

**GIGABYTE™**

# Upgrade Your Life

Let Every Step We Take be a Turning Point toward a Sustainable Earth.



**GIGABYTE 2019**  
Corporate Social Responsibility Report

# About the Report

## Reporting Boundaries

This report covers the sustainable development performance from January 1 to December 31 in 2019 in global operational bases of GIGABYTE, including the Headquarters, Taoyuan Nanping Plant, China Dongguan Plant, China Ningbo Plant (named GIGABYTE below) and influential subsidiaries in Taiwan (G-STYLE LTD, GIGAIPC CO., LTD, and Bestyield International)

The financial data validation disclosed in the report is from the consolidated financial report information of GIGABYTE and its subsidiaries (the detailed disclosing scope please refer to [2019 GIGABYTE annual report](#)). The scope of greenhouse gas emission inventory and data of reduction covers the Headquarters, Taoyuan Nanping Plant, China Dongguan Plant, and China Ningbo Plant. The disclosure scopes of other sustainability indicators will be described in the report.

## Reporting Principles and Reference Guiding

This report has been prepared in accordance with the GRI Standards: Core option, as well as the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies. The report also takes reference from the UN's Sustainable Development Goals and other international guidelines to disclose GIGABYTE's commitments, strategies, and implementations of sustainable development during the reporting period.

## Issue

GIGABYTE issues the CSR report on an [exclusive sustainable development website](#) every year. We also extract key points in the report and put them on the website for the stakeholders who care for us to realize our efforts on CSR through all channels.

Issue time: September 2020

Last Issue time: September 2019

Next Issue time: Scheduled in September 2021

## Data Quality Management

- Financial Data: Referred to the financial report certified by the PwC Taiwan
- Organizational greenhouse gas inventory (ISO 14064-1: 2006): SGS Taiwan
- Quality Management (ISO 9001: 2015): SGS Taiwan
- Environment Management (ISO 14001: 2015): SGS Taiwan
- Work Safety and Health Management (ISO 45001: 2018): SGS Taiwan

## Feedback

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

Mrs. Lu of GIGABYTE Sustainable Development Office

Address: No. 6, Baoqiang Rd., Xindian Dist., New Taipei City 231

Phone: +886-2-89124000 ext. 3023 Fax: +886-2-89124005

e-mail: [CSR@gigabyte.com](mailto:CSR@gigabyte.com)

## Allege Use of Picture from UN's Sustainable Development Goals

Pictures of the UN's Sustainable Development Goals used in the report are downloaded from the publicizing materials of UN's Sustainable Development website.

<https://www.un.org/sustainabledevelopment/news/communications-material/>



# From the Chairman

## Full-service Solution Provider

With the rapid rise of emerging technologies, cross-border trade wars occur one after another and the big environment is fully affected. As a globally leading technology brand, GIGABYTE has always kept pace with the times and has control of the industry trends. We established an unshakable position in the industry with motherboards and graphics cards, continue to develop breakthrough patented technologies, and extend our long term foundational outstanding skills. In recent years, we continue to launch top solutions for corporate customers in the servers, internet of things applications, laptops, and gaming businesses. Through the strategy of industry-government collaboration and alliances between different industries, the excellent technical foundation of each business group continues to deliver brilliant accomplishment in the cloud industry including AI, IoT, 5G and edge computing, high-performance computing and data centers, highly met the needs of enterprises and society. We are committed to the purpose of GIGABYTE "Upgrade Your Life", and further cross into the smart life circle, through the active layout of application fields of automotive electronics, smart dressing and face recognition, expecting to let people have a more convenient and comfortable life.

**In 2019, GIGABYTE demonstrated strong and continuously evolving energy, laying a solid foundation for a more exciting and prosperous 2020.**

## Composing the Technology and Sustainable Harmony

The development of new technology can still be in harmony with the environment and society. GIGABYTE regards the common good of society and sustainable development as our own responsibility. All employees strive together to realize the corporate mission of "Upgrade Your Life" with brand new professional technology and ideas to construct the solutions that fit in the needs of humanity, society, and the environment. We constantly pursue excellence and surpass the peak, and expect to let the world see a better possibility. Since the United Nations announced 17 Sustainable Development Goals in 2015, GIGABYTE has continued to propose corresponding strategies to practice sustainable development without falling behind.

In 2019, we began to introduce smart technology into agriculture, hoping that global food supply under the dual pressure of climate and population, the crop growth status can be controlled and big data analysis can be conducted by using the GIGABYTE AIoT and cloud storage technology to stabilize food productivity and construct and deliver a more complete agricultural database. By accelerating the automation and intelligent processes for factory logistics, warehousing, and manufacturing processes to

strengthen the precise and accurate working environment and processes, and also protect employees from more potential occupational injuries. In terms of boosting internally creative energy, we launched the "Sustainability Fund" and a 6-year "Reduction Reward Project" to stimulate design thinking of resource efficiency and circular economy, and encourage employees to find out energy-saving and carbon-reduction hot spots from daily operation to strive for optimizing and greening every process of the product life cycle.

## The Climate Policy with "Global Vision, Local Action"

GIGABYTE's constant demand for sustainability has created extraordinary achievements in carbon reduction. Since the launch of the Green Action Plan in 2009, the carbon reduction has been reduced by more than 40% over the past ten years, significantly ahead of schedule. At the same time, it has also actively responded to the Science-Based Targets initiative (SBTi) and Task Force on Climate-related Financial Disclosures (TCFD), striving for climate goals and strategies that are seamlessly integrated with international standards to allow the performance with more testability. Since responding to the "Trillion Tree Campaign" of the United Nations Environment Programme (UNEP) in 2017, tens of thousands of consumers around the world have been called on to respond to planting trees and understand the importance of forest conservation. Co-organizing the Plant-for-the-Planet Academies between 2017 and 2019 to let the next generation of Taiwan understand the global climate change crises and develop the ability to take local action at an early age. Children are the future leaders of the Earth. GIGABYTE outlines a map of hope for children, and expects both youths and children will become the pillars of future climate justice.



## Everyone is Indispensable for Achieving Sustainability

Like a business alliance, a sustainable action also requires partnership. Here we sincerely invite every stakeholder who cares about GIGABYTE to join hands with us in practice and do our best to sow sustainable seeds for the Earth together!

Chairman *David Chen*



Consolidated revenue is NTD **61.781** billion  
 Increase by **1.4%** compared with last year  
**Steady growth in revenue for 3 consecutive years**



Awarded 121 patents in the year  
 Cumulatively awarded **2,451** patents



Received 233 evaluations and awards in the year  
 Cumulatively received **15,370** evaluations and awards

# 2019 Highlight and Honor of Sustainability Performance

### Corporate Governance Aspect

### Social Aspect

### Environmental Aspect

- Corporate Volunteer : Go Green Taiwan - Thousand Mile Trek walk around the Island and pick up trash
- Accumulative distance **748.68** km
- Service hours **21,539** hours
- Cleaned trash **6,864.46** kg

- Applied SROI again
- G-HOME GIGABYTE Sustainable Eco-Rooftop **1 : 8.04**
- Thousand Mile Trek - Go Green Taiwan **1 : 5.45**
- Organized 5 categories of science and technology education with a total of **181** sessions

Optimized Product Environmental Reports by expanding to **12** environmental impact aspects

#### Climate Change

GHG Emission Assessment

#### Air Quality

Ionizing Radiation  
PM2.5  
CFCs  
Photochemical  
Ozone

#### Ecological Balance

Eutrophication  
Acidification  
Resource Depletion

#### Toxicity Assessment

Freshwater  
Eco-toxicity  
Human Toxicity  
Cancer Effect

- Both CDP Climate Change and Supplier Engagement Rating scored **A- (Leadership Level)**
- Responded to the UNEP's tree planting program and already planted **68,750** / 75,000 trees
- Cooperated with the German Plant-for-the-Planet Foundation to organize Plant-for-the-Planet Academies, and cultivated a total of **1,367 Climate Justice Ambassadors**
- Annual environmental education hours reached **10,570** hours



# Glory of GIGABYTE



Enter the final round of Global Views Corporate Social Responsibility Award - Annual Survey of Electronic Technology Industry for 3 consecutive years

## Consecutive Award



Scored A- (Leadership Level) for both 2019 CDP Climate Change and Supplier Engagement Rating



28th Taiwan Excellence Award:  
AERO 15 OLED(INTEL 9th Gen)  
Z390 AORUS XTREME WATERFORCE  
X570 AORUS XTREME  
AORUS AD27QD Tactical Monitor

## Excellence in Quality



COMPUTEX Best Choice and d&i awards:  
AORUS AD27QD Tactical Monitor



Red Dot Design Award :  
Z390 AORUS XTREME  
WATERFORCE Motherboard



TOP 50 Common Wealth Corporate Citizen Award for 6 consecutive years (33rd in 2019)



Excellent Enterprise Award in Taoyuan City - Happy Enterprise Award

# Glory of GIGABYTE

## Happy Enterprise



[Nanping Plant]  
Innovation Award of Drug Abuse Promotion by the Food and Drug Administration



Health Workplace Certification by the Health Promotion Administration



Excellent Enterprise Award for Promoting Family-Friendly Program



[Nanping Plant]  
Model Business of Maternal Health Guardian Alliance

## Social Caring



Excellent Organization in Performance of Blood Donation, Awarded by the Ministry of Health and Welfare, for 3 consecutive years



Group Award of Social Education Contribution Awards by the Ministry of Education

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Material Topics of This Chapter	Financial Performance	Brand Management
<b>Management Approach</b>	Be responsible for shareholders, and take into consideration environmental and social aspects for financial performance	Extend the value of “Upgrade Your Life” , enhance the brand value and identity
<b>Policy and Action</b>	<ul style="list-style-type: none"> <li>▪ Hold regular Shareholders' Meetings and Institutional Investor Conference to provide transparent information</li> <li>▪ Establish and improve the internal audit system and appoint accountants to ensure the proper use of the Company's financial resources</li> <li>▪ Track industry trends to ensure that product research and development is advancing with the times</li> </ul>	<ul style="list-style-type: none"> <li>▪ Actively participate in large-scale activities of computer and gaming industries to expand the brand reputation</li> <li>▪ Take part in major product competitions and well manage all social media channels to strengthen both quality and brand image</li> <li>▪ Engage in corporate social responsibility actions, fulfill corporate responsibilities, and respond to the consumer preference of young generations</li> </ul>
<b>Vision and Goals</b>	<ul style="list-style-type: none"> <li>▪ Maintain stable profitability, strengthen sufficient capital for Company operations and innovation</li> <li>▪ Actively research and develop new products, explore new fields, expand product lines and market positioning</li> </ul>	<ul style="list-style-type: none"> <li>▪ The for major brands, GIGABYTE and AORUS, participate in at least 10 large-scale activities every year</li> <li>▪ The number of product awards grows steadily every year</li> <li>▪ Maintain visibility on social media, enhance consumer adhesion and interaction rate</li> <li>▪ Promote CSR-related projects and lay the foundation for a sustainable brand impression</li> </ul>
<b>2019 Major Achievement</b>	<ul style="list-style-type: none"> <li>【●】 The revenue has grown for 5 consecutive years. The revenue in 2019 increased by 1.4% compared with the previous year.</li> <li>【●】 Invest in optical and electromechanical industries of automotive electronics and face recognition, and established Bestyfield International in 2018 to seize the reverse logistics service market</li> </ul>	<ul style="list-style-type: none"> <li>【●】 In 2019, the GIGABYTE brand participated in 14 large-scale events, and the AORUS brand participated in 9 large-scale events</li> <li>【●】 233 evaluations and awards were received in 2019, with a cumulative total of 15,370.</li> <li>【●】 Cumulatively built more than 101 B2C websites. The official website has more than 100,000 daily visits, and the fan page has more than 5,000,000 fans.</li> <li>【●】 Continuing the "Make Earth Green Again" program (buy a laptop, plant a tree) to encourage practical actions of green consumption</li> </ul>

【●】 Stage objective completed    【●】 In progress    【○】 Not yet implemented    【●】 Stage objective not yet achieved

## Overview of GIGABYTE

GIGABYTE was founded in 1986. Upholding to the corporate mission, “Upgrade Your Life”, GIGABYTE keeps actively creating technology solutions with high-performance, high-quality, and ultra-durability.

GIGABYTE started with motherboard manufacturing and sales, and gradually expanded to peripheral products including graphic cards, personal computers, and enterprise high-speed servers to help major companies around the world improve enterprise solutions. The applications of IoT and 5G also provide a rich development foundation for forward-looking technologies like artificial intelligence and deep learning to jointly create a smart world. Moreover, we continue to have in-depth dialogue with consumers to develop high-efficient heat dissipation technology, micro-computer BRIX and other excellent quality services. In 2017, we established the AORUS gaming brand and launched innovative products including tactical screens and AERO creator laptops.

(For more innovative technology of GIGABYTE, please refer to Chapter 2.4 Innovation Management of this Report and [GIGABYTE Official Website](#))

GIGABYTE actively participates in many international organizations such as the Climate Savers Computing Initiative, CDP, and the Plant-for-the-Planet Foundation authorized by the United Nations Environment Programme to implement a tree planting project and respond to its actions. As an OpenStack corporate member, GIGABYTE has also helped promote regional forums such as OpenInfra Days Taiwan, OpenInfra Days Thai, leading the new software developers and assisting in market development.

GIGABYTE also actively involves in important domestic industry associations at the same time, such as Taiwan Electrical and Electronic Manufacturers' Association, Taipei Computer Association, and Brands Association, as well as joins in the associations' activities. Besides, GIGABYTE has been a TRANS-ACTION AWARD partner for 5 consecutive years since 2014 and has committed to cultivating cross-border talents for the industry.

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## GIGABYTE Profile

Listing	First listed on the Taiwan Stock Exchange on September 24, 1998 (Stock Code 2376)
Company Name	GIGA-BYTE Technology Co., Ltd.
Capital	NTD 6.289 billions
Number of Employees	7,471 employees worldwide
Date of Establishment	April 1986

Operating Headquarters	No.6, Baoqiang Rd., Xindian Dist., New Taipei City
Manufacturing Factory	Taiwan Taoyuan Nanping Factory, China Dongguan Factory, China Ningbo Factory
Chairman	Yeh, Pei-Cheng
General Manager	Liu, Ming-Hsiung

## Global Operation Location



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## Excellent Innovation, Blossoming Brand Power

The profound product research and creation strength is the driving force behind the GIGABYTE brand to gain a foothold in the world. In 2019, GIGABYTE shines in all technology exchanges convention and exhibitions around the world, to demonstrate GIGABYTE's outstanding quality and efficacy through flexible and excellent brand management, as well as the R&D strength of GIGABYTE accurately penetrates market trends and customer requirements, also allow us to receive tremendous response and volume in the social media or physical exhibitions.

## Brand Benefit

GIGABYTE has repeatedly won awards from major professional media and authoritative organizations. We received more than 15,370 evaluations and awards cumulatively in 2019, built more than 101 B2C websites with more than 100,000 daily visits to the official website, and the fan pages have more than 5,000,000 fans.

### JAN United States Consumer Electronics Show (CES)

Launched key technologies and solutions including AI training, cloud storage, liquid cooling, and face recognition to help users connect to the cloud and embrace the smart generation.



### MAR OCP Global Summit

Promoted GIGABYTE's continual participation in the development and promotion of open architecture server products and exhibited the products equipped with Intel and AMD processors. Also, had technical exchanges with industry experts and expect to lead the trend of next generation of open architecture server products.



### APR Make Earth Green Again

Kept echoing to the "Trillion Tree Campaign" of Plant-for-the-Planet and UNEP, promoted the "Make Earth Green Again" program on the Earth Day, and called on suppliers, employees, and consumers to participate in the Plant-for-the-Planet tree planting initiative.



### MAY COMPUTEX - Asia's Largest International Computer Exhibition

Set 5G Smart Life Circle as the core of the GIGABYTE's exhibition to create a full-service digital experience. Connected three major themes, data center, smart life, and workstations, to provide a complete solution for enterprises and demonstrate digital convergence services with 5G, AI, and IoT technology.



### JUN Frankfurt ISC High Performance - Europe's Largest Computer Exhibition

In addition to being a provider of high-quality CPU computing server solutions, GIGABYTE is also one of the few brands in the industry that provide a complete range of supercomputers.

### AUG Gamescom - The World's Largest Gaming Show

Promoted the Hero Products through gaming modules and Gaming Corner, including AORUS 15 and AORUS 17 laptops, tactical monitors, Z390 motherboards, 2080 graphics cards, gaming peripherals, as well as other excellent quality products.



### NOV SC19 Supercomputing 2019 (SC19) at Dallas, US

Since the first participation in 2008, GIGABYTE has kept showing the scientific research strength of a Taiwanese manufacturer to the global supercomputer industry. Also, has successfully cooperated with many top international scientific and technological organizations, such as the national laboratories in US and nuclear research organization in EU, in design-in solution service to demonstrate astonishing innovation and research energy.

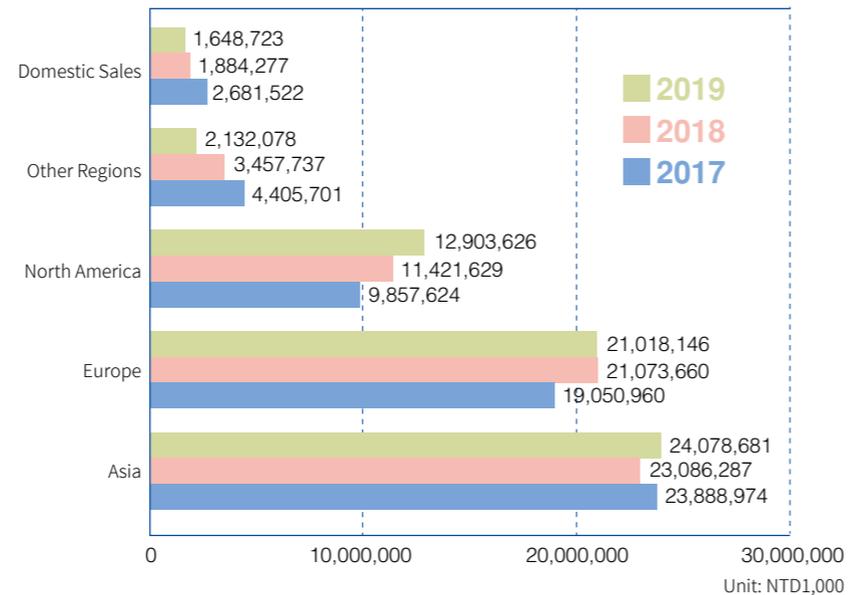
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## Industry Overview and Operational Performance

### Overview of the Industry

According to the 2019 reports by Internet Data Center (IDC) and Gartner, the worldwide PC market has finally seen steady growth throughout the year since 2011. Benefited from the wave of PC replacement resulted from Microsoft's termination of the Windows 7 operating system update, the shortage of processors in the market was successfully adjusted through the transfer from Intel® to AMD®, and the easing of global trade tensions, the PC market has expanded steadily. With the coming of the full-situ gaming experience, the growth of gaming screens in the next few years is expected to continue. Due to global trade situations and transfer of foundry production lines, the server market is affected and thus its momentum is slowing down. However, the demand for data centers and cloud infrastructure is still strong, and the future market will continue to maintain growth prospects.

■ GIGABYTE Sales Amount by Areas in Recent 3 Years



### GIGABYTE Research and Development Energy

To GIGABYTE, motherboards and graphics cards are always the core of innovative techniques. We pioneer artificial intelligence and AERO series notebooks equipped with Xrite™ Pantone® color calibration certification in the industry, and create gaming tactical series products to meet the full-situ product experience.

5G, the hot topic running through 2019, also opens an excellent stage for cross-domain integration for GIGABYTE's past research and development achievements. We have developed new-generation product integration services such as: smart agriculture, smart retail, smart identification, and smart life. We have also invested in research and development of automotive electronic technology to enter the new world of smart transportation at full speed. In addition, we are actively cooperating with the Industrial Technology Research Institute to create mobile network core network services and provide MEC edge computing platforms, and thus play one of pioneers of 5G technology in Taiwan.

Diversified and precise cross-domain operations, market-leading research, and innovation energy and technology are the foundations of stable operating performance of GIGABYTE.

■ GIGABYTE Operational Performance in Recent 3 years

	2017	2018	2019
Consolidated Revenue (NTD million)	59,884	60,923	61,781
Operating Cost (NTD million)	49,686	50,800	52,190
Operating Expenses (NTD million)	7,973	7,848	8,135
Income Tax (NTD million)	462	457	356
Employ Salary and Benefit (NTD million)	5,706	5,599	5,344
Earnings per Share (NTD)	4.41	4.04	3.05

■ GIGABYTE Production Volume and Value in Recent 3 years

Unit: 1,000 Pieces, NTD Million

Primary Products	2017		2018		2019	
	Production Volume	Production Value	Production Volume	Production Value	Production Volume	Production Value
Motherboards & Graphics Cards	17,663	42,301	15,534	43,402	14,492	40,061
Other	1,204	11,177	2,157	16,477	694	15,877
Total	18,557	53,478	17,691	59,879	15,186	55,938

# Chapter 1

## Sustainable Development Commitment and Communication

### 1.1 Sustainable Development Promotion Goal and Strategy

#### 1.1.1 CSR Strategy Map

#### 1.1.2 Green Action

#### 1.1.3 Stakeholder Communication and Engagement

#### 1.1.4 Identification of Material Topics

#### 1.1.5 Material Topics and Impact Boundaries

### 1.2 Response to UN Sustainable Development Goals

### 1.3 Organization for Promoting Sustainable Development

## 1.1 Sustainable Development Promotion Goal and Strategy

### 1.1.1 CSR Strategy Map

We take GIGABYTE's core corporate philosophy, "Upgrade Your Life", as a purpose and consider the degree of concern of stakeholders to establish four CSR visions as long-term goals of GIGABYTE's Sustainable Development: Zero Waste and Zero Pollution, Low-carbon Technology Transition, Leader of Sustainability and Circular Economy, and Realization of Humanistic Value. Then, we outline the expected value creation based on the visions - reducing operational footprint, deeply building innovative strength, establishing friendly brand, and creating shared value. Several operational strategies are further set up in response to four aspects, economy and ESG, after reviewing the Company's operating status and practical practices. The CSR strategy map is a blueprint of sustainable governance for GIGABYTE to actively link six material SDGs Goals with our core capabilities.

We also take composing annual CSR Reports as an advantageous way to review the performance of operation strategies, and use this to check whether GIGABYTE's sustainability conduct is conducive to realizing the CSR visions. Therefore, we organize chapters of this report based on the operation strategies revealed in the CSR map, and respond to each strategy one by one in order to provide clear and accurate information with comparability for stakeholders.

※To review the sustainability performance of GIGABYTE, click on the operation strategy to link to the relevant chapters.



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## 1.1.2 Green Action

Under the strategy map, the GIGABYTE Green Action Plan was developed. Through the establishment of guidelines and organizational behavior requirements to form sustainable governance policies, construction of the eco-roof, and development of low-carbon products to combine sustainability with practicality. At the same time, by means of holding activities, lectures, green volunteer services, and working holidays to shape employees' sense of sustainability. In 2019, GIGABYTE has entered the second phase of the Green Action Plan 2.0 (2019~2022). We continue to take deeper sustainability actions with the goals of becoming a friendly and high-efficient social enterprises.

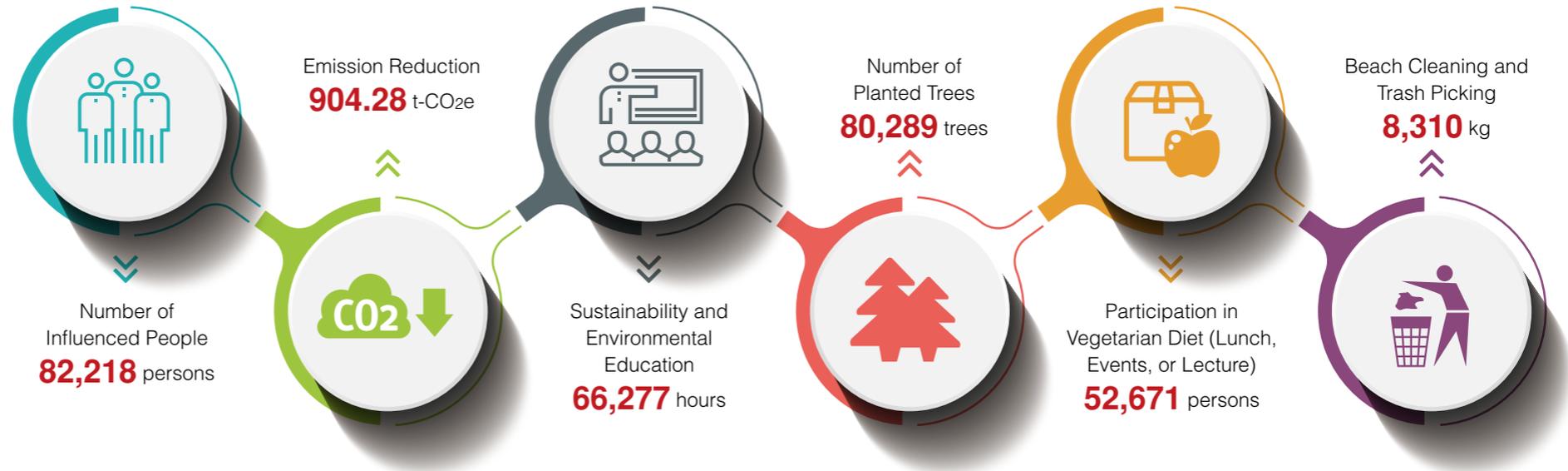
CSR Vision	Green Action	Green Action 2.0			
	Begin with the Heart Opening the Gate of Sustainability	Concept Transmission Reduction. Sharing. Love the Earth	Friendliness / High-efficiency Social Enterprise		Innovative Technology Upgrade Your Life
	(2009~2015)	1 <sup>st</sup> stage (2016~2018)	2 <sup>nd</sup> stage (2019~2022)	Corresponding Chapter	3 <sup>rd</sup> stage (2022~ )
<b>Zero Waste Zero Pollution</b> 	Promoted the 333 Reduction Plan to cut carbon emissions, water use, and waste generation by 3% every year. Compared to 2010, the waste generation reduced by 25.27% in 2015.	Continued promoting the 333 Reduction Plan. Compared to 2009, the waste generation reduced by 31.51% in 2018.	Continue promoting the 333 Reduction Plan. The waste generation in 2019 increased by 95.51 tons (5.5%) compared with the previous year, but reduced by 27.71% compared with 2010.	3.3.1 Hazardous Substance Management	Reduce waste by 50% in 2030 compared to 2010. Reduce water use by 20% in 2030 compared to 2010.
	Reduced water consumption by 10.6% in 2015 compared with 2010.	Promoted plastic-free policy at staff canteen of the Headquarters, and gradually ban the use of straws and disposable tableware.	Continue promotion the plastic-free policy at staff canteen of the Headquarters, and also extended to the neighboring stores by launching point collection activities. Held internal second-hand market for the first time in the Company to promote the circulation of used things.	6.2.1 Deep Cultivation of Sustainability Thinking in Workplace	
	Established the GIGABYTE Go Green Club, initiated the voluntary waste-cleaning activity, Thousand Mile Trek - Go Green Taiwan, and had picked up 94.2 kg of waste in 2015.	Reduced water consumption by 22.45% in 2018 compared with 2010.	Reduced water consumption by 8,173 tons (-2.7%) in 2019 compared with the previous year, reduced water consumption by 24.54% compared with 2010.	3.1 Environmental Management	
	Carried out annual greenhouse gas inventory, and set up target to reduce 3% carbon emissions every year. In 2015, the emissions cut by 39.87% compared to the 2009 level.	Continued the voluntary waste-cleaning trek by walking. As of 2018, the cumulative walking distance was 549.51 km, and the volume of picked trash was 3,095.33 kg.	Cooperated with universities and colleges to show and expand the influence of young people. In 2019, collaborated with 2 universities, and the cumulative walking distance was 199.17 km, and the volume of picked trash was 3,769.13 kg.	6.2.1 Deep Cultivation of Sustainability Thinking in Workplace	
<b>Low-carbon Technology Transition</b> 	Carried out annual greenhouse gas inventory, and set up target to reduce 3% carbon emissions every year. In 2015, the emissions cut by 39.87% compared to the 2009 level.	Continued greenhouse gas inventory and the 333 Reduction Plan. The carbon emissions reduced by 43.49% in 2018 compared with 2009.	The carbon emissions in 2019 increased by 794.6 t-CO <sub>2</sub> e (2.87%), but reduced by 41.87% compared with the base year 2009. In addition to the 333 Reduction Plan, the concept of Science Based Target (SBT) and TCFD Framework were introduced to link with the international carbon reduction target and accurately measure the financial impact caused by climate change.	3.2 Climate Change Mitigation and Adaptation	Reduce carbon emissions by 50% in 2030 compared to 2009.
	Had participated in the CDP climate change survey since 2010 due to customer request.	Kept responding CDP climate change questionnaire every year in response to customer request, and received B (management level) in 2016-2018.	In 2019, received A- score (leadership level) for both CDP Climate Change Questionnaire and Supplier Engagement Rating, which was higher than the average score of the industry and in the Asia area (C level).	3.2 Climate Change Mitigation and Adaptation	

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	Green Action	Green Action 2.0				
<b>Low-carbon Technology Transition</b> 		Developed zero-carbon packaging materials RFP made of rice husk, and introduced the products, the carbon emissions of raw materials are estimated to reduce by 64%. RFP won iF Design Award and Golden Pin Design Award in 2018.	Expanded the application of RFP, launch a series of products including rice husk straws, tableware, coffee cups, open for employee group purchases to practice environmental protection life	3.3.2 Friendly Product	 Strengthen internal innovation power, promote transition to low-carbon technology.	
			Launched the Sustainability Fund, and started the 6-year "Reduction Incentive System" to encourage internal sustainable development research and creativity strength, and discover more energy-conservation and carbon-reduction hot spots.	3.1.2 Sustainability Fund and Reduction Reward Program		
<b>Leader of Sustainability and Circular Economy</b> 	Completed the development of green cloud platform to create GIGABYTE's sustainable supply chain.	Held Supplier Conference Published the GIGABYTE Guidelines of Sustainable Procurement.	Held 2 supplier conferences in 2019 with 96 suppliers participated; accounted for 35% of the top 100 suppliers, and started the grading of supplier's sustainable performance to facilitate future management.	4.1.3 Supplier Engagement and Communication	 Form alliance with the supply chain, practice sustainability concepts, and develop circular technology	
		Established the Reduction. Sharing. Love the Earth Alliance to cooperate with suppliers in implementing the 333 Reduction Plan and tree planting.	Encouraged supplier partners to join the alliance and practically track the alliance's performance in reducing carbon emissions, water consumption, and waste reduction. The waste in 2018 was reduced compared to the previous year. GIGABYTE will continue to promote reduction measures.	4.1.3 Supplier Engagement and Communication		
		Released the Product Environmental Report to disclose products' impacts on greenhouse gas emissions, air quality, and land water acidification throughout their lifetime.	Revised the version of Product Environmental Report in 2019. The 8 newly published Reports expanded the scope of disclosure to 12 environmental impact aspects. At present, 34 series of products of 4 major product lines and have released Product Environmental Reports.	4.2 Customer Service and Consumer Education		Conduct LCA and release Product Environmental Reports for all series of products to increase circular potential
<b>Realization of Humanistic Value</b> 	Organized 130 sessions of sustainability lectures and activities to strengthen employees' awareness of issues related to sustainable development.	Continued to promote lectures and activities, cultivate employees' sustainability concept, and 45 sessions were held from 2016 to 2018.	The Headquarters and China Plants implemented plastic reduction activities at the staff canteen Held an internal second-hand market for the first time in the Company to promote the circulation of goods	6.2.1 Deep Cultivation of Sustainability Thinking in Workplace	 Continue to enhance employees' awareness of sustainability and thoroughly implement it in work and daily life.	
	Constructed the G-HOME Sustainability Eco-Roof to build a working environment that stays in harmony with the earth.	Completed G-HOME GIGABYTE Sustainable Eco-Roof and opened for visit in 2013, with 2,913 visitors until 2018. Received the Environmental Education Facility and Site Certification from the Environmental Protection Administration of the Executive Yuan in 2017, and conducted a total of 13 environmental education courses between 2017 and 2018, with a total of 415 participants.	Continue to conduct environmental education courses, actively contact the government-industry-academia to expand the influence of roof greening. Conducted a total of 10 environmental education courses in 2019, with 256 students participated. G-HOME GIGABYTE Sustainable Eco-Roof has accumulated 3,189 visits or participated in environmental education courses	6.2.2 Cultivation of Social Sustainability Energy		Serve as the promoter and practitioner of the concept of eco-roofs to promote the concept of co-prosperity with urban livability and ecology.
		Started cooperation with the German Plant-for-the-Planet Foundation, committed to planting 75,000 trees for the earth, launched "One Tree, One Laptop" project to combine consumer power with reforestation. Committed to holding 5 Plant-for-the-Planet Academies in Taiwan, and supported the developing countries to cultivate Climate Justice Ambassadors at the same time.	Adjusted and expanded the scope of information disclosure according to the GRI Standards and the amendments of regulations by the Financial Supervisory Commission. Introduced international report recommendations or structures such as TCFD or IR progressively to make the disclosure of Report more complete, transparent and high comparability.	6.2.2 Cultivation of Social Sustainability Energy		Educate consumers about the value of sustainability through brand power, and develop local climate teaching materials and continue to cultivate climate talent
	Strengthened the bridge of communication with stakeholders, and started to issue Corporate Social Responsibility (Sustainability) Reports every year since 2010. Set up <a href="#">"GIGABYTE Code of Business Conduct"</a> to construct the concept of moral integrity for employees.		Adjusted and expanded the scope of information disclosure according to the GRI Standards and the amendments of regulations by the Financial Supervisory Commission. Introduced international report recommendations or structures such as TCFD or IR progressively to make the disclosure of Report more complete, transparent and high comparability.	 <a href="#">GIGABYTE CSR Report Over the Years</a>		

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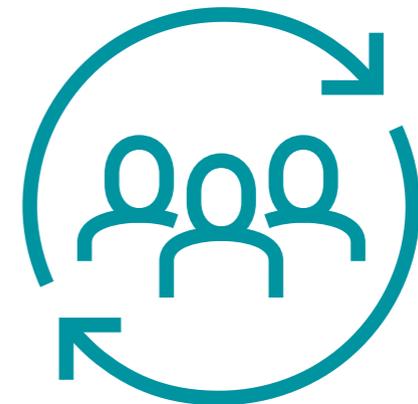
## Green Action Plan Achievements Over the 10 Years (2009~2019)



### 1.1.3 Stakeholder Communication and Engagement

The foundation of GIGABYTE's CSR strategy pursues goodness and sustainable management. Moreover, it actively responds to material issues that our stakeholders are concerned with, expecting to maximize the value of sustainability. In respect of that, we refer to the AA1000 Stakeholder Engagement Standard as well as the group discussion by the Sustainable Development Office, and define seven major stakeholders. Through timely following the trend of the field and the society's concerns and keeping re-evaluate the appropriateness of stakeholder definition to ensure that the Report information accurately responds to all groups affected by the Company's operations.

