



# 2017 MiTAC Sustainability Report



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## MiTAC Sustainability Report



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# MiTAC Sustainability Report

## Overview

It has been 9 years since MiTAC started compiling its corporate social responsibility report. The report covers the effort and result of the Company in sustainability and corporate social responsibility. This report covers our global achievements in the field of corporate social responsibility as well as our efforts in the field of environmental protection and CSR in 2017. The commitment of MiTAC group to sustainable development of the human living environment was fully realized in the area of employee, customer, and supplier management. This report also covers issues of concern to different stakeholder groups. The statistics prepared for this report have been examined in a cumulative and linear manner. A GRI Compliance Comparison Table has again been attached, and relevant details are provided in the different chapters and sections.

In relation to MiTAC group's online stakeholder survey report, the topic concern level questionnaire is expected to be introduced by the fourth quarter of 2017 , where stakeholders will be asked to provide their feedback and suggestions, which will be analyzed internally to achieve effective communication. This in turn helps us to understand your concerns and will also be used as the main reference for information disclosure in the report.

## Reporting Period and Cycle

The "MiTAC International Corp. 2017 Corporate Social Responsibility Report" covers the period between January 1 to December 31 , 2017 . The CSR report began to be published annually in 2009 on an ongoing basis, and will be disclosed and updated in the official website of the Company for viewing and download by the public. This is a demonstration of our operation status.

Issued: June 2018 (Next edition will be issued in June 2019)

Company website: <http://www.mic-holdings.com.tw/Report.html>



# MiTAC Sustainability Report

## Scope and limit of data

The data contained in this report covers R&D and manufacturing locations of MiTAC Group, as well as subsidiaries of the brand. The data contained in this report covers financial performance and operation in the economic sphere, product responsibilities and environmental protection in the environmental sphere, and relations with employees, suppliers, contractors, and social charities, with verbal description and the presentation of quantitative data.

Global locations covered in the report include: Taiwan operating and R&D center – Taiwan and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California; disclosure will be made according to various GRI items. Furthermore, the scope of calculation will be explained, including demonstration plants.

## Report structure

This report is compiled in accordance with the guidelines and framework as specified in G4.0 of the Global Reporting Initiative (GRI) and AA1000 for disclosure of the sustainable topics, strategy, objective, and action of the Company in the domain of CSR.

## Contact

Should you have any queries or suggestions regarding this report, please contact us as:

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## 1.1 The View and Commitment of Corporate Social Responsibility

MiTAC has a proud history of 36 years in the industry, with rapid advancements in the technology industry, new invention and innovation, coupled with the sophistication and application of new technology, policy stipulation and promotion, changes in business and consumer behavior, as well as the increasing awareness of environmental protection and sustainability over the recent years, we have undergone several paradigm shifts. Along the bumpy journey, MiTAC has overcome numerous predicaments, challenged difficulties and accomplished proud feasts. Consistent with our original intentions, we are conscious that the central doctrine of our management philosophy is centered on sustainability and steady growth. There are several key elements to achieving these goals.

Grasp the mainstream trend to materialize successful positioning and execution

When transformations in the industry presented a challenge to our original business activities, MiTAC gradually evolved through organizational restructuring and rebuilding to form cloud computing, IoT and smart living related business Groups. Moreover, in mitigating global warming and climate change, our product development conforms to the trend of energy conservation and carbon reduction, and we are also dedicated to smart manufacturing, where smart production systems solutions such as smart equipment, equipment connectivity, information integration and cloud integration systems proposed by Industry 4.0 form the cornerstone of MiTAC's transformation and development. In addition, we are committed to promoting professional specialization, training new management teams, increasing flexibility and execution speed and structural reorganization in order to foster momentum for growth, pursue values and steady, sound profits.

Founded in	Company name	Principal business operation
December 1982	MiTAC International Corporation	Automotive applications, IoV, professional tablets and IoT Domestic/overseas investment management, Group logistics, professional smart maintenance service and management
September 12, 2013	MiTAC Holdings Corporation	Formulate Group development blueprint, investment and strategic alliance
September 1, 2014	MiTAC Computing Technology Corporation	Cloud data and computing equipment are the core products of MCT (MiTAC Computing Technology Corporation)



## 1.1 The View and Commitment of Corporate Social Responsibility

Emphasis on talent and employee care, providing a safety and health-oriented work environment.

Employees are the most important asset and partner of MiTAC. We have the utmost respect for each employee, regardless of gender, age and ethnicity; our equal remuneration policy facilitates employee career development, and we have progressively completed various vocational training systems to improve work efficiency and human resources utilization. We will continue to reinforce the communication channel and dialogues with our employees in an effort to create a friendly workplace. MiTAC perceives great importance in attaining a balance between work performance, family and health. Guided by such principles and the concept of sustainable management, Hwa Ya headquarters has introduced the Comismart environmental monitoring and control system, where an IoT cloud service is applied to consolidate various environmental sensors, smart living space control and the collection of relevant information. The system includes air quality monitoring, conference room integration, a car finder parking lot management app, video surveillance and dynamic emergency evacuation and fire fighting system etc. In 2017, MiTAC demonstrated significant energy-saving performance by decreasing EUI (Energy Use Intensity) by 17%. Through constant accumulation of data, Comismart environmental monitoring system will facilitate more effective management and provide a more comfortable work environment. MiTAC's various production sites have all implemented energy saving improvement projects, including utilizing renewable energy such as solar power in order to minimize GHG emissions. We strive to make use of our corporate resources to create a friendly environment and safe life for our colleagues.

## 1.1 The View and Commitment of Corporate Social Responsibility

Seeking sustainable values in response to MiTAC's corporate sustainability goals

In compliance with the sustainable development indicator, we have incorporated the United Nation's 17 SDGs (Sustainable Development Goals) as the foundation of MiTAC's sustainable management evaluation. Sustainable development indicators are aligned with our operating indicators according to the industry and region we are located in, as well as our brand influence, stakeholders' expectations and concerns in order to increase the transparency of our operating performance. In terms of consumer service and protection, we will invest more resources to develop more innovative products that can offer users wonderful experiences, thereby accumulating MiTAC's innovation momentum. By adopting the Electronic Industry Code of Conduct (EICC) as the Company's highest guiding principle in supply chain management, we are able to eliminate workplace discrimination and protect human rights. The Company's energy conservation and carbon reduction management helps to reduce operating cost and decrease carbon emissions with our suppliers. Ethical conducts and anti-corruption measures have been implemented internally and in our supply chain to fulfill our commitments as a green enterprise. In response to international carbon emission reduction initiatives, we have adjusted our development goals.

United we stand – Forging ahead in unison

We cherish the influence of the enterprise, thus we have incorporated the ethical standards of honesty and integrity and the concept of sustainability into the Company's code of conduct. From the management to each employee, our countless endeavors have constantly increased our accountability and commitment towards the environment, society, employees and stakeholders.

By strengthening our existing advantages and operating performance, we will embrace a brighter, sustainable future with our partners in the value chain.



*Matthew J. C. Miau*

Matthew Miau,  
Chairman



*Billy Ho*

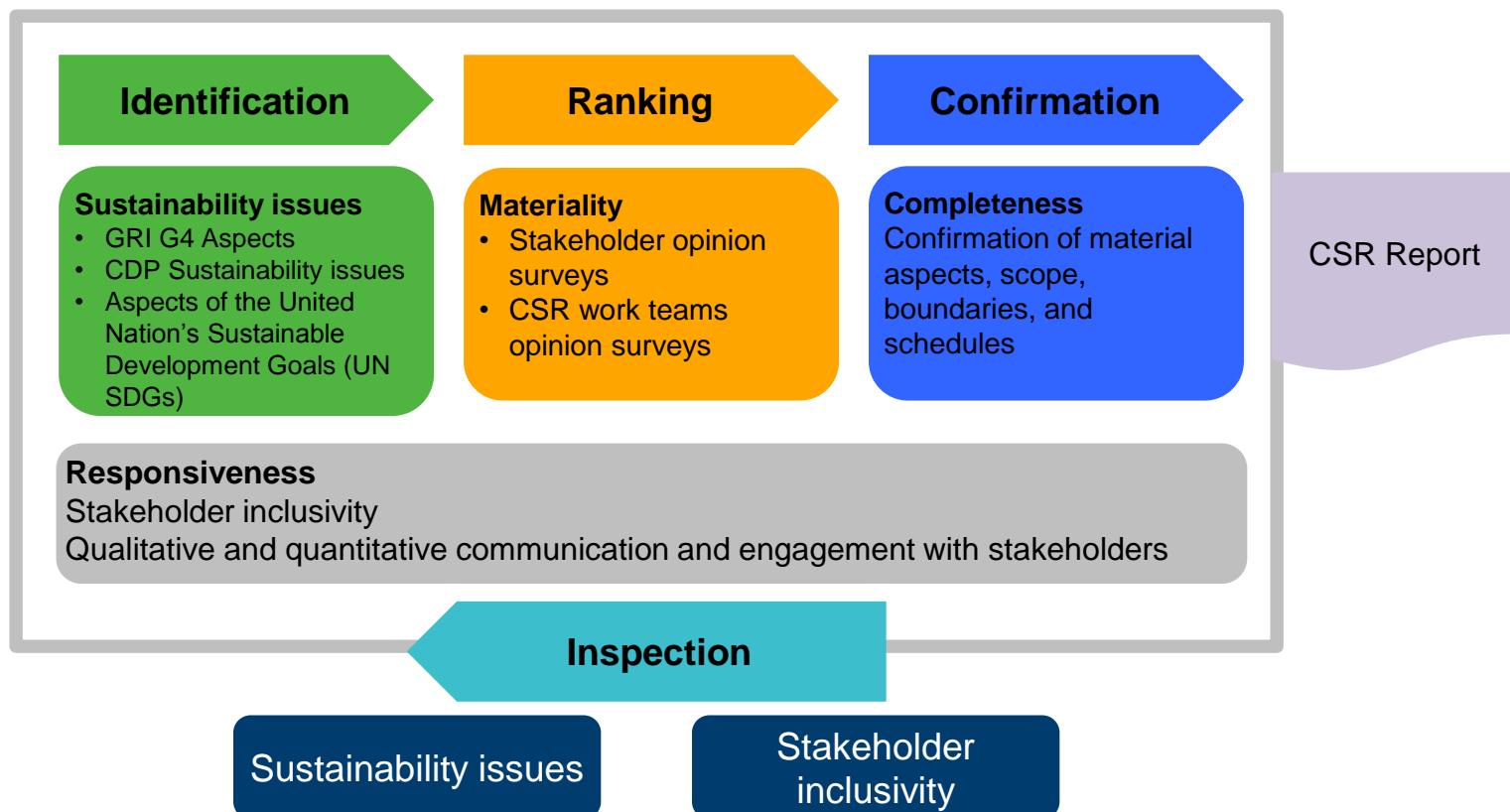
Billy Ho,  
President

## 1.2 Identification of Stakeholders

Identified material aspects and boundaries

AA1000 Accountability Principles and Standards (2008)

- Inclusivity: Starting point for determination of materiality
- Materiality: Determination of key issues of concern to the organization and its stakeholders.
- Responsivity: Adopted decisions, actions, and performance with regard to material issues.

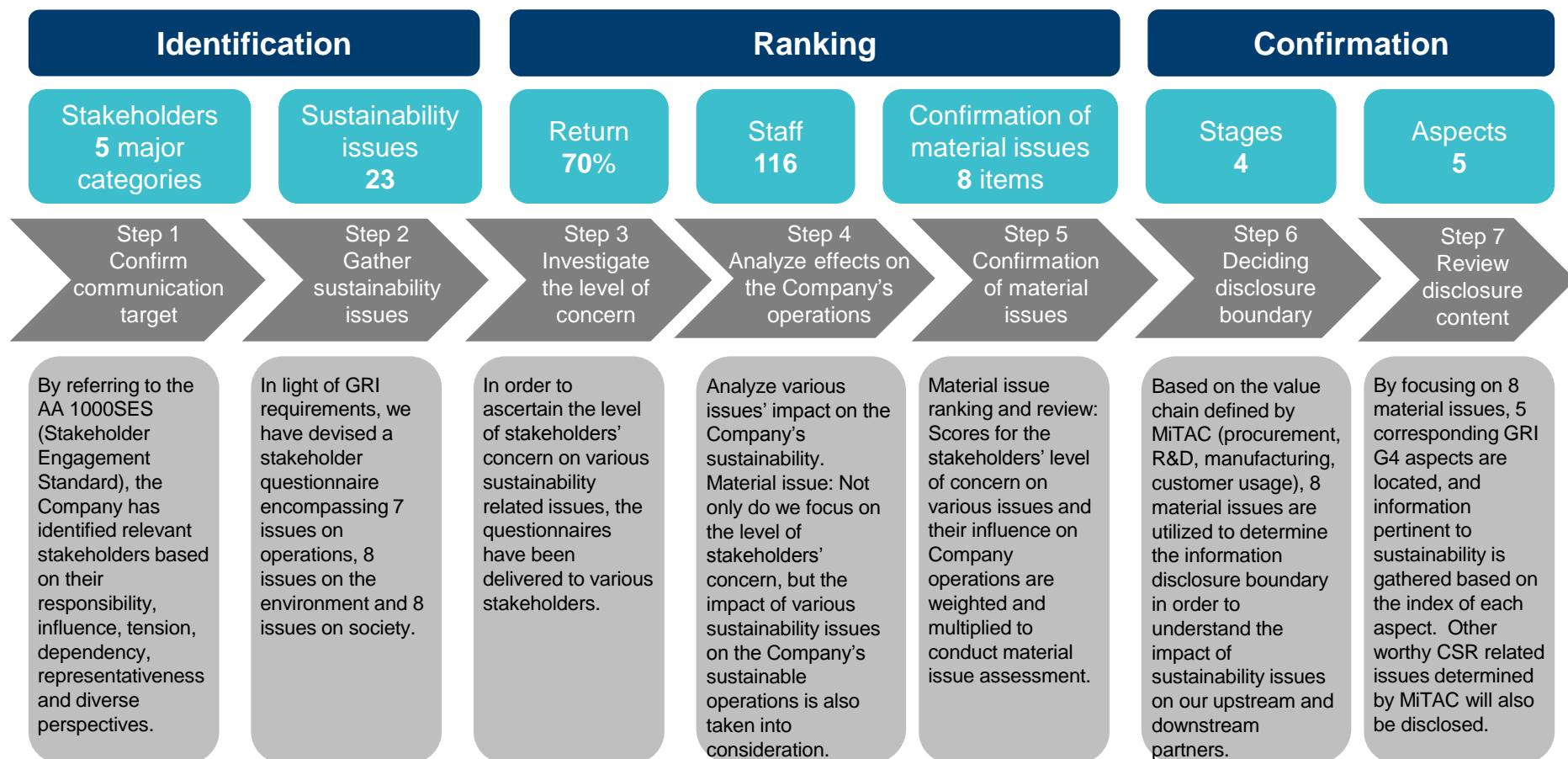




## 1.2 Identification of Stakeholders

- Materiality Analysis and Communications with the Stakeholders**

We have adhered to the GRI-G4 guideline and AA 1000SES standard to establish a standardized materiality analysis model in order to gauge the level of concern receive by each issue, as well as the effect of the issues on MiTAC's operations, so that we can use them as the foundation for formulating the Company's sustainable management goals.

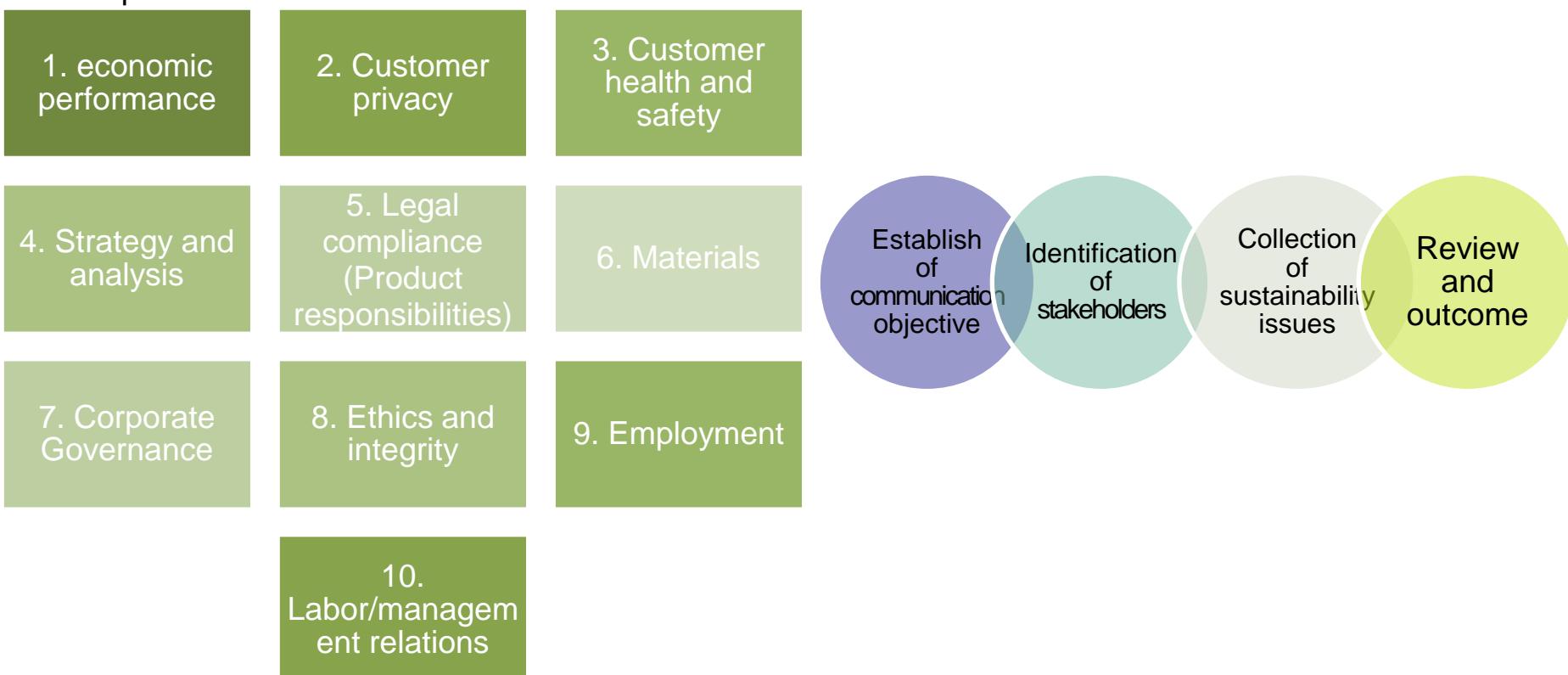




## 1.2 Identification of Stakeholders

### ● Results of Materiality Analysis

Effective engagement with stakeholders is an important foundation of corporate sustainability development. Of the numerous stakeholders, the most important aspect is to identify those who have significant influence over the company's operations and determine the issues that they care about most in a prioritized order.



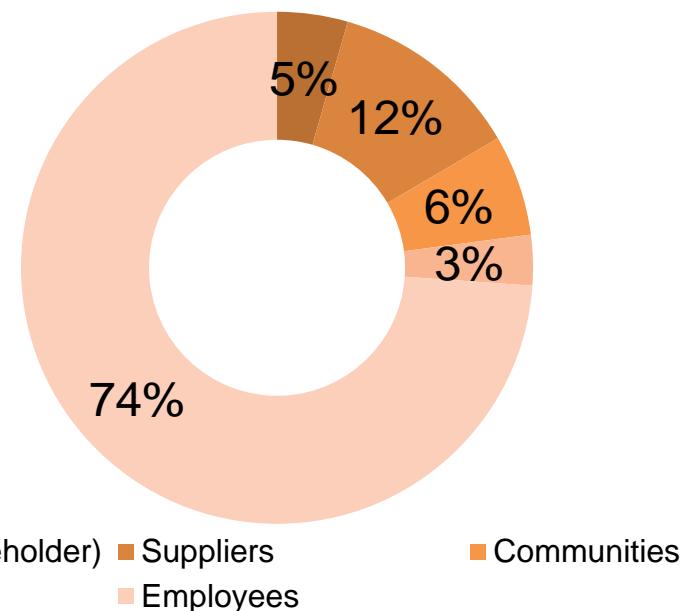


## 1.2 Identification of Stakeholders

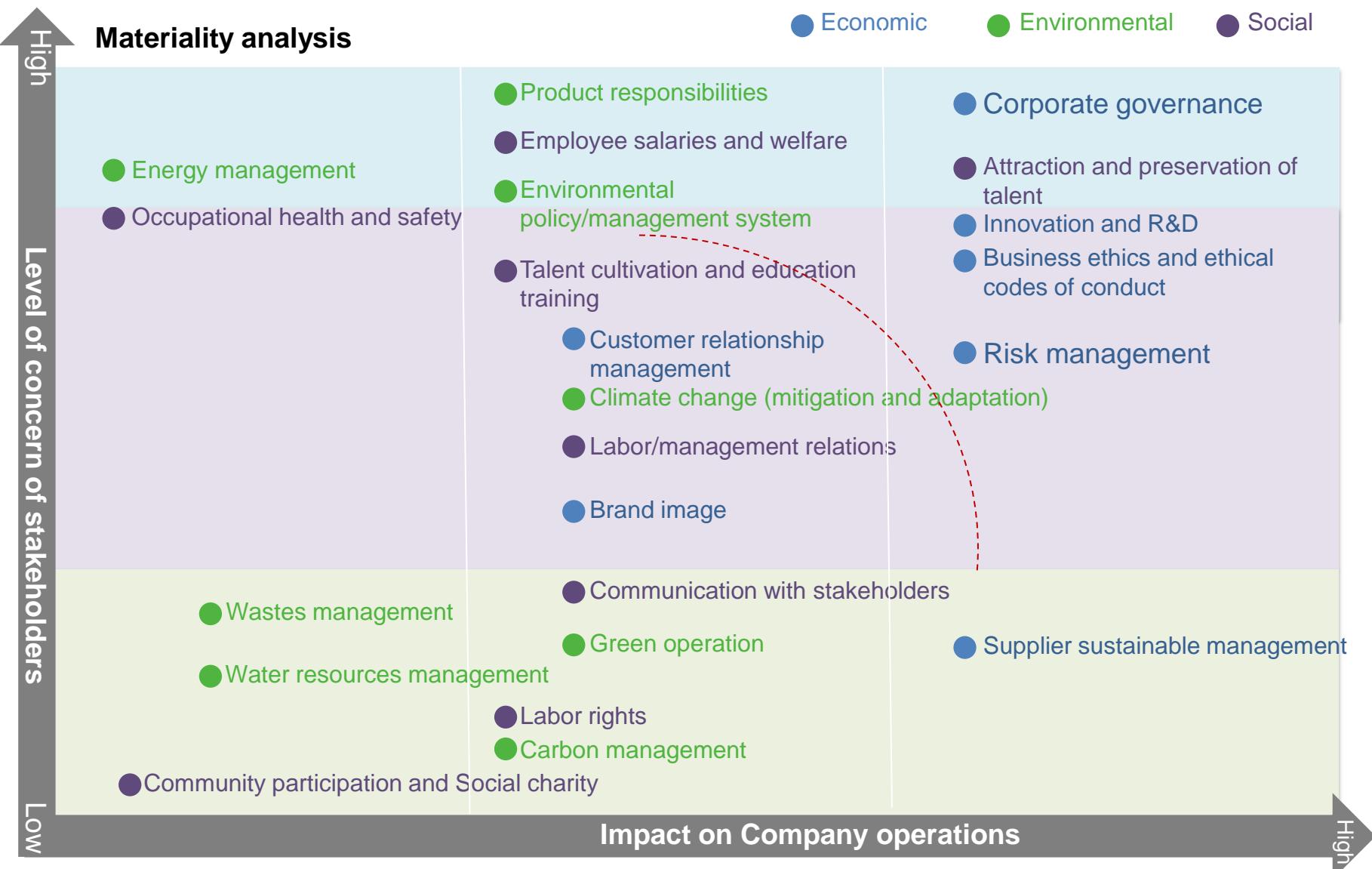
By referring to the AA 1000SES (Stakeholder Engagement Standard), the Company has identified relevant stakeholders based on their responsibility, influence, friendship, dependency, representativeness and diverse perspectives, as well as stakeholders related to MiTAC operations, including clients, suppliers, investors, governments, community, media, industry associations, NPOs, research institutions and employees. Questionnaires are distributed for the survey, and the response rate is as follows.

**Questionnaire return rates (%)**

Take into consideration domestic/ foreign development trends on the issue of sustainability and operating needs. Major stakeholders are defined as employees, customers, suppliers, investors and communities.



## 1.2 Identification of Stakeholders



## 1.2 Identification of Stakeholders

### Material issues and MiTAC Value Chain

Communication with stakeholders represents the foundation of CSR practices. In conjunction with materiality analysis, identify the most important issues for the stakeholders and MiTAC and take the necessary measures in order to reinforce the content of information disclosure.

	Material issues	GRI G4 Aspects	Upstream		Company operation		Downstream
			Purchasing	R&D	Manufacturing	Customer usage	
economic sphere	Innovation and R&D	economic performance		●	●		
economic sphere	Supplier sustainable management	Direct economic impact, procurement, supplier environment/labor/human rights/social evaluation	●				
economic sphere	Risk management	economic performance, General standard disclosure	●	●	●		
Social sphere	Attraction and preservation of talent	Employment, diversification and equal opportunity		●	●		
Environmental sphere	Climate change (mitigation and adaptation)	Emission	●	●	●	●	



## 1.2 Identification of Stakeholders

### Material issues/ Channels for Communications with the Stakeholders

Communication with stakeholders represents the foundation of CSR practices. MiTAC aims to gain a better understanding of relevant demands and provide relevant feedback through multiple platforms and communication with stakeholders. In conjunction with materiality analysis, identify the most important issues for the stakeholders and MiTAC and take the necessary measures in order to reinforce the content of information disclosure.

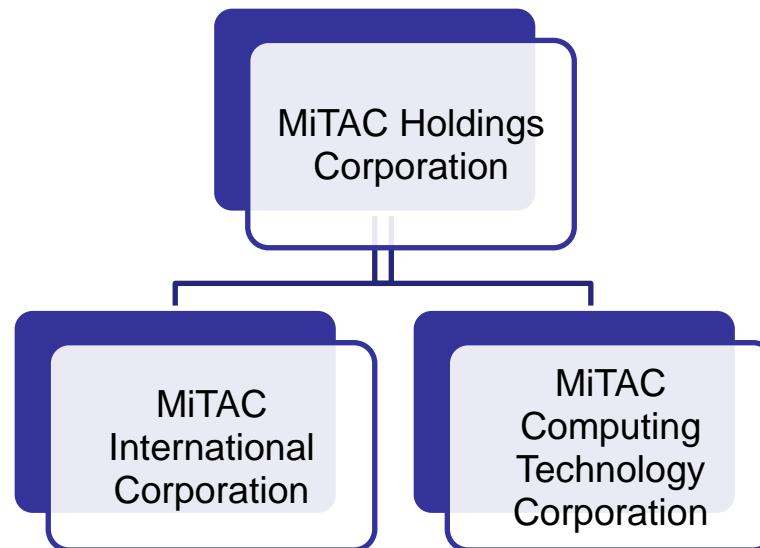
Stakeholders	Issues	Channels	Output
Employees	Employee salaries and welfare Innovation and R&D	Staff meeting	<ul style="list-style-type: none"> <li>Bilateral communication seminars during staff meetings</li> <li>Established internal "Speak out" mailbox for all employees to express their opinions and suggestions.</li> <li>The MITAC Portal conveys information on the status of operations and provides public announcements on various company systems.</li> <li>Publishes MiTAC Focus/Global Link periodically to cover major company news, product information and events.</li> </ul>
Investors (Shareholders)	Innovation and R&D Corporate governance	Board of Directors meeting	<ul style="list-style-type: none"> <li>We publish monthly turnover data and quarterly financial reports to report our financial and sales conditions.</li> <li>Shareholders' meetings are convened annually in mid-year to present the company's financial standing and directions of the development in the future.</li> <li>Established investor area to maintain positive interaction with investors in the long run.</li> <li>The Ethical Corporate Management Best Practice Principles ratified by the board establish a corporate culture based on integrity and ensure sound operations</li> </ul>
Customers	Product responsibilities Customer relationship management	EICC audit	<ul style="list-style-type: none"> <li>Introduced the Electronic Industry Citizenship Coalition (EICC) and participated in the global supply chain to establish standardized CSR code of conduct.</li> <li>Communicate the Company's development strategy through quarterly/yearly meetings with clients to ensure the R&amp;D progress of new products complies with environmental product standards, as well as to meet the reliability requirement and deadline.</li> <li>Customer privacy.</li> </ul>
Suppliers	Environmental policy/management system Communication with stakeholders	Supplier meetings	<ul style="list-style-type: none"> <li>Information survey and collection is conducted through e-SCM.</li> <li>Through non-scheduled supplier meetings, the company communicates with suppliers on topics such as GP/EICC/greenhouse gas inventory and reduction and so forth.</li> </ul>
Communities	Climate change (mitigation and Adaptation) Brand image	Carbon management Educational Foundation	<ul style="list-style-type: none"> <li>Takes part periodically in CDP (Carbon Disclosure Project) and annually publishes the status of corporate operation, carbon emission and management.</li> <li>Engages in active social participation through the Yu Shiu Educational Foundation and the company's PR Division, such as the annual Yu Shiu Innovation Award.</li> </ul>



## 2.1 Company Outlook

### ● 2.1.1 Company Profile

MiTAC Holding Group has been developing into a multinational organization of JDM/ODM/OEM/OPM (Original Product Manufacture), design and R&D, manufacturing, testing, assembling, marketing, and servicing in more than three decades. With headquarters in Taiwan and manufacturing and logistics centers at Guangdong and Jiangsu Province of China and California US, it is now selling products all over the world with leading brands including Mio, Magellan, and Navman (for automotive devices) and TYAN (for servers). The three main subsidiaries of the group, MCT and MIC, focus on offering cloud computing, IoT, and smart living products and services. Based on comprehensive global experiences, alignment with market demands and industry trend, MiTAC is devoted to provide customers and markets with the required electronic products, services, and solutions thanks to its multifaceted integrated service capacity and organization flexibility around the world, beginning from a best local partner to global industry leaders.



