ●Good Look, Good Luck: Color Cosmetics and Skin Care ●A New Life Without Diabetes ●Flu Prevention in Winter ●Stand and Walk in the Right Way! No More Physical Pains ●Must-knows about Health Care, Long-term Care, Finance and Laws If Your Parents are Over 65
	Dietary health	<ul style="list-style-type: none"> ●Safe Shopping: Food Safety at Hypermarkets/Supermarkets
	Exercise and health	<ul style="list-style-type: none"> ●Get Strong in 1 Minute: Workplace Fitness ●Resistance is Strength
Health promotion	Disease prevention	<ul style="list-style-type: none"> ●Influenza Vaccination ●Surveillance and Prevention of Suspected Cases of Tuberculosis ●Test of Bone Mineral Density and Body Fat ●Fecal Occult Blood Test
	Women's care	<ul style="list-style-type: none"> ●Cervical Screening Through Papanicolaou Test ●Breast Ultrasound and Mammography
	Physical fitness/Health care	<ul style="list-style-type: none"> ●Physical Fitness Testing ●Health Care Consultation in Traditional Chinese Medicine
	Workplace health	<ul style="list-style-type: none"> ●Prevention of Diseases Caused by Abnormal Workload ●Protection of Mother's Health in the Workplace



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Nearly half of our employees are women, many of whom are of childbearing age. To create a friendly working environment for our female employees, we have set up lactation rooms in the Headquarters and Nanping Plant. They have been recognized by awards from the New Taipei City Government and Taoyuan City Government for three consecutive years. Female employees who return to work after maternity leave are able to have a private space for breastfeeding. In 2017, up to 8,434 persons used the lactation rooms in the Headquarters. This shows that our female employees think highly of the lactation rooms and rely on them to a great extent. In addition, we doubled the amount of maternity benefits in 2017. In doing so, we seek to encourage our female employees to have children to raise the fertility rate in Taiwan which has generally been too low. To achieve systematic management of all the women-friendly measures, we have designed plans for protection of mother's health at the workplace. Cross-departmental care for women is provided in cooperation with relevant safety and health units (resident doctors, infirmaries, HR units, occupational safety officers, and managers) to maintain good health of our female employees during pregnancy, the postnatal period or breastfeeding. We want to make sure our female employees are able to strike a balance between family and work so that they can be good mothers.

Employee Assistance Program (EAP) Provides Solutions to Problems in Life

To understand the needs of our employees in all aspects, we have cooperated with external agencies since 2015 to introduce the "Employee Assistance Program" (EAP). With systematic and institutionalized professional services, the service programs are customized to suit the specific needs of each employee. We actively seek to satisfy the needs of every employee through online welfare platforms, special consultation, seminars on employee care and series of promotional articles. In addition to offering basic psychological counseling and health care, we take into account the life problems encountered by our employees and include practical and important subjects like laws, finance and taxation in the scope of employee care. Since the introduction of the EAP in 2015, our employees have frequently sought consultation regarding laws on transportation and marriage and parent-child problems. Therefore, in 2016 we held a legal seminar on "Transportation and Marriage", and in 2017 we invited Daisy L. Hung, an expert in parent-child relationship, to hold a seminar on parent-

child education. We aim to help our employees solve problems in their daily lives and strike a balance between work and family.



From employees who attended the seminars--

"I have many friends who are working in the education sector, and I used to take training courses for preschool educators. I agree with the speaker that we should 'teach our children how to behave, without restricting their thinking and development'. Parents always expect their children to be good. But parents often force what they think is good on their children without considering the needs of their children at different stages of development. Every parent should reflect on this."

"As mothers, we often find ourselves unconsciously comparing our children to others. In fact, as the teacher said, the ones being compared are the adults. After reflection, the importance of home education has become apparent to me. And I think it is the adults that need to be educated and take courses"

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■ Rich Variety of Events Strengthening Commitment and Cohesion of Our Employee

To enhance the commitment of our employees to the company and strengthen the idea of teamwork among them, we organize a variety of events every year for our employees to increase their sense of participation and offer more opportunities for interaction and development of the spirit of teamwork. Our employees are encouraged to participate in the events together with their families, who may also identify with our company and become the strongest supporters of our employees.

In 2017, we organized the family day event “520 Love You, Love Me” at our plants in Taiwan that focused on parent-child activities. We invited

the YOYO Family and IfKids Children’s Theatre, popular among children, to play with our employees and their kids. Together they enjoyed very good family time. Moreover, we held the “GIGABYTE Cup League of Legends” for the first time. Focused on professional e-sports games, the event saw the participation of cross-departmental teams formed by our employees. Professional e-sports players and famous streamers were invited to broadcast the games live. Through the event, our employees gained fascinating experience of e-sports and had another opportunity to strengthen the spirit of teamwork. Various events were also organized at our plants outside Taiwan, such as road running, Mid-Autumn Festival Party, DIY Rainbow Dumplings and other traditional holiday celebrations. These events aim to encourage healthy interactions among employees and maintain parent-child relationship.