The seven major stakeholders of GIGABYTE in 2019 are: employee, investor, customer, supplier, community/non-profit organization and school, government, and media. We arrange the most suitable communication method and channel according to the characteristics of different stakeholders to thoroughly ensure transparency of the information.



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Stakeholder	Concerned Material Issues	Communication Channel and Frequency		Corresponding Chapter
 <b>Employee</b>	<ul style="list-style-type: none"> <li>▪ Salary and benefits</li> <li>▪ Talent cultivation and retention</li> <li>▪ Labor relations</li> <li>▪ Occupational health and safety</li> </ul>	Regular	<ul style="list-style-type: none"> <li>▪ Labor-management/labor safety meetings</li> </ul>	Chapter 5 Healthy and Happy Workplace
		Ad hoc	<ul style="list-style-type: none"> <li>▪ Internal and external education training / practice drill</li> <li>▪ Employee Assistance Program (EAP)</li> <li>▪ Lectures on internal life and disaster prevention, promotion electronic paper</li> </ul>	
 <b>Investor</b>	<ul style="list-style-type: none"> <li>▪ Financial performance</li> <li>▪ Brand management</li> <li>▪ Moral integrity and code of conduct</li> <li>▪ Legal and regulation compliance</li> <li>▪ Corporate governance</li> <li>▪ Risk management</li> <li>▪ Innovation management</li> </ul>	Regular	<ul style="list-style-type: none"> <li>▪ Annual shareholder meeting, annual Report</li> <li>▪ Participate in corporate governance evaluation</li> <li>▪ Publish Corporate Social Responsibility Report</li> </ul>	Overview of GIGABYTE Chapter II Sustainable Governance
		Ad hoc	<ul style="list-style-type: none"> <li>▪ Communication meeting and investor conference</li> <li>▪ Publication of information on the Market Observation Post System or on GIGABYTE official website</li> </ul>	
 <b>Customer</b>	<ul style="list-style-type: none"> <li>▪ Brand management</li> <li>▪ Risk management</li> <li>▪ Responsible production and consumption</li> <li>▪ Hazardous substance management</li> <li>▪ Sustainable supply chain management</li> </ul>	Regular	<ul style="list-style-type: none"> <li>▪ Annual customer satisfaction survey</li> </ul>	Overview of GIGABYTE 2.3 Risk Management 3.3 Responsible Production 4.1 Sustainable Supply Chain 4.2 Customer Service and Consumer Education
		Ad hoc	<ul style="list-style-type: none"> <li>▪ Audit by customer</li> <li>▪ Customer technology seminars</li> <li>▪ Online support system and platform</li> </ul>	
 <b>Supplier</b>	<ul style="list-style-type: none"> <li>▪ Legal and regulation compliance</li> <li>▪ Hazardous substance management</li> <li>▪ Sustainable supply chain management</li> </ul>	Regular	<ul style="list-style-type: none"> <li>▪ Regular audit / sustainability evaluation</li> <li>▪ Annual supplier conference</li> <li>▪ Conflict minerals survey</li> </ul>	2.1 Integrity Management and Legal and Regulation Compliance 3.3 Responsible Production 4.1 Sustainable Supply Chain
		Ad hoc	<ul style="list-style-type: none"> <li>▪ Supplier business review meeting</li> <li>▪ Management seminars on environmental safety &amp; health and CSR</li> </ul>	
 <b>Community / Non-profit Organization / School</b>	<ul style="list-style-type: none"> <li>▪ Pollution prevention</li> <li>▪ Sustainability and environmental education</li> <li>▪ Social participation and technology caring</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>▪ Co-organization of activities</li> <li>▪ Participation in related organizations and forums</li> <li>▪ Inviting communities and non-governmental organization to participate in corporate events</li> <li>▪ Organize technology contests or talent training courses</li> </ul>	3.3 Responsible Production 6.1 Social Caring and Technology Education 6.2 Sustainability Education
 <b>Government</b>	<ul style="list-style-type: none"> <li>▪ Corporate governance</li> <li>▪ Legal and regulation compliance</li> <li>▪ Risk management</li> <li>▪ Climate change and carbon management</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>▪ Correspondence</li> <li>▪ Participation in conferences</li> <li>▪ Participation in related industry associations and government activities</li> </ul>	Chapter II Sustainable Governance 3.2 Climate Change Mitigation and Adaptation
 <b>Media</b>	<ul style="list-style-type: none"> <li>▪ Company operational performance</li> <li>▪ Company sustainability practices</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>▪ Press conference</li> <li>▪ Press release</li> <li>▪ Interview</li> <li>▪ Topical reporting</li> </ul>	Publicly publish CSR Reports to provide media partners with accurate and complete non-financial information.

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### 1.1.4 Identification of Material Topics

After established the stakeholder groups, we use a questionnaire survey to collect the opinions from all stakeholders, and conduct the matrix analysis based on the degree of stakeholders' concern on each issue and the impact of the issue on economy, environment and society. We also refer to the trends of domestic and international sustainability disclosure and the material topics identified by benchmarking companies and industry in order to regularly review and screens the issues.

In 2019, GIGABYTE added 2 material topics and amended the names of 2 topics to connect with the international focused aspects and social requirements. The amendments are as follows:

- **Added "Information Security Management"**  
With the development of information technology, businesses have been able to collect and accurately use data in large quantities. However, the concerns of information security also increase at the same time. GIGABYTE actively responds to the international emphasis on personal data security, and fulfills our duty to protect customers' rights and privacy.
- **Added "Circular Economy"**  
The linear economic development model of "take-make-dispose" has

obviously caused serious social and environmental problems. As an international brand and a large motherboard manufacturer, GIGABYTE continues to improve the product design and process transformation and takes promoting circular use of resources as our unshirkable duty.

- **Amend "Greenhouse Gas Emissions and Carbon Management" to "Climate Change and Carbon Management"**  
Businesses must not only be responsible to own carbon emissions, but also actively participate in climate change mitigation and adaptation through multiple actions, and strengthen organizational resilience to respond to climate-related risks and financial shocks, and minimize losses as much as possible.
- **Amend "Friendly Product" to "Responsible Production and Consumption"**  
In addition to paying attention to the quality of our own products, GIGABYTE also believes that corporate social responsibility should be extended to the entire value chain. From source material management to end-consumer education are all our concerned emphases.

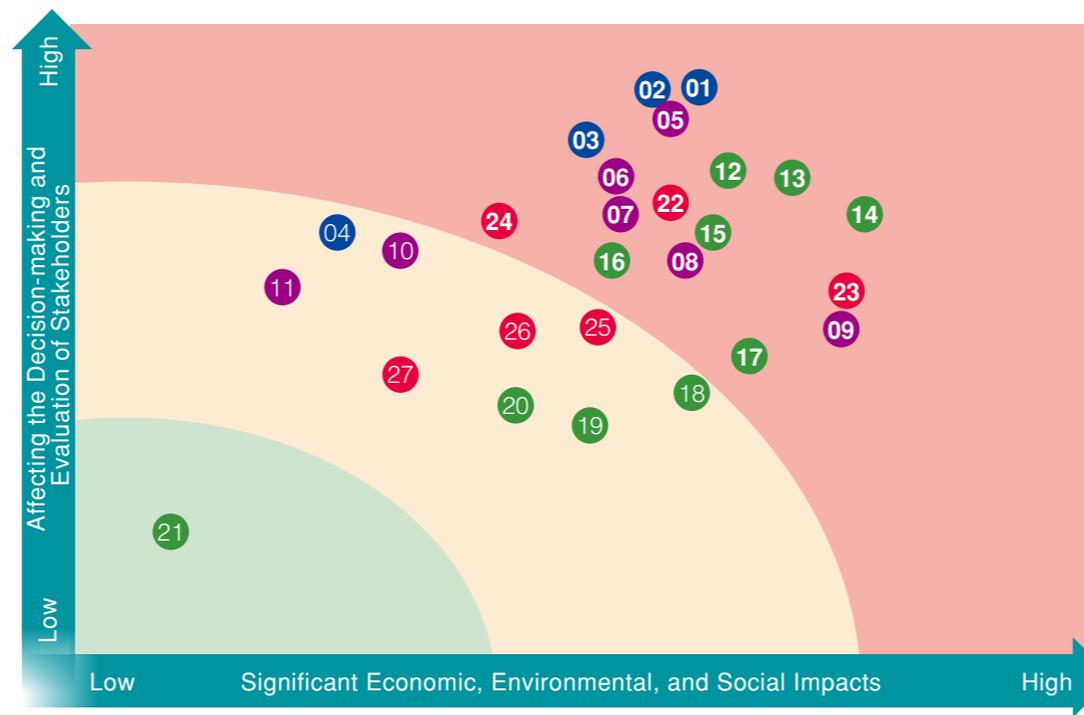
In 2019, GIGABYTE defined 27 material topics and selected 17 highly material topics to be disclosed in priority through a rigorous identification process.

#### Major Subject Identification Process



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2019 GIGABYTE Material Topics Matrix

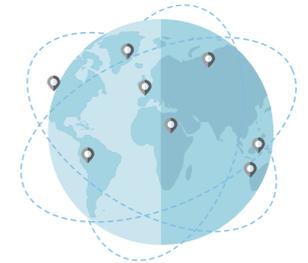


## Governance Aspect

- 01 Moral Integrity and Code of Conduct
- 02 Corporate Governance
- 03 Legal and Regulation Compliance
- 04 Stakeholder Communication and Complaint Processing

## Economic Aspect

- 05 Financial Performance
- 06 Risk Management
- 07 Brand Management
- 08 Innovation Management
- 09 Sustainable Supply Chain Management
- 10 Customer Relationship Management
- 11 Information Security Management



## Environmental Aspect

- 12 Hazardous Substance Management
- 13 Climate Change and Carbon Management
- 14 Responsible Production and Consumption
- 15 Environmental Policy and Management System
- 16 Pollution Prevention
- 17 Circular Economy
- 18 Ecological Conservation
- 19 Sustainability and Environmental Education
- 20 Energy Management
- 21 Water Resource Management

## Social Aspect

- 22 Occupational Health and Safety
- 23 Conflict Minerals
- 24 Labor Relation
- 25 Talents Cultivation and Retention
- 26 Human Rights, Equal Opportunity and Diversity
- 27 Social Participation and Digital Inclusion

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## 1.1.5 Material Topics and Impact Boundaries

In order to make stakeholders more aware of the impact of each material topic on the company as well as overall value chains, environment and society, we present the direct impact and indirect impact that may be caused by each material topic in a matrix table.

【●】 Direct Impact: The topic has a direct impact on the Boundary.

【○】 Indirect Impact: The topic has an indirect impact on the Boundary, or is related to the Boundary because of commercial relations.

Material Topic	Definition of Internal Boundary		Definition of External Boundary				Responding GRI Standards	Corresponding Chapter
	GIGABYTE and Subsidiaries	The significance and impact of this topic on GIGABYTE	Supply Chain	Environment and Ecology	Community and Social Organization	Consumer		
Moral Integrity and Code of Conduct	●	<b>[Corporate Governance Aspect]</b> Since the establishment of GIGABYTE, we have always regarded basic legal and regulations compliance, ethical and integrity management, and supplemented with perfect corporate governance as the core corporate culture. This is the only way to enable sustainable development of the business while being responsible to both society and environment simultaneously.					Anti-corruption (205) Anti-competitive Behavior (206) Public Policy (415)	2.1 Integrity Management and Legal and Regulation Compliance
Corporate Governance	●		No applicable GRI Standards	2.2 Corporate Governance				
Legal and Regulation Compliance	●		●	●	●	Environmental Compliance (307) Customer Health and Safety (416) Marketing and Labeling (417) Socioeconomic Compliance (419)	2.1 Integrity Management and Legal and Regulation Compliance	
Financial Performance	●	<b>[Economic Aspect]</b> Innovative products and brand image, supplemented by prudent risk management, is the best way to create excellent and stable financial performance and be accountable to shareholders and employees. It is also the consistent persistence of GIGABYTE.				Economic Performance (201)	Overview of GIGABYTE	
Risk Management	●		No applicable GRI Standards	2.3 Risk Management				
Brand Management	●		○	○	○	No applicable GRI Standards	Overview of GIGABYTE	
Innovation Management	●		○			●	No applicable GRI Standards	2.4 Innovation Management
Sustainable Supply Chain Management	●	<b>[Sustainable Supply Chain Management]</b> Establish supplier alliances can maximize the sustainability performance of a corporation. GIGABYTE improves the sustainability performance of partners through supplier sustainability management, and that also advance more comprehensive environmental and social benefits.	●	○	○	○	Procurement Practices (204) Supplier Environmental Assessment (308) Freedom of Association and Collective Bargaining (407) Child Labor (408) Forced or Compulsory Labor (409) Supplier Social Assessment (414)	4.1 Sustainable Supply Chain
			○	○	○	○	No applicable GRI Standards	2.4 Innovation Management

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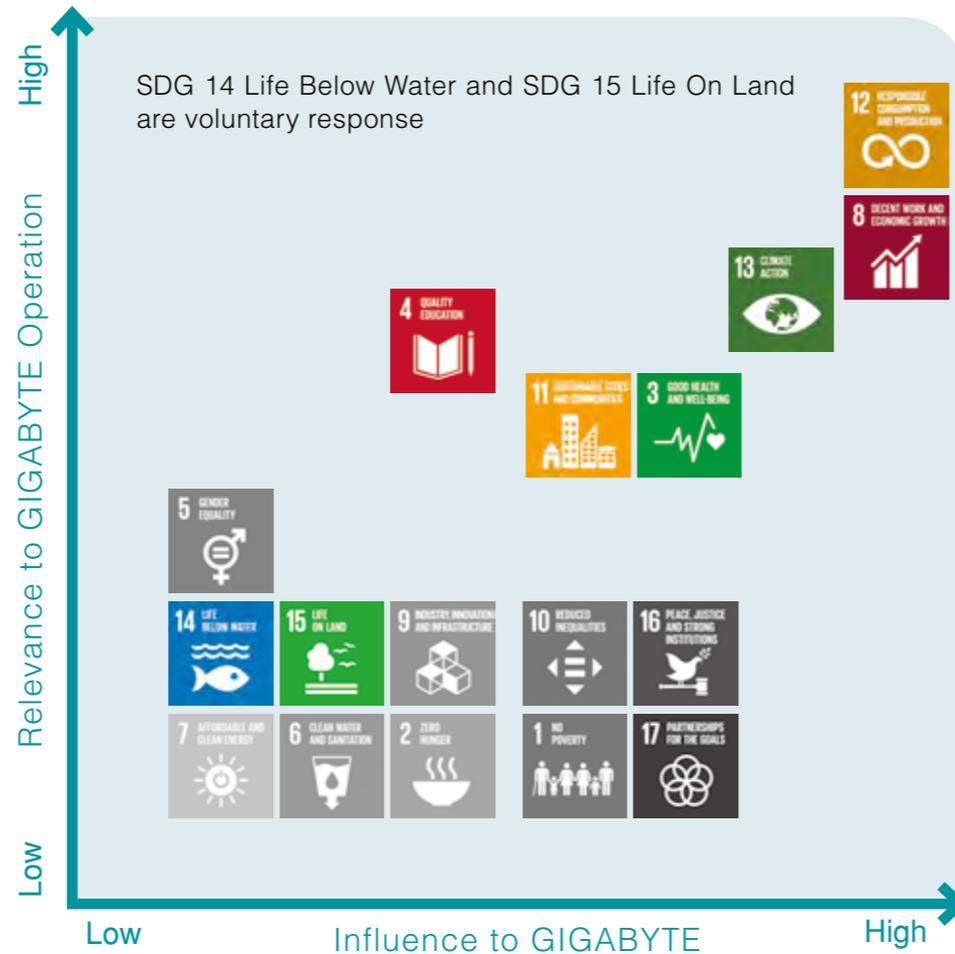
Material Topic	Definition of Internal Boundary		Definition of External Boundary				Responding GRI Standards	Corresponding Chapter
	GIGABYTE and Subsidiaries	The significance and impact of this topic on GIGABYTE	Supply Chain	Environment and Ecology	Community and Social Organization	Consumer		
Conflict Minerals	●		● GIGABYTE's management policy on conflict minerals will affect the suppliers' operations and processes.		● The restriction and management of conflict minerals will affect labor and human rights at local communities.		No applicable GRI Standards	4.1.4 Conflict Minerals Management
Environmental Policy and Management System	●	<b>[Environmental Aspect]</b> Perfect environmental management policies and product life cycle considerations enable GIGABYTE to connect with the trend of green products, and take corporate responsibility for environmental protection at the same time.		● A good environmental management system will greatly reduce the negative impact of operations on the surrounding environment and ecology			Energy (302) Water and Effluents (303)	3.1 Environmental Management
Hazardous Substance Management	●	Climate change is gradually threatening the original ecosystem and human survival. GIGABYTE also reduces operational risks and mitigates the negative impact through management and response measures.	● management policy on hazardous substances will affect the quality control standards of suppliers' raw materials.	● GIGABYTE Harmful Chemical Substances Requirements will greatly reduce the negative impact of products and processes on the environment in the waste disposal stage.		○ Protect consumers from being exposed to the risk of toxic hazard when using the product.	No applicable GRI Standards	3.3.1 Hazardous Substance Management
Pollution Prevention	●		○ GIGABYTE is committed to produce friendly products. The control of product waste disposal and discharge of pollutants in the process will urge the suppliers to produce cleaner, toxic free, easily recycled raw materials and semi-products.	● GIGABYTE is committed to produce friendly products. The control of product waste disposal and discharge of pollutants in the process will reduce the negative environmental impacts from production, use, and disposal stages.			No applicable GRI Standards	3.1 Environmental Management
Responsible Production and Consumption	●					● Consumers can choose products of more environmentally friendly and harmless to human body.	Materials (301) Waste (306)	3.3 Responsible Production
Circular Economy	●						No applicable GRI Standards	3.3.3 Resource Circulation and Recycling
Climate Change and Carbon Management	●		○ GIGABYTE's control of climate change and carbon emissions will affect the suppliers who must reduce carbon emissions in their product manufacturing processes.	● Reducing greenhouse gas emissions and mitigating climate change and extreme weather events can protect the fragile ecological environment.	● Ensure the safety of communities and people from the negative impact of climate-related disasters of extreme weather events and rise of sea level.		Emissions (305)	3.2 Climate Change Mitigation and Adaptation
Occupational Health and Safety	●	<b>[Occupational Health and Safety, Labor Relation, and Human Rights]</b>					Occupational Health and Safety (403)	5.3 Occupational Health and Safety
Labor Relation	●	Based on the concept of "Upgrade Your Life", GIGABYTE attaches great importance to the occupational safety of employees and is committed to maintain the balance of work and life in the workplace to ensure the physical and mental health of employees. This is also the key to stable manpower and smart capital.					Employment (401) Labor Relations (402)	5.2 Human Rights and Labor Relations Management

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## 1.2 Response to UN Sustainable Development Goals

Combining the sustainability goals of CSR Strategy Map and the Material Topics concerned by the Stakeholders, we are able to respond to the expectations and demands of stakeholders on GIGABYTE, while also respond to the United Nations Sustainable Development Goals (SDGs). Through the matrix analysis, we selected 6 primary response goals related to GIGABYTE's core capabilities and operational development goals, and additionally responded to two more goals independently. We reveal actual actions in the Report in order to improve the project reviewability and comparability, and continue to operate and practice SDGs.

■ Matrix Analysis of Material SDGs to GIGABYTE



### Responsible Consumption and Production

Linking particular targets: 12.2、12.4、12.5、12.6、12.8

Corresponding chapter in the Report: 3.1 Environmental Management, 3.3 Responsible Production, 4.1.4 Conflict Minerals Management

- Release "GIGABYTE Harmful Chemical Substances Requirements" and request all suppliers to comply with the regulations.
- Introduce product life cycle assessment, release Product Environmental Reports to reveal 12 environmental impact aspects.
- Promote the 333 Reduction Plan and the Reduction Reward Program to respond to low-carbon, energy-conservation and circulation goals from corporate culture, product research and development to manufacturing processes.
- Request the suppliers to abide by the Responsible Business Alliance (RBA) Code of Conduct and do not use minerals from conflict sources.



### Decent Work and Economic Growth

Linking particular targets: 8.2、8.5、8.7、8.8

Corresponding chapter in the Report: Overview of GIGABYTE, 4.1.1 Overview of Supply Chain, 5.2 Human Rights and Labor Relations Management

- Appropriate 3% of revenue every year to research and develop brand new technologies and products to bring more convenient technology life to the world.
- Based on the Responsible Business Alliance (RBA), ISO14001, 45001 and other Corporate Code of Conduct set by international regulations, shape an equal and diverse workplace, and implement the four zero-tolerance regulations of suppliers, prohibit the use of child labor, compulsory labor and prison labor to implement labor human rights
- Provide computer hardware and technology education resources for organizations supporting people with disabilities for many years to help the disabled get a job.

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## Climate Action

Linking particular targets: 13.2、13.3

Corresponding chapter in the Report: 3.2 Climate Change Mitigation and Adaptation, 6.2 Sustainability Education

- Conduct greenhouse gas inventory every year and get verified by a third-party to track the status and trend of greenhouse gas emissions.
- Introduce SBT tools to link to the worldwide goal to keep the global temperature rise below 2°C.
- Respond to the UNEP's "Trillion Tree Campaign", cooperate with German Plant-for-the-Planet Foundation to launch the "Make the Earth Green Again" program, and commit to planting 75,000 trees for the earth.



## Sustainability Cities and Communities

Linking particular targets: 11.6、11.7

Corresponding chapter in the Report: 6.2 Sustainability Education

- Build the G-HOME GIGABYTE Sustainable Eco-Roof with the concepts of energy conservation, low maintenance and interference, and ecological co-prosperity.
- Actively promoting the concept of roof-greening to extend urban greenways.



## Life Below Water (Voluntary Response)

Linking particular targets: 14.1

Corresponding chapter in the Report: 3.3 Responsible Production, 6.2 Sustainability Education

- Introduce 100% plastic-free RFP, made of rice husk, as packaging materials to replace plastic materials in order to reduce from the source to protect the ocean.
- Establish the corporate volunteer club, "Go Green Club", and launched the "Thousand Mile Trek - Go Green Taiwan" to travel around Taiwan on foot and pick up trash, responding to the pollution problem of marine trash.



## Good Health and Well-Being

Linking particular targets: 3.4、3.8、3.9

Corresponding chapter in the Report: 3.3 Responsible Production, 6.1 Social Caring and Technology Education

- The bases in Taiwan initiate at least 3 blood donation activities every year to support the country's blood demand and look forward to reducing the mortality rate of the blood-related diseases.
- Start to develop "GIGABYTE MWC Online" to sense the ambulance travel route and automatically adjust the traffic signal system, to improve the patient treatment rate.
- Avoid environmental and human body burdens through hazardous substance control and friendly product development to protect the health and safety of consumers as well as ecosystem.



## Quality Education

Linking particular targets: 4.4、4.5、4.7

Corresponding chapter in the Report: 5.1 Human Resource Management and Talent Cultivation

- Establish training and development plan for the employees with 3 main schemes, job function training, professional training and self-development.
- Organize technology education activities such as digital love and computer learning to minimize the digital division between cities and counties and between different ages.
- G-HOME Sustainable Eco-Roof receives Environmental Education Facility Certification and co-organizes Plant-for-the-Planet Academies to actively promote citizen sustainability education.



## Life on Land (Voluntary Response)

Linking particular targets: 15.5

Corresponding chapter in the Report: 6.2 Sustainability Education

- Respond to UNEP's Billion Tree Campaign, cooperate with German Plant-for-the-Planet Foundation, to establish the "Make Earth Green Again" program, a 3-year tree-planting plan in Mexico. We plan to plant trees together with the consumers and cooperation partners.
- Hold working holiday activities and respond to the Taiwanese leopard cat protection for 3 years consecutively.
- Import urban bee-keeping to spread the ecological value of G-HOME and be concerned about the issue of bee disappearance.

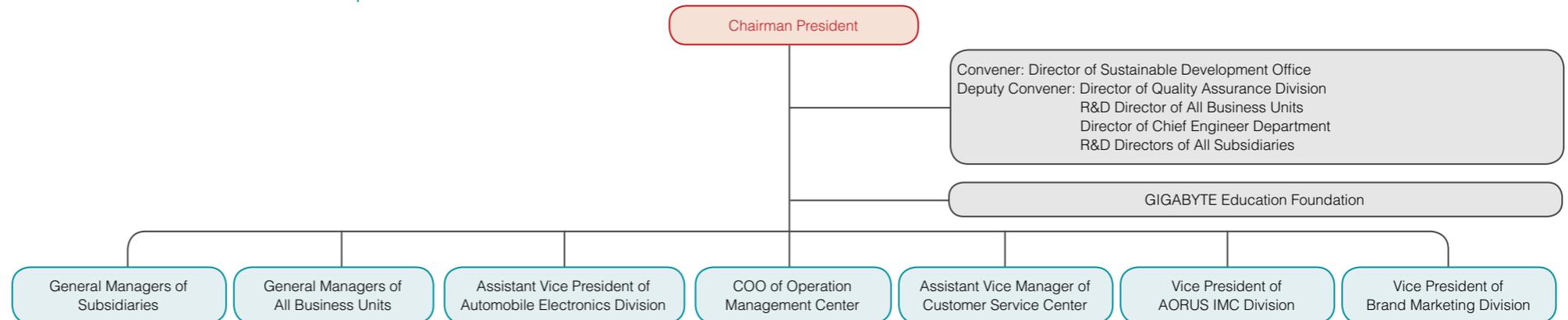
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### 1.3 Organization for Promoting Sustainable Development

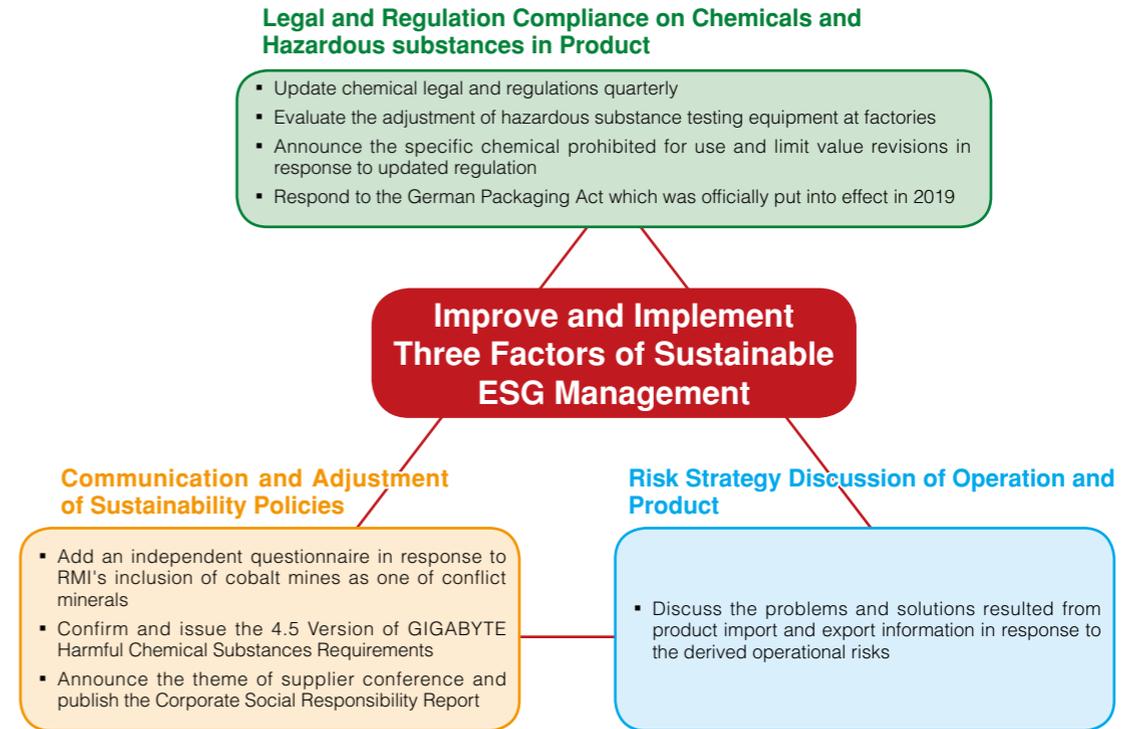
The "Green Sustainable Development Committee" is the decision making and operational organization on the promotion of sustainable development affairs in GIGABYTE. The Chairman, Pei-Cheng Yeh, serves as the chairperson, and the Director of the Sustainable Development Office serves as the convener. Representatives from each BU, site, and subsidiary are requested to join in monthly meetings. Each representative reports the status or trend of the current sustainability, environmental and product regulations. At the same time, they propose responding strategies to the Company in order to timely adjust the internal policy and keep up with the global tendency.

The conclusions and messages from the monthly meetings are regularly reported to the Office of the President during the joint monthly report. The implemented result of sustainable development in the year as well as the executive plan of the next year are also reported to the board of directors for the purpose of effectively urging close integration of corporate governance policies with sustainable development trends. We hope that GIGABYTE can always lead the way in implementing corporate sustainable development.

#### ■ GIGABYTE Green Sustainable Development Committee



#### ■ 2019 Main Communication Issues of GIGABYTE Green Sustainable Development Committee



# Chapter 2

## Sustainable Governance

### 2.1 Integrity Management and Legal and Regulation Compliance

### 2.2 Corporate Governance

#### 2.2.1 Board of Directors and Management Team

#### 2.2.2 Remuneration Committee

#### 2.2.3 Audit Committee

#### 2.2.4 Internal Audit

### 2.3 Risk Management

### 2.4 Innovation Management

Material Topics of This Chapter	Moral Integrity and Code of Conduct	Legal and Regulation Compliance	Corporate Governance	Risk Management	Innovation Management
<b>Management Approach</b>	Construct an effective corporate governance structure and improve the education training system, capable of practicing the responsibility of the sustainable governance with the principle of honesty and integrity.			Construct an effective risk management mechanism to reduce operational impacts and maintain operational stability.	Connect with technological trends, maintain innovation energy, and retain corporate competitiveness
<b>Policy and Action</b>	Establish the "Code of Business Conduct", "Employee Ethical Code of Conduct", "Procedural Rules of Board of Directors", "Operating Procedures of Internal Material Information Process", and publicly comply with the Responsible Business Alliance (RBA) since 2011.			Establish the Operational Risk Management Office to control risks of trade, production and sales, and formulated the "Regulations for Group Confidential Information Management", "Regulations for Personal Data Protection and Management", and other relevant internal rules.	Formulate the "Rewarding Regulation for Patent " and "Rewarding Regulation for Awarded Products".
<b>Vision and Goal</b>	The rate of new employees signing the "Employee's Ethical Code of Conduct" reach 100%. Provide RBA education and training regularly every year for national and foreign employees, supervisors, seed lecturers.	No major violations (with a fine exceeding NTD 1 million).	Continue to participate in corporate governance evaluations and improve governance strategies based on the evaluation results.	Continue to expand the scope of operational risk management and improve operational stability.	The number of patents and awards received each year grows steadily.
<b>2019 Major Achievement</b>	<ul style="list-style-type: none"> <li>● The signing rate reached 100%.</li> <li>● A total of 12 sessions was held in 2019 with 926 participants.</li> </ul>	<ul style="list-style-type: none"> <li>● No violation occurrence in 2019.</li> </ul>	<ul style="list-style-type: none"> <li>● Ranked between the range of 21~35% in the 2019 corporate governance evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>● The Operational Risk Management Office was established in 2019 to gradually improve the risk management strategies.</li> </ul>	<ul style="list-style-type: none"> <li>● Awarded 121 patents in 2019, an increase of 4.8% compared with the previous year.</li> <li>● Won 233 awards in 2019, an increase of 1.54% compared with the previous year.</li> </ul>

● Stage objective completed  
 ● In progress  
 ○ Not yet implemented  
 ● Stage objective not yet achieved

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## 2.1 Integrity Management and Legal and Regulation Compliance

Morality and integrity have been the core corporate culture of GIGABYTE since its founding. Only by operating with integrity and taking the responsibility to the society into account can reach the corporate sustainable development.