And after, the Group separated the original MiTAC cloud computing business group to establish an independent MiTAC Computing Technology Corporation (MCT) on September 1, 2014.



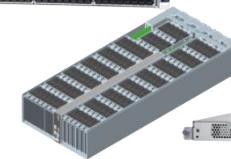
## 2.1 Company Outlook

### ● 2.1.1 Company Profile

Focused at cloud computing solutions and services, MCT came with design and manufacturing experiences in enterprise servers, storage systems, embedded products and industrial computers for 20 years strong, as well as hyper scale data center implementation proven records. Combining 30 years of history of TYAN server customization capacity, comprehensive relationships with channel and system integration service providers it is now providing customers with deliverables featuring flexibility and customization while aligned with different system and application types. MCT's cloud computing solutions cover the entire spectrum, from rack and tower system, high-performance and GPU-accelerated computing, cloud computing servers, storage systems, blade servers, workstations, through to complete systems and cabinets aimed at offering customers and markets the best TCO (Total Cost of Ownership) public, private and hybrid cloud equipment of the next generation; MCT smart client solutions may contain panel PC, BOX PC, mobile POS, and industrial mainboards to offer brand owners and system integrators with specialty solutions featuring better integration and competitiveness.

Another MiTAC's important business group, smart mobile device and cloud service business group, will focus on building an ecosystem to bridge the cloud service and smart mobile devices through the cloud ecosystem of SoLoMo (Social, Local, Mobile). Through user experience with Mio, Magellan and Navman brands integrating life, health, sports, recreation and navigation products, this business group will provide all kinds of valuable, instantaneous, and selected daily life information whether you are walking, exercising or driving. This service has prepared MiTAC Group for entry into the field of cloud services.

MiTAC has joined sustainable development related associations, such as the Taiwan Electrical and Electronic Manufacturers' Association, the Taipei Computer Association and the IPC, hoping to make concrete contributions to the environment and society through corporate promotion and implementation. Government grants include: Finance Bureau Business Transformation and Upgrade Specialized Fund, Guangdong Province Technology Improvement Specialized Fund and Foshan City economic and Technology Promotion Bureau's Technology Innovation Voucher Specialized Fund etc.





## 2.1 Company Outlook

- **2.1.1 Company Profile**

### Innovative Applications and Awards

- MiTAC received Intel's Recognition Award to commend its outstanding performance in datacenter execution and operation.
- MiTAC received Fujitsu's recognition for its exceptional contribution and achievements, earning it the "2016 Supplier Award".
- MiTAC and MiTAC Information Systems Corp. received the "2016 Outstanding Partner Award" from Inspur.
- Received 2016 Supplier Quality Award from Symantec for outstanding design, manufacturing and delivery quality.
- MiTAC TYAN unveiled a new generation of servers supporting Intel® Xeon® Scalable Processor.
- MiTAC TYAN unveiled the AMD EPYC server, providing NVMe flash storage application services.
- Unveiled Magellan, a navigation app designed specifically for IoV.
- Mio honored as Ideal Brand in the Mind of Consumers (Best Choice Award) in the drive recorder product category in 2017.
- MiTACor A100 Wearable ECG Recorder and MiVue™ Drive recorder received the "iF Design Award".
- MiTAC received the 2017 BOSE Supplier Quality Zero Defect Award.
- Mio MiVue™ 792 Wi-Fi drive recorder received the 100 IT Innovative Elite Award.
- Magellan Return to Route navigation solution was selected by the New York City Department of Sanitation for deployment across its entire fleet of salt spreading vehicles.



HPC server platform optimized for business, storage and datacenters.



Mio handheld device



## 2.1 Company Outlook

### ● 2.1.2 Basic Information

Background	<p><b>MiTAC Holdings Corporation was created through 100% share swap with MiTAC (stock code: 2315) on September 12, 2013</b> <b>Stock code: 3706</b></p>
Group Establishment	1982
Capital	8.1 billion
Global employees	More than 7,000 persons
Subsidiary brands	<p>SoLoMoCo brand</p>  <p>Cloud Computing brand</p>   

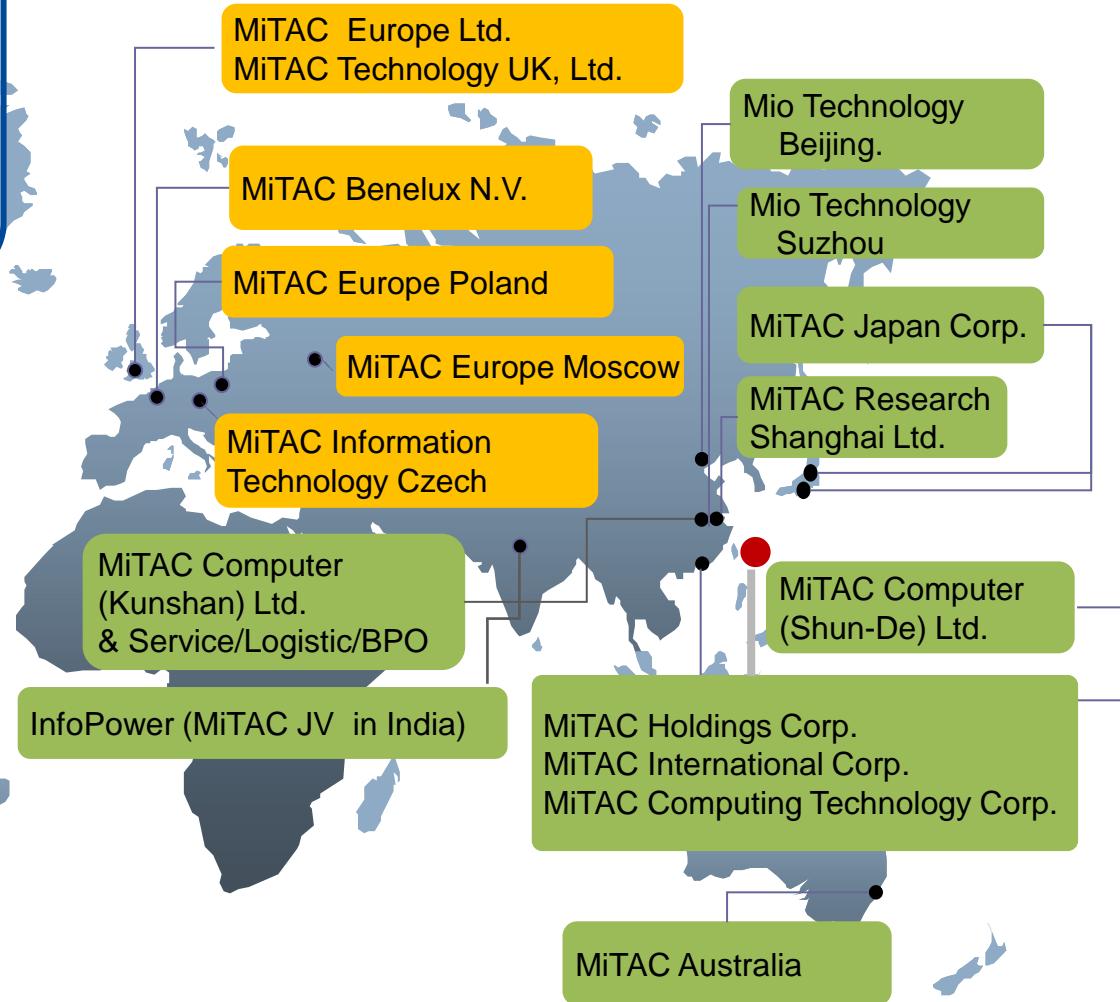
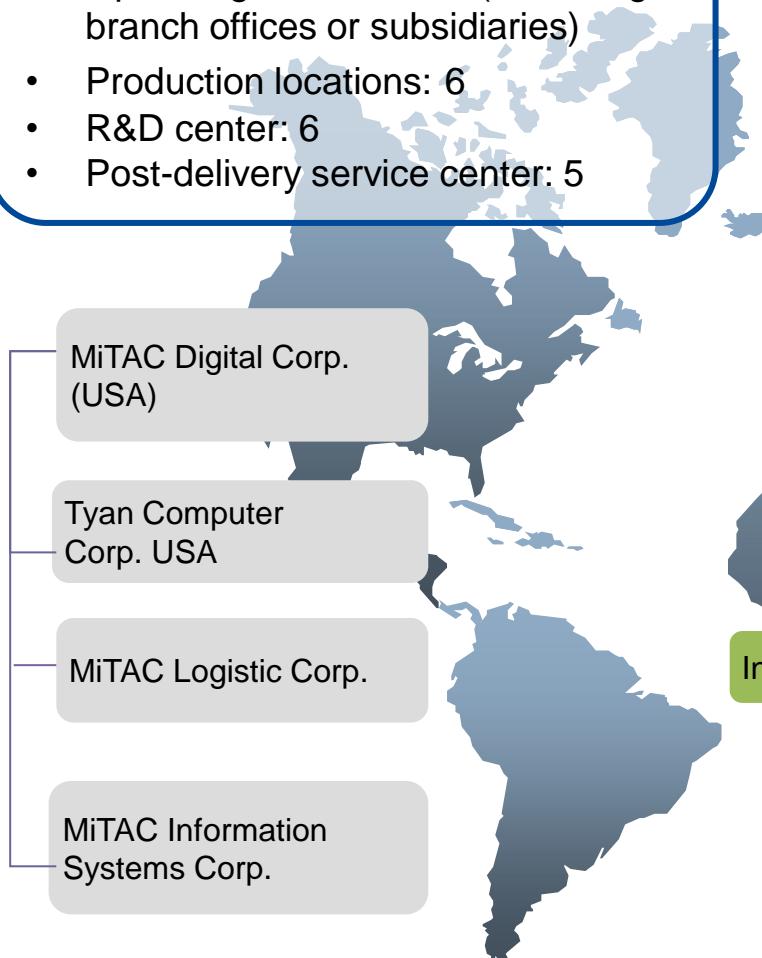


## 2.1 Company Outlook

### ● 2.1.3 Global Locations

#### MiTAC's overseas locations

- Operating locations: 26 (excluding branch offices or subsidiaries)
- Production locations: 6
- R&D center: 6
- Post-delivery service center: 5



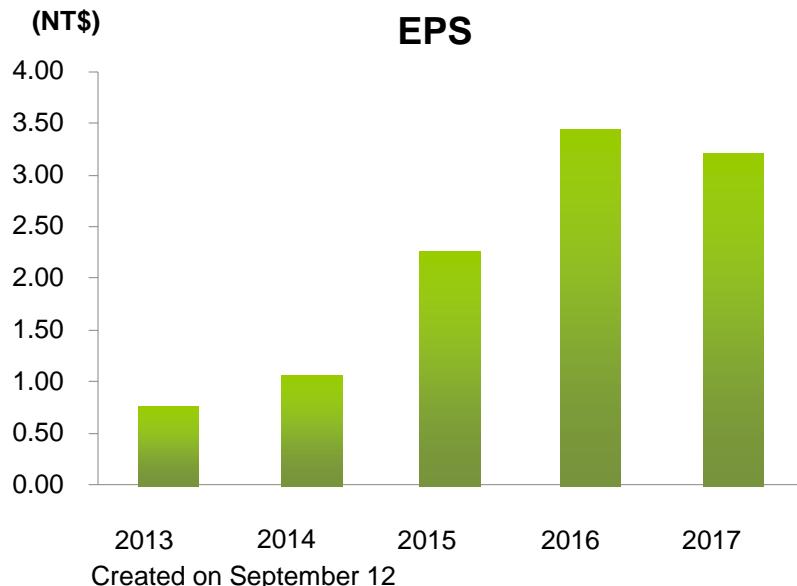
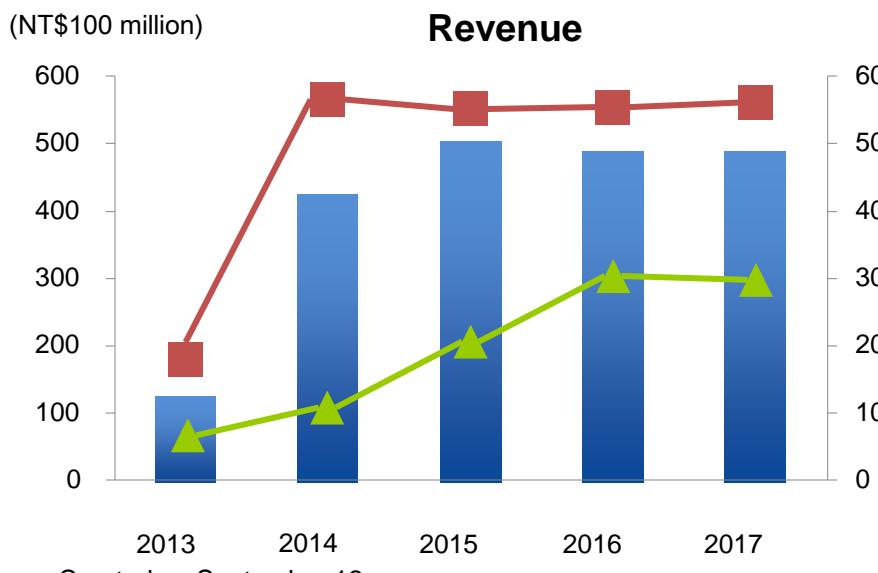


## 2.1 Company Outlook

### ● 2.1.4 Performance

In 2017, MiTAC's consolidated revenue amounted to NT\$48.761 billion. With the strategy of focusing on proprietary product design, manufacturing and adjusting product mix, the profitability of our core business has exhibited a constant growth trend, with earnings before taxation reaching NT\$ 2.902 billion and EPS of NT\$ 3.24.

■ Revenue ■ Gross profit ▲ Pre-tax net profit



The board of directors drafted the 2017 proposal for dividend distribution on March 23, 2018. Cash and stock dividends were set at NT\$ 1.30 and NT\$ 1.50 per share, respectively. The proposal will be submitted to the General Shareholders' Meeting on June 22, 2018 for approval.



## 2.2 Corporate Governance

### ● 2.2.1 Corporate Governance Organizational Chart





## 2.2 Corporate Governance

- **2.2.2 Operation of the Board of Directors**

I. The organization and functions of the Board of Directors:

- (I) Monitoring of operating performance.
- (II) Prevention of conflicts of interest.
- (III) Assurance of compliance by the company with various laws.

II. The Board of Directors convened seven times in 2017 (A), and the attendance is shown below:

<b>Titles</b>	<b>Names</b>	<b>Attendance in person (B)</b>	<b>Attendance by proxy</b>	<b>Attendance rate (%) (B/A)</b>
Chairman	Matthew Miau	7	0	100.00%
Director	Billy Ho	7	0	100.00%
Director	UPC Technology Corporation Rep.: Yung-Do Way	6	1	85.71%
Director	UPC Technology Corporation Rep: Chang Kuang-Cheng	6	1	85.71%
Director	MiTAC Inc. Representative: Hsu Chi-Hua	5	2	71.43%
Independent directors	Mr. Lu Hsiao-chin	7	0	100.00%
Independent directors	Ma Shao-hsiang	5	2	100.00%



## 2.2 Corporate Governance

### ● 2.2.2 Operation of the Board of Directors

Special notes:

- I. If the Board of Directors experience one of the following situations, the date, term, content and handling of Independent Directors' opinions and the company's opinions about the Independent Directors should be elaborated.

Date of the Board Session	Term	Content of the motion	Opinions of the Independent Directors	The company's response to the independent directors' opinions
2017.01.18	1st	Review and approval of year-end bonuses for managers in 2016 .	No objection	None
2017.01.18	1st	Changing the chief internal auditor	No objection	None
2017.01.18	1st	A loan of less than NT\$1 billion was granted to the subsidiary — MiTAC Computing Technology Corp. :MCT.	No objection	None
2017.01.18	1st	Action has been taken in favor of the motion of accepting the exercise of ESO previously issued by MiTAC International Corp. In Q4 2016 for conversion into new common shares:	No objection	None
2017.03.28	3rd	Amendment to the "Procedure for the Acquisition and Disposition of Assets".	No objection	None
2017.03.28	3rd	The Company' s loan was paid off in advance and a new loan of NT\$2.5 billion was granted to MiTAC.	No objection	None
2017.05.11	4 th	Construction project of the Company headquarters in East China for Xida Information Technology (Kunshan) Co., Ltd. — a Chinese subsidiary of MiTAC.	No objection	None
2017.05.11	4 th	Action has been taken in favor of the motion of accepting the exercise of ESO previously issued by MiTAC International Corp. In Q1 2017 for conversion into new common shares:	No objection	None



## 2.2 Corporate Governance

### ● 2.2.2 Operation of the Board of Directors

Date of the Board Session	Term	Content of the motion	Opinions of the Independent Directors	The company's response to the independent directors' opinions
2017.08.10	6th	Review and approval of pay raises for managers in 2017	No objection	None
2017.08.10	6th	Review and approval of employee remuneration and year-end bonuses for managers in 2016 and 2017 , respectively	No objection	None
2017.08.10	6th	Action has been taken in favor of the motion of accepting the exercise of ESO previously issued by MiTAC International Corp. In Q1 2017 for conversion into new common shares:	No objection	None
2017.08.10	6th	The Company's loan was paid off in advance and a new loan was granted to MiTAC Computing Technology Corp. :MCT.	No objection	None
2017.11.09	7th	Established an overseas holding Company for MiTAC subsidiary Silver Star Development Limited to reinvest overseas with the mobile communication products business Group.	No objection	None
2017.11.09	7th	To support MiTAC in separating its mobile communication products business Group to MDT, the Company will adjust its overseas reinvestment business's organizational structure.	No objection	None
2017.11.09	7th	Action has been taken in favor of the motion of accepting the exercise of ESO previously issued by MiTAC International Corp. In Q3 2017 for conversion into new common shares:	No objection	None

II. In addition to the aforementioned issues, other issues related to the Board of Directors meeting that were objected or commented on by the Independent Directors (recorded or written statements): None.



## 2.2 Corporate Governance

- 2.2.2 Operation of the Board of Directors**

- III. The enforcement of the avoidance of the conflict of interest of the directors in making decisions: directors acted to avoid possible influence on the result of decision on motions with conflict of interest to The Company:

Date of the Board Session	Names of the directors sought to avoid the conflict of interest	Content of the motion	Reasons for the avoidance of the conflict of interest	The voting
2017.01.18	Matthew Miau Billy Ho	Review and approval of year-end bonuses for managers in 2016	Concurrent position as manager	Unanimous approval by all attending board members with voting rights (approved as proposed)
2017.08.10	Matthew Miau Billy Ho	Review and approval of pay raises for managers in 2017	Concurrent position as manager	Unanimous approval by all attending board members with voting rights (approved as proposed)
2017.08.10	Matthew Miau Billy Ho	Review and approval of employee remuneration and year-end bonuses for managers in 2016 and 2017 , respectively	Concurrent position as manager	Unanimous approval by all attending board members with voting rights (approved as proposed)

- IV. Assessment of the strengthening of the board functions and implementation conditions in the current and most recent year:

This company has already formulated the Regulations Governing Procedures for Board of Director Meetings and fully complies with them. Major board resolutions are disclosed on the company website. The Company has also disclosed the attendance of the directors in the Board meetings and their status of continuing education for the information of the investors at the zone of “Corporate Governance” in MOPS so that disclosure could be made timely and transparent. In the years ahead, The Company will fortify the functions of the Board of Directors in responding to applicable legal rules and the requirements of corporate governance.



## 2.2 Corporate Governance

### ● 2.2.3 Supervisor's engagement in the operation of the Board of Directors

#### I. The organization and duties of the supervisors:

##### (I) The communications between the supervisors and the employees and shareholders of The Company:

The sales personnel of The Company have reported to the supervisors regularly or at any time as needed. The supervisors may also contact relevant personnel directly for communications at any time as needed for related information.

##### (II) The communications between the supervisors, the chief internal auditor, and the certified public accountants:

The supervisors of The Company can investigate the operation and financial position of The Company at any time, and request the Board of Directors and managers to report. Where necessary, they may contact the external auditors of The Company.

The chief internal auditor of The Company shall present audit reports to the supervisors at regular intervals.

#### II. The Board of Directors convened seven times in 2017 (A), and the attendance of supervisors is shown below:

Titles	Names	Attendance in person (B)	Attendance rate (%) (B/A)
Supervisor	Arthur Chiao	6	85.71%
Supervisor	Lien Hwa Industrial Corp Rep: Hu-Shi, Charles Ching	6	85.71%



## 2.2 Corporate Governance

### ● 2.2.4 The Operation of the Remuneration Committee

#### I. The organization and functions of the Compensation Committee:

MiTAC has established the Remuneration Committee on September 12 2013 organized by 3 external professionals with independence status. The committee convenes at least twice a year and perform the following duties from a professional and objective perspective, and present their recommendations to the Board of Directors for discussion.

- (I) Stipulate and regularly review the performance of the directors, supervisors and managers; as well as the compensation policies, systems, standards and structure.
- (II) Regularly evaluate and stipulate director, supervisor and manager compensation.

#### II. The Compensation Committee convened twice in 2017 (A), and the qualification of the members and attendance is shown below:

<b>Titles</b>	<b>Names</b>	<b>Attendance in person (B)</b>	<b>Attendance by proxy</b>	<b>Attendance rate (%) (B/A)</b>
Convener	Ma Shao-hsiang	2	0	100.00%
Members	Mr. Lu Hsiao-chin	2	0	100.00%
Members	Cheng Chien-Jen	2	0	100.00%



## 2.2 Corporate Governance

### ● 2.2.5 Departmental Business Operation

Departments	Principal business operation
Remuneration Committee	<ul style="list-style-type: none"> <li>• Stipulate and regularly review the performance of the directors, supervisors and managers; as well as the compensation policies, systems, standards and structure.</li> <li>• Regularly evaluate and stipulate director, supervisor and manager compensation.</li> </ul>
Auditing Office	<ul style="list-style-type: none"> <li>• Review the condition of the company's operations and offer recommendations for improvement.</li> </ul>
Legal Affairs	<ul style="list-style-type: none"> <li>• Contract formulation and review.</li> <li>• Consultation, support, and provision of business-related legal service ; legal issues in other aspects.</li> </ul>
Investment planning management	<ul style="list-style-type: none"> <li>• Assess the operation and the development of the investees and map out related investment plans.</li> <li>• Design and establish management regulation and manage the result of operation of the investees</li> <li>• Shares registration and transfer.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Financial operations and planning.</li> <li>• Evaluation and research of domestic and international investment opportunities.</li> <li>• Financial planning and various tax-related accounting treatment.</li> </ul>
Human Resource	<ul style="list-style-type: none"> <li>• Human resources strategic planning and execution.</li> <li>• Human resource management and talent development.</li> <li>• Execution and management of administration, safety, and health issues.</li> </ul>



## 2.2 Corporate Governance

### ● 2.2.6 Other Information on Corporate Governance

- I. For further information on corporate governance of MiTAC, visit the “Investors Zone” of the official website of MiTAC, or visit the special zone of “corporate governance” of MOPS at mops.twse.com.tw.
- II. Company structure and shareholders' equity
  - (I) The Company has appointed a designated company spokesperson for responding to the recommendations, queries, and disputes from the shareholders.
  - (II) The Company can properly control the composition of major shareholders and the ultimate parties in control of these major shareholders, and declares the quantity of shareholding by the directors, supervisors, and major shareholders on a monthly basis in accordance with the Securities and Exchange Act.
  - (III) The Company has established an internal control system and related rules and regulations in compliance with applicable legal rules, and has properly enforced such rules and regulations. In addition to self-assessment, the Board of Directors and the management has also reviewed the self-assessment results of the departments and the audit reports of the auditing functions at regular intervals or at any time as needed to materialize the enforcement of the internal control system. The Company seeks to establish viable financial, operation, and accounting systems in accordance with requirements, and for buttressing the management of the subsidiaries and affiliates for proper control to reduce operation risk. The transactions with subsidiaries and affiliates were made under the principle of equity and fairness, and they are bound by related rules and regulations governing business and financial transactions among the entities.
  - (IV) MiTAC has instituted the “Procedure for Handling Materiality” and “Business Ethic Code” to stipulate internal staff's obligation to confidentiality. Furthermore, no illegitimate profits may be made by oneself or others, and the regulation should be informed to the Board of Directors/Supervisors, Managers and other individuals who are able to access such information due to their identity, profession or control relationship for proper implementation.



## 2.2 Corporate Governance

### ● 2.2.6 Other Information on Corporate Governance

#### III. The organization and functions of the Board of Directors

- (I) The members of the company's Board of Directors are equipped with the necessary knowledge, skill and cultivation to perform their duties, including judgment ability, accounting and financial analysis skills, as well as international perspective. The company has elected Independent Directors at the shareholders' meeting in 2016 to reinforce the competency of the Board of Directors.
- (II) The company has already established the Compensation Committee in 2013 and we will create the Auditing Committee in 2019 as per legal regulations. Other functional committees will be established according to the company's actual needs.
- (III) The Company has stipulated the Board of Directors performance evaluation regulation in 2016, and Board of Directors' performance evaluation is conducted at least annually. According to the 2017 evaluation results, the Board of Directors has demonstrated good performance.
- (IV) The company evaluates the independence of our external auditors annually and reports it to the Board of Directors in order to confirm that there is no conflict of interest (not in possession of the company's stocks and not holding any position in the company) and assess whether there is a need to replace the auditors (no replacements were made in 7 consecutive years; no disciplinary actions were taken and no incidents occurred to jeopardize their independence). The Board of Directors makes decisions on the appointment of the external auditors for The Company. The external auditors are from the top 4 domestic certified public accounting firms and there is no doubt about their independence and professional standing.

#### IV. Channels for communications with the stakeholders

The company has created a "stakeholders' section" of the company website, where dedicated personnel is in charge of processing and replying any queries.

Stakeholders' section: <http://www.mic-holdings.com.tw/Stakeholders.html>

Tel: 03-3962888

E-mail: stock@mic.com.tw



## 2.2 Corporate Governance

- 2.2.6 Other Information on Corporate Governance**

V. Professional share transfer agents are commissioned to organize shareholders' meeting

The company's shareholders' meeting was commissioned to CTBC Bank's professional share transfer agent.

IV. Disclosure

(I) The company's website is, which features an Investor Center and Corporate Governance Center disclosing information such as the company's finances, businesses and corporate governance.

(II) The company has also set up an English website and dedicated personnel have been assigned to collect and disclose company information. In addition to the spokesperson, we also have an acting-spokesperson, while the process of the investor conference is published on "Investor Relations" for our investors' reference.

VII. Continuing education of the directors and the supervisors

All directors and supervisors of MiTAC have relevant industrial and professional background, which were disclosed at MOPS in the "corporate governance" zone for the reference of the investors at any moment.