Plants in Taiwan - 520 Love You, Love Me



Plants in Taiwan - GIGABYTE Cup League of Legends



Event of exchange between three manufacturing plants



Nanping Plant - Talent show for foreign employees



Nanping Plant - Talent show for foreign employees



Dongguan Plant - Billiard championship



■ Cultivation of the Minds with Arts and Culture

We use the space in our corporate building to set up galleries for art exhibitions, with the exhibits replaced periodically. We hold seminars on an irregular basis and invite renowned people to the seminars to give lectures on music, culture and arts. In 2017, 11 art and cultural seminars were held at the Headquarters. Through great lectures and exchange of values of humanities, our employees can beautify their minds and relieve work stress. We encourage our employees to buy tickets and participate in art and cultural events to show support for groups dedicated to arts and culture. It offers our employees more choices for recreation and enhances recreational quality.



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Art and Cultural Events in 2017

Type	Topic	Speaker
Art Seminar	Uncover the Secrets of the Paintings of Chan Yu-Fan	Gary Lee, Director, Cloud Gallery
	Taipei Arts Festival: City and Its Future	Yi-Wei Keng, Art Director Curator of Taipei Arts Festival
	Percussion: New Power for Your Life	Dr. Huan-Wei Lu, Taipei National University of the Arts
	Expression Skills in Theatrical Performance	Mr. Chia-Feng Lin, Founder of Story Works
	Follow My Tempo: Make the Music You Like	Ms. Han-Chih Tai, Ju Percussion Group
	Photography in the Eyes of Alan	Alan, Photographer
	NSO: Classical Music for Beginners	Pokey Lin, Director, Jingo International Records
Life Seminar	Let's Sow the Seeds of Reading: A Bright Future for Our Children	Tang Lee, Chief Editor, Global Kids
	Afternoon Tea in Africa: A Heartwarming Encounter	Wen-Chen Chou, CEO, Bjørgeas Social Welfare Foundation
	Follow Alana to Taiwan	Ms. Alana, Presenter of "Follow Alana to Taiwan"
	The Life of A Rider Who Never Falls	Hsing-Chuan Wu, Chairman, Taiwanese Anti-Cancer Association





5.3 Social Participation

In our interaction with the society, we follow the core philosophy of “care for the society and sustainable development”. Through the “GIGABYTE Education Foundation” and the “Go Green Club”, we make contribution to the society and engage in social work with our core expertise and influence. “Narrowing the digital divide, innovation, talent cultivation, LOHAS service, care for the disadvantaged” is our common vision and goal of social sustainability. We hope our contribution can make the society better.



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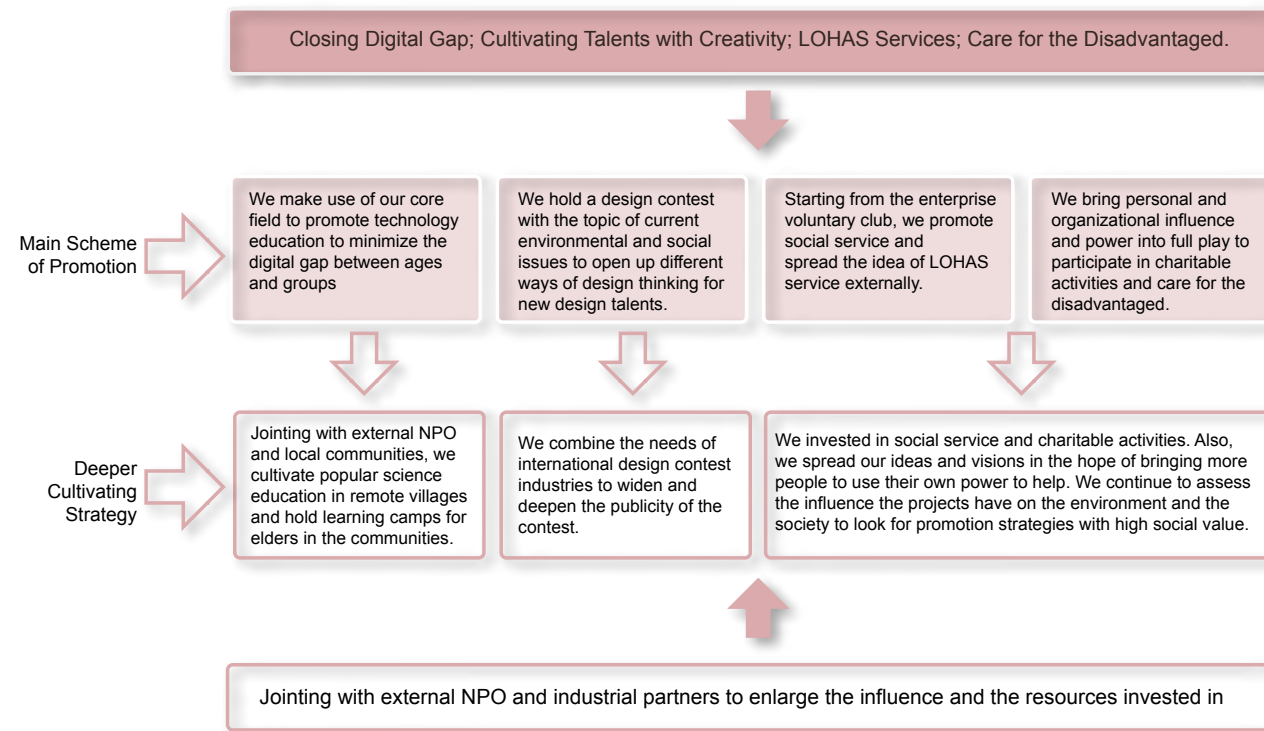


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Technology Education - Promotion of Our Core Values

Our company is a manufacturer of computer hardware and equipment, so we think the promotion of the core values of our main business is the best way to influence the society. We have long-term commitment to technology education, which aims to inspire the interests of students in information technology and teach them about its basic concepts. We also seek to extend the reach of technology education with the expectation of narrowing the digital divide to ensure zero distance between technology and people.

