IN SEARCH OF INCREDIBLE

2014. Corporate Social Responsibility Report

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About This Report

ASUSTeK Computer Inc. annually publishes the corporate sustainability report since 2008. This report discloses the strategies, goals, approaches and performances of our company from January 1 to December 31, 2014, Fiscal Year 2014. The previous report was published in July, 2014.

Principle and Guidelines

The report is compiled based on GRI G4 (Global Report Initiative Sustainability Reporting Guidelines Version 4), the latest version released in May, 2013, and in accordance to Core Option, to disclose issues, strategies, goals and approaches regarding sustainability, and the GRI G4 table is attached at the end of the report for reference.

Scope and Boundary

The contents contain information and performance indicators of ASUSTeK (including ASUS Technology Incorporation, here after "UTC") and ASUS Cloud in Taiwan, as well as of ASUSTeK key suppliers/OEMs (Original Equipment Manufacturer) for Fiscal Year 2014. A portion of performance indicators regarding Labors, Environment, and Community Involvements of 7 overseas subsidiaries, 3 in China and 4 in Europe. These major overseas subsidiaries are: ASUSTeK Computer (Shanghai) Co., Ltd. (ACC), ASUS Computer (Shanghai) Co., Ltd. (ACS), ASUS Technology (Suzhou) Co., Ltd. (ASZ), ASUS Computer GmbH (ACG), ASUS France S.A.R.L. (ACF), ASUSTeK Italy srl (ACIT), and ASUS Computer Czech (ACZS).

Report Assurance

To increase the transparency, completeness and reliability, ASUSTeK entrusts SGS Taiwan Ltd. (SGS) reviews the report against the AccountAbility AA1000 Assurance Standard (2008) Type II High Level and the GRI G4 Core Option. SGS' Report Assurance Statement can be found at the end of the report. The financial data is referred from the Financial Statement certified by a qualified accountant.

Contact Information

Please feel free to provide feedback or to contact us regarding any corporate social responsibility (CSR) issue.

Email: 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 CSR 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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Message from Chairman

As a decent corporate citizen, it is our responsibility to practice and fulfill corporate governance, fair and ethical operations, environmental protection, and philanthropy. To make positive contributions to humankind has always been our path to pursue sustainable operations. Through the concerted effort of all employees, we continued to champion the Branding Taiwan Survey 2014, which again recognized Asus' brand spirit: In Search of Incredible. Apart from demonstrating the power of our innovation and service, recognizing the rising importance of environmental protection and corporate social responsibility in recent years in branding, we drive supply chain and industry development by exerting our brand influence, so as to make a substantive contribution to society.

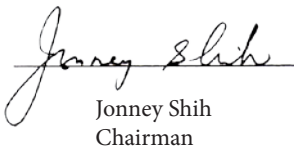
Promoting EICC Code of Conduct to the Supply Chain

In 2014, we voluntarily joined the Electronics Industry Citizenship Coalition (EICC) to become an applicant member. To promote supply chain responsibility to the electronics industry, the EICC has established standards to specify the social responsibility and govern the conduct of the global electronics industry supply chain. Apart from committing to giving full support for the EICC Code of Conduct, we exemplify the code and even request that suppliers follow the code, hoping to supervise supply chain performance with higher standards and to fulfill our social responsibility together with suppliers.

Achieving Dignity for the Sustainable Learning of Indigenous Children

In 2008, we launched the "Recycling PCs for a Brighter Future" program. After recycling and re-assembling wasted PCs, we donated them to disadvantaged groups. Apart from donating hardware and software, we hope to promote e-learning and minimize education divide in real action. Over the past six years, we organized the "Asus Science Education for Indigenous Peoples Award: Indigenous Peoples Cloud Science Fair" in collaboration with National Tsing Hua University. At the fair, indigenous students combine knowledge about nature, environment, and ecology inherited in their culture with topic research in modern science and display them over the cloud to share their creativity with others, so as to raise the IT and science literacy of indigenous elementary and junior high school students. In 2014, the Asus Science Education for Indigenous Peoples Award was accepted as a "ranking item for exemption in K-12 Education by the Ministry of Education" to encourage the multiple intelligence development of students and help indigenous students win opportunities for exemption. As students learn the essence of indigenous culture and tradition from tribal seniors and verify the wisdom and skills passed down from ancestors with scientific methods, in this venture, many higher level ASUS managers gave students their valuable experience. In addition, through this process of learning from teaching and vice versa, these managers have been inspired by their creativity. Giving back to society through real and continual action, from implementing environmental protection through shortening the education divide

to ensuring cultural inheritance, we contribute ourselves to philanthropy as far as we can reach. Apart from pursuing excellence and innovation, we spare no effort to fulfill corporate social responsibility and sustainable brand operations. By continuously devoting ourselves to environmental protection, culture and education, and public welfare, I hope that all ASUS employees can strive towards incredible brand performance through concerted efforts.



