

Getac

2016
Corporate Sustainability Report
Getac Technology Corporation

Policy and Statement



Despite uncertainties in the global economy under the influence of U.S. presidential election and Brexit, Getac upholds robust management practice in strengthening core competitiveness and putting goals and strategies into action. Each of our business divisions take strategic actions according to business goals, such as increasing the use of automated processes, building new business models, and introducing new material and process technologies. We devote maximum effort to achieving utmost business performance. Not only did we earn profits for three consecutive years, but we also set a record high in recent ten years.

As a corporate citizen, Getac Technology Corporation expects to fulfill economic, environmental, and social responsibilities with the determination of sharing benefits with the society. NASA and the National Oceanic and Atmospheric Administration reported that 2016 is the warmest year in history. As global warming creeps upon us, corporations are exposed to increasing risks of business interruptions due to extreme climate effect. To protect our environment and mitigate impact, Getac supports green production practices aimed at barricading all hazardous substances from the supply chain by advocating zero use of substances that are harmful to the environment.

In the areas of energy conservation, we improved manufacturing equipment used in energy-intensive production processes in order to lower energy consumption, with the mid- and long-term goals of using fast and effective methods to reduce energy use and carbon emission.

Regarding corporate governance, Getac is committed to pursuing a perfect corporate governance framework that embraces a management mechanism oriented toward integrity, fairness, justice, and transparency. By implementing the highest standard of ethical business conduct, we ask our directors, supervisors, managers, and employees to comply with ethical management and anti-corruption policies. In 2016, the Company designated two independent director seats on its Board of Directors, hiring external independent directors to exercise supervision from an independent standpoint. Meanwhile, Getac enhances information disclosure and transparency and plans to increase the number of independent directors and sets up an Audit Committee as its mid- and long-term goals.

Getac is grateful to have a robust team serving as the Company's support. We regard talent as an invaluable source to business creation, and value the importance of equality and human rights in protecting

employees' interests and rights. We prohibit forced labor and child labor, and provide complete training program and welfare system as a means of cultivating talent, cherishing professionalism, and retaining the skilled. To achieve zero occupational casualties, the Company builds a friendly, safe workplace to protect and maintain employees' physical and mental health.

We insist on doing the right thing and striving forward with determination mindset to become an internationally renowned enterprise. Using the Electronic Industry Citizenship Coalition Code of Conduct (EICC) as the basis, Getac works with its suppliers to take responsibility in sustaining the environment, and continues to create value for its stakeholders. We would like to express our gratitude for everyone's support and encouragement, and we welcome any advice you have for us in the future.

James Hwang

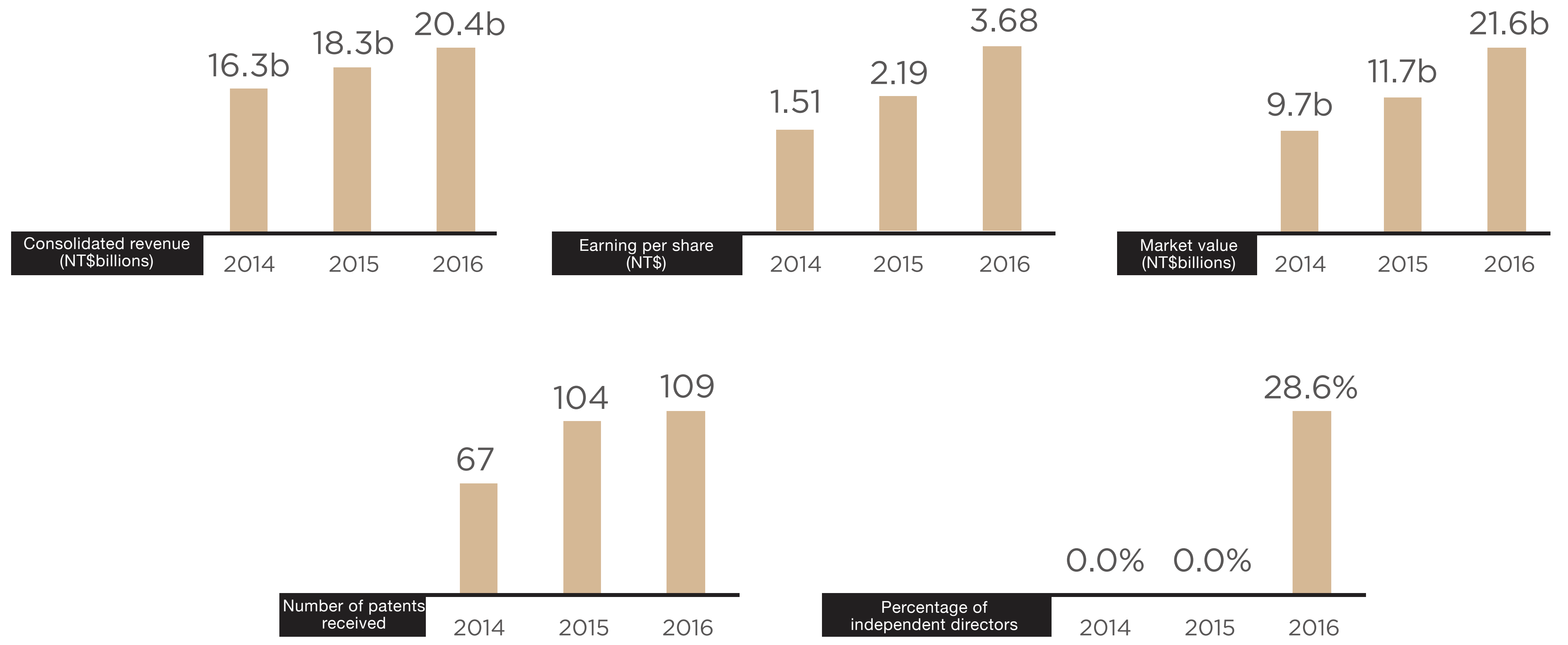
**Chairman,
Getac Technology Corporation**





Overview of sustainability performance



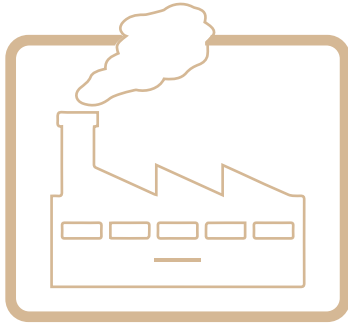
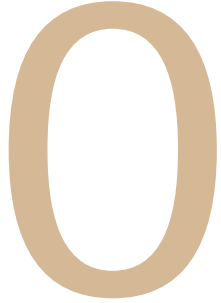
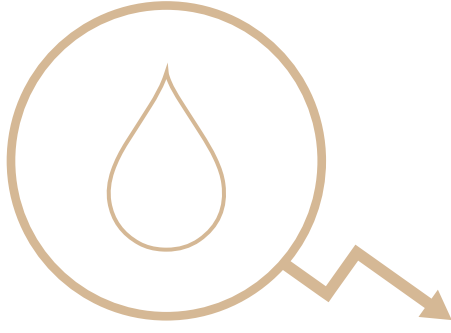
Key Corporate Governance Performance





Overview of sustainability performance

Key Green Performance

Enhancement of production performance	Cherishing water resources	Carbon reduction as anti-warming initiative	Legal compliance
			
<p>10% reduction in power consumption compared to previous year</p>	<p>Using 36,7000 cubic meters of recycled water = Water volume used in 19.3 standard-sized swimming pool</p>	<p>Saving of 3,031,741 kWh Electricity = Less 1601 metric tons of carbon emission</p> <p>Saved NT\$ 1.64 million by adjusting method of raw materials transportation and reducing carbon emission</p>	<p>Zero environmental violations</p> <p>Zero environmental leakage or spills</p>
			
<p>9% reduction in water consumption compared to previous year</p>			

Friendly workplace performance

- Zero violation of labor or human right

- Zero violation of child labor use

- 1%–7% Salary gap between male and female management

- Annual total training hours: 200,000 hours

- Annual average training hours : 47.58 hours/per person

- 100% Retention rate following parental leave

- 100% of employees are subject to performance appraisal

- Zero occupational diseases

- Zero occupational fatalities

- Zero labor management disputes

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About This Report

Reporting Principles and Guidelines

The 2016 Getac Technology Corporate Sustainability Report (CSR) is based on the Core options of the Global Reporting Initiative (GRI) - G4 framework and AA1000 AccountAbility Principles. Issues that are of concern to stakeholders are reported to stakeholders following a materiality analysis, providing details on strategies, action plans, and implementation outcomes with respect to economic, environmental, and social issues to demonstrate the Company's determination in implementing sustainable management philosophy.



Scope and Boundary

This Report covers the CSR performance of Getac Technology Corporation between January 1, 2016 and December 31, 2016, and contains relevant data of Getac headquarters in Taiwan, as well as two production plants in Kunshan, China, including Getac Technology (Kunshan) Co., Ltd. (hereafter referred to as GTK site), which specializes in the assembly of electronic products, and Mitac Precision Technology (Kunshan) Co., Ltd. (hereafter referred to as MPTK site), which specializes in the production of comprehensive mechanical parts. Data of other branch offices that engage in marketing and sales activities were excluded in this Report. Depending on situation in the future, we will disclose the information of other subsidiaries holding controlling rights to manufacturing and operational activities.



Note 1:

The numerical figures in the financial statements disclosed in this Report were verified and confirmed by PwC Taiwan. The numbers are expressed in New Taiwan Dollar. The Company's performance regarding environmental protection, health, and safety is expressed in commonly accepted indicators.

Note 2:

During the reporting period, Shenji Technology (Nanchang) Limited Company in China acquired state-owned land from the Nanchang Economic and Technological Development Zone Administration Committee in response to the government's land reserve policy. Therefore, settlement-related matters announced on December 31, 2016 were excluded in this Report.



Report Assurance

This Report has been subject to the company's internal review procedures and published following Chairman's approval. The appointed internal reviewers have completed three hours of professional review training courses. To enhance stakeholder trust in the information presented in this Report, TUV NORD was commissioned to verify the content of this Report, and confirmed that this Report is in accordance with the core options of the GRI G4 framework and AA1000 Type 1 moderate-level assurance. TUV NORD's Report Assurance Statement is provided in Appendix 2 of this Report.

Report Issuance

Getac CSR Report will be published on a yearly basis.
Current issue: Published in June, 2017
Next issue: Published in June, 2018

An electronic version of this Report, in both Mandarin and English, is available on the CSR section of the company's website.



Visit our CSR website
www.getacgroup.com

Contact Information

We sincerely welcome any suggestions regarding this Report.

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1.0 About Getac

1.1

Company Overview

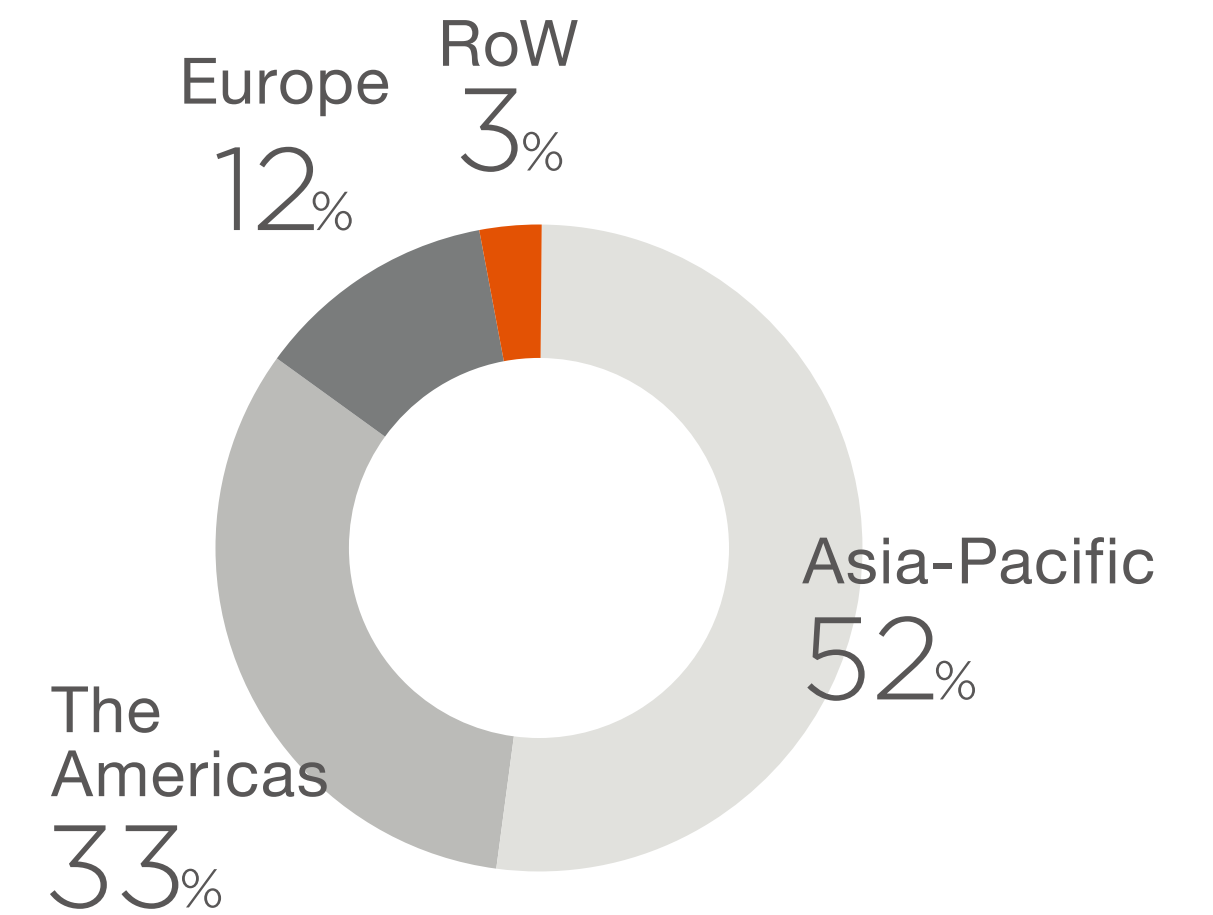


Getac Technology Corporation was established by MiTAC Inc. and GE Aerospace in 1989 through joint venture, providing defense electronic equipment for military use. In 2002, the Company was publicly listed on the Taiwan Stock Exchange. The scope of operation encompasses the electronic industry through to mechanical part industries. The Company is committed to developing differentiated innovative technologies to offer value-added solutions that help customers create value.

Getac headquarters is based in Taiwan, serving as the global hub undertaking R&D, sales, legal affairs, finance, and information management activities. The Company's primary production plants are located in China, specifically Changshu and Kunshan of Jiangsu Province, and in Hanoi, Vietnam. Getac's products are sold worldwide to countries such as the United States, Japan, China, United Kingdom, Germany, Italy, Russia, and India.

Company Profile	
Name of Company	Getac Technology Corporation
Date of Establishment	Oct. 5th, 1989
Date of IPO	Feb. 25th, 2002
Ticker Number	TSE:3005
Industry	Computer and Peripheral Equipment
Company Registry Address	4th Fl., No.1, R&D 2nd RD., Hsin-chu Science-Based Industrial Park, Hsin-chu Hsien, Taiwan, R.O.C
Capital	NT\$ 5.6 billion
Chairman	James Hwang
President	James Hwang
Main Business	Rugged Computing Solutions
	Mechanical Solutions
	Automotive Mechanical Solutions
	Aerospace Fasteners

Getac Operating Revenue by Region



Getac's Global Operation



Key Milestones

Company History

- 1989** MiTAC and GE Aerospace jointly established Getac Corporation selling defense electronic devices
- 2002** Publicly listed on Taiwan Stock Exchange
- 1998-2006** Began manufacturing consumer/commercial notebooks
- 2007-Present** Promoted Getac's rugged computing solutions brand

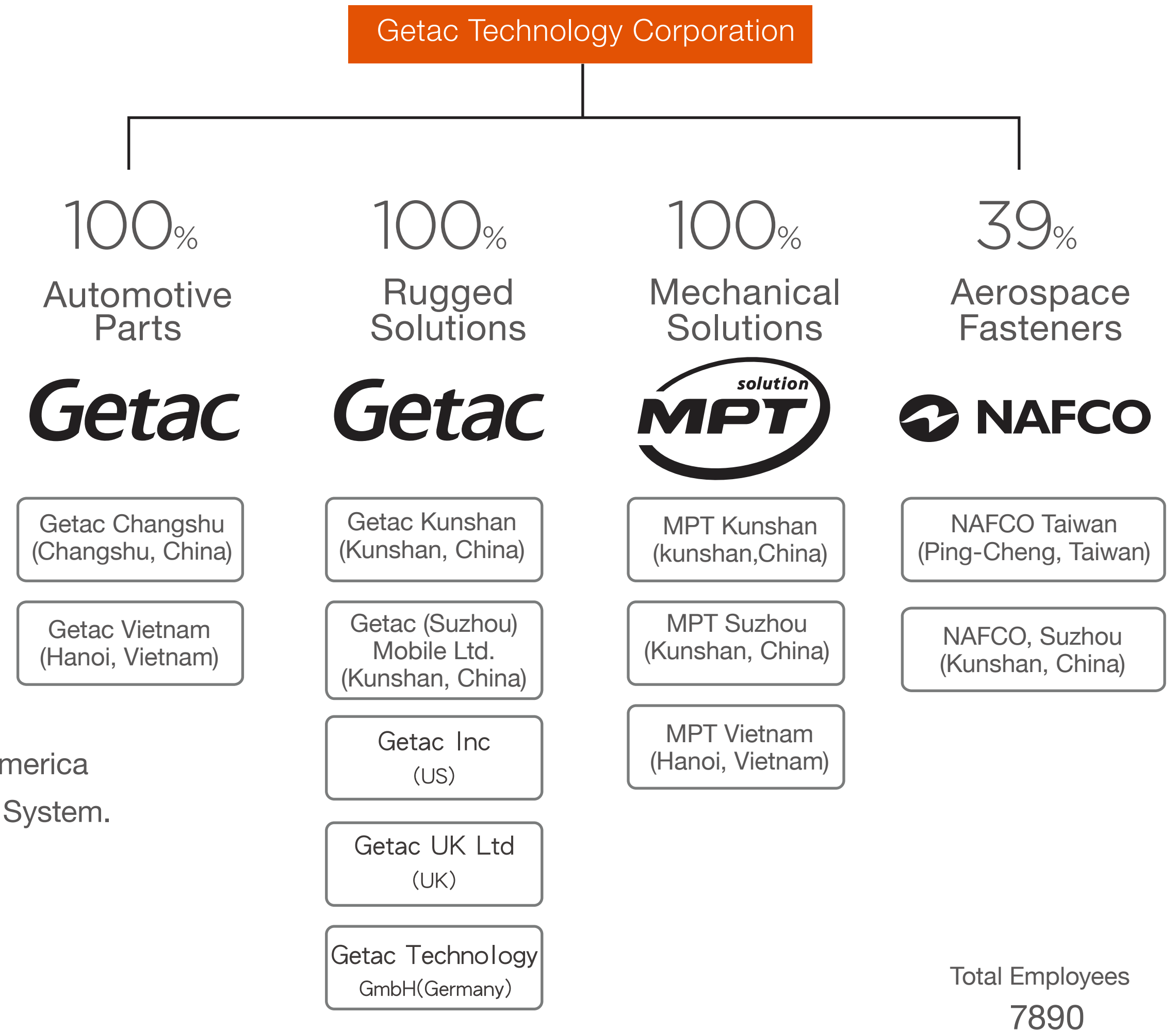
Investment, Merger and Acquisition

- 2007** Invested in National Aerospace Fastener Corporation and merged with Mitac Precision Technology Corporation
- 2009** Invested in Waffer Technology Corporation and acquired Waffer Precision Metallic Technologies(Changshu)Co., Ltd
- 2015** Invested in WHP Workflow Solutions LLC. to develop software/hardware solutions for public safety.

Getac Brand Development

- 2007** Launched Getac rugged computing solutions brand.
- 2012** Cooperated with FedEx to provide after-sales services in North America
- 2014** Getac launched sub-brand- VERETOS mobile digital surveillance System.
- 2016** Partner up with DHL to provide logistic and repairing service for Getac customers in the EMEA region.
- 2016** Getac signs leading European distributor, Ingram Micro to expand reach and reseller community across Western Europe.

Organizational Structure



1.2

Business Strategy

Getac is primarily involved in the development of rugged computing solutions, mechanical solutions, automotive mechanical solutions, and aerospace fasteners. The Company has fostered solid foundation and capabilities in various domains ever since its inception, leading global industries to progress and advancement. An overview of the Company's performance in its four major product lines is described below.

Rugged Computing Solutions

Getac is one of the world's leading supplier and manufacturer of portable rugged computers. Our mission is to help customers solve their problems and create values for them. With humanized designs, flexible customization services, and rapid response capability, the Company continues to bring all-new experiential value for users. The gradual recovery of the U.S. economy in the second half of 2016 boosted the export of Getac's rugged computers. The European market however registered a slight economic slowdown due to the influence of Brexit and inflation rate in Euro areas. In 2016, Getac's rugged computers projected higher total export volume compared to 2015, because this product line was included in government tenders of several national defense departments worldwide,

and substantial orders for this product were placed by iconic customers in the energy, automobile, household security, and telecommunication industries. Getac Technology Corporation also sells its rugged computers in European and Chinese regions through strategic cooperation with Ingram Micro. The Company continues to establish cooperative relationships with partners of the ecosystem, provide integrated solutions, and strive toward service-oriented business development.



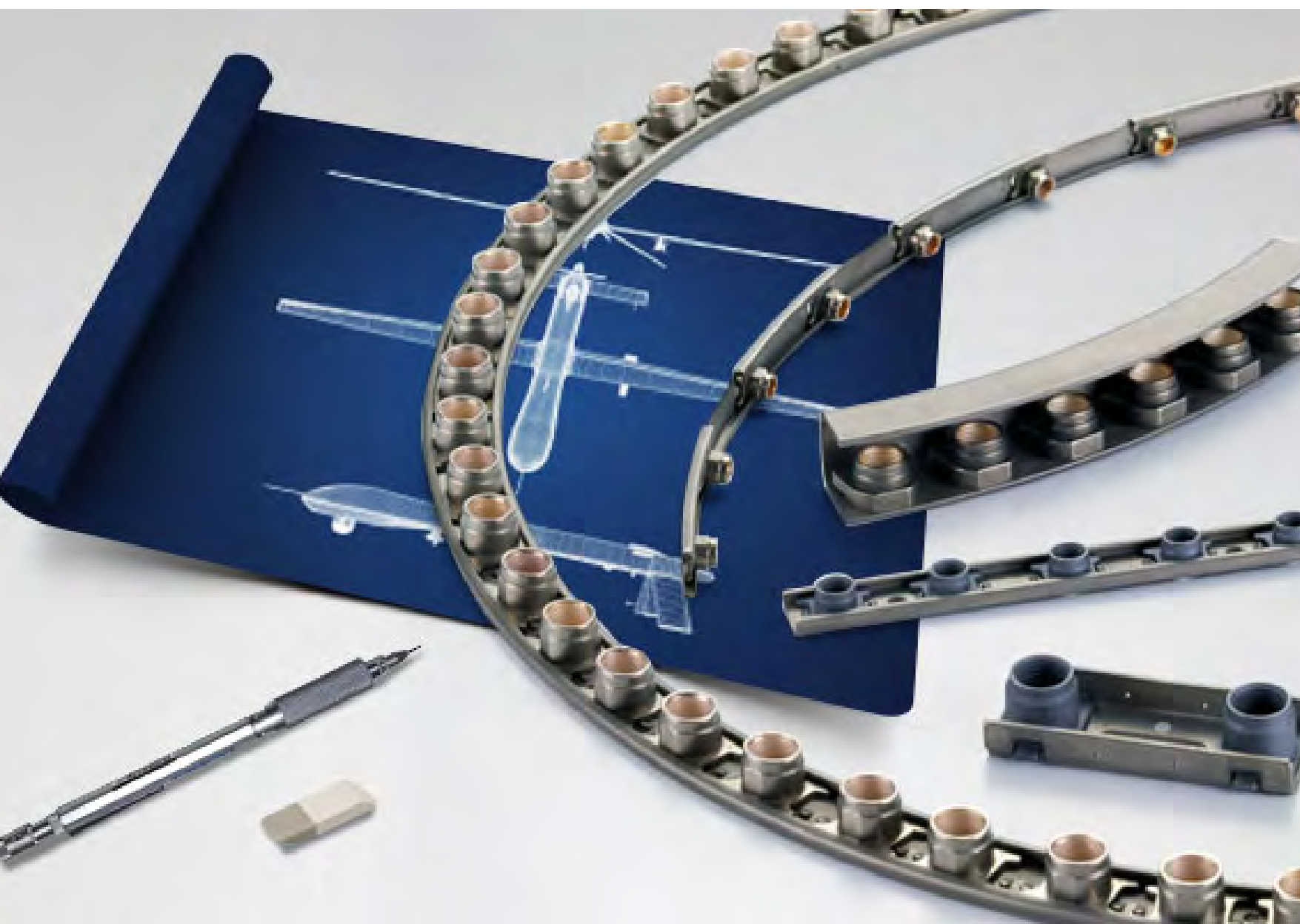
Mechanical Solutions

The Company is renowned for its mature rapid heat cycle molding (RHCM), a technology that molds plastic at high temperature, and double injection molding, and combines advanced surface processing technologies to provide high-quality, high-yield, and aesthetic composite mechanical parts. The main product applications of Getac include notebooks and gaming products. In 2016, key component shortage and surging price have challenged global notebook manufacturers in 2016, impeding the overall sales performance. TrendForce, a global market research institution, reported that a total of 157.9 million notebooks were exported in 2016, representing an annual reduction of 4%. Thanks to its capability in composite material casing and double injection molding, Getac Technology Corporation obtained considerable amount of orders for high-grade machines, an amount far exceeding its initial target.

Automotive Mechanical Solutions

The Company produces mainly automotive parts made from lightweight metals using die casting. Our products have received multiple international certifications from first tier automotive part suppliers. We are the world's largest producer of seat belt spindles and spools. The average export volume of Getac's seat belt spindles exceeded 12 million pieces in a single month, attributable to 3.1% increase in the global sales of automobiles in 2016 compared to 2015. In response to the development of automotive electronics, hybrid electric vehicles, and autonomous cars, Getac continues to develop a wide range of mechanical

products pertaining to automotive electronic parts, including housing for electronic control units, heat sink, and throttle body. The Company successfully solicited new customers in 2016 and obtained multiple new product development projects, which promoted a stable growth in the Company's operating revenue. Production line automation is a development focus of production processes. The Company further increased the use of automated processes in 2016, improving production yield and quality, which facilitated enhancing Getac's overall competitiveness.



Aerospace Fasteners

As an investee company of Getac, the National Aerospace Fastener Corporation (hereafter referred to as NAFCO) is a professional manufacturer of aerospace fasteners who has been certified by GE Aerospace in the United States and Snecma, an affiliate of Safran, in Europe. NAFCO is the only certified manufacturer of aerospace fasteners in Asia-Pacific regions. The demand for aerospace parts remains promising in the long run, despite the feeble growth in the global aerospace transport industry caused by terrorist attacks. Nevertheless, the Company still delivered better sales performance in aerospace fasteners in 2016

than that in 2015. In 2016, NAFCO also purchased 7,000-ping (23,135m³) land and plants to prepare the Company for production expansion and future increase in customer demand. Regarding product and technology capacity, the Company not only seeks product certification for new customers who specialize in engine nuts, but also vigorously develop new products and forging technologies for super alloys to continue to optimize and integrate special manufacturing processes for improving production capacity and yield, thereby elevating the Company's overall competitiveness.

1.3

Business performance

Key Financial Performance

Getac Technology Corporation reported a consolidated revenue of NT\$20.407 billion in 2016, which translates to an increase of approximately 11.30% compared to the NT\$18.335 billion from the previous year. In 2016, the net income attributable to owner of the Company was NT\$2.08 billion, a 63.27% increase compared to the NT\$1.274 billion in 2015. The earnings per share (EPS) was NT\$3.68, which represented a 68.04% increase compared to the NT\$2.19 in 2015. The Company has generated increasing amount of profits for three consecutive years, which highlight the company's devoted efforts in optimizing its product portfolios, improving automated production capabilities, and enhancing cost control and quality management, with the ultimate goal of creating stable value for shareholders. Please refer to Page 76 in the Company's 2016 Annual Report for details to the Company's financial information.

Government Subsidies

In 2016, Getac headquarters in Taiwan, GTK and MPTK production sites obtained NT\$175.92 million in government subsidy for R&D investments, which translates to 0.86% of the Company's consolidated revenue for the year, indicating that this subsidy is not the primary source of income for the Company.

Economic Value Distribution

Getac's management team has been conscientious in managing company operations, ensuring steady business growth for the company, and sharing business outcomes with stakeholders. In addition to staying committed to public welfares, the Company appropriates 1-10% of its profit as employee remuneration. The total salaries and benefits paid out have increased in the past three years. The Company pays income taxes as required by law. Its after-tax earnings per share have increased annually in the past three years, providing a pay-out ratio of more than 80%. On March 29, 2017, the Board of Directors of Getac resolved to distribute dividend in cash at NT\$3 per share in 2016.

Economic Performance Management

The Company's management team is committed to practicing robust management and creating profits for shareholders. To facilitate achieving sales target, the Company has established a complete strategic development mechanism, which requires professional managers to regularly communicate the annual sales target, strategies, and action plans to report to the Board of Directors and better their understanding of the company's goals and current

status. Internally, the Company convenes Kick-off Meeting twice a year, where managers and core business units inform all employees of the company's strategic goals and implementation plans, which are combined with annual performance appraisals. Each responsible unit takes charge of carrying out these strategies and regularly inspecting implementation outcomes and improvement strategies in order to enhance sales performance.

To improve multinational management efficiency, Getac successively incorporates e-management platforms and systems for facilitating transparent information in a timely manner. Managers and supervisors can therefore access business opportunity management platforms anywhere and anytime to stay up-to-date on the progress in tender projects of subsidiaries across the world. Relevant functional departments can provide feedback instantly or provide necessary resources and supporting information through this platform, thereby helping the company to seal business deals promptly. Furthermore, high-level managers convene monthly financial meetings to review operational status, business target achievement, and financial performance, and implement digital management to improve the attainment rate of business goals.

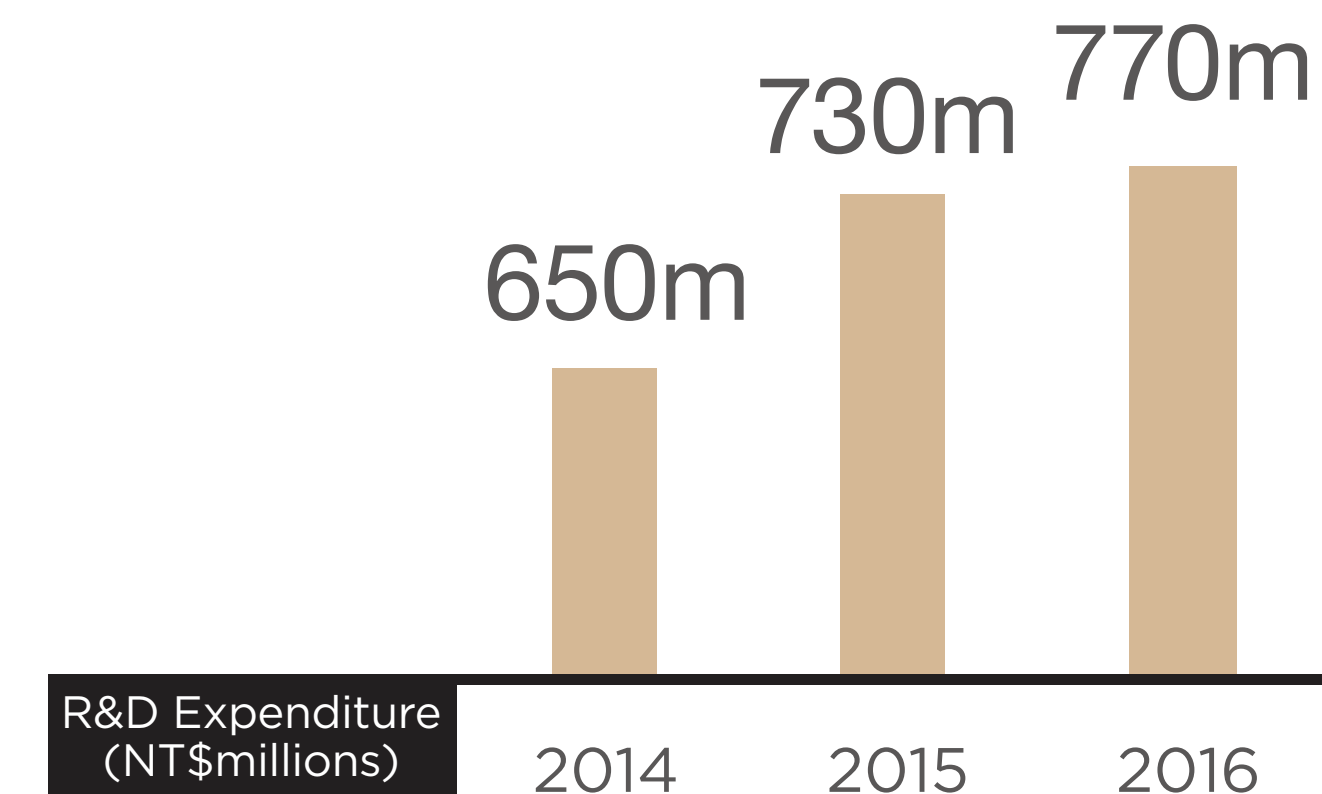
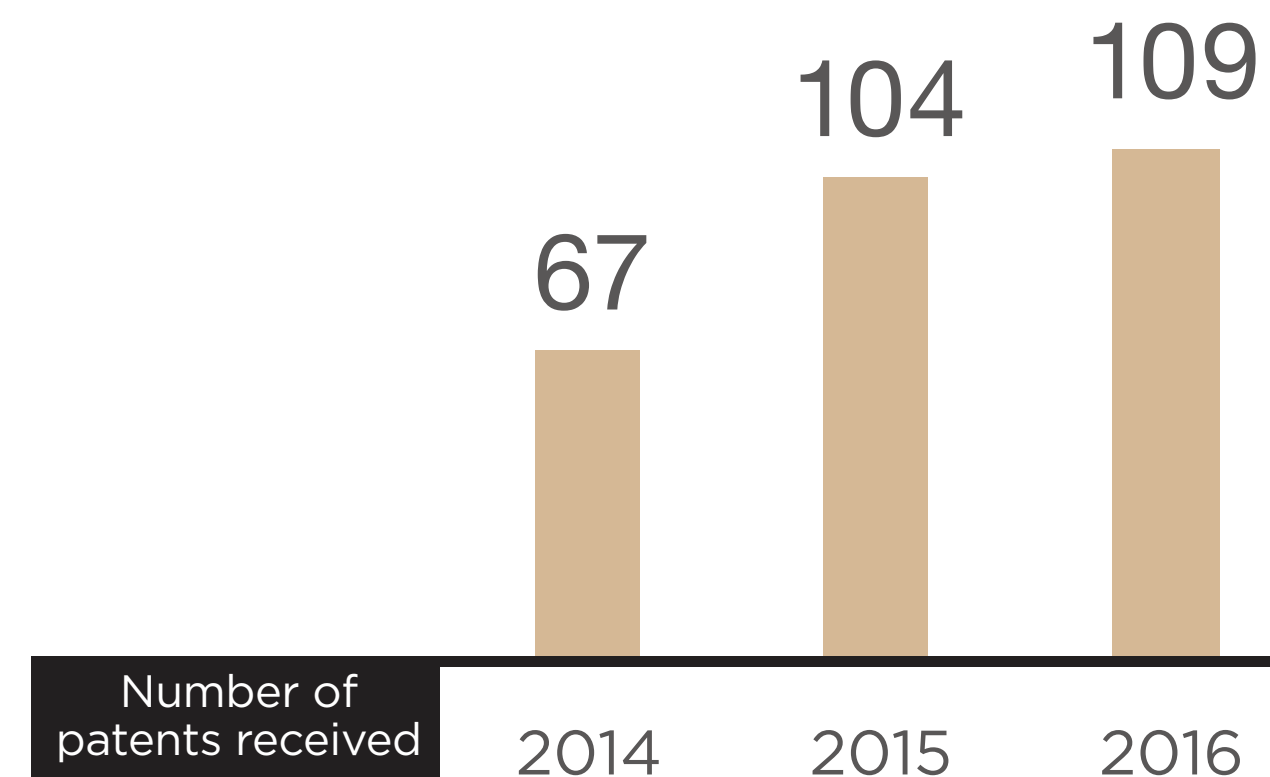
2014~2016 Getac Financial Report Summary		Unit: NT\$ thousands		
Item		2014	2015	2016
Simple Balance Sheet	Consolidated Operating Revenue	16,291,585	18,334,953	20,406,945
	Profit before income tax	1,203,241	1,854,632	2,732,035
	Income tax expense	(351,289)	(426,562)	(468,039)
	Profit attributable to owners of the parent	879,638	1,274,281	2,080,113
Profitability	EPS(NT\$)	1.51	2.19	3.68
	ROA(%)	3.84	6.08	9.30
	ROE(%)	6.15	9.74	15.03
Payments made to investors	Cash Dividend	756,647	1,123,150	1,695,708
Employee salary and welfare	Total salaries paid out	2,834,508	3,159,583	3,590,358
	Total salary as a percentage of revenue (%)	17.4%	17.2%	17.6%
	Total benefits paid out	340,768	406,245	520,535
	Total benefits as a percentage of revenue (%)	2.1%	2.2%	2.6%

Innovation Capacity

Getac is devoted to exploring advanced technologies and investing a considerable amount of money in research and development each year. In 2016, NT\$773 million was spent on R&D initiatives, which accounted for 4% of the Company's consolidated revenue. R&D activities are primarily focused on technologies for rugged computers, new material applications, and improving advanced processes and surface processing techniques. To prevent infringement of our R&D patents and intellectual properties, a dedicated team established under the Company's Legal Affairs Center is responsible for patent applications. As of the end of 2016, Getac has received over 750 patents, both domestically and abroad, including invention, utility, and design patents.