VIII. Professional liability insurance for the protection of directors and supervisors

The insured	The insurer	The amount insured	Term of policy (starting and ending)
All directors and supervisors	Fubon Insurance Co., Ltd.	NTD 358,176,000	November 15, 2017 to November 15, 2018



## 2.2 Corporate Governance

### ● 2.2.7 The Practice of Business Integrity and Measures

#### I. With business integrity policy and action plan in place

- (I) MiTAC has instituted the “Business Ethic Code” and has posted the content at the official website at <http://www.MiTAC-holdings.com.tw/>. The Board of Directors and the management duly observe such code in business operation and hold relevant training programs at different times, where necessary, to avoid the breach of trust of the employees.
- (II) In the area of business operations, which are vulnerable to unethical business practices, MiTAC has established related rules and regulations for the prohibition of offering and accepting bribes, contribution of illegal political donations, illicit charity donations or sponsorships.

#### II. Realization of business integrity

- (I) MiTAC has entered into an “Agreement on Undertaking of Business Integrity” with essential suppliers in business transactions.
- (II) MiTAC has appointed a designated body for the establishment and supervision of the enforcement of business integrity policies and preventive measures. The Board of Directors of MiTAC shall act under due diligence to supervise the prevention of any unethical business practice and review the issues and the effectiveness of the preventive measures at any time as needed for continued improvement to ensure the realization of business integrity policy.
- (III) MiTAC has made a policy for the prevention of the conflict of interest, and it provides appropriate channels for the directors, supervisors, and managers in voluntary justification of their positions, which may entail potential conflict of interest against The Company.
- (IV) MiTAC has established and complied with an effective accounting system and internal control system, and has no separate bookkeeping system or secret accounts. In addition, MiTAC reviews the systems at any time as needed to ensure the sustained effectiveness of the system design and implementation. The internal audit function of MiTAC conducts regular and special audits on the state of compliance with the “internal control system” and prepares related audit reports for presenting to the Board of Directors.



## 2.2 Corporate Governance

### ● 2.2.7 The Practice of Business Integrity and Measures

- III. The operation for the channels for filing complaints on unethical practices and the regulations governing the punishment on breach of business integrity

MiTAC has established appropriate channels for filing complaints and reports, and explicitly stated the system of complaint and punish for breach of the business ethic code in business operation and exercised proper management.

- IV. Intensification of disclosure

- (I) MiTAC has instituted the “Business Ethic Code” and posted at the official website at <http://www.MiTAC-holdings.com.tw/>.
- (II) MiTAC makes disclosure at MOPS and discloses its annual report containing information on the enforcement of the Business Ethic Code.

- V. If the Company has established the code of business integrity in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE-GTSM-listed Companies”, elaborate the code in operation and the discrepancy between the code and the practices. The Company has instituted the code of business integrity in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE-GTSM-listed Companies”.

- VI. Any other essential information that can help to understand the enforcement of business integrity (demonstration of the determination and policy of the company in business integrity with business partners, invitation of the business partners to related education and training, review the principles and rules governing business integrity): No.



## 2.2 Corporate Governance

### ● 2.2.8 Continue to Improve Corporate Risk Management

Formulation of annual audit plans in accordance with the regulations of the competent authority. Implementation of annual self-assessments of the internal control system and carrying out of operation reviews on a non-scheduled basis in consideration of corporate risks. Continued tracking of improvements and filing of reports and communication with the board of directors to facilitate reviews of deficiencies in the internal control system by the board and managers' evaluation of operational efficiency, and verification of compliance of all operations with relevant laws and internal rules and regulations.

#### Corporate risk management PDCA cycle diagram

##### Audit Department

- Independent audit of risk management activities
- Report the audit results to the Board of Directors

##### Function and attribute department business group

- Risk management activity self-evaluation and control
- Refinement and improvement through management

##### Corporate risk management

###### Self-assessments of the internal control

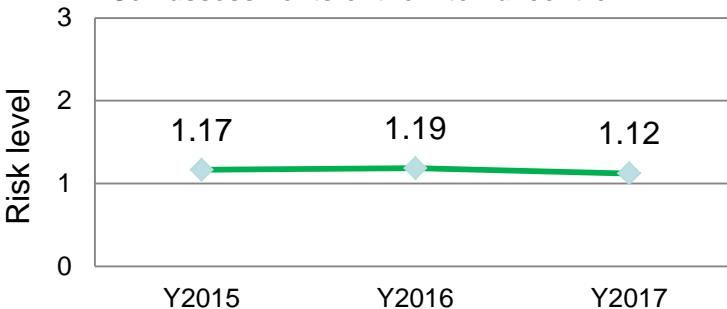


##### Board of Directors meeting

- Ensure the creation of adequate risk management system and culture
- Risk management decisions and resource allocation

##### Operation and management

- Carry out management decisions made by the board of directors
- Management of various functional departments and business units



##### Description

- The annual self-assessments of the internal control system are designed according to the COSO framework.
- Risk level definition: 3 (high) -1 (low)
- Various risk factors are monitored throughout the PDCA management cycle, and assessments from previous years all demonstrated low risk levels.

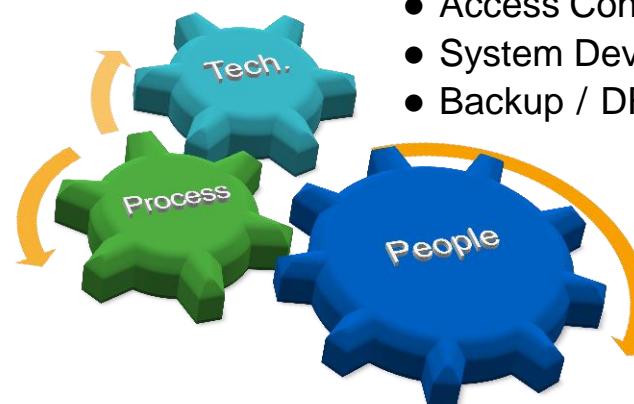


## 2.2 Corporate Governance

### ● 2.2.8 Continue to Improve Corporate Risk Management

In order to protect our clients, company and individual information from intentional or accidental sabotage, and to manage and protect all stored or communicated data from damage, theft, disclosure, tampering, abuse and tort, the information security policy is stipulated, clearly stating the importance of maintaining information security and the implementation thereof, so that various organizations will clearly understand the information security policy, in turn complying with relevant control protocols to constantly improve the confidentiality, integrity and usability of all information service system operations. The ultimate goal is to ensure the information security of the company's businesses and uphold sustainable management philosophy.

- Legal compliance
- Policy / Procedure
- Security Audit



- Access Control
- System Develop / Maintain
- Backup / DR

- Segregation of Duty
- Need to Know
- Security Awareness



## 2.2 Corporate Governance

### ● 2.2.8 Continue to Improve Corporate Risk Management

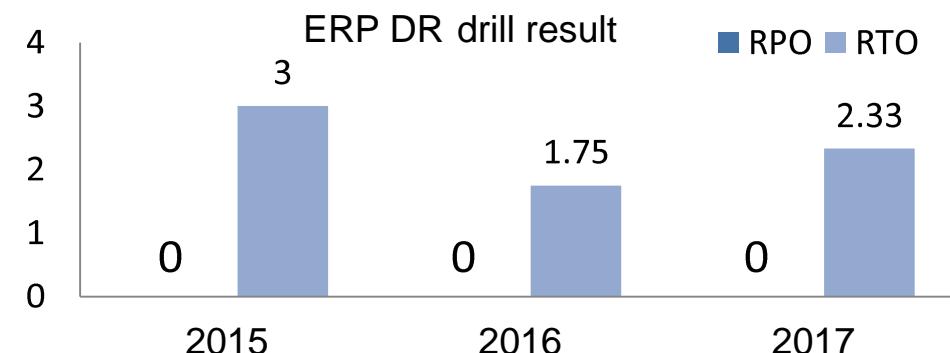
In regard to key application systems directly related to production, R&D and sales, in order to ensure normal function, the IT Center has arranged for remote recovery drills at the Hsinchu datacenter in order to ensure that all IT service can be transferred to the Hsinchu datacenter if the Linkou datacenter is out of service due to malfunctioning key application systems caused by disaster. In order to test effectiveness in 2017, the actual switchover was conducted in an official setting; and, although the time was increased, the operation was effective and complied with RPO/RTO requirements.

#### ERP DR drill performance

ERP DR
RPO <= 0 hours
RTO <= 4 hours

#### Description:

- Recovery Time Objective (RTO)
- Recovery Point Objective (RPO)



For system vulnerability repair and protection, inspection is carried out prior to systems going online or prior to making any changes in order to maintain basic information security protection needs. The IT center regularly executes vulnerability scanning and arranges for penetration testing in order to test and verify the information security of various systems. Concerning threats from the latest viruses and malicious codes, besides monitoring virus and malicious code infections, education and training are conducted for individual employees, while the latest information security threats and the protection thereof are also communicated to them.



## 3.1 Green Commitment

### ● 3.1.1 Eco-friendly Product Strategies

In the face of serious challenges posed by global warming and shortage of energy resources, MiTAC is committed to reducing environmental impacts in various ways. Compliance with international environmental laws, customer demands, and eco-friendly product design serve as the starting points. Harmful MiTAC substances are controlled from the source, while energy conservation and material saving are incorporated as main considerations in the product design process. Easy disassembly of products and simplified waste recycling are also important eco-friendly strategies to reach the short- and long-term goal of enhanced energy efficiency and reduction of harmful substances. To reduce environmental impacts generated during manufacturing processes, MiTAC has established an environmental management system and clearly formulated environmental management operating procedures to ensure an effective control of waste generation and energy usage during production processes.

#### Eco-friendly Product Strategies

- Establishment of an environmental management system
- Product design for the environment
- Green supply chain management
- Compliance with all applicable environmental laws and customer and other demands





## 3.1 Green Commitment

### ● 3.1.2 Introduction of Product Design for the Environment

- International environmental laws: From an international law development perspective, product design for the environment is now more than just concept promotion. Taking the ErP (EU) as example, it has proposed that all energy-using products must adopt design for the environment to minimize resource depletion and pollution emission.
- Design for the environment: MiTAC has stipulated DfE (Design for Environment) / Eco-design as one of the prerequisites of product design, therefore we demand our R&D personnel to take into consideration the products' environmental impact during different stages, including design, production, packaging, transportation, and usage to waste disposal.
- Green product certification: This is the highest product environmental requirement standard of each country currently. For instance, EPEAT, ENERGY STAR from the US, SEPA and CECP from China, Green Mark from Taiwan, Flower from the EU and Blue Angel from Germany, etc. Not only is it the green purchasing barrier of many national governments, it also represents that products can satisfy the environmental protection requirements of design, use, recycling, energy consumption, low toxicity, and so forth.





## 3.2 Green Product Design

### ● 3.2.1 Product Design for the Environment Case Study

Product type	Key aspects of design for the environment	Design content and benefits
Thin client PC	<ul style="list-style-type: none"> <li>● Increases energy efficiency</li> <li>● Ecological design</li> <li>● Minimizes toxic environmental hazard</li> </ul>	<ul style="list-style-type: none"> <li>● Conforms to the GB28380 Minimum allowable values of energy efficiency and energy grades for Microcomputers and the ENERGY STAR international standard in the US. Adopt external power supplies that conform to the Level V standard in order to improve energy conversion efficiency.</li> <li>● The plastic case is made from monomer plastics, metal and plastic that does not stick and are easily dismantled for recycling. The metal and plastic are not painted to increase the recycling rate.</li> <li>● We only use plastics free from plasticizers (environmental hormone), HBCDD-free mainboards, CFC-free production process, materials complying with the RoHS recast and REACH standard and halogen-free materials in order to decrease environmental impact.</li> <li>● Adoption of Level VI compliant power supplies for AIO series products</li> </ul>
Servers	<ul style="list-style-type: none"> <li>● Increases energy efficiency</li> <li>● Minimizes toxic environmental hazard</li> </ul>	<ul style="list-style-type: none"> <li>● Comply with the current ENERGY STAR 2.1 international standard in the US to increase energy efficiency. Use integrated power supply conforming to the 80Plus standard in order to improve energy conversion efficiency.</li> <li>● Use CFC-free production process, materials complying with the RoHS recast and REACH standard to decrease environmental impact.</li> <li>● Trial adoption of RoHS exemption-free(6a/6b/6c-alloy materials, 7c-i-glass or ceramic piezoelectric material, 15-semiconductor package) components for specific server products and verifications.</li> </ul>



## 3.2 Green Product Design

### ● 3.2.1 Product Design for the Environment Case Study

Product type	Key aspects of design for the environment	Design content and benefits
Server mainboard	<ul style="list-style-type: none"><li>● Optimize packing and shipping</li><li>● Reduce environmental impact</li></ul>	<ul style="list-style-type: none"><li>● Packaging materials are shared so that it can be used by 70% of the packing designs. This not only decreases stock materials but also saves purchasing cost, transportation fee and fuel.</li><li>● Minimize the materials, energy, water resources used for mold-making as well as waste water, air and material generated at the end of the production cycle, thereby effectively mitigating environmental impact.</li><li>● Redesign the space for accessories in order to increase the number of products per box.</li><li>● Replace complete user's manual with single-sheet Quick Guide, and electronic user's manual is available for download by the client.</li><li>● The outer packaging is made from 100% recycled paper pulp, and the internal packaging does not contain any paint. Only non-toxic and recyclable environmental material is utilized.</li><li>● Conforms to Packaging and Packaging Waste (PPW).</li></ul>
Drive Recorder	<ul style="list-style-type: none"><li>● Optimize packing and shipping</li><li>● Reduce environmental impact</li></ul>	<ul style="list-style-type: none"><li>● Packaging materials are shared so that it can be used by 80% of the packing designs. This not only decreases stock materials but also saves purchasing cost, transportation fee and fuel.</li><li>● Minimize the materials, energy, water resources used for mold-making as well as waste water, air and material generated at the end of the production cycle, thereby effectively mitigating environmental impact.</li><li>● Redesign the space for accessories in order to increase the number of products per box.</li><li>● Replace complete user's manual with single-sheet Quick Guide, and electronic user's manual is available for download by the client.</li><li>● The outer packaging is made from 70% recycled paper pulp, and the internal packaging does not contain any paint. Only non-toxic and recyclable environmental material is utilized.</li><li>● Conforms to Packaging and Packaging Waste (PPW).</li></ul>



## 3.2 Green Product Design

### ● 3.2.2 Main Material Logistics

In light of limited resources on Earth, MiTAC is dedicated to mitigating excessive resource depletion, increasing resource utilization efficiency and lowering the use of high energy consumption resources. In terms of raw materials for the mass production of core products, the usage quantity is not only directly associated with operating performance, but also the depletion of environmental resources, therefore we regularly keep track of raw material consumption, hoping to improve raw material usage efficiency and decrease the amount of materials needed for packaging and shipping. All products comply with RoHS recast Directive, 2011/65/EU and WEEE recast Directive, 2012/19/EU , where at least 80% of materials used can be recycled and reused.

#### 3.2.2.1 Renewable Materials Tin:

Taking MCT (MiTAC Computing Technology Corp.: MCT) as an example, raw materials used in production are divided into 3 major categories: renewable materials, non-renewable materials and packaging materials. For the annual raw material consumption quantity survey, renewable materials are limited to metals: steel, aluminum, copper and tin, which are easily recycled and regenerated.

The following are metal consumption quantity analyses for 2017:

Steel: used for components, such as casing, HDD casing, screws (pillar), mount and rotary shafts. In 2017, approximately 429.95 tons were used.

Aluminum: Used in thermal modules, HDD platters and mounting brackets etc. In 2017, approximately 28.34 tons were used.



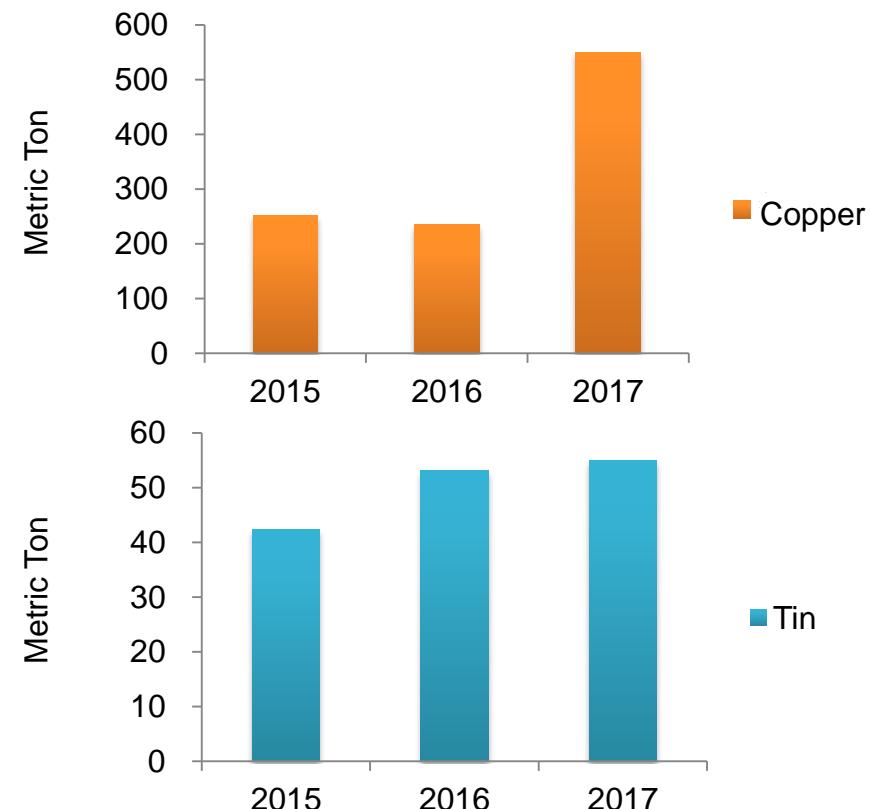
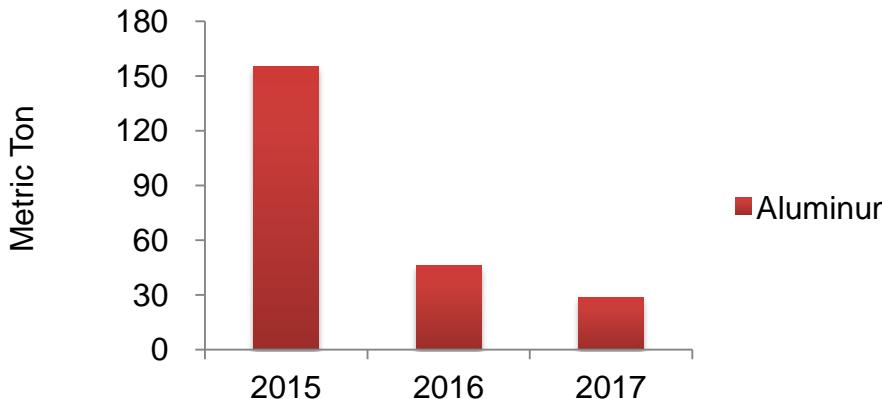
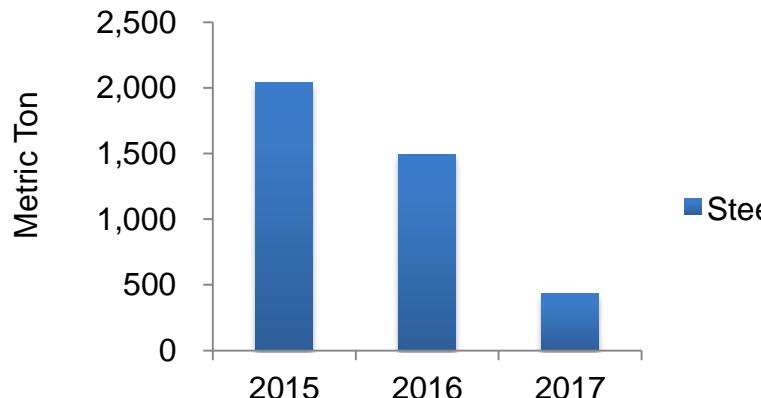
## 3.2 Green Product Design

- 3.2.2 Main Material Logistics

### 3.2.2.1 Renewable Materials Tin:

Tin: Used for soldering parts and components onto the printed circuit boards. Main materials include solder wires, solder bars and solder paste, etc. In 2017, approximately 54.98 tons were used.

Copper: Used for AC/DC power cords, printed circuit boards and part of the thermal module, etc. In 2017, approximately 548.40 tons were used.



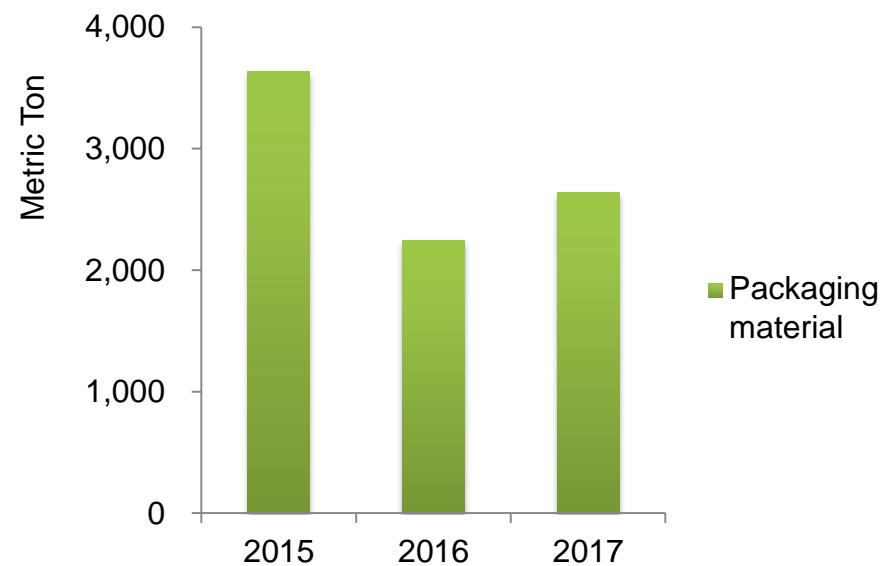
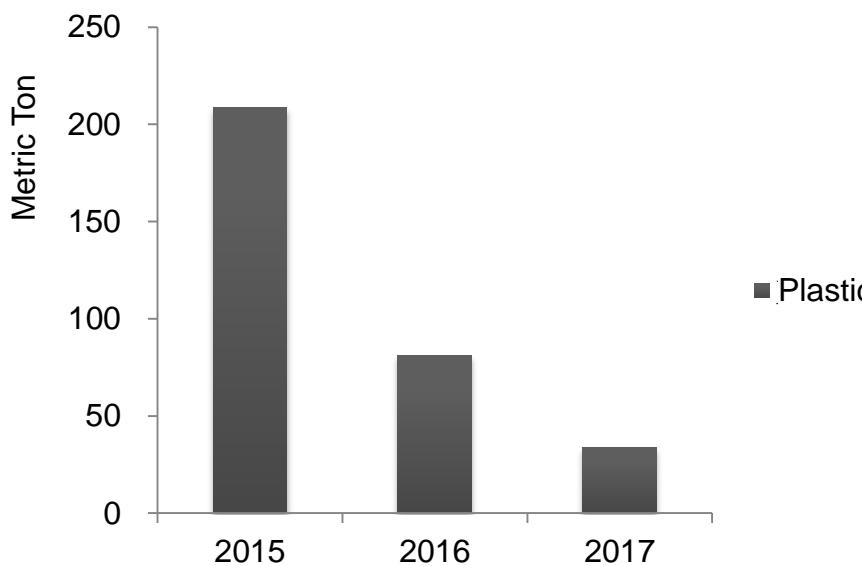


## 3.2 Green Product Design

### 3.2.1 Main Material Logistics

#### 3.2.2.2 Non-Renewable Materials

For the recycling and reuse of metal and plastic materials, in light of the disadvantage of composite materials in classification and down cycling, they are seldom reused in the original supply chain. For the annual raw material consumption quantity survey, non-renewable materials mainly consist of plastic materials (excluding plastic items under 25 g). Virgin plastics are mostly used for chassis and case, thermal ducts, power cord insulation and non-metal materials on PCBs. In 2017, approximately 33.74 tons of plastics were used.





## 3.2 Green Product Design

### ● 3.2.1 Main Material Logistics

#### 3.2.2.3 Packaging Material

Packaging material is divided into sales/primary packaging, grouped/secondary packaging and transport/tertiary packaging. In order to minimize packaging material's environmental impact, we have recycled grouped/secondary packaging and transport/tertiary packaging used by our component suppliers for reuse during product shipment, thereby reducing the total volume of packaging materials used.

For procurement strategy related to the packaging of core products, besides complying with Packaging and Packaging Waste Directive, 94/62/EC, PVC-free packaging materials are also introduced. EPE (extended polyethylene) is used in place of EPS (extended polystyrene) to protect products during transport, which in turn decreases environmental impact. As for decreasing transport/tertiary packaging, optimized packaging designs are adopted for shipping and air freight to maximize the product weight each pallet can carry. In 2017, the total packaging procurement was approximately 2634.83 tons.



Supplier section/repeated use of transport/tertiary packaging  
(Using case manufacturer' s packaging material on L6 system assembly)



Replacing EPS with EPE



## 3.3 Response to Climate Change and Global Warming

### ● 3.3.1 Global Climate Change and Greenhouse Gas Verification

MiTAC Group cares about global climate change, protecting the Earth's resources and fulfilling our CSR. Besides continuing to promote greenhouse gas emission control in order to decrease coast, we also strive toward sustainable energy development that encompasses resource efficiency, energy conservation and environmental protection, so as to help materialize a low carbon economy and society.

#### 3.3.1.1 Energy-saving Target

The energy-saving target of each plant is based on that of 2015 as a baseline, where the mid to long term (2015~2020) energy conservation and carbon reduction goals are set. Annual reviews will be conducted and adjustments will be made in accordance with actual resource needs, the outcome of various improvement measures and adaptability/necessity.

	Shunda Plant	Kunshan Plant
Electricity (total power consumption)	Decrease by 1-1.5%	Decrease by 1.5%
Water (average per person consumption)	Decrease by 1.5%-2%	Decrease by 1.5%
Waste (including industrial waste and household waste)	Decrease by 1.5%-2%	Decrease by 3%



#### Remark:

- MiTAC Computing Technology Corp. (MCT)
- MiTAC International Corp.(MIC)
- MiTAC Computer(ShunDe) Ltd. (MSL)
- MITAC COMPUTER (KUNSHAN) CO., LTD (MKL)
- MiTAC Information Systems Corp. (MIS)



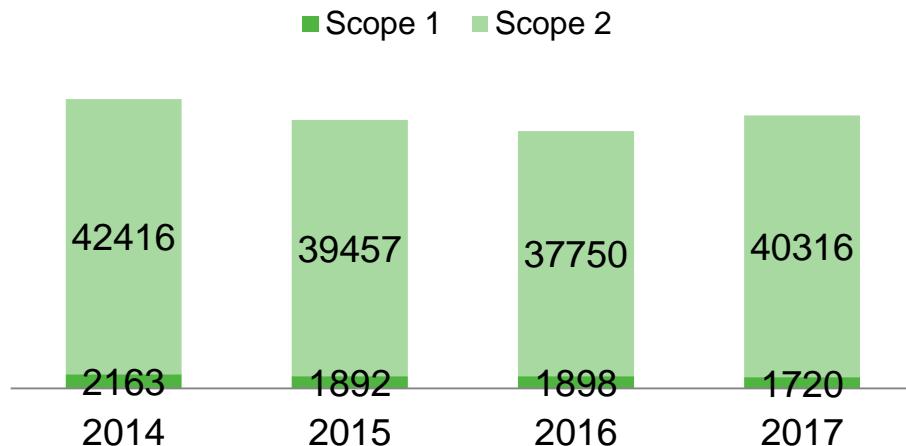
## 3.3 Response to Climate Change and Global Warming

### 3.3.1 Global Climate Change and Greenhouse Verification

The greenhouse gas report contains information on the sources of emission and the absorption of six types of greenhouse gas, CO<sub>2</sub>, methane, nitrous oxide, PFC, HFC, and SF6, as stated in The Greenhouse Gas Protocol. MiTAC gathers information on the identification of the sources of emission and related data and conducts an inventory once a year. The inspection result is primarily 90% to 96% of outsourced power. Furthermore, we also participate in the CDP (Carbon Disclosure Project) each year to support strategic actions, care for and mitigate climate change.

#### 3.3.1.2 Internal Greenhouse Gas Emission

##### Carbon Emissions of Major Plants



- The scope of carbon audit encompasses the Taiwan operating and R&D center and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California, where carbon emissions are audited.
- For the year 2014, MCT conducted carbon emissions calculations and allocations during September and December 2013.