■ We Bring Technology to School and Bring Students to Our Production Line

We have designed courses on technology education for students of different ages from elementary schools, high schools, vocational schools and universities. Through participation in practical activities and visit to our production line, the students learn about the functions, structure and operations of the components of a computer and their manufacturing processes. The courses also provide the students with knowledge and skills in technology and innovation. The aim is to let technology education take root and meet the demands of the industry. In 2017, through cooperation with Onyx Healthcare and Aaeon Foundation, GIGABYTE Education Foundation brought resources for technology education to schools and presented them by subjects in an amusing way. Students from five elementary schools (Fu Le, Tung Shih, Nan Jing, Jhong Pu, Yamay) took part in a variety of practical courses, and the educational resources were received by teachers of the schools. The aim is to promote



Visit to our production line and "PC DIY" course



Digital classes on computers and mobiles

technology education in rural schools. Since 2002, various activities of technology education have been organized, including "The Secrets of a Computer", "Technology in Campus" and "PC DIY". In 2017, 116 activities were organized, with the participation of 3,511 students. A total of 52,946 students participated in the activities held so far

■ Digital Love and Classes for Elders

We are living in an era where the development and change in technology and information have been rapid. In this era, it is vital that students and workers possess information technology (IT) skills. While we have devoted resources to rural areas, we must not forget that there are elders and women in the cities who still lack technological means of access to information and have no ways to learn IT skills, thus becoming "disadvantaged groups in terms of IT in the cities". In 2006, GIGABYTE Education Foundation began to hold computer classes. Courses on smartphones and tablets were added later with the development of current trends. The aim is to offer a place for lifelong learning to anyone interested in information technology. In 2017, computer classes continued to be held at GIGABYTE's Xindian classroom, classroom for children with Prader-Willi syndrome (PWS) and classrooms of the National Taiwan Library. To enhance friendly relationship with local communities, a new class on how to use Line on a mobile was held in cooperation with the Hohuan Yubao Community adjacent to the Headquarters. In 2017, 27 classes on computers and mobiles were held with the participation of 1,055 persons. A total of 25,775 persons participated in the classes held so far.



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Innovation and Talent Cultivation - New Ideas for Product Design

Excellent ideas and thoughts are necessary for the design of products that meet demands. To enhance the capabilities of designers of IT products and cultivate such designers in Taiwan, we have held product design competitions annually since 2002. The competitions offer a great opportunity for practical training to students who are going to become designers. We also hope to discover innovative and unique ideas for product design through the competitions, with the aim to breathe new life into our products.

■ Great Design Competition

The “Great Design Competition” provides an interactive platform for dreams and creative ideas, and 15 competitions have been held until 2017. It has already become an annual major event for university/college students in the field of industrial and commercial design. For the 2017 competition, the theme of the Alive Group was “Between Virtual and Real Worlds”. It was designed to encourage students to think about all possibilities between human and computer and the integration of virtual and physical experience in a future where virtual reality is omnipresent and people’s lives are shaped by technology. The theme of the Talent Group was “Infinite Love”. It was designed to explore designers’ ideas on how to use IT products to improve parent-child relationship which might have been negatively affected by technology. 562 teams took part in the 2017 competition. In addition to gaining experience, students may learn more from the experience of senior designers and knowledge of issues like patent and marketing through seminars held as part of the competition.

We wish to not only inspire creative ideas from these young designers with great potential but also make the ideas a reality.



For the results of the 2017 Great Design Competition, please visit: <https://event.gigabyte.com/GDesign2018/ResSpecialEdition.html>





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Reduction, Sharing, Love for Earth - Friendly Product Design Competition

With respect to our products and services, we not only focus on how they can keep up with the current trends but also consider how to minimize their damage to the environment. For the purpose of encouraging university/college students to show their ideas about sustainability and creative design, we held the “Reduction, Sharing, Love for Earth - Friendly Product Design Competition” for the first time in 2017. The theme of the competition was “Friendliness”. It was chosen to encourage students to think about certain problems and concepts and use them as the basis for the design of products/services that reduce waste, consume less energy, generate less pollution, can be recycled, and are therefore friendly to the environment and society. Students from 29 departments of 25 schools took part in the 2017 competition. The students competed fiercely, with prototypes already created for some products. In their comments made during the final round of the competition, the judges encouraged the students to “assess the influence of every product from a broader point of view, since the traditional concept of green products is barely enough for sustainable development in the current generation” and to “consider the practicability and feasibility of products so that their designs are able to meet market demands and warm people’s hearts”.