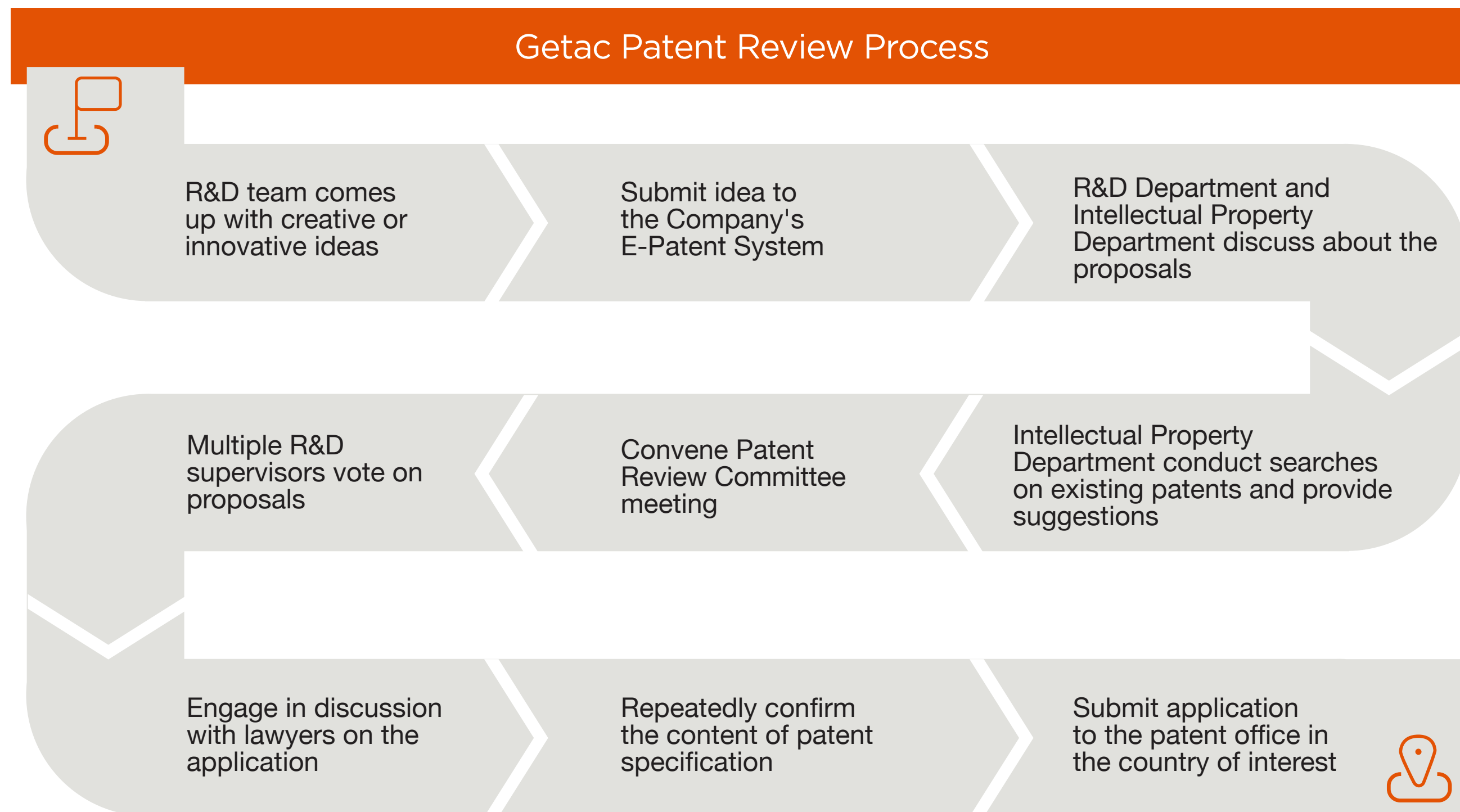
To encourage innovation among employees, Getac has formulated a complete patent reward system. Every year, each technical department sets patent performance goals and inspects the attainment rate of these goals at the end of the year. Monetary rewards are subsequently provided according to employees' achievements in terms of patent proposals, approvals, and performance. Internally, the Company has established a Patent Review Committee comprising

25 reviewers who evaluate and verify employees' patent proposals, conduct patent search to identify and analyze potential risks of patent infringement, and propose risk aversion plans. After ensuring that the applications are free of risk, the reviewers then submit the application to the patent office in the country of interest. The Legal Affairs Center is responsible for handling intellectual property disputes, and depending on the situation, lawyers are commissioned externally to handle the procedures. In 2016, Getac was not involved in infringement of others' intellectual property rights.



Brand Development

Getac's products have contributed to the market share over the years. The Company has established its status as one of the world's leading supplier of portable rugged computers in recent years. The Ministry of Economic Affairs Industrial Development Bureau commissioned Interbrand, a global branding consultancy, to conduct the 2016 Taiwan Top Global Brand Valuation League Table survey, which rated Getac as the Top 35 most valuable brand in Taiwan. This year's Branding Taiwan survey is integrated with Interbrand's Best Global Brand ranking system.



2.0

Stakeholder Communication

To implement CSR and integrate the needs and expectations of shareholders into Getac's CSR policies, the Company sets up diverse range of communication channels for stakeholders to communicate CSR-related issues concerning the dimensions of environment, society, and corporate governance. Relevant information is also provided on the company's website and in annual reports for stakeholder inquiries.

In November 2016, the Company established a Corporate Relations Office which is responsible for collecting stakeholders' opinions on sustainability issues and gather relevant divisions to aid in the compilation of CSR reports.

CSR email : Getac.csr@getac.com.tw



Stakeholders and Communication Channels

Stakeholder	Issues of Concerns	Communication Channel	Frequency	Getac's Response Methods
Employees	Training and Education	Performance appraisal	Annually	Setup different types of communication channels to listen to the voices of employees; implement comprehensive performance evaluation system to facilitate communication among management levels.
	Labor-Management Relations	Internal announcement	Immediately	
	Environmental regulatory compliances	Employee meeting	Once a year	
	Occupational health and safety	Labor management meeting/manager meeting/training	Regular	
		Employee consultation hotline	Immediately	
Customers/ resellers/ distributors	Customer privacy	Customer Service section on corporate website	Immediately	Establish customer service hotline and mailbox Hold Partner Conference on Getac products Auditing conducted by customers on Getac following the EICC Regularly conduct customer satisfaction survey Questionnaire survey on CSR-related issues
	Materials	Non-disclosure agreement	Immediately	
	Product regulatory compliances	Telephone customer service hotline	Immediately	
	Social regulatory compliances	Distributor meeting	Regular	
		Consumer service mailbox	Immediately	
Suppliers	Procurement practice	Regular onsite supplier inspection	Immediately	Questionnaire survey on CSR-related issues Supplier signs procurement contract
	Assessment of suppliers' environmental protection policies	Supplier procurement contract	Immediately	
	Environmental regulatory compliances	Supplier audits	Once a year	
	Assessment of suppliers' impact on society	Supplier query mailbox	Immediately	

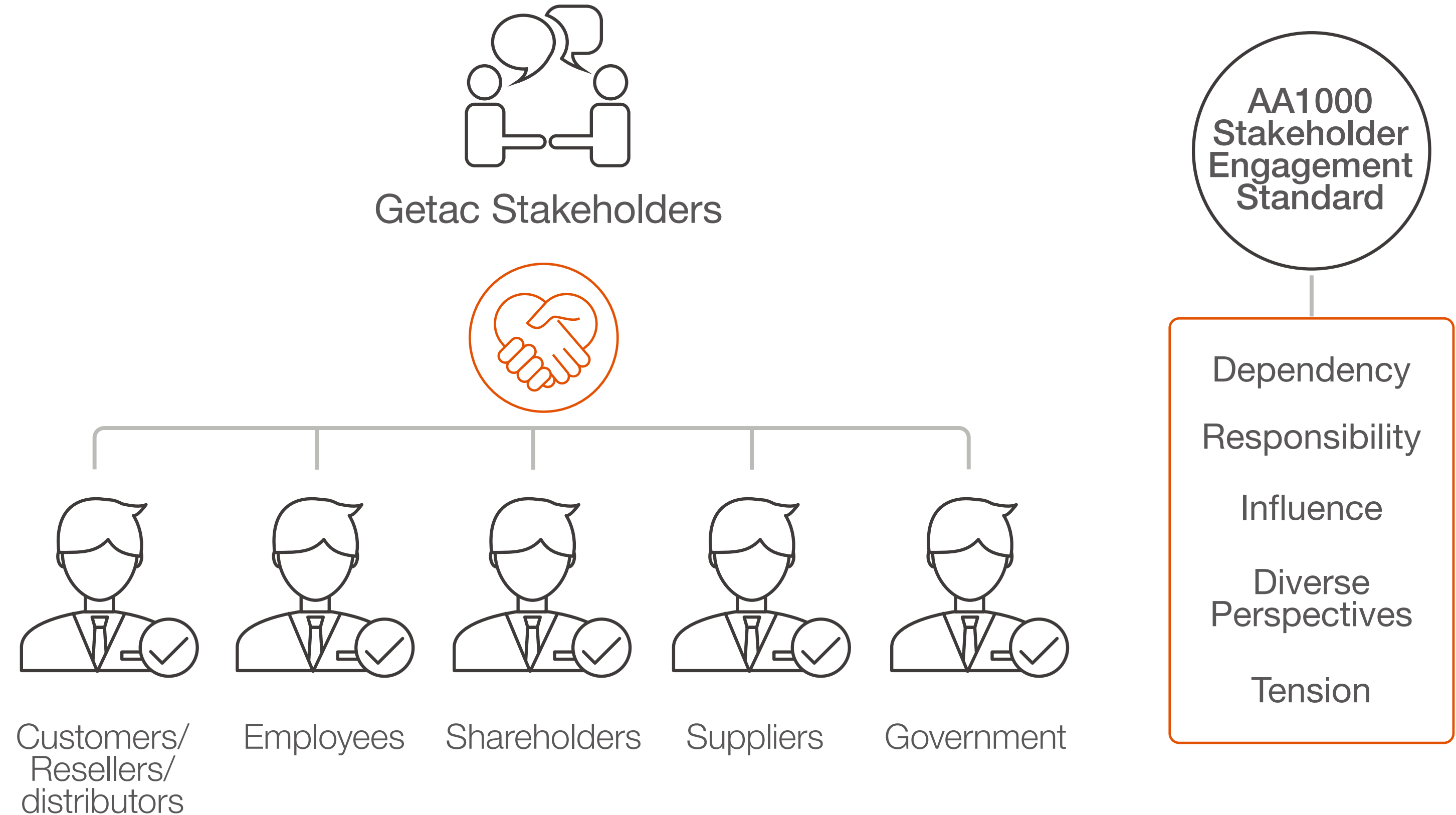
Stakeholders and Communication Channels

Stakeholder	Issues of Concerns	Communication Channel	Frequency	Getac's Response Methods
Investors (Shareholders)	Social regulatory compliances	Shareholder's Meeting/investor conference	Annually	Announce financial information according to law Annual report disclosure on corporate website Designated personnel respond to investors' inquiries
	Economic performance			
	Environmental regulatory compliances	Corporate website and Market Observation Post System	Immediately	
	Labor-Management Relations	Investor query mailbox/hotline	Immediately	
Government	Effluents and waste	Official documents	Immediately	Comply and communicate relevant matters Participate in governmental regulatory meetings to understand implementation of laws and regulations Participate in eight sessions of courses by Taiwan Stock Exchange
	Environmental regulatory compliances	Regulatory meetings and training seminars	Regular	
	Social regulatory compliances		Regular	

2.1

Stakeholder Identification

Getac identifies its major stakeholders by following the concepts of value creation, balance of interest, and sustainable development as well as the Stakeholder Engagement Standard (SES) of AA1000 AccountAbility Principles. The Chairman, James Hwang, gathers his senior executives and performs questionnaire surveys during meetings where they engage in discussions based on five principles of dependency, responsibility, influence, diverse perspectives, and tension to investigate the degree of association between various types of stakeholders and corporate operations. After the identifying process, Getac defines five categories of stakeholders: Customers/resellers/distributors, employees, shareholders, suppliers, and government.



2.2

Identifying Material Aspects

Getac adopts AA1000 and GRI G4 guidelines as a reference for identifying material aspects to assist corporate management and major business divisions with identifying CSR material issues and corresponding material aspects. The Company identifies material aspects by 1) collecting and analyzing customers' Supplier Code of Conduct and sustainability issues that are of concern to our industry peers, 2) conducting questionnaire survey on the level of attention and degree of impact on sustainability issues, 3) ranking material issues, 4) identifying the scope and boundaries of material aspects, and 5) confirming the integrity of the issues.

To understand stakeholders' level of attention to sustainability issues, the Company adopted questionnaire survey approach to identifying material aspects with the expectation of truly reflecting stakeholders' level of attention to sustainability issues through quantitative data analysis. To ensure the integrity of sustainability issues on the questionnaire, the Company referred to the GRI G4 Sustainability Reporting Guidelines, including 46 aspects in the guidelines as sustainability issues and adding product society and intellectual property rights for a total of 48 issues in the questionnaire. Getac stakeholders,

including customers/resellers/distributors, employees, shareholders, suppliers, and government, rated the level of attention paid to each sustainability issue. Internally, the Chairman requested 12 of his senior management and functional department heads to complete the questionnaire on the degree of impact on sustainability issues by rating the degree of impact the 48 issues exert on the company's operation according to the scope of their responsibilities.

In total, 232 questionnaires were retrieved and subject to quantitative analysis, which presents the importance of the 48 sustainability issues in the form of matrix, where the horizontal axis represents the degree of impact and the vertical axis represents the level of attention. Nine issues scoring more than 4 points (maximum 5 points) were listed as material aspects. In a Material Aspect Identification Meeting chaired by James Hwang and attended by senior managers and related departments, seven additional issues that are of importance to the company's sustainable development and based on the Company's core value, sustainable development strategy, and the belief of prospering with the community as well as the material issues identified in the CSR reports of significant industry peers, and key customers' Supplier Code

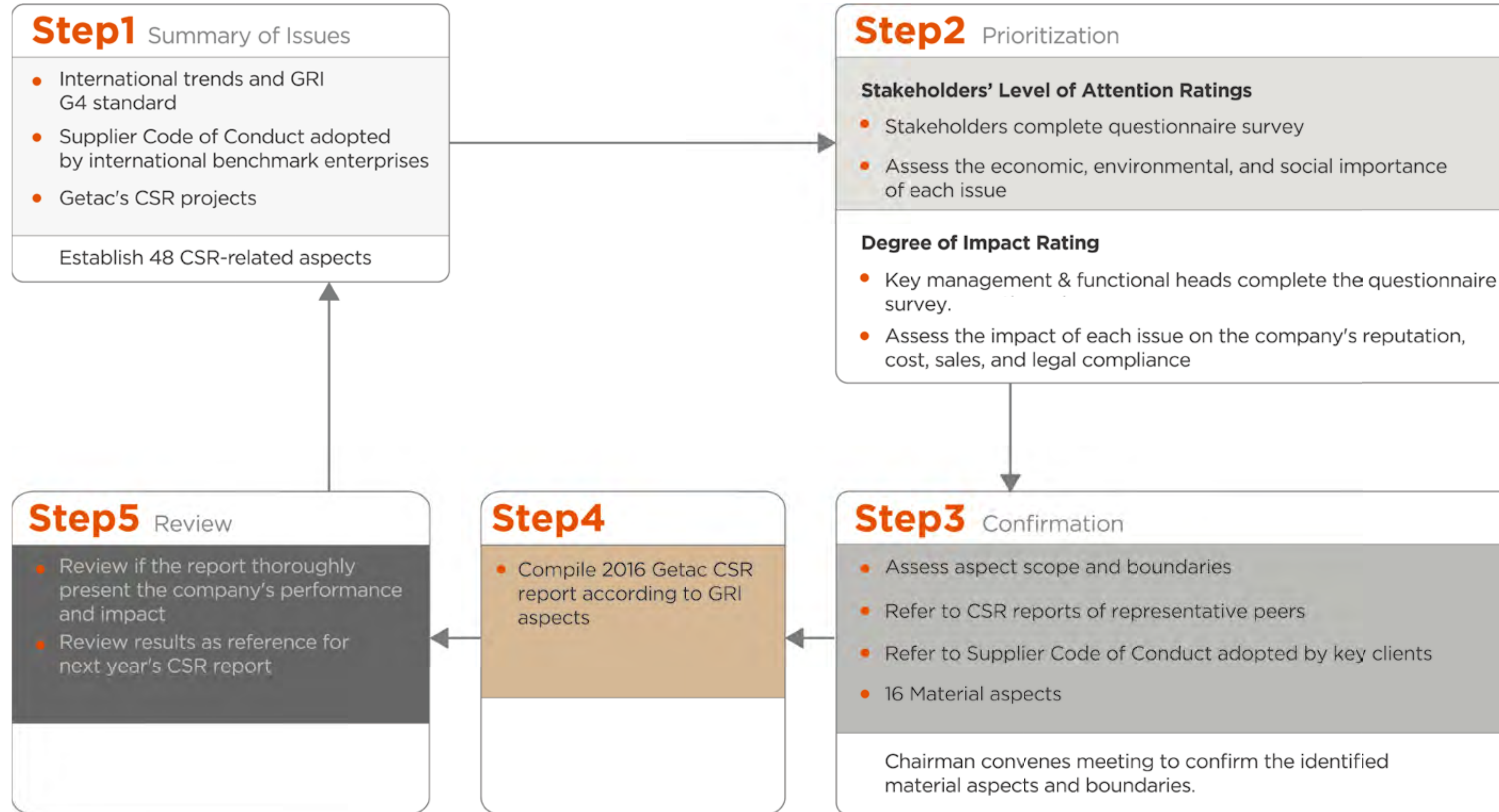
of Conduct. Therefore, 16 material aspects were identified and confirmed to cover the dimensions of Economy, Environment, Labor, Human Rights, Society, and Product Responsibility. Furthermore, the boundary of each aspect was examined, and Aspect Boundary was defined according to the influence of business size and aspects to ensure that stakeholders' expectation regarding sustainability issues is accounted for.

Getac Sustainability Issues & Material Aspects

Economic	Environmental	Labor Practices	Human Rights	Product Responsibility
Economic Performance (1)	Materials	Labor Employment Relations	Investments	Customer Health and Safety (12)
Market Presence	Energy	Labor-Management Relations (7)	Non-discrimination	Product and Service Labeling (13)
Indirect Economic Impacts	Water Resources	Occupational Health and Safety (8)	Freedom of Association and Collective Bargaining	Marketing Communications (14)
Procurement Practices	Biodiversity	Education and Training (9)	Child Labor (5)	Customer Privacy (15)
Intellectual Property Rights (2)	Emissions	Diversity and Equal Opportunity	Forced Labor	Compliance (16)
	Effluent and Waste (3)	Equal Remuneration for Women and Men	Security Practices	Product and Society
	Products and Services	Supplier Assessment for Labor Practices	Indigenous Rights	
	Compliance (4)	Labor Practices Grievance Mechanisms	Supplier Human Rights Assessment (6)	
	Transportation		Human Rights Grievance Mechanisms	
	Overall		Local Communities	
	Supplier Environmental Assessment		Anti-corruption (10)	
	Environmental Grievance Mechanisms		Public Policy (Political Donation)	
			Anti-competitive Behavior	
			Compliance (11)	
			Supplier Assessment for Impacts on Society	
			Grievance Mechanisms for Impacts on Society	

*Material aspects are colored in red.

Sustainability Issues Identification Process

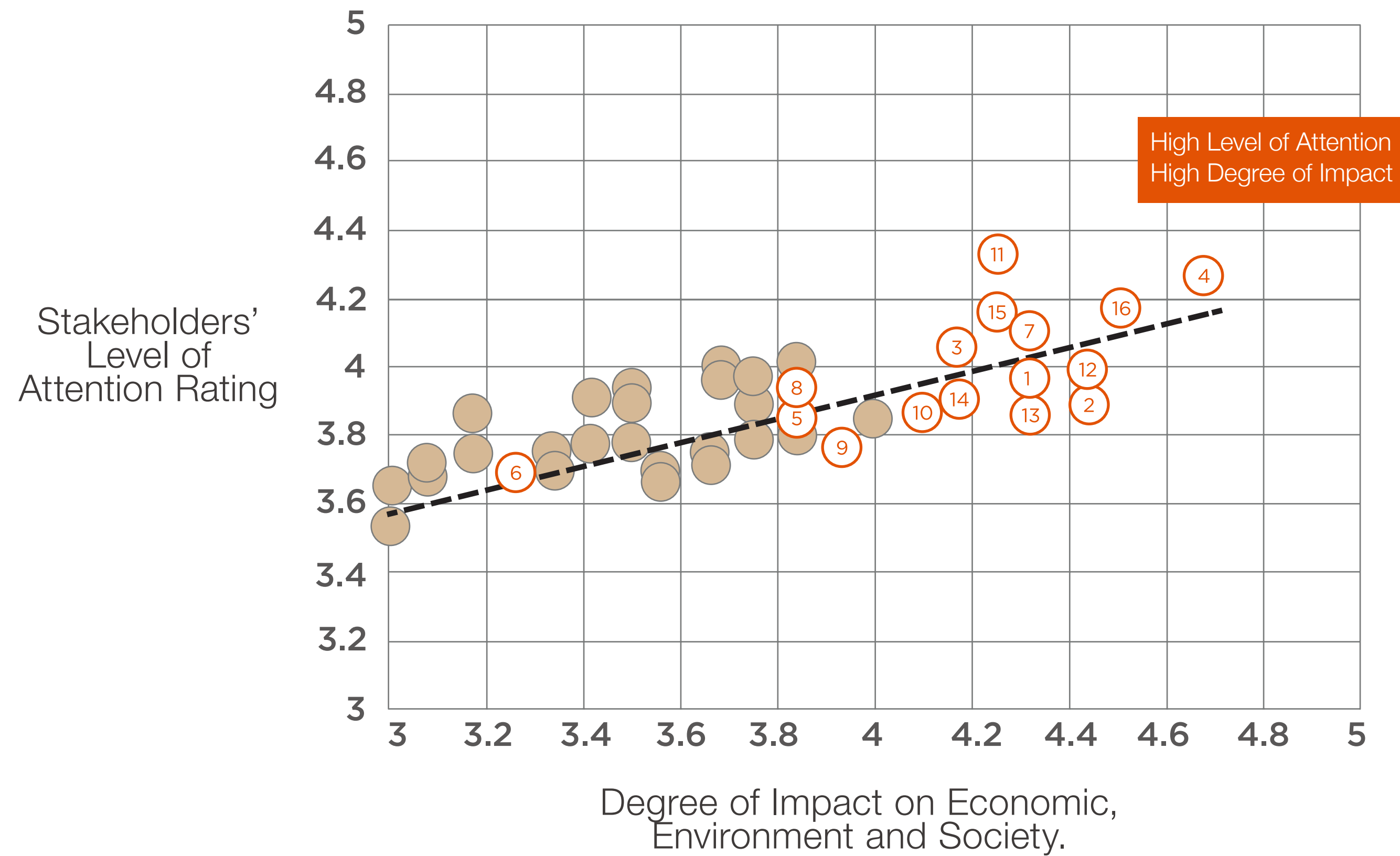


Getac CSR Material Aspect Boundary and Management Approach

Category	No.	Material Aspects	Within the organization			Outside of the organization		
			Getac Taiwan Headquarters	MPTK production site	GTK production site	Suppliers		
						Material Supplier	Production Contractor	Other Contractors
Economic	1	Economic Performance	●	●	●			
	2	Intellectual Property Rights	●	●	●			
Environmental	3	Effluent and Waste		●	●	●	●	●
	4	Compliance		●	●	●	●	●
Human Rights	5	Child Labor	●	●	●	●	●	●
	6	Supplier Human Rights Assessment	●	●	●	●	●	●
Labor	7	Labor-Management Relations	●	●	●	●	●	●
	8	Occupational Health and Safety	●	●	●	●	●	●
	9	Training and Education	●	●	●			
Society	10	Anti-corruption	●	●	●			
	11	Compliance	●	●	●			
Product	12	Customer Health and Safety	●	●	●			
	13	Product and Service Labeling	●	●	●			
	14	Marketing Communications	●	●	●			
	15	Customer Privacy	●	●	●			
	16	Compliance	●	●	●			

*Materiality is indicated by ●

Materiality Analysis of Sustainability Issues



The quantitative questionnaire survey analysis result indicated a linear trend, suggesting that Getac and its stakeholders both hold high degree of consensus and similar views regarding sustainability issues, which is attributable to their long-term, frequent communications and interactions. Subsequently, the 16 material aspects were subject to a plan, do, check, and act (PDCA) management approach. The strategic goals, management approach, performance, and future prospects were disclosed in the chapters of this Report.

* Material Aspects and their numbers are marked as ① ~ ⑱

3.0

Corporate Governance



3.1

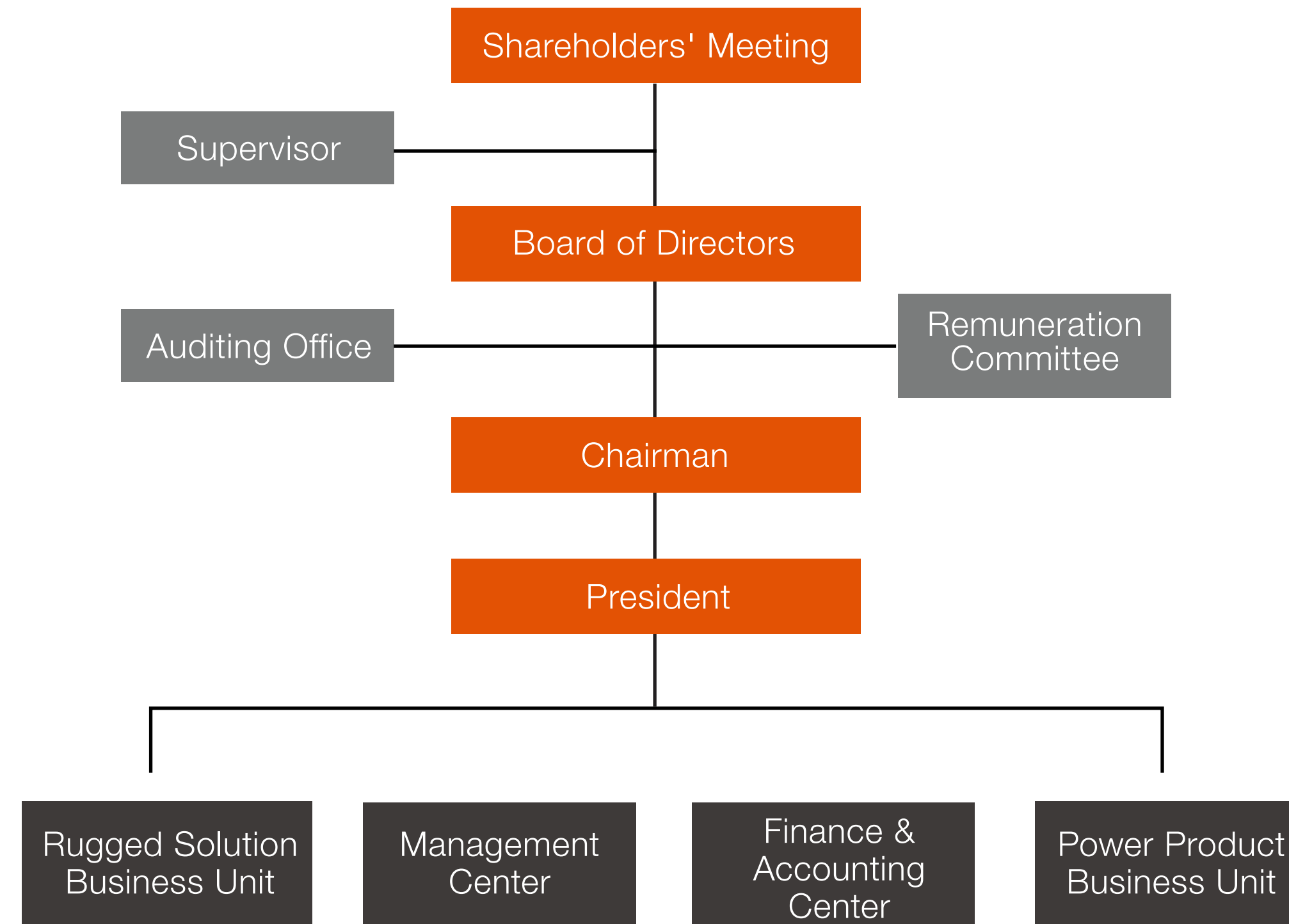
Corporate Governance Framework

Sound corporate governance is the cornerstone of sustainable management. Getac upholds the principles of integrity and responsibility in constantly reviewing and improving the efficiency and flexibility of organizational management. It hopes to maximize interest for its stakeholders, while promote national prosperity and development. The Company's organizational framework provides a clear level of authorization and delegation. The management team is composed of experienced elites from different industries. Details of the Company's existing framework and responsible units are presented in the 2016 Annual Report.

Operation of the Board of Directors

The Board of Directors of Getac is the Company's highest level of governing body and the primary business decision-maker. The duties of the Board of Directors include the appointment and monitor of management teams; supervising business performance; preventing conflict of interest; ensuring Company's compliance with local laws, filing Articles of Incorporation; and maximizing shareholders' equity. The Board of Directors shall be responsible for the Company's overall operational activities, establish definitive goals, and strive to achieve these goals.

Getac Organizational Structure



The Company's directors and supervisors are elected according to its " Rules for Election of Directors and Supervisors." Beginning in 2016, the candidate nomination system is adopted in accordance with the Company's Articles of Incorporation, in which director (including independent director) and supervisor candidates are assessed by the Board of Directors on whether they satisfy all criteria, then forwarded to the shareholders' meeting for appointment. In 2016, seven directors (including two independent directors) and two supervisors were elected. Independent directors were elected from among external independent bodies, accounting for 28.6% of total number of

director members to ensure the independent, fairness, and transparency of the Company's corporate governance.

In addition, the Company elects board members from among experts with extensive knowledge and years of experience in their respective industry. Such selection aims to ensure the diversity and professionalism of the Board of Directors. Members of the directors and supervisors hold expertise in venture capital, management, machinery, electronics, and chemical engineering, which enables the Company to leverage their professional experience and objective viewpoints

to guide the Company through business development and aid in making the most beneficial decisions for the Company and society.

The Company elects board members once every three years. The tenure for the current Board of Directors is from June 23, 2016 to June 22, 2019. Board meetings are held at least once a quarter. In 2016, seven board meetings were held, six of which registered an attendance rate of 100%.

Table of Shareholding Structure

Shareholder Structure Quantity	Government Agencies	Financial Institutions	Other Institutions	Individuals	Foreign Institutions and Individuals	Treasury Stock	Total
No. of persons	0	6	108	24,856	231	1	25,202
Number of shares owned	0	3,503,000	251,035,435	110,597,241	200,390,474	4,703,000	570,229,150
Shareholding percentage	0.00%	0.61%	44.02%	19.40%	35.14%	0.83%	100.00%

Getac's Board of Directors

Title	Name	Gender	Age	Education & Experience	Title	Name	Gender	Age	Education & Experience
Chairman	James Hwang (Hwang, Ming-Hang)	Male	Above 50-year-old	Education: M.S. of Electrical engineering, Utah State University, U.S.A. Experience: Engineer, Admiral Corp.; VP, MiTAC International Corp. Current Jobs: Chairman and President, Getac Technology Corporation	Independent Director	Tsai , Duei	Male	Above 50-year-old	Education: Ph. D of Electrical Engineering, National Taiwan University. Experience: Prof., EE Department of National Taiwan University of Technology; Minister, Ministry of Transportation & Communications (MOTC), ROC; Director General, Civil Aeronautics Administrations, ROC; Deputy Director General, D.G. of Telecommunications (DGT), ROC. Current Jobs: Independent Director, Compal Electronics, INC.; Independent Director, Taiwan Taxi Corp.; Independent Director, TTY Biopharm Company Limited.
Vice Chairman	Francis Tsai (Tsai, Feng-Tzu)	Male	Above 50-year-old	Education: B.S of Computer/Control Engineering Department , Chiao-Tung University. Experience: VP, Lian Tong Electronics Ltd.; VP of Sales, MiTAC Inc.;Vice Chairman, MiTAC International Corporation;Chairman and CEO, Getac Technology Corporation Current Jobs: Chairman, Waffer Technology Corporation; Chairman, National Aerospace Fasteners Corporation; Vice Chairman, Getac Technology Corporation; Independent Director, Winbond Electronics Corp.	Independent Director	Lin, Kuan-Ming	Male	Above 50-year-old	Education: Bachelor of Electrical Engineering , National Taiwan University Experience: Chairman, Taiwan Venture Capital Association; Chairman, Taiwan Private Equity Association; Chairman, Ruby Tech Corp.; CEO, SINOCON Industrial Standards Foundation; Chairman, System General Corp.; AVP, MiTAC Corporation; V.P. Synnex Corporation. Current Jobs: Chairman, Premier Capital Management Corp.; Chairman, Premier Venture Capital Corp.; Chairman, Ruby Tech Corporation; Director, China Petrochemical Development Corporation; Supervisor, United Integrated Services Co., Ltd.; Director, Lung Hwa Electronics co., Ltd.; Director, Eexin Corporation; Director, Terawins,inc.; Director, Eeltamac (Taiwan) Co.,Ltd.; Director, Ruby Tech Corporation
Director	Representative of MiTAC International Corp. Matthew Miao (Matthew Feng Chiang Miao)	Male	Above 50-year-old	Education: MBA, Santa Clara University, U.S.A Experience/Current Jobs: Chairman, MiTAC Holdings Corporation; Chairman, UPC Technology Corporation; Chairman, SYNEX Technology International Corporation; Chairman, Lien Hwa Industrial Corporation; Chairman, MiTAC International Corp.; Chairman, MiTAC Inc.; Chairman, MiTAC Information Technology Corporation; Director, BOC Lien Hwa Industrial Co., Ltd.; Director, Asia Polymer Corporation; Director, Winbond Electronics Corporation, Director, Taita Chemical Company, Limited.; Director, Synnex Corporation; Independent Director, Cathay Financial Holding Co., Ltd.; Independent Director, Cathay Life Insurance Co., Ltd.; Independent Director, Cathay Century Insurance Co., Ltd.; Independent Director, Cathay United Bank.	Supervisor	Representative of Lien Hwa Industrial Corp. Charles Ching (Ching, Hu-Shih)	Male	Above 50-year-old	Education: M.S. National Tsing Hua University. Experience: AVP, UPC Technology Corporation; Adjunct Lecturer, Department of Chemical Engineering of Feng Chia University; Senior Technical Specialist, Council for Economic Planning And Development of Executive Yuan. Current Jobs: Director and President, Lien Hwa Industrial Corporation; Director, Pao Long International Co.,Ltd..Supervisor, MiTAC Holdings Corporation.
Director	Representative of MiTAC International Corp. John Lin (Lin, Chuan Cheng)	Male	Above 50-year-old	Education: Ph.D. of Mechanical Engineering, National Cheng Kung University. Experience: Senior Specialist, National Chung-Shan Institute of Science & Technology; AVP of R&D and Sales Department, Tsann Kuen Enterprise Co. Ltd.; R&D Project Manager, Altek Corporation. Current Jobs: Chairman, MiTAC Precision Technology (Kunshan) Co., Ltd.; Chairman, Suzhou Mitac Precision Technology Co., Ltd.	Supervisor	Representative of Lien Hwa Industrial Corp. Chou, Teh-Chien	Male	Above 50-year-old	Education: Ph. D. of engineering ,Rutgers, The State University of New Jersey, U.S.A Experience: MiTAC International Corp., Investment Special Assistant to Chairman Current Jobs: Director, MiTAC Incorporated; Director, National Aerospace Fasteners Corporation; Supervisor, SYNEX Technology International Corporation; Supervisor, Waffer Technology Corp.
Director	James Chew (Chew, Lo-Hou)	Male	Above 50-year-old	Experience: President, H&Q, Taiwan; President, EMMT Systems Corporation; Head, Center for Measurement Standards of Industrial Technology Research Institute(ITRI); Manager and Engineer , Electronic Research & Service Organization, ITRI; Chief Engineer, ITT Unitron Current Jobs: Chairman, Fortune Venture Investment Group; Chairman, Telegent Technology Corporation; Chairman, Fortune Service Innovation Fund I; Director, Toplus Energy Corp.; Director, L.H.Asset Management Corp.; Director, ARC Solid-State Lighting Corporation; Independent Director, Lien Hwa Industrial Corporation; Independent Director, Tyson Bioresearch, Inc.					