GIGABYTE complies with the Responsible Business Alliance (Responsible Business Alliance, RBA) publicly, self-examines with the highest corporate ethical code of conduct, and establishes the Code of Business Conduct with reference to its provisions to provide guidance aiming at an equal and safe working environment, legal compliance duties, external business activities and corporate asset protection. To urge employees to abide by this Code, GIGABYTE requires every new employee to sign the "Employee's Ethical Code of Conduct", and also provide education training of anti-corruption, intellectual property rights, etc., to fully shape the Company's emphasis on morality and integrity.

(For more details of the Code of Business Conduct please refer to [GIGABYTE CSR Website.](#))

GIGABYTE also promises that all business activities are fully comply with the laws and regulations of the country and region where GIGABYTE operates, and encourages employees to formulate and implement self-standards with higher standards than the original law, and also refers to or cites internationally recognized standards to actively promote social and environmental responsibilities and business ethics. The Legal & IP Affairs Division is responsible for regular supervision within the Company and tracking of domestic and foreign business locations as well as laws and regulations of the product sales areas. All the Company's employment practices, supply chain management, and customer service are in compliance with international relevant trade tariffs, fair trade, hazardous substance prevention, anti-bribery, anti-boycott laws and regulations, human rights standards, and other conventions and regulations.

In 2019, GIGABYTE conducted Responsible Business Alliance (RBA) education trainings for general employees and supervisor as well as foreign employees. A total of 12 sessions, with 926 participants, were held.

In addition to education and training, we also provide employees with a safe and anonymous appeal channel. The highest level that employees can submit comments or reports to is the Vice Chairman. Upon receipt of the appeal letter, the project management will be initiated, and appropriate punishment will be taken depending on the severity of the circumstances. Moreover, the objects of appeal are also extended to the Company's dealers to ensure that employees can strictly observe the ethical boundaries between business transactions. In order to build a perfect anti-corruption environment, we promise that if the Company's business losses are caused by compliance with the regulations, it will be verified that no punishment for the employees or make them fall into adverse consequences. In 2019, GIGABYTE did not have any violation occurrence of moral integrity and local laws and decrees.



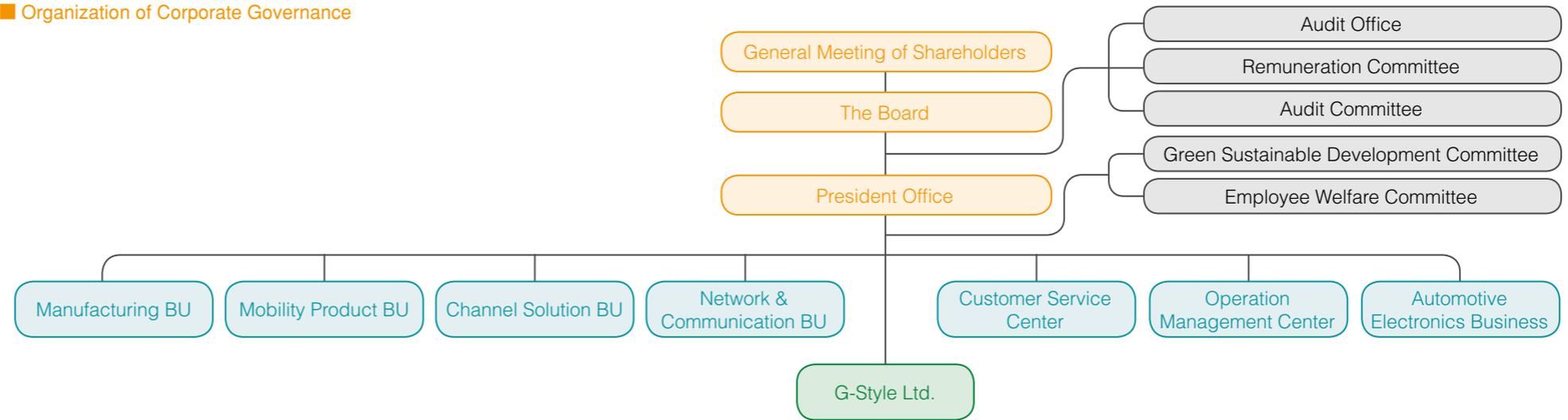
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## 2.2 Corporate Governance

Robust corporate governance is the backbone of business operations. Through the transparent governance organization and a prudent decision-making process, GIGABYTE ensures that every step of operation strategy can take full account of all stakeholders. At the same time, taking the relevant laws and principles of corporate governance as the standard, we attach

importance to shareholders' rights and interests, ensure the transparency of the operating status, regularly conduct internal audits and self-examinations, and successively formulate all types of clear regulations such as the "Board of Directors' Procedural Rules" and "Internal Material Information Process Operating Procedures", to enable the operation team to manage with due diligence and fulfill social responsibilities.

### ■ Organization of Corporate Governance



### 2.2.1 Board of Directors and Management Team

The Board of Directors is the highest joint discussion organization for business management activities. In 2019, the GIGABYTE Board of Directors consists of 9 Directors, all of whom are male, aged between 50 and 59. In order to firmly stand by the fairness and independence of decision-making, and through the rich experience from academics, industry and other professionals, the Board of Directors has 3 independent directors with professional backgrounds in financial accounting, law, industry, and management. The average attendance

of Directors was 90.5% in 2019. The Directors also regularly participate in relevant continuing education courses on corporate governance, industry trends, laws and regulations revisions to maintain professional advantage and competence.

(For the background of all Directors, please refer to [GIGABYTE Investor Website.](#))

(For the continuing education that the Directors participate, please refer to [GIGABYTE's 2019 Annual Report](#))

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## 2.2.2 Remuneration Committee

In order to assess the achievement of performance goals for the Company's directors, supervisors, and managers, and to maintain the appropriateness of individual remuneration, GIGABYTE established the Remuneration Committee in 2011 in accordance with the Securities and Exchange Act. In June 2018, according to the resolution of the Board of Directors, Mr. Wang, Hwei-Min, an independent director with professional qualifications, work experience and independent conditions, and 3 external consultants, Mr. Yang, Cheng-Li, Mr. Wu, Jie-Xin, and Mr. Cai, Zheng-Zhe were appointed as members of the 4th Remuneration and Remuneration Committee. The independent director, Mr. Wang, Hui-Min was elected as the Convener of the 4th Remuneration Committee by all members of the Remuneration Committee. Mr. Wu, Jie-Xin resigned in June 2019 and Mr. Chan, Yi-Hung was appointed as the independent director. The term of this Committee Member is until June 2021. The Committee held 4 meetings in 2019, with the average attendance rate of 93%.

(For the details of composition, responsibilities and operation condition for the Remuneration Committee, please refer to [GIGABYTE's 2019 Annual Report](#))

### ■ A Comparison between the Highest Annual Income<sup>[1]</sup> and Wage Adjustment and the Medium of General Employees<sup>[2]</sup> Gross Income and Adjustment

	Taiwan		China	
	Highest Remuneration	Median of General Employee	Highest Remuneration	Median of General Employee
Ratio to Median Multiple	25	1	6.7	1
Salary Adjustment Percentage	3.8%	1%	2.47%	1%

[Note 1] The Highest Annual Income: The sum of fixed salary and floating salary.

[Note 2] General Employees: The statistical benchmark is based on the employees in service at the end of December 2019.

## 2.2.3 Audit Committee

The Audit Committee is to supervise the proper expression of the Company's financial statements and independence and performance of the certified accountants, as well as to ensure the Company's compliance with laws and the effectiveness of the internal control system. Hence, the Committee meetings are convened at least once every quarter, and convened at any time whenever necessary. Meeting resolutions must be approved by more than one-half of all members in order to be a valid resolution, and meeting minutes shall be made according to laws and regulations and retained indefinitely. The Audit Committee of GIGABYTE in 2019 was composed by 3 independent directors, with a total of six meetings, and an average attendance rate of 72%.

## 2.2.4 Internal Audit

GIGABYTE's internal audit unit is an independent unit that reports directly to the Board of Directors. In addition to regular reports at routine Board of Directors meetings, the internal audit unit also reports to the Chairman monthly or anytime when necessary. The internal audit plan is an important part of corporate risk management, and can weigh and discover the performance of all departments and operational processes. For example, if there is a deficiency during the audit process, the auditor will immediately notify each audited unit or subsidiary to take appropriate improvement measures. GIGABYTE's internal audit is divided into 10 major audit directions, including salary cycle, product production and equipment cycle, as well as receiving/payment and financing cycle related to cash flow, to comprehensively examine the Company's daily operation.

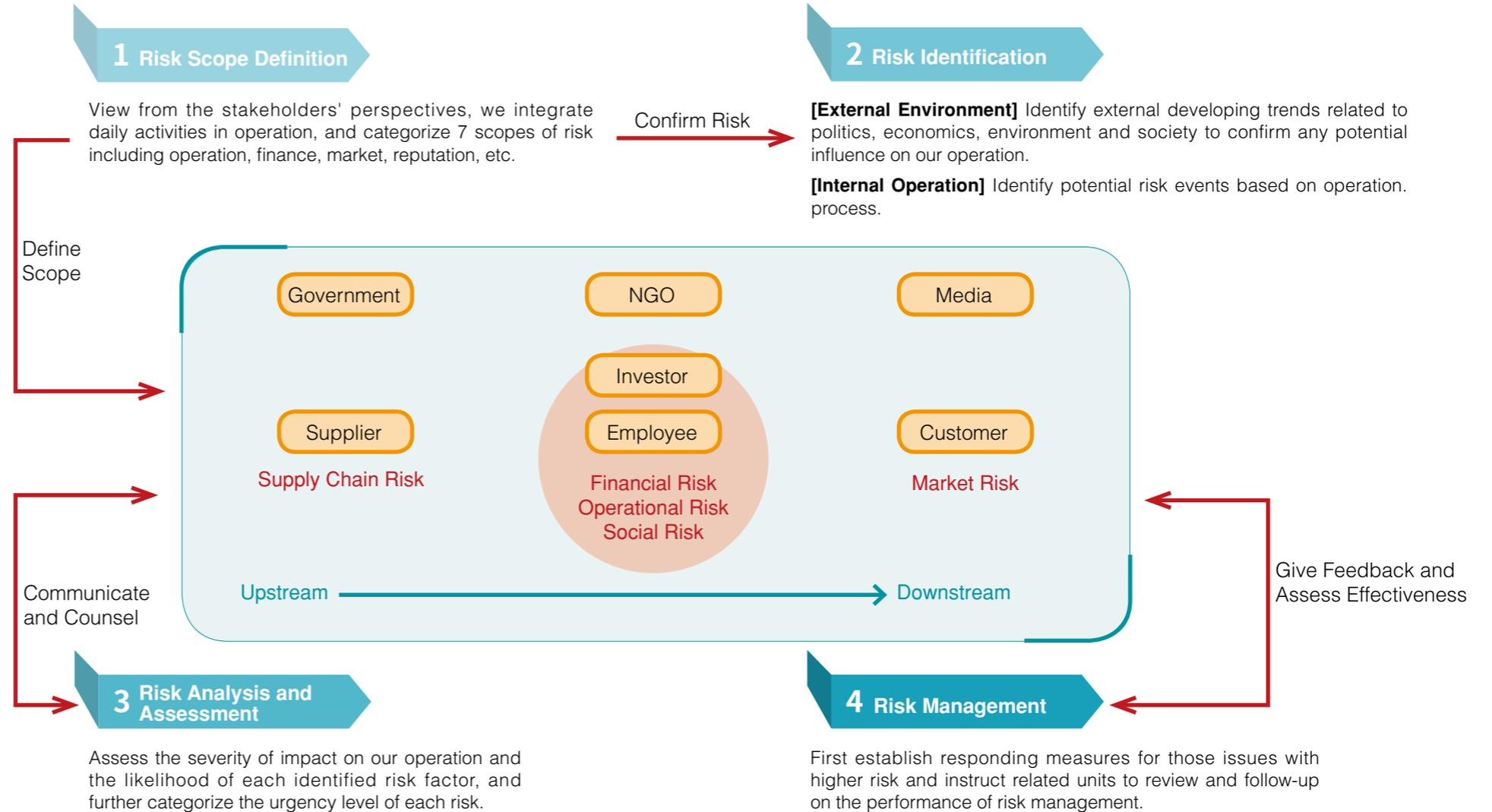
In addition to internal audit, GIGABYTE regularly discloses company-related information on the Company's website and TSE Market Observation Post System, and actively incorporates external evaluation mechanisms, such as participating in annual Corporate Governance Evaluation System by the Financial Supervisory Commission (FSC). GIGABYTE ranked between 21% and 35% in the 6<sup>th</sup> Corporate Governance Evaluation. We will keep taking the lesson from the evaluative results, list the insufficient part as the priority for future improvement, and expect to gradually improve our corporate governance.

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## 2.3 Risk Management

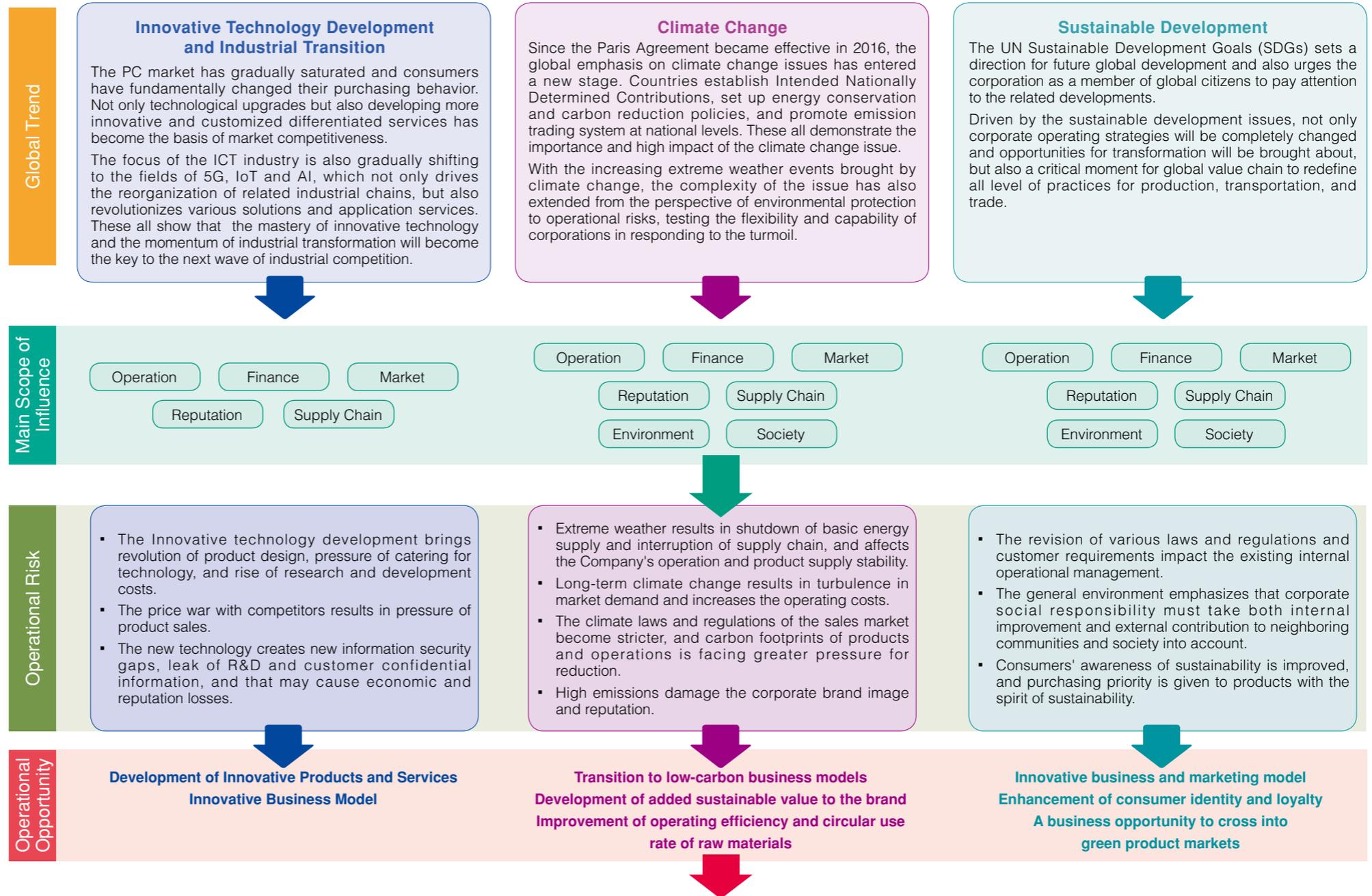
Corporate sustainable management shall be based on perfect risk control. GIGABYTE establishes a set of risk management and control models based on international trends, operational needs and sustainable development requirements. The model further establishes more detailed risk management and control strategies focusing on corporate operations, financial accounting, information security, supplier management, and occupational safety and health.

### ■ Risk Management and Control Model



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## ■ GIGABYTE Risk Management Strategy and Implementation Guidance



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### Corporate Operation Risk Management

GIGABYTE officially established the Operational Risk Management Office in 2019 to manage and control the product material number, excess materials and inventory, and monitor local tax regulations. Also, through employee's education and training to adjust trade strategies in real time. The scope of management will be expanded in the future in order to comprehensively identify possible operational risks.

[Overview of GIGABYTE](#)

### Financial Accounting Risk Management

The Board of Directors establishes overall financial risk policies, and also sets written policies for specific areas and items, such as interest rates, exchange rates, use of derivative and non-derivative financial work, and investment of remaining liquid funds, which are implemented by the Finance Division.

[Overview of GIGABYTE](#)

### Information Security Risk Management

Establish relevant information management methods in compliance with the Security Certified Authorized Economic Operator (AEO) Guidelines to ensure the availability, integrity and confidentiality of the Corporation's internal information. Besides, establish regulations for personal data protection and management to ensure the safety of customer information.

[4.2.1 Customer Service and Satisfaction](#)

### Innovation and Technology Risk Management

Become an industry pioneer through internal R&D and cooperation with different industries, and deploy 5G, IoT and AI markets.

[2.4 Innovation Management](#)



### Climate Risk and Carbon Management

Introduce ISO14064 and establish the internal Green Action Plan to promote friendly product research and development and arise sustainability awareness to all employees. Also, through participation in the CDP and introduction of Task Force on Climate-related Financial Disclosures (TCFD) framework to construct and improve the climate risk identification process and scenario analysis that linking the climate issues to financial impacts.

[3.2.2 Identification of Climate-related Risks and Opportunities](#)

### Supply Chain Risk Management

Establish 4 major management aspects and 15 sub-goals to comprehensively manage supplier's quality, price, service, and delivery. Expand the risk assessment scope to environmental and social aspects through corporate social responsibility audits and sustainability assessment questionnaires to identify highly risky suppliers. In response to the trade system and changes in tariffs in various countries as well as climate change, monitor and management of trade risks and water risk has been expended in 2019.

[4.1.2 Supply Chain Risk Management](#)

### Occupational Safety and Health Risk Management

GIGABYTE inspects the working environment and process from time to time every year based on site environmental considerations, degree of hazard impacts, and current control methods. The Environmental Safety and Health Division organizes the hazard identification and risk assessment surveys, divides the environmental safety and health related risks into 4 levels, and checks whether the existing management process is adequate one by one.

[5.3.1 Environmental Safety and Health](#)

### Employee Health Risk Management

According to the annual health examination results, divide the health status of employees into 4 levels. Since 2020, initiate special tracking management and provide medical subsidies for the high-risk groups. Combine daily health activities and promotion, overwork and ergonomic hazard prevention, as well as Employee Assistance Programs (EAP) to maintain the physical and mental health of employees and reduce the risk of occupational diseases.

[5.3.2 Healthy and LOHAS Workplace](#)

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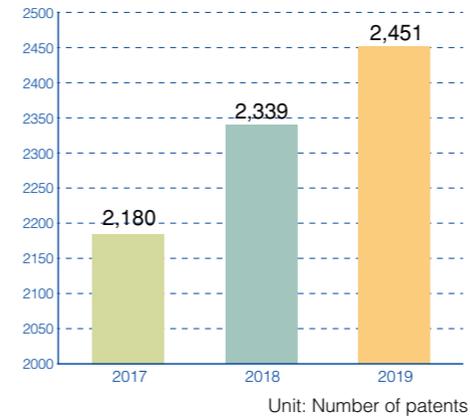
## 2.4 Innovation Management

GIGABYTE strives to the research and development of innovative products, expecting to be closer to the needs of consumers and co-exist in harmony with the environment and society. GIGABYTE has been awarded more than 100 patent certifications in the past three years, and has cumulatively awarded 2,451 patents until 2019. In addition, through the internal patent incentive mechanism, employees are encouraged to compete for innovation and practice creativity.

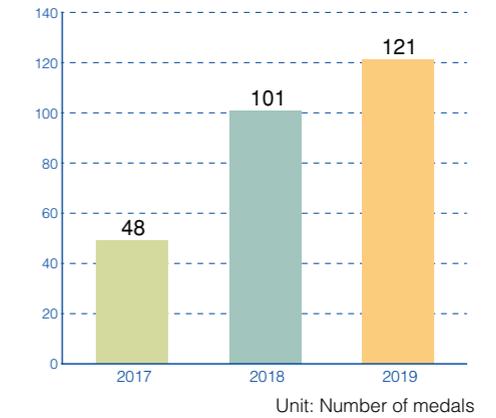
### 2019 Innovative Technology Highlights

GIGABYTE uses brand-new technologies and hopes to provide a powerful assistance to the sustainable development of society. In addition to the high-quality heat dissipation technology that has been cultivated for a long time, GIGABYTE also crosses into the field of smart life and smart agriculture, laying a solid foundation for the construction of sustainable cities and stable food production.

■ Cumulative Number of Patent Approvals



■ Number of Internal Patent Medals Awarded



### Smart Agriculture

GIGABYTE uses the IoT technology to develop a smart agricultural service system to assist greenhouse forecasting and real-time response to farm environmental condition factors. Farmers can also monitor farm conditions at any time through the series connection with the back-end data center. The back-end cloud computing technology can also automatically analyze crop growth information at the same time and establish an agricultural database, which not only retains valuable farming knowledge, but also helps increase crop yields and stabilize agricultural product quality.



### Smart Life

#### [Smart Security Protection]

The AI face recognition solution completely developed by GIGABYTE is suitable for all types of recognition fields. It can analyze and compare a large amount of data through the AI engine to continuously improve the recognition accuracy. This system at present assists the Company's in controlling personnel access, and can immediately issue warning notices in order to achieve high-standard of area control.



#### [Smart Retail]

Through alliance development with strategic partners, users will be able to wear clothing through personalized 3D imaging simulation and shop directly through the APP to obtain a complete one-stop experience. Not only does it save consumers the trouble of fitting clothes, but also creates a new shopping experience and business model.



### High Speed Heat Dissipation Achieving Low Energy-consuming Products

GIGABYTE is certain that the world has entered the era of "Data Economy". High-density computing will inevitably bring a lot of waste heat, and also affect the efficiency of equipment operations at the same time. Therefore, GIGABYTE launched the amazing heat dissipation technology - "2<sup>nd</sup> Generation Two-Phase Liquid Immersion Cooling Computing System" and "Distributed Water Cooling Solution" at the 2019 CES and COMPUTEX respectively. The technologies not only effectively lower energy consumption, but also reduce the probability of equipment damage and thus extend service life.



# Chapter 3 Green Production

- 3.1 Environmental Management
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Material Topics of This Chapter	Environment Policy and Management System	Climate Change and Carbon Management	Hazardous Substance Management Pollution Prevention	Responsible Production and Consumption Circular Economy
<b>Management Approach</b>	Shape a business model that enables harmonious coexistence with nature and internalization of environmental impacts.	Slow down the impact of corporate operations from the worsening climate change, and promote effective climate-related management and adaptation measures.	Take full responsibility as a manufacturer to reduce the impact of the product manufacturing process on the environment and strive for achieving resource circulation.	
<b>Policy and Action</b>	<ul style="list-style-type: none"> <li>▪ Introduce ISO 14001 Environmental Management System.</li> <li>▪ Promote the "333 Reduction Plan" and set annual and long-term reduction goals.</li> <li>▪ Promote the "Sustainability Fund" and "Reduction Reward Program" to stimulate internal energy conservation proposals.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce ISO 14064 and PAS 2050.</li> <li>▪ Participate in the CDP.</li> <li>▪ Introduce the Science-based Target (SBT) tool to review the carbon reduction plan to link with the global emissions control target.</li> <li>▪ Introduce TCFD framework for climate-related risk identification and scenario analysis.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce IECQ QC 080000.</li> <li>▪ Integrate international laws and regulations and publish GIGABYTE Harmful Chemical Substances Requirements (HCSR).</li> <li>▪ All waste, exhaust gas, and sewage by GIGABYTE are disposed in accordance with local laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce ISO 14051.</li> <li>▪ Release the "Product Environmental Reports" to disclose potential environmental impacts of products in each stage of lifetime.</li> <li>▪ Develop and introduce RFP material made by 100% rice husk.</li> <li>▪ Promote a circular business model that includes repair and maintenance, recovery, refurbishment and resale of electronic products.</li> <li>▪ Implement recycle of electronic products without limitation of brands in all Taiwan service bases.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>▪ 3% carbon reduction every year, 50% reduction in 2030 compared with 2009 base year.</li> <li>▪ Reduce water and waste by 3% every year, reduce water by 20% and waste by 50% in 2030 compared with 2010 base year.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to participate in CDP, continue to improve and urge climate management performance to maintain above the Management Level.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revise HSCR every year according to the latest chemical and substance laws and regulations.</li> <li>▪ No major violations of environmental protection.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Publish Product Environmental Reports for all product series.</li> <li>▪ Introduce RFP to more products and rise its application levels.</li> <li>▪ Extend product lifetime and expand the quantity of recycled products.</li> </ul>
<b>2019 Major Achievement</b>	<ul style="list-style-type: none"> <li>【●】 The carbon emissions in 2019 was increased by 2.87% compared with 2018, and the reduction was 41.87% compared with the base year.</li> <li>【●】 Received 11 internal reduction proposals, and converted to carbon-reduction benefits of 61,615 kg-CO<sub>2</sub>e.</li> <li>【●】 The water consumption in 2019 was reduced by 2.7% compared with 2018, and the reduction was 24.54% compared with the base year.</li> <li>【●】 The waste in 2019 was increased by 5.5% compared with 2018, and the reduction was 27.71% compared with the base year.</li> </ul>	<ul style="list-style-type: none"> <li>【●】 Both CDP Climate Change and Supplier Engagement Rating were scored A- (Leadership Level)</li> <li>【●】 Performed climate scenario analyses taking into account RCP2.6, RCP 8.5, and National Determined Contribution Situation (NDC) of Taiwan.</li> </ul>	<ul style="list-style-type: none"> <li>【●】 Revised and released version 4.5 of HSCR.</li> <li>【●】 No major environmental protection violations in 2019.</li> </ul>	<ul style="list-style-type: none"> <li>【●】 Released reports for 34 product series of 4 main product lines.</li> <li>【●】 Introduced RFP into tableware, dining utensils, straws, which were first purchasable to employees.</li> <li>【●】 The recycled, repaired, and refurbished electronic products reached 730,000 pieces.</li> </ul>

【●】 Stage objective completed    【●】 In progress    【○】 Not yet implemented    【●】 Stage objective not yet achieved

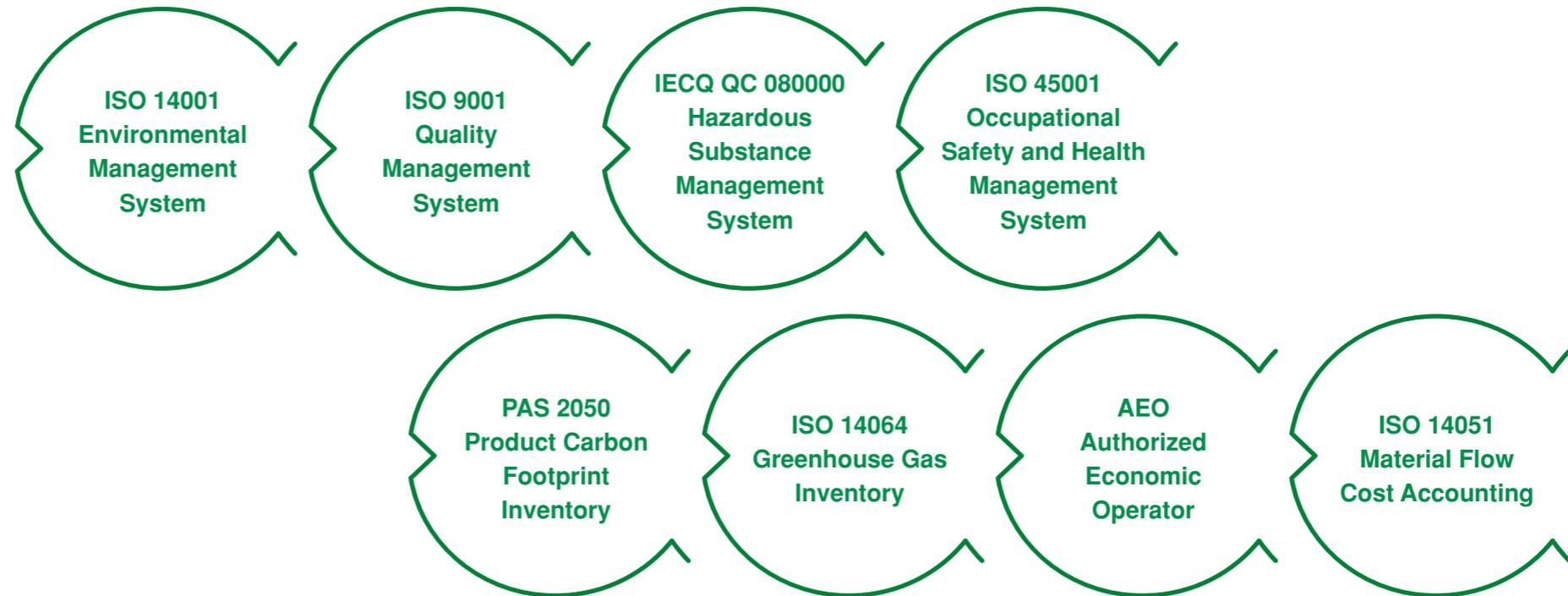
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## 3.1 Environmental Management

Reducing the impact of operations and manufacturing processes on the environment and maintaining the health and safety of employees is GIGABYTE's persistence and commitment to environmental management. We introduce ISO 14001, ISO14064-1, IECQ QC080000 and other management systems related to the environment and hazardous substances control to ensure that our daily operations and products comply with environmental standards, laws, and regulations. In terms of environmental performance management, we set the

greenhouse gas reduction to reach the mid-to-long-term goal of 50% reduction by 2030 compared with 2009. Also, the "333 Reduction" is set as a short-term goal that we request ourselves to achieve carbon, water and waste reduction by 3% respectively every year. To achieve the 333 Reduction, GIGABYTE cultivates employees to develop personal energy conservation and water-saving habits through incentive mechanisms, green contest and other activities and, at the same time, invests in the development of green and energy conservation products.

