GIGABYTE™

Sustainability Report of GIGABYTE

2010

GIGABYTE™

Upgrade Your Life

"Upgrade Your Life" is a persistent philosophy and commitment of GIGABYTE Group. Based on the **"Social Concern and Fulfilling Our Responsibility"**, we have been organizing many activities to take our corporate social responsibility. In addition to the persistence in innovation, care and service, focus on the development of key components and new designs as well as enhancement of the service quality, we have actively dedicated ourselves to the environmental management, observation of laws and regulations, information security and many other aspects to create a good work environment for the employees, help them bring their capability into full play and ensure an optimal balance between work and life.

The 2010 Sustainability Report of GIGABYTE is the first published report on the sustainable development of the company. With this document, we aim to inform all stakeholders about our strategies and activities in the financial, environmental and social areas. Combining the core value and competitiveness of the company, we incorporate the sustainable development into our business strategy and operation and continuously strive for corporate and global sustainability.

➢ **Scope**

The report covers the performance of GIGABYTE Group in the global sustainable development during the period from January to December, 2010. The scope of the indicators disclosed in this report covers GIGABYTE Group sites in Taiwan, China and other overseas territories.

➢ **Guidelines**

The report adopts the 2006 Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G3) to disclose our commitment, strategy, management policy and their results during the period of the report.

➢ **Issuance**

GIGABYTE plans to issue a sustainability report annually. It will be posted to our official website and no paper copy will be issued.

Release date of the current issue: July, 2011

Release date of the next issue: July, 2012

- ➢ **Contact**

GIGABYTE TECHNOLOGY CO., LTD.

Quality Strategy Management Division

Address: No.6, Bao Chiang Road, Hsin-Tien Dist., New Taipei City 231,Taiwan

Tel.: +886-2-89124000

Fax: +886-2-89124005

e-mail：CSR@GIGABYTE.com

Website: http://www.GIGABYTE.com/

Table of Contents

1 President's Word

At a time when global warming and climate change become the primary concerns for all mankind, we know that no corporation can sustain its development without a sustainable environment. With this in mind, we implement our strategy that benefits the environment, that is, improvement in the efficiency of energy and resource consumption, dedicated development of green products and promotion of green buying. In 2010, we had conducted a corporate-wide inventory on the greenhouse gas emission and product's carbon footprint in an effort to improve the resource utilization for company products and thoroughly implement energy saving and carbon reduction measures in our everyday life. With the focus on the trio concept of ecology, life and production, we will pursue the best condition for sustainable corporate development.

We have continuously devoted ourselves to the social participation and humane care affairs on the ground of our idea for corporate social responsibility: "Social Concern, Fulfilling Our Responsibility". And we have also set up the GIGABYTE Education Foundation for promoting technological education, innovative education, industrial design, cultural activities, and the caring of disadvantaged groups and community activities. In addition to donating computer classrooms, setting up scholarships for students in need, and holding charity sales of produce, we exploit our core competence to hold computer classes for seniors, organize educational visits for students and arrange "Great Design Contest". After the 88 Flood devastated Taiwan, we had launched a fundraising campaign within the corporation in a bid to make long-term donation of the tuition for the students living in the disaster stricken areas, channeling our love and care to those in need. On top of that, we did our utmost to extend this kind of care to our employees and provide other stakeholders (such as government, supply chains, communities, non-profit organization and customers) with communication channels and necessary assistance. We have included more information on related measures in this report.

Troubled by the global climate anomalies, rare earth export restrictions, natural resources reduction, global financial crises and conflict minerals, this world will be facing more environmental, economic and social challenges. We, GIGABYTE Technology Co., Ltd., will continue to combine our core values and competence for incorporating the concept of sustainability into our business strategies and operations, paving the way for corporate and global sustainability. By disclosing relevant information in this report, we hope that those who are interested in us can further understand our determination and efforts for sustainable development, and we look forward to your feedback and suggestions to make it possible for us to fare better in our sustainable development.

President Pei-Chen Dandy Yeh

2 Introduction

2.1 Company Profile

Company Name	GIGABYTE Technology Co., Ltd.
Capital	6,340,000,000 NTD
Revenue	49,250,000,000 NTD
Established in	April 1986
Primary Products and Services	Motherboards, Graphic cards, Mainframe systems, Notebooks, Servers, Mobile phones, and PC Peripherals
Headquarter	No.6, Bao Chiang Road, Hsin-Tien Dist., New Taipei City 231,Taiwan

GIGABYTE Technology Co., Ltd., established in 1986, is one of the top 3 motherboard manufacturers worldwide with a market share close to 15% on a global scale. All of our products, such as graphic cards, graphic accelerator cards, notebooks, desktop PCs, peripherals, digital home appliances, network communication devices, services and mobile phones, have been developed with innovative ideas for satisfying customer demands. We will make every effort to build a complete digital life.

1986/3
Established GIGABYTE Technology

1996/12
Established Pingjen plant,

1998/11
Established Dongguan plant, China

2000/4
Established Xindian

2000/9
Established Nanping plant,

2001/3
Established Ningbo plant,

2004/5
Established GIGA-BYTE

2005/7
Established G-STyle LTd.

2006/4
GIGAZONE

History of GIGABYTE Technology

Europe
• France • Spain
• Germany • Turkey
• Holland • UK
• Italy

East Europe
• Czech • Romania
• Poland • Serbia
• Russia
• Ukraine

Middle East & Africa
• Dubai
• Egypt
• Iraq
• South Africa

Asia & Oceania
• Australia • Korea
• Bangladesh • Singapore
• Hong ong • Sri Lanka
• India • Thailand
• Indonesia • Viet Nam
• Japan

Taiwan
• Hsinchu
• Hsintien
• Junghe
• Kaoshiung
• Taipei
• Taoyuan
• Taichung
• Tainan

North America
• USA
• Mexico

South America
• Brazil

China
• Baotou • Harbin • Shenzhen
• Beijing • Hefei • Shijiazhuang
• Changsha • Nanchang • Suzhou
• Changchun • Nanning • Taiyuan
• Chengdu • Nanjing • Wenzhou
• Chungking • Ningbo • Wuhan
• Dalian • Jinan • Wulumuqi
• Dongguan • Kunming • Wuxi
• Foshan • Lanzhou • Xiamen
• Fuzhou • Liuzhou • Xian
• Guangzhou • Qingdao • Xujiahui
• Guiyang • Shanghai • Zhengzhou
• Haikou • Shantou • Zhongguancun
• Hangzhou • Shenyang • Zhuhai

Global Market Layout

Global Service Locations

The manufacturing bases of GIGABYTE Technology are centrally located in Taiwan and China, where the plants in Taiwan are in Pingjen City and Nanping City, Taoyuan Country, and the plants in China are in Dongguan City and Ningbo City. Our overseas subsidiaries are distributed in the USA, Germany, Netherlands, UK, France, Russia, Poland, India and Spain. We have 65 service locations spread over all continents staffed with professional engineers, providing customers with product counseling and superior and convenience after sale services.

Product Portfolio

GIGABYTE Technology was started as a company manufacturing computer components. Over time, we had evolved to a company providing customers with all kinds of computer peripherals. Recently, we expanded our product line to own-brand notebooks and mobile phones, and we had been dedicated to the establishment of the image of "Excellence from GIGABYTE". We will continue to drive for innovation and transformation, and we will bring a better future for all of us with delicate and admirable products that go beyond expectations. Our product line includes

● Component: Motherboards, Graphic cards, Network adapters, CD-ROM drives, Coolers, Chassis and Peripherals,

● Desktop PC: Desktop PCs, Thin clients and Home entertainment,

● Portable PC: Notebooks and Pocket PCs,

● Peripherals: LCD monitors, Keyboards, Mouse, Flex pointers and Flash disks,

● Wireless Communication Device: Wireless adaptors, Access points, Bluetooth devices and Wireless routers,

- Network Communication Device: Broadband routers, Gigabit switches and Media applications,
- Server: Rack mount servers, Tower servers and Blade servers,
- Storage: Windows Storage Server and Storage array networks, and
- Mobile Device: PDA phones, Feature phones and Mobile phones.

Mobile Product

PDA phone   Notebook   Slate PC & Devices

Internet

Desktop Product

All-In-One   Gaming PC   SFF PC

Server & Communication

Back-End Server &Storage   Front-End Server (Rack-Mount)   Gigabit Switch   Router/AP   NAS

Components

Cooler

Graphics Card   Motherboard   Chassis   Power & Cooler   PC Peripherals

Product Line of GIGABYTE Technology

Core Value

- Upgrade Your Life
- Excellent Service and Support

"Upgrade Your Life" is the longstanding commitment and service spirit that we hold towards our customers and consumers. In order to provide complete and convenient after-sale services, GIGABYTE Technology, with the most swift and professional services provided to customers and consumers, has established a comprehensive service network worldwide with more than a hundred of service locations spread over Europe, Asia, North America, Middle East, South Africa, Australia and New Zealand, In the future, all members of our corporate group will continue to focus on the development of key technologies, innovations on product designs and reinforcement of service quality in line with our innovative, caring and servicing attitudes, making GIGABYTE Technology an energetic, competitive and high-value world-class brand.
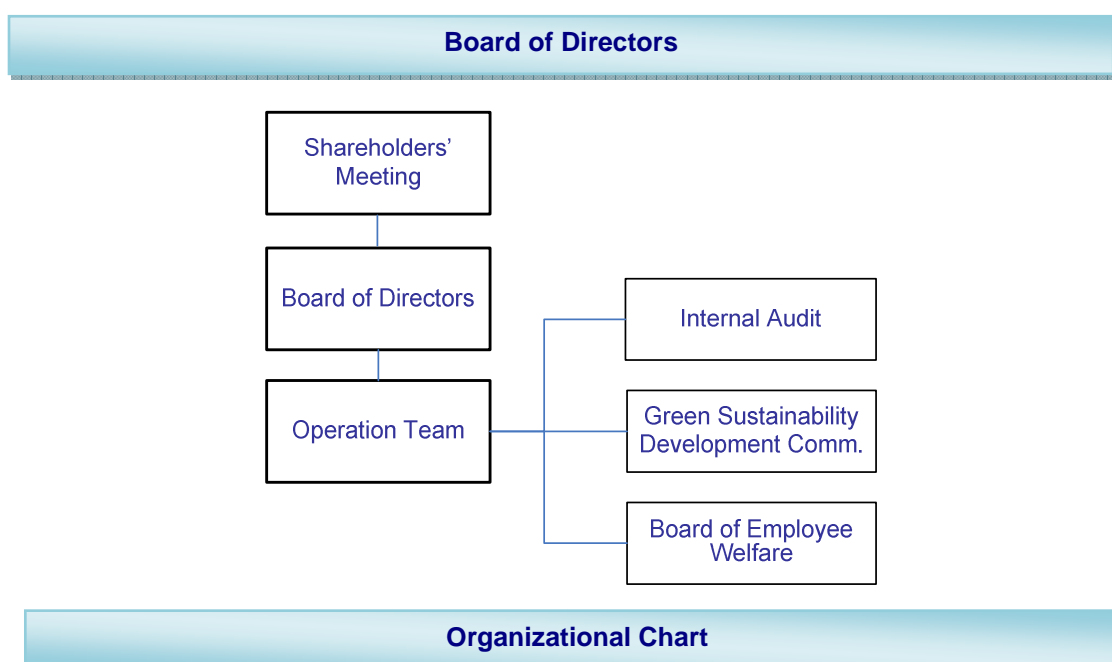
2.2 Corporate Governance

Board of Directors

Pursuant to the Company Act, Securities and Exchange Act and relevant statutory regulations of R.O.C., Taiwan, GIGABYTE Technology would comply with the regulations concerning corporate governance, value the benefits of our shareholders and check for internal control regularly. As guided by our president, this board will take its responsibility seriously and act as an independent, earnest and professional board.