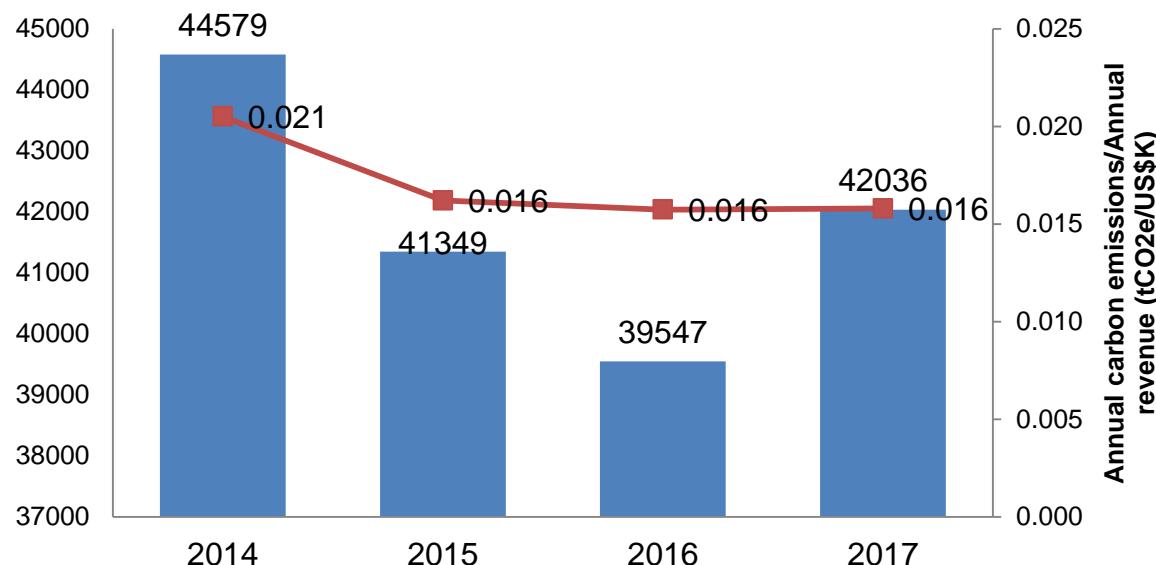


## 3.3 Response to Climate Change and Global Warming

- 3.3.1 Global Climate Change and Greenhouse Gas Verification

### 3.3.1.2 Internal Greenhouse Gas Emissions

- 2014-2017 Annual greenhouse gas emission and intensity



High energy intensity signifies that the cost of converting energy into revenue is high; if energy intensity can be reduced, it indicates that the amount of resources used is decreasing and the efficiency is increasing, in turn minimizing harm to the environment.

#### Note:

Global operating locations include the Taiwan operating and R&D center and major production locations - China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California.

For the year 2014, MCT conducted carbon emissions calculations and allocations during September and December 2013.



## 3.3 Response to Climate Change and Global Warming

### ● 3.3.2 Environmental information

MiTAC is mainly involved in assembly, therefore our impact on the environment is minimal. The production facility in the plant. From planning, installation and operation, we have energy efficiency in mind. In terms of the measurement and implementation of environmental performance, we focus on the following items as the basis for subsequent environmental performance information evaluation.

Environmental factor	Description
Air	According to the environmental measurement management regulation, the air quality is measured every six months (legal standard of CO <sub>2</sub> should be 5,000PPM), our results conform to the legal regulation. In addition, our waste gas emission during the production process is also within the legal standard, therefore no illegal incidents of air pollution, water pollution or toxic substances occurred.
Water	Every year, our waste water emissions have complied with legal standards, and household sewage is discharged to the municipal sewage treatment plant. There was no industrial waste water.
Energy	Power accounts for the bulk of energy consumption. Continued implementation of energy conservation measures such as replacement of lighting equipment and exchange of T8 lights for LED lighting devices at the production lines. Replacement of production facilities and exchange of power-frequency compressors for permanent magnet compressors.
Wastes	These are collected centrally and separated into different classifications for management and entrusted to qualified vendors for processing. The production of Kunshan plant is greatly reduced. In addition to the effectiveness of strengthened management taking effect, the calculation methods of combining the MKL, Hande, ShenShun, Fenghan's total amount also contributes to it. Since 2013, these are calculated on a pro-rata percentage.
Recyclables	These include waste paper, scrap metal (metal), waste plastics, scrap aluminum, waste batteries, IC trays, etc., in which paper accounts for about 90%. In addition, the suppliers recycle and reuse them as recycled resources for waste tin slag to reduced production of waste materials.
Non-recyclables	These consist of mixed metal scrap, printing plating board, domestic waste.



## 3.3 Response to Climate Change and Global Warming

### ● 3.3.2 Environmental information

In 2017, the total investment of MiTAC's global operations (energy, resources, materials) and total output (GHG, air pollutants, wastes, waste water) are summarized in the following table.

Attribute	Scope	Item	MiTAC		MCT		MSL		MKL		MiTACIS	
			2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Input	Energy	Purchased power (MWh)	2475	2910	7461	10200	23905	24006	11068	11886	3979	3973
		Natural gas (GJ)	0	0	0	0	0	0	0	0	161	169
		Diesel (GJ)	0	12	0	56	64	54	2760	2542	148	70
		Petrol (GJ)	4	1460	31	1226	905	869	840	387	0	0
		LPG (GJ)	0	0	0	0	2880	2905	0	0	206	57
Renewable energy		Solar power (MWh)	0	0	0	0	451	470	0	0	0	0
		Water resource	8	12	24	33	208	217	134	129	10	12
Output	GHG	Packaging/transportation material (ton)	—	—	—	—	1491	1599	665	735	124	112
		Direct emission (ton CO <sub>2</sub> e)	49	141	100	163	1153	843	584	568	12	5
		Indirect emission (ton CO <sub>2</sub> e)	1307	1540	3940	5396	18845	18924	10906	11711	2752	2745
		Direct & indirect emission (ton CO <sub>2</sub> e)	1356	1681	4040	5559	19998	19767	11490	12279	2764	2750
		Employee business flight Scope3 (ton CO <sub>2</sub> e)	307	0	357	0	—	—	—	—	27	—
Waste water	Household sewage (km <sup>3</sup> )	3	9	8	16	62	65	52	54	4	4	
		Process wastewater (km <sup>3</sup> )	0	0	0	0	0	0	0	0	0	0
Wastes	General industrial waste (ton)	12	16	48	52	900	880	150	180	95	51	
		Hazardous industrial waste (ton)	12	11	1	4	3	4	17	58	0	0
	Recyclable waste (ton)	3	5	7	9	375	300	301	309	0	0	
		Total waste (ton)	27	32	56	65	1278	1183	468	547	106	58
Waste gas	Volatile organic compound (VOC)	0	0	0	0	0	0	3	2	0	0	

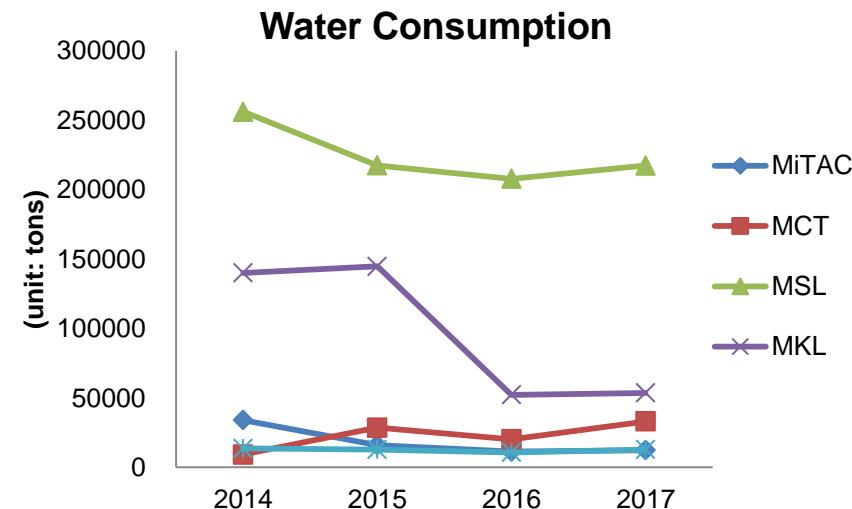
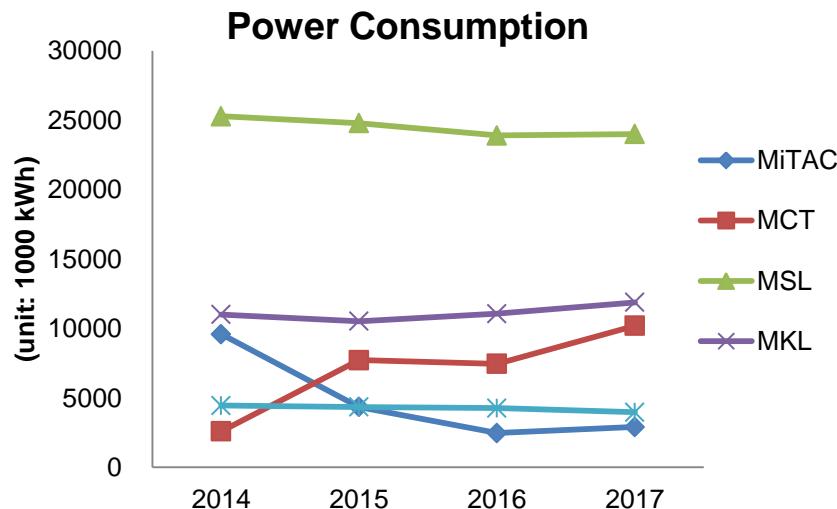
Note: Global operating locations include the Taiwan operating and R&D center and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California



## 3.3 Response to Climate Change and Global Warming

### 3.3.2 Environmental Information

- Most GHG emissions (more than 95%) originate from energy consumption according to ISO14064 regulations, therefore energy conservation is used in a way to reduce carbon emissions, while energy management systems will also be implemented.
- In order to protect water resources and facilitate sustainable management, MiTAC has devised a variety of water conservation programs to manage operating water consumption through different water-saving and recycling measures.



#### Description:

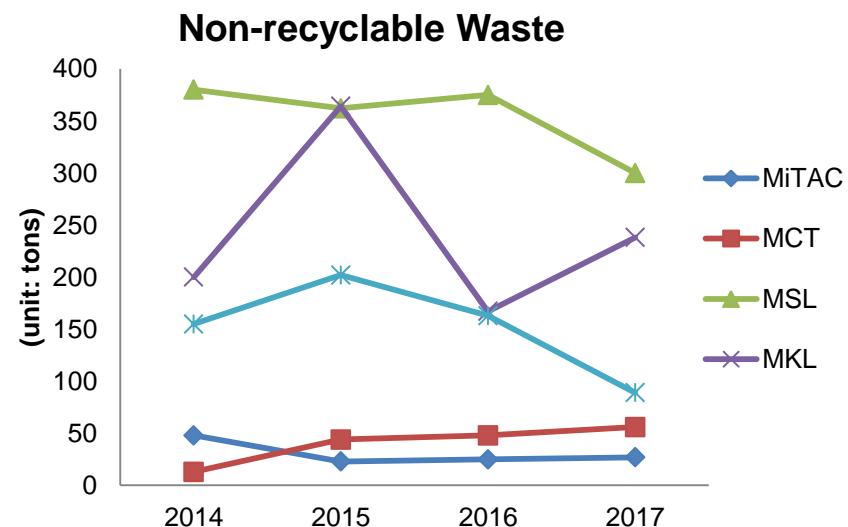
- Global operating locations include the Taiwan operating and R&D center and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California.
- For the year 2014, MCT conducted energy consumption calculations from September to December 2013.



## 3.3 Response to Climate Change and Global Warming

### 3.3.2 Environmental Information

The company complies with the minimum requirements of the laws and regulations, thus dedicated management units are established at various operating sites in accordance with EMS (Environmental Management System) to effectively manage and achieve the goal of waste reduction. All wastes are disposed of by contractors, where the best processing technologies are applied according to the wastes' characteristics and the most competent, qualified contractors are selected to effectively dispose of the wastes. In addition, inspections are carried out from time to time to make sure that all wastes are disposed of properly.



Description:

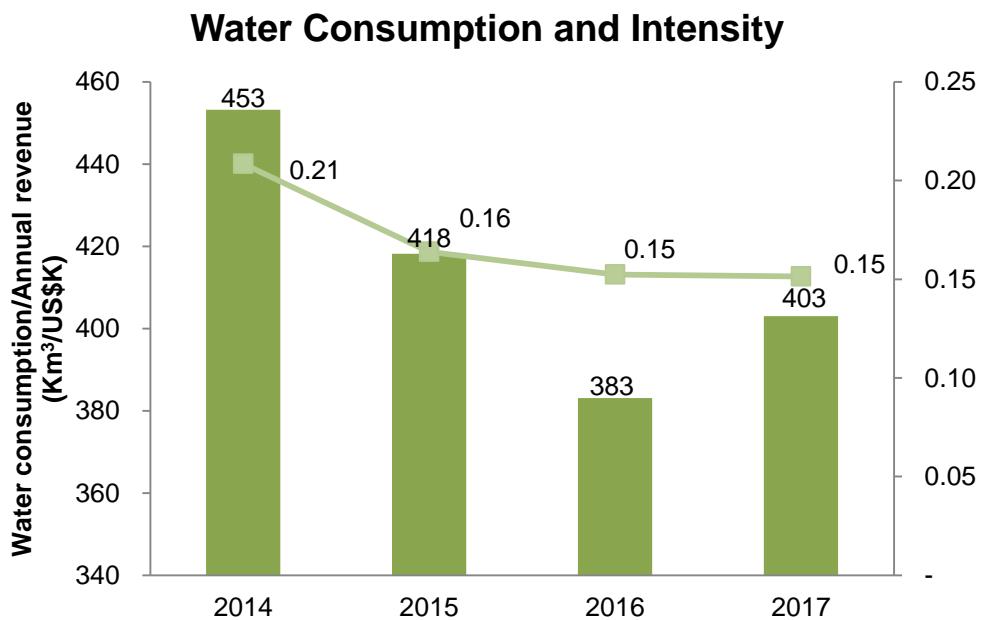
- Global operating locations include the Taiwan operating and R&D center and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California.
- For the year 2014, MCT conducted energy consumption calculations from September to December 2013.



## 3.3 Response to Climate Change and Global Warming

### 3.3.3 Water Resource

MiTAC's water consumption at production locations worldwide consists of mainly service water (approx. 95%). Most of the water is tap water, no ground water is used. A water audit is conducted and various water-saving measures are implemented using water intensity ( $\text{km}^3/\text{US\$ 1 million of output}$ ) as the observation indicator in order to respond to water resource risks caused by climate change in advance.



#### Water Resource Policy

- Collaborate with regional authorities and utilities companies to coordinate water resource deployment.
- Identify short term and long-term water resource risks.
- Stipulate water conservation targets for various plants to conserve water.

#### Description:

- Global operating locations include the Taiwan operating and R&D center and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California.
- For the year 2014, MCT conducted water consumption calculation and allocation during September to December 2013.



## 3.3 Response to Climate Change and Global Warming

### ● 3.3.4 Environmental Performance

In 2017, MiTAC's global energy conservation efforts were: saving 122,317 kWh of electricity, reducing carbon emission by 1716 tons.

Energy conservation activities	Statistics	MIC		MCT		MSL		MKL	
		2016	2017	2016	2017	2016	2017	2016	2017
Air conditioner and ventilation system	Number of energy-saving solutions	1	0	1	0	2	1	1	0
	Annual power saving (thousand kWh )	10	0	63	0	405	9	33	0
	Total carbon emissions reduced (tons CO <sub>2</sub> eq )	5	0	33	0	320	7	32	0
Air compressor system	Number of energy-saving solutions	0	1	0	0	0	0	0	0
	Annual power saving (thousand kWh )	0	12	0	0	0	0	0	0
	Total carbon emissions reduced (tons CO <sub>2</sub> eq )	0	7	0	0	0	0	0	0
Lighting system	Number of energy-saving solutions	1	1	1	0	2	1	2	3
	Annual power saving (thousand kWh )	27	40	164	0	261	241	163	152
	Total carbon emissions reduced (tons CO <sub>2</sub> eq )	14	21	86	0	206	190	161	119
Manufacturing process improvement	Number of energy-saving solutions	0	0	0	0	0	1	0	0
	Annual power saving (thousand kWh )	0	0	0	0	0	153	0	0
	Total carbon emissions reduced (tons CO <sub>2</sub> eq )	0	0	0	0	0	121	0	0
Other (management aspects)	Number of energy-saving solutions	0	0	0	0	1	1	0	0
	Annual power saving (thousand kWh )	44	40	108	97	185	122	0	0
	Total carbon emissions reduced (tons CO <sub>2</sub> eq )	23	21	57	51	146	96	0	0



Smart AC solutions  
Lighting solutions  
Data center solutions

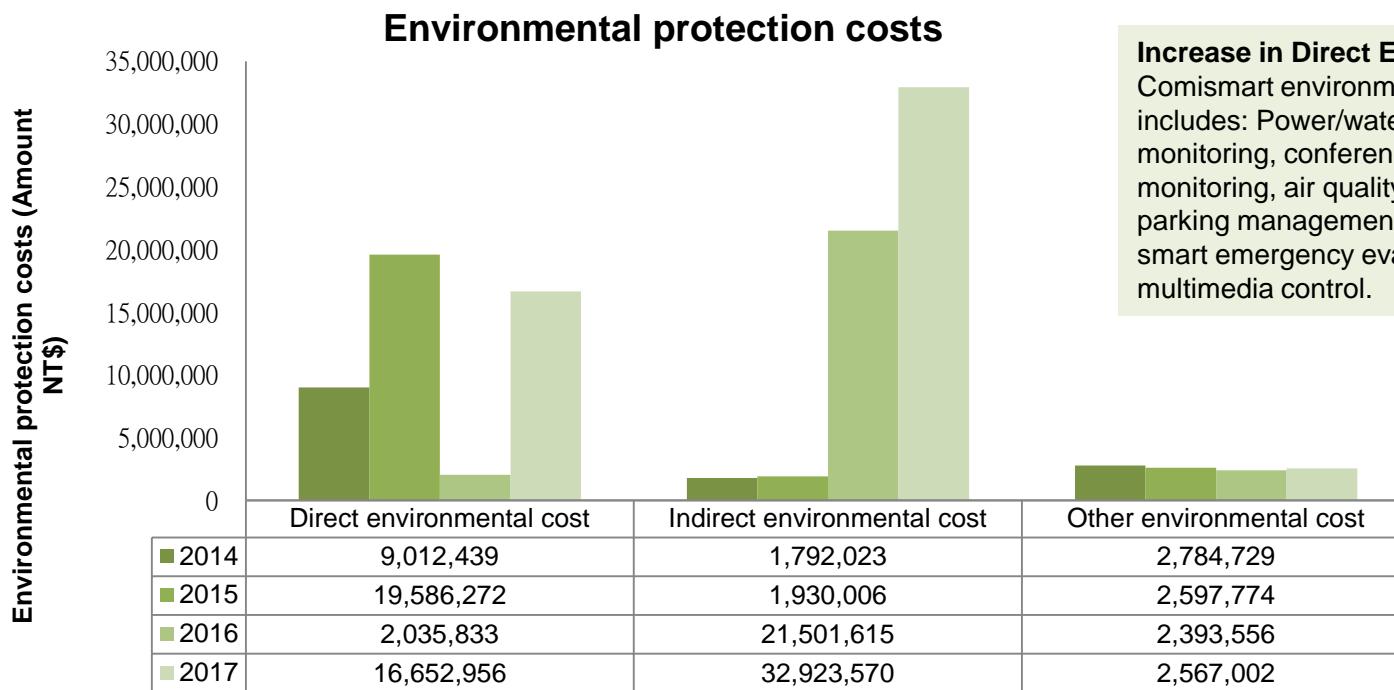
Power saving 122,317 (kWh)  
Carbon emission reduction 1716 (T CO<sub>2</sub>e)



## 3.3 Response to Climate Change and Global Warming

### ● 3.3.5 Environmental Expenditure

Statistics on MiTAC's new environmental protection expenses. Locations include Taiwan operating and R&D center and major production locations- China: MSL in Guangdong/MKL in Jiangsu; USA: MiTACIS assembly plant in California.



**Increase in Direct Environmental Cost**  
Comismart environmental monitoring system includes: Power/water consumption monitoring, conference room environment monitoring, air quality monitoring, smart parking management, video surveillance, smart emergency evacuation guidance and multimedia control.

Description: Environmental protection expenditure refers to all the expenses related to environmental protection activities, and it represents the company's emphasis on environmental quality, making it an important indicator of environmental quality. Currently, the definition and scope of environmental expenditure varies from country to country.



## 3.4 Green Factory

### ● 3.4.1 Quality Commitment

We obtained ISO9001 certification in 1993 and management system certification is conducted every year. In 2009, TL9000 management system was implemented based on ISO9001 to successfully certify communication products. Environmental management system: Starting in 1997, ISO 14001:2004 certification was completed. Starting in 1999, regular review for OHSAS 18001 were also performed.

### Organizational and systems certification history

Year	Certification	Scope of accreditation
2009	a. TL9000: R4.0 / R4.0 b. TS16949: 2005	a. Taiwan: Hwa Ya /Hsinchu Park & China: Shunde Plant in Guangdong b. China: Shunde Plant in Guangdong
2010	a. TL9000: R5.0 / R4.0 B .ISO/IEC 20000-1:2005 c. ISO / TS16949: 2009	a. Taiwan: Hwa Ya /Hsinchu Park & China: Shunde Plant in Guangdong b. Taiwan: Hwa Ya /Hsinchu/Nangang Park c. Taiwan:Nangang Park & China: Kunshan Plant in Jiangsu
2011	a. TL9000: R5.0 / R4.5	Taiwan: Hwaya/Hsinchu Park & China: Shunde Plant in Guangdong
2012	ISO9001: 2008 ISO13485: 2003	Taiwan: Hwaya/Hsinchu Park & China: Shunde Plant in Guangdong Taiwan: Nangang Park & China: Kunshan Plant in Jiangsu
2013	a. TL9000: R5.0 / R5.0	Taiwan: Hwa Ya /Hsinchu Park & China: Shunde Plant in Guangdong
2014	a. TL9000: R5.5 / R5.0 b. ISO / TS16949: 2009 c. ISO14001: 2004 & OHSAS18001: 2007	a. Taiwan: Hwa Ya/Hsinchu Park & China: Shunde Plant in Guangdong b. China: Shunde Plant in Guangdong c. China: Kunshan Plant in Jiangsu
2015	EN ISO13485: 2012	Taiwan: Nangang Park & China: Kunshan Plant in Jiangsu
2016	ISO14001:2015	China: Shunde Plant in Guangdong
2017	ISO9001: 2015 & TL 9000: R6	Taiwan: Hwa Ya/Hsinchu Park & China: Shunde Plant in Guangdong

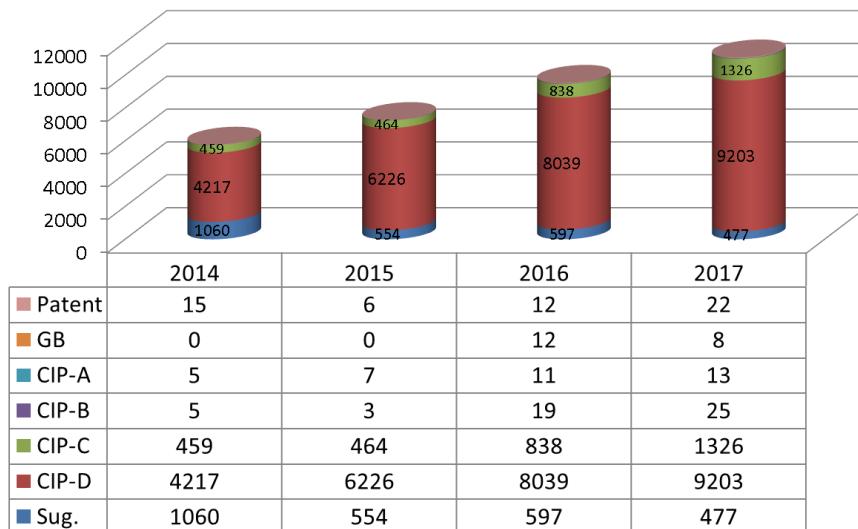


## 3.4 Green Factory

### 3.4.1 Quality Commitment

In order to elevate the employees' concept of quality, MiTAC held internal 6Sigma and quality management education-training courses, where case studies were utilized throughout various stages of DMAIC. Since 2002, we have completed over 3,000 GB and BB project improvements that resulted in financial benefit. Furthermore, employees' competitiveness is reinforced through the Best Practice benchmarking platform, presentations and project competitions.

#### Quality improvement event achievement



- Introduction of 6Sigma to Shunde plant
- Number of projects: 3639
- Cost savings: 33.8 Million (USD)
- GB/BBs: 469 (2002-2017)



(MSL Plant) Annual 2017 GB/CIP award ceremony



## 3.4 Green Factory

### 3.4.2 Green Production

- MiTAC's green production stresses energy/water conservation, toxic substance processing, waste reduction/waste gas emission reduction and various environmental protection indicators.
- Automation is the future development trend in the manufacturing industry, which is set to improve production efficiency, save labor, competitiveness and energy utilization efficiency.

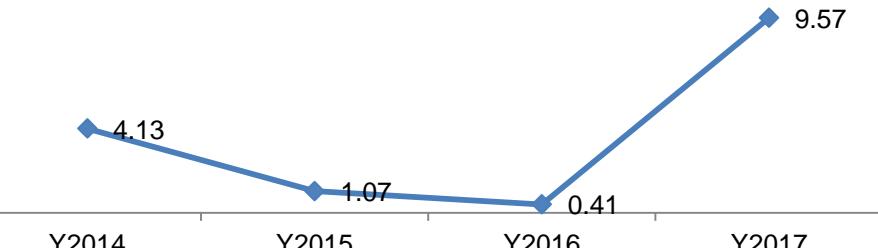


#### Promote automation to increase production efficiency

MiTAC's MSL Plant in Huanan established an automation team, adopted an automation program, and developed relevant capabilities in 2014. In 2017, we progressively launched smart manufacturing (Industry 4.0), completing at least 10 automation items, including robot testing and auto insertion etc. An automatic visual system has been established in accordance with the current operating model of small-volume production of a wide range of items. Furthermore, intelligent manufacturing systems (IMS) have been established. The first stage of linkage and integration of the IMS system has already been completed.

#### Return on Investment (Return On Investment, ROI)

—♦— Return On Investment, ROI



Project	Implementation Status	Cost Saving
Manufacturing process improvement	Production process optimization is carried out for production stations requiring a high number of personnel	16,171,560
Process improvement	Simplification of traditional or complex processes	3,903,480
Logistics improvement	Improve material distribution and warehousing methods	278,820
Automation improvement	Introduce automation control projects	4,461,120
Total saving performance (NTD\$)		24,814,980



## 3.4 Green Factory

### ● 3.4.2 Green Factory

Enhancement of production efficiency and reduction of resource wastage. MSL's performance in 2017:

- Adoption of the FUJI NXTIII 44-module mounter, increasing efficiency significantly.
- Introduced water-based cleaning agent to minimize the emission of hazardous wastes.
- Update workshop layout, replace obsolete equipment and implement 7S management onsite.



Upgraded SMT equipment



New factory layout



Robotic arms increase production efficiency





## 3.4 Green Factory

### 3.4.3 Smart Solution

Comismart environmental monitoring system provides real-time energy consumption and environmental information where the cloud computing and system analyzes and converts the data into useful information that can be used as reference during decision-making. The system also offers optimized control and management.

#### Smart AC Solutions

- Demonstration plant: Taiwan: Hwa Ya Park
- Implementation period: January 1 to December 31, 2017
- Energy conservation activities: Optimized inverter energy-saving control for AHU pump.
- Note: Comismart smart air conditioning system regulates the AHU (air handling unit) inverters and dampers according to ambient temperature and CO<sub>2</sub> information in order to achieve the double objectives of environmental comfort and energy conservation.
- Performance: Saved 126 kWh and reduced carbon emission by 66.5 (T/CO<sub>2</sub>e).





## 3.4 Green Factory

### 3.4.4 Green Logistics

The key design of green logistics lies in increased loading and reduced shipment frequency in order to achieve the benefits of lowering transport cost, moving cost and carbon reduction.

- Design Optimal Airfreight Packaging**

The use of honeycomb packaging for airfreight products maximize loading volume and achieved a weight reduction of 184 tons in 2017, not including products that were already using honeycomb packaging.

