

**GIGABYTE™**

**Friendliness  
Inclusion  
Growth**



**GIGABYTE 2020**  
Corporate Social Responsibility Report

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## Reporting Boundaries

This report covers the sustainable development performance from January 1 to December 31 in 2020 in global operational bases of GIGABYTE, including the Headquarters, Taoyuan Nanping Factory, China Dongguan Factory, China Ningbo Factory (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 [2020 GIGABYTE Annual Report](#)). The scope of greenhouse gas emission inventory and data 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 Third-Party Verification

This report is in accordance with the Core option of the GRI Standards and 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 2021

Last Issue time: September 2020

Next Issue time: Scheduled in September 2022

## Data Quality Management

- Financial Data: Quote from 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 questions or suggestion for the content of the report, please feel free to contact us:

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Thanks.

## 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.



## From the Chairman

In 2020, the COVID-19 pandemic put societies under pressure and inflict untold damage, and also created unprecedented challenges for businesses. GIGABYTE was not immune to its impacts. Fortunately, the operational model which has been built on sustainable development for years provided a solid foundation for us to respond swiftly and outstandingly. Our longstanding emphasis on transparency and engagement with customers, suppliers, and other stakeholders contributed to reducing the cost of communication during the pandemic. Our efforts on building a corporate culture of happiness created a high level of cohesion among employees, which then transferred to perfect cooperation on epidemic prevention.

Not even COVID-19 could slow down GIGABYTE to fulfill our corporate mission of 'Upgrade Your Life'. During 2020, we continued to embed sustainability into business models and strategies. In addition to developing intelligent solutions for enterprise, education, healthcare, public sector and other fields, we also launched a business unit devoting to the circular economy, It is to support the 5+2 Innovative Industries Plan of the Taiwan government, and simultaneously inject more sustainability, vitality, and new opportunities into society, the industry, as we as GIGABYTE itself. Furthermore, through competitions, events, and training, GIGABYTE encourages employees to keep the spirit of inquiry to generate innovative concepts at work and also support and give feedback to the environment and society that nurture us.

The implementation and inheritance of sustainability depend on continual participation by all partners. A sincere invitation is hereby extended to every stakeholder who cares about GIGABYTE. Your actions could make a difference in the realization of sustainability. I hope we can all work together on reforms and fill this world with hopes.

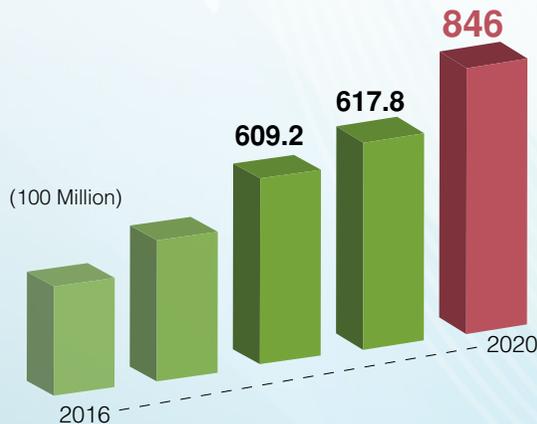
Chairman 

# Sustainability Highlights and Awards

## Corporate Governance Aspect

★ Consolidate revenue was NTD **84.603** billion  
Increase by **36.94** % compared to last year.

### Steady Growth in Revenue for 5 Consecutive Years



Obtained **94** patents in the year.  
Cumulatively obtained **2,545** patents to date.

Received **451** evaluations and awards in the year.  
Cumulatively received **15,641** awards to date.

## Environmental Aspect



### Take Local Climate Actions

#### ★ Adopt Lands for Afforestation in Pinglin

Mobilized high-level managers to plant trees in person to play a part in ecological conservation  
Cumulatively planted **13,039** trees in Taiwan / **88,039** trees world-wide.

★ Developed **climate education teaching materials** and practiced in a school. Full acknowledgement was given to the New Taipei City Education counseling Group and elementary school teachers who observed the process and provided with feedback.

**8,150** hours of environmental education in the year.

### Connect Climate Targets with the World

★ Scored **B (Management)** in CDP Climate Change evaluation and entered **A-List (Leadership)** in its Supplier Engagement Rate.  
Introduced **TCFD** framework and **SBT** tool.

★ **Advanced the target year of cutting 50% absolute emissions to 2025 .**



## Social Aspect

★ Corporate volunteers: **Thousand Mile Trek - Go Green Taiwan** round-island and trash-picking project.

Accumulative distance **832.28** km  
Service hours **24,245** hours  
Removed trash **9,440.42** kg



★ GIGABYTE supports small farmers. The purchase amount of agricultural products by employees was **3.73 million** in the year.

★ Hosted **5** types of technology education  
A total of **124** sessions held with **4,417** participants.

★ Joined in the **New Taipei City Disaster Prevention Association** and supported community disaster prevention seminars.

# Glory of GIGABYTE

## Sustainability Awards



BS 8001 Circular Economy Standard Certification



Annual Global Views CSR Survey Electronics and Technology Industry - Role Model Award (nominated for 4 consecutive years)



Top 50 in the Large Enterprises category of Commonwealth Corporate Citizen Awards (chosen for 7 consecutive years)



Excellent Organization in Performance of Blood Donation awarded by Ministry of Health and Welfare (awarded for 4 consecutive years)



Flu Vaccination Friendly and Healthy Workplace certification - Epidemic Prevention Leadership Award

## Forbes

Named one of Forbes' World's Best Employers

## Social Care and Happy Enterprise



Healthy Workplace Certification - Health Start Category (certified for 3 consecutive years)

## SGS

SGS 9001 ISO Plus Award for QMS Transformation and Innovation Management



2 products received the iF Design Award

## Outstanding Quality



台灣精品 TAIWAN EXCELLENCE

6 products recognized at 29<sup>th</sup> Taiwan Excellence Awards



reddot design award product design

8 products received the Reddot Design Award

## COVID-19 Epidemic Prevention Management

A series of epidemic prevention measures were introduced by GIGABYTE after the emergence of the COVID-19 pandemic. The core objectives of the measures were to provide employees with peace of mind, protect their health, maintain continuity of operations, and create a working environment that employees could feel safe in and increase confidence in the company. The measures including no cancellation of annual salary adjustments, providing epidemic prevention subsidies, and raising the internal welfare fund per employee by 20% so that employees could use it for supporting more farmers and disadvantaged groups impacted by COVID-19. As the pandemic continues to drag on, the social impacts have continued to worsen as well. Nevertheless, GIGABYTE will keep trying our best to take care of every individual in society.

### Employee Care and Safety

#### Prompt and Rigorous Epidemic Prevention Strategy

- Imposes standards stricter than governmental to manage the countries where employees could travel.
- Jan – Established the GIGABYTE Epidemic Command Center, and HR added 'epidemic prevention care leave'.
- Feb – Introduced epidemic prevention measures for public areas and elevators.
- Feb to Jun – Forbade all visitors and vendors entering the operational areas and set up marquees for reception outside in order to protect employee safety.
- Mar to May – Extended flextime to 3 hours to help employees avoid peak hour rush.
- Apr – Divided employees into A and B teams to work and executed stress as well to prepare for extended epidemic prevention.

#### Epidemic Prevention Supplies

- Provided operating bases in European and American with protective face masks and forehead thermometers.
- Installed motion-sensor taps and sanitizer dispensers at first opportunity.
- Provided the employees in special positions with free surgical and N95 masks.
- Provided employees on business trips with free "epidemic prevention packs".

#### Development of Epidemic Prevention Equipment and System

- Developed the "contactless questionnaire system with facial recognition and body temperature measurement" that integrates 4 key functions in a short time. It helped save **NTD 110,352.48** of costs every month.



#### Health Education for Employees' Peace of Mind

- Issued an employee epidemic prevention handbook and guidelines of business trips and sent EDM about epidemic prevention and health education along with the latest epidemic prevention policies on an ad hoc basis. A transparent communication allowed employees to concentrate on their work.

### Right Protection and Epidemic Prevention along Value Chain

#### Customer Communication

Almost 95% of GIGABYTE products are exported, so a **mature remote customer relationship management and online communication system was already in place**. Although problems such as orders being delayed due to the customer being quarantined or maintenance delays after an employee was diagnosed with COVID-19 did occur during the epidemic, these problems were solved through contacting with customers and making alternative arrangement immediately by online communication.

#### Supply Chain Continuity

Keeping the continuity of supply chain stable and assisting suppliers in their response capabilities are among GIGABYTE's key tasks of epidemic prevention. We completed an analysis on risk exposure of suppliers to the epidemic between January and February and conducted epidemic prevention surveys for 335 suppliers. The "Guide for Business Continuity" was provided to supply chain partners by March.

### Warm Support during Pandemic

#### Medical Support

GIGABYTE AORUS joined Folding@home to appeal to gamers for contribute their processing capability. To assist COVID-19 treatments, we also donated 10 high-performance computers, of which the **market values were approximately USD 30,000**.

When a local outbreak occurred in the Taoyuan General Hospital, GIGABYTE provided lunch boxes for free to appreciate the effort of front-line health workers.

#### Material and Goods Donation

Through various business channels, **40,000 masks** were donated to the countries in which our customers are located and were hard-hit by COVID-19 (e.g. US, Australia, Europe).

#### Emergency Relief

A co-marketing campaign was launched to support farmers affected by COVID-19. Together with the Ministry of Education, Xindian Women's Association, and the charity foundations of industry peers, **the total of purchase amount of co-marketing sales was up to NTD 230,000**.

#### Notebook Rental

Many companies adopted preventive quarantine measures in response to COVID-19, leading to a great number of workers had to work from home and thus had massive demands for hardware equipment. To limit the burden on businesses, the Bestyfield International provided a notebook rental plan for enterprises to save costs and protect their employees at the same time.



## An Overview of GIGABYTE

Material Topics of This Chapter	Financial Performance
<b>Management Approach</b>	Be responsible for shareholders, and take into consideration environmental and social aspects for financial performance.
<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>
<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>
<b>2020 Major Achievement</b>	<ul style="list-style-type: none"> <li>● The revenue has grown for 5 consecutive years. The revenue in 2020 increased by 36.94% compared with the previous year.</li> <li>● Dabbled in AI and optoelectronic industries such as automotive electronics, smart optics, facial recognition, as well as invested in intelligent solutions and the market of reverse logistics services.</li> </ul>

● Stage objectives completed   ● In progress   ○ Not yet implemented   ● Incomplete objective

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 in motherboard manufacturing and sales before progressively expanding into graphics cards, personal computers, enterprise high-performance servers, and other peripherals products. We supply total solutions for leading enterprises around the world. In response to the growing maturity of research and development into AI, AIoT, and 5G technologies and equipment, GIGABYTE is now building the future face of smart technologies. From targeted marketing to telehealth, and from flip education venues to corporate office transformations, many applications and powerful hardware technologies offered by GIGABYTE let technology pave the way for new lifestyles, social progress and sharing.

### ◆ GIGABYTE Profile

<b>Listing</b>	First listed on the Taiwan Stock Exchange on September 24, 1998 (Stock Code 2376)
<b>Company Name</b>	GIGA-BYTE Technology Co., Ltd.
<b>Capital</b>	NTD 6.36 billion
<b>Number of Employees</b>	7,303 employees worldwide
<b>Date of Establishment</b>	April 1986
<b>Manufacturing Factory</b>	Taiwan Taoyuan Nanping Factory, China Dongguan Factory, China Ningbo Factory
<b>Operating Headquarters</b>	No.6, Baoqiang Rd., Xindian Dist., New Taipei City
<b>Operating Locations</b>	Taiwan, China, America, Europe, Asia, and other regions of the world
<b>Key Products and Services</b>	AORUS Tactical Gaming range, AI notebooks, motherboards, graphics cards, computer peripherals, optoelectronic parts and components, high-performance servers Reverse logistic solutions, intelligence applications and solutions
<b>Chairman</b>	Yeh, Pei-Cheng
<b>General Manager</b>	Li, E-Tay

(For more intelligence technology applications please refer to the [GIGABYTE VIRTUAL SHOW](#) )

We are continuing to engage in in-depth communication with consumers to bring even more optimized products and functions for each target group. For example, for the e-sport market, GIGABYTE brings tactical monitors, cutting-edge discrete graphics cards, and notebooks with long endurance. GIGABYTE embraces the spirit of the master craftsman in providing gamers with an immersive experiences that satisfies their sense of sight, touch, and emotion. The AERO notebooks for creators feature Xrite Pantone panels that incorporate industry-leading technologies such as color calibration at the factory and ultra-slim bezel.

To uphold our business philosophy of social inclusion and environmental co-prosperity, GIGABYTE introduces the core values of reverse logistics into our customer service center. The Bestyield International, established in 2018, expands its sophisticated product maintenance skills to become a mature business model that combines refurbishment, maintenance, recovery, and the pre-owned market. Its obtainment of BS 8001 certification in 2020 further manifested the outstanding value that we could bring for customers, consumers, and the environment.

(For more information about innovative products and services, please refer to the [GIGABYTE CSR Website](#) and Section 3.3 Responsible Production)

### Membership of Associations

GIGABYTE is an active participant in many international organizations. We are a supporting organization of OpenStack Foundation and a founding member of MLCommons. We invest in the development of open-source architectures and data sets so that organizations all around the world can have equal access to key technologies. We also hope to recruit more technical experts from around the world and contribute what we learned to the common knowledge platform shared by all mankind.

GIGABYTE also plays an active role in important domestic industry associations, including Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), Taipei Computer Association (TCA), and Taiwan Excellent Brand Association, and actively participates in the events held by the associations. GIGABYTE has been a partner in the Trans-Action Award for 7 consecutive years and strives to cultivate talented individuals for the industry.

In addition to technological developments, GIGABYTE also responds to the Carbon Disclosure Project (CDP) and voluntarily complies with the Responsible Business Alliance (RBA) Code of Conduct as well as the Task Force on Climate-related Disclosure (TCFD) framework to transparently report and disclose our responsibilities and efforts to the society and environment.

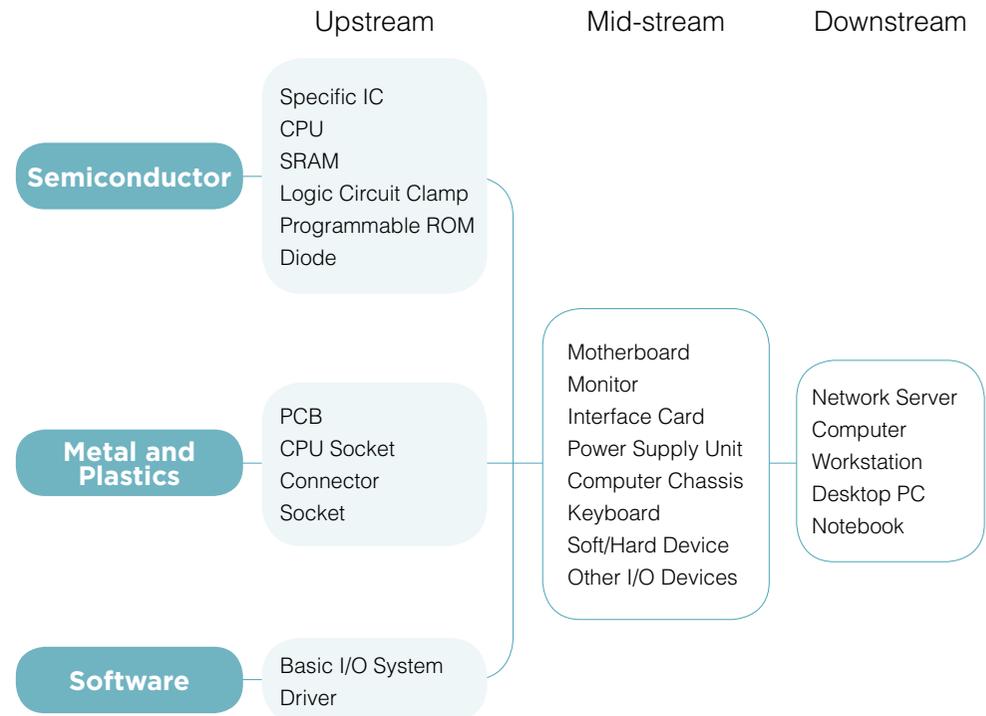
### Industry Overview and Business Performance

#### Overview of the Industry

COVID-19 made the "Stay-at-Home Economy" become mainstream. Market research institutions IDC and Gartner both reported a slowdown trend of using smart phones and mobile devices for work, education, and entertainment. PCs became an essential

household item once again and spurred consumer spending on peripherals products as well. E-Sports, another key impetus to PC demand, was not greatly affected by the coronavirus disease. Together they produced a huge surge in demand for the global PC market. The server market also benefited from the strong demand for distance education or remote services, and 5G and AI products saw rapid growth as well. However, Whether this trend will continue after the pandemic or not requires further observation. GIGABYTE is taking precautions by developing new markets of server applications and solutions. We are also working on fine-tuning our supply chain management plan to increase its resilience in the current pandemic. A diverse yet targeted portfolio backed by market-leading R&D capabilities and technologies will serve as the foundations for our solid business performance.

#### ◆ Upstream and Downstream Linkages of Key Products

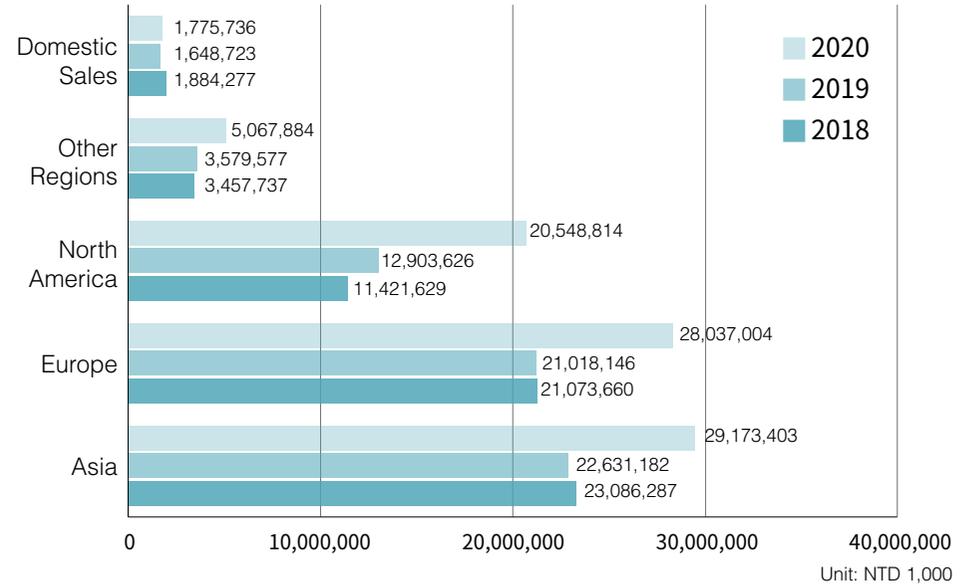


◆ Generation and Distribution of the Direct Economic Value over the Last 3 Years

Unit: NTD 1,000

Operational Performance	2018	2019	2020
<b>Direct Economic Value Generated</b>			
Revenues	60,923,590	61,781,254	84,602,841
<b>Economic Value Distributed</b>			
Operating Cost	50,800,376	52,190,385	70,138,404
Employee Wages and Benefits	3,393,970	3,269,995	4,688,799
Payments to Providers of Capital	2,542,756	1,908,810	1,398,519
Payments to Government by Country	456,646	355,705	1,119,570
Economic Value Retained	3,729,842	4,056,359	7,257,549

◆ Sales by Regions in the Last 3 Years



◆ Production Output and Value in the Last 3 Years.

Unit: 1000 pieces, NTD Million

Product	2018		2019		2020	
	Production Volume	Production Value	Production Volume	Production Value	Production Volume	Production Value
Motherboards and Graphics Cards	15,534	43,402	14,492	40,061	18,990	55,328
Other	2,157	16,477	694	15,877	1,630	12,895
<b>Total</b>	<b>17,691</b>	<b>59,879</b>	<b>15,186</b>	<b>55,938</b>	<b>20,620</b>	<b>63,716</b>

# 1

## Sustainable Development Commitment and Communication



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### 1.1 Sustainable Development Promotion Goal and Strategy

#### 1.1.1 SDGs X CSR Strategy Map

GIGABYTE takes the core corporate philosophy, "Upgrade Your Life", as a purpose and consider the degree of concern of stakeholders to establish 4 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 a friendly brand, and creating shared value. After reviewing the Company's operating status and practical practices, 4 operational strategies are further set up in response to economic value and ESG and for the sake of building an integrated and sound blueprint for sustainable governance.

In 2015, the United Nations established 17 sustainable development goals that drew up a clear roadmap to sustainability for governments, businesses, non-profit organizations, and individuals. GIGABYTE adopted the methodology developed by SDG Compass to identify 6 high-priority goals and 2 voluntary targets most closely aligned with our core abilities. The core spirit of each goal was then incorporated into the 4 visions of our CSR strategy map, and the guiding principles were adjusted accordingly to ensure that every sustainability action was connected to the global consensus for co-prosperity.

(Voluntary Response)



Zero Waste & Zero Pollution x Low-carbon Technology Transition  
 Leader of Sustainability and Circular Economy x Realization of Humanistic Value



We treat the CSR Report as an effective way of reviewing the performance of our operating strategies and examining whether our sustainability initiatives are conducive to realizing the CSR visions. Therefore, each chapter in this report corresponds to a specific operational strategy and the core of the CSR roadmap, so that it could provide stakeholders with clear, accurate, and comparable information.

※Click on an operational strategy to link to the corresponding chapter for reviewing GIGABYTE's sustainability initiatives

## CSR Strategy in Practice - Green Action Plan

Based on several years of experience devoting to digital tolerance and social welfare, GIGABYTE initiated the 'Green Action Plan' in 2009 which is in accordance with the CSR strategy map and can encompass and respond to the 3 aspects of ESG. Based around the core belief 'I Promise, I Can Do It!', the Plan includes a timetable with 3 phases and 4 primary objectives: establish a sustainability governance policy through defining standards and organizational behaviors, combine sustainability and practice by means of building a sustainable eco-roof and developing low-carbon products, and cultivate the sustainability awareness of employees through seminars, voluntary activities, and working holidays. By 2020, the Green Action Plan is proceeding to the goal of realizing a 'friendly and high-efficient social enterprise' and demonstration of multiple and significant accomplishments and benefits.



		Phase 1 2016~2018		Phase 2 2019~2021		Phase 3 2022~	
		2016 Green Action Plan 2.0					
<b>Zero Waste Zero Pollution</b> 	Greenhouse Gases Inventory and Reduction	Started annual GHG reduction inventory certified by a third-party.	Reached the emission target ahead of schedule in 2017, so reset a new target of reducing 50% of emissions by 2030 compared to the base year 2009.	Advanced the target year of emission reduction target by 5 years to cut 50% of emissions by 2025 compared to the base year 2009. <b>Emissions reduction: ↓ 41.23% compared to 2009</b>		<ul style="list-style-type: none"> <li>Reduce carbon emissions by 50% in 2025 compared to 2009.</li> </ul>	
	Environmental Impact from Operation	<ul style="list-style-type: none"> <li>Conducted GHG inventory in accordance with ISO 14064 and tracked water use and waste generation by each operating base.</li> <li>Enforced GIGABYTE Hazardous Chemical Substances Regulations (HCSR).</li> </ul>	<ul style="list-style-type: none"> <li>Drew up the 333 Reduction Plan in 2015 to cut carbon emissions, water, and waste by 3% every year.</li> <li>Promoted a plastic reduction plan at the staff canteen of the Headquarters to progressively prohibit disposable straws and cutlery.</li> </ul>	<ul style="list-style-type: none"> <li>Promoted traceless diet and circular economy activities within the company to boost employee participation.</li> <li>Continued to incorporate new requirements from updated hazardous substances regulations and update HCSR to version 4.6.</li> </ul> <b>Waste reduction: ↓ 17.71% compared to 2010</b> <b>Water reduction: ↓ 25.38% compared to 2010</b> <b>Hazardous substances exceeding standards: 0 samples in 2020</b>		<ul style="list-style-type: none"> <li>Reduce waste generation by 50% in 2030 compared to 2010.</li> <li>Reduce water use by 20% in 2030 compared to 2010.</li> </ul>	
	Thousand Mile Trek – Go Green Taiwan	Founded the GIGABYTE Go Green Club in 2015 and launched the Thousand Mile Trek – Go Green Taiwan project.	Organized 3-4 trips every year and reinforced internal promotion so that the employees could attach importance to environmental protection after took actions personally.	<ul style="list-style-type: none"> <li>Expanded social influence by partnering with youths from universities on environmental protection initiatives.</li> <li>Invited retired employees back to the environmental services to enrich their retirement and build cross-generational friendships.</li> </ul> <b>Trekking distance: 832.28 km</b> <b>Removed trash: 9,440.42 kg</b>		<ul style="list-style-type: none"> <li>Products contain no hazardous substances and have low impacts on the environment and human health.</li> </ul>	
<b>Low-carbon Technology Transition</b> 	Climate Governance	Participated in the CDP requested by customers and responded to the climate change questionnaire.	Responded to the supply chain module of CDP, and was scored B (management level) between 2016 and 2018.	<ul style="list-style-type: none"> <li>Introduced TCFD framework and SBTi guides to re-map the emission reduction pathway align with international consensus and complete climate governance strategy and risk management measures.</li> <li>Continued to participate in CDP and improved existing carbon management measures according to the result of evaluation every year.</li> </ul> <b>Scored B (management level) in 2020 CDP Climate Change and had been surpassing industry average for 5 consecutive years</b>		<ul style="list-style-type: none"> <li>GIGABYTE's carbon reduction targets meet the standard of Science-Based Targets (SBT).</li> </ul>	
	Environmental Impact of Products		Issued product environmental reports to disclose products' impacts on climate change, PM2.5, and land/water acidification through their life cycles.	<ul style="list-style-type: none"> <li>Made first reversion in 2019 to expand the disclosing range to 4 main product lines and 12 environmental impact aspects.</li> <li>Made second reversion in 2020 that integrated the management measures at each stage of the product life cycle to improve the report's completeness and readability.</li> </ul> <b>Published reports: 45</b>		<ul style="list-style-type: none"> <li>Product environmental reports are published promptly for mainstream products.</li> </ul>	
	Sustainability Fund				Launched the 6-year "Reduction Reward Program" to inspire internal innovation on sustainability and find reduction hot spots by means of proposal evaluation and reduction competitions between factories.  <b>Accumulative proposals: 59</b> <b>Estimated reduction performance: please refer to 3.1.2 Sustainability Fund and Reduction Reward Program</b>		<ul style="list-style-type: none"> <li>Strengthening internal innovation to achieve low-carbon technology transition, which then, in turn, contributes to the Company's environmental performance.</li> </ul>



