

# 2008

## ASUSTeK Corporate Sustainability Report



**Quality · Innovation · Speed · Service · Partnership**

## About This Report

ASUSTeK COMPUTER Inc. has published the annual corporate sustainability report since 2007, and this is our third report. It shows our continuous efforts and commitments in corporate social responsibility to our stakeholders. The report follows GRI G3 (Global Report Initiative Sustainability Reporting Guidelines Version 3) Framework to disclose ASUSTeK's strategies, goals, approaches, and performances, and is subjected to external verification by GRI against Application Level B.



## About This Report

Since ASUSTeK had announced spin off OEM and Brand in January 2008 and became a Brand company thereafter, the information and performance indicators reported will only cover ASUSTeK in Taiwan region in 2008. Unless otherwise mentioned, the data before 2008 will not be shown. The Chinese version of 2007 Corporate Sustainability Report was published in Q1 2008, and the English version was published in 2008 Q2.

## Principle

In addition to the profile disclosures required by Application Level B of GRI G3 Framework, the information and performance indicators are based on the interests and concerns of our stakeholders. The selection of topics and prioritization are based on how frequent a topic is asked within the same group of stakeholders and/or by different groups of stakeholders. We will further response to those issues throughout the report.

## Contact Information

Please feel free to contact us regarding any comment or concern.

Email: [GreenASUS@asus.com](mailto:GreenASUS@asus.com)

Starting from 2009, ASUSTeK has established Corporate Social Responsibility Online Survey, looking for more interaction with our stakeholders. We welcome and invite all our stakeholders to engage with our Corporate Social Responsibility issues more in depth. We appreciate your voice and will base on the priority to response to the inquiries or concerns through our Corporate Sustainability Report.

Chinese Survey: <http://green.asus.com/survey/chinese/>

English Survey: <http://green.asus.com/survey/english/>



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# 1

## Message from Chairman



In 1924, a United States scholar Oliver Sheldon advocated the concept of “corporate social responsibility” in his book “management philosophy”. He believed that a corporate should pursue not only profits but also corporate social responsibility that contains the moral intent. Moreover, in 2000, the United Nations Secretary-General Kofi A. Annan brought up the idea of Global Compact, wishing to promote corporate social responsibility to the enterprises all over the world so that the business community could share the responsibility for sustainable development and labor and human rights, effectively enhancing the lives of the well-being of all mankind

ASUSTeK has always paid great importance to corporate social responsibility for we believe that it is a key to corporate sustainability development. There are three dimensions for corporate social responsibility: economic, environmental, and social. We believe that it is necessary to publicize a report that consolidates our achievements in the topics concerned by all our stakeholders, including but not limited to: employees, shareholders, suppliers and customers. Besides the financial reports of economic performance, there are other indicators such as air, water, waste, product design and energy saving of environmental performance, and occupational health and safety, training and education, business moral, intellectual property rights, and community engagement of social performance.

We had established GreenASUS and SERASUS Committee in 2004 and 2006 accordingly to promote and execute the policy, goal and implementation in different dimensions.

ASUSTeK Business Philosophy:

1. Inspire, motivate and nurture our employees to explore their highest potential.
2. Commit to integrity and diligence; focus on fundamentals and results
3. Endlessly pursue to be number 1 in the areas of quality, speed, service, innovation and cost-efficiency
4. Strive to be among the world-class green high-tech

leaders and to provide valuable contributions to humanity and environment

Regarding to Green issues, ASUSTeK has been leading our supply chain in the world trend. In 2008, we aggressively bring “Four Green Home Runs”, namely Green Design, Green Procurement, Green Manufacturing, and Green Service and Marketing, into our cutting-edge green products. Our notebooks received the world’s first EuP certificate as well as the first EU Flower among the top 10 IT manufacturers. Moreover, we also have products registered at EPEAT Gold product and at Taiwan Green Mark, contributing to Green issues. Moreover, we had also established the ASUSTeK Foundation to actively involve in social care and public service to show our commitment in corporate sustainability responsibility.

The 2008 Corporate Sustainability Report still follows GRI Framework as a method for information disclosure. Besides the financial reports of economic performance and the green products and relevant environmental performances, we also include the corporate governance and goal of ASUSTeK, greenhouse gases topics, and other social performances in this report. We would like to show the stakeholders our commitment and promise in corporate social responsibility through information transparency and actual actions, moving towards the mission and vision of becoming “the world’s most admired leading enterprise in the new digital era”.

Jonney Shih  
Chairman

# 2

## About ASUSTeK COMPUTER Inc.

### 2.1 Company Overview

ASUSTeK COMPUTER Inc. (hereafter referred to as "ASUSTeK" or "ASUS"), a leading 3C manufacturer in the new digital era, was established in 1989 with the headquarter located in No. 15, Li-Te Rd., Beitou, Taipei 11259, Taiwan. With a world-class R&D design team, it provides various electronic products with innovative technologies and solutions to the consumers and business users. It was listed on the Taiwan Stock Exchange in 1996.

ASUSTeK had announced spin off OEM (Original Equipment Manufacturer) and Brand in January 2008; thereafter, ASUSTeK became a Brand company. ASUSTeK has notebooks and motherboards as the primary products which are famous to the worlds. Other product lines include but not limited to: graphic cards, LCD (Liquid crystal display) displays, LCD televisions, handhelds, and digital home equipments. Following the great hit of Eee PC, the pioneer of netbook, at the end of 2007, ASUSTeK launched the Eee Family such as Eee Box and Eee Top in 2008.

We grow to become an International company. The global service system has overall 28 branches offices, 49 service centers worldwide and over 510 service corners located in Asia Pacific, Europe, and America. There are 49 localized websites languages available for providing the information of the company and of products to International customers around the world. By the end of 2008, there are 11,151 employees worldwide.

We had formulated the "33 Plan", meaning "Become the 3rd place in the world in notebook sector in 3 years". In 2008, ASUSTeK notebook ranked the 5th place in the world, the 1st in Taiwan, the 3rd in Europe and China, and 5th in Asia. We are moving towards the goal.

#### Global Service System Overview

- **Overall 28 branvh offices, 49 service centers worldwide andover 510 service corners.**

US x 2, Netherlands,Germany,UK,Russia,Italy,France,Spain,Nordic,Czech Republic,South Korea,Japan  
Australia x 3,New Zcaland,UAE,Turkey,Saudi Arabia,Singaporc,Malaysia,Hong  
Kong,Indoncsia,Thailand,Indiax  
4,Pakistan)

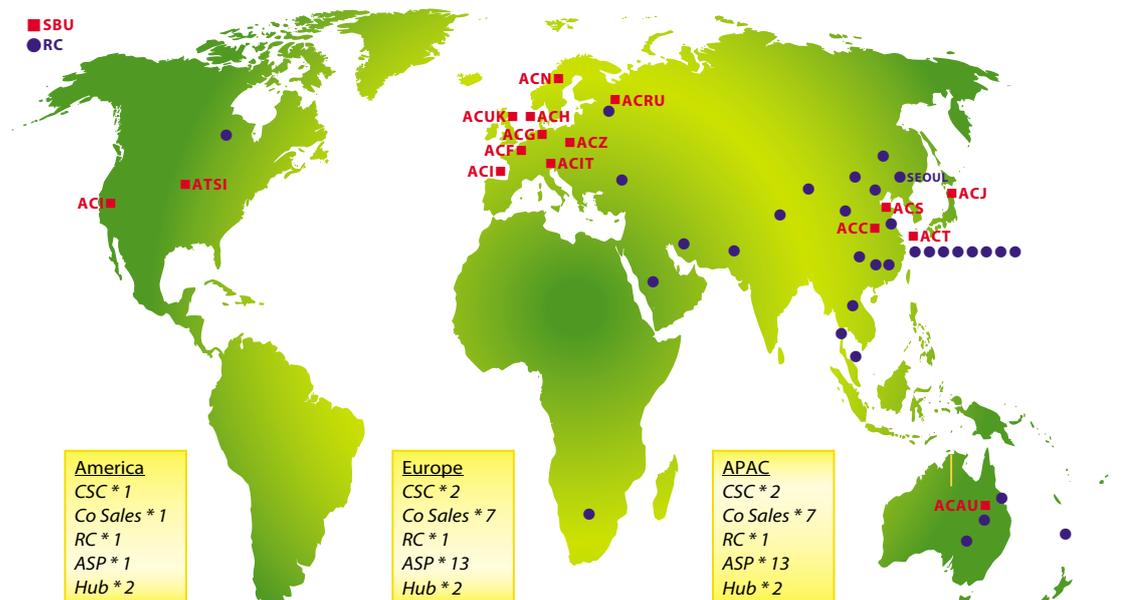


Figure 2.1 ASUSTeK Global Service System Overview

# 2

## About ASUSTeK COMPUTER Inc.

Since 2008, the financial statements will only show the revenue of ASUSTeK. The revenue was 8.1 billion U.S. dollars. For information regarding the operation overview and financial statements, please visit the following URL for details, and documents are available for download: <http://www.corpasia.net/taiwan/2357/irwebsite/>

ASUSTeK was ranked the 9th on Business Week "InfoTech 100" for the 11th straight year and was ranked the 1st for the hardware in "2008 International Brand Value Survey" by Taiwan External Trade Development Council (TAITRA) and Interbrand.

We received 3,056 awards from all over the world, about 8 awards per day; ranked the 1st in "Taiwan Excellence Award" for 5 successive years and received 51 awards that covered almost all product lines. This showed our efforts and commitment in R&D innovation, design and innovation, quality system, brand recognition.



▲ Gold Award Ceremony of Taiwan Excellence Award

Moreover, we are the first Taiwan IT manufacturer participating in EPEAT (Electronics Products Environmental Assessment Tool) with N Series and Bamboo Series notebooks registered at the Gold level. In addition, N Series and Bamboo Series were among the first awarded EU Flower. Moreover, N Series was the world's very first product received EuP (Energy-using Products) certificate, and N20A notebook received "Green" award of Microsoft WinHEC Award. For more award information, please visit <http://www.asus.com/Award.aspx>.



▲ Green Products - N Series and Bamboo Series Notebooks

# 2

## About ASUSTeK COMPUTER Inc.

### 2.2 Business Philosophy and Corporate Culture

#### ASUSTeK Business Philosophy

- Inspire, motivate and nurture our employees to explore their highest potential
- Commit to integrity and diligence; focus on fundamentals and results
- Endlessly pursue to be number 1 in the areas of quality, speed, service, innovation and cost-efficiency
- Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity and environment

#### Mission and Value

With big Q (Big quality) centric thinking, ASUSTeK continuously strives for operational excellence. We pursue and improve our value streams with quality, lean and speed based on customer values.

We design and develop our products with innovative technology, aesthetic craftsmanship and rock-solid quality. It enables ASUSTeK to satisfy our customers with innovative, aesthetic and quality products and services. We create the heart-touching user experience by creating customer values. It is these great strengths that makes ASUSTeK employees proud and inspire them to live ASUSTeK's values and mission every day.



#### Differentiation through Corporate Culture

ASUSTeK became a Brand company in 2008. For the Branding management is different from OEM management, the Chairman redefined ASUS DNA as the following four core values: “the 5 ASUS Virtues of Humility, Integrity, Diligence, Agility and Courage”, “Focus on Fundamentals and Results”, “Lean Thinking”, and “Innovation and Aesthetics”. For corporate culture is an intangible asset of a company, ASUSTeK builds the brand image through ASUS DNA so that the core value will present in each of our products and services to gain our customers’ hearts and lead ASUSTeK to become “the world’s most admired leading enterprise in the new digital era”.



Figure 2.2 ASUS DNA

# 2

## About ASUSTeK COMPUTER Inc.

### Culture Cultivation

#### Jonney Lunch Meeting

Realizing the importance of the corporate culture and management to the enterprise managers, the Chairman has been holding a total of 52 Lunch Meetings for successively 33 months since May 2006. Participants are randomly selected and include: fundamental employees, officers, and managers. The Chairman has face to face communication with them regarding issues of ASUSTeK culture.



A Snapshot of Lunch Meeting

#### ASUS DNA Classes for Global Managers

Managerial officers are the key personnel for promoting and implementing the culture. In order to promote ASUS DNA to all dimensions, the Chairman opened ten courses to coach our global managerial officers himself in both Chinese and English in 2008, and the presentation was recorded as an online eLearning course for all our employees.

#### ASUS DNA Continuous Cultivation

ASUS DNA is more than just a slogan; it has to be applied into the daily work. We built ASUS DNA Website to provide a platform for sharing and exchanging ideas and learn ASUS DAN together, breaking through the boundaries of region, language and nationality. The functions of the website include but not limited to: DNA Story Blog/DNA Forum/DNA eLearning/DNA Ripple Card, and so on.



Figure 2.3 ASUS DNA Website

#### Innovation and Aesthetics Class

To bring reorganization and specialization into fully play and thus increase the competitiveness of the company, ASUSTeK separated our contracted manufacturing business and own-brand business in January 1st 2008. One of the core values from the newly defined ASUS DNA “Innovation and Aesthetics” was created for the Brand development of ASUSTeK. We opened a series of “Innovation and Aesthetics” classes at Headquarter in Taiwan to inspire our employees to understand what the perception of beauty is with a total of eight classes in 2008. Parts of the classes, as agreements with instructors, were recorded as online eLearning courses for our global employees.