Jonney Shih
Chairman

2 About ASUSTeK COMPUTER INC.

2.1 Company Overview

2.1.1 Company Profile

Name of the Organization	ASUSTeK Computer Inc. ("ASUSTeK" or "ASUS")
Year of Establishment	1989
Address of Headquarter	No. 15, Li-Te Rd., Peitou, Taipei 11259, Taiwan
Year of Listed	1996 (2357: Taiwan Stock Exchange)
Synopsis	With a world-class R&D design team, it provides various electronic products with innovative technologies and solutions to the consumers and business users.

ASUSTeK announced spinoff of OEM (Original Equipment Manufacturer) to become a pure brand company in January 2008. In 2014, ASUSTeK divided the product lines into two groups – System and Open Platform. Product lines in System include notebook computer, tablet PC, smart phone, and wearable device; in Open Platform include motherboard, VGA card, desktop PC, LCD (liquid crystal display), wireless, and digital home equipment. ASUS Cloud began providing global individual cloud computing service in 2008 and preloaded the service on all ASUS' products and devices to provide users with hardware and software solutions. As cloud computing, big data, and mobilization matured in 2011, ASUS Cloud launched the world's first enterprise cloud service to help customers realize a new type of IT (Information Technology) architecture to fulfill their application demands in the cloud computing era.

Figure 2.1 ASUSTeK Product Groups

By the end of 2014, there were 50 subsidies and over 1,000 service centers worldwide located in Asia Pacific, Europe, America and Africa. ASUSTeK and ASUS Cloud together have 15,237 employees worldwide, with 6,676 employees in Taiwan and the rest of them in China and

overseas. The following tables show the employees of ASUSTeK and overseas subsidiaries in China and in 4 major European countries, as well as of ASUS Cloud, by region and gender in 2014:

Greater China

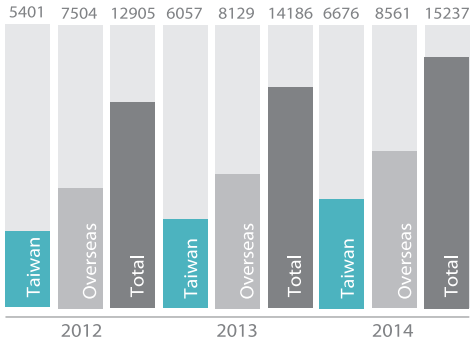
Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	4398	47	403	85	1040
Female	2208	23	418	162	689

Europe

Gender	ACG	ACF	ACIT	ACZS
Male	102	44	57	243
Female	32	42	29	255

The majority of ASUSTeK workforce is male for R&D (Research and Development) is our core competence. The percentage of male employees was 67% when of female is 33%; the number of male employees was twice as many as female employees.

Information such as the operation structure of the organization including main divisions, operating companies, subsidiaries, and joint ventures, please refer to annual stakeholder report for details: http://www.asus.com/investor.aspx



*ASUS Cloud included since 2013

Figure 2.2 Historical Data of ASUS Employees for Recent Years

2.1.2 Business Philosophy and Corporate Culture

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

ASUS DNA

"The World's Most Admired Leading Enterprise in a New Digital Era"

ASUS embodies the five virtues of humility, integrity, diligence, agility, and courage. With these, we strive to become the world' s most admired IT enterprise in the Digital Era.

2 About ASUSTeK COMPUTER INC.

Figure 2.3 ASUS DNA

Brand Promise

In Search of Incredible

"ASUS is passionate about technology and driven by innovation. We dream, we dare and we strive to create an effortless and joyful digital life for everyone. We're always in search of incredible ideas and experiences – and we aspire to deliver the incredible in everything we do."