- Reduce Partial Load for Shipment**

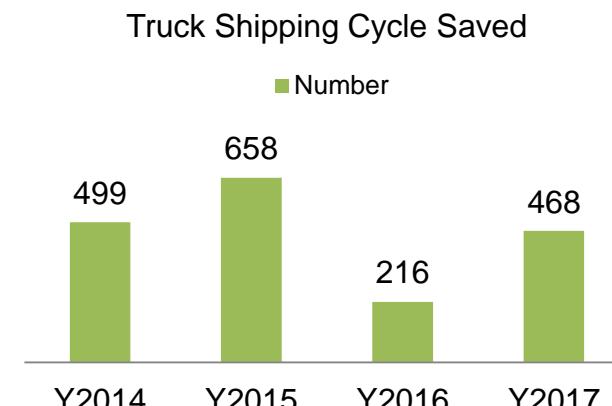
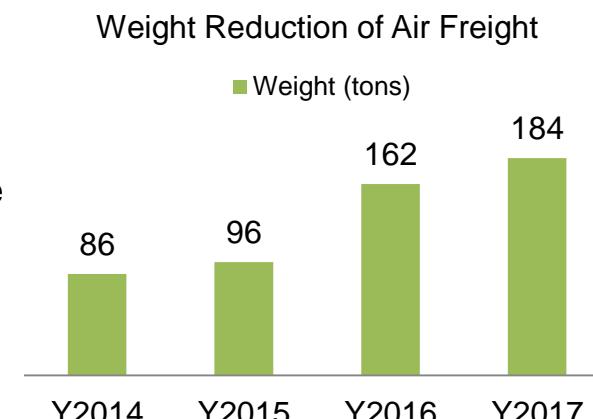
The factory reviews cargo not fully loaded in cartons, pallets and containers monthly and holds the department responsible for the waste of cargo space. In 2017, the shipment of unfilled carton, pallet or container was close to zero. Cargo shipment space has been fully utilized without waste.

- Domestic Truck Shipping Cycle**

Empty containers picked up from the shipping Company were used to transport materials from the suppliers back to the plant. After unloading, the containers were loaded with export products for shipping, reducing the number of trucks by 468 for 2017, and in turn decreasing carbon emissions.

- Combined Shipment**

Loose cargo from multiple plants is consolidated and shipped with other shipments on a weekly basis to save space and reduce wastage. For non-urgent shipments, shipping is used instead of airfreight.





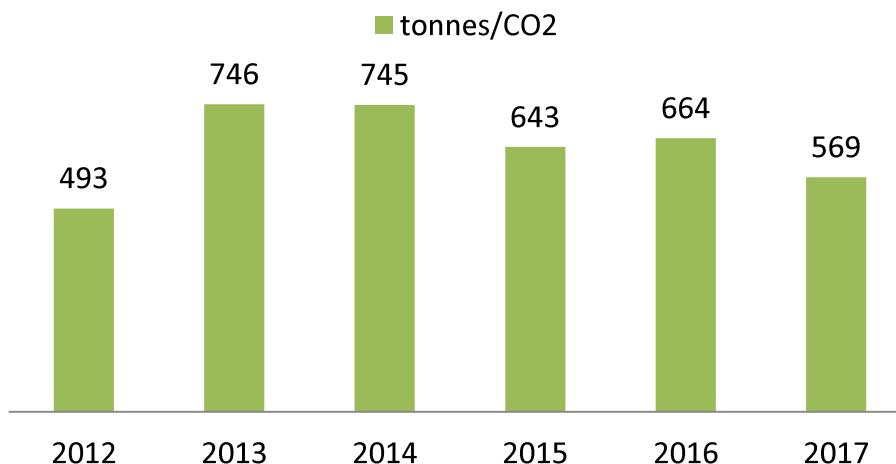
## 3.4 Green Factory

### ● 3.4.4 Green Logistics

MiTAC cherishes the Earth and dedicates itself to mitigating the phenomenon of global warming, therefore we have introduced the following internal energy-saving measures concerning employee travel management.

- Car-sharing: We encourage our colleagues to join a carpool or use the public transport. The company has also made arrangements for shuttle buses in order to save energy consumption.
- Introduction of video conferencing: In order to minimize energy consumption in the office during business travels, the company has invested nearly NT\$10 million to install video conferencing equipment in subsidiary offices in Taiwan and abroad, thereby bridging long-distance communication and enhancing meeting efficiency through decreased business travels domestic and overseas.
- Domestic and overseas business travel: If the colleagues must travel abroad, we always arrange for direct flight as much as possible, thereby reducing carbon emission by decreasing the number of connection flights and the frequency of aircrafts taking off and landing.

**Business Travel Carbon Emission**



For Taiwan region:  
MiTAC employees' overseas  
business travel as the basis  
for calculations



## 3.5 Supply Chain Management

### ● 3.5.1 Types of Supply Chain and Localized Procurement

**Specific measures adopted by MiTAC in response to fluctuations in the interest rate and exchange rate and inflation.**

In light of hikes in oil and materials prices, combating inflation has become an important task. The Group has formulated long-range plans to make advance purchases in response to the market fluctuations, and we have also searched for substitute materials and adopted active procurement methods. Since the material supply chain is prone to be affected by delayed delivery time, it is imperative to expand demand assessment and minimize unpredictable factors such as long supply period and labor shortage. Moreover, other non-production material costs and external costs must also be controlled. As a result, the distributor may expand their stock in order to mitigate the impact of sluggish supply and cost instability on the company's profit or loss.

### **The risks of centralized procurement and sales and contingency measures**

- Procurement: The main material purchasing policy involves maintaining at least two suppliers and decentralized purchasing. Furthermore, we also strive to maintain a long-term cooperative relationship with our suppliers in an effort to guarantee the adequate supply of various materials.
- Supplier strategy (profit-oriented): The consolidation and merger trend in the IT industry continues to prevail, and the next step is to forge strategic alliances in order to seek niches in the industry chain. With the emergence of supplier in China, Chinese labor wage and material prices fluctuate rapidly, while the supply chain has gradually shifted its production capacity to the handheld device and cloud application fields, therefore we regularly review material selection and supply with our suppliers as well as changes in the industry chain and the market in response to the cost of product materials and supply pressure. The aim is to adjust our supplier and material procurement strategies, which are crucial aspects of management. Financial soundness of suppliers is mandatory, therefore all suppliers undergo annual financial report investigation and analysis.



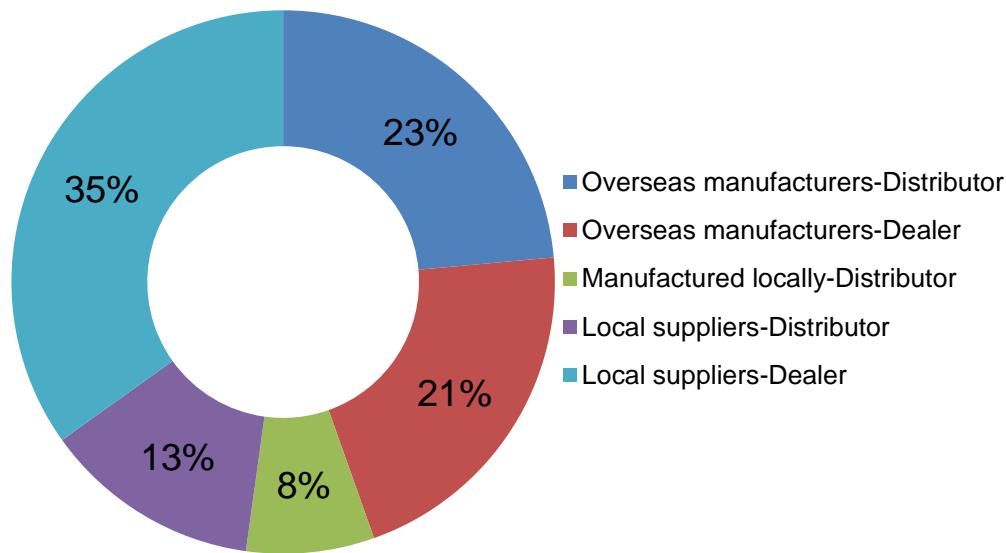
## 3.5 Supply Chain Management

### 3.5.1 Types of Supply Chain and Localized Procurement

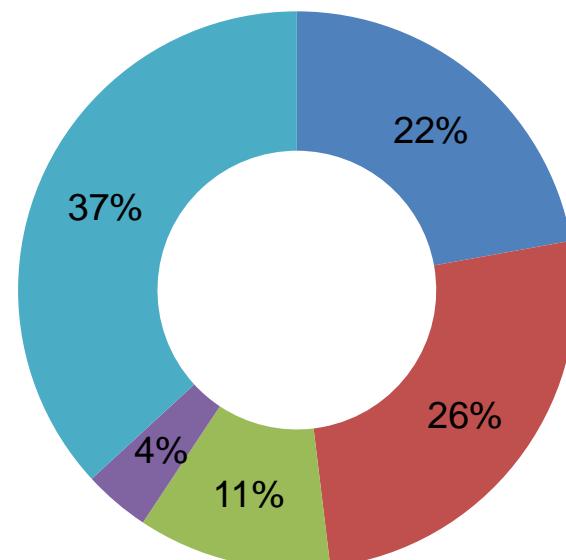
#### MiTAC International Corporation

- We have 240 local suppliers, constituting 52% of the total transaction amount.
- Distributor: 56
- Dealer: 151
- Manufactured locally in overseas plants: 33
- We have 193 overseas suppliers, constituting 48 % of the total transaction amount.
- Distributor: 102
- Dealer: 91

**By type of suppliers**



**By procurement amount**





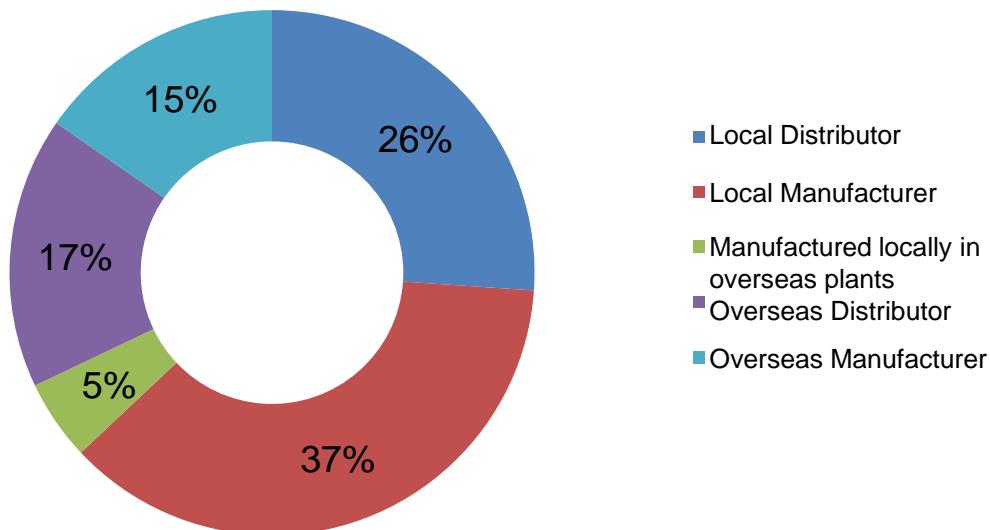
## 3.5 Supply Chain Management

### 3.5.1 Types of Supply Chain and Localized Procurement

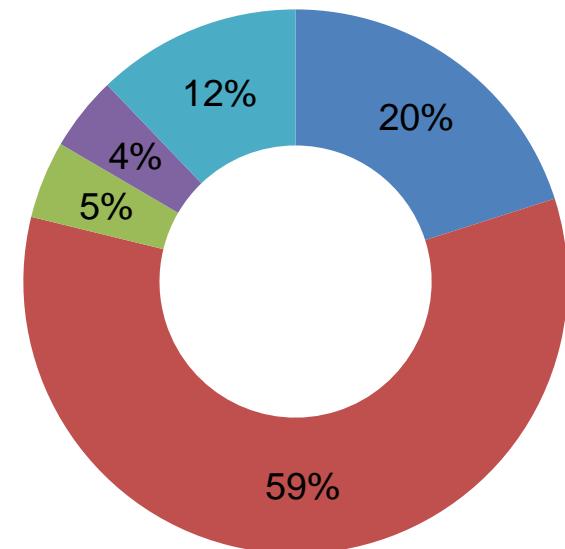
#### MiTAC Computing Technology Corporation

- We have 453 local suppliers, constituting 67.9% of the total transaction amount.
- Distributor: 109
- Dealer: 319
- Manufactured locally in overseas plants: 25
- We have 90 overseas suppliers, constituting 32.1% of the total transaction amount.
- Distributor: 24
- Dealer: 66

**By procurement amounts**



**By number of suppliers**





## 3.5 Supply Chain Management

### ● 3.5.2 Conflict Mineral Purchasing Policy

It is possible to achieve “management at source” by implementing investigations of smelters. The company has placed “conflict minerals” investigations into supplier green product policies to coordinate customer investigation report demands. Also, required investigations are done on all raw materials required for use in the processes on whether they contain conflict minerals and the sources from suppliers annually. This ensures that the company and its suppliers will abide by relevant regulations with utmost effort.

#### Conflict mineral purchasing policy

MiTAC's suppliers shall shoulder relevant social and environmental protection responsibilities.

MiTAC will not accept conflict minerals produced in the Democratic Republic of the Congo (hereinafter Congo) and her surrounding nations/areas.

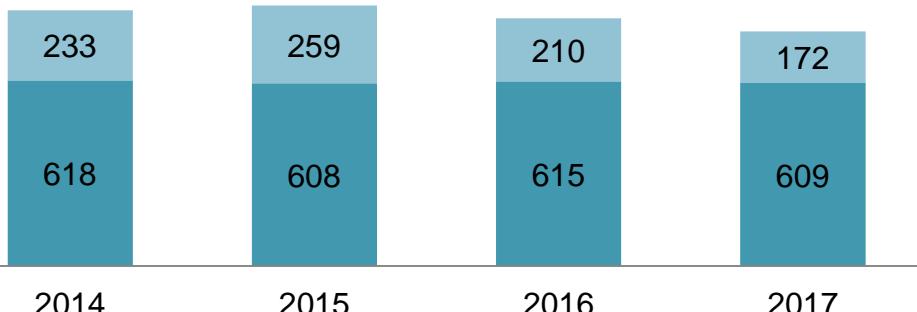
MiTAC suppliers shall trace the sources of Co, Au, Pd, Ta, Sn and W used in its products to ensure that these metals do not come from conflict mineral regions.

MiTAC suppliers shall relay these requirements to their upstream suppliers.

#### Implementation of Conflict Mineral Survey

##### Supplier Conflict Mineral Survey

■ Vendor survey ■ Mineral smelters



#### Response Measures for Conflict Minerals

- The company demands our suppliers to purchase and use conflict-free minerals. Each year, regular investigations are carried out to disclose the status of conflict minerals within MiTAC's supply chain. Furthermore, the list of smelters used is published to complete the investigation.
- In 2017, MiTAC has completed investigation on 609 suppliers and compiled the profits on 172 mining companies in order to ensure The Company and the suppliers to comply with such requirement.



## 3.5 Supply Chain Management

### ● 3.5.3 Restriction Management on the Use of Hazardous Substances

#### MiTAC product environmental management and regulations

In order to achieve the goal of eco-friendly products, MiTAC's component and materials selections all comply with international regulations, such as: EU's RoHS recast, WEEE recast, REACH and POPs etc., as well as China RoHS. All suppliers on the supply chain are required to adhere to (GP-1-00001) MiTAC General Specification for the Environmental Requirement on Materials. Through a green supply chain management and hazardous substance management, MiTAC is able to provide products with low toxicity and low pollution, in turn minimizing hazards to the environment and people's health.



#### 30 types of prohibited substances

Pb, Cd, Hg, Cr(VI), PBB, PBDE, asbestos, formaldehyde, Azo compounds and SCCP etc.

#### 13 types of restricted substances

BFRs, CFRs, PVC, Sb<sub>2</sub>O<sub>3</sub>, As, Ni, DEHP/BBP/DBP/DIBP etc.

#### 189 types of declarable chemical substances

EU's REACH SVHC (1-18), Be, Bi, DIDP/DNOP/DnHP/DINP etc.



## 3.5 Supply Chain Management

### ● 3.5.3 Restriction Management on the Use of Hazardous Substances

#### Green Product Management Platform Establishment

MiTAC has created a green product management platform (eGP System) and high efficiency supply chain management system (eSCM System), where cross-platform collaboration is adopted to allow suppliers declare the status of hazard substances within components, upload third-party testing results and respond to customers about green management related information instantaneously.

eGP and eSCM platforms ensure that our products comply with the latest environmental regulations (regional and client restricted), in turn making MiTAC's green product management system more stringent and efficient. Qualified and capable suppliers are selected to supply electronics and components that comply with environmental protection regulations in order to improve competitiveness, customer trust and satisfaction.



eGP System



eSCM System



## 3.5 Supply Chain Management

### ● 3.5.3 Restriction Management on the Use of Hazardous Substances

#### Incoming Quality Control

Provides green products with low toxicity and low pollution: Supplier design, manufacturing and management are reinforced through upstream supply chain management.

- Utilize eSCM/eGP to communicate with suppliers and manage green products and components: Ensure compliance with international and customers' environmental regulations
- Establish containment strategy: Form hazardous materials analysis labs to conduct random testing of materials for hazardous materials, thereby effectively preventing substandard, non eco-friendly products from entering or exiting.

Design/ Source GP Compliance Materials	GP Compliance Production	GP Compliance Products
<ul style="list-style-type: none"><li>• Green Agreement</li><li>• Environmental BOM</li><li>• Material Breakdown</li><li>• Test Reports</li><li>• Raw Material Lot Control</li><li>• Process Control</li><li>• Traceability</li></ul> 	<ul style="list-style-type: none"><li>• Agreement Sign-off</li><li>• Spec and Drawing Released</li><li>• Approval Doc.: <ul style="list-style-type: none"><li>■ Environ.</li><li>■ Material</li><li>■ Test Report</li><li>■ Qualification</li></ul></li></ul> 	<ul style="list-style-type: none"><li>• RoHS Documents</li><li>• EDX/ICP / GC-MS / UV-Vis</li><li>• Test Report</li><li>• Sample Inspection</li><li>• Solder Pb Conc. Calibration</li></ul> 



#### - Hazardous substances for IQC

Pb/ Cd/ Hg/ Cr(VI)/ PBB/ PBDE/ DEHP/BBP/ DBP/ DIBP

#### - Purchase state-of-the-art testing equipment:

ED-XRF/ ICP-OES/ GC-MS/ UV-Vis



## 3.5 Supply Chain Management

### ● 3.5.4 Supplier Audit and Green Purchasing

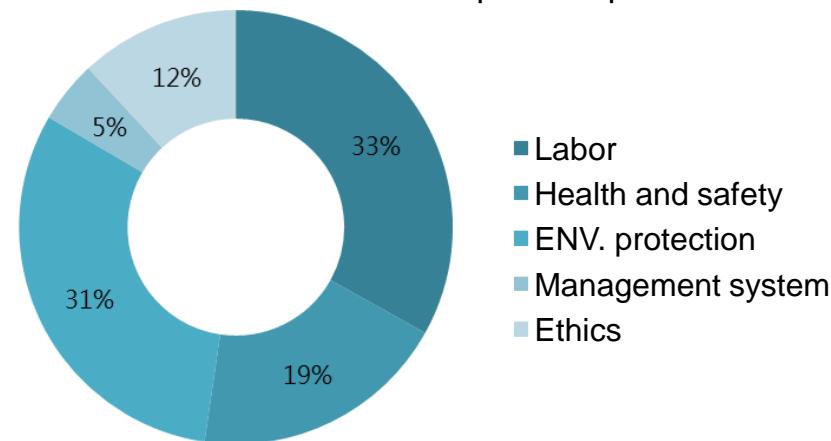
For new suppliers, MiTAC conducts review using the QSA (Quality System Audit), as charted below, including items such as design control, sub-supplier management and production control etc. Particularly, green parts control is a mandatory review item to help the suppliers improve their management standards, hoping to reduce management risks and costs for the company and the supplier and establish a sustainable, growing partnership.

### ● 3.5.5 Supplier Counselling and Audit

MiTAC has upheld the EICC (Electronic Industry Code of Conduct) as the principle to establish supplier responsibility counseling and auditing and make specific commitments regarding various issues. Assessment key points include: business ethics, labor rights, environmental protection, health and safety and management systems etc. In order to make sure that the suppliers abide by relevant policies and codes of conducts, audits and evaluations are conducted from time to time to ascertain performance. Below we will use MSL as an example to explain the status of EICC since its implementation in recent years.

Supplier EICC audit – Analysis of deficiency categories

	2015	2016	2017	Total	%
Labor	24	15	11	50	33%
Health and safety	16	7	6	29	19%
Environmental protection	25	12	10	47	31%
Management system	4	2	1	7	5%
Ethics	8	6	4	18	12%





## 3.5 Supply Chain Management

### ● 3.5.5 Supplier Counseling and Auditing

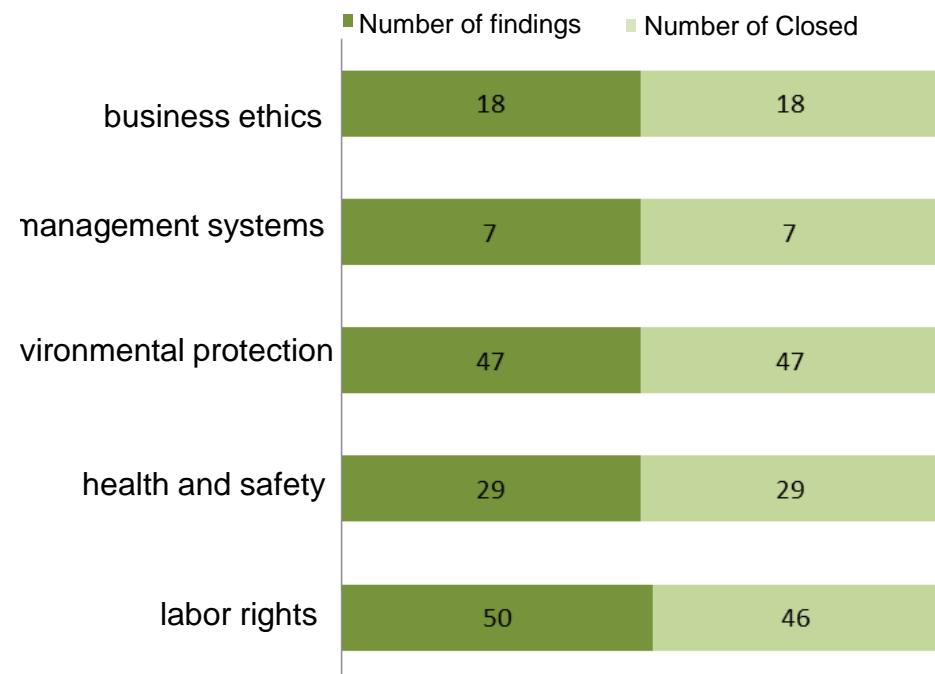
2017 annual supplier EICC audit reveals that the improvement rate of supplier deficiencies is 88%. Supplier shortcomings are mostly related to labor rights, such as excessive working hours and remuneration/benefits management. Suppliers were requested to make improvements to the deficiencies within a given deadline, and a follow-up date was stipulated to ensure that they comply with EICC regulations and MiTAC management requirements.

Suppliers are required to provide their mid to long-term improvement plan. In 2018, the Company will continue tracking the improvement status of our suppliers to make sure that they comply with EICC related regulations.

**Supplier EICC Audit Improvement Rate**



**EICC supplier shortcoming improvement follow-up status (2015-2017)**





## 3.6 Customer Service and Satisfaction

- **VOC (Voice of Customer)**

Customer satisfaction is the core value of MiTAC in perpetual corporate development. The routine VOC evaluation (quarterly/semi-annually, or annually) is essential for improvement. MiTAC makes ceaseless effort in continued improvement on the basis of the feedback of consumers in the market. The feedback will be taken as the indicators of product design, which includes quality, technology, price, delivery.

- **Customer Privacy**

In order to conduct customer information management more effectively on a single system, client visits are rigorously monitored and controlled. After deploying relevant DLP software and implementing measures stipulated by ISO 27001, MiTAC Shunda Plant successfully obtained ISO 27001 accreditation in 2007. There is no material damage to the privacy right of the customers so far.

- **Legal Compliance**

Concerning the company's fields of operation, including fostering fair competition, provision of safe products and services, compliance with the Labor Standards Act, Universal Declaration of Human Rights, international standards and copyrights, as well as company assets and any form of intellectual property, MiTAC strives to abide by all applicable national and international laws, as well as ethical principles and generally accepted practices.

- **Customer Health and Safety**

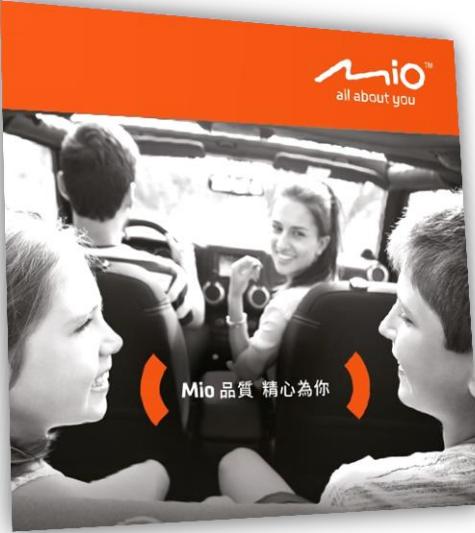
In light of the concept of social citizenship and sustainable Earth, provision of green products is a responsibility and obligation. From product design to final delivery and packaging, we aim to reduce our carbon footprints and minimize environmental impact.





## 3.6 Customer Service and Satisfaction

### 3.6.1 Mio Milestones and Credentials



#### Most Influential and Authoritative Brand Survey

Mio brand continues to garner awards in global markets. Mio has been honored as the “Ideal Brand in the Mind of Consumers” (Best Choice Award) in the “dash cam product category” for 10 consecutive years, and it has also received first place in the “car navigation product category” for the third year running, which clearly shows that the brand’s diversified product lines have been a favorite of Taiwanese consumers for many years.

#### Mio Participates in Major International Exhibitions

The Mio brand continues to demonstrate MiTAC’s innovative technology and R&D achievements in major computer exhibitions around the world. Participated in CeBIT in Hannover, Germany, COMPUTEX in Taiwan, Asia, Taipei AMPA/AutoTronics Taipei and other major international/domestic professional exhibitions in order to continue reinforcing our brand presence in the market. At the same time, this also facilitates brand awareness among emerging markets.





## 3.6 Customer Service and Satisfaction

### 3.6.1 Mio Milestones and Credentials



Voted Ideal Brand in the Mind of Consumers (Best Choice Award) for 10 consecutive years.



Taiwan's PChome awarded Mio combo 5307 with the 2016 Technology Trend Gold Award – Special Recommendation Gold Award.



MiVue Drive Drive product series and MiTACor wearable ECG recorder received German iF Award



MiVue 792 WIFI PRO selected by Polish Mobility Magazine as the best product of year 2017



British mainstream media Honest John selected MiVue Drive 50 as product of the year



2015

2016

2017



Russian media almodi.org voted Mio MiVue™ 688 as the new recommend product in the consumer electronics category.



MiVe 698 was selected as "Product of the Year" by Russian media Продукт года



Voted Ideal Brand in the Mind of Consumers (Best Choice Award) for 10 consecutive years.



Received editor's choice award from Russian magazine Megaobzor.





## 3.6 Customer Service and Satisfaction

### ● 3.6.2 TYAN Milestones and Credentials

2015

Official shipping of the first commercial server solution worldwide with support for OpenPOWER POWER8 IT experts and scholars from all over the world can select TYAN OpenPOWER server products while enjoying access to hardware and software resources shared by the OpenPOWER community in the establishment of customized and flexible IT infrastructure.



2016

First manufacturer to provide comprehensive server platform solution based on Intel, AMD, OpenPOWER CPU and Nvidia GPU. Complete product line enables TYAN to provide customers with flexible and competitive products.



2017

Collaborated with Intel and AMD to launch new HPC, cloud computing and storage server platform using the new generation of Intel® Xeon® Scalable Processors and AMD EPYC™ CPUs.





## 3.6 Customer Service and Satisfaction

### ● 3.6.2 TYAN milestones and credentials

**2013**

- Invited to join the OpenPOWER Foundation to develop Power Structure server products, being one of the six founding members.

**2015**

- Official launch and shipping of the first commercial server solution worldwide with support for OpenPOWER POWER8



**2014**

- We launched the first OpenPOWER customer reference system in the world.

 **OpenPOWER™**

**2017**

- Unveiled the new generation of Intel® Xeon® Scalable Processors and AMD EPYC™ CPU based server platform.



**2016**

- First manufacturer to provide comprehensive server platform solution based on Intel, AMD, OpenPOWER and Nvidia .