GIGABYTE Technology will convene board meetings regularly, which would be tape recorded and compiled into minutes as regulated by laws. The attendance of directors and supervisors would be recorded for reference, and the directors will avoid taking part in the discussion of issues that are in conflict of interest. All the important decisions made by this board will be disclosed in the Market Observation Post System. In order to improve the governance of the board of directors, we have established the "Parliamentary Procedure for the Board of Directors" as per the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" proclaimed by competent agencies.

Name	Title	Other Positions in the Company or in Other Companies
Yeh, Pei-Chen	President	Chairman of GIGABYTE Communications INC. Chairman of G-Style Co., Ltd.
Liu, Ming-Hsiung	COO	Director of GIGABYTE Communications INC. Director of G-Style Co., Ltd.
Ma, Meng-Ming	Executive VP	Director of GIGABYTE Communications INC. Director of G-Style Co., Ltd.
Tseng, Chun-Ming	Executive VP	Director of GIGABYTE Communications INC.
Lin, Huo-Yuan	Executive VP	General Manager of the Motherboard Group

Board of Directors

Shareholders' Meeting

Board of Directors

Internal Audit

Operation Team

Green Sustainability Development Comm.

Board of Employee Welfare

Organizational Chart

Internal Audit

GIGABYTE Technology has set up an independent internal audit unit, which directly reports to the board of directors. This unit will provide reports to the president once a month or as necessary in addition to providing reports in the routine meetings of the board of directors. According to the Guidelines Governing Internal Audit System, the internal audit unit should assist the board of directors and management in checking and reviewing the flaws of the internal control system and the efficacy and efficiency of business operations. At the right time, the unit duly provides suggestions about improvement to ensure the effectiveness and continual implementation of the internal control system and provide the grounds for reviewing and correcting the internal control system. The audits, which can be classified into regular and random internal audit, are carried out in accordance with the audit plan determined by the board of directors. These audits can also provide the management with the information on the operational status of the internal control functions and information on other existed or potentially flawed channels. The autonomous checks executed by each business unit covered by the internal audit should include the check for the implementation of the audit work and review of documents with the intent of ensuring the quality of the implementation. The results from autonomous checks should be compiled into a report for review by the supervisors once being approved by the president. A general summary of results from autonomous checks should be made available to the board of directors regularly.

Anti-corruption & Anti-bribery

As regulated by the Code of Integrity of GIGABYTE Technology, all company employees should always adhere to all applicable laws, statutes, regulations and internal regulations when engaging in business activities, and do their utmost to ensure that the business activities conducted by this company conform to the trading conventions and code of conduct. Company employees should maintain a fair, just and open relationship with our shareholders, and engage in business activities with them fairly. This Code explicitly calls for

- The personnel responsible for purchasing, general affairs and outsourcing should select the most competitive products or services in terms of quality, price, delivery date and after-sale service with the principles of integrity, impartiality and professional ethics. These personnel are not allowed to charge rebates from the suppliers or receive improper benefits. Company employees and their families are strictly prohibited from taking gifts or cash worth more than 1,500 NTD given by the suppliers or join the tours organized by the suppliers. Any gift taken for manner purposes should be actively reported for confiscation or converted to lottery gifts as determined by the General Manager.
- Company employees should neither defraud other's properties, nor encroach or steal company/colleagues' equipment, money and data. Company employees should honestly report fees and quantities of items, and shouldn't overstate their travel expense, overtime, advance payment or the hours of overtime.

Risk Management

GIGABYTE Technology has placed dedicated personnel for dealing with the issues regarding the management of global climate change, allowing us to further understand the resolutions reached in the annual UNFCCC conferences and take immediate action to reduce the potential carbon risks. In 2011, our corporate group has carried out energy saving and carbon reduction education, thorough implementation of various measures, and promotion of the proper awareness. All of actions are incorporated in our company management and new product planning, for our employees to respond to any potential issue, including specific measures designed to test of the operational performance of the products under extreme weather conditions or the contingency measures for gas or water price hikes.

2.3 Awards

GIGABYTE Technology has received countless awards over many years, and as of 2010, we have received over 8,200 awards, which are indirect proof of the superior quality of our products. In addition to the Taiwan Excellence award, we have won the "Taiwan Superior Brand" and "Taiwan Top 100 Tech Award". And back in 2009, we won the Award for International Trade for the fifth highest export growth rate with the idea of rooting and preserving our core technologies in Taiwan. Our notebook Booktop M1022 constructed with the spirit of innovation even won the highest honor of the design industry in Taiwan: "Golden Pin Design Award".

GIGABYTE had won twelve-times Taiwan Excellence awards from 1998 to 2009 in a row and was the only company in the hi-tech industry that received this extensive recognition and achieved 100% award winning rate. And further, from 2003 to 2004 GIGABYTE had surpassed all competitors to win the "Taiwan Excellence Gold Award", the top honor in the industry and received the topmost honor of the "15th National Quality Award" in 2004.
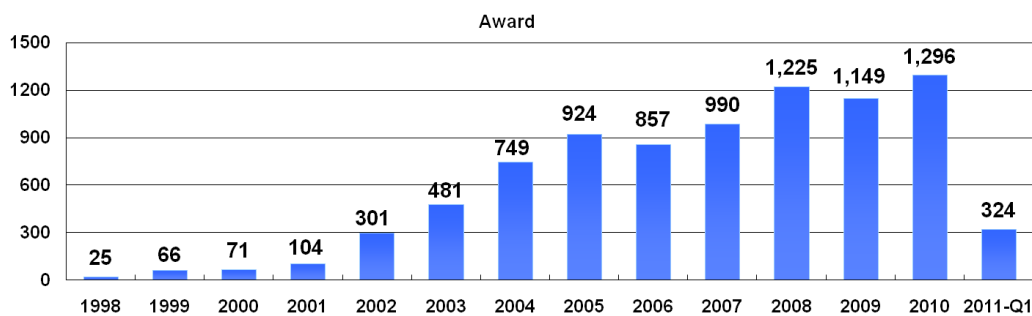
Statistical Data of Award Winning Records

Time	Award
Jun. 2009	GIGABYTE ranked 19th among 2009 Taiwan Top 100 tech companies and won the award for its excellent innovation value.
Aug. 2009	GIGABYTE won the 2008 Award for International Trade as the outstanding manufacturer ranking 5th in the growth of the export value.
Oct. 2009	GIGABYTE's product, Booktop M1022, won the Golden Pin Design Award, the tip honor for the designers in Taiwan..
Jun. 2010	GIGABYTE established its brand value successfully and won the "2010 Taiwan Top 100 Tech Award" again.
Sept. 2010	"Innovation" creates competitiveness: GIGABYTE ranked as one of Taiwan Top 20 International Brands.
Oct. 2010	GIGABYTE won the Japanese Good Design Award with our notebook M1405.
Dec. 2010	Create new record: GIGABYTE won thirteen-times Taiwan Excellence awards in a row, creating a 100% award winning rate.

Awarding Winning Milestone

3 Stakeholders

3.1 Responsibility to and communication with stakeholders

Stakeholders are individuals or groups that have influence on or are influenced by the activities of an enterprise. They are usually governments, customers, employees, investors, suppliers, communities and non-profit organizations. We analyze our responsibility to the stakeholders and determine the approach to communicate with them based on their characteristics so that they can understand our honesty and determination to strive for continuous improvement.

Stakeholder	GIGABYTE'S roles and responsibilities	Communication
Government	◇ Observe laws and regulations. ◇ Pay taxes. ◇ Provide consultation service of laws and regulations. ◇ Cooperate in promotion activities.	■ Join the organization of the industry and platform to create a mechanism for communication with the stakeholder. ■ Participate in public hearing of relevant laws and regulations. ■ Make appropriate contribution to promotion and guidance activities.
Customer	◇ Provide quality products and services. ◇ Increase customer satisfaction. ◇ Cooperate with customers to achieve the objective of the environmental and social responsibilities.	■ Conduct customer satisfaction survey. ■ Organize workshops and symposia on technology ■ Conduce environmental and social reasonability survey and make improvement for customers.
Employee	◇ Provide premium work environment. ◇ Provide reasonable compensation. ◇ Provide training and education programs for the development of carrier. ◇ Protect basic human rights.	■ Provide employees with a communication e-mail box. ■ Provide employees with a message board. ■ Conduct questionnaire survey. ■ Arrange regular physical examination for employees. ■ Provide internal and external training and education programs
Investor	◇ Provide correct information timely. ◇ Provide appropriate return on investment.	■ Arrange regular shareholders' and investors' meetings. ■ Issue the annual report. ■ Arrange irregular communication meetings.
Supplier	◇ Provide reasonable price. ◇ Make the supplier understand the approach that we use for our corporate social responsibility. ◇ Assist in the green procurement and CSR.	■ Provide an electronic communication platform. ■ Organize suppliers' meeting. ■ Provide consultation service on green procurement.
Community	◇ Prevent from environmental and industrial accidents. ◇ Provide employment opportunities. ◇ Respect local culture and costumes. ◇ Participate in local welfare activities.	■ Provide a communication platform. ■ Conduct regular inspection of environmental pollution indicators. ■ Draw up emergency response plans. ■ Establish foundations to co-organize activities.
Non-profit organization	◇ Respond to issues of interest. ◇ Participate in the activities related to public welfare and environment protection.	■ Establish a communication platform. ■ Participate in related organizations and forums. ■ Support related activities.