<p><b>Leader of Sustainability and Circular Economy</b></p>	<p><b>Reduction. Sharing. Love the Earth Alliance</b></p> <ul style="list-style-type: none"> <li>Created a green cloud platform to lay the foundations for sustainable supply chain management.</li> <li>Implemented 4 zero-tolerance guidelines for suppliers to enforce labor human rights protection.</li> </ul>	<ul style="list-style-type: none"> <li>Initiated the 'Reduction. Sharing. Love the Earth Alliance' to encourage supplier partners to value and practice sustainable development.</li> <li>Held supplier conferences to share sustainability trends and strengthen links beyond business relations.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to promote the Alliance and tracked the reduction performance of Alliance members.</li> <li>Continued to host supplier conferences and shared the latest information on sustainable operations.</li> </ul> <p><b>Total alliance members: 74 companies</b> <b>Total Tree-planting Partners: 72 companies</b></p>	<ul style="list-style-type: none"> <li>Lead supply chain partners to improve ESG performance through a balancing approach to human rights, environment, and governance.</li> <li>Disclose the environmental impact of products during their life cycle and increase the material recycling rate.</li> <li>Embed sustainability awareness in corporate culture and work processes.</li> </ul>
	<p><b>Circular Economy Business Model</b></p> <ul style="list-style-type: none"> <li>Focused on after-sales service and repair yields to extend product lifetime and fulfill manufacturer responsibility</li> <li>Set up recycling sites in each country to provide consumers with a convenient collection of e-waste.</li> <li>Provided recycling services for electronic products regardless of brand at all customer service centers in Taiwan.</li> <li>Founded Bestyield International in 2018 to focus on integrated reverse logistics services.</li> </ul>	<ul style="list-style-type: none"> <li>Initiated the 'Rent instead of Buy' business model to ensure 100% product recovery.</li> <li>Introduced resale of refurbished products and developed the out-of-season market to reduce wasted resources.</li> <li>Launched the Refurbished Product Certification and manufacturer warranty to enhance consumers' trust in the second-hand market and activated transactions.</li> </ul> <p><b>Up to 109,000 products were refurbished in the past 3 years</b> <b>Obtain BS 8001 Circular Economy certification.</b></p>	<p>Expanded the diversity of internal activities such as traceless diet programs, second-hand markets, the sustainability fund, and tree-planting activities.</p> <p><b>Sustainability and environmental education hours:74,428 hours</b></p>	
	<p><b>Cultivation of Sustainability Awareness among Employees</b></p> <ul style="list-style-type: none"> <li>Hosted celebrity lectures regularly with professional speakers introducing sustainable development from a variety of perspectives such as food, ecology, health, and enterprise management.</li> <li>Organized 'working holidays' where employees could learn about the importance of ecological conservation through services and environmental education in the local community.</li> <li>Sent educational articles responding to World Environment Day to make employees understand the world trend and how they could make contributions at an individual level.</li> </ul>			
<p><b>Realization of Humanistic Value</b></p>	<p><b>G-HOME GIGABYTE Sustainable Eco-Roof</b></p> <p>Constructed GIGABYTE G-Home Sustainable Eco-rooftop as an environmental-friendly building.</p>	<ul style="list-style-type: none"> <li>Introduced Social Return on Investment (SROI) tool to quantify benefits of G-HOME.</li> <li>Obtained Environmental Education Facility and Field Certification by EPA and offered 2 environmental education courses.</li> </ul>	<p>Continued to organize and refine environmental education courses while actively reaching out to the industry, government, and academia to expand the influence of roof greening.</p> <p><b>Accumulative visitors: 3,299</b> <b>Accumulative visiting groups: 424</b></p>	<ul style="list-style-type: none"> <li>Serve as the advocate and practitioner of sustainable eco-roof philosophy to promote urban habitability and ecological inclusion.</li> <li>Implement climate education to cultivate climate citizenship among the next generation.</li> </ul>
	<p><b>Tree Planting x Community Ecological Education</b></p>	<p>Partnered with the Plant-for-the-Planet Foundation from Germany, committed to planting 75,000 and holding 5 sessions of Plant-for-the-Planet Academies in Taiwan, and in the meanwhile supported the cultivation of climate justice ambassadors in developing countries.</p>	<ul style="list-style-type: none"> <li>Hosted 5 Plant-for-the-Planet Academies in Taiwan and cultivated climate justice ambassadors and university volunteers.</li> <li>Adopted afforestation lands in Pinglin and mobilized high-level managers to plant trees in person to build awareness of ecological conservation.</li> <li>Developed and implemented sustainability and climate education courses for elementary schools.</li> </ul> <p><b>Accumulative planted trees: 88,039</b> <b>Climate Justice Ambassadors trained: 1,367</b> <b>Sustainability and climate education at elementary schools: 92 participants</b></p>	



<b>Realization of Humanistic Value</b> 	Digital Inclusion and Equitable Society Continued to promote the Secret to Computers, Bring Technology to Campus, and G-Design Contest to cultivate students' interest in computers and hands-on experience.	<ul style="list-style-type: none"> <li>The Digital Love was renamed GIGABYTE Senior Academy in 2017 and its target learners expanded from seniors and housewives to foreign spouses and adults with rare illnesses.</li> <li>Opened smartphone classes to help the disadvantaged connect with the latest technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Launched the 'Computer Doctor' course to reveal the secrets of waste electronics reclamation from a circular economy perspective.</li> <li>Set up Fun Play with IoT Summer Camp that introduces children to the design thinking process and trains their problem-solving skills.</li> </ul> <p><b>Technology education: 67,099 participants</b> <b>G-Design Contest hosted for 18 consecutive years</b></p>	<ul style="list-style-type: none"> <li>Use corporate philanthropy as the basis for enlarging digital inclusion and youth empowerment.</li> <li>Listen intently to employee needs to build a truly inclusive and equitable happy workplace.</li> </ul>
	Happy Workplace Set up comprehensive software and hardware services, provide benefits and stipends, subsidized employee clubs, and emphasized the balanced development of employees' work, family, and life.	<ul style="list-style-type: none"> <li>Obtained Sporting Enterprise Certification by the Sport Administration and promoted healthy diets and regular exercise.</li> <li>Implemented health exams that exceeded statutory requirements and progressively enforced tracking of the employees who did not take health exams.</li> </ul>		



## 1.1.2 Stakeholder Communication and Engagement

The CSR strategy of GIGABYTE pursues goodness and sustainable management and also 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 and internal analysis and discussion by the Sustainable Development Office to define 7 major stakeholders. Through timely following the trend of the field and the society's concerns, the appropriateness of defined stakeholders is regularly re-evaluated to ensure that the Report's information accurately responds to all groups affected by the Company's operations. The 7 major stakeholders of GIGABYTE in 2020 contain employees, investors, customers, suppliers, communities/non-profit organizations and schools, government, and media. We arrange the most suitable communication methods and channels according to the characteristics of different stakeholders to thoroughly ensure transparency of the information.

Stakeholder	Concerned Material Issues	Communication Channel and Frequency		Corresponding Chapter
Employee	<ul style="list-style-type: none"> <li>Talent cultivation and retention</li> <li>Labor relations</li> <li>Occupational health and safety</li> <li>Stakeholder communication and complaint processing</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Labor-management meeting/Occupational health and safety committee</li> </ul>	Chapter 5 Happy Workplace
		Ad hoc	<ul style="list-style-type: none"> <li>Education and training/Practice drill</li> <li>Employee Assistance Program (EAP)</li> <li>Internal lectures about lifestyle and disaster prevention, e-newsletters</li> </ul>	
Investor	<ul style="list-style-type: none"> <li>Financial performance</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> <li>Information security management</li> <li>Stakeholder communication and complaint processing</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Annual shareholders' meeting and annual report</li> <li>Corporate Governance Evaluation</li> <li>CSR report</li> </ul>	An Overview of GIGABYTE
		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 GIGABYTE official website</li> </ul>	
Customer	<ul style="list-style-type: none"> <li>Risk management</li> <li>Climate change and carbon management</li> <li>Responsible production and consumption</li> <li>Hazardous substance management</li> <li>Sustainable supply chain management</li> <li>Environmental policy and management system</li> <li>Stakeholder communication and complaint processing</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Annual customer satisfaction survey</li> <li>Annual response to the CDP questionnaire</li> </ul>	Chapter 3 Green Production
		Ad hoc	<ul style="list-style-type: none"> <li>Audit and requirements from customers</li> <li>Customer technical conferences</li> <li>Online support system and platform</li> </ul>	
Supplier	<ul style="list-style-type: none"> <li>Legal and regulation compliance</li> <li>Hazardous substance management</li> <li>Sustainable supply chain management</li> <li>Circular economy</li> <li>Conflict minerals</li> <li>Stakeholder communication and complaint processing</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Regular supplier audit/sustainability evaluation</li> <li>Annual supplier conference</li> <li>Conflict minerals investigation</li> </ul>	Chapter 4 Sustainable Supply Chain
		Ad hoc	<ul style="list-style-type: none"> <li>Business Review Meeting</li> <li>Explanation of Environmental Safety and Health as well as CSR</li> <li>Updating and issue of GIGABYTE "Hazardous Chemical Substances Requirement (HCSR)"</li> </ul>	

Stakeholder	Concerned Material Issues	Communication Channel and Frequency		Corresponding Chapter
<b>Community / Non-profit Organization / School</b>	<ul style="list-style-type: none"> <li>Talent cultivation and retention</li> <li>Sustainability and environmental education</li> <li>Ecological conservation</li> <li>Stakeholder communication and complaint processing</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>Hosting of technology competition or talent development class</li> <li>Co-organizing of environmental and technological education activities</li> <li>Participation Corporate Disaster Prevention Association of New Taipei City</li> <li>Participate in related organizations and forums</li> <li>Inviting communities and NGOs to participate in activities</li> </ul>	Chapter 3 Green Production
<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> <li>Circular economy</li> <li>Stakeholder communication and complaint processing</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>Official correspondence</li> <li>Participate in meetings</li> <li>Participate in industry and government activities</li> <li>Support of policy initiatives with the core corporate capabilities</li> </ul>	Publication of CSR report to provide public sectors with accurate and complete non-financial information.
<b>Media</b>	<ul style="list-style-type: none"> <li>Company's operating performances</li> <li>Company's sustainability initiatives</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>	Publication of CSR report to provide media partners with accurate and complete non-financial information.

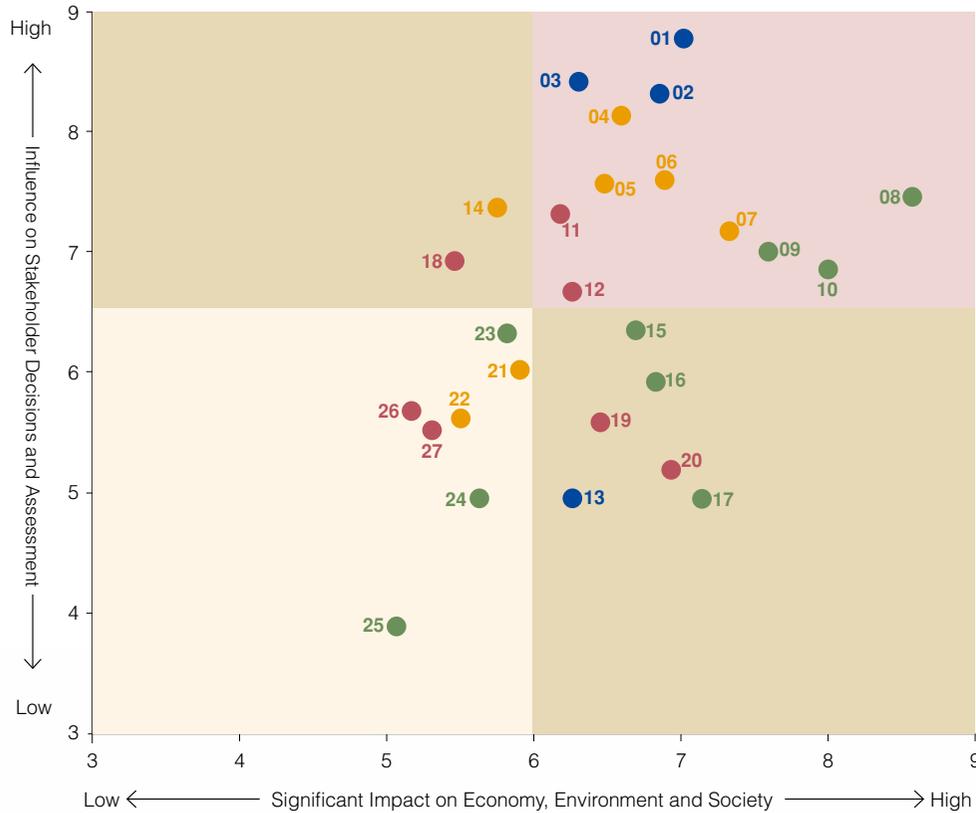
### 1.1.3 Identification of Material Topics

Once the stakeholder groups have been identified, we collect their opinions through a questionnaire survey. Matrix analysis is then implemented based on the degree of stakeholders' concerns on each topic and the impacts of each issue on economic, environmental, and social aspects. Domestic and international trends in sustainability disclosure as well as material topics identified by benchmark corporates and our industry peers are also compiled for regular review and screening. GIGABYTE identified 27 material topics in 2020 and, through a rigorous identification process, 12 highly material topics are sifted out for priority in disclosure. The corresponding management policies and actions are also disclosed in the report. As for the other 8 secondarily material topics, appropriate disclosure is also provided according to the extent of stakeholder concern and their impacts on GIGABYTE operations.

#### ◆ Identification Process of Material Topics

IDENTIFY	ANALYZE	CONFIRM	REVIEW
Perform identification based on GRI Standards, ISO26000 Guidance on Social Responsibility, the corporate vision and the Codes of Conduct, the UN Global Compact, the issues to be communicated with stakeholders, the SDGs, and the latest domestic and international trends and affairs.	Conduct questionnaire surveys through internal lectures, supplier conferences, corporate visits, and the CSR official website. Also, invite senior-level managers of the Company to take part in the survey to ensure the accuracy of materiality priorities.	Integrate and analyze the material topics concerned by the stakeholders, and assess the impact of material topics on the Company's reputation, core strategies, and ESG aspects. The Sustainable Development Office makes final confirmation of the correctness and completeness of matrix analysis.	The Report editorial team regularly examines and evaluates the appropriateness of material topics and, if necessary, immediately amends the identification process of material topics and stakeholders.
<b>27 Sustainability Issues</b>	<b>264 Questionnaires Responses</b>	<b>12 Highly Material Topics 8 Secondarily Material Topics</b>	

◆ Material Topics Matrix



Highly Material Topics

- 01 Moral Integrity and Code of Conduct
- 02 Corporate Governance
- 03 Legal and Regulation Compliance
- 04 Financial Performance
- 05 Risk Management
- 06 Innovation Management
- 07 Sustainable Supply Chain Management
- 08 Circular Economy
- 09 Climate Change and Carbon Management
- 10 Responsible Production and Consumption
- 11 Occupational Health and Safety
- 12 Labor Relations

Secondarily Material Topics

- 13 Stakeholder Communication and Complaint Processing
- 14 Information Security Management
- 15 Hazardous Substance Management
- 16 Environmental Policy and Management System
- 17 Ecological Conservation
- 18 Talent Cultivation and Retention
- 19 Sustainability and Environmental Education
- 20 Conflict Minerals

Low Material Topics

- 21 Brand Management
- 22 Customer Relationship Management
- 23 Pollution Prevention
- 24 Energy Management
- 25 Water Resource Management
- 26 Human Rights, Equal Opportunity and Diversity
- 27 Social Participation and Digital Inclusion

### 1.1.4 Material Topics and Impact Boundaries

To help stakeholders understand more about the impacts of each material topic on the company, the overall value chains, environment, and society, a matrix table is elaborated to present the direct impacts and indirect impacts each material topic may cause.

[●] 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 activities.

Highly Material Topics							
Material Topics	Internal Boundary	External Boundary				Corresponding GRI Standard	Corresponding Chapter in This Report
	GIGABYTE and Subsidiaries	Supply Chain	Environment and Ecology	Community and Social Organizations	Consumers		
<b>Moral Integrity and Code of Conduct</b>	●	○			●	Anti-corruption (205) Anti-competitive Behavior (206) Public Policy (415)	2.1 Integrity Management and Legal and Regulation Compliance
<b>Corporate Governance</b>	●					No applicable GRI standard	2.2 Corporate Governance
<b>Legal and Regulation Compliance</b>	●		●	●	●	Environmental Compliance (307) Customer Health and Safety (416) Marketing and Labeling (417) Socioeconomic Compliance (419)	2.1 Integrity Management and Legal and Regulation Compliance
<b>Financial Performance</b>	●					Economic Performance (201)	An Overview of GIGABYTE
<b>Risk Management</b>	●	○				No applicable GRI topic	2.3 Risk Management
<b>Innovation Management</b>	●	○			●	No applicable GRI topic	2.4 Innovation Management
<b>Sustainable Supply Chain Management</b>	●	●	○	○	○	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)	Chapter 4 Sustainable Supply Chain
<b>Circular Economy</b>	●	○	○			No applicable GRI topic	3.3 Responsible Production

**Highly Material Topics**

Material Topics	Internal Boundary	External Boundary				Corresponding GRI Standard	Corresponding Chapter in This Report
	GIGABYTE and Subsidiaries	Supply Chain	Environment and Ecology	Community and Social Organizations	Consumers		
Climate Change and Carbon Management	●	○	●	●		Emissions (305)	3.2 Climate Change Mitigation and Adaptation
Responsible Production and Consumption	●	○			●	Materials (301) Water and Effluent (303) Waste (306)	3.3 Responsible Production
Occupational Health and Safety	●					Occupational Health and Safety (403)	5.3.1 Environmental Health and Safety
Labor relations	●					Employment (401) Labor-management Relations (402)	5.2 Human Rights and Labor Relations Management

**Secondarily Material Topics**

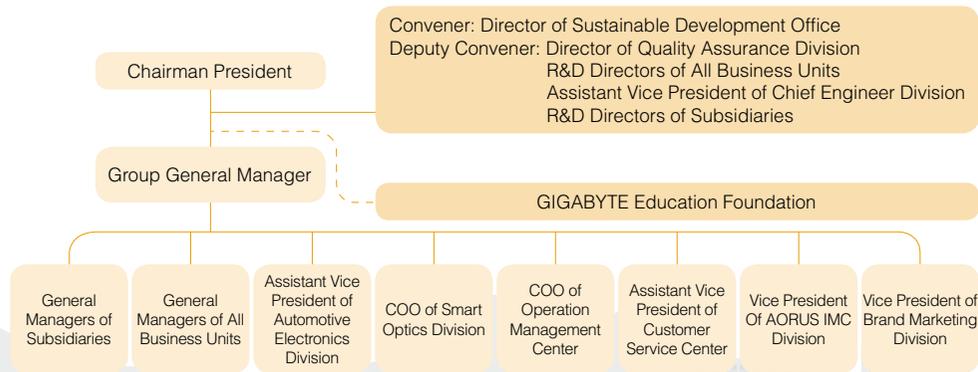
Stakeholder Communication and Complaint Processing	●	●	●	●	●	102-40 102-42 102-43	1.1.2 Stakeholder Communication and Engagement
Information Security Management	●	●			●	No applicable GRI topic	2.3 Risk Management
Environmental Policy and Management System	●	○	●			Energy (302) Water and Effluents (303)	3.1 Environmental Management
Hazardous Substances Management	●	●	●		○	No applicable GRI topic	3.3.1 Friendly Product
Ecological Conservation			●			No applicable GRI topic	6.2.1 Deep Cultivation of Sustainability Thinking in Workplace
Talent Cultivation and Retention	●					No applicable GRI topic	5.1 Human Resource Management and Talent Cultivation
Conflict Minerals	●	●		●		No applicable GRI topic	4.1.4 Conflict Minerals Management
Sustainability and Environmental Education			●	●	●	No applicable GRI topic	6.2.2 Cultivation of Social Sustainability Power

## 1.2 Organization for Promoting Sustainable Development

The "GIGABYTE Green Sustainable Development Committee" is the main 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 current status or trend of sustainability issues, environmental issues, and product regulations, and proposes responding strategies in order to help the Company 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 meetings. The yearly outcomes of implemented sustainable development actions as well as an executive plan for the next year are also reported to the board of directors for the purpose of effectively integrating the 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



## 2020 Committee Focus

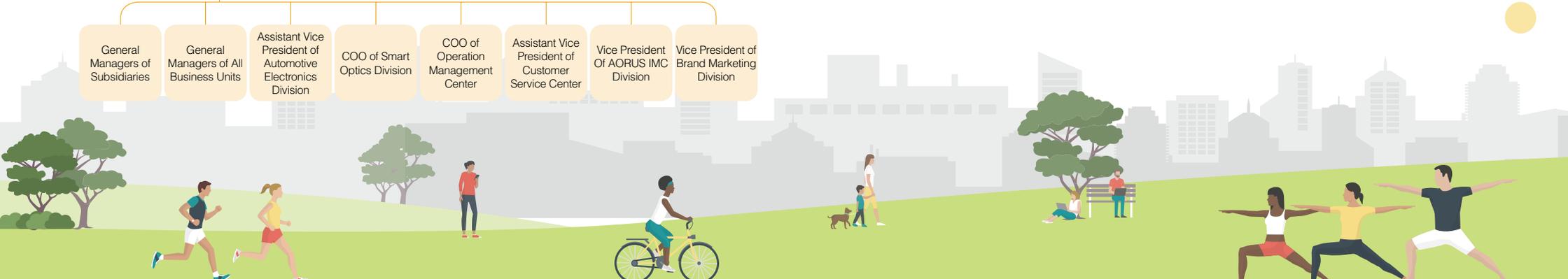
The GIGABYTE Green Sustainable Development Committee tracks and reviews product regulations on chemicals and hazardous substances every year. Besides, the representative of each BU reports critical policies and reforms relating to sustainability issues as well as the accomplishments of their sustainability projects to ensure that GIGABYTE can respond in advance to changing trends and adjust our strategies at the right moment.

### Environmental Protection and Hazardous Substances Control and Regulation

- Blue Sky Action Plan of China
- EU Green Deal
- New inventory standards of ISO 14064 : 2018
- Update of REACH and RoHS
- Update of GIGABYTE's "Hazardous Chemical Substances Regulation (HCSR)" to version 4.6

### Report of Sustainability Performances and Highlights

- Discussion on targets of the 333 Reduction
- Review of the outcomes of sustainable supply chain management
- Discussion on human rights strategy along the supply chain
- Review of the outcomes of the "Make Earth Green Again" program



# 2

## Sustainable Governance



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2.4 Innovation Management	27

Material Topics of This Chapter	Moral Integrity and Code of Conduct	Legal and Regulation Compliance	Corporate Governance	Risk Management Information Security Management	Innovation Management
<b>Management Approach</b>	Construct an effective corporate governance structure and complete education and training system, and be capable of fulfilling responsibility on 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 business 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 commit to complying with the Responsible Business Alliance (RBA) since 2011.			Establish the Operational Risk Management Office to control the risks on trading, production, and sales, and formulate 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>	<ul style="list-style-type: none"> <li>The rate of new employees signing the "Employee's Ethical Code of Conduct" reaches 100%.</li> <li>Provide yearly RBA education and training for native and foreign employees, supervisors, and seed lecturers.</li> </ul>	<ul style="list-style-type: none"> <li>No substantial violations of laws (with a fine exceeding NTD 1 million).</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in the Corporate Governance Evaluation and improve governing strategies based on the evaluation results.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to expand the scope of operational risk management and improve operational stability.</li> </ul>	<ul style="list-style-type: none"> <li>The number of patents and awards received each year grows steadily.</li> </ul>
<b>2020 Major Achievement</b>	<ul style="list-style-type: none"> <li>[●] The signing rate reached 100%.</li> <li>[●] A total of 61 RBA training sessions were held in 2020, with 4,376 participants participating.</li> </ul>	<ul style="list-style-type: none"> <li>[●] No violation occurrence in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>[●] Ranked between the range of 21~35% in the 2020 Corporate Governance Evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>[●] 7 risk directions have been identified, and continuous monitoring and developing responding strategies are conducted by dedicated units.</li> <li>[●] As the COVID-19 epidemic broke out, a response team was immediately organized and took quick response measures as well as introduced essential equipment. The efforts were recognized with Epidemic Prevention Leadership Award from the Taiwan Immunization Vision and Strategy (TIVS).</li> <li>[●] The "Business Continuity Guide" was established and provided to suppliers to help examine their impacts resulted from the COVID-19.</li> <li>[●] No personal information infringements occurred in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>[●] Obtained 94 patents in 2020, an increase of 3.8% compared with the previous year.</li> <li>[●] Received 451 awards in 2020, an increase of 2.96% compared with the previous year.</li> </ul>

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

## 2.1 Integrity Management and Legal and Regulation Compliance

Morality and integrity have been the core corporate culture of GIGABYTE since its foundation. We believe that operating with integrity and taking the responsibility to the society into account is also essential for corporate sustainable development.

GIGABYTE complies with the 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 RBA to guide equal and safe working environment, legal compliance obligation, 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 provides education training of anti-corruption, intellectual property rights, etc., to shape an emphasis on morality and integrity by the whole Company's members. (For more details of the Code of Business Conduct please refer to [GIGABYTE CSR Website](#) )

GIGABYTE commits that all business activities fully comply with the laws and regulations of the country and region where GIGABYTE operates and encourages employees to formulate and implement self-standards higher than the basic legal requirements, and also actively promote social and environmental responsibilities and business ethics in line with internationally recognized standards. The Legal & IP Affairs Division is responsible for regularly supervising and tracking the laws and regulations of domestic and foreign areas where GIGABYTE operates or sells products. All the Company's employment practices, supply chain management, and customer service comply with international relevant trade tariffs, fair trade, hazardous substances prevention, anti-bribery, anti-boycott laws and regulations, human rights standards, and other conventions and regulations.

For employees, GIGABYTE continually provides training on ethical management, including internal audit and controls, accounting system, and ethical management, based on the requirements of their roles such as manager levels, professional levels, or foreign employees. The courses are to ensure that every employee understands GIGABYTE's vision and mechanism of integrity management. In 2020, a total of 61 training courses were held, with 4,376 participants and 3,424.9 training hours.

Safe and anonymous grievance channels are provided to employees in addition to proactive training and education. The highest level employees can send suggestions or complaints to is the vice president. Once receiving a complaint, it will be treated on a case-by-case basis and disciplinary actions will be taken if necessary. The range of

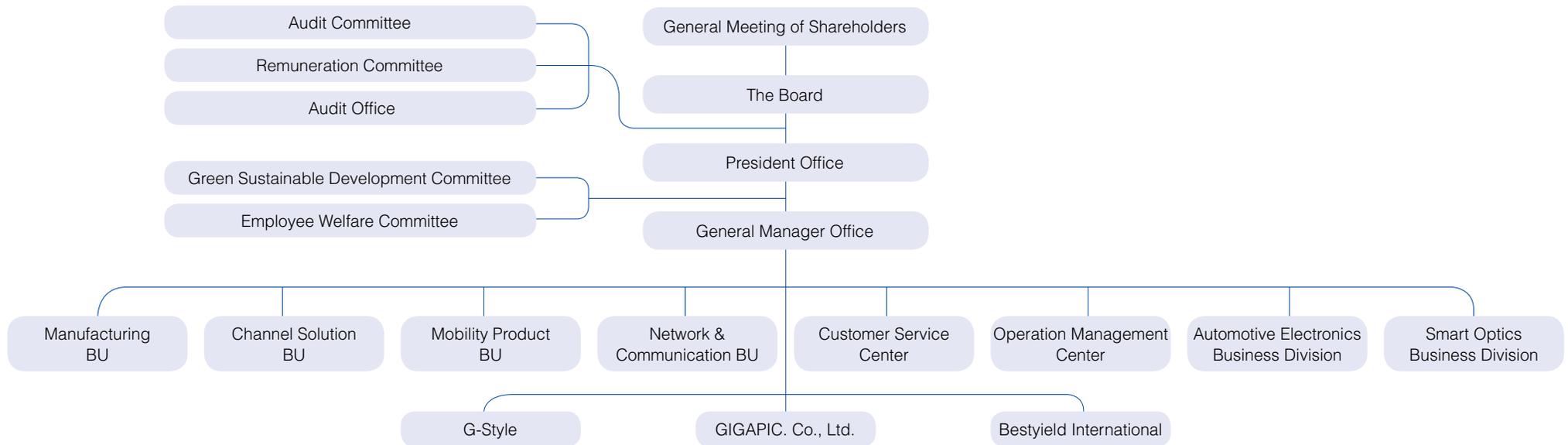
complainants also expands to distributors to ensure that employees always adhere to the ethical boundaries for business dealings. The Company promises that employees would not suffer demotion, penalty, or other adverse consequences even if their compliance with the ethical rules results in business losses. We hope this would support building an anti-corruption environment. There were no violations of ethics or local laws that occurred in 2020.