## 3.6 Customer Service and Satisfaction

### ● 3.6.3 Product and Service Labels

- Product design: We demand the suppliers' raw materials, semi-finished products and production process to comply with specific environmental and safety regulations as well as industry standards in order to achieve environmental protection and energy conservation. All products comply with EU RoHS recast directive and EU ErP directive. Our systems products (servers) have passed various 80Plus certifications in accordance with the ENERGY STAR system, thereby ensuring the system will increase efficiency, decrease greenhouse gas emissions and attain the goals of energy conservation and carbon reduction.
- Packing design: We have adopted green environmental concept for product internal and external packaging design, where low toxin, low pollution, resource-saving, reusable and recyclable raw materials are applied to minimize waste and pollution and materialize the concept of sustainable Earth.
- External packaging material: 100% recycled paper pulp are used for the cartons to decrease deforestation and conserve water resources that are consumed during the manufacturing of paper products.
- Internal packaging material: Non-toxic, low pollution and recyclable environmental materials are utilized. Packaging materials are shared so that it can be used by 70% of the packing designs. This decreases resource and energy depletion caused by opening molds and producing new packaging materials.
- In response to the plant's internal testing well as external marketing and sales needs during the company's production process, when products or samples are transported internally, only 100% used packaging materials are used to minimize the consumption of new materials.

Products  
Design

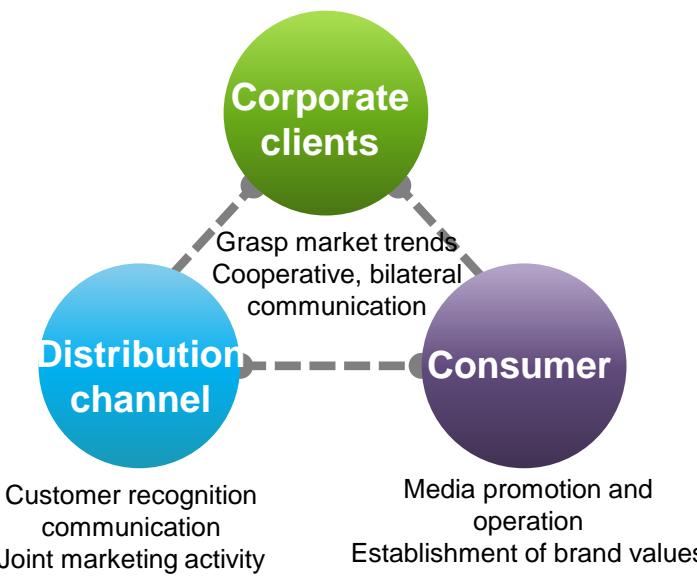
Packing  
design



## 3.6 Customer Service and Satisfaction

### ● 3.6.4 Marketing Communications

- **Group's customers** include business clients, distributors, channels and direct consumers, thus diverse activities and interactions are designed for different clientele from various regions.
- **Corporate clients** we assist them to conduct market trend analysis, where telephone and videoconferences are held from time to time along with regular quarterly meetings in order to maintain bilateral communication. Moreover, a strict firewall mechanism was established to protect trade secrets between the company and our clients. At the same time, we also partake in professional exhibitions, forums or visits held by associations in order to search for potential opportunities for cooperation.
- **Distributors and channels** occasional e-letters, education & training, professional exhibitions and forums as well as regular meetings are held to strengthen our clients' knowledge. Furthermore, a series of point of sale materials or specific marketing activities will be designed to promote product sales on a continuing basis.
- **Direct consumption** besides traditional e-letters, website and exhibitions, bilateral communications are implemented through influential medial and local social medias in order to reinforce promotion and service for consumers. We also rigorously check our advertising materials, news releases and statements to ensure that only the facts are presented. We do not over exaggerate our products' functions nor maliciously attack the integrity and honesty of our competitors, thereby building our brand values in the minds of the consumers





## 4.1 Employee Care

Employees are the most valuable asset of MHC, and the Company perceives great importance in our employees' needs and rights. Therefore, we strive to create a fair, just, friendly and flexible work environment; this is consistent with MiTAC's core values. Click here to see various employee care related systems and measures. After joining MiTAC, new employees are able to develop their career and grow with the Company. We have created an suitable environment to cultivate our employees' skills, and MiTAC's employee communication channel ensures that everyone will be able to unleash their potential and work with peace of mind. In turn, they will be able to continue developing their professional career at MiTAC in the long run.



- Global resignation rate **14%**: resignation rate remained the same as 2016.
- Average training hour/person **41.9** hours: Increased compared to 2016.
- Retention rate after paternal leave **92%**: retention rate of over 90% for 3 straight years.
- Disabling injury severity rate (SR) **3.38**/Disabling injury frequency rate (FR) **1.52**: Complies with Disabling injury frequency rate (FR) target stipulated by OHSAS.



## 4.1 Employee Care

- **4.1.1 Employment Management and Organizational Structure**

### Adherence to the Employment Policy

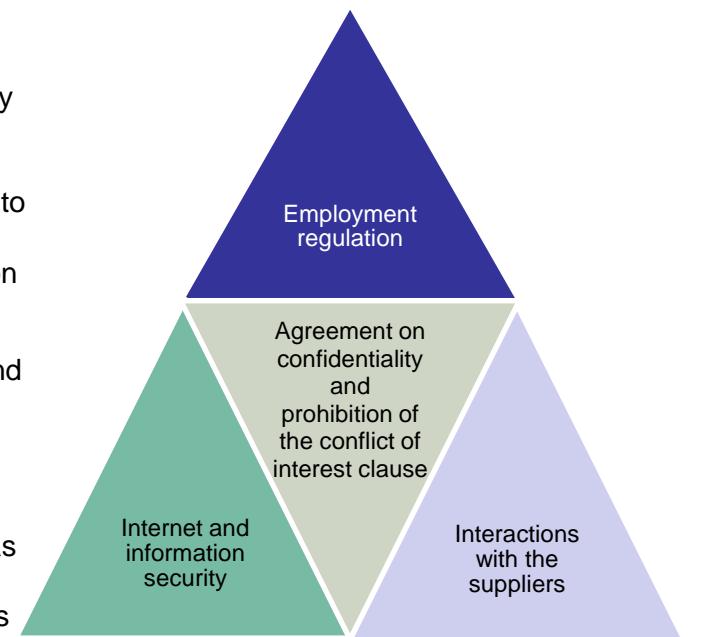
MiTAC values our employees' rights, thus we comply with various labor laws and the Electronic Industry Code of Conduct (EICC). Furthermore, we do not hire child labor under the age of 15, and we do not tolerate forced labor or permit underage employees to engage in high-risk works.

The company recognizes contributions from diverse talents, hence we strive to employ local people and those who are physically and mentally impaired as the first priority. The criteria for selection shall be the capacity of the people in performing the required duties. There is no discrimination against gender, religion, race, nationality or political affiliation. The employment policy of MiTAC explicitly states that all applicants and employees be fairly treated in recruitment, employment, development, evaluation, reward and remuneration. In addition, the company has implemented a comprehensive IT system to manage our employees' work hours and leave, thereby fostering their physical and spiritual balance.

### Materialization of Business Integrity and Reinforcement of the Belief of Integrity among the Employees

Ethics is the cornerstone of MHC, in order to uphold this principle, the Company has stipulated "Ethical Corporate Management Best Practice Principles" to ensure sound management. At the same time, MiTAC has also instituted the "Code of Conduct" for employees as the guideline for performance. All employees are subject to 4 major regulations, including the rules of employment regulation, agreement on confidentiality and prohibition of the conflict of interest clause, Internet and information security, and interactions with the suppliers.

In order to let all our employees appreciate the meaning of integrity, honesty and business ethics, MiTAC has incorporated the content of the philosophy of business integrity into the training materials for the orientation of new recruits and posted the materials on the official website of the Company. We uphold the principle of integrity, honesty, openness, transparency and doing the right thing, as well as implementing employee selection, retention and education to garner trust from stakeholders such as our employees, clients and shareholders, and in turn achieving sustainable management. We constantly remind our employees to abide by Company regulations and build upon the foundation of integrity to achieve sustainability.





## 4.1 Employee Care

### ● 4.1.1 Employment Policy and Labor Force Structure

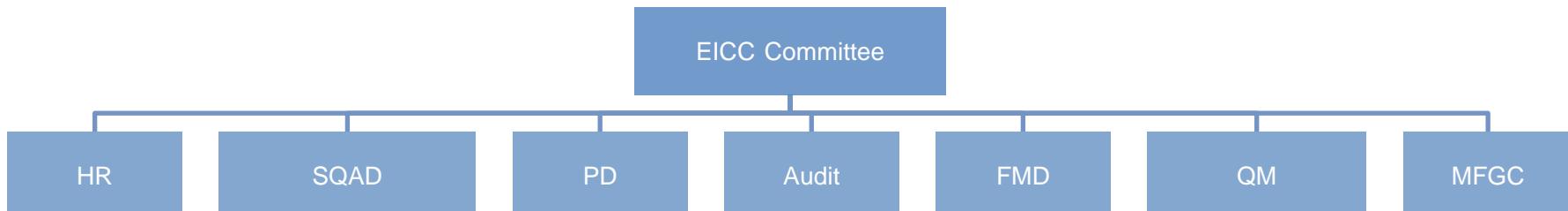
#### Electronic Industry Code of Conduct (EICC) Committee

The EICC code of conduct encompasses labor, health and safety, environmental protection, management system and business ethics. The Company's activities all abide by the laws and regulations of the country and region in which it is operating. Besides abiding by the law, we strive to attain internationally recognized standards in order to shoulder more social and environmental responsibilities.

In order to reinforce the Company's CSR management system, we have stipulated the EICC internal audit protocol. During the audit process, aspects clearly stated include defining responsibilities, conduct protocols, audit regulations, period, audit report and the improvement and follow-up of nonconformities. MiTAC created EICC Committees in the Taiwan headquarters and subsidiaries in China to ensure complete compliance with labor, health and safety, environmental and business ethics regulation standards.

#### Establishment of the Electronic Industry Code of Conduct (EICC) Committee

By delving into the employee aspect, MiTAC complies with EICC regulations and abides by local laws. Besides protecting employees' rights and benefits, we also provide them with fair and reasonable remuneration; at the same time, we strive to foster bilateral communication between our employees and the Company, thus a friendly work environment has been created by applying this standard. Project organizational work distribution is illustrated below:





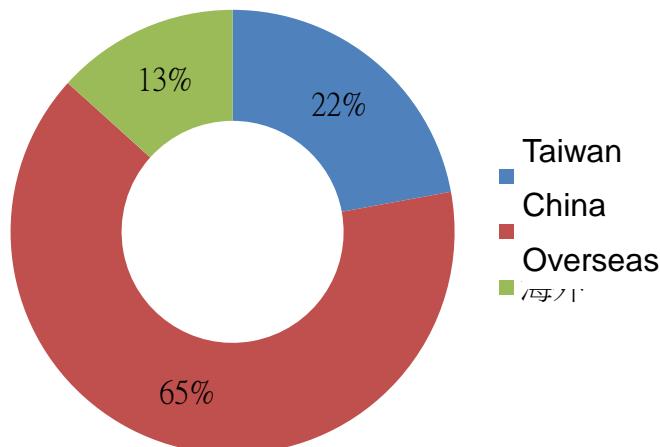
## 4.1 Employee Care

- 4.1.1 Employment Policy and Labor Force Structure**

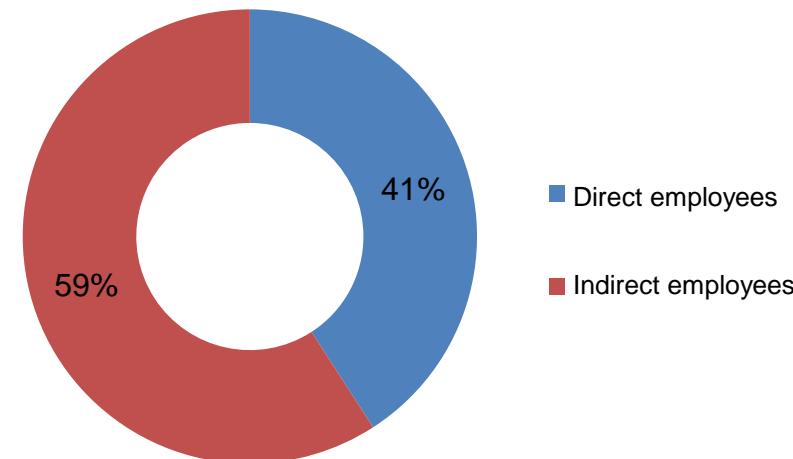
### Employment Structure

MiTAC features a diversified employee structure. As of the end of December 2017, we have approximately 6,500 employees worldwide, distributed across Taiwan, China and overseas. In particular, about 41% are direct employees and 59% indirect employees, of which the male to female employee ratio is 59:41. If categorized according to rank, 9% are managers, while females account for more than 26% of the management staff.

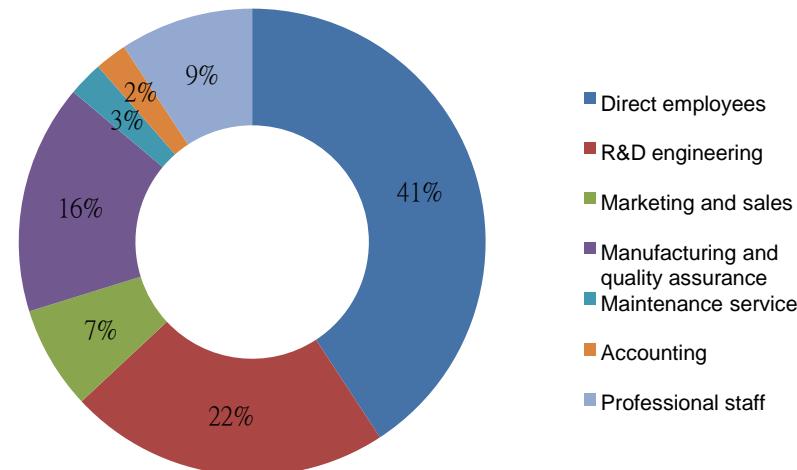
Labor force distribution worldwide (by region)



HR structure worldwide



HR structure worldwide (by function)



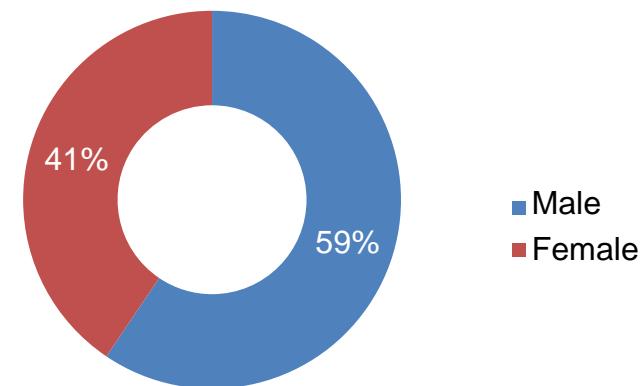
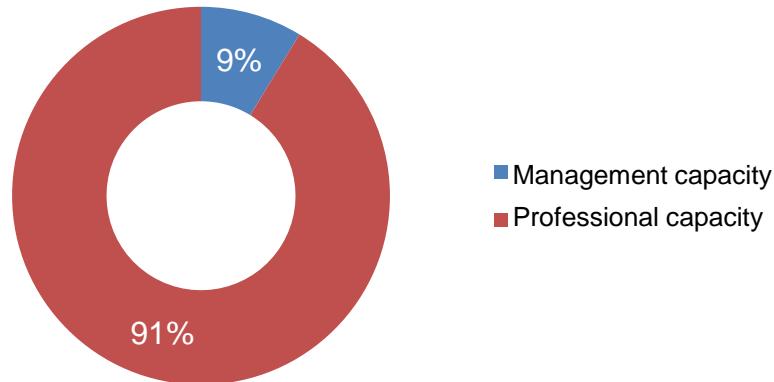


## 4.1 Employee Care

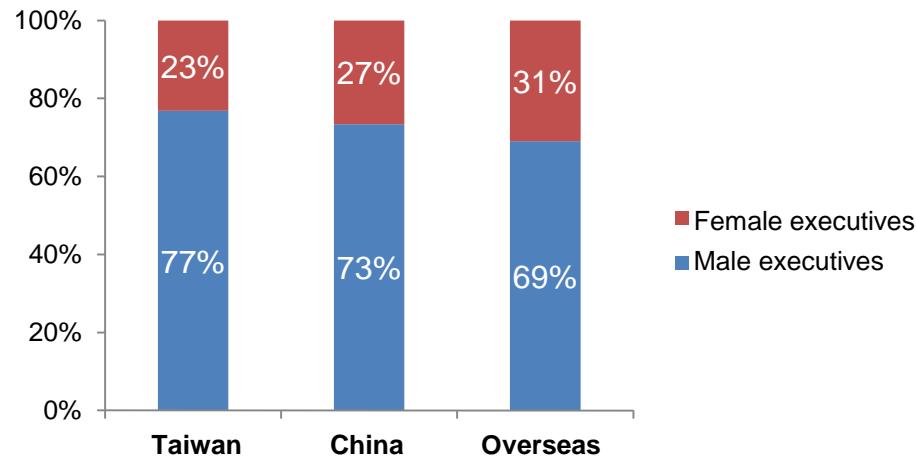
- **4.1.1 Employment Policy and Labor Force Structure**

### Employment Structure

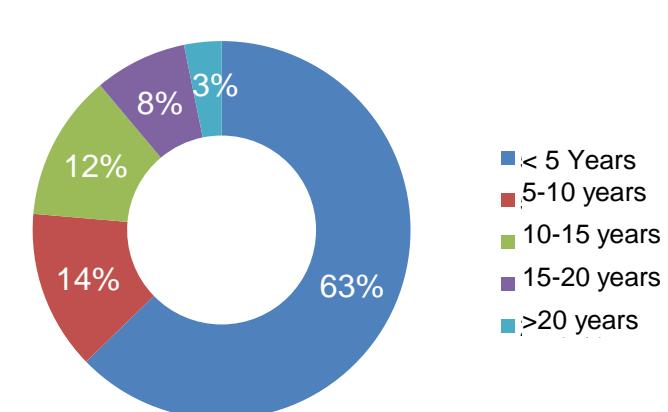
Labor force distribution worldwide (by management/ professional)HR structure worldwide (by gender)



HR structure worldwide (by gender)



HR structure worldwide (by seniority)



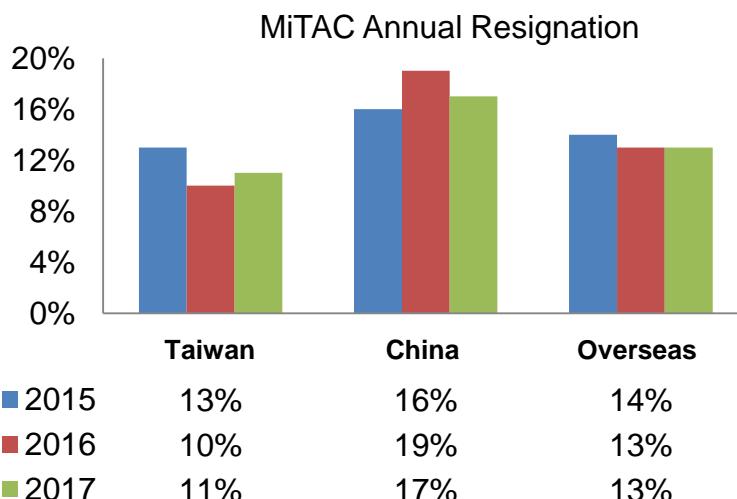


## 4.1 Employee Care

- **4.1.1 Employment Policy and Labor Force Structure**

### Retaining Employees

MiTAC values each employee's development and provides comprehensive training program and career counseling in order to assist them to maintain growth momentum and constantly upgrade their skills. MiTAC encourages the retention and development of talents within the group; if suitable job positions become available, employees may apply for transfer via the internal transfer mechanism. In relation to severance management, as soon as the employee decides to leave the company, our human resources unit will arrange for an interview with the employee depending on the circumstances in order to understand the cause for his resignation. Furthermore, if suitable job openings in other departments become available, we will strive to retain the employee and offer our care.



**MiTAC annual resignation rate calculation:** The resignation rate of each month is accumulated (i.e. the total of resignations during January and December/the total number of employees during the same period at the end of each month/12x100%).



## 4.1 Employee Care

### ● 4.1.2 Fair and Just Talent Retention System

#### Employment Rights

MiTAC values our employees' employment rights, thus the Company's regulations are stipulated in accordance with relevant occupational laws, such as the Labor Standards Act, Act of Gender Equality in Employment and other regulations or local legislations. Internally, we have stipulated performance management/evaluation mechanisms, remunerations, rewards, diverse promotion systems and regulations for the reward or discipline of employees. At the same time, MiTAC takes into consideration facets including law, reason and feeling, where people-oriented management and the perspective of respecting diversity are applied to create a fair, reasonable work environment and maintain the employment rights of all employees.





## 4.1 Employee care

### ● 4.1.2 Fair and Just Talent Retention System

#### Wage Guarantee

MHC perceives tremendous importance in our colleagues' remuneration and benefits. MiTAC conducts annual survey on salary level in the market and consults with the macroeconomic indicators based on which the salary scales for all employees will be adjusted to attract talents to join the company with competitive salaries.

The employees' remuneration is adjusted in accordance with their education, expertise, experience, seniority and personal performance, not by gender. New employees' starting salary is not differentiated based on race, religion, political stance, gender and marital status.

MiTAC's remuneration policy was formulated on the basis of the following principle:

-  We comply with relevant local laws to generate harmonious labor relations for sustainable operations.
-  Based on market value and employee productivity, combining with performance management system, rewarding and motivating employees with competitive salaries.
-  The starting salary of new employees not only conforms to the local law but should also be competitive on the market.
-  As employee incentives, performance bonuses are given based on the Company's annual operation and personal performance to reward employees for their contributions.



## 4.1 Employee Care

### ● 4.1.2 Fair and Just Talent Retention System

#### Retirement Policy

MiTAC contributes to our employees' retirement pension fund according to the retirement regulations of various regions.

In Taiwan, MiTAC has established a complete and legal retirement system in accordance with the Labor Standards Act and the Labor Pension Act, where individual retirement pension accounts are opened for employees, and an oversight committee was formed by capital and labor representatives to supervise the operation of the accounts. All colleagues are covered by labor and health insurance since the day of reporting to duty based on their salary grading, and 6% of their salaries are contributed to their retirement pension.

In China, our employees are insured with endowment/medical/unemployment/employment injury/maternity insurance and housing provident fund in accordance with the local laws, in turn ensuring safe retirement life for them. At present, all of the retirement pension systems in our subsidiaries worldwide are functioning normally.

#### Colleague party



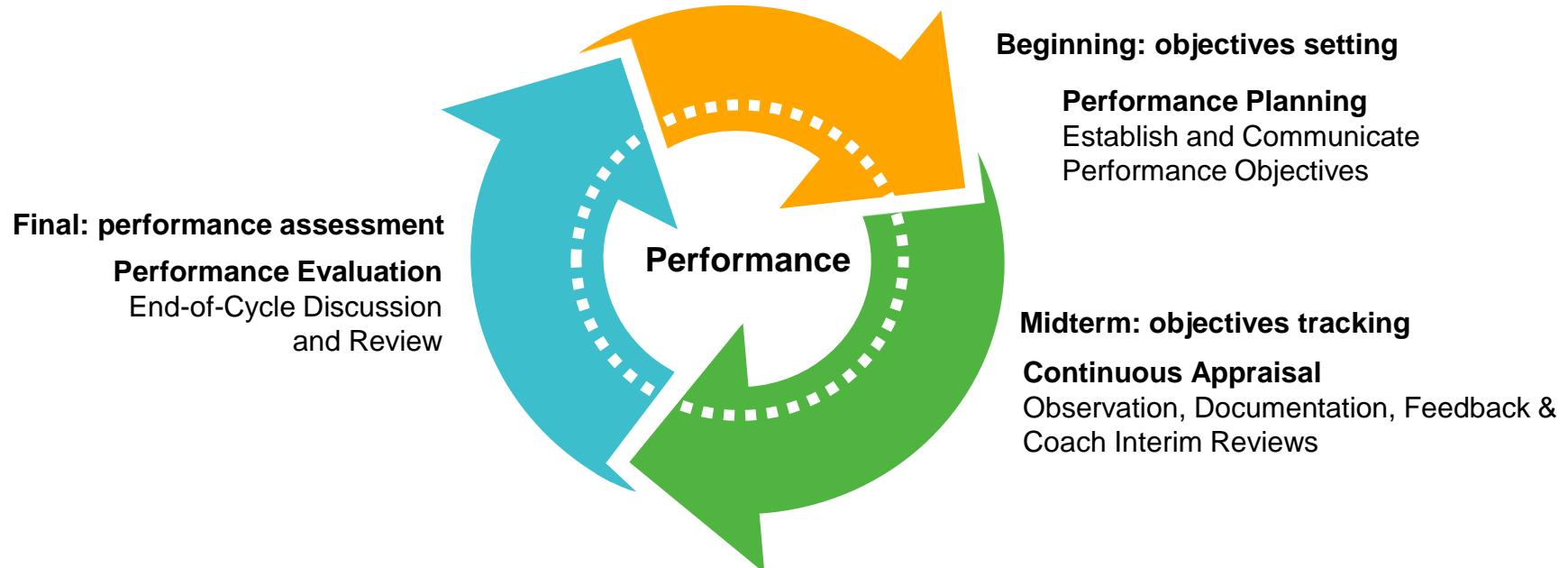


## 4.1 Employee care

- **4.1.2 Fair and Just Talent Retention System**

### Performance Evaluation

MiTAC has a viable performance management system under which the managers will liaise with their staff on the objectives of their duties in line with the development strategy of the organization once semi-annually. Related key performance indicators (or KPI) will be set up and adjusted according to the circumstances during midterm and final assessment will be carried out. Besides outcome appraisal, the evaluation covers relevant professional items and 360 degrees evaluation feedback in a fair and reasonable procedure. The evaluation results will be used as reference for promotion, salary adjustment, bonus payment, individual career development and training needs.





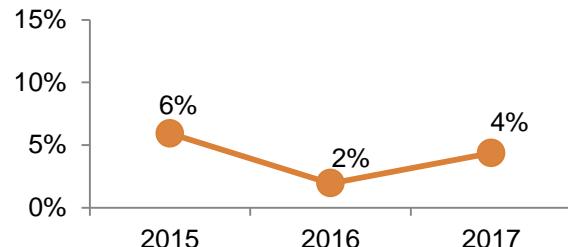
## 4.1 Employee Care

- **4.1.2 Fair and Just Talent Retention System**

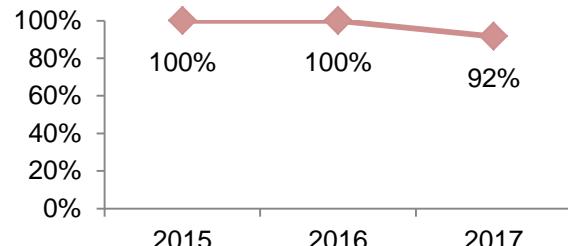
### Reinstatement Rate after Unpaid Parental Leave

For employees with parental leave needs, MiTAC has offered them substantial care measures such as unpaid leave, career re-planning and related benefits and subsidies. Furthermore, maternity protection measures are implemented to help employees become re-instated, and re-instatement training is provided to help them return to their jobs. As a result, 89% of the employees on unpaid parental leave were re-instated in 2017, and of those re-instated, 92% remained in their posts after their unpaid parental leave. It is thus evident that MiTAC has provided our employees with comprehensive care mechanisms that are appreciated by the employees.