Communication of GIGABYTE with Stakeholders

3.2 Government

GIGABYTE Technology observes regulations and pay taxes accordingly and never fail to do so. We always have an attitude of "Regulatory Compliance, Good Governance" toward the corporate governance. Hence, the Top 10 shareholders of the company include the "Public Service Pension Fund" and "Labor Pension Fund (New System)", and the investment of the governmental funds in the company indicates that our corporate governance has been indirectly recognized by the government. We also provide consultation service to support the government in the establishment and promotion of laws and implementation of governmental policies.

● To support the congressional diplomacy policy of the government, we assisted the government in the arrangement of the United States Congressional Assistants Delegation to visit GIGABYTE's Taipei headquarters in April 2010, and the president received the delegation personally

The Mayor of Taipei City Government Awarded the Testimonial to GIGABYTE

● In September 2010, we acted as a co-organizer for the "Digital Life – Make Dreams Come True" program of the Taipei City Government, and provided 100 notebooks to help the children of disadvantaged families to make their dreams come true, so they will not be hindered from learning online due to poor financial conditions. With this contribution, only NT$ 5,000 was needed for a low-income household to own a brand new notebook.

The Mayor of Taipei City Government Awarded the Testimonial to GIGABYTE

● We assisted in the rebuilding of the first terminal, Taiwan Taoyuan International Airport, in October 2010, and used our motherboard to refit the departure lounge of the B7 boarding gate in the first terminal. By doing so, we hope that international passengers will have a deep impression of Taiwan at first and last glance by the airport.

Taiwan Taoyuan International Airport – Rebuilding of the Departure Lounge

3.3 Customers

We organize every business activity based on the philosophy of "Fulfilling Customer Satisfaction through Total Quality Assurance". We not only persist in the innovation, care and service, but also focus on the development, design and innovation of green products. We use of our specialties for the protection of the Earth. Furthermore, we understand the implication of environmental management standards and strive to implement the quality, environment, occupational H&S and hazardous substance management systems for the continual improvement. We successfully prolong the service life of our products by upgrading the quality to avoid unnecessary consumption of resources. In addition to constructing our own website to provide the information about the service we provided, 32 sales bases in 25 countries around the world are set up to provide after-sale service. A free technical consultation service is available for consumers in the Taiwan area. They can acquire a response to all product problems immediately using a toll-free number. With all the efforts as such, our fast service centers created the average customer satisfaction of more than 90% from 2009 to 2010. Different activities were organized irregularly at the same time as a feedback for consumers who supported our company and as a bridge for establishment of a good relationship between GIGABYTE and our customers.

- Consumer Service Website in Taiwan Area http://service.GIGABYTE.tw/

GIGABYTE'S Consumer Service Website in Taiwan Area
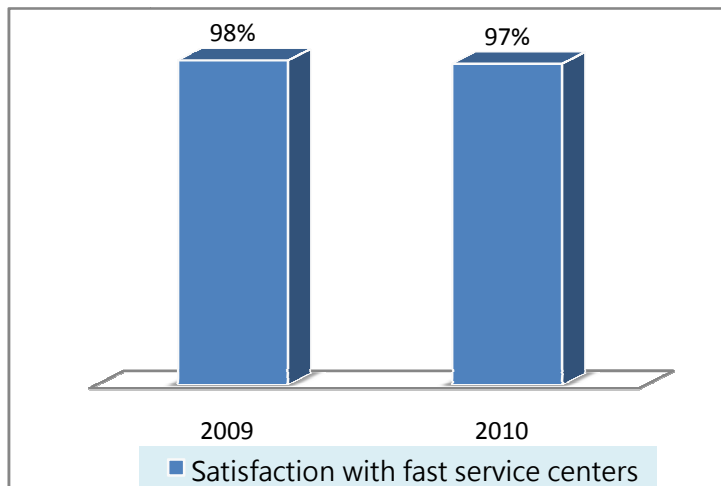
Customer Satisfaction

- In June 2010, we organized the GIGABYTE Open Overclocking Championship (GO OC) Asia Regional Final in Djakarta, Indonesia, and arranged sightseeing and other recreational activities for all participants of the contest, who used our products, so that they could enjoy the beautiful landscape after the fierce competition.

GO OC Asia Regional Final in Djakarta, Indonesia

- The GO OC China Regional Final was held in Mount Hua, China, in June 2010. Local performance groups were invited for the opening ceremony with Duel on Mount Hua as the subject. A total of CNY 8000 was provided as a prize for the champion of the competition who used GIGABYTE products.

GO OC China Regional Final in Mount Hua, China

- We organized a plurker visit group and 20 lucky plurk friends were invited to visit our Nanping factory in August 2010. They had the opportunity to observe closely the manufacturing process of the backbone of the PC, motherboard, and the secret of the process was disclosed before them, so that they could understand the strict manufacturing process and thus had more confidence in our products.

Plurkers Visited GIGABYTE

3.4 Employees

We persist in the philosophy of a " **Happy Career and Glorious Life**" and observe labor laws and government regulations. Furthermore, we provide employees with a message board and a communication e-mail box. Personnel are designated to respond to the feedback of the employee, an approach that makes the internal communication unimpeded. An Employee's Welfare Committee is established and promotion activities are held on an irregular basis. Employees can participate in preferred social groups and activities freely to benefit their physical and mental health.

Celebrity's Workshop

- In April 2010, Janet, a famous TV travel show host, was invited to give a speech in the Xindian headquarters and Nanping factory. She shared her unique career and travel experience with the "Enjoy the Fun Life" as the theme.

Janet's grandmothe r is a native from Fongshan Disctrict, Kaohsiung City. She learned French at age 40 because she wanted to contribute herself as volunteer for the people in Africa.
Enlightened by her grandmother, Janet is attracted toward the world. Her outlook on life is affected and changed by her families adoring travel and adventure.

Celebrity's Workshop-Janet

- In July 2010, Wu Dan-Ru, a famous writer and TV show host, was invited to give a speech in the Xindian headquarters and Nanping factory. She shared and analyzed her unique perspective on love and marriage attitude of men and women with the "Save Up and Keep Your Happiness Deposit" as the theme.

Celebrity's Workshop-Wu Dan-Ru

- In September 2010, Mr. Xie Dong-Liang, a former ambassador of Taiwan, was invited to give a speech in the Nanping factory. He shared some his ideas on international etiquette in food, clothing, housing, transportation, education and entrainment with the "Basic Principles of International Etiquettes" as the theme.

Celebrity's Workshop-Xie Dong-Liang

Subsidies for Art & Culture Activities and Workshops

- To improve the cultural quality of the employees, every employee has an opportunity per quarter to buy tickets of art & culture activities for himself/herself and a partner at favorable price.
- In March 2010, Wang An-Qi, the art director of GuoGuang Opera Company, was invited to give a speech in the Xindian headquarters. With the "NSO La Painting-Pan Yu-Lian" as the theme, she expounded the life of Pan Yu-Lian, the painter and key character in the opera "La Painting". Introducing with the painting, fusing the rhyme in the painting, interacting between the painting and music, enriching the visual and acoustic communication, she brought the audience to a world of songs and paintings, embellished with dazzling sound and color.

- In April 2010, Ding Nai-Zheng, the director of Performance Workshop, gave a speech in the Xindian headquarters. With the "A Performance Studio Talking about Creativity-Play Instruments with Love" as the theme, she expounded how the blind musician Xu Zhe-Cheng and American pianist Fan De-Teng sparkled with their stage works "Play Instruments with Love", a combination of playing instruments, talking, singing and performing from a master and apprentice relationship.

- In July 2010, Ding Nai-Zhu was invited again to give a speech in the Xindian headquarters with the "Happy Learning? Happiness is No Need to Learn" as the theme. In addition to talking about the development of Performance Workshop over t the past 26 years, she shared the method of collective creation and how she as a theater professional talked about the implicit status in the drama of an explicit form.

Art & Culture Workshop-Ding Nai-Zheng and Ding Nai-Zhu

Health Workshop

- In March 2010, Dr. Pei Di, the director of the metabolism department of Cardinal Tien Hospital, was invited to give a speech in the Xindian headquarters. He talked about the care and prevention of the metabolic syndrome with the "The Public Enemy – Metabolic Syndrome" as the theme.

- In May 2010, Miss. Lin Hui-Yu, a registered nurse of an American pharmaceutical factory, was invited to give a speech in the Xindian headquarters. With the "Prevention of Cervical Cancer", she introduced the cervical cancer and taught the audience how to prevent the disease.

- In June 2010, Dr. Yu Kai-Yan, also the director of the Quankang Clinic, was invited to give a speech in

the Xindian headquarters. He talked about the care and prevention of breast cancer with the "Protection of Your Breasts" as the theme.

- In August 2010, Mr. Lin Jun-Jie, a physical therapist, was invited to give a speech in the Xindian headquarters. With the "Physical Relief Workshop-The Pain of an Office Worker" as the theme, he talked about the common diseases among office workers and how to remove the aches in the shoulder and back by means of simple stretching exercises and correct postures.

- A physical examination was arranged for employees in November 2010.

2010 Employee Physical Examination

Environment Workshop

- In June 2010, Miss. Yi Lian of the Society of Wilderness was invited to give a speech in the Xindian headquarters. With "The End of the Line" as the theme, she played "The End of the Line", a film of the 2010 World Oceans Day Film Festival, to teach the audience more about the current problem and problem of the ocean. By introducing the guidelines for eating sustainable seafood, she directed the audience to discover the difficulty with the ocean from the seafood and invited them to appreciate and understand the ocean.

- In June 2010, Mr. Huang Yi-Feng, an expert of the nature, was invited to give a speech in the Nanping factory. With the "Collecting Natural Marvels to Enrich Our Life" as the theme, he introduced many collage, hand drawing and rubbing works that he made with natural materials based on his extensive natural experience and solid aesthetic basis. DIY with natural materials could reproduce the beauty of the natural. It not only brought more pleasure to life, but also presented an alternative of loving, protecting and appreciating the nature.