For the results of the 2017 Reduction, Sharing, Love for Earth - Friendly Product Design Competition, please visit: <http://csr.gigabyte.tw/Home/DetailBulletin/130>

LOHAS Service - For Environment and a New LOHAS Life

In 2013, some of our employees formed the business volunteer group Go Green Club. With “sustainable Earth, green living, LOHAS lifestyle” as its purpose, the club gathers employees who are willing to show concern and take voluntary actions for environmental services. The club has organized a variety of activities, including sustainability forums, DIY courses on environmental protection, beach cleanup and working holidays. Through these activities, the club seeks to encourage employees to leave the office buildings and participate in environmental services. With step-by-step guidance, empowerment and practice, employees will be able to understand environmental issues in a deeper and broader way.

Thousand Mile Trek - Go Green Taiwan - Walk Around the Island and Pick Up Trash

Plastics reduction is increasingly becoming a global issue of concern. In 2018, the Environmental Protection Administration expanded the scope of the policy limiting the use of plastics in Taiwan. This indicates that the plastics problem, as an environmental issue, is getting attention from governments and people all around the world. Disturbed by the problem of marine plastics, the Go Green Club hopes that it can help reduce the amount of marine plastic waste originating from land-based sources. Hence in 2015, the club planned for the activity “Thousand Mile Trek - Go Green Taiwan” which is expected to last four to five years. The participants in the activity will walk around Taiwan and pick up trash along the route. With love and care for the country, the actions may raise people’s awareness of environmental protection and move them to take action. From the office to the society, our employees have demonstrated their determination and perseverance and created a different example for people wishing to walk around the island. In 2017, the Go Green Club went through Yilan, Tainan and Miaoli and collected an amount of trash weighing 434.68 kg, with the total travel distance reaching 158.42 km. Members of the club will continue their journey around Taiwan on foot in 2018 and, with the trash in their hands, make a contribution to the protection of the environment. In order for our employees to further understand the importance of plastics reduction, the Go Green Club in 2017 invited Mr. Hsin-Wei Liu from the Taiwan Environmental Information Association to give a lecture at the seminar titled “No More Plastics to the Sea!”. Mr. Liu talked about how to reduce the use of plastics in one’s daily life by taking green actions.

**[Feedbacks from participants of environmental services]**

It was the first time I took part in "Thousand Mile Trek - Go Green Taiwan". I never thought that I was able to walk 25 km, and I was a bit encouraged. At first, the idea of this activity sounded crazy to me, because we had to walk around Taiwan on foot! It was challenging. However, thanks to those who had been quietly working hard, it was possible to hold the activity for the 12th time. The intention behind the collection of trash along the route should be praised. In this way, we are making contribution to our country. We walk to every corner on this island, pick up trash and enjoy the scenery along the route. We also get to know the culture and customs of each town or village we visit. We can gain so much from the activity. I look forward to the day when everyone completes the journey around Taiwan.

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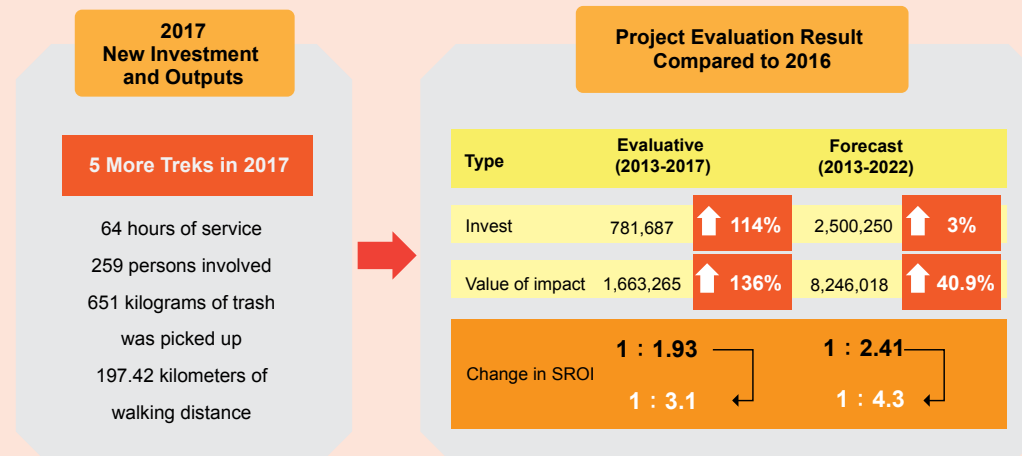
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SROI of Thousand Mile Trek - Go Green Taiwan

To comprehend CSR project's impact on the social and environmental aspect, GIGABYTE introduced the Social Returns on Investment (SROI) in 2016 to analyze the value of the "Thousand Mile Trek - Go Green Taiwan" activity through traveling around Taiwan on foot and picking up trash. The "Thousand Mile Trek - Go Green Taiwan" held 5 treks in 2017. To understand the benefits resulted from the continuous holding activities, we once again conducted SORI evaluation for the project in 2017 and continued tracking the project benefits in order to review and improve duly.