## 2.2 Corporate Governance

Robust corporate governance is the backbone of business operations. By setting a governance organization and a transparent and prudent decision-making process, GIGABYTE ensures that every step of operational 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

#### Board of Directors

The Board of Directors is the highest joint discussion organization for business management activities. The GIGABYTE Board of Directors was composed of 9 members in 2020 and all were men aged between 50 and 59 years old. The average rate of their attendance at Board meetings was 88.6%.

To ensure the fairness and independence of decision-making as well as rely upon the abundant experiences of professionals from industry and academia, the Board includes 3 independent directors with professional backgrounds in finance, accounting, law, industry, and management. Independent director Mr. Wen-Lai Huang resigned due to personal reasons on 5 August 2020. 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 CSR Website](#) )

(For the continuing education that the Directors participated in 2020, please refer to [2020 GIGABYTE Annual Report](#) )



## 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, the Board appointed the independent directors Mr. Hwei-Min Wang and Mr. Yi-Hung Chan and an external consultant, Mr. Cheng-Li Yang, as members of the 4th Remuneration Committee. They all have qualified professionals and work experiences as well as meet the condition of independence. Independent director Mr. Hwei-Min Wang was then nominated as the convener of the 4th Remuneration Committee by all members. The current term will end in June 2021. The Remuneration Committee convened 4 meetings in 2020 with an average attendance of 83.3%.

(For the details of composition, responsibilities, and executive status for the Remuneration Committee, please refer to [2020 GIGABYTE Annual Report](#) )

### ◆ A Comparison of the Annual Remuneration<sup>[1]</sup> and Increase Percentage between the Highest-paid Individual and General Employees<sup>[2]</sup>

	Taiwan		China	
	The Highest Annual Remuneration	Median Annual Remuneration of General Employee	The Highest Annual Remuneration	Median Annual Remuneration of General Employee
<b>Ratio to the Median</b>	33.3	1	9.1	1
<b>Ratio to Median Increase Percentage</b>	5	1	5.3	1

[Note 1] The Annual Remuneration: 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 2020.

## 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. The Committee meetings are convened at least once every quarter and convened at any time whenever necessary. A valid resolution must be approved by more than one-half of all members, and meeting minutes would be made according to laws and regulations and retained indefinitely. The GIGABYTE Audit Committee consisted of 3 independent directors and convened 6 meetings in 2020. The average attendance of members was 100% except that Mr. Wen-Lai Huang resigned in August.

## 2.2.2 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 cash-flow-related cycles like receiving/payment and financing,

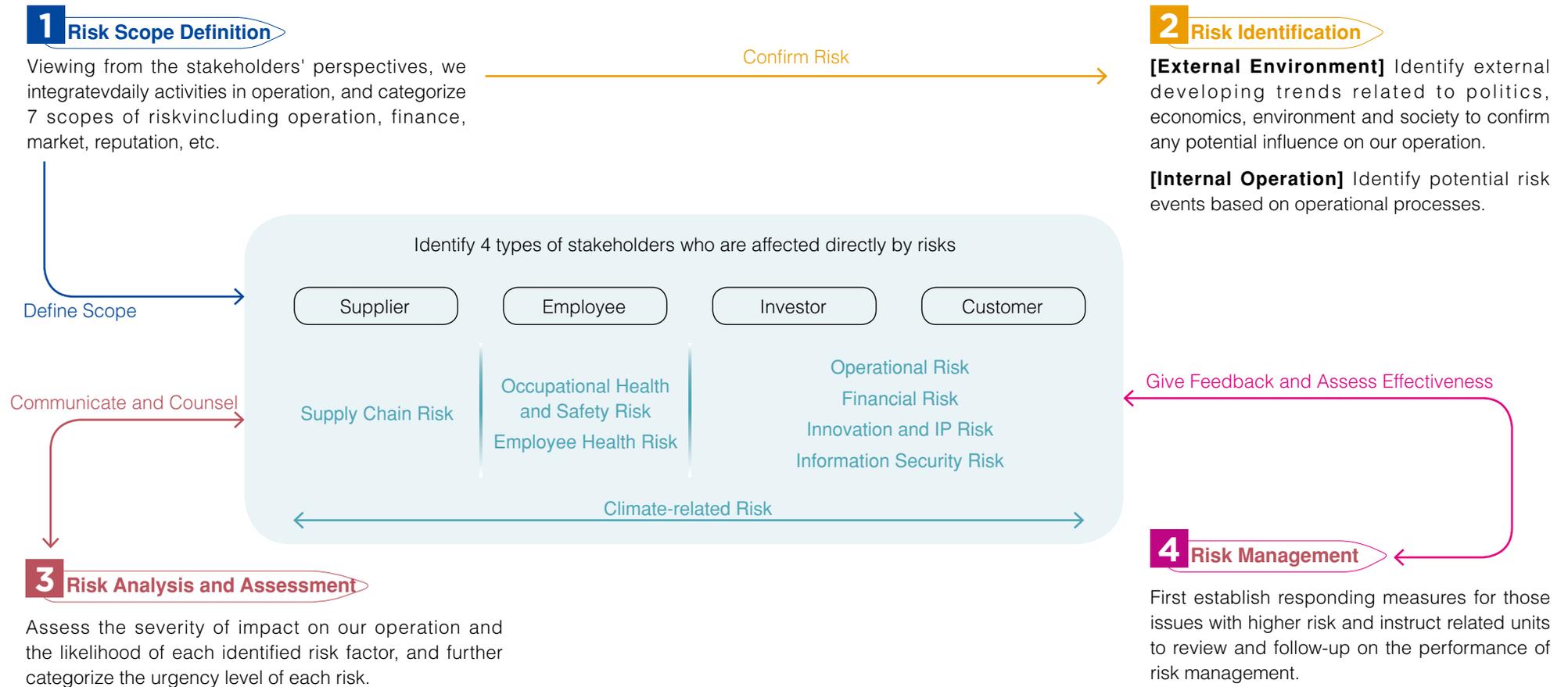
to comprehensively examine the Company's daily operation.

In addition to the 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 the Corporate Governance Evaluation System by the Financial Supervisory Commission (FSC) every year. GIGABYTE ranked between 21% and 35% in the 7<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.

## 2.3 Risk Management

Sound risk management is the basis of corporate sustainable development. By means of risk controlling and managing process, GIGABYTE first identifies 7 risk dimensions, including operation, finance, innovation, and information security, etc. Further, the potential impact scope of each risk is determined and the risks are assigned to responsible units for sound risk management measures based on their professionals and practical experiences in related fields.

### ◆ Risk Management and Control Process



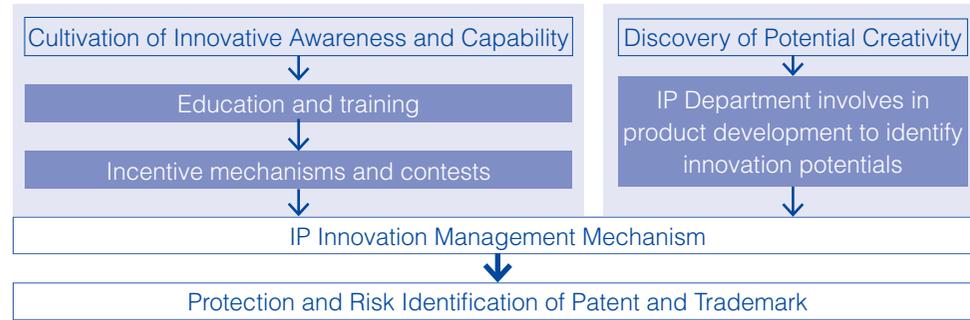
## ◆ Risk Identification and Management Measures

Risk Aspect		Operational and Financial Risks	Information Security Risk	Climate-related Risk	Supply Chain Risk	Occupational Health and Safety Risk	Employee Health Risk	Innovation and Intellectual Property Risk
Scope of Risk	Operation	●	●	●	●	●	●	●
	Finance	●	●	●	●			●
	Market	●	●	●	●			●
	Reputation	●	●	●	●	●	●	●
	Supply Chain		●	●	●			
	Society	●	●		●	●	●	
	Environment			●	●	●		
Risk Management Measures		<p><b>Operational Risk Management</b></p> <p>Establish an Operational Risk Management Center to manage product parts, excess materials, and inventory as well as monitor tax regulations in different regions.</p> <p>Train employees and adjust trade strategies if necessary. Plan to expand the management scope to all potential operational risks in the future.</p> <p><b>Financial and Accounting Risk Management</b></p> <p>The Board sets overall financial risk management principles and issues written policies for specific ranges and items such as interest rates, exchange rates, use of derivative and non-derivative financial instruments, and investment by surplus liquidity, and implement by the financial department.</p>	<p>Set up information management measures in accordance with the Authorized Economic Operator (AEO) guidelines to guarantee the availability, integrity, and confidentiality of internal company information.</p> <p>Draw up the "Personal Protection and Management Act" to ensure the safety of customers' information.</p> <p>No leaks of customer information occurred in 2020.</p>	<p>Launch the Green Action Plan, introduce ISO 14064, promote the development of friendly products, and cultivate sustainability awareness among all employees.</p> <p>Participate in the CDP and voluntarily introduce the Task Force on Climate-Related Financial Disclosures (TCFD) framework to build comprehensive processes of climate risk identification, matrix analysis, and scenario analysis that integrate climate-related impacts with finance.</p> <p>Monitored climate-related transition and physical risks along the supply chain in 2019.</p>	<p>Define 4 major management aspects and 15 sub-targets to fully manage quality, price, service, and delivery date of suppliers, and avoid the risks resulted from single source by strategic orders.</p> <p>Implement supplier CSR audits and sustainability evaluations which consider social and environmental aspects to identify high-risk suppliers, and so prepare to adapt to the changes in trading systems, tariffs, and climate emergency.</p>	<p>Inspect the working environment and processes every year at different times to look at the on-site environment, impact levels of hazards, and current controls.</p> <p>Hazard identification and risk assessment forms are compiled by the EHS department. EHS-related hazards are classified into 4 levels, and each is then inspected in turn to determine the adequacy of the existing management process.</p>	<p>Classify the health condition of employees based on health exam results into 4 levels every year, and start the tracking and management mechanism and provide medical subsidies for high-risk groups since 2020.</p> <p>Maintain the physical and mental health of employees and reduce the risk of occupational diseases through routine health promotion activities, overwork and ergonomic injury prevention, and the EAP.</p>	<p>Cautiously develop patent and trademark strategies for key technologies of the Company. Also, participate in product and technology development plans every year to actively seek out potential patents.</p> <p>Hold education and training to cultivate employees' sensitivity to intellectual property, and establish rewarding and managing mechanisms to protect the innovations of employees.</p>
Risk Management Measures		An Overview of GIGABYTE	Not applicable	3.2 Climate Change Mitigation and Adaptation	4.1 Sustainable Supply Chain	5.3.1 Environmental Safety and Healthy	5.3.2 Healthy and LOHAS Workplace	2.4 Innovation Management

## 2.4 Innovation Management

New ideas inevitably derive from business expanding operation, pursuing increase in profitability, as well as responding to fast-changing market demands. A sound managing mechanism could ensure that employees turn their imagination into competitive products and services, revolve traditions, and inspire an internal corporate culture that keeps seeking innovation.

### ◆ Innovation Management Process



## 2020 Highlights of Innovation

### Smart Security and Surveillance

#### Health Shield

Health Shield combines facial recognition with body temperature detection to provide an integrated solution for security and health management. Organizations can use a single device to grasp visitor identity, access permission, health status, and then take appropriate preventive actions. In addition to eliminating the concern about disease

transmission due to contact, Health Shield can help greatly save time and manpower for taking the same measure.



#### iFence

In the future, it will no longer be necessary to use a lot of manpower, materials, and resources to build thick walls and barriers. GIGABYTE makes use of 3D ToF sensor technology to create a virtual fence that can detect moving objects. If a suspicious object enters the restricted area, the system would immediately alert to enhance protection safety.



### Smart Retail

Using AI recognition technology to construct a complete profile of the consumers by collecting big data on their age, gender, and preferences. Also, integrating with facial recognition technology, the system can immediately deliver personalized advertising and services as soon as the consumer enters the store. It can also detect key customers to ensure strengthen the shopping experience of every consumer.



### Smart Healthcare

#### ToF Patient Monitoring

Health care workers can monitor patients' health remotely through non-invasive 3D sensors. A warning would be sent to health care workers if there is an abnormal change in the patient's health.



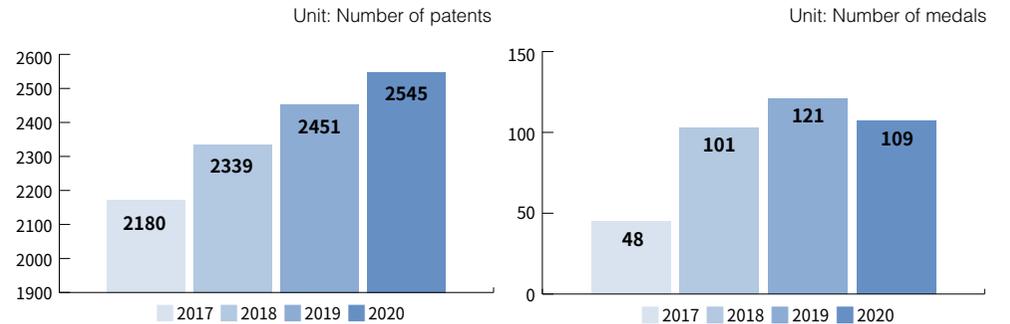
#### DNN Training Appliance

The system integrates GIGABYTE's G series servers with the associated software bundle. It aims to build a self-learning system that can assist health care workers in training and task management, as well as providing suggestions on prescriptions or diagnoses. (For more innovative technologies of GIGABYTE, please visit the [GIGABYTE Virtual Show](#) )

### Achievements of Innovation

GIGABYTE has obtained more than 100 patents in the last 3 years and the accumulative number of obtained patents up to 2020 is 2,545. Besides, the internal patent rewarding mechanism encourages employees to engage more in innovation development and turn their creativity into reality.

#### ◆ Cumulative Number of Obtained Patents ◆ Number of Medals of Internal Patent Reward



# 3

## Green Production



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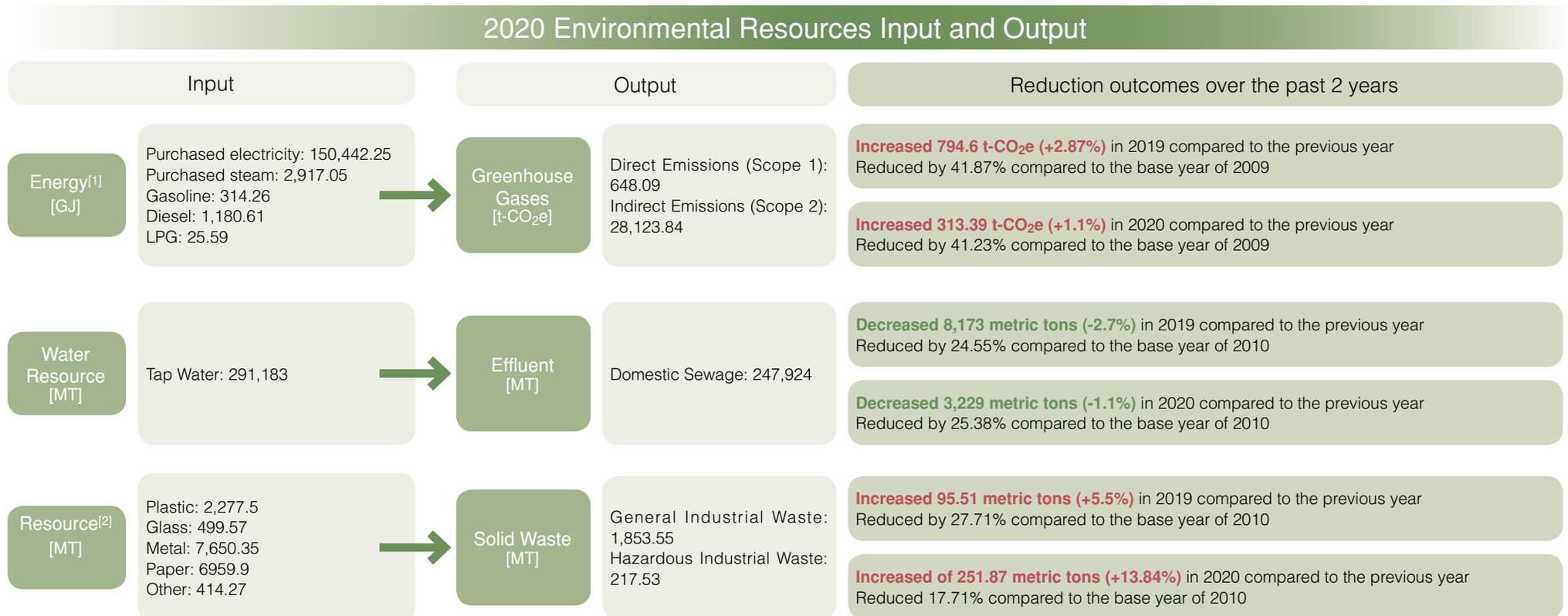
Material Topics of This Chapter	Environment Policy and Management System	Climate Change and Carbon Management	Hazardous Substance Management	Responsible Production and Consumption Circular Economy
<b>Management Approach</b>	Shape a business model that enables harmonious coexistence with nature and internalization of environmental impacts.	Mitigate the impacts on 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 impacts on the environment from manufacturing processes 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 encourage internal proposals of energy conservation.</li> <li>Introduce fully automated intelligent production processes.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce ISO 14064 greenhouse gases inventory and verification.</li> <li>Participate in the CDP.</li> <li>Introduce the Science-based Target (SBT) tool to link the current emission reduction plan to the global emission reduction target.</li> <li>Introduce the TCFD framework to identify climate-related risks and conduct scenario analysis.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce IECQ QC 080000 hazardous substance process management certification.</li> <li>Refer to international laws and regulations and publish GIGABYTE "Harmful Chemical Substances Requirements (HCSR)".</li> <li>The treatment of all wastes, exhaust gases, and sewage generated by GIGABYTE comply with local laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce ISO 14051 material flow cost accounting.</li> <li>Release the "Product Environmental Reports" to disclose potential environmental impacts of a product during its life cycle.</li> <li>Promote a circular economy business model including repair and maintenance, recovery, refurbishment, and resale of electronic products.</li> <li>All Taiwan service bases provide electronic product recycling services without the limitation of brands.</li> <li>Bestyield International introduces BS 8001 circular economy standard.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>Reduce carbon emissions by 3% every year, and reduce 50% in 2025 compared to the 2009 base year.</li> <li>Reduce water and waste by 3% every year, reduce water by 20% and waste by 50% in 2030 compared to the base year 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in the CDP to keep improving and urging climate management performance and aim to be scored above the Management Level.</li> </ul>	<ul style="list-style-type: none"> <li>Revise the GIGABYTE HSCR every year according to the latest chemical substances laws and regulations.</li> <li>No major violations of environmental protection.</li> </ul>	<ul style="list-style-type: none"> <li>Publish Product Environmental Reports of all product lines.</li> <li>Extend product lifetime and expand the number of recycled products.</li> </ul>
<b>2020 Major Achievement</b>	<ul style="list-style-type: none"> <li><span style="color: red;">[●]</span> The carbon emissions in 2020 increased by 1.1% compared to the previous year and decreased by 41.23% compared to the base year 2009.</li> <li><span style="color: green;">[●]</span> The Reduction Reward Program received 59 proposals, of which the estimated resource savings are 2,768 MWh of electricity, 13,280 metric tons of water, and 334 metric tons of waste per year.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">[●]</span> Scored B (management level) in 2020 CDP climate change and entered A-List in its Supplier Engagement Rating (SER).</li> <li><span style="color: orange;">[●]</span> Conducted climate scenario analysis based on RCP 2.6, RCP 8.5, and National Greenhouse Gas reduction policy in Taiwan (NDC).</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">[●]</span> Updated the HSCR to Version 4.6.</li> <li><span style="color: green;">[●]</span> No major environmental violations in 2020.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: orange;">[●]</span> Published environmental reports for 4 main product lines and the accumulative number of published reports to date was 45.</li> <li><span style="color: green;">[●]</span> Recovered, repaired, and refurbished 679,000 electronic products, and the rate of repaired products gotten back by consumers was 98%.</li> </ul>

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

### 3.1 Environmental Management

GIGABYTE's environmental management commits to reducing the environmental impact of operations and manufacturing processes as well as protecting the health and safety of our employees. Environmental and hazardous substances management systems such as ISO 14001, ISO14064-1, and IECQ QC080000 are introduced to ensure that our routine operations and products all comply with environmental standards and regulations.

#### ◆ 2020 Environmental Resources Input and Output



[Note 1] The energy conversion factors are based on the location of plants where the energy types were used. The factors of steam, LPG, and gasoline take reference from the data in China, while the factors of diesel and gasoline used in Taiwan bases refer to the Heat Content of Energy Commodities table published by the Bureau of Energy, MOEA.

[Note 2] Input resources include all product packaging as well as the materials used to produce ATX, Micro ATX, and Mini ITX motherboards.

[Note 3] General industrial waste includes domestic waste.

[Note 4] The scope of this table covers the Headquarters, Nanping Factory, Dongguan Factory, and Ningbo Factory.

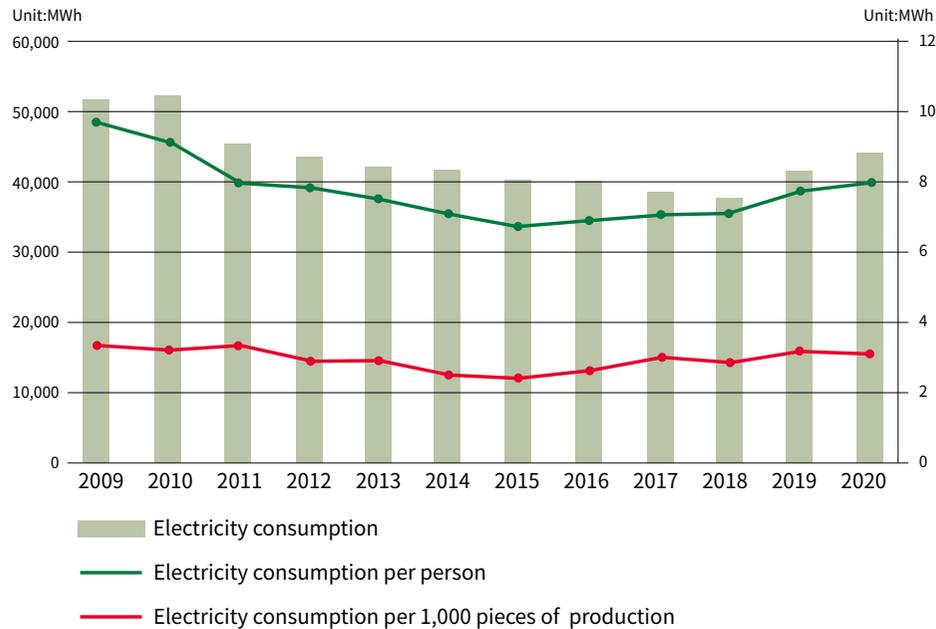
### 3.1.1 Environmental Management Performance

In terms of environmental management, GIGABYTE sets a clear long-term goal drawn with an aggressive reduction timetable. The "333 Reduction Plan" was set as a short-term goal aiming at reducing carbon emissions, water use, and waste by 3% every year. At the same time, we encourage employees to get in the habit of saving water and energy as well as invest enthusiastically in the development of green and energy-saving products through internal incentive mechanisms, green competitions, and other activities. (For more information about GIGABYTE environmental and quality management systems, please visit the [GIGABYTE CSR Website](#) )

### Energy Conservation

Electricity is the main type of energy used by GIGABYTE for routine operations and production processes. In 2020, GIGABYTE consumed 41,789.51 MWh of electricity. This was 19.6% lower than 2009 but 5.40% higher than 2019. The increase in power consumption during R&D and production processes was due to rising production output, more and more complex product portfolios, and greater functionality in individual products. GIGABYTE continues investing in raising the energy efficiency of production lines through introducing process automation and internal training. In 2020, the factories implemented 41 items of manufacturing process intelligentization that successfully increased productivity by 20 to 50% and saved the manpower 65 to 90%. We devote ourselves to reaching energy efficiency targets on all fronts.

#### ◆ Electricity Consumption and Intensity Over the Years



#### ◆ Equipment Optimization Programs in 2020

Operation Base	Energy Conservation Measure	Electricity Saving (Unit: KWh)	Energy Reduction (Unit: GJ)	Emission Reduction (Unit: kg-CO <sub>2</sub> e)
Headquarters	Replacement of water chiller	19,929	71.74	10,143.86
	Replacement of energy-saving lighting	5,277	19.00	2,685.99
Nanping Factory	Replacement of variable-speed air compressors	109,500	394.20	55,735.50
	Replacement of LED lighting	13,128	47.26	6,682.15
Dongguan Factory	Replacement of variable-speed water pumps	9,720	34.99	7,816.82
Ningbo Factory	Replacement of variable-speed air-conditioners	11,816	42.54	9,359.45
	Replacement of variable-speed air handling units	129,370	465.73	102,473.98
<b>Total</b>		<b>285,612</b>	<b>1,075.46</b>	<b>194,897.46</b>

[Note 1] The energy types of all energy conservation measures were electricity. The figures are estimated.

[Note 2] Since the measures are different year by year, the figures for saved electricity were compared to the energy consumption of the equipment before improvement.

[Note 3] The electricity emission factor used by bases in Taiwan was 0.509 kg-CO<sub>2</sub>e/kWh announced by the Bureau of Energy, MOEA.

[Note 4] The electricity emission factors used by the base in eastern China were 0.7921 kg-CO<sub>2</sub>e/kWh and 0.8042 kg-CO<sub>2</sub>e/kWh for the base in southern China.