2.1.3 Associations

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

Associations	Member	Position in governance body	Projects or committees involvement	Substantive funding
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	■	□	□	□
Taipei Computer Association (TCA)	■	□	□	□
Business Council for Sustainable Development (BCSD) of Taiwan	■	□	■	□
The Sustainable Trade Initiative - Tin Working Group (TWG)	■	□	□	□
Electronic Industry Citizenship Coalition (EICC)	■	□	□	□

■ =Yes □ =No

Table 2.1 ASUSTeK Memberships in Associations and Advocacy Organizations

For example, joining TEEMA and TCA provides industry resources to and opportunities for ASUSTeK to share our experiences with others; joining BSCD of Taiwan offers us opportunities to actively join discussions regarding sustainability issues and share ASUSTeK's experiences in CSR with other members.

The scope and issue of conflict minerals have expanded across the world. We have applied for membership to the Sustainable Trade Initiative's Indonesian Tin Working Group (IDH-TWG) and teamed up with information and communication technology (ICT) businesses to reduce the ecological impact and effect caused by environmentally harmful tin mining in Indonesia,

so as to promote fair trade in all businesses and ensure more sustainable tin mining practices in Indonesia. The Sustainable Trade Initiative (IDH) is an international non-profit organization devoting to maintain fair trade in different areas. The Tin Working Group (TWG) aims to ensure more sustainable tin mining practices in Indonesia.

To fulfill corporate social responsibility and comply with the expectation of stakeholders, we have fully assessed and aggressively participated in various international organizations and programs to resolutely assume our corporate social responsibility and make substantive contributions to environmental issues. We applied for membership to the Electronic Industry Citizenship Coalition (EICC), committing to giving full support for the EICC Code of Conduct and promoting CSR to the supply chain, including respect for labor and human rights, establishment of a healthy and safe work environment, promotion of eco-friendly processes. In addition, we request that tier-one suppliers comply with the EICC Code of Conduct together and continuously monitor and measure their performance, so as to achieve the EICC vision and objective.

2.2 Financial Information

The 2014 consolidated revenue of ASUSTeK Computer Inc. totaled NT$477.4 billion, a 3% increase compared to 2013. The net income attributable to shareholders of the parent Company accounted for NT$19.47 billion, a reduction of 9% compared to 2013. The decreased net profit was due primarily to high non-operating revenue gained from stock disposal. In 2014, consolidated operating income for ASUS computer brands reached NT$436.3 billion (unaudited corporate number), growing by 4% compared to 2013; and operating profit for ASUS computer brands reached NT$20.29 billion (unaudited corporate number), growing by 3% compared to 2013.

2.3 Corporate Governance

2.3.1 Board of Directors

In 2014, 7 Board of Directors meetings were held with the members as below:

Name	Age	Title	Gender
Jonney Shih	62	Chairman	Male
Jonathan Tsang	62	Vice Chairman	Male
Jerry Shen	54	Director	Male
Eric Chen	51	Director	Male
S.Y. Shian	49	Director	Male
Joe Hsieh*	50	Director	Male
Samson Hu	51	Director	Male
Tze-Kaing Yang	60	Supervisor	Male
Chung-Jen Cheng	66	Supervisor	Male
L.H. Yang	58	Supervisor	Male

*2014/08/04 dismissal

- By the end of 2014, ASUSTeK Board of Directors was composed of 6 Directors and 3 Supervisors. All of them are male and there is no independent Director.

- Shareholders have the ownership of the company. The Board of Directors is responsible for verifying and supervising decision-making
- Directors and Supervisors are periodically elected by shareholders and perform their assigned duties according to the relevant regulation
- Directors are elected by the shareholders in the shareholders' meeting
- Jonney Shih, the Chairman of ASUSTeK , is not an executive officer of ASUSTeK.

The details of their qualifications and background information are available in the annual report on our Investor Relations Website: http://www.asus.com/investor.aspx

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:

- Quarterly Investor Conference
- Annual Shareholder Meeting or provisional meeting
- Investor Relations Website/Email/Hotline

Investor Relations Department regularly pass the suggestions of shareholders to the ASUSTeK management team/Board of Directors for their references.

Regarding to avoiding the conflict of interests among the Board of Directors, Article 16 of ASUSTeK's "Rules Governing the Conduct of Board Meetings" clearly states: "When a Director will face the issue of conflict of interests that may harm the interests of the company, the director is allowed to express his or her opinions and answer inquiries but not to join the discussion and exercise the voting right". We will record the name of the Director, the topic, the reason for not participating the discussion, and the process of decision-making.

2.3.2 Anti-Corruption and Anti-Bribery

"Commit to integrity and diligence; focus on fundamentals and results" is one of ASUSTeK's business philosophies. We embodies the five virtues "humility, integrity, diligence, agility, and courage" to be the social and personal consensus of our people.