# 2

## About ASUSTeK COMPUTER Inc.

### 2.3 Corporate Governance

We recognize that good governance is structured to ensure company is effectively operated and managed. This means strengthening the information transparency, implementing internal control system to eliminate operational risks and fraud, and pursuing the long-term vision and creating the greatest benefits for shareholders. Shareholders have the ownership of the company; the Board of Directors is responsible for verifying and supervising decision-making. The Chairman of the Board of the Directors is not an executive officer of ASUSTeK.

The Board of Directors of ASUSTeK is composed of 7 Directors and 3 Supervisors, who are elected by shareholders. Mr. Jonney Shih, the Chairman of ASUSTeK since 2008, has been the Chairman of the Board of Directors since 1984. The list of the members and details of their qualifications and background information are available in our Annual Report at ASUSTeK Investor Relations Website :

<http://www.corpasia.net/taiwan/2357/irwebsite/>

ASUSTeK combines the corporate performance with payment structure closely, as well as individual responsibility, to strengthen the competitive advantages of enterprises. The performances of the Board of Directors are determined by our shareholders at the Shareholders Meeting. The corporate performance and the job function of the Director are linked to the remuneration of the Board of Directors. According to the article of incorporation, benefits of the members of the Board of Directors do not exceed 1% of the profit sharing.

Our shareholders could use the following communication channels to make recommendations to the ASUSTeK management team/Board of Directors:

1. Quarterly Investor Conference
2. Annual Shareholder Meeting or provisional meeting
3. Investor Relations Website/Email/Hotline

Investor Relations Department will regularly compile and pass the suggestions to the ASUSTeK management team/ Board of Directors for their references

Information transparency is the bedrock of corporate governance. “Sunshine is the best disinfectant; electric light is the most efficient policeman”. We are well aware of the importance of information disclosure. Therefore, we will continue to disclose our operating performance as well as relevant information to the public through timely and effective communication channels. Regarding to avoiding the conflict of interests among the Board of Directors, we will record the name of the Director, the topic, the reason for not participating the discussion, and the process of decision-making.

# 2

## About ASUSTeK COMPUTER Inc.

### 2.4 Supervision and Monitoring

ASUSTeK uses the following procedures to oversee and management the organization’s economic, environmental, and social performance, as well as the adherence or compliance with internationally agreed standards, codes of conduct, and principles.

To prevent any potential crisis arose in company policy, organizational structure and core value, we have the following approaches:

- **Company policy:** The Chairman signs the “Risk Management and Emergency Policy” which shall be abided by all employees.
- **Organizational structure:** The company management team forms “Risk Management and Emergency Committee” to implement the risk management processes.
- **Core value:** The Corporation shall ensure the sustainability by reducing the potential risks to fulfill our social responsibilities to our stakeholders.

Formulation	<ol style="list-style-type: none"><li>1. Department self-assessment</li><li>2. Findings and recommendations from third party audits</li><li>3. Benchmark enterprise</li><li>4. Regular and irregular assessments of the internal audit unit</li></ol>
Confirmation	<ol style="list-style-type: none"><li>1. Quantitative and non-quantitative analysis techniques</li><li>2. Externally certified financial statements</li><li>3. Regularly conducted internal analysis of questionnaires</li><li>4. Diagnosis of internal and external consultants</li></ol>
Management	<ol style="list-style-type: none"><li>1. Top Down management for reaching the greatest benefits for shareholders</li><li>2. Botton up collective wisdom for creating the best problem solutions for the company</li><li>3. Information transparency bring the overseeing power of the stakeholders into the company</li><li>4. Explicit risk management policy and framework</li></ol>

▲ Figure 2.4 Supervision Procedures

# 2

## About ASUSTeK COMPUTER Inc.

### 2.5 Associations

The table below lists the associations ASUSTeK participates in and values, and it also provides an overview of ASUSTeK's involvement, such as whether ASUSTeK has a position in the governance body of the associations, whether ASUSTeK participates in projects or committees, and whether ASUSTeK provides substantive funding to the associations.

Table 2.1 ASUSTeK Memberships in Associations and Advocacy Organizations

Associations	Position in governance body	Projects or committees involvement	Substantive funding
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Taipei Computer Association (TCA)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Council for Sustainable Development (BCSD) of Taiwan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Institute of Internal Auditors (IIA-TAIWAN)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Climate Saver Computing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

=Yes     =No

For example, TEEMA and TCA provide industry resources to and opportunities for us to share ASUSTeK's experiences to others; BCSD of Taiwan offers us opportunities to actively join discussions regarding sustainability issues and share ASUSTeK's experiences in corporate social responsibility to other members. On the other hand, our governance role in IIA-TAIWAN shows that ASUSTeK puts emphasis on governance and compliance of ethics, and the membership of Climate Saver Computing conveys ASUSTeK's interest in and the willingness to commit regarding to climate change issue.

# 2

## About ASUSTeK COMPUTER Inc.

### 2.6 Stakeholder Engagement

Different stakeholders may have same or different concerns. For this report, we define the following 5 stakeholder groups as our audiences: investors, customers, suppliers / outsourcers, employees and non-governmental organization. We have various communication channels to collect their voices and later integrate those interests, inquiries, and concerns with performance indicators to select and prioritize the topics, and then we will be able to response to our stakeholders.

Table 2.2 ASUSTeK Memberships in Associations and Advocacy Organizations

Stakeholders	Frequency of Engagement & Communication Channels	Interests & Concerns	Responding Methods
Investors	Quarterly investor conference, annual shareholder meeting or provisional meeting, and Investor Relations Email and website	<ul style="list-style-type: none"> <li>● Profitability</li> <li>● Market share</li> <li>● Compliance</li> </ul>	We regularly hold investor conference and shareholder meeting to response to their interests and concerns. In addition, the information such as the latest financial reports / statements and investor activities (such as online broadcasts) are disclosed on investor relations website.
Customers	Email, regular conference call, time to time questionnaire, GreenASUS / SERASUS website and GreenASUS email	<ul style="list-style-type: none"> <li>● Green products</li> <li>● Supply Chain Management</li> <li>● Restriction of Hazardous Substances (RoHS)</li> </ul>	Our customers can find out the information of environmental and social responsibility by visiting GreenASUS / SERASUS website and contacting us through the GreenASUS email. Besides, we work closely with and communicate with our distributors to ensure that our products are complied with the required regulations.
Suppliers/ Outsourcers	Supply Chain Management (SCM) platform, annual supplier and outsourcer workshop	<ul style="list-style-type: none"> <li>● Compliance</li> <li>● Supply Chain Management</li> <li>● Restriction of Hazardous Substances (RoHS)</li> <li>● Eco labels / green products</li> </ul>	Suppliers and outsourcers can receive the latest announcement and technical standards through SCM platform in a timely manner. We acknowledge them our Corporate Social Responsibility policy and educate them the trend of the latest regulations and international eco labels through annual workshop.
Employees	Enterprise Information Portal, regular e-paper, email, and forum	<ul style="list-style-type: none"> <li>● Profitability</li> <li>● Market share</li> <li>● Compliance</li> </ul>	Employees are the most valuable asset to the company. We open classes and hold various activities throughout the year to make them feel rewarded and inspired. We also use EIP platform and email to deliver importance message to and communicate with them.
Non-Governmental Organization	Any channel such as Email, telephone, GreenASUS website, spokesman	<ul style="list-style-type: none"> <li>● Career Development</li> <li>● Training</li> <li>● Compensation/Benefits</li> </ul>	We response to the interests and concerns in a timely manner.

Starting from 2009, ASUSTeK has established Corporate Social Responsibility Online Survey, looking for more interaction with our stakeholders. We welcome and invite all our stakeholders to engage with our Corporate Social Responsibility issues more in depth. We appreciate your voice and will base on the priority to response to the inquiries or concerns through our Corporate Sustainability Report.

Chinese Survey: <http://green.asus.com/survey/chinese/>

English Survey: <http://green.asus.com/survey/english/>

# 3

## Environment and Safety

### 3.1 Environment and Safety Policy and Management System

The corporate established GreenASUS Steering Committee in July 2004, and SERASUS Steering Committee in July 2006. Both Committees are chaired by Chief Quality Officer (CQO) on behalf of Chief Executive Officer (CEO) and are held biweekly to discuss issues and monitor status regarding green and social responsibility, such as regulation compliance, supply chain management, climate change and greenhouse gas (GHG), and so on.

ASUSTeK Management System is composed of two aspects: Quality Management System (GreenASUS) and Environment and Safety Management System (SERASUS)

GreenASUS covers International Organization for Standardization (ISO) 9001:2000, Hazardous Substance Process Management (HSPM) of International Electrotechnical Commission Quality Assessment System for Electronic Components (IECQ) QC 080000, Restriction of Hazardous Substances (RoHS), and Waste Electrical and Electronic Equipment (WEEE); while SERASUS covers ISO 14001 Environmental Management System, Occupational Health and Safety (OHSAS) 18001, and Electronic Industry Code of Conduct (EICC), and so on.

#### ASUSTeK Social and Environmental Responsibility (SERASUS) Policy

1. Abide by all environmental protection, labor, safety and health laws.
2. Conserve natural resources and endeavor to prevent pollution.
3. Eliminate environmental impacts and safety risks.
4. Satisfy customer requirements and aim to become an “entirely green” enterprise
5. Facilitate a company-wide promotion of corporate responsibility particularly social and environmental aspects.
6. Encourage all employees to participate in the program and continuously improve it.

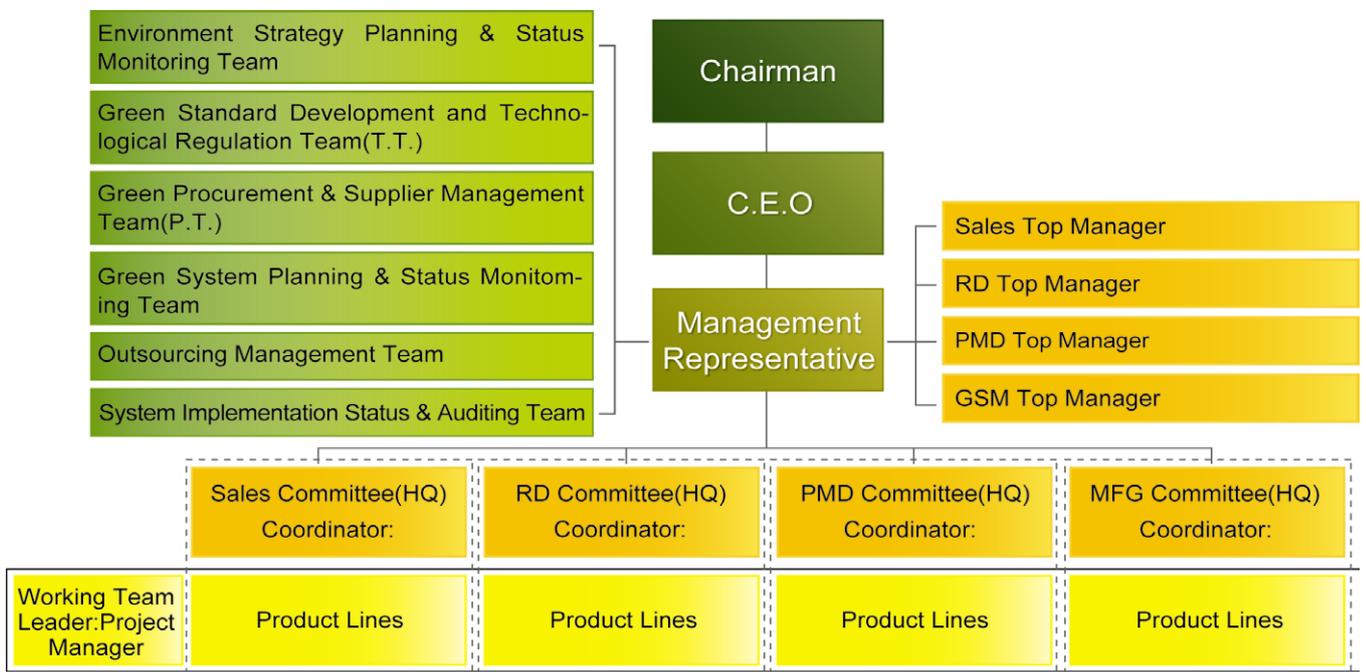
#### SERASUS Committee is committed to the following:

1. Abide by environmental and labor protection laws, regulations to meet related demands issued by the government, and vouch to support the global environmental protection, labor rights and occupational hazard control.
2. Educate the entire staff, making them aware that protecting the environment, respecting the dignity of life, conserving limited natural resources, and ensuring occupational health and safety are the responsibilities of everyone.
3. Decrease resource consumption and at the same time recycle resources.
4. Enhance the waste handling and monitor it. The responsible unit shall ensure the wastes handling from not being reused nor re-sold in order to safeguard the company and customer’s rights.
5. Step up measures to monitor and reduce pollutants along with work hazards, in the hope that adverse impacts on the environment and employees will be reduced to the least.
6. Promote the independence and reliability of the Occupational Health and Safety Management System (OHSMS) so as to optimize the quality of occupational hazard control.
7. Establish an operating system and endow it with the highest authority in the OHSMS, labor rights and environmental protection management system. The operating system should provide clearly defined job descriptions for all tasks to be shared, in order to improve the efficiency in performing these tasks.
8. Implement health care programs and improve the environment of the workplace to ensure the employees’ mental and physical health.
9. Openly pledge the company’s commitment in protecting the environment and labor rights and reducing occupational hazards.