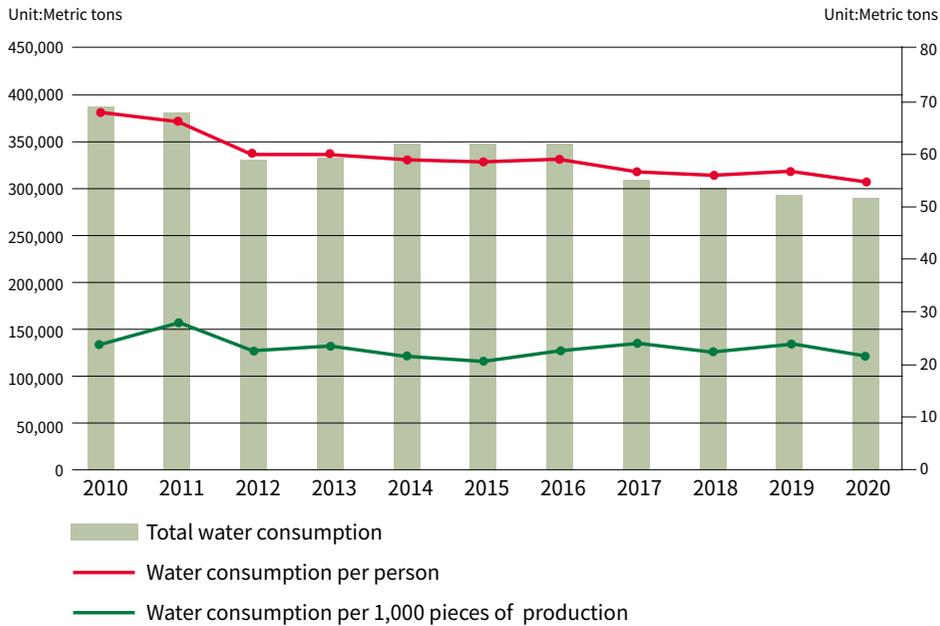


### Water Resource Conservation

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 water-saving policies, education promotion, and annual reporting of the performance. Besides, we build rainwater recycling systems on the G-HOME Sustainable Eco-Roof that can supply about half of the water for irrigation every year. In the future, we will continue to look for raw materials with lower water footprints to achieve the water-saving target of the overall product lifecycle.

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

#### Water Consumption and Intensity Over the Years



#### Water Use in 2020

Unit: megaliters

Water Sources	Total Water Withdrawal	Total Water Discharge	Total Water Consumption
Distinguish by Source of Water Withdrawal and Discharge			
Surface Water	-	-	43.26
Groundwater	-	-	
Seawater	-	-	
Produced Water	-	-	
Third-Party Water	291.18	247.92	
Distinguish by Water Category			
Freshwater <sup>[1]</sup>	291.18	247.92	43.26
Other Water <sup>[2]</sup>	-	-	

[Note 1] Freshwater: total dissolved solids ≤ 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 to reduce waste by 3% every year, and we strive to reduce waste through improving the process and introducing circular resource modes. Our ultimate goal is to achieve "Zero Waste and Zero Pollution".

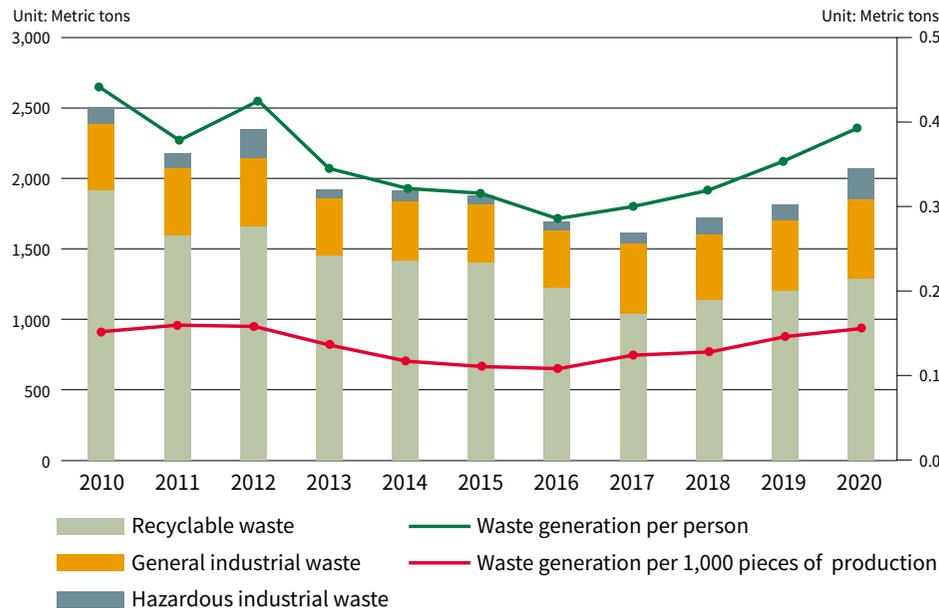
◆ GIGABYTE Total Waste Generation

Unit: Metric tons

	General Industrial Waste				Hazardous Industrial Waste		
	Recycle and Reuse	Landfill	Incineration	Compost	Recycle and Reuse	Landfill	Incineration
Taiwan	358.66	-	210.82	6.91	65.81	-	-
China	939.59	337.57	-	-	151.72	-	-
<b>Total</b>	<b>1,298.25</b>	<b>337.57</b>	<b>210.82</b>	<b>6.91</b>	<b>271.53</b>	<b>-</b>	<b>-</b>

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 of xylene and non-methane hydrocarbon emissions.

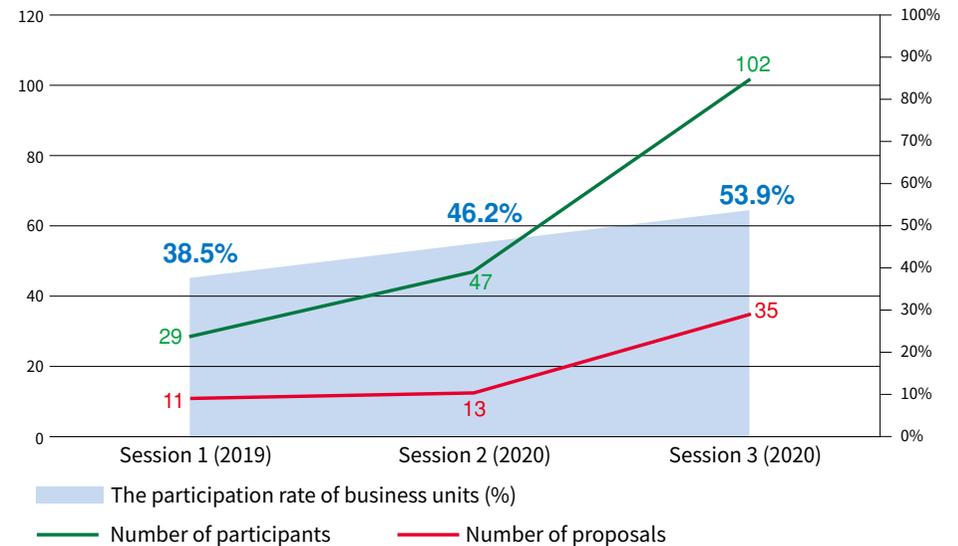
◆ Waste Generation and Intensity Over the Years



3.1.2 Sustainability Fund and Reduction Reward Program

In 2019, GIGABYTE officially launched the 6-year "Sustainability Fund". The Fund is based on the savings of energy fee every year and invests in three aspects, that is, energy conservation at factories, development of resource reduction and low-carbon products, and green projects related to climate change and sustainable development. The program aims to stimulate comprehensively innovative thinking for manufacturing, operation, product strategies, and sustainable development plans to provide incentives and motivations for reduction and to strengthen the internal competence of green designing that helps achieve the purpose of reduction. The reward application of reduction proposals and low-carbon product proposals opens in April and October every year. As of 2020, 3 sessions have been held. Through a transparent scheme, suggestions and mentoring advice for optimizing projects are provided during the evaluating process. That also encourages more employees and teams to take part in not only for earning monetary rewards but also additional opportunities of learning.

◆ Outcome of Reduction Reward Program



### Outcomes of Proposals and Reduction Performance

The reduction proposals received in 2020 included process digitization, recycling and reuse of plastic trays, and optimization or development of more high-efficient equipment. Besides, there were some ideas for innovative products and the reuse of abandoned packaging. Up to 75% of 59 proposals received over the years have been put into practice, indicating that the proposals have both creativity and practicality.

#### ◆ Annual Reduction Performance of Proposals

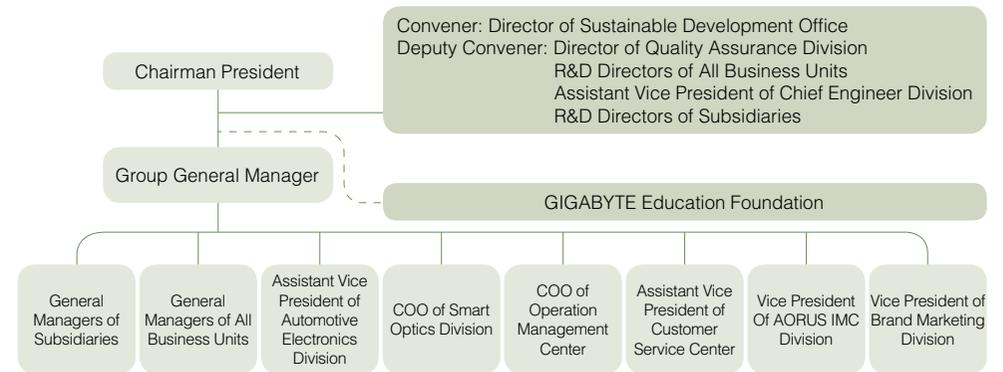
Session	Electricity Savings (MWh per year)	Water Savings (MT per year)	Waste Reduction (MT per year)	Waste Liquid Reduction (KL per year)	Emissions Reduction (t-CO <sub>2</sub> e per year)
<b>1<sup>st</sup> Session Oct 2019</b>	51.98	12,332.6	13.95	44.8	61.62
<b>2<sup>nd</sup> Session Apr 2020</b>	424.11	948	261.94	0	1,319.78
<b>3<sup>rd</sup> Session Oct 2020</b>	2,291.66	-	13.66	0	2,136.05
<b>Total</b>	2,767.75	13,279.6	289.54	44.8	3,517.45

## 3.2 Climate Change Mitigation and Adaptation

GIGABYTE is committed to mitigating the impacts caused by business operations on climate change. Visionary management policies and effective response plans have been adopted for effectually promoting climate-rated management and adaptation measures. These not only improve our operational efficiency, boost the green competitiveness of our products, but also fulfill our environmental responsibility on climate change mitigation and adaptation.

### 3.2.1 Climate-related Management Organization

The GIGABYTE Green Sustainable Development Committee was formally established in 2009 to serve as the highest management level for sustainable development issues such as climate change. The Committee is chaired by the Company's chairman, and holds a cross-functional meeting attended by all business units, plants, and subsidiaries once a month. The conclusions and resolutions of the meetings are submitted to the chairperson. The annual accomplishments are also reported to the board of directors at the end of the year, so they can evaluate the overall performance of the company.



#### Committee Responsibility and Strategies

The Committee pays close attention to sustainability strategies that would influence the whole corporate, and climate-related topics are one of its focuses. Therefore, company-wide climate actions, practical implementing measures, strategies extending to the value chain, as well as criteria set for monitoring the process are all planned detailly by the Committee.



### Climate Governance Strategy

- Formulate the core green policy of GIGABYTE - Green Action Plan.
- Monitor climate-related international and domestic trends and propose responding strategies.
- Collect and analyze data of energy consumption and greenhouse gas emissions from each operating base.
- Transparently disclose climate-related actions by GIGABYTE.

### Concrete Mitigation and Adaptation Plan

- Set a long-term emission reduction target. (Please refer to 3.2.4 Greenhouse Gas Management Target)
- Conduct greenhouse gas inventory according to ISO 14064 annually and obtain verification by a third party.
- Develop an internal product carbon footprint calculation platform and conduct LCA for all main product lines.
- Cooperate with the Plant-for-the-Planet Foundation in Germany and the Forest Bureau of Taiwan to plant trees and encourage value chain partners to participate.
- Establish G-HOME Sustainable Eco-roof to demonstrate the roof greening practices that considers climate adaptation and ecological co-prosperity. It has become a base for GIGABYTE to promote environmental education.

### Value Chain Cooperation

- Collect the reduction performance of energy and resources of suppliers by conducting the Supplier Sustainability Evaluation every year. The information is also used for identifying climate-related risks of the supply chain.
- Hold the Supplier Conference to provide climate-related education and training.

## 3.2.2 Climate-related Risk Assessment and Management Strategy

To get a full picture of the impacts on our business resulted from climate change or the opportunities that it may create, GIGABYTE adopts the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify short-, medium- and long-term climate-related risks and opportunities and establish various responding strategies and management measures for each type of risk and chance.

While planning on the management strategies for climate-related risks and opportunities,

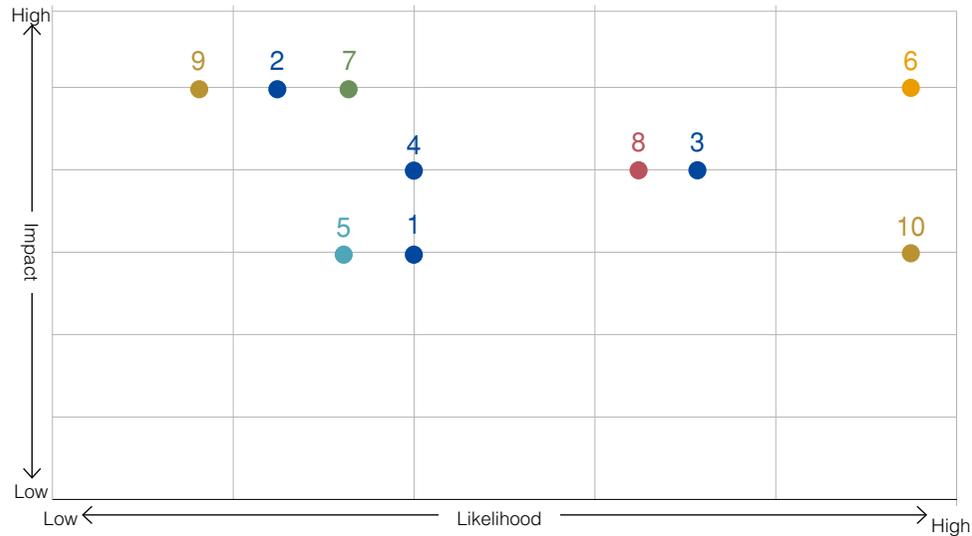
we take the financial impacts, the changes to operational strategies or business models, and the effects on the whole value chain into account. Climate scenario analyses are also conducted and are reviewed and re-evaluated every year.



### ◆ Process of Climate-related Risk Identification

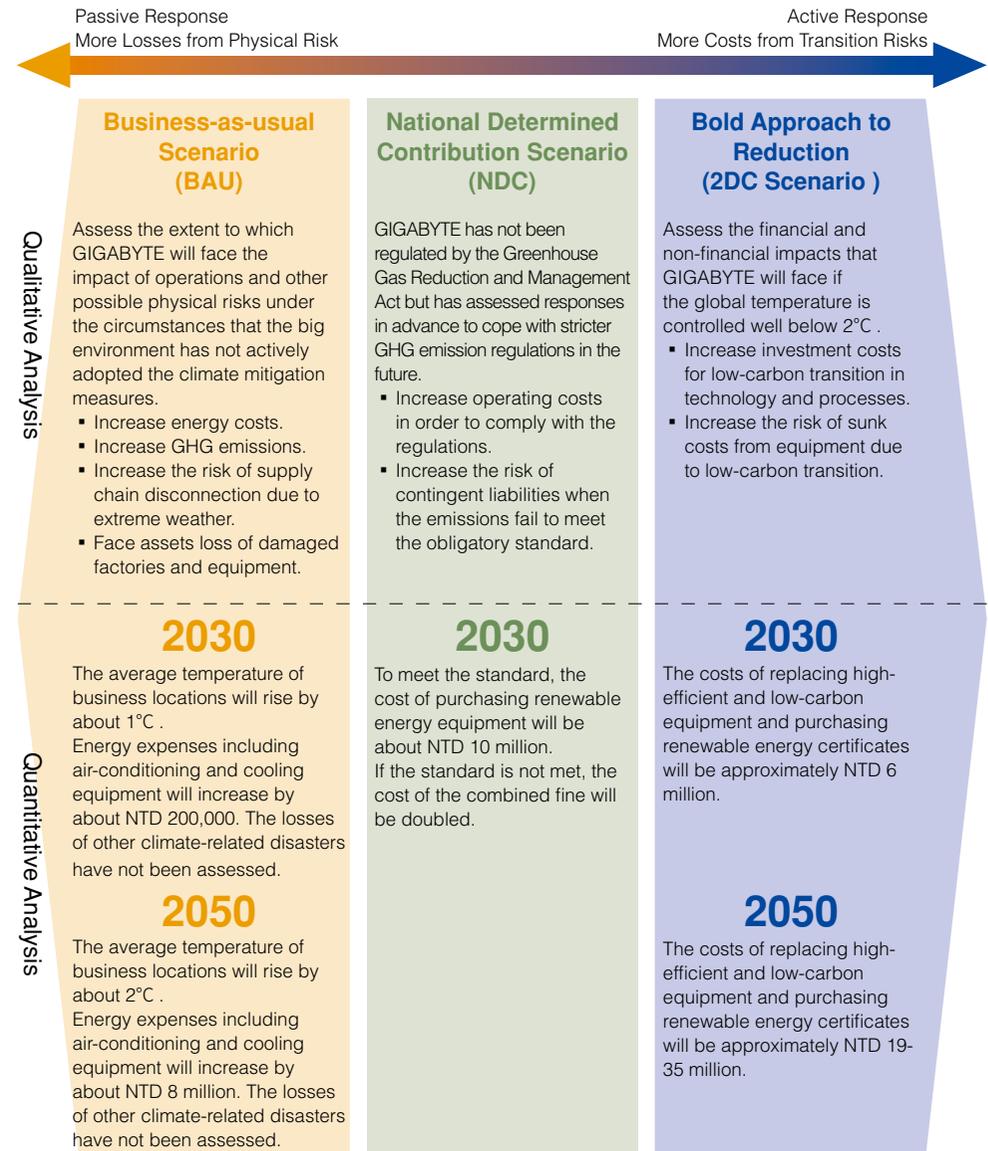
<b>Stage 1</b> Risk Information Collection and Identification and Classification of Issue	<p>Comprehensively collect potential global and local climate-related issues that are generally faced by the electronics industry, including:</p> <ul style="list-style-type: none"> <li>Substantial consequences caused by global warming or extreme weather events.</li> <li>Current or emerging laws and regulations related to climate mitigation and adaptation.</li> <li>Changes in policies, business activities, or markets due to any other climate-related factors.</li> </ul> <p>The issues identified at this stage are further divided into 3 categories:</p> <p>A. Response to policies and regulations. B. Response to international trends. C. Substantial consequences caused by climate factors.</p>
<b>Stage 2</b> Financial Impact Assessment	<p>Assess whether the risk issues identified in the first stage have a direct or indirect impact on GIGABYTE's operations and financial performance. The aspects taken into consideration are such as increasing operational and labor costs, increasing capital investment in innovative technology transition, and other uncertain results.</p>
<b>Stage 3</b> Risk Matrix Analysis	<p>Conduct a risk matrix analysis to assess the materiality of the climate-related issues that are identified in the second stage and have impacts on GIGABYTE.</p> <p>The analysis contains 3 indicators, including impacted scope, occurrence frequency, and the extent of the impact. These indicators will then help identify the priority of each issue according to its urgency for responses.</p>
<b>10 Material Climate-related Risks</b>	

◆ 2020 GIGABYTE Climate-related Risk Matrix



1	Increasing requirements of GHG emissions disclosure	Policy and Legal Transition Risk
2	Carbon-related information disclosure and control 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 corporate self-initiated carbon reduction and energy transition	Technology Transition Risk
6	Increasing emphases on climate issues from stakeholders	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 rising in mean temperature	Chronic Physical Risk

◆ Climate Scenario Analysis



### 3.2.3 Identification of Climate-related Risks and Opportunities

Risk Category		Risk Description	Potential Financial Impact	Management Measure	Derived Opportunity
Transition Risk	Policy and Legal	Expansion in the control scope of the national GHG emission reduction and management regulation.	Increased operational costs in order to comply with the regulations.	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>Introduce GHG emission management system.</li> <li>Introduce complete process automation to enhance energy efficiency.</li> <li>All operational bases implement energy conservation solutions and replace old equipment to improve process efficiency.</li> <li>Invest in climate-related research and management manpower.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>Introduce ISO 14064 management system and be certified by a third party.</li> <li>The GIGABYTE Green Sustainable Development Committee establishes sustainability strategies and supervises the progress of implementation.</li> <li>The unit with specific responsibility continuously follows the tendency of related international laws and regulations.</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 obtain additional incomes.</li> <li>Lower down operational costs by improving the energy efficiency of processes and equipment.</li> <li>Strengthen the brand competitiveness through crossing into low-carbon technology services or markets.</li> </ul> 
		Release of air pollution and renewable energy regulations as well as changes in electricity rates by Taipower in the future.	Increased production costs because of rising energy fees and waste treatment fees.		
		The China government has strengthened its environmental management controls by means of setting the 14th 5-Year Plan, levying environment taxes, and establishing a national emission trading scheme. All of these would bring compliance risks to our manufacturing locations in China.	Increased operational costs in order to comply with the regulations.		
	In response to the global consensus to keep temperature increase well below 2°C, international markets will execute stricter standards on products' carbon footprint disclosure. Nearly 96% of GIGABYTE's products are exported, which means that we are very likely to be affected by various emerging rules in international markets.	Decreased demand for products and services, which then leads to decreased revenues or increased operational costs due to new environmental requirements.	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>Implement energy conservation policies in all operational bases and invest in the research and development of high-energy-efficient and low-carbon products.</li> <li>Strengthen supply chain management to 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-efficient and low-carbon products.</li> <li>Voluntarily introduce LCA and MFCA methods, and inventory and disclose scope 3 emissions.</li> </ul>		
Reputation	With rising awareness of climate crises, consumers' preferences may be changed.	Declined demand for products and services due to the change in consumer preferences.	<b>[Strategy]</b> <ul style="list-style-type: none"> <li>Calculate and disclose environmental data of products such as carbon footprint.</li> </ul> <b>[Actions]</b> <ul style="list-style-type: none"> <li>Publicly disclose 12 environmental impact aspects of main product lines in product environmental reports.</li> </ul>		

Risk Category		Risk Description	Potential Financial Impact	Management Measure	Derived Opportunity									
Transition Risk	Market	With rising awareness of climate crises among businesses, their requirements for emission reduction along supply chains will become increasingly strict. The suppliers who cannot meet their requirements would face losses of orders.	Declined demand for products and services due to the change in customer behavior.	<p><b>[Strategy]</b></p> <ul style="list-style-type: none"> <li>Invest in the research and development departments to create more products that meet the market expectation and requirements.</li> <li>Set energy-saving targets, plan green projects, and track the results and performance.</li> </ul> <p><b>[Actions]</b></p> <ul style="list-style-type: none"> <li>Continue implementing the "333 Reduction Plan", which strives for reducing carbon emissions, water use, and waste by 3% every year.</li> <li>Introduce ISO 14064 management system and obtain third-party certification.</li> <li>Introduce tools such as LCA and MFCA to examine potential opportunities to save energy consumption.</li> <li>Launch the Sustainability Fund that uses the savings of energy fees from the previous year as rewards for resources reduction in manufacturing processes and low-carbon product proposals.</li> </ul>	<ul style="list-style-type: none"> <li>Shift into green product services to fit in the consumer preferences.</li> <li>Apply renewable energy to improve brand favorability.</li> </ul>									
	Technology	In response to the laws and regulations, businesses need to develop renewable energy and low-emission-related technologies.	Increased investment in applying new processes or new business models.			Physical Risk	Acute	Extreme weather events become more and more frequent and severe. Located in the northwest Pacific typhoon-affected area, Taiwan is particularly threatened by floods and typhoon disasters.	More threats to the health and safety of employees and increased costs in manpower management and maintenance, which then result in reduced profits.	<p><b>[Strategy]</b></p> <ul style="list-style-type: none"> <li>Develop typhoon- and flood-related management approaches and raise the diversity of suppliers.</li> </ul> <p><b>[Actions]</b></p> <ul style="list-style-type: none"> <li>Establish the "Risk Emergency Management Procedure" based on the ISO14001 standard.</li> <li>Diversify the supply chain to ensure a stable supply of critical raw materials.</li> </ul>	<ul style="list-style-type: none"> <li>Diversify the supply chain and decentralize the supply of goods to strengthen the stability of material supply and improve the resilience to physical risks.</li> <li>Lessen operational costs by strengthening and improving the energy efficiency of process equipment.</li> </ul>	Chronic	The Headquarters, manufacturing bases, and most of the important suppliers are located in the marine areas. With the risk of drought and flood increases, the stability of operation and material supply may be affected.	Decreased revenues and lessened productivity due to transportation interruption and the unstable supply of raw materials along the supply chain.
Physical Risk	Acute	Extreme weather events become more and more frequent and severe. Located in the northwest Pacific typhoon-affected area, Taiwan is particularly threatened by floods and typhoon disasters.	More threats to the health and safety of employees and increased costs in manpower management and maintenance, which then result in reduced profits.	<p><b>[Strategy]</b></p> <ul style="list-style-type: none"> <li>Develop typhoon- and flood-related management approaches and raise the diversity of suppliers.</li> </ul> <p><b>[Actions]</b></p> <ul style="list-style-type: none"> <li>Establish the "Risk Emergency Management Procedure" based on the ISO14001 standard.</li> <li>Diversify the supply chain to ensure a stable supply of critical raw materials.</li> </ul>	<ul style="list-style-type: none"> <li>Diversify the supply chain and decentralize the supply of goods to strengthen the stability of material supply and improve the resilience to physical risks.</li> <li>Lessen operational costs by strengthening and improving the energy efficiency of process equipment.</li> </ul>									
	Chronic	The Headquarters, manufacturing bases, and most of the important suppliers are located in the marine areas. With the risk of drought and flood increases, the stability of operation and material supply may be affected.	Decreased revenues and lessened productivity due to transportation interruption and the unstable supply of raw materials along the supply chain.				<p><b>[Strategy]</b></p> <ul style="list-style-type: none"> <li>Monitor and improve air-conditioning efficiency, and establish response plans for extreme weather.</li> <li>Introduce the idea of green architecture to lower indoor temperatures.</li> </ul> <p><b>[Actions]</b></p> <ul style="list-style-type: none"> <li>Replace air-conditioners or improve the energy efficiency.</li> <li>Establish the "Risk Emergency Management Procedure" based on the ISO14001 standard.</li> <li>Install and maintain the G-HOME GIGABYTE Sustainable Eco-Roof, which can effectively lower 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.											

### 3.2.4 Greenhouse Gas Inventory and Reduction Performance

#### Greenhouse Gas Management Target

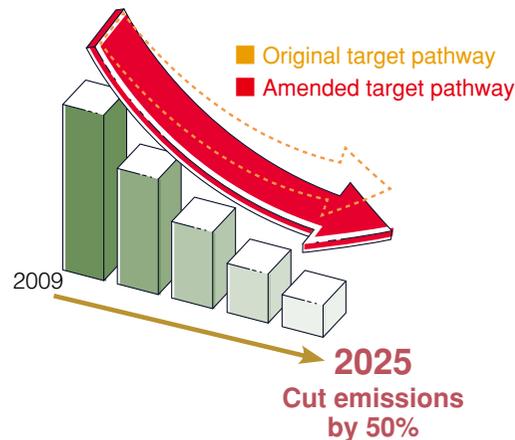
GIGABYTE first implemented organizational GHG inventory in accordance with ISO 14064 in 2010. A long-term emission reduction target was established afterward, which is reducing carbon emissions by 50% by 2030 compared to the base year 2009. In 2016, a short-term target, named "333 Reduction Plan", was also set, which aims at cutting carbon emissions, water consumption, and waste generation by 3% compared to the previous year. The concise, targets help GIGABYTE track emissions reduction progress and performance.