Besides, when the industry's moral and social responsibility gain more international attention, the enterprise that wins the trust and respect of the consumers, partners and general public will be able to sustain the business. To ensure employees comply with ASUSTeK's ethical standards and to let the stakeholders understand better on how our employees comply with moral standards when executing duties, ASUSTeK formulates the "Code of Moral Conduct" based on EICC Code of Conduct and "Guidelines for Developing Moral Code of Conduct for Publicly Listed Companies". An email address Audit@asus.com has been established for employees to submit their grievance related to the issues.

In 2012, ASUSTeK designed an online course "Employee Code of Conduct" and assigned it as a required course to ensure the concept of anti-corruption and anti-bribery is clearly delivered to all the employees. On the other hand, we also promote, provide training for and interpret "Code of Moral Conduct" so as to enhance moral and professional capabilities for all employees who are expected to demonstrate the behaviour with high moral standards as they should.

When a violation occurred, employees who violate the Code will be punished and announced publicly depending on the level of offenses. A rewarding system is established to prevent any violation happened in any form.

Our Company emphasizes high ethical standards and self-disciplines in all employees. According to media report, the chief investment officer (CIO) of ASUS involved in stock speculation for ASMedia Technology Inc., and the engineers of ASUS being accused of accepting kickback. Since those two incidents are under judicial investigation, the legal responsibility of those two cases are still wait for judicial branch' s judgment. Please visit the Market Observation Post System (MOPS) for relevant information. MOPS website: http://emops.twse.com.tw/emops_all.htm

Regarding the business partners, ASUSTeK requests them to sign the "Consent of ASUSTeK Code of Conduct". ASUSTeK will take necessary legal actions in accordance with the provisions of the conduct to partners who violate anti-bribery and anti-corruption policy and thus cause damages to the business.

2.3.3 Audit Office

Audit Office assists Board of Directors and the top management to independently, objectively assess the completeness, validity and implementation of ASUS Group internal control system. It properly submits improvement proposals to assure that the internal control system proceed continuously. In accordance with the assignments by Board of Directors and the top management, Audit Office conducts relevant investigation, assessment or consultation to assist Board of Directors and top management to fulfill responsibilities.

Audit Office is under Board of Directors with a Chief Audit Executive to manage company audits and supervise Audit Office . The appointment and dismissal of Chief Audit Executive shall be approved by Board of Directors. There are several auditors to conduct periodical, irregular audit, as well as and special projects of ASUS Group.

Internal Audit Operation provides Asus Group the following services:

- Annual audit of headquarter (HQ): Internal auditors shall frame annual audit proposals in accordance with risk assessment, and relevant regulations Audit proposals shall be approved by Board of Directors prior to implementation. The annual audit includes but not limited to operational audit and compliance with law audit.
- Special project audit: In accordance with the operational and managerial need of the Board of Directors and the top management, irregular special project auditing would be executed.
- Annual self-assessment of internal control system: Audit Office annually coordinates "self-assessment of internal control" that requires the executors of the department to

periodically evaluate the rationality of, implementation of, and the effectiveness of all operational control items. Through the reviews of the "self-assessment of internal control" report by Audit Office, the evaluated result is submitted to Board of Directors and the top management.

- Subsidiary audit: In accordance with the annual audit plan or the request from Board of Directors, Audit Office conducts periodical or irregular audit to evaluate and assure the business objective achievement, reliability of financial reporting and adequacy of internal control system. Audit office assists to assure the performance enhancement of, regulation compliance of and effectiveness and efficiency of operations of a subsidiary.
- Consulting service: Audit Office provides operational effectiveness improvement advice and internal control system consulting service in order to enhance effectiveness and efficiency of business operations.

For above duties, Audit Office shall submit reports and working papers including evaluation of internal control systems and business operations. In order to determine the appropriateness of current regulations and control procedures, and the rationality of the implementation of internal control and of the advantage for managerial and operational units, Audit Office shall provide improvement proposals adequately.

The auditors shall uphold detached independence, objective fair stance, truth-seeking spirit and modest, honest, diligent, agile, brave attitude to perform duties. The auditors shall ensure that the internal control system is implemented continuously and effectively, and assist the managerial level to fulfill obligations.

2.3.4 Compensation Committee

The Compensation Committee was set up by the end of 2011. The mission of the Compensation Committee is to assist the Board with the regular review of directors', supervisors' and executives' performance evaluations and compensation as well as the overall compensation policy, system, standards and structure of the company. It is the responsibility of the Compensation Committee to ensure that the compensation offered by ASUSTeK complies with the relevant regulations and is attractive to talents.