### ■ GIGABYTE Green Management System

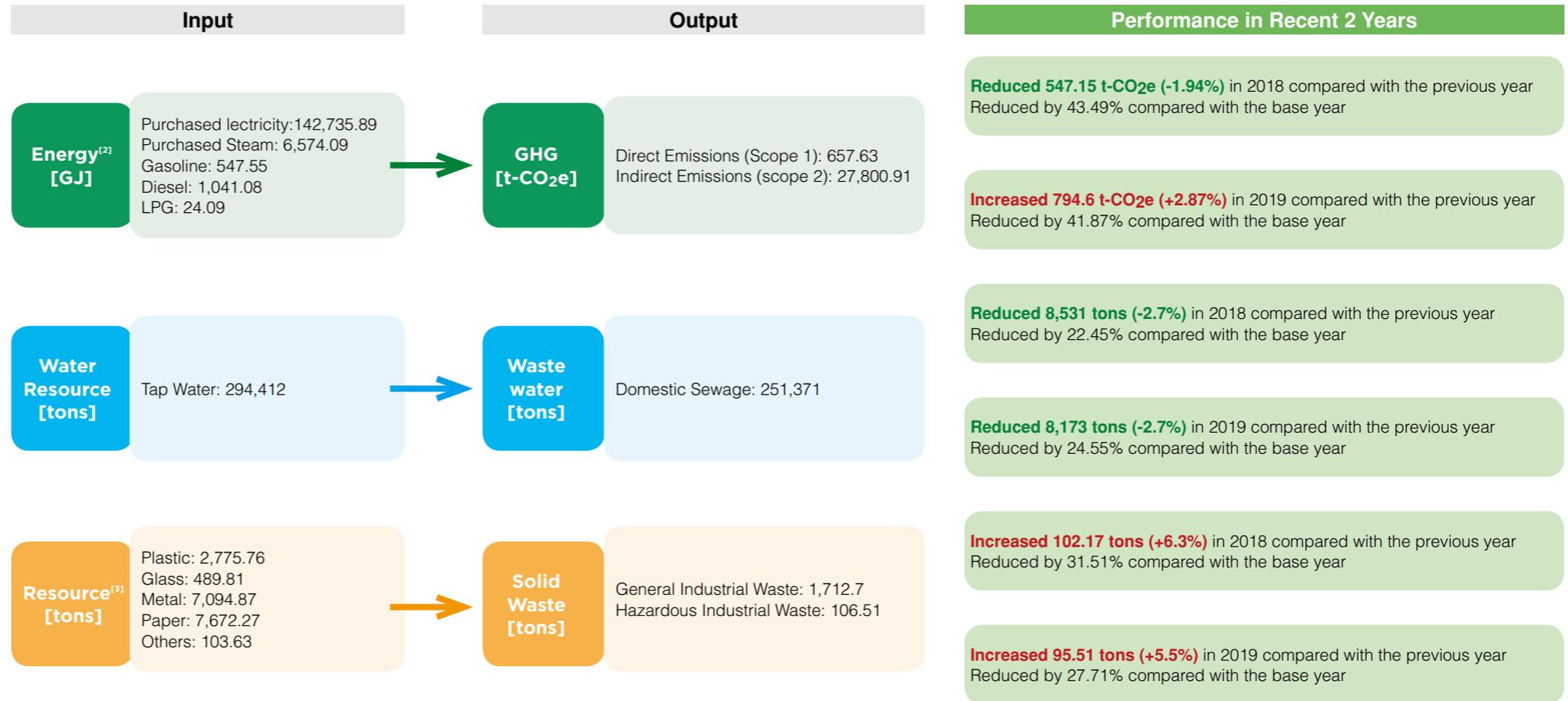


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### 3.1.1 Environmental Management Performance

In response to the China-US trade war in 2018-2019, GIGABYTE has redistributed and adjusted the production lines of the Nanping, Dongguan and Ningbo Factories, which consequently brought more difficulties in controlling resource consumption. In 2019, only water use was reduced, which decreased by 2.7% compared with the previous year. Both carbon emissions and wastes increased.

#### ■ Annual Input and Output of Environmental Resources



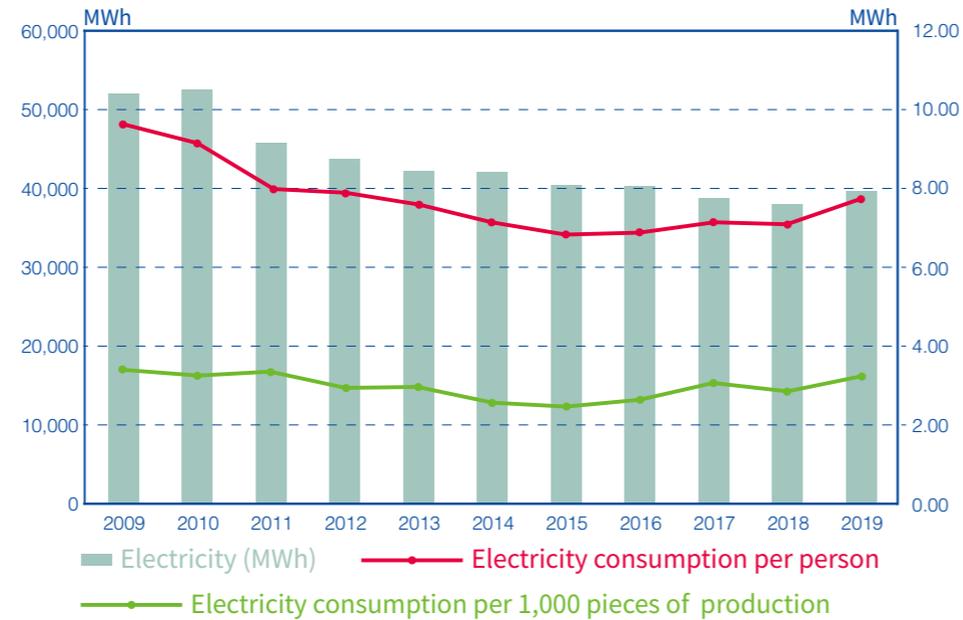
[Note 1] The scope of this table includes the Headquarters, Nanping Plant, Dongguan Plant, and Ningbo Plant.  
 [Note 2] The energy conversion unit is based on factors of the areas that the plants are located in. The factors of vapor, liquidized petroleum gas and gasoline take reference from the data in China. The factors of diesel and gasoline take reference of the conversion table of heating value from the energy statistic book published by the Bureau of Energy, Ministry of Economic Affairs.  
 [Note 3] The input resources include packaging materials used by all products and the input resources for ATX, Micro ATX and Mini ITX motherboards.  
 [Note 4] General industrial waste includes domestic waste.

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## Energy Conservation

Electricity is the main type of energy used in GIGABYTE's daily operations and manufacturing processes. Therefore, we continue to achieve electricity-saving targets in all aspects by replacing hardware facilities with high energy efficiency and implementing internal energy conservation education and training. The total power consumption of GIGABYTE in 2019 was 39,648.86 MWh, a slight increase of 4.33% compared with 2018. The increase was mainly due to the growth in production volume and the more complex functions of individual products, resulting in increased power consumption.

### GIGABYTE Electricity Consumption and Intensity Over the Years



### GIGABYTE Electricity-Saving Programs

Operation Base	Energy Conservation Project	Electricity Saving (Unit: KWh)	Energy Reduction (Unit: GJ)	Emission Reduction (Unit: t-CO <sub>2</sub> e)
Headquarters	Replacement of LED lighting	46,899,408	168,837.87	24,997.38
Dongguan Plant	Modification of water pump frequency conversion	26,640	95.90	22.29
Ningbo Plant	Modification of the automatic wind speed frequency conversion of the central air-conditioning system	52,000	187.20	41.84
Total		46,978,048	169,120.97	25,061.51

[Note 1] The types of reduced energy consumption are all electricity, and the calculation method is based on estimation.  
 [Note 2] Since the equipment replacement is different every year, the reduced quantity is compared with the energy consumption of the equipment before improvement.  
 [Note 3] The emissions reduction in Taiwan area is calculated in accordance to the Greenhouse Gas Emissions Factor Management Table version 6.0.4 (06/2019) by the Environmental Protection Administration, the Executive Yuan. The electricity emissions factor in 2018 is 0.533 (t-CO<sub>2</sub>e/MWh) announced by the Bureau of Energy, Ministry of Economic Affairs.  
 [Note 4] The carbon emissions reduction in China is calculated by the East China region emissions factor of 0.8046, and the South region emissions factor of 0.8367 (t-CO<sub>2</sub>e/MWh).



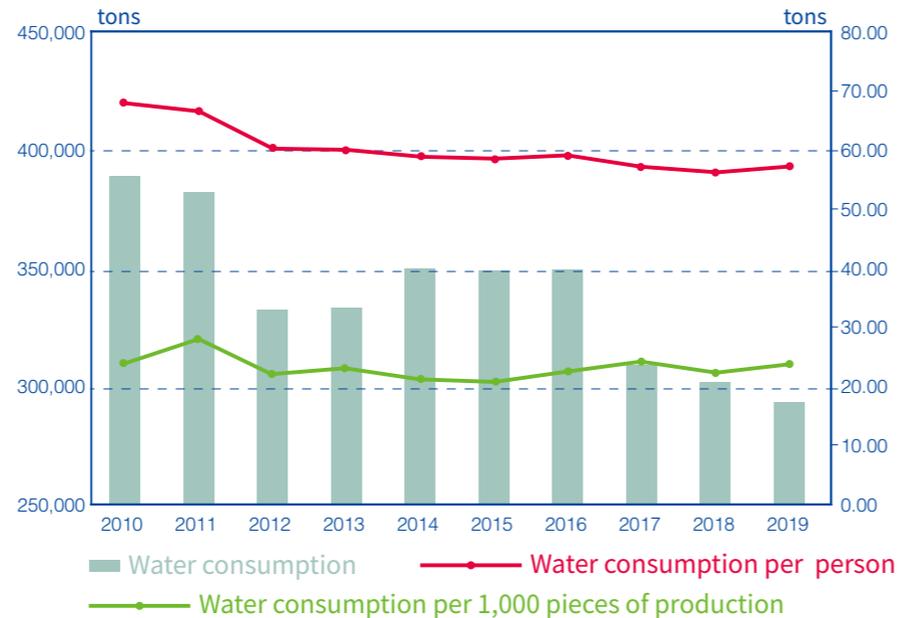
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## Water Resource Conservation

The manufacturing process of GIGABYTE's products is mainly assembly, which does not consume too much water, and the water sources for basic factory facilities and domestic water are tap water. The water resources management policies are promoted and implemented through mechanisms of water-saving policies, education promotion and annual performance reports. Besides, we also build the rainwater recovery system on the G-HOME Sustainable Eco-Roof, with the rainfall collection can cover about half of the irrigation water every year. In the future, we will continue to look for raw materials with low water consumption to achieve the reduction target of the product water footprint.

In terms of wastewater discharge, all GIGABYTE's wastewater is domestic sewage, and it is discharged into underground sewers in accordance with local laws and regulations. Thus, it has not caused impact on the environment and ecology around the business locations.

## GIGABYTE Water Consumption and Intensity Over the Years



## GIGABYTE Water Consumption in 2019

Unit: Megaliters

Classification of Water Resources	Total Water Withdrawal	Total Water Discharge	Total Water Consumption
Distinguish by the End Point of Water Withdrawal and Discharge			
Surface Water	-	-	43,041
Groundwater	-	-	
Seawater	-	-	
Produced Water	-	-	
Third Party Water	294,412	251,371	
Distinguish by Water Quality			
Fresh Water	294,412	251,371	43,041
Other Water	-	-	

[Note 1] Fresh Water: total dissolved solids  $\leq$  1,000 mg/L  
 [Note 2] Other Water: total dissolved solids  $>$  1,000 mg/L

## Waste Reduction and Pollution Control

The domestic waste, recyclable waste and hazardous industrial waste generated by GIGABYTE's operation have been commissioned to legal cleaning and transportation companies for disposal. The "333 Reduction Plan" sets a target of reducing waste by 3% every year. We are committed to reducing the waste gradually by improving the process and introducing circular thinking, with the ultimate goal of achieving "Zero Waste and Zero Pollution".

## GIGABYTE Total Waste Generation

Unit: Tons

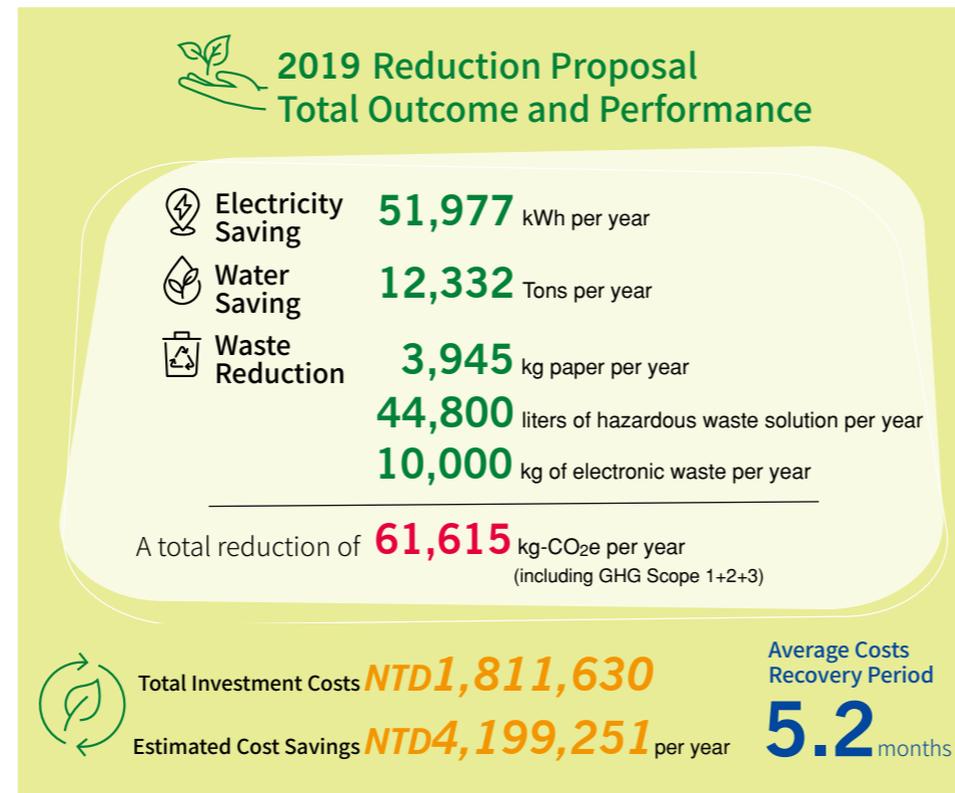
	General Industrial Waste				Hazardous Industrial Waste		
	Recycle and Reuse	Landfill	Incineration	Compost	Recycle and Reuse	Landfill	Incineration
Taiwan	376.8	-	187.96	7.55	43.3	-	-
China	830.17	310.22	-	-	61.32	-	1.9
Total	1,206.97	310.22	187.96	7.55	104.62	-	1.9

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In terms of pollution control, since the GIGABYTE process is relatively simple, both industrial waste and hazardous waste of the assembly-based factories are managed by legal contractors. Besides, the Ningbo Factory has installed the related equipment for disposal of paint exhaust gas and electronic exhaust gas in response to its special manufacturing process in order to properly treat and dispose xylene and non-methane hydrocarbon emissions.

### 3.1.2 Sustainability Fund and Reduction Reward Program

In 2019, GIGABYTE officially launched the 6-year "Sustainability Fund". We use annual energy savings as the basic source of the fund, which are divided into three aspects of energy conservation, reduction and low-carbon product proposals, and green projects related to climate change and sustainable



development. The program aims to comprehensively start the innovative thinking of factory, operation and product strategies and sustainable development plans, and increase the motivation and incentives for reduction to cultivate green design energy, and achieve the purpose of reduction by all employees.

### Outcomes of Reduction Proposals

The reduction reward program was implemented for the first time in 2019, and a total of 11 reduction and low-carbon product proposals were received. The proposals included lower electricity consumption design for products qualified for patent application, energy conservation and electricity saving measures of evaluating equipment replacement, introduction of waste liquid recovery devices, promotion of comprehensive replacement with environmentally friendly tableware in the factory area, and electronization of the operation process. Nearly 80% of the proposals have been implemented in 2019 or about to start in 2020, with both creativity and practicality. According to internal estimation, 11 proposals are expected to reduce carbon emissions by 61.6 t-CO<sub>2</sub>e every year after implementation.

### 3.2 Climate Change Mitigation and Adaptation

According to the World Economic Forum (WEF) 2019 Global Risk Report, climate change-related risks are on the top of list in terms of the probability of risk occurrence and the impact scale brought by risk, and extreme weather event has continued to hold top one of occurrence probability for three consecutive years. GIGABYTE has strived for mitigating the deterioration of climate change caused by business operations for the long term. In order to effectively promote climate-related management and adaptation measures, the GIGABYTE Green Sustainability Committee, chaired by the Chairman, is at the highest level to supervise the organizational carbon management and reduction target setting to the specific measure programs for implementation and performance tracking, and the Sustainable Development Office under the management of Operation Management Center as the main unit in charge of promotion and implementation. The Office regularly reports the progress and results of climate-related management to the Center, Committee and Chairman.

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### 3.2.1 Greenhouse Gas Management

With 2009 as the base year, GIGABYTE has set a long-term reduction target of cutting 50% carbon reduction by 2030, and implements an organized GHG inventory every year in accordance with ISO14064 to control the carbon reduction process and performance. In addition, the short-term carbon reduction target "333 Reduction Plan" has been set since 2016, striving for reducing carbon, water and waste by 3% every year compared with the previous year.

At present, companies are encouraged to respond to the call of the Science Based Targets Initiative (SBTi) around the world and establish carbon reduction targets with science based method to truthfully control global warming well below 2°C. Although GIGABYTE has not publicly committed to establishment of Science Based Targets (SBT), the SBTi recommended tools and target review standards were introduced in 2019 to review the gap between the existing carbon reduction target and the science based carbon reduction path as a basis for follow-up adjustment of carbon reduction targets.

#### Greenhouse Gas Inventory and Reduction Performance

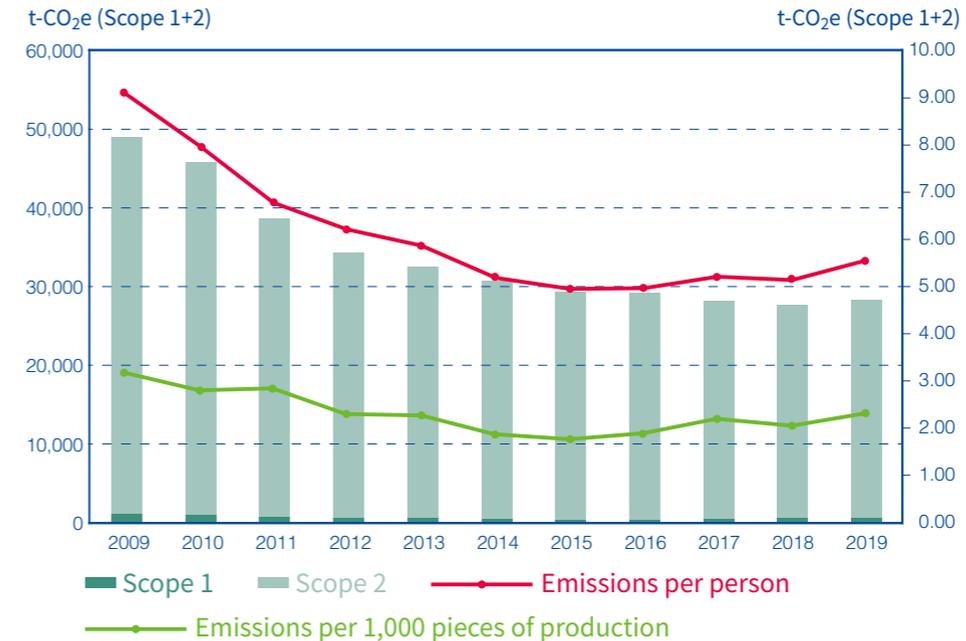
Since 2010, GIGABYTE has conducted GHG inventory and third-party verification annually. The scope of the inventory includes the Headquarters, Taoyuan Nanping Plant, China Dongguan Plant and Ningbo Plant.

### 2019 Greenhouse Gas Emission Inventory

Unit: t-CO<sub>2</sub>e

Emission Scope		Total Emissions	Compared with ISO14064-1: 2018
Scope 1 Direct Emission		657.63	Direct emissions and removal
Scope 2 Indirect Emission from Purchased Electricity and Steam		27,800.91	Indirect emissions from imported energy
Scope 3 Upstream	Purchased Products and Services	582,481.74	<ul style="list-style-type: none"> <li>▪ Indirect emissions from transportation</li> <li>▪ Indirect emissions caused from product use</li> <li>▪ Indirect emissions caused from end use of product</li> <li>▪ Indirect emissions from other sources</li> </ul>
	Capital Goods		
	Fuel- and energy-related activities		
	Upstream Transportation and Distribution		
	Waste Generated in Operations		
	Business Travel		
Scope 3 Downstream	Employee Commuting	2,311,631.49	
	Downstream Transportation and Distribution		
	Processing of Sold Products		
	Use of Sold Products		
End-of-life Treatment of Sold Products			

### GIGABYTE Total Greenhouse Gas Emissions and Intensity Over the Years



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## Participation in CDP

Since 2010, GIGABYTE has responded to the CDP Climate Change Questionnaire because of customer requests. In addition to responding to customers and international expectations, the participation further self-examines the implementation of carbon management, adjusts the carbon management approaches based on evaluation results and feedback to improve the management systems.

The 2019 CDP Rating score of GIGABYTE is A- (leadership level), which is better than the average score (C) of industries in Asian area. The Supplier Engagement Rating (SER) has also received A- for the third consecutive year since 2016. We will continue to strengthen carbon reduction actions and review the relatively weak part to actively move towards the goal of low-carbon technology.

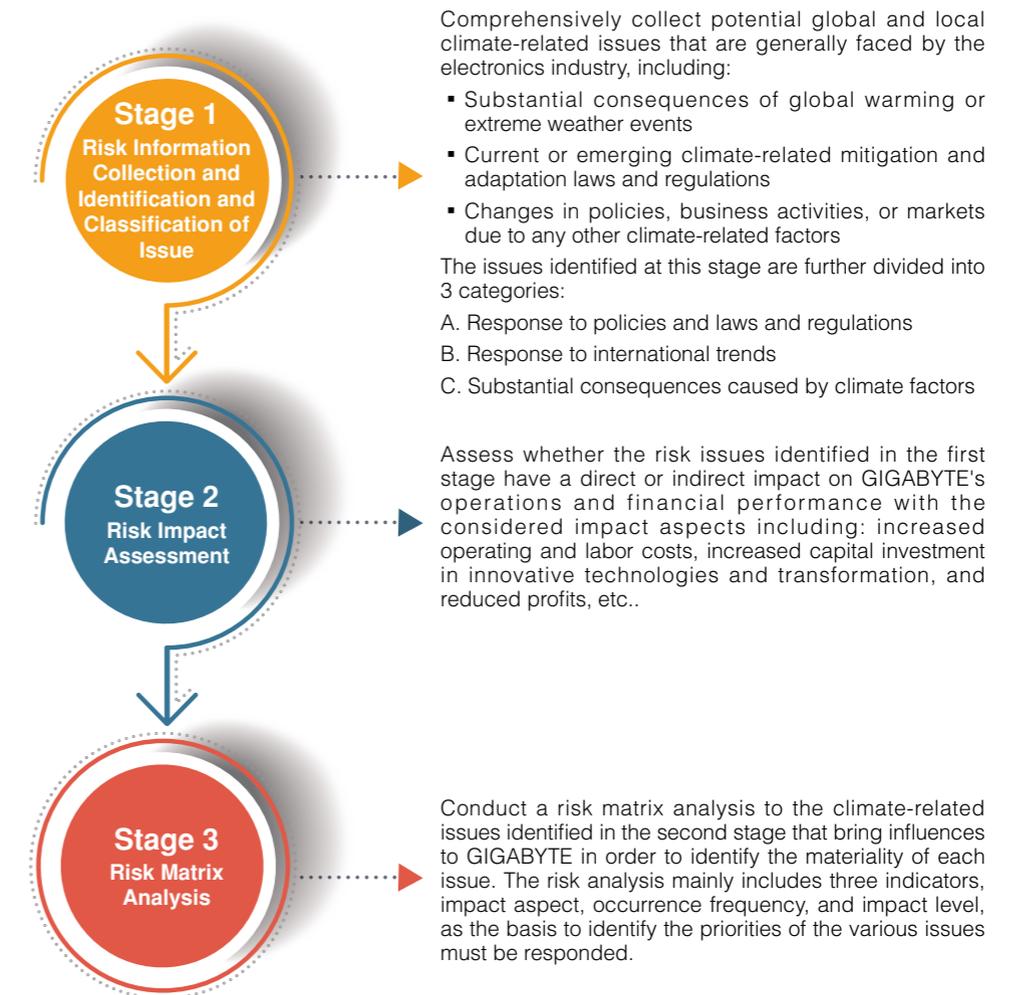
### ■ GIGABYTE CDP Score in the Recent 4 years

		2016	2017	2018	2019
GIGABYTE	Climate Change	B (Management Level)	B (Management Level)	B (Management Level)	A- (Leadership Level)
	Supplier Engagement Rating	B	A-	A-	A-
Asian Average	Climate Change	N/A	N/A	D	C
Industry Average	Climate Change	D	D	D	C

## 3.2.2 Identification of Climate-related Risks and Opportunities

In order to fully control the impact of climate-related risks on the Company's operations and development or the opportunities that may be further created, GIGABYTE has identified material climate-related issues, established response strategies, and conducted reviews every year.

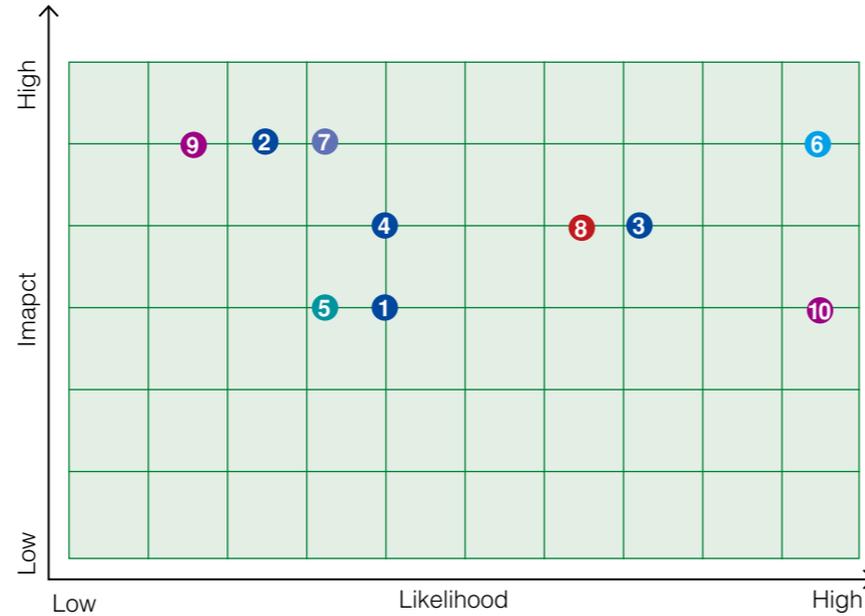
### ■ Process of Climate Risk Identification



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## 10 Material Climate-related Risk

■ 2019 GIGABYTE Climate Risk Matrix



1	Increasing requirements of GHG emissions disclosure	Policy and Legal Transition Risk
2	Disclosure and control of carbon-related information of existing products	Policy and Legal Transition Risk
3	Electricity price fluctuations caused by energy structure adjustment	Policy and Legal Transition Risk
4	China's environmental protection laws and regulations on corporates	Policy and Legal Transition Risk
5	Requirements for self-initiated carbon reduction and energy transition by corporates	Technology Transition Risk
6	Stakeholder emphasis on climate issues	Market Transition Risk
7	Change of consumer preference	Reputation Transition Risk
8	Worsening severity of extreme weather events	Acute Physical Risk
9	Variation of precipitation and climate pattern	Chronic Physical Risk
10	Continual rise in mean temperature	Chronic Physical Risk

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## ■ GIGABYTE Climate-related Risks and Opportunities

Risk Category	Risk Description	Potential Financial Impact	Management Measure	Derived Opportunity		
Transition Risk	Policy and Legal	The national GHG emission standard in Taiwan expands its controlling scope.	Increased operating costs, such as compliance costs	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>▪ Introduce GHG emission management system.</li> <li>▪ Invest in climate-related research and management manpower.</li> <li>▪ All business location implement energy conservation solutions, and replace old equipment to improve process efficiency.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>▪ Implement ISO 14064 and perform third-party certification.</li> <li>▪ GIGABYTE Green Sustainability Committee establishes sustainability strategy and supervises implementation progress.</li> <li>▪ The responsible unit continuously supervises international laws, regulations and trends.</li> <li>▪ Participate in domestic climate response meetings and adjust the direction of climate policy in time to meet compliance requirements.</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Join the carbon trade mechanism to increase additional income.</li> <li>▪ Improve process and equipment energy efficiency to lower the operating costs.</li> <li>▪ Cross into the low-carbon technology services or product market to enhance the brand competitiveness.</li> <li>▪ Shift into green product services to fit in the consumer preferences.</li> <li>▪ Apply renewable energy to improve brand favorability.</li> </ul>	
		In response to the air pollution and renewable energy regulations promulgated by the Taiwan government, the Taipower may increase electricity charges in the future.	Increased production costs with the rise of energy and waste disposal rates			
		The Chinese government has increased the efforts of environmental management, such as expanding environmental protection tax regulation items and tightening environmental protection policies in the 14 <sup>th</sup> Five-Year Plan, which will bring compliance risks to the bases located in China.	Increased operating costs, such as compliance costs			
	Reputation	In response to the 2°C target consensus, the international market will be increasingly strict on the product's carbon footprint disclosure standards. Nearly 96% of GIGABYTE's products are exported, which means we may be affected by the disclosure requirements of environmental impacts of market products in various countries.	Decreased revenue due to decline in demand for products and services			<b>[Strategy]</b> <ul style="list-style-type: none"> <li>▪ Implement energy conservation policies in all business locations and invest in the research and development of low-energy consumption and low-carbon products.</li> <li>▪ Strengthen the supply chain management and reduce the environmental impacts of the overall value chain.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>▪ Appropriate research and development budget from revenue every year to develop high efficiency, low-carbon footprint products.</li> <li>▪ Voluntarily introduce product LCA and MFCA assessment methods, and disclose scope 3 emissions.</li> </ul>
		With the rise of consumer awareness for climate change, consumer preferences may be changed.	Decline in demand for products and services due to changes in consumer preferences			
		With the increasing awareness of corporate climate change, the carbon reduction requirements of the supply chain will become increasingly strict. The corporates failing to meet the standards may face a loss of orders.	Changes in customer behavior lead to a decline in demand for products and services			
Market	Renewable energy and low-emission related environmental protection technologies must be introduced in response to the laws and regulations.	The costs of applying new processes or new business models	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>▪ Invest in the R&amp;D to create products that meet the market needs.</li> <li>▪ Set energy-saving targets, plan green projects, and track results.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>▪ Continue implementing the "333 Reduction Plan", which strives for reducing carbon, water and waste by 3% every year.</li> <li>▪ Implement ISO 14064 and perform third-party certification.</li> <li>▪ Introduce tools such as MFCA to view potential energy conservation opportunities.</li> <li>▪ Launch the Sustainability Fund that uses the energy savings from previous year as the incentives for emission reduction in production processes and the development of low-carbon products.</li> </ul>			
				Technology		



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Risk Category	Risk Description	Potential Financial Impact	Management Measure	Derived Opportunity
Physical Risk	<b>Acute</b> → The frequency and severity of extreme weather events increase. In particular, Taiwan is located in the northwest Pacific typhoon-affected area where the risk of floods and wind disaster keeps increasing.	The health and safety of employees is threatened, the cost of manpower management and maintenance increases, resulted in reduced profits	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>▪ Develop typhoon and flood related management approaches and increase supplier diversity.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>▪ Establish the "Risk and Emergency Management Approaches" according to ISO14001.</li> <li>▪ Diversify the supply chain to ensure the supply of critical raw materials without concerns.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diversify supply chain and decentralize supply of goods to strengthen the stability of material supply and improve the resilience to risks.</li> <li>▪ Operating costs decrease due to the improvement of process and equipment energy efficiency.</li> </ul>
	<b>Chronic</b> → The Headquarters, manufacturing bases, and most of main suppliers are located near the marine area. With the risk of drought and flood increases, the stability of operation and product supply may be affected.	Due to the interruption of transportation and the unstable supply of raw materials that resulted in reduction of production capacity and affected the sales revenue	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>▪ Monitor and improve air-conditioning efficiency, establish extreme climate response plans, and maintain the eco-roofs to reduce indoor temperatures.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>▪ Improve energy-saving air conditioning systems.</li> <li>▪ Establish the "Risk and Emergency Management Approaches" according to ISO14001.</li> <li>▪ Install and maintain the G-HOME Sustainable Eco-Roof, effectively reduce the indoor temperature of the highest floor level by 2.5°C, and rooftop surface temperature by 25°C.</li> </ul>	
	Global warming continues to intensify, which will lead to a substantial increase in cooling costs of offices and factories.	Increased energy expense rates and production costs 		

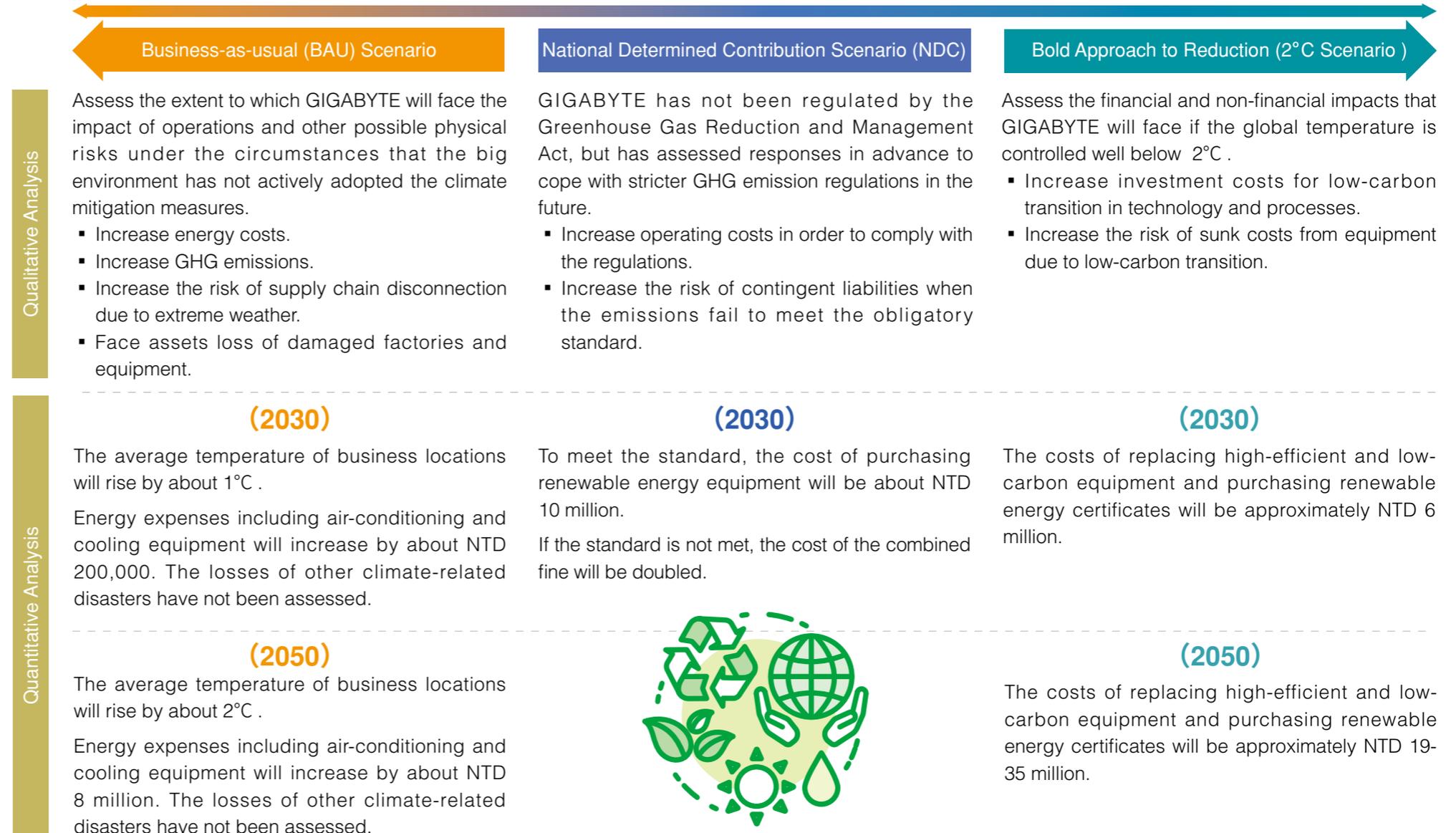


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### 3.2.3 Climate Scenario Analysis

#### Passive Response More Losses from Physical Risks

#### Active Response More Costs from Transition Risks



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### 3.3 Responsible Production

GIGABYTE incorporates lifecycle thinking into product research, development, and production to consider the material recycling and friendly environment from the design stage. The selection of raw materials strictly follows the control of hazardous substances. A longer warranty period and repair services are provided after the products are sold. The customer service bases also recycle electronic equipment without limitation of brand. GIGABYTE strives to achieve resource recycling, reduces the overall environmental impact of products, and fulfills the responsibilities and duties of manufacturer.