2016 Getac Board of Directors Attendance Record

Position	Name	Expected attendance [1]	Attended in person	Attendance rate
Chairman	James Hwang	7	7	100%
Vice Chairman	Francis Tsai	7	7	100%
Director	Matthew Miao	7	7	100%
Director	John Lin	7	7	100%
Director	James Chew	7	7	100%
Independent Director	Tsai , Duei	4	3	75%
Independent Director	Lin, Kuan-Ming	4	4	100%

[1] Two independent directors were appointed in June 2016, after which the Company held a total of four board meetings.



To abide by the core values of Getac—integrity, transparency, and responsibility and in response to the increasing awareness on corporate governance and CSR issues, Getac encourages its directors and supervisors to participate in three-hour external courses on corporate governance, ethical management, and global impacts on industrial development. Progress of training and continuing education of directors and supervisors in 2016:

Continuing education status of directors/supervisors

Course Title	List of names of participating directors/supervisors
Prospect of Taiwanese Economy Under International Trends and Future Trends in the Global Application of Block Chain	James Hwang Matthew Miao John Lin, Tsai , Duei
Cross-Strait Economic Trends: Case Study of Block Chain Technologies and Applications	Matthew Miao
Overtaking Competitiveness: International Layout and Response Strategies Following COP 21	Matthew Miao
Corporate Merger & Acquisition Based on the Perspectives of Directors and Supervisors	James Chew
Offense and Defense Tactics for Patent Rights	Lin, Kuan-Ming
General Economic Trends in Turkey; Financial Landscapes in China	Francis Tsai
Leadership in the Epoch of Innovation	Francis Tsai
The Development of Green Industries	Francis Tsai

Remuneration Policy

The Company's Remuneration Committee is responsible for regularly inspecting the performance evaluations of directors, supervisors, and managers, as well as remuneration policies, systems, standards, and structures. Remunerations are paid to directors and supervisors in compliance with laws and regulations. The Remuneration Committee proposes a remuneration plan and then implements it following board resolution. The Company's Articles of Incorporation mandate that directors' and supervisors' remuneration may not be higher than 1% of the profit for the year.

The Remuneration Committee is also responsible for ensuring that the remunerations to directors, supervisors, and managers are subject to monitoring within reason. Currently, the remuneration profile for Getac's directors, supervisors, and managers mainly includes basic salary, allowance, and rewards. The Remuneration Committee regularly assesses and formulates remuneration proposals according to salary standards of peer industries, personal performance, business performance, and association and rationality of future risks. The final remuneration proposal is submitted to the Board of Directors for discussion. The table below presents the director, supervisor, and managers' remuneration as a percentage of after-tax profit.

Remuneration paid to the directors, supervisors, managers as a percentage of profit after tax in the individual financial reports (Include all companies in the consolidated statements)			
	2014	2015	2016
Director	0.57%	0.52%	0.40%
Supervisor	0.13%	0.12%	0.07%
President and Vice President	3.86%	3.36%	2.41%

Remuneration Committee

To maintain stronger corporate governance, comply with international standards, and perfect the compensation system for directors and managers, the Company established a Remuneration Committee in 2011, which is composed of three committee members who regularly communicate committee events and resolutions to the Board of Directors. On June 23, 2016, the Company's independent directors Tsai, Duei and Lin, Kuan-Ming, and Tong, Chia-Ching were elected as committee members to ensure independence in duty performance. Getac's Remuneration Committee has held four meetings in 2016, attended by all new and old committee members.

Supervisor System

The Company intends to set up an Audit Committee in 2019. Meanwhile, two supervisors on the Board will supervise the setup process on behalf of the Board and perform the duties specified in the Securities and Exchange Act, Company Act, and other regulatory requirements. Internally, the head of the Auditing Office and accountant will regularly report the company's sales performance to supervisors and engage in real-time communication with supervisors. Supervisors can also provide their opinions and responses according to the evaluation report by auditors and audited financial reports by accountants.

Mechanism for Preventing Conflicts of Interest

Sound corporate governance is founded on discipline and a comprehensive board system. Getac's Board of Directors regards relevant regulations as its highest standard, and includes conflict of interest prevention policies in the Ethical Corporate Management Best Practice Principles, which stipulate that if a conflict of interest exists for a director/supervisor or the legal person they represent with a specific matter on the agenda, then the director/supervisor may not take part in the discussion and voting. They shall recuse himself/herself when the matter is being discussed

¹ According to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter, the Remuneration Committee shall have at least three members, one of which must be an independent director. The third member (Tong Jia-Cing) was elected as the Remuneration Committee member in accordance with Articles 5 and 6 of the Regulations in the preceding paragraph.

and resolved; nor shall the relevant director exercise voting right on behalf of another director. The directors shall exercise self-discipline and must not support one another in improper dealings.

Getac's directors and supervisors have performed their duties with integrity in 2016; therefore, there were no incidents of litigation or violations. The percentage of shareholdings of all of the Company's directors shall be based on the regulations of competent authority. When discussing any topic with the Board of Directors, opinions of the independent directors must be taken into full consideration. Any reasons agreeing or disagreeing must be fully documented in the meeting minutes, and conflict of interest prevention principle must be complied with to protect the company's best interests.

Transparent Information Disclosure and Shareholder Communication

To provide accurately detailed information for domestic and foreign investors, Getac strictly adheres to the principle of transparency, regularly announcing relevant financial report as required by law and holding investor conferences. To provide stakeholder access, we publish a wide range of information on the company's website, including shareholders' meeting information, share price, share dividend, and

provisions of Articles of Incorporation. The company's website includes an Investors Relation section, available in English and Chinese, where operational information and presentations used during investor conference are updated in real time. The Company has a spokesperson, acting spokesperson, investor relations and stock affairs service providers in place, who are responsible for communicating with investors to ensure that they are fully aware of the company's business direction. Furthermore, shareholders and investors can, in accordance with the Company Act, submit written proposals to the Company for discussion at the annual shareholders' meeting, or raise questions and express opinions through the investor mailbox.

Since 2014, the Company has incorporated an e-voting system for the shareholders' meeting, which can be used in conjunction with voting by ballot, so that shareholders can cast votes on their computer or mobile phone without having to attend the meeting in person.

Investor mailbox  :
stocks@getac.com.tw

Implementing Risk Management

Getac focuses on R&D, manufacturing, and sales. It does not engage in investments involving high risks and high leverage. According to the Company's Corporate Governance Best Practice Principles, the Remuneration Committee should not provide incentive for directors and managers to pursue compensation by engaging in activities that exceed the risk appetite of the Company.

To control operational risks, the Company's Finance & Accounting Center has established an effective accounting system. All operating units, including sales, legal affairs, human resource, information, R&D, and manufacturing, have also formulated sound internal control system. An independent internal auditing office implements annual audit plan, supervises internal control, and assesses risk of corruption. The auditors present an audit report to each board member at the boarding meeting, and conduct follow-up on subsequent improvement progress. In addition, Getac makes use of an auditor work rotation system in order to enhance and train auditors' professionalism and capability in handling company operations.

² Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the Company a proposal in writing for discussion at a regular shareholders' meeting.

Corporate Sustainability Operation Disaster Recovery Plans

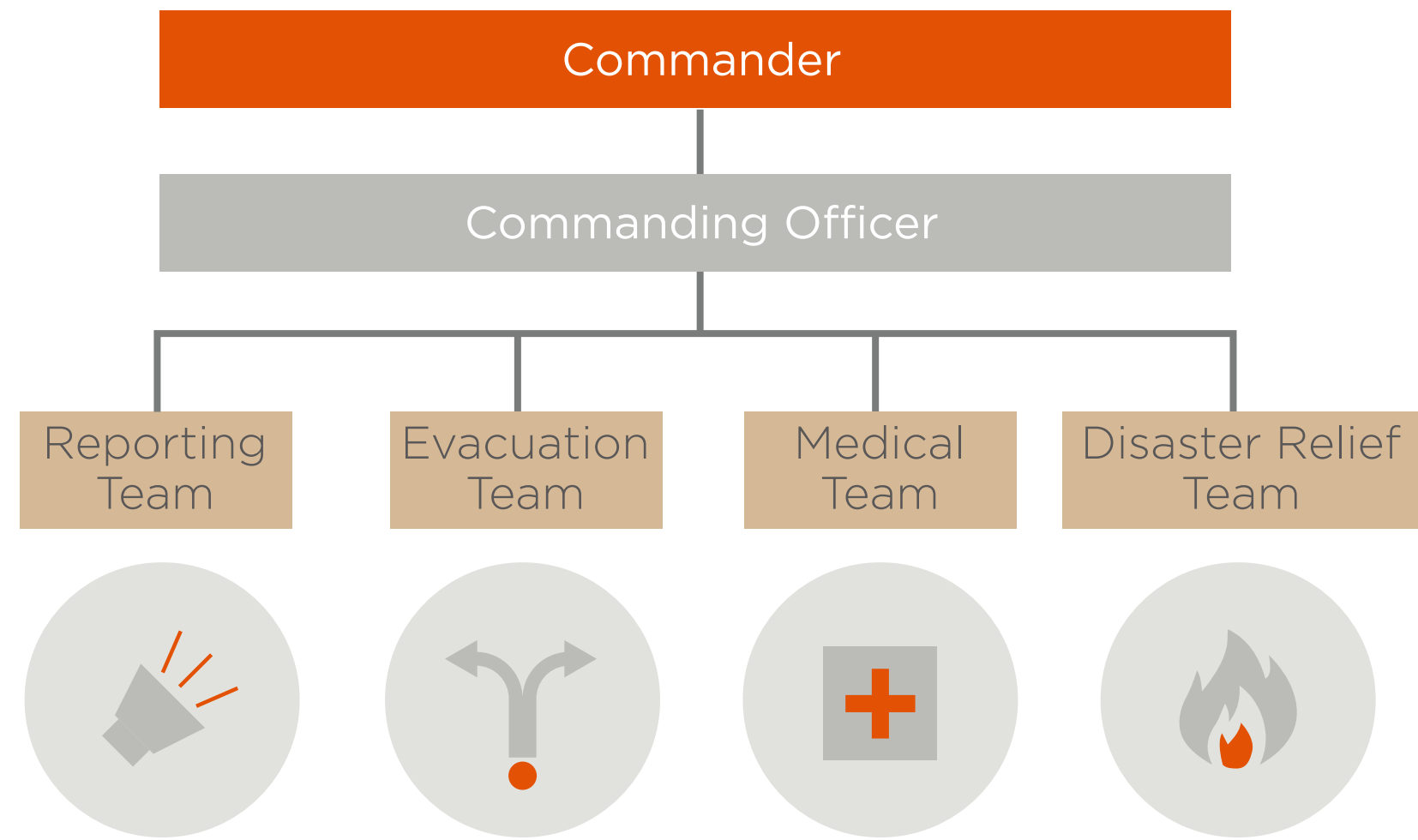
Getac promotes the economic, social, and environmental aspects of sustainability issues. The Chairman is authorized to take charge of the administration, environmental safety and health, manufacturing center, public safety, R&D, marketing, legal affairs, finance and accounting, and business planning divisions and ensure that they carry out the routine tasks within the scope of their duties.

Regarding the compilation of the annual CSR reports, the Chairman calls for a meeting, the Corporate Relations Office notifies relevant parties to attend the meeting, where they communicate, integrate, and summarize sustainability issues for the report. After the CSR report is completed and reviewed internally, it is submitted to the Chairman for approval and issued for publication.

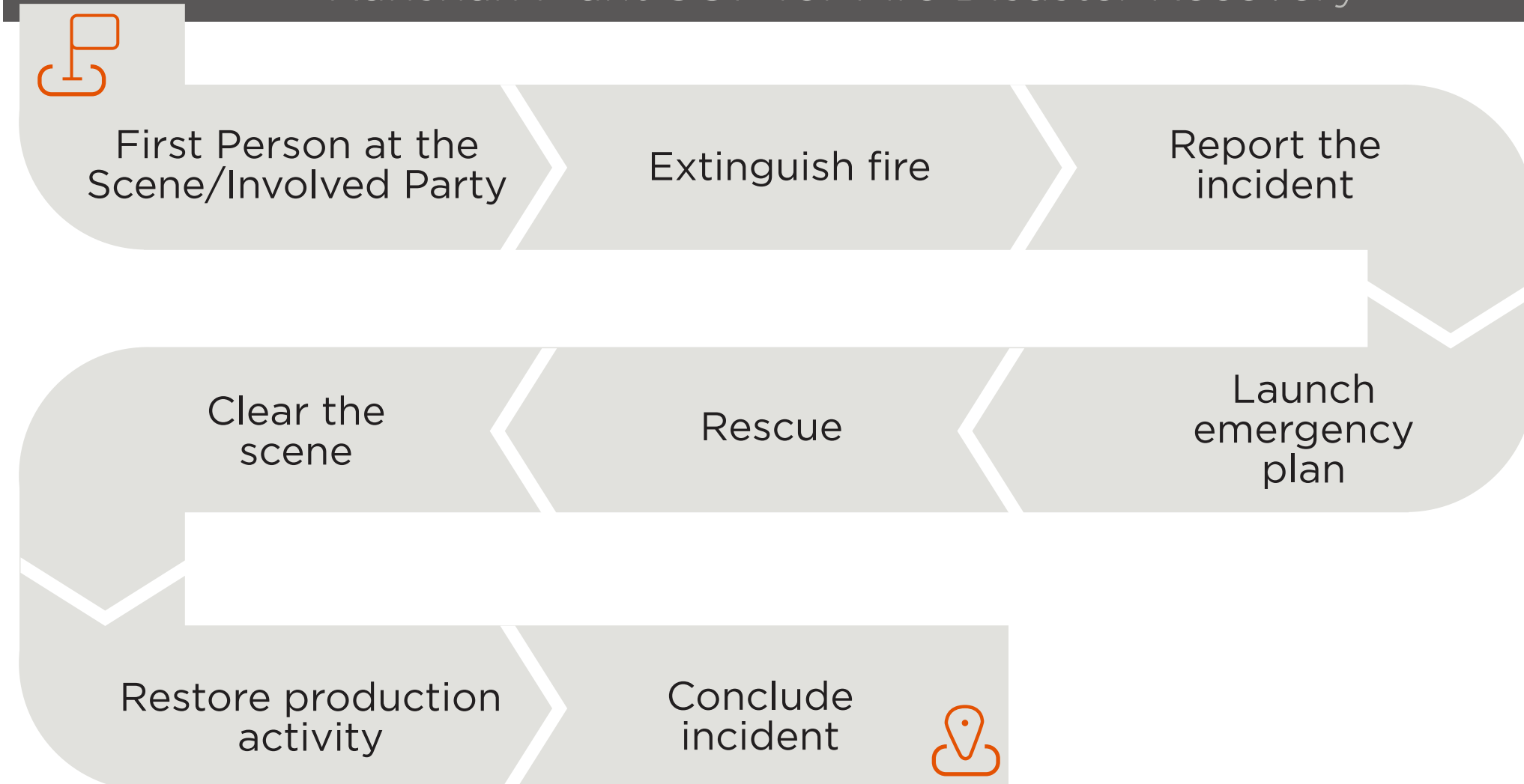
Regarding risks of operation interruptions in the event of force majeure disasters (e.g., earthquakes, fire, floods, and typhoon) or any other incidents, Getac production plants in Kunshan have formulated Disaster Recovery Plan for various types of disasters. When a disaster occurs, the Emergency Response Team immediately activates the plan. The team is led by commander who then appoints a commanding office and four sub-teams: Reporting Team, Evacuation Team, Medical Team, and Disaster Relief Team. Each team implements emergency response measures according to their level of authorization and delegation; controls the disaster in the shortest time possible; and effectively handles the emergency and carries out disaster recovery tasks. These measures ensure the safety of employees' life, equipment, and properties, thus minimizing the resulting losses and facilitate restoring operations. Kunshan production plants carried out a fire drill in 2016 by following the Fire Disaster Recovery Plan it established.



Organizational Structure of the Emergency Response Team



Kunshan Plant SOP for Fire Disaster Recovery



3.2

Corporate Ethics

Getac believes that an ethical corporate culture is the foundation of sustainability for a company. Therefore, business conducts must be based on the highest moral standard. In addition to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company formulated the Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct for Directors and Supervisors in 2016. Both principles have been approved by the Board of Directors on January 13, 2017, providing a business ethics and ethical management standard with which directors, supervisors, and all employees can comply.

Getac's Ethical Management Best Practice Principles require directors, supervisors, managers, employees, mandataries, and substantial controllers to adhere to the principles of ethical management when conducting business activity, strictly abide by law, and refrain from engaging in unethical conducts, including offering or accepting of bribes, providing illegal political donations, engaging in unfair competitive practices, infringing the intellectual property rights of others, and providing products and services that damage the health and safety of others.

The Code of Ethical Conduct for Directors and Supervisors also stipulate that the Company's directors, supervisors, and managers must be in compliance with rules preventing conflicts of interest, prohibition of personal gains, protection of company and client secrets, and fair trade. If directors, supervisors and managers violate the Code of Ethical Conduct, the Company shall handle matters required by law, and without delay disclose on the Market Observation Post System position and name of the violator, the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.

To ensure that all employees are fully aware of the Company's value in ethical management and provisions concerning anti-corruption, the Company stipulates in the Employee Code of Conduct that all employees shall render services with integrity and may not engage in embezzlement, stealing of company property, and disclosing of company secrets. When conducting business with customers and suppliers, employees may not request or accept contracts, bribes, or any other improper benefits nor engage in improper endowments with customers and

suppliers. If employees are found to have violated such regulations, they shall be subject to Employee Disciplinary Guidelines. In severe cases, the Company may without prior notice terminate the labor contract with such employee. Employees involved in criminal offense shall be brought to justice and shall be liable for relevant damage compensation. In 2016, an employee was dismissed due to violation of the Company's internal control process as discovered by the Auditing Office.

Be the Best

Be Sincere and Honest

Take Responsibility

Create Value

Regarding external governance, Getac has, since 2010, been requesting suppliers to sign the “Most Favorable Treatment and No-Corruption Guarantee Agreement”. We will continue to ask our suppliers to sign letters of undertaking relevant to sustainability issues. In compliance with the EICC, MPTK production site formulated the Supplier Code of Conduct in 2014, which incorporates environmental, social, and corporate governance requirements, requesting upstream suppliers to adhere and implement such requirements. As of December 2015, Getac headquarters in Taiwan has also included environmental, labor, and human rights issues in its Master Purchase Agreement. Supplier management directions are described in Chapter 4.0 of this Report.

Whistleblowing System

To dispose of and prevent illegal matters violating ethical management or corruption policies, the Company mandates explicit rewarding and punishment system in its Ethical Management Best Practice Principles, Code of Ethical Conduct for Directors and Supervisors, and Employee Code of Conduct. The Company simultaneously announced the Anti-Corruption Informant Regulation, which provides a comprehensive whistleblowing system that encourages employees to report to the internal auditor or other appropriate individual upon suspicion

or discovery of any activity in violation of a law or regulation or the code of ethical conduct. The auditor shall convene a meeting with representatives of the Legal Affairs Center, Auditing Office, and Organization Development Center as well as the manager of the accused three days after receiving the filed report. The auditor shall setup a Project Investigation Committee to conduct investigation. If the report is found to be true, it shall be reported to the President and related department managers of the accused. In addition to imposing punishment for employee misconduct in accordance with the Employee Disciplinary Guidelines, the Company will request the individual involved to propose improvement proposals and to make such improvement before the specified deadline. The individual involved shall be liable for compensation for the loss incurred to the company. Legal action shall be taken against the individual involved to serve as warning for others.

To implement ethical management, Getac has established a mailbox for internal and external individuals to provide feedback or report violations of integrity and code of ethical conduct. The reporting mailbox is specified in supplier contracts. The informant will be given a maximum reporting reward of NT\$200,000 or 5% of the loss amount. The report or relevant information will be strictly kept confidential

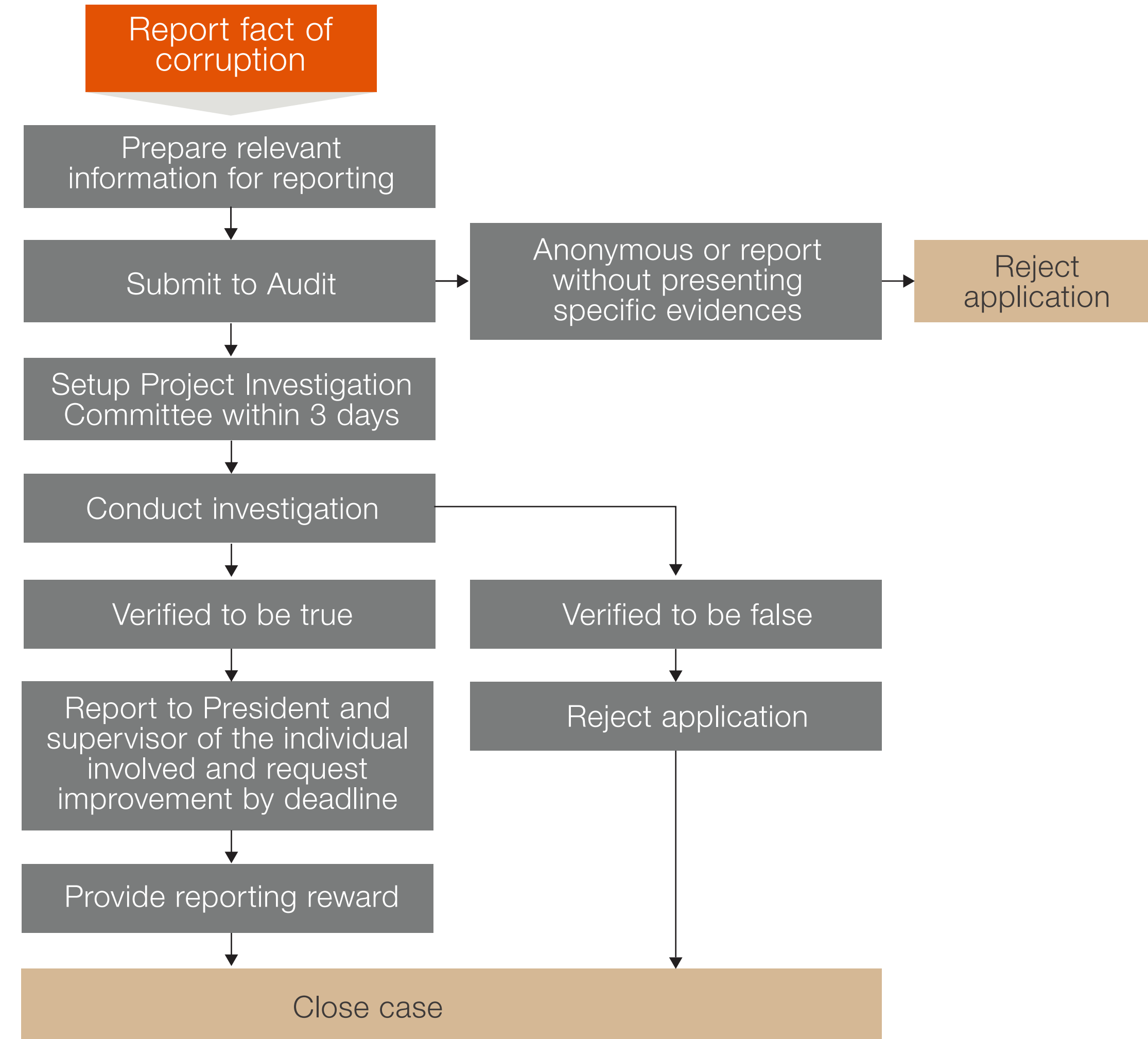
to protect the informant against threat, intimidation, retaliation, or other illegal act. Such illegal act against the Informant shall be severely punished pursuant to the law. In 2016, the Company did not receive reports concern unethical conducts.

Getac Taiwan
Headquarters audit mailbox  :
gtcaudit@getac.com.tw

Kunshan Plant audit mailbox  :
MPTKAudit@mpt-solution.com.cn



Anti-Corruption Informant Regulation Work Flow



3.3

Legal compliance

Getac strictly abides by regulatory laws relating to corporate governance and integrity management, environmental protection, and labor human rights to implement civic and law-related education within the organization. There were no penalties due to violation of law in 2016:

- Environmental penalties and related disputes
- Significant penalties or non-monetary sanction due to legal violation
- Product or service in violation of consumer health and safety laws and principles
- Product or service in violation of information or labeling laws and principles
- Significant fines due to violation of laws and regulations relevant to provision or use of products or services
- Marketing activities (including advertising, promotion, and sponsorships) in violation of relevant laws and principles
- Violation of bribery policies, anti-competitive behaviors, anti-trust and anti-monopoly laws and regulations

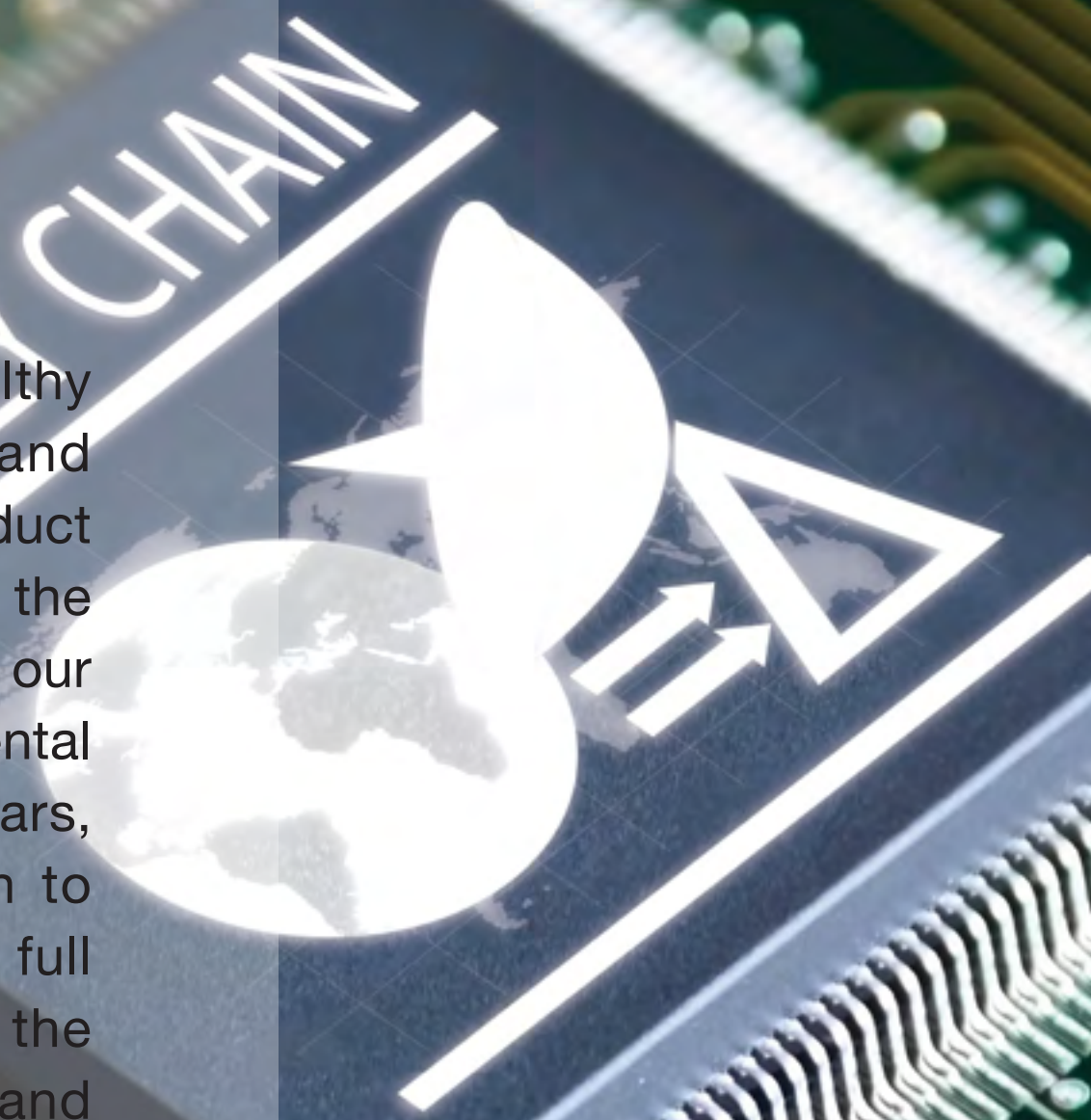
The aforementioned management guidelines concerning legal compliance are disclosed in relevant chapters of this Report.



4.0

Customer Relations and Sustainable Supply Chain

Getac is committed to and responsible for providing safe and healthy products and services. We require our products to be designed and developed to the highest standard. Extending this requirement to product sales and after-sales service, we mandate that every integral part of the product development process is strictly monitored to ensure that all of our products not only satisfy international safety regulations and environmental policies but also meet customer and user expectations. In recent years, Getac has incorporated sustainability issues that are of concern to stakeholders into supply chain management indicators, requesting full compliance among our suppliers. At all times, Getac assures that the supply chain and manufacturing processes are in line with ethical and environmental standards in order to protect users' safety and health.



4.1

Green Products

The environmental pollution endangering human survival has raised international awareness, from brand owners to part manufacturers and material suppliers, all of whom have comprehended their duties and obligations toward the environment. Member states of the European Union, Japan, United States, and China have formulated relevant regulations, in hopes of controlling this growing problem. Since 2005, Getac began taking actions to protect the earth, such as establishing a dedicated Green Product Team to promote green initiatives, including designing green products free of toxic hazardous substances, reducing product energy consumption, and promoting waste reduction and recycling. In 2016, all of Getac's products comply with international safety or environmental regulations, and are labeled with information required by product environmental regulations adopted in the country of origin of the product (e.g., Restriction of Hazardous Substances Directive 2.0 or RoHS, Waste Electrical and Electronic Equipment Directive or WEEE, and Registration, Evaluation, Authorization and Restriction of Chemicals or REACH).



Hazardous Substances

Getac has incorporated the IECQ QC 080000 Electrical and Electronic Components and Products - Hazardous Substance Process Management (HSPM) system to identify and curb the use of hazardous substances in product development. Meanwhile, we comply with international directives for environmental protection, including the RoHS 2.0, REACH, and Substance of Very High Concern (SVHC), and inspect the parts and materials provided by suppliers. Non-conforming materials are returned to protect user

health and safety and lower company's operational risks. In 2016, the materials, manufacturing practices, and delivery processes adopted by the Company's suppliers were found to contain no hazardous substances. Additionally, the Company attained its management goals, as evident by the absence of customer complaints. The Company will continue to impose stringent monitoring by advocating zero use of substances that are harmful to the environment.

Getac Compliance with International Labeling Directives			
	Labeling Directives	Electronic products	Mechanical products
Environmentally hazardous substance	IECQ QC 080000 Electrical and Electronic Components and Products - Hazardous Substance Process Management (HSPM) system	●	●
	Restriction of Hazardous Substances Directive (RoHS) 2.0 (2011/65/EU)	●	●
	Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) (EC 1907/2006), substance of very high concern (SVHC)	●	●
Product environmental influence	Electronic Product Environmental Assessment Tool (EPEAT)	●	
	Waste Electrical and Electronic Equipment Directive (WEEE) (2012/19/EC)	●	
	Eco-Design directive Energy related Products (ErP)	●	
	ENERGY STAR® Program Requirements Product Specification for Computers Eligibility Criteria Version 6.1	●	
Product Safety	UL Safety Certification	●	●

Compliance with Safety Regulations

Electronic products are designed and developed strictly according to a safety design guide. At every stage of the R&D process, a safety design checklist is used to confirm the safety regulatory conformance of the products. At the end of the R&D process, the R&D Department must input the completed checklist to Getac's Development Data Management System to facilitate stage-wise monitoring. Additionally, the Company accepts international safety verifications, including the UL and Federal Communications Commission (FCC) of the United States, and CE marking by the European Union. When products and services are improved upon the request of customers, the R&D and production terminals will not surrender to modifying standards, and will comply with various green regulatory requirements in order to mitigate the environmental impact of the substances used and fully implement the environmental labeling conventions. In 2016, the provision and use of products and services at Getac did not incur sanctions of any form as a result of regulatory violations, nor was it involved in disputes associated with product banning.



**Underwriters
Laboratories**

³We commissioned SGS Taiwan to test the emission status of both the first-generation and second-generation T800 models according to the ENERGY STAR® Program Requirements Product Specification for Computers Eligibility Criteria Version 6.1, and to submit a test report.

Energy-Saving Designs



In addition to prohibiting the use of hazardous substances, Getac is also devoted to developing energy-saving designs for electronic products. Such designs serve to mitigate the impact of global warming on the overall environment. Getac became a partner of Energy Star in 2007, after which we began complying with the low energy consumption requirements mandated in the Energy Star Program Requirements for Computer Version 6.1 to design energy-saving products, which are then further verified by our Design Quality Assurance Department to ensure legal compliance. All of Getac's electronics have received Energy Star labels, and are constantly upgraded through innovation into new-generation products with improved energy efficiency. For example, Getac upgraded its first-generation T800 rugged tablet computer to second-generation, increasing energy efficiency from 43% to 45%³.

Waste Reduction and Recycling

Getac mitigates environmental impact by reducing, recycling, and reusing wastes, and complying with the WEEE requirements. On the packaging of each of our products, we indicate that these products are made from recycled materials and for every product we provide instructions on how to dismantle these products. We commission local certified vendors in European regions to recycle our wastes. When our products are being recycled, they can be easily disassembled for reuse, thus reducing resource wastage. Furthermore, Getac products are designed following ErP directives and EPEAT standards, thereby facilitating a product recycling rate of more than 90%. Recyclable paper or recyclable plastic materials are used to package our electronic products. When delivering mechanical parts to customers, we pack them in recyclable and reusable boxes (mainly cardboard boxes), which resulted in a 54% recycling rate of container boxes in 2016.



System
recycling
label



Lithium
battery
recycling label

4.2

Prohibiting the Use of Conflict Minerals

As a corporate citizen of the world, Getac respects international human rights, supporting the prohibition of use of conflicting minerals. The Company has also announced the Declaration of Non-use of Conflict Minerals on its corporate website. According to the Securities and Exchange Commission (SEC) Dodd-Frank Wall Street Reform and Consumer Protection Act and the EICC, use of tantalum, tin, tungsten, and gold is subject to regulatory control. These four types of metals are generally extracted by armed rebellions in the Democratic Republic of the Congo and neighboring countries through unethical means, such as exploiting local citizens and children, and used as leverage in exchange for military weapons. Therefore, use of conflicting minerals is an indirect way of damaging human rights and facilitating armed conflicts.

To avoid the use of conflicting minerals during Getac's material sourcing and production process, Getac stipulates in the Master Purchase Agreement that use of conflicting minerals is prohibited and that suppliers are required to abstain using conflicting minerals from conflicting areas. If any suppliers are found to have violated this rule, Getac may terminate its procurement

contract and cancel any orders placed with the violating supplier. Suppliers must verify the source of a mineral and issue a Declaration of Non-use of Conflict Minerals or the EICC Conflict-Free Smelter Program (CFSP), certifications of London Bullion Market Association (LBMA), Responsible Jewellery Council (RJC), and may not object to providing necessary information.

Automatic supplier screening is performed on the E-Legal System of the Company's Legal Affairs Center, which blocks off any of the Company's partnering suppliers from placing orders on the system if they have yet to provide documents proofing their commitment to non-use of conflicting minerals. Additionally, MPTK production site also follows the regulations of the EICC, including conflicting minerals in annual supplier audits. Getac

severs ties with suppliers who fail to meet the criteria according to the preliminary and secondary audit. All audited suppliers in the past three years were not involved in the use of conflicting minerals.