2017 Thousand Mile Trek - Go Green Taiwan SROI Result [1]



Note 1: For the annual calculation result's comparability, this analysis applied the updated 2017 data without changing other index, data or the impact factors setting. Besides the newly added impacts in 2017, for other detailed index results and analysis process, please refer to 2016 GIGABYTE CSR Report – S.1 Special Edition of SROI



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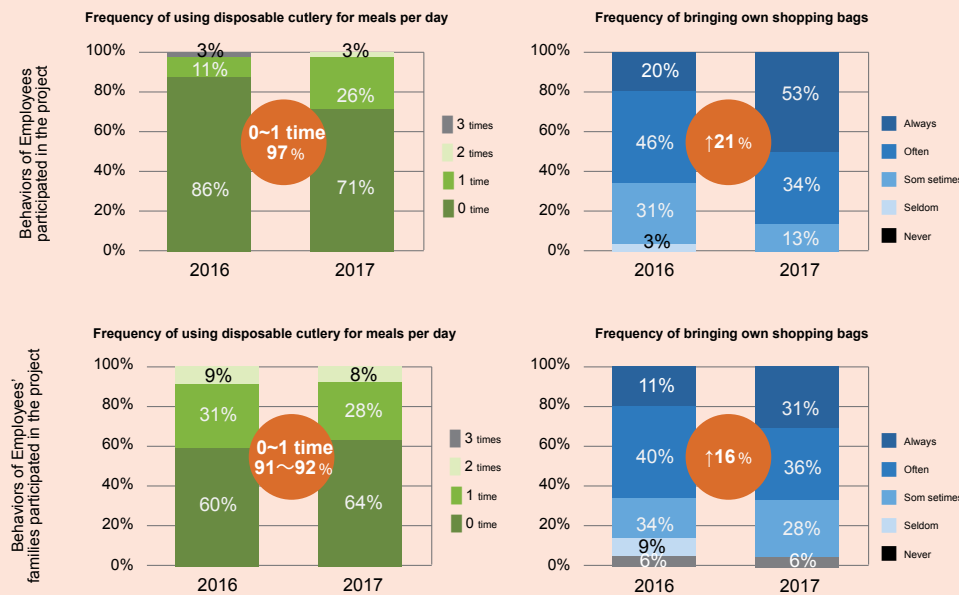
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The longer Walking Distance, the More Environmental Care in Heart, Learning from Environmental Services

The Thousand Mile Trek - Go Green Taiwan project has accumulated 13 treks by 2017. Every trek was not merely a challenge of patience and strengthens but also introspection for the employees and their family to perceive that there is so much trash that should not exist in the environment. Also the impact of self-practices can imperceptibly become the impetus for change in everyone's behavior and gradually change their lifestyles and concepts. We discovered from this questionnaire survey that the proportion of employees and their family members who began carrying their own shopping bags and reducing the use of disposable cutlery after their participation was higher than the evaluation result in 2016.

Limitations on Evaluating Environmental Impacts

The Thousand Mile Trek - Go Green Taiwan project is conducted through trekking on foot and that means to more remote destinations coach buses are required. However, this also means the impact on the environment caused by transportation is unavoidable while executing this project. In addition, the choice of financial alternative has also imperceptibly becomes an uncertain factor influencing the project's benefits evaluation. Therefore, we preceded further evaluation by using different emission factors for transportation and environmental costs, expecting to bring more benefits discussion over the whole project and assist the adjustment of our future trek planning.



↓43.5%
The difference in carbon emissions if we always rent 1 bus rather than 2 buses for all future activities.

1 : 5.99
Applying the emission factor of cleaning up marine trash from published news rather than the Ocean Cleanup official report)





Care for the Disadvantaged - Convey GIGABYTE Employee's Care and Concern for the Society

Through holding various welfare activities, the GIGABYTE Education Foundation connected the bridge between GIGABYTE employees with the society and extended GIGABYTE's care and concern from inner organization to outer society, allowing people in need to have a hope again.

