

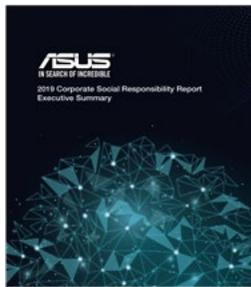


About this Report

The ASUS Corporate Social Responsibility Report for Fiscal Year 2019 details strategies, management structures and achievements made by ASUS on various sustainability initiatives. It also demonstrates how we have addressed the expectations of our stakeholders in regard to sustainability initiatives that have been established to protect the environment and to benefit society.



Annual report



Executive Summary



Detailed Report

For FY2019, key information related to corporate social responsibility efforts is being presented in two reports: An **Executive Summary Report** provides an overview of the ASUS sustainability strategy and vision as well as key achievements and material topics, and a **Detailed Report** includes information that provides stakeholders with a clear understanding of ASUS governance, environmental and social policies and initiatives and the positive impacts that they are effecting across the value chain and on the environment, employees and society.

Financial data and other related information, including financial summaries and annual reports, are available on the ASUS [investor Relations website](#)

For other sustainability-related information, please visit the [ASUS CSR website](#).

Report Structure

The report is compiled in accordance to GRI Standards, published by Global Reporting Initiative (GRI), Core Option for reporting framework, as well as to the United Nations (UN) Global Compact, and the Sustainability Accounting Standards Board (SASB) Index. The reports disclose ASUS' actions regarding strategies, targets, management approaches and performances of our sustainable operations. It covers over 95% of total sales, with the organization boundaries based on consolidated financial statements while excluding subsidiaries that are established for investment purposes within the corporate or issue independent CSR reports.

To ensure ASUS meets the six principles for defining report quality of GRI Standards - Accuracy, Balance, Clarity, Comparability, Reliability, Timeliness - ASUS entrusts SGS Taiwan Ltd. (SGS) to review the materiality of the report and data against the AccountAbility AA1000 Assurance Standard (2008) Type II High Level and GRI Standards Core Option, and PricewaterhouseCoopers (PwC) Taiwan to assure selected information and issue a limited assurance report in accordance with the Statement of Assurance Standard No.1 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China. The Assurance Statements, Limited Assurance Report of Independent Accountants, and Summary of Information Assured can be found at the end of the report.

Contact Information

To provide feedback or to contact us with questions, please email us at: stakeholder@asus.com



Message from the Chairman

This past year marked our 30th anniversary, a significant milestone that coincided with a strategic corporate transformation at ASUS. With the collective wisdom of our management team, we have evolved our brand vision and mission for the new digital era. It is our relentless mission to create the most ubiquitous, intelligent, heartfelt, and joyful smart life for everyone, as we aim to become the world's most admired innovative leading technology enterprise. The dedication of our entire workforce has led to our 7th consecutive victory as the Most Valuable International Brand from Taiwan, as ranked by Interbrand. This accomplishment reflects the timeless values instilled in our ASUS DNA: Focus on Fundamentals and Results, Lean Thinking, and Innovation and Aesthetics. Through multiple paradigm shifts in the tech industry, these founding principles have withstood the test of time and will forever remain valuable to the company.

In terms of finances, 2019 was a year that moved us forward as a company. Our net profit for 2019 increased 187% from 2018. The management team believes that there will be room for financial growth, and that we must balance short-term interests with long-term value in order to protect and maximize shareholder interest. Therefore, in terms of overall strategy, we must simultaneously consider the short term and the long term, and continuously create transformational innovations within our core business to achieve sustainable revenue and profit growth. In response to user needs and industry megatrends in the new digital era, we will focus on creating and accumulating long-term value by opening up new markets and new user segments as we proactively develop strategies in market categories such as AIoT, gaming, and commercial solutions.

ASUS has long been dedicated to sustainable business practices and to protecting the environment. As part of our 2020 Sustainability Goals, we utilize data and scientific management methodologies to optimize sustainability practices via core competencies as part of a long-term strategy. Our sustainability efforts as a company were recognized in 2019 with two g awards of Global Corporate Sustainability Awards, seven awards of Taiwan Corporate Sustainability Awards, the Asia Sustainability Reporting Awards, and ISO 20400:2017 Sustainable Procurement certification. ASUS was also recognized in the Morgan Stanley (MSCI) Global Sustainability Index, FTSE4Good Emerging Index, and FTSE4Good TIP Taiwan ESG Index.

Upon achieving our 2020 Sustainability Goals, ASUS will establish a new set of standards known as the 2025 Sustainability Goals. For this new set of standards, ASUS will bring about positive changes for society and for the environment using a triple-bottom-line accounting model, which will help in realizing a new vision of sustainability.