4.3

Customer and Products/Services

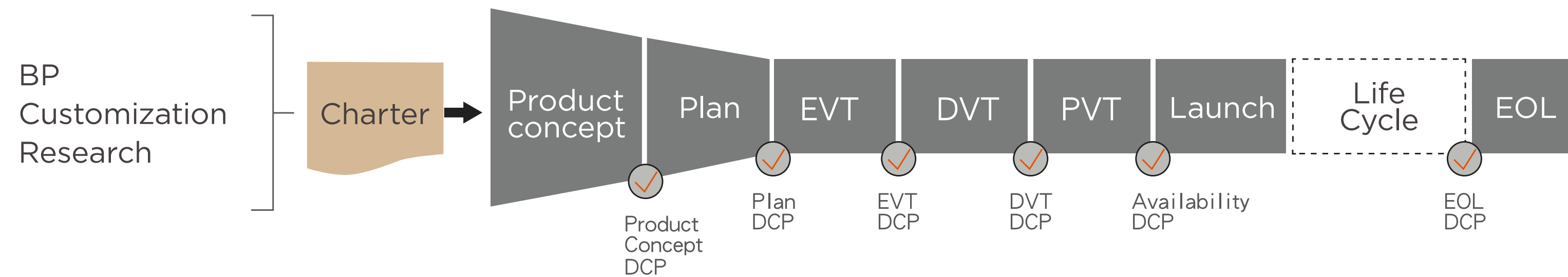
As the leading supplier of rugged computers, Getac listens to the voices of its customers, in an effort to providing total solutions and services for customers and to maximizing value for customers. For the purpose of enabling customers to use our products at ease in any environments, Getac has constantly improved its product designs through to sales and services, so that customers can rely on us with absolute trust and undergo a memorable experience with our products. Getac initiated a series of actions in 2016 to raise brand loyalty among customers by focusing on the following four dimensions: product design and quality, technical support and service, marketing support and information, and order processing and delivery.

Improving Product Quality

The design development and verification of Getac's rugged computers has a clear and effective management system and process in place. In a product development process, a product is proposed, conceptualized, designed, engineered, manufactured, and launched in the market. Each of these stages has a standard verification procedure that must be passed in order to proceed onto the next stage. In 2016, Getac enhanced its product quality by taking the following approaches:

- Increasing human resources and capabilities in product verification
- Increasing the number of test machines for production trial runs to enhance the accuracy and reliability of design validation
- Purchasing advanced manufacturing and testing equipment to accelerate the increase in use of automated production processes
- Regularly holding annual failure rate review meetings, during which the cause of product failures is examined, improvement plans are proposed, and handling status is uploaded onto relevant database for future R&D reference.

Getac product development work flow



Knowledge Management System

Innovative products and technologies are Getac's ultimate goal. Getac's rugged computers are aimed at providing customers with the best rugged computer solution to help them work more efficiently. Only by gaining extensive knowledge of application scenarios in different industries can products that truly meet customers' needs be developed. In 2016, Getac build an online database containing information on market application scenarios. With this database, knowledge can be shared and transferred to aid designing products for the vertical market while enhancing product design quality.

Integrating Information Platform

To establish a competitive brand, Getac will include improving order handling and product delivery as the focus of improvement in 2016. We intend to attain this goal by integrating an information technology (IT) system to enhance management performance and customer satisfaction. The new "order tracking system" provides online retrieval function that produces the delivery date, serial number, and other relevant information providing real-time progress of a customer's order. Additionally, an electronic data interchange (EDI) system is introduced to improve the operational efficiency between Getac and its

major distributors. This system allows for automated processing of new orders and inventory management, providing completely transparent information that is instantly accessible to both parties

Marketing Communication

"Customers come first" has been Getac's long-term belief. In 2016, the Company continued to cultivate its relationship with strategic alliances, invest in marketing budgets, and elevate brand visibility. Getac's marketing expenditure in 2016 was 28% more than that in 2015. As a response to the pan-European region sales promotion program, dedicated sales and marketing specialists were appointed to market our products in local areas and provide local customers with more instant, excellent services. We teamed up with strategic partners across different regions and worked on planning messages and marketing activities that are suitable for marketing and communicating our brands in the intermediary market. A Partner Portal Platform also incorporates Sales Deck, Channel Sales Kit, and other marketing tools to broaden and deepen the marketing content and systematically organize product information into something that is both informative and easy to understand. Such information will help our customers quickly determine the scope of Getac's products and services, so that when they sell these products to their customers (i.e., end users),

they can more effectively and efficiently elevate customer satisfaction.

Protecting Customer Privacy

To protect customer's privacy and ensure information security, Getac complies with laws and regulations, establishing the Procedures for Handling Material Inside Information, which regulates the procedures in management of confidential information and requires a firewall mechanism to be established for encryption protection according to two aspects of employees and information. The Company's Employee Code of Conduct also mandates that the company's trade secret may not be disclosed, informed, or provided to a third party without permission.

The Company has setup a Non-Disclosure Agreement (NDA) mechanism targeting highly confidential information. All members involved must sign the NDA form, which regulates the scope and duty of care of the confidential information to reduce the risk of information disclosure. Violators will be prosecuted and assume liability for damage compensations in order to protect customers' interests and rights. There were no complaints regarding infringement of customer privacy rights or information disclosure in 2016.

To raise employees' awareness on the importance of customer privacy and rights, every new employee must, during their orientation, be trained on the duties and obligations of confidentiality. Internally, the Company also requests department managers to hold educational meetings and serve as model example for their subordinates. Department employees are required to give their all in protecting customer privacy rights.

Customer Satisfaction Survey

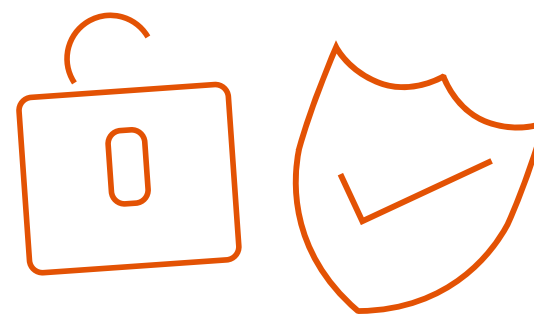
To reflect on the extent to which we have kept our promise to our customers, Getac has, since 2015, conducted yearly questionnaire surveys on representative customers in the market. The survey comprised four major dimensions of product design and quality, marketing support and information, order handling and delivery, and technical support and services. Improvement strategies are then devised with the survey results serving as the basis. In 2016, the customer satisfaction survey results indicated that the four major indicators exhibited improvements compared with previous year, obtaining 85.8 points on average. This result implies that the customers

were more than satisfied, particularly in the aspects of marketing support and information and order handling and delivery, both of which were scored significantly higher than previous year, suggesting a high level of customer affirmation.

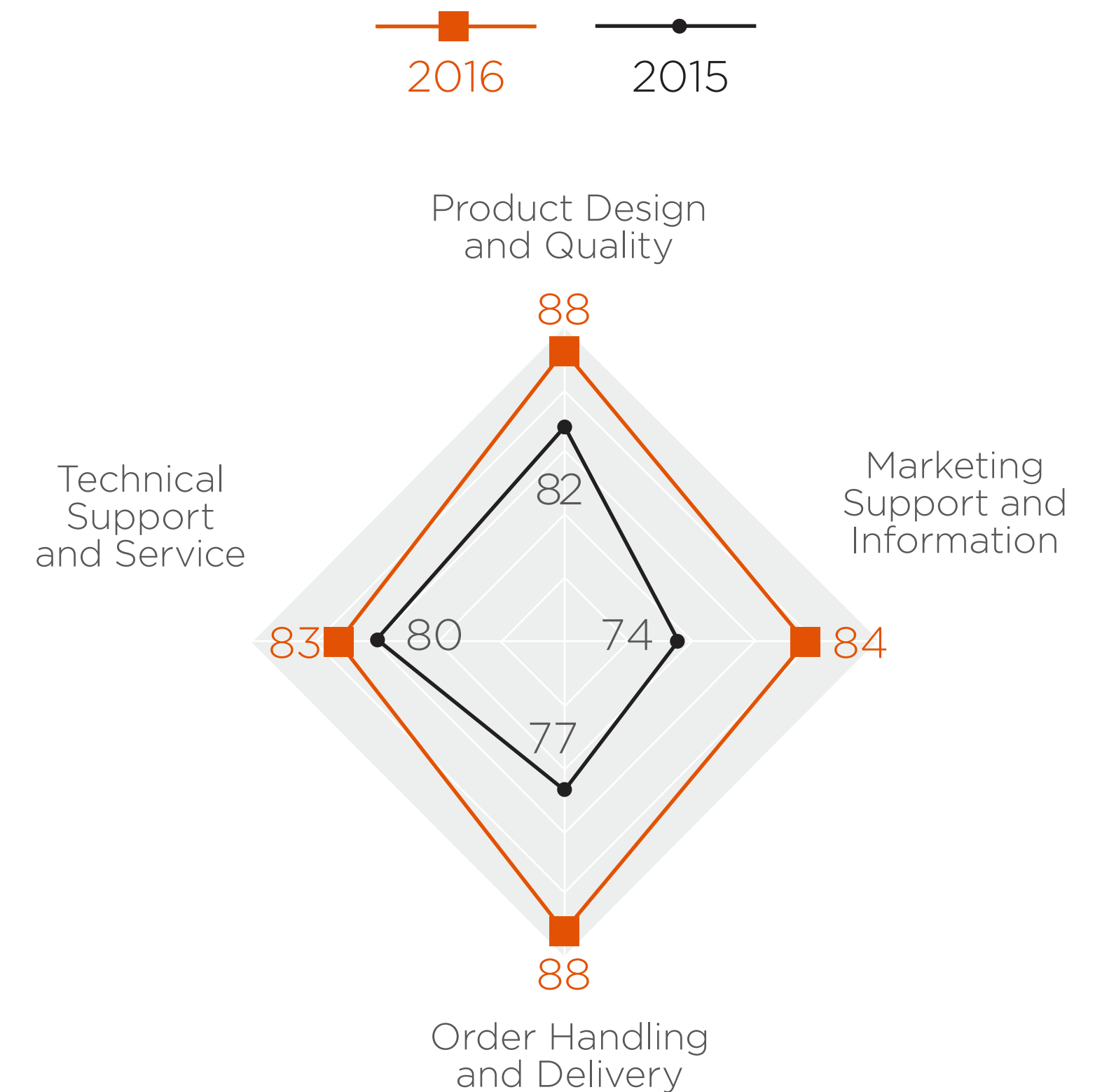
Customer Service and Inquiry

Getac has established a comprehensive after-sales service and customer complaint handling mechanism to protect the interest and right of its customers. Customers are welcome to make inquiries or file a complaint via the dedicated mailbox, should they ever encounter any problems with Getac's products or services.

Customer complaint service mailbox ✉ : GetacSupport_TW@getac.com



Taiwan Headquarters Customer Satisfaction Survey Result



4.4

Sustainable Supply Chain Management

Sustainability issues have garnered increasing attention worldwide. In recent years, internationally acclaimed enterprises have consecutively encountered unexpected problems with their suppliers, which as a result elicited negative perceptions among stakeholders, including consumers, investors, and governmental officers. This trend indicates that suppliers' management crises might expose companies to risks of business and reputation loss. Getac views suppliers as a key partner in sustainable development. To further ensure product safety and health, and ease stakeholders' concerns regarding sustainability issues, Getac will include supply chain in the scope of management and work closely with suppliers to create win-win outcomes for both parties.

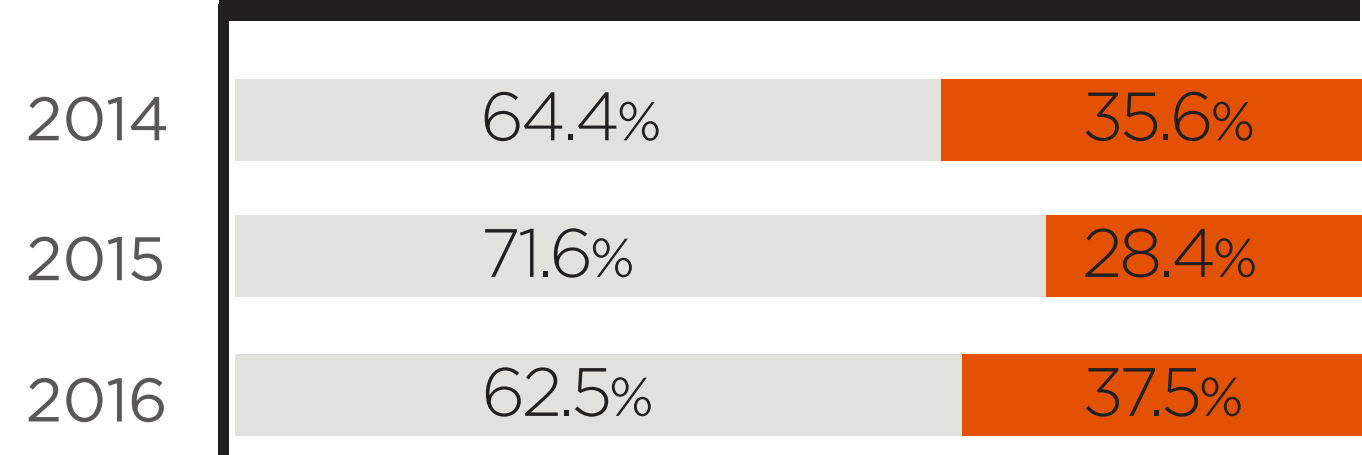
Supplier Information

Getac's procurement is classified into electronic and mechanical parts, which respectively accounted for 62.51% and 37.49% of the Company's total purchases in 2016. For electronics, all processes are conducted in-house without outsourcing and involve system assembly only. Electronics were purchased from 281 suppliers in the past three years, 91 of which are new suppliers with whom we signed contract in 2016. Mechanical parts were purchased from 394 suppliers, including materials suppliers, production contractors, and other contractors (waste disposal and engineering construction), 35 of whom were new suppliers who signed contract with us in 2016. In the same year, MPTK production site has completed transactions with 14 production contractors, contributing 39.64% of the total transaction.

Local Procurement Policies

Getac's procurement policies serve to create profit for the company and simultaneously boost local socioeconomic development by supporting suppliers located near the Company or production base. Such local procurement policy reduces the pollution caused by cargo transport, shortens new product development process, eliminates unnecessary supply chain cost, creates local employment opportunities, and thereby ensures stable local economy. In 2016, the local procurements by Taiwan headquarters and Kunshan production plants in China accounted for 88% and 77% of all purchases, respectively, exhibiting an increasing trend.

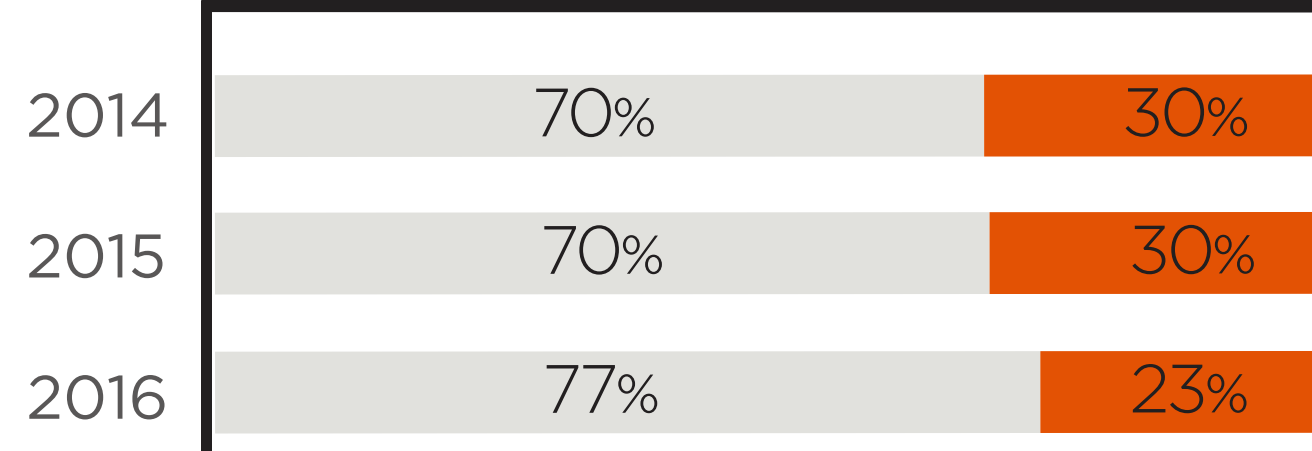
Getac Procurement Expense Breakdown



Electronic Products Getac headquarters in Taiwan focus primarily on electronic products, purchasing mainly electronic components, LCD, circuit board, metal, and plastic parts.

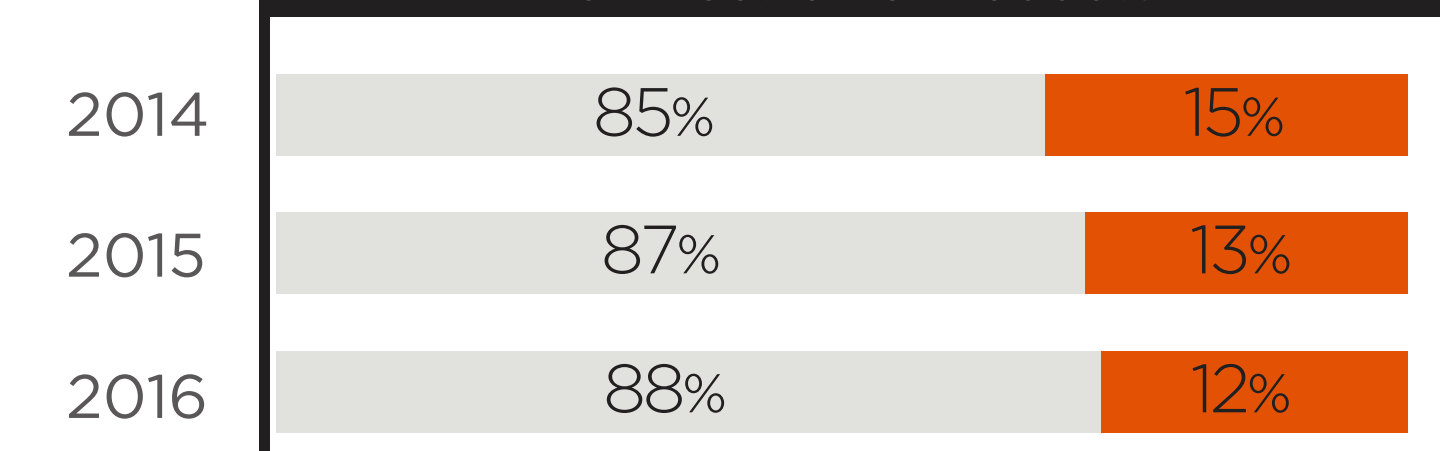
Mechanical Products MPTK production site specializes in the production of plastic chassis, purchasing mainly raw materials of mechanical parts including plastic resins, packaging material, oil paint, die materials, and metal parts assembled with plastic chassis, as well as production auxiliary materials like wires, fasteners, protective membrane, and insulation materials.

Percentage of Local Procurement for Mechanical Products



Local procurement Non-local procurement

Percentage of Local Procurement for Electronic Products



Local procurement Non-local procurement

Encouraging Supplier Compliance with EICC

Getac relies on all of its suppliers to fulfill the commitment it makes with its customers. Such cooperation ensures prosperity and win-win outcomes for both parties. Ensuring, at all times, that suppliers' raw materials and manufacturing process comply with environmental and ethical regulations is an essential topic of Getac's supplier management.

Getac performs self-inspection with a high standard and adheres to the EICC. Meanwhile, the Company asks its suppliers to sign a Master Purchase Agreement before establishing an official partnership with Getac. This Contract states that suppliers must implement EICC and abide by regulations relating to labor human rights, green environment, ethical management, and occupational safety and health. Suppliers are also requested to encourage their peers to fulfill corporate social responsibilities, and to ask their upstream suppliers, contractors, and service providers to do the same. If suppliers violate any of the aforementioned requirements, Getac reserves the right to terminate its contract and request for a penalty fine 10 times the amount of the damage and product orders.



Getac includes the following sustainability issues in the Master Purchase Agreement

1. Guarantees non-use of environmentally hazardous substance and comply with environmental related laws and regulations
2. Prohibit use of conflict minerals
3. Prohibit use of forced labor and child labor
4. Respect for freedom of association and collective bargaining rights
5. Non-discrimination
6. Protect intellectual property rights and prohibit against infringement of others' trademarks, copyrights, patent rights, and trade secrets
7. Prohibit offering or accepting bribes, commission rebates, and accepting improper endowments or hospitality
8. Protecting occupational health and safety
9. Comply with environmental laws in pollutant emission and waste disposal and obtain ISO14001 certification



Supplier Audits

In addition to requesting suppliers to sign the Master Purchase Agreement, Getac’s quality control division will appoint dedicated personnel to conduct onsite auditing on the supplier before the Company officially transacts with them. Suppliers must be assessed to be eligible in order to proceed with such transactions. Additionally, MPTK production site also conducts risk assessment on key partner suppliers and formulates auditing plan targeting key production contractors (e.g., suppliers of spray paint and EMI) as well as suppliers with whom Getac places high volume of orders. Audited suppliers must complete the self-assessment table in the Social Accountability Report and delineate implementation status based on EICC. After the completed table is obtained, the Company’s Supplier Quality Assurance (SQA) Division will send an officer to conduct onsite inspection on the supplier and produce a report detailing the inspection result and matters to be improved. Those who fail the inspection are inspected again within a month, and

if the supplier fails the second inspection, his/her qualification will be revoked.

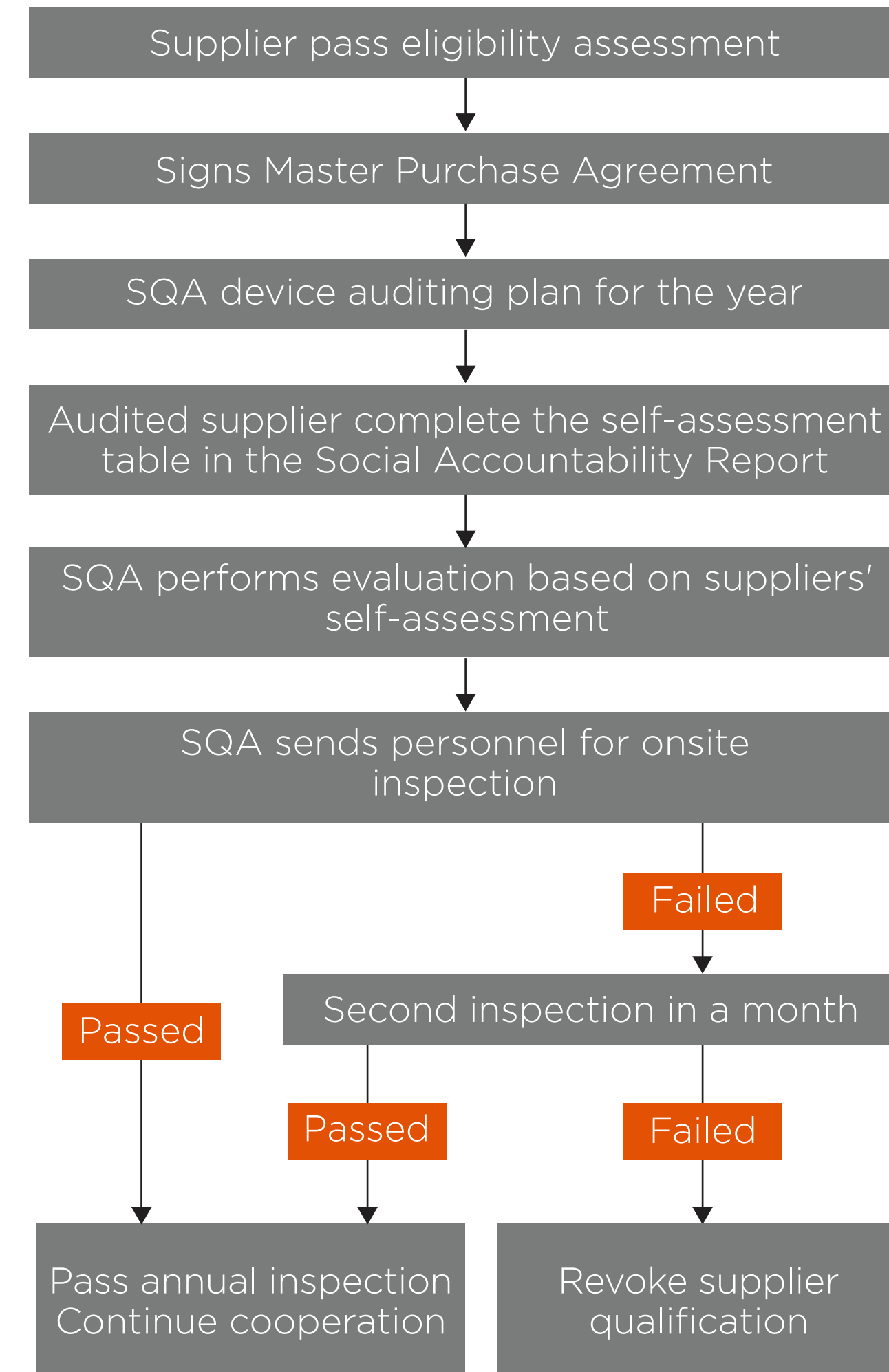
New suppliers who have signed contract with Getac in 2016 were categorized by the products they supply, namely electronics and mechanical parts, each of which account for more than 40% of all suppliers. In 2016, 17 suppliers were audited, including outsourced vendors. All suppliers have passed the audit.

Getac has established a comprehensive supplier service and complaint handling mechanism to protect the interest and right of its suppliers. Suppliers are welcome to make inquiries or file a complaint via the dedicated mailbox, should they ever encounter any problems with Getac.

Supplier Service and Inquiry Mailbox ✉ : GetacVendor@getac.com.tw

Getac Supplier Management Status in 2016			
Purchase type	Number of new suppliers assenting to comply with EICC	Total number of new suppliers	Percentage of Complying Suppliers
Electronics	41	91	45.05%
Mechanical Parts	14	35	40.00%

Getac Supplier Management Work Flow



5.0 Environmental Protection



Green Concept

Climate change due to greenhouse effect has endangered the survival of mankind and generated potential management risks for corporations. As global warming intensifies day by day, increasingly more countries have declared their commitment to greenhouse gas (GHG) reduction and clearly defined their long-term goal in carbon reduction. If the total amount of GHG emissions is controlled, this limitation is likely to endanger corporate operations. To defend our green environment against harmful substances, Getac implements ISO14001 International Environmental Management System to promote green product designs and production. The goals are to protect the earth and minimize the impact on the environment and biodiversity⁴; to cherish existing limited resources and promulgate against unnecessary waste; formulate and implement environmental measures, including energy and water conservation measures; and introduce green production process to reduce carbon emission and increase use of recycled water in order to maximize resource utilization.

Getac strictly adheres to local environmental laws. Environmental management tasks of Taiwan headquarters and Kunshan production plants (GTK and MPTK) are carried out by the Health & Safety Office as well as the Administration and Workplace Safety Departments. These tasks include regular monitoring of air pollution and wastewater discharge, commissioning of eligible environmental and waste disposal companies to handle industrial wastes, and incorporate environmental measures and laws into training programs to encourage stringent compliance among employees. Taiwan headquarters

and Kunshan production plants in China were not involved in any regulatory violations in 2016, and all of their emissions are in compliance with regulatory standards. No reports of external leakages were filed. The Company will continue to strive toward zero violations and zero pollution incidents.

Getac invested NT\$8.13 million in environmental initiatives in 2016, 90.6% of which were used for handling general and hazardous wastes, 7.7% were spent on environmental hardware equipment, and the remaining amount was expended on green products.

2016 Getac Environmental Expenditure		
Item	Amount Spent	Percentage (%)
Waste disposal costs	7,365,162	90.57%
Environment-related hardware expenditure	628,996	7.74%
Green product expenditure	137,538	1.69%
Total	8,131,696	100.00%

Unit: NT\$

⁴By laying the Conservation Planning Diagram of Jiangsu Ecology Red Line Area over the Overall Planning Diagram of Kunshan Economic Technological Development Zone, it was confirmed that the Getac's Kunshan production base does not fall within the perimeter of the natural ecological conservation area. The environment in which the base is situated does not shelter threatened species that are included in the IUCN Red List nor conserved at the national level.

5.1

Energy Management

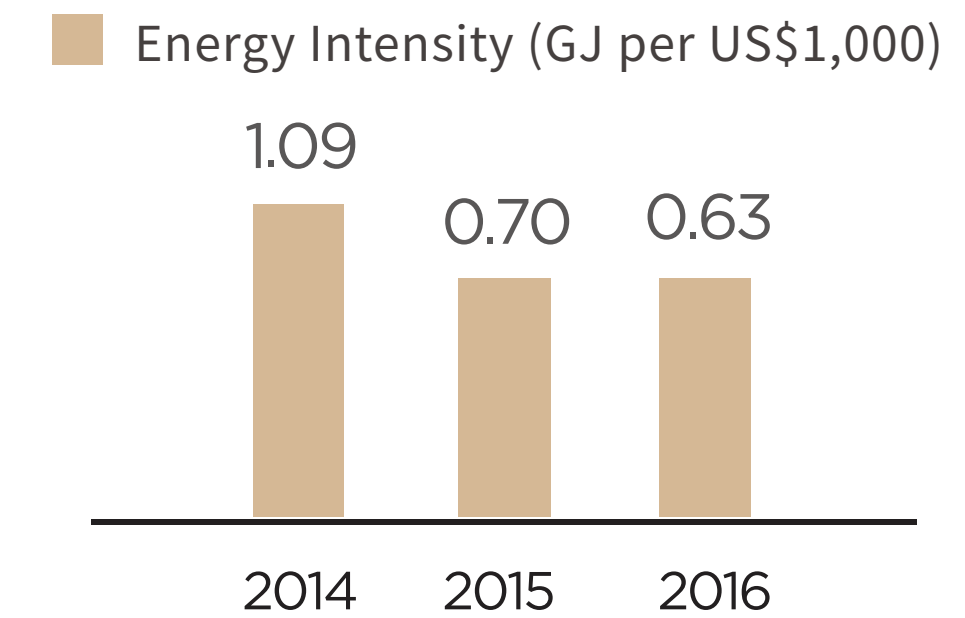
Anthropogenic activities and industrial operations around the world remain highly reliant on the use of traditional non-renewable energy. As extreme climate increase in frequency, the time to power shortage draws ever nearer. Therefore, how to provide stable supply of energy and utilize energy more efficiently are matters which challenge the attention of energy-intensive manufacturing industries. To achieve these goals, Getac began with improving the production efficiency of energy-intense production processes and improving our manufacturing technologies and equipment, all in an effort to mitigate energy risks while curbing their impact on the environment.

to the plant to enhance product yield rate, thereby shortening the cycle time of the injection molding machine. Subsequently, energy utilization efficiency was significantly improved.

2016 Getac Kunshan Plants Purchased Energy By Type

- Purchased electricity: 34,311 MWh, accounting for 65% of total energy consumption
- Purchased steam: 21,824 metric tons, used as heat source for mold injection processing, accounting for 31% of total energy consumption
- Purchased diesel fuel: 206,000 L, used in plant generator and backup furnace, accounting for 4% of total energy consumption

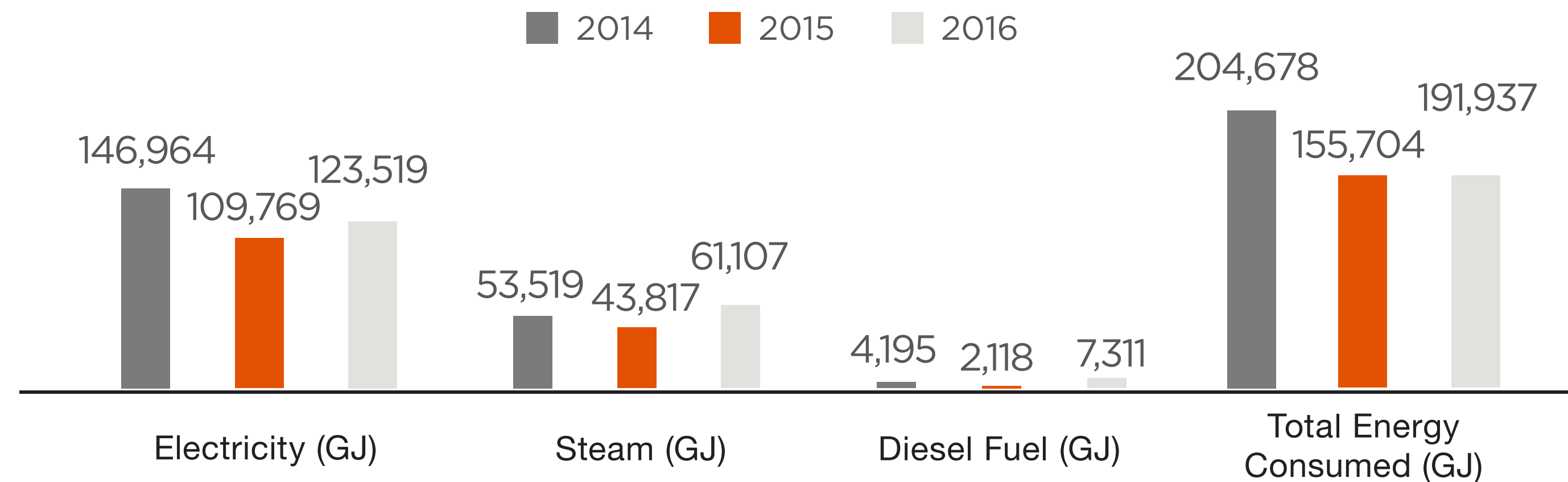
Getac Kunshan Plants Energy Intensity



Energy Consumption Information

Our production base in Kunshan mainly uses electricity, steam, and diesel fuel. The total consumption of these three types of energy in 2016 is equivalent to 191,937 GJ, suggesting that 0.63 GJ of energy is consumed per US\$1,000 revenue generated. Although energy consumption increase in 2016 due to the 34% growth in sales compared with previous year, the energy intensity was reduced, primarily attributable to the increase in the use of automated production. In 2016, MPTK site invested NT\$54.20 million in introducing automated production

Getac Kunshan Plants Energy Consumption by Energy type



⁵Total energy consumption is the sum of electricity, steam, and diesel fuel consumed. In particular, the estimation for electricity, steam, and diesel fuel was based on the amount of electricity purchased, the amount of steam purchased, and the amount of diesel fuel used, respectively.

Energy Conservation Measures

Getac’s Kunshan production plants have implemented a comprehensive energy conservation measure in 2016 to conserve energy and reduce carbon emissions. To save energy use in production processes, we purchased oil-electric hybrid molding machine to replace the traditional hydraulic molding machine; replaced cooling tower rated-frequency gas compressor with energy-saving variable-frequency compressor; and introduced an improved insulation drying cylinder and feed tube. These modifications are aimed at improving energy utilization and efficiency.

All electricity-consuming equipment inside the plants, such as lighting instruments and air-conditioners, were upgraded and modified, using more energy-saving LED lights in place of conventional lighting facilities. Furthermore, conventional switches were replaced with novel energy-saving switches that are controlled by time, light, and sound. Implementation of these measures facilitated cumulative saving of 3,032 MWh in electricity, which is equivalent to the amount of electricity available for 834 household families⁶ in a year and translated to monetary savings of NT\$10.03 million in electricity expense. In future, the Company will expand the scope of its energy conservation programs, subsequently improving green effectiveness.

⁶According to statistical report from Taiwan Power Company, one household family consumes 303 kWh on average in 2016. $3,031,741/303/12 = 834$ households' yearly energy consumption.

2016 Getac Kunshan Plants Energy Conservation Measures and Effectiveness			
Energy conservation project	Energy conservation measures	Amount of electricity saved (kWh)	Amount of cost saved (Unit: NT\$)
Production Process	Replaced the old with oil-electric hybrid molding machine	1,944,777	6,436,551
	Introduced insulation drying cylinder and feed tube		
Environment	Replaced lighting to energy-saving lighting instruments	1,086,964	3,597,477
	Replaced the old with variable-frequency compressor		
	Total	3,031,741	10,034,028



5.2

Water Resources and Waste Water Management

In 2016, the unusually strong El Niño has had a catastrophic effect on various regions, causing incessant events of drought across the world. Although we did not experience water shortage at our headquarters in Taiwan and production plants in Kunshan, Getac has always remained highly alert of the surrounding situations, constantly improving our production water management practices and water efficiency. Such vigilance serves to prepare ourselves for the unpredictable water crises in the future.