# 3

## Environment and Safety

**GreenASUS Steering Committee Organization Chart**

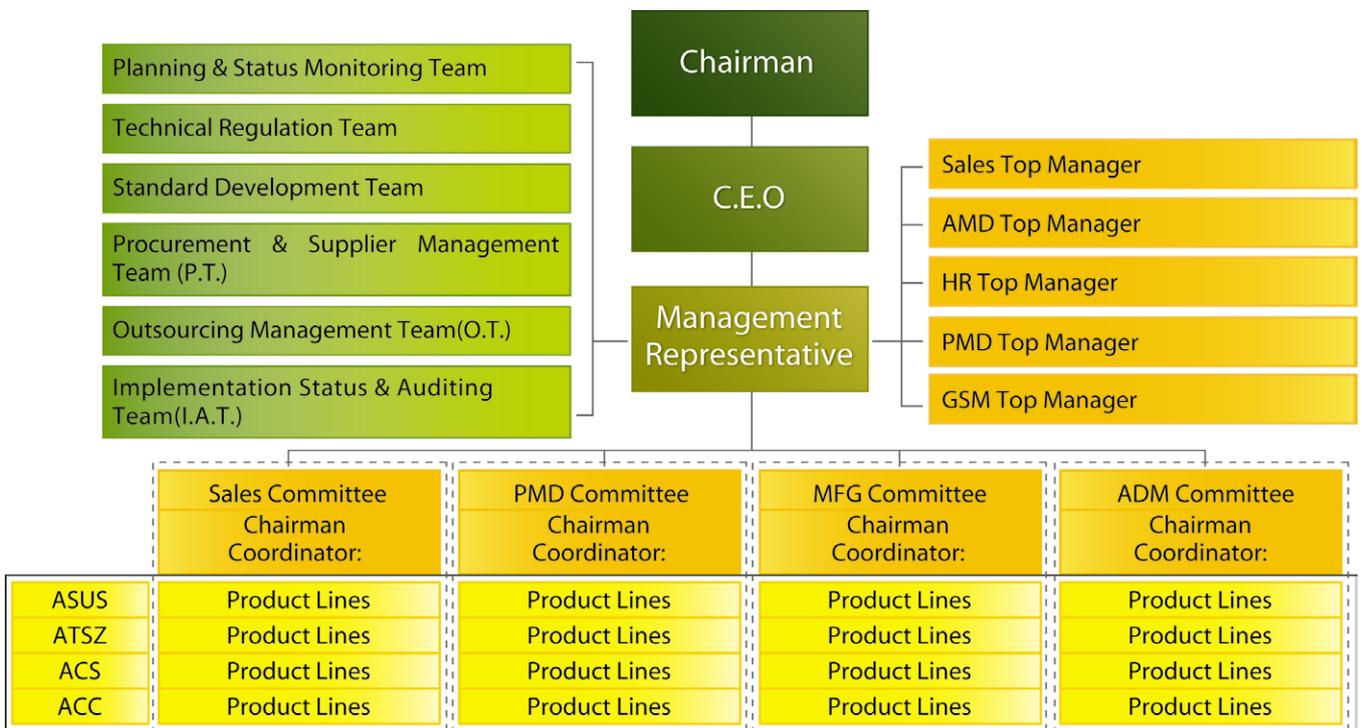


▲ **Figure 3.1 GreenASUS Steering Committee**

# 3

## Environment and Safety

**SERASUS Steering Committee Organization Chart**



▲ **Figure 3.2 SERASUS Steering Committee**

# 3

## Environment and Safety

### 3.2 Environmental Protection and ESH Risk Management

To face the rapidly changing industry and challenges, ASUSTeK amended the “Principles of Environment and Labor Safety” and drafted the “Principles of Environmental Considerations, Risk Assessments and Management Approaches” which clearly identifies any potential risk in our daily operations such as the R&D, the used of equipment, and the appropriate action. This principle is applicable to any situation including routine, non-routine and urgent situation, and to different stakeholders including suppliers, outsourcers, logistic vendors that have direct or indirect business with us.

We perform regular check on working environment as well as equipment safety. The working environment includes but not limited to: air quality in office and underground parking lots, and noise level; the equipment safety check, malfunction and the aging of the equipment. It is to ensure a healthy working condition and safe operational processes and thus protecting the wellbeing of our employees.



▲ Snapshots of Emergency Simulation Drills

# 3

## Environment and Safety

Moreover, Labor & Safety Department develops the “Chemical Management Guidelines” to educate employees with regarding the use of dangerous and hazardous substances to protect them from occupational hazards and to prevent the workplace from environmental pollution.

ASUSTeK executes emergency simulations to set up a standard operating process that could help minimize the impacts caused by natural disasters or accidents as well as educate our employees. We require all employees to take the fire drill class to make them be familiar with what actions should be taken under such condition.

By following the principles of ISO 14001 and OHSAS 18001 and implementing PDCA (Plan, Do, Check and Action), we hope to well prevent and manage any potential ESH risk to protect the environment.



▲ Snapshots of Emergency Simulation Drills

# 3

## Environment and Safety

### 3.3 ESH Training

We educate employees the environmental, safety and health awareness through classes, meetings, seminars, and practices, following implementations, oral testing, or reports. We also encourage and send out our employees to external professional training held by external institutions for professional licenses. Some of the internal ESH classes are: ESH training of orientation, fire drill training, first-aid personnel training, dangerous and hazardous substance training. Moreover, we use other media such as online courses, cards, corner propaganda, poster, multimedia to deliver ESH knowledge.



# 3

## Environment and Safety

### 3.4 Environmental Management

#### Water

ASUSTeK has become a Brand company since 2008, thus we do not have wastewater from manufacturing. The main sources of wastewater are from office and domestic, which both of them have less impact than industrial effluent to the environment. ASUSTeK sets up independent sewage treatment plant at headquarter and Lu Ju site. We maintain the system of the sewage treatment plant and the quality check of the effluent on a regular basis to ensure the effluent is properly treated and meet the regulation requirement. In addition, we do not extract the groundwater.

The leasing office sites are supervised by the Building Committee. Besides the periodical effluent testing and the system maintenance of the sewage treatment plant, it also holds regular meeting to review and monitor if any non-conformance occurs. The quality check of the effluent met the regulation requirements the whole year.

#### Waste

Most of the wastes are domestic wastes. The hazardous wastes produced during R&D process make up a small portion of the total wastes. They are treated properly by government approved clearance vendors and are in compliance with environmental regulations. The total amount of hazardous wastes in 2008 was about 1.01 metric tonnes. We also hold recycling event from time to time to encourage employees to bring in their end of life electronic products in response to our SERASUS policy.

We started a project "PC Recycling for a Brighter Future" that provides the consumers and business users in Taiwan with the recycling service to a channel that could help collect their end of life computers and refurbished the good ones for donation and the scrapped ones for proper treatment. The amount of waste collected from this project was weighted about 8.8 metric tonnes.

# 3

## Environment and Safety

### 3.5 Greenhouse Gases and Climate Change

We believe that to become a leading and successful enterprise shall not only commit to the corporate social responsibility but also listen to our stakeholders. We notice that climate change has started gaining voice globally in recent years, thus we realize that we should take the active position regarding this issue by responding to Carbon Disclosure Project (CDP) Questionnaire invited by CDP, join the seminars and forums, and participate in the public hearing regarding the GHG reduction law of Taiwan. These actions will help us gain better understanding of concerns of our stakeholders and of actions taken by the pioneers in this field. Moreover, it also shows our commitment toward GHG and climate change.

ASUSTeK had answered CDP6 questionnaire and begun to disclose GHG inventory data of 2007 in the 2007 Corporate Sustainability Report, and the details of CDP7 Questionnaire and GHG inventory data of 2008 will be available at the CDP official website after September 2009.

Carbon Disclosure Project website: <http://www.cdproject.net/>

#### Risk and Opportunity

In recent years, people could obviously observe the unusual weather patterns. According to IPCC 4th Assessment Report: Climate Change 2007, this phenomenon could possibly be caused by GHG emissions. Although Taiwan is not one of the countries listed in Annex 1 of Kyoto Protocol, Taiwan government recognizes the potential risks and thus is drafting GHG reduction law. In addition, there are other international environmental regulations such as EU 2005/32/EC (EuP Directive) which will use a market mechanism to control energy-using product by requesting products to meet certain energy efficiency requirements in regards to energy consumptions. Therefore, we realize that we will still face regulatory risks such as energy using regulation and carbon tax which could bring financial risks as well as other risks to ASUSTeK business. Some of the potential risks include but not limited to: change in consumer purchasing behavior, and

the increase in green public procurement with Eco Label. Both of them bring us to a more competitive market.

However, if we could react to the risks at the early stage, we could turn risks into opportunities for we have excellent R&D teams for innovations. As a result, we put a lot of emphasis on material selections and energy saving technique. The Bamboo Series notebooks and the unique power saving such as "Power4 Gear" system are some of the innovative achievements.

We have a designated unit responsible for monitoring and discussing GHG policy and status of actions taken. For example, the departments such as the Administrative Department and R&D Department who are in charge of their program that relates to GHG emission, energy saving programs, or eco-efficient products will report to GreenASUS Steering Committee and SERASUS Steering Committee. CQO will review the strategies, track the progresses, provide guidance, and make decisions for further following actions.

#### Greenhouse Gases Inventory

ASUSTeK had drafted the GHG inventory plan in 2006 and began the actual inventory in 2007. Since ASUSTeK became a Brand company in January 1st 2008, we set Year 2008 as the baseline for GHG inventory. In addition, we developed an IT platform and built a database to record and manage the data. We will continuously perform GHG inventory in the future.

The GHG inventory followed ISO 14064, and the scope was defined in Taiwan only. Scope 1 included diesel oil of emergency generators, gasoline of transportation buses, energy consumption by the facilities in headquarter, air conditions and refrigerants in headquarters; Scope 2 included electricity of office buildings/sites and dormitory; Scope 3 included natural gasses from cafeteria, canteen, gasses and refrigerants.

# 3

## Environment and Safety

The total and the types of energy consumed in 2008 were 18,810 MWh of electricity, 228 liters of diesel oil, and 9,201 liters of gasoline. The calculation of CO<sub>2</sub>-e emissions are based on the emission factor and CO<sub>2</sub> electricity coefficient provided by Bureau of Energy, Ministry of Economic Affairs of Taiwan, and the global warming potential (GWP) defined in IPCC 2006 Guidelines. The total CO<sub>2</sub>-e emissions were 12,374.1 metric tonnes of CO<sub>2</sub>-e, with Scope 2 whose type of source is electricity makes up the majority of the GHG emissions. Please see the below diagrams for further information:

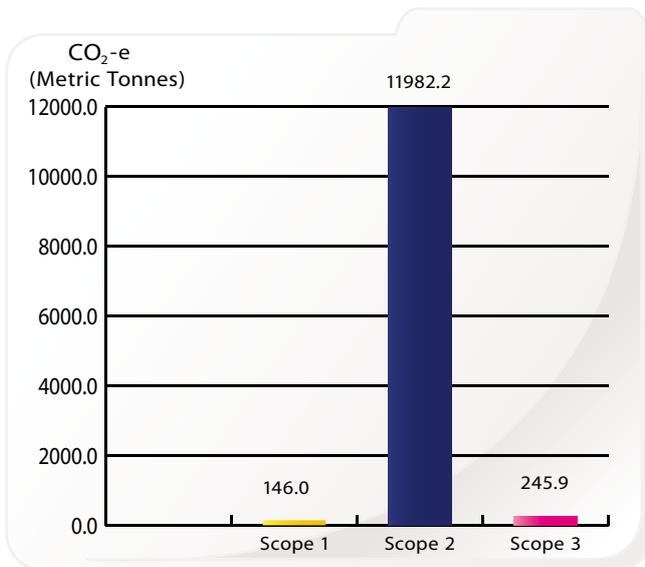


Figure 3.3 2008 GHG Emissions Data in Taiwan

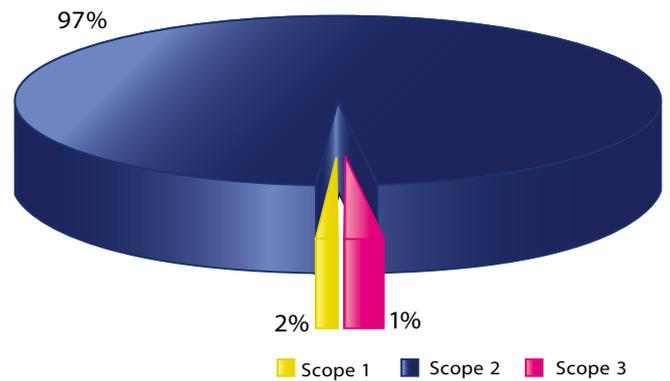


Figure 3.4 Proportion of GHG Emission in Taiwan in 2008

Year 2008 is our first time doing the GHG inventory for Scope 3 GHG emissions, starting with the cafeteria and canteen. We plan to further expand our Scope 3 inventory to business travelling by combining the Employee business travelling system with the internal GHG Database IT platform for GHG emissions. In addition, we will also discuss with our major suppliers and outsourcers to corporate and process the GHG inventory.

