GIGABYTE™

2012

SUSTAINABILITY REPORT OF GIGABYTE

Introduction

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

Scope

The report covers the sustainability performance of the GIGABYTE Group's global operations between January and December, 2012. The indicators in the report encompass subsidiaries in Taiwan, China and other overseas regions.

Guidelines

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

Publication

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

Current issue: July, 2013
Next issue: July, 2014

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GIGABYTE™

From the Chairman

GIGABYTE has upheld a philosophy of "Upgrade Your Life" since our founding in 1986. In keeping with our business ideals of caring and giving back to the society, we have embraced the international trend toward sustainable development and spared no effort when it comes to fulfilling our corporate social responsibilities. Our efforts are aimed at leading all GIGABYTE employees and the general public towards a sustainable future based on the balancing of the environment, society and economy.

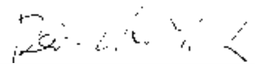
The many achievements of GIGABYTE are the result of our employees' efforts. As people represent the most important asset in corporate governance, to ensure the physical and mental equilibrium of our employees we provide a comprehensive development scheme, provide sound working environments, pay attention to our employees' health and quality of life, and also host regular health seminars, art forums and employee health examinations. These measures help to take the edge of the hectic pace of high-tech research & development. A corporate culture that takes humanitarianism into account provides a solid pillar for the pursuit of growth. As a result, GIGABYTE was presented with the "Award for Exemplary Workplace Practices" in 2012 by the Taoyuan County Government.

As a leading brand, it is our mission to "Leverage our core competencies and fulfill our social responsibility". Founded in 2002, the "GIGABYTE Education Foundation" is dedicated to technology and innovation education, promotion of art & cultural activities, helping disadvantaged groups and participating in charity events. Our IT expertise is used to help IT-disadvantaged groups in order to narrow the urban-rural IT divide. The "Great Design Competition" is also hosted every year to promote technology education. At the same time, we promote direct-selling of agricultural produce to protect farmers' interests and provide employees with safe food. This results in a win-win outcome for both. We have continued to spread the spirit of charity among the needy segments of society and was honored and awarded " 2011 Social Education Public Service Award" by the Ministry of Education.

Mankind and industry is now faced with challenges to their survival caused by climate change. We are therefore working to build a sustainable development model and adopting strategies to adjust and moderate their impact. We are working actively with suppliers to set up environmental management systems and ensure that products conform to green product specifications. In conformity with the principle of "Fair trade and green procurement", we provide reasonable purchasing prices, protect the human rights of workers and meet the standards for environmental friendliness. Since the "Green Action Plan" was launched in 2010, GIGABYTE employees have all contributed to protecting planet Earth through activities such as green product innovation, green ideas, environmental celebrity seminars, environmental education seminars, outdoor eco-tours, beach clean-ups and tree plantings and more public welfare activities. Environmental awareness have now been incorporated into corporate risk management and green product design while energy-saving and carbon reduction measures in the office and two vegetarian days a week have made environmental sustainability a part of employees' everyday life. Theory is therefore turned into practice to realize not only LOHAS but green living as well. GIGABYTE is honored to have received the 13th "Industrial Sustainable Excellence Award" in the category of “Information Electronic Products & Applications Service” in 2012 from the MOEA Industrial Development Bureau. Our exceptional performance in industrial safety & environmental protection, resource conservation, sound governance, technological innovation and sustainable corporate development has made us a model for the rest of the industry.

Through all of this GIGABYTE has remained firm on our commitment to product quality and customer services. We are striving to improve the efficiency of energy and resource use, implement clean production, strengthen green supply chain management, develop low-carbon technology as well as promote green products and consumption in order to forge a green brand that consumers can trust. The environmental and ecological development is important to us and we seek to achieve a symbiotic balance with planet Earth. By integrating sustainable development with our core business operations, the true influence and benefits of business can be realized. Through innovation and technology, GIGABYTE will make our world a better place.

President



2 GIGABYTE's CSR Commitment

2.1 Green Sustainability Development Committee

In 2005, GIGABYTE set up the "WEEE/RoHS Committee" in response to the EU WEEE and RoHS directives. The mission of the Committee was to introduce measures for legal compliance as well as promote the execution of environmental issues and environmental education within the Group. To expand the promotion of green issues, the Committee was renamed the "GIGABYTE Green Sustainability Development Committee" in 2009 and sustainable development was enshrined as the goal of future management in order to make a contribution to environmental, social and economic sustainability. Each month, the Committee organizes inter-business and inter-site conferences for promoting sustainable development initiatives within GIGABYTE.

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

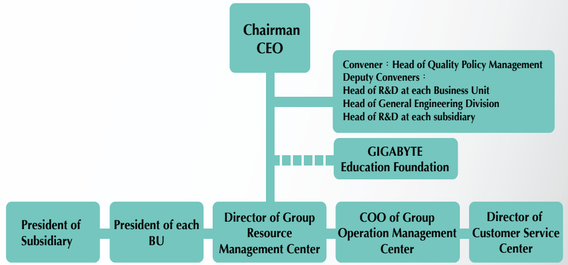
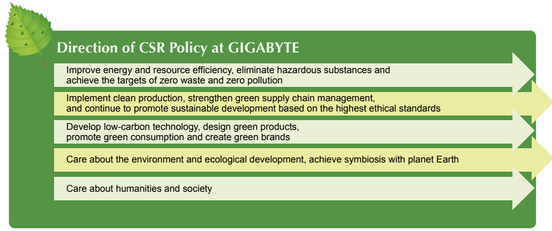
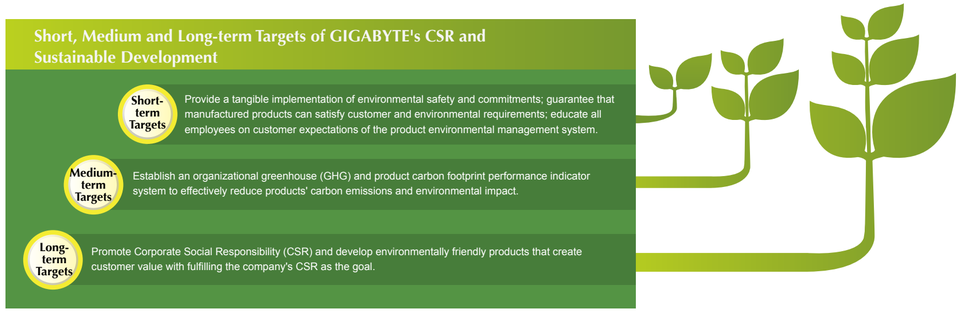


Figure 2-1 GIGABYTE Green Sustainability Development Committee



2.2 CSR Direction and Targets

GIGABYTE's CSR policy seeks to realize "Environment, Economy and Society" dividends and is aimed at creating a green brand. The short, medium and long-term targets are based on using tangible environmental safety policy and commitments to implement a carbon emission management scheme, promote CSR and provide environment friendly products. The goal is a win-win outcome for both mankind and the environment.



3 Company Overview

3.1 About GIGABYTE

Established in 1986, GIGABYTE Technology Co., Ltd. is the world's motherboard leading brand. We focus on the development of critical technologies and provide comprehensive, attentive after-sales service. Our group-based business model has successfully expanded our product lines to laptops, tablets, desktops, computer peripherals, network communications products, servers and mobile phones. We strive constantly to satisfy consumer needs and build a complete digital lifestyle. With "Innovative Technology and Reliable Quality" as our watchword as well as localized marketing and service strategy at our side, GIGABYTE has successfully marketed the "GIGABYTE" brand around the world. We are now one of the world's leading tech companies as well as a pioneer in motherboard and graphics card products.

Table 3-1 Company Profile

Company Name	GIGABYTE TECHNOLOGY CO., LTD.
Capital	NT$6.26 Billion
Revenue	NT$45.8 Billion
Date Established	April, 1986
Products and Services	Mainboards, graphics cards, chassis, power supplier, power & cooler, computer systems, servers, mobile phones, computer peripherals, laptop, tablet computers, portable devices, smart phones
Headquarters	No. 6, Bao Chiang Rd. Hsin-Tien Dist., New Taipei City 231, Taiwan

3.1.1 Global Service Locations

GIGABYTE's production sites are located at Nanping in Taiwan as well as Dongguan and Ningbo in China. Overseas subsidiaries include the U.S., Germany, the Netherlands, the U.K., France, Russia, Poland, India, Japan, Spain, Mexico, Egypt and Australia. To create a comprehensive service network that offers attentive, total after-sales services, we have set up over one hundred service locations covering Western Europe, Eastern Europe, China, Northeast Asia, Southeast Asia, Australia, India, the Middle-East, North America and South America. These provide customers and consumers with the most responsive and professional service. To improve customer satisfaction, we also offer a 0800 toll-free number and online technical support to answer technical inquiries in real-time. Our consumer-oriented business philosophy starts with product development. GIGABYTE's 5th generation Ultra Durable motherboards and next-generation Ultra-Durable graphics card for example all use the highest quality parts to ensure that DIY computer enthusiasts enjoy the best protection for their system. GIGABYTE is even offering 4-year warranty with free upgrades for our all solid-state capacitor motherboards. This was not only a first in the industry but also demonstration of GIGABYTE's faith in our product quality and commitment to protecting consumers' interests.

Figure 3-1 GIGABYTE global service locations

3.1.2 Core Values

Upgrade Your Life
Excellent Service and Support

"Upgrade Your Life" embodies the GIGABYTE spirit as well as our commitment to customers and consumers. GIGABYTE has always provided customer-oriented innovations with an emphasis on products that offer outstanding performance, exceptional quality, superb craftsmanship and a friendly interface. The industry-leading core technologies developed by GIGABYTE enable our products to provide an exceptional and breathtaking user experience.

Upgrade Your Life™

3.2 Market Overview

Global Tablet Population Continues to Grow in 2012

IDC research indicated that shipments of personal computers (PC) slumped by nearly 3.7% due to the impact of tablets. The tablet user base is continuing to grow and the continued increase in tablet shipments means recovery is unlikely for PCs. Next year, growth will return in emerging markets but whether this will be sufficient to produce growth in the PC market as a whole remains to be seen. The Market Intelligence Center (MIC) predicted that the global market for tablets will grow to 170 million units. The relative popularity of slimmer Ultrabooks should also result in more market growth and development.

The New Age of Cloud Computing

Increased adoption of cloud technology means the market for light, slim PC equipment is growing as well. To meet user demand for digital content and multimedia entertainment, the requirements for hardware performance and 3D multimedia applications have become much higher. Major vendors such as INTEL, AMD and NVIDIA are all doing their best to develop all new platform products to satisfy demand in the high-end market. In the mid- and down-stream, the convenience of cloud networking means the PC market has now evolved beyond stimulating market demand through purely hardware improvements into using client-side software services to push consumers into purchasing new hardware products. As a result, the launch of touch control notebooks, Windows-based tablets and even Ultrabooks did not live up to their expectations.

To welcome the new age of cloud computing, GIGABYTE is continuing to release new, light, slim, convenient, energy-saving and easy-to-use product solutions. Product design has also been applied in the hopes to better meeting market and user requirements in order to create a top brand that is in tune with world trends.

3.3 Business Activities

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

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

Figure 3-2 GIGABYTE product map

3.4 Business Development

3.4.1 Market Position

GIGABYTE's main product is motherboard and the Institute for Information Industry reported that GIGABYTE was ranked No. 2 close behind the leader of the global motherboard market with a market share of 13%. The largest market was Asia and together with domestic sales accounted for 55.98% of all sales. Europe and North America were the next largest markets with 26.69% and 10.54% of all sales respectively.

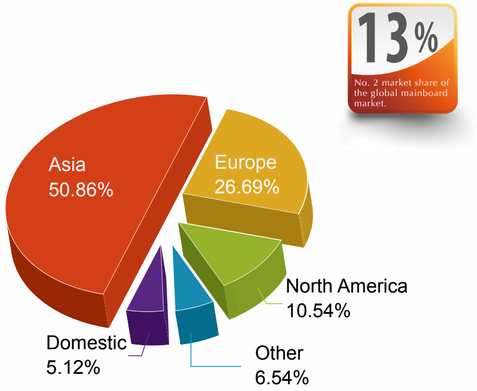


Figure 3-3 GIGABYTE mainboard sales around the world

3.4.2 R&D and Technological Innovations

Continuing to lead the world in motherboard technology

Our 5th generation Ultra Durable™ motherboard series far surpasses our competitors in terms of function, performance, quality and support. The 32+3+2 power phase design on the GA-Z77X-UP7 even received the Best of Computex 2012 award. The award not only recognized GIGABYTE's efforts in design and innovation but also validated the ability of our unique component design to meet the gaming and computer performance requirements of elite users.

Super Overclock series continues to succeed in 3D graphics industry

GIGABYTE's proprietary "GPU Gauntlet™ Sorting" technology targets elite hardware users. The WINDFORCE graphics cards equipped with "Triangle Cool" technology was also used to develop the innovative "Triangle 3D Blue Eye Fan" technique that re-defined 3D graphics performance and noise reduction.

R&D completed on next-generation cloud service solution

A brand new open integrated architecture combined with virtualization technology as well as power supply management for improved processing performance, energy efficiency and carbon reduction perfectly supports customer application platforms while delivering better energy consumption and system performance.

Development of the world's lightest, fastest and most cost-effective ultrabook

The GIGABYTE X11 laptop weighs just 975g and is just 0.3cm thick at its thinnest point. All carbon-fiber construction makes this the world's lightest 11.6" ultrabook and pushes slim design to the limit. GIGABYTE extreme U2442 ultrabook has a streamlined casing and is equipped with 3rd generation Intel® CPU, NVIDIA® GeForce® GT650/GT640M graphics and THX TruStudioPro™ sound optimization technology. As the perfect combination of slim design and performance, it sets a new benchmark for ultra-slim notebooks. The GIGABYTE U2440 revolutionizes standard laptops by integrating in its slim, portable chassis a practical optical drive, HDMI 1.4 3D digital output, USB 3.0 with 10 times faster transfer rates, as well as fast and power-saving Bluetooth 4.0 to provide users with a choice that far exceeds their expectations.

Development of high-performance All-in-one PC

The development of the all new 21.5" AE21T8 combines a streamlined display and powerful desktop PC functionality into one high-performance All-in-one (AIO) PC. The 3rd generation Intel® Core™ i7/i5/i3 CPU, LED backlight HD display as well as support for 3G connectivity and digital TV function offers a comfortable visual experience for work and play.

Development of Aivia Krypton Dual-chassis Gaming Mouse

product design award

The Aivia Krypton Dual-chassis Gaming Mouse is designed to meet the needs of gaming enthusiasts and includes stylish, high-quality weights that gamers can customize to their needs. Using the 35 sets of weights, the mouse's center of gravity can be fine-tuned for the perfect fit. When combined with the upgraded GHOST software, this mouse is the golden grail for e-sports athletes and was also the winner of the 2013 iF Product Design Award in Germany.

GIGABYTE SkyVision WS100 wireless HD Sync. device

The GIGABYTE SkyVision WS100 wireless HD Sync. device marks the launch of a new peripherals line that offers plug and play transmission of high-definition video. In addition to its compact design, the device also uses the latest home wireless digital interface technology (WHDI 1.0) to enable the transmission of 1080p/60Hz HD multimedia when plugged into computer and TV HDMI ports. No software installation is necessary and you can enjoy wireless, lag-free HD video right way!

3.4.3 Business Strategy

GIGABYTE has long been actively engaged in R&D and we invest at least 3% of our revenues each year to this end to ensure that we control the software and hardware technologies critical to our future growth. In 2012, R&D spending amounted to NT$1.648 billion. Efforts are focused on creating new product value and sustainable brand development. Apart from the winning of top international awards such as iF and reddot in recent years, the GIGABYTE brand has also been showcased at the Office of the President and the Taoyuan International Airport as a representative of Taiwanese brands. These provide ample demonstration of GIGABYTE's prowess in branding and design.

Short-Term Plan

The market is now dominated by the strong demand for personalized video and multimedia applications. These combined with cloud technology means demand is high for tablets of all sizes and touch control. GIGABYTE plans to release products related to cloud technology and slim aesthetics that will satisfy user demand for always-on access to cloud services. These will make GIGABYTE the leading brand in the market. On the product front, with introduction of new products, GIGABYTE will create complete product lines that cover the flagship, high-end, mid-range and entry segments. Products will be targeted at selected markets in each country in order to satisfy the needs of different users. GIGABYTE will also strengthen our product performance and value in order to boost our profit margins. Innovative and differentiation marketing as well as alliances with upstream name-brand vendors (e.g. Intel, AMD, NVIDIA) and top brands in other industries (e.g. software vendors) will be used to boost brand exposure and profile. In channel development, we will strengthen our cooperation with general distributors, set targets for marketing strategies and then put them into action. We will also gradually expand our reach to include distributors in order to reinforce our supply and demand chain as well as provide the appropriate service and support. With regards to services, we will enhance our customer satisfaction activities in order to improve brand loyalty through swift, effective customer service.

Long-term Plan

GIGABYTE will continue to uphold our brand spirit of "Upgrade Your Life" and continue to release products that are both attractive and competitive while also expanding our product lines and market position. We will aggressively upgrade the market position of our existing product lines and at the same time, leverage the trend towards cloud technology and personal digital living to identify more diverse and innovative products. These will open up new market opportunities, expand our markets, increase our customer base, and generate new revenues and greater profitability for the company in the long-term. GIGABYTE will continue to focus on cloud computing trends and demands as well as green technology. We hope to build on customers' trust in GIGABYTE's R&D, quality and support, and many support locations around the world are provided to satisfy customer needs and create more opportunities for company's growth. Customers' confidence in GIGABYTE R&D, quality and service is the drving force for us receiving more orders for IT products. Extended partnerships have now been formed with several strategic partners in Japan and Europe already.