#### 3.3.1 Hazardous Substance Management

Ensuring the products to be used safely by consumers and environmentally friendly is the basic principle of GIGABYTE as a manufacturer. We report the trends and changes of international hazardous substance management standards at the GIGABYTE Green Sustainability Committee meeting every quarter. A cross-department response plan will be started timely when it is necessary. The plan will set the response time target so that GIGABYTE can make sure that products comply with the latest laws and regulations in the shortest time.

We have established GIGABYTE Harmful Chemical Substances Requirements (HCSR), which classifies the substances into three levels: Level A prohibited substances, Level B prohibited substances with time-limits, and Level C potentially prohibited substances in the future. By systematically managing the list of high-risk substances and establishing respective response plans according to the hazardous levels in order to quickly eliminate prohibited substances.



#### Hazardous Substance Management Process



#### Key Points of Hazardous Substance Tracking in 2019

- 

Continue quarterly tracking of international chemical laws and regulations update status.  
Report that the German Packaging Act was officially into effect in 2019.
- 

Revise GIGABYTE Harmful Chemical Substances Requirements Version 4.5 in accordance with laws and regulations.

  - Prohibition of TBBP-A (79-94-7)
  - Revision of heavy metal mercury (Hg) limits for button batteries
- 

Start factory assessment and adjust harmful chemical substances testing equipment.  
Provide monthly parts and components inspection reports.

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### 3.3.2 Friendly Product

GIGABYTE has introduced various innovative materials, technologies and meticulous management mechanisms at various stages of the product life cycle in order to facilitate the outstanding performance of the product with high efficiency and stable durability. Also, with circular economy as the core of design, this contributes to moving towards our zero-waste goal.

#### Product Design with High Efficiency and Low Energy Consumption

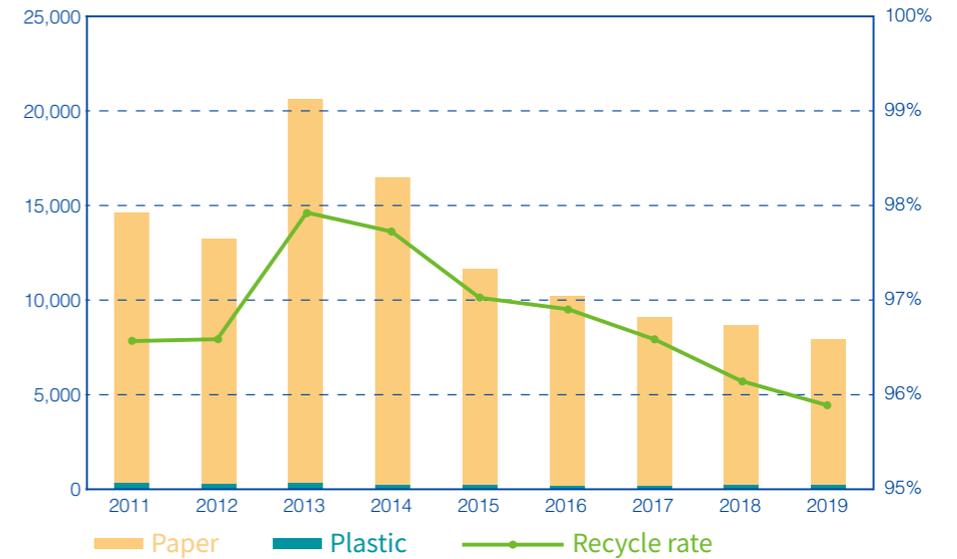
Since 2007, GIGABYTE has introduced ultra-durable motherboards, and gradually introduced innovative technologies including energy-saving switches, 2x copper PCBs, and current-resistant parts and components, which greatly strengthen the stability of the motherboard and also extend the service life of the products. The latest Smart Fan5 and Water Force water cooling technology greatly improve the performance of the graphics card. In addition, GIGABYTE first responded to CEC 2019 (California Energy Commission Equipment Efficiency Regulations) in 2018, using high-quality hardware materials and elaborating BIOS design to achieve lower product power consumption. GIGABYTE continues to plan to increase products that have achieved international energy conservation certification standards, increase the credibility of energy conservation data, and provide consumers with perfect guarantees. At present, GIGABYTE has 5 products that are expected to achieve the 80 PLUS mark in 2020.

#### Friendly Packaging Materials

GIGABYTE continues to reduce the use of packaging materials and subsequent waste through simplified packaging, using recyclable materials, and replacing the original Styrofoam buffer. Starting from 2011, we analyze the recycling rate and the composition of packaging materials over the years, and examine the progress of reduction achievement.

#### Recycling Rate of Packaging Materials

The recycling rate of GIGABYTE packaging materials is mainly affected by the amount of paper used. The total amount of paper packaging materials used in 2019 was 6,434.7 tons, a decrease by 45.6% compared with 2011, and that resulted in the recovery rate also decreased slightly. However, the recycling rate remained above 95% over the years. In 2019, packaging materials used by GIGABYTE were 7,672.3 tons of paper and 326 tons of plastic.



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### Innovative RFP Packaging Materials

In 2017, GIGABYTE cooperated with technical partners to research and develop zero-carbon materials using agricultural wastes and launched friendly packaging materials - RFP (Recycle Fiber of Plant). RFP uses rice husk as the main raw material, supplemented with cassava starch as a natural solvent, without adding any plastic raw materials, which not only effectively reduces resource consumption, but also realizes the circular concept that the material is 100% recyclable and can be decomposed in nature.

In 2018, we introduced RFP materials into the product packaging of AORUS X7 series, and gradually expanded to X5 and X9 series. After the assessment, the application of RFP packaging materials has reduced the carbon emissions of the packaging materials at the raw material stage by 64% and increased the product transportation efficiency by 50%.

#### RFP Profile

100% Natural: Completely use agricultural waste as raw material, no plastic is added.

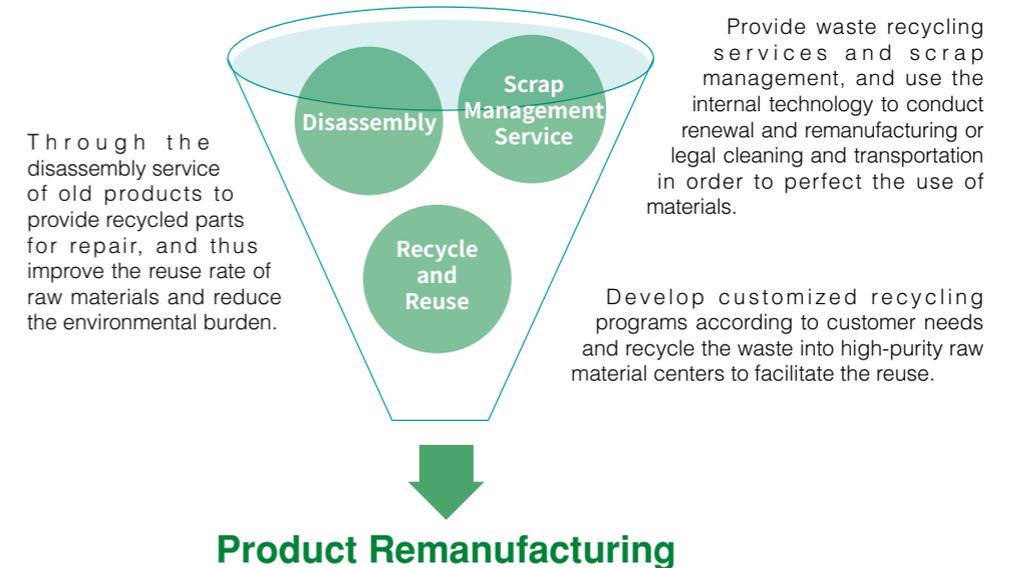
100% Pollution-free: Can be recycled through any recycling channel, can be naturally decomposed, and the material manufacturing process only produces pure water.

The innovation and circular thinking of RFP won the affirmation of iF Design Award and Golden Pin Design Award in 2018.



### 3.3.3 Resource Circulation and Recycling

GIGABYTE Customer Service Center established the Bestyfield International Co., Ltd. in 2018 to provide corporate reverse logistics<sup>[1]</sup> integrated plan as the core of the service, assisting the electronic products entering the final disposal stage and can find new value. Bestyfield not only provides quality analysis, warehousing and supply chain management, but also elaborates the originally deep PCBA repair and maintenance strength to assist the corporation establishing sustainable development integration programs.



[Note1] Reverse Logistics: According to the definition of the American Reverse Logistics Executive Council (RLEC), reverse logistics is a process of moving goods from the final destination to other locations, mainly to obtain the value that could not be obtained originally, or to make appropriate products disposal.

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In 2019, the Customer Service Center and the Bestyield International repaired, refurbished for resold, and recycled 730,000 pieces in total of electronic wastes of computer peripherals. The scope of service expanded to Asia, North America, and Europe, and became a powerful assistant in the global material recycling.

■ Number of Products Repaired, Recycled, and Refurbished for Resale in 2019.



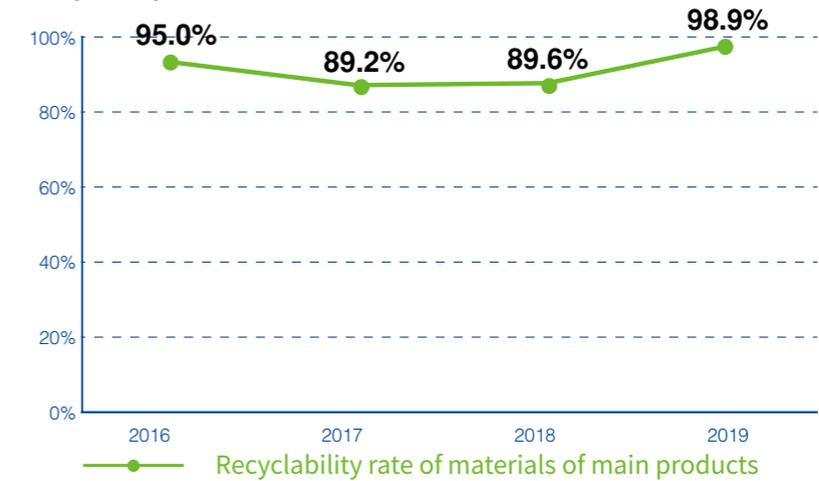
■ Global Recycling Sites

For GIGABYTE global recycling sites, please refer to [GIGABYTE Sustainable Development Official Website](#)

Recyclable Raw Materials Proportion of Main Products

In addition to strengthen the rear-end recycling, GIGABYTE is also committed to increasing the proportion of reusable raw materials in products to reduce the environmental burden. The motherboard materials produced by GIGABYTE are mainly metal and plastics. In 2019, a total of 7,094.87 tons of metal, 2,049.76 tons of plastic, 489.81 tons of glass, and 103.63 tons of other raw materials are used. The average raw material recycling rate is more than 95%.

■ Recyclability Rate of Materials of Main Products



[Note 1] The Intel did not introduce new chips in 2019, therefore we took AMD products to analyze the composition of the latest motherboard models of the year. Consequently, the proportion of metals increased and resulted in an increase in recyclability rate.



# Chapter 4 Partnership Management

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Material Topics of This Chapter	Sustainable Supply Chain Management	Conflict minerals	Customer Relationship Management (voluntary disclosure)
<b>Management Approach</b>	Improve the quality of supply chain and the stability of supply of goods, and deepen the influence of the corporate sustainable development through the connection and cooperation with the value chain.	Take the responsibility of corporate citizenship, jointly safeguard human rights and implement responsible production.	Provide comprehensive after-sales service and can immediately respond to customer suggestions and feedback, creating a complete and good customer experience.
<b>Policy and Action</b>	<ul style="list-style-type: none"> <li>• Issued the "GIGABYTE Guidelines of Sustainable Procurement".</li> <li>• Track supplier risks and develop corresponding policies.</li> <li>• Establish selection mechanisms based on environmental and social criteria.</li> <li>• Hold the Supplier Conference and launch the Reduction. Sharing. Love the Earth Alliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce Responsible Minerals Initiative (RMI) to investigate the use of 3TG and cobalt mines by the first-tier suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out regular customer satisfaction surveys every year, and build comprehensive customer complaint processing mechanisms.</li> <li>• Establish the "Regulations for Personal Data Protection and Management" in accordance with the Personal Data Protection Act.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>• Gradually add aspects of supplier risk management and develop response mechanisms.</li> <li>• Increase the participation rate of general suppliers, particularly top 100 suppliers, taking part in Supplier Conferences and the Reduction. Sharing. Love the Earth Alliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Gradually expand the investigating number of suppliers using conflict minerals. The long-term target of the implementation rate is 100%.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual customer satisfaction reaches more than 95%.</li> <li>• No occurrence of customer personal data leak.</li> </ul>
<b>2019 Major Achievement</b>	<ul style="list-style-type: none"> <li>【●】 Analyzed supplier climate risks and made climate risk maps.</li> <li>【●】 A total of 96 suppliers participated in the 2019 Supplier Conference, accounted for 9% of all suppliers, or 35% of the top 100 suppliers.</li> <li>【●】 In 2019, a total of 30 suppliers responded to the Reduction. Sharing. Love the Earth Alliance, an increase of 11% compared with the previous year.</li> </ul>	<ul style="list-style-type: none"> <li>【●】 The number of conflict mineral suppliers investigated in 2019 was 424, an increase of 12.2% compared with the previous year.</li> <li>【●】 The proportion of the top 100 suppliers who responded to the conflict mineral questionnaire or with declaration and implementation in 2019 reached 90%.</li> </ul>	<ul style="list-style-type: none"> <li>【●】 Customer satisfaction in 2019 was 98.2%.</li> <li>【●】 No occurrence of customer personal data leak in 2019.</li> </ul>

【●】 Stage objective completed    【●】 In progress    【○】 Not yet implemented    【●】 Stage objective not yet achieved



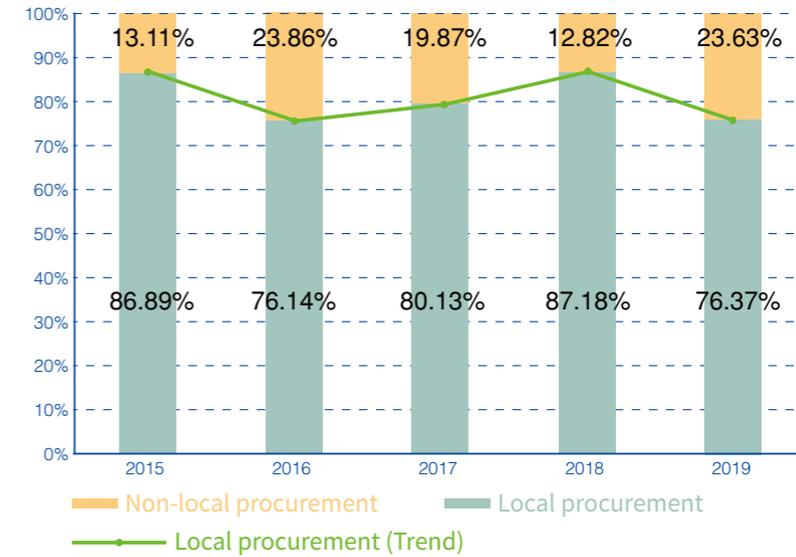
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## 4.1 Sustainable Supply Chain

### 4.1.1 Overview of Supply Chain

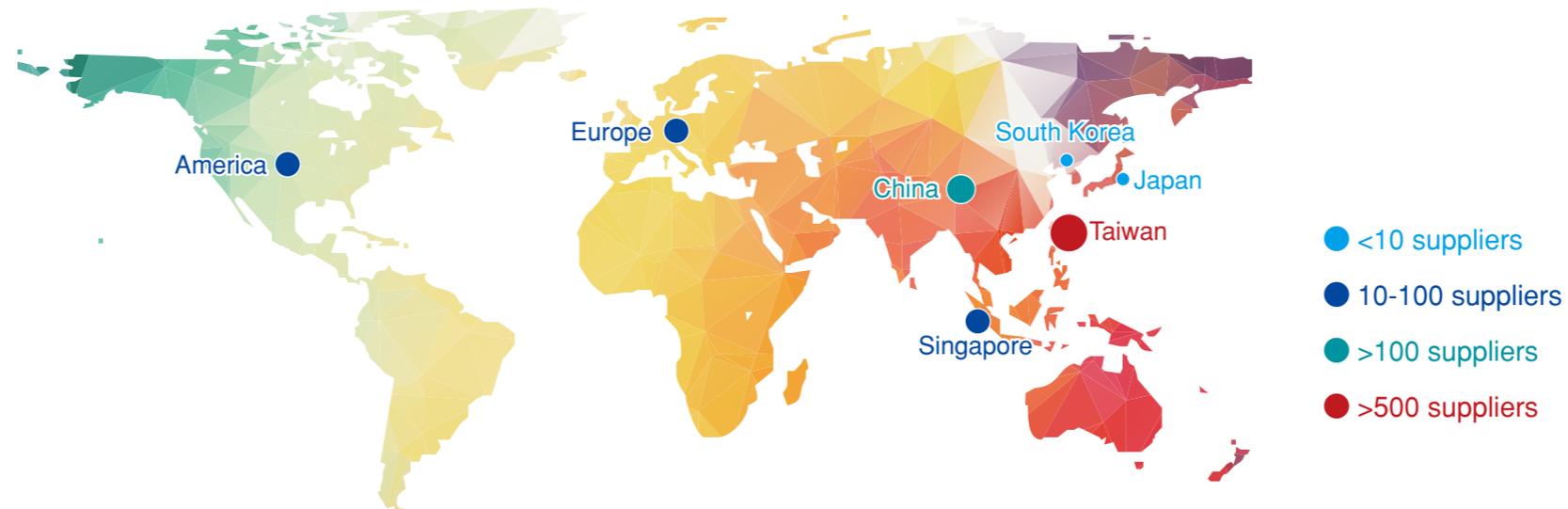
Businesses cooperating with local suppliers not only implement the social responsibility by taking care of neighboring communities, but also reduce the environmental impact caused by long distance transportation and distribution. In 2019, more than 95% of GIGABYTE's first-tier suppliers are located in Asia, 2.8% in America, 1.5% in Europe, of which more than 80% are local partners in Taiwan. GIGABYTE's local procurement proportion at major production bases are 37.28% in Taiwan and 39.09% in China respectively. We try our best to choose local partners to allow GIGABYTE's operations to bring prosperity and flourish to the community.

■ Procurement Expenditure <sup>[1]</sup> Ratio from Local <sup>[2]</sup> Suppliers in the Recent 5 Years



[Note 1] Procurement Expenditure: Calculated based on the procurement amount of the current year.  
 [Note 2] Local: The origin of purchased goods is located in the same country in which GIGABYTE's main bases are located (i.e. Taiwan and China).

The following figure shows the distribution of GIGABYTE's major suppliers and the proportion of local procurement.



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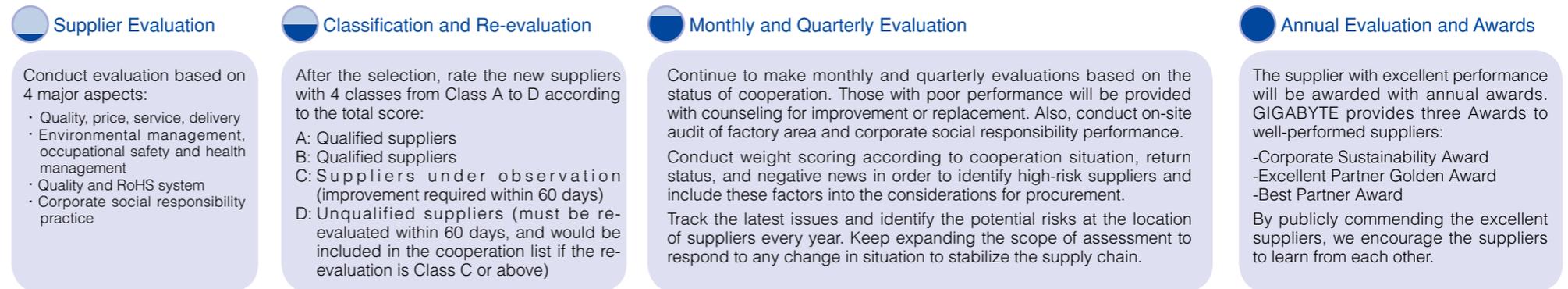
## 4.1.2 Supply Chain Risk Management

In 2018, GIGABYTE officially issued the "GIGABYTE Guidelines of Sustainable Procurement", which applies to the Headquarters, Taoyuan Plant, two Plants in China, and the subsidiaries with substantial influence in Taiwan. We promise to base on the "Code of Conduct for Responsible Business Alliance" issued by the Responsible Business Alliance (RBA) as the highest guiding principle, and set up 4 major management aspects (15 sub-goals) and 4 zero tolerance regulations to assess the supplier risks. When selecting suppliers, other than the basic requirements of quality, delivery, service, and cost, etc., we also conduct investigations and regulations for environmental management systems, occupational safety and health systems, corporate social responsibility, hazardous substances, etc., to ensure that the chosen supply partners are in compliance with sustainable procurement standards.

### Identification of High-risk Suppliers

GIGABYTE divides the existing and new suppliers into Class A, B, C, and D through evaluation and classification every year before cooperation, and conducts re-evaluation and counseling for improvement. After preliminary elimination of high-risk Class D suppliers, fixed evaluations are executed monthly and quarterly to ensure the quality stability of the supply chain.

### Process of Supplier Selection and Evaluation



Most of the suppliers participated in the quality and RoHS system audits in 2019 are in good condition and low risk. Only a few suppliers were classified as medium-risk. No high-risk suppliers were identified. GIGABYTE will continue to counsel and supervise the improvement status of suppliers.

### 4 Management Aspects

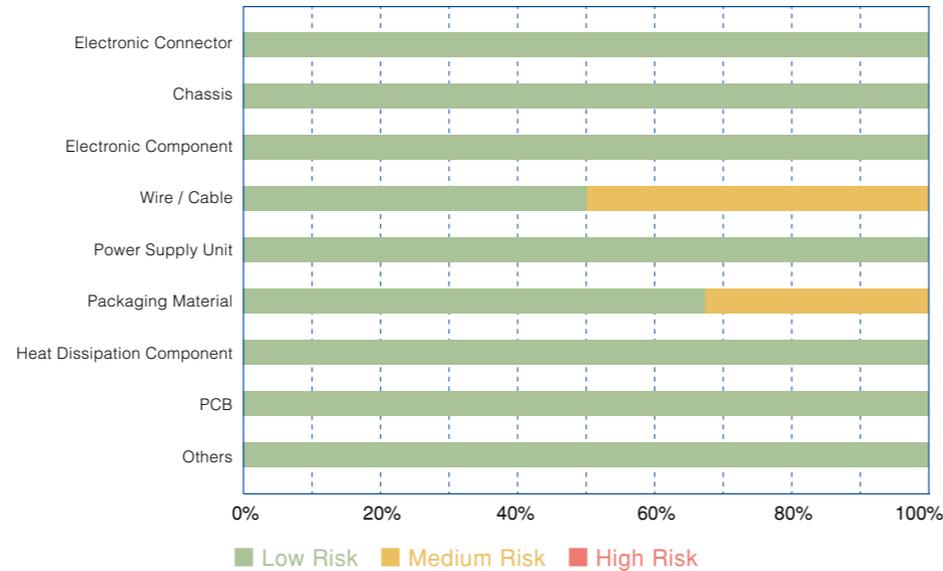


### Four zero-tolerance regulations

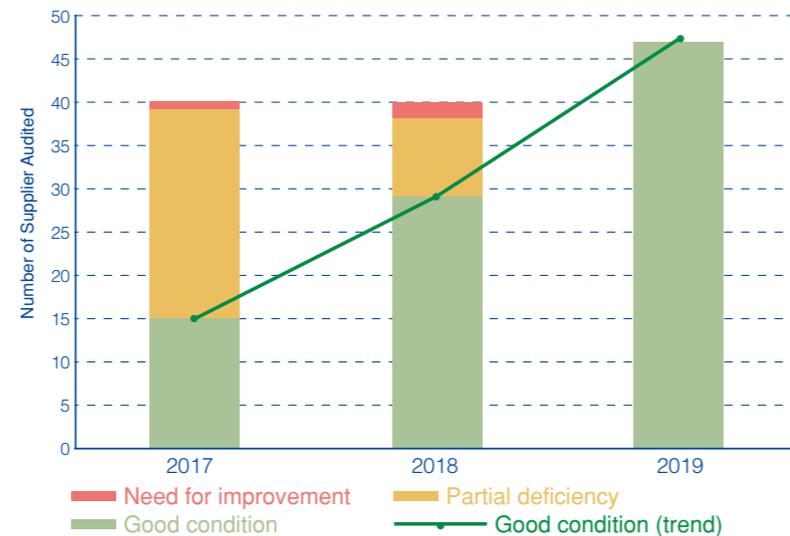
- Child Labor
- Forced Labor/Prison Labor
- Discharge of untreated toxic, hazardous substances, or materials
- Behaviors of causing immediate injury to employees

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■ Audit Result of Suppliers' Quality and RoHS



■ Audit Result of Suppliers' CSR Performance



In addition to the regular evaluation, each business group also submits a list of important suppliers to the Quality Division to further score the return rate of appearance, assembly, packaging, and other major negative news to identify high-risk suppliers. The Sustainable Development Office also distributes CSR questionnaires targeting this list to implement and track the CSR performance of important suppliers and the parts needed for improvement. The response rate of the CSR questionnaire in 2019 reached 85.29%. We will continue to rise the response rate and plan for the counseling mechanism in the future.

■ Risk Evaluation Level of Quality and Negative News



We also expect to expand the scope of risk evaluation to the top 100 suppliers in 2020, and add new scopes of evaluation for environmental and social aspects, and gradually put immediately stopping cooperation with high-risk suppliers into effect.

### Risk Management of Special Issue

#### ■ Trade Risk Management

The China-U.S. trade war has spread since 2018 until now, and has caused GIGABYTE's upstream and downstream suppliers and customers facing increased tariff costs, which will affect the stability of the entire supply chain. We identify that the tariffs for products imported into the United States and Canada are mainly affected by two factors, product tariff code and place of origin, of which the judgment of place of origin are particularly complicated. In view of that, GIGABYTE continues to conduct internal discussions, introduce external consultant resources, and establish employees' in-depth understanding of business and tax risks.

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## ■ Water Risk Management

In 2019, GIGABYTE started water risk analysis for the top 100 first-tier suppliers. By overlaying the latest Aqueduct's Global Water Risk Map publicized by the World Resources Institute with the locations of major suppliers to identify the suppliers in areas with high water risk. The analysis provided information to facilitate the establishment of timely and complete response measures in the future.

The analysis result shows that our suppliers are mostly located in coastal areas with higher water pressure or development zones with intensive water consumption. It is expected that as climate change keeps intensifying, the frequency and severity of droughts and floods will also increase.

In the future, GIGABYTE will continue to monitor and review the potential risks of the supply chain, and expand the scope of analysis to second- and third-tier suppliers. In addition to ensure the stability of material supply, we also expect to assist supplier partners in identifying their own risks and counsel them in implementing improvement programs.

### 4.1.3 Supplier Engagement and Communication

To deepen and maximize corporation influence and sustainable development, a tight connection and cooperation with of the entire value chain is indispensable. GIGABYTE has been conducting supplier sustainability evaluation every year since 2012, and held the Supplier Sustainability Award ceremony at the supplier year-end-party every year. By commending partners for their outstanding achievements in the field of sustainability and communicating GIGABYTE's emphasis on sustainability to encourage the supplier partners in actively developing corporate sustainability strategies and projects, and moving towards sustainability goals together.

The annual supplier conference started to be held in 2018. Through special topic lectures, practice sharing, and initiative invitation, the conference hopes to help the suppliers understand the GIGABYTE's management requirements on supply chain, as well as strengthen the practice of corporate sustainable operations.

## Supplier Sustainability Award

GIGABYTE's supplier sustainability evaluation process starts with the self-evaluation of supplier in the implementation performance of 6 major aspects: CSR management, environmental protection, labor human rights, fair business practices, supplier responsibility, and social/local contributions. Afterwards, the Supplier Evaluation Team of the Sustainable Development Office conducts fair selection based on 4 major aspects, completeness, rationality, level of cognition, and level of attention, and publicly confers Excellent Partner Award in the supplier's year-end-party. 58 of the top 100 suppliers in 2019 attended the supplier's year-end-party and award ceremony, demonstrating the interactive mode of close cooperation between GIGABYTE and sustainable supply chain partners. We expect to shape the positive competition between suppliers through annual awards presentation in order to pursue more outstanding sustainable performance.

## ■ Winners of 2019 Corporate Sustainability Award



Chicony Power Technology Co., Ltd.



APAQ Technology Co., Ltd.



Texas Instruments Taiwan Limited

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GIGABYTE also encourages suppliers to practice CSR through procurement activities. In 2019, GIGABYTE's procurement amount from the suppliers participating in the Supplier Sustainability Evaluation accounted for about 62% of total procurement. We will strive to increase the proportion of procurement in the future, strengthen the incentives for suppliers to implement sustainability actions, and create a sustainable supply chain together.

### Reduction. Sharing. Love the Earth Alliance

GIGABYTE started the "333 Reduction Plan" in 2016, setting a target of reducing carbon emissions, water use, and waste by 3% every year respectively, and committed to planting trees and supporting afforestation to restore ecological diversity of the earth. To enlarge the influence, we also invite supplier partners to join the "Reduction. Sharing. Love the Earth Alliance" to achieve the goal of "333 Reduction" with us. We also expect the supplier partners who have achieved significant reduction results to share their experiences, encourage peer learning between suppliers in order to fulfill the overall reduction along the supply chain together.

### Reduction. Sharing. Love the Earth Alliance



### Reduction Performance of Reduction. Sharing. Love the Earth Alliance

After the alliance is established, GIGABYTE immediately started investigating the carbon, water and waste reduction status of the alliance members, striving to implement the core value of the alliance's reduction, and establishing a more realistic future strategy by depicting the overall reduction trend. In 2019, we continued to conduct statistics of the reduction data from the previous year. The target of statistics includes 31 initiative partners and GIGABYTE itself. The follow table shows the number of suppliers who met the reduction target compared with the previous year.