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 <p>Scholarships to Students Who Experience Unexpected Events in Their Family Donation in 2017 NTD 1,992,000</p>	<p>At the end of each year, the GIGABYTE Education Foundation launches end-of-year fund-raising event. GIGABYTE employees, families, their children and supporters make charitable donations voluntarily. The funds raised through these three donation methods mainly go to:</p> <ol style="list-style-type: none"> (1) Providing scholarships to students who experience unexpected events in their family. (2) Donating to the Children's Hearing Foundation's early intervention for hearing impaired children from disadvantaged families. (3) Donating to the long-term care dependence and single-parent families. <p>Accumulated donation over the years NTD 18,096,000</p>
 <p>Double Caring Blood Donation A total number of 773 participants and 300,000 c.c. blood donated in 2017</p>	<p>Holding a "double caring" blood donation and encouraging the Company's employee and other company's employees in Xindian to donate and save lives. To encourage the employees' blood donation, we sent Brick kiln red beans and peaches to employees who donated their blood and also supported the farmers at the same time. This double caring event has expanded the caring to a larger aspect.</p> <p>A total of 7,055 participants and 2,622,000 c.c. blood donated over the years</p>
 <p>Charity's Winter Aid 840 households received aids in 2017</p>	<p>Since 2003, GIGABYTE Education Foundation has been constantly cooperating with Xindian District Office to distribute GIGABYTE Spring Festival red envelopes and supplies to those children and teenagers under living allowances but seldom receive social resources at the end of lunar year. Also, through sending red envelopes and King rice, the family under living allowances can feel the warm concern from the public and have a good year.</p> <p>Sent charity's winter aid to more than 10,000 households over the years</p>
 <p>Spring Festival Red Envelops for Ragpickers Sent 392 Spring Festival Red Envelops in 2017</p>	<p>GIGABYTE has been promoting the group purchase of direct selling agricultural products since 2002. GIGABYTE steps in and supports domestic agricultural products through purchasing direct selling, quick harvest at typhoon season and oversupply occurs that may make prices plunge. In this way not only our staff can buy cheaper, safer, and fresher fruits and vegetables, we have also seen farmers' life improved, promoting the value-added agricultural products.</p> <p>Accumulative amount of group purchases NTD 15,312,000 over the years</p>
 <p>Computer Assembly Welfare Donated 25 Desktop PC in 2017 (worth NTD 500,000)</p>	<p>GIGABYTE Education Foundation has been conveying care and blessings to ragpickers at the end of year since 2015, including: elderly living alone, the slow disabilities and etc. As long as people devote a little caring and actions, the society will become warmer and better.</p> <p>Sending 1,107 red envelopes in total over the years</p>
 <p>Direct Purchase of Agricultural Products Group purchases NTD 3,155,000 in 2017</p>	<p>Since 2015, GIGABYTE has integrated the core strength of various enterprises to collaboratively provide PC products and assist the remote areas and the disadvantaged groups, helping them to have more opportunities of digital learning. The collaborative partners in 2017 were AVEXIR Technologies Corporation, FSP Technology and Albatron Technology Corporation. We assisted the computer classroom of Tafeng Social Welfare Center, located in Xindian, in equipment replacement.</p> <p>Donating a total of 221 PC-related products over the years</p>
 <p>Participation in Charitable Activities More than 500 GIGABYTE's employees participated in 2017</p>	<p>Besides donating money and commodities, GIGABYTE also participated in the disadvantaged related charitable activities to express their caring. In 2017, GIGABYTE's employees had once again participated in charitable events like the Charity Road Run held by the Prader-Willi Syndrome, Christmas Charity Sale for Spinal Injuries and Prader-Willi Syndrome handmade products.</p> <p>Charity Sale for Spinal Injuries and Prader-Willi Syndrome handmade products.</p>





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Aspects	Main Index	2014	2015	2016	2017	
Economic Aspect	Consolidated revenue (NTD 100 million)	545.42	508.29	523.47	598.84	
	Operating cost (NTD 100 million)	450.73	420.67	432.77	496.86	
	Operating expense (NTD 100 million)	76.62	75.10	73.81	79.73	
	Employee salary and benefits (NTD 100 million)	52.40	52.22	53.70	57.06	
	Earnings per share (NTD)	3.82	3.05	3.64	4.41	
Environmental Aspect	Greenhouse Gas Emission (ton of CO ₂ e)	Scope 1	616.96	576.89	644.45	553.05
		Scope 2	30,098.76	28,859.27	28,643.39	27,657.56
	Greenhouse Gas Emissions Intensity (tons of CO ₂ e / 1000 motherboards equivalent pieces)		1.86	1.75	1.90	2.19
	Electricity Used (MWh)	Bases in Taiwan	20,220.54	19,494.84	19,497.70	18,830.08
		Bases in China	21,792.65	20,959.26	20,845.35	19,974.34
	Energy Consumption (GJ - includes steam, gasoline, diesel fuel and LPG and electricity)		161,291.55	153,029.04	152,991.88	147,816.32
	Water Use (10 thousand tons)	Bases in Taiwan	9.97	9.18	9.79	8.89
		Bases in China	25.11	25.71	25.24	22.23
	Waste Production (tons)		1,918.77	1,880.74	1,697.89	1,621.53
	General Waste (tons)	Headquarters	11.61	10.65	30.12	41.92
		Production Bases (Taoyuan Nanping, Dongguan and Ningbo in China)	403.43	399.85	379.40	461.54
	Hazardous Substance (tons)	Headquarters	1.15	0.98	2.02	0.26
		Production Bases (Taoyuan Nanping, Dongguan and Ningbo in China)	74.77	60.42	56.39	76.39
	Volume of Waste per Unit Production (tons / 1000 motherboards equivalent pieces)		0.11	0.11	0.11	0.12
	Production Bases (Taoyuan Nanping, Dongguan and Ningbo in China)					
Average Personal Waste Production (tons / person) - Headquarters		0.04	0.03	0.05	0.05	
Environmental Education Hours		1,014	3,637	7,524	11,071	
Social Aspect	Total Number of Employees		8,095	8,220	7,799	7,171
	Average Age		35.9	36.4	33.4	31.6
	Average Seniority		7.7	7.3	5.6	6.34
	Employee Education Training Hours (Bases in Taiwan)		19,330	19,068	19,588	18,760
	Disabling Injury Frequency Rate (FR)	Bases in Taiwan	0.77	0.36	0	0
		Bases in China	1.19	0.8	2.66	1.19
	Disabling Injury Severity Rate (SR)	Bases in Taiwan	1.52	1.5	0	0
Bases in China		5	18.03	55.73	49.05	