- In December 2010, the members of the GIGABYTE Green Sustainable Committee came to the Xindian Environmental Station of Tzuchi to personally experience the environmental culture. Zhang Ju-Ying, the senior volunteer at the Xindian Environmental Station, explained the contents and methods of the recovery and helped the committee members to get a recycling experience.

Environment Workshop

GIGABYTE Green Sustainable Development Committee Visited Xindian Environmental Station of Zhuchi for Personal Experience of environmental culture

Sports and Recreational Activities

- We organized the "Family Day—Summer Windmill Festival" in Nanliao, Hsinchu County, in May 2010. The activity was held along the 17-kilometer coast. Parent-child activity areas and many delicious foods were provided for the participants, and fun games to compete among departments was arranged to promote parent-child relationships.

2010 Family Day-Summer Windmill Festival

- June 2010: Members of the surfing society gave a surfing course at Wushi Harbor in Ilan County.
- July 2010: The Employee's Welfare Committee organized the 2nd Softball Welfare Committee Cup.
- August 2010: The Employee's Welfare Committee organized the 2nd Badminton Welfare Committee Cup.
- November 2010: Teams were organized to participate in the Taroko Gorge marathon.
- December 2010: Teams were organized to participate in the MIZUNO marathon relay. All 7 GIGABYTE teams finished the game.
- December 2010: Teams were organized to participate in the Fubon Taipei Marathon. 48 GIGABYTE fellows participated in the game.

Surfing Course and Softball Welfare Committee Cup

Taroko Gorge marathon and Badminton Welfare Committee Cup

MIZUNO Marathon and Fubon Taipei Marathon

3.5 Investors

Relationship with Shareholders

We persist in the principle of "Financial **Transparency, Treaty Compliance and Enforcement**" for the corporate governance and publish an annual report to list the operating income, gross profit and other financial information as required by the law. We also hold shareholders' and investors' meetings regularly to communicate with the investors face to face. Innovative development is another focus of the company to positively respond to the fast-changing computer technology. We make use of every penny to create reasonable benefits for shareholders.

2010 Shareholders' Meeting

Operating Performance

Abnormal climate change, frequent natural disasters, the European debt crisis and other serious incidents affected the global economy in 2010. Generally, most emerging market countries had outstanding performance in their economic development, while Japan and other American and European countries suffered slow economic recovery. The currencies of the emerging market countries appreciated substantially due to the QE2 policy of the USA. In Taiwan, where most companies relied on export for their development, many companies sustained foreign exchange losses. They must make a decision about the possibility to raise

the price in the future.

Though facing the adverse economic conditions in 2010, we sold about 18,104 pieces of key M/B products and 3,164 pieces of VGA products due to strong growing dynamics of the emerging markets, deployment of the outlets and successful purchase strategies. The operating income increased by 12.15% in comparison with 2009 and acquired a foreign exchange profit of NT$ 190 million. The consolidated operating income in 2010 was NT$ 49.25 billion, representing an increase of 12.15% in comparison with the NT$43.91 billion in 2009. The net profit after tax was NT$ 2.1 billion, or a growth of 3.17% in comparison with the NT$ 2.04 billion in 2009. EPS in 2010 is NT$ 3.29, higher than NT$ 3.24 in 2009.

3.6 Supplier

We deal with our suppliers based on the principle of "**Fair Trade, Green Procurement**". We purchase material at a reasonable price to prevent suppliers from using hazardous substances to save their cost. To minimize the harm that hazardous substances may bring about to human beings and the environment, all purchased materials must comply with the GIGABYTE's Guidelines for the Management of Harmful Chemical Substances Requirements (HCSR) to reduce the risk that the materials may have. To ensure that the supplier understands the corporate social responsibility and sustainable development implementation of GIGABYTE, a suppliers' meeting is held before implementation of the policies or measures to communicate with the supplier and give assistance if required.

| GIGABYTE HCSR | Suppliers' Meeting on Carbon Footprint Inventory |

3.7 Community

We established the "GIGABYTE Educational Foundation" based on the principle of "**Upgrade Your Life**" to promote technological education, innovation, art and culture and care for disadvantaged minorities. By doing so, we repay the society and make a contribution to the medical service and education of the community to achieve the goal of "Taking from society and using for society".

- **Regular donation of blood:** We hold a blood donation drive in February and August every year. The blood mobile of the blood center will park at the gate of the industrial park to provide donation services. To encourage the employees to donate blood, we prepare many gifts for the donor. A total of 607 bags of blood were donated in two blood donation activities. This is not only helpful for one's blood circulation, but can help many people who need blood transfusion as well.

- **Support of PC-DIY courses for adjacent schools:** We provided three PC-DIY courses for the teacher of Dafeng Elementary School in April and May, for the 18 classes of Taipei Fuhsing Private School from July to September, and for the pupils of six elementary schools in Tainan in October. The core competency of our company is fully used to help the teachers and students to understand the function of each component of the computer.

- **Xindian digital computer class:** The computer has become a must-have item nowadays, and many senior citizens cannot learn the operation of the computer effectively though they have paid much money to a computer cram school. Hence, the GIGABYTE Educational Foundation cooperated with Tzuchi volunteers to give a three-month computer courses in GIGABYTE in 2010. The participants were divided into two groups for the class. We not only make use of our core capability to feedback to society, but also prepared tens of notebooks for senior citizens who participated in the class. They were not afraid of the computer during the course and learned how to use computer to communicate with their children via the internet.

- **Reading, art and culture – make the community brighter:** To help the children (especially those who have experienced disasters) undertake post-disaster counseling to rehabilitate their mental ability, the "Reading, Art and Culture – Make the Community Brighter" activity was organized by GIGABYTE Educational Foundation, Tainan Songlin Elementary School, Chunyi Foundation, Tainan Tuchung Elementary School, Artistic and Magic Storyteller, Yangduo Reading Promotion Studio with the guidance of Council for Cultural Affairs. With the purpose of reading activities "88 Typhoon Disaster Hope Library", "Story Mama and Accompanying Angel" which was to promote life education and recover communities as well as local culture, we encouraged the parents and children in the affected area to read daily to acquire reading habits and tell them about the principle of integrating the reading into the culture. The "Art, Culture and Storytelling" activity guided the affected people to express their sorrowful emotions, overcome anxiety, come out of the shadow and help each other for the recovery. The "Paper and Home Navigation" activity has residents of the community understand more about local ecological environment and culture meaning. By doing so, we trained the local culture and history narrators to improve the deepness of the cultural tourism of the community and restore local cultural networks.

PC-DIY Courses at Taipei Fuhsing Private School

Reading, Art and Culture – Make the Community Brighter

Assisted Teachers of Xindian Da Feng Elementary School PC-DIY Study

Organized Employees Blood Donation Campaign

3.8 Social welfare

We not only organize activities to care about society through our "GIGABYTE Educational Foundation", but also sponsor non-governmental and non-profit organizations to promote education based on the principle of "**Social Concern, Sustainable Development**". For this, we promote technological education, organize "Great Design Contest", irregularly sponsor art and culture groups for their performance, donate money to disadvantaged minorities, initiate purchase of agricultural products and co-organize ecological preservation courses and workshops.

● **Great Design Contest:** GIGABYTE Educational Fund, together with Wonderland Nursery Goods Co. Ltd., organizes the Great Design Contest every year to make the manufacturers of the IT industry pay more attention to creative designs.

● **Morakot grants:** Our employees, GIGABYTE fellows and GFC Culture & Education Foundation jointly organized the "Dynamic Car Wash" activities in North, West and South Taiwan. With a donation of NT$ 1000 every month, the grant accumulates from tiny drops of water and the money is sent out every six month to help the 104 pupils in Laiyi Township, Pingdong County.

2010 Great Design Contest

Morakot Grants Was Sent Out

We know the interdependence between the environment and enterprise in consideration of the adverse trend toward global warming. There can be no sustainable enterprise without a sustainable environment. We carry out greenhouse gas and product's carbon footprint inventory and take every measure to reduce carbon and save energy. We also care about the combination of ecology, life, and production into one sustainability concept in the hope to make the environment better, fulfill our corporate social responsibility, and achieve the goal of "Upgrade Your Life ".

4 Environmental Protection

4.1 Environmental Safety Policy

Environmental Safety Policy Card

GIGABYTE Technology had established our environmental safety policy pursuant to the requirements of the ISO 14001/OHSAS 18001 in terms of the management of environmental safety, and printed it on a small card to be placed at the back of employee's and guest's ID cards. This not only enhances the environmental safety awareness among employees, but also shows our determination of thorough implementation of the policy, which includes

A.   Execute clean production, prevent contaminants and continuous improvement.

B.   Observe environmental, health and safety regulations, and other related requirements.

C.   Encourage suppliers to perform environmental protection, health and safety programs.

D.   Control safety and health risks to prevent personal injury or harm.

E.   Volunteer to monitor, control and reduce greenhouse gases, and to save energy and resources.

F.   Eliminate environmentally-prohibited substances in product and achieve a positive recovery, reuse and recycling ratio.

G.   Communicate company-wide with all personnel whomever under company's control, and let them know the responsibilities of health care and safety recognition.

4.2 Quality & Environmental Management

At GIGABYTE Technology, we believe that environmental protection is heavily involved in product quality. This is the reason why we always make every effort to promote the certifications of international quality standards and environmental protection. Through aggressive implementation and promotion over many years, we acquired a comprehensive set of certifications regarding quality and environmental management, and this made us the first system brand in the world to be approved by the IECQ QC 080000, the certification of hazardous substance process management. Looking towards the future, we will continue to manufacture our products in line with this high standard of quality and environment. Presently, we have acquired the following certifications:

Year	Certification
2010	ISO 14064-1:2006 Greenhouse Gas Emissions Inventory Certification
2010	PAS 2050 Product Carbon Footprint (Set-top box)
2008	ISO/TS 16949:2002 International Automotive Quality Management System Certification
2007	OHSAS 18001:2007 International Certification of Occupational Health and Safety Management
2005	IECQ QC 080000 International Certification of Hazardous Substance Process Management.
2003	OHSAS 18001 International Certification of Occupational Health and Safety Management
2003	TL 9000 International Certification of Communication Quality Management
2000	ISO 9001：2000 International Certification of Quality Management
1998	ISO 9001 International Certification of Quality Management
1998	ISO 14001 International Certification of Environmental Management
1996	ISO 9002 International Certification of Quality Management

Certifications Acquired by GIGABYTE Technology

4.3 Green Products

The products launched by our corporate group take into account environmental impacts from the design phase, and all our products are designed from the perspective of environmental burden reduction, that is, incorporating environmental design from source to end-users. Currently, our products have utilized the following environmental designs.