Future Business Environment

For 2013, the latest world economic outlook reports from international trade and economic forecast organizations indicated that the Euro debt problem will have no short-term solution and the crisis may explode again at any time. America's fiscal cliff problem will probably be solved but the slow decline in employment rate means QE may not be ended early. China's growth is slowing as well and growth in Q1 of 2013 was just 7.7%. National banks are continuing to adopt a loose monetary policy in response to economic developments. Japan in particular has set "no deadline" for its loose monetary policy and is trigging a new wave of global inflation. The loose monetary policy of national governments however should see a gradual recovery in the global economy this year. In its "Yellow Book of World Economy 2013" however, the Chinese Academy of Social Sciences predicted that medium and slow growth will become the norm in the global economy over the next few years.

In response to the ever-changing nature of information and communications technology products in recent years, GIGABYTE has not only worked hard on innovations that improve the function and performance of existing products but also on developing innovative technologies, energy-efficiency and environmental protection measures that help the users and protect the planet. In product marketing, GIGABYTE continues to cultivate our existing customers and markets while improving our quality and support in emerging markets in order to maintain our profitability. The International Financial Reporting Standard (IFRS) was officially introduced in 2013 for seamless integration with international standards. Faced with external competitive pressures as well as rapid changes in the global economy, GIGABYTE has now established a comprehensive management system as well as a swift, solid response capability that will hopefully generate profits for our shareholders.

3.5 Awards

GIGABYTE has not only long been one of Taiwan's top 100 exporters but is also committed to product innovation. We have embraced sustainable development to develop a series of energy-saving and high-performance products that satisfy customer requirements. We are also the recipient of many awards from international media and leading agencies every year. By 2012, GIGABYTE has received over 10,833 awards. The many accolades represent recognition of our company's excellent product quality and business direction.

In 2012 GIGABYTE won the "Industrial Sustainable Excellence Award" that is considered the highest honor in the industrial community. The rigorous judging process examined products, technology, service, sustainable development, business management and other areas. Our outstanding performance in the environment & resources, business management and technology aspects was recognized with this sustainability award and made us a role-model for the rest of the industry.

13th "Industrial Sustainable Excellence Award"

The Industrial Sustainable Excellence Award was established by the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA) to encourage Taiwanese industry to focus on industry upgrades and sustainable business development in order to become more competitive and enhance the competitiveness of the nation as a whole. The award is considered the highest honor of the industrial community. The rigorous judging and selection process covers products, technology, service and sustainable development. Due to GIGABYTE's outstanding performance in environment & resources, business management and technology, after a very competitive and demanding 3-stage judging process involving paper reviews, on-site reviews and final judging, judges in the industry, public and academic sectors named GIGABYTE as the award winner and industry role-model.

台灣精品2012
TAIWAN EXCELLENCE

"Authorized Economic Operator" (AEO) certification

With trade security gaining in importance around the world, GIGABYTE has worked to become a partner for trade with customs agencies worldwide and work together to protect the safety of global trade. In February, 2012, GIGABYTE was certified by the Keelung Customs Office as an AEO.

"Award for Exemplary Workplace Practices"

To encourage a friendly workplace environment between businesses and employees, the Taoyuan County Government hosted the first "Award for Exemplary Workplace Practices" selection in 2012. GIGABYTE excelled in the five key indicators of work environment, compensation and education, benefits and incentives, friendly workplace and creativity to win this honor. The award represented outside recognition of GIGABYTE's active efforts in building a zero-discrimination, equal and healthy work environment as part of our CSR.

15th Successive "Taiwan Excellence Award"

The Taiwan Excellence Award is hosted by the MOEA and Taiwan External Trade Development Council (TAITRA) to promote great quality Taiwanese products in different categories. All selected products are judged in the five criteria of "R&D innovation", "Design", "Quality", "Marketing" and "Made in Taiwan" before they are awarded the "Taiwan Excellence" mark. In keeping with our philosophy of "Excellent from GIGABYTE", we have developed products that are energy-saving, environmentally friendly, aesthetically pleasing and user-friendly as well. By responding to the latest trends in the industry and market through creative and different products, all seven handpicked GIGABYTE products emerged from a pack of more than 10000 submissions to win the award. This translated into a 100% award rate and two of the products were also shortlisted for the gold and silver awards as well.

Tom's Hardware's "2012 Recommended Buy" and "Best of Computex 2012"

Tom's Hardware is one of the top 3 computer technology reviewers in the world. In 2012, GIGABYTE set the trend in the market by achieving a perfect balance between pricing and specifications without compromising on performance and overclocking. The veteran motherboard benchmarking editors were impressed and honored GIGABYTE with the "Recommended Buy". At the same time, our 5th generation Ultra Durable™ CPU power supply garnered countless industry accolades including Tom's Hardware's "Best of Computex 2012" under the "Innovative Systems and Components" category. Details are available on the Tom's Hardware website. http://www.tomshardware.com/picturestory/597-computex-awards.html

2013 iF Product Design Award, Germany

Germany's iF awards are considered to be the Oscars of the design community. Having previously won the "iF Product Design Award" last year with the Aivia M8600 Macro Gaming Mouse, the user-friendly design of the "Aivia Krypton Dual-chassis Gaming Mouse" won the judges' pick again this year. The successive awards demonstrated not only GIGABYTE's innovation, design and craftsmanship but also proved once again that outstanding products boost brand value and help realize the GIGABYTE brand vision.

Table 3-2 GIGABYTE Awards in 2012

GIGABYTE Awards in 2012

2012-2	Authorized Economic Operator (AOE) certification
2012-6	GIGABYTE's 5th generation Ultra Durable™ technology based on the IR3550 PowIRstage® chip won the "Best of Computex 2012" award from leading computer reviewer website "Tom's Hardware".
2012-7	The Production Division 1's SMT "Collaborative Circle" on behalf of the GIGABYTE's Nanping plant took part in the 192th National Quality Control Circle and received a "Distinction", the event's highest honor.
2012-10	GIGABYTE Z77X-UP5 TH mainboard named "2012 Recommended Buy" by renowned professional computer reviewer website "Tom's Hardware".
2012-11	GIGABYTE presented with "Award for Exemplary Workplace Practices" by the Taoyuan County Government.
2012-11	GIGABYTE received iF Product Design Award 2013 with Aivia Krypton Dual-chassis Gaming Mouse.
2012-12	Winner of the 13th "Industrial Sustainable Excellence Award" in the electronic products and applications category.
2012-12	100% win rate achieved in the "Taiwan Excellence Awards" again. GTX680 super overclock graphics card and flagship Blu-ray gaming notebook P2542G shortlisted for gold awards.

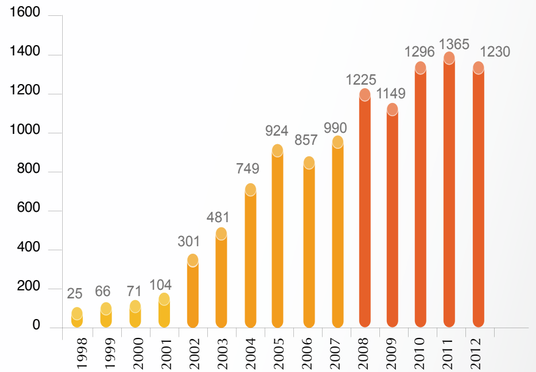


Figure 3-4 GIGABYTE awards over the years

Figure 3-5 Past global awards received by GIGABYTE

3.6 Intellectual Property

Systematic management at GIGABYTE has produced excellent results in intellectual property (IP) management. Legal professionals on staff are always on hand to provide advice on IP acquisition and licensing to protect the company against IP violations or accidental infringement of other people's IP. Our patent personnel's comprehensive searching and analysis of IP provides more effective protection of our company's IP and business interests while also helping research engineers achieve a better understanding of existing technologies so they don't infringe on other companies' IP when developing new technologies.

We are encouraging researchers to contribute their creativity and consider it an honor to acquire patents through our patent incentive scheme and internal education. Since the scheme's implementation, the numbers of patent applications and patents granted have increased significantly at GIGABYTE.

The above IP management model enables GIGABYTE to make effective use of management resources and properly protect our company's interests. Apart from boosting our competitive advantage, it also provides more tangible protection of GIGABYTE's intangible assets. These in turn leads to more profit, enhanced corporate value and better brand image.

3.7 Association Membership

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

3.8 Financial Information

In 2012, GIGABYTE issued a dividend of NT$2 per ordinary share for 2011.

During the course of 2012, all three of the world's top economic entities (Europe, US and Japan) suffered from a weak economy. The Euro debt crisis in particular sent the European economy into recession and had a major impact on global exports. In China, the manufacturing industry is contracting as a whole while the US fiscal cliff sent the world into panic mode.

Our industry was not only affected by the weak global economy but also the continued improvement in cost vs. performance of laptops and the crowding out effect of handheld devices (tablets and mobile phones). Although these have led to a contraction in the desktop PC market, GIGABYTE continued to focus on high-quality, high-specification products in 2012 in order to beat our competitors. M/B and VGA shipments by international brands amounted to 18,361,000 pcs and 3,696,000 pcs respectively, up 10% and 20% on the previous year. Revenues however dropped by 11.5% while net profit after tax remained little changed over the two years. More detailed disclosure on financial information can be found in the GIGABYTE 2012 Annual Report. http://www.gigabyte.tw/gigabyte.aspx?s=36

Table 3-3 Financial information for the GIGABYTE Group

Financial information for the GIGABYTE Group

Item	2012年	2011年	Change	Change(%)
Operating Income	42.142 Billion	42.633 Billion	-491 Million	-1.15%
Gross Operating Profit	6.325 Billion	6.431 Billion	-105 Million	-1.64%
Net Profit after Tax	1.552 Billion	1.569 Billion	-17 Million	-1.06%

Financial information for the GIGABYTE Group

Item		2012	2011
Financial Structure (%)	Debt Asset Ratio(%)	30.67	28.26
	Long-term Capital Ratio(%)	946.07	988.05
Debt-paying Ability (%)	Current Ratio (%)	214.19	227.70
	Quick Ratio(%)	130.61	147.13
Profitability (%)	Return on Assets(%)	5.30	5.32
	Return on Equity(%)	7.52	7.64
	Profit Margin(%)	3.68	3.68
	Earnings Per Share (NTD)	2.48	2.46

4 Stakeholder Engagement

4.1 Stakeholder Communication

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

4.2 Identifying Stakeholders' Material Issues

GIGABYTE communicates with stakeholders through a variety of means and channels. Material issues to stakeholders are compiled and analyzed to highlight the issues relevant to each unit. The issues are then sorted into major issues, secondary issues or ordinary issues by materiality. Major issues are given priority in the annual work plan or targets.

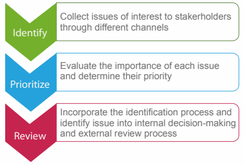


Figure 4-1 The Process of Identifying Material Stakeholder Issues

Table 4.1 GIGABYTE Communications with Stakeholders

GIGABYTE Communications with Stakeholders

Stakeholder	GIGABYTE's Role an Responsibility	Method of Communication
Government	Observe laws and regulations Pay taxes Provide advice on lawmaking Cooperate with promotional activities	Join industry organizations to set up a platform for stakeholder communication Participate in legislative public hearings Provide promotional resources as necessary
Customer	Provide quality products and services Improve customer satisfaction Cooperate with the customer to realize environmental and social responsibility targets	Conduct customer satisfaction surveys Organize technical workshops and seminars Carry out environmental/social responsibility surveys and improvements required by customers
Employee	Provide a quality work environment Provide reasonable compensation Provide career development and training Protect basic human rights	Provide employees with an e-mail for communicating with Provide employees with a message board Organize regular employee health exams Provide internal and external training
Investor	Correct and timely disclosure Provide appropriate return on investment	Host shareholder and institutional investor meetings on a regular basis Publish annual reports Organize extraordinary communication meetings
Supplier	Provide reasonable transaction pricing Educate on GIGABYTE's CSR practices Assist with green procurement and CSR	Provide an electronic communication platform Organize suppliers' meetings Consult on green procurement specifications
Community	Prevent environmental and safety accidents Provide employment opportunities Respect local culture and customs Participate in local charitable activities	Provide a communication platform Examine environmental pollution indicators regularly Draw up emergency response plans Establish a foundation to co-organize related activities
Non-Profit Organization	Respond to issues of interest Participate in public welfare and environmental protection activities Establish the GIGABYTE Education Foundation	Establish communication platform Participate in relevant organizations and forums Support relevant activities

4.2.1 Stakeholders' Material Issues in the Materiality Matrix

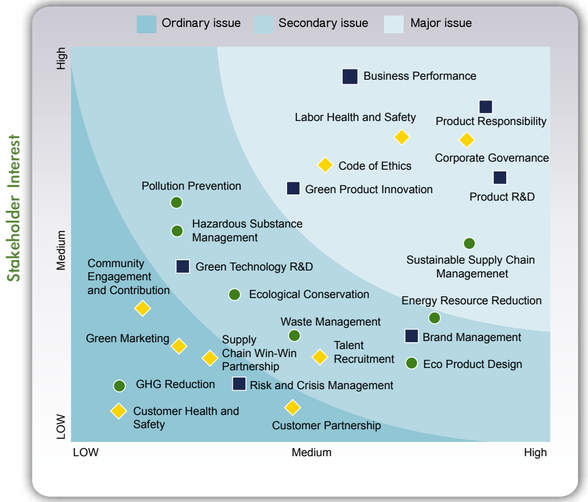


Figure 4.2 Stakeholders' Material Issues in the Materiality Matrix

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

Table 4-2 Stakeholders' Material Issues Index

Issue	Description
Corporate Governance	**Corporate Governance (P24 ~ P31)**
Business Performance	**Corporate Development (P12 ~ P15)** **Financial Information (P21)**
Product Responsibility	**Hazardous Substance Control (P54)** **Development of Product Category Rules for Smart Phones (P74)** **Quality and Environmental Management (P75)** **Green Product (P76 ~ P79)**
Labor Health and Safety	**Employee Health Exams and Health Promoting Activities (P42~P43)** **Emergency Response Measures (P44~P45)** **Occupational Disaster Statistics (P45)**
Product R&D	**R&D and Technological Innovations (P12 ~ P13)** **Green Product (P76 ~ P79)**
Green Product Innovation	**Green Product Innovation Activities (P89~P90)** **R&D and Technological Innovations (P12~P13)**
Sustainable Supply Chain	**Sustainable Supply Chain (P52~P56)**
Code of Conduct	**Code of Conduct and Risk Management (P26~P27)**

5 Corporate Governance

GIGABYTE operations are transparent and we have progressively defined company rules based on corporate governance principles such as the "Rules and Procedures of Shareholders Meeting", "Board of Directors' Procedural Rules" and "Procedures for Handling Material Internal Information". Shareholder rights are important to us. GIGABYTE is not just led by a professional and committed management team. We have also met shareholder and society's expectations on fulfilling our social responsibilities while satisfying the spirit of the corporate governance principles for public companies. Our organizational chart is shown below.

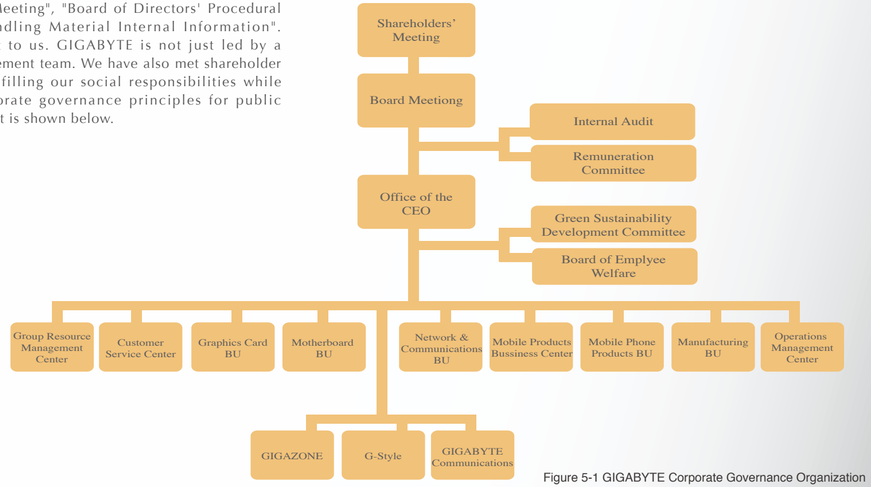


Figure 5-1 GIGABYTE Corporate Governance Organization

Table 5-1 Function of major GIGABYTE departments

Function of major GIGABYTE departments

Unit	Function
Office of the CEO	Coordinate the company's business strategy as well as map out development objectives and direction.
Auditing Office	Investigate and assess the viability, suitability and effectiveness of company systems.
Group Resource Management Center	Responsible for the integration and management of the GIGABYTE brand, human resources and overseas operations.
Operations Management Center	Coordinate the company's management of financial, accounting, investor relations, budgeting, domestic/overseas investments, general affairs, legal affairs as well as computer system software/hardware maintenance and sustainable development.
Manufacturing BU	Responsible for the production and manufacturing of computer mainboards, graphics cards and network & communications products as well as assembly of PC systems.
Motherboard BU	Responsible for the design, R&D and sale of mainboards.
Network & Communications BU	Responsible for the design, R&D and sale of server, network & communications, ODM customer and digital products.
Graphics Card BU	Responsible for the design, VGA, R&D and sale of multimedia and graphics card products.
Mobile Products Business Center	Responsible for the design and R&D of notebook products.
Mobile Phone Products BU	Responsible for the design and R&D of mobile phone products.
Customer Service Center	Responsible for the after-sales service and support of all GIGABYTE products.