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GRI Standard	Disclosure Items	Chapter in the Report or Description	Page	Omitted	Support the UN Sustainable Development Goals
GRI 101: 2016 Foundation					
General Disclosure (core items)					
GRI 102: General Disclosure of 2016 Organizational Profile Strategy Ethics and Integrity Governance Stakeholder Engagement Reporting practice	102-1 Name of the organization	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-2 Activities, brands, products, and services	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-3 Location of headquarters	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-4 Location of operations	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-5 Ownership and legal form	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-6 Markets served	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-7 Scale of the organization	2.1 Current Status and Development of GIGABYTE 3.1 Business Overview-Operation Performance	23 36	-	-
	102-8 Information on employees and other workers	5.1 Human Resources Management-Stable Human Resources Structure	76	-	-
	102-9 Supply Chain	3.3 Supply Chain Risk Management	42	-	-
	102-10 Significant changes to the organization and its supply chain	2.1 Current Status and Development of GIGABYTE	23	-	-
	102-11 Precautionary Principle or approach	2.2 Corporate Governance-Risk Management	28	-	-
	102-12 External initiatives	<ul style="list-style-type: none"> Voluntarily supporting ISO 26000, the UN Global Compact, RBA Code of Conduct and Responsible Minerals Initiative GRI Standards and Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies are in compliance with the request of Taiwan Financial Supervisory Commission 	-	-	-
	102-13 Membership of associations	2.1 Current Status and Development of GIGABYTE- Participation in International Organization and Association	23	-	-
	102-14 Statement from senior decision-maker	From the Chairman	3	-	-
	102-16 Values, principles, standards and norms of behavior	1.1 Sustainable Development Promotion 2.2 Corporate Governance-Code of Conduct	8 23	-	-
	102-18 Governance structure	1.1 Sustainable Development Promotion 2.2 Corporate Governance	8 23	-	-
	102-40 List of stakeholder groups	1.2 Interaction with the Stakeholders	14	-	-
	102-41 Collective bargaining agreements	5.1 Human Resources Management-Stable Human Resources Structure	76	-	-
	102-42 Identifying and selecting stakeholders	1.2 Interaction with the Stakeholders	14	-	-
	102-43 Approach to stakeholder engagement	1.2 Interaction with the Stakeholders	14	-	-
	102-44 Key topics and concerns raised	1.2 Interaction with the Stakeholders	14	-	-
	102-45 Entities included in the consolidated financial statements	About the Report	1	-	-
	102-46 Defining report content and topic Boundaries	1.2 Interaction with the Stakeholders	14	-	-
	102-47 List of material topics	1.2 Interaction with the Stakeholders	14	-	-



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GRI 102: General Disclosure of 2016	102-48 Restatements of information	About the Report	1	-	-
	102-49 Changes in reporting	1.2 Interaction with the Stakeholders	14	-	-
	102-50 Reporting period	About the Report	1	-	-
	102-51 Date of most recent report	About the Report	1	-	-
	102-52 Reporting cycle	About the Report	1	-	-
	102-53 Contact point for questions regarding the report	About the Report	1	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report	1	-	-
	102-55 GRI content index	Appendix 2 GRI Standard Context Index	102	-	-
	102-56 External assurance	There is no external assurance / confirmation in this year	-	-	-
Major issues GRI 200 Economy 2016; GRI 300 Environment 2016; GRI 400 Society 2016					
Ethics and Code of Conduct, Corporate Governance and Laws and Regulations Compliance					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders-Identified Topics and Materiality Analysis	16	-	-
	103-2 The management approach and its components	2.2 Corporate Governance	28	-	-
	103-3 Evaluation of the management approach		-	-	-
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	No occurrence in 2017 2.2 Corporate Governance-Code of Conduct	31	-	-
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No occurrence in 2017 2.2 Corporate Governance-Code of Conduct	31	-	-
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	No occurrence in 2017 2.2 Corporate Governance-Code of Conduct	32	-	-
GRI 415: Public Policy	415-1 Political contributions	No occurrence in 2017	-	-	-
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No occurrence in 2017 3.2 Customer Services-It's You that matters - Emphasis on Customer's Interests and Privacy	39	-	-
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	No occurrence in 2017 2.2 Corporate Governance-Legal Compliance	32	-	-
	417-3 Incidents of non-compliance concerning marketing communications	No occurrence in 2017 2.2 Corporate Governance-Legal Compliance	32	-	-
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	No occurrence in 2017 2.2 Corporate Governance-Legal Compliance	32	-	-
-	Corporate governance system and effectiveness	2.2 Corporate Governance	28	-	-