Power Saving Design

In 2006, we pioneered in introducing the high quality All-Solid Capacitor in our motherboards, and in 2007, we launched the 2nd generation of Ultra Durable motherboard. Then in January 2008, we introduced the very first kind of motherboard with Dynamic Energy Saver technology. This was the first motherboard specially developed for high performance, environmental protection and energy conservation, and was our good-hearted effort for environmental conservation. Through the genius

Dynamic Energy Saver Motherboard

28

combination of software and hardware, energy conservation can be easily achieved with a simple click. In addition to up to 70% power reduction, the Dynamic Energy Saver can improve power efficiency by 20%, and more importantly, this level of energy conservation would not affect system performance, making it a technology breakthrough perfectly forged with energy conservation and performance.

In January 2009, we formally launched the "Ultra Durable 3" motherboard based on the Ultra Durable technology from the previous generation. The PCB utilized by our motherboard products has 2 ounces of copper, twice the amount than the design of 1 ounce of copper in other desktop PC motherboards available on the market. With this revolutionary design, our motherboards can lower system operating temperature by 50℃, enhance the performance and stability of overclocking, and significantly reduce power loss.

Ultra Durable 3 Motherboard

Timeline	2006	2007	2008	2008	2010
Icon					
Name	All-Solid Capacitor Motherboard	Ultra Durable 2 Motherboard	Dynamic Energy Saver	Ultra Durable 3 Motherboard	24 Phase Power Design
Energy-saving performance	Energy conservation Longer product life cycle	Cooling Energy conservation	Easily enabled or disabled DES by pressing the start button	50% power reduction Heat reduction	Cooling enhancement Effective power distribution

Energy Conservation Designs from GIGABYTE Technology

Management of Hazardous Substances

The corporate group of GIGABYTE Technology is the first system brand in the world certified by the IECQ QC 080000 standards. In December 2005, as witnessed by Mr. Stanley H. Salot, Jr. (President of BQPM), our corporate group was verified and audited by the SGS-qualified IECQ audit team. Since then, we became the first system brand that acquired the IECQ QC 080000 standard certification. And in October 2005, we delivered the first Intel 945P chipset based motherboard that conforms to RoHS regulations.

IECQ QC 080000 Certificate

Product Recycling

At a time when environmental consciousness is on the rise, we uphold the idea of manufacturer's extended responsibility and dedicate ourselves to the improvement of product designs, plant facilities and manufacturing processes with the aim of contributing to environmental protection. We also took responsibilities for the collecting, recycling and disposing of waste electronic and electrical products in accordance with the Directive on the Waste Electronics and Electrical Equipment (WEEE) of the EU. Our collection locations are as follows.

Region	Recycling Information
Taiwan	For the recycling of the "4E1C" goods (waste TV set, refrigerator, washing machine, air conditioner) and computer) designated by the recyclable resource classification, please contact the Recycling Fund Management Board at 0800-085-717 hotline to arrange recycling. Alternatively, you may contact local cleaning units by phone to schedule clearance date and time. **EPA, Executive Yuan, R.O.C. (Taiwan)/Recycling Fund Management Board Website** < **Link** >
North America	Please contact the following unit to arrange the clearance date and time for any recyclable GIGABYTE product in North America. **USA, GIGABYTE TECHNOLOGY USA** < **Link** > Address: 17358 Railroad St. City of Industry, CA 91748 Tel: +1-626-854-9338
Europe	Please contact the following unit to arrange the clearance date and time for any recyclable GIGABYTE product in Europe. **Germany, GIGABYTE WEEE Subcontractor**< **Link** > **EGR Elektro-Geräte Recycling GmbH** Address: Hohewardstraße 327, 45699 Herten Tel: +49-2366-1063-0
	Germany, GIGABYTE Germany Office < **Link** > **GIGABYTE TECHNOLOGY Trading GmbH** Address: Bullenkoppel 16, 22047 Hamburg, Germany Tel: +49-40-25330413
	Netherlands, GIGABYTE WEEE Subcontractor < **Link** > **SIMS/ Mirec** Address: Hastelweg 251, Eindhoven, Postbus 8712 5605LS Eindhoven Tel: +31-40-2508800
	Netherlands, GIGABYTE Netherlands Office < **Link** > **GIGA-BYTE Technology B.V.** Address: Verdunplein 8, 5627 SZ Eindhoven, The Netherlands Tel: +31-40-2902088
	France, Distributor < **Link** > **ASIALAND** Address: Z.I. Gustave Eiffel, 7, ave Gutenberg Bussy St Georges BP 30 77607 Marne La Vallée Cedex 03 Tel: +33-1-64762888

Worldwide Recycling Information

Product Packaging

For product packaging, we follow the rules of minimizing packaging materials, using recyclable materials, abandoning Styrofoam for cushion materials, limiting the application of hazardous substances in packaging materials and indicating a recyclable symbol on the packaging. In 2010, recyclable materials accounted for 93% in the packaging materials consumed in the Taiwan region, which consisted of 1,572 tons of paper and 117 tons of plastic.

Management of Green Supply Chain

We have requested our first-tier suppliers, who are all ISO 14001 certified companies, to establish their respective environmental management system and all of our suppliers need to meet the Eco Product Requirement of GIGABYTE Technology. In addressing the RoHS Directive of the EU, our suppliers will be subject to the controls on the lead-free and halogen-free processes and products from GIGABYTE Technology, and they are required to provide a signed certificate to ensure that the substances contained in the products are not harmful to human body. All of our motherboard material suppliers completely comply with various green regulations, and all of our products fully conform to the RoHS and REACH regulations.

4.4 Management of Greenhouse Gases

Greenhouse Gas Inventory

In 2010, we began a corporate-wide greenhouse gas inventory from January to December 2009, and this inventory had been verified and examined by the impartial third party SGS. Our GHS for Taiwan and China region in 2009 totaled 41,992.09 tons of CO_2, which were primarily indirect emission. In the future, we will continue to reduce the GHS from processes and thoroughly implement a wide variety of energy-saving measures in an effort to reach our GHS reduction target with the best feasible technologies.
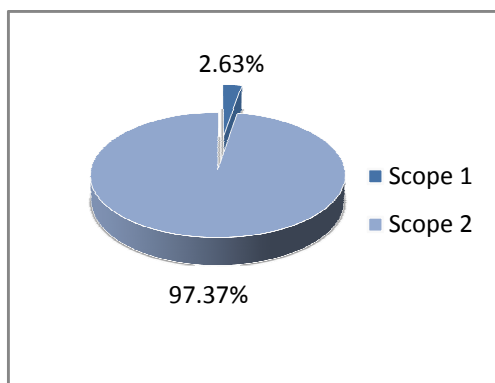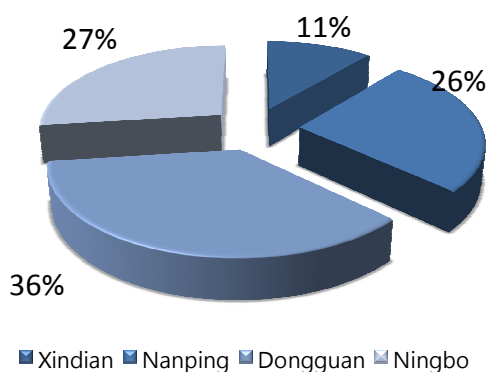
GHS from GIGABYTE Technology in 2009

2009 ISO14064-1 Certificate of GIGABYTE Technology

Energy Consumption

GIGABYTE Technology's four manufacturing plants consumed a total of 52,538 kilowatt-hours in 2010, with the highest consumption occurred in the Dongguan plant which accounted for 36%. In the long run, we expect to gradually lower our power consumption and improve our energy efficiency by promoting a full spectrum of energy-saving measures and education programs.

■Xindian ■Nanping ■Dongguan ■Ningbo

Energy Consumption of GIGABYTE Technology in 2010

Product Carbon Footprint

The term, "carbon footprint", refers to the estimation of the CO_2 emission amount caused by individual or product activities. In terms of products, we can assess the carbon emission of products during their life cycle. In addition to assisting organizations in progressively enhancing their manufacturing efficiency, carbon footprint allows consumers to identify the environmental friendliness of any given product.

We were selected and aided by the Department of Industrial Technology, Ministry of Economic Affairs in 2010 to undergo a counseling project on the carbon footprint inventory. The subject selected and examined in this project was the set-top box from the network communication product category. It turned out that 75.16 kgs of CO_2 were generated in the production stage of this product, for which the raw material stage accounted for roughly half of the emission (48.85%) and the manufacturing, transportation and waste disposal stages accounted for 29.26%, 19.28% and 2.61% respectively. This experience enabled us to understand the carbon

emissions occurred at every stage in product production, and ultimately allowed us to improve the energy efficiency at all production stages and reduce unnecessary energy consumption.

Set-Top Box of GIGABYTE
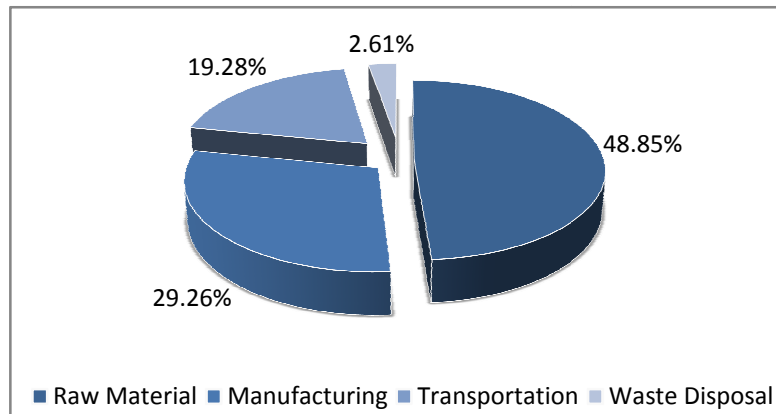
Source Distribution of the Set-Top Box Carbon

Reduction of Greenhouse Gas Emissions

We have set the target of "Corporate-wide Reduction of 20% GHS emission by 2015 compared with fiscal year 2007". On top of that, we also support the GHS reduction initiative of 50% minimum by 2050 and 30% minimum by 2020 for industrial countries (1990 as the fiscal year). In response to the Energy Saving and Carbon Reduction policy, we are currently implementing various measures for GHS reduction from food, clothing, dwelling and transportation with the intent of improving energy-saving performance. The tasks being implemented are as follows.