5.1 Board of Directors and Management

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

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

Table 5-2 GIGABYTE Directors and Supervisors

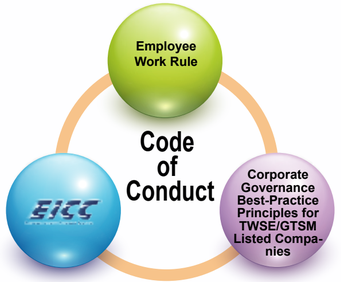
Title	Name
Chairman	Yeh, Pei-Chen
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung
Director	Shi Jia Investment Co., Ltd. Representative: Ma, Meng-Ming
Director	Yuei-yeh Kai Fa Investment Limited Corp. Representative: Tseng, Chun-Ming
Director	Lin, Huo-yuan
Director	Shi Da Investment Limited Corp. Representative: Ko, Tsung-Yuan
Supervisor	Pan, Chi-Hsiu
Supervisor	Wang, Hui-Min
Supervisor	Xi Wei Investment Co., Ltd. Representative: Lu, Li-Cheng
Supervisor	Xi Wei Investment Co., Ltd. Representative: Chen, Hui-Chou

5.2 Code of Conduct and Risk Management

5.2.1 Code of Conduct

Honesty and integrity has always been among GIGABYTE's most important core values. As a sound enterprise of many years' standing, GIGABYTE opposes speculation and illegal activity, places a strong emphasis on employee and public welfare, and has issued the "Employee Work Rule" to define a clear system for rewards and disciplinary action. We have publicly declared our willingness to abide by the international Electronic Industry Code of Conduct (EICC) and the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" in Taiwan. The relevant information are also disclosed in the annual report.

The GIGABYTE "Employee Work Rule" is a code of conduct governs all employee behavior. We hope that it will enhance the business ethics and professional integrity of all GIGABYTE employees in order to protect shareholders' interests and fulfill our CSR. The work rules are published in full on the Intranet where they are accessible to all employees. New employees are also asked to read and sign their willingness to abide by the work rules upon arrival.



Legal Compliance, Ethics and Honesty

GIGABYTE employees are expected to follow the relevant regulations and internal company regulations during the performance their duties. We expect them to hold themselves to the highest ethical standards. All matters should be processed in a honest manner and business records faithfully documented. Reports to superiors should be true with no forged records or deliberate attempts to hide matters that impact on company interests. For information whose disclosure is required by the competent authorities, the responsible employees should comply fully with the disclosure procedure and do their best to ensure that the reported or submitted information is complete, appropriate, correct and up to date.

Equal and Safe Work Environment

GIGABYTE hopes to provide employees with an equal and safe work environment. Every employee should treat all other employees equally and no discriminate on the basis of race, gender, color, sexual preference, language, religion, political affiliation, place of origin, nationality, physical or mental handicaps or marital status. There should be no bias in the recruitment, testing, hiring, assignment, placement, performance evaluation or promotion of employees unless it is due to the nature of the work and a proper reason can be offered. There should be discrimination based on gender or sexual preference. Employees may not engage in any discriminating or harassing behavior (including sexual harassment as defined in the Gender Equality in Employment Act) during the performance of their duties.

Avoiding Conflicts of Interest

All employees should have the company's interests at heart during their work. They should avoid engaging in any behavior that may lead to a conflict between personal and company interests.

Gifts and Hospitality

All GIGABYTE employees, their spouses and direct family members may not receive or ask customers or suppliers to provide rebates, commissions, securities, valuables or hospitality of excessive value.

Confidentiality

All information about GIGABYTE that an employee learns during their employment including but not limited to business information, operations information, technical information (including concepts and ideas not yet expressed in text or drawings), IP and business secrets, or information exchanged between GIGABYTE and other companies and customers, are considered confidential information owned by GIGABYTE, with the exception of those that are common knowledge among the general public. To protect GIGABYTE interests, all employees must safeguard the company's confidential information in an appropriate manner. It is also the responsibility of employees to ensure the confidentiality of that information during or after their period of employment with the company. The information must not be made known to their friends, relatives or any other third party in a direct or indirect manner.

5.2.2 Anti-corruption and Anti-bribery

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

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

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

5.2.3 Risk Management

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

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

To cope with internal and external impacts as well as challenges to company operations, GIGABYTE drew up the "Crisis Response Management Procedure" in 2001 that is used for setting up a cross-unit discussion group on potential natural disasters or threats to corporate image so appropriate response strategies and reporting mechanisms can be put into place. A risk identification and post-incident review mechanism can help minimize the potential impact.

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

Figure 5-2 GIGABYTE's internal AOE awareness webpage

At the same time, we have dedicated personnel monitoring climate change management related issues and the conclusions reached by annual United Nations conferences on climate change. Close attention is paid to potential carbon risk issues with international consensus taken into account when defining the company's environmental policies and targets. In 2010, group-wide energy conservation and carbon reduction education was carried out through the "GIGABYTE Green Sustainability Development Committee" and "Green Action Plan". By ensuring that employees understand and can response to potential problems, these can be incorporated into the company's management and new product planning. Relevant measures such as testing product performance in extreme climates or coping with rising fuel, water and electricity prices can all be taken into account during planning as well. The "Green Product Innovation - Innovation . Value .Sustainability" initiative was continued in 2012 with "Going green is free" as the theme. Employees were encouraged to design green products that possess "Innovation, Value, Sustainability". The event focused on GIGABYTE product innovation, but was not limited to production processes or green innovation in the office. A "Simply and Streamline" approach was adopted to eliminate unnecessary "quantity" and improve "quality". As innovation is the engine of business progress and also sustainable development, "innovative thinking" can transform products into eco-products of even greater value and quality.

5.2.4 Personal Information Protection Act

Due to the introduction of the Personal Information Protection Act (PIPA) by the government, GIGABYTE has set up a Personal Information Committee with teams on PIPA training and education, personal information inventory and management, planning and improvement, internal audit and IT support. The Committee is convened on a regular basis and the teams are tasked with protecting the security of personal information. The team functions are as follow:

Convener:
Coordinate corporate resources, decide on major issues and the making of regular progress reports to the Board of Directors.

Legal consultant:
Legal consultation and interpretation

Liaison:
Convene the personal information protection and management committee on a regular basis, report progress to executive management, follow-up and coordination of outstanding issues.

PIPA Training and Education Team:
Develop teaching & training materials, educate and train current and new employees about the cognition of the personal information.

Personal Information Inventory and Management Team:
Compile the personal information inventories of BUs, centers and subsidiaries.

Planning and Improvement Team:
Gather PIPA regulations, revise rules and management regulations, and correct defects.

Internal Audit Team:
Conduct regular audits, produce defect reports and progress follow-up.

IT Support Team:
Develop and modify systems in response to personal information management requirements as well as the planning and installation of hardware and network communications equipment.

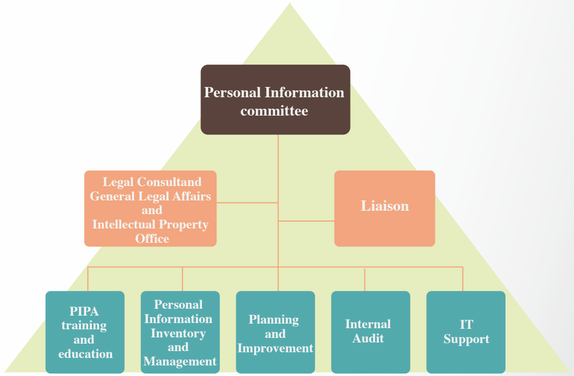


Figure 5-3 GIGABYTE Personal Information Committee

5.3 Internal Audit

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

5.4 Remuneration Committee

To ensure a sound compensation scheme for company directors, supervisors and executives, at the end of 2011 GIGABYTE established the "Remuneration Committee" in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stocks is Listed on Stock Exchange or Traded over the Counter". The Committee has a membership of three and is appointed by the Board. One member serves as the convener and the term of appointment is the same as the Board of Directors. In June, 2012, Mr. Yang, Zheng-Li, was appointed the convener of the 2nd Remuneration Committee. The role of the Committee is to evaluate and provide recommendations on the annual/long-term performance targets and remuneration policy of company directors, supervisors and executives from a professional and objective perspective. This is to ensure that the company's remuneration complies with the relevant laws and is sufficient to attract talented personnel. The Committee also advises the Board on related decisions. The Remuneration Committee is convened at least twice a year but extraordinary meetings may be called when necessary.

5.5 Political Contribution

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

6 Employees

In the fierce battle over human resources, it is imperative for every company to choose and employ the right people from the start to maximize their benefits. "Human resource management" has therefore become an increasingly important issue for GIGABYTE. Apart from aggressively searching for outside talent, GIGABYTE also strive to identify, cultivate and retain talented individuals within the company as well.

GIGABYTE is committed to providing employees with an incentive salary scheme, a broad range of benefits and a training & development system centered around core competencies. A strong emphasis is also placed on the cultivation of management skills. Educational and cultural workshops at held at different times to help employees expand their horizons as well as find a balance between work and leisure.

6.1 Employment

At the end of 2012, the GIGABYTE workforce totaled 7,572 people. When divided by region, Taiwan employed 2,800 (37%), China employed 4,365 people (57.6%) while other regions accounted for 407 people (5.4%).

The total workforce of 7,572 was divided into 3,428 specialists and 4,144 production workers. Of the 3,428 specialist, 52.1% were women and 47.9% were men. When sorted by role, 29.3% were in R&D, 39.2% were in marketing, 15.2% were in administration and 16.3% were in customer service. Of the 4,144 production workers, 991 were in Taiwan and 3,153 were in China. Foreign personnel accounted for 9.6% of all managers and specialists.

Table 6-1 Geographic distribution of GIGABYTE employees

	No. of Employees in 2012	Ratio (%)
Taiwan	2,800	37%
China	4,365	57.6%
Other	407	5.4%
Total	7,572	100%

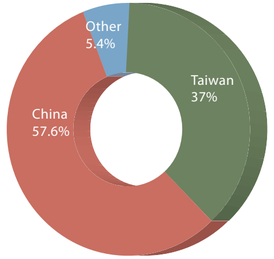


Figure 6-1 Geographic distribution of GIGABYTE employees

Table 6-2 Gender distribution of GIGABYTE employees

	2011	2012
Men	47.8%	47.9%
Women	52.2%	52.1%

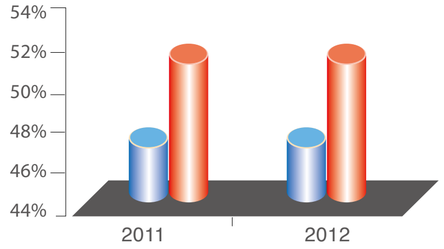


Figure 6-2 Gender distribution of GIGABYTE employees

6.1.1 Employee Structure

The gender distribution of GIGABYTE employees sorted by employment types, GIGABYTE began applying for national defense service between 2004 and 2007. National defense was changed to R&D substitute service in 2008 and GIGABYTE has been allocated 5 ~ 13 draftees each year.

In terms of academic background, the majority of GIGABYTE employees (67.1%) hold a college degree. Due to the popularity of the in-service education, the proportion of employees with a Master's degree or higher has increased every year. The average age of employees is 35.4 years and average years of service is 7.3 years. As the production lines employ a higher proportion of female workers, there are more female employees than male employees at GIGABYTE. Managers at the section level or above account for 18% of all employees.

Table 6-3 Gender distribution of GIGABYTE employee types – by employment types

Employment Types	Male	Female
Full-Time	43.2%	50.7%
Outsourced	2.8%	0.5%
Contractor	0.2%	0.4%
Part-Time	1.1%	0.5%
R&D Substitute Service	0.7%	0.0%
Total	48%	52%

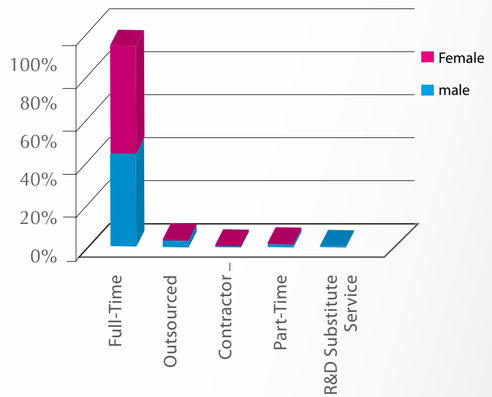


Figure 6-3 Distribution of GIGABYTE employee – by employement types

Table 6-4 Distribution of education level among GIGABYTE employees

Education	2009	2010	2011	2012
Doctorate	0.2%	0.2%	0.2%	0.2%
Master	10.3%	11.2%	11.7%	12.9%
Undergraduate	66.8%	67.1%	67.5%	67.1%
High School or lower	22.7%	21.5%	20.6%	19.8%

Table 6-5 Average age and years of service for GIGABYTE employees

Item	2009	2010	2011	2012
Average Age	35.3	34.8	35.1	35.4
Average Years of Service	7.4	6.4	6.9	7.3

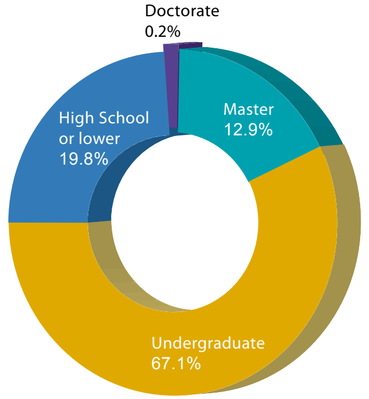


Figure 6-4 Distribution of education level among GIGABYTE employees

6.1.2 Employee Turnover

In 2012, GIGABYTE welcomed 863 new employees. The reporting rate was 41.9% for men and 58.1% for women. There were 501 employees with 43.5% male and 56.5% female leaving the company. Most of the new arrivals and departures in 2012 were women. GIGABYTE encourages employees to find a balance between work and leisure. Apart from offering flexible working hours to help employees deal with family matters, employees may also apply for unpaid parental leave and related subsidies as allowed by law. In the last two years, 18% of employees that returned to work after applying for unpaid parental leave.

Table 6-6 Gender distribution of GIGABYTE employee turnover

	Men	Ratio	Women	Ratio	Total
Arrival	362	41.9%	501	58.1%	863
Departure	218	43.5%	283	56.5%	501

6.1.3 Employee Retirement

In 2012, 10 employees retired from GIGABYTE. The average length of service was 16 years and the longest was 18 years. GIGABYTE hosted a send-off party and retirement ceremony for employees that reached retirement age. During the event, the president presented the employees with a commemorative plaque and gift to thank them for their contribution over the years. The retiring personnel also gave speeches thanking the company for providing great benefits and a wonderful working environment, as well as their managers and colleagues for their support. The retirement ceremony ended on a very heart-warming note.

Figure 6-5 Retirement and send-off ceremony for GIGABYTE employees

GIGABYTE

ceremony for GIGABYTE employees
Thoughts on My Retirements

Department: APD4

Name: Lin OO

I joined GIGABYTE in April, 1996, and started out at the Puchiang plant in Bade. I then transferred to the Pingjen and Nanping plants. In my 16 years at GIGABYTE I was involved in three moves. While the world outside looked so bright and the work environment changed with every move, the hard-won friendship I built up with my colleagues helped to keep me enthusiastic and motivated in my job.

Looking back on my early years with GIGABYTE, every day went by without incident in a fulfilling way thought there were some surprises. I remember now how we broke our backs working overtime during the September 21 Earthquake period. The managers knew that it was hard on us workers and their timely encouragements helped us make the best of things and made us feel appreciated. Everyone at work got on well together and the atmosphere in the department was always very positive. There was a time when had with assembly after insertion. With the careful guidance and assistance of my team leader, I was able to get the hang of things on the production line. This reduced stress and problems on the line. I am really fortunate to have met great managers and employees that pulled together through it all.

Sixteen years seemed to pass by so quickly and my health isn't what it was. My children now all have families of their own so it is time for me to put aside the burden of family livelihood and prepare for a life in retirement. I will now say goodbye to the busy workplace and my colleagues like family. It's a wrench leaving such a familiar environment but I decided to apply for retirement since this will be start of a new life.

My thanks go to GIGABYTE for its sound system and benefits that allowed me to concentrate on my work. I hope that the company's business will continue to grow every day! Thank you to all of the managers for all of your guidance, assistance and encouragement in terms of technique at work and personal relations. And thank you to all of my colleagues. We have been through a lot together and the way we supported each other will always be my favorite memories. In conclusion, I wish all of my superior and colleagues the best of health, and success in all endeavors.

Figure 6-6 Retirement speech of veteran GIGABYTE employee

6.1.4 Recruitment

GIGABYTE focuses on employee ability and core competencies during recruitment. We do not discriminate on age, gender, race, religion, nationality, political party, place of birth, sexual preference, marital status, appearance or physical/mental handicaps. A variety of different channels are used to recruit talented personnel from around the world.

In 2012 GIGABYTE employed a total of 30 disabled people as part of our program for disadvantaged group. The percent of the disabled employees exceeded the 1% quota set by the "Physically and Mentally Disabled Citizens Protection Act". GIGABYTE employed more disabled, middle/old-age and unemployed personnel than required by law and was rewarded with a grant for exceeding the disabled employment quota by the Labor Bureau in 2012 Q4.

At all of our sites around the world, we provide employees with a comfortable office environment, excellent employee benefits and open channels for communication in accordance with local government regulations and cultural customs. Such a pragmatic approach effectively inspires employees to greater creativity and productivity.

6.1.5 Prohibition on Child Labor

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

6.1.6 Performance Management and Development

GIGABYTE encourages managers to interact and communicate with employees as part of the performance management process each year. Each unit distributes performance bonuses based on their business performance and each employee's actual contribution. In addition to the fixed monthly salary and annual bonuses, a variety of employee incentives such as patent bonuses, sales bonuses, performance bonuses and employee dividends are provided. These are not affected by gender, religion, race, nationality or political party.

6.1.7 Human Rights

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

We offer a variety of communication channels. A labor-management conference is hosted every quarter to communicate with employees and promote harmonious relationship between labor and management. We have also set up employee message boards and suggestion boxes with dedicated personnel assigned to respond to feedback. These measures ensure obstacle-free internal communications.