The globe is now encouraging businesses to respond to the Science-based Targets Initiative (SBTi) and set up their emission reduction target through scientific methods that can ensure keep the global warming under 2° C. GIGABYTE has not publicly committed to setting a science-based target. However, We have introduced the tools and target criteria recommended by SBTi to analyze the gap of the pathway between the existing carbon reduction target and the target that meets science-based principles. In 2020, the board of directors agreed with adjusting the current long-term emission reduction target to "cutting carbon emissions by 50% by 2025 compared to 2009."

#### Greenhouse Gas Inventory and Reduction Performance

GIGABYTE has conducted annual organizational GHG inventory and third-party certification since 2020. The inventory scope covers the Headquarters, Nanping Factory in Taoyuan, as well as Dongguan Factory and Ningbo Factory in China. In 2020, due to the re-distribution of production lines resulted from the COVID-19 pandemic as well as the rise of the stay-at-home economy and work-from-home that spurred an increase in output and product demands, the organizational GHG emissions slightly increased by 1.1% compared to the previous year. Nevertheless, it was 41.23% lower than the base year.

#### Amendment of Long-term Emissions Reduction Target

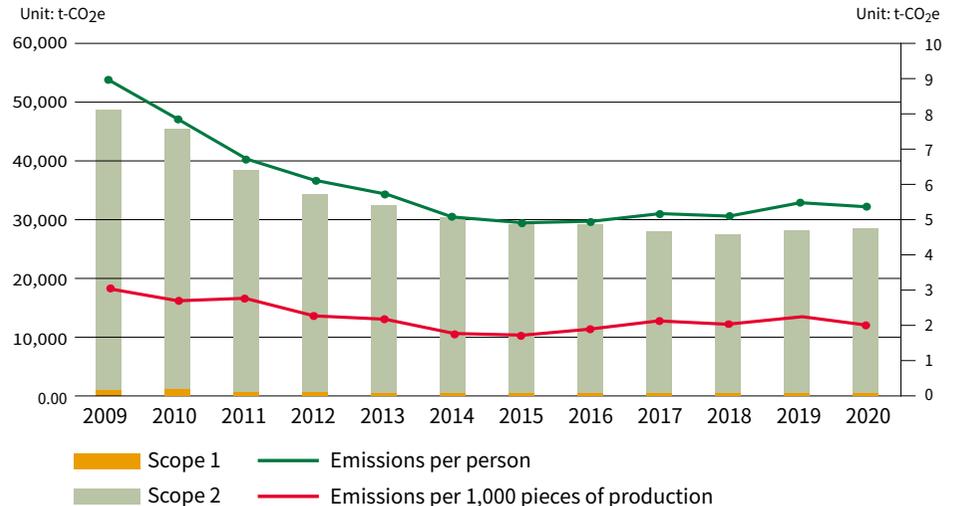


#### Greenhouse Gas Emission Inventory

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

Emission Scope		Total Emissions	Corresponding new classification in ISO14064-1: 2018
Scope 1: Direct Emission		648.09	Direct emissions and removal
Scope 2: Indirect Emission from Purchased Electricity and Steam		28,123.84	Indirect emissions from imported energy
Scope 3: Other Indirect Emission from Upstream	Purchased Products and Services	801,039.08	<ul style="list-style-type: none"> <li>Indirect emissions from transportation</li> <li>Indirect emissions from products used by an organization</li> <li>Indirect emissions associated with the use of products from the organization</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: Other Indirect Emission from Downstream	Employee Commuting	3,060,977.51	
	Downstream Transportation and Distribution		
	Processing of Sold Products		
	Use of Sold Products		
End-of-life Treatment of Sold Products			

#### Gross Greenhouse Gas Emissions and Intensity Over the Years



## Participation in CDP

Since 2010, GIGABYTE has responded to the CDP Climate Change Questionnaire because of customer requests. Besides responding to customers' demand and international expectations, participating in CDP helps further self-examine the implementing processes of carbon management, adjust the carbon management approaches according to the evaluative results and feedback in order to improve the overall management system.

GIGABYTE scored B (management level) in the 2020 CDP climate change assessment, which was superior to those of our peers in the Asia region. Moreover, we entered the A-List of the Supplier Engagement Rating (SER) for the first time since 2016. As the domestic and international attention on corporate carbon management continues to grow, GIGABYTE will keep enhancing emission reduction measures and reviewing the weaknesses of our performance for the purpose of realizing low-carbon transition.

### ◆ GIGABYTE CDP Score in the Recent 5 years

		2016	2017	2018	2019	2020
<b>GIGABYTE</b>	<b>Climate Change</b>	B (Management Level)	B (Management Level)	B (Management Level)	A- (Leadership Level)	B (Management Level)
	<b>Supplier Engagement Rating</b>	B	A-	A-	A-	A
<b>Asian Average</b>	<b>Climate Change</b>	N/A	N/A	D	C	D
<b>Industry Average</b>	<b>Climate Change</b>	D	D	D	C	C

## 3.3 Responsible Production

GIGABYTE incorporates lifecycle thinking into product research, development, and assembly and considers material recycling and environmental friendliness from the design stage. The selection of raw materials strictly follows the hazardous substances control rules. After the products are sold, we provide a longer warranty period and repair services. Furthermore, the customer service center provides electronic equipment recycling services regardless of brand and develops a circular business model based on returned logistic services that strive to achieve resource recycling and reduce the overall environmental impacts of products.

Moreover, disclosing transparent environmental impact data of products is a manufacturer's responsibility to consumers. GIGABYTE started by establishing a product carbon footprint calculation system in 2016 and is able to issue product environmental reports that cover 12 aspects of environmental impacts. (For more information regarding the details of GIGABYTE product environmental reports and its developing processes, please visit the [GIGABYTE CSR Website](#) )

### 3.3.1 Friendly Product

#### Hazardous Substances Management

To GIGABYTE, ensuring our products to be safe for consumers and be friendly to the environment is the basic principle as a manufacturer. The trends and changes of international hazardous substances management standards are reported quarterly at the GIGABYTE Green Sustainable Development Committee meetings. A cross-department response plan will be started timely when it is necessary. The plan will set the response time target in order to make sure that GIGABYTE's products comply with the latest laws and regulations in time.

We issue the GIGABYTE Harmful Chemical Substances Requirements (HCSR) that 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. Through systematically managing the list of high-risk substances and forming respective responding plans according to the hazardous levels, we could quickly eliminate prohibited substances.

◆ Hazardous Substance Management Process

**Establish the Harmful Chemical Substances Requirements (HCSR)**

Divide the hazardous substances into A, B, and C management levels according to the laws and regulations as well as the harmfulness.

**Responsible personnel tracks the hazardous substances laws and regulations**

Track and archive the hazardous substances regulations in all continents and countries to ensure our products be safe and comply with regulations.

**Report regularly at the GIGABYTE Green Sustainable Development Committee and plan responding strategies**

Report the latest laws and decrees at the Committee meetings, provide a reference for all business units to set and implement responding strategies and measures.

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

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. Moreover, the design stage takes circular economy as its core, it will contribute to moving towards our zero-waste goal.

Since 2007, GIGABYTE has developed ultra-durable motherboards and gradually introduced innovative technologies, including energy-saving switches, 2x copper PCBs, and current-resistant parts and components, that greatly strengthen the stability of the motherboards and also extend the service life of the products. In recent years, with the rising demands for multifunctional products and data processing capacity, GIGABYTE has been focusing on the development of more powerful cooling technologies to protect devices and maintain stable performance.

Reduce Energy Consumption and Strengthen Efficiency



Monitors are equipped with adapters that meet the United States Department of Energy (DOE) Level VI standard and the EU CoC Tier 1 energy efficiency regulation.



Monitors all comply with the requirements on power consumption and brightness by the EU and have built-in popups to remind users of energy efficiency.



All series of servers are equipped with power supply units which efficiency meets 80 PLUS Platinum or above.

Friendly Design of Product



The Smart Fan 5 cooling system supports multi-point cooling through a single interface that can adjust fan speed according to CPU temperature.

The hybrid fan headers are compatible with GIGABYTE's liquid cooling systems and support flow speed monitoring for optimal cooling performance.

Outstanding Cooling Technology



Direct-Touch Heatpipe II



Fins-Array II Heatsink



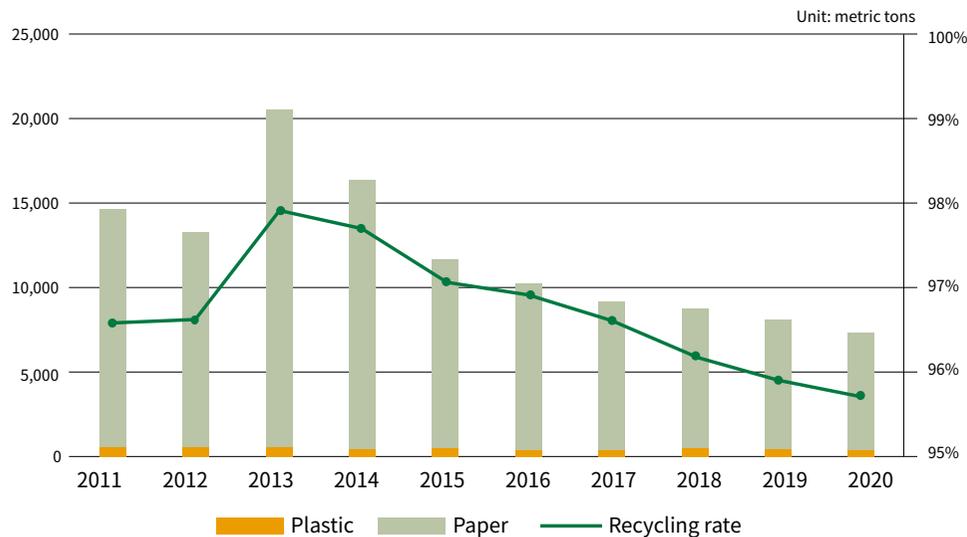
Nano Carbon Baseplate with Thermal Reactive Armor design

### 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 every year and examine the progress of reduction achievement.

### Recycling Rate of Packaging Materials

To keep with our mission of "Love the Earth", GIGABYTE makes every effort to avoid excessive packaging while maintaining a certain level of protection. The total weight of packaging used by our products has decreased significantly in recent 7 years. In 2020, GIGABYTE used 6,959.9 metric tons of paper and 312.6 metric tons of plastic in packaging. The total use of packaging was 50.2% lower than in 2011. Due to the gradually decreasing use of paper packaging, the recycling rate slightly falls in recent years. Nevertheless, the recycling rate still stays above 95%.



### 3.3.2 Circular Economy

GIGABYTE Customer Service Center has been dedicated to providing consumers with full-range and high-quality repair solutions and convenient recycling services. The Bestyfield International subsidiary draws on its more than two decades of experience in professional repair for PCBAs and customer services to build a circular economy business model based on "Mottainai"<sup>[1]</sup> philosophy. It incorporates every part of the product life cycle from after-sales to disposal into the scope of support. The goal is to extend the product life cycle and maximize the value of all resources used.

[Note 1] *Mottainai* is a Japanese phrase used to sigh for something that is no longer it should be. It was later used to convey regret over wasting materials, efforts, or actions.

The circular business model of Bestyfield International aims to overcome 3 limitations of a linear economy. Its innovative and well-thought business strategy and operations received the BS 8001:2017 circular economy standard certification in 2020. The maturity of its business model was even rated as "Optimizing" level.

### Strengthen Credibility of Second-hand Market

The "Refurbished Product Certification" (RPC) was introduced by Bestyfield International to diminish consumers' doubts and distrust of second-hand products. The product that has been repaired, tested, and meets the quality standards would receive an RPC certificate as well as a resume that shows complete traceability of the product. The certification aims at solving the "lemon's market" where is full of cheap and defective products due to the information disparity between buyers and sellers. Also, to increase consumer trust and willingness to purchase, Bestyfield International introduces "Manufacturer Approved" and "100% Tested" certificates and offers a 0-6 months warranty depending on the product types.



## Popularize the Value of Responsible Consumption

The G+ 3C Outlet concept store at Bestyfield International's headquarters sells only refurbished and off-season products. However, the bright and simple designed store hopes consumers feel that they are not buying a "second-class product", but a "reborn product" with undiminished performance. The concept store is divided into multiple areas that convey the ideals of sustainability, circulation, and cherished use.



G+ 3C Outlet



Display of repair



Sculptures made from  
waste motherboards

In April 2020, the G+ 3C Outlet's international e-commerce business was also launched in partnership with other online logistics channels in Taiwan, China, and other regions. The integration of virtual and physical channels can reach more consumers and increase their acceptance of second-hand markets.

## Recycle and Reuse Electronic Waste

With professional refurbishment techniques, Bestyfield International aims to avoid throwing-away of entire electronic products which are merely partially damaged and thus result in unnecessary waste of resources. Referring to the 9R circular economy strategy<sup>[2]</sup> defined by the Netherlands Environmental Assessment Agency (PBL), Bestyfield International is corresponding to R3~R6 and R8 on "extending lifespan of the product and its part"

### R3 Re-Use

Disassemble the product which is still in good condition, and use its parts as materials or components for the same type of product. This can greatly reduce the cost of raw materials and avoid wasting resources while maintaining a certain quality.

### R4 Repair

Restore malfunctioning or damaged products to a good condition through repair, and enhance repair yield rate above 95% by introducing reballing, testing, dehumidifying, and damp-proofing equipment in order to effectively extend the product lifetime.

### R5 Refurbish

Replace or repair aging components to improve the performance of used products. Such products and off-season products can be sold again at the second-hand market after quality tests and certification.

### R6 Remanufacture

Disassemble, inspect, clean the products and use recycled materials for necessary replacement or repair, so that they can return to their original condition, and also consumers can have a more cost-effective refurbished option.

### R8 Recycle

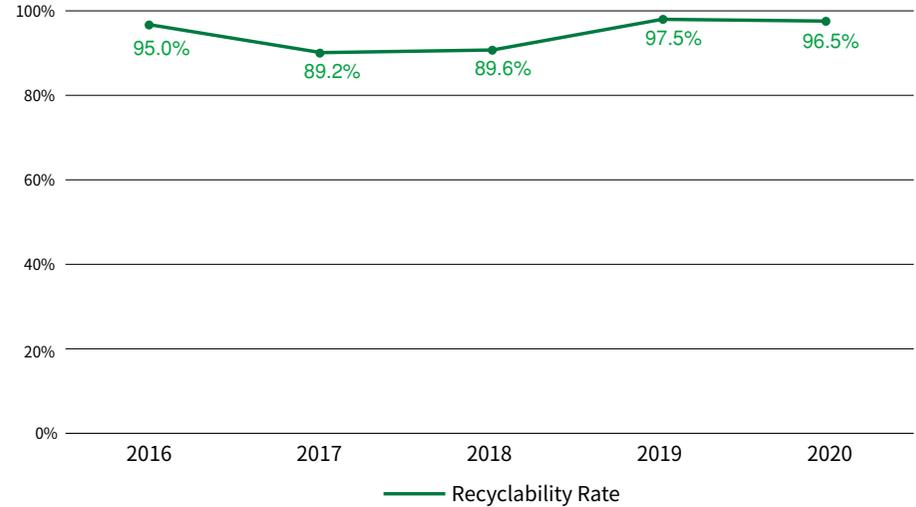
Establish a comprehensive disposal management system to send non-serviceable parts and non-repairable products to qualified waste contractors for disposal and thus minimize environmental pollution.

[Note 2] 9R circulation strategies: R0 Refuse, R1 Rethink, R2 Reduce, R3 Reuse, R4 Repair, R5 Refurbish, R6 Remanufacture, R7 Repurpose, R8 Recycle, and R9 Recover.

The amount of processed electronic products accounts for 3% of all waste recycled electrical and electronic waste in Taiwan per year.

Action Plan	Outcome
<b>Repair</b>	629,910 pcs were sent for repair and 615,127 pcs were picked up after being repaired, indicating the repair rate was 97.6% and 586 metric tons of e-waste were avoided.
<b>Refurbish</b>	37,396 pcs were refurbished and 11,874 pcs were sold after refurbishment. 6,088 pcs were sold through the online and offline channels of the G+ 3C Outlet.
<b>Disposal</b>	Consumers provided 29,328 pcs of scrapped products and all were disposed of through qualified contractors.
<b>Reuse</b>	2,687 functioning or serviceable parts were successfully salvaged for future repairs from 29,328 scrapped products collected from consumers and 142 scrapped products purchased by Bestyield International itself.

◆ Recyclability Rate of Raw Materials used for Motherboards



### Product Recycling Rate and Environmental Impact

In addition to the promoting circular economy business model and reinforcing terminal recovery, GIGABYTE is working on increasing the proportion of reusable materials in our products to reduce the environmental burden at their disposal stage. Motherboards manufactured by GIGABYTE are mostly made of metal and plastics. In 2020, a total of 7,650.35 metric tons of metal, 1,964.9 metric tons of plastic, 499.57 metric tons of glass, and 368.87 metric tons of other raw materials were used for producing motherboards. The average recyclability rate of raw materials was above 95%.



# 4

## Sustainable Value Chain



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Material Topics of This Chapter	Sustainable Supply Chain Management	Conflict Minerals
<b>Management Approach</b>	Improve the quality of the supply chain and the stability of good supply, and deepen the corporate influence to sustainable development through engagement and cooperation with the value chain.	Take the responsibility of corporate citizenship, jointly safeguard human rights, and realize responsible production.
<b>Policy and Action</b>	<ul style="list-style-type: none"> <li>Issued the "GIGABYTE Guidelines of Sustainable Procurement".</li> <li>Track supplier-related risks and form corresponding policies.</li> <li>Establish supplier selection mechanisms based on environmental and social criteria.</li> <li>Hold Supplier Conferences and launch the "Reduction. Sharing. Love the Earth Alliance".</li> </ul>	<ul style="list-style-type: none"> <li>Introduce the Responsible Minerals Initiative (RMI) to investigate the use of 3TG and cobalt mines by first-tier suppliers.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>Gradually extend the scope of supplier risk management aspects and develop responding mechanisms.</li> <li>Increase the rate of top 100 suppliers participating in the "Reduction. Sharing. Love the Earth Alliance".</li> <li>Encourage the Alliance's members to set reduction targets and strive to achieve the target.</li> </ul>	<ul style="list-style-type: none"> <li>Gradually increase the investigatory number of suppliers to understand the status of the use of conflict minerals. The long-term target is to expand the investigatory scope to 100% suppliers.</li> </ul>
<b>2020 Major Achievement</b>	<ul style="list-style-type: none"> <li>[ ● ] Enforced supplier audit and counseling with continuous improvement of defects.</li> <li>[ ● ] The 2020 Supplier Conference was attended by 89 suppliers, and 35% of participating suppliers were among the top 100 suppliers.</li> <li>[ ● ] In 2020, 41 suppliers who took part in the "Reduction. Sharing. Love the Earth Alliance" joined the "333 Reduction Plan", among them 16% were our top 100 suppliers.</li> <li>[ ● ] Nearly one-third of the Alliance's members reached the target of cutting carbon emissions, water use, or waste by more than 3% compared to the previous year.</li> </ul>	<ul style="list-style-type: none"> <li>[ ● ] In 2020, 463 suppliers took part in the conflict minerals investigation, an increase of 9.2% compared to the previous year</li> <li>[ ● ] In 2020, 86% of our top 100 suppliers responded to the conflicts mineral investigation or made related declarations or actions.</li> </ul>

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

## 4.1 Sustainable Supply Chain

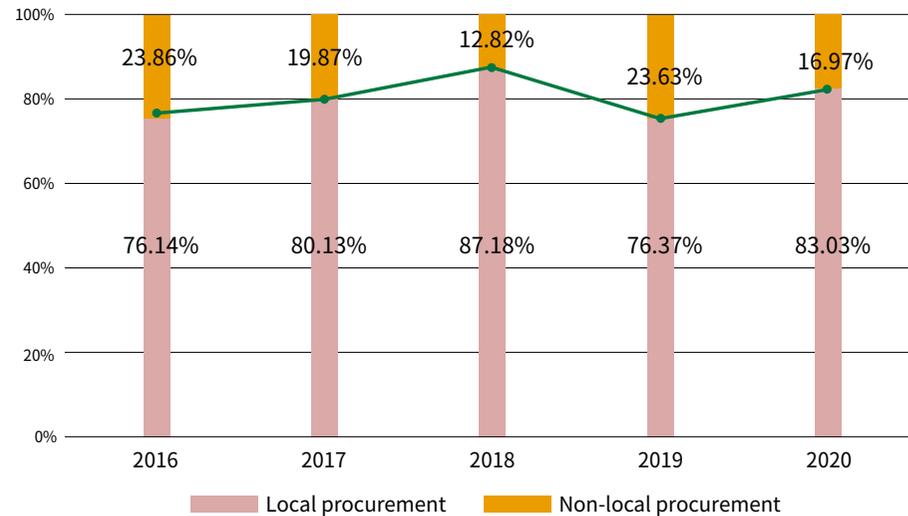
### 4.1.1 An Overview of Supply Chain

Businesses selecting local suppliers can not only fulfill their social responsibility to the community but also reduce the environmental impact resulting from transportation and distribution over long distances. In 2020, 92.51% of GIGABYTE's first-tier suppliers were located in Asia, followed by 3.74% in the Americas, and 2.4% in Europe. GIGABYTE adheres to local procurement in order to maintain productivity and continuity of operations as well as improve local economic development.



The local procurement rates at all of GIGABYTE's main manufacturing locations (i.e. Nanping, Dongguan, and Ningbo) exceed 75% in recent years

#### ◆ Local [1] Procurement Amount[2] and Rate in the Past 5 Years



[Note 1] Local: The locations of the material production sites are in the areas where GIGABYTE's main manufacturing bases are located.

[Note 2] Procurement amount: Calculate based on the purchase amount of the year.

### 4.1.2 Supply Chain Risk Management

In 2018, GIGABYTE officially issued the "GIGABYTE Guidelines of Sustainable Procurement" which applies to the Headquarters, Nanping Factory, two factories in China, and the subsidiaries with substantial influence in Taiwan. We commit to regarding the "Code of Conduct for Responsible Business Alliance" issued by the Responsible Business Alliance (RBA) as the highest guiding principle. 4 major management aspects (including 15 sub-goals) and 4 zero tolerance regulations are set to assess the risk of a supplier. When selecting suppliers, other than the basic requirements like quality, delivery, service, 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 suppliers are in compliance with sustainable procurement standards.



### Four Zero-tolerance Regulations

- Child labor
- Forced labor/prison labor
- Discharge of untreated toxic and hazardous substances or materials
- Behaviors that cause immediate injury to employees

### Identification of High-risk Suppliers

GIGABYTE uses pre-assessment and ratings to classify new and existing suppliers into A, B, C, or D grades every year, and simultaneously conducts re-assessments and mentoring. The suppliers graded as high-risk D would be screened out, afterwards, regular assessments are conducted monthly or quarterly to ensure consistent quality of the supply chain.

#### ◆ Supply Chain Audit Process

##### Supplier Evaluation

Conduct evaluation based on 4 major aspects:

- Quality, price, service, delivery
- Environmental management, occupational safety and health management
- Quality and RoHS system
- Corporate social responsibility practice

##### Classification and Re-evaluation

After the selection, rate the new suppliers with 4 classes from Class A to D according to the total score:

- A: Qualified suppliers
- B: Qualified suppliers
- C: Suppliers under observation (improvement required within 60 days)
- D: Unqualified suppliers (must be re-evaluated within 60 days, and would be included in the cooperation list if the re-evaluation is Class C or above)

##### Monthly and Quarterly Evaluation

- Continue to make monthly and quarterly evaluations based on the status of cooperation. Those with poor performance will be provided with counseling for improvement or replacement. Also, conduct on-site audits of factory area and corporate social responsibility performance.
- Conduct weight scoring according to cooperation situation, status of return goods, and negative news in order to identify high-risk suppliers and include these factors into the considerations for procurement.
- Track the latest issues and identify the potential risks at the location of suppliers every year. Keep expanding the scope of assessment to respond to any situation change to stabilize the supply chain.

##### Annual Evaluation and Awards

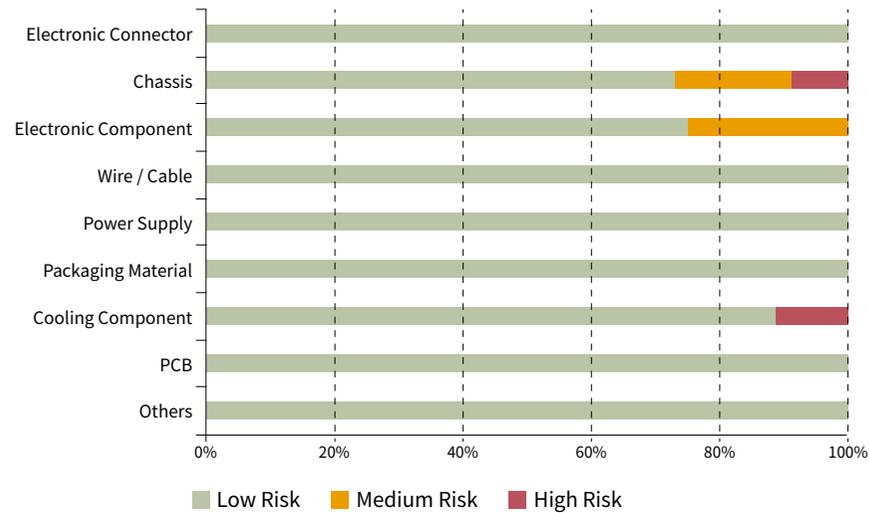
The supplier with excellent performance will be awarded annually. GIGABYTE provides four Awards to well-performed suppliers:

- Corporate Sustainability Award
- Excellent Partner Golden Award
- Best Partner Award
- Best Agent Award

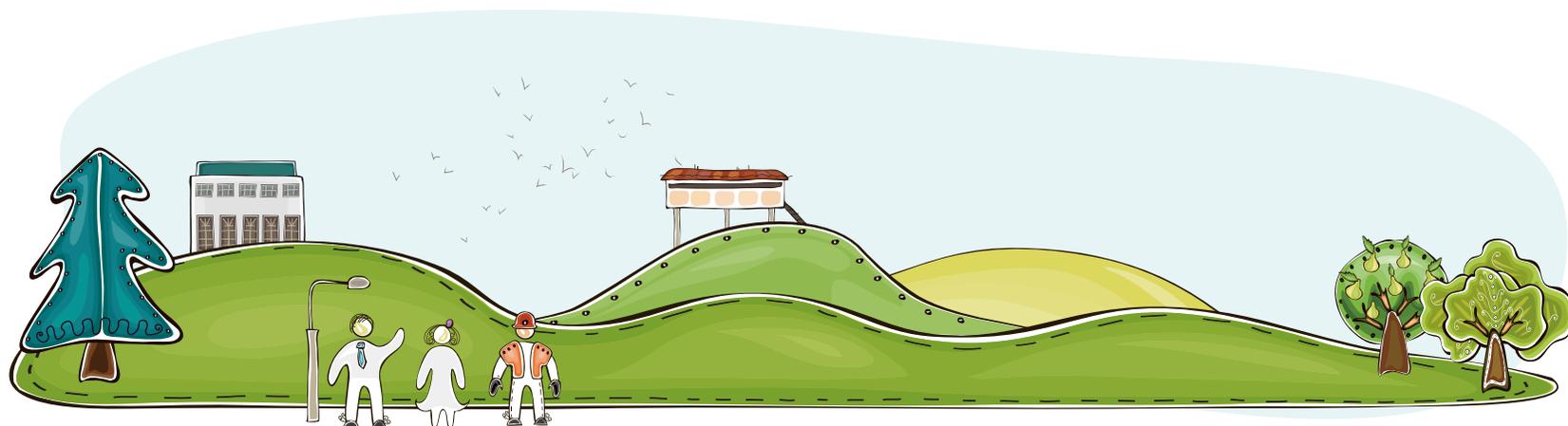
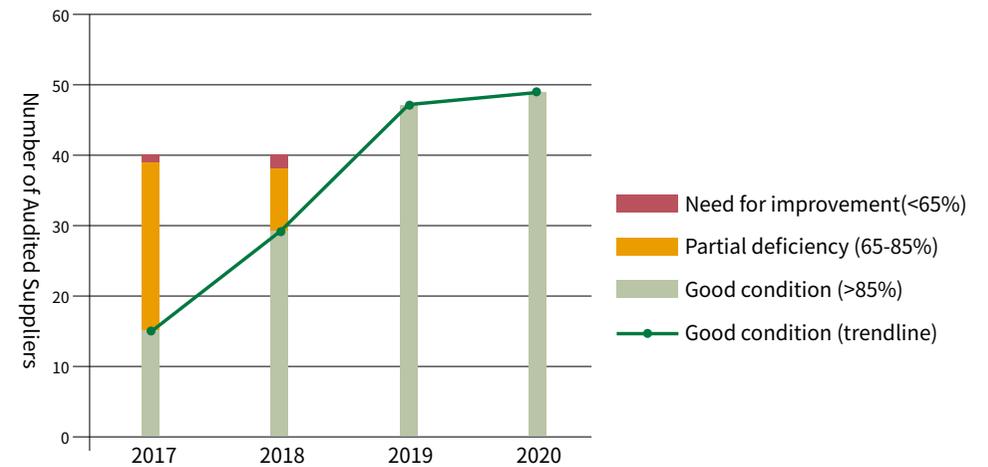
By publicly commending the excellent suppliers, we encourage the suppliers to learn from each other.