Food: We do not provide any disposable tableware at company restaurant, organize vegetarian meals on Mondays, and hold a group purchase of local produce.

Clothing: We provide our employees with uniforms at the plants. We do not mandate a dress code of suits.

Dwelling: We require building temperature to be maintained at 27~29℃, lights to be off at lunch time, energy-saving and carbon reduction symbols to be affixed at restrooms, energy and water conservation to be promoted, and garbage sorting and recycling by each individual to be implemented.

Transportation: We provide outdoor parking lots, arrange charted bus service for year-end banquet and Family Day, and use video conferences in place of in-person meetings.

We initiated the "Green Action Plan" back in 2010 with a series of activities to promote the environmental awareness among all members of this corporate group and introduce related awareness into our life and work. With these approaches, we hope to reach our 3 primary objectives of corporate-wide GHS reduction, eco-design development and sustainable corporate development.

4.5 Environmental Performance

Water

We consumed a total of 390,000 tons of water in 2010, for which the Dongguan plant accounted for the highest consumption of 62.38%, followed by Ningbo and Nanping plants. As these 3 plants are manufacturing facilities, in which there are more employees, and manufacturing processes require higher consumption, these 3 plants consumed more water than our Xindian headquarters, which accounted for 5.78% among the overall consumption. Regarding wastewater discharge, we discharged 307,600tons of wastewater, in 2010, with the highest in the Dongguan plant that accounted for 71.22%. However, the recycle rate of cooling water from central air conditioning system topped 100% at both the Dongguan and Ningbo plants, and the recycle rate of wastewater from manufacturing processes at the Ningbo plant reached 93% above.

Ningbo 19.18%   Xindian 5.78%   Nanping 12.66%

Dongguan 62.38%
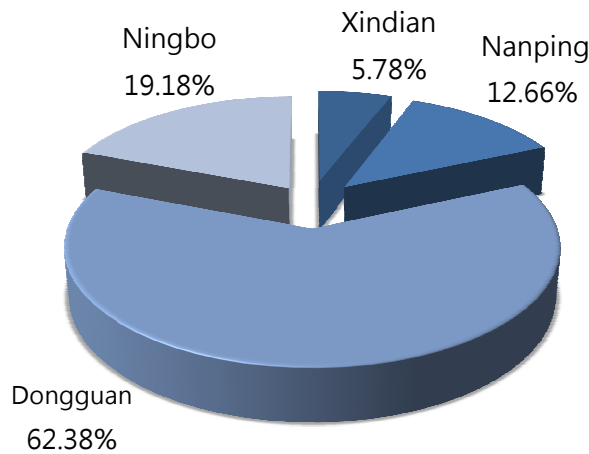
Water Consumption in 2010

Ningbo 10.08%   Xindian 5.86%   Nanping 12.84%

Dongguan 71.22%
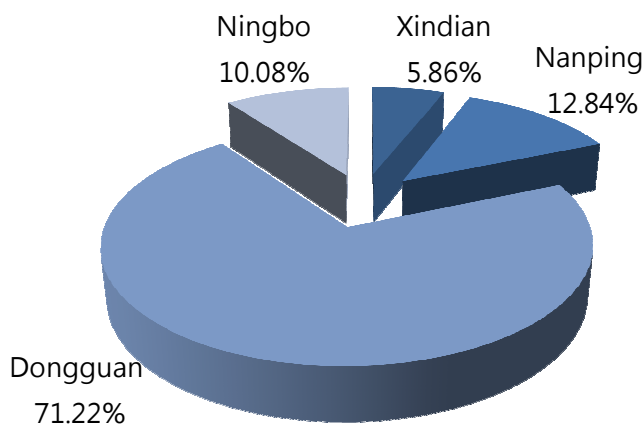
Wastewater Discharge in 2010

Note：Wastewater discharge amount in 2010 was revised in June, 2012.

Air

Our plants in Taiwan and China are not subject to any environmental regulations due to the industrial category they belong to, with the exception of two sets of coating exhaust treatment and electronic exhaust treatment equipment each at the Ningbo plant for the thorough treatment of xylene and non-methane hydrocarbons. Our manufacturing processes are capable of 0 emissions of any pollutants restricted by applicable laws.

Waste

We generated approximately 462.96 tons of general waste, 1932.97 tons of recyclable materials and 120.74 tons of toxic waste during our operational period in 2010. As all our plants have their distinct attributes, they are capable of generating different amounts of waste. Taking the Xindian headquarters for instance, it can generate a higher ratio of general waste, while other plants can generate a higher ratio of recyclable materials. With respect to toxic waste, the Ningbo plant can generate a higher ratio of toxic waste than other plants. In view of the compliance with the regulations of the Basel Convention, all the aforementioned wastes were outsourced to legitimate waste disposal companies for clearance and recycling.

Xindian
6.85% 34.08%
59.07%

Nanping
4.00%
14.37%
81.63%

Dongguan
15.28% 1.02%
83.70%

Ningbo
7.22%
19.57%
73.21%

■ Recyclable Material   ■ Non-Recyclable Material   ■ Toxic Waste
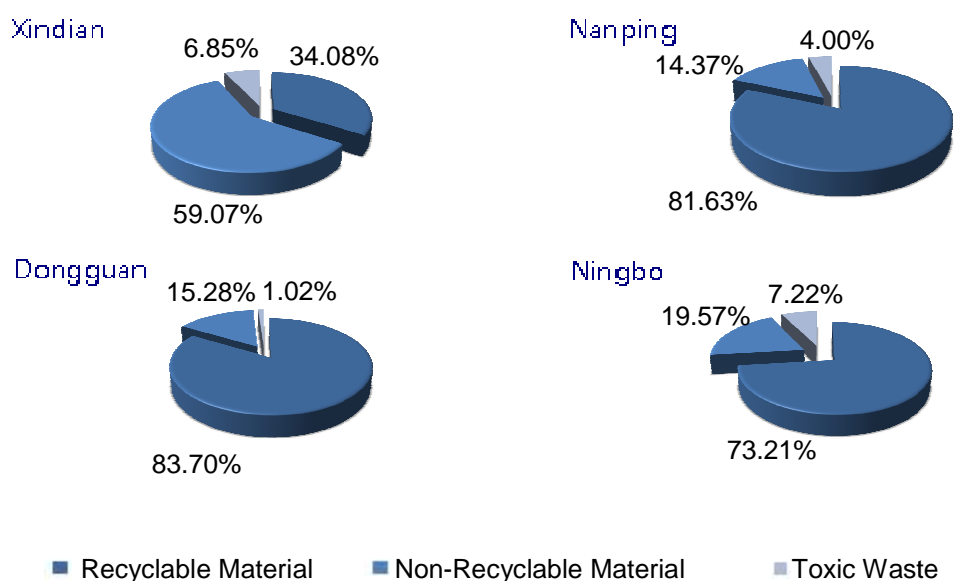
Ratio of Waste Generated by Each Plant

Amount of Waste

Ton(s)
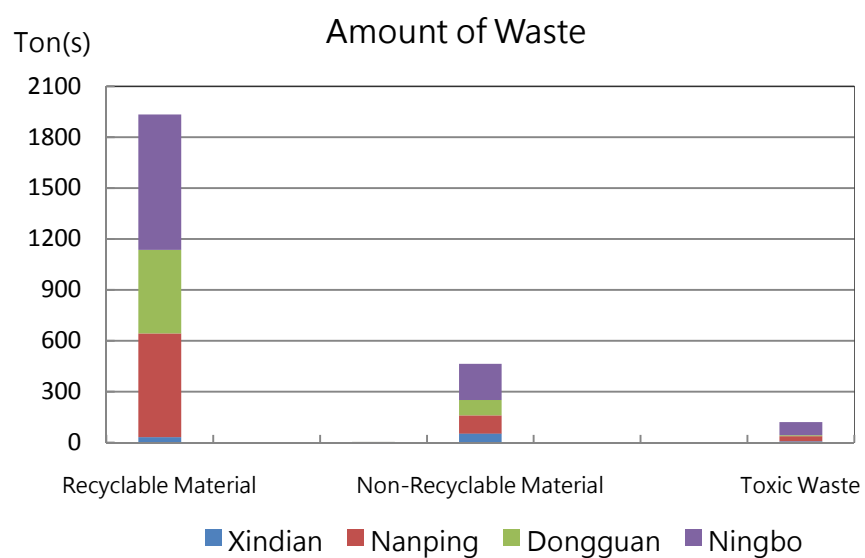
Amount of Waste Generated by Each Plant in 2010

Note：Toxic waste amount of the Ningbo plant was revised in June, 2012.

5 Labor

In the fierce battle for talents, it is imperative for every company to choose and employ the right people to benefit maximization. In light of this, "Human Resources Management" has become a more and more important issue for GIGABYTE Technology. Besides aggressively looking for appropriate human resources outside of this corporation, we also strive to explore, train and retain our existing talents.

We are committed to provide our employees with an incentive salary system, a broad range of benefits and a training system centered on core competence of which a great emphasis is placed on the cultivation and development of management skills. In addition, we hold knowledge and cultural workshops irregularly with a view to help our employees to widen their life vision and find a balance between work and life.

5.1 Employment

Recruiting

Our focus at staff recruiting is on the ability to work and core competence and we do not discriminate between age, gender, race, religion and nationality. Every single channel will be utilized to recruit human resources from all over the world. For disadvantaged groups, we have hired a sufficient amount of physically/mentally challenged, intermediate/old-aged and unemployed workers.

At our global business locations, we provide our employees with a comfortable working environment, good employee welfare and smooth communication channels pursuant to local statutory regulations and customs so as to stimulate employees' creativity and improve productivity.

Types of Employment

As of the end of 2010, our workforce consisted of 41.71% professional workers and 58.29% production workers. Among the 41.71% professional workers, they can be divided into 32.5% R&D personnel, 30.4% of sales personnel, 13.6% of administration personnel and 23.5% customer service personnel.

Distribution of Education Level

Our workforce is primarily consisted of people with a college degree, who accounted for 60%, and followed, by people with a high school degree (20%) and people with a master's degree (10%). Compared with 2009, the education level of our employees has become higher and higher. In 2010, the distribution of our employees' education level is as follows.