In 2014, the Compensation Committee has held 3 meetings. The profit-distribution proposal of the Board and the regular review of the directors', supervisors' and executives' performance evaluations and compensations were approved during the meetings. The Compensation Committee is devoted to corporate governance and maintaining the competitiveness of the company.

For more details about the Compensation Committee, please refer to the annual report published on the ASUSTeK investor's website: http://tw.asus.com/investor.aspx

2.3.5 Personal Information Protection and Information Security Committee

With instructions from top management team, ASUSTeK's Personal Information Protection and Information Security Committee ("PI Committee") was formed in April 2012, and is comprised of the Chief Quality Officer as the management representative and others designated members from Cooperator Quality Assurance Center, Legal Affairs Center, and Management Information System.

The PI Committee specially formulated the "Global Policy of Personal Information Protection and Information Asset Security" ("Policy"). The Policy is implemented globally in ASUSTeK as the guideline observed by ASUSTeK's employees while collecting, processing and using personal information; and to establish and implement information assets security.

Major Achievements of the Policy

To implement the Policy, the PI Committee holds regular bi-weekly meetings to review work progress and irregularly meetings where necessary to tactically adjust implementation approaches and handle information security incidents. By the end of 2014, over 104 regular meetings were held.

Major achievements of the PI Committee in 2014 included:

- Revision of the "Global Policy of Personal Information Protection and Information Asset Security" and of the relevant documents

  The PI Committee regularly reviews published relevant documents of the Policy based on internal and external needs. The PI Committee also formulates the ASUSTek Employee Personal Information Protection Management Regulations to ensure consistent standards for accessing the personal information of ASUS employees.
- Annual projects

  The PI Committee establishes a project for management of the personal information involving in business-to-business (B2B) e-commerce, including reviewing the safety control of B2B Standard Operation Procedure s (SOPs), guiding relevant personnel to establish, implement, and maintain its own information security SOPs, and conducting the audit.
- Annual internal audit

  To leverage the internal audit schedule, PI Committee conducts the audit with internal audit schedule to review the practice of departments involving personal information management to ensure the Policy, relevant documents and regulations are effectively implemented. Through department self-assessments and auditor audits, nonconformities are detected and corrective by responsible departments with the improvement actions.
- Annual vulnerability scan

  To strengthen the information security of ASUSTeK website, the PI Committee requests MIS to implement annual vulnerability scans of ASUSTeK websites which have external service and contain personal information. Based on the vulnerability scan and assessment report provided by MIS, the PI Committee follows up the progress of vulnerability correction and audits the implementation of vulnerability management with responsible departments.

  The PI Committee also requests responsible departments to make improvement plan for defects, if any, by certain deadline.
- Website list recheck

  The PI Committee checks all external service websites of ASUSTeK to minimize information security risk. Those unused and without management ASUSTeK external websites were backed up and taken down on March 31.
- Addition of the internal control principles for the management of personal information protection

  To cope with the amendment of the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the PI Committee established the internal control principles for the management of personal information protection.

- Internal training
  - Newcomer training: Provide newcomers with awareness education on the Policy. PI Committee had completed 10 shifts of training courses with 582 employees by the end of 2014.
  - Regular physical training courses: Arrange at least one training course per year regarding the Policy for all employees.
  - Irregular courses: Arrange courses on key issues in personal information protection and information asset security based on the need of individual units.

Key work of the PI Committee in 2015:

- Assisting internal units setting up the checklist of personal information and information security during product development process.
- Continuously implementing management of personal information protection for ASUSTeK's consumers and employees.
- Evaluating information security compliance assessment with reference to the control items in the ISO27001.

2.3.6 GreenASUS Steering Committee and SERASUS Steering Committee

The Chairman of ASUSTeK established GreenASUS Steering Committee in July 2004 and SERASUS (Social and Environmental Responsibility, SER) Steering Committee in July 2006. The Chief Quality Officer (CQO) is the Management Representative authorized by CEO to audit and supervise ASUSTeK Quality Management System, ensuring the quality management and hazardous substances management function properly and effectively, as well as to communicate and assign responsibility when issues arose. The GreenASUS and SERASUS Steering Committee is held biweekly and chaired by the Management Representative who plans, coordinates, decides on and promotes the Quality Management System and Environmental Management System of ASUSTeK as well as executes the implementations. The meeting is held about 265 times by the end of 2014.