	Emissions Reduction	Water Reduction	Waste Reduction
Reduced Quantity $\geq$ 3%	<b>10</b> suppliers	<b>12</b> suppliers	<b>7</b> suppliers
0% < Reduced Quantity < 3%	<b>3</b> suppliers	<b>3</b> suppliers	<b>2</b> suppliers

### Explanation of Reduction Analysis Result

- The number of suppliers who met the carbon and water reduction standards reached 1/3, and the average amount of reduction was more than 10%. Although the number of members met the waste reduction standards was less, the average amount of reduction was more than 20%.
- The reasons for failing to meet the reduction standards include increasing production during the year, expanding the inventory boundary, and opening new factories, etc. Although the suppliers with increase in production did not directly achieve the reduction, they still have the opportunity to achieve the target in term of reduction intensity (emissions per unit of revenue).
- In terms of the overall statistics data for the entire partners, compared with 2017, the waste reduction in 2018 had successfully exceeded the reduction target of 3%, the water consumption increased slightly, and the main increase hot spots fell on energy use and greenhouse gas emissions. We will continue to track the reduction status in 2020, and encourage more partners to respond to the initiative.

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## Supplier Conference

In 2019, GIGABYTE held two supplier conferences, invited leaders of domestic industry and the sustainable field to share with our CSR-, supplier-related personnel as well as the management level, and to jointly discuss and learn the trend and practices of all aspects of ESG. We will continue to expand the promotion in the future, and truthfully help supply chain partners build sustainability knowledge and capability.

**19 Sep.**

Introduction and Communication of Sustainability Supplier Questionnaire and RBA



**23 Oct.**

Reduction. Sharing. Love the Earth Alliance Conference



### Conference Agenda

- Sustainability questionnaire and RBA communication
- Intelligent supply chain and smart factory

- Reduction. Sharing. Love the Earth Alliance
- Life cycle assessment and carbon footprint
- Experience sharing of sustainable development and corporate social responsibility promotion by Delta Electronics

### Conference Objectives

In response to GIGABYTE's emphasis on sustainable supply chain, we expect suppliers to have a more comprehensive understanding of GIGABYTE's sustainability assessment standards and RBA regulations, supplemented by digital transformation resources and trend introductions. So that supplier partners can re-examine own management approaches, production processes, product design and other operational processes, with a consideration of sustainability thinking and potential risk identification.

Enable the participants to understand the scope and limitations of the current product life cycle and carbon footprint assessment, and align the current myths about environmental friendly products. Also, provide a guide to the supplier partners to establish correct reduction policies through Delta Electronics' benchmark sharing, and encourage them to respond to the Reduction. Sharing. Love the Earth Alliance.

The Number of Participating Suppliers and Participating Ratio of Top 100 Suppliers

**96 suppliers in total participated, accounting for 9% of all suppliers**  
**24 of the top 100 suppliers attended, accounting for 35%**

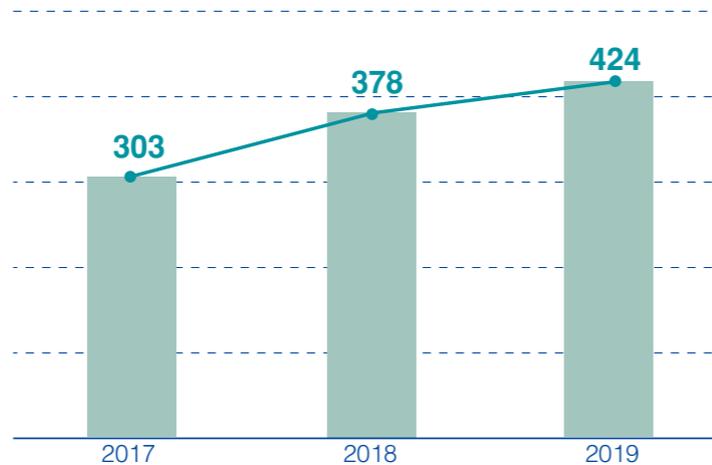
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## 4.1.4 Conflict Minerals Management

Tin, tungsten, tantalum and gold (3TG) minerals are indispensable raw materials in the electronic products. However, these types of minerals may come from areas of forced labor, child labor mining or armed conflict. Using the minerals from conflict areas as raw materials is equivalent to indirect oppression and harms the local human rights and living conditions. Therefore, GIGABYTE introduces the Responsible Minerals Initiative (RMI) under the RBA to investigate the use of 3TG minerals by first-tier suppliers, and gradually traces the source through the Conflict Minerals Report Template (CMRT) to further manage raw materials for the purpose of jointly safeguarding human rights and values.

In 2019, RMI included cobalt mines in the scope of conflict mineral investigation. Thus, GIGABYTE implemented cobalt mine investigation and expanded the scope of the investigation year by year to communicate the emphasis of conflict minerals reporting. This year, the top 100 suppliers' conflict minerals management implementation rate was 90%. We will continue to implement counseling and request on suppliers based on 100% of suppliers' implementation rate as the target.

■ Number of Suppliers Included in Conflict Minerals Investigation in the Recent 3 years



## 3TG Metals

We further conducted a statistical analysis aiming at the responses of CMRT form to understand the actual management situation of conflict minerals of all suppliers, and outlined the use and management situation of conflict minerals of second-tier suppliers through their downstream regulations and requirements.

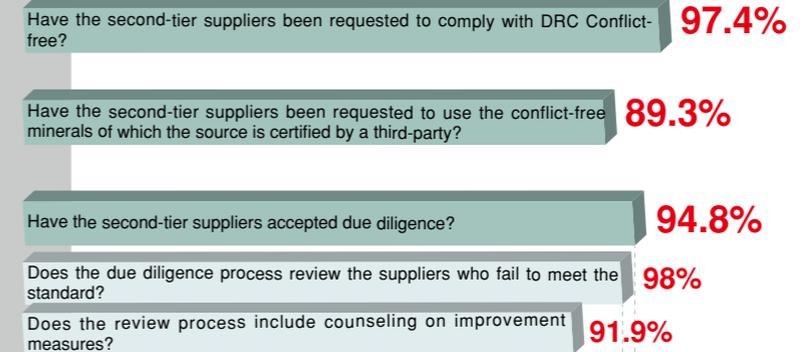
After the investigation, there were a total of 346 first-tier suppliers actually used 3TG metals in the manufacturing process or finished products in 2019. We used this as the population to analyze the completeness of second-tier supplier management policies.

### Completeness of First-tier Suppliers' Conflict Mineral Policy



[Note 1] Covered countries: The Democratic Republic of the Congo and its neighboring area

### Second-tier Suppliers' Conflict Mineral Management



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## Cobalt Mineral

Among the first-tier suppliers investigated in 2019, there were 286 suppliers responded to the investigation of cobalt mineral. Only 59 actually used cobalt mineral in the production process, and 28 of them (47.5%) have established cobalt mineral source management policy. Cobalt mineral are currently not as widely used as 3TG metals, but we will continue to expand the scope of cobalt mine investigations to prevent human rights oppression caused by conflict minerals.

## 4.2 Customer Service and Consumer Education

### 4.2.1 Customer Service and Satisfaction

#### Customer Complaint Processing and Multiple Services

Good customer experience is not only built on high-quality and innovative products, perfect after-sales service and immediate response to customer suggestions and feedback are also a good brand with high service level and values should have. GIGABYTE sets a high standard that the annual customer satisfaction shall achieve more than 95%. To reach the goal, we establish regulations related to customer complaint and customer problem processing procedures.

#### Customer Complaint Processing Procedure

- Provide preliminary response within 24hr
- Categorize and classify the complaints

If it is internal negligence

- Call customer complaints meeting
- Develop responding measures and treatment directions
- Personnel in charge of the responsibility reviews and confirms between the Company and the customer



- Confirm the completeness of the collected information
- Define the scope of company responsibility

2017-2019 Customer Satisfaction



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## Customer Communication Channel

The business of GIGABYTE is diversely developed and has a large number of B2B customers and B2C consumer groups. Therefore, under the overall customer service management process, we implement differentiated services and satisfaction survey channels according to the requirements of different customer ends. Also, various communication management processes are established to ensure that every customer and consumer can get the fastest response and best protection. In 2019, there were no product recalls or damage to customer rights due to quality issues.

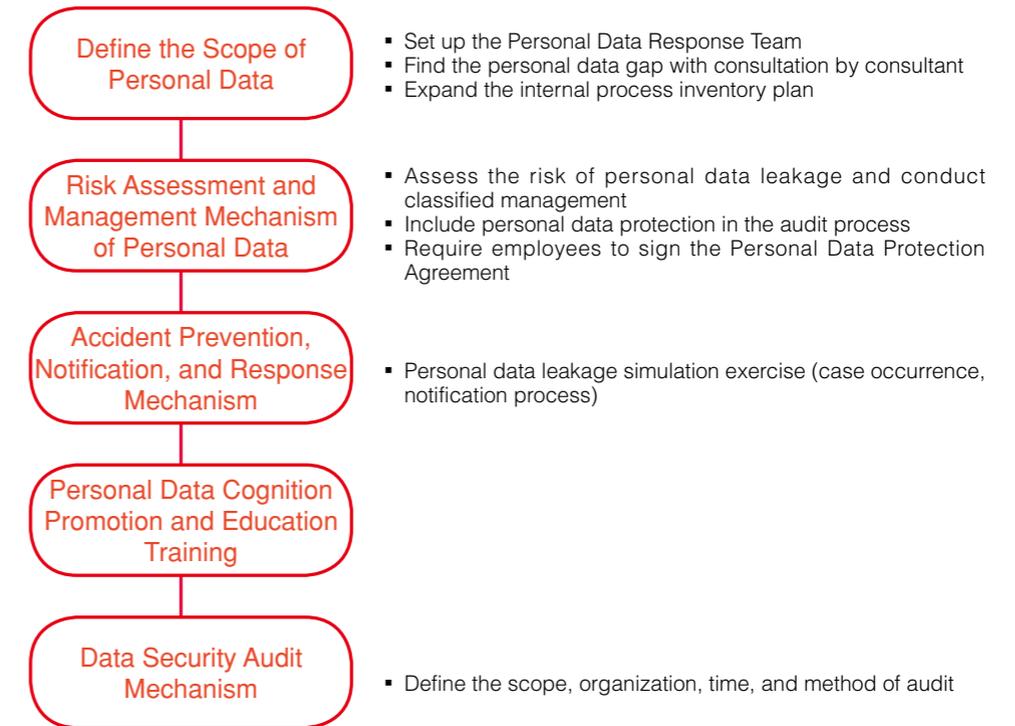
	B2C	B2B
Service and Communication Contents	<ul style="list-style-type: none"> <li>▪ Establish service locations around the world. Provide computer recycling services without limitation of brands in 7 locations across Taiwan.</li> <li>▪ Provide shipping for repair at Family Mart and delivery of finished products to home in Taiwan.</li> <li>▪ Provide reasonable warranty period, up to permanent warranty</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assign corresponding personnel and establish more than one contact person when necessary.</li> <li>▪ Actively provide information and services of specification changes and special labels.</li> <li>▪ Actively provide instructions based on possible quality problems, and track the progress of customer rework, replacement or repair, and maintenance.</li> </ul>
Satisfaction Survey	Invite customers to the Consumer Service System to fill in the questionnaire.	Collect and analyze by means of routine customer interviews, annual customer satisfaction surveys, and customer quality meetings.



## Customer Privacy Protection

GIGABYTE understands that the authorized use of personal data by customers depends on the high level of trust in us. Therefore, we establish the Personal Data Protection Act Execution Committee to respond the requirements of personal data protection with the highest standards. The Committee strictly abides by the "Legislating for Personal Data Protection Act" by the Government, and establishes the "Regulations for Personal Data Protection and Management" to execute an overall personal data inventory and internal audit plan, and perfect the strategy of GIGABYTE's personal data protection. Also, we conduct internal education to ensure that all personnel who may be involved in customer data have the knowledge of confidential information protection.

### Personal Data Protection and Management Measures



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## 4.2.2 Responsible Consumption Initiative

With the increase of consumers' awareness on environment and social care, they can positively feedback the demands and appeals of sustainable consumption to businesses by means of purchase preferences, initiative responses, and peer influence, to form a virtuous cycle between responsible production and responsible consumption. In addition to developing friendly products with full efforts, GIGABYTE also actively disclose information through the products, invite consumers to participate initiatives, and other means to comprehensively cultivate the consumers' "knowledge" and "ability to take actions" for playing their role in the value chain.

### Sustainability "Knowledge" - Product Environmental Report

GIGABYTE launched the product life cycle carbon footprint assessment project since 2016, and then gradually expanded the scope of assessment to 12 environmental impact aspects, including climate change, land waters, human health, etc. The information of main product lines is publicly disclosed through the Product Environmental Reports. The release of Product Environmental Reports is not only to provide consumers with more complete information and indicators of purchase, but also to fulfill the responsibilities of information disclosure by the manufacturer. We believe that, consumers also have the rights to understand the environmental impact of the product they buy in addition to output power and specification. That can further help strengthen the power from the demand side and urge a broader and more transparent information of product environmental impacts.

(To review Product Environmental Reports, please refer to [GIGABYTE Sustainable Development Information Website](#))

### Sustainability "Action" - In Your Name. You Buy a Laptop and I Plant a Tree

In 2017, GIGABYTE cooperated with the German Plant-for-the-Planet Foundation, in response to the UN Trillion Tree Campaign, committed to planting 75,000 trees for the earth. We turned this goal into a great opportunity for consumer interaction and education - for a laptop purchased by a consumer, GIGABYTE plants a tree at the Plant-for-the-Planet Foundation's reforested land in Mexico in the name of the consumer. The consumer will receive a tree certificate including the latitude and longitude of the reforested land. This action allows consumers to understand the difficult position of the earth and participate in the actions to protect the earth while making a purchase.

The "In Your Name" tree planting activity also extends to suppliers and external visitors. We expect to bring the power of value chain partners and consumers together and Taiwan can bring vitality to the earth in the form of tree saplings.



# Chapter 5

## Healthy and Happy Workplace

### 5.1 Human Resource Management and Talent Cultivation

#### 5.1.1 Sound Human Resource Structure

#### 5.1.2 Talents Recruitment and Retention Management

### 5.2 Human Rights and Labor Relations Management

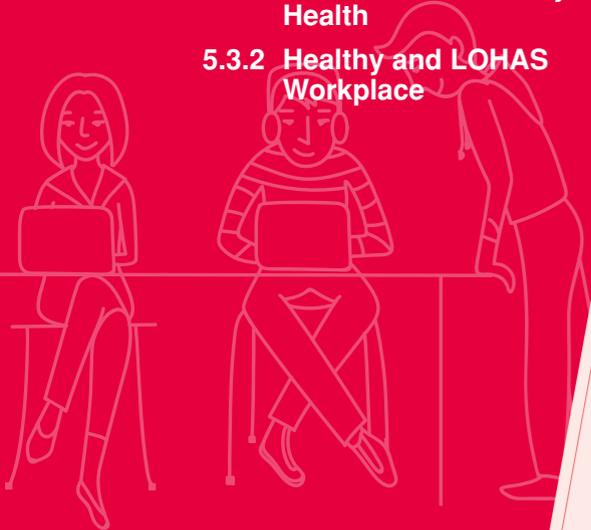
### 5.3 Occupational Health and Safety

#### 5.3.1 Environmental Safety and Health

#### 5.3.2 Healthy and LOHAS Workplace

Material Topics of This Chapter	Talents Cultivation and Retention (voluntary disclosure)	Labor Relations Human Rights, Equal Opportunity and Diversity (voluntary disclosure)	Occupational Health and Safety
<b>Management Approach</b>	Enable every employee work in a suitable position, build a diverse and balanced manpower composition, enhance workplace happiness, and cohere workplace cohesion and cultivate workplace energy.	Strive for organizational justice, respect diversity and equality, strictly adhere to zero discrimination, anti-violence, and no harassment, and establish a workplace culture that implements the protection of human rights.	Establish comprehensive environmental safety and health management measures to build a friendly and healthy working environment.
<b>Policy and Action</b>	<ul style="list-style-type: none"> <li>Establish the education and training processes based on the three major themes.</li> <li>Set up a performance examination process to ensure a fair salary. The salary is adjusted by 0-4% every year based on the job position and job grade, and low-level employees are given a higher range of salary adjustment.</li> </ul>	<ul style="list-style-type: none"> <li>Release the "Code of Business Conduct" to define and regulate labor human rights.</li> <li>Establish multiple labor-management communication channels and hold labor-management meetings quarterly in accordance with the laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Each business location establishes occupational safety and health management approaches, including the "Occupational Safety and Health Management Plan", "Health Management Plan", and maternal protection measures.</li> <li>Receive the Sports Workplace Certification, launch family-friendly programs, create exercising atmosphere, and establish a happy corporation.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>Review the Company's development strategy and employee needs every year, and provide corresponding education and training resources.</li> <li>Maintain the appropriate turnover rate of indirect employees and stabilize the Company's human resource base.</li> <li>The performance examination rate of the Headquarters reached more than 80%.</li> </ul>	<ul style="list-style-type: none"> <li>No cases of sexual harassment and discrimination, and human rights complaints.</li> </ul>	<ul style="list-style-type: none"> <li>The number of occupational accidents is 0</li> <li>The number of occupational diseases is 0</li> <li>The number of fire accidents is 0, reducing the probability of all types of safety accidents.</li> </ul>
<b>2019 Major Achievement</b>	<ul style="list-style-type: none"> <li>● In response to the development of AI, IoT, and 5G technology, 5G lectures and series of articles were launched with a total of 18 sessions organized in 2019.</li> <li>● In 2019, the average turnover rate of indirect personnel in Taiwan's business locations for the past three years was 1.05%, and the annual rate of change was less than 1%.</li> <li>● The 2019 final performance review rate of the Headquarters was 68.8%.</li> </ul>	<ul style="list-style-type: none"> <li>● In 2019, no any case of sexual harassment, discrimination, and human rights complaints occurred.</li> </ul>	<ul style="list-style-type: none"> <li>● The number of occupational accidents in the Headquarters in 2019 was 0.</li> <li>● In 2019, the number of occupational accidents in the factory areas was 4 in Nanping, 2 in Dongguan, and 3 in Ningbo.</li> <li>● No employee occupational diseases occurrence in 2019.</li> <li>● No fire incidents in 2019, and 74 sessions of safety education were held.</li> </ul>

● Stage objective completed   ● In progress   ○ Not yet implemented   ● Stage objective not yet achieved



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## 5.1 Human Resource Management and Talent Cultivation

### 5.1.1 Sound Human Resource Structure

GIGABYTE understands the importance of talents to the Company's development, and is also committed to making every employee work in a suitable position to extend their creativity and potential. Truthfully convey the corporate culture and future strategies and prospects through the policies closely linked to the Company's development, and construct a diverse and balanced human resources structure through rigorous talent selection and talent cultivation, to cohere workplace cohesion and cultivate workplace energy.

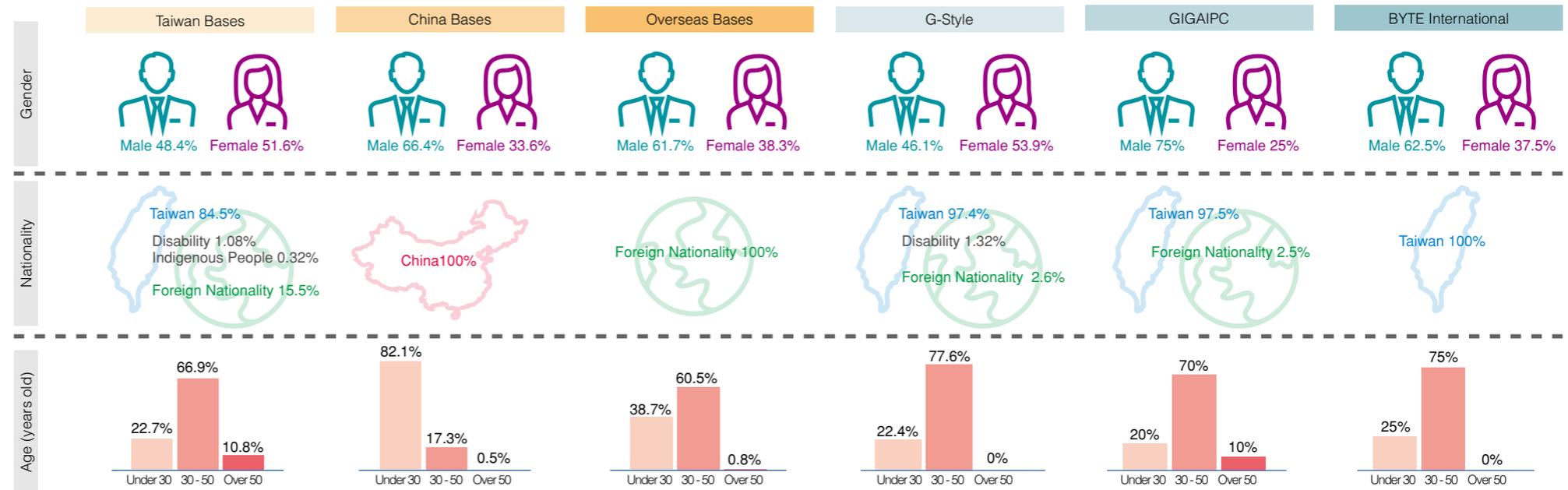
In the statistical data of this section, the Taiwan bases refer to the Headquarters and Nanping Plant, the China bases refer to the Dongguan Plant and the Ningbo Plant, and the subsidiaries refer to the three Companies that have substantial influence in Taiwan: G-Style, GIGAIPC, and Bestyield International. The number of employees considers those in service on December 31, 2019.

### ■ GIGABYTE Human Resource Statistics by Employment Type

Unit: Person

	Taiwan Bases		China Bases		Overseas Bases		Subsidiary					
							G-Style		GIGAIPC		Bestyield International	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Type of Employment (Full-time)	1,243	1,363	2,234	1,130	796	491	35	41	29	10	15	9
Type of Employment (Part-time)	22	9	0	0	25	18	0	0	1	0	0	0
Employment Contract (Full-time Job)	1,242	1,362	1,565	754	796	491	35	41	30	10	15	9
Employment Contract (Temporary)	23	10	669	376	25	18	0	0	0	0	0	0

### ■ Composition of Employees



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## ■ Statistics of New Employees

Unit: Person

	Taiwan Bases		China Bases		Overseas Bases		Subsidiary					
							G-Style		GIGAIPC		Bestyfield International	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Under 30 Years Old	117	181	3,351	3,034	139	34	3	11	2	3	4	2
31-50 Years Old	78	79	171	308	69	23	7	9	8	3	6	2
Over 50 Years Old	2	1	1	2	0	0	0	0	1	0	0	0
New Employee Rate	11.63%	14.52%	68.43%	77.41%	17.75%	12.42%	22.22%	30.77%	32.35%	35.29%	62.50%	33.33%

[Note 1] The high personnel turnover rate in China bases was mainly due to the expiration of contracts with winter vacation workers and students. The number of employees leaving jobs before Spring Festival or requested for leaves was also high. All of which were balanced with increased manpower recruitment.

[Note 2] The total number of new employees includes direct and indirect employees.

## ■ Statistics of Resigned Employees

Among the resigned employees in 2019, 95.73% of them were voluntarily resigned. The reasons for resignation were mainly advanced studies and continued education, followed by seeking other jobs due to personal career planning.

Unit: Person

	Taiwan Bases		China Bases		Overseas Bases		Subsidiary					
							G-Style		GIGAIPC		Bestyfield International	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Under 30 Years Old	60	116	2,846	2,772	203	71	1	10	1	1	0	1
31-50 Years Old	114	129	173	307	78	31	9	14	3	5	1	2
Over 50 Years Old	2	15	2	4	4	0	0	0	0	1	0	0
Resignation Rate	11.28%	14.20%	58.68%	71.37%	24.32%	22.22%	22.22%	36.92%	11.76%	41.18%	6.25%	25.00%

[Note 1] The high personnel turnover rate in China bases was mainly due to the expiration of contracts with winter vacation workers and students. The number of employees leaving jobs before Spring Festival or requested for leaves was also high. All of which were balanced with increased manpower recruitment.

[Note 2] The total number of new employees includes direct and indirect employees.



## 5.1.2 Talents Recruitment and Retention Management

GIGABYTE sets clear basic talents selection criteria, and seeks multinational and cross-disciplinary diverse talents based on the development priorities of each business group and department. For example, the AORUS team has recruited talents with rich experiences as a gaming player to join in recent years. In addition to focus on basic research and development techniques, GIGABYTE also attaches more importance to recruiting partners who are highly enthusiastic about gaming. The extraordinary performance of future products are built from the selection of talents that can accurately fit in the market requirements. Moreover, in order to promote industry-university linkage and the practical application of learning, 6 internships were provided for college students and industry-university cooperation projects.

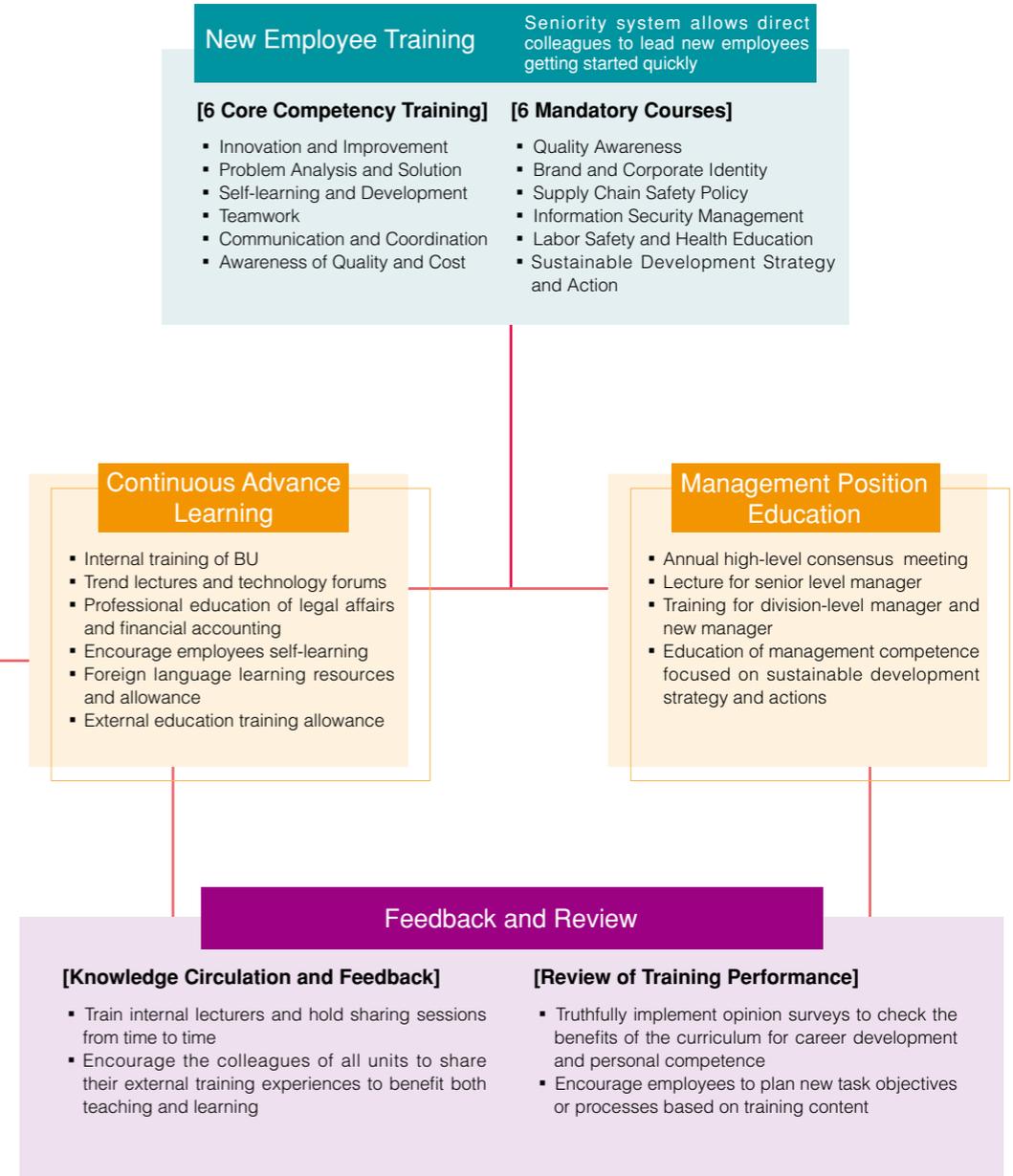
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## Forward-looking Employee Education and Training

In terms of the talent cultivation, GIGABYTE expects to lead employees to stand on the shoulders of giants together and grasp the company's future vision and current achievements with a broader vision and deeper comprehension. GIGABYTE also encourages employees to improve their own career knowledge base through self-learning and external training, and hold sharing events at appropriate times to facilitate peer learning.



## Flowchart of Basic Education and Training



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In addition to on-the-job employee training, GIGABYTE also plans different training courses for new employees based on the particularities of each business location and factory area. The courses are roughly divided into a basic introduction on the salary, benefits, and workplace environment, and so on. The training courses must be completed within one month after reporting to work. A total of 1,249 training sessions were held in 2019, and the training rate was up to 100%.

GIGABYTE also sets annual education themes every year to help employees keep up with the Company's long-term strategy and international trends. In 2019, two new series of lectures were added. [Cross-BU Exchange Forum] was to promote the Company's internal organizational interaction and exchanges, and [5G Lecture Series] was to broaden employees' knowledge and application of emerging technologies. Furthermore, by holding "Reading Articles Drawing Prizes" activity and distributing posters and cards to convey GIGABYTE's determination to stand firmly at the forefront of the technology wave, and lead employees to fully understand how AI and IoT turn the world around.

### Cross-BU Exchange Forum

As GIGABYTE's operations become more diversified, we expect that every employee can understand the goals and operating conditions of each business unit. The forum is thus to stimulate interaction and brainstorming between units and promote a high degree of recognition of the Company.



### 5G Lecture Series

GIGABYTE is actively deploying new technology fields of 5G, AI, and AIoT. The lectures expect to comprehensively improve the basic knowledge of new technologies, convey the Company's vision, and move forward together with all employees.



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## ■ Average Training Hours of Employees

Unit: hours

Average Training Hours	Taiwan Bases										China Bases			
	Headquarters		Nanping Plant		G-Style		GIGAIPC		Bestyield International		Dongguan Plant		Ningbo Plant	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
By Gender	6.24	5.76	17.72	11.79	0.94	3.24	3.47	0.10	11.53	10.78	7.73	8.60	25.36	27.96
By Base	6.07		13.34		2.18		2.63		11.25		8.02		26.24	
By Job Position - Management Position	5.68	5.43	16.76	30.59	0.36	1.67	0.65	0.25	10.43	8.00	12.04	35.76	20.30	17.63
By Job Position - Professional Position	6.56	5.87	18.18	11.05	1.33	3.51	7.15	0.00	12.50	11.13	7.23	7.05	25.83	29.21

## Steady Salary Structure

GIGABYTE's salary system is verified based on job position, education level, work experience, and seniority as well as fair performance evaluation results to ensure that the salary truthfully reflects the employee's contribution. In 2019, the starting salary of all business locations is higher than the local basic salary.

## ■ Number and Proportion of Participants Participated in the End of Term Appraisal

Unit: Person

	Taiwan Bases <sup>[1]</sup>		China Bases	
	Male	Female	Male	Female
Senior Level Manager <sup>[2]</sup>	143	37	17	21
General Level Manager	252	113	40	19
Senior Level Engineer	30	3	1	0
General Level Engineer	712	502	23	4
Ratio to Total Employees (%)	89.9%	47.7%	3.6%	3.9%

[Note 1] The subsidiaries have planned to implement the end-of-term performance appraisal in 2020

[Note 2] Job Grade: Senior level manager (job grade M06 or above); General level manager (job grade M01-M05); Senior level engineer (job grade P06 or above); General level engineer (job grade P01-P05)

## ■ Male and Female Remuneration Ratio<sup>[1]</sup> and Range of Salary Adjustment by Business Locations

Job Grade <sup>[2]</sup>		Taiwan Bases										China Bases			
		Headquarters		Nanping Plant		G-Style		GIGAIPC		Bestyield International		Dongguan Plant		Ningbo Plant	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Management Position	Senior Level Manager	1.21	1	No Female Employees Yet		1.23	1	No Female Employees Yet		No Female Employees Yet		1.03	1	1.02	1
	General Level Manager	1.09	1	1.15	1	1.10	1	1.34	1	1.18	1	0.92	1	1.06	1
Professional Position	Senior Engineer	1.38	1	No Female Employees Yet		No Female Employees Yet									
	General Level Engineer	1.08	1	1.33	1	1.22	1	1.34	1	1.22	1	0.98	1	1.02	1
Average Adjustment of Salary <sup>[3]</sup> in the Past 3 Years		3%		3.7%		3%		2%		3%		5.2% (2018)		8.0% (2017) provided to full-time employees	

[Note 1] Remuneration: Salary of full-time employees (excluding bonuses and overtime pay)

[Note 2] Job Grade: Senior level manager (job grade M06 or above); General level manager (job grade M01-M05); Senior level engineer (job grade P06 or above); General level engineer (job grade P01-P05)

[Note 3] Average Salary: Include the basic salary, living allowance, food allowance, etc., but exclude annual bonus. The basic salary is the salary of full-time employees (excluding bonuses and overtime pay)

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## Ratio of the Average Salary of GIGABYTE Employees to the Local Minimum Wage

Region	Taiwan Bases										China Bases			
	Headquarters		Nanping Plant		G-Style		GIGAIPC		Bestyield International		Dongguan Plant		Ningbo Plant	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Ratio of Basic Salary and Local Minimum Wage	1.17	1.18	1.19	1.07	1.80	1.73	2.00	1.80	1.61	1.68	1.43	1.46	1.39	1.47
Local Minimum Wage in 2019	NTD 23,100										RMB 1,720		RMB 2,010	

In addition to basic salaries, GIGABYTE has established multiple bonuses such as seniority bonuses, patent bonuses, quarterly bonuses, and performance bonuses to reward employees with outstanding performance. It stimulates internal energy on one hand, and allows employees to share the Company's development achievements on the other hand.