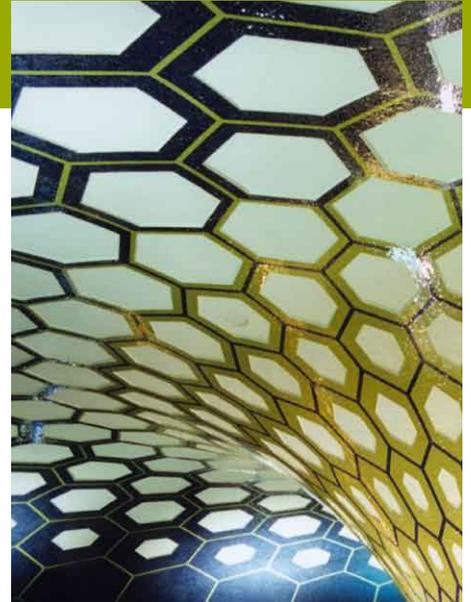
At current stage, we plan to reduce the electricity consumption at least 3% per year, and this will result in the 3% decrease in GHG emissions. Moreover, a designated department is responsible for promoting the energy saving programs, including but not limited to: climbing stairs instead of riding the elevators, low-level and high-level elevators operation, and taking off excessive lamps according to the illumination level. We have other on-going energy saving programs and also new ones prepared for 2009 as well.

# 4

## Design, Green Management and Product

### 4.1 Quality Policy and Quality Management System

Our GreenASUS quality policy states: "ASUSTeK is committed to world-class quality green products, precise and efficient product development and manufacturing, prompt service and delivery, continuous process improvement and nurturing industry talents, in striving for the highest customer confidence and satisfaction through continuous innovation and Lean Six Sigma." As mentioned earlier, ASUSTeK Quality Management System covers ISO 9001, IECQ QC 080000, RoHS, and WEEE. ASUSTeK receives both ISO 9001 and IECQ QC 080000 management system certifications.



# 4

## Design, Green Management and Product

### 4.2 Eco Design and Green Management

Eco design, or Design for Environment (DfE), is a general concept that refers to a variety of design approaches that attempt to reduce the overall environmental impact of a product, process or service, where environmental impacts are considered across its life cycle. In order to reach this objective, we focus on three areas for our DfE: the selection of environmental friendly materials, easy disassembling and easy recycling, and energy saving. Therefore, we formulate our own technical standards based on international standards, directives and regulations such as RoHS and REACH (Registration, Evaluation, and Authorization of Chemicals) to prevent any intended addition of hazardous substances. Furthermore, we also integrate WEEE, EuP, Energy Star, ASUSTeK Technical Standards, and other environmental regulations into our product design to mitigate the impact to the environment.

#### Regulation Monitoring

ASUSTeK established GreenASUS Team responsible for monitoring and responding to international environmental regulations. The scope covers:

■ **Restriction of Hazardous Substance of Electronic and Electrical Equipment:**

such as RoHS Directive, REACH Regulation

■ **End of Life Recycling Management:**

such as Waste Electrical and Electronic Equipment Directive

■ **Eco Design:**

Energy-using Product Directive

■ **Others:**

battery and packaging materials usage and waste management

We also regularly hold Steering Committee meeting to update and monitor the regulation compliance status of all our products around the world.

#### Chemical Management

To safeguard human health and environmental safety, we pay detailed attentions to the use of chemicals and comply with all relevant technical standards for the specific chemical substances by strictly requiring our suppliers to avoid the used of any hazardous substance that are defined in the Council Directive 67/548/EEC of 27 June 1967 (Dangerous Substances Directive).

To manage hazardous substances, we formulate “ASUSTeK GreenASUS HSF Technical Standard”(S-AT2-001) and require suppliers to provide the parts and products in compliance with this technical standard. All new products manufactured after January 1st, 2006 are in compliance with RoHS Directive. Besides the six major hazardous substances defined in RoHS and substances restricted by other regulations, ASUSTeK also controls ozone depleting substances, radioactive substances and other 50 plus chemicals as well as batteries and packaging materials. Moreover, we phased in Halogen-free policy into our demo models. We will include REACH regulation and Substances of Very High Concern (SVHC) into the next revision of the standard.

# 4

## Design, Green Management and Product

### Easy Disassembly and Easy Recycling Design

ASUSTeK's DfE guidelines require that its product designers to consider the following:

#### **A. Easy-Disassembly Design**

- Plastic parts > 25 grams used in product could be manually separable by one person alone with commonly available tools into recyclable resin streams
- Design modular parts that can be easily disassembled using common tools (such as a screwdriver) by one person
- Avoid using glue-on or welding to join incompatible materials
- Use snap combination to the maximum extent possible, reduce using screw combination, stick combination and weld combination
- Reduce screw categories
- Circuit boards >10 cm<sup>2</sup>, batteries, and other components - any of which contain hazardous materials - shall be safely and easily identifiable and removable

#### **B. Easy Recycling Design**

- Label plastic parts > 25 grams in conformity with ISO 11469:2000
- Make plastic material components with a single resin
- Reduce the use of surface paintings or metal coatings that are not compatible with recycling or reuse on plastic parts >100 g, or use the detachable coating treatment
- Use postconsumer recycled plastic as many as possible
- Decrease the use of additive in the plastic
- Use color materials within the present of ASUSTeK's color numbers in the design

### Energy Saving

According to Life Cycle Inventory (LCI) Analysis, computers consume the largest energy during the using stage and thus this stage has the greatest impact to the environment. Therefore, the environmental impact and the energy consumption of the product could be effectively reduced by selecting the energy-saving materials or using power saving software.

In regards to energy efficiency, ASUSTeK had invented the unique "Power4 Gear" energy saving system, which could automatically adjust the CPU speed, LCD brightness and Windows power schemes according to the system loading. There are 8 modes such as Game, DVD movie, CD-Audio, Quite Office, and so on. This simple innovation was praised by the industry for it could save about 35% of energy use and of the GHG emissions and at the same time extend the battery duration time, differentiating our products from those of our competitors.

# 4

## Design, Green Management and Product

### 4.3 Supplier and Outsourcer Management

We follow our business philosophy and become one of the world-class high-tech leaders that show commitment by contributing to the community and environment. We establish a strict selection and audit processes to manage suppliers and outsourcers, and we use a common platform - Supply Relationship Management (SRM) website - to run Supply Chain GA Parts Approval Management and communicate with them. Besides, we hold an annual supplier and outsourcer workshop to deliver our green policy, technical standards, and corporate social responsibility.

#### Supplier and Outsourcer Selection and Audit

To ensure the suppliers and outsourcers all comply with ASUSTeK technical standards, we require all new suppliers and outsourcers to go through and pass a series of self survey of Quality System Audit (QSA), Quality Process Audit (QPA), and GA (ASUSTeK HSF Green Supplier Recognition) before evaluating by our team.

The 3 dimensions cover the following:

■ **QSA :**

the completeness of and the implementation implementation degree of the quality system

■ **QPA :**

the stringency of the quality control of the manufacturing process

■ **GA :**

whether the overall quality system could meet the level set by ASUSTek GA standard

Only the suppliers and outsourcers that pass our audits will be considered as and be included in our Qualified Vendors List (QVL), and we believe this will drive the overall supply chain for continuous improvement.

Besides strict screening, we also perform annual Quality Business Review (QBR) on our major suppliers, including documentation review and annual on-site audit. The vendors with superb performance will be our long-term partners and will be audited on the management approaches of the 3 dimensions.

Starting form 2008, to make our suppliers and outsourcers aware of the corporate social responsibility such as labor, environment, occupational safety and health, and code of conduct, ASUSTeK required them to sign the "Consent of ASUSTeK Code of Conduct". By the end of 2008, 92% of our major vendors had signed the consent, committing to be compliance with any law and regulation.

# 4

## Design, Green Management and Product

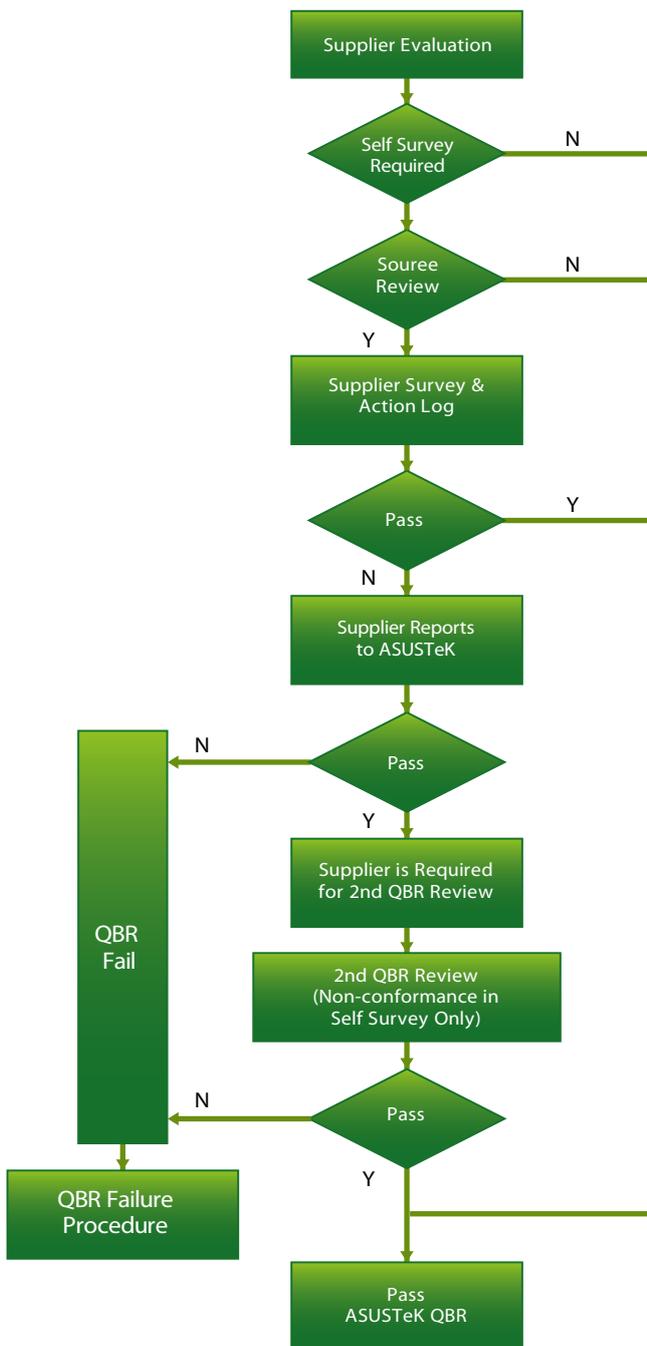


Figure 4.1 QBR Audit Process Flow

### Supplier and Outsourcer Workshop

In 2008, ASUSTeK had announced our green policy and approaches in our supplier and outsourcer workshop, including the Halogen-free policy, the goal, practices, the timeline, and our actions regarding this topic. All relevant technical standards are disclosed on our SRM website and are available to our vendors for download. Besides, we educated them the CSR policy and invited them to participate in the project “PC Recycling for a Brighter Future” as a way of promotions.

### Supply Chain GA Parts Approval Management

To control at source is the principle of ASUSTeK to execute RoHS Directive. A parts supplier has to submit the test report from the qualified third party and the “Certificate of the Non-Use Hazardous Substances” to ASUSTeK through the eGreen platform on SRM website. We use a common platform to build up a GA database as well as to speed up and avoid the repeated approval processes of GA parts.

# 4

## Design, Green Management and Product

### 4.4 Eco Labels

ASUSTeK's sustainability drive - Green ASUS - which was initiated in 2000, pursues the Green ASUS "Four Green Home Runs" in the design and production, namely: Green Design, Green Procurement, Green Manufacturing, and Green Service and Marketing.

We have included international regulations and directives such as RoHS, WEEE, EuP regulations as well as standards of various international eco labels into our technical standards. Therefore, the R&D engineer could refer to the technical standards at the product design stage so that the product could meet both requirements of eco label and of the green public procurement.

ASUSTeK was the first Taiwan IT manufacturer participating in EPEAT (Electronics Products Environmental Assessment Tool) with N Series and Bamboo Series notebooks registered at the Gold level. In addition, N Series and Bamboo Series were among the first awarded EU Flower and so far are the only products receiving both EU Flower and Czech Eco Label at the same time. Moreover, N Series was the world's very first product received EuP (Energy-using Products) certificate, and N20A notebook received "Green" award of Microsoft WinHEC Award. Besides, we also have products such as servers and monitors receiving Taiwan Green Mark.

#### EPEAT

EPEAT is an easy-to-used environmental procurement tool to evaluate a set of environmental performance, which is based on IEEE (Institute of Electrical and Electronics Engineers, IEEE) 1680 standard, of the electronic products.