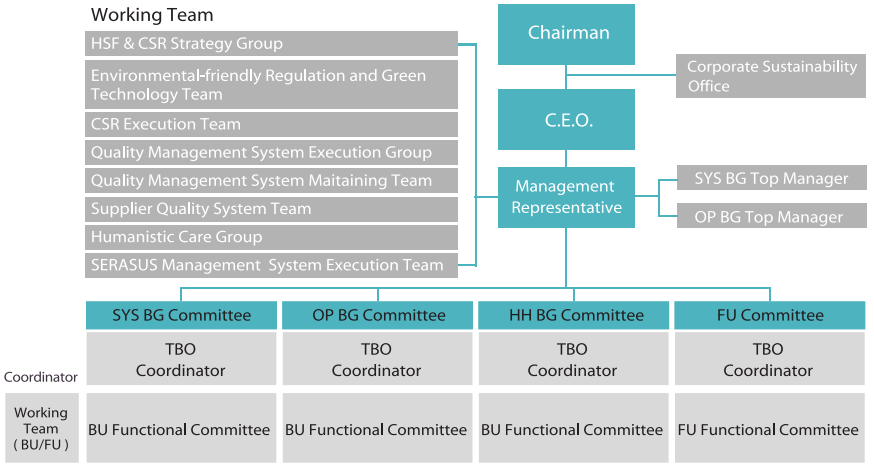


Figure 2.4 GreenASUS Steering Committee

2.3.6 Corporate Sustainability Office

In December 1, 2009, ASUSTeK established Corporate Sustainability Office (CSO) covering Green, CSR, and Humanity functions, and the Chairman is in charge of CSO. CSO is responsible for Humanity while GreenASUS committee and SERASUS committee for Green and CSR accordingly. It operates, plans, and executes measurements, and regularly reports to the Chairman and top management team.

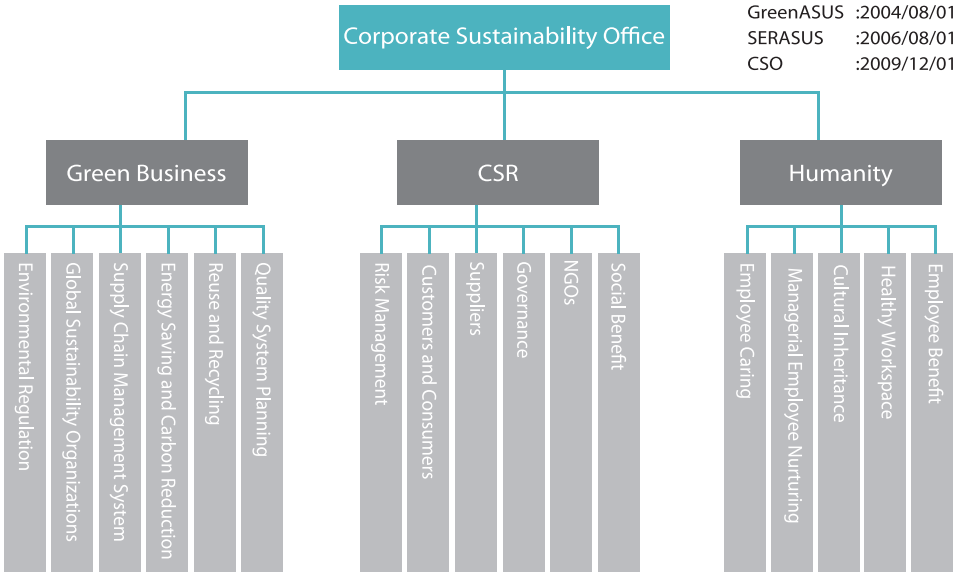


Figure 2.5 Organization Chart of Corporate Sustainability Office

Humanity includes the following five sectors: caring employee, managerial employee nurturing, cultural inheritance, healthy workplace, and employee welfare. CSO integrates these sectors to fulfill ASUSTeK Management Philosophy "Inspiring, motivate and nurture our employee to explore their highest potential". We devote all resources to care our employee and to establish good communication platforms for all of them.

The function of each sector is as followed:

Employee Benefit

Employee is one of ASUSTeK most important assets. We values employees by providing them with a competitive payment structure and various welfare benefits to attract talented people to join ASUSTeK, creating a brilliant future together. We devote ourselves to establish a free, open and two-way communication culture. More over, with a mutual trust, our employees will be willing to give us feedbacks, and we will be able to convey ASUSTeK's value and belief.