## Sound Employee Welfare and Retirement Plans

GIGABYTE has established a proper welfare system, set up the most complete support network for employees, and established the Employees Joint Welfare Committee to formulate practical and satisfiable welfare policies and promote activities for employees to improve workplace happiness.

 <b>Perfect Insurance Plan</b>	Statutory Protection	Labor insurance and national health insurance.
	Extra Protection	Group comprehensive insurance includes: life insurance, accident insurance, medical insurance, catastrophic illness insurance, etc., to increase overall employee protection.
 <b>Pensions</b>	Statutory Contribution	Allocate employees' retirement reserves in accordance to the Labor Standards Act and the Labor Pension Act, and an account in the name of "Employee Pension Reserve Supervision Committee" is established as a special account for employee retirement funds.
	Extra Compensation	Provide retirement bonus and hold honorable retirement ceremonies.
 <b>Living Benefits</b>	In addition to the basic three Festival bonuses, the Company also provides the birthday gifts and travel allowance, and provides a fixed number of points every year to allow employees to freely purchase public welfare products, friendly agricultural products, etc.	
 <b>Living Allowance</b>	Provide childbirth, hospitalization, funeral, marriage, education allowances, and emergency assistance.	
 <b>Special Offer Activities</b>	The Company signs contracts with certain restaurants and manufacturers to provide GIGABYTE's employees with preferential prices, and signs with special stores, including fitness centers, nurseries, etc., to take care of employees' health and parental needs.	
 <b>Club, Leisure Activities</b>	There are sports, dance, environmental service, parent-child, and handicraft clubs set up in GIGABYTE for employees to develop their interests and strengthen their physique.	

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## 5.2 Human Rights and Labor Relations Management

### Commitments and Actions of Humans Right at Workplace

Taiwan cannot become a party of the International Bill of Human Rights as Taiwan is not a member of the United Nations. However, Taiwan still incorporates the core bill of human rights into existing laws through domestic enforcement laws. GIGABYTE also voluntarily abides by the International Bill of Human Rights, and clearly stipulates the workplace standards of "strive for organizational justice, respect for diversity" and "anti-discrimination, violence and harassment" in the Code of Business Conduct to establish a workplace culture that implements human rights protection.

(For GIGABYTE's code of workplace human rights, please refer to <https://www.gigabyte.com/CSR/73>)

Human Rights Commitment	Actions
Talent Inclusion and Non-discrimination	Stipulate clearly in the Code of Business Conduct: The recruitment and promotion of employees are not distinct by race, gender, age, color, sexual orientation, language, religion, party, place of origin, nationality, physical and mental disabilities, and marital status.
Gender Friendly Workplace	Establish the "Guide on Prevention of Sexual Harassment in the Workplace " and the workplace maternal health protection plan, also set up nursery rooms and other friendly facilities (For detailed implementation status, please refer to 5.3.2 Healthy and LOHAS Workplace)
Fair Salary	Evaluate the standard of salary payment through open and transparent performance appraisal, and the wage of all business locations are higher than the local legal minimum wage.
No Hiring of Child Labor	Stipulate clearly in the Employment Management Regulations that employees under the age of 15 and child labor over the age of 15 and under the age of 16 are not allowed to be employed.

Any employee of GIGABYTE who feel that he/she is experiencing discrimination, harassment or violence by other colleagues, the employees of Company's partners, or the employees of distributors can report to his/her manager or the Human Resources Division, and to be investigated by the Human Resources. If the report is found to be true, the individual violating the norm will be subject to disciplinary actions, and may be dismissed from job in the severe case. In 2019, there were no cases of sexual harassment and discrimination, and no cases of human rights complaints.

### Smooth Management and Labor Communication Channels

Good communication between management and labor is established based on mutual trust and mutual assistance. Although GIGABYTE does not have a labor union, GIGABYTE enhances the interaction between labors and the manager level through regular labor-management meetings, division-level management discussions, online article promotion, and annual questionnaire surveys every year to establish a smooth labor-management communication platform.



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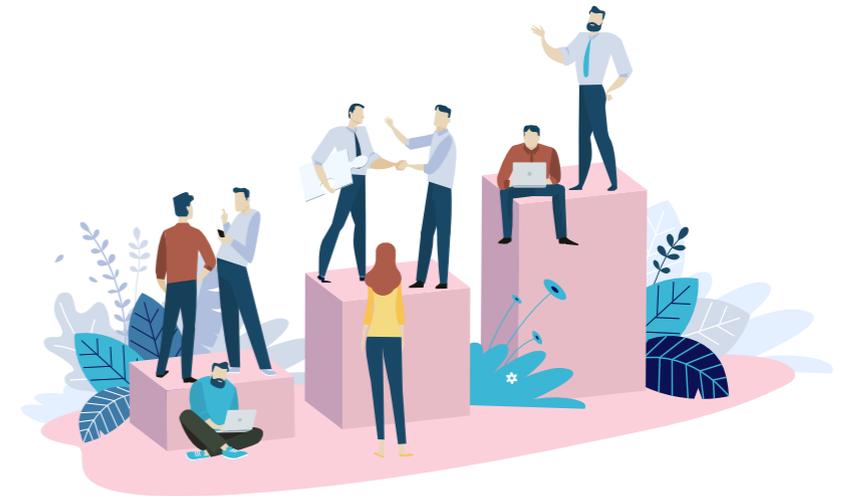
## ■ GIGABYTE Management and Labor Communication Channels

Communication Channels	Annual Communication Results	Annual Communication Focus (extract)
<b>Labor and Management Meeting</b>	Headquarters: 3 times Nanping Plant: 4 times Dongguan Plant: 12 times Ningbo Plant: 12 times	[Attendance and Salary related] Salary adjustment, improvement of overtime management, and announcement of flexible holidays [Welfare related] Employee gaming contest, family day [Others] Employee opinion survey response, education and training planning, environmental safety and health report
<b>Internal Employees Web Portal</b>	—	Internal important message Event promotion
<b>Internal Newsletter "GIGA HI"</b>	127 articles	Reports of all types of Company activities Outstanding team performance and personal performance
<b>HR Website</b>	78 articles related to careers 129,472 visits to website	Guide employees to understand the Company's development direction. Add new series of articles with regard to 5G trend since 2019
<b>Division Level Manager Conferences</b>	3 conferences	Invite units such as Administration Department and Logistics communicate the system aspect with the division-level managers
<b>Employee Message Board</b>	—	
<b>Employee Satisfaction Survey</b>	Headquarters: once every year Nanping Plant: once every month China Plants: without a fixed schedule, 3 times in 2019	Conduct satisfaction surveys focusing on security, cleaning, clinics, reception, and canteens, and implement improvement measures based on the feedback

## 5.3 Occupational Health and Safety

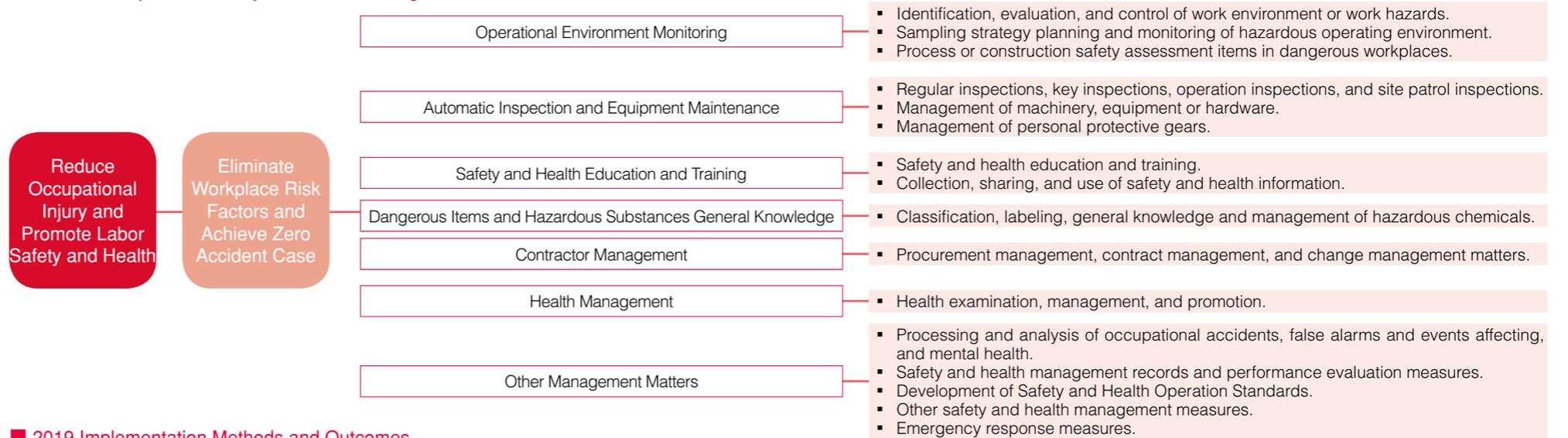
### 5.3.1 Environmental Safety and Health

GIGABYTE's Headquarters, Taoyuan Nanping Plant, and China Dongguan Plant have received ISO45001:2018 Occupational Safety and Health Management System Certification. Ningbo Factory has also planned to receive the certification within the deadline (March 2021). The scope of the GIGABYTE Occupational Safety and Health Management System covers employees, personnel entering the workplace, and the personnel who may affect the organization's activities near the workplace. In order to effectively implement the management plan, a fixed occupational safety and health contact person is set up at each BU. At present, GIGABYTE's Occupational Safety and Health Management Plan can be subdivided into 16 items, including workplace hardware testing, operating standard setting, education and training, health promotion, disaster response, etc. Each item has set up performance evaluation to implement annual management and audit.



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## ■ Annual Occupational Safety and Health Management Plan



## ■ 2019 Implementation Methods and Outcomes

<b>Operational Environment Monitoring</b>	Identify the hazardous substances and environmental problems each unit may be faced based on the work patterns and conduct monitoring. The problems are divided into chemical monitoring (e.g. isopropanol, tin and CO <sub>2</sub> concentration, etc.) and physical monitoring (e.g. noise, lighting, etc.). GIGABYTE uses stable inspection processes to establish improvement plans immediately, and actively implements safety protection to the operational environment.
<b>Automatic Inspection and Equipment Maintenance</b>	GIGABYTE implements automatic inspection and maintenance every year to the five major aspects, such as high-pressure gas containers, local exhaust devices, constant temperature, and humidity equipment, in order to ensure stable operation of equipment and operator safety.
<b>Safety and Health Education and Training</b>	<p>The Company's Safety Education and Training is divided into two major aspects: basic safety and health training (including initial training and retraining) and refuge and disaster prevention training. The trainings are to build employees' basic knowledge of environmental safety and health and related policies. Also, by routine publicity and exercises to train employees to be capable of handling, reporting, and mobilizing immediately when an emergency occurs to reduce casualties and property losses.</p> <p><b>2019 Course Sessions and Attendance</b></p> <p><b>Taiwan Bases</b></p> <ul style="list-style-type: none"> <li>▪ Basic safety and health training: 38 sessions / 1,307 trainees</li> <li>▪ Refuge and disaster prevention training: 16 sessions / 2,013 trainees</li> </ul> <p><b>China Bases</b></p> <ul style="list-style-type: none"> <li>▪ Basic safety and health training: 2 sessions / 48 trainees</li> <li>▪ Refuge and disaster prevention training: 11 sessions / 2,030 trainees</li> </ul>
<b>Dangerous Items and Hazardous Substances General Knowledge</b>	<p>The Environmental Safety and Health Division audits the storage location and labeling condition of the Company's chemicals and hazardous substances every year, and releases the risk maps and starts to improve the defects. In Addition, it provides high-risk employees with hazardous substances operation management, organic solvents, and chemicals general knowledge course in order to strengthen the employees' sensitivity to stay away from potential chemical injuries.</p> <p><b>2019 Hazardous Substances and Chemicals General Knowledge</b></p> <ul style="list-style-type: none"> <li>▪ Taiwan Bases: 5 sessions / 80 trainees</li> <li>▪ China Bases: 2 sessions / 41 trainees</li> </ul>
<b>Contractor <sup>[1]</sup> Management</b>	<p>GIGABYTE requests every contractor to sign the "Contractor Management Operation Guide" to inform of basic precautions. Besides, it provides instructions for duties located in confined spaces or for special operations, and educates the contractors when entering the factory. Also, occupational accident surveys for Contractors are conducted every month.</p> <p>The number of contractors affected by occupational accidents in 2019 was 0.</p> <p>4 sessions of Contractor Education and Training were held at Taiwan Bases.</p> <p>[Note 1] GIGABYTE's contractors include restaurants, security guards, cleaners, and personnel who stay in the bases for the long-term.</p>
<b>Health Management</b>	Please refer to 5.3.2 Healthy and LOHAS Workplace



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## Occupational Safety and Health Risk Management

Comprehensive identification of occupational safety and health risks helps to detect potential hazard factors early and control and eliminate the factors through annual management plans. GIGABYTE establishes the relevant risk assessment process, and the occupational safety and health contact person of each BU performs regular risk scoring. Risks are divided into 4 levels according to the scoring results. Level 1 represents low risk and level 4 represents higher risks. Further assessment of whether the Company's current operating control procedures are sufficient to respond to the listed risks are then conducted. When necessary, the management process will be adjusted according to the identification results to prevent the occurrence of occupational accidents.

### ■ Process and Results of Occupational Safety and Health Risk Assessment



After risk identification, GIGABYTE first reviews the existing operation management process to confirm the integrity of the Company's existing regulations and starts improvement of the discovered management gaps. We will continue to manage occupational safety and health risks through PDCA processes in order to provide employees with a safe and healthy working environment.

### ■ Participation, Communication and Education of Occupational Safety and Health Policy

The Occupational Safety and Health Committee of GIGABYTE's Taiwan Bases is composed of the Operation Management Center and the managers of all BU and subsidiaries, and labor representatives of which the number is more than 1/3 of total committee members. Meetings are held at least every 3 months aiming at submitting recommendations to the occupational safety and health policies formulated by the Company, and reviewing and supervising various implementation plans.

### ■ 2019 Possible Risk Accident Classification Table

Unit: Cases of Risk

Risk Classification	Level 1	Level 2	Level 3	Level 4
Number of Cases	4	77	7	504

### ■ Composition of Occupational Safety and Health Committee

	Headquarters	Nanping Plant	Dongguan Plant	Ningbo Plant
Number of Labor Representatives	8	12	12	10
Number of Person in the Register	21	32	33	30
Percentage of Labor	38.1%	37.5%	36.36%	33.33%

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### ■ Occupational Injury and Disaster Statistics

In 2019, GIGABYTE had 9 occupational accident occurrences in three factory areas (4 in Nanping, 2 in Dongguan, and 3 in Ningbo). Most of the accidents were traffic accidents during commuting and minor work injury in the factory. After the accident, all three factories strengthened advocacy about traffic safety, and immediately overhauled the machine tool causing the accidents. The related personnel were also planned to receive additional education and training.

The Headquarters only had 3 occupational injuries not reported as occupational accidents, and most of them were traffic accidents during commuting. The environmental safety, however, still re-identified dangerous intersections near the Company and implemented traffic advocacy in order to avoid occurrence of future accidents.

Occupational Injury Category	Headquarters		Nanping Plant		Dongguan Plant		Ningbo Plant	
	Number of the injured	Ratio <sup>[1]</sup>	Number of the injured	Ratio	Number of the injured	Ratio	Number of the injured	Ratio
Occupational Injury Death	0	0.00	0	0.00	1	0.22	0	0.00
Serious Occupational Injury	0	0.00	0	0.00	0	0.00	0	0.00
Recordable Occupational Injury	0	0.00	4	2.28	1	0.22	3	0.83

[Note 1] The ratio is calculated on the basis of per-million-work-hours



### 5.3.2 Healthy and LOHAS Workplace

GIGABYTE builds a safe and friendly working environment for employees. We actively help employees to identify their own physical and mental health risks through a comprehensive health management plan, and provide tracking and improvement resources to enable employees in practicing personal health management while contributing to the Company wholeheartedly at the same time. GIGABYTE hopes that every employee is healthy and happy.

#### ■ GIGABYTE Health Management Plan

##### Medical Care and Health Management

- Emergency response of epidemic control
- Carry out health examinations for all employee
- Classified management of health conditions
- Medical assistance for high-risk groups
- Promotion of general medical knowledge

##### Health Promotion Lectures

Provide knowledge of correct medication, three-Hyper diseases, health care for elderly, and daily health care



##### Maternal Care

- Implement maternal protection measures
- Set up nursery rooms and update facilities regularly
- Provide childcare allowance and special childcare nurseries
- Establish clubs to achieve mutual aid community

##### Health Promotion Activities

- Plan long-term weight loss contest
- Mid-day physical training course
- Encourage forming sports clubs
- Strongly promote health concepts, e.g. high-fiber diet, quit smoking, and excessive drinking

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## The Front Line of Health Protection - Health Management and Maintenance

"Prevention is better than treatment" is the core philosophy of GIGABYTE for employee health management. With the most complete health examination program, the nurses regularly track and care for high-risk groups, and cooperate with on-site medical consulting resources to assist employees in early detection of health risks and corresponding systems.

## Annual Health Examination and Tracking System

GIGABYTE provides health examination resources prior to the general law. In addition, GIGABYTE also signs contracts with special clinics to provide additional preferential high-level health examinations to let the employees can receive more complete health information and protection. In 2019, all GIGABYTE's bases in Taiwan and China held health examinations. The number of participants were 1,035 in the Headquarters, 806 in Nanping, 481 in Dongguan, and 516 in Ningbo (including members of the labor union). Additional free doctor consultation, fecal occult blood testing, mammography, and other health examination plans were provided as well. In the future, GIGABYTE will continue to encourage employees to take health examinations.

After an annual health examination, the occupational health nurses will further classified employees into four levels based on their health situation. The employees and senior level managers who have any abnormality in key items, including blood pressure, total cholesterol, and triglycerides, will be listed as level 4, and will be included in the special tracking management. Starting from 2020, we will provide the medical assistance for high-risk groups for employees listed in Level 4. With various measures implemented in parallel, we expect to achieve comprehensive health management of employees.

## Health Protection Accelerator - Health Promotion Activities and Lectures

GIGABYTE provides employees with correct and practical health knowledge through regular health column articles and health lectures. In 2019, we organized a 4-month weight loss activity of "Lose Fat and Send Love to Help Children" with rich and good gifts to motivate the participating employees to lose weight. We hired fitness experts to conduct weekly physical training, and also combined with charity donations, team competitions, etc., to fully support the participants to achieve their weight goals. After the activity terminated, the participants even form a mid-day exercise club, and widely invite colleagues to exercise in the noontime .

## ■ Lose Fat and Send Love to Help Children – Health and Charity Activity

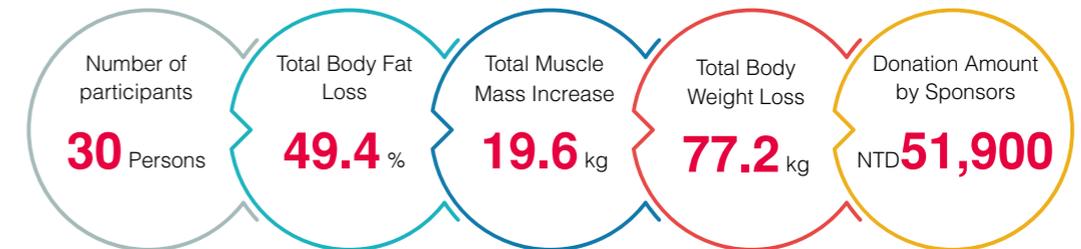


Group Photo before the Weight Loss Competition



Weekly Training Course

## ■ Outcome of Lose Fat and Send Love to Help Children



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## ■ 2019 Health Lecture

Date	Topic	Course Content	Organizer/Lecturer
28 Mar	Are You Chronically Committing Suicide?	"Is sedentary sitting closely related to obesity?" The nurse teaches to reduce the hazards of sedentary sitting.	GIGABYTE Administration Department, Nurse Liu, Mei-Lan
10 Apr	How to Eat Healthy	Maintain good health through diet	GIGABYTE Safety and Health Section, Min-Sheng General Hospital
30 May	Reduce Fat, Increase Muscle, Eat Healthy	The nutritionist teaches to match the diet and choose the right food according to the intensity of exercise to effectively lose weight.	GIGABYTE Administration Department, Nutritionist Chang, Hao-Ting
27 Jun	The Myth of Exercise and Diet	How to diet to avoid gaining weight after weight loss? The Muscle Daddy teaches you the tip in one time!	GIGABYTE Administration Department, Muscle Daddy JZ
23 Jul	Awareness and Prevention of Dementia	Provide employees with basic knowledge of dementia and implement preventive behaviors	Public Health Center of Pingzhen District, Taoyuan
27 Aug	Medication-use Safety	There are many grades of daily medicines. What is medication-use safety and how to distinguish suitable medicines?	Public Health Center of Pingzhen District, Taiyuan, Taiwan Landseed Hospital



## Health Protection Cover - Occupational Disease Prevention EAP Employee Assistance Program

In addition to construct a safe, healthy and happy workplace, GIGABYTE also pays attention to employees' psychological counseling needs in daily life, and cooperates with external partners to provide counseling services in psychological, legal, financial, and other aspects. Employees can use the dedicated website, consultation hotline and email for confidential consultation.

GIGABYTE also regularly provides monthly topic columns and annual lectures to actively respond to the questions that employees may encounter in their daily lives.

## Overwork and Ergonomic Hazard Prevention

The main working made of GIGABYTE's Headquarters is "Sedentary Sitting in the Office." Poor postures can easily cause damage to muscles, bones and eyesight. Employees in factories may be induced with discomfort symptoms such as muscle strains and body soreness due to repetitive work or heavy lifting. Therefore, GIGABYTE has established the "Ergonomic Hazard Prevention Plan" and the "Disease Prevention Plan for People with Abnormal Workloads" to regularly confirm the applicability of desks, chairs, lighting, ventilation and other equipment in the workplace. In the meantime, we look up to the health examination reports and assist the employees with risks of cardiovascular diseases in changing their work pattern or adjusting their work hours according to the advices given by doctors.

## ■ Occupational Disease Statistics

In 2019, there were no reported cases of occupational diseases in all GIGABYTE's bases in Taiwan and China. In the future, GIGABYTE will continue the excellent health management to achieve the goal of preventing early and improving treatment.

Occupational Disease Category	Occupational Disease Incidents (Cases)	Number of People (Persons)
Occupational Diseases that Cause Death	0	0
Recordable Occupational Diseases	0	0

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## Gender Friendly Workplace

Nearly half of GIGABYTE's employees are female, and most of them are of childbearing age. Therefore, creating workplace facilities and systems suitable for female or employees with motherhood is our priority. Diverse and complete maternal friendly measures have enabled GIGABYTE to be affirmed by the New Taipei City in Promoting Family-Friendly Program in 2019.



Nursery Room

Both the Headquarters and Nanping Plant are equipped with nursery rooms. The nursery rooms are clearly located on the main passageways with control of access cards to protect the safety of mothers.

The room provides complete equipment, including refrigerators, sinks, sofas, electric heaters, etc. to provide female colleagues with a convenient and comfortable space.

**Number of times the nursery rooms used in 2019: 4,544**  
**Equipment update: set up an emergency bell, purchase brand new electric heater**



Childcare Allowance

GIGABYTE hopes to be a good helper for colleagues' parenting. Therefore, we sign contracts with nearby childcare centers evaluated by the Company to provide convenient way for the employees to take care of children with low burden.



Maternal Care

Establish maternity protection measures in accordance with laws and regulations. The full-time nurses regularly track and care for pregnant women, and provide priority parking spaces for pregnant employee to protect the physical and mental health of every pregnant mother.



## Return Rate of Baby Care Leave

	Taiwan Bases		China Bases	
	Male	Female	Male	Female
Number of Employees Qualified for Baby Care Leave	150	96	0	11
Number of Employees Applying for Baby Care Leave of the Year	7	65	0	15
Number of Employees Who Shall Return to the Job with Job Retained for Baby Care Leave in 2019 (A)	6	5	0	11
Number of Employees Who Actually Returned to the Job with Job Retained for Baby Care Leave in 2019 (B)	4	3	0	11
Number of Employees Who Actually Returned to Job with Job Retained for Baby Care Leave in 2018 and Work for More Than 1 Year (C)	0	4	0	14
Number of Employees Who Actually Returned to the Job with Job Retained for Baby Care Leave in 2018 (D)	0	5	0	21
Rate of Return to Job (B/A)	67%	60%	N/A	100%
Rate of Job Retained (C/D)	N/A	80%	N/A	67%

[Note 1] The statistics cover Taiwan bases (the Headquarters and Nanping Plant), China Dongguan Plant and Ningbo Plant, as well as the subsidiaries with substantial influence in Taiwan: G-Style, GIGAI PC, and Bestyield International.

[Note 2] The number of people eligible for baby care leave is calculated by the number of employees with children under 3 years old based on the national health insurance data.

# Chapter 6

## Social Common Good

### 6.1 Social Caring and Technology Education

### 6.2 Sustainability Education

#### 6.2.1 Deep Cultivation of Sustainability Thinking in Workplace

#### 6.2.2 Cultivation of Social Sustainability Energy

Material Topics of This Chapter	Social Participation and Digital Inclusion (voluntary disclosure)	Sustainability and Environmental Education (voluntary disclosure)
<b>Management Approach</b>	Combine the core competency to expand social participation and corporate influence and to reduce the digital gap, innovate and cultivate talents, and care for the disadvantaged.	Shape the awareness of sustainable development and environmental protection and strengthen citizens' environmental literacy to achieve the vision of overall sustainability.
<b>Policy and Action</b>	<ul style="list-style-type: none"> <li>▪ The GIGABYTE Education Foundation is founded to be responsible for coordinating social participation and technology education projects.</li> <li>▪ Serve as the general convener of the Lifelong Learning Promotion Alliance, and cooperate with NPO partners to promote learning courses of energy enhancement workshop.</li> <li>▪ Jointly launch courses with various departments of the Company to promote the concept of resource circulation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote internal lectures, publicity articles, plastic reduction activities.</li> <li>▪ Establish the "Go Green Club" and implement the "Thousand Mile Trek - Go Green Taiwan" project to walk around Taiwan and pick up trash.</li> <li>▪ G-HOME Sustainable Eco-roof is certificated as an Environmental Education Facility and Field and provides 2 environmental education courses.</li> <li>▪ In response to the German Plant-for-the-Planet Foundation target, commit to organizing 5 Plant-for-the-Planet Academies in Taiwan, and sponsor the Academies in developing countries.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>▪ Promote science and technology education to be taken root in rural areas.</li> <li>▪ Promote 5G courses related to circular economy spirit "Mottainai" and face recognition.</li> <li>▪ Provide technical resources for elementary schools around the Headquarters to create a smart campus</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve the social return on investment (SROI) of the "Thousand Mile Trek - Go Green Taiwan" project</li> <li>▪ Improve the Social Return on Investment (SROI) of G-HOME 's Environmental Education Fields and educational courses.</li> <li>▪ Continue the climate education project and deepen the cultivation of Taiwanese climate talents.</li> </ul>
<b>2019 Major Achievement</b>	<ul style="list-style-type: none"> <li>【●】 Cooperated with AAEON Technology to launch a technology home delivery cooperative to expand the scope of popular science activities.</li> <li>【●】 Cooperated with the Bestyield International, e7line, and various unit of the Company to launch "Computer Doctor" and "FUN Play IoT Summer Camp".</li> <li>【○】 To provide the campus security system and new technology book borrowing experience to Beixin Elementary School.</li> </ul>	<ul style="list-style-type: none"> <li>【●】 The SROI of "Thousand Mile Trek - Go Green Taiwan" is 1:5.45</li> <li>【●】 G-HOME SROI is 1:8.04</li> <li>【●】 To develop local climate teaching materials and find long-term partners.</li> </ul>

【●】 Stage objective completed   【●】 In progress   【○】 Not yet implemented   【●】 Stage objective not yet achieved



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## 6.1 Social Caring and Technology Education

"Upgrade Your Life" is the corporate purpose of GIGABYTE, and also the core spirit of GIGABYTE's commitment to social welfare - to promote science education with core capabilities, while paying attention to humanistic development, sponsoring cultural education or education activities that benefit the society.

In terms of science and technology education, in addition to long-term product design contest and digital empowerment workshops, GIGABYTE also co-organizes cross-disciplinary Transaction Award with the government and industry to actively cultivate slashie talents for the industry. At the same time, GIGABYTE fully sponsors art and cultural activities to bring art into the community and Company and cultivate the humanistic literacy for the whole generation.

### ■ Annual Performance of GIGABYTE Education Foundation

Scholarships to Students Who Experience Unexpected Events in Their Family <b>Annual Donation NTD 1,920,000</b>	The GIGABYTE Education Foundation launches the year-end donation campaign at the end of each year to raise donations from GIGABYTE's employees and their families, children, and partners of GIGABYTE. The targets of donation are as follows: (1) Providing scholarships to students who experience unexpected events in their family. (2) Donating to the Children's Hearing Foundation's early intervention for hearing impaired children from disadvantaged families. (3) Donating to the long-term care dependence and single-parent families. <b>Accumulated donation over the years NTD21,936,000</b>
Double Caring Blood Donation <b>809</b> person-times participated in the year	Since 2003, GIGABYTE has called on partners in Taiwan area to donate blood. The Company also provides roasted sweet potatoes, Yilan rice and iron supplement drinks to supplement the vitality for blood donators to let the blood donation activities also warm the heart and stomach. <b>A total of 8,584 participants and 3,066,000 c.c. of blood donated over the years</b>
Direct Purchase of Agricultural Products <b>Annual Group Purchase NTD 2,361,000</b>	GIGABYTE has been promoting the group purchase of direct selling agricultural products since 2002. GIGABYTE steps in and supports domestic agricultural products through purchasing direct selling, quick harvest at typhoon season and oversupply occurs that may make prices plunge. In this way not only our staff can buy cheaper, safer, and fresher fruits and vegetables, we have also seen farmers' life improved, promoting the value-added agricultural products. <b>The cumulative group purchase over the years was NT\$20,568,000</b>
Spring Festival Red Envelops for Ragpickers <b>Sen 392</b> Spring Festival Red Envelops	Since 2015, the GIGABYTE Education Foundation has passed on care and blessings to the people cleaning and collecting scraps, including: elderly people living alone and physically handicapped people with limited mobility, etc. As long as everyone contributes a little love and action, the society will be warmer and more beautiful. <b>Having sent 1,886 red envelops in total over the years</b>
Computer Assembly Welfare <b>Annual donation of 10 desktop computers</b> (worth <b>NTD 200,000</b> )	Since 2015, GIGABYTE has integrated the core strength of various enterprises to collaboratively provide PC products and assist the remote areas and the disadvantaged groups, helping them to have more opportunities of digital learning. The collaborative partners in 2019 were ESP Group, ADATA, and ViewSonic. We assisted the Prader-Willi Syndrome Association in equipment replacement. <b>Having donated a total of 241 PC-related products over the years.</b>

In addition to money and material donations, GIGABYTE is enthusiastic about participating in disadvantaged groups related public welfare activities. It is also a way for GIGABYTE's employees to love the society. For example, through sponsoring arts activities, GIGABYTE's employees not only understand more about the society, but also donate to related disadvantaged groups with the ticket sales to achieve a good future with mutual helps.

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## Cultivate Technological Talents. Implement Digital Inclusion

As a technology hardware manufacturer at the forefront of technology and innovation, GIGABYTE firmly believes that everyone should have the opportunity and ability to experience the convenience and progress brought by technology. Therefore, the GIGABYTE Education Foundation has continuously promoted science and technology education in multiple forms since 2010, just like building a wonderful science and technology city in which people of different genders, age groups, education levels and other backgrounds can experience the surprise and happiness created by the science and technology.

### 2019 Technology Education Formula City

**The Secret of Computers**

Since GIGABYTE opened the Nanping Plant in Taoyuan for schools to visit in 2002, it is still the only motherboard manufacturing factory in Taiwan that opened the production lines to the public for visiting. The types of visitors include elementary school summer camps, high schools, vocational school, as well as universities and colleges, and also have expanded to foreign visitors for learning. The Secret of Computers has become one of the most solid approaches for industry-university exchanges and unofficial diplomacy!