The complete set of performance criteria includes 23 required criteria and 28 optional criteria in 8 categories. EPEAT identify products into three tiers – Bronze, Silver and Gold. Products meeting all required criteria are ranked as Bronze products, when meeting all required criteria plus at least 50% of the optional criteria are ranked as Silver products and at

least 75% of the optional criteria are ranked as Gold products.

Table 4.1 EPEAT Product Level Chart

 <b>BRONZE</b>	 <b>SILVER</b>	 <b>GOLD</b>
Product meets all required criteria.	Product meets all required criteria plus at least <b>50%</b> of the optional criteria that apply to the product type being registered.	Product meets all required criteria plus at least <b>75%</b> of the optional criteria that apply to the product type being registered.

EPEAT evaluates eight environmental categories:

- Reduction or Elimination of Sensitive Materials
- Materials Selection
- Design for End of Life
- Product Longevity / Life Cycle Extension
- Energy Conservation
- End of Life Management
- Corporate Performance
- Packaging

ASUSTeK was the first Taiwan IT manufacturer participating in EPEAT with N Series registered at the Gold level. The following list shows ASUSTeK's EPEAT Gold notebooks in 2008:

■ **N Series:**

N10J , N10E , N20A , N50Vc , N50Vn , N80Vr , N80Vc , N80Vn

■ **Bamboo Series:**

U2E , U6V

EPEAT Official Website: <http://www.epeat.net/>

# 4

## Design, Green Management and Product

### EU Flower

Over the past ten years, the “Flower” has become a European-wide symbol for products, providing simple and accurate guidance to consumers. All products bearing the “Flower” have been checked by independent bodies for complying with strict ecological and performance criteria.

While few human activities are completely “environmentally friendly”, there are always opportunities to reduce the impact that certain products have upon the environment. To establish a standard to reduce environmental impact, the EU Flower program developed a set of environmental and performance criteria for judging products based on all aspects of a product's life, from its production and use to its eventual disposal.

The key requirements to achieve the EU Flower include:

- Consumes less energy during use and standby
- Contains less substances that are dangerous for health and the environment
- A free take-back service is provided by the manufacturer after use
- Designed for easily disassembly and recyclability
- Increased product durability through upgrades
- Batteries are efficient and less polluting



ASUSTeK's N series notebook was among the first awarded EU Flower and at the same time the only ones awarded both EU Flower and Czech Eco Label certificates. The following are ASUSTeK's notebooks receiving EU Flower certificate in 2008:

#### ■ N Series:

N10 , N10E , N20A ,  
N50Vc , N50Vn , N80Vr ,  
N80Vc , N80Vn

#### ■ Bamboo Series :

U2E , U6V



#### ▲ EU Flower Certificate

EU Flower Official Website: <http://www.eco-label.com/>



▲ Deputy Minister of the Czech Republic Rut Bizkova ( right hand side ) awarded EU Flower Certificate ASUSTeK CQO Frank Lin ( left 2 ) , represented the company at the ceremony

# 4

## Design, Green Management and Product

### Taiwan Green Mark

In order to not only tie in with the green consumption concept to make consumers clearly choose environmentally friendly products but also promote the sale and manufacture of production and thus encouraging the development of environmental friendly products, Environmental Protection Agency (EPA) of Taiwan designed the Eco Label system and presented the "Green Mark" to the selected products that went through rigorous review and ranked the first 20%~30% products in each product category in March 19th, 1992. The logo of the Taiwan Green Mark is designed as "a piece of green leaves wrapped with clean, unpolluted Earth", which is also a symbol of "recyclable, low pollution, the provincial resources", the concept of environmental protection. ASUSTeK takes the requirements of Taiwan Green Mark into the product design, so most of ASUSTeK's products are qualified for Taiwan Green Mark and thus meet Green Public Procurement of Taiwan.

Please visit the official website of Taiwan Green Mark for the list of the awarded products of ASUSTeK:

<http://greenliving.epa.gov.tw/greenlife/green-life/index.aspx>



# 4

## Design, Green Management and Product

### EuP

EU EuP Directive is for generic products that operated by consuming energy, and such products are called “Energy-using Product”. This Directive provides coherent EU-wide rules for eco design and ensures that differences between national regulations will not hinder intra-EU trade. As reliance on the operation of energy products increases, there is a need to consider environmental concerns at all levels of the product life cycle. Products that have been awarded with the EuP certification will be considered as compliant with: approved energy and resource consumption, regulations covering the level of air / water / soil pollutant emissions and the level of noise / vibration / radiation caused during production; as well as the waste production, resource / energy recovery and feasibility of product reuse throughout the whole product life cycle. Manufacturer is requested to provide effective project design and evaluation documentations for the above requirements. N Series is the world’s very first product to receive EuP certificate.



▲ ASUSTeK was awarded with EuP Certificate by the Qualified Certification Institution

### Microsoft WinHEC Award

The WinHEC Award contest held by Microsoft contains five categories: Green, Media & Entertainment, Internet, Innovation, and Industrial Design. ASUSTeK’s N20A notebook won the “Green” award of the first WinHEC Award contest. Not only the winning product could be exhibited in the WinHEC 2008 Taipei from December 9th to December 10th 2008, but also the manufacturers were awarded by Vincent Siew, Vice President of Taiwan, and Jon DeVaan, the Senior Vice President of Windows Core Operating System Division from Microsoft. In addition, Microsoft would provide the global marketing resources to make Taiwan IT industry visible to the world. This award showed our commitments in R&D and innovation in green products.



▲ Vice President of Taiwan presented “Green” award of WinHEC Award ASUSTeK COO Tony Chen ( right ) , represented the company at the ceremony

# 4

## Design, Green Management and Product

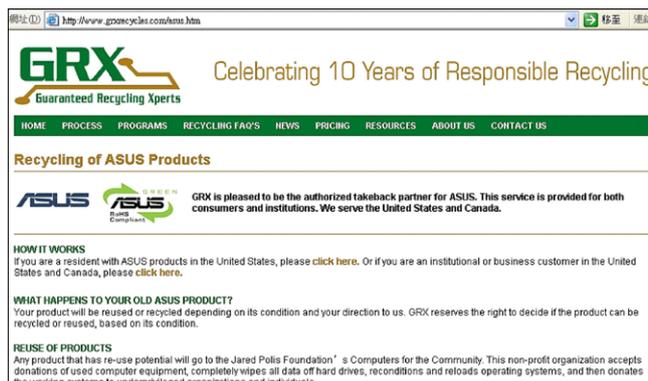
### 4.5 Product Recycling

To actively take the manufacturer responsibility, ASUSTeK has worked with local recycling vendors to establish the free recycling system in Europe, North America and Taiwan to ensure that the end of life computers are treated properly in order to reduce the impact on the environment. The recycling system will provide recycling service to customers as well as to meet the EU WEEE Directive and state-level recycling requirements in the United States.

In order to comply with EU WEEE Directive, ASUSTeK, together with local EU dealers, promotes recycling services and at the same time collects recycling information through all types of communication channels and platforms, simultaneously monitoring the recycling treatments.

In 2006, ASUSTeK became the first manufacture to provide free recycling service to the consumers in the United States. In September 2008, the scope expanded to provide recycling service to all product lines as well as to business users in the Northern American (includes Canada).

In 2008, ASUSTeK executed “PC Recycling for a Brighter Future” project with “Innovative Technology Applications and Services Program” (so-called ITAS) of Ministry of Economic Affairs, Department of Industrial Technology of Taiwan by collaborate with our own customer service centers “Royal Club”, Tsann Kuen 3C chain store, and designated recycler to establish recycling system in Taiwan. In addition, we also build the recycling website ( <http://recycling.asus.com/> ) to deliver the green concept to our consumers and business users, and to provide convenient recycling channels.



▲ Figure 4.2 United States recycler website - GRX

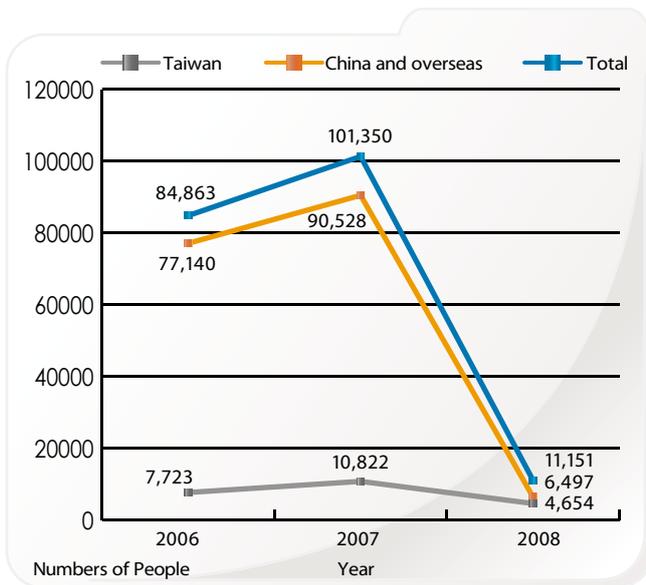
In the United States, ASUSTeK only works with legal recyclers signing Basel Convention and Pledge of True Stewardship, and we also perform three tiers audit to ensure the proper treatment of the waste electrical and electronic equipment, thus reducing the environmental impacts.

# 5

## Employees

### 5.1 Employee Profile in ASUSTeK

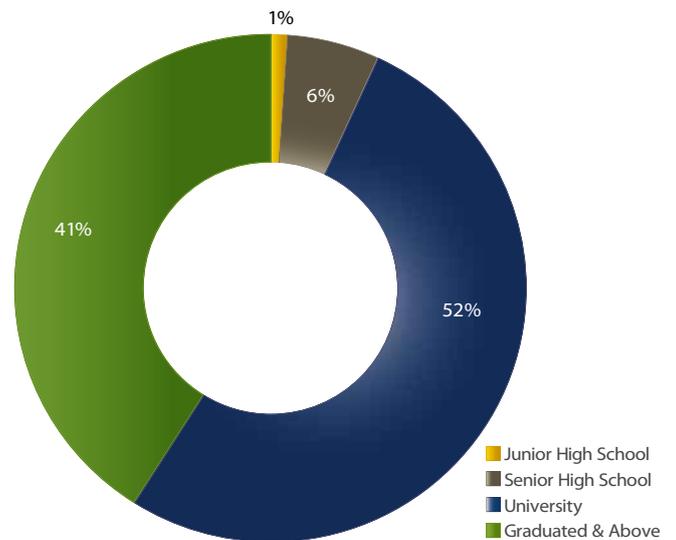
In accordance with the strategy, ASUSTeK span off our contracted manufacturing business and own-brand business in January 1st 2008. The number of employees declined significantly from 101,350 of 2007 to 11,151 of 2008, and 6,497 out of 11,151 located in China and overseas.



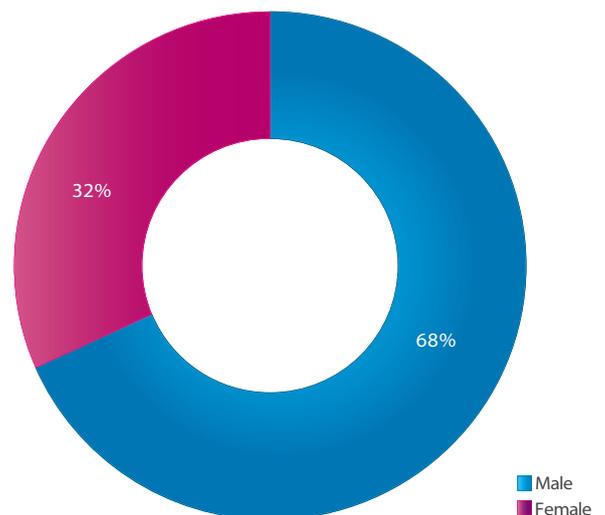
▲ Figure 5.1 Numbers of Global Employees

ASUSTeK employs high-level employees. Figure 5.2 shows that 99% of the employees have senior high school degree or higher. 93% of the employees have university degree or higher, including 52% university and 41% graduated and above.

The majority of ASUSTeK workforce is male for R&D is our core competence. As Figure 5.3 shown, the number of male employees is twice as many as female employees



▲ Figure 5.2 Employee Education Level



▲ Figure 5.3 Employee Gender

# 5

## Employees

### 5.2 Employee Compensations and Benefits

The very first business philosophy of ASUSTeK is “Inspire, motivate and nurture our employees”. Therefore, we place importance on employees’ compensations and benefits. Welfare and insurance systems secure employees’ basic livings so that they could also give consideration to family life and health while concentrating on work.

In Taiwan, full-time employees are guaranteed to have bonuses for special holidays and personal bonuses which are in accordance to individual performance and company achievement. There are also patent awards and model staff bonus. The salary is based on the title, skill, educational level, working experience, and professional knowledge; it is not varied among gender, religion, politics, martial status, and so on. The candidates with identical background will have identical starting salaries regardless of gender, meaning the ration of basic salary of men to women is 1:1.

According to local statutory requirements, new employees are provided with life insurance, labour insurance, health care, pension program, disability/invalidity coverage, and so on, and group medical insurance if applicable.