Healthy Workplace

Create a link between the workplace and personal life according to their needs and conveniences. For example, providing professional skills training or foreign languages courses may help to fulfill the needs in both workplace and personal life. ASUSTeK tries to create a healthy workplace that is good to employees in both physical and spiritual status. We are trying to make our employees enjoy their works.

Cultural Inheritance

Promote activities in areas such as experience sharing in research and development, brand management, human and industrial culture inheritance, spiritual improvement for employees, and competitiveness training to achieve the needs for sustainable business operation.

Managerial Employee Nurturing

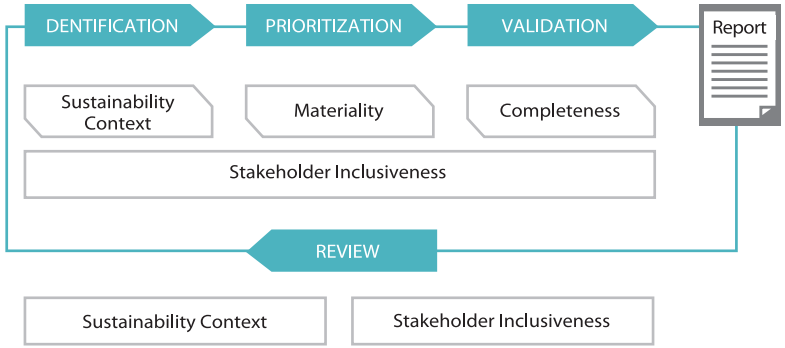
Improve the competitiveness of and develop the international view of the employees, as well as to cultivate successors at all levels to avoid the risk for not having future leaders.

Employee Caring

Plan the caring program and take care of employees or of the family members when they encounter major disasters, diseases or accidents.

2.4 Stakeholder Engagement and Aspect Identification

ASUSTeK go through cycle of the following 4 steps to define the aspects and the boundary of this report: identification, prioritization, validation, and review.



Review

ASUSTeK set up the online survey on the CSR website to collect the feedbacks of previous CSR report from our stakeholders, using the feedbacks to review the completeness of the report content as well as to identify and prioritize the aspects of the compiling CSR report.

Identification

We define the following 6 stakeholder groups as our audiences for this report: investors,clients, suppliers/outsourcers, employees, consumers, and non-governmental organizations (NGOs)/academic units.

ASUSTeK collects voices of our stakeholders through various communication channels,as well as referring to international trends and regulations, customer requirements,industry practices,and EICC Code of Conduct, to identify the key issues of each stakeholder.

Prioritization

The figure below shows the result of the prioritization through analyzing the different degrees of concerns about the issue, the frequency of the issue being asked, whether the issue is considered materiality, and the level of the impact to our business. These key issues will be further explained in details in the following chapters. Other issues that do not have great impact to our business would be talked about in brief or be explained in the chapter "OTHER PERFORMANCE INDICATORS", and some of them may be responded through our CSR website or other communication methods when necessary.

Figure 2.6 Materiality Matrix of Stakeholder Concerns

The following table shows the key issues concerns by each stakeholder group in 2014, as well as the communication channels:

Stakeholders	Frequency of Engagement & Communication Channels	Key Interests & Concerns	Responding Methods
Investors	Quarterly investor conference, Annual shareholder meeting or provisional meeting, Investor Relations Website/Email/ Hotline, ASUS CSR website, Online survey	■ Operations and Financial Performance ■ Community Involvements	■ Regularly hold investor conference and shareholder meeting to response to their interests and concerns ■ Disclose the latest financial reports/statements and investor activities (such as online broadcasts) on investor relations website
Clients	Regular conference call, Time to time questionnaire, ASUS CSR website, Email	■ Conflict Minerals ■ CSR Screening in Suppliers and Outsourcers ■ Chemical Substances Management ■ Eco Labels	■ Communicate with clients the environmental compliance status and CSR information through ASUS CSR website, Email and clients' own surveys. ■ Work closely with and communicate with our distributors to ensure that our products are complied with the required regulations
Suppliers/ Outsourcers	Supply Relationship Management (SRM)/Supply Chain Management (SCM) platform, Supplier workshop, Supplier Questionnaire	■ Environmental Regulation Compliance ■ Social Regulation Compliance ■ CSR Screening in Suppliers and Outsourcers ■ Green Policy Screening in Suppliers and Outsourcers ■ Energy Efficiency Design	■ Announce and release the latest notice and technical standard through SRM/SCM platform
Employees	Enterprise Information Portal (EIP), E-paper, Email, Forum, Hotline, Online survey	■ Compensation Benefits ■ Employee Nurturing	■ Open classes and hold various activities throughout the year to make them feel rewarded and inspired ■ Use EIP platform and email to deliver importance message to and
Consumers	Telephone, ASUS website, ASUS CSR website, Online survey, Email	■ Chemical Substances Management ■ Green Products ■ Customer Service	■ Disclose product information on ASUS website ■ Communicate our policy and achievements on eco products through ASUS CSR website ■ Communicate with them regarding products through Email and telephone
Non-Governmental Organizations/ Academic Units	ASUS website, ASUS CSR website, Spokesman, Email	■ Conflict Minerals ■ Green Products ■ Eco Labels ■ Community Involvements ■ Climate Change and Greenhouse Gases	■ Response to the interests and concerns through the most appropriate channel in a timely manner.