	2009	2010
Doctor's degree	0.2%	0.2%
Master's degree	10.3%	11.2%
College degree	66.8%	67.1%
,High school degree and	22.7%	21.5%

Distribution of Employees' Education

Year of Service

The backbone of our workforce is people in their youth and middle age, with an average age of 35 years and average year of service of 6 to 7 years. Consequently, this corporation can enjoy a robust growth since our energetic young employees help us realize technological innovations.

Employees' Average Age and Year of Service
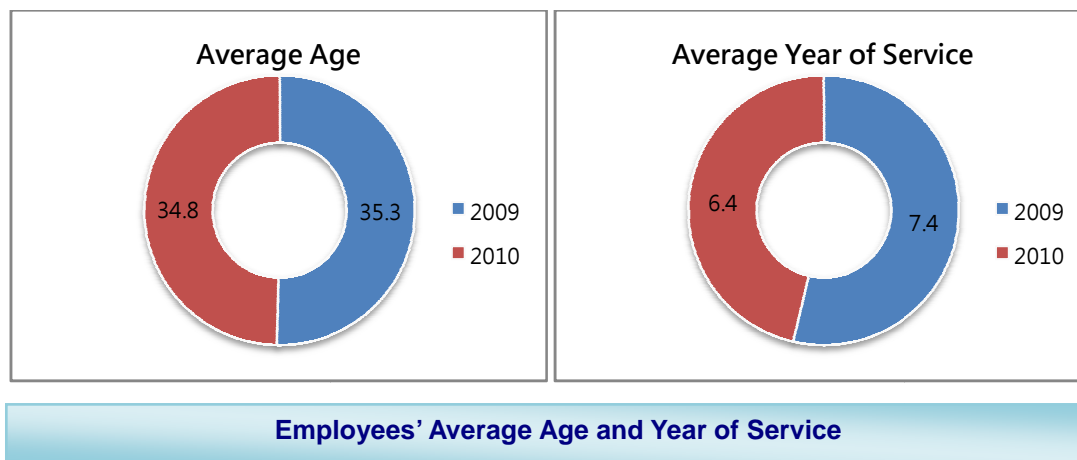
Employee Welfare

For the care of our employees, we set up a board of employee welfare for providing a healthy and safe work environment that can strike a balance between work and life.
- Insurance: Our employees enjoy the best care and protection from us, including labor, health, group and accident insurance.
- Holidays: Holidays available to our employees include sick leave, leave of absence, marriage leave, maternity leave, menstruation leave, paternity leave, funeral leave, national holidays, paid leave, family leave and aboriginal ceremony leave.
- Benefits: The benefits, such as defined benefits of three Chinese festival monetary gifts and birthday cash gift, are funded by appropriation from the company fund and employees' salary. Other benefits include wedding cash gift, childbirth subsidy, funeral tribute money, emergency allowance, group allowance, computer, children's scholarship and self-applied benefits.
- Discount: Our employees can buy company products at the employee price. In addition, the welfare committee and external vendors jointly hold group purchasing events, allowing our employees to acquire goods at discounted prices.
- Group activities: We encourage our employees to organize recreational groups at their leisure time in an effort to balance their work and life.
- The welfare committee plans annual events, such as Family Day, sports competition, year-end banquet, group travel, movie watching activity, to enrich the life of our employees.
- Company facilities: We provide gyms, aerobics rooms and breastfeeding rooms for our employees.
- Management board of employees' pension fund: We appropriate a sufficient amount of retirement reserve fund as per statutory regulations to ensure employees' retirement benefits.
- Art and cultural activities: We hold celebrity, music, art and health workshops and organize art and cultural galleries.

We provided differentiated performance bonuses in line with the operation performance of each unit and individual employee's actual contribution. Apart from fixed salary and annual/semi-annual bonus, we established many incentive programs, such as patent bonus, sales bonus, and performance bonus.

Family Day of GIGABYTE Technology in 2010

Celebrity's Workshop in 2010

5.2 Health and Safety

Management of Labor Health and Safety

All of our manufacturing processes have been conformed to the labor safety and health regulations. As regulated by law, we hire management personnel for labor safety and health affairs, and certified by the OHSAS 18001 occupational health and safety management system.

On top of the aforementioned measures, we promote the 5S management[1] and regularly evaluate building floors and zones each month in a bid to create a clean and clear workspace, secure our workspace and promote the 5S awareness, transforming our work environment into a place free of hazard.

Health Education

---

[1] 5S consists of the initials of five Romanized Japanese words which are Seiri (sorting), Seieon (straightening), Seiso (sweeping), Seiketsu (standardizing) and Shitsuke (self-discipline)

Our administration department holds various health workshops regularly, such as the health education on cervical cancer, breast cancer and workplace psychology, to make our employees fully understand the diseases that may prey on them, making it possible for our employees to prevent diseases. In this way, we may not only be able to address physical issues, but also tackle mental issues.

Contingency Measures

Corporate-wide drills are held each year for our employees to be familiar with fire escape routes. A representative who is in charge of contingency affairs is selected for each building floor and he/she is assigned and taught relevant affairs. We also test our broadcast and fire fighting systems periodically to ensure that the human resources and materials stipulated by the contingency plan are readily available in case of emergency.

5.3 Training and Education

Training

All new employees are required to attend internal training for a full workday. In the Xindian headquarters, new employees need to participate in a half-day factory tour, allowing them to completely understand company operations and anything that is noteworthy. Anyone who has become company employee will be provided with management, quality awareness and related courses in accordance with their job position, or sent for subsidized external training. Security personnel are required to participate in 40 hours of pre-job orientation training, and participate in 4 hours of on-job training every month. The training is described as follows.

- Training for new employees: In order to socialize new employee into the big family GIGABYTE Technolgoy, all of our new employees are required to participate in induction and orientation training. A senior is appointed to help new employees adapt and accommodate to the new environment with the intent of shortening their adaptation period.
- Training of management skills: This is the serial training planned for all management in order to reinforce their management skills.
- Training of core competence: This is the core competence training which GIGABYTE Technology provided for its employees so as to equip them with common skills and consensus.
- Language training: This is the subsidized language training with the view of making our employees capable of international affairs.
- External training: This is the subsidized external training for our employees to obtain the latest information and technologies in the industries.
- E-Learning: This is an optional training without any time limit.
- Library: This is the place where book borrowing service is provided.

Regular Performance Evaluation

We devise annual work plans and learning projects for our employees based upon their job positions, and set key performance indicators (KPIs) to be reviewed at mid-year and end of year. This not only assists the corporation in reaching its operation objectives, but also supports our employees improving professional competence and acquiring other skills.

6 Other Sustainability Indicators

6.1 Corporate governance

■ Compensation of the top governing members and managers (GRI G3 [4.5]); performance evaluation procedure of the top governing organization (GRI G3 [4.10])

According to 2010 annual report, the compensation of the director, supervisor, general manager and deputy general manager was determined as follows:

Title / Description	Director and supervisor's compensation	General manager & deputy general manager's compensation
1. Compensation Policy	The compensation of the director and supervisor is determined according to the percentage of the surplus appropriation as specified in the Articles of Association. The compensation of the director and supervisor shall not be higher than 3 percent and no other compensation shall be given to the director or supervisor. Additional appropriation or change, if any, is subject to the resolution of the shareholders' meeting.	The compensation is determined according to the Compensation Regulations, Employee Performance Evaluation Procedure and Employee Profit Sharing Regulations of the company.
2. Criteria and portfolio	Distributed according to the weight allocation of the director or supervisor's responsibility for product sales and guarantee.	Base pay, living allowance, meal allowance, duty allowance, no car allowance.
3. Compensation Determination procedure	BOD prepares the surplus appropriation proposal and submits it to the shareholders' meeting for resolution.	Depending on the education background, work experience and performance, and approved according to the given approval power of the management.
4. Association with operating performance and future risks	Depending on the operating performance and profitability of the company. Fulfill the obligation of operation, develop the operating guidelines and convert crises to opportunities.	The compensation is determined according to the goal achievement rate and each business unit's operating performance, profitability and contribution. The employees' centripetal force to company is increased in order to achieve the goal

		of sharing profits and losses between the employer and employee and face an adverse environment together.

■ **Procedure to avoid conflict of interests of the top governing organization (GRI G3 [4.6])**

No participation for a resolution is allowed when a person or his/her company is involved in the proposal submitted by the Board of Directors.

■ **The procedure to examine the qualification and specialty of the top governing member in economy, environmental protection and society (GRI G3 [4.7])**

We have established the "GIGABYTE Green Sustainable Committee" to discuss the issue on the environmental protection and sustainable social development every month.

■ **Membership of domestic and international organizations (GRI G3 [4.13])**

Organization	Membership
Electrical and Electronic Manufacturers' Association	Official member
Taipei Computer Association	Official member
Climate Saver Computing	Associate member

6.2 Economic indicator

■ Governmental financial support (GRI G3 [EC4])

We have a solid financial system and do not receive any promotion or other subsidies from the government.

6.3 ESH indicator

■ Nature conservation (GRI G3 [EN11~15])

We have operating and production bases in Xindian (New Taipei City), Pingzhen (Taoyuan), Dongguan (China) and Ningbo (China). The headquarters in Xindian is located in a residual and business area. It is used only for office work and there is no production activities which do not cause any noise or ecological conservation problems. The factories are located in the industrial areas planned by individual local governments, and nature conservation has been taken into consideration when the government developed these industrial areas. We observe the emission standard of the industrial area and have never violated the rules of the competent authority. We also dedicate ourselves to establishing friendly relations with the neighbor and sponsor local road-sweeping activities. We are committed to making every program for the co-existence of the enterprise and society.

■ Weight and usage of the material (GRI G3 [EN1])

We used 1689 tons of packaging material in 2010 as listed below.

Type	Usage in 2010 (ton)
Plastic	117
Paper	1572
Total	1689

6.4 Social indicator

■ Percentage of employees covered by collective bargaining agreements (GRI G3 [LA4])

The labor negotiation mechanism can be an alternative of the labor guild in Taiwan, while a labor union must be established according to local regulations in China.

■ Minimum notice period(s) regarding operational changes (GRI G3 [LA5])

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

1. Service for more than three months and less than one year: at least 10 days notice before the change
2. Service for more than one year and less than three years: at least 20 days notice before the change
3. Service for more than three years: at least 30 days notice before the change

■ Data related to occupational health and safety (GRI G3 [LA6、LA7])

GIGABYTE has always paid a great attention to Occupational Safety and Health Management. The percentage of the labors from each plant to join the Safety and Health Committee is based on the Measures of Labor Safety and Health Organization Management and Automatic Inspection, and the Safety and Health Committee consists of over one-third labor representatives.