In addition to wedding and funeral grants, there are special activities held during special holidays, as well as cultural exhibitions, seminars, recreational activities and “ASUS Family Day” event. We provide holiday bonuses and various coupons to our employees and offer discounted price if purchasing company’s product. Moreover, we encourage our employees to pursue further educations by not only offering scholarships to them and their children but also planning internal and external training courses.



▲ Facilities in Gymnasium

# 5

## Employees

### 5.3 Human Rights Declaration

ASUSTeK does not discriminate against people based on race, sex, age, political affiliation, religion, and disability status. We follow the local minimum age requirement, local regulations, EICC and other relevant provisions as well as announce our Declaration on Human Rights policy in accordance to the United Nations Universal Declaration of Human Rights. ASUSTeK Declaration on Human Rights policy is as follow:

■ **No child labor**

Comply with local minimum age laws and requirements and do not employ child labor.

■ **Minimum wages**

Compensate our employees with wages and benefits that meet or even exceed the local legally required minimum.

■ **Working hours**

Provide employees with periodic holidays with pay. Do not force our employees to work more than the maximum hours of daily labor set by local laws. Comply with overtime pay requirements or compensations where required.

■ **Non-discrimination**

Prohibit discrimination based on race, color, age, gender, sexual orientation, ethnicity, religion, disability, union membership or political affiliation. All are entitled to equal protection against any discrimination.

■ **No harsh or inhumane treatment**

Prohibit physical abuse, harassment or the threat of either.

■ **Freely-chosen employment**

Ensure no forced, bonded or involuntary prison labor is used in the production of ASUS products or services. Ensure that the overall terms of employment are voluntary.

■ **Health and Safety**

Provide all our employees with a healthy and safe working environment with mutual trust and respect.

■ **Employee training and development**

Provide facilities, training programs, time and subsidies to support our employees' career development.

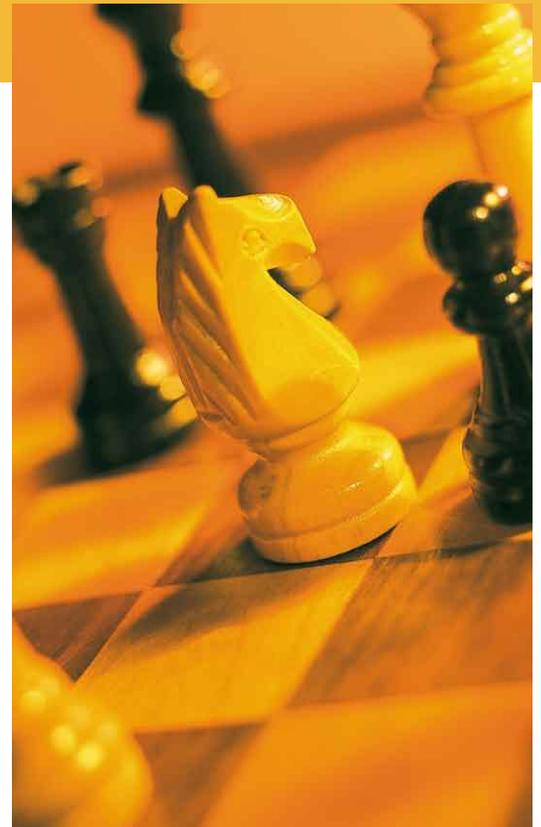
# 5

## Employees

### 5.4 Employee Advisory and Communication

ASUSTeK believes that the intellectual capital comes from selflessly exchanging experiences and skills among the top talents and passes through continuously innovation, invention and refinement. Since we inspire our employees, we have established two-way communication between employees and managers for years.

For examples, we provide good internal and external communication channels such as the Lunch Meeting between Chairman and employees, forum, e-paper, DigiTrend magazine, 24-hour emergency service line "2119", corner propaganda, 24-hour Employee Assistance Program (EAP) service line, and so on, to different groups of employees.



# 5

## Employees

### 5.5 Employee Training and Planning

One of the business philosophy of ASUSTeK is “Inspire, motivate and nurture our employees”. Since 2008, ASUSTeK fully derived “Talent Development Plan” (TDP), and this plan changed the name at the end of 2008 to “Learning & Growth Plan”. The purpose of this plan is to assist managers and employees to develop required abilities, provide the feasible plan that conforms to the development of individual and organization. The plan holds the key concept of “teach students in accordance with their aptitude”. To make the development plan be more effective and systematic, the managers and employees need to mutually discuss the annual Learning & Growth Plan based on the company’s core value, required competencies in different titles, and individual working needs.

There are around 3,551 employees participated in the Learning & Growth Plan. The procedure of the Learning & Growth Plan is as the figure below:



▲ Figure 5.4 Learning & Growth Plan Procedure



▲ Figure 5.5 Key Points of Talent Development Chart

#### Multiple Learning Resources

The key of enterprise’s success is a talent. ASUSTeK always spares no effort in a talent development. Our employees can keep learning during their works to fully bring their potentials. We plan a series of training courses and provide learning resources for all employees. The training courses include: new employee orientations, new manager orientations, core value training courses, management training courses, professional training courses, and so on. Other than internal courses, we also provide external resources such as on- job trainings and self developments.

# 5

## Employees

### Internal Training Courses

In 2008, ASUSTeK held a total of 225 classroom courses and 278 online courses. The former has 6,305 trainees and the latter has 2,497 trainees. We established the training blueprints for different targeted employees, including the mandatory training courses for high level managers, medium level managers, entry level managers and professional duty employees. In addition to help new comers better understand and adapt to our corporate culture and working environment quickly, we plan abundant and practical new employee orientations to assist these purposes. In 2008, the total number of employees attended the orientations is 1,526 trainees, and the total hours of orientations is 10,602 hours.

### Other Learning Resources

We provide the opportunities to attend external trainings, on- job trainings and self developments to our employees. When employees attend professional related courses sponsored by external training institutions, we subsidize them based on the relevance of course to the job function. We also offer on-job trainings such as the substitute, job shadowing, to coached, and assigned project based on the individual development needs, as well as various self development learning resources such as on-line training, IT English class, workshop and e-library.

Table 5.1 Multiple Learning Resources

Type	Item	Training Content	Training Goal
Off-job training	Core Value / Management training	<ol style="list-style-type: none"> <li>1. New employee orientation</li> <li>2. Core Value course</li> <li>3. New manager orientation</li> <li>4. Management course</li> <li>5. Management workshop</li> <li>6. Elite manager course</li> </ol>	Providing a systematic learning and development blueprint to employees in each level is an advantage of reserving the strength of future career development.
	Professional training	<ol style="list-style-type: none"> <li>1. New employee professional training</li> <li>2. Professional training</li> <li>3. Overseas training</li> <li>4. Expatriate training</li> </ol>	Providing systematic courses to improve the depth and breadth of employees' professional knowledge and skills.
	Self-development	<ol style="list-style-type: none"> <li>1. E-learning</li> <li>2. IT English class</li> <li>3. E-library</li> <li>4. Art workshop</li> <li>5. ASUSTeK Club</li> </ol>	Developing individual ability and making individual interest into consideration through active and self learning.
On-job training	Learning by doing	<ol style="list-style-type: none"> <li>1. Substitute</li> <li>2. Job shadowing</li> <li>3. To coached</li> <li>4. Assigned Project</li> </ol>	Managers assist employees to plan their learning and growth plan in order to strengthen employees' own knowledge and skills through learning by doing.

# 5

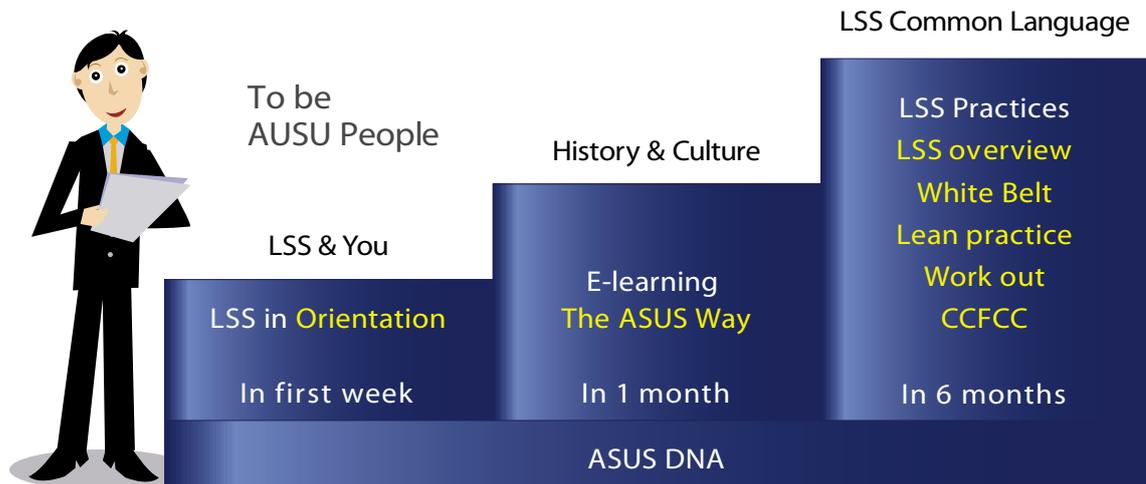
## Employees

### 5.6 Lean Six Sigma (LSS) Courses

#### Intro to the Culture and Education Programs

“LSS - The ASUS Way” has been created and promoted since May 2006, to form common language and value among all ASUSTeK employees. LSS Program Office has hence co-worked with related departments to developed the “ASUSTeK Culture and Education Program”, based on ASUS DNA. Please refer to the information below for a quick introduction of this course:

#### ASUS Culture Program



▲ Figure 5.5 ASUSTeK Culture and Education Program

#### 1. LSS and You:

All new employees will have their first contact with LSS during orientation. It is also the first time they become familiar with ASUS DNA and culture.

#### 2.The History and the Culture:

The ASUS Way - is an eLearning course. It helps employees get to know the history, and the future prospects of ASUSTeK.

#### 3.The Common Language via LSS:

LSS overview / LSS White Belt (Define, Measure, Analyze, Improve, and Control, DMAIC) / Lean Practice / Work-Out / CCFCC (Crucial Conversation For Constructive Confrontation). All new employees must complete these five courses six months after the commence date of their employment.

# 5 Employees

Table 5.2 ASUSTeK Culture and Education Program

Module	Course Title	Course Outline
A	Orientation	1. Getting to know about LSS
B	The ASUS Way	1. History of ASUSTeK 2. ASUS DNA 3. Future Prospects
C	LSS Overview	1. ASUS Branding 2. ASUS DNA 3. Concept of LSS 4. LSS
	LSS White Belt (DMAIC)	1. Define what is the Problem 2. Set the Goal 3. Solve Problem 4. Five Major Steps of DMAIC
	Lean Practice	1. What is Lean 2. The Spirit of Lean 3. The Application of Lean
	LSS Work-Out	1. What is Work-Out 2. How to Work-Out 3. Work-Out Practice
	CCFCC	1. Why CCFCC 2. Constructive Confrontation 3. Crucial Conversation

## Process Improvement Experts Cultivation Program

In May 2006, ASUSTeK started the rebuild by applying Lean Six Sigma into daily operations, and LSS finally reach to the mature stage in 2008. LSS - The ASUS Way is based on "Think Through, Executive Through"; it pursues the best quality, lean and speed by strict logicity, scientific evidence and data verification. At the same time, it develops abilities of confronting issue and problem solving rapidly from fundamental process and daily environment, to create greatest value of customer experience. ASUS DNA is the core of LSS - The ASUS Way, which integrates the spirit and methodology of Lean and Six Sigma, pushing the idea of continuous improvement into the organizational operation and thus

pursues "Inspiring Innovation • Persistent Perfection" and become "The world's most admired and Leading Enterprise in new digital era".

According to the breadth of the process, the complexity of issues, and the difficulty of theoretical tools, we separately develop the following courses for Process Improvement Experts Cultivation Program: White Belt, Yellow Belt, Green Belt, and Black Belt, basing on the concepts of "Easy, Useful, Flexible, Effective" to train the process improvement experts step by step.

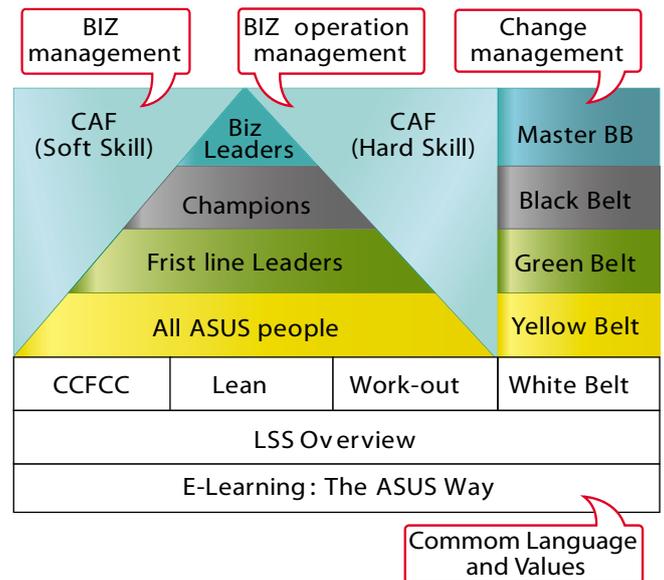


Figure 5.6 Lean Six Sigma - Knowledge Map

# 5 Employees

## ■ The ASUS Way - White Belt Cultivation Course

White Belt Course has become the mandatory course for all ASUSTeK employees since 2007. The purpose of the course is to build up a common language for process improvement in order to speed up the communication and reaction when encounter a problem. Employees will learn how to use 5W1H (What, When, Where, What Extend, Whom, and How) to clearly define the problem, use iceberg model to see the problem, and to use funnel model to solve the problem. This course also introduces Six Sigma, DMAIC, and the key concept of each step in DMAIC.