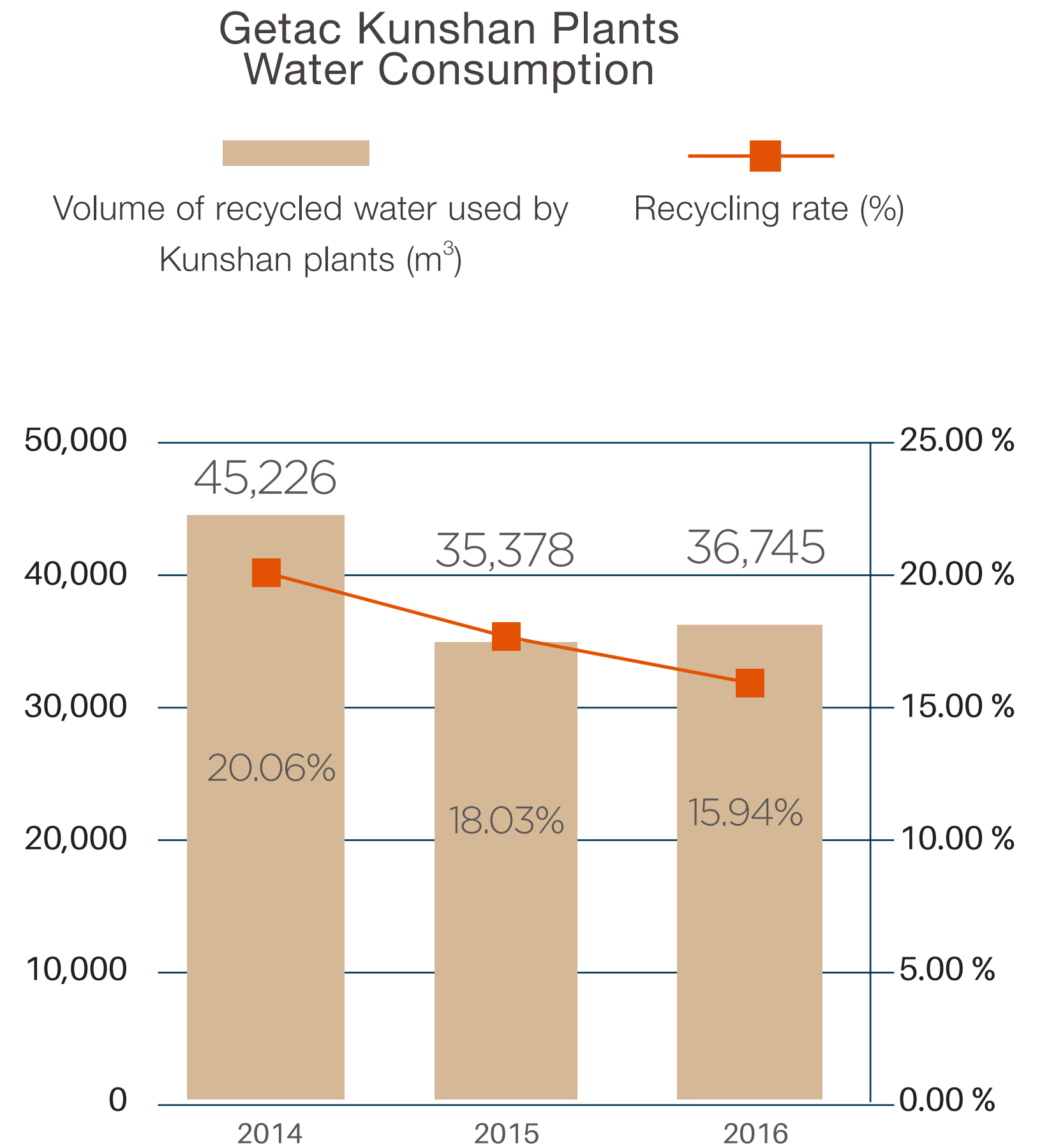
Water Conservation Policy

Our office building is located in Taiwan headquarters, where water is mainly used by employees for daily living activities. The total volume of water consumed by our Kunshan plants in 2016 amounted to 193,800 m³, with a water intensity of 0.65 m³ per US\$1,000 in revenue. The main source of water is water bodies from neighboring Chang Jiang and Kuilei Lake. Our Kunshan plants are not the dominant user of water resource and, therefore, its use of water in the area did not influence water abundance.

To reduce water consumption, Getac Kunshan plants have been recycling water for many years. It recycles water by guiding condensed water from purchased steam into a recycling water pond system, where the collected condensed water is cooled and filtered for use in the production process, thus achieving water conservation effect. Because the technologies we use are fully developed and we continue to improve them, we were able to use approximately 36,700 m³ of recycled water⁷, which is equivalent to 19.3 standardized swimming pools for a recycling rate⁸ of 15.94%.



Figure : Cooling system for processing recycled water



⁷Recycled water includes water from net carrying tube and steam-condensed water; Information on the water resources used by Kunshan plants in 2016 was based on internal statistical data; the plants did not report its recycling water indicator to the local competent authority.

⁸Recycling rate = (volume of recycled water / volume of recycled water + total volume of water consumed) *100%

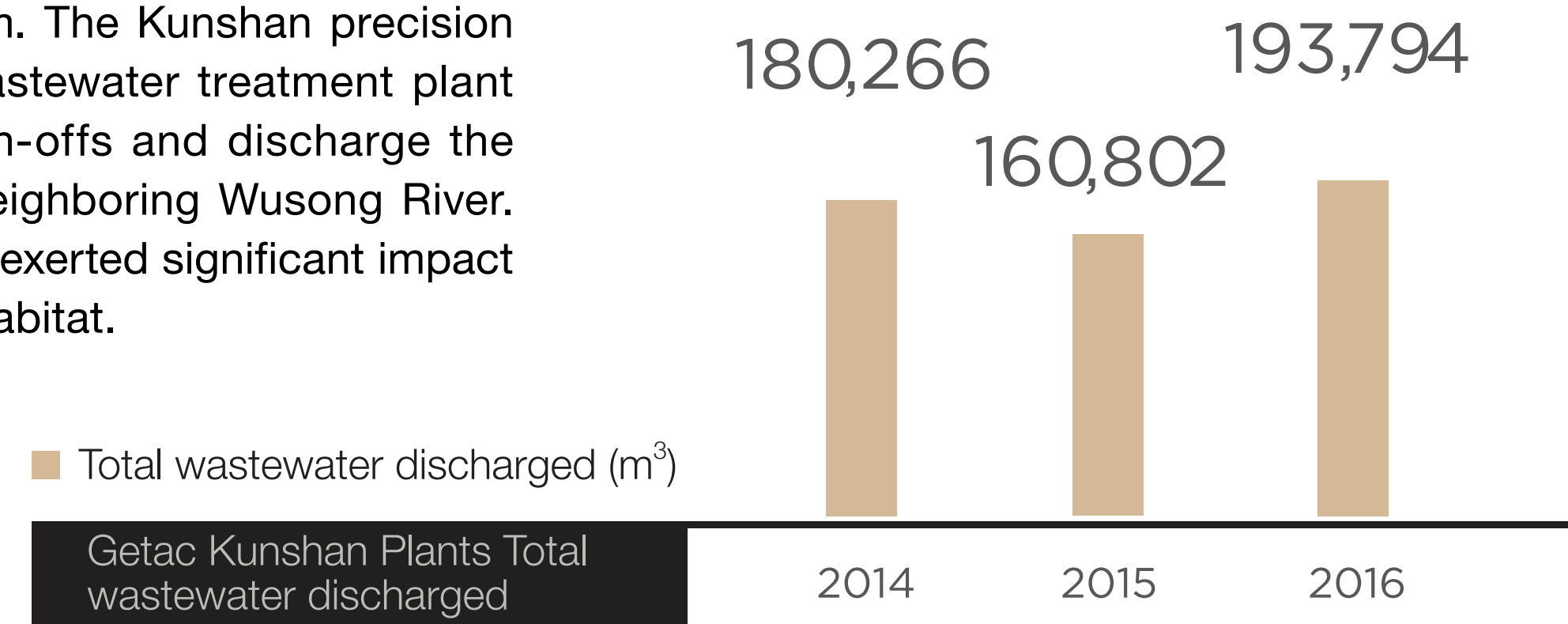
Wastewater Discharge and Disposal

Getac Taiwan headquarters did not produce industrial wastewater. Domestic wastewater is collectively discharged into the Taipei City underground sewage system. The quality of our discharged water has been tested by the Underground Sewage Engineering Division of the Public Works Department of the Taipei City Government; the results indicated that the discharge did not exceed the discharge standard.

Our Kunshan production plants in China discharges wastewater according to authorized treatment process in pursuant to local laws. The local competent authority in Kunshan regularly performs sample testing on production plants; violators are imposed with the severest sanctions such as suspending their business operation or shutting down the plant. Getac strictly adheres to laws and regulations. Its Kunshan plants have developed wastewater management procedure following the ISO14001 system. Industrial wastewater is primarily composed of wastewater from spray paint production and oil-based paint waste. The plants commission authorized waste discharge vendors to dispose its industrial wastewater, indicating that the plants do not discharge production wastewater. Only

194,000 m³⁹ of domestic wastewater was produced in 2016, which was directly discharged via the local public net carrying pipe into dedicated wastewater treatment plant. Furthermore, the plants periodically commission third-party verification agency to conduct sampling monitoring on the plants. The plants passed the test on COD, (chemical oxygen demand), BOD (biochemical oxygen demand), and SS(suspended solids), as an assurance that its production activities did not significantly impact the water bodies in the surrounding environment. In 2016, each plant was not involved in any incidents of leakage or spills in 2016, nor did it receive any environmental fines.

The run-offs of torrential rain in Kunshan plants are collected via the city government’s rainwater sewage underground system. The Kunshan precision machinery industry park wastewater treatment plant processes the collected run-offs and discharge the processed water into the neighboring Wusong River. Therefore, no landslide risks exerted significant impact on the surrounding natural habitat.



⁹According to the laws and regulations of Kunshan in China, wastewater discharge volume equals water consumption volume.

Underground Sewage Engineering Division of the Public Works Department of the Taipei City Government: Annual Wastewater Discharge Quality Test Result

Lien Hwa Nangang Road Plant/Office Building (Getac Taiwan Headquarters)

Wastewater test item	Discharge standard	Sampling result	Results
Hydrogen ion concentration (pH)	5-9	6.8 ~ 8.5	Pass
Chemical oxygen demand (COD) (mg/L)	600	7.2 ~ 136	Pass
Biochemical oxygen demand (BOD) (mg/L)	600	2.2 ~ 144	Pass
Suspended solids (SS) (mg/L)	1200	6.0 ~ 433	Pass

Getac Kunshan Plants Wastewater Discharged Test Results

Wastewater test item	Discharge standard	Annual average monitoring value		
		2014	2015	2016
Chemical oxygen demand (COD) (mg/L)	500	38.1	473	177
Biochemical oxygen demand (BOD) (mg/L)	300	11.8	192	46.3
Suspended solids (SS) (mg/L)	400	22	132	56



5.3

Air Pollution Prevention

In addition to promulgating the importance of low-carbon production to mitigating global warming, Getac also aims to effectively manage air pollution prevention as an environmental measure. Getac's Taiwan headquarters is an office environment without any production facilities; therefore, it conducts semi-annual monitoring of indoor air quality according to the Guidelines for Implementation of Labor Workplace Environmental Monitoring. According to the environmental test result for 2016, the CO₂ concentration was lower than the statutory standard of 5,000 ppm, and no other air pollutants were emitted into the atmosphere.

At Kunshan China, where our production plants are located, the local environmental laws and regulations impose strict requirements on pollutant emission and mandate the need to obtain a permit for pollutant discharge and undergo periodic testing and inspection. If a plant is tested to have exceeded the statutory standard, significant amount of fine may be imposed, and in severe cases, the plant can be ordered to suspend its operation or shut down. Kunshan plants have formulated waste gas management procedure as a means of air pollution control; this procedure serves to ensure that the

pollutant emitted into the atmosphere meets government regulations. A production process does not emit NO_x and SO_x, but it does produce trace amount of volatile organic compounds (VOCs)¹⁰. Therefore, the Kunshan plants regularly receive sampling inspection by third-party testing agencies. According to the inspection result for 2016, the

average discharge concentration of VOC measured only 5.64 mg/m³, and the other indicators remained within the acceptable range of the standard. In addition, no environmental fines were imposed on Kunshan plants. We will continue to comply with regulatory standards and endeavor to maintain a clean environment

Getac Kunshan Plants Air Pollution Monitoring Result¹¹

Test Item	2016		
	Annual emissions (kg)	Annual average monitoring value (mg/m ³)	Discharge standard (mg/m ³)
TVOC	330	5.64	N/A
Non-methane hydrocarbon	720	12.6	120
Particulate matter	177	3.1	120
Ethyl acetate	3300	60.2	N/A
Acetone	81	1.43	N/A
Cyclohexanone	Undetected	Undetected	N/A

¹⁰ There are no regulatory standards for TVOC discharge in Kunshan area.

¹¹ Calculated based on the test report of Jiangsu Kangda Testing Technology Co., Ltd.

5.4

Raw Material Recycling and Waste Disposal

Waste Disposal

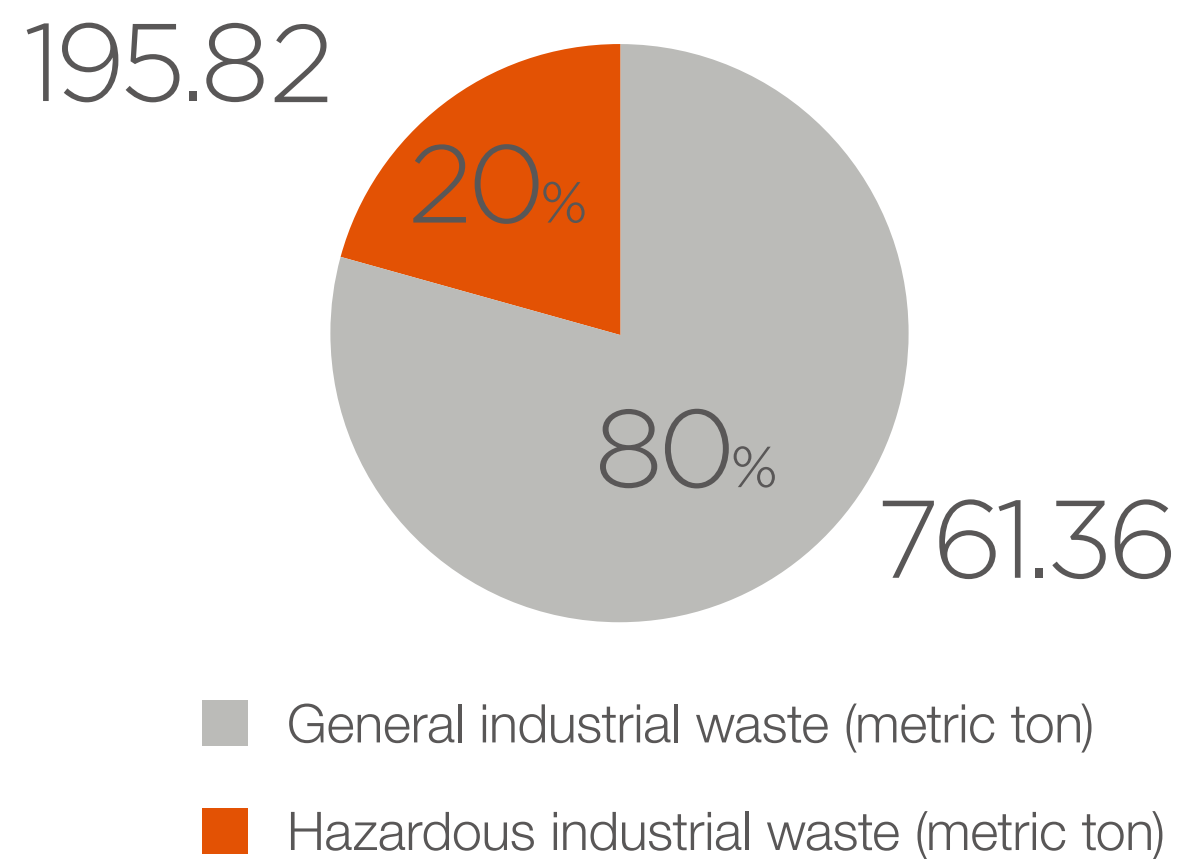
Getac has setup a waste resource management unit. Adhering to the concept of resource sustainability, the Company is committed to reducing waste output at the source and reusing waste to prevent unnecessary wastage.

Getac’s production plants in Kunshan have developed waste management procedures in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and relevant ISO14001 system. At the beginning of every year, Kunshan plants devise annual management program for hazardous wastes and estimates the volume of hazardous wastes to be processed. After this program is submitted to government agencies for approval, legitimate waste treatment companies are commissioned to dispose of the waste in accordance with law. Meanwhile, all hazardous wastes must be documented and registered on the government’s online management system so that the entire process of waste transportation and handling is monitored and assessed. Topics on environmental protection are integrated in educational courses for plant level, workshop level, and employee

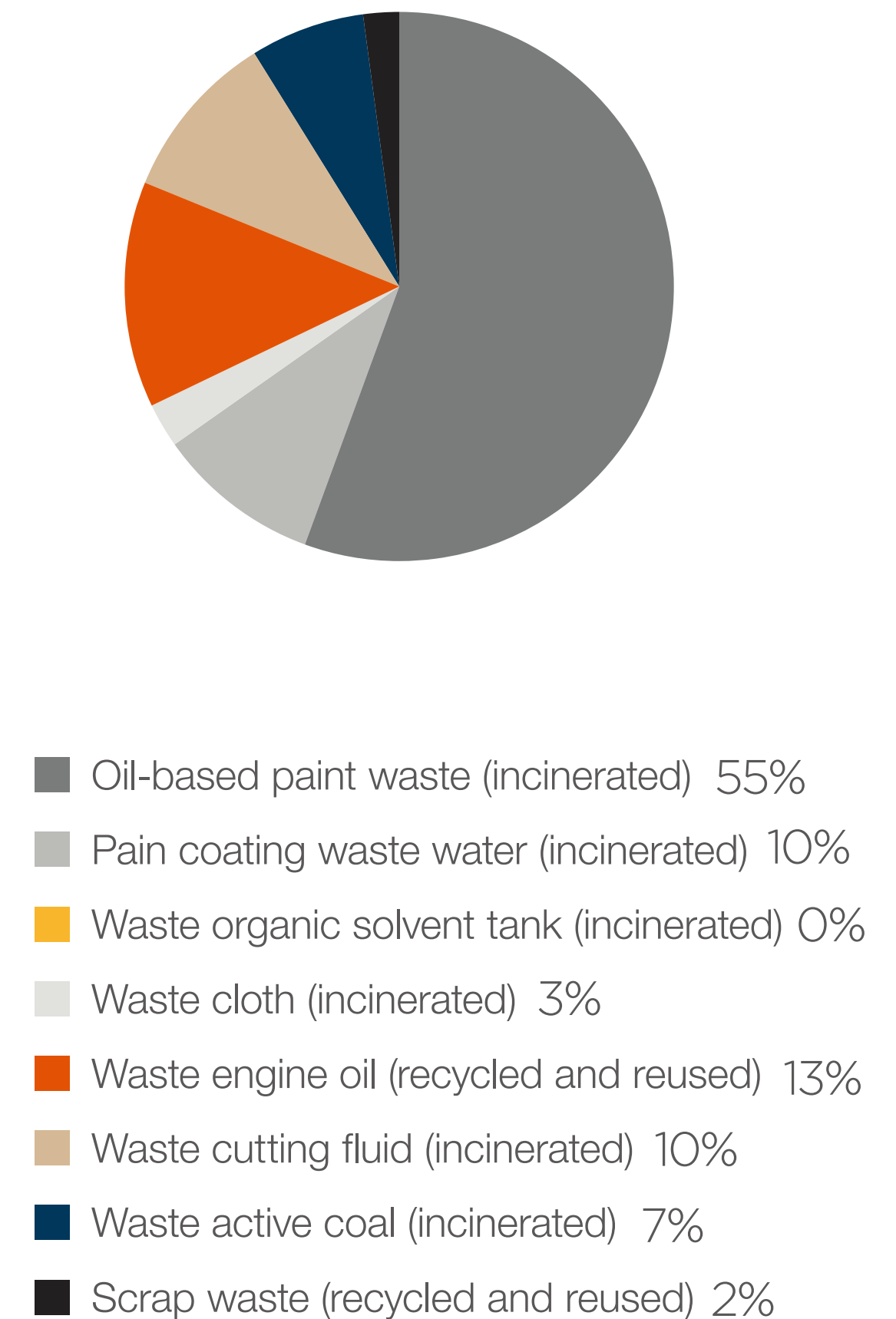
group level. Each employee must complete at least 24 hours of training throughout the year.

In 2016, the production plants in Kunshan generated 957 metric tons of waste in total. General industrial wastes, including domestic waste and waste papers, accounted for 80% of the total waste, whereas hazardous industrial wastes accounted for 20%, more than half of which is composed of oil-based paint waste and the other half contains waste engine oil and cutting fluid waste. In 2016, the wastes were transported and disposed of within regulatory requirements, and no environmental fines were imposed. Additionally, the plant did not transport hazardous waste overseas.

2016 Getac Kunshan Plants Waste Output



2016 Getac Kunshan Plants Hazardous Waste by type And Disposal method by commissioned vendors

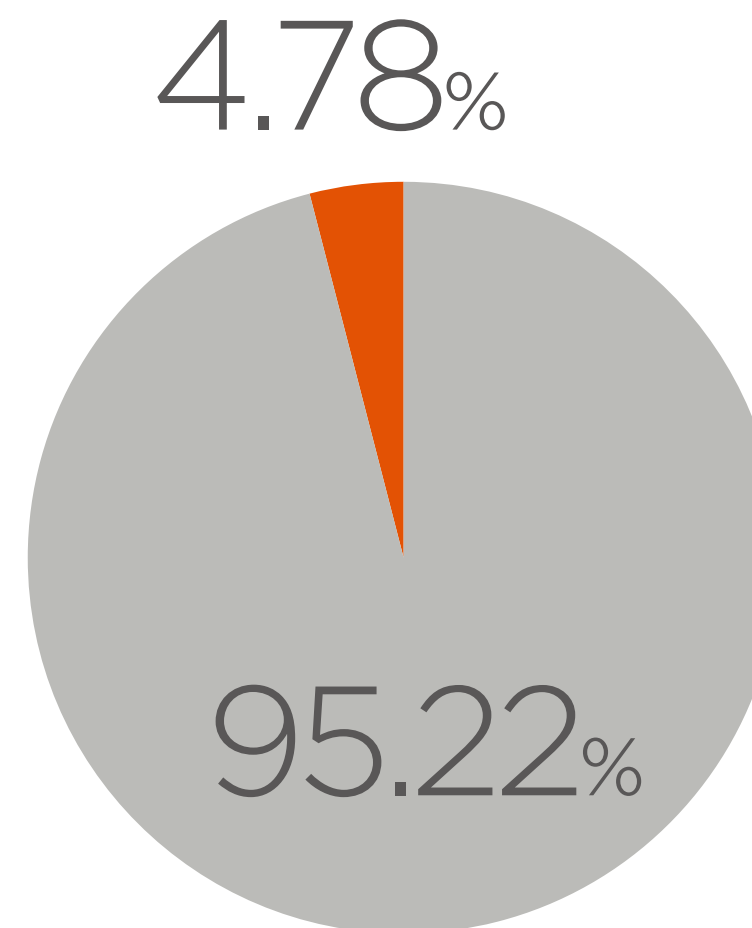


Raw Material Recycling

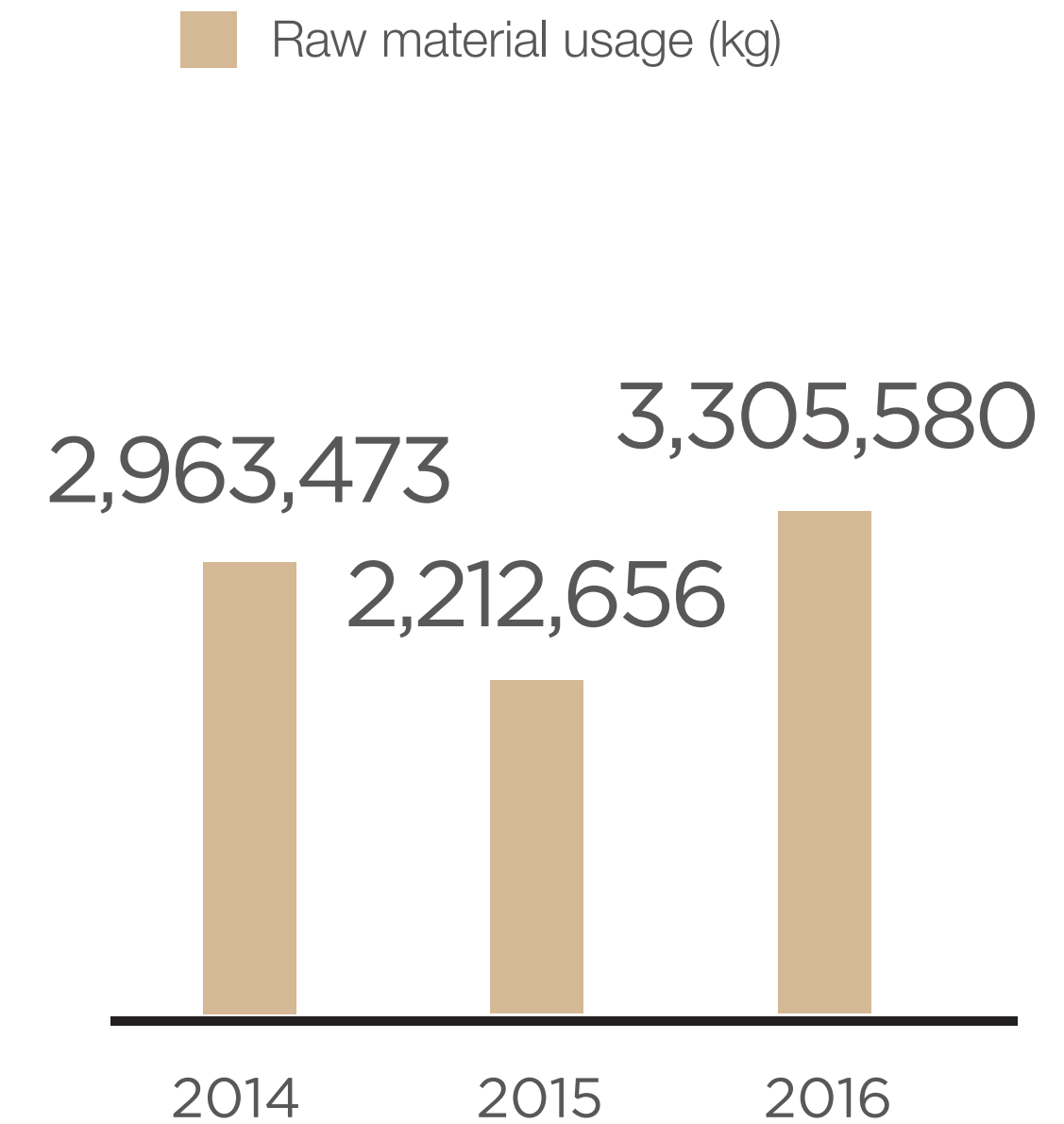
MPTK production plant primarily sells plastic casing made using plastic resins. In 2016, MPTK purchased 3,306 metric tons of raw materials, and began using recycled materials as of 2016 in response to environmental initiatives and customer requirements. This year, the Company purchased 158 metric tons of recycled materials from suppliers, which accounted for 4.78%¹² of the total raw materials purchased. It is expected that use of recycled materials will increase next year in order to facilitate resource reuse.

Percentage of recycled raw materials used by MPTK plants

- Non-recycled raw materials
- Recycled raw materials



Amount of raw materials used by MPTK plants



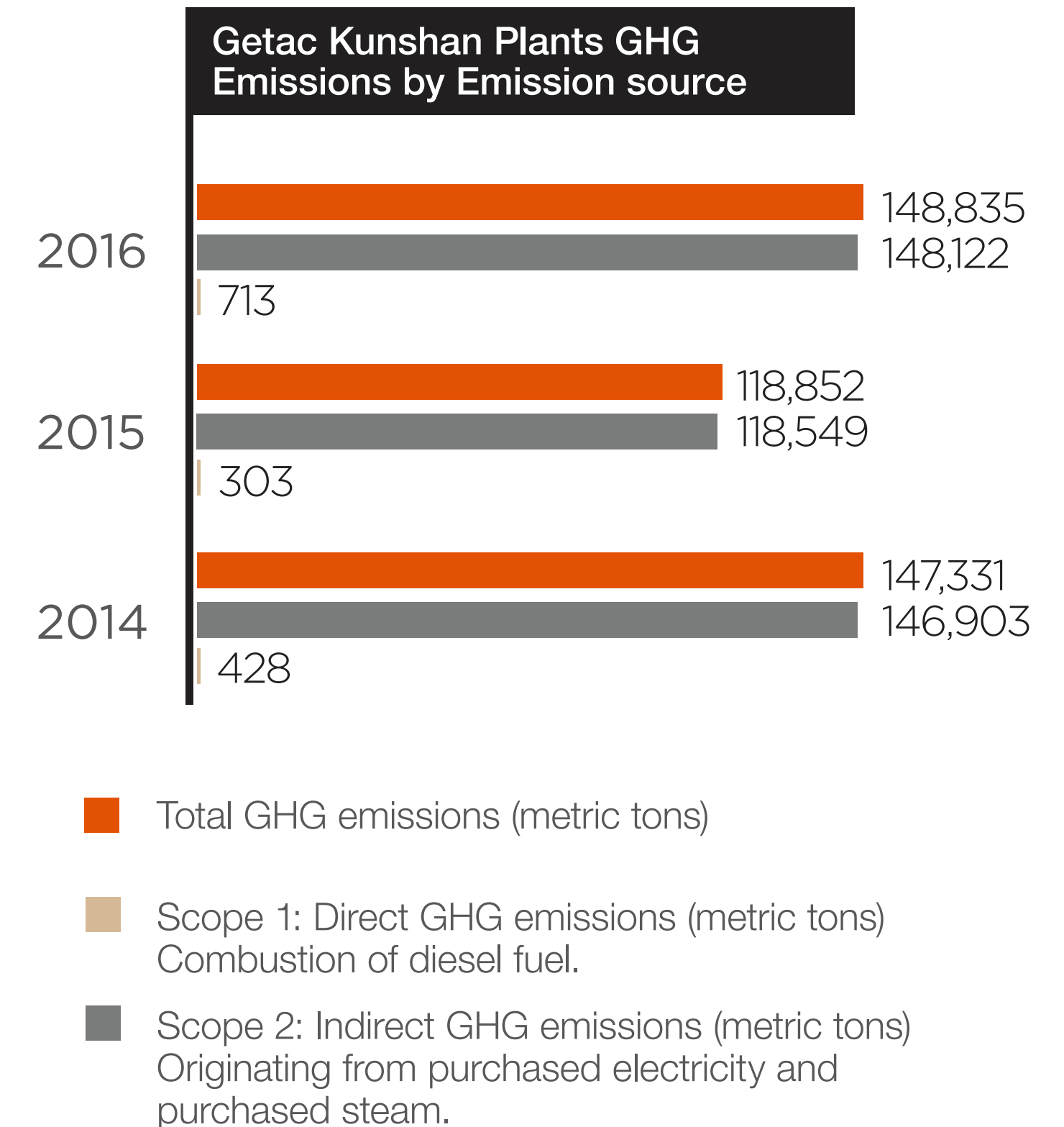
¹²Percentage of recycled materials used = (Amount of recycled raw materials used/amount of raw materials)*100%

5.5 CO2

Greenhouse Gas Emission Management

Greenhouse Gas (GHG) reduction is integral to defending against climate change and global warming. The Energy conservation and carbon reduction is the core value of environmental protection for Getac, and this value is realized by improving production efficiency at the source to reduce carbon emission and by managing the emissions and sources of GHG generated by the company’s business operations. MPTK plant conducts GHG inventory according to the standards provided by Kunshan City Government and its customers. GHG inventory includes calculating emissions, establishing an emission checklist, and monitoring the following GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC_s), perfluorocarbon (PFC_s), and sulfur hexafluoride (SF₆). Emissions by GTK production plant are calculated based on its total electricity consumption.

Presently, Kunshan production plants obtain its energy from purchased electricity, and over 60% of electricity in China is derived from conventional fossil-fuel power stations. Therefore, Getac’s Kunshan plants mainly emits Scope 2 GHG. The Kunshan plants emitted approximately 149,000 metric tons of GHG in 2016, showing no significant increase in the past three years. Based on the emission intensity, 0.5 metric tons of GHG are emitted for every US\$1,000 revenues made. The adoption of various energy saving measures in 2016 facilitated a cumulative savings of 3,032 MWh in electricity, which translates to a reduction of 1,601 metric tons carbon emissions¹³.



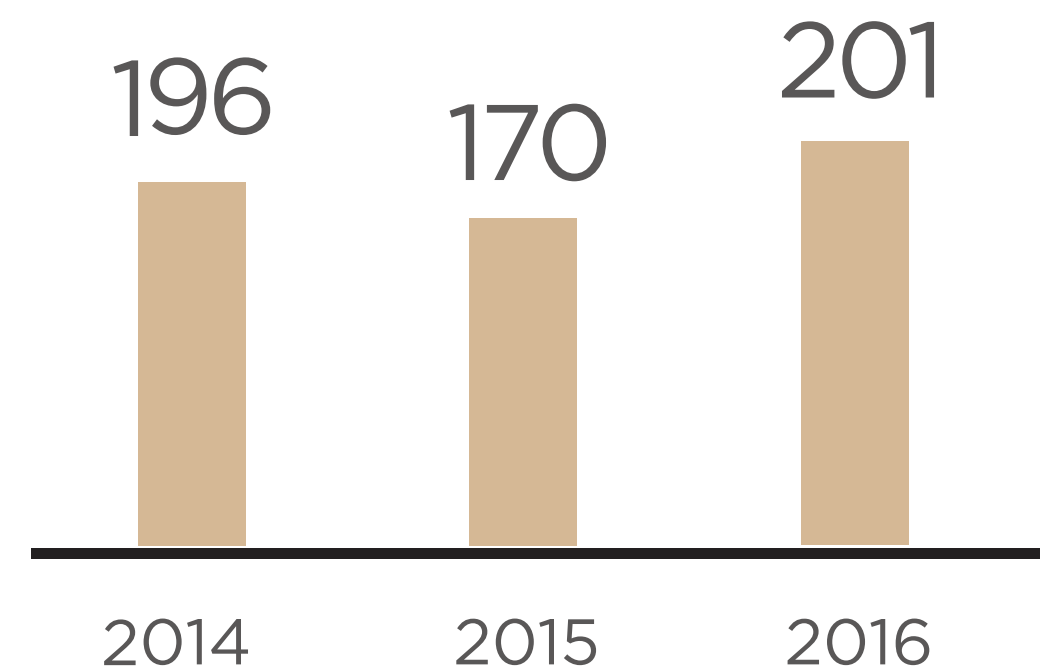
¹³The carbon dioxide emission coefficient for electricity published by the Bureau of Energy was 0.528 kg/kWh; therefore, saving 3,031,741 kWh of electricity is equivalent to a reduction of 1,601 metric tons carbon emission

Low-Carbon Transportation

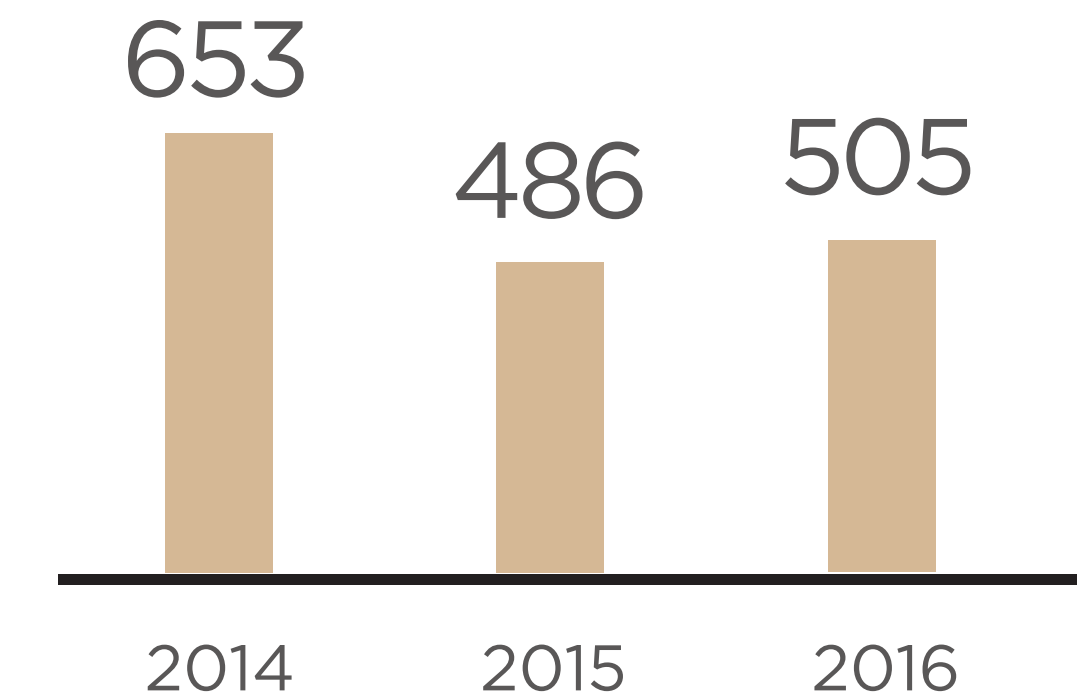
Getac insists on using low-carbon transport routes. To reduce the GHG emissions during raw material transport, our production plants in Kunshan adopts energy-efficient vehicles in accordance with local environmental laws and regulations, and establishes a Transport Vehicle Management Center, which is responsible for planning the most economical route based on traveling routes and driving time.