Item	Xindian	Nanping	Gongguan	Ningbo
Injury frequency rate	0	0.68%	0.05%	0.5%
Injury severity rate	0	1.73%	0	0
Occupational disease and death toll	0	0	0	0

6.5 Management approach and performance indicator

■ Human rights clause (GRI G3 [HR1、HR2])

We are committed to observe local laws and EICC on the basis of a high ethical standard, and expect that all of our suppliers and contractors also observe relevant policies, including not using conflict minerals,

respecting employees, treating employees fairly and being responsible for the manufacturing process and environment.

6.6 Social indicator

■ Participation in public policies (GRI G3 [SO5])

We take a neutral attitude toward public policies and do not participate in any lobbying activities nor make any political contributions to any party.

6.7 Product responsibility indicator

■ Incidents related to violation of marketing regulations (GRI G3 [PR3、PR4])

An erroneous marking of R567HM-1GI display card occurred in August 2010 confused the consumers. We made the following announcement right after the error was identified, "Consumers can request refunding or replacement with other products of equivalent value against the invoice and purchased product at the dealer where the product was purchased or any service center of GIGABYTE. If no invoice was received or was lost, the consumer can come to the dealer where the product was purchased for refunding or replacement against the purchase certificate or purchased display card. We have informed our agent to ask the dealers to collect the product." We learned a lesson from this incident and will improve the internal review process of the package to avoid recurrence.

■ Marketing communication (GRI G3 [PR7])

We observe all laws and standards of marketing communication and establish internal ESH and green supply chain policies as well introduce international standards such as ISO9000, ISO14001, ISO14064 and OHSAS 18001 as a reference for dealing with related issues.

Appendix-GRI/G3 Guidelines

Item	Contents	Section
Strategy and analysis	1.1 Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy	1
	1.2 Description of key impacts, risks, and opportunities	2.2
Organizational profile	2.1 Name of the organization	2.1
	2.2 Primary brands, products, and/or services	2.1
	2.3 Operational structure of the organization	2.1
	2.4 Location of organization's headquarters	2.1
	2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	2.1
	2.6 Nature of ownership and legal form	2.1
	2.7 Markets served	2.1
	2.8 Scale of the reporting organization	2.1
	2.9 Significant changes during the reporting period regarding size, structure, or ownership	2.1
	2.10 Awards received in the reporting period	2.3
Report parameters	Report profile	3.1 Reporting period for information provided	Inside front cover
		3.2 Date of most recent previous report	Inside front cover
		3.3 Reporting cycle	Inside front cover
		3.4 Contact point for questions regarding the report or its contents	Inside front cover
	Report scope and boundary	3.5 Process for defining report content	Inside front cover
		3.6 Boundary of the report	Inside front cover
		3.7 State any specific limitations on the scope or boundary of the report	Inside front cover
		3.8 Other organizational facilities that may have impact	Inside front cover
		3.9 Data measurement techniques and t h e bases of calculations	Inside front cover

Item		Contents	Section
		3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	N/A
		3.11 Significant changes from previous reporting periods	N/A
	GRI content index	3.12 Table identifying the location of the Standard Disclosures in the report	Appendix
	Assurance	3.13 Policy and current practice with regard to seeking external assurance for the report	Appendix
Governance, commitments and engagement	Governance	4.1 Governance structure of the organization	2.2
		4.2 Whether the Chair of the highest governance body is also an executive officer	2.2
		4.3 The number of members of the highest governance body that are independent and/or nonexecutive members	2.2
		4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	3.4、3.5
		4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	6.1
		4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	2.2
		4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economy, environment, and society	6.1
		4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	2.2
		4.9 Procedures of the highest governance body for overseeing the organization's Identification and management o f economic , environmental, and social performance, including relevant risks and opportunities , and adherence o r compliance with internationally agreed standards, codes of conduct, and principles	2.2
		4.10 Processes for evaluating the highest governance body's own performance,	6.1
	Commitments to external initiatives	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	2.2
		4.12 Externally developed economic, environmental , and social charters, principles, or other initiatives to which the organization subscribes or endorses	4.3~4.4 6.5

Item		Contents		Section
		4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations		6.1
	Stakeholder engagement	4.14 List of stakeholder groups engaged by the organization		3.1
		4.15 Basis for identification and selection of stakeholders with whom to engage		3.1
		4.16 Approaches to stakeholder engagement,		3.2-3.8
		4.17 Key topics and concerns t h a t have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns		3.1-3.8
Economic	Management approach	5.1 Management approach and performance indicator		2.2
	Economic performance	Core indicator	EC 1 Direct economic value of structural productivity and distribution, including the income, operation cost, employee's compensation, donation and other community investment, retained surplus, payment, and the amount of the capital provide and government	3.5
		Core indicator	EC 2 Financial implications and other risks and opportunities for the organization's activities due to climate change	2.2
		Core indicator	EC 3 Coverage of the organization's defined benefit plan obligations	3.2-3.8
		Core indicator	EC 4 Significant financial assistance received from government	6.2
	Market presence	Additional indicator	EC 5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	5.1
		Core indicator	EC 6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	3.6
		Core indicator	EC 7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	5.1

Item			Contents	Section
	Indirect economic impacts	Core indicator	EC 8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	3.2, 3.7, 3.8
Environmental	Management approach		5.2 Management approach and performance indicator	4.1
	Materials	Core indicator	EN 1 Materials used by weight or volume	6.3
	Energy	Core indicator	EN 3 Direct energy consumption by primary energy source	4.4
		Core indicator	EN 4 Indirect energy consumption by primary source	4.4
		Additional indicator	EN 5 Energy saved due to conservation and efficiency improvements	4.4
		Additional indicator	EN 6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	4.4
		Additional indicator	EN 7 Initiatives to reduce indirect energy consumption and reductions achieved	4.4
	Water	Core indicator	EN 8 Total water withdrawal by source	4.5
		Additional indicator	EN 9 Water sources significantly affected by withdrawal of water	4.5
		Additional indicator	EN 10 Percentage and total volume of water recycled and reused.	4.5
	Biodiversity	Core indicator	EN 11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.3
		Core indicator	EN 12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	6.3
		Additional indicator	EN 13 Habitats protected or restored	N/A
		Additional indicator	EN 14 Strategies, current actions, and future plans for managing impacts on biodiversity	N/A

Item			Contents	Section
		Additional indicator	EN 15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	N/A
	Emissions, effluents and waste	Core indicator	EN 16 Total direct and indirect greenhouse gas emissions by weight	4.4
		Core indicator	EN 17 Other relevant indirect greenhouse gas emissions by weight	4.4
		Additional indicator	EN 18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	4.4
		Core indicator	EN 19 Emissions of ozone-depleting substances by weight	4.5
		Core indicator	EN 20 Nitrogen oxide (NOx), sulfur oxide (SOx) and other significant air emissions by type and weight	4.5
		Core indicator	EN 21 Total water discharge by quality and destination	4.5
		Core indicator	EN 22 Total weight of waste by type and disposal method	4.5
		Core indicator	EN 23 Total number and volume of significant spills	4.5
		Additional indicator	EN 24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	4.5
		Additional indicator	EN 25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	4.5
	Products and services	Core indicator	EN 26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	4.2
		Core indicator	EN 27 Percentage of products sold and their packaging materials that are reclaimed by category	4.3
	Compliance	Core indicator	EN 28 Monetary value of significant fines and total number of non -monetary sanctions for noncompliance with environmental laws and regulations	3.2

Item			Contents	Section
	Transport	Additional indicator	EN 29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	4.4
Social	Management approach		5.3 Management approach and performance indicators	5.1
Labor practices and decent work	Employment	Core indicator	LA 1 Total workforce by employment type, employment contract, and region	5.1
		Core indicator	LA 2 Total number and rate of employee turnover by age group, gender, and region	5.1
		Additional indicator	LA 3 Benefits provided exclusively to full-time employees, by significant locations of operation	3.4
	Labor/management relations	Core indicator	LA 4 Percentage of employees covered by collective bargaining agreements	6.4
		Core indicator	LA 5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	6.4
	Occupational health and safety	Additional indicator	LA 6 Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs	5.2
		Core indicator	LA 7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	6.4
		Core indicator	LA 8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	5.2
	Training and education	Core indicator	LA 10 Average hours of training per year per employee by employee category	5.3
		Additional indicator	LA 11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	5.3

Item			Contents	Section
		Additional indicator	LA 12 Percentage of employees receiving regular performance and career development reviews	5.3
	Diversity and equal opportunity	Core indicator	LA 13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	5.1
		Core indicator	LA 14 Ratio of basic salary and remuneration of women to men by employee category	5.1
Human rights	Management approach		5.4 Management approach and performance indicators	6.5
	Investment and procurement practices	Core indicator	HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	6.5
		Core indicator	HR2 Percentage of significant suppliers and contractors that have undergone human rights screening, and actions taken	6.5
		Additional indicator	HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	5.3
	Non-discrimination	Core indicator	HR4 Total number of incidents of discrimination and corrective actions taken	5.1
	Freedom of association and collective bargaining	Core indicator	HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	3.4
	Child labor	Core indicator	HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	5.1
	Forced and compulsory labor	Core indicator	HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	5.1

Item			Contents	Section
	Security practices	Additional indicator	HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	5.3
Society	Management approach		5.5 Management approach and performance indicators	3.7、3.8
	Local community	Core indicator	SO1 Nature, scope and effectiveness of programs and practices for evaluating and monitoring community impact by operations of governance bodies, including community accesses and operations	3.7
	Corruption	Core indicator	SO2 Percentage and total number of business units analyzed for risks related to corruption	2.2
		Core indicator	SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	2.2
		Core indicator	SO4 Actions taken in response to incidents of corruption	2.2
	Public policy	Core indicator	SO5 Public policy positions and participation in public policy development and lobbying	6.6
		Additional indicator	SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	6.6
	Compliance	Core indicator	SO8 Gross monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	3.2
Product responsibility	Management approach		5.5 Management approach and performance indicators	4.2
	Customer health and safety	Core indicator	PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	4.2
	Product and service labeling	Core indicator	PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	6.7

Item			Contents	Section
		Additional indicator	PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	6.7
		Additional indicator	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	3.3
	Marketing communications	Core indicator	PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	3.3
		Additional indicator	PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	6.7
	Compliance	Core indicator	PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	3.2