In 2020, GIGABYTE audited 49 suppliers for RoHS, quality, and CSR performance. The RoHS and quality audit found that most problems at medium and high-risk suppliers were related to product quality. We will mentor these suppliers and re-assess their eligibility as approved suppliers. As for CSR performance, the suppliers were assessed in accordance with the RBA Code of Conduct and the result show that all were good (scored over 85). The average score was 97.33. While comparing the audit finding from 2017 to 2020, we found that in addition to a steady increase in auditing scope, the scores the suppliers received have increased year by year. That means, by continuous advocacy and mentoring, GIGABYTE has helped our supply chain partners fulfill their corporate social responsibility.

◆ Audit Result of Quality System/ RoHS



◆ Audit Result of Supplier CSR Performance



### 4.1.3 Supply Chain Engagement and Communication

The reinforcement and maximization of impacts from corporate sustainable development depend on inter-connections and cooperation throughout the entire value chain. GIGABYTE reinforces the engagement and communication with our supply chain through a variety of channels such as evaluations, awards, education and training, and alliances. We strive to build a partnership beyond trade relations and realize the core philosophy of "Reduction. Sharing. Love the Earth" hand in hand.

2020 Status of  
Supplier Engagement

Hosted for  
9 consecutive years

Supplier Sustainability Evaluation  
and Award Ceremony

The ceremony was canceled due to COVID-19. Trophies were delivered to 43 awardees instead. The awarded rate of top 100 suppliers was 59%.

Hosted for  
3 consecutive years

"Reduction. Sharing. Love the Earth"  
Supplier Conference

Total participated suppliers: 89  
Participation rate by top 100  
suppliers: 35%

Assessed for  
3 consecutive years

Reduction Performance of "Reduction.  
Sharing. Love the Earth Alliance" Members

Total participated members: 41  
Participation rate of top 100  
suppliers: 16%

### Supplier Sustainability Award

GIGABYTE's Supplier Sustainability Evaluation process starts with suppliers self-evaluating their implementation performance in 6 major aspects: CSR management, CSR protection, human rights of labor, fair trade, supplier responsibility, and social/local contribution. Afterward, the Supplier Evaluation Team from the Sustainable Development Office conducts fair selection based on 4 major aspects: completeness, rationality, the level of cognition, and the level of attention. The suppliers with better scores would be publicly awarded the Excellent Partner Award at the supplier's year-end party.

GIGABYTE hopes that the annual award mechanism can facilitate positive competition between suppliers to pursue more outstanding performance in sustainability. The 2020 supplier year-end party was canceled due to the COVID-19, but GIGABYTE still presented trophies to well-performing suppliers to show our appreciation for their support and assistance over the past year. We also looked forward to further cooperation for realizing the vision of "Reduction. Sharing. Love the Earth" together.

In addition to the awards, we also encourage suppliers to fulfill corporate social responsibility by procurement activities. The ratio of GIGABYTE's purchasing expenditure from the suppliers participating in the Supplier Sustainability Evaluation was 57.7%. We will continue to increase the ratio in the future to make suppliers have more incentives in carrying out sustainability and therefore construct a sustainable supply chain.



## Supplier Conference

Global expectations on the environmental policy of businesses and products have become stricter and stricter. Thus, business models or product designs that incorporate the ideas of environmental friendliness will become more and more important. In view of that, GIGABYTE held the 2020 Supplier Conference to invite pioneers in sustainability as well as the general manager of Bestyield International, who engages in circular economy promotion, to share their experiences in the green economy and circular economy trends and practices. Our sales, CSR personnel, and manager-level employees also attended the conference. GIGABYTE will continue to ramp up our marketing efforts to establish sustainability know-how among our supplier partners.

## Reduction. Sharing. Love the Earth Alliance

GIGABYTE launched the "333 Reduction Plan" in 2016 and set a target of reducing carbon emissions, water use, and waste by 3% every year. We also invested in tree planting and afforestation to conserve the biodiversity of the earth. At the same time, we invited all of our suppliers to join the "Reduction. Sharing. Love the Earth Alliance" and reach the "333 Reduction" targets together with GIGABYTE. We also expect that the suppliers with significant reduction performance could share their experiences with others to stimulate peer learning and achieve general reductions across the entire supply chain.

### ◆ Status of "Reduction. Sharing. Love the Earth Alliance" Advocacy

**41** partners became partners of the **333 Reduction Alliance in 2020**

**CO<sub>2</sub>**

**43.9%**

Have concrete **carbon reduction** targets



**46.3%**

Have concrete **water reduction** targets



**53.7%**

Have concrete **waste reduction** targets

**40** Companies

Became **tree-planting partners**



## Reduction. Sharing. Love the Earth Alliance Supplier Conference on 24 Sep



### Conference Agenda

- Sharing of "Reduction. Sharing. Love the Earth" Alliance
- Circular economy and green financing under the COVID-19 pandemic
- Reverse-logistics planning under the tendency of circular economy

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

After the Alliance was established, GIGABYTE started to investigate the efforts to reduce carbon emissions, water use, and waste by each Alliance member in 2018. Every effort made was to practice the Alliance's core value of reduction. Furthermore, with an outline of the overall reduction trends, we can then develop a more practical strategy for the future. In 2020, we tracked the reduction statistics from the previous year (2019) of 42 companies, including partner suppliers and GIGABYTE itself, and the number of companies that met the 3% targets in 2019 compared to previous years is as follow.



### Explanation of Reduction Performance Status

- One-third of investigated companies met the target for carbon and water reductions with average reductions of 1-5%. The average waste reduction was more than 10%.
- The reasons for suppliers being unable to meet reduction targets included greater use of energy and resources due to growing orders and production output in the year. Even though the suppliers whose production output increased did not meet the absolute reduction targets, they still had the potential to meet the targets if viewed from intensity reduction (e.g. emissions per revenue).

#### Love the Earth by Beach Clean-up

In 2020, GIGABYTE invited our supplier partners to join in beach clean-up and as a spiritual successor to GIGABYTE's "Thousand Mile trek-Go Green Taiwan" round-island clean-up movement.

**Location: Baiyu Beach, Taoyuan / Date: 15 August 2020**  
**Number of Participating Companies: 18 / Quantity of removed waste: 621.14 kg**



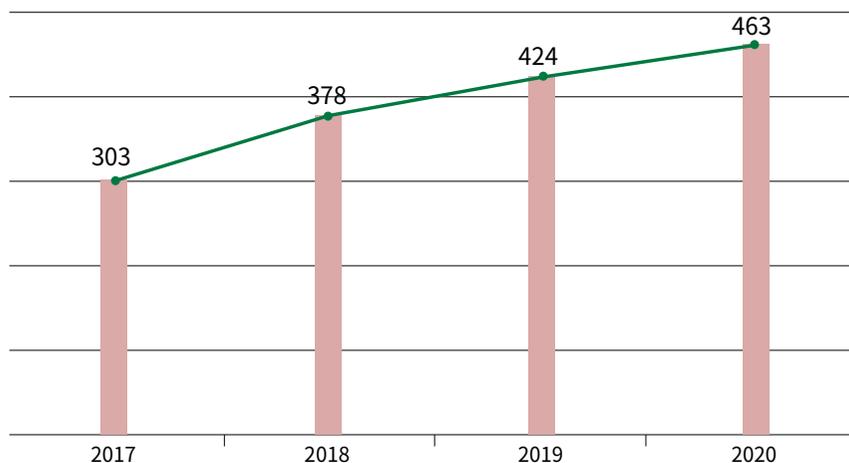
GIGABYTE will continue to promote sustainable supply chain management in 2021. In addition to enhancing mutual cohesion by holding beach clean-up events, we will carry out the 4<sup>th</sup> "Reduction. Sharing. Love the Earth" supplier conference in 2021 and expect that more suppliers will join the alliance and amplify the benefits from reduction. The suppliers with outstanding performance in 2020 will also be invited to share their experiences. We hope this will promote communication between suppliers and help them benefit from reductions.

#### 4.1.4 Conflict Minerals Management

Tin, tungsten, tantalum, and gold (3TG) minerals are indispensable raw materials in electronic products. However, such minerals may come from the areas of forced labor, child labor, or armed conflict. Using the minerals from these conflict areas as raw materials means indirect support of oppression and harm to 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 traces the source through the Conflict Minerals Report Template (CMRT) to further manage raw materials to jointly safeguard human rights and values.

In 2019, RMI included cobalt mines in the scope of conflict mineral investigation, and GIGABYTE also immediately added cobalt mines into investigating items and expanded the scope of the investigation gradually to show our emphasis on conflict minerals reporting. The implementation rate of conflict minerals investigation among the top 100 suppliers was 86% in 2020. Our goal is to reach 100% implementation, thus we will continue to mentor and require suppliers.

##### ◆ The Number of Suppliers Included in Conflict Minerals Investigation in the Recent 4 Years



#### 3TG Minerals

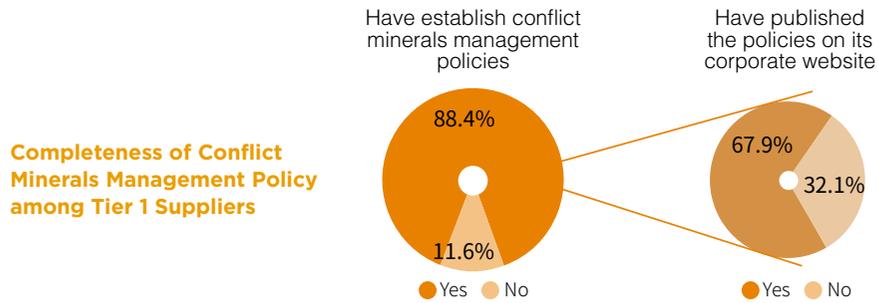
We further conducted statistical analysis on the CMRT responses to understand the actual management of conflict minerals by each supplier, and through their regulations and requirements for upstream to outline the use and management of conflict minerals by second-tier suppliers. After screening the completeness of conflict mineral management policies of all suppliers, we selected 158 companies that surely used 3TG minerals from the Covered Countries in their processes and reviewed their management approaches in order to plan timely control measures in time. The screening result found that only 2 high-risk suppliers had not defined a clearer conflict minerals management policy or conducted due diligence on their supply chains. GIGABYTE has drawn up a list and is formulating a follow-up tracking mechanism.

#### Cobalt Mineral

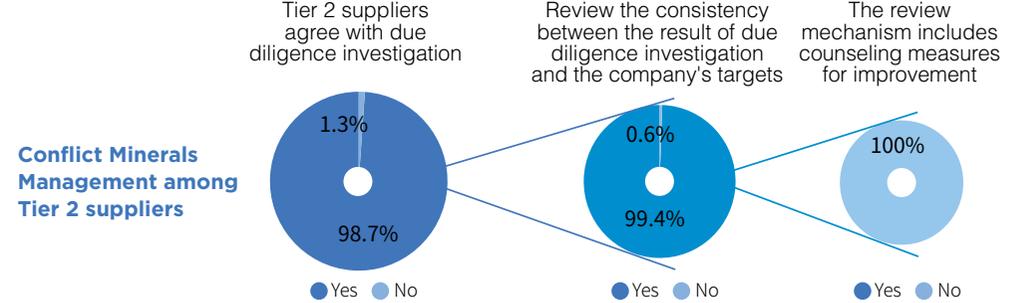
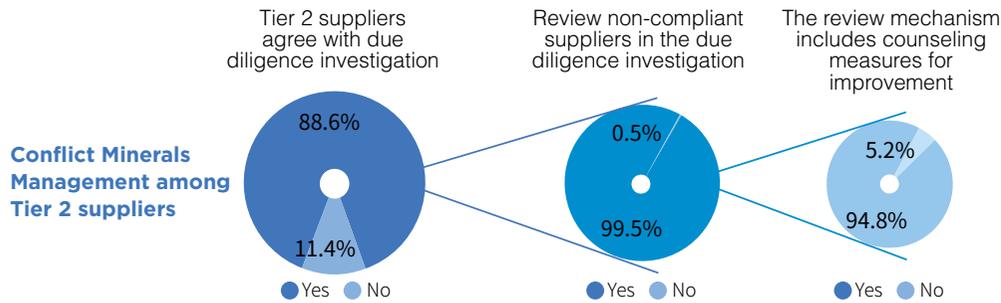
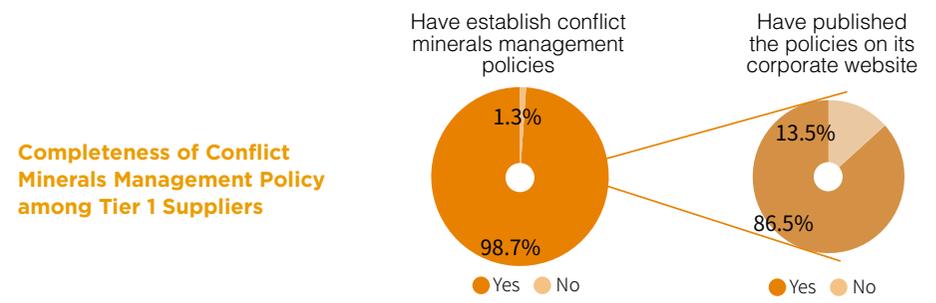
According to the cobalt investigation of 353 first-tier suppliers in 2020, only 91 suppliers used it in their production processes. Among them, 56 (61.5%) suppliers have already established cobalt sourcing management policies. Although currently cobalt is not as widely used as 3TG metals, GIGABYTE will continue to expand the scope of cobalt investigation to eliminate human rights oppression caused by conflict minerals.



◆ Conflict Minerals Management Status of All Suppliers



◆ Conflict Minerals Management Status of the Suppliers using 3TG Minerals from Covered Countries



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

# 5

## Happy Workplace



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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 to work in a suitable position, build a diverse and balanced manpower structure, enhance workplace happiness and cohesion, and cultivate competence and power.	Strive for organizational justice, respect diversity and equality, strictly adhere to zero discrimination, anti-violence, and no harassment, and establish a workplace culture that values 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 education and training processes based on 3 major themes.</li> <li>Set up a performance examination process to ensure fair remuneration. The remuneration is adjusted between 0% and 4% every year according to job position and job grade. The low-level employees are given a higher adjustment rate.</li> </ul>	<ul style="list-style-type: none"> <li>Issue 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 base establishes occupational safety and health management policies, including the "Occupational Safety and Health Management Plan", "Health Management Plan", and maternal protection measures.</li> <li>Obtain the Sports Workplace Certification, launch family-friendly programs, and encourage exercising habits to build a happy corporate.</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> </ul>	<ul style="list-style-type: none"> <li>No cases of sexual harassment, discrimination, and human rights complaints.</li> </ul>	<ul style="list-style-type: none"> <li>All workplaces are 100% clean and tidy and the average score of monthly assessments maintain above 70.</li> <li>No cases of occupational injuries.</li> <li>No cases of occupational diseases.</li> <li>Hold health-promoting seminars and events at least twice per year.</li> <li>No cases of fire accidents, and lower the probability of occurrence of all types of safety incidents.</li> </ul>
<b>2020 Major Achievement</b>	<ul style="list-style-type: none"> <li>[ ● ] 21 seminars were held in 2020 with regard to responses to the development of AI, IoT, and 5G technologies, as well as the COVID-19 pandemic.</li> <li>[ ● ] The average turnover among indirect labor of Taiwan bases was 1%, and the annual variation was less than 1%.</li> </ul>	<ul style="list-style-type: none"> <li>[ ● ] There were no cases of sexual harassment, discrimination, or human rights violation at GIGABYTE in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>[ ● ] One case of occupational injuries at the Headquarters in 2020.</li> <li>[ ● ] The number of on-site occupational injuries cases was 2 at Nanping Factory and 3 at Ningbo Factory in 2020.</li> <li>[ ● ] No occupational diseases occurred in 2020.</li> <li>[ ● ] More than 2 health-promoting events held in Taiwan bases in 2020.</li> <li>[ ● ] No fire incidents in 2020, and 22 sessions were held for promoting disaster emergency evacuation.</li> </ul>

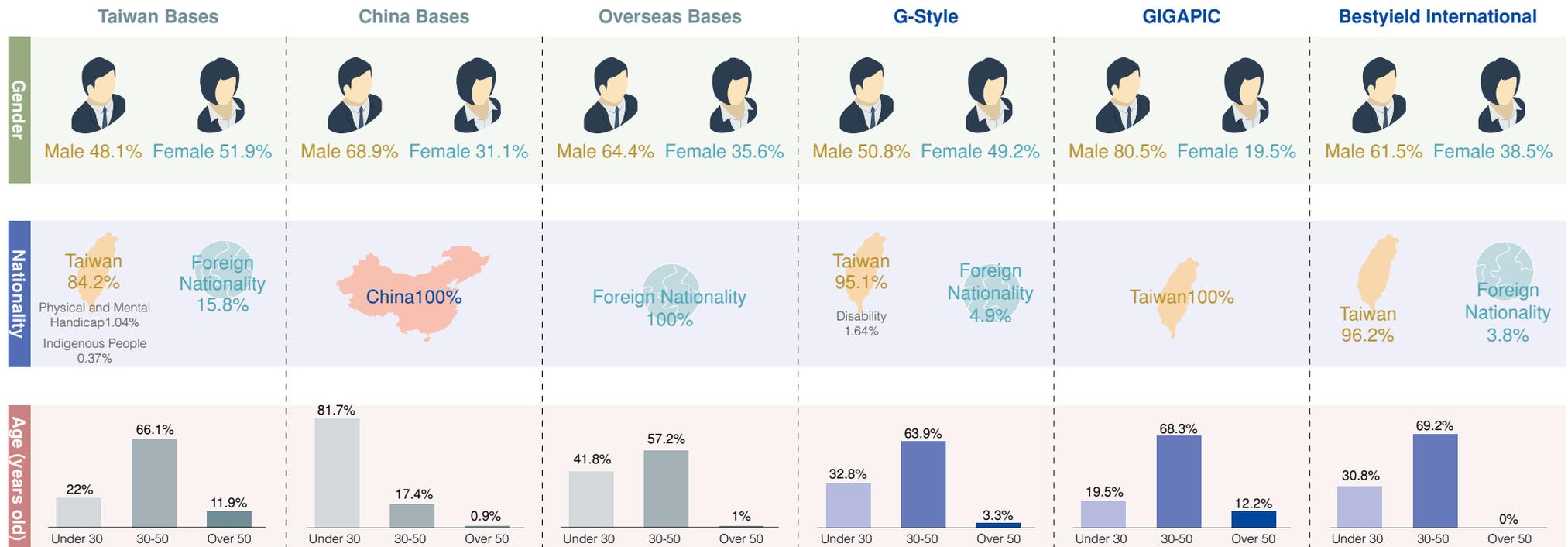
[ ● ] Stage objective completed [ ● ] In progress [ ○ ] Not yet implemented [ ● ] Stage objective not yet achieved

## 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 also commits to making every employee work in a suitable position to extend their creativity and potentials. The corporate culture and future strategies and prospects are truthfully conveyed to employees through the policies closely linked to the Company's development. Furthermore, a diverse and balanced human resources structure is constructed by means of rigorous talent selection and talent cultivation, which also contributes to enhancing cohesion and competence cultivation at the workplace.

Regarding the statistical data displayed in this section, the Taiwan bases refer to the Headquarters and Nanping Factory in Taoyuan, the China bases refer to the Dongguan Factory and the Ningbo Factory, and the subsidiaries refer to the 3 Companies that have substantial influence in Taiwan: G-Style, GIGAIPC, and Bestyield International. The number of employees considers the employees in service on 31 December 2020.



## ◆ 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
Employment Type	Full-time	1,275	1,385	1,245	610	849	466	31	30	33	8	16	10
	Part-time	20	13	916	366	17	13	0	0	0	0	0	0
Employment Contract	Full-time	1,275	1,385	1,245	610	849	466	31	30	33	8	16	10
	Temporary	20	13	916	366	17	13	0	0	0	0	0	0

The definitions of employment type and contract are as follow:

Employment Type

Full-time : Expatriate personnel/Permanent employee/R&amp;D alternative service/Consultant

Part-time : Contractor/Part-time worker/Intern

Employment contract

Full-time : Expatriate personnel/Permanent employee/R&amp;D alternative service/Consultant

Temporary : Contractor/Part-time worker/Intern

## ◆ Statistics of New Employees

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
Under 30 Years Old		121	87	3,678	1,401	87	35	4	8	12	3	1	3
31-50 Years Old		61	67	174	188	35	39	4	10	3	2	0	2
Over 50 Years Old		5	0	1	2	0	0	1	0	0	0	0	0
New Employee Rate		12.88%	10.09%	63.30%	58.47%	12.94%	12.69%	20.45%	30.51%	33.33%	33.33%	6.25%	35.71%

#### ◆ Statistics of Resigned Employees

Among the resignees in 2020, voluntary resignations accounted for 95.8%. The main reasons for resignation were further education, enrollment, and career development, followed by family reasons such as taking care of family members.

Unit: Person

	Taiwan Bases		China Bases		Overseas Bases		Subsidiary					
	Male	Female	Male	Female	Male	Female	G-Style		GIGAIPC		Bestyield International	
							Male	Female	Male	Female	Male	Female
<b>Under 30 Years Old</b>	76	61	3,703	1,532	91	34	2	6	10	2	0	2
<b>31-50 Years Old</b>	75	55	225	219	50	46	11	21	2	5	0	2
<b>Over 50 Years Old</b>	6	15	1	1	0	0	0	2	0	0	0	0
<b>New Employee Rate</b>	10.81%	8.58%	64.55%	64.39%	14.95%	13.72%	29.55%	49.15%	26.67%	46.67%	0.00%	28.57%

[Note 1] The high personnel turnover rate in China bases was mainly due to the expiration of contracts with winter vacation workers and interns, a large number of employees leaving jobs to return to hometown before Spring Festival, and thus the recruitment increased to balance the need of manpower.

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

### 5.1.2 Talents Recruitment and Retention Management

GIGABYTE defines a clear set of criteria for recruitment. We look for multi-national and multi-disciplinary talents based on the development focus of each business unit and department. The cultivation of the younger generation is important to us as well. We establish industry-academia cooperation programs with colleges and universities, organize long-running product design competitions that provide students with a stage to showcase their knowledge and creativity, expand their horizons on career possibilities, and enrich their practical experiences. GIGABYTE provided internship opportunities to 7 students from the National Taiwan University of Technology.

A sound welfare and training system is also a crucial factor to attract talented people and manifest our emphasis on talents. GIGABYTE respects employees' needs and development and offers benefits, leave policy, diverse courses, and incentive schemes that exceed the statutory requirements to enable each employee to find self-fulfillment and then make a contribution to society.

## Forward-looking Employee Education and Training

In terms of talent cultivation, GIGABYTE expects to lead our employees to acquire a better and broader understanding of the company's vision for the future and current accomplishments. Employees are encouraged to enrich their career knowledge through self-study and external training. Sharing events are also held at suitable times to let employees learn from each other. In addition to on-the-job employee training, GIGABYTE develops exclusive training courses for newcomers based on the needs of each operation base or each position. The courses help newcomers adapt more quickly to their work and environment.



The HR Department draws up internal training courses every year following industry trends and the Company's future direction and also cultivates the soft power for career development and work management. It handpicks articles that assist employees in career planning, self-management, and the development of concrete goals and visions, which then help strengthen the cohesion between units and individual employees.

A total of 21 seminars and events were held in 2020 and 45 articles with regards to quality awareness, HR guide, successful career, workplaces, and 5G pioneer were picked to uplift career nutrients for employees to build up a better future for themselves and their teams.



◆ Average Training Hours of Employees

Unit: hours

	Taiwan Bases										China Bases			
	Headquarters		Nanping Factory		G-Style		GIGAIPC		BYTE International		Dongguan Factory		Ningbo Factory	
Average Training Hours	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>By Gender</b>	7.06	6.42	19.20	7.17	4.13	4.11	5.29	3.08	30.66	10.70	1.18	1.09	5.24	5.37
<b>By Base</b>	6.82		10.16		4.12		4.72		21.71		1.15		5.28	
<b>By Job Position - Management Level</b>	7.30	6.23	18.95	6.56	3.85	4.41	6.17	3.00	28.50	6.41	1.18	1.10	4.89	4.63
<b>By Job Position - Professional Level</b>	6.66	7.03	19.86	22.39	4.44	2.13	4.31	3.17	33.44	25.00	1.17	1.05	12.65	14.85

## Steady Salary Structure

GIGABYTE's salary system is determined based on the job position, education level, work experiences, and service year, as well as the result of performance evaluation of each employee. This is to ensure that the salary truthfully reflects the employee's contribution. In 2020, the performance evaluation system was introduced to 2 subsidiaries, G-Style and Bestyield International, and will be progressively rolled out to all subsidiaries. In addition to the basic salary, GIGABYTE offers a variety of incentives and welfares such as seniority awards, patent awards, quarterly bonuses, as well as performance bonuses in order to encourage outstanding employees. These can also stimulate inner enthusiasm and share the success of GIGABYTE with all of our employees.