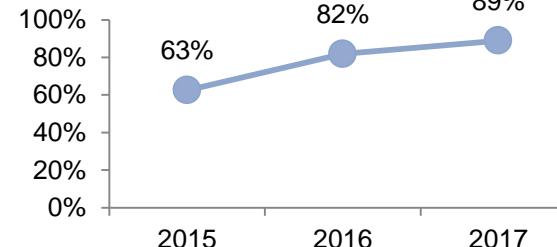
**Application rate of unpaid parental leave**



**Retention rate after parental leave**



**Reinstatement rate after unpaid parental leave**



**Number of unpaid parental leave applications**

	2015	2016	2017
Number of persons qualified for unpaid parental leave	297	259	299
Actual number of applicants: Estimated number of re-instated employees	18:10	5:18	13:9
Actual number of re-instated employees: Number of re-instated employees who have continued to work	8:6	12:8	8:11



## 4.1 Employee Care

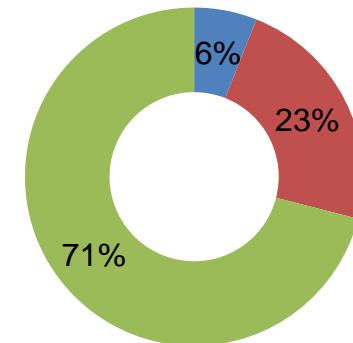
### ● 4.1.3 Facilitate Employee Adaptive Development

#### A Diversity of Channels for Training

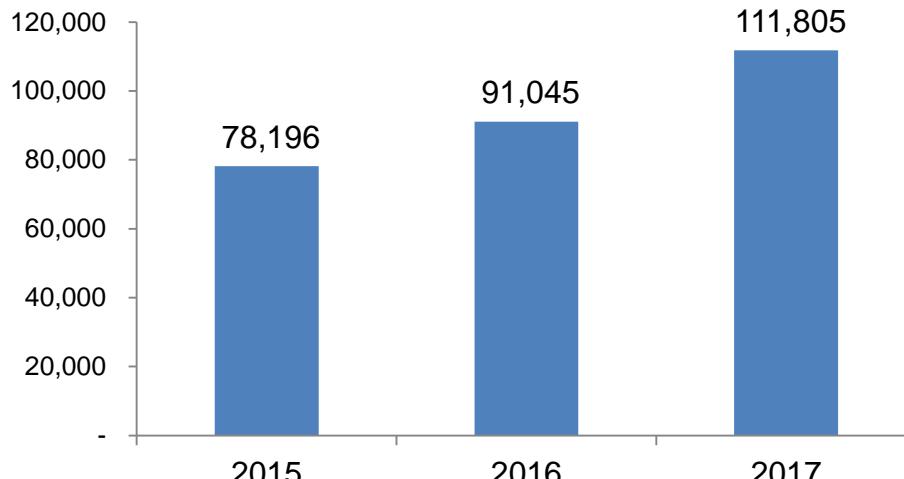
Here at MiTAC, we take the improvement of employees' professional skills seriously. And as such, we have established a comprehensive training system to provide systematic employee education, which includes orientation training, competence training, supervisor training and so forth. Coupled with other learning resources such as e-learning, OJT, and OFFJT, we provide an ideal environment for employees to learn and grow. Taking 2017 as an example, more than 111,000 person-time trainings were conducted, totaling 250,000 training hours.

**Number of Trained Employees**

■ Mana gers ■ IDL ■ DL

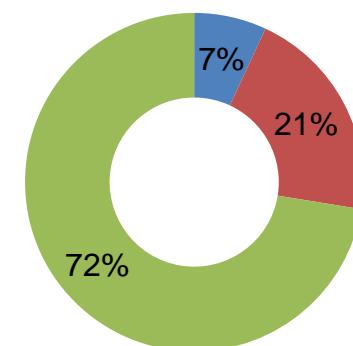


**Number of Trained Employees**



**Number of Training Hours**

■ Mana gers ■ IDL ■ DL





## 4.1 Employee Care

- **4.1.3 Facilitate Employee Adaptive Development**

### Create a Corporate Culture Through Orientation

In order to help new employees blend in and optimize their learning time, each employee undergoes a series of new employee training programs upon entering the company, where various company policies and work-related K.S.A (knowledge-skill-attitude) are combined with the “new talent camp” activity to help them gain further understanding about the company’s management philosophy and core values. In addition, each new employee is assigned a “work tutor” to share experiences with each other and facilitate them to become acclimatized with the work environment.

### Managerial Training with Equal Emphasis on Theory and Practice

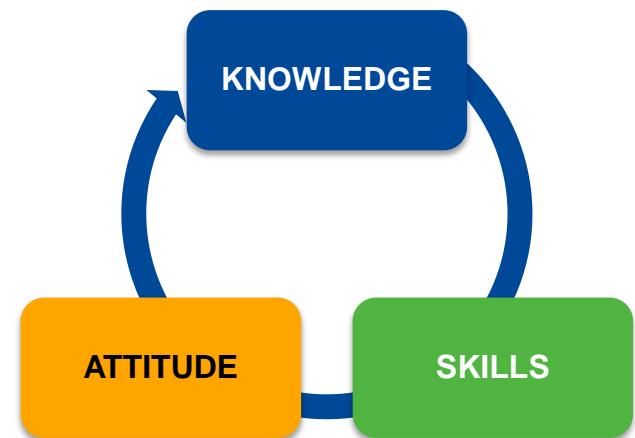
Management training is designed on the basis of six management competencies, including decision making, team work, talent management, innovation, open-mindedness, performance management. We adopt experiential learning method to conduct new management training program. Coupled with case studies and sharing sessions, these managers were able to acquire relevant management skills in ascending levels of sophistication.



Management Training



Orientation Training



KSA (Knowledge, Skills, Abilities)



## 4.1 Employee Care

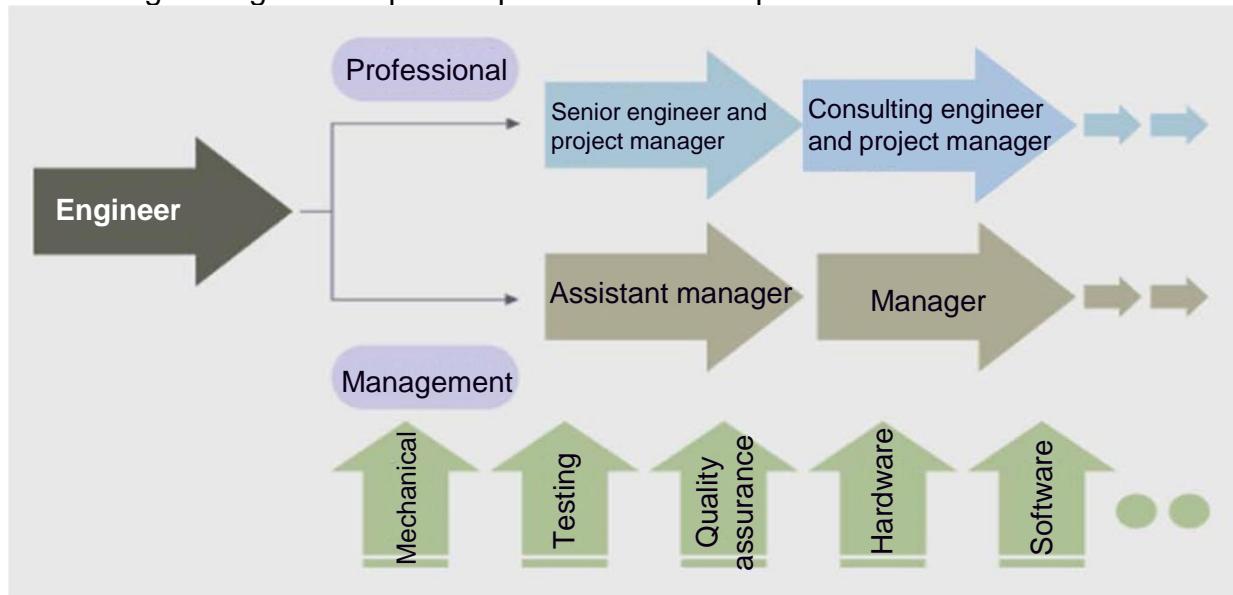
### ● 4.1.3 Facilitate Employee Adaptive Development

#### Life Time Learning Scheme

MiTAC encourages managers to further their continuing education in master's programs and EMBA programs so that they can improve their professional and management skills. Further to the subsidy of tuition fees, MiTAC also permits relevant personnel to take leave in the duration of the study every month. Under this arrangement, related personnel can be concentrated in learning.

#### Career Development

MiTAC helps its people to properly plan for their career lives by adopting a dual-track system for promotion. The managers will communicate with the personnel for promotion on the basis of the organizational needs and selects those who are competent in professional skills or management capacity. At the same time, MiTAC also practiced the global job rotation system to assist its people to develop more than one professional skill as a mean for long-term human resources development and strengthening the competitive power of the enterprise.





## 4.1 Employee Care

### ● 4.1.4 Creating a Friendly Work Environment

#### Flexible Work Hours

In order to free our employees from the pain of traffic congestion during commuting, as well as to cater to the commuting needs of colleagues to live far away from the office, the company has devised a flexible work hours system with one hour leeway (clock-in: 8-9am/out: 17:00-18:00). The system was implemented to save commuting time for our colleagues, so that they can achieve quality and balance between work and family life.

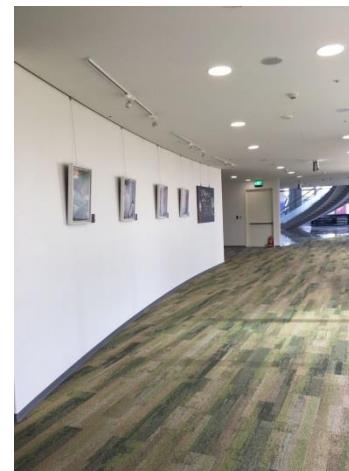
#### Safe and Comfortable Work Environment

##### Well-illuminated office

Office workers spend at least 8 hours a day in the office. Being a people-oriented Company, MiTAC values the comfort of our employees while working, and thus we have created a bright, spacious office space that is furnished with ergonomic designed for each employee to minimize their physical fatigue and maintain their health.



Ergonomically designed office space



Art gallery



Recreational space



## 4.1 Employee Care

### ● 4.1.4 Creating a Friendly Work Environment

#### Safe and Comfortable Work Environment

MiTAC provides a safe and low-risk work environment, encompassing physical security of the plant and the safety of the employees. All plants of MiTAC have been accredited by a third-party of the ISO14001 and OHSAS18001 systems. In addition, MiTAC designs and executes its HSE system in compliance with applicable laws, international rules, and its own internal standards. Designated functions, like Plant Administration, Equipment, and HSE are responsible for the monitoring of safety and health under standard operation procedures subject to strict assessment and approval before implementation.

The plants are required to properly enforce EICC and conduct safety inspection and organize events for safety education in order to monitor risk and review potential threats to safety. MiTAC sees the health and safety of employees as a vital asset of the corporate sustainable development, and will commit all necessary resources to maintain an appropriate work environment for the safety and health of employees.

#### Restaurant and living area

Colorful, vibrant elements are employed to design the restaurant and living area, where colleagues may enjoy lunch and supper in a delightful ambiance and setting. “Jian Nature Health-Living” has opened a branch store in the Company to provide our colleagues with healthy diets and safe, toxin-free foods.



Pleasant dining environment



Jian Nature Health-Living – Safe food ingredients for your peace of mind



Well illuminated and ventilated



## 4.1 Employee Care

- **4.1.4 Creating a Friendly Work Environment**

### Safe and Comfortable Work Environment

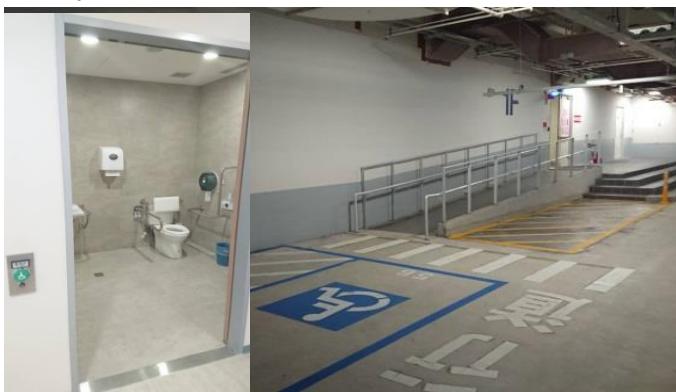
#### Well Stocked Library with a Vast Collection of Diverse Books

When employees grow, so do we. MiTAC constantly strives to help our employees advance their knowledge and skills, thus a library was created in the company, where librarians are hired to manage the abundant collection of books using the professional library management system.

Moreover, books and magazines in various disciplines are purchased regularly for our colleagues to check out and read. In 2017, MiTAC's library had a collection of over 4,000 books and 28 periodicals for the reading pleasure of our colleagues.

#### Accessible Facilities

In order to provide disabled employees with a more friendly work environment, MiTAC has designed signs, wheelchair ramps and handrails along major routes in the office. Furthermore, accessible toilets and parking spaces are also created to minimize any inconvenience at work.



Friendly, convenient accessible facilities



Comfortable, bright library



In 2017, 2,600 people checked out books from the library.



## 4.1 Employee Care

### ● 4.1.4 Creating a Friendly Work Environment

#### Friendly Nursing Space

#### Maternity Protection Measures

In order to assist our female colleagues to achieve a work-life balance, and alleviate any physical and psychological discomfort that may occur during and after their pregnancy, the Company has thoughtfully designed 5 nursing rooms and 10 pregnant women's parking spaces and provided them with care and counseling. The aim is to support our female colleagues during their pregnancy.

#### MiKids Land

MiTAC has established the “MiKids Land” in the office area to cater to colleagues with temporary daycare needs, so that they can look after their children and work at the same time. Since it was inaugurated in September, MiKids Land has been used 54 times, proving its popularity among our colleagues. The temporary daycare facility has also received recognition and a grant from the government, and we have been invited to share our experience with others.



Pregnant employees' exclusive parking space



Nursing room



Cozy “MiKids Land”





## 4.1 Employee Care

### ● 4.1.4 Creating a Friendly Work Environment

#### Gender Friendly Measures

The Company perceives great importance in gender equality and emphasizes gender equality and independence among our employees. MiTAC's comprehensive measures and spatial design have helped to eliminate gender related problems for our employees.

#### Stress the Concept of Gender Equality

Equal remuneration between male and female employees, as well as equal opportunities for promotion. The concept of gender equality is fostered among our employees through internal email and the employee section.

#### Established Task Force on Sexual Harassment

If our employees encounter verbal harassment at work, they may file a complaint through the complaint hotline, and the Company will form a task force to conduct a fair investigation and decide on the subsequent course of action. If the allegation is proven to be true, counseling is provided and the individual responsible will be dealt with accordingly in order to protect the rights of our employees. Over the last 3 years, no such complaint has been received, indicating that MiTAC has successfully applied the philosophy of gender equality to the work environment.

#### Established Gender Friendly Facilities

With gender independence in mind, the Company has established gender friendly facilities such as gender friendly toilets in order to minimize problems associated with gender identity.





## 4.1 Employee Care

### ● 4.1.4 Creating a Friendly Work Environment

#### Employee healthcare

The company values the health of our employees' body and mind, therefore in addition to establishing safe, comfortable fitness facilities, and regular health examinations are also conducted for them. Prior to their health exams, self-assessment questionnaires are provided for employees to understand their physical and mental health. Furthermore, consultations with doctors are arranged during the health examination to help the employees assess their health conditions and achieve physiological protection. Furthermore, MiTAC has invited a team of physicians from the Veterans General Hospital to regularly conduct professional face-to-face consultation services, providing our colleagues with professional medical advice.

#### Professional assistance and consultation

In order to prevent and resolve any organizational or personal issues that may decrease our employees' productivity, so that they can engage in work with a healthy body and mind, in turn enhancing corporate competitiveness and creating a win-win situation between capital and labor, our employees may seek assistance through the following professional channels.

#### Human resources unit

MiTAC's HR unit can provide our colleagues or department directors with timely assistance regarding issues such as: employee attendance, performance and emergency relief. Professional, caring perspectives are utilized to help our employees determine problems that may affect personal performance at work and resolve them.





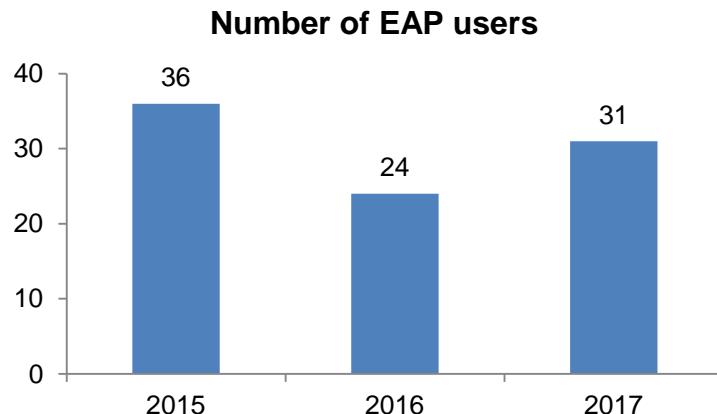
## 4.1 Employee Care

### ● 4.1.4 Creating a Friendly Work Environment

#### Professional Assistance and Consultation

##### Employee Assistant Program (EAP)

- MiTAC has been working with professional consultant teams to launch our EAP (Employee Assistant Program). With a team of experts comprising psychological therapists, legal councilors, nutritionists, financial consultants and so forth.
- Through professional counseling and channels such as seminars, articles and EAP websites, we provide employees and their families professional advice in their daily life, including pressure from the workplace, interpersonal relationships, family and marriage, the two genders, law, wealth management, and health care so that they could maintain proper balance in the workplace, in daily life, and in health.
- Employee Assistant Program (EAP) provides year-round service for personal/work related problems. (Consultation services are protected by privacy policy)



**MiTAC**

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## 4.1 Employee Care

### ● 4.1.5 Bilateral Communication Between Capital and Labor

- Diverse, Open Communication Channels

For the realization of its corporate philosophy of humanity in management, MiTAC provide two-way transparent communication channels and actively creates different environments of communications. MiTAC values the ideas of the employees in order to buttress labor-management harmony. This will be essential for creating a win-win situation between the enterprise and the employees.

MiTAC is a diversified global firm with numerous office locations. In order to facilitate conferences between offices or companies, as well as to save time, effort and the risks associated with traveling between offices for our colleagues, we have established the video conferencing system.

- Video conferencing equipment: MiTAC has invested about NT\$10 million in setting up high definition and high stability videoconferencing equipment connecting the 9 locations in Taiwan, China, USA, and the UK. This facility helps to bridge the distance and makes business meetings more efficient.
- Diverse communication: MiTAC people can view the monthly magazine and the quarterly magazine published by the group over the web so that they can understand the status of operation and the latest products launched by the Company to market. Indeed, internal communication is viable at MiTAC.

#### Internal communication meeting





## 4.1 Employee Care

### ● 4.1.5 Bilateral Communication Between Capital and Labor

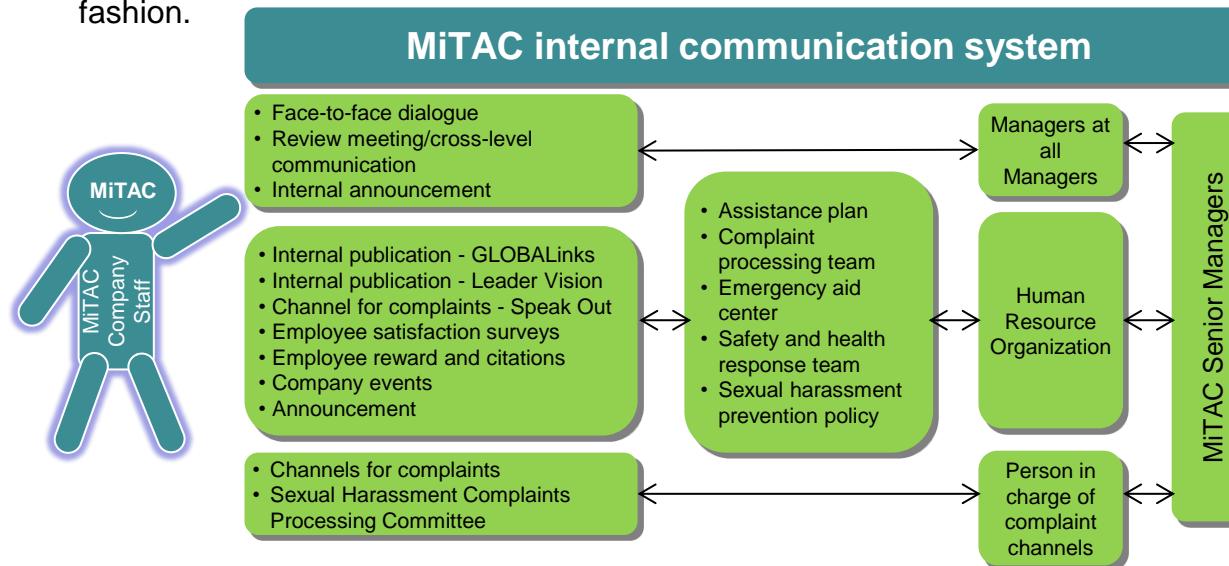
#### Opinion Exchange

#### Established Interactive Website

Through the Company's internal website, MiTAC is able to announce corporate governance related rules and regulations, as well as the latest developments within the Company. Furthermore, an interactive area has been created, allowing the employees to voice their thoughts and opinions besides receiving the latest work/life related information, as well as information from the employee welfare committee.

#### Speak Out Hotline

In encouraging positive interaction between capital and labor, MiTAC values each employee's opinion and thus has created the "Speak Out" email for the employees so that they could use this channel to speak out what is on their mind. Upon receiving the messages from relevant employees, the employee relation personnel will review and reply with caution. Where necessary, these personnel will not disclose the name of the complainant for their protection, and call fore related team to map out relevant corrective action plans to make sure the voices of the employees were heard and responded to in a timely fashion.



#### Speak Out summary

Year	Number of complaint received	Number of complaint investigated	Number of complaint closed
2017	0	0	0
2016	1	1	1
2015	2	2	2



## 4.1 Employee Care

### ● 4.1.6 Promoting Work-Life Balance

#### Fostering employees' physical and mental health

##### MiGYM-Professional Fitness Center

MiTAC values the health of our employees' bodies and minds, so we have established a comfortable fitness center equipped with comprehensive equipment for our colleagues to work out in their spare time. At the same time, professional instructors are hired to offer activities such as boxing aerobics, yoga and dance. The fitness center also features showers, allowing our colleagues to shower and change after their workout.

##### Thoughtful massage service

When the Company was founded, we employed 2 visually impaired employees to offer massage services, so that our colleagues can find relief in a relaxing ambiance. This is also a means of providing employment opportunities for the physically and mentally impaired.

##### Life knowledge lectures

MiTAC collaborates with various organizations from time to time to host diverse life knowledge lectures that serve to impart with our colleagues with different types of knowledge in life. In 2017, the tax-saving lecture was attended by over 160 employees, demonstrating the popularity of the lecture.

Lecture title	Lecture content
Tax-saving lecture	New knowledge on tax return Introduction of separate taxation for incomes earned by married couples
Parenting lectures	Brain and cognitive development of children Scientific evidence vs. misconceptions of parenting



Year-end banquets



Parenting lecture



MiGYM



## 4.1 Employee Care

- **4.1.6 Promoting Work-Life Balance**

**Support employees' values in life**

### Employee Welfare Committee Cares

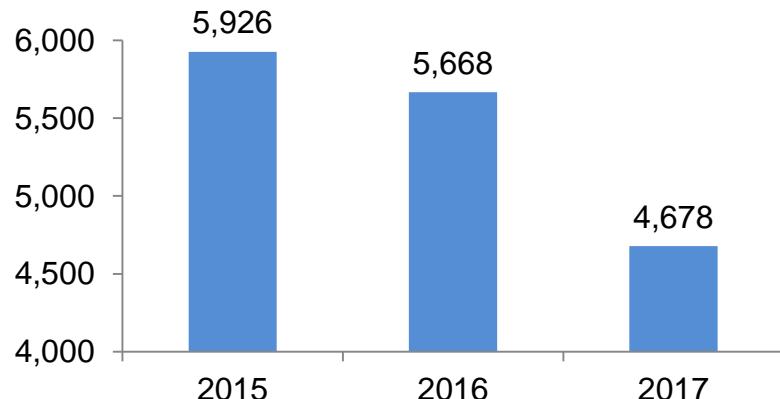
MiTAC offers comprehensive, diverse welfare measures through the employee welfare committee, including: gift for festival to show that the company cares about them; furthermore, gift money are disbursed for three major festivals in Taiwan in order to recognize their contributions to the company. In this year, the employee welfare committee disbursed over NT\$ 5 million in related grants.

### Travel Grants

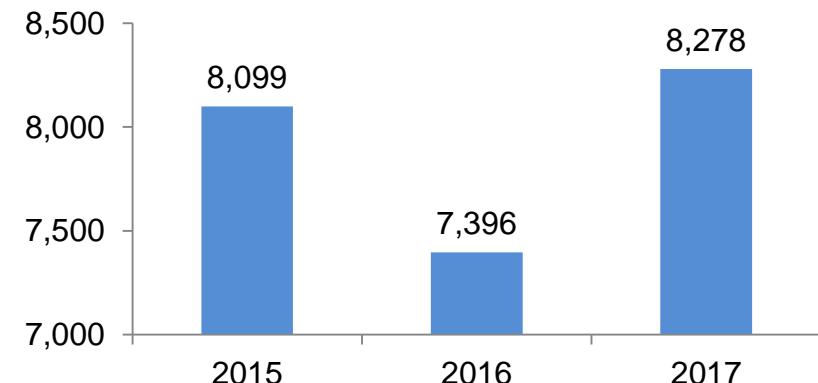
MiTAC's employee welfare committee provides travel grants every year in order to encourage our colleagues to relax their body and mind. This year, a total of nearly NT\$10 million was provided to our colleagues.

**Employee Welfare Committee Cares**  
(Unit: NT\$1,000)

※Reduced due to adjustment in subsidized items



**Employee Welfare Committee Travel Subsidy**  
(Unit: NT\$1,000)





## 4.1 Employee Care

- **4.1.6 Promoting Work-Life Balance**

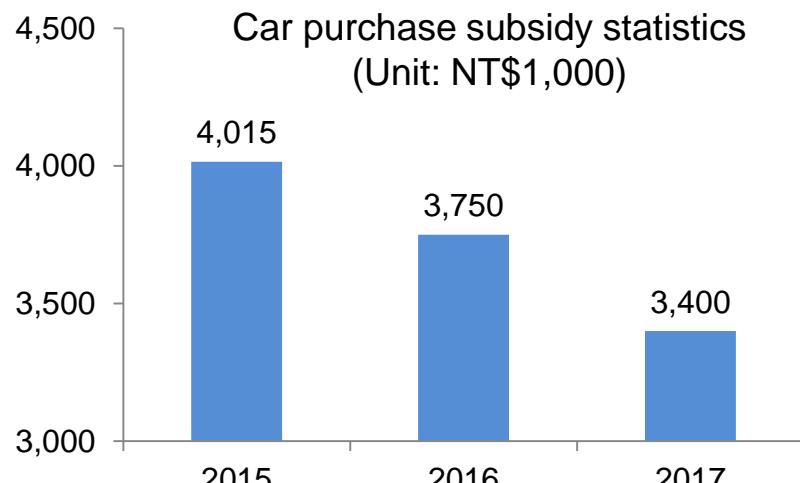
### Support Employees' Values in Life

#### Complete Group Insurance Plan

MiTAC seeks to provide additional protection for our employees. In addition to the coverage of labor insurance and national health insurance, MiTAC also provides comprehensive Group insurance for the employees and their dependent family members at a lower premium rate for better protection. Expatriate employees are also given higher group insurance to allow them to work overseas with peace of mind.

#### Car Purchase Subsidy

In catering for the transportation and commuting needs of our employees, the Company provides fixed amount, interest-free car loans. Two applications are available every year, and a total of more than NT\$3 million was allocated for our colleagues' benefit this year.



Subsidized amount varies depending on  
the number of applications received

Group insurance coverage	
Item	Insurance coverage
Life insurance	Death benefit
	Level 2-11 disability benefit
	Accelerated critical illness benefit
Accident insurance	Accident benefits
Health insurance	Daily hospital benefit
	Accident medical care benefit
	Outpatient surgery benefit



## 4.1 Employee Care

- 4.1.6 Promoting Work-Life Balance**

### Encouraging Interactions among our Employees

#### Year-end Banquet

The Company sees great importance in the interaction between our employees and their families, so we organized the 2017 family day activity which was attended by over 800 colleagues and their families. Together, they enjoyed quality family bonding time in the theme amusement park.

At the end of each year, the Company hosts the year-end banquet as a token of appreciation for our employees' hard work. All colleagues are invited for the celebration, and they are also invited to perform on the stage. In total, 90% of our employees attended the year-end banquet, where everyone enjoyed a magnificent evening.

#### Family day / year-end banquet attendance

Year	Family day	Year-end banquet
2015	1,500	1,360
2016	The activity did not take place	1,320
2017	2,301	1,361



Family day activities



Year-end banquet



## 4.1 Employee Care

- 4.1.6 Promoting Work-Life Balance**

### Encouraging Interactions among our Employees

#### Birthday Party

Employee welfare committee regularly organizes birthday parties for our colleagues. Aside from exquisite meals, entertainment programs are also arranged in conjunction with the festival of the month. In total over 1000 employees from 2 regions celebrated birthdays together.