EICC
ELECTRONIC INDUSTRY CITIZENSHIP COALITION

6.2 Employee Development

Employee learning and development is very important at GIGABYTE. The upper management takes an active role in all management and competency courses by making introductory remarks and conclusions after courses in order to provide maximum encouragement and support to employees. As part of the GIGABYTE vision of "Upgrade Your Life", we not only cultivate employee innovation and professional skills but also take an interest in enhancing employees' living aesthetics and cultural sophistication. These efforts have played a crucial role in helping GIGABYTE maintain its market leadership. At the end of 2012, GIGABYTE conducted a total of 20,522 hours of training. Management training totaled 2,410 hours while specialist training totaled 18,112 hours with 55% of the training hours going to men and 45% to women. The numbers highlight GIGABYTE's level of commitment to education and training.

Table 6-7 GIGABYTE Training Hours by Competency

	Headquarters			Nanping Plant			Total Hours
	Men	Women	Hours	Men	Women	Hours	
Management	396	248	644	1,243	523	1,766	2,410
Specialist	3,580	1,671	5,251	6,100	6,762	12,861	118,112
Total	3,976	1,91	95,895	7,343	7,285	14,627	20,522

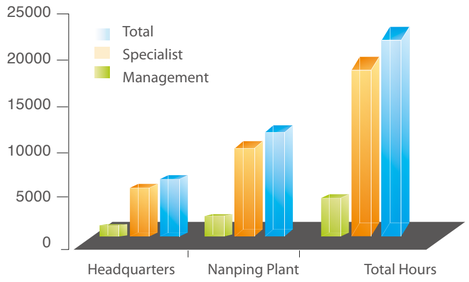


Figure 6-7 GIGABYTE Employee Training Hours

6.2.1 Training and Development Plan

GIGABYTE provides employees with courses on management skills, core competencies, professional skills and general knowledge skills based on the needs of their position. These are supplemented by subsidies for optional external training and language classes to ensure that employees receive full company support in self-development. All employees are required to take courses on "Quality Consciousness", "Brand and CIS", "Supply Chain Safety Policy", "IT Security Management Policy" and "Labor Safety & Health Training". As the GIGABYTE Group is a leading international brand, all employees are expected to understand the company's quality consciousness, brand identification, risk management and safety.

6.2.2 Evaluating Training Benefits

Apart from providing a diversified cultivation plan, GIGABYTE has invested significant energy into evaluating training results as well. We believe it is important to know whether employee behavior was changed after training and this is used to decide whether training should continue. For this reason, we have designed a variety of forms that help us improve training efficiency. First, pre-course homework or reading lists provided in advance allow employees to get prepared for the course. After the course, employees must provide feedback and employees' behavior are observed by their direct supervisors with the findings reported to Human Resources. If the employees showed no clear improvement in behavior, they are then required to retake the course next year. A variety of different methods and channels are also used to reinforce employees' training efficiency including the annual quality extension activities, the monthly themed articles in the elevators, and the weekly columns on the human resources website.

The GIGABYTE training & development plan is as follows: :

New employee orientation: Help new employees become a part of the GIGABYTE family as soon as possible

Apart from completing one day of orientation training, headquarters also arranges a half-day tour at the Nanping plant and attend a presentation in order to help them under the company's operations and practices better. Every new employee is also assigned a personal mentor before arrival to help them settle in at the company as well as learn about their surroundings and corporate culture.

Management skills training: A series of courses designed for each level of management to strengthen management skills

Our management skills training includes annual executive bonding conference, middle and upper management training, divisional manager workshop and new manager training. The course subjects are tailored to each position and the company's overall development strategy. All training, teaching materials and extended activities are carefully reviewed and planned to help managers improve their management ability.

Core competency training: Cultivate prerequisite general skills and consensus

Core competency training focuses on two core themes: "Enhancing quality consciousness" and "Problem solving and analysis". GIGABYTE follows a philosophy of "Continuous Cultivation" in the comprehensive and continuous promotion of these two competencies. The quality course was introduced to China in 2009 and so far 2,637 people have been trained through 50 sessions. We expect to host 9 sessions and train 500 people this year.

Professional training: Strengthen technical expertise and product-related skills and knowledge

Our professional training includes the product knowledge and professional skills needed by each unit. These include courses on equipment engineering, product support, legal affairs & IP, and financial accounting.

General knowledge: Sharing of information on issues such as lifestyle and careers with all employees.

Our general knowledge training covers employee lifestyle and career, aesthetics & culture and practical skills. The "Upgrade Your Life" Workshop is hosted every month and invites leaders of society through the GIGABYTE Education Foundation to share their personal experiences with GIGABYTE employees and expand employees' horizons.

Language training: Subsidized language training courses to improve internationalization capability

As a transnational enterprise and international brand, GIGABYTE encourages employees to expand their international horizons. In addition to general knowledge and management instruction, subsidies are also available to encourage employees to learn foreign languages.

External training: Subsidies for external training courses to acquire the latest industry information and technologies

For specialized or unusual new topics or technologies where no suitable resources are available within the company, employees may opt to attend a suitable external training organization at the company's expense. The employees can then share what they learned within the company.

E-Learning: Select any course without time or space constraints.

Courses taped with permission as well as online courses recorded by internal instructors are available through the "E-Learning Center". This provides another channel for learning as employees can choose whatever subjects they are interested in and go through them a convenient time.

6.3 Remuneration

To ensure a sound compensation scheme for company directors, supervisors and executives, at the end of 2011 GIGABYTE established the "Remuneration Committee" in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on Stock Exchange or Traded over the Counter". The Committee has a membership of three and is appointed by the Board. One member serves as the convener and the term of appointment is the same as the Board of Directors. The role of the Committee is to evaluate and provide recommendations on the remuneration policy and system of company directors, supervisors and executives from a professional and objective perspective. This is to ensure that the company's remuneration complies with the relevant laws and is sufficient to attract talented personnel. The Committee also advises the Board on related decisions. The Remuneration Committee is convened at least twice a year but extraordinary meetings may be called when necessary.

The remuneration standard of GIGABYTE is based on regulatory requirements, conditions, job market and company finances. This is not affected by the gender and age. With the same position and level, the male-female ratio of the starting salary is 1:1.

6.4 Employee Welfare Committee

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

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

Figure 6-8 GIGABYTE Employee Welfare Committee's internal webpage

6.5 Occupational Safety and Health

All company production processes conform to labor safety & health regulations, have passed OHSAS 18001 occupational health and safety management system certification, and employ the statutory number of OSH managers. An "Occupational Safety and Health Committee" have also been established in accordance with the "Occupational Safety and Health Act" to draw up the OSH policy and convene regularly to review, coordinate and make recommendations on OSH affairs. OSH initiatives at GIGABYTE include employee health exams, safety & health training and emergency response drills. We have also set up an accident reporting system and the OSH working rules to protect the physical and mental of our employees as well as their occupational safety.

6.5.1 Employee Health Exams and Health Promoting Activities

Employee Health Exams

Healthy employees are the key to a happy enterprise. Health exams protect the rights of both the employer and employee. Health exams are also used to determine if an employee is suffering from occupational or infectious diseases, making it crucial in maintaining employee health. One of the key factors in a sustainable enterprise is retaining quality employees. To attract and retain quality employees, the business itself must not only possess development potential but also provide a health and high-quality work environment. GIGABYTE not only provides general physical health examinations for new employees but also annual health exams for employees with the necessary level of seniority. Those with abnormal readings have a repeat examination arranged at the hospital by the Medical Office and their condition tracked through the health management system. In 2012, a total of 1,065 people from headquarters underwent health examinations. Nanping plant had 820 people, Ningbo plant had 468 people and Dongguan plant had 496 people.

Labor Health Promoting Activities

To promote health education, employee health and proper health concepts, GIGABYTE not only hosts invites health experts to given internal health seminars and educate employees correct health concepts. We also cooperate with nearby hospitals and clinics to organize different kinds of cancer screening events. Apart from making it convenient for employees, this also helps employees pay attention to their health early. In 2012 a total of 19 health promoting activities were hosted, attracting a total of 1,050 people.

Tobacco-Free Workplace Award

GIGABYTE is keenly aware of the harm that smoking and second-hand smoke causes to the human body as well as the danger posed by improper disposal of cigarette butts. We have been a longtime supporter of tobacco-free workplace for many years so that smokers and non-smokers can learn to respect each other.

In June, 2012, the New Taipei City Health Bureau and health clinic conducted an on-site inspection that confirmed that our company strictly enforced smoking areas for employees. We also held a number of promotional events and spared no effort when it came to promoting employee health. The Health Bureau recognized GIGABYTE's efforts in promoting a tobacco-free workplace by presenting the "Excellent Tobacco-free Healthy Workplace" award, making us a model for the industry.

Table 6-8 GIGABYTE health promoting activities in 2012

Event Description	Event Description
AED First-Aid Personnel Refresher Training	Free Mammogram Referrals
Gastro-enteritis Virus Prevention Seminar	Free Pap Smears
Weight-loss Diet - Eating Out	Intestinal Cancer Screening
Tobacco Hazard Prevention Education	Annual Health Exams
Metabolic Syndrome Screening	First-Aid Seminar - Wound First-Aid and Treatment
Pap Smear	Free Oral Membrance Screening
Mammogram	Health Seminar - Fighting Aches and Pains
Oral Membrane Screening	Influenza Vaccination
Tobacco Quitting Consultation	Free Bone Density and Body Fat Measurement
Health Seminar 2012 Move, Eat and be Healthy	

6.5.2 Emergency Response

GIGABYTE has adopted a proactive approach on measures and responses for industrial safety & health incident prevention, emergencies and fire safety. These are intended to prevent man-made or natural emergencies, protect personnel safety, as well as prevent or reduce their impact. Emergency response measures include: emergency response procedures for fires, chemical spills, quarantine, food poisoning and earthquakes. Emergency response drill and safety training were conducted with 4,167 people participating in 2012.

In fire safety, monthly inspections of firefighting equipment are conducted while fire safety reports and improvements are carried out once a year in accordance with the firefighting equipment management procedure. Public safety inspections for buildings and replacement of expired fire extinguishers are also conducted annually. Occupational safety & health training, emergency response and firefighting training were also hosted in accordance with the occupational disaster prevention and management procedure. In 2012, each plant site conducted the following activities:

Firefighting Exercise

Each plant site conducts a firefighting exercise every 6 months. The local firefighting and disaster prevention education center as well as fire bureau are invited to participate in the exercise.

Figure 6-9 Firefighting exercise at Dongguan plant

Figure 6-10 Firefighting exercise at Nanping plant

Figure 6-11 Firefighting exercise at Ningbo plant

Solvent Spill Emergency Response Exercise

Each plant site hosts a solvent spill emergency response exercise each year. The emergency response team and environmental safety team are mobilized for the exercise.

Figure 6-12 Solvent spill emergency response exercise at Nanping plant

Solder Furnace Emergency Response Exercise

Each plant site hosts a solder furnace emergency response training session each year.

Figure 6-13 Solder furnace emergency response exercise at Nanping plant

6.5.3 Occupational Injury Statistics and Analysis

GIGABYTE tracks the Disabling Frequency Rate (FR - disabling injuries per 1000,000 work hours in the workplace) and Disabling Severity Rate (SR - average number of days lost per 1,000,000 work hours in the workplace) as the two main indicators for occupational injury statistics as required by the Council of Labor Affairs (CLA). The occupational injury statistics for the four GIGABYTE plants in 2012 were as shown in Table6-9. Occupational safety and health management has long been a priority at GIGABYTE, in accordance with the "Regulations Governing the Management of Occupational Safety and Health Management Organizations and Self-Inspections", workers make up more than one-third of the safety and health committees.

Table 6-9 Occupational injury rates at the four GIGABYTE plants in 2012

Plant	Occupational Injury Rates
Xindian	FR : 0.00 / SR : 0.00
Nanping	FR : 0.67 / SR : 13.95
Dongguan	FR : 0.00 / SR : 0.00
Ningbo	FR : 2.35 / SR : 9.10

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

6.6 Employee Care

In keeping with our philosophy of a "Happy Career and Glorious Life", GIGABYTE observes labor laws passed by the government and provides employees with a message board and suggestion box. Dedicated personnel are assigned to answer employee suggestions, ensuring smooth lines of internal communications. The Employee Welfare Committee also hosts a variety of promotions at different times while employees can freely take part in their favorite clubs and activities. These activities help with employees' wellbeing and provide a healthy, safe workplace that balances work and leisure.

GIGABYTE provides the following employee care measures:

Comprehensive insurance

GIGABYTE provides employees with the best possible care and protection. Employees are not only entitled to labor and national health insurance as required but also provided with comprehensive group insurance. This provides employees with additional life insurance, accidental insurance, medical insurance and cancer insurance coverage.

Flexible Attendance Scheme

GIGABYTE offers business leave, business travel leave, sick leave, accident leave, marriage leave, childbirth leave, occupational injury leave, menstruation leave, paternity leave, funeral leave, national public holidays, special leave, family leave, parental leave and indigenous ritual leave. GIGABYTE's special leave provides employees with a flexible way of taking advantage of their accumulated leave.

Statutory pension scheme

GIGABYTE has defined regulations governing employee retirement in accordance with the "Labor Standards Act" and "Labor Pension Fund Act". The company contributes to the employee pension fund as required by law. When an employee retires, a retirement ceremony is also held to thank the employee for their contribution.

Employee benefits

The employee welfare fund is funded by company and employee contributions. Regular benefits include the annual festivals and birthdays. Other benefits include marriage, childbirth, funeral, emergency, club, computer and children's scholarship subsidies.

Product promotions

Employee discounts are offered on purchases of GIGABYTE products. The Employee Welfare Committee also organizes group buys in partnership with outside vendors to provide employees with great discounts.

Club Activities

Employees are encouraged to organize interest-based clubs outside of work to achieve a balance between work and leisure. The Employee Welfare Committee organizes annual events every year such as family days, sports carnivals, end of year banquets, travel and movie screenings to enrich employees' lives.

Company facilities

Employees have access to the fitness center, aerobics classroom and nursing room.

Art & cultural activities

Hosting of celebrity, music, art and health workshops as well as the art & culture gallery.

6.7 Work-Life Balance

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

6.7.1. Celebrity Workshops

GIGABYTE sometimes invites celebrities in different fields to give speeches. The life stories and values shared by the celebrity become food for thought that enrich life. A total of three celebrity workshops were hosted in 2012.

Topic	Speaker	
Truth, Compassion and Beauty in Trying Circumstances	Chen, Hong	Journalist
Finding Yourself Traveling Solo	Wang, Hong-Ren	President of Hewlett-Packard
Change and Let Success Come to You	Huang, Guo-lun	Artist

Figure 6 -14 Celebrity Workshop - Truth, Compassion and Beauty in Trying Circumstances

Figure 6-15 Celebrity Workshop - Finding Yourself Traveling Solo

Figure 6-16 Celebrity Workshop - Change and Let Success Come to You

6.7.2. Art & Cultural Activities and Subsidies

In addition to the "Upgrade Your Life" art gallery in the main lobby of our company headquarters, GIGABYTE employees also have the opportunity purchase heavily discounted tickets for two to art & cultural events each quarter. Internal art & cultural workshops are also held at various times to improve the cultural sophistication of employees. Workshops include dancing, music, plays and traditional operas at the National Concert-Theater Hall. These performances enable employees to appreciate the magic of the arts and bring them closer to art through even more interesting elite performances.

Workshop Topic	Speaker	
Into the Maze of Gardenia Memories	Hong Hong	Poet, director, artist
Digital Island, Taiwan Jigsaw	Chin, Cheng-Tsai	Famous photographer

Figure 6-17 Art & culture workshop - Into the Maze of Gardenia Memories

Figure 6-18 Art & culture workshop - Digital Island, Taiwan Jigsaw

6.7.3. Health Workshops

Apart from the health promoting and safety & health educational workshops regularly hosted by the OSH Committee, GIGABYTE also organizes everyday internal health workshops for employees.

Workshop Topic	Speaker	
Skin Beauty - Care Trends in Generation Beauty	Wu, Ying-Chun	Dermatologist at National Taiwan University Hospital

Figure 6-19 Health Workshop - Skin Beauty: Care Trends in Generation Beauty

6.7.4. GIGABYTE Sports Carnival

To encourage employees to exercise regularly for their physical and mental health, the GIGABYTE Sports Carnival is hosted in May each year. Employees are encouraged to come exercise and play with their families in the great outdoors. Group competitions also help employees to bond with their families and employees outside of work. The 2012 carnival was named "2012 GIGABYTE Smile Family Day" and was held at the Daxi Elementary School in the popular tourist town of Daxi chosen by popular vote. The sports carnival not only allowed families to have fun together but also arranged for sports competitions between employees for both fun and exercise. Tours of the Daxi Old Street was also organized for employees so they can experience some of the area's history.

Figure 6-20 Sports Carnival: 2012 GIGABYTE Smile Family Day

6.7.5. Club Activities

GIGABYTE headquarters currently has 10 clubs including the Triathlon Club, Basketball Club, Xindian Badminton Club, Body Sculpting Aerobics Exercise Club, Eye Taiwan Cycling Club, Baseball Club, Photography Club, Boxercise Club, Nanping Badminton Club and the GIGABYTE League of Legends e-Sports Club. The clubs help employees diversify their interests and also send teams to take part in outside competitions.