### ◆ Long-Service and Patent Awards in 2020



#### Appreciation for Employees' Contributions

- The averaged service years of retired employees was 17
- 504 employees received awards for more than 5 years of service



#### Innovation Reward

- 109 employees received patent awards

### ◆ Number and Proportion of Employees Participated in the Year-End Performance Evaluation

Operation Bases	Taiwan Bases								China Bases					
	Headquarters		Nanping Factory		G-Style		GIGAIPC		Bestyield International		Dongguan Factory		Ningbo Factory	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Management Level	100%	100%	69.29%	78.05%	100%	100%	Not yet introduce the performance evaluation		100%	100%	34.43%	58.97%	19.61%	30.30%
General Level	100%	97.34%	63.50%	15.25%	100%	100%			100%	100%	2.02%	1.13%	0.67%	0.47%

The following personnel does not take part in the year-end evaluations so was not included in the above statistics:

1. Senior managers above grade 8.
2. Grade 1 personnel such as part-time workers, production line workers, and operators.
3. The employees who have served for less than 3months.

### ◆ The Ratio of the Average Salary of GIGABYTE Basic-level Employees to the Local Minimum Wage

Currency	Taiwan Bases										China Bases							
	NTD														RMB			
	Headquarters		Nanping Plant		G-Style		GIGAIPC		Bestyield International		Dongguan Plant		Ningbo Plant					
Operation Base	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female				
Ratio of Basic Salary and Local Minimum Wage	1.13	1.16	1.19	1.07	1.79	1.66	2.00	1.58	1.58	1.56	1.43	1.44	1.42	1.42				
Local Minimum Wage in 2020	NTD 23,800										RMB 1,720		RMB 2,010					

Note 1: The salary above is the full-time salary of basic-level personnel excluding bonuses, overtime, and stipends.

◆ Male and Female Compensation Ratio <sup>[1]</sup> and Range of Salary Adjustment by Business Locations

Job Grade <sup>[2]</sup>		Taiwan Bases										China Bases			
		Headquarters		Nanping Factory		G-Style		GIGAIPC		Bestyfield International		Dongguan Factory		Ningbo Factory	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Management Level	Senior Level Manager	1.24	1	No Female Employees		No Female Employees		No Female Employees		No Female Employees		1.14	1	1.01	1
	General Level Manager	1.04	1	1.17	1	1.27	1	1.38	1	1.21	1	1	1	1.05	1
Professional Level	Senior Level Engineer	1.38	1	No Female Employees		No Female Employees		No Female Employees		No Female Employees		No Female Employees		No Female Employees	
	General Level Engineer	1.02	1	1.34	1	1.08	1	1.43	1	1.06	1	1.07	1	1.03	1
Average Salary <sup>[3]</sup> Adjustment in the Past 3 Years		4.1%		3.6%		3%		3%		3%		5.3%		N/A	

[Note 1] Compensation: All remuneration paid to full-time personnel, including bonuses, overtime, and stipends.

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

[Note 3] Average Salary: The salary includes basic salary, living allowance, food allowance, etc., excluding annual bonuses.

## Sound Employee Welfare and Retirement Plans

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

Perfect Insurance Plan	Statutory Protection	Labor insurance and national health insurance.
	Extra Protection	Group comprehensive insurance, including life insurance, accident insurance, medical insurance, catastrophic illness insurance, etc., to strengthen the overall protection of employees.
Pensions	Statutory Contribution	Allocate employees' retirement reserves in accordance with the Labor Standards Act and the Labor Pension Act, and an account in the name of "Employee Pension Reserve Supervision Committee" is established as an exclusive account for employee retirement funds.
	Extra Compensation	Provide retirement bonuses and hold honorable retirement ceremonies.
Living Benefits	In addition to the basic 3 Festival bonuses, the Company also provides birthday gifts and travel allowance. Also, a certain number of benefit points are offered to employees each year which allow them to freely purchase charity products and friendly agricultural products.	
Living Allowance	Provide childbirth, hospitalization, funeral, marriage, education allowances, as well as emergency assistance.	
Special Offer Activities	GIGABYTE signs contracts with specific restaurants and companies to provide our employees with preferential prices, and also signs with fitness centers, nurseries, etc. as appointed stores to take care of employees' health and parental needs.	
Club, Leisure Activities	There are internal clubs of sports, dance, corporate volunteering, parent-child, and handicraft for employees to develop their interests or strengthen their physique.	

## 5.2 Human Rights and Labor Relations Management

### Commitments and Actions of Humans Right at Workplace

Taiwan is not a party of the International Bill of Human Rights as it is not a member of the United Nations. However, Taiwan still incorporates the core of the 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 "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 values human rights protection. (For GIGABYTE's code of human rights at the workplace, please refer to [GIGABYTE Business Code of Conduct CH.2 Equal and Safe Workplace](#) )

Human Rights Commitment	Actions
<b>Talent Inclusion and Non-discrimination</b>	<ul style="list-style-type: none"> <li>Stipulate clearly in the Code of Business Conduct: The recruitment and promotion of employees do not distinguish between race, gender, age, skin color, sexual orientation, language, religion, party, place of origin, nationality, physical and mental disabilities, and marital status.</li> <li>Hire physically or mentally handicapped which accounts for at least 1% of the number of employees in GIGABYTE's bases in Taiwan and G-Style, complying with the "People with Disabilities Rights Protection Act" issued by the Ministry of Health and Welfare.</li> <li>There were no human rights complaints in 2020.</li> </ul>
<b>Gender Friendly Workplace</b>	<ul style="list-style-type: none"> <li>Establish the "Guide on Prevention of Sexual Harassment in the Workplace". If any employees feel that they are experiencing discrimination, harassment, or violence against other colleagues, the employees of distributors, or the company's partners, they can report to their supervisor or HR department. If the above is found to be true, the individual would be subject to disciplinary action. Serious cases may result in dismissal. There were no sexual harassment or discrimination cases in 2020.</li> <li>Plan the maternal health protection plan of the workplace, and set up friendly facilities such as nursery rooms. (For details of implementation status, please refer to 5.3.2 Healthy and LOHAS Workplace)</li> </ul>
<b>Fair Salary</b>	Determine the standard of salary payment through open and transparent performance evaluations. The wage levels of all operation bases are higher than the local legal minimum wage.
<b>No Hiring of Child Labor</b>	Stipulate clearly in the Employment Management Regulations that do not employ people under 15 years old as well as child labors above 15 years old but under 16 years old.

### Smooth Communication Channels between Management and Labor

basis of mutual trust and mutual assistance. Although GIGABYTE does not have a labor union, we enhance the labor-management interaction and communication through regular labor-management meetings, division-level management discussions, online article promotion, and annual questionnaire surveys every year.

#### ◆ GIGABYTE Labor-Management Communication Channels

Communication Channels	Communication Outcomes in 2020	Communication Focuses of 2020 (extract)
<b>Labor-Management Meeting</b>	Labor-management meetings were convened quarterly as required by law.	<ol style="list-style-type: none"> <li>Follow the labor laws and amend the internal management rules accordingly.</li> <li>Increase employees' benefits such as raising welfare points and scholarships.</li> <li>Enforce the disease prevention plan for people with abnormal workloads.</li> <li>Install dedicated overtime time clocks for precise management of overtime hours.</li> </ol>
<b>Internal Web</b>	—	Announce important information by the Company. Promote relevant events.
<b>Internal Newsletter "GIGA HI"</b>	98 articles.	Report the outcomes of the company's events and highlights of past seminars.
<b>HR Website</b>	45 articles regarding career development. 122,416 view times to the Webpages.	Guide employees about the company's development direction. Provide employees with information on career development.
<b>Employee Message Board</b>	—	Set user rules and a reviewing mechanism to prevent personal attacks and rumors, so that employees can ask questions or post comments based on their needs.
<b>Employee Satisfaction Survey</b>	Conducted once a year in the Headquarters. Conducted monthly in Nanping plant, but only conducted 7 times in 2020 due to COVID-19. Conducted irregularly in China bases.	Focus on health care, security, cleaning, and other common services in order to continue improving equipment and services offered by the company.

## 5.3 Occupational Health and Safety

### 5.3.1 Environmental Safety and Health

GIGABYTE's Headquarters, Taoyuan Nanping Factory, and Dongguan Factory in China have received ISO45001:2018 Occupational Safety and Health Management System Certification. Ningbo Factory in China has planned to receive the certification before the expiration date of OHSAS 18001 (March 2021). The scope of the GIGABYTE Occupational Safety and Health Management System covers employees, the 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 business unit. At present, GIGABYTE's Occupational Safety and Health Management Plan can be subdivided into 16 items, including workplace hardware testing, operating standards setting, education and training, health promotion, disaster response, etc. Each item is reviewed and audited every year.

The Occupational Health and Safety Committees of GIGABYTE's operating bases in Taiwan are composed of the managers from the Group Operation Management Center, business units, subsidiaries, as well as labor representatives of which the number account for more than one-third of the committee members. Meetings are convened at least once every 3 months to make recommendations on occupational health and safety management policies as well as review and supervise related action plans.

#### ◆ Composition of Occupational Health and Safety Committees Unit: Person

	Headquarters	Nanping Factory	Dongguan Factory	Ningbo Factory
<b>Number of Labor Representatives</b>	8	11	12	10
<b>Number of Registered Members</b>	21	33	31	32
<b>Labor Ratio</b>	38.1%	38.71%	36.36%	31.25%
			Not regulated by the law in Taiwan	

#### ◆ Occupational Safety and Health Management Plan



## Measure and Outcome of Occupational Safety and Health management

### Operational Environment Monitoring

We identify and monitor the hazardous substances and environmental problems each unit may face based on the work patterns. The problems are divided into chemical monitoring (e.g. isopropanol, tin, radiation, and CO2 concentration, etc.) and physical monitoring (e.g. noise, lighting, etc.). Through regular inspection processes, GIGABYTE can establish improvement plans immediately to reinforce the safety protection of the operational environment.

### Automatic Inspection and Equipment Maintenance

GIGABYTE implements automatic inspection and maintenance every year for 5 major equipment, such as high-pressure gas containers, local exhaust facilities, as well as constant temperature and humidity equipment, to ensure stable operation of equipment and operator safety.

### Safety and Health Education and Training

GIGABYTE's Safety Education and Training are divided into two major aspects: basic safety and health training (including initial training and retraining) and evacuation and disaster prevention training. The training is to build employees' basic knowledge of environmental safety and health and understand related policies. Also, by routine promotion and exercises, employees are trained to be capable of handling, reporting, and mobilizing immediately when an emergency occurs and thus reducing casualties and property losses.



Courses and Attendance Status		
	Taiwan Bases	China Bases
<b>Basic Safety and Health Training</b>	30 sessions 884 trainees	9 sessions 377 trainees
<b>Evacuation and Disaster Prevention Training</b>	13 sessions 2,899 trainees	9 sessions 1,696 trainees

GIGABYTE voluntarily tightens the maximum allowable CO<sub>2</sub> concentration by reducing the threshold for working environments from the statutory limit of 5,000 ppm to under 1,000 ppm on each floor.



Due to the proliferation of server products, we measured the ambient noise in the product verification laboratories and found that the noise level reached 88.3 dB. Although it is lower than the statutory limit (90 dB), we still made an immediate improvement. After installing noise-absorbing foam and partitions in the laboratories, the level of ambient noise reduced by 7~11 dB. At the same time, hearing tests and health education were conducted among the employees who have to work in noisy areas for a long time.



"Familiarity with every action is essential for rapid response and prevention of casualties in an emergency." GIGABYTE takes this message to heart. We not only organize static seminars on emergency and disaster response but also emphasize the importance of emergency drills. There have been several serious fires accidents in Taiwan in recent years, which alerted us to strengthen our fire and safety training as well as implement a series of disaster prevention measures. In addition to firefighting teams, all employees are included in the fire prevention training and drills. Moreover, GIGABYTE is also a member of the New Taipei City Government's corporate disaster prevention program. To do our part in promoting community disaster prevention, we donated communication facilities to the Xindian District Office and supported the emergency drill at De-an Community in New Taipei City in 2020.



- December is designated as "Fire Safety Month" with EDM and posters issued to promote disaster prevention concepts.
- Fire Prevention Training expanded to cover all employees. Fire hose operation was added to the training to strengthen actual response capability.
- A fire scenario and smoke simulation were added to the evacuation drill to raise the realism of the emergency.
- Fire safety seminars were implemented for each floor at the Headquarters. Tailored fire safety knowledge was given based on the different environmental conditions and personnel on each floor. The whole schedule ran for 6 days (between 12 Jun and 1 July), which contained a total of more than 20 sessions, 13.5 training hours, and 1,080 trainees. The participation rate among all employees was 87.5%.

**General Knowledge of Dangerous Items and Hazardous Substances**

The Environmental Safety and Health Division audits the storage location and labeling condition of the Company's chemicals and hazardous substances every year and builds up a risk map according to the results which can also help 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.

**Contractor [1] Management**

GIGABYTE requires every contractor to sign the "Guidelines of Contractor Management" and reminds them of basic precautions. The work instructions specifically for working in constrained spaces or special operations are also provided when contractors enter the workplace. Contractor occupational disaster surveys are conducted monthly. In 2020, there were 2 cases of occupational injuries related to contractors.

[Note 1] The contractor includes caterers, security guards, janitors, and long-term contractor personnel.

**Health Management**

Please refer to 5.3.2 Healthy and LOHAS Workplace

**Occupational Injury and Disaster Statistics**

In 2020, a total of 8 reportable occupational injuries cases occurred in GIGABYTE's Headquarters and 3 factories. After investigation, most of the cases were traffic accidents while commuting as well as light work injuries within the factory. All bases examined the incidents and issued public education messages regarding traffic safety and the use of instruments. The relevant personnel also underwent additional education and training.

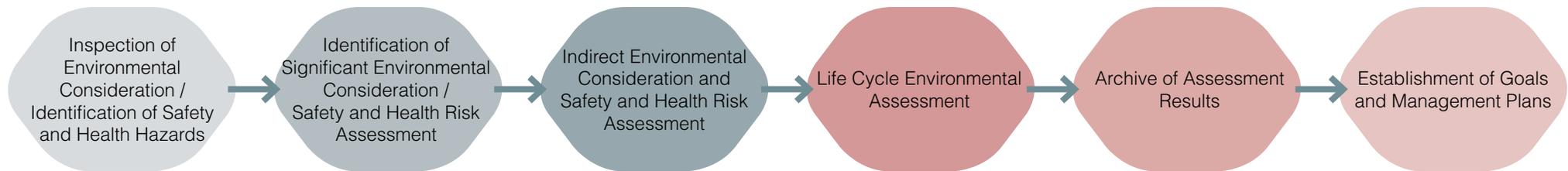
Occupational Injury Category	Headquarters		Nanping Factory		Dongguan Factory		Ningbo Factory	
	Number of the injured	Ratio <sup>[1]</sup>	Number of the injured	Ratio	Number of the injured	Ratio	Number of the injured	Ratio
Fatal Occupational Injury	0	0	0	0	0	0	0	0
Severe Occupational Injury	0	0	0	0	0	0	0	0
Recordable Occupational Injury	1	0.39	2	0.69	0	0	3	0.41

[Note 1] The ratio is calculated based on per-million-work-hours.

**Occupational Safety and Health Risk Management**

Comprehensive identification of occupational safety and health risks helps to detect potential hazard factors early, and annual management plans assist in controlling and eliminating the factors. GIGABYTE establishes the relevant risk assessment process, and the occupational safety and health contact person of each business unit performs regular risk scoring. Risks are divided into 4 levels according to the scoring results. Level 1 represents the highest risk and level 4 represents the lowest. Further assessment of whether the Company's current operating control procedures are sufficient to respond to the listed risks are then conducted. When necessary, a 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.

◆ 2020 Potential Risk Accident Classification Table

Unit: Cases

High ←					→ Low
Risk Classification	Level 1	Level 2	Level 3	Level 4	
Number of Risk	5	88	7	9	

### 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 to ascertain personal health management while contributing to the Company wholeheartedly at the same time. GIGABYTE hopes that every employee is healthy and happy.

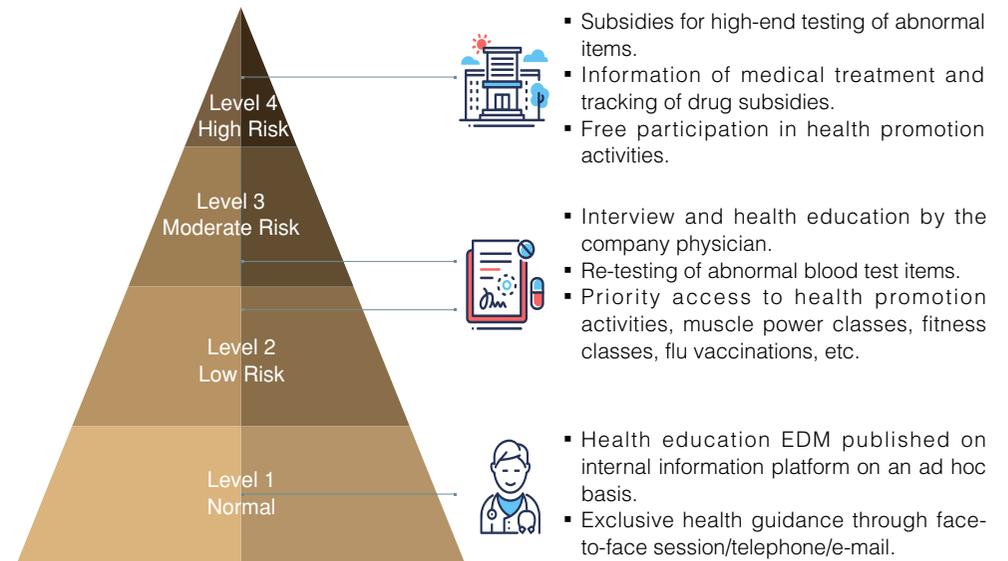
◆ GIGABYTE Health Management Plan

- Tiered Management of Employee Health**
  - Establish a tiered risk management system for employee health and draw up management plans for each level.
  - Effectively improve the health of employees with high risks.
- Optimization of Health Exams**
  - Provide health exam subsidies and increase health exam frequency.
  - Plan a variety of health exam options.
  - Track the situation of employees who did not take health exams.
- Health Risk Control**
  - Practice prevention and management of occupational diseases.
  - Draw up an occupational health risk map.
  - Prevent health risks.
- Health Promotion and Care**
  - Provide health education and medical knowledge on a regular basis.
  - Host seminars on health topics.
  - Plan diverse health activities and encourage employees to have exercise habits.
- Strengthening of Employee Assistance Plans (EAP)**
  - Strengthen employees' trust in the EAP services.
  - Enhance the completeness of EAP services.

### Disease Prevention and Tiered Management

"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. The cooperation with on-site medical consulting resources assists employees in detecting health risks early and getting corresponding treatments.

GIGABYTE provides health examination resources beyond the legal requirements. In addition, GIGABYTE signs contracts with special clinics to provide additional preferential high-level health examinations to provide employees with alternatives to receive more thorough health information and protection.



#### ◆ Number of Employee Participating Health Exams and Examination rate

	Headquarters	Nanping Factory	Dongguan Factory	Ningbo Factory
<b>Number of Employee Participating Health Exam</b>	1,125	836	586	530
<b>Examination rate</b>	93%	99.7%	100%	100%

After the annual health exam, the occupational nurses classify employees' health into 4 levels. For any employee or high-level manager whose key health index like blood pressure, total cholesterol, and triglyceride are classified into level 4, a special follow-up and management such as consultations and health tracking will be launched. In 2020, GIGABYTE starts to offer "high-risk medical stipends" for the employees classified as level 4. We hope to reach all-employee health management through these various measures.

## Physical and Mental Diseases Prevention

### Employee Assistance Plan (EAP)

Besides building a safe, healthy, and LOHAS workplace, GIGABYTE pays attention to the daily problems our employees would face and their needs for psychological counseling. We partner with external organizations to provide advanced counseling services about mental, legal, and financial issues. Employees can take part in confidential consultations through the dedicated website, information hotline, and e-mails. GIGABYTE offers monthly topical columns and annual seminars that respond to diverse life issues our employees may encounter.

To increase the effectiveness of EAP and turn it into a source of happiness for employees, GIGABYTE extended beyond mental, physical, and daily issues consultations to hobby-based clubs and group activities. In the future, EAPs will be more tightly integrated into employees' lives. The provision of soft services will also increase employee trust in the platform so they feel more at ease with accessing EAP services.

### Overwork and Ergonomic Hazard Prevention

Most of the employees at GIGABYTE headquarters are "stationary office workers." Poor posture can easily result in musculoskeletal and eyesight damages. Workers in factories may experience pulled muscles and soreness from repetitive motion or heavy lifting.

In view of that, GIGABYTE establishes the "Ergonomic Hazard Prevention Plan" and "Disease Prevention Plan for People with Abnormal Workloads" to ensure desks, chairs, lighting, and ventilation to be regularly checked for suitability and also track excessive work hours. Furthermore, through health exam reports, we identify the employees at risk of cardiovascular diseases, and change their working patterns or adjust their work hours according to the suggestions from doctors.

#### ◆ Occupational Disease Statistics

No occupational disease cases were reported at GIGABYTE's operational bases in 2020. We will continue to maintain a high standard of health management and realize the goal of "early prevention and sound treatment".

Occupational Disease Category	Number of Cases	Number of Affected Persons
<b>Fatal Occupational Disease</b>	0	0
<b>Recordable Occupational Disease</b>	0	0



## 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 friendly for females or employees with motherhood is our priority.

### ◆ Diverse and Complete Maternal Friendly Measures



Both the Headquarters and Nanping Factory set up nursery rooms, which locations are clearly marked and on main passageways. The Access is via swipe card for the safety of pregnant women and mothers. The rooms are equipped with refrigerators, basins, sofas, and heaters to provide female employees with a convenient and comfortable space.

**The use times of nursery rooms in 2020: 2,931**



GIGABYTE hopes to help employees with their parenting. After evaluating and approving, we sign contracts with nearby childcare centers to simplify drop-offs and pick-ups by our employees. Subsidies are also provided to reduce the parents' burden.



Maternal protection measures have been established in accordance with the law. Regular tracking and follow-ups are provided by the full-time nurses.



Consider that the parking space around the Headquarters is limited, GIGABYTE sets up priority motorcycle parking exclusively for pregnant employees to avoid their risk exposures from looking for parking outside. This also loosens their stresses of getting to the office on time.



### ◆ Return Rate of Baby Care Leave

	Taiwan Bases		China Bases	
	Male	Female	Male	Female
<b>Number of Employees Qualified for Baby Care Leave in 2020</b>	137	76	0	493
<b>Number of Employees Applying for Baby Care Leave in 2020</b>	0	7	0	7
<b>Number of Employees Who Shall Return to the Job with Job Retained for Baby Care Leave in 2020 (A)</b>	0	4	0	0
<b>Number of Employees Who Actually Returned to the Job with Job Retained for Baby Care Leave in 2020 (B)</b>	0	3	0	0
<b>Number of Employees Who Actually Returned to the Job with Job Retained for Baby Care Leave in 2019 and Work for More Than 1 Year (C)</b>	1	3	0	0
<b>Number of Employees Who Actually Returned to the Job with Job Retained for Baby Care Leave in 2019 (D)</b>	1	3	0	0
<b>Rate of Return to Job (B/A)</b>	N/A	75%	N/A	N/A
<b>Rate of Job Retained (C/D)</b>	100%	100%	N/A	N/A

[Note 1] The statistics cover Taiwan bases (the Headquarters and Nanping Factory), China bases (Dongguan Factory and Ningbo Factory), 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.

## Health Promoting Activities

GIGABYTE attaches importance to exercises, supports sports clubs, and organizes a wide variety of health seminars. We know that the cultivation of healthy exercise habits and good knowledge of health management is not just the individual responsibility of employees but also can be fostered through sound conditions provided by companies. A series of health-promoting activities are therefore organized on top of basic disease prevention to increase the amount of weekly exercise among employees and help them rejuvenate physically and mentally.

### Climb stairs and Collect Reward Points

Sitting for a long time has become a major source of potential health risk for office workers nowadays. However, climbing stairs instead of taking elevators is the simplest and the most cost-effective way of getting more cardiovascular exercise. In May 2020, the company's clinic launched an event encouraging employees to climb stairs and collect reward points. Check-in points were placed in the stairwells and those who collect enough points could receive a small gift.



Employees ended up climbing 4,286 floors in total, which was equivalent to climbing 47 times of the Taipei 101 vertical Marathons.

### LOHAS Exercise, Growth, and Relaxation Camp for Managers

According to the observation and health exam data analysis by the occupational nurses, GIGABYTE found that manager-level employees have less time to exercise and relax because they shoulder greater responsibility and also experience high physical and mental stresses. For this reason, we organized 2 exclusive exercise camps for managers in 2020 with professional coaches hired to run strength, aerobics, and two-person exercise courses. The camps also provided managers with an opportunity to socialize with and cheer on each other.