## ■ The ASUS Way - Yellow Belt Cultivation Course

Yellow Belt Course blends in the key concepts of the LSS 5 courses learned in White Belt Course by experiencing the DMAIC steps as a team and solve the problem. Students could understand more about the logical thinking and idea of The ASUS Way through leaning by doing as well as learn the basic process improvement tool. We believe that this course could help them increase their efficiency by applying LSS process improvement methodology into their works.

## ■ The ASUS Way - Green Belt Cultivation Course

The purpose of Green Belt Course is to train students to use “rigorous logic and scientific method of data validation” to effectively clarify the problem, analyze the real cause and apply the leanest solution so that the key processes are improved, thus increasing company’s competitiveness. This 5-day course will help students be familiar with “Easy, Useful, Flexible, Effective” tools through business simulation and role playing, experiencing the possible problems throughout the value stream. In addition, the simulation also allow further understanding of each other’s positions and views and then reach the cross-border communication.

## ■ The ASUS Way - Black Belt Cultivation Course

Black Belt Course is the practical course of process improvement experts cultivation program. During the major 5 steps of DMAIC with the total of 20 procedures, students will use the most effective tools to divide up the process

into modules. The goal is to create values for a project by improving the process. Students could learn things such as: how to realize the customer needs, how to find the key point for improvement through performance gap, how to use effective methodology to show the process performance, how to define the real cause, how to use scientific statistical methods to verify the cause, how to use collective wisdom to find the leanest solution, and how to monitor the effect of the improvement.

# 5

## Employees

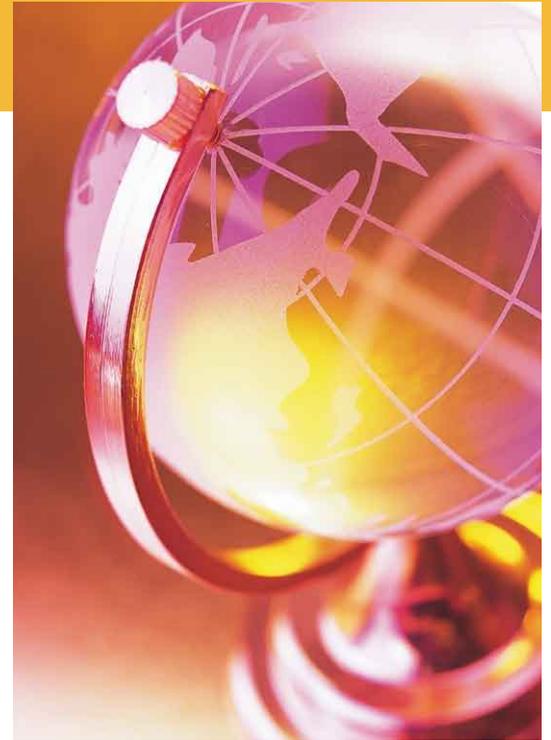
### 5.7 Performance Management and Learning Development

The performance management in ASUSTeK combines performance appraisal with learning development to improve employee's performance and ability to achieve the organization's goal. In addition, we emphasize on continuous communication between supervisors and employees to establish clear objectives aligned with the organization goals for elaborating the effect of performance management.

The performance appraisal generally reviews the employee's last performance against employee objectives and standards. The employee objectives were derived from organization objectives and functional/Unit objectives. Employees are evaluated on the basis of identified, standardized, objective metrics. Usually, Employee performance appraisal is conducted twice per year, in mid-year and at year-end. Mid-year appraisal is based on the employee's performance from January to June, and year-end appraisal is based on the employee's performance from January to December.

Employees are classified into two categories: "Exempt" (Managerial) and "Non-Exempt" (Non-Managerial, general). Because job functions are different, the criteria on each dimension are different. The performance criteria of an Exempt employee are core competencies, managerial skill, professional skill, job performance; the performance criteria of a Non-Exempt employee are core competencies, professional skill, and job performance.

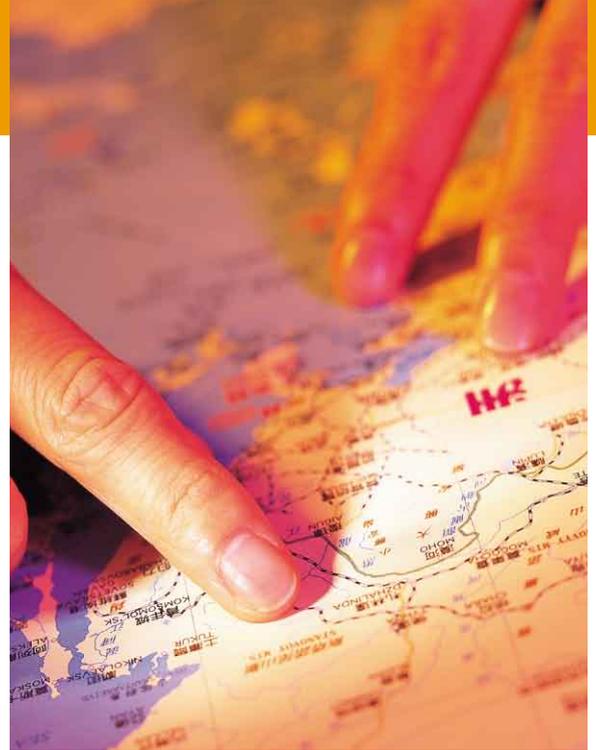
The purpose of performance appraisal is comparing employee's performance with that of his or her past. Performance appraisal helps an employee know how well he or she has achieved or even exceeded his or her goal. It can also be used as a tool to determine employee training needs and for planning the employee's career path and development so that the company and the employee are able to grow up together.



# 6

## Community Involvements

ASUSTeK has been uphold the views of “narrowing the digital divide”, “enhancing the innovation ability”, “nurturing talents”, “promoting academic and industrial cooperation”, and “promoting environmental protection and energy saving” as our long-term visions and goals. We invite not only our employees to join the environmental activities held within the organization but also other corporations to initiate donations. We had established the ASUSTeK Foundation in 2008 to feedback our community and fulfill our corporate social responsibility in more specific ways.



# 6

## Community Involvements

### 6.1 Narrowing the Digital Divide

#### Unlimited Potential Program to Narrow the Digital Divide

In March 2008, ASUSTeK collaborated with Microsoft and donated 500 Windows-based Eee PCs™ to the fourth run of Microsoft's "Unlimited Potential (UP) Program" for women in Taiwan. The Women UP Program provides islandwide IT skills training to women who have very little contact with technology. By demonstrating the role that IT can play in their lives and helping them build their confidence, we hope the program could help narrow the digital divide present in Taiwanese society.



▲ Opening Ceremony of the Program

#### PC Recycling for a Brighter Future

The project "Reversed Recycling Logistics for Green Marketing and Corporate Sustainability Development", which is also titled "PC Recycling for a Brighter Future", is our ITAS Program of Economic Affairs, Department of Industrial Technology of Taiwan from July 2008 to December 2009.

The purpose of the project is to provide the recycling service for waste computers to consumers (B2C) and business users (B2B) and then donate the refurbished computers to suburban elementary and junior high school students as well as disadvantaged minorities to narrow digital divide, achieving the environmental protection and caring the society.

##### Scope of the Project:

1. Region : Taiwan
2. Service Providing to:
  - B2C : consumers
  - B2B : enterprises, including private enterprise, government agencies, corporate bodies
3. Recycling Subject: the following end of life products of any brand
  - Personal Computer (including at least chassis, power supply, and motherboard)
  - LCD/CRT Monitor
  - Notebook



▲ Promotion of "PC Recycling for a Brighter Future"

# 6 Community Involvements

In 2008, we collaborated with all 12 of our own customer service centers "Royal Club", 250 of the Tsann Kuen 3C chain stores, and designated recycler to establish recycling system in Taiwan. In addition, we also build the recycling website to deliver the green concept to our consumers and business users, and to provide convenient recycling channels. To encourage the recycling activities, we provide a coupon to consumers for turning in each recycling product and points to business users when purchasing new ASUSTeK products. The list of groups receiving the refurbished computers is disclosed on the recycling website.



▲ Promotion of "PC Recycling for a Brighter Future"

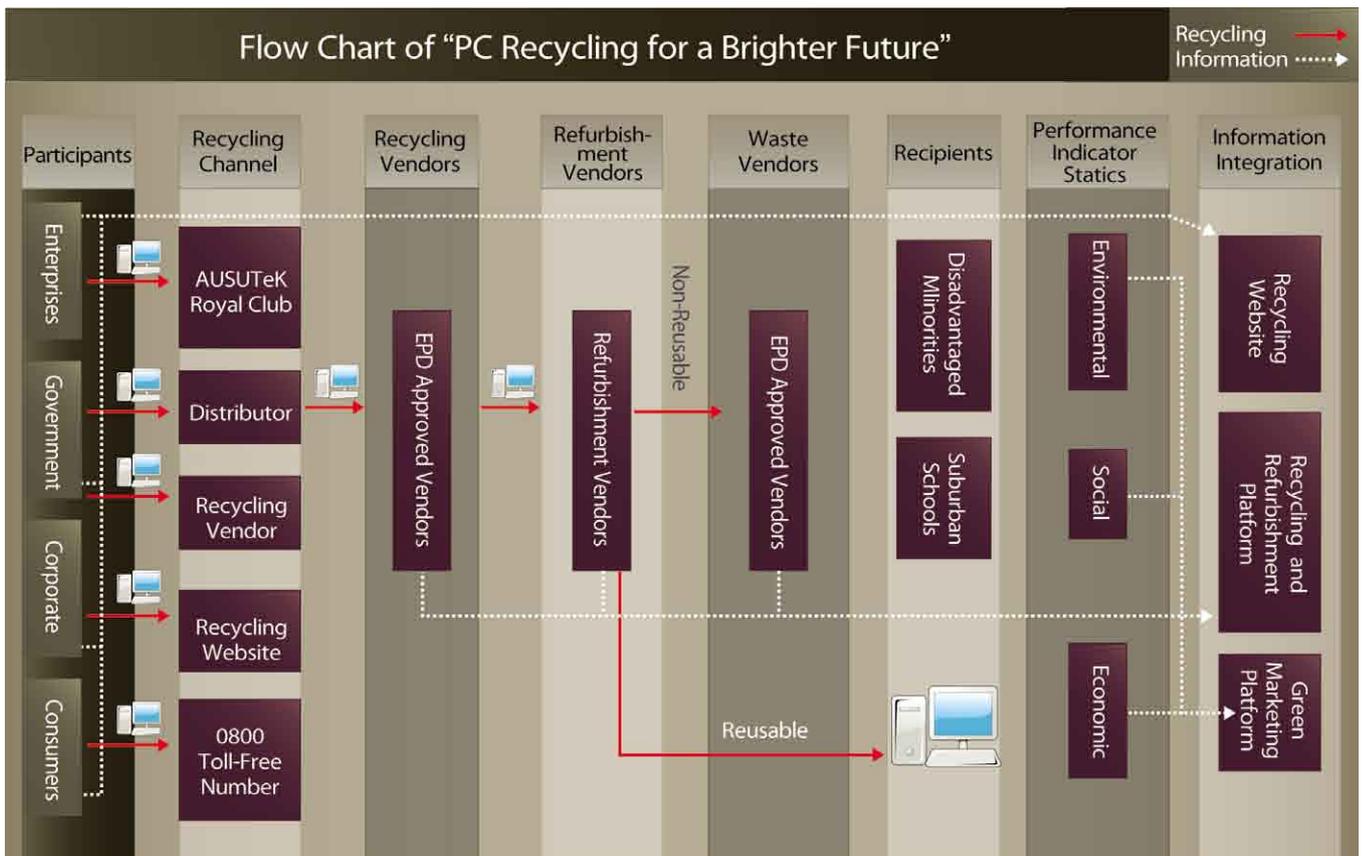


▲ Coupon Received from "PC Recycling for a Brighter Future"



▲ ASUSTeK Recycling Website

# 6 Community Involvements



▲ **Figure 6.1 Recycling, Refurbishing and Donation Flow Chart**

By the end of 2008, there were numbers of 234 consumers and 51 business users participating in this project, and 1,665 pieces of computers were donated.

Please visit the recycling website for more information: <http://recycling.asus.com/>



# 6 Community Involvements

## CO-OP Education Program

The ASUSTeK Foundation collaborated with education institutes and industries to facilitate the exchanges of information and thus developed knowledge, professional skills, management, electronic, and talents in all dimensions.