April, 2012: Family tour of two science museums

January, 2012: GIGABYTE EyeTaiwan cycling club: "Centennial Highlight - Triathlon Round-Island Tour"

March, 2012: GIGABYTE Triathlon club takes part in the "Beima-Shuangxi Cherry Blossom Cup Marathon"

August, 2012: GIGABYTE Triathlon Club sends team to "Taipei 101 Run Up"

November, 2012: GIGABYTE Triathlon Cub sends team to "Taroko Gorge Marathon"

Figure 6-21 Club activities - Beima-Shuangxi Cherry Blossom Cup Marathon

6.7.6 G-HOME - Sustainable Eco-Roof

In keeping with our philosophy of a "Happy Workplace, Glorious Life", GIGABYTE developed the "G-HOME Sustainable Eco-Roof" project in 2012 to help employees balance work and life. By covering the roof with green lawn and native vegetations, a micro-habitat was created for animals, insects and butterflies. This not only increased bio-diversity but also offered employees a place to relax away from work.

G-HOME Concept

The G-HOME Sustainable Eco-Roof concept was based around three core concerns: Employee, Life and Environment. It serves as a GIGABYTE green lifestyle map for balancing work, life and leisure.

GIGABYTE's advances and innovations can all be attributed to the tireless contributions of our employees. In today's world, businesses must pay more attention to their employees' physical and mental wellbeing. Apart from providing a good work environment, there should also be a place to relax and stretch out. G-HOME is a space where employees, retired employees and their families can help manage and relax in.

Apart from taking care of employees, rapid economic development has put pressure on green spaces in the city. The G-HOME Sustainable Eco-Roof is a pilot for environmental education. As a green space that incorporates the concept of bio-diversity, G-HOME not only plants tree to give Earth back its lung but also uses native vegetation to create a habitat rich in biodiversity where many creatures can live. Apart from respecting the cycles of nature, G_HOME establishes a model for symbiosis between mankind and the environment while also boosting understanding of sustainable development.

Figure 6-22 Club activities - Taipei 101 Run Up

G-HOME Setup

GIGABYTE's pursuit of ecology and sustainability dispenses with ornate garden landscaping and retains only the interaction between man and nature.

1. G-HOME Sustainable Eco-Roof: Conveys the ideals of Green (G), Health (H), LOHAS (O), Mind (M) and Ecology (E).

2. Protect the earth and ecology: Native Taiwan plants create a micro-ecosystem for symbiosis with the environment.

3. Sustainable resources (from cradle to cradle): Conserve water resources, collect rainwater for reuse, compost fallen leaves and achieve natural sustainability.

4. Set up sustainable energy source: Wind power, solar power and muscle power.

5. Respect for humanities and nature: Respect employees, protect nature, and G-Home is my home.

G-HOME's 5 Key Themes

1.Sustainable zone: Green innovation, sustainable development, seedling cultivation and enduring life

2.Organic farming zone: Urban farmer, LOHAS sharing, organic cuisine and internal environmental protection.

3.LOHAS experience zone: Happy and slow life, sustainable health, healthy trail, LOHAS experience

4.Wellbeing zone: Potential development, mental growth, stress relief and joint growth

5.Sustainable ecology zone: Clean technology, sustainable development, bio-diversity and symbiosis

6-8 GIGABYTE Statement on Labor Investigation

GIGABYTE values the opinions and voices of our employees. We are committed to establishing and open and transparent communications channel for promoting harmonious labor relations. In 2012, the Labor Affairs Department of New Taipei City investigated GIGABYTE's overtime application process. To achieve a balance employees' wellbeing and business competitiveness, GIGABYTE hosted a labor relations meeting every three months to review existing the roster system. The issues of working hours and the handling of overtime were also raised for discussion. Apart from convening managers to brief them on relevant legislation, employees were also reminded about complaints channels and an automated warning function added to the overtime application process. This encouraged managers and employees to engage in two-way communication and review of the overtime process. The official response from the Labor Affairs Department indicated that GIGABYTE did not violate the relevant provisions of the Labor Standards Act and was cleared by the labor investigation. The results showed that GIGABYTE complied with the government's efforts to enforce labor legislation and lived up to our commitment to CSR.

Figure 6 -23 A corner of the G-HOME Sustainable Eco-Roof

7 Sustainable Supply Chain

GIGABYTE considers suppliers to be our long-term partners in building a stable, sustainable supply chain. GIGABYTE tier-1 suppliers are required to set up an environmental management system and all have now achieved ISO 14001 certification. With regards to products, all suppliers must conform to our Eco Product Requirement. Suppliers must also state their compliance with GIGABYTE guidelines on lead-free process, lead-free product, halogen-free process and halogen-free products due to EU's RoHS and REACH directives. In addition to product quality, delivery time, cost and service, suppliers are asked to pay attention to human rights and global environmental issues so they can work with GIGABYTE to build a sustainable supply chain and fulfill our CSR.

7.1 Supplier Management

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

7.2 Supplier Code of Conduct

7.2.1 Supplier Labor Rights and Electronic Industry Code of Conduct

The issue of workers' human rights in the electronics industry's supply chain has been an important issue for the Electronics Industry Citizenship Coalition in recent years. Apart from promising to uphold the highest ethical standards in our compliance with the local laws and the Electronic Industry Code of Conduct (EICC), GIGABYTE expect all suppliers in our supply chain to sign the "EICC Declaration of Conformity" and commit to conforming to the standards on business ethics, environmental protection, safety and health, labor rights and working conditions as well as non-use of "conflict metals".

7.2.2 Non-Use of Conflict Minerals

GIGABYTE uses our website and long-term supply contracts to impress on suppliers in our supply chain that we do not support or use "conflict minerals" mined from conflict zones, illegal mining operations or poor working conditions. We also require our suppliers to ensure that the components they provide to the GIGABYTE Group are free of "conflict minerals" as well. We hope that self-regulation of the supply chain will make a difference and require our main metal component suppliers to provide documentation on the sources to ensure that no "conflict metals" are used.

Code of Conduct Compliance Declaration

Figure 7-1 GIGABYTE suppliers "EICC Declaration of Conformity"

7.3 Hazardous Substance Control

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

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

IEC IECQ
QC 080000 IECQ HSPM

REACH COMPLIANCE

7.4 Fair Trade and Green Procurement

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

Figure 7-2 Green Supply Chain Management System

7.5 Partner Excellence Award

GIGABYTE hosts suppliers' conferences at different times to help suppliers understand our expectations on quality, environmental issues and sustainable supply chain management. We have also used the end of year supplier banquet to build up quality consensus for four straight years to emphasize the importance that GIGABYTE places on sustainability issues. To thank our supplier partners for their longstanding support and contribution, outstanding suppliers are recognized through the "Partner Excellence Award" and "Best Partner Award".

7.6 Supplier Sustainability Award

GIGABYTE invests time and manpower in sustainable management while also influencing suppliers to follow our example in embracing and fulfilling CSR. To boost our suppliers' sustainable development ability, GIGABYTE has developed the "Supplier CSR Self-Assessment Tool". The self-assessment mechanism helps suppliers effectively implement GIGABYTE's requirements on CSR management, anti-corruption/bribery, employee's basic human rights, prohibition on child labor, occupational safety & health, environmental protection, supply chain responsibility as well as social and local contributions at all levels. This year, the "Supplier Sustainability Award" was presented for the first time to recognize and acknowledge suppliers for excellent CSR performance and their contributions to the sustainable development of the environment and society.

Figure 7-3 2012 Annual Supplier Banquet

7.7 Customer

All GIGABYTE business activities are based on the philosophy of "Total Quality Assurance and Customer Satisfaction". We not only insist on innovation, care and service but also on green product R&D and innovative design. We use our expertise to help protect the planet and strive to implement all of the relevant environmental management standards. Our quality, environment, OHS and hazardous substance management systems are all aimed at realizing the targets of continuous improvement. We prolong product service life by producing high-quality products. Furthermore, we reduce unnecessary energy use and waste, make the most of the Earth's resources, and deliver maximum customer satisfaction as our goal.

7.7.1 Customer Service

GIGABYTE provides after-sales service through more than 100 service locations in four main regions around the world. We have also set up a dedicated customer service website describing the services we provided including repairs, repair progress queries, product warranty and technical support to make it convenient for customers to find product support and troubleshooting information. We provide a toll-free technical support hotline for users in Taiwan to quickly resolve any product questions they may have. As a result, our rapid service center achieved an average satisfaction rating of over 98% between 2010 and 2012. We also host customer relationship building promotions at different times to thank consumers for their support.

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

Figure 7-4 GIGABYTE's service website for consumers in Taiwan

7.7.2 Customer Privacy Protection

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

★ Our company's ISO process requires all copies of customer repair forms to be sealed and sent back to the head office for destruction every 6 months.

★ Telephone support records are only available on the intranet and access is controlled by account permissions. The records cannot be accessed from outside the network.

★ For e-mail correspondence, system access is controlled through employee accounts. The data can only be accessed by specific network connections and cannot be accessed from outside networks.

★ Peripheral sales are handled over the telephone to prevent leaking of personal details through online transactions.

In 2012, a customer registered for our 4-year motherboard warranty program and checked the option for "I'm willing to receive marketing EDM" on the program webpage. The function requires "GIGABYTE Club" membership to activate however and the customer called us to decline to receive marketing EDM. GIGABYTE has marked the customer's e-mail as "For registration only, may not be used for other purposes" as requested to ensure proper protection of the customer's personal details.

7.7.3 Overseas Service

To better serve overseas compatriots, in June, 2012, GIGABYTE partnered with the "Taipei Economic and Cultural Office in Argentina" to provide the GIGABYTE S1081 high-performance tablet PC in the main lobby of the trade office. These make it easier for overseas compatriots and other users to fill out online VISA applications and check the latest updates from Taiwan.

Figure 7-5 Main lobby of the delegation in Argentina

7.7.4 International Media Visits

To promote Taiwan Excellence, TAITRA commissioned Golin Harris PR to arrange for the international media to tour GIGABYTE. In 2012, international media visitors came from the US, UK, Russia and Malaysia. All 5 editors were from leading online IT publications including Engadget, Stuff Magazine UK, RIA Novosti, TechCrunch and EnterpriseITNews. To provide the international media with an unprecedented experience, GIGABYTE arranged for tours of the Nanping plant for a direct look at the motherboard production process. Apart from demonstrating our product innovation ability, we also conveyed to the media GIGABYTE's emphasis on employee care and CSR. Up to 50% of all employees at the Nanping plant have been with the company for more than 10 years, showing the international media the extent of GIGABYTE's support for the humanities. GIGABYTE is also the only motherboard manufacturer to still have a factory in Taiwan. This not only preserves the integrity of the supply chain but also allows more flexible response to market demand, boosting competitiveness.

Figure 7-6 Visit by international media

8 Social Welfare

In keeping with the ideal of "Caring for society and sustainable development, GIGABYTE cultivates talent, adopts streets, adopts parklands, plants native trees and engages with community building efforts. The GIGABYTE Education Foundation with a mission of "promoting technology education, art & humanities, beautifying life and creating a harmonious progressive society" is also used to promote technology education, innovation, art & humanities and caring for disadvantaged groups. Through these charitable activities, the business can give back to society. Employees are also channeled towards charity and social services that make the communities where GIGABYTE operates a better place. For over a decade the Foundation has been deeply involved in community building and talent development. In 2012, the Ministry of Education presented the GIGABYTE Foundation with an award of excellence for outstanding contribution from an educational foundation.

8.1 Talent Development

"People are Taiwan's greatest asset". GIGABYTE's talent development efforts focus on different areas depending on the actual level. At the elementary level, the factory tour, the Secret to Learning Computers and PC-DIY Technology-on-campus events introduce the true face of computers. Binary logic games are used to introduce the computational logic, interest students in the field of IT and educate them on its basic concepts. Information and techniques related to technology and innovation are also put on display. Participation in the events serve to encourage the sharing of technology and innovation experience. At the university level, due to the importance of quality design to value-added IT products, design competitions are held to boost domestic design ability for IT products. The competitions also offer students planning to become designers in the future with excellent practical training and help realize their value.

- ☆ G-Design
- ☆ The Secret to Learning Computers
- ☆ Factory Tours
- ☆ GIGABYTE's Children Summer Camp
- ☆ After School Computer Class for Poor Students
- ☆ "GIGABYTE IT Product Design Competition"
- ☆ New Century Industrial and Design Education Outlook Forum
- ☆ Donation of computer classrooms to remote local and foreign regions to cultivate students' IT skills
- ☆ Commissioned to host seminar on incorporating industrial design aesthetics into junior high school and elementary school's humanities curriculum
- ☆ PC-DIY Technology at School Technology education workshop - includes computer hardware and computer hardware assembly
- ☆ "Make It Real! Aivia Mouse Design Competition" to convey the "All design is an extension of mankind's subconscious subjected to constant refinement" concept of Aivia

8.1.1 IT Technology Introduction and Education

The Secret to Learning Computers

GIGABYTE began hosting the Secret to Learning Computers activity in 2003 to help children learn about core components of a computer and the function of the motherboard and also to know what the parts on the motherboard are needed for a computer to run properly. The activity has since attracted 13,299 participants. The instructors teach students about computer architecture and to reinforce the learning experience by allowing students to assemble their own motherboards. Factory tours are also offered so students can learn how computers work from an early age and explore the mysterious of computer hardware.

Technology at School, PC-DIY

GIGABYTE offers the "Technology at School" and "PC-DIY" courses to introduce students to IT technology and basic concepts. These activities have attracted a total of 24,018 participants so far. The introduction to basic computer components show students how they all fit together. Binary logic games are also used to teach about the logic of computing. Finally, students can familiarize themselves with computers by assembling and troubleshooting computers for themselves.

Figure 8-1 Technology at School and PC-DIY Photos

8.1.2 Great Design

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

In 2012 G-Design kicked off with 22 campus information sessions around Taiwan in the hopes of identifying and cultivating new designers on campus as well as raising the domestic IT industry's interest in creative design values. For 10th G-Design Contest, the "Innovative Technology" category was given the topic "Roaming the Cloud" while the "Glorious Life" category was given the topic "Taking Flight". A total of 1,141 submissions were received from 31 schools in 2012, with 257 submissions in Innovative Technology and 367 submissions in Glorious Life. The preliminary judging selected the best eight submissions in each category and a practical design seminar. The judges were invited to offer their professional recommendations on the students' entries as well as point out overlooked design principles and feasibility. Finally, 16 submissions in two categories competed in the grand final for their category's highest honor - the Gold Award. The 2012 winners are listed below.

Category	Title	Winner
Innovative Technology	FREE LISTENING	National Taipei University of Education Liu Ching-Ti, Wu Song-Ti, Liu Chang-Chen
Makes buying albums as easy as buying books. The user can pick them up and listen to them to make a comparison far more easily than old-style headphones. Direct connection cloud sample database means the headphones require no memory.		
Glorious Life	Button and Zip	National Taiwan University of Technology Hsu Ching-An
Children between the ages of 3 and 7 can button and zip this learning cloth together in different ways to create fantastic creatures. It is not only cheap to make and easy to store but also helps to train children's hand coordination and life skills.		

Figure 8-2 Graduation photo of Digital Charity Computer Classroom

8.1.3 Factory Tours

The Taiwanese mainboard industry owns the lion's share of the global market and has long been one of Taiwan's best performers. GIGABYTE is more than willing to share this honor by inviting clubs, organizations and schools to tour our factories, learn about the motherboard production process and see our rigorous management for themselves. The tours help visitors appreciate the technology industry's commitment to "High Quality Production" and invites students to think seriously about their future career. Since factory tours were launched in 2005, the number of visitors has continued to grow each year. Visitors come from all walks of life and reflected the strong public interest in Taiwan's No.1 industry. The visit activities have become increasingly internationalized while services have become more sophisticated and customized as well. In 2012, GIGABYTE received international delegations from Xiamen, Hong Kong, Japan, Mexico, Austria and Thailand.

Ramkhamhaeng University, Thailand

Higashine Technical High School, Japan

Providence University

National Longtan Agricultural and Industrial Vocational High School

National Taipei University and University of Innsbruck, Austria

Jinwen University of Science and Technology, Xiamen City University

Wireless Communications and Network Technology Camp of National Central University

Engineering Information Management Camp of National Chiao Tung University

Bachelor of Science in Management Class, National Taiwan University of Science and Technology

National Defense University

Graduate Institute of Information Management, National Taiwan University

Department of Business Administration, National Chengchi University

Graduate Institute of Management, National Taiwan Normal University

Department of Applied Japanese, Nan Jeon Institute of Technology, Tainan

Songshan High School of Agriculture and Industry

Auto Control Club, Chung Yuan Christian University

Tak Sun Secondary School, Southeast Development Association

8.2 Community Development

GIGABYTE does not shy away from its responsibility to give back to the community and provide a better living environment. Blood donations, winter charity aid, adoption of parklands and streets, the opening of computer classes and more all help employees feel the joy of helping other people and make our local communities a better place through the participation of GIGABYTE employees.

- ☆ Digital Charity Computer Classroom.
- ☆ Joint Blood Donation Drive for Xindian.
- ☆ GIGABYTE Charity Winter Aid.
- ☆ Bridging the digital divide by providing laptops to low-income families of Taipei City.
- ☆ Support schools in remote areas to develop art & culture.
- ☆ Employ wandering teachers and provide elementary students from disadvantaged or single-parent families with after-school care.
- ☆ Adoption of Baochiang Road.

8.2.1 Digital Charity Computer Classroom

In today's high-tech society, middle-aged and senior citizens that don't know how to use IT equipment often find a yawning generation gap between themselves and the next generation. Even as resources are channeled to remote rural regions, there are still middle/old-aged men and women in the cities do not acquire essential modern IT skills and make them become the "urban IT-disadvantaged".

GIGABYTE knows the importance of IT education and has leveraged our core business expertise to offer free basic computer classes in the local Xindian community to help narrow the digital divide. GIGABYTE branded computers and IT equipment are provided for student use free of charge and employees asked to volunteer 2 hours each week as a teacher or teaching assistant. Answering questions about the software and hardware is our approach to ensure teaching quality. The program not only enhances lifelong learning for senior citizens but also boosts employees' social participation as well. The classes are divided into the basic and advanced class based on learning progress to offer students more options.