**Achievements in 2019: 53 sessions / 2,188 person-times**

**Bring Technology to Campus & PC DIY** **NEW!**

GIGABYTE not only opens the factory to students, but also actively enters the campus to provide with opportunities to learn about functions, composition, and operation of computer components, and through the DIY process to stimulate children's interest and impression of computer structure. We keep optimizing the teaching content, adding courses of Virtual Reality (VR) and Augmented Reality (AR) operations, and solar DIY to take root in campus technology quality.

**Achievements in 2019: 90 sessions / 1,951 person-times**

**Digital Love**

With the popularization of the digital age, GIGABYTE has also actively invested in the educational fields of digitally disadvantaged communities and ethnic groups, such as elders, foreign spouses, and children with rare diseases. We provide computer and mobile phone teaching classes, and focus on topics based on the participants' interests, such as documents, cloud, multimedia, social software, and experience programs, so that every student can put what they have learned to good use.

**Achievements in 2019: 30 sessions / 1,718 person-times**

**Computer Doctor**

In the times of the earth's resources are gradually being used up, circular economy is the thinking that every citizen of the world must have. In 2019, the Bestyfield International opened the "Computer Doctor" course aiming at turning over the students' impression of "recycling" and understanding its value and importance.

**Achievements in 2019: 6 sessions / 316 person-times**

**G-Design Contest**

The Great Design Contest has been held for 17 consecutive years. It has an outstanding team of industry experts and the contest themes are always closely related to the trend. The contest is student-oriented, providing handsome bonuses, and actively assists participants in patent applications. Therefore, it has become a well-known domestic science and technology creativity contest.

**Theme of 2019: Unlimited Links X Real Communication**

Encourage students to use new technology to find a balance between virtual social communication and face-to-face interaction, and the approach shall be both creative and humane.

**Fun Play with IoT Summer Camp** **NEW!**

Recently, various applications of the IoT are booming. By opening the "gate" of IoT, the sensors, and integrating the designing thinking processes, the camp trains students to be able to discover and solve problems, and also provide an opportunity to practice their own digital imagination.

**Achievements in 2019: 2 sessions / 30 person-times**

(For more information regarding the G-Design Contest and its prizewinner, please refer to [Great Design official website](#); for more exciting content of science and technology education, please refer to [GIGABYTE Education Foundation official website](#))

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## 6.2 Sustainability Education

### 6.2.1 Deep Cultivation of Sustainability Thinking in Workplace

#### Lectures and Working Holidays

Since GIGABYTE launched the "Green Action Plan" in 2009, through expert lectures and quiz every year, to convey the in-depth knowledge of sustainability, and let the employees to have the sense of acuity to sustainability issues and the ability of reflection. Organization of working holidays and hand-made courses allows employees to see the people who guard the environment, touch the most natural materials with their own hands, and experience the importance and preciousness of environmental sustainability through their own practices. Over the past 10 years, GIGABYTE has accumulated lectures and content with multiple aspects which have enable employees to understand the value of corporate sustainability and the environment through his / her most favorite way.



**Celebrity Lecture**

Invite experts from the government, academia, and the private sector to use in-depth stories and perspectives to elaborate corporate social responsibility, climate change, social justice, and environmental health.



**Quiz with Reward**

Respond to international environment-related themes or develop a series of articles with specific topics to supplement sustainable knowledge, keep up with the pulse of the world, and in the meantime draw small prizes for learners.



**Working Holiday**

Call on employees to walk out of the office together to see the local communities' humanistic and low-carbon lifestyles, and experience the rich ecological characteristics, and cultivate the respect for nature through personal experiences.



**Collaborative Environmental Protection**

In addition to internal activities, GIGABYTE also responds to governmental tree planting and beach cleaning activities, encourages employees to participate in community conservation and beautification to build a deeper connection and a sense of belonging to the land.

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## Plastic-Free Life and Plastic Waste Picking

### ■ Swordsman of Plastic Reduction

Following the internal plastic reduction project in 2018, in 2019 the plastic reduction map was also expanded to the community where the Headquarters is located. In cooperation with 50 outside stores, employees bring their own tableware, food and drink can collect "green leaves" through their mobile phones and exchange for prizes from the Company. The prizes and exciting activity attracted 271 "plastic reduction swordsman" to join in to compete vigorously in environmental protection martial arts.



Set up a LINE group with a well-designed martial arts style to motivate employees to be more involved in plastic-reduction!

### ■ Swordsman of Reduction 2 – Second-hand Charity Sale

In response to the circular economy, we launched an internal second-hand market at the end of the year that both sellers and buyers can get "green leaves". It encouraged every employee to give new value to second-hand items jointly. The charity sale funds were donated in full to the child care institution in New Taipei City, achieving the double results of environmental protection and social caring. Organization of this event has also become a good touchstone. In the future, we will start to plan online second-hand trading platforms or regular booths to train employees to rethink the remained value of an item before discarding.

High-quality, affordable second-hand items attracted a large number of employees to buy, and also set off another wave of environmental protection activities.



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■ Outcome of Second-hand Charity Sale

### Waste Reduction in Restaurant

Number of Participants	<b>271</b> persons
Cooperation Store	<b>50</b> surrounding stores (including 3 stores in the staff canteen)
Collected Green Leaves	<b>3,496 leaves</b> in total Averagely <b>more than 70 leaves</b> per day Approximately <b>50 times of plastic-free diet per day</b>
Waste Reduction	Avoid use of <b>547 cups and straws,</b> <b>816 paper lunch boxes and tableware</b> Equivalent to around 412.6 kg-CO <sub>2</sub> e

### Second-hand Market

Number of Donation Items	<b>24</b> persons donated a total of <b>150 items</b> and <b>255</b> second-hand items
Item Sales	<b>240</b> items were sold Resource conversion rate reached <b>94%</b> Reduced <b>73.8 kg</b> of waste, equivalent to around <b>152</b> kg-CO <sub>2</sub> e
Donation Amount	Total income <b>NTD 16,985</b> Donating <b>NTD 30,000</b> to Rong-Guang Social Welfare Institution (including voluntary donations)

### Thousand Mile Trek - Go Green Taiwan

The GIGABYTE corporation volunteer club, Go Green Club, was founded by employees in 2013, with a core intention of "nurturing sustainable planet, starting green life, creating a LOHAS life".

While seeing the discordant scenery that a beautiful place covered by huge amount of trash in Taiwan, the club members become more aware of the importance of reducing garbage from the source and the importance of local environmental education. In 2015, the Club members decided to walk out of office to take practical actions. The Club planned to walk around Taiwan by foot in sections over 7 years and pick up trash along their way.



In 2018, a short documentary of "Hear the Voice of the Island" was released to elaborate the heartfelt voices of the members in order to appeal to viewers for more attentions on environmental protection.

Since 2019, as GIGABYTE gradually deepened cooperation with universities and college, we start to invite university and college students to directly participate in the round-the-island services, and hope to stir up more unexpected sparks with young generation.

- Picked trash in 2019 **3,769.13 kg**
- Cumulative picked trash **6,864.46 kg**
- Walking distance in 2019 **199.17 km**
- Cumulative distance **748.68 km**

(For more details of the "Thousand Mile Trek - Go Green Taiwan", please refer to [GIGABYTE CSR Website](#))

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## SROI of Thousand Mile Trek - Go Green Taiwan

In order to understand the social and environmental impact of the "Thousand Mile Trek-Go Green Taiwan" project, the Social Return on Investment (SROI) was introduced for the first time in 2016 for evaluation and analysis. A group of achievement indicators were set in order to re-evaluate the project every year simply by updating the actual data of the year. The annual analysis provides recommendations for project adjustments and improvements to expand the influence of project. In recent years, as the efficiency of trash pickup per trip has been greatly improved, the results of SROI analysis have also shown an increasing trend year by year, and the value ratio of the impact on environmental protection has been increased continuously.

### 6.2.2 Cultivation of Social Sustainability Energy

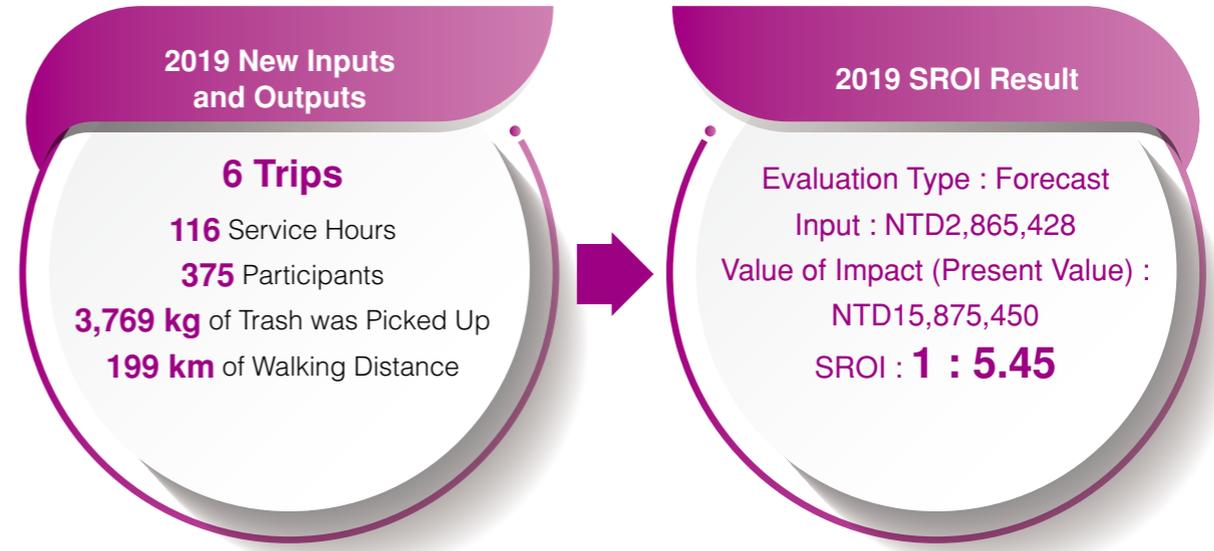
#### Environmental Education on Roof - G-HOME GIGABYTE Sustainable Eco-Roof

GIGABYTE believes that "Sustainability" begins with the harmony, embrace, and coexistence between human and nature. G-HOME Sustainable Eco-Roof was completed in 2013, upholding to the two purposes of "caring for the health of employees" and "returning trees to the planet", and is divided into 5 major theme areas. To fulfil the goal of coexistence between humans and creatures, through ecological design and low maintenance management, G-HOME provides a rare habitat for plants, birds and insects, and also allows employees to get close to nature, with a rest area full of green. In particular, the design of ecological non-interference zone fully reflects the concept from the perspective of nature. This allows the employees to think out of the anthropocentric box of human perspective and learn to share land with other creatures.

G-HOME Sustainable Eco-Roof was certified by the Environmental Protection Administration of the Executive Yuan as an Environmental Education Facility and Field in 2017. G-HOME is the first Environmental Education Facility and Field on the rooftop in Taiwan. We provide two certified environmental education courses "Rooftop Greening is not Just a Dream" and "The World is a Circle" to share the philosophy, practices, and achievements of GIGABYTE strive for in rooftop greening and circular economy for many years with more industry-government-university partners in jointly building a sustainable city and promoting the fulfillment of responsible production and consumption.

(For more details regarding registration of G-HOME Environmental Education Courses, Please visit [GIGABYTE CSR Website](#))

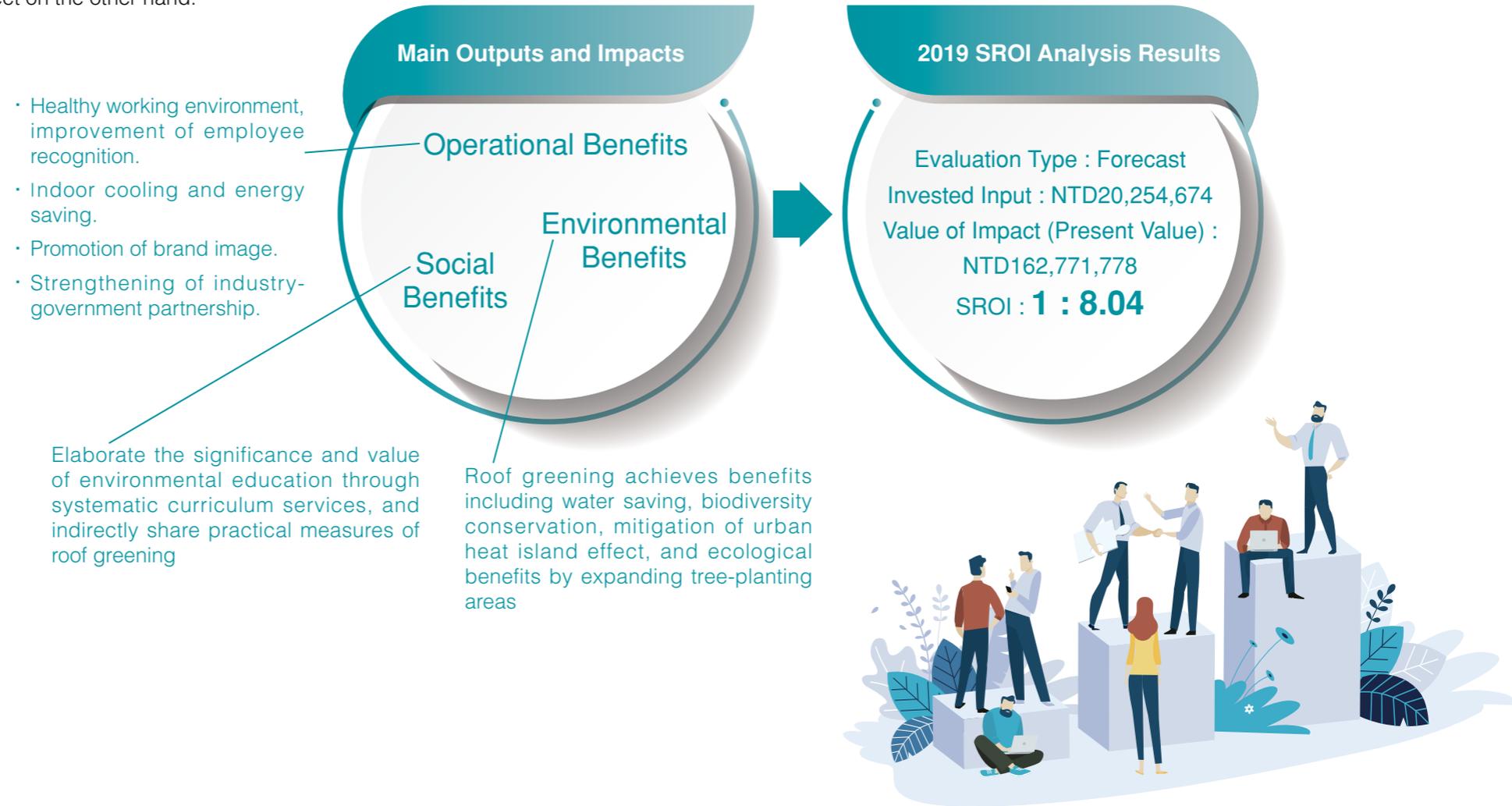
- Environmental education courses given in 2019 **10 classes**
- Cumulative visitors to G-HOME (counted since foundation) **3,189 persons**



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## SROI of G-HOME Sustainability Eco-Roof

In 2016, GIGABYTE analyzed the impact of the "G-HOME Sustainable Eco-Roof" project based on the Social Return on Investment (SROI) for the first time. The analysis scope started from the completion of the roof in 2013 to the expected roof service life of 10 years. In 2017, GIGABYTE successively developed environmental education courses with G-HOME as the base, as well as launched the "Make Earth Green Again" program cooperated with the German Plant-for-the-Planet Foundation, which also aims to return trees to the Planet. The impact of achievement from the G-HOME project has been updated with SROI every year for 4 consecutive years up to date in order to review any part in the project needed for improvement or promotion on one hand, and measure the impact of the continuous project on the other hand.



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## Make Earth Green Again

In 2016, Felix Flinkbeiner, the founder of the German Plant-for-the-Planet Foundation, visited GIGABYTE Sustainable Eco-Roof. During the conversation, he found that G-HOME's concept of "returning trees to the planet" and the Foundation's core idea coincidentally match up, which then gave birth to the "Make Earth Green Again" program in 2017. GIGABYTE committed to planting at least 75,000 trees for the planet in respond to the UNEP's Trillion Tree Campaign, as well as organizing Plant-for-the-Planet Academies in Taiwan to deeply cultivate local climate education. As of the end of 2019, GIGABYTE has planted 68,750 trees.

## Plant-for-the-Planet Academy to Cultivate Climate Justice Ambassadors - Stop Talking. Start Planting

When the adults are still hesitating to respond to climate change for their own interests, the children have already contributed their efforts and made changes for their own future. The Plant-for-the-Planet Academy is a one-day program designed by the Plant-for-the-Planet Foundation to cultivate climate justice ambassadors all around world. GIGABYTE not only sponsors developing countries to cultivate climate justice ambassadors, but also introduces the Academy into Taiwan. We expect that younger next generation to connect to international climate issues and have the capability to speak up for their future and the Earth.

There were a total of 5 Plant-for-the-Planet Academies held in Taiwan between 2017 and 2019, cultivating a total of 405 children aged between 8 and 12 to become climate justice ambassadors, and directly or indirectly facilitated 11



schools to subsequently implement climate actions on campus. Furthermore, by cooperating with universities and colleges, GIGABYTE trained college volunteers to become co-moderators of activities, created opportunities for benefiting both teaching and learning, and expanded the synergy of climate education. In addition, GIGABYTE also sponsored 15 Plant-for-the-Planet Academies in 10 developing countries around the world, cultivating 962 local climate justice ambassadors.

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With guidance by experts, children personally plant a sapling by hand and water it carefully, hoping that the young tree could grow up quickly.



Children present climate actions tailored for their schools on the stage, and also appeal the presidents and teachers in the audience for supporting and joining their climate Actions.

Through the World Game, children have a better understanding of the distribution of global population, wealth, and CO<sub>2</sub> emissions, and further explore whether the distribution of climate problem impact is justified.

The 5<sup>th</sup> Plant-for-the-Planet Academy was successfully completed in October 2019. GIGABYTE expects to create more cooperative opportunities in the future and make more contribution to climate education in Taiwan and the world.

(For tree-planting activities and the details of Plant-for-the-Planet Academies, please visit the pages of "Tree Map of GIGABYTE" and "Make Earth Green Again" at [GIGABYTE CSR Website](#))

## Appendix I CSR Performance Summary in the Past 5 Years

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Aspect	Main Index	2015	2016	2017	2018	2019	
Economic Aspect	Consolidated Revenue (NTD 100 million)	508.29	523.47	598.84	609.24	617.81	
	Operating Cost (NTD 100 million)	420.67	432.77	496.86	500.80	521.90	
	Operating Expense (NTD 100 million)	75.10	73.81	79.73	78.48	81.35	
	Employee Salary and Benefits (NTD 100 million)	52.22	53.70	57.06	55.99	53.44	
	Earnings per Share (NTD)	3.05	3.64	4.41	4.04	3.05	
Environmental Aspect	Greenhouse Gas Emission (t-CO <sub>2</sub> e)	Scope 1	576.89	644.45	553.05	661.29	657.63
		Scope 2	28,859.27	28,643.39	27,657.56	27,002.64	27,800.91
	Greenhouse Gas Emissions Intensity (t-CO <sub>2</sub> e / 1,000 motherboard equivalent pieces)		1.75	1.90	2.19	2.07	2.31
	Electricity Consumption (MWh)	Bases in Taiwan <sup>[1]</sup>	19,494.84	19,497.70	18,830.08	18,572.70	18,524.16
		Bases in China <sup>[2]</sup>	20,959.26	20,845.35	19,974.34	19,429.23	21,124.7
	Energy Consumption (GJ - including steam, gasoline, diesel fuel and LPG, and electricity)		152,999.09	152,986.91	147,519.66	147,514.21	150,922.69
	Water Use (tons)	Bases in Taiwan <sup>[1]</sup>	91,800	97,900	88,900	80,100	84,258
		Bases in China <sup>[2]</sup>	257,100	252,400	222,300	222,500	209,884
	Waste Production (tons)		1,880.74	1,697.89	1,621.53	1,723.70	1,819.21
	General Waste (tons)	Headquarters	10.65	30.12	41.92	42.27	41.85
		Production Bases <sup>[3]</sup>	399.85	379.40	461.54	428.70	463.88
	Hazardous Substance (tons)	Headquarters	0.98	2.02	0.26	0	0
		Production Bases <sup>[3]</sup>	60.42	56.39	76.39	108.8	106.51
	Volume of Waste per Unit Production (tons / 1,000 motherboard equivalent pieces) of Production Bases		0.11	0.11	0.12	0.12	0.15
	Average Waste Production per Person (tons / person) of Headquarters		0.03	0.05	0.05	0.06	0.06
Environmental Education Hours		3,637	7,524	10,178	12,945	10,570	
Social Aspect	Total Number of Employees		8,220	7,799	7,171	6,716	7,471
	Average Age		36.4	33.4	31.6	34	33
	Average Seniority		7.3	5.6	6.34	6.81	5.87
	Employee Education Training Hours (Bases in Taiwan)		19,068	19,588	18,760	25,937.1	24,878
	Occupational Injury Rate Causing Death	Headquarters	0.36	0	0	0	0
		Taoyuan Nanping Plant					0
		China Dongguan Plant					0.22
	Severe Occupational Injury Rate	China Ningbo Plant					0
		Headquarters					0
		Taoyuan Nanping Plant					0
	Recordable Occupational Injuries	China Dongguan Plant					0
		China Ningbo Plant					0
		Headquarters					0
		Taoyuan Nanping Plant					2.28
		China Dongguan Plant					0.22
China Ningbo Plant						0.83	

[Note 1] Bases in Taiwan: The Headquarters and Taoyuan Nanping Plant.

[Note 2] Bases in China Factory: Dongguan Plant and Ningbo Plant.

[Note 3] Production Bases: Three main manufacturing areas including Taoyuan Nanping Plant, Dongguan Plant, and Ningbo Plant.

No historical data due to the revision of GRI Standards.

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GRI Standards	Disclosure Items	Page	Description and Omitted
GRI101: Foundation 2016			
General Disclosure (core items)			
GRI 102: General Disclosure 2016	102-1 Name of the organization	7	-
	102-2 Activities, brands, products and services	6	-
	102-3 Location of headquarters	7	-
	102-4 Location of operations	7	-
	102-5 Ownership and legal form	7	-
	102-6 Market served	7	-
	102-7 Scale of the organization	7	-
	102-8 Information on employees and other workers	58	-
	102-9 Supply chain	47	-
	102-10 Significant changes to the organization and its supply chain	-	There is no significant changes to the organization and its supply chain in 2019
	102-11 Precautionary principle or approach	26	-
	102-12 External initiatives	-	Voluntarily supporting ISO 26000, the UN Global Compact, RBA Code of Conduct, and Responsible Minerals Initiative GRI Standards and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies are in compliance with the request of Taiwan Financial Supervisory Commission.
Organization Profile Strategy Ethics and Integrity Governance Stakeholder Engagement Reporting Practice	102-13 Membership of associations	6	-
	102-14 Statement from senior decision-maker	2	-
	102-16 Values, principles, standards and norms of behavior	23	-
	102-18 Governance structure	21	-
	102-40 List of stakeholder groups	13	-
	102-41 Collective bargaining agreements	64	-
	102-42 Identifying and selecting stakeholders	13	-
	102-43 Approach to stakeholder engagement	13	-
	102-44 Key topics and concerns raised	15	-
	102-45 Entities included in the consolidated financial statements	1	-
	102-46 Defining report content and topic boundaries	17	-
	102-47 List of material topics	15	-
	102-48 Restatement of information	1	-
	102-49 Changes in reporting	-	-
102-50 Reporting period	1	-	
102-51 Date of most recent report	1	-	
102-52 Reporting cycle	1	-	
102-53 Contact point for questions regarding the report	1	-	
102-54 Claims of reporting in accordance with the GRI Standards	1	-	
102-55 GRI content index	83	-	
102-56 External assurance	-	There is no external assurance in this year	
Material Topics GRI 200 Economy 2016; GRI 300 Environment 2016; GRI 400 Society 2016			
Financial Performance, Brand Management			
GRI 103: Management Approach	103-1 Explanation the material topic and its Boundary	17	-
	103-2 The management approach and its components	6	-
	103-3 Evaluation of the management approach	-	-
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	9	-
	201-4 Financial assistance received from government	-	-
-	Brand management strategy and conduct	8	-
Moral Integrity and Code of Conduct, Corporate Governance, Legal and Regulation Compliance, and Innovation Management			
GRI 103: Management Approach	103-1 Explanation the material topic and its Boundary	17	-
	103-2 The management approach and its components	22	-
	103-3 Evaluation of the management approach	-	-
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	-	No occurrence in 2019
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No occurrence in 2019
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	-	No occurrence in 2019
GRI 405: Diversity and Equal Opportunity	405-1-a Diversity of governance bodies	24	-
GRI 415: Public Policy	415-1 Political contributions	-	No occurrence in 2019
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	No occurrence in 2019
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	-	No occurrence in 2019
	417-3 Incidents of non-compliance concerning marketing communications	-	No occurrence in 2019
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	-	No occurrence in 2019
-	Corporate governance system and effectiveness	24	-
-	Innovative management and conduct	29	-
Environmental Policy and Management System, Climate Change and Carbon Management, Hazardous Substance Management, Pollution Prevention, Circular Economy, Responsible Production and Consumption			
GRI 103: Management Approach	103-1 Explanation the material topic and its Boundary	17	-
	103-2 The management approach and its components	30	-
	103-3 Evaluation of the management approach	-	-
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	37	-
GRI 301: Materials	301-1 Materials used by weight or volume	42	-
GRI 302: Energy	302-1 Energy consumption within the organization	-	-
	302-3 Energy intensity	32	-
	302-4 Reduction of energy consumption	-	-
GRI 303: Water and Effluents	303-2 Water sources significantly affected by withdrawal of water	-	GIGABYTE's main water source is domestic water, and discharges water in accordance with laws and regulations, without significant impact to the ecology

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GRI Standards	Disclosure Items	Page	Description and Omitted
GRI 303: Water and Effluents	303-3 Water withdrawal	34	-
	303-4 Water discharge		-
	303-5 Water consumption		303-5-b.c.d.
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	36	-
	305-2 Energy indirect (Scope 2) GHG emissions		-
	305-3 Other indirect (Scope 3) GHG emissions		-
	305-4 GHG emissions intensity		-
	305-5 Reduction of GHG emissions		-
	305-6 Emissions of ozone-depleting substances (ODS)		-
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	34	-
	306-4 Transport of hazardous waste	-	GIGABYTE generated a total of 1,819.22 tons of waste in 2019, all disposed of by local legal disposal contractors
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	-	No occurrence in 2019
Sustainable Supply Chain Management, Conflict Minerals, Customer Relationship Management (voluntary disclosure)			
GRI 103: Management Approach	103-1 Explain the material topic and its Boundary	17	-
	103-2 The management approach and its components	46	-
	103-3 Evaluation of the management approach		-
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	47	-
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	48	-
	308-2 Negative environmental impacts in the supply chain and actions taken		-
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48	Low occurrence rate
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	48	Low occurrence rate
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	48	Low occurrence rate
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	48	-
	414-2 Negative social impacts in the supply chain and actions taken	53	-
-	Conflict Minerals Management Strategy and Effectiveness	53	-
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	54	No occurrence in 2019
Risk Management			
GRI 103: Management Approach	103-1 Explanation the material topic and its Boundary	17	-
	103-2 The management approach and its components	22	-
	103-3 Evaluation of the management approach	26	-
-	Risk Management Strategy and Conduct	26	-

GRI Standards	Disclosure Items	Page	Description and Omitted
Occupational Health and Safety, Talents Cultivation and Retention (voluntary disclosure), Equal Opportunity and Diversity (voluntary disclosure)			
GRI 103: Management Approach	103-1 Explanation the material topic and its Boundary	17	-
	103-2 The management approach and its components	57	-
	103-3 Evaluation of the management approach		-
GRI 201: Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	63	-
GRI 202: Market Presence	202-1-a Ratios of standard entry level wage by gender compared to local minimum wage	63	-
GRI 401: Employment	401-1 New employee hires and employee turnover	59	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	63	-
	401-3 Parental Leave	71	-
GRI 402: Labor/Management Relations	402-1.a Minimum notice periods regarding operational changes	-	Notice 10 days before for service for more than 3 months and less than 1 year
		-	Notice 20 days before for service for more than 1 year and less than 3 years
			Notice 30 days before for service for more than 3 years
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	64 67	-
	403-2 Hazard identification, risk assessment, and incident investigation		-
	403-3 Occupational health services		-
	403-4 Worker participation, consultation, and communication on occupational health and safety	64	-
	403-5 Worker training on occupational health and safety	64	-
	403-6 Promotion of worker health	67	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	-
	403-8 Workers covered by an occupational health and safety management system	64	-
	403-9 Work-related injuries	68	-
	403-10 Work-related ill health	70	-
GRI 404: Training and Education	404-1 Average hours of training per year per employee	62	-
	404-2.a Programs for upgrading employee skills	60	404-2.b
	404-3 Percentage of employees receiving regular performance and career development reviews	62	-
GRI 405: Diversity and Equal Opportunity	405-1.a Diversity of governance bodies and employees	58	-
	405-2 Ratio of basic salary and remuneration of women to men	62	-
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	64	-

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**Appendix III Corrigendum of 2018 Corporate Social Responsibility Report**

Page in 2018 Report	Item to be Corrected	Before Correction	After Correction	Explanation of Correction
P.43	Waste data	Hazardous industrial waste 108.80 tons	Hazardous industrial waste 114.20 tons	The weight of "waste tin slag" provided by Dongguan Factory in 2018 was misprinted. The originally provided 0.6 tons is corrected to 6 tons.
P.46		Total hazardous industrial waste volume can be recycled and reused in China plants (tons) 33.31	Total hazardous industrial waste volume can be recycled and reused in China plants (tons) 38.71	
P.80		Hazardous waste volume at production base in 2018 (tons) 108.8	Hazardous waste volume at production base in 2018 (tons) 114.20	
		Volume of waste per unit production (tons /1000 motherboard equivalent pieces) in 2018 0.12	Volume of waste per unit production (tons /1000 motherboard equivalent pieces) in 2018 0.13	
P.63	New employee Rate	Taiwan Base new employee rate (Male/Female): 13.24% / 18.97% China Base new employee rate (Male/Female): 252.98% / 225% Overseas Base new employee rate (Male/Female): 21.58% / 14.18% G-STYLE new employee rate (Male/Female): 5.71% / 6.67% GIGAIPC new employee rate (Male/Female): 34.78% / 90.91% Bestyield International new employee rate (Male/Female):116.67% / 87.5%	Taiwan Base new employee rate (Male/Female): 11.69% / 15.95% China Base new employee rate (Male/Female): 71.67% / 69.23% Overseas Base new employee rate (Male/Female): 17.75% / 12.42% G-STYLE new employee rate (Male/Female): 5.41% / 6.25% GIGAIPC new employee rate (Male/Female): 25.81% / 47.62% Bestyield International new employee rate (Male/Female): 53.85% / 50%	The denominator of the formula was changed from the total number of people at the end of the current year to the total number of people at the end of the previous year plus the total number of new employees in the current year to find a more accurate new employee rate and resignation rate, and to solve the problem of exceeding 100% in the original formula.
P.63	Resignation rate	Taiwan Base resignation rate (Male/Female): 11.34% / 18.24% China Base resignation rate (Male/Female): 271.51% / 238.22% Overseas Base resignation rate (Male/Female): 29.56% / 25.37% G-STYLE resignation rate (Male/Female): 31.43% / 31.11% GIGAIPC resignation rate (Male/Female): 8.7% / 18.18% Bestyield International resignation rate (Male/Female): 16.67% / 0%	Taiwan Base resignation rate (Male/Female): 10.01% / 15.33% China Base resignation rate (Male/Female): 76.92% / 73.3% Overseas Base resignation rate (Male/Female): 24.32% / 22.22% G-STYLE Base resignation rate (Male/Female): 29.73% / 29.17% GIGAIPC Base resignation rate (Male/Female): 6.45% / 9.52% Bestyield International resignation rate (Male/Female): 7.69% / 0%	
P.64	Ratio of labor representatives of Occupational Safety and Health Committee	Operation Headquarters: 45.8% Taoyuan Nanping Factory: 38.9% China Dongguan Factory: 57.1% China Ningbo Factory: 81.8%	Operation Headquarters: 44% Taoyuan Nanping Factory: 38.9% China Dongguan Factory: 33.3% China Ningbo Factory: 38.7%	Due to the unification of the definition of member of the Occupational Safety and Health Committee on different bases, the number of the Committee members is re-calculated, and so the ratio is also affected.
P.79	Blood donation	740 person-times participated in the year A total of 7,795 participants over the years	720 person-times participated in the year A total of 7,775 participants over the years	Delete the miscalculated 20 person-times.



# GIGABYTE™

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YouTube



[www.youtube.com/user/GIGABYTEChannel](https://www.youtube.com/user/GIGABYTEChannel)

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If you have any suggestion, welcome to e-mail [CSR@gigabyte.com](mailto:CSR@gigabyte.com)