The outlook for 2020 has been impacted by the current COVID-19 pandemic, which will reduce commercial consumption and supply chain output in the first half of the year. Despite the short-term impacts on the business, ASUS has a firm operational foundation, with consumer mindshare that is both strong and widespread. With our abundant talent and firm finances, we will maintain our long-term commitment to growth of business operations and brand value. Managers at all levels will continue to make appropriate adjustments to operations and resource allocation while encouraging innovation in order to achieve sustained growth in our core business.



Chairman
Jonney Shih

Message from the Chief Executive Officers

2019 was a tumultuous year of changes in international political and economic situations, many of which had profound impacts on the value streams of businesses across the industry. Through the efforts of everyone at ASUS, we have been able to tackle challenges and adapt as needed. ASUS established a solid foundation in the first half of the year, resuming normal revenue growth and seeing operations move in a positive direction.

ASUS has also set forth several long-term indicators to accumulate brand value through the collective wisdom of the management team, including customer loyalty, product quality, and other benefits due to innovations. We have also launched several improvement programs. These efforts have been successful and have received positive feedback from users. These results have reinforced our belief in the ongoing cultivation of brand value.

ASUS continues to work to address concerns related to climate change through sustainable corporate practices. We view environmental protection and energy management as a challenge and also as an opportunity, and we have integrated processes into operations with the goal of reducing waste. ASUS voluntarily supports the 17 sustainable development goals advocated by the United Nations in 2019, and our 2020 Sustainability Goals laid out four key dimensions of focus: green products, a sustainable supply chain, sustainable operations and social involvement. ASUS also integrates key environmental, social and governance (ESG) principles into management decision-making processes with the goal of effecting positive changes for society and for the environment.

Through technology innovation, programs and actions, ASUS aims to set a new benchmark for sustainability in the industry. The introduction of sustainability-focused management initiatives and practices across the supply chain and procurement procedures are designed to mitigate environmental impacts while protecting human rights and creating positive change in society. ASUS continues to focus on conscientious procurement practices while leveraging competitive advantages in order to create a business model where sustainability drives the development of products and services. Efforts in this regard were acknowledged in 2019, when ASUS received the world's first ISO 20400 Sustainable Procurement certification from SGS.

By transforming the business as we make sustainability a consideration across all phases of operations, ASUS believes that it is building a better company while also helping to create positive change for the global economy, society and the environment.



Co-CEOs
S.Y. Hsu

Co-CEOs
Samson Hu



2019 Achievements in Sustainability

- Morgan Stanley Capital International (MSCI) Constituent ESG Leaders Indexes (2014-2019)
- FTSE4Good Emerging Index (2016-2019)
- FTSE4Good TIP Taiwan ESG Index (2017-2019)
- The World's Best Regarded Companies in Forbes magazine (2017-2019)
- One of the World's Most Admired Companies in Fortune magazine for the 4th time (2015, 2016, 2018, 2019)
- The Best Taiwan Global Brands Awards for 7 consecutive years (2013-2019)
- World's 1st company in electronics industry to receive ISO 20400 Sustainable Procurement Certification
- Global Corporate Sustainability Awards (GCSA) - Professional Award (Jonney Shih)
- Global Corporate Sustainability Awards (GCSA) - Best Practices Award (Great Practice)

Key Progress Indicators for 2019

Governance

US \$1.549 Billion brand value

Named the No. 1 international brand from Taiwan for 7 consecutive years.

NT \$354.1 Billion

NT \$354.1 billion consolidated revenue.

NT \$9.34 Billion

NT \$9.34 billion in innovative R&D.

Environmental

71%

Eco-friendly products accounted for 71% of overall total revenue.

100% Energy Star compliance was achieved for all notebook computers.

Energy Star represents the world's most stringent energy-efficiency standards, and ASUS notebooks exceeded these standards by 27%.

74%

Computer recycling services were provided to 74% of markets worldwide, with recycling rates at 14.6% of global sales weight.

LEED Platinum

LEED Platinum certification was awarded to the new ASUS corporate headquarters building, with the highest-level green building certification from the U.S.-based LEED organization.

Social

100%

100% of gold, tantalum, tin and tungsten came from qualified smelters.

More than 2,000 Employees Person-Time

More than 2000 employees person-time across the supply chain received more than 100 hours of functional education and training.

5.7:1

A 5.7:1 social return on investment (SROI) ratio was achieved for the Digital Inclusion Program, resulting in an impressive \$5.70 return for every dollar spent.