The advanced class is intended for senior citizens and women that possess basic computer skills. Different types of advanced classes on IT applications are hosted each year including image processing, simple word processing, tables and statistics. Using computers can make the life easier and or provide with a richer digitized lifestyle when combined with interests. The Digital Charity Computer Classroom has attracted 12,643 students to date.

Digital Charity Computer Classroom Results for 2012

Digital Charity Basic Computer Class

A total of 22 classes were hosted in 2012 and attended by 2,500 people. The program was also expanded from Xindian to include Xinyi and Wenshan districts. The new location established in the Wenshan community will hopefully become a permanent classroom and benefit more local people.

Digital Charity Advanced Computer Class

A total of 27 classes were hosted in 2012 and attended by 1,741 people. The classes were held at the Xindian GIGABYTE Classroom, the Wenshan Jingmei 302 Classroom, Xinyi District's Yongji Classroom as well as the Coastal Elementary School project jointly sponsored by the Cite Foundation and Association of Digital Culture, Taiwan, at Gangkou Village in Pingtung's Manzhou Township.

- 【Xindian GIGABYTE Classroom】

Tablet classes provide students with a different learning experience. A Facebook 101 class has also been set up with students in different departments from Tsinghua University, National Taiwan University of Science and Technology, National Taipei University of Technology, Union University and Tamkang University. College students' energy and enthusiasm help heighten students' interest in learning.

- 【Coastal Elementary School Program】

Students at Gangkou Community's elementary school and volunteers from Taipei Story House set up video-conferencing for story-telling every Wednesday. The convenience of IT is used to cultivate the habit of reading among children in remote rural areas. At the same time, basic and advanced crash courses are also offered for nearby communities on social networking, Google photo albums and calendars.

Figure 8-3 Graduation photo of Digital Charity Computer Classroom

8.2.2 Digital Banquet and Dreams Come True

This initiative by the Department of Social Welfare of Taipei City provides students from low-income families with their own laptops to increase digital learning opportunities and narrow the digital divide. The computer subsidy program for low-income families was first launched in 2003. Over the past 10 years, it has helped 5,108 economically disadvantaged students realize their dream of digital learning. The GIGABYTE Education Foundation became involved in 2010 by providing portable notebooks for students. Over the past 3 years, GIGABYTE has helped 325 students realize their dreams including 125 notebooks in 2012. To thank the business community for contributing to social welfare and giving back to students from disadvantaged backgrounds, the Mayor of Taipei City presented GIGABYTE with a certification of appreciation that was accepted by Deputy CEO of Chou Li-Hua on behalf of the GIGABYTE Education Foundation.

8.2.3 Mentoring of Rural Children

In 2012 the GIGABYTE Education Foundation collaborated with the Dahu Elementary School in Hsinchu and converted scholarships for disadvantaged students and single-parent families into after-school care funding. Wandering teachers were also employed as after-school teachers. The after-school care program helped disadvantaged and single-parent children with their learning while wandering teachers gained job opportunities and hands-on experience. A total of 20 students benefited from the program.

8.2.4 Reach Out and Donate Blood Together

GIGABYTE organizes a blood donation drive every 6 months to encourage employees from GIGABYTE and other companies in Xindian to give blood and save lives. The gifts provided as a reward to employees who answer the call are better than those for normal blood donations. The event has been held without interruption since 2003 and has continued to set new records for the amount of blood donated. This reflects positively on the spirit of charity at GIGABYTE.

Double Charity Blood Donation Drive

In January 2012, GIGABYTE launched the "Double Charity" blood donation drive. Agricultural produce was given away to encourage employees to roll up their sleeves. This way, employees are provided with an incentive and farmers given assistance as well. The Double Charity initiative spread the spirit of charity even further. A total of 243 people volunteered for the Double Charity Blood Donation Drive and a total of 400 bags each containing 250cc of blood were collected, an increase of 76 on last year. The chief nurse of the blood donation bus even praised the GIGABYTE campus for being No.1 in the spirit of charity. The original target had been 350 blood bags (accepted bags) but the event ended up breaking the previous record of 390 bags (from two buses).

Joint Blood Donation Drive for Xindian

In August every year, GIGABYTE organizes the "Reach Out and Donate Blood Together" joint blood donation drive. In 2012, 359 bags each containing 250cc of blood (accepted bags) were received, for a total of 89,750cc. The blood donation drive proved to be a success.

8.2.5 Supporting Rural Schools through the Developing Art & Culture Specialty Schools

Zhongliao Township in Nantou County is a mountain town built upon agriculture. Population drain worsened after the September 21 Earthquake and while the local Shuangwen Junior High School was faced with difficulties such as declining student numbers and funding shortages, it still managed to cultivate the "Shuangwen String and Bamboo Orchestra" that won Nantou County's junior high school traditional music competition. In 2012, GIGABYTE paid for an outside orchestra to stay and teach at the school. This provided the 80 students between grade 1 and 3 in the orchestra with a better opportunity for group practice and made a contribution to the development of art & culture specialty schools in remote rural regions.

8.2.6 GIGABYTE Charity Winter Aid

Each year the GIGABYTE Education Foundation joins forces with the Xindian District Office on the eve of the Lunar New Year to give GIGABYTE Charity red packets and supplies to the families that have young adults as primary wage earners. In 2012, the Winter Aid program donated 410 5kg bags of CSA-certified King rice and 408 bottles of Taishan Good Oil. These were placed in 810 GIGABYTE eco-friendly shopping bags collected from GIGABYTE's headquarters, laptop, motherboard and brand units along with 810 Lunar New Year red packets. The Xindian District Office then distributed all of the bags to disadvantaged families in the Xindian district. GIGABYTE has always spared no effort when it comes to helping disadvantaged groups and the winter donations showed once again our readiness to give back to the community. Through these donations, the spirit of compassion and goodwill can be spread to everyone's hearts.

Figure 8-4 GIGABYTE Education Foundation is devoted to narrowing the digital divide

8.3 Charity Donations

GIGABYTE hopes to extend the ideals of "Caring for society and sustainable development" throughout the whole society. By combining the power of many individuals, we can amplify them to become a force for progress in society and give those in need hope for the future.

1. The GIGABYTE Education Foundation launches the "Love at GIGABYTE" end of year fund-raiser every year. Employees, their dependents, children and friends are invited to make "one-time" (12 months' donation deducted in one go), "regular fixed amount" (fixed amount deducted from salary each month) and "voluntary" (employees specify the amount to deduct from their salary) donations. The donations mainly go towards the following causes:

(1)Bereavement grant for students.

(2)Children's Hearing Foundation for treatment of hearing-impaired children from disadvantaged families

(3)Donations to Tzu-chi for long-term care and single-parent families.

2. GIGABYTE organizes employee fund-raisers for major local and foreign disasters such as Typhoon Morakot and the Tohoku Earthquake as well. The appeal always go out right away in order to fulfill our CSR.

3.Help provide medical equipment and improve the medical environment. We have donated emergency ambulances to Wanfang Hospital as well as hospital networking equipment. We also provide assistance for impoverished patients.

4. Donation of computer classrooms and equipment to cancer treatment foundations to help them develop and provide better service.

Bereavement Grant of Students

GIGABYTE employees are invited to set aside $10 to $20 each day to help students that suffered a bereavement in the family. Unexpected changes to family circumstances or the family's main wage earner passing away, suffering an accident or falling ill can lead to schooling and living difficulties for their children. GIGABYTE aims to help students from bereaved families stay in school and give them hope by showing them that society cares. In 2012, 60 students that suffered a bereavement were provided with NT$2,000 in living assistance each month, or NT$24,000 in total for the year.

Li Mo, a student at Jingmei Girl's Junior High School that received grants In 2007 and 2008, graduated from the Brigham Young University in 2012 and will go on to study human genetics at the Washing University School of Medicine.

Ambulance Donation

GIGABYTE had previously donated an emergency care ambulance to the medical center in 2003. As the ambulance was approaching the end of its service life, another ambulance was donated to Wanfang Hospital in 2012 to serve critically ill patients. The ambulance is now dispatched on average once a day and this model is expected to remain in service for 10 years.

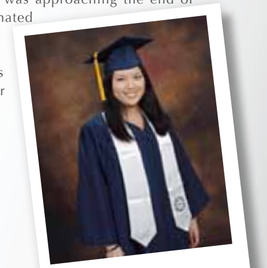


Figure 8-5 Graduation photo of Li Mo

8.4. Promotion of Art and Culture

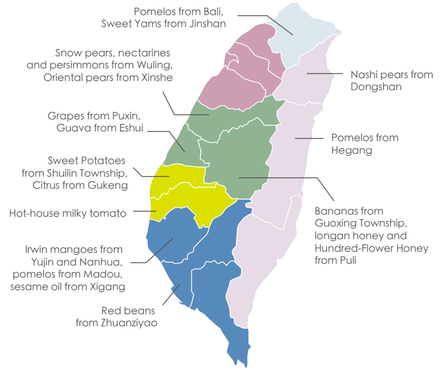
GIGABYTE is a long-time supporter of arts and culture. Through the “Upgrade Your Life” gallery, art appreciation, “Upgrade Your Life” seminars, art & cultural recreation and other activities, we support performing groups by increasing the box office earnings and audience numbers. These enhance the aesthetic refinement of the general public, promote the arts in society, boost employees' leisure quality and cultural sophistication, and ultimately help shape our corporate culture.

We promote reading, arts and culture to revitalize the community: Selected Typhoon Morakot disaster areas were provided with reading and art/cultural activities to provide comfort to the local people. These activities included:

- ◇ Training of community mothers and reading angels
- ◇ Establishment of Hope Library and life education reading sessions
- ◇ Organizing of themed reading clubs on "Life Education", "Identification with the Land" and "Community Reconstruction"
- ◇ Invited art & cultural groups to the community to tell or perform stories.

8.5 Supporting Taiwanese Agriculture

Purchasing agricultural products directly from producers not only allows employees to buy cheaper, safer and fresh agricultural produce but also protects farmers against exploitation. Charity direct sales help farmers rebuild their homes, allow the harvesting of ripe produce on the eve of typhoons, and help balance supply and demand during the harvest season. GIGABYTE also hosts internal group buys of agricultural products at irregular intervals and each employee is given NT$6,000 in charity shopping coupons each year. These can be used to purchase locally-grown produce to support seasonal, organic and certified agricultural produce. Past group buys of products included:



9 Environmental Protection

9.1 Environmental Safety Policy

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

The requirements of the environmental safety policy are as follow:

1. Execute clean production, contamination prevention and continual improvement.
2. Observe environmental, health and safety regulations, and other related requirements.
3. Encourage suppliers to perform environmental protection, health and safety programs.
4. Control safety and health risks. Prevent injury and bad health.
5. Volunteer to monitor, control and reduce greenhouse gases, and to continually save energy and resources.
6. Realize the elimination of environmentally prohibited substances from products as well as meet the targets for recovery, reuse and recycling.
7. Communicate company-wide with all personnel controlled by the company and make them aware of their personal environmental safety and heal

There were no breaches of environmental laws by GIGABYTE in 2012. We will continue to uphold our existing policy and promote internationally recognized rules and regulations. At the same time, GIGABYTE will strive to realize even higher quality and standards so we can deliver perfect performance through a process of constant refinement.

9.2 Climate Change and Greenhouse Gas Management

9.2.1 Greenhouse Gas Management Goals

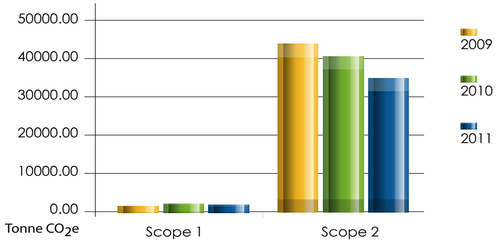
The GIGABYTE Group is very much aware of how the Earth's climate and environment is worsening due to climate change. As a global citizen, GIGABYTE has introduced clean production systems, developed energy-saving products, improved production processes and efficiency, and introduced the ISO 14064 GHG inventory system. The GHG report provides disclosure of our company's GHG inventory and management efforts. By effectively tracking our GHG emissions, GIGABYTE is able to build up consensus within the company and continue with our GHG reductions in order to help slow global warming and fulfill our CSR.

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

9.2.2 Greenhouse Gas Inventory

Organizational Greenhouse Gas Emissions

In 2012, GIGABYTE continued with our corporate-wide GHG inventory from January to December, 2011. The inventory covered our Xindian headquarters and Nanping plant as well as the Dongguan and Ningbo plants in China. The data was verified by SGS. In 2011, total emissions amounted to 38638.99 tonnes CO_2e. The majority of emissions were indirect emissions (97.56%).



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

Figure 9-1 GHG emission sources by scope, 2009 ~ 2011

Carbon Emission per Unit of Production Reduced by 26.86%

The organizational GHG inventory results as well as our production data showed that our carbon emissions per thousand units had dropped 26.8% from 3.88 tonnes to 2.84 tonnes CO_2e between 2007 and 2011. GHG emissions per capita dropped 9.08% from 7.43 tonnes CO_2e to 6.76 tonnes CO_2e in 2011. GIGABYTE is not only aggressively improving our production processes to maximize energy efficiency but also strengthening energy management at all sites.

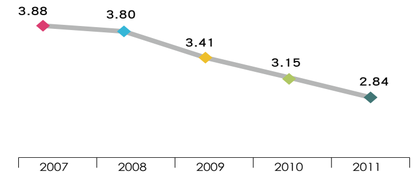


Figure 9-2 Average GHG emissions per thousand units, 2007 ~ 2011

Greenhouse Gas Reduction Strategy

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

1.Implement energy-saving and carbon reduction measures throughout the enterprise based on a principle of "No Regrets". Green products and services are to be developed to leverage our corporate expertise in helping society realize green innovation.

2.SOPs are to be defined for steam and diesel generators in China to reduce interference from external factors such as climate and government policy.

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

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

Greenhouse Gas Reduction Measures

1.Plant re-layouts, replaced obsolete SMT equipment, integrated AVR and other measures to improve power efficiency.

2.Replaced all plant lighting with T5 energy-saving lamps.

3.Installed ventilators reduce to greatly reduce the amount of time that electric chillers must be kept running.

4.Controlled the operating hours of central air-conditioning and water temperature. Introduced energy-saving inspection and report mechanism for night shifts during summer.

9.2.3 Energy Saving and Carbon Reduction Measures

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

Energy Saving and Carbon Reduction Measures

Environmental Education

In addition to 1 ~ 2 hours of quality and environmental training for new employees, a range of increasingly specialized courses are provided depending on personnel roles to enhance their environmental awareness.

Promote energy and water conservation

Reminders have been placed near switches of each conference room to remind users to turn off the lights when they leave. Water-saving measures are displayed on toilet doors to encourage employees to conserve.

Embrace 5S

Monthly audits are conducted in accordance with the principles of 5S: Seiri (Sorting), Seiton (Stabilization), Seiso (Sweeping), Seiketsu (Standardizing) and Shituke (Practice). Penalties are issued for non-compliance and the emphasis is on employee introduction of environmental protection through 5S.

Personal waste sorting

All waste is now sorted by employees instead of cleaning staff. Self-sorting encourages employees to think about ways of reducing waste before their next purchase.

Encourage the use of stairs instead of elevators

Signs are posted in front of elevators to remind employees that taking the stairs is good for health.

Provision of bicycle parking spaces

To encourage employees to cycle to work, bicycle standards are provided for parking and securing their bicycles.

Two vegetarian days a week

To reduce the amount of GHG emissions from the consumption of meat, GIGABYTE organizes two voluntary vegetarian days a week and assists with group orders of vegetarian lunch boxes.

Video Conferencing

To reduce energy consumption from transportation, all inter-plant training and meetings have now been replaced by video conferencing.

Worldwide adoption of reusable RMA packaging

GIGABYTE has made improvements to RMA packaging. The new packaging named Service Care can be used with all ATX and mATX motherboards. When we mail the repaired mainboard back to the customer using this packaging, the customer can reuse the same box the next time they need RMA service. The arrangement lowers the demand for printed boxes, reduces environmental pollution and saves trees from being cut down so the Earth's resources can be more effectively utilized.

9.2.4 Climate Savers Computing Initiative

The Climate Savers Computing Initiative is a computer energy-saving program launched by Intel® and Google in 2007. The non-profit organization is made up of many major computer vendors a computer coponent manufacturers. Membership currently includes many environmentally aware consumers, businesses and environmental organizations. The goal of the program is to manufacture and promote energy-saving computers and power management tools that reduce the environmental impact of computer use. GIGABYTE is a member of the Initiative and is committed to providing products that conform to the specified energy efficiency requirements.

9.2.5 Development of Smart Phone Product Category Rules

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

9.2.6 Product Carbon Footprint Verification

GIGABYTE's digital set-top box MD-300 is a network & communications product that underwent life cycle carbon emission inventory in accordance with the PAS 2050 carbon footprint standard and its product carbon footprint was certified by the British Standards Institution (BSI). As part of the process, we led 15 suppliers to complete carbon footprint inventory for raw materials to determine the product's environmental impact and basis profile at each stage of the life cycle. GIGABYTE has also purchased a Life Cycle Assessment (LCA) tool to monitor products' energy/material requirements during production and their environmental emissions. The impact of these energy/materials/emissions are assessed and used to general an environmental impact assessment. This enables more effective identification of opportunities and methods for reducing the impact of different procedures and raw materials on the environment. It therefore serves as a basis for reducing environmental impact during green product development and fulfilling our CSR.