Additionally, we collaborated with suppliers to work on improving transportation methods that allow consolidated transportation of raw materials that initially need to be transported frequently. Thus, fuel conservation and carbon reduction can be achieved. Five hundred and sixty trips were saved during transportation of raw materials from 2014 to 2016, saving approximately NT\$1.64 million in transportation. Although the amount of revenue generated by shipment activities increased in 2016, a higher number of trips were saved compared to 2015. We will continue to encourage energy conservation and carbon reduction, while taking into consideration GHG emissions from organizational activities in overall planning to maximize green benefits.

Getac Logistics Transportation Saving
(Number of trips reduced)



Getac Logistics Transportation Cost Saving (NT\$ Thousands)



6.0 Friendly Workplace



6.1

Talent Composition

Getac recruits, employs, and cultivates talents according to principles of fairness and equality because we depend on the capabilities of our employees. The recruitment procedure is based on local regulatory standards, choosing suitable talents irrespective of their race, religious belief, nationality, political tendency, age, and marital status.

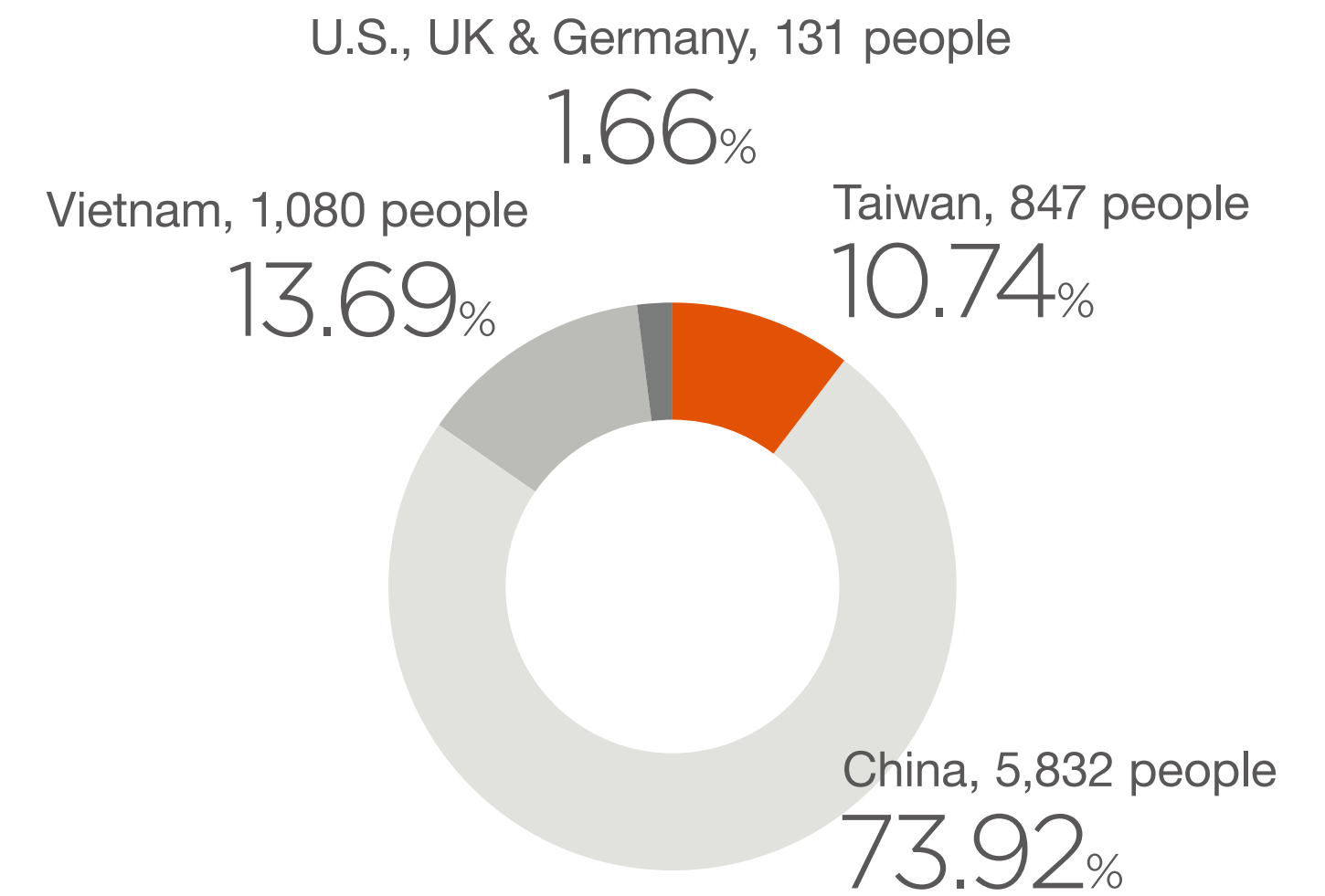
In 2016, Getac has 7,890 employees in total around the world (including all consolidated individuals), 10.74% of which are based in the administration and R&D base in Taiwan headquarters, and 1.66% of them are based in European and American countries. Most of the employees are concentrated in the production plants in China and Vietnam, respectively accounting for 73.92% and 13.6% of all employees. This Report is mainly focused on Getac Taiwan headquarters and the two production plants in Kunshan (MPTK and GTK). The total number of employees reached 4,327 in 2016, which reflected a growth of 21.37% because more employees were hired in response to growth in sales performance.

Getac Taiwan headquarters focuses on administration work and R&D; therefore, the number of employees working at the headquarters accounted for 10.95%, and the remaining 89.05% is concentrated in Kunshan

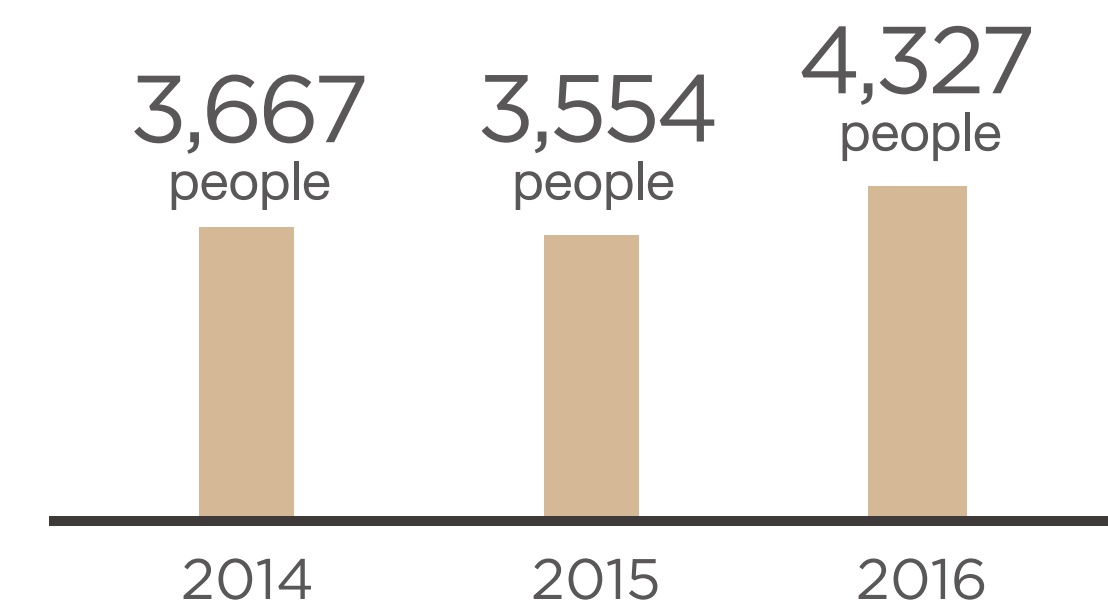
production bases; direct and indirect employees respectively account for 61.96% and 38.05% of all employees. In terms of gender ratio, most of our R&D workers are men because of the nature of our industry, and our production plants are mainly male employees (64.16%) compared with female employees (35.84%) because the nature of work involves heavy machineries. Employees aged 30–50 years accounted for 36.08% of all employees. We continued to recruit new-generation talents and promote outstanding employees within the organization.

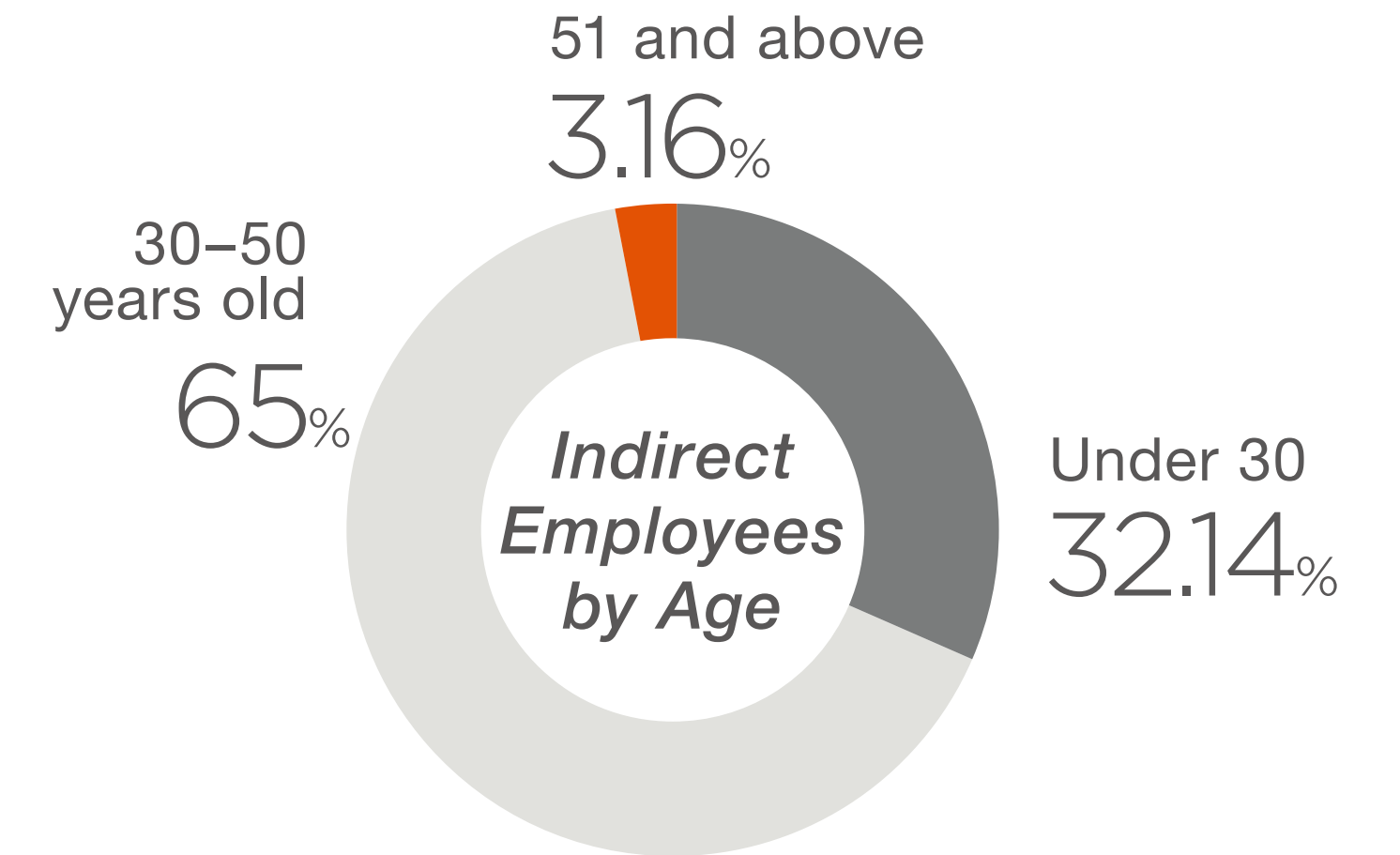
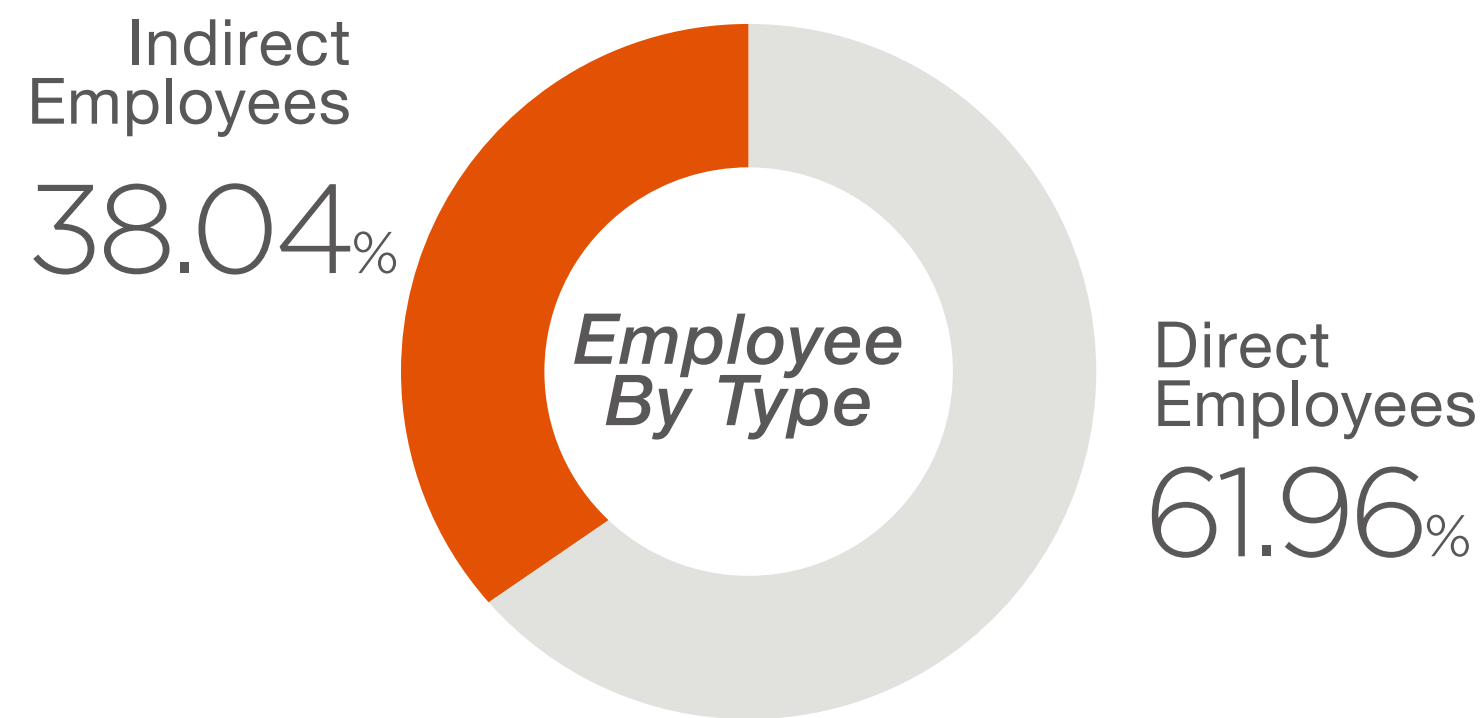
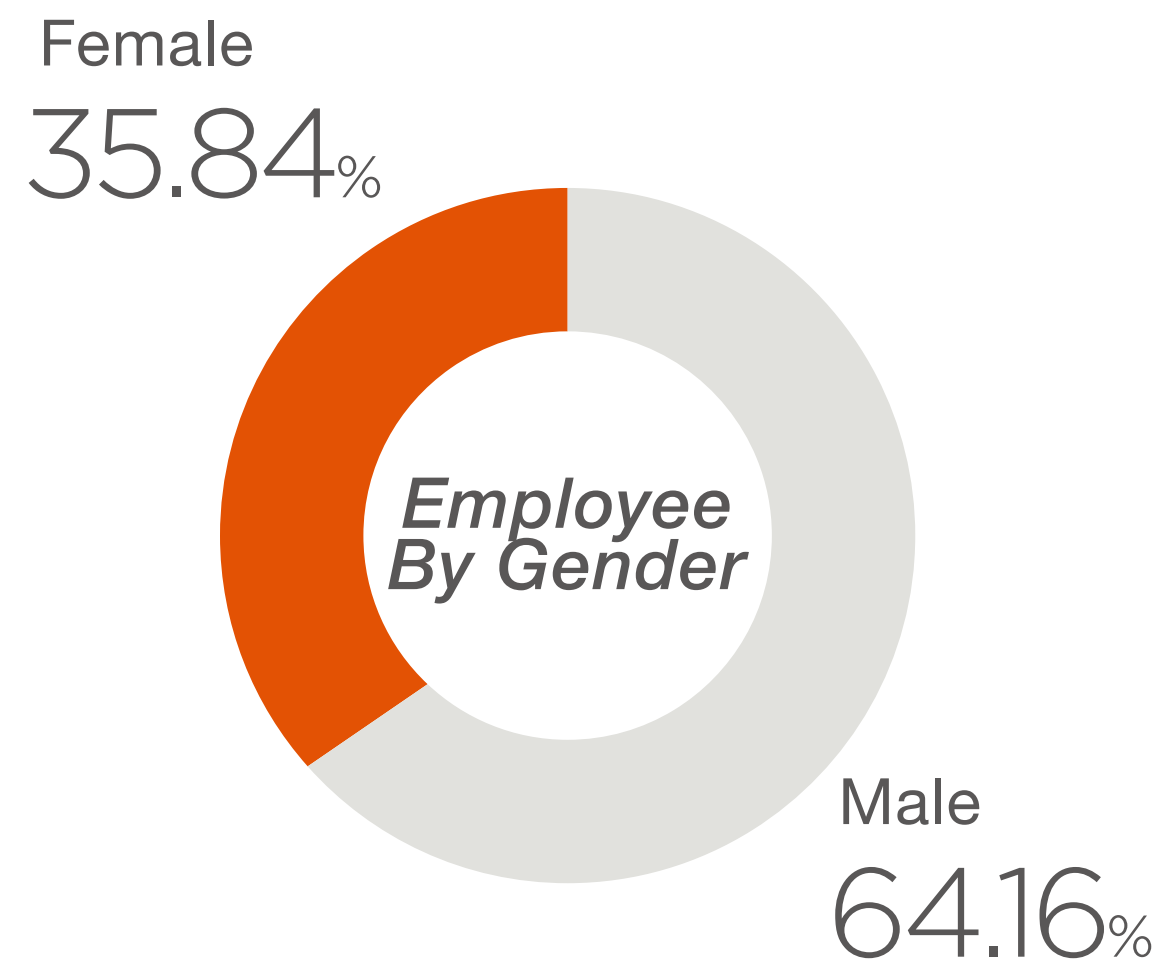
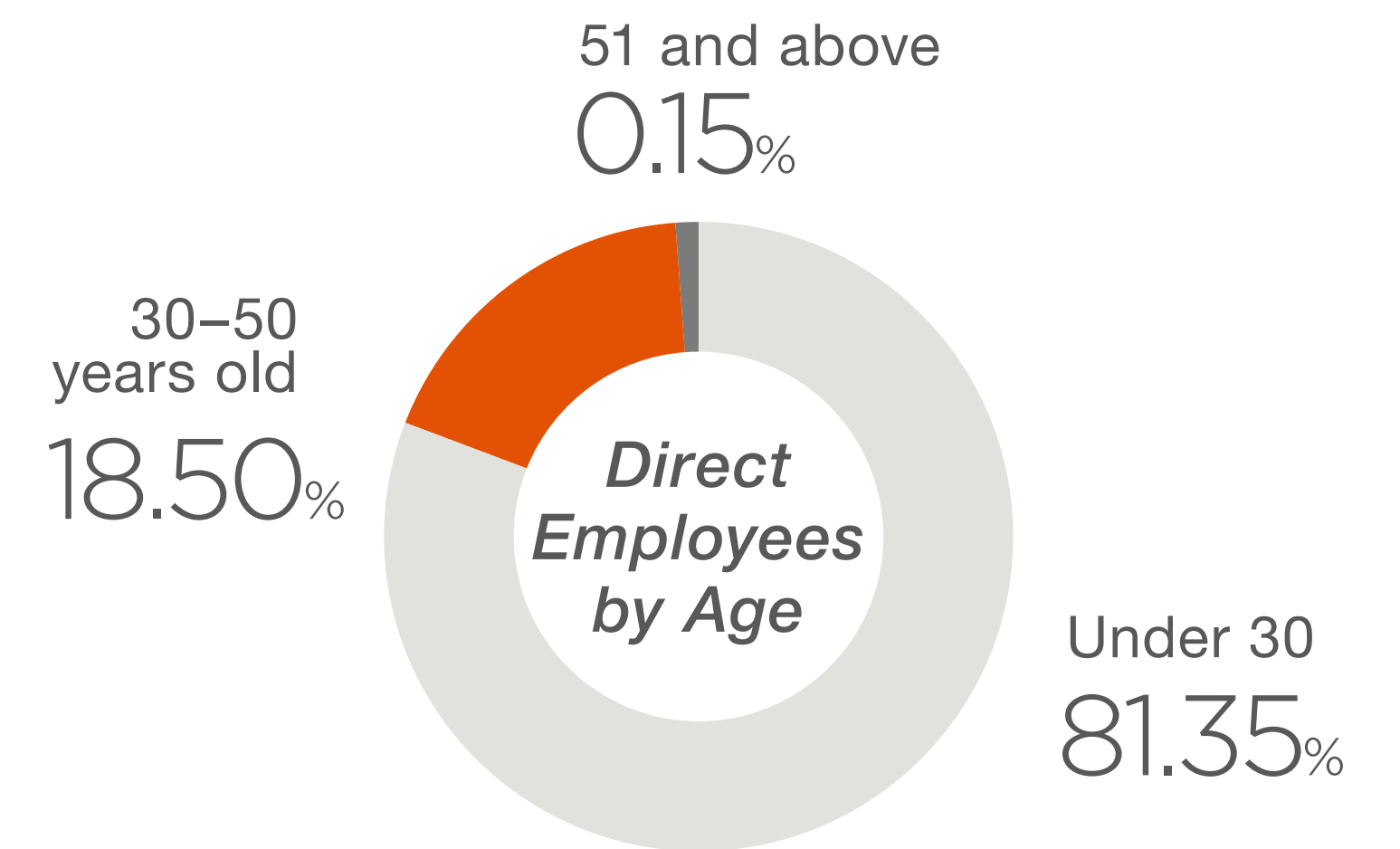
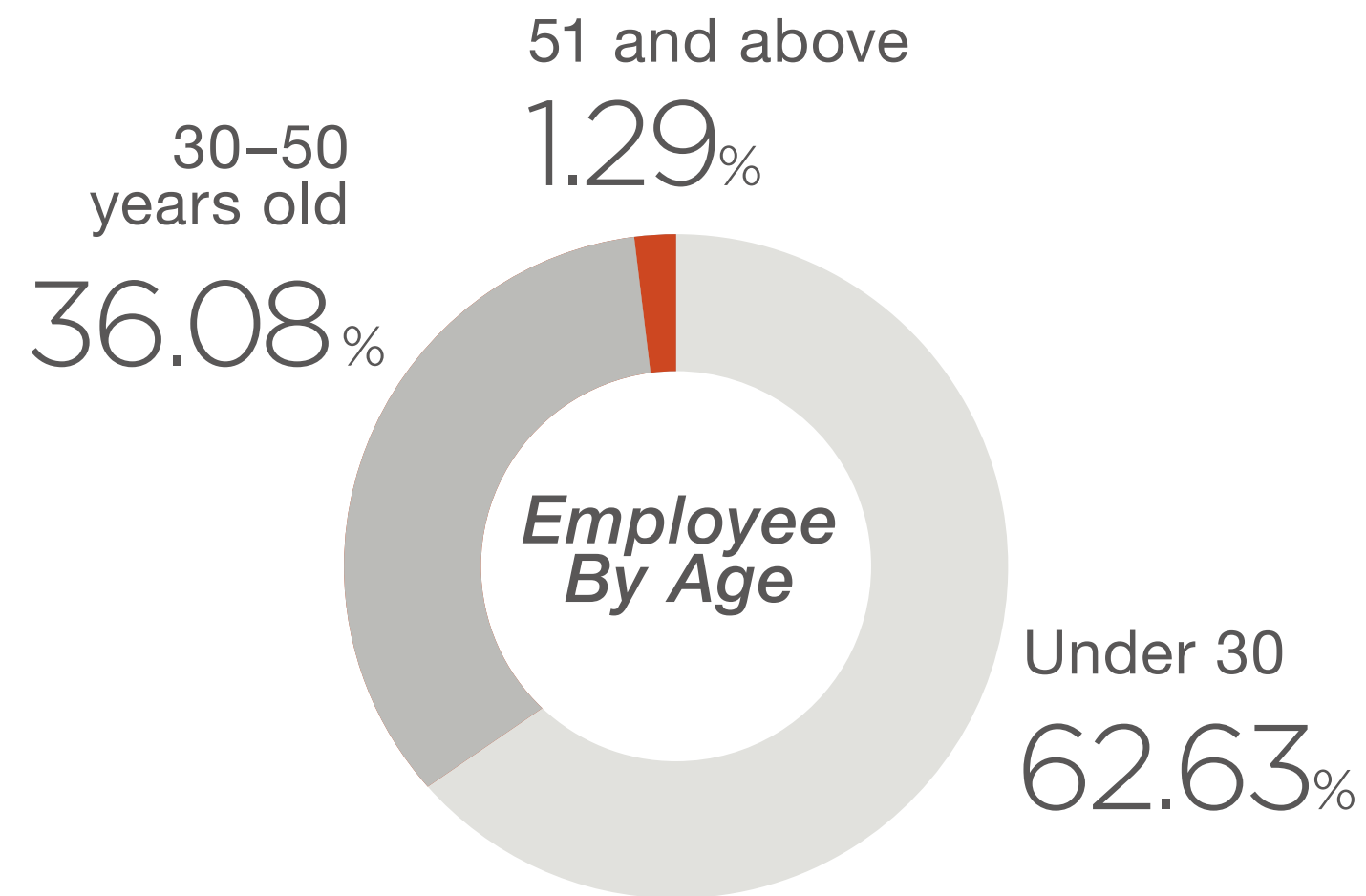
To date, almost all of our employees (100%) work full time; except for Taiwan headquarters where there are two part-time employees, the remaining business locations are composed of full-time employees. We also hire two employees with physical and mental disabilities in pursuant to law, and if we do not meet the disability employment target, a compensation fee must be paid. According to the Law of the People's Republic of China on Employment Contracts, employees must sign a an employment contract with their employers; therefore, Kunshan production plants hired only full time employees and did not employ contract workers.

Getac Worldwide Employees by geographic region



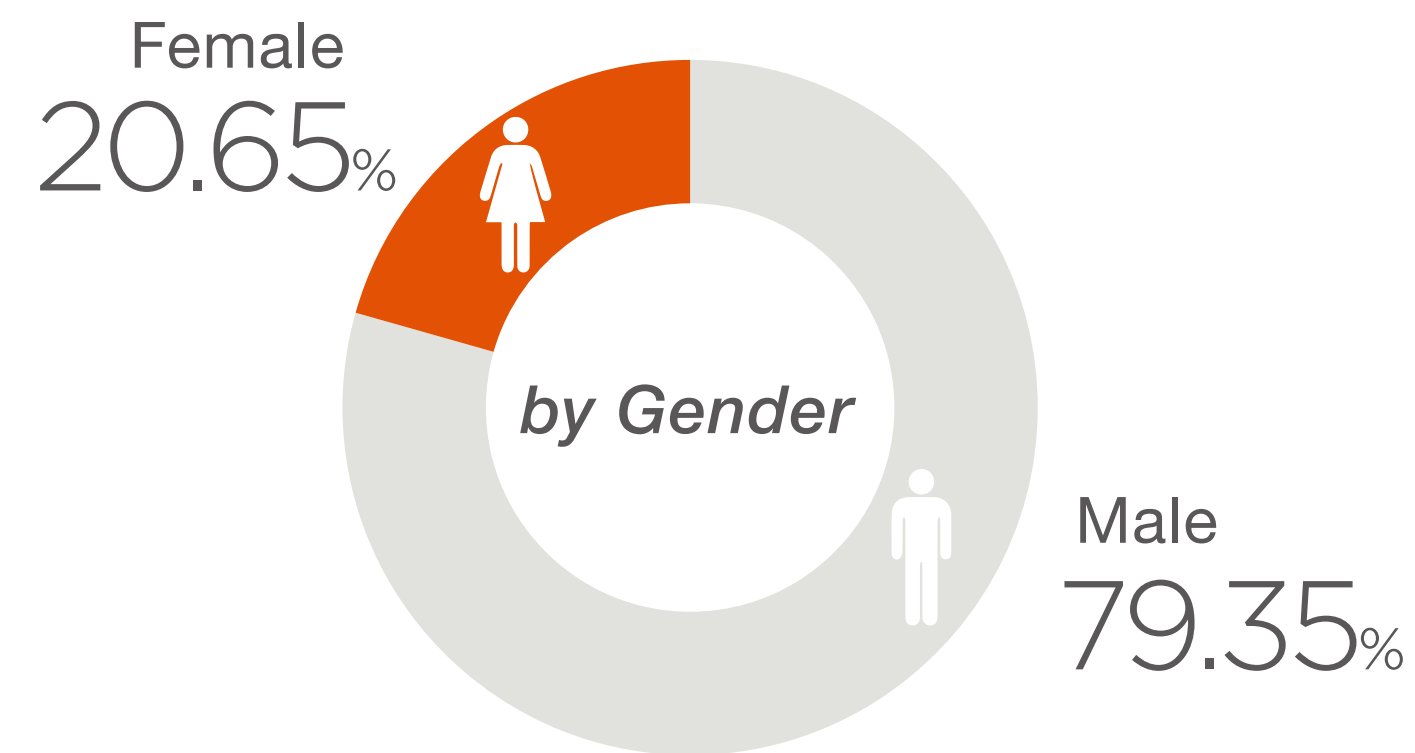
Total Number of Getac Employees (Within the disclosure boundary of this report)



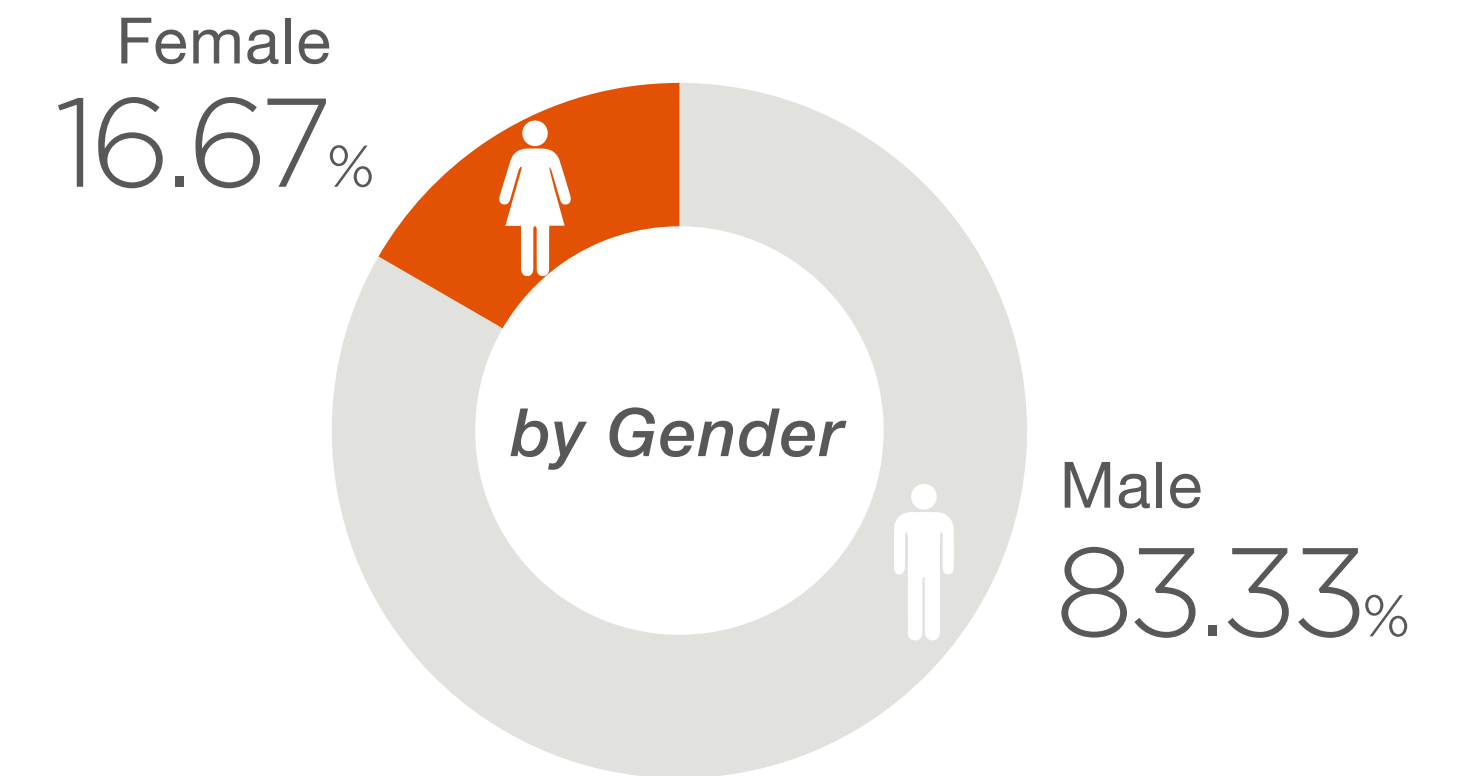


Concerning employee promotion, Getac upholds the principles of fairness, objectivity, diversification, and localization, hiring individuals with skills and talent. The ratio of local management¹⁴ in Taiwan headquarters and Kunshan production plants was 100% and 56.63%, respectively; the ratio of Female management in in Taiwan and Kunshan production plants was 20.65% and 16.67%, respectively.