#### Social Clubs

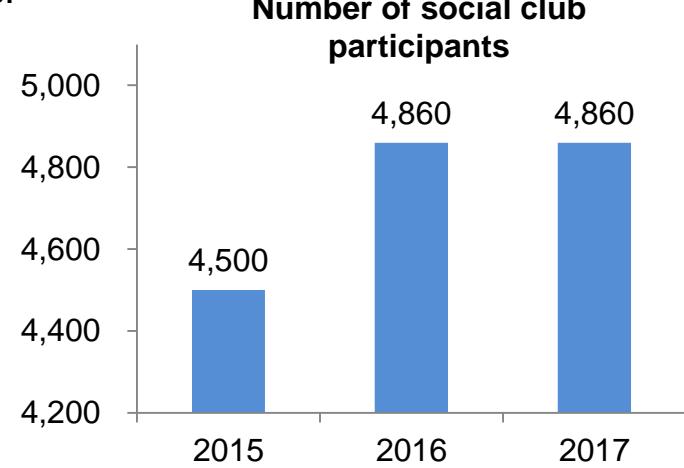
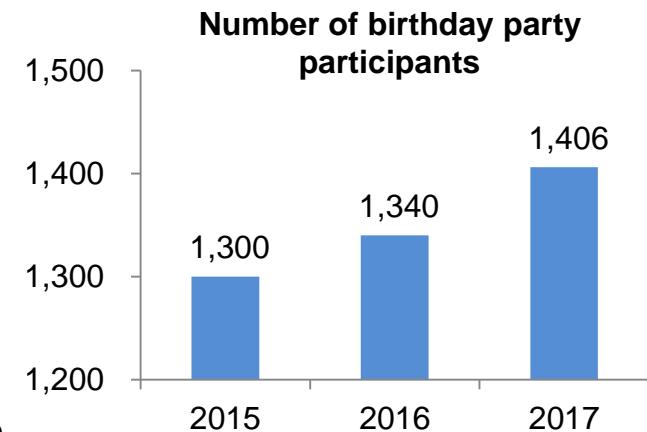
Employee welfare committee provides a diverse selection of social clubs, including: boxing aerobics, bowling, gourmet & pastry club or table game club etc. in addition to offering our colleagues to blow off steam and demonstrate outside of work. In 2017, a total of over 4000 people participated in 27 social clubs across 3 regions.



Bowling club activity



Aerobics dance club





## 4.1 Employee Care

### ● 4.1.6 Promoting Work-Life Balance

#### Employee Care Measures

##### Emergency Relief Fund

In addition to providing our employees with daily assistance, MiTAC also provides them with comprehensive care in the event of natural disaster or emergency. If colleagues are injured and hospitalized or killed in an accident or disaster, the company's representatives and management will immediately pay a visit to provide the employees and their families with consolation money in order to console them.

##### Emergency Relief

If the employees require financial assistance after experiencing an accident, the company will help them apply for emergency loan ranging from NT\$ 100,000 to 300,000 in order to get them through difficult times. In 2017, employees applied for special assistance from MiTAC due to car accidents, and they have since been reinstated after timely assistance from the HR unit.

##### Emergency Relief Abroad

If our expatriate employees are in need of support due to illness or major accident, the company will provide emergency relief abroad such as emergency medical transfer back to Taiwan for treatment, or local emergency medical assistance will be arranged.

##### Critical Patient Care

When our employees are in critical condition due to illness, the employee assistance system will be activated to provide them with additional sick leave days on top of the mandatory sick leave stipulated by law. The aim is to maintain their social insurance and source of income while receiving medical treatment. At the same time, we offer them psychological support, hoping that they can recuperate with peace of mind and return to their jobs in order to continue pursuing their career in the Company.

Emergency relief fund

Interest-free emergency loan

Emergency relief abroad  
Emergency relief

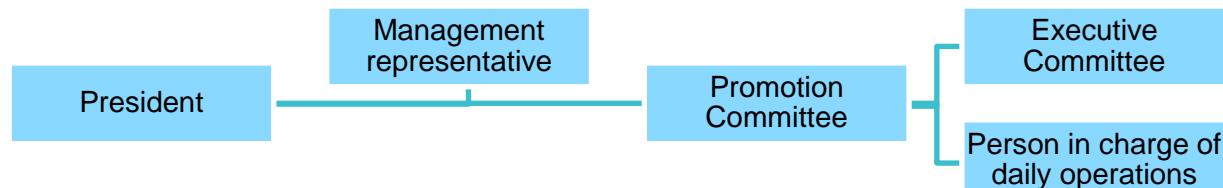
Critical patient care



## 4.1 Employee Care

### ● 4.1.7 Environmental Health and Safety

MiTAC places significant emphasis on environmental safety, health and management performance. We provide our stakeholders including clients, partners and local communities with safe, low environmental impact and highly efficient operating base. In addition, we stress the continual improvement of environmental health and safety; the most senior manager at various plants have set up EHS organizations and legal committees, and the ISO14001 and OHSAS 18001 international certification standards were promoted. Through the PDCA management cycle, the aim is to implement various projects in order to achieve the goal of constant improvement.



Implement and enforce environmental health and safety management to eradicate unsafe environment and conducts and avoid accidents from occurring repeatedly. In 2017, 4 disabling injuries occurred, and no suspected occupational diseases were discovered during the occupational health examination in the organization. After the post-accident investigation, department supervisors were requested to strengthen promotion on safety awareness.

Statistical table on disabling injuries: Management goal (maintain disabling injury frequency rate (FR) below 6 injuries per million man-hours worked)				
MiTAC Holdings Corporation		Item	Subtotal	Annual SR
2017	Number of disabling injuries	4	3.38	1.52
	Number of work days lost	8.89		
	Total working hours (hours)	2,633,288		

- Disabling injury frequency rate (FR) calculation formula=Number of disabling injuries\*1,000,000/total hours worked
- Disabling injury severity rate (SR) calculation formula=Number of work days lost over the year\*1,000,000/total hours worked over the year



## 4.2 Social Participation

### ● 4.2.1 Yu Shiu Education Foundation

As always, MiTAC upholds the idea of “Taking from society and giving back to society” as only a harmonious society can produce a blueprint for the sustainable development of an enterprise. Only a society of perpetual progress can make room for the sustainable growth of an enterprise.

**MiTAC three pillars define perpetual strategy as the organization is built to grow.**

Develop good talents in technology

Advocate low carbon living

Concern for disadvantaged groups

Give back to society with professionalism, products and services. Get involved in public relations and marketing and support social concerns in order to serve society better.





## 4.2 Social Participation

### ● 4.2.1 Yu Shiu Education Foundation

#### Y.S. Award on Campus for the Development of Good Talent in Technology and Design

The Yu Shiu Education Development Foundation was established under the sponsorship of MiTAC and other group companies, and has organized the annual Y.S. Award on Campus for the Development of Good Talents in Technology and Design since 2003. The event aims at students in schools of higher education for the encouragement of product design education and the incubation of good talents in software.

MiTAC gets to know young students through its assistance in the contest and related promotion. MiTAC employees also shared their experience in the industry with the students, particularly the experience in brand product design and the practice of global marketing, and the GPS and travelling related issues. MiTAC encourages students to apply their creativity to portable devices and software application.



#### New generation industry-academia collaboration seminar





## 4.2 Social Participation

### ● 4.2.1 Yu Shiu Education Foundation

#### Applying Innovative Technology to make Life Smarter, more Convenient and more wonderful.

With the advent of IoT and video streaming technology, the 15<sup>th</sup> Y.S. Award draws upon the theme of “Smarter Tomorrow,” complemented by aspects such as social care, environmental sustainability, cultural values, design, practical media experience and innovative technology to assist the teams in engaging in smart system related core technology research, so that they can unleash their design skills and creative applications in order to further develop the technology and enhance the added values of smart systems.

The final round of the contest was held on the same day as the award ceremony. Elite Groups shortlisted for the final round pulled out all the stops to compete against one another, and they were also able to obtain opinions and experiences from one another through the interaction between the jurors, colleagues and Group senior executives. The Company and students engaged in face to face discussions to search for appropriate talents who will be offered internship positions during the summer vacation. In the future, these students may be recruited into the Company depending on their career plans. The interactions are beneficial for building a great design talent cultivation platform.

#### Y.S. Award ceremony gathers award-winning elite groups under one roof





## 4.2 Social Participation

### ● 4.2.2 Love Earth – Rebirth of Secondhand Furniture

#### Cherish Resources, Secondhand Furniture was Donated to Social Welfare Organizations

By upholding the philosophy of cherishing resources, after reconditioning secondhand office furniture still in a reasonably good condition, the Company looked for social welfare organizations that required such furniture and arranged for a moving firm to distribute them. In total, 14 organizations benefitted from 23 sets of furniture, including: Foundation for Autistic Children and Adults in Taiwan, The Garden of Hope Foundation, World Vision Taiwan, Renyou Sanatorium, Rehouse and Lovely Taiwan Foundation etc. Seeing MiTAC's furniture benefitting social welfare organizations to solve their financial problems, we not only feel a sense of warmth in our heart but also achieved the environmental goal of resource reutilization.



Love is all around



Taoyuan Renyou Sanatorium



Changhua Rehouse



Big Future Foundation



## 4.2 Social Participation

- **4.2.3 Product Donations**

**Driving safety is paramount – Public welfare with safety and efficiency**

MiTAC's smart mobile device and cloud service business group is the market leader in terms of navigation devices and drive recorder design, manufacturing and marketing. We understand that the driving safety of disadvantaged social welfare groups depend on the assistance of these products. Besides avoiding time wasting by taking the wrong route or longer routes, drive recorders also serve to protect the drivers. The Company has contacted the social welfare organizations to donate navigation devices and drive recorders. They are installed on their company vehicles to safeguard their safety when carrying out their missions.

This year, the recipients include Faith-Hope-Love Center and Heart of Taiwan Animal Care. We welcome all social welfare organizations with such needs to contact MiTAC.





## 4.2 Social Participation

### ● 4.2.4 Social Charity

#### Promotion of Public Welfare Activities – Providing Public Welfare Groups with a Stage to Perform

For the annual family day, students from Hsia-Yun Primary School in Fuxin District, Taoyuan City were invited to perform and accept MiTAC scholarships. For the year-end banquet, disabled dance troupe “Spiraling Dance Divas” presented their performance to express their passion for life. The group’s enthusiasm touched the audience’s heart in a profound manner.

By bringing together the Company and performances by school children from remote townships as well as disabled performers, the audience was treated to exceptional entertainment, and the performance troupes are also offered an opportunity to take to the stage, thus the event was commended and supported by senior Company executives and colleagues alike! MiTAC cares about society and supports underprivileged groups by taking concrete action. We spread love and warmth through diverse public welfare activities.



Hsia-Yun Primary School



Award scholarships



Spiraling Dance Divas



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Strategy and analysis	G4-1	Corporate sustainable development vision and strategy statement	1.1 The view and commitment of corporate social responsibility	5	
	G4-2	Description of key impacts, risks, and opportunities	1.1 The view and commitment of corporate social responsibility	5	
Organizational profile	G4-4	Primary brands, products, and services	2.1.1 Company profile	18	
	G4-5	Location of the organization's headquarters	2.1.3 Global locations	19	
	G4-6	Number of countries where the organization operates	2.1.3 Global locations	19	
	G4-7	Nature of ownership and legal form	2.1.2 Basic information	18	
	G4-8	Markets served	2.1 Company Outlook	16	
	G4-9	Scale of the organization	2.1 Company Outlook	15	
	G4-10	Total number of employees by type/contract/region/gender	4.1.1 Employment policy and labor force structure	81	
	G4-11	Percentage of total employees covered by collective bargaining agreements			There is currently no collective bargaining agreement
	G4-12	Describe the organization's supply chain.	3.5 Supply chain management	63	
	G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	MiTAC Sustainability Report 2.1 Company Outlook 2.2 Corporate Governance 3.5 Supply chain management	3 16 18 63	
Operational performance	G4-14	Organizational preventive measures or principles	2.2 Corporate Governance 3.1 Green commitment	22 37	
	G4-15	Precautionary approach or principle is addressed by the organization.	3.3 Response to climate change and global warming	45	
Emissions and energy	G4-16	Memberships of associations (such as industry associations) and national or international advocacy	2.1.1 Company profile	16	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Identified material aspects and boundaries	G4-17	Organizational structure of company operations	MiTAC Sustainability Report 2.1.1 Company Profile	3 21	
	G4-18	Process for defining the report content and the Aspect Boundaries.	1.2 Identification of Stakeholders	8	
	G4-19	List all the material Aspects identified in the process for defining report content.	1.2 Identification of Stakeholders	10	
	G4-20	For each material Aspect, report the Aspect Boundary within the organization.	1.2 Identification of Stakeholders	13	
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	1.2 Identification of Stakeholders	13	
	G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	MiTAC Sustainability Report	3	
	G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	MiTAC Sustainability Report MiTAC Sustainability Report	3 3	
Stakeholder engagement	G4-24	List of stakeholder groups engaged by the organization.	1.2 Stakeholder Identification	9	
	G4-25	The basis for identification and selection of stakeholders with whom to engage.	1.2 Stakeholder Identification	9	
	G4-26	The organization's approach to stakeholder engagement	1.2 Stakeholder Identification	11	
	G4-27	Key topics and concerns that have been raised through stakeholder engagement	1.2 Stakeholder Identification	12	
Report profile	G4-28	Reporting period	MiTAC Sustainability Report	3	
	G4-29	Date of most recent previous report	MiTAC Sustainability Report	3	
	G4-30	Reporting cycle	MiTAC Sustainability Report	3	
	G4-31	The contact point for questions regarding the report or its contents.	MiTAC Sustainability Report	3	
	G4-32	The GRI Content Index for the chosen option	MiTAC Sustainability Report Global Sustainability Report Index Mapping Table	3 114	
	G4-33	The reference to the External Assurance Report			There is currently no reference to the External Assurance Report, it will be incorporated in the future



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Governance	G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.			Relevant statistics are incomplete, they will be fully disclosed in the future.
					Relevant statistics are incomplete, they will be fully disclosed in the future.
					Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-38	The formation of the Board of Directors' dependent/independent directors and committees.	2.2.2 Operation of the Board of Directors	22	
	G4-39	Whether the directors are also executive officers	2.2.2 Operation of the Board of Directors	22	
	G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	2.2.3 Supervisor's Engagement in the Operation of the Board of Directors	26	
	G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	2.2.2 Operation of the Board of Directors	25	
			2.2.3 Supervisor's Engagement in the Operation of the Board of Directors	26	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Governance	G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. Actions taken in response to evaluation of the highest governance body's performance.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Whether stakeholder consultation is used.	2.2 Corporate Governance	22	
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	2.2.8 Continue to Improve Corporate Risk Management	34	
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	2.2.8 Continue to Improve Corporate Risk Management	34	
	G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-49	The process for communicating critical concerns to the highest governance body.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-51	The remuneration policies for the highest governance body and senior executives	2.2.4 The Operation of the Remuneration Committee	27	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Governance	G4-52	The process for determining remuneration. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	2.2.4 The Operation of the Remuneration Committee	27	
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	2.2.4 The Operation of the Remuneration Committee	27	
	G4-54	Report the percentage of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-55	Report the percentage of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.			Relevant statistics are incomplete, they will be fully disclosed in the future.
Ethics and integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1.1 The View and Commitment of CSR	5	
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	2.2.7 The Practice of Business Integrity and Measures	32	
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	2.2.7 The Practice of Business Integrity and Measures	33	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
economic performance	Management guideline		2.1 Company Outlook 2.2 Corporate Governance	16 22	
	G4-EC1	Direct economic value generated and distributed (EVG&D)	2.1.4 Operating Results 4.2 Social Participation	20 108	
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	1.1 The View and Commitment of Corporate Social Responsibility 3.3 Response to Climate Change and Global Warming	6 59	
	G4-EC3	Coverage of the organization's defined benefit plan obligations	4.1.2 Fair and Just Talent Retention System	85	
	G4-EC4	Financial assistance from the government	2.1 Company Outlook 2.2.2 Operation of the Board of Directors	16 22	
Market presence	Management guideline		2.1 Company Outlook 2.2 Corporate Governance	16 22	
	G4-EC5	Percentage of standard entry level wage by gender compared to local minimum wage at significant locations of operation	4.1.2 Fair and Just Talent Retention System	85	
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	4.1.1 Employment Policy and Labor Force Structure	82	
Procurement practices	Management guideline		3.1 Green Commitment	37	
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	3.5.1 Types of Supply Chain and Localized Procurement	63	
Materials	Management guideline		3.1 Green Commitment	37	
	G4-EN1	Materials used by weight or volume	3.2.2 Main Material Logistics	41	
	G4-EN2	Percentage of materials used that are recycled input materials.	3.2.2 Main Material Logistics	41	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Energy	Management guideline		3.1 Green Commitment	37	
			3.3 Response to Climate Change and Global Warming	45	
	G4-EN3	Energy consumption within the organization	3.3.2 Environmental Information	49	
	G4-EN4	Energy consumption outside of the organization			Relevant statistics are incomplete, they will be fully disclosed in the future.
	G4-EN5	Energy intensity	3.3.1 Global Climate Change and Greenhouse Gas Verification	47	
	G4-EN6	Reduction of energy consumption	3.3.4 Environmental Performance	53	
			3.4 Green Factory	57	
Water	G4-EN7	Reductions in energy requirements of products and services	3.2 Green Product Design	38	
	Management guideline		3.1 Green Commitment	37	
			3.3 Response to Climate Change and Global Warming	45	
	G4-EN8	Total water withdrawal by source	3.3.3 Water Resource	52	
	G4-EN9	Water sources significantly affected by withdrawal of water			Note: No impact
Emission	G4-EN10	Percentage and total volume of water recycled and reused			Water resource recycling and reuse is not a major consideration for the industry category which the company is in.
	Management guideline		3.1 Green Commitment	37	
			3.3 Response to Climate Change and Global Warming	45	
	G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	3.3.1.2 Internal Greenhouse Gas Emission	46	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	3.3.1.2 Internal Greenhouse Gas Emission	46	
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	3.3.2 Environmental Information	49	
			3.4.4 Green Logistics	60	
	G4-EN18	Greenhouse gas (GHG) emission intensity	3.3.1.2 Global Climate Change and Greenhouse Gas Verification	47	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Emission	G4-EN19	Reduction of greenhouse gas (GHG) emissions	3.3.1.1 Energy-Saving Target 3.3.4 Environmental Performance	45 53	
	G4-EN20	Emissions of ozone-depleting substances (ODS)			MiTAC's manufacturing process and products do not involve the use of ozone-depleting substances
	G4-EN21	Nox , SOX and other significant air emissions.	3.3.1 Global Climate Change and Greenhouse Verification	46	
Effluents and waste	Management guideline		3.1 Green Commitment 3.3 Response to Climate Change and Global Warming	37 45	
	G4-EN22	Total water discharge by quality and destination	3.3.2 Environmental Information	49	
	G4-EN23	Total weight of waste by type and disposal method	3.3.2 Environmental Information	51	
	G4-EN24	Total number and volume of significant spills			The company experienced no major spillage in 2017.
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention.			No hazardous wastes controlled by the Basel Convention were shipped internationally.
	G4-EN26	Water bodies and related habitats that are significantly affected by the organization's discharge of water and runoff	3.3.2 Environmental Information	49	
Products and services	Management guideline		3.1 Green Commitment 3.6 Customer Service and Satisfaction	37 71	
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	3.2 Green Product Design	38	
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed			MiTAC is a components and ODM supplier, therefore the packaging recycling is conducted according to our customers' requirements.
Legal compliance	Management guideline		3.1 Green Commitment 3.6 Customer Service and Satisfaction	37 71	
	G4-EN29	Total number of fines for non-compliance with environmental laws and regulations			The company did not receive any fines for non-compliance with environmental laws and regulations in 2017.



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Transport	Management guideline		3.1 Green Commitment	37	
	G4-EN30	Significant environmental impacts of transporting products	3.4.4 Green Logistics	60	
Transport	Management guideline		3.1 Green Commitment	37	
	G4-EN31	Total environmental protection expenditures and investments by type	3.3.5 Environmental Expenditure	54	
Supplier environmental assessment	Management guideline		3.1 Green Commitment	37	
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	3.5.4 Supplier Audit and Green Purchasing	69	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	3.5.5 Supplier Counselling and Audit	69	
Environmental grievance mechanisms	Management guideline		3.1 Green Commitment	37	
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.			There were no grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms in 2017.
Employment	Management guideline		4.1 Employee Care	78	
	G4-LA1	Total number and rate of employee turnover during the reporting period, by age group, gender and region.	4.1.1 Employment Policy and Labor Force Structure	83	
	G4-LA2	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation.	4.1.2 Fair and just talent retention system	85	
	G4-LA3	The total number of employees who returned to work after parental leave ended, by gender.	4.1.2 Fair and Just Talent Retention System	88	
Labor/management relations	Management guideline		4.1 Employee Care	78	
	G4-LA4	Minimum number of weeks' notice typically provided to employees	4.1.5 Bilateral Communication between Capital and Labor	99	
Occupational health and safety	Management guideline		4.1 Employee Care	78	
	G4-LA5	Percentage of the total workforce represented in the plan that monitor and advise on occupational health and safety.	4.1.7 Environmental Health and Safety	107	
	G4-LA6	Types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce by region and gender.	4.1.7 Environmental Health and Safety	107	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Occupational health and safety	G4-LA7	Workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	4.1.7 Environmental Health and Safety	107	No occupational diseases were discovered in the organization's occupational health and safety physical inspections in 2017.
	G4-LA8	Formal agreements with trade unions cover health and safety.	4.1.7 Environmental Health and Safety	107	
Training and education	Management guideline		4.1 Employee Care	78	
	G4-LA9	The average hours of training that the organization's employees have undertaken during the reporting period by gender and employee category	4.1.3 Facilitate Employee Adaptive Development	89	
	G4-LA10	Programs implemented to upgrade employee skills.	4.1.3 Facilitate Employee Adaptive Development	90	
	G4-LA11	The percentage of total employees by gender who received a regular performance and career development review.	4.1.2 Fair and Just talent Retention System	87	
Diversity and equal opportunity	Management guideline		4.1 Employee Care	78	
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	4.1.1 Employment Policy and Labor Force Structure	79	
Equal remuneration for women and men	Management guideline		4.1 Employee Care	78	
	G4-LA13	The percentage of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	4.1.2 Fair and Just talent Retention System	85	
Supplier assessment for labor practices	Management guideline		4.1 Employee Care	78	
	G4-LA14	The percentage of new suppliers that were screened using labor practices criteria.	3.5.4 Supplier Audit and Green purchasing	69	
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	3.5.5 Supplier Counselling and Audit	69	
Labor practices grievance mechanisms	Management guideline		4.1 Employee Care	78	
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	4.1.5 Bilateral Communication between Capital and Labor	99	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Investment	Management guideline		4.1 Employee Care	78	
			3.5 Supply Chain Management	61	
	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.			MiTAC abides by EICC regulations and we have incorporated the spirit of EICC into our CSR code of conduct, including trade, investment, subcontract, supply, operations development and other services and employee relations.
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	4.1.3 Facilitate Employee Adaptive Development	90	
Non-discrimination	Management guideline		4.1 Employee Care	78	
	G4-HR3	Total number of incidents of discrimination and corrective actions taken	4.1.1 Employment Policy and Labor Force Structure	80	
Freedom of association and collective bargaining	Management guideline		4.1 Employee Care	78	
			3.5 Supply Chain Management	62	
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	4.1.1 Employment Policy and Labor Force Structure	80	
Child labor	Management guideline		4.1 Employee care	78	
			3.5 Supply Chain Management	62	
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	4.1.1 Employment Policy and Labor Force Structure	80	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Forced or compulsory labor	Management guideline G4-HR6	Operations and 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.	4.1 Employee Care	78	
			3.5 Supply Chain Management	62	
			4.1.1 Employment Policy and Labor Force Structure	80	
Security practices	Management guideline G4-HR7	Security personnel and human rights related training	4.1 Employee Care	78	MiTAC's security personnel are hired by our subcontractor. MCT demands that the hiring, management and training of security personnel to comply with the EICC standard, therefore the percentage of security personnel trained in the organization's human rights policies is 100%.
Indigenous rights	Management guideline G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	4.1 Employee Care	78	
					MiTAC was not involved in any incident violating the rights of indigenous people In 2017,
Evaluation	Management guideline G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	4.1 Employee Care	78	
			4.1.1 Employment Policy and Labor Force Structure	80	
Supplier human rights assessment	Management guideline G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	3.5 Supply Chain Management	62	
			3.5.4 Supplier Audit and Green Purchasing	69	
	G4-HR11	Significant actual and potential negative human rights impacts identified in the supply chain and actions taken.	3.5.5 Supplier Counselling and Audit	69	
Human rights grievance mechanisms	Management guideline G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	4.1 Employee Care	78	
			4.1.5 Bilateral Communication between Capital and Labor	99	



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Anti-corruption	Management guideline		2.2 Corporate Governance	21	
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.			There were no incidents involving major corruptions in the company in 2017.
	G4-SO4	Communication and training on anti-corruption policies and procedures	4.1.1 Employment Policy and Labor Force Structure	79	
	G4-SO5	Confirmed incidents of corruption and actions taken			There were no investigations concerning corruption in the company in 2017.
Public policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary			The company did not make any political donations in 2017.
Anti-competitive behavior	G4-SO7	Total number of legal actions for anti-monopoly practices and their outcomes			The company was not involved in any lawsuit concerning violation of fair trade or antitrust in 2017.
Legal compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.			The company did not receive significant fines for non-compliance with laws and regulations in 2017.
Supplier impacts on society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	3.5.4 Supplier Audit and Green Purchasing	69	
Supplier assessment for impacts on society	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	3.5.5 Supplier Counselling and Audit	69	
Grievance mechanisms for impacts on society	Management guideline				
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.			The company did not receive any grievances about impacts on society in 2017.



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Customer health and safety	Management guideline		3.1 Green Commitment	37	
			3.6 Customer Service and Satisfaction	71	
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	3.2 Green Product Design	38	
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services			MiTAC did not violate any laws concerning product and service health and safety issues in 2017.
Products and service labeling	Management guideline		3.1 Green Commitment	37	
			3.6 Customer service and satisfaction	71	
	G4-PR3	Product and service information	3.2 Green Product Design	38	
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling			MiTAC did not violate any laws concerning product and service information and labeling issues in 2017.
Marketing communications	Management guideline		3.6 Customer Service and Satisfaction	71	
	G4-PR6	Sale of banned or disputed products			MiTAC does not sell banned or disputed products.
Customer privacy	Management guideline		3.6 Customer Service and Satisfaction	71	
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	3.6 Customer Service and Satisfaction	71	MiTAC did not receive substantiated complaints regarding breaches of customer privacy and losses of customer data in 2017.
Legal compliance	Management guideline		3.6 Customer Service and Satisfaction	71	
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations			MiTAC did not receive any fine for violating the law in 2017.



# Global Sustainability Report Index (GRI G4) Mapping Table

Important considerations	General standard Disclosure	Description	Corporate report chapters	Page	Note
Responsible purchasing (conflict minerals)	Management guideline		3.5 Supply Chain Management	62	
	LOT-EN1	Supplier screening and green purchasing	3.5.2 Conflict Mineral Purchasing Policy 3.5 Supply Chain Management	65 66	
R&D innovation (product)	Management guideline		3.1 Green Commitment	37	
	LOT-EN2	Enhance energy efficiency	3.1.1 Eco-friendly Product Strategies 3.4 Green Factory	38 58	
	LOT-EN3	Save material resources	3.2.2 Main Material Logistics	41	
	LOT-EN4	Mitigates environmental hazards	3.5.3 Restriction Management on the Use of Hazardous Substances	66	
Supplier education and training	Management guideline		3.5 Supply Chain Management	62	
	LOT-LA1	Improve supply chain management quality	3.5.5 Supplier Counselling and Audit	69	
Improve communication skills of executives	Management guideline		4.1 Employee Care	78	
	LOT-LA2	Introduce external resources to reinforce employee assistant solutions	4.1.4 Creating a Friendly Work Environment	98	
Public welfare and care	Management guideline		4.2 Social Participation	108	
	LOT-SO1	Foster diverse cultural cultivation and promote youth education and care	4.2.1 Yu Shiu Education Foundation	109	
	LOT-SO2	Create a lifelong learning environment and learning environment for the underprivileged community	4.2.2 Social Charity	111	
	LOT-SO3	Promote environmental education and implement environmental conservation	4.2.1 Yu Shiu Education Foundation	109	
	LOT-SO4	Cultivate innovative design talents	4.2.1 Yu Shiu Education Foundation	109	