9.3 Quality and Environment Management

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

System Name
Authorized Economic Operator (AEO)
ISO 14064-1: 2006 Greenhouse Gas Inventory Certification
PAS 2050: 2008 Product Carbon Footprint
ISO/TS 16949:200 Automotive Quality Management Systems Certification of Conformity
IECQ QC 080000 RoHS International Certification on Hazardous Substance Management
ISO 9001: 2008 Quality Management Certification
TL 9000-H Communications Quality Management Certification
OHSAS 18001:2007 Occupational Safety and Health Management Certification
ISO 14001:2004 Environmental Management Certification

9.4 Green Products

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

9.4.1 Hazardous Substance Management

GIGABYTE became the first system brand vendor in the world to pass IECQ QC 080000 certification in 2005. Lead-production processes were adopted for our products and a green material management system was introduced to establish a green supply chain. This ensured our compliance with EU RoHS requirements and allowed us to provide users with safe computer equipment. The development of the halogen-free process technology marked a major advance towards environmentally friendly products. All current GIGABYTE motherboards, graphics cards, optical drives, computer chasses and power supply products conform to the RoHS directive. We have also continued to monitor developments in international environmental legislation such as REACH and China RoHS so controls or bans on hazardous substances can be adopted as necessary. Management and review meetings are convened every month and our standards are stricter than those issued by the EU set. HCSR Ver. 4.0 now controls and monitors up to 33 harmful substances. We also require our suppliers and contractors to join us in protecting the environment as well to fulfill our philosophy of "Excellence from GIGABYTE" and ensuring consumer' peace of mind.

9.4.2 Raw Materials

GIGABYTE's choice of raw materials are based on the ideal of "reduced environmental impact". The use of raw materials is minimized to reduce the generation of waste and production costs. This approach has proven to be more economical and environmentally friendly. GIGABYTE has now set up a dedicated unit for studying product materials. Within the company, we are continuing to adjust and optimize the parameters for raw material use and minimization. This not only reduces product costs but also the generation of pollutants and waste. Externally, we require suppliers to review the appropriateness of their chemical usage and gradually reduce it to a minimum. Over 90% of the materials used in motherboards that we now produce are recyclable. As shown in Fig. 9-3, most of this is in the form of metals but recyclable plastics and other raw materials will be taken into consideration during design. Materials that require less processing are preferred to improve recyclability.

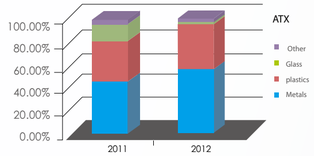


Figure 9-3 Proportion of raw materials used in ATX and Micro ATX Motherboards, 2011 ~ 2012

9.4.3 Extended Producer Responsibility

Motherboards with solid state capacitors have longer lifetime than those with conventional capacitors especially under high temperatures. For this reason, GIGABYTE introduced motherboards with all solid state capacitors in 2006 and it is now an industry standard. Today, GIGABYTE offers the most comprehensive product range of any mainboard maker. GIGABYTE's mainboard sales also account for the greatest share of sales as well. Solid state capacitors are now used throughout the whole range from entry-level to high-end mainboards, ensuring not only long service lies but also greatly boosting system stability. This was why GIGABYTE announced in 2011 that it would become the first mainboard maker to start offering 4-year product warranties. By taking the product lifecycle into account at the very start, this reduced waste and helped protect the environment in the most practical way. Some materials in waste electronics still possess very high reuse value. To help create a recycling society, GIGABYTE embraced the spirit of extender producer responsibility to conform to the EU WEEE directive. Product recycling channels have now been set up in Europe, North America and Taiwan where consumers can deliver their waste products to the nearest recycling point. In this way, waste can be recycled and reused. For more information, please visit the GIGABYTE website at http://www.gigabyte.tw/gigabyte.aspx?s=37.

Figure 9-4 Webpage featuring GIGABYTE's announcement of 4-year product warranty

Figure 9-5 Poster for recycling of waste 3C products

9.4.4 Product Packaging

GIGABYTE has long spared no effort when it comes to reducing product packaging. To comply with the EU Directive of Packaging and Packaging Waste (94/62/EC) (PPWD), all effort is made to use minimal packaging and recyclable materials, restrict the use of polystyrene buffer materials and hazardous substances, and provide recycling labeling on packaging materials. These measures are intended to facilitate future recycling and reuse. GIGABYTE has now adopted soy-based ink for printing product packaging and plans to adopt FSC-certified paper across the board for more environmentally-friendly packaging. In 2012, GIGABYTE packaging used 12,829.04 tonnes of paper and 450.64 tonnes of plastics in its packaging materials with the recyclability ratio of 96.61%. Since 2010, the proportion of recyclable GIGABYTE packaging has climbed steadily from 93.06% to 96.61%. This demonstrated GIGABYTE's efforts in reduced packaging and we will continue investing in green packaging design in the future.

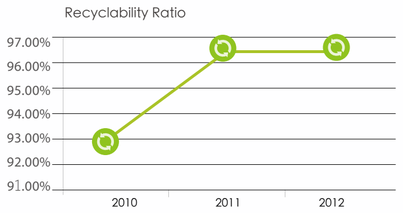


Figure 9-6 Proportion of recyclable packaging, 2010 ~ 2012

9.4.5 Energy Saving Products

GIGABYTE's main products are peripheral computer components such as mainboards and graphics cards. While these are not eligible for the Taiwan Green Mark, we still strive to qualify for international environmental marks and standards. Extending the service life is GIGABYTE's main approach to reducing the energy consumption of motherboards. Solid state capacitors, Ultra Durable motherboards, dynamic energy-saving and 24-phase energy-saving design are used to reduce temperatures, reduce power consumption, extend product life cycle and effectively optimize resource. Many motherboards conform to the Energy Star 4.0 and 5.0 standards, and also satisfy the EU Energy-related Product (ErP) Lot 6 requirements. The T series laptops also satisfy the requirements of Energy Star 5.0.

5th Generation Ultra Durable™ Motherboard

Quality is the key. Since the first generation of the Ultra Durable™ technology was released in 2006, GIGABYTE has made durability technology a core design ideal. Improved materials means that critical parts of the motherboard power supply now use the best low-temperature, high-performance and long service-life components regardless of the cost. In 2012, the 5th generation Ultra Durable™ technology delivers unprecedented power quality to the CPU, enhancing its record-breaking performance while delivering power savings of up to 95%. Advantages include low power loss, low heat and extended service life.

ECO 500 / ECO 600 Wireless Mouse

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

80Plus Certified Power Supply Units

80Plus is an important certification with the modern emphasis on energy conservation. The US Ecos Consulting organization developed the 80Plus energy-efficiency standard in response to the global energy storage as a way to encourage manufacturers to develop more efficient models. Under the standard, the power supply unit (PSU) used in desktop PCs and servers must maintain an energy conversion efficiency of over 80% at 20%, 50% and 100% loading to reduce the amount of waste energy. At the moment at least 22 GIGABYTE PSU products have received 80Plus certification. The 80Plus Sumo Platinum 1250W PSU released in 2012 was awarded a 80Plus platinum rating. It uses high-quality Japanese capacitors and has an AC power efficiency of up to 90%. It therefore conforms to (ErP) Lot 6 specifications. When power is turned off, it has a power consumption of under 1W and provides consumers with the most energy-saving and environmentally friendly solution.

9.4.6 Green Supply Chain

GIGABYTE Group requires tier-1 suppliers to set up an environmental management system and all tier-1 suppliers have now passed ISO 14001 certification. Since 2012 suppliers have been required to conform to the Electronic Industry Code of Conduct and non-use of conflict metals. Product suppliers are required to conform to the GIGABYTE Technology Group Guideline for the Management of Harmful Chemical Substances Requirements (HCSR), RoHS, WEEE and other regional pollution prevention or waste disposal-related environmental regulations. For environmental laws or substance management regulations specified by GIGABYTE such as the Substance of Very High Concern (SVHC) defined by the EU REACH legislation or Level B and Level C substances defined in the HCSR, suppliers should cooperate with inspections and voluntarily report the results. Suppliers must also sign the Certificate of Non-use for the Controlled Substances as well as a declaration of conformity on SVHC in EU REACH legislation.

9.5 Environmental Performance

9.5.1 Air

GIGABYTE's primary air pollution prevention strategy is based on using process optimization to reduce the amount of pollutants in emissions. The secondary strategy is using high-performance equipment to scrub pollutants from emissions. Concentrations of pollutants emitted into the atmosphere must meet or be under government regulations.

Our Ningbo plant has two sets of powder coating and electronic waste emission treatment systems for treating Xylene and non-methane hydrocarbons (NMCHC). The remaining plants are in industries that do not require EPA monitoring and their processes do not emit controlled pollutants.

9.5.2 Water

Water Consumption

Global climate change has made the development and allocation of water resources an important issue around the world. Rainfall in the wet and dry season have become increasingly extreme in Taiwan since 2009, highlighting the increasing risk of drought and flooding. Water resource management, conservation and emergency response during droughts have become all the more important. GIGABYTE knows that extreme precipitation is the result of global warming and climate change. The former must be solved before the latter can be dealt with. As this process make take several decades, water resource management is therefore a crucial part of climate change risk management and adaptation for business. Government collaboration is also particularly essential for water resource management compared to other methods for coping with climate change.

GIGABYTE plants in Taiwan and China used 333,400 tonnes of water in 2012, down 49,000 tonnes from the 382,600 tonnes used in 2011. The Dongguan plant accounted for the majority of the water consumption at 60.72% followed by the Ningbo and Nanping plants. As these three plants are all manufacturing plants with a higher number of workers, the water consumption is also correspondingly higher. Xindian is the company headquarters and so accounted for just 6.59% of the total water consumption.

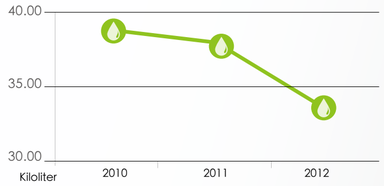


Figure 9-7 Water Consumption, 2010 ~ 2012

Wastewater Discharge

All wastewater from GIGABYTE's Taiwan and China plants are treated by appropriate sewage treatment facilities or discharged directly to a dedicated local sewage treatment plant. Wastewater discharge was estimated to be 80% of water consumption and the discharge quality conformed to all current regulations. In 2012, GIGABYTE's wastewater discharge amounted to 266,700 tonnes, with the majority coming from Dongguan (60.72%) followed by Ningbo (16.51%).

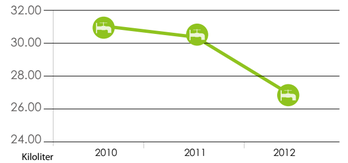


Figure 9-8 Volume of Wastewater Discharge, 2010 ~ 2012

Water Recovery

All production processes at the Ningbo plant in China are equipped with wastewater treatment equipment that achieve reuse rates of 80 ~ 100%. Plastic spraying production line's waste water treatment equipment has a recovery rate of 100% with 1500m^3 of water recycled annually. The metal powder coating production line's wastewater treatment equipment has a recovery rate of 80% with 500m^3 of water recycled annually. The plastic molding workshop cooling equipment has a recovery rate of 100% with 1,000m^3 of water recycled annually. Recovery of condensation from steam cleaning in the mold water recovers 500m^3 of water annually.

9.5.3 Waste

In waste management, the conventional disposal method has now been replaced by the effective resource management. This concept has now been implemented in routine operations and the innovative approach has received strong report. Waste are now treated as resources and managed accordingly through proper sorting at the source to improve the recyclability of waste. GIGABYTE also collaborates with waste disposal and recycling firms to identify and develop potential recycling methods in order to reduce the amount of waste ultimately sent to incinerators and landfills. We also actively work with material suppliers to reduce the amount of chemical use at the source and the generation of waste chemicals. Joint research is carried out on the recovery of raw materials by the supplier for re-working in order to realize the targets of sustainable resource recycling.

GIGABYTE produced approximately 477.96 tonnes of general waste in 2012. 1665.42 tonnes were recycled while 206.66 tonnes were hazardous waste. This was an increase of 111.03 tonnes on the 95.634 tonnes of hazardous waste generated in 2011. The main reason for this was the cessation of metal component production at the Ningbo plant and one-time disposal of all scrap metal in 2012. All three categories of waste are removed and suitably disposed of by certified contractors and conform to the requirements of the Basel Convention.

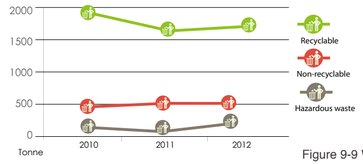


Figure 9-9 Waste Produced, 2010 ~ 2012

9.5.4 Energy

Over the past few years, total power consumption at the four GIGABYTE plants have ranged between 48000 ~ 53000 kWh. After the "Green Action Plan" was launched in 2010, power consumption dropped to 45,706 kWh in 2011 and then 43,685 kWh in 2012 compared to the baseline year. In 2012, Ningbo plant's production output increased by it also achieved the most power savings compared to other plants. Analysis suggests that this was due to the replacement of all electronics workshop lighting by T-5 energy-saving lamps in 2011, the installation of ventilation fans on 2F of the electronics workshop that greatly reduced the running time of the electric chillers, strictly enforced running times for central air-conditioning, water supply temperature, as well as the addition of energy-efficiency inspection and reporting mechanism for night shift during summer. As a result, Ningbo plant's power consumption saw a significant drop in 2012 from 11,800 kWh to 10,401 kWh, a saving of 1399 kWh. Direct energy consumption in 2012 of the four power plants totaled 67 kL of petrol, 45 kL of diesel, 0.10 of bio-fuel and 12 kL of natural gas.

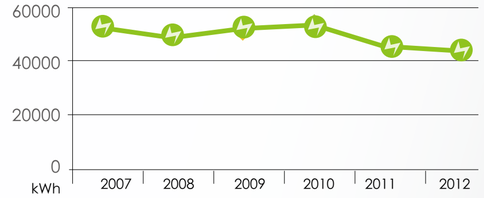


Figure 9-10 Power consumption, 2007 ~ 2012

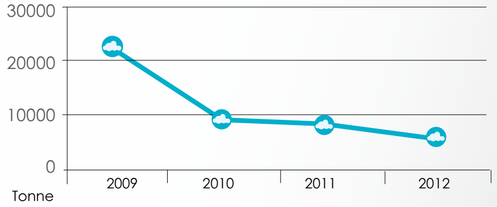


Figure 9-11 Steam consumption, 2009 ~ 2012

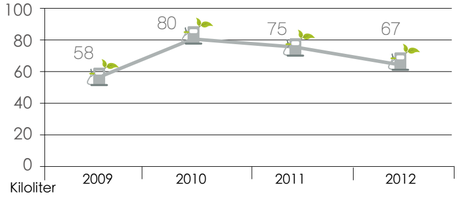


Figure 9-12 Petrol consumption, 2009 ~ 2012

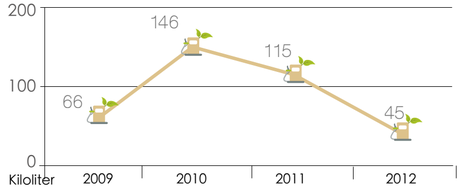


Figure 9-13 Diesel consumption, 2009 ~ 2012

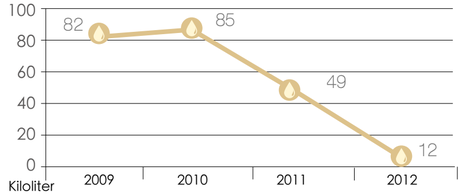


Figure 9-14 Natural gas consumption, 2009 ~ 2012

9.6 Group Green Education

9.6.1 Environmental Education Courses

New GIGABYTE employees must not only undergo 1 ~ 2 hours of training on quality and environmental legislation but also attend a series of increasingly difficult courses tailored to their roles to improve their environmental awareness. The courses cover quality policy, environmental & safety policy, the creation and promotion of environmental quality assurance system, introduction to international environmental legislation, introduction to GIGABYTE's Harmful Chemical Substance Requirements (HCSR), introduction to guarantee of non-use of restricted substances, querying of environmental policy documentation and consulting windows.

9.6.2 Green Course

The "Stockholm Declaration on the Human Environment" passed in 1992, the Our Common Future report issued by the United Nations World Commission on Environmental Development in 1992, and the Stockholm Convention banning the use of 9 persistent organic pollutants in 2001 all triggered new controls on substances harmful to the environment. The EU introduced the EEE/RoHS/REACH directives and regulations in 2005 and other regions around the world have also gradually passed laws regulating the environmental specifications of electronics products. These mean that the electronics products supply chain is now subject to increasingly strict regulation and changes. We hope this series of courses will help our employees understand their duty and responsibility under local green legislation, regulations and directives. They must not only conform to the training and management requirements for hazardous substances but also boost their environmental awareness and strengthen their green competitiveness. This will allow our products to meet world-class standards and move towards sustainable development.

Table 9-1 Green Courses

Basic Green Course

Outline
- GIGABYTE green policy
  - Basic introduction to EU environmental directives (RoHS/WEEE/Battery/REACH/ErP and packaging directive)
  - Introduction to GIGABYTE's HCSR
- Introduction to international environmental labels
  - Introduction to environmental marks and green procurement policy around the world.
  - Use graph to illustrate our competitors' current progress on environmental marks.

Intermediate Green Course

Outline
- International trends in environmental legislation
- Introduction to international environmental legislation
- HCSR introduction
- Green supply chain management
- Environmental design concept
- Loving the planet and being green

Green Packaging Design

Outline
- Packaging materials
- Used area
- Used weight
- Used volume
- Toxin-free test
- Energy consumption during manufacturing
- Time required for manual labor
- Volume of packaging materials at the phase of distribution
- Warehouse's space for packaging inside the warehouse

9.7 Green Action Plan

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

9.7.1 Development Vision

Green Action is a multi-year program for promoting the sustainable development of GIGABYTE that combines environmental, product and social aspects. 2009 ~ 2011 was the planning phase for design of activities and division of responsibility. In 2012, the program entered the intermediate phase in which the dedicated Green Action website was established, the activities integrated with environmental education were promoted for building up environmental awareness among employees. GIGABYTE began combining core competency and development direction, as well as promoting green production innovation. Group employees are invited to take part in "Green Product Innovation" so every employee can unleash their green creativity.