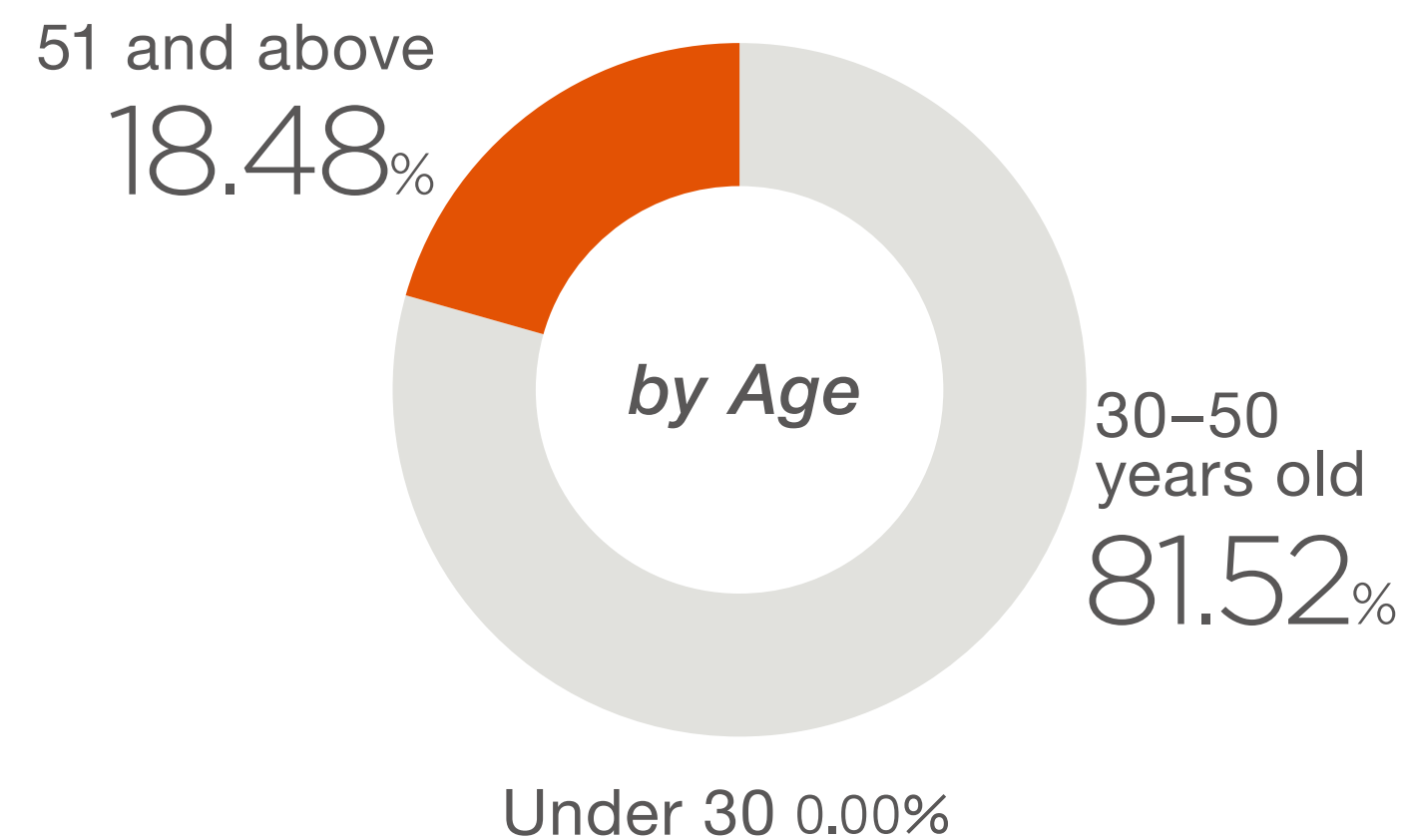
Management in Taiwan



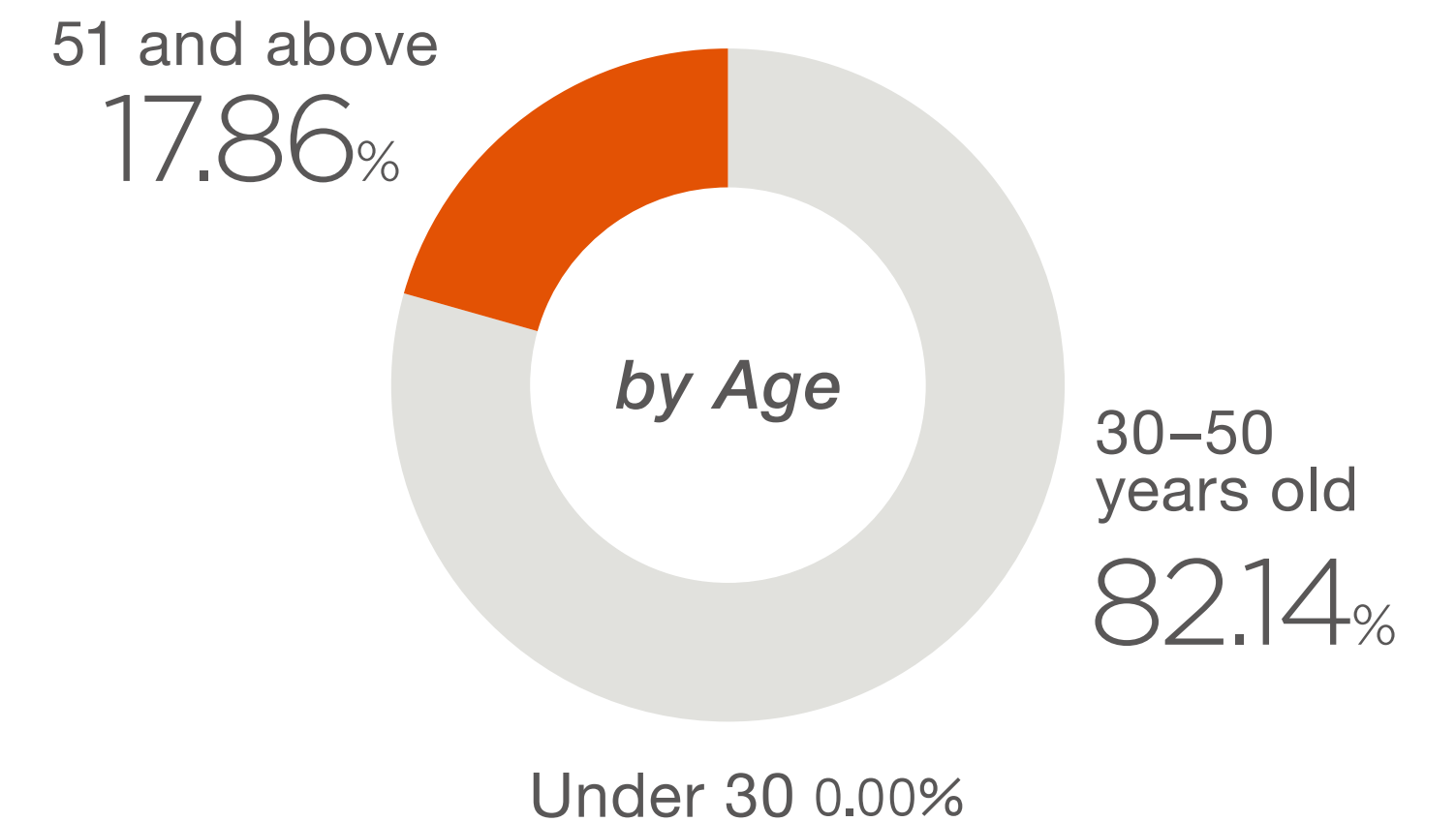
Management in Kunshan



Management in Taiwan



Management in Kunshan



¹⁴Management is defined as manager level or above

6.2

Employee Rights and Interests

As a corporate citizen, Getac is committed to creating a happy, safe workplace teeming with vitality to afford all employees a safe and reasonable working environment where their rights and interests are guarded. The company's work rules specify requirements on work hours, equal employment, freedom of association, salary and welfare, career development, and occupational health and safety in order to protect the rights and interests of our employees.

Concern for Labor Rights and Prohibiting Against Use of Child Labor

Getac has invariably adhered to local laws and regulations, including provisions on human rights, labor, and child labor in Taiwan's Labor Standard Act and Kunshan's Labor Law of the People's Republic of China. Getac is also dedicated to complying with the international human right standards of Electronic Industry citizenship coalition Code of Conduct (EICC) by forbidding forced labor and prohibiting against the hiring of underage children. Since 2014 when MPTK plant officially incorporated the evaluation mechanism of the EICC, it has complied with EICC regulations

and subjected to rigorous monitoring. In 2016, 35.22% of all employees took part in the EICC labor and human rights policy inspection.

To ensure absolute execution, the production bases in Kunshan have formulated the Regulations Governing Child Labor and Underage Worker Management to implement management at the source. When recruiting employees, the human resource division employs second-generation ID identifier to verify the authenticity of applicants' identity and age. The identifier is integrated with the fool-proofing system, which automatically identifies underage applicants according to the age they enter on the system, and then blocks the applicants from completing the recruitment procedure. The system then notifies the HR department for subsequent handling process. To prevent identity theft among employees, the interviewer will randomly choose applicants and have them confirm their own personal information by providing their ID number or birth date, and while they do so, the interviewer will observe their reactions and behavior.

Getac also extends EICC concepts to its partnering suppliers. The Long-Term Procurement Contract

mandates suppliers to comply with EICC regulations. In 2016, Taiwan headquarters and Kunshan production bases fulfilled the annual performance criteria, as evident by the results of governmental, EICC, or external investigations, which indicated no violations of human rights, discrimination, or infringement of local indigenous rights, nor were there use of child labor, slavery, or activities of human trafficking.

Harmonious Labor-Management Relations

Employees are a company's key asset for sustainable development. Getac is committed to creating a transparent, open corporate culture by providing competitive salary welfare, comprehensive training programs, and comfortable and safe workplace to motivate employee retention and attract potential employees. If employees submit their resignation, Getac immediately arranges a meeting to determine their reason of leave and persuade them to stay. In 2016, the new employment rate of Taiwan headquarters and production bases in Kunshan was higher than their turnover rate, with Taiwan headquarters and Kunshan plants registering an average turnover rate of 13.08% and 125.18%, respectively.

Labor-Management Communications

To establish a harmonious labor-management relation and promote labor management cooperation, Getac values the importance of thorough labor-management communication. Taiwan headquarters is focused on administration and R&D, which is why it has not yet established a worker's union. However, it regularly holds labor-management meetings in accordance with Article 83 of the Labor Standard Act and the Regulations for Implementing Labor-Management Meeting. On December 29, 2014, three people representing the employer and nine people representing the employees were appointed. All employees can provide suggestions through employer and employee representatives. In 2016, three labor-management meetings were held. The production plants in Kunshan have established, in accordance with local regulations, established a union organization composed of 63 committee members. All employees of Kunshan plants are union members fully covered by collective agreements and are able to communicate with employers through this union.

In light of material changes to business operations, Getac will notify the affected employees in advance in pursuant to local laws and regulations. According

to the Labor Standard Act in Taiwan, the employees must be notified 10 to 30 days in advance depending on their seniority. According to the Trade Union Law of the People's Republic of China, employees working in Kunshan plants must be informed of the situation 30 days in advance.

Getac values the needs of each employee. We listen to and communicate with employees at all times. In addition to regular employee conferences and quarterly e-newsletters, the company's internal portal is used to announce information and encourage supervisors to talk to employees face to face. Such bilateral communication ensures absolute protection to employees' rights and welfare. When new employees in Kunshan participate in orientation training programs, they are given an employee handbook, which details information on training programs, compensation and welfare, health and safety, and grievance mechanisms.

To implement workplace equality, the Company has adopted the Regulations for Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace, and established a 'Speak Out Employee Grievance Channel and Sexual Harassment Grievance Channel' for Taiwan headquarters, which are used to quickly and efficiently resolve any problems employees have of the company. Furthermore, we adopt prudent personal information protection

regulations to secure employees' freedom of speech and confidentiality. At the production plants in Kunshan, employee mailbox and dedicated personnel responsible for handling employee relation affairs were established. Additionally, a Getac Perspective WeChat Platform aimed at encouraging internal employees or external stakeholders to file grievances, if any. The head of relevant divisions is authorized to process these grievances.

Taiwan headquarters and Kunshan production plants received 24 internal and external grievances in 2016, which have been resolved following coordination and negotiation. There were no labor-management disputes in 2016.

Getac Turnover Rate in 2016

		New Recruits			Turnover		
		No. of persons	Monthly employment rate	Yearly employment rate	No. of persons	Monthly turnover rate	Yearly turnover rate
Taiwan Headquarters		73	1.28%	15.40%	62	1.09%	13.08%
China Kunshan		5265	11.39%	136.65%	4823	10.43%	125.18%
Taiwan Headquarters	Male	49	0.86%	10.30%	37	0.65%	7.80%
	Female	24	0.42%	5.10%	25	0.44%	5.28%
China Kunshan	Male	3265	7.06%	84.72%	2920	6.32%	75.79%
	Female	2000	4.33%	51.91%	1903	4.12%	49.39%
Taiwan Headquarters	Under 30	18	0.32%	3.8%	6	0.11%	1.27%
	31-50 years old	55	0.96%	11.60%	52	0.91%	10.97%
	51 and above	9	2.34%	28.08%	4	0.07%	0.84%
China Kunshan	Under 30	4638	10.03%	120.37%	4276	9.25%	110.99%
	31-50 years old	626	1.35%	16.25%	546	1.18%	14.17%
	51 and above	1	0%	0.03%	1	0%	0.03%

Getac Employee Grievance Channel (and Sexual Harassment Grievance Channel)

Getac HQ :

✉ Speakout_Getac@getac.com.tw

☎ Hotline : (02)2653-2885

Getac Kunshan Plants region:

✉ Speakout.kshr@mpt-solution.com.cn

 Getac Perspective WeChat Platform

* Employment rate = Number of new employees/Total no. of employees

* Turnover rate = Number of resignations/Total no. of employees

Freedom of Association

Getac respects employees' freedom of association. The Staff Welfare Committee has adopted the Social Club Application and Subsidy Regulations, which is disclosed on the company's internal portal. A social club may be established if it involves legit leisure, cultural, and entertainment activities participated by 12 or more employees. Each club can receive up to NT\$6,000 subsidy every quarter to encourage employees to keep fit and balance their work and leisure life. Getac has approved the establishment of 14 different employee clubs in 2016, covering sports, language learning, arts and culture.



6.3

Salary and Benefits 

Compensation System

Getac embraces talent as the source to value creation for a corporation. In the areas of general employee salary and benefits, the Remuneration Committee regularly performs industry salary investigation to compare the Company's employee benefit measures with those of the market so as to provide competitive welfare packages for its employees. According to the company's annual business performance, employee bonus distribution is assessed, and the results are approved by the Board of Directors and resolved at the shareholders' meetings.

An enticing bonus is expected to attract, retain, and encourage outstanding employees. The basic salary offered by our Taiwan headquarters and Kunshan plants satisfies the minimum statutory requirement of local regulations. The basic salaries and salary adjustments vary according to employees' performance and seniority and are unaffected by gender, race, religious belief, political stance, marital status, and union groups. Actual salaries may differ slightly.

The Company's salaries to male and female

employees do not differ by gender. The salary gap between male and female indirect employees of Taiwan headquarters in 2016 was 13%, whereas that between male and female managers was 7%. The ratio of male to female salaries for indirect employees and managers working in the Kunshan plants was 1:1. The salaries of employees based in Taiwan and those based in China differ by years of service and their job level and not by gender.

Retirement Plan

Our employee retirement system fully complies with the Labor Standards Act and the Labor Pension Act. The new labor pension policy is applied to employees who reported for duty beginning from (including) July 1, 2015. Every month, 6% of employees' salary is contributed by the company to the employees' individual labor pension account at the Bureau. Employees who reported for duty prior to (including) June 30, 2005 can choose to follow the new or old pension system as they wish. Getac has, in compliance with law, a Labor Pension Monitoring Management Committee in place. Pension funds under the old system are contributed to the dedicated

pension fund account at the Bank of Taiwan. The new and old pensions systems are all functioning normally thus far. Page 73 of the 2016 Annual Report provides details to pension allocation.

Ratios of Getac's Standard Wage for Entry Level Employees¹⁵ by Gender Compared to Local Regulatory Minimum Wage in 2016

	Taiwan Headquarters	China Kunshan
Male	1.8	1
Female	1.7	1

Ratio of Getac's Basic Salary and Remuneration of Female to Male by Employee Category in 2016

	Taiwan		China Kunshan	
	Male	Female	Male	Female
Direct Employees ¹⁶	N/A	N/A	1	1
Indirect Employees	1	0.87	1	0.89
Management	1	0.93	1	0.99

¹⁵Entry-level employees are defined as employees with the lowest job level

¹⁶There were no direct employees in Taiwan headquarters

Welfare System

Getac cares for employees' needs. In addition to compensation, comprehensive welfare measures are provided and arranged by the Welfare Committee. For employees working in Taiwan headquarters, the benefits include labor and health insurance, maternity and paternity leaves (or parental leave), group insurance, birthday and festive gifts, club funding, employee travel subsidies, employee canteen, gym, English course subsidies, and breastfeeding room. These benefits are superior to the requirements set by the Labor Standards Act. To boost employees' relations with their families and children, movie screenings are held every quarter and employees' families are encouraged to participate. Kunshan employees are entitled to maternity and paternity leaves, leave for female employees to breastfeed their babies at home, and various social insurance protection in accordance with local laws and regulations. In addition to employee travel subsidies and birthday gifts, allowances based on employees' job position are also provided.

To accommodate employees' need to care for their new born babies while tending to work with efficiency, the Company has complied with the Act of Gender Equality in Employment and formulated the Regulations for Implementing Unpaid Parental Leave for Raising Children, which state that employees with one year or more of work experience at Getac can

apply for a maximum of 2 years of unpaid parental leave before their children turn three years-old. After the completion of their unpaid parental leave, Getac will arrange for them to be reinstated and update them on the company's latest happenings. Getac's Taiwan headquarters projected a 100% reinstatement rate based on the number of people applying for unpaid parental leave in 2016, and a 100% position retention rate based on the number of people reinstated from unpaid parental leave in the previous

year and who have worked for one year since. The local Chinese Labor Law adopted in Kunshan did not provide a definition of "parental leave"; the law only specifies regulations for paternity leave, maternity leave, or leave for female employees to breastfeed their babies at home. Specifically, employees are entitled to 15 days of paternity leave; at least 128 days of maternity leave; and an hour of leave for female employees to breastfeed their babies before the baby turns one years-old.

Statistics of Getac's Unpaid Parental Leave

Item	Male	Female	Subtotal
Number of employees that actually applied for unpaid parental leave in 2016	1	0	1
Number of employees expected to be reinstated from unpaid parental leave in 2016	1	0	1
Number of employees actually reinstated from unpaid parental leave in 2016	1	0	1
Number of employees reinstated after taking a parental leave in 2015	0	1	1
Number of employees that worked for one year after reinstatement in 2015	0	1	1
Reinstatement rate	100%	0	100%
Retention rate	0	100%	100%

*Reinstatement rate: No. of employees reinstated in 2016 / Expected no. of employees to be reinstated in 2016*100%

*Retention rate: No. of employees that worked for one year after reinstatement in 2016 / No. of employees reinstated after taking unpaid parental leave in 2015*100%

6.4

Training and Talent Fostering

Planning of Training Programs

"Be the Best, Be Sincere and Honest, Take Responsibility, and Create Value" are the core values sustaining the corporate culture of Getac. On this foundation, we encourage employees to demonstrate their core competencies: creativity, critical thinking, complex problem solving, communication, collaboration, and leadership (collectively referred to as the "5C1L" competencies) in order to keep with the rapidly changing technology industry and lead the company toward continual growth. Therefore, Getac adopts the 5C1L competencies as the basis of employees' career development, providing comprehensive training courses for talent fostering. In 2016, Getac's Taiwan headquarters and Kunshan production plants¹⁷ have trained 4,723 employees, for a total training hour of more than 200,000 hours, with each person completing 47.58 hours of training on average.

Getac's 5C1L Core Competencies

Creativity
Foster employees' innovative thinking to equip them with the ability to defeat their opponents by surprise.
Critical Thinking
Foster employees' ability to reflect on their experience, think critically, be aware of themselves at all time, and make adjustments.
Complex Problem
Foster employees' ability to have the courage to face and solve complex problems.
Communication
Foster employees' ability to communicate and coordinate with their team members.
Collaboration
Foster employees' ability to develop teamwork and work closely with their peers to achieve goals.
Leadership
Foster employees' ability to lead.

Performance Evaluation

A comprehensive performance evaluation system is in place. All employees are required to establish, at the beginning of the year, departmental and individual performance goals based on the company's strategies and their career development plans, then examine the implementation results in the middle of the year, and adjust these goals according to the company's business performance. Employee self-assessment and supervisor performance evaluation are conducted at the end of the year. The evaluation results will serve as the standard for salary determination and adjustment. Getac is equipped with a mature performance evaluation system that is currently fully implemented. In 2016, all employees at both Taiwan headquarters and Kunshan production bases have undergone performance evaluation. New employees become permanent employees after having worked for 3 months. Every year, their performance and career development plans are evaluated regularly.



¹⁷Excluding R.O.C employees

Getac Taiwan Headquarters Employees Training Programs

Type	Course Content
New employee training	Introduction to sales division, major internal regulations, employee grievance channels, and reporting measures.
Professional Training	Courses vary by job position.
Laws and regulations, human right, labor rights, occupational safety	Monthly supervisor meeting is held to discuss sustainability issues, including updates to legal regulations, ethical management and anti-corruption, labor rights, human rights, occupational safety, and gender work equality The supervisor meeting in 2016 was attended by 240 people, each person subjecting to 8 training hours in total.
Occupational safety training	New employees must attend talks on fire prevention and safety propaganda.
Security personnel training	External security company is requested to ensure its security personnel completes training courses on human rights during their period of employment for the Company.



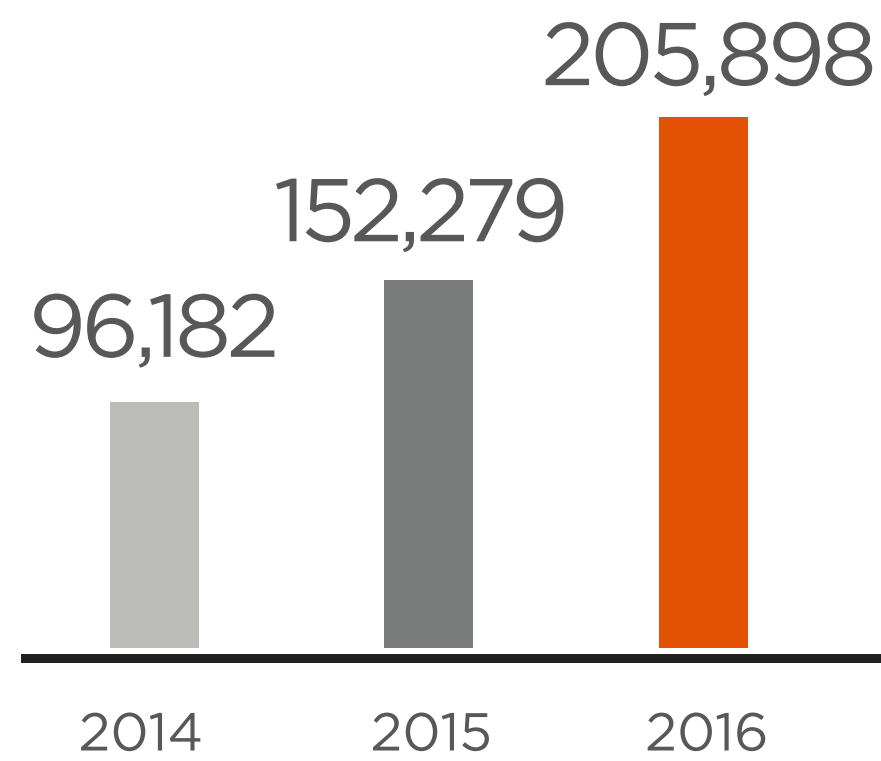
Getac Kunshan Plants Training Programs

Goal: Direct employees must receive at least 48 hours of training every year, whereas indirect employees must complete at least 54 hours of training.

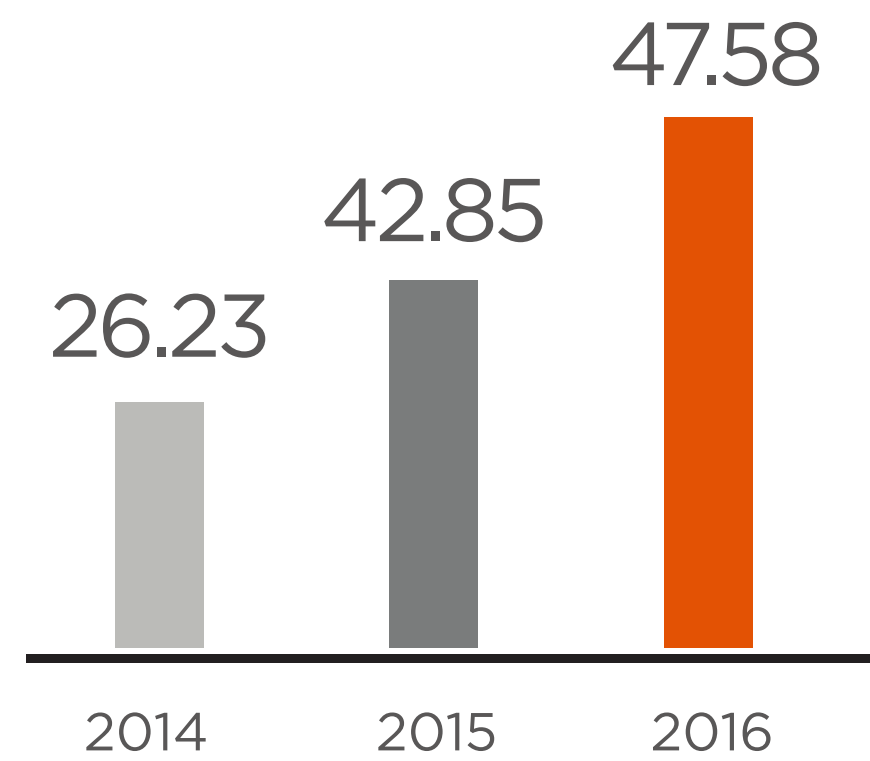
Type	Course Content
New employee training	Safety mechanisms of the plant, employee rules, and occupational skills and language learning according to job position.
Professional Training	Courses include skills training, environmental safety, corporate culture, business English learning, and multiple soft training courses. If necessary, employees can apply to take external training courses. Between 2014 and 2016, the courses were aimed at achieving "change, breakthrough, innovation, and improvements" focusing on the establishing of a new corporate culture and relevant training. In the past three years, 850 people were trained for a total of 6,800 hours.
Occupational safety training	Three-level safety training program targeting occupational safety and health, emergency response, and labor protective devices.
Online training	An online Training Development System was established and linked to WeChat. Employees are equipped with their own independent learning system that allows them to see their learning progress on their mobile phones.
Human rights related training	In 2016, the Company held 733 hours of training on EICC-related human rights policies, which was attended by 559 people in total, and 14.5% of employees were trained.
Security personnel training	100% of all security staff members had attended the human rights policy training.

Getac's Training Implementation Status in 2016

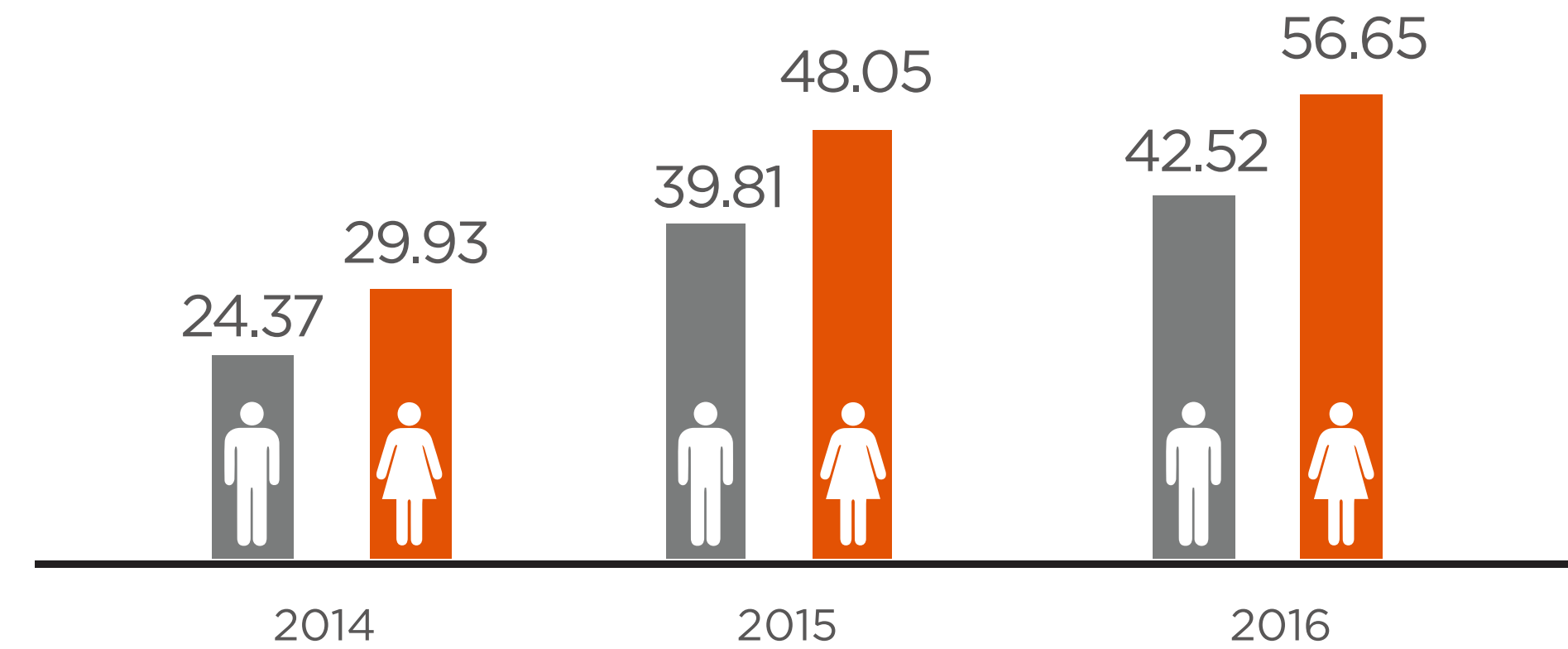
Annual total training hours
(Unit: Hours)



Annual average training hours
per person (Unit: Hours)



Annual average training hours
per person by gender (Unit: Hours)



6.5

Occupational Health and Safety

An absolutely safe workplace is Getac's duty to each and every one of its employees and their spouses. Pursuant to laws, Getac has introduced the OHSAS18001 Occupational Safety and Health Management System, which provides details on emergency response procedures, occupational safety and health policies, and labor health regulations. Additionally, monthly safety meetings and annual workplace safety performance inspection meetings are convened to facilitate realizing the responsibility system for safety in production.

To continue improving our safety systems and more closely monitor the implementation status of such system, a Labor Safety and Health Committee in Taiwan headquarters was established, comprising a chairman and 12 members, 5 of whom are labor representatives (41.67%), which satisfies the statutory requirement that labor representatives must make up more than a third of the committee. The Safety Production Management Committee established by Kunshan plants in accordance with law is composed of a chairman, who is assumed by the President, and 42 members, including 25 labor representatives (60%).

Occupational Safety Prevention Measures

Because "prevention is better than a cure" Getac attempted to lower occupational safety risks by targeting its employees and the environment first. For office employees, fire prevention safety training is held every six months, and talks are given regularly to raise employees' awareness on the importance of physical and mental health and sanitation. For employees working at the production bases, new employees are required to receive a three-level safety training for a total of not less than 24 hours. They must pass a test in order to be considered permanently employed by the Company. After these employees report for duty at work, they will continue to receive occupational safety training courses according to the nature of their work, and participate

in fire prevention drills regularly.

Dangerous equipment in an operating environment, as well as the air, water quality, noise, and lighting quality are tested and subject to regular management. Additionally, large-scale improvement works were carried out on fire prevention facilities at the production bases in Kunshan in 2016. All fire fighting equipment was replaced, including smoke detector and automatic sprinkler, and additional facilities were installed, including an additional fire escape route, forced exhaust system, water pump room, pipe network, and an independent firefighting central control room. Over NT\$18 million was spent in improving these facilities.

Three-Year Special Health Examination for Employees at the Kunshan Production Plants

Year	2014	2015	2016
Special Health Examination Items	Benzene, toluene, xylene, octane, ethyl acetate, other dust, noise, isopropyl alcohol, and chemical substances.		
No. of people receiving special health examination	205	222	208
Cost of special health examination (Unit: NT\$)	NT 92,826	NT 106,920	NT 87,869

Occupational Disease Risk Prevention

There were no cases of occupation disease in 2016. Our headquarters in Taiwan does not offer job posts that pose high health risks to employees. To encourage independent health management among employees, employee health checkup is held every two years. In 2016, 86% of our employees received health examinations.

Risks of occupational disease at our production bases in Kunshan include noise, dust, organic solvent, and other hazardous factors. Pursuant to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and relevant regulations, a dedicated workplace safety division in Kunshan is delegated to commission professional agencies every year to inspect the plant environment. The workplace safety division is also responsible for ensuring that the work environment is adequately equipped with protective devices. All employees must undergo health examinations when they report for duty, during their employment period, and when they resign. In 2016, 208 Kunshan employees had their health conditions checked, and no cases of occupational disease were detected.



Workplace Safety Performance

We continue to fully implement workplace health and safety management in hopes that all of our employees can work happily and return home safely. Taiwan headquarters and Kunshan plants registered 0% occupational disease in 2016. No cases of occupational fatalities were reported, indicating that the Company has attained its workplace safety management goal for the year.

Getac's headquarters in Taiwan is mainly an office environment lacking any production facilities. Three cases of employees suffering disabling injuries were reported in 2016, mostly involving traffic accidents during commute to and from work. Relevant matters were appropriately handled in accordance with the Labor Standard Act. The disabling injury frequency rate was 0.62%.

In Kunshan product sites, there were two cases of employees suffering disabling injuries, excluding traffic accidents during commute to and from work in 2016. The disabling injury frequency rate was 0.04%.

Getac Occupational Safety and Health Management Effectiveness in 2016		
	Taiwan Headquarters	China Kunshan
Injury Rate (IR)	0.62%	0.04%
Occupational Disease Ratio (ODR)	0%	0%
Lost Day Rate (LDR)	2.02%	2.44%
Absentee Rate (AR)	0.39%	0.97%
Number of disabling injury cases	3	2
No. of occupational fatalities	0	0

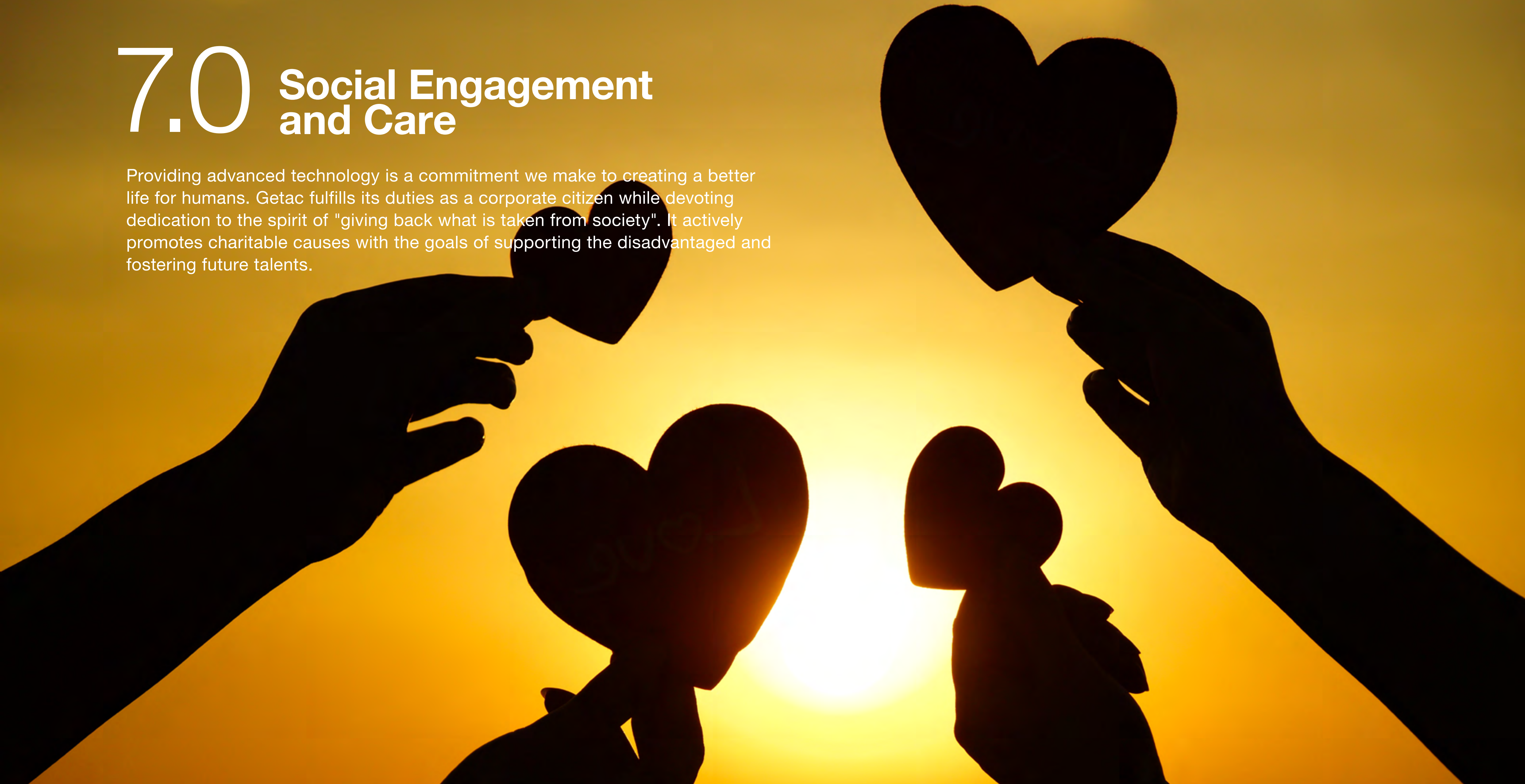
Calculation Description

- Injury rate (IR) = (Total no. of disabling injury cases / Total work hours)*200,000 hours
- Occupational disease ratio (ODR) = (Total no. of occupational disease / total work hours)*200,000 hours
- Lost day rate (LDR) = (No. of days lost due to disabling injuries / Total work hours)*200,000 hours
*200,000 hours is based on 50 weeks a year and 40-hour working weeks for every 100 employees
- Absentee rate (AR) = (Total absent days / total working days)*100%. Absence rate refers to the actual number of days absent as a percentage of the total working days in 2016.
- Absentee: Employee is absent from work due to disability and defined as occupational injury leave and sick leave, but excluding statutory leaves such as festive holidays, training, maternity/paternity leaves, and bereavement leave.