The events are as followed:

- Sponsor domestic and international scholarships and academic researches
- Donate equipment and funding to nurture the innovation potential of the students

## Folk Culture

The ASUSTeK Foundation sponsored Matsu Carnival, a festival that is held at international scale and will help advance the folk culture, traditional art, and domestic tourism industry in Changhua County. In addition, we called on the people and businesses to sponsor performances of traditional Chinese operas or other activities for setting off firecrackers. This would help to reduce pollutions and risks of public safety, at the same time protecting our living environment.



▲ Matsu Carnival

# 6

## Community Involvements

### 6.3 Caring for the Community

#### Creating Job Opportunities for the Disadvantaged Minorities

Other than donating computers to help disadvantaged minorities to eliminate the digital divide, we also take care of them through other ways. A bakery was opened by "Children Are Us", a Taiwan Foundation for mentally retarded children, in headquarter, creating job opportunities for this minority group.



The image is a colorful opening notice for the "Children Are Us Bakery". At the top, it says "喜憨兒慶開幕" (Children Are Us Bakery Opening Celebration) with icons for coffee, bread, and tea. Below this, it announces the grand opening on June 16th at 15:00. The notice lists three days of promotions: June 16th (Monday) offers 200 limited-edition meal boxes starting at 14:45; June 17th (Tuesday) offers a drink and two handmade cookies; June 18th (Wednesday) offers a cup of red tea or green tea with any purchase. At the bottom, there is a section titled "我們的團隊" (Our Team) with photos of the staff members and the text "【喜憨兒華碩企總店】" (Children Are Us ASUS Headquarter Store).

▲ The Opening Notice of "Children Are Us Bakery"

#### The Caring for the Poor

Recycling events are held throughout the year. The monetary returns from recycling waste electrical and electronic equipments turned into the scholarships and the funds of purchasing rice for the poor.



The image is a poster for the "ASUS 環保回收 愛心捐贈活動" (ASUS Environmental Recycling and Charity Donation Event). It features a butterfly on a green leaf. The text includes: "活動目的" (Activity Purpose): Responding to environmental recycling and charity donation, fulfilling ASUS's social responsibility. "活動時間" (Activity Time): 2008.11.28 (Friday), 9:00-11:00 AM. "活動地點" (Activity Location): ASUS Headquarter - Tainan Natural Science Museum 2nd Floor Restaurant, Keelung - Keelung Hospital 2nd Floor, Keelung - Keelung Hospital 1st Floor Lobby. "回收獎勵方式" (Recycling Reward Method): Recycle 10 or more items like batteries, mobile phones, PC, NB, monitors, etc., to receive a pair of stainless steel eco-friendly chopsticks. "愛心捐贈方式" (Charity Donation Method): Recycle funds will be used to provide relief for 23 poor students in Guandu National High School, and the remaining amount will be used to purchase white rice for the poor in Guandu, Keelung. The poster ends with "勞安室邀請您一同 做環保 送愛心" (Labor Safety Office invites you to do environmental protection and send love).

▲ Poster of the Recycling and Donation Event

# 6

## Community Involvements



▲ Snapshots of the Event for the Poor

### Charity and the Disaster Relief

We invites and encourages our employees to donate a partial of the salary to those who need help by providing convenience for the employees - subtracting and depositing the requested amount of the salary to the groups, such as:

■ **Rebuilding “Cloud Gate Dance Theatre of Taiwan”:** the main rehearsal site of “Cloud Gate Dance Theatre of Taiwan” was caught on fire and thus it lost many invaluable assets. ASUSTeK held an internal event to raise funds for “Cloud Gate Dance Theatre of Taiwan”.

■ **Disaster Relief of Sichuan Earthquake:** ASUSTeK was in lead raising funds for Sichuan, China, for the rebuilt.

# 6

## Community Involvements

### 6.4 Environmental Protection

#### Stair Climbing

ASUSTeK encourages employees to climb stairs instead of taking the elevator. We educate them with ideas of healthier life and environmental friendly. In addition, in each month the one who fulfils certain requirement could enter the lottery pool for winning a bicycle.



▲ A Snapshot of the Bicycles

#### Earth Day and World Environment Day

We support the Earth Day (April 22nd) and the World Environment Day (June 5th) by holding recycling events in the company as a response to these days and to our commitment of environmental policy. The monetary returns became the charity donations and library resources for the suburban students.



▲ The Earth Day



▲ The World Environment Day

#### Reusable Bag Promotion

Restaurants in cafeteria at all sites no longer provided plastic bags to take out meals since June 1st 2008. We encouraged employees to bring their own bags or to use reusable bags. In addition, we planned to stop providing disposable tableware since January 1st 2009.

### 餐廳之購物用塑膠袋宣導

為響應環保愛地球，員工餐廳  
購物用塑膠袋將分為2階段減量使用

**一、宣導期：**

1.時間：  
5月19日~5月31日

2.方式：  
廠商不再主動提供非環保類塑膠袋

**二、執行期：**

1.時間：  
6月1日起

2.方式：  
A.自行攜帶環保袋  
B.重複使用塑膠袋  
C.購買環保塑膠袋(每個1元)

大家做環保 地球更健康  
勞安室 關心您的健康

▲ Propaganda for Reusable Bag

# 6

## Community Involvements

### Beach Cleaning and Carbon Reduction Campaign

ASUSTeK and the bicycle club invited all employees and students to clean the beach nearby the headquarter.



▲ Snapshots of the Event

### Corner Propaganda and Restroom Greening

We pasted the corner propagandas in the restrooms to deliver and educate employees with environmental, health and safety information. In addition, we put plants in the restrooms to green and purify the air and decorate the restrooms.



▲ Corner Propaganda and Restroom Greening

# 6 Community Involvements

## Protecting Our Environment, Preserve the Beauty of Earth Forever

Together with Public Television Service, the ASUSTeK Foundation initiated an short video filming event “Protecting Our Environment, Preserve the Beauty of Earth Forever” running from November 2008 to February 2009. The Chairman Jonney said, “The purpose of the event is to recognize how people from different generations present their creativities differently but at the same time deliver the same message - their caring to our environment”.

We hope to inspire the publics to be aware of the environmental issues by providing a platform to present his or her creative idea and deliver the message through a short video, showing the love and caring toward the Earth to the people.



Publicity Photo of the Event

## GRI Index

### Profile Disclosures

Performance Indicator	Title	Page Number
<b>Strategy and Analysis</b>		
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	3
1.2	Description of key impacts, risks, and opportunities.	19
<b>Organizational Profile</b>		
2.1	Name of the Organization	4
2.2	Primary brands, products, and/or services.	4
2.3	Operational structure of the organization	4, Annual Report
2.4	Location of organization's headquarters	4
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	4
2.6	Nature of ownership and legal form.	4
2.7	Markets served.	4
2.8	Scale of the reporting organization	4
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	4
2.10	Awards received in the reporting period.	5
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<b>REPORT PROFILE</b>		
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3.2	Date of most recent previous report.	1
3.3	Reporting cycle	1
3.4	Contact point for questions regarding the report or its contents.	1
<b>REPORT SCOPE AND BOUNDARY</b>		
3.5	Process for defining report content	1
3.6	Boundary of the report.	1
3.7	State any specific limitations on the scope or boundary of the report.	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	1

3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	20
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	31
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	1
<b>GRI CONTENT INDEX</b>		
3.12	Table identifying the location of the Standard Disclosures in the report.	This Table
<b>ASSURANCE</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	61
<b>Governance, Commitments, and Engagement</b>		
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4.1	Governance structure of the organization.	8
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	8
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	8
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4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	8
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	8
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	8
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	4, 12, 33
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	9
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4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	9
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	9, 21-22, 33
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul> <p>This refers primarily to memberships maintained at the organizational level.</p>	10
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4.14	List of stakeholder groups engaged by the organization.	11
4.15	Basis for identification and selection of stakeholders with whom to engage.	11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	11
4.17	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.	11

## Performance Indicators

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<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change. men to women by employee category.	19
<b>INDIRECT ECONOMIC IMPACTS</b>		
<b>EC9</b>	Understanding and describing significant indirect economic impacts, including the extent of impacts.	19
<b>Environmental</b>		
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<b>MATERIAL</b>		
<b>EN1</b>	Materials used by weight or volume.	58
<b>EN2</b>	Percentage of materials used that are recycled input materials.	58
<b>ENERGY</b>		
<b>EN3</b>	Direct energy consumption by primary energy source.	20
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<b>EN5</b>	Energy saved due to conservation and efficiency improvements.	20, 23
<b>EN6</b>	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	23
<b>EN7</b>	Initiatives to reduce indirect energy consumption and reductions achieved	20, 23
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<b>EN9</b>	Water sources significantly affected by withdrawal of water.	18
<b>EMISSION, EFFLUENTS, AND WASTE</b>		
<b>EN16</b>	Total direct and indirect greenhouse gas emissions by weight.	20
<b>EN18</b>	Initiatives to reduce greenhouse gas emissions and reductions achieved.	20
<b>EN22</b>	Total weight of waste by type and disposal method.	18
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<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	22-23

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<b>EN28</b>	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	58
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<b>LA1</b>	Total workforce by employment type, employment contract, and region.	58
<b>LA2</b>	Total number and rate of employee turnover by age group, gender, and region.	58-59
<b>LA3</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	32
TRAINING AND EDUCATION		
<b>LA10</b>	Average hours of training per year per employee by employee category.	36, 59
<b>LA11</b>	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	35-36, 37-39
<b>LA12</b>	Percentage of employees receiving regular performance and career development reviews.	59
DIVERSITY AND EQUAL OPPORTUNITY		
<b>LA14</b>	Ratio of basic salary of men to women by employee category.	32
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INVESTMENT AND PROCUREMENT PRACTICES		
<b>HR2</b>	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	24
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<b>HR4</b>	Total number of incidents of discrimination and actions taken.	59
CHILD LABOR		
<b>HR6</b>	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	33
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<b>HR7</b>	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	33
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<b>S08</b>	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	60

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Product Responsibility

Product Responsibility Management Approach

21

PRODUCT AND SERVICE LABELING

**PR3** Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

22-23, 25

## GRI Supplementary Index

Environmental		
MATERIAL		
<b>EN1</b> Materials used by weight or volume.		
The following table shows the total weights of packaging materials in metric tonnes used in 2008:		
<b>Material Types</b>	<b>2008</b>	
Plastic	2,810	
Paper	29,344	
Total	32,154	
<b>EN2</b> Percentage of materials used that are recycled input materials.		
According to the requirements set for various eco labels such as Taiwan Green Mark, EPEAT and EU Flower, the percentage of materials used in paper that are recycled input materials is at least 80%.		
EMPLOYMENT		
<b>EN28</b> Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.		
No violation for noncompliance with environmental laws and regulations in 2008		
Labor Practices and Decent Work		
EMPLOYMENT		
<b>LA1</b> Total workforce by employment type, employment contract, and region.		
The following table shows the employee type of male and female in Taiwan:		
<b>Contract Type/Gender</b>	<b>Male</b>	<b>Female</b>
Permanent	3,091	1,406
Contract and Part time	84	73
<b>LA2</b> Total number and rate of employee turnover by age group, gender, and region.		
In Taiwan, The total number of employee in 2008 is 1,118. The following tables show the turnover rates by age and gender among the 1,118 employees.		
<b>Gender</b>	<b>Turnover Rate</b>	
Male	67.4%	
Female	32.6%	

Age Group	Turnover Rate
15 ~ 20	17.0%
21 ~ 30	51.8%
31 ~ 40	27.8%
41 ~ 50	2.8%
51 ~ 60	0.6%
Total	100.0%

## TRAINING AND EDUCATION

### LA10 Average hours of training per year per employee by employee category.

The following table shows the average hours of training per year per employee by employee category in 2008:

Category	Average Hours per Year *
General Employee	9.45
Managerial - Manager	5.36
Managerial - Senior Manager	3.01

\* The hours reflect the hours from internal classroom courses and eLearning classes only; hours from other types of training such as on-job trainings and external courses are not included and thus not calculated into the average hour.

### LA12 Percentage of employees receiving regular performance and career development reviews.

The following table shows the percentage of employees receiving regular performance, career development reviews, and participating in talent development in 2008:

Category	First Appraisal *	Second Appraisal **
Performance Appraisal	83.6%	99.6%
Career Development	6.9%	3.5%
Talent Development	85.0%	85.0%

\* The percentage does not include part-time jobs, co-op students, foreign employees, and employees in probationary period which is less than 3 month from commence date of employment.

\*\* The percentage does not include co-op students, foreign employees, and employees in probationary period which is less than 3 month from commence date of employment.

## Human Rights

### NON-DISCRIMINATION

#### HR4 Total number of incidents of discrimination and actions taken.

No violation of non-discrimination laws in 2008.

---

Society

COMPLIANCE

**SO8** Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

No violation of noncompliance with laws and regulations in 2008.

# Report Assurance

ASUSTeK has self-declared this report to be at Application Level B. This report is checked by GRI against GRI G3 Framework for and is qualified as Application Level B GRI-checked.

Some portions of this report are externally verified, such as ISO 9001, ISO 14001, OHSAS18001 and IECQ QC 080000 IECQ HSPM. We will decide on the possibility of seeking external verification after assessing the cost-effectiveness of the third-party certification.



Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures <b>OUTPUT</b>	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures <b>OUTPUT</b>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators <b>OUTPUT</b>	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

\*Sector supplement in final version



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