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GRI Standard	Disclosure Items	Chapter in the Report or Description	Page	Omitted	Support the UN Sustainable Development Goals
Financial Performance					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders- Identified Topics and Materiality Analysis	16	-	
	103-2 The management approach and its components	3.1 Business Overview	36	-	
	103-3 Evaluation of the management approach				
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	3.1 Business Overview	36	-	
	201-4 Financial assistance received from government				
Brand Management and Innovative Management					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders- Identified Topics and Materiality Analysis	16	-	
	103-2 The management approach and its components	2.1 Current Status and Development of GIGABYTE	23	-	
	103-3 Evaluation of the management approach				
-	Brand management strategy and conduct				
-	Innovative management conduct				
Supply Chain Sustainability Management					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders- Identified Topics and Materiality Analysis	16	-	
	103-2 The management approach and its components	3.3 Supply Chain Risk Management	42	-	
	103-3 Evaluation of the management approach				
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	3.3 Supply Chain Risk Management	42	-	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	3.3 Supply Chain Risk Management	42	-	
	308-2 Negative environmental impacts in the supply chain and actions taken				
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Low occurrence rate 3.3 Supply Chain Risk Management	42	-	
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Low occurrence rate 3.3 Supply Chain Risk Management	42	-	
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Low occurrence rate 3.3 Supply Chain Risk Management	42	-	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	3.3 Supply Chain Risk Management	42	-	
	414-2 Negative social impacts in the supply chain and actions taken				
-	Conflict minerals management strategy and effectiveness				




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GRI Standard	Disclosure Items	Chapter in the Report or Description	Page	Omitted	Support the UN Sustainable Development Goals
Environmental Friendly Products					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders-Identified Topics and Materiality Analysis	16	-	 
	103-2 The management approach and its components	4.1 Environment Management 4.3 Environmentally Friendly Products	50	-	
	103-3 Evaluation of the management approach		63		
GRI 301: Materials	301-1 Materials used by weight or volume				
Environmental Policies and Management System, Greenhouse Gas Emissions and Carbon Management, Sustainability and Environment Education					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders-Identified Topics and Materiality Analysis	16	-	 
	103-2 The management approach and its components	4.2 Climate Change Mitigation and Adaptation-Greenhouse Gas Inventory and Reduction	50	-	
	103-3 Evaluation of the management approach		54		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	4.1 Environment Management 4.2 Climate Change Mitigation and Adaptation-Greenhouse Gas Inventory and Reduction	56	-	 
	305-2 Energy indirect (Scope 2) GHG emissions				
	305-3 Other indirect (Scope 3) GHG emissions				
	305-4 GHG emissions intensity				
	305-5 Reduction of GHG emissions				
	305-6 Emissions of ozone-depleting substances (ODS)	GIGABYTE's process and products have no ozone depleting substances	-	-	 
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Not included in GIGABYTE's emissions and not substantial	-	-	
-	Sustainability and environment education vision and practice strategy	4.4 Fostering Internal Environmental Protection Culture 4.5 G-HOME GIGABYTE Sustainable Eco-Roof	68 70	-	
Risk Management					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders-Identified Topics and Materiality Analysis	16	-	-
	103-2 The management approach and its components	2.2 Corporate Governance-Risk Management	33	-	-
	103-3 Evaluation of the management approach				
-	Risk management strategy and conduct	2.2 Corporate Governance-Risk Management 4.2 Climate Change Mitigation and Adaptation-Identification of Risk and Opportunity	30 54	-	-
Occupational Health and Safety, Talents Attraction and Preservation					
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	1.2 Interaction with the Stakeholders-Identified Topics and Materiality Analysis	16	-	 
	103-2 The management approach and its components	5.1 Human Resources Management 5.2 Healthy and Happy Workplace	76 85	-	
	103-3 Evaluation of the management approach				
GRI 401- Employment	401-1 New employee hires and employee turnover	5.1 Human Resources Management-Recruitment and Retention Management	77	-	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Human Resources Management-Competitive Salary and Welfare	81	-	
	401-3 Parental leave	5.1 Human Resources Management-Recruitment and Retention Management	77	-	



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GRI Standard	Disclosure Items	Chapter in the Report or Description	Page	Omitted	Support the UN Sustainable Development Goals
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	5.2 Healthy and Happy Workplace-Safe and Healthy Working Environment	85	-	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities				
	403-3 Workers with high incidence or high risk of diseases related to their occupation				
GRI 404: Training and Education	404-1 Average hours of training per year per employee	5.1 Human Resources Management-Training and Growth in a Lifelong Learning Hall	83	-	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Human Resources Management- Competitive Salary and Welfare	81	-	
Other Disclosed Issues GRI 200 Economy 2016; GRI 300 Environment 2016; GRI 400 Society 2016					
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.1 Human Resources Management- Competitive Salary and Welfare	81	-	-
GRI 302: Energy	302-1 Energy consumption within the organization	4.1 Environment Management	50	-	
	302-3 Energy intensity				
	302-4 Reduction of energy consumption				
GRI 303: Water	303-1 Water withdrawal by source				
	303-2 Water sources significantly affected by withdrawal of water				
GRI 402: Labor / Management Relations	402-1 Minimum notice periods regarding operational changes	5.1 Human Resources Management-Recruitment and Retention Management	77	402-1b Not applicable	-
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	2.2 Corporate Governance-Corporate Governance Structure	28	-	-
		5.1 Human Resources Management-Stable Human Resources Structure	76	-	-
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	5.1 Human Resources Management-Recruitment and Retention Management	77	-	-
GRI 418: Customer Privacy	418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	No occurrence in 2017 It's You that matters - Emphasis on Customer's Interests and Privacy	39	-	-



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