¹⁸ According to 'Regulations of the Examination of Injuries and Diseases Resulting from the Performance of Duties by the Insured Persons of the Labor Insurance Program,' injuries resulting from accidents occurred while they are on and off duty, at proper time, on the way of round trips from daily residences to employment places are considered as occupational injuries.

7.0 Social Engagement and Care

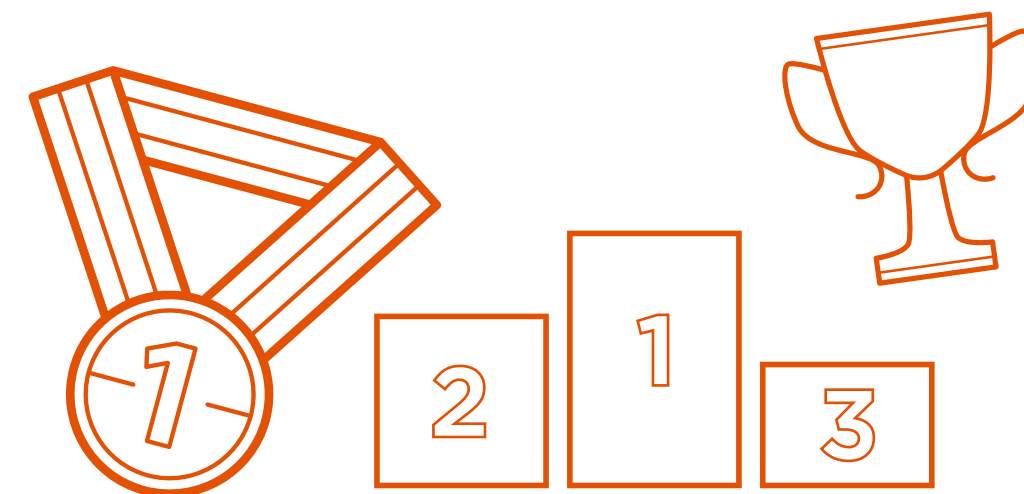
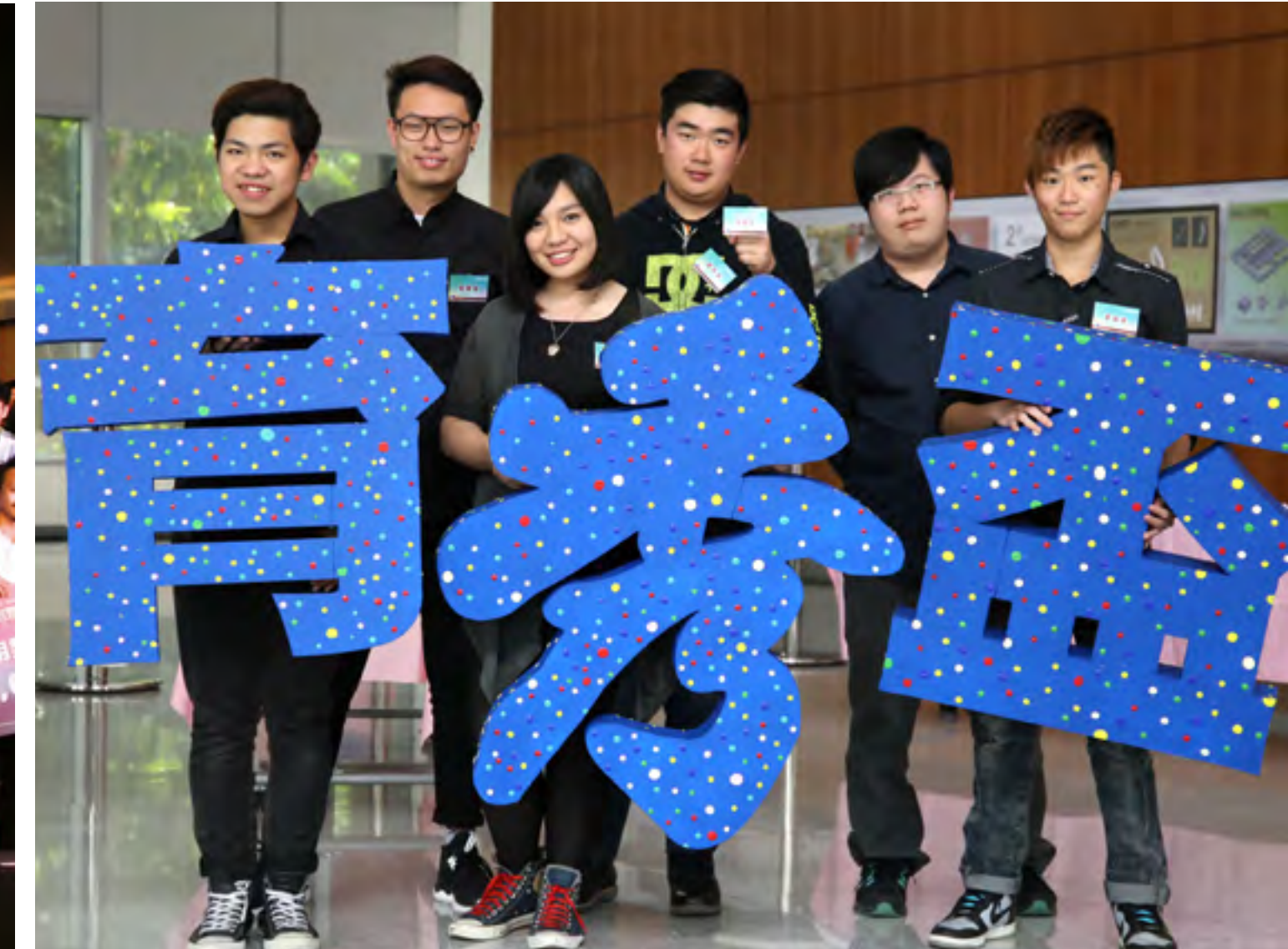
Providing advanced technology is a commitment we make to creating a better life for humans. Getac fulfills its duties as a corporate citizen while devoting dedication to the spirit of "giving back what is taken from society". It actively promotes charitable causes with the goals of supporting the disadvantaged and fostering future talents.



7.1

The Y.S. Award of the Y.S. Educational Foundation

Based on its philosophy of cultivating future digital talents, Getac and its affiliates cooperated to launch the Y.S. Award Competition as of 2003, which provides college and university students a stage on which they can showcase their skills and creativity. The Y.S. Award Competition comprises three categories of software application, industrial design, and micro-movies. Each year, themes relating to industrial trends, cultural heritage, and environmental concerns are developed. Prestigious industry experts are invited to act as judge and interact with students to share their experience in design and business practices and show these students how to infuse commercial value into their creativity. The purpose of this competition is to facilitate the future development of these students and help the country cultivate new experts in the technology and innovation industry.



The Y.S. Award Website

7.2

Getac Charity Trust Fund

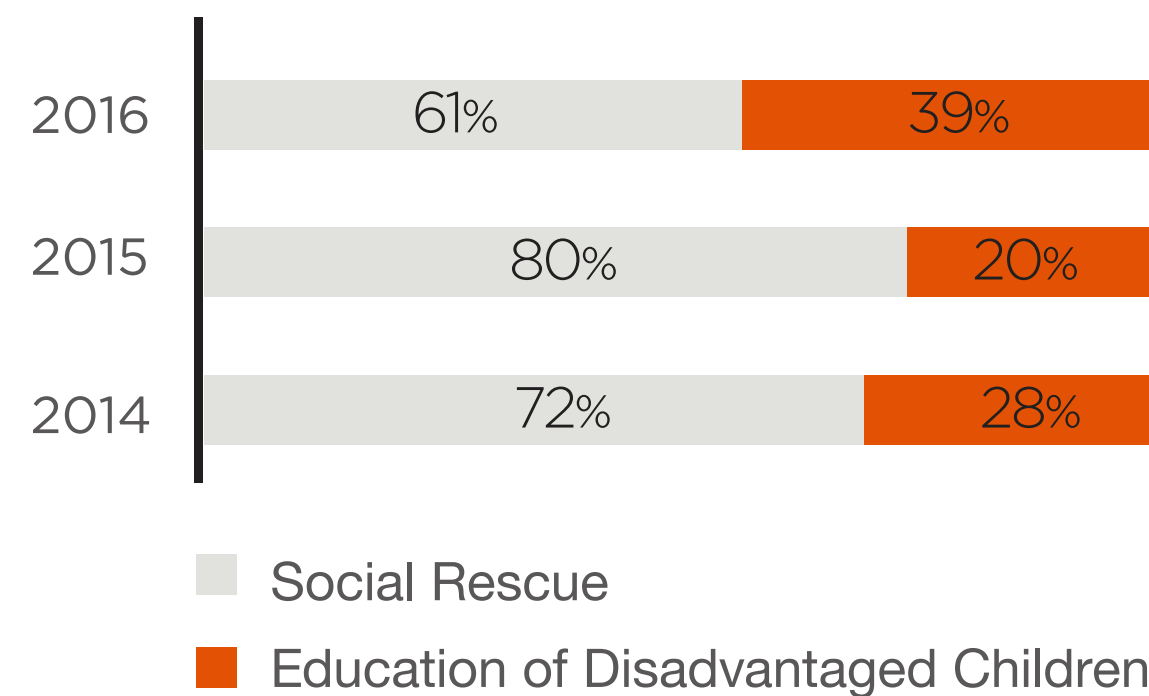
A Getac Charity Trust Fund was established in 2008 for supporting economically disadvantaged groups and encouraging employee dedication to charity. The trust fund raises funds through donation and hosting events at various charity institutions, including social welfare institutions for children, adolescent, elderly adults, people with disabilities, and women.

Getac Charity Trust Fund participates in social charity events through different means, such as making donations to disadvantaged

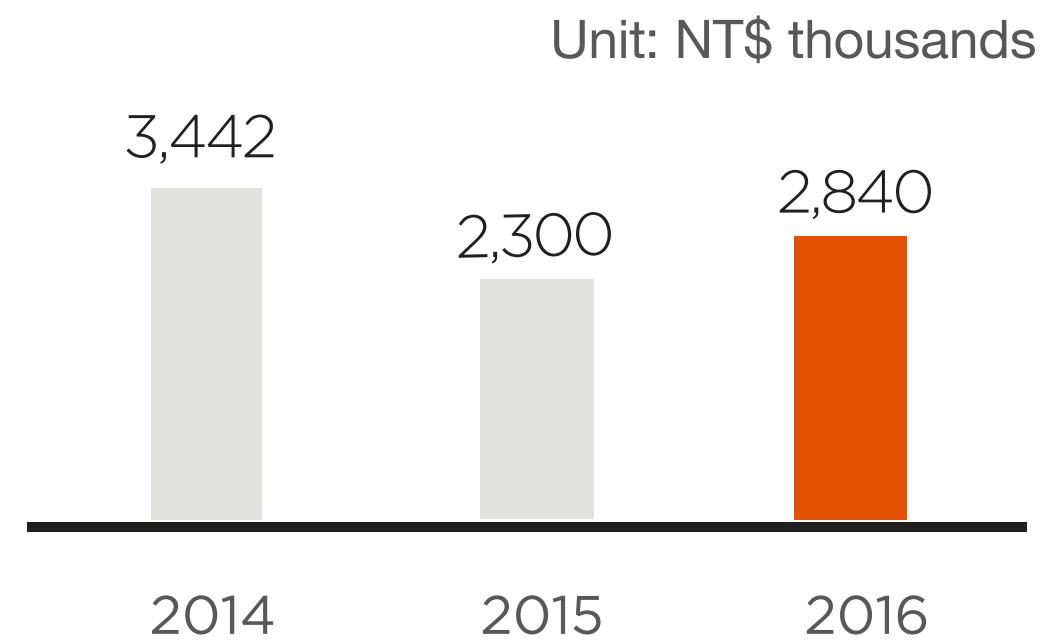
groups, caring for community development and social works, volunteering in charity works, and supporting environmental initiatives.

As at the end of 2016, the fund has donated or invested more than NT\$25 million in charitable causes, NT\$2.84 million of which was invested in 2016, and approximately 60% of the fund was used in social rescues, and close to 40% of it was employed in funding the education of children from economically disadvantaged families.

Expense Breakdown by Charitable Causes



Getac Charity Trust Fund expenditure



Making Donations to the Christian Huilong Care Center for Economically Disadvantaged Family

Located in New Taipei City, the Christian Huilong Care Center for Economically Disadvantaged Family shelters more than 80 children from economically disadvantaged families, providing them a safe and comfortable place to learn after school and enjoy their dinner with company. These children are largely those from single families, whose parents are foreign spouses, who are raised by their grandparents, or whose parents cannot take care of them because of work.

At the end of 2015, Getac assisted these children with building an educational platform, providing them with tablet computers and network facilities as well as a donation of NT\$100,000 to help these children learn more efficiently. In 2016, the Company further donated almost NT\$200,000 to purchase refrigerator and rice cooker and sponsored their electricity bill in the summer season and their meals during winter breaks. These charitable efforts are all aimed at enabling children to grow and learn at ease.

Donations to Kang Le Elementary School

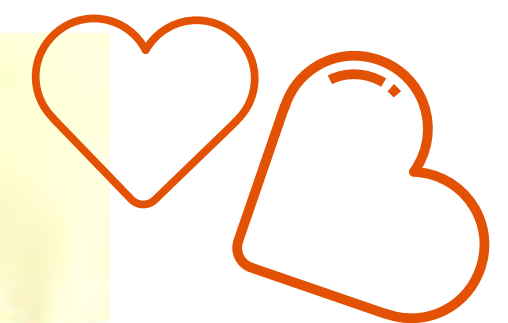
Kang Le Elementary School is located in Xincheng Township of Hualien County, approximately 10 km away from Hualien City. The school has only seven

classes, accepting just over 100 students, 67% of whom are indigenous children from single families, raised by grandparents, or low-income households. Heavy financial burden has restrained the learning potential for these children, with some of them unable to afford their school fee nor any basic stationeries or books. Therefore, since 2009 to today, Getac has constantly paid attention to the need of Kang Le Elementary School, collecting donations of stationeries or books in order to provide these children access to better learning resources and environment.

State-Fund Students of Thailand and Taipei Tzu Chi University

Thailand Tzu Chi School has a number of talented students who hold great hopes for their future. These students however are unable to receive higher

education either because they live too far out from good tertiary education schools or because their families simply could not afford their tuition. By using its charity trust fund, Getac sponsors students with outstanding academic performance to study at Tzu Chi University in Taiwan. Each student is given NT\$100,000 in scholarship for every academic year to cover their miscellaneous expenses and living expenses. Thus, students could enjoy equal educational opportunities. Five Thailand students were sponsored in 2016 to study in Taiwan. They could, without fear of resource shortages, major in whatever subjects they desire and receive the complete nourishment of higher education. By helping them open the door to their dreams, Getac hopes that these students will excel in what they do, standout in the international community, and in turn help more people who are in need.



Saving Children from Economically Disadvantaged Families in Taoyuan - Learning Without Boundaries

Getac partnered with the World Peace Association to participate in the Saving Children from Economically Disadvantaged Families in Taoyuan - Learning Without Boundaries. In 2016, three children from economically disadvantaged families were sponsored NT\$10,000 each to cover their living expenses and needs for education. For various reasons their family fell into financial distress. Children in the same age group could take on extracurricular courses or play around after school, whereas they must go home to tend to their family, help with chores, and bear responsibilities that are beyond their capabilities at this age. Getac hopes to help them to get through a difficult time and to initiate people from the society to see their needs.

Tzu Chi Cultural Arts Camp and Bodhi Seed Character Education Program

Through the Charity Trust Fund, Getac hopes to expand the dimensions of cultural arts education to incorporate children from economically disadvantaged families. Since 2009 to the present day, we have asked Tzu Chi College of Technology to assist with planning aesthetic education activities focusing on the topics

of "Love" and "Care" every year during the winter and summer holidays. Through a series of cultural art camping activities and courses, children are taught to do things for a good cause, and learn to develop good manners and positive lifestyles. These activities and courses are integrated with environmental topics such as "Be a Vegetarian and Love the Earth" and "resource recycling" practices, thereby creating a learning environment that is filled with happiness for children from economically disadvantaged families. In 2016, Getac Charity Trust Fund invested NT\$600,000 in total to hold four sessions of camping activities, which benefited 245 children in Hualien and Taitung regions and were attended by 115 college students.



7.3

Participation by External Associations

Getac participates in activities hosted by industry associations and organizations in order to ensure that its business strategies comply with international standards and industry trends, and that the company's corporate governance closely reflects domestic and foreign trends and key initiatives. Such participation is anticipated to make tangible contributions to the environment and society and also to boost the company's competitiveness.

List of Key Associations that Getac Joined in 2016

Organization	Management role	Membership
Taiwan Electrical and Electronic Manufacturers' Association	Director (Francis Tsai)	Regular member
Taiwan Monte Jade Science and Technology Association	N.A	Regular corporate member
SINOCON Industrial Standards Foundation	N.A	Regular corporate member
The Allied Association for Science Parks	N.A	Regular corporate member
North American Die Casting Association	N.A	Regular corporate member
Kunshan Tongbao Association	N.A	Regular corporate member
China Plastics Processing Industry Association	N.A	Regular corporate member
Degradable Plastic Committee	N.A	Regular corporate member

8.0

Appendices

Appendix 1: GRI G4 Index Comparison Table

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
Core	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	●	Policy and Statement	2	
Comprehensive	G4-2	Provide a description of key impacts, risks, and opportunities	●	Policy and Statement	2	
Core	G4-3	Report the name of the organization	●	1.1 Company Overview	10	
Core	G4-4	Report the primary brands, products, and services	●	1.2 Business Strategy	13	
Core	G4-5	Report the location of the organization's headquarters	●	1.1 Company Overview	10	
Core	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	●	1.1 Company Overview	10	
Core	G4-7	Report the nature of ownership and legal form	●	3.1 Corporate Governance Framework	29	
Core	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●	1.1 Company Overview	10	
Core	G4-9	Report the scale of the organization	●	1.1 Company Overview 3.0 Corporate Governance	10 28	
Core	G4-10	Report the total number of employees by various categories	●	6.1 Talent Composition	64	
Core	G4-11	Report the percentage of total employees covered by collective bargaining agreements	●	6.2 Employee Rights and Interests	67	
Core	G4-12	Describe the organization's supply chain	●	4.4 Sustainable Supply Chain Management	48	
Core	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●	About This Report	7	
Core	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	●	3.1 Corporate Governance Framework	29	
Core	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	●	4.2 Prohibiting the Use of Conflict Minerals 4.4 Sustainable Supply Chain Management	44 48	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
Core	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	●	7.3 Participation by External Associations	84	
Core	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	●			
Core	G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content	●	2.2 Identifying Material Aspects	23	
Core	G4-19	List all the material Aspects identified in the process for defining report content.	●	2.2 Identifying Material Aspects	23	
Core	G4-20	For each material Aspect, report the Aspect Boundary within the organization, report any specific limitation regarding the Aspect Boundary within the organization	●	2.2 Identifying Material Aspects	23	
Core	G4-21	For each material Aspect, report the Aspect Boundary outside the organization, report any specific limitation regarding the Aspect Boundary outside the organization	●	2.2 Identifying Material Aspects	23	
Core	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	●			None
Core	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	About This Report	7	
Core	G4-24	Provide a list of stakeholder groups engaged by the organization	●	2.1 Stakeholder Identification	22	
Core	G4-25	Report the basis for identification and selection of stakeholders with whom to engage	●	2.1 Stakeholder Identification	22	
Core	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	●	2.0 Stakeholder Communication 2.1 Stakeholder Identification	19 22	
Core	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	●	2.0 Stakeholder Communication 2.1 Stakeholder Identification	19 22	
Core	G4-28	Reporting period (such as fiscal or calendar year) for information provided	●	About This Report	7	
Core	G4-29	Date of most recent previous report (if any)	●	About This Report	7	
Core	G4-30	Reporting cycle (such as annual, biennial)	●	About This Report	7	
Core	G4-31	Provide the contact point for questions regarding the report or its contents	●	About This Report	7	
Core	G4-32	Report the 'in accordance' option the organization has chosen, the GRI Content Index for the chosen option, the reference to the External Assurance Report, if the report has been externally assured	●	About This Report	7	
Core	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	●	About This Report	7	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
Core	G4-34	Report the 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	●	3.1 Corporate Governance Framework	29	
Comprehensive	G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	●			Chairman of the Board holds the position of President
Comprehensive	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	●	3.1 Corporate Governance Framework	29	
Comprehensive	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	●	About This Report 2.2 Identifying Material Aspects	7 23	CSR Committee is currently under development
Comprehensive	G4-51	Report the remuneration policies for the highest governance body and senior executives. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	●	3.1 Corporate Governance Framework	29	
Comprehensive	G4-52	Report the process for determining remuneration. Report 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	●	3.1 Corporate Governance Framework	29	
Core	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	3.2 Corporate Ethics	37	
Comprehensive	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	●	3.2 Corporate Ethics	37	
Comprehensive	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	●	3.2 Corporate Ethics	37	
CATEGORY: ECONOMIC						
Economic Performance	G4-DMA	Generic Disclosures on Management Approach	●	1.3 Business Performance 3.1 Corporate Governance Framework	15 29	
	G4-EC1	Direct economic value generated and distributed	●	1.3 Business Performance	15	
	G4-EC3	Coverage of the organization's defined benefit plan obligations	●	6.3 Salary and Benefits	71	
	G4-EC4	Financial assistance received from government	●	1.3 Business Performance	15	
Market Presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	6.3 Salary and Benefits	71	
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	●	6.1 Talent Composition	64	
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported	●	7.0 Social Engagement and Care	79	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: ECONOMIC						
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	●	4.4.Sustainable Supply Chain Management	48	
Intellectual property rights	G4-DMA	Generic Disclosures on Management Approach	●	1.3 Business Performance	15	
CATEGORY: ENVIRONMENTAL						
Materials	G4-EN1	Materials used by weight or volume	●	5.4 Raw Material Recycling and Waste Disposal	59	
	G4-EN2	Percentage of materials used that are recycled input materials	●	5.4 Raw Material Recycling and Waste Disposal	59	
Energy	G4-EN3	Energy consumption within the organization	●	5.1 Energy Management	53	
	G4-EN5	Energy intensity	●	5.1 Energy Management	53	
	G4-EN6	Reduction of energy consumption	●	5.1 Energy Management	53	
	G4-EN7	Reductions in energy requirements of products and services	●	4.1 Green Products	42	
Water	G4-EN8	Total water withdrawal by source	●	5.2 Water Resources and Waste Water Management	55	
	G4-EN9	Water sources significantly affected by withdrawal of water	●	5.2 Water Resources and Waste Water Management	55	
	G4-EN10	Percentage and total volume of water recycled and reused	●	5.2 Water Resources and Waste Water Management	55	
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	5.0 Environmental Protection	51	Getac Taiwan Headquarters and Getac Kunshan Production Plants (MPTK and GTK sites) do not fall within the perimeter of the natural ecological conservation area. The environments in which they are situated do not shelter threatened species that are included in the IUCN Red List nor conserved at the national level.

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: ENVIRONMENTAL						
Emissions	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	●	5.5 Greenhouse Gas Emission Management	61	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	●	5.5 Greenhouse Gas Emission Management	61	
	G4-EN18	Greenhouse gas (GHG) emissions intensity	●	5.5 Greenhouse Gas Emission Management	61	
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	●	5.5 Greenhouse Gas Emission Management	61	
	G4-EN21	NOX, SOX, and other significant air emissions	●	5.3 Air Pollution Prevention	58	
Effluents and Waste	G4-DMA	Generic Disclosures on Management Approach	●	5.2 Water Resources and Waste Water Management 5.4 Raw Material Recycling and Waste Disposal	55 59	
	G4-EN22	Total water discharge by quality and destination	●	5.2 Water Resources and Waste Water Management	55	
	G4-EN23	Total weight of waste by type and disposal method	●	5.4 Raw Material Recycling and Waste Disposal	59	
	G4-EN24	Total number and volume of significant spills	●	5.2 Water Resources and Waste Water Management	55	
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	●	5.4 Raw Material Recycling and Waste Disposal	59	
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	●	5.2 Water Resources and Waste Water Management	55	
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	●	4.1 Green Products	42	
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	●	4.1 Green Products	42	
Compliance	G4-DMA	Generic Disclosures on Management Approach	●	5.0 Environmental Protection 5.2 Water Resources and Waste Water Management 5.3 Air Pollution Prevention 5.4 Raw Material Recycling and Waste Disposal	51 55 58 59	
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	3.3 Legal Compliance	40	
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	●	5.5 Greenhouse Gas Emission Management	61	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: ENVIRONMENTAL						
Overall	G4-EN31	Total environmental protection expenditures and investments by type	●	5.0 Environmental Protection	51	
Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	●	4.4 Sustainable Supply Chain Management	48	
Environmental Grievance Mechanisms	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	●	4.4 Sustainable Supply Chain Management	48	
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	●	3.3 Legal Compliance 5.0 Environmental Protection	40 51	
CATEGORY: SOCIAL						
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	●	6.1 Talent Composition 6.2 Employee Rights and Interests	64 67	
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		6.3 Salary and Benefits	71	
	G4-LA3	Return to work and retention rates after parental leave, by gender	●	6.3 Salary and Benefits	71	
Labor/ Management Relations	G4-DMA	Generic Disclosures on Management Approach	●	6.2 Employee Rights and Interests	67	
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	●	6.2 Employee Rights and Interests	67	
Occupational Health and Safety	G4-DMA	Generic Disclosures on Management Approach	●	6.5 Occupational Health and Safety	76	
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	●	6.5 Occupational Health and Safety	76	
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	●	6.5 Occupational Health and Safety	76	
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	●	6.5 Occupational Health and Safety	76	
Training and Education	G4-DMA	Generic Disclosures on Management Approach	●	6.4 Training and Talent Fostering	73	
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	●	6.4 Training and Talent Fostering	73	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	6.4 Training and Talent Fostering	73	
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	●	6.4 Training and Talent Fostering	73	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: SOCIAL						
Diversity and Equal Opportunity	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	●	6.1 Talent Composition	64	
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●	6.3 Salary and Benefits	71	
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	●	4.4 Sustainable Supply Chain Management	48	
Labor Practices	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	●	4.4 Sustainable Supply Chain Management	48	
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	●	6.2 Employee Rights and Interests	67	
Investment	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	●	6.4 Training and Talent Fostering	73	
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	●	6.2 Employee Rights and Interests	67	
Freedom of Association and Collective Bargaining	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 Sustainable Supply Chain Management 6.2 Employee Rights and Interests	42 67	
Child Labor	G4-DMA	Generic Disclosures on Management Approach	●	6.2 Employee Rights and Interests	67	
	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 Sustainable Supply Chain Management 6.2 Employee Rights and Interests	42 67	
Forced or Compulsory Labor	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 Sustainable Supply Chain Management 6.2 Employee Rights and Interests	42 67	
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	●	6.4 Training and Talent Fostering	73	
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	●	6.2 Employee Rights and Interests	67	
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	●	6.2 Employee Rights and Interests	67	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: SOCIAL						
Supplier Human Rights Assessment	G4-DMA	Generic Disclosures on Management Approach	●	4.2 Prohibiting the Use of Conflict Minerals	44	
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	●	4.4 Sustainable Supply Chain Management	48	
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	●	4.2 Prohibiting the Use of Conflict Minerals 4.4 Sustainable Supply Chain Management	44 48	
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	●	6.2 Employee Rights and Interests	67	
Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●			Getac Taiwan Headquarters do not have any production facility. Kunshan production plants, situated in industrial zone and abiding all regulation related to environmental impact assessment promulgated by local administration, exerted no significant environmental impact on local community.
Anti-corruption	G4-DMA	Generic Disclosures on Management Approach	●	3.2 Corporate Ethics	37	
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	●	3.2 Corporate Ethics	37	
	G4-SO4	Communication and training on anti-corruption policies and procedures	●	3.2 Corporate Ethics 6.4 Training and Talent Fostering	37 73	
	G4-SO5	Confirmed incidents of corruption and actions taken	●	3.2 Corporate Ethics	37	No incidents of corruption was reported in 2016
Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary	●	3.2 Corporate Ethics	37	Political contribution is prohibited and none was made in 2016.

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: SOCIAL						
Anti-competitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	3.3 Legal Compliance	40	
Compliance	G4-DMA	Generic Disclosures on Management Approach	●	3.1 Corporate Governance Framework 3.2 Corporate Ethics 3.3 Legal Compliance	29 37 40	
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	3.3 Legal Compliance	40	
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	●	4.4 Sustainable Supply Chain Management	48	
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	●	3.2 Corporate Ethics 4.4 Sustainable Supply Chain Management	37 48	
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	●	3.2 Corporate Ethics 6.2 Employee Rights and Interests	37 67	
Customer Health and Safety	G4-DMA	Generic Disclosures on Management Approach	●	4.1 Green Products	42	
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	●	4.1 Green Products	42	
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	●	3.3 Legal Compliance 4.1 Green Products	40 42	
Product and Service Labeling	G4-DMA	Generic Disclosures on Management Approach	●	4.1 Green Products	42	
	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	●	4.1 Green Products	42	
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●	3.3 Legal Compliance 4.1 Green Products	40 42	
	G4-PR5	Results of surveys measuring customer satisfaction	●	4.3 Customer and Products/Services	45	

In Accordance	Index	Description	External Assurance	Related Report Sections	Page	Omissions
CATEGORY: SOCIAL						
Marketing Communications	G4-DMA	Generic Disclosures on Management Approach	●	3.3 Legal Compliance 4.3 Customer and Products/Services	40 45	
	G4-PR6	Sale of banned or disputed products	●	3.3 Legal Compliance 4.1 Green Products	40 42	
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	●	3.3 Legal Compliance 4.3 Customer and Products/Services	40 45	
Customer Privacy	G4-DMA	Generic Disclosures on Management Approach	●	4.3 Customer and Products/Services	45	
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	4.3 Customer and Products/Services	45	No breach of customer privacy or loss of customer data betided in 2016.
Compliance	G4-DMA	Generic Disclosures on Management Approach	●	4.1 Green Products 4.3 Customer and Products/Services	42 45	
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	3.3 Legal Compliance	40	

Appendix 2: Third Party Assurance Statement



Assurance Statement

TUV Asia Pacific Ltd, Taiwan Branch ("TUV NORD") has been commissioned by the management of **Getac Technology Corporation** ("GETAC") to carry out an independent assurance of GETAC Sustainability Report for the fiscal year 2016 ("CSR Report") against the AA1000 AS (2008), TUV Asia Pacific CSR Assurance Protocol for Assurance of Sustainability Reporting and the Global Reporting Initiative 2013 Sustainability Reporting Guidelines Version 4 ("GRI G4").

GETAC is responsible for the collection, analysis, aggregation and presentation of information within the Report. TUV NORD's responsibility in performing this work (assurance of the report) is in accordance with terms of reference agreed in the scope of engagement with GETAC. The management and stakeholders of GETAC are the intended users of this statement.

The assurance engagement is based on the assumption that the data and information provided to in GETAC sustainability report is complete and true.

Nature and Scope the Assurance
The scope of the assurance, based on the AA1000 AS (2008) Assurance methodology, include the text, and data in accompanying tables, contained in this report.

TUV NORD has developed a set of protocols for the Assurance of Corporate Social Responsibility Report based on AA1000 AS (2008) and guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines (2013).

The assurance of GETAC Sustainability report for the fiscal year 2016 related to its businesses Taiwan Headquarter, and 2 Subsidiaries in China - Mitac Precision Technology (Kunshan) Co., Ltd and Getac Technology (Kunshan) Co., Ltd. includes the following:

- 1) Reporting of economic, environmental, and social indicators; the year of activities covered in the Sustainability Report is Jan.2016 to Dec.2016;
- 2) Information related to GETAC issues, responses, performance data, case studies and underlying systems to manage Sustainability related data and information;
- 3) Information related to GETAC adherence to inclusivity, materiality and responsiveness and stakeholder engagements;
- 4) Evaluation of the Accountability Principles (Type I) and specified performance information with a MODERATE level of Assurance, according to AA1000 AS (2008)
- 5) The report is "in accordance" with the G4 Sustainability Reporting Guidelines - CORE option.

Assurance Methodology
TUV NORD is a licensed global assurance provider of Sustainability services, with quality, environmental, social and sustainability assurance specialists working all over the world.

Our assurance engagement was planned and carried out in accordance with the AA1000 AS (2008) and the TUV Asia Pacific CSR Assurance Protocol for Assurance of Sustainability Reporting. Assessment of GETAC adherence to inclusivity, materiality and responsiveness and stakeholder engagements was based on AA1000 AS (2008)

Our assurance involved the following activities:

- * Gather objective evidence on the performance indicators as mentioned in the report.
- * Review any issues raised by external parties that could be relevant to GETAC policies.
- * Review of expectations of local and national regulations; international standards and those of general concern both in the public eye and/or raised by expert opinion.
- * Documentation; record review and evaluation of the report contents against the GRI's G4 application requirements.
- * Discussion with managers and relevant staff on GETAC approach to stakeholder engagement.
- * Interviews with relevant staffs involved in sustainability management, gathering information and report preparation.
- * Review key organizational developments.
- * Review of internal and external audits findings.
- * Review of supporting evidence based on the information made in the report.
- * Sampling method used to ensure the correctness of the data.



Opinion Statement

The GETAC's Sustainability report provides an appropriate view of the GETAC's CSR programs and performances during fiscal year 2015.

The economic, social and environment performance indicators as mentioned in the Sustainability report are represented appropriately. The CSR performance indicators disclosed in the report demonstrate GETAC efforts recognized by its Top Management and stakeholders.

Inclusivity: GETAC conducted the participation of all stakeholders with 232 effectiveness questionnaires. After consolidation each material impacts in Economic, Environment and social aspect by GETAC CSR team, the effort has been showcased in. The reporting systems have been developed to gather the required information. For clearly reporting the governance structure of GETAC, it was expected to build committees of the highest governance body to identify any committees responsible for decision-making on economic, environmental and social impacts.

Materiality: GETAC has established related procedures at the corporate level, as the issues which were identified by all departments were prioritized according to the extent of impact and applicable criterion for sustainable development of the company. For further report, it was recommended to declare more to show how GETAC endeavors and influences their supplier chain.

Responsiveness: GETAC has already has committed to implement the CSR practice and demonstrate related performance information to respond to the expectations and perceptions of its stakeholders as appropriate. For further reports, GETAC could provide mid-term and long-term objectives and link with relevant performance indicators to show the overall vision and strategy for GETAC's sustainability outcome.

Reliability and accuracy of performance information:
In accordance to Type I, Moderate level of assurance requirements, it can be concluded that the contents mentioned in the sustainability report is reliable. GETAC has a robust management system for obtaining objective evidences and data for the reporting in GETAC Sustainability Report.

Statement of Independence and Competence
TUV NORD Group is the world's leader in inspection, testing and verification, operating in more than 70 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, social and ethical auditing and training; environmental; social responsibility and sustainability report assurance.

TUV Asia Pacific Ltd, Taiwan Branch, affirms its' independence from GETAC and confirms that there are no conflicts of interest with the organization or any of its subsidiaries and stakeholders when performing the assurance of the Sustainability Report. TUV Asia Pacific Ltd, Taiwan Branch was not involved in any manner with the said GETAC, when the latter was preparing the Sustainability report.

The assurance team consists of well experienced, qualified and registered Quality - ISO 9001, EMS - ISO 14001, GHG - ISO 14064-1, OHSAS 18001, SA 8000 Lead Auditors and AA1000 AS (2008) Accountability trained CSAP - Certified Sustainability Assurance Practitioner. The team based on their qualifications, extensive knowledge and experience of the industry provided the much required expertise for this assignment.



Jack Yeh
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Manager of TUV NORD Taiwan
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Getac

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