## Health Promoting Activities



### Health Seminar

Number of session held in the Headquarters: 7  
Number of participants: 358



### Physical Fitness Testing

Number of sessions: 2  
Participants: 152



### Muscle Strength Course

Number of terms: 2  
Number of participants: 60



# 6

## Common Good for Society



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6.2.2 Cultivation of Social Sustainability Power	73

Material Topics of This Chapter	Digital Inclusion (voluntary disclosure)	Sustainability and Environmental Education Ecological Conservation
<b>Management Approach</b>	Combine the core competency of GIGABYTE to expand social participation and corporate influences on reducing the digital gap, innovating and cultivating talents, and caring 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 carry out courses and workshops to strengthen capability.</li> <li>▪ Jointly launch courses with various departments in the Company to design new courses that promote the idea of circular resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote internal seminars, educational articles, and plastic reduction activities.</li> <li>▪ Found a corporate volunteering club, GIGABYTE Go Green Club, and executed the "Thousand Mile Trek – Go Green Taiwan", a round-island clean-up plan.</li> <li>▪ Establish G-HOME GIGABYTE Sustainable Eco-roof as an urban green island, and most of the plants grown at the roof are endemic and native species. The Roof was certified as an Environmental Education Facility and Field, and 2 courses are opened to the public.</li> <li>▪ Continue to root climate and sustainability education in communities and schools.</li> <li>▪ Organize working holidays and recruit the value chain partners to engage in reforestation and ecological rehabilitation.</li> </ul>
<b>Vision and Goal</b>	<ul style="list-style-type: none"> <li>▪ Root science and technology education in remote areas.</li> <li>▪ Promote technology courses such as 5G, circular economy based on the spirit "Mottainai", and face recognition technology.</li> <li>▪ Provide the elementary schools around the Headquarters with technical supports to build a smart campus.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to promote the G-HOME environmental education courses and enlarge its influences.</li> <li>▪ Retain the climate literacy educational programs to cultivate climate talents for Taiwan.</li> <li>▪ Introduce the surrounding ecology to the employees, and practice environmental conservation through tree-planting and waste clean-up activities.</li> </ul>
<b>2020 Major Achievement</b>	<ul style="list-style-type: none"> <li>[ ● ] The G-Design Competition was held for 18 consecutive years. More than a thousand students from the design field came together to develop ideas that take both caring and practicality into consideration.</li> <li>[ ● ] Integrated vocational education with circular resource concept to jointly organize renewing second-hand electronics events, of which the renewed electronics were then used to support technological resources in remote areas.</li> <li>[ ● ] Provided campus security systems and high-tech book-borrowing systems to the communities nearby the Headquarter.</li> </ul>	<ul style="list-style-type: none"> <li>[ ● ] Took part in the regular evaluation of environmental education facility and filed and reviewed internally.</li> <li>[ ● ] Developed the climate and sustainability teaching materials specific for elementary schools and had tried giving one course once.</li> <li>[ ● ] A total of 88,039 trees have been planted by GIGABYTE as of 2020. More forestation efforts will be made in the future.</li> <li>[ ● ] "Thousand Mile Trek - Go Green Taiwan" program in 2020 picked up 2,575.96 kg of waste in Taiwan.</li> </ul>

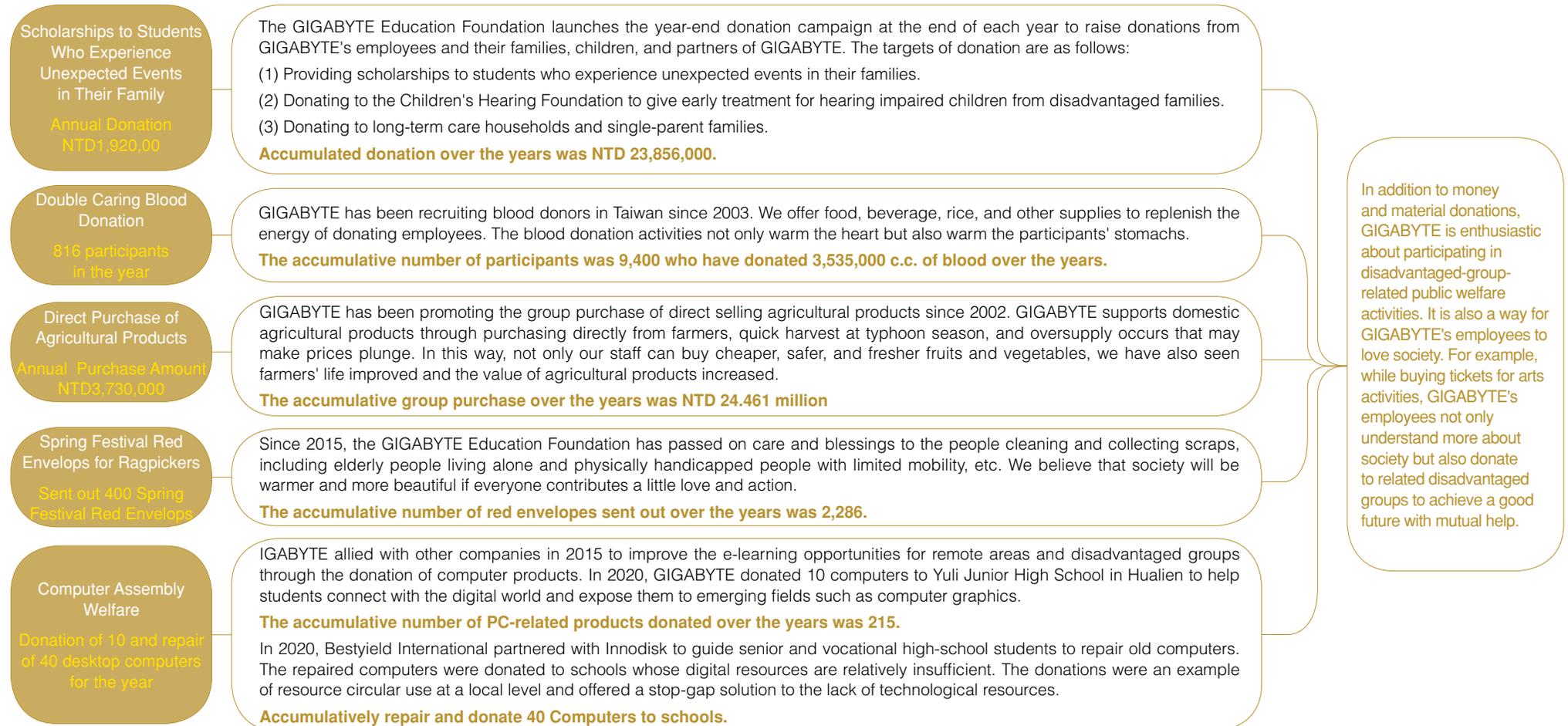
[ ● ] Stage objective completed [ ● ] In progress [ ○ ] Not yet implemented [ ● ] Stage objective not yet achieved

## 6.1 Social Caring and Technology Education

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

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

### ◆ Annual Performance of GIGABYTE Education Foundation



## Cultivate Technological Talents and 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.

### ◆ 2020 Technology Education Formula City

#### The Secret to Computers

GIGABYTE has opened the Nanping Plant in Taoyuan for schools to visit since 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 schools, universities and colleges, and also expands 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 2020: 20 sessions / 950 participants

#### Bring Technology to Campus & PC DIY

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 2020: 78 sessions / 1,972 participants

#### G-Design Contest

The Great Design Contest has been held for 18 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.

#### The theme of 2020: Refinement and Rebirth X Retaining of Childishness

How do youths in new generations respond to the increasingly mature development of 5G, AI, and IoT? Besides, people getting married at advanced age confront the challenge of being parents. The Contest looked forward to inspiring the contestants to make the world better through designs that enable revolutionize the existing business models by technology or family-friendly toys that build cross-generational resonance.



#### Digital Charity

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 2020: 23 sessions / 1,366 participants

#### Computer Doctor

The resources on the earth are gradually used up. Every citizen of the world must understand the concept of the circular economy. In 2019, Bestyield International opened the "Computer Doctor" course aiming at turning over the students' impression of "recycling" and understanding its value and importance.

Achievements in 2020: 3 sessions / 129 participants

#### Fun Play with IoT Summer Camp

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 digital imagination.

Suspended in 2020 due to the COVID-19

(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](#) )

## 6.2 Sustainability Education

In 2017, GIGABYTE partnered with the Plant-for-the-Planet Foundation from Germany to launch the "Make Earth Green" project. 75,000 trees were planted in rehabilitated forest land in Mexico and 1,367 climate justice ambassadors were trained to fight against the impacts of climate change through environmental actions and education. As the project became more mature, GIGABYTE started thinking to bring the mission of tree-planting and climate education back to Taiwan. Thus we adopted local reforested land and develop localized climate courses that combined with the sustainability education activities within the company and in the community. By doing so, we hope that our employees and future generations in Taiwan will all possess a certain degree of sustainability literacy.

### 6.2.1 Deep Cultivation of Sustainability Thinking in Workplace

#### High-level Managers Lead by Example in Tree Planting

GIGABYTE partnered with the Forestry Bureau in 2020 to adopt a hectare of forest land in Pinglin District, New Taipei City, for conserving the local ecology. On behalf of GIGABYTE and all employees, 40 high-level managers planted trees in the forest personally. through hiking into the hills, learning about planting techniques, digging holes, burying and watering the saplings, and planting trees with their own hands, the managers had deeper experiences and concepts with regard to ecological conservation and environmental sustainability. The management is then better equipped to promote the development and implementation of sustainability-related projects, education, and training within the company.



### Cherish x Charity Market

The Cherish x Charity Second-hand Market was first held at Headquarters in 2019. All of the items for sale were donated by employees, and anyone could buy anything they like and bring it home. All the profits from the market were donated to the Rong-Guang Social Welfare Institution in New Taipei City. The market not only shares love and charity but also allows everyone to practice the concept of "recycling resources and cherishing materials".

#### ◆ Accomplishments in 2020

Total Number of Donated Items	Total Value of Donations	Waste Avoidance	Emission Avoidance
332 pcs	NTD 30,000	189.2 kg	389.8 kg-CO <sub>2</sub> e



All the donated second-hand goods symbolized the charity of our employees. Moreover, it allowed many idle items at home to bring value again to our life.

A high-level manager donated personal books and thus boosted the potential buyers' interest.

#### Blessings from a Soy Milk Machine

During the appeal for donated goods, an employee donated a brand-new soymilk machine and asked to give a low price so it could find a new owner who truly needs it. Coincidentally, another employee was thinking of making nutritious soymilk for her sick family member, and thus the soymilk machine found a new owner.



## 6.2.2 Cultivation of Social Sustainability Power

### Community Engagement - Sharing of Sustainable Resources

GIGABYTE completed the first sustainable eco-roof in Taiwan in 2013, which not only enriches the urban biodiversity and provides organisms with habitat free from interference but also becomes a place for employees to relax. Besides, the round-island clean-up program "Thousand Mile Trek – Go Green Taiwan" launched in 2015 has gradually become an annual highlight that many employees attend the activities with their families. Some retired employees attend as well to walk around Taiwan and protect the island together with their old partners.

In addition to boosting employee consensus and participation, GIGABYTE is now working on sharing our resources with the community, so that we could reach more stakeholders and work together to fulfill sustainability.

#### G-Home GIGABYTE Sustainable Eco-Roof

Since its foundation, the G-HOME Sustainable Eco-roof has been opened for visits by employees' families, industry peers, and other groups. It was officially certified as an Environmental Education Facility and Field in 2017 and offers 2 courses focusing on circular economy and rooftop greening. The courses provide more sustainability concepts from business to government and educational units and expect to inspire them to bring the knowledge and ideas back to their units.

**Accumulative number of influenced persons: 3,299**  
**Accumulative number of visit groups: 424**

#### Thousand Mile Trek – Go Green Taiwan

GIGABYTE began to cooperate with nearby universities and invite university students to join in the around-island clean-up activities in 2019. We intend to inspire students with more care for the environment.

**Number of trips in 2020: 4**  
**Accumulative number of participating teachers and students: 153**  
**Accumulative number of cooperated universities: 3**

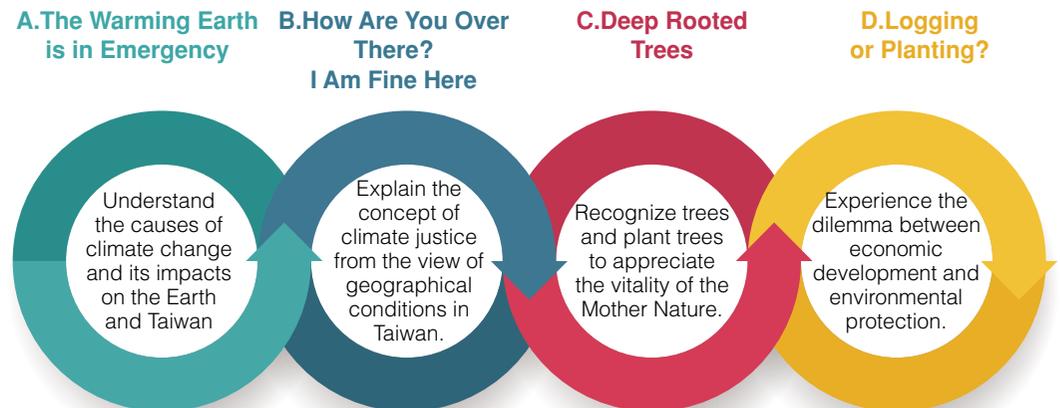
(The timetable and outcomes of the Thousand Mile Trek – Go Green Taiwan are available on the [GIGABYTE CSR Website](#) )

### School Engagement - Sustainability and Climate Education for Elementary Schools

GIGABYTE's "Make Earth Green Again" program ended in April 2020. We fulfilled our promise to host 5 Plant-for-the-Planet Academies in Taiwan. Through the teaching material designed by the Plant-for-the-Planet Foundation, we cultivated 405 climate justice ambassadors that possess global climate awareness and advocacy capability. We also assisted in cultivating 962 climate justice ambassadors in developing countries.

We then think of developing exclusive courses and teaching materials tailored to the unique environment, ecology, and cultural values of Taiwan to more effectively inspire care for the local environment and climate awareness among Taiwanese children. It will also help children take root and draw upon the nutrients of their homeland, and give them the confidence to face the rest of the world. Therefore, GIGABYTE began working on developing the "Green Cli-Mate FUN!" program, a set of climate and sustainability teaching materials for elementary schools. A field trial was conducted with the support of Tucheng Elementary School in New Taipei City. Teachers from elementary schools and the environmental education counseling group observed the teaching processes and provided feedback and suggestions for improvements. This not only facilitates industry-academic communication but also represents our way of contributing to local environmental education.

#### ◆ 4 Courses of the Climate Education Program



## Teaching in Practice

GIGABYTE taught the course "Logging or Planting?" in practice at Tucheng Elementary School in December 2020. Students were progressively introduced to all the benefits of trees and how the raw materials of common items (e.g. palm oil, cocoa beans) compete for lands with trees to bring up a common conflict between the economy and the environment. Children were divided into groups, which were named after the trees planted on their campus, so children could "visit" the tree representing their group and in the meantime recognize these "partners" getting together with them every day. Once the background knowledge was in place, a simulated game of planting trees or logging was held. Students experienced the decision-making process between cutting trees to earn income and planting trees to protect their living environment. The game allowed children to rethink their value points and find the best way to balance the conflict issue between economic development and environmental protection.



Students listened intently to the game rules.



Groups discussed on whether logging or planting trees.



The New Taipei City Environmental Education Counseling Group and teachers from elementary schools observed the teaching processes.



The teachers participating in observation gave feedback for improving the course.

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

Aspect	Main Index	2016	2017	2018	2019	2020	
Economic Aspect	Consolidated Revenue (NTD 100 million)	523.47	598.84	609.24	617.81	846.02	
	Operating Cost (NTD 100 million)	432.77	496.86	500.80	521.90	701.38	
	Operating Expense (NTD 100 million)	73.81	79.73	78.48	81.35	102.47	
	Employee Salary and Benefits (NTD 100 million)	53.70	57.06	55.99	53.44	69.14	
	Earnings per Share (NTD)	3.64	4.41	4.04	3.05	6.88	
Environmental Aspect	Greenhouse Gas Emission (t-CO <sub>2</sub> e)	Scope 1	644.45	553.05	661.29	657.63	648.09
		Scope 2	28,643.39	27,657.56	27,002.64	27,800.91	28,123.84
	Greenhouse Gas Emissions Intensity (t-CO <sub>2</sub> e / 1,000 motherboard equivalent pieces)	1.90	2.19	2.07	2.31	2.15	
	Electricity Consumption (MWh)	Bases in Taiwan <sup>[1]</sup>	19,497.70	18,830.08	18,572.70	18,524.16	18,995.40
		Bases in China <sup>[2]</sup>	20,845.35	19,974.34	19,429.23	21,124.7	22,794.11
	Energy Consumption (GJ - including steam, gasoline, diesel fuel and LPG, and electricity)	152,986.91	147,519.66	147,514.21	150,922.69	154,879.76	
	Water Use (10,000 metric tons)	Bases in Taiwan <sup>[1]</sup>	97,900	88,900	80,100	84,258	90,120
		Bases in China <sup>[2]</sup>	252,400	222,300	222,500	209,884	201,063
	Waste Production (metric tons)	1,697.89	1,621.53	1,723.70	1,819.21	2,071.08	
	General Waste (metric tons)	Headquarters	30.12	41.92	42.27	41.85	41.83
		Production Bases <sup>[3]</sup>	379.40	461.54	428.70	463.88	513.47
	Hazardous Industry Waste (metric tons)	Headquarters	2.02	0.26	0	0	0.6
		Production Bases <sup>[3]</sup>	56.39	76.39	108.8	106.51	216.93
	Volume of Waste per Unit Production (metric tons / 1,000 motherboard equivalent pieces) of Production Bases	0.11	0.12	0.12	0.15	0.16	
	Average Waste Production per Person (metric tons / person) of Headquarters	0.05	0.05	0.06	0.06	0.06	
Environmental Education Hours	7,524	10,178	12,945	10,570	8,150		
Total Number of Employees	7,799	7,171	6,716	7,471	7,303		
Average Age	33.4	31.6	34	33	34		
Average Seniority	5.6	6.34	6.81	5.87	6.23		
Employee Education Training Hours (Bases in Taiwan)	19,588	18,760	25,937.1	24,878	19,904		
Social Aspect	Fatal Occupational Injuries Ratio	Headquarters	No historical data due to the revision of GRI Standards.			0	0
		Nanping Factory in Taoyuan				0	0
		Dongguan Factory in China				0.22	0
		Ningbo Factory in China				0	0
	Severe Occupational Injuries (SOI) Ratio	Headquarters				0	0
		Nanping Factory in Taoyuan				0	0
		Dongguan Factory in China				0	0
		Ningbo Factory in China				0	0
	Recordable Occupational Injuries	Headquarters				0	0.39
		Nanping Factory in Taoyuan				2.28	0.69
		Dongguan Factory in China				0.22	0
		Ningbo Factory in China				0.83	0.41

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

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

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

## Appendix II . GRI Content Index

GRI Standards	Disclosure Items	Page	Description and Omitted		
GRI101: Foundation 2016					
Standard Disclosure (Core), Stakeholder Communication and Grievance Channels					
GRI 102: General Disclosure 2016	102-1 Name of the organization	7	-		
	102-2 Activities, brands, products and services	7	-		
	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	54	-		
	102-9 Supply chain	44	-		
	102-10 Significant changes to the organization and its supply chain	-	There are no significant changes to the organization and its supply chain in 2020.		
	102-11 Precautionary principle or approach	25	-		
	Organization Profile	102-12 External initiatives	-	Voluntary support and introduction of international standards and guidelines such as ISO 26000, UN Global Compact, RBA Code of Conduct, Responsible Minerals Initiative (RMI), and TCFD. The adherence to the GRI Standards and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies was a mandatory requirement issued by the Financial Supervisory Committee of R.O.C.	
	Strategy				
	Ethics and Integrity				
	Governance				
	Stakeholder Engagement				
	Reporting Practice				
102-13 Membership of associations	8				-
102-14 Statement from senior decision-maker	3				-
102-16 Values, principles, standards and norms of behavior	10				-
102-18 Governance structure	23				-
102-40 List of stakeholder groups	15	-			
102-41 Collective bargaining agreements	55	-			
102-42 Identifying and selecting stakeholders	15	-			
102-43 Approach to stakeholder engagement	15	-			

GRI Standards	102-55 GRI content index	Page	Description and Omitted
GRI 102: General Disclosure 2016	102-44 Key topics and concerns raised	16	-
	102-45 Entities included in the consolidated financial statements	1	-
	102-46 Defining report content and topic boundaries	18	-
	102-47 List of material topics	17	-
	102-48 Restatement of information	2	-
	102-49 Changes in reporting	-	-
	102-50 Reporting period	2	-
	102-51 Date of most recent report	2	-
	102-52 Reporting cycle	2	-
	102-53 Contact point for questions regarding the report	2	-
	102-54 Claims of reporting in accordance with the GRI Standards	2	-
	102-55 GRI content index	76	-
	102-56 External assurance	-	No third-party insurance in this year.
Material Topics GRI 200 Economy 2016; GRI 300 Environment 2016/2018; GRI 400 Society 2016/2018			
Financial Performance			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	18	-
	103-2 The management approach and its components	7	-
	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	-	-
Moral Integrity and Code of Conduct, Corporate Governance, Legal and Regulation Compliance, Innovation Management			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	18	-
	103-2 The management approach and its components	21	-
	103-3 Evaluation of the management approach		-
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	-	No occurrence in 2020.
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No occurrence in 2020.

GRI Standards	102-55 GRI content index	Page	Description and Omitted
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	-	No occurrence in 2020.
GRI 405: Diversity and Equal Opportunity	405-1-a Diversity of governance bodies	22	-
GRI 415: Public Policy	415-1 Political contributions	-	No occurrence in 2020.
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 2020.
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	-	No occurrence in 2020.
	417-3 Incidents of non-compliance concerning marketing communications	-	No occurrence in 2020.
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	-	No occurrence in 2020.
	Innovation management behavior	27	-
<b>Risk Management, Information Security Management</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	18	-
	103-2 The management approach and its components	19	-
	103-3 Evaluation of the management approach		-
	Risk management and information security management strategies and initiatives	22	-
<b>Circular Economy, Climate Change and Carbon Management, Responsible Production and Consumption, Hazardous Substance Management, Environmental Policy and Management System</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	15	-
	103-2 The management approach and its components	28	-
	103-3 Evaluation of the management approach		-
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	36	-

GRI Standards	102-55 GRI content index	Page	Description and Omitted
GRI 301: Materials	301-1 Materials used by weight or volume	39	-
GRI 302: Energy	302-1 Energy consumption within the organization	30	-
	302-2 Energy consumption outside of the organization	-	GIGABYTE began to collect Scope 3 activity data and emission factors from suppliers, internal systems and secondary sources in 2015. These were all converted into GHG emissions due to the complexity of data types.
	302-3 Energy intensity	30	-
	302-4 Reduction of energy consumption	30	-
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	31	-
	303-2 Management of water discharge-related impacts	-	GIGABYTE's main water source is domestic water, and discharges water in accordance with laws and regulations, without significant impact to the ecology.
	303-3 Water withdrawal	31	-
	303-4 Water discharge		-
	303-5 Water consumption		303-5-b.c.d
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	38	-
	305-2 Energy indirect (Scope 2) GHG emissions		-
	305-3 Other indirect (Scope 3) GHG emissions		-
	305-4 GHG emissions intensity		-
	305-5 Reduction of GHG emissions		-
	305-6 Emissions of ozone-depleting substances (ODS)	-	GIGABYTE's process and products have no ozone-depleting substances.
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	-	Not substantial sources of emissions to GIGABYTE.
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	32	-
	306-4 Transport of hazardous waste	-	GIGABYTE generated a total of 2,071.08 metric tons of waste in 2020, all disposed of by local legal disposal contractors.
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	-	No occurrence in 2020.

GRI Standards	102-55 GRI content index	Page	Description and Omitted
<b>Sustainable Supply Chain Management, Conflict Minerals</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	18	-
	103-2 The management approach and its components	44	-
	103-3 Evaluation of the management approach		-
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	45	-
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Low occurrence rate.
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	-	Low occurrence rate.
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	Low occurrence rate.
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	51	
-	Conflict Minerals Management Strategy and Effectiveness		
<b>Occupational Health and Safety, Labor Relations, Talent Cultivation and Retention, Sustainability and Environmental Education, Ecological Conservation</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	18	-
	103-2 The management approach and its components	53	-
	103-3 Evaluation of the management approach		-
GRI202: Market Presence	202-1-a Ratios of standard entry level wage by gender compared to local minimum wage	59	-
GRI 401: Employment	401-1 New employee hires and employee turnover	55 56	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60	-
	401-3 Parental Leave	67	-

GRI Standards	102-55 GRI content index	Page	Description and Omitted
GRI 402: Labor/Management Relations	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 20 days before for service for more than 1 year and less than 3 years	403-1 Occupational health and safety management system	62 64	-
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services	65	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	62	-
	403-5 Worker training on occupational health and safety	62	-
	403-6 Promotion of worker health	65	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	62	-
	403-8 Workers covered by an occupational health and safety management system	62	-
	403-9 Work-related injuries	64	-
	403-10 Work-related ill health	66	-
GRI 404: Training and Education	404-1 Average hours of training per year per employee	58	-
	404-2. a Programs for upgrading employee skills	57	404-2.b
	404-3 Percentage of employees receiving regular performance and career development reviews	59	-
GRI 405: Diversity and Equal Opportunity	405-1.a Diversity of governance bodies and employees	54	-
	405-2 Ratio of basic salary and remuneration of women to men	60	-
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	61	-
	Sustainability and environmental education and ecological conservation project	72	-

## Appendix III. SASB Index

Topic and Code	Accounting Metric	Chapter or Explanation
Product Security		
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	2.3 Risk Management
Employee Diversity and Inclusion		
TC-HW-330a.1	Percentage of gender representation for (1) management, (2) technical staff and (3) all other employees	SASB Statistics
Product Life Cycle Management		
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	GIGABYTE's products are 100% compliant with IEC 62474 declarable substances list.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	GIGABYTE's main products are components of system hardware (e.g. motherboards, graphics cards), so cannot obtain EPEAT and Energy Star certification which primarily aim at terminal electrical and electronic products.
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	SASB Statistics
Supply Chain Management		
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP), or equivalent, by (a) all facilities and (b) high-risk facilities	SASB Statistics
TC-HW-430a.2	Tier 1 suppliers' (1) nonconformance rate with the RBA Validated Audit Process (VAP), or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances	100% of tier 1 suppliers passed the RBA VAP or equivalent audit process.
Materials Sourcing		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	4.1.4 Conflicts Minerals Management Referring to the top 10 critical materials analysis published by the EPA in 2017 and the controlled conflict minerals, we defined Tin and Cobalt as critical materials and manage them in accordance with conflict minerals management measures.

### SASB Statistics

#### TC-HW-330a.1

Percentage of gender representation for (1) management, (2) technical staff and (3) all other employees

	Male	Female
Management	13%	5%
Technical staff	40%	24%
All other employees	7%	11%
Total	60%	40%

#### TC-HW-410a.4

Weight of end-of-life products and e-waste recovered, percentage recycled

Total weight of recycled e-waste (metric tons)/Total weight of products sold (metric tons) = 698.948/19,256.22 = 3.63%

\*All other wasted products were disposed of through qualified contractors in accordance with legal procedures.

#### TC-HW-430a.1.

Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP), or equivalent audit (customer managed audit, CMA), by (a) all facilities and (b) high-risk facilities

(a) Number of suppliers audited under CMA process by a third party/Number of suppliers with ongoing trading records = 42/254 = 16.5%

(b) Number of suppliers audited under CMA process by a third party/Number of high-risk suppliers = 42/42 = 100%

## Appendix IV. TCFD Index

Core Element	Description	Recommended Disclosures		
Governance	Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
		3.2.1 Climate-related Management Organization	3.2.1 Climate-related Management Organization	
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.
		3.2.2 Climate-related Risk Assessment and Management Strategy	3.2.3 Identification of Climate-related Risks and Opportunities	3.2.2 Climate Risk Assessment and Management Strategy
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	b) Describe the organization's processes for managing climate-related risks.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
		3.2.2 Climate-related Risk Assessment and Management Strategy	3.2.2 Climate-related Risk Assessment and Management Strategy	3.2.3 Identification of Climate-related Risks and Opportunities
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
		3.2.2 Climate-related Risk Assessment and Management Strategy	3.2.4 Greenhouse Gas Inventory and Reduction Performance	3.2.4 Greenhouse Gas Inventory and Reduction Performance

## Appendix V. Corrigendum of 2019 CSR Report

### 2019 CSR Report Chapter: 3.1.1 Environmental Management Performance > Energy Conservation > 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)	
		Original figure	Revised figure	Original figure	Revised figure	Original figure	Revised figure
Headquarters	Replacement of LED lighting	46,899,408	14,769.9	168,837.87	53.17	24,997.38	7.87
		Total	46,978,048	93,410	169,120.97	336.28	25,061.51

### 2019 CSR Report Chapter: 3.1.1 Environmental Management Performance > Water Resource Conservation > GIGABYTE Water Consumption in 2019

Unit: Megaliters

	Original figure	Revised figure
Total Water Withdrawal	294,412	294.41
Total Water Discharge	251,371	251.37
Total Water Consumption	43,041	43.04

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Thank you for reading GIGABYTE 2020 Corporate Social Responsibility Report  
If you have any suggestion, welcome to e-mail [CSR@gigabyte.com](mailto:CSR@gigabyte.com)