Figure 9-15 GIGABYTE Green Action Plan's Future Development Vision

9.7.2 Promotion Results

Approximately NT$6.4071 million were spent on the Green Action Plan in 2012. 7,104 people took part and produced great results. The activity reduced CO_2e emissions by 85,312 kg for the year. Total number of environmental and education hours spent during the environmental education seminar was 45,630 hours. 101.6 kg of maritime waste was collected during beach clean-up events. Employees take a personal part in changing the beach environment and understand the causes of maritime pollution. A clean and natural seashore is essential to the natural development of the seaside, littoral belt and maritime creatures. Only then can the rich and diverse maritime biological resources of Taiwan's seashore be restore. In support of tree planting activities, 270 trees were planted and are expected to absorb more than 2.7 tonnes of carbon emissions each year. Forestation is one of the most cost-effective ways of regulating the climate and protecting the land. Native Taiwanese plants were used to help conserve the oil and water in a sustainable manner. Vegetarian lunch boxes were provided at all company workshops and activities during the year, resulting in 10,089 lunch boxes replaced. Other quantitative indicators included:

(1)Collected 101.6 kg of maritime waste during beach clean-ups for a cumulative total of 424.1kg.

(2)Planted 270 trees as part of tree planting activities, so a cumulative total of 884 native Taiwanese trees have been planted.

(3)Replaced 10,089 lunch boxes containing meat with vegetarian lunch boxes at company workshops and activities during the year, for a cumulative total of 23,099 lunch boxes replaced.

(4)Provided 3,880 servings as part of the two vegetarian days a week for a cumulative total of 7,525 servings.

(5)Organized 45,630 hours of employee environmental education. The cumulative total is now 108,069 hours.

(6)Reduced carbon emissions at headquarters and Nanping plant by 85,312 kg CO_2e. Total cumulative carbon reduction is now 426,802 kg CO_2e.

(7)Power consumption: In 2012, total power consumption was 48,684.25 kWh, down 2,021.57 kWh on the 45,705.83 kWh used in 2011.

Figure 9-16 Green Action Plan website

9.7.3 Celebrity Workshop

The celebrity workshops of Green Action Plan focused on two main themes: energy-saving and carbon reduction, and sustainable corporate development. Leading domestic experts in the field were invited to share their experiences on eco-conservation and different actions to increase the sustainable development knowledge of all employees. In 2012, a total of 4 Green Action celebrity workshops were hosted on the topics listed below.

Table 9-2 GIGABYTE Green Action Plan 2012 Celebrity Workshops

Workshop Name	Speaker	Speaker Title
Building Your Own LOHAS	Sun, Hsiu-ju	Director, Taiwan Environmental Information Center
Red and Green Lights in Low-Carbon Living	Chang, Yang-Chien Chan, Pei-Man	Deputy CEO, Delta Foundation
Growing Vegetables in Seasons - Land Sustainability	Yu, Sheng-Yuan	Friendly Agriculture Volunteer, Sun Fund
Coffee and the Global Environment	Li, He-Ching	Professor, Center for Generational Education, National Central University

Figure 9-17 Green Action Plan Celebrity Workshops

9.7.4 Environmental Education Workshop

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

1.Tzu Chi: 1 day and 5 day energy-saving and carbon reduction
2.Greening: From Seed to Pot Plant
3.Energy-saving: Green Collar Learning AAA
4.Beach clean-up: Wetlands of Formosa
5.Save energy and reduce carbon emissions to love planet Earth
6.Global Warming and the Response to Global Warming
7.Cancer Prevention and Environmental Protection
8.Creative Aesthetics vs. Practical Living Workshop

Figure 9-18 Green Action Plan environmental education activities

9.7.5 Outdoor Activities

Outdoor activities as part of environmental protection effectively strengthen our employees' commitment to environmental protection and can be converted into environmental protection skills. In 2012, a total of 8 outdoor activities involving 331 people were carried out to strengthen employees' environmental awareness.

1.Experiencing the environmental culture at Tzu Chi recycling depots
2.Cloud sea and glow worm tour
3.Fish protection at Jingualiao River and Zero Carbon Cycling
4.Experience the earth house at Ergeshan
5.Low-carbon LOHAS art & culture tour
6.Eco-friendly cultural tour and glow worm experience
7.Century-old fishing village and sustainable community
8.Fish protection and tea discovery low-carbon movement
9.Shuangxi low-carbon tour

Figure 9-19 Green Action Plan outdoor activities

9.7.6 Green Action

GIGABYTE knows that air and maritime pollution are the most trans-border pollution issues in the world today. We therefore support global environmental protection days and call upon the rest of the industry to become involved in well in environmental protection. GIGABYTE supported the following events:

1.Taoyuan County Government's tree planting in the High Speed Railway district
2.Million tree-planting for Earth Day
3.Beach clean-up at Yong-an Fishing Harbor by Environmental Protection Department of Taoyuan County Government
4.Wazhiwei Beach Clean-up for World Ocean Day
5.Good Neighbors 917 street sweeping event
6."Trees for Protecting the Planet" tree-planting event
7."One person per tree, Yes, I can do" tree planting event
8.Wetland conservation event at Linshanbi marine wetlands
9."Do the Right Thing in Summer" World Clean-up Day
10.Clean Up the Earth, Environmental Taiwan, street sweeping event

Figure 9-20 Green Action Plans green activities - Tree planting and beach clean-ups

9.7.7 Green Product Innovation

GIGABYTE has set up the Green Product Innovation Forum to encourage employees to take part in green product innovation activities. We hope that employees can use their ingenuity and take environmental impacts into account from the design phase in order to reduce the environmental impact and effectively manage environmental problems. This will help to protect the environment and reduce waste. As green products are now a market trend and a key component in sustainable corporate development, the continued development of green products is not only GIGABYTE's mission but will also enhance our image as a green brand.

Figure 9-21 Green Action Plan - Green Product Innovation Forum

Green product innovation submissions are divided into ten categories. Examples are provided for each category to provide employees with a guide for ideas and implementation. The categories are listed on the right side.

Employees entering the Green Product Innovation activity must describe the innovation ideal and background. They must also specify the recommended method, procedure and analyze the overall costs. The submissions are reviewed, classified and sent to the appropriate departments to study the feasibility of the process improvement or design. Since Green Production Innovation was launched three entries have passed review, including: Transforming Packaging Box, Multi-Function Inner Box and Custom-length Power and Extension Cables. These innovative ideas can come from visiting exhibitions, absorbing new knowledge, learning from other people's experience, paying attention to everyday habits and applying their minds to the task. Inspiration eventually struck over time. Green Product Innovation is now slated as a long-term activity. Employees' participation will help GIGABYTE realize its sustainable development.

Table 9-3 Green Product Innovation Categories

Green Product Innovation Types
Material (Plastic) Reduction
Reduce the number of material types, modularization, reduce the number of parts and reduce the amount of plastic used. The goal is to reduce the total weight of the product.
Long-term Usability
Make the product easy to upgrade, sturdy, durable and safe. The goal is to extend the product's service life.
Resource Recyclability
Allow all product parts to be recycled for reused. Use compatible materials to improve the recycling ratio.
Ease of Disassembly
Simplify the mechanical structure and clearly label each product to improve recycling benefits. Design the mechanisms to be easy and quick to disassemble.
Environmental Friendliness
Choose environmentally-friendly materials for products. The materials must be non-toxic to the human body, avoid depleting the Earth's resources and not generate toxic substances.
Energy Saving
Improve the power and operational efficiency of the product. Examples include lowering the product's heat output to reduce carbon emissions.
Packaging Materials
Avoid using toxic packaging materials and making packaging more lightweight. All packaging improvements can be classified in this category.
Product System Innovation
Design innovative new products. Examples include an innovative product that combines the functionality of three devices in one.
Green Production
Increase production efficiency, reduce the consumption of energy and resources as well as reduce the amount of waste produced.
Smart Energy Saving Applications
Use smart energy-saving systems or programming solutions.

9.7.8 G-HOME - Sustainable Eco-Roof

GIGABYTE headquarters is located in the Xindian district of New Taipei City in the transition zone between suburban hills and built-up urban areas. In recent years, the growing city population has reduced the amount of green spaces and towering buildings have contributed to the urban heat island effect, making carbon emissions hard to moderate and putting pressure on the survival of animals living on the plains. To fulfill our responsibility as a global citizen and provide employees with a place to relax, GIGABYTE drew up the "G-HOME Sustainable Eco-Roof" in 2012. The rooftop space was covered with grass and native species to create a micro eco-system where bottom fauna, insects and butterflies can live to increase bio-diversity. Greening of the rooftop can provide thermal insulation, reduce temperatures, absorb carbon dioxide and increase urban habit diversity and offer employees a space for rest and relaxation. The creation of a "Hanging Garden of the Mind" where man and nature exist in harmony increases employee happiness and wellbeing.

Figure 9-21 A corner of the G-HOME Sustainable Eco-Roof

9.7.9 Corporate Volunteers – Go Green Club

"Corporate volunteering" is where businesses actively organize employees volunteering teams to fulfill the business' CSR. Employees have volunteering opportunities to provide services GIGABYTE began organizing the Go Green Club in 2012. The club is dedicated to eco-volunteering and was officially registered in 2013. The Club's mission is to recruit and encourage employees to volunteer through eco-education, eco-conservation and organic farming. By promoting environmental sustainability education through actual actions, a LOHAS life can be achieved.

10 Other Sustainability Indicators

10.1 Economy

Compensation for members of the highest governance body and executives (GRI G3.1 [4.5]),

Processes for evaluating the highest governance body's own performance (GRI G3.1 [4.10])

According to the 2012 GIGABYTE Annual Report, the compensation standards for the directors, supervisors, CEO and deputy CEO were as follow:

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

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

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

10.2 Environment

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

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

10.3 Society

Minimum Notice for change in operations (GRI G3.1 [LA5])

Regulations in Taiwan require different notice periods when there are major changes to business operations that may affect the interests of the employees:

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

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

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

Hours of employee training on human rights and percentage of employees trained (GRI G3.1 [HR3])

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

Percentage of security personnel trained in human rights (GRI G3.1 [HR8])

GIGABYTE security personnel underwent 890 hours of training and nearly 50% of the training was related to human rights.

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

The GIGABYTE Group's human rights policy is as described in 5.1.6. There were no specific human rights matters that required investigation in 2012.

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

GIGABYTE's operating sites had no negative impact on the local community. Apart from adopting roads, pedestrian overpasses and parklands, GIGABYTE also organizes joint community donation drives, winter charity and computer classes for senior citizens.

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

There were no violations of product and service information regulations by GIGABYTE in 2012.

Appendix: GRI G3.1 Index

The "GIGABYTE 2012 Sustainability Report" was compiled using the Global Reporting Initiative G3.1 Guidelines (GRI G3.1) as a guide. The sections of the report that correspond to each indicator are as listed below.

	GRI Indicator	Corresponding Section in the Sustainability Report
1	Strategy and Analysis	
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	1
1.2	Description of key impacts, risks and opportunities	1、3.4
2	Organizational Profile	
2.1	Name of the organization	3
2.2	Primary brands, products and/or services	3.3
2.3	Operational structure of the organization	5
2.4	Location of organization's headquarters	3.1
2.5	Number of countries where the organization operates, and the names of countries with either major operations or that are specifically relevant to the sustainability issues covered in this report	3.1
2.6	Nature of ownership and legal form	3.1
2.7	Markets served	3.2、3.3
2.8	Scale of the reporting organization	3.8
2.9	Significant changes during the reporting period regarding size, structure, or ownership	3.2、3.4
2.10	Awards received in the reporting period	3.5
3	Report Parameters	
3.1	Reporting period	Introduction
3.2	Date of most recent previous report	Introduction
3.3	Reporting cycle	Introduction
3.4	Contact point for questions regarding the report or its contents	Introduction
3.5	Process of defining report content	4.1
3.6	Boundary of the report	Introduction
3.7	State any specific limitations on the scope or boundary of the report	Introduction
3.8	Joint ventures, subsidiaries, leased facilities and other entities that can significantly affect the organization	Introduction、3.1
3.9	Data measurement techniques and the bases of calculations	Introduction
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reason	Introduction
3.11	Significant changes from previous reports	Introduction
3.12	Table identifying the location of the Standard Disclosures in the report	GRI/G3.1 Index
3.13	External assurance of the report	Not applicable
4	Governance, Commitments and Engagement	
4.1	Governance structure of the organization	5
4.2	Indicate whether the chair of the highest governance body is also an executive officer	5.1
4.3	The number of members of the highest governance body that are independent and/or non-executive members	5.1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	3.8、4.1、6.6
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	5.1、5.4
4.6	Processes in place for the highest governance body to ensure conflicts interest are avoided	5.2、5.3
4.7	Processes for determining the composition, qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	5.1、5.4
4.8	Statement of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation.	5.2
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, and adherence or compliance with internationally agreed standards, codes of conduct and principles	5.2、5.4
4.10	Processes for evaluating the highest governance body's own performance	10.1
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	5.2
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	4.1、6.1.5、6.1.7、9.2
4.13	Memberships in national/ international advocacy organizations	3.7
4.14	List of stakeholder groups	4.1
4.15	Basis for identification of stakeholders	4.2
4.16	Approaches to stakeholder engagement	4.1
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those	4.1

Economic Indicators

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	3.8、8
EC2	Financial implications and other risks and opportunities due to climate change	5.2.3、9.2
EC3	Coverage of the organization's defined benefit plan obligations	6.1~6.4
EC4	Significant financial assistance received from government	10.1
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operations	6.3
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	7.1
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	6.1
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	8

Environmental Indicators

EN1	Materials used by weight	9.4.2
EN2	Percentage of recycled materials used	Not disclosed
EN3	Direct energy consumption by primary source	9.5.4
EN4	Indirect energy consumption by primary source	9.5.4
EN5	Energy saved due to conservation and efficiency improvements	9.5.4
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions achieved.	Not applicable
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	9.2.2
EN8	Total water withdrawal by source	9.5.2
EN9	Water sources significantly affected by withdrawal of water	No significant effect
EN10	Percentage and total volume of water recycled and reused	9.5.2
EN11	Location and size of land adjacent to areas of high biodiversity value	10.2
EN12	Significant impacts of activities, products, and services on protected areas and other areas of high biodiversity value	
EN13	Habitats protected or restored	10.2
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	10.2
EN15	Impact on protected specifies affected by operations	No significant effect

EN16	Total direct and indirect greenhouse gas emissions	9.2.2
EN17	Other relevant indirect greenhouse gas emissions	9.2.2
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	9.2.1、9.2.2
EN19	Emissions of ozone-depleting substances	9.5.1
EN20	NOx, SOx and other significant air emissions	9.5.1
EN21	Total water discharge by quality and destination	9.5.2
EN22	Total weight of waste by type and disposal method	9.5.3
EN23	Total number and volume of significant spills	GIGABYTE experienced no major spills in 2012
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	9.5.3
EN25	Significant impact on the ecological environment by discharges of water and runoff from the reporting organization	10.2
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	9.2、9.4
EN27	Percentage of products sold and their packaging materials that are reclaimed	9.4.2、9.4.4
EN28	Significant fines and total number of sanctions for non-compliance with environmental laws	GIGABYTE had no violations of environmental laws in 2012
EN29	Significant environmental impacts of transporting products and transporting members of the workforce	No significant effect

Labor Practices and Decent Work

LA1	Total workforce by employment type, employment contract, and region	6.1
LA2	Total number and rate of new employee hires and turnover by age group, gender and region	6.1
LA3	Benefits that are only provided to full-time employees by significant locations of operations	6.2~6.7
LA4	Percentage of employees covered by collective bargaining agreements	6.1.7、6.6
LA5	Minimum notice period(s) regarding operational changes	10.3
LA6	Percentage of total workforce represented in formal health and safety committees	6.5.3
LA7	Rates of injury, occupational disease, lost days, and absenteeism, and number of work-related fatalities by region	6.5.3
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	6.5.1、6.5.2
LA9	Health and safety topics covered in formal agreements with trade unions	6.2、6.5
LA10	Average hours of training per year per employee by category	6.2
LA11	Professional training programs	6.2.1
LA12	Percentage of employees receiving regular performance and career development reviews	6.2
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	6.1
LA14	Ratio of basic salary and remuneration of women to men by category	6.1.6

Human Rights Indicators

HR1	Percentage and total number of significant investment agreements that include clauses incorporating human rights concerns	6.1.7
HR2	Percentage of significant suppliers and contractors that have undergone human rights screening, and actions taken.	7.2.1
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	10.3
HR4	Total number of incidents of discrimination and corrective actions taken	6.1.7
HR5	Operations where the right to exercise freedom of association and collective bargaining have been identified to be at significant risk, and actions taken to support these rights	6.4
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	6.1.5
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	6.1.7、7.2
HR8	Percentage of security personnel trained in the organization's human rights policies and procedures relevant to operations	10.3
HR9	Total number of incidents of violations involving rights of indigenous people	6.8
HR10	Percentage and total number of operations that have been subjected to human rights reviews and/or impact assessments at site of operations	10.3
HR11	Number of grievances related to human rights filed, addressed and resolved	6.8

Social Indicators

SO1	Percentage of operations with implemented local community engagement, impact assessments (including in and out if the community and operations), and development programs	8.2
SO2	Percentage and total number of business units analyzed for risks related to corruption	5.2
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures	5.2
SO4	Actions taken in response to incidents of corruption	5.2
SO5	Public policy positions and participation in public policy development and lobbying	5.5
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	5.5
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	5.1
SO8	Gross monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	6.8
SO9	Operations with significant potential or actual negative impacts on local communities	10.3
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	10.3

Product Responsibility Indicators

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and s ervices categories subject to such procedures	9.4
PR2	Incidents of non-compliance with health and safety-related regulations on product and services	There were no incidents non-compliance on health and safety-related regulations on products and services by the GIGABYTE Group in 2012
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	10.3
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome	10.3
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	7.7
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not disclosed
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	10.3
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	10.3