Table 2.2 Frequency of Engagement with and Interests and Concerns of Stakeholder

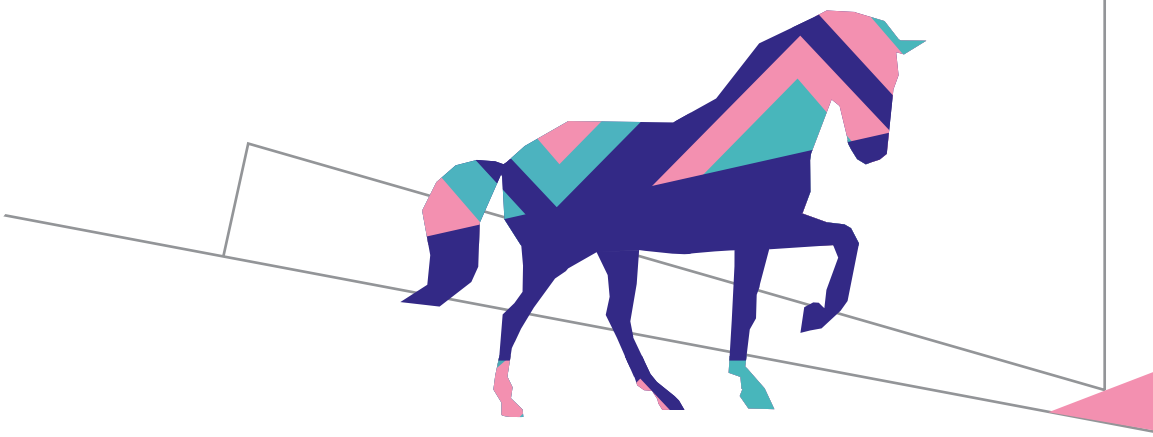
Validation

After prioritizing the key issues, we could determine the aspects and boundaries of the report. The report boundaries within the organization includes: ASUSTeK (including UTC), ASUSTeK overseas subsidiaries, and ASUS Cloud.

- ASUSTeK: Where headquarter, R&D, customer service, and key suppliers and EMS (Electronic Manufacturing Services) are located.
- China subsidiaries: Where R&D, customer service, and key suppliers and EMS are located.
- European subsidiaries: 4 major European countries
- ASUS Cloud: Business partnership with ASUSTeK and core competence associated with the products ASUSTeK provided

The report boundaries outside the organization are component suppliers and EMS (Electronic Manufacturing Services). The determination for outside the organization is based on where there is an impact.

Table 2.3 below shows the material aspects and the boundary each of them may have impact on. The disclosures on management approach (DMA) for the aspect are stated in chapter "GRI Index" and will be further explained in the indicators.



Category	Aspect/Boundary	Within the Organization				Outside the Organization	
		ASUSTeK	UTC	Overseas	ASUS Cloud	Component Supplier	EMS
Economic	Economic Performance	■	■	■	■		
	Market Presence	■	■	■	■		
	Indirect Economic Impacts	■			■		
	Procurement Practices	■					
Environmental	Energy	■	■	■	■	■	
	Emissions	■	■	■	■	■	■
	Effluents and Waste	■	■				
	Products and Services	■					
	Compliance	■				■	■
	Overall	■					
	Supplier Environmental Assessment	■					
	Environmental Grievance Mechanisms	■					
Social	Employment	■	■	■	■		
	Labor/Management Relations	■	■		■		
	Occupational Health and Safety	■	■				
	Training and Education	■	■		■		
	Diversity and Equal Opportunity	■	■	■	■		
	Equal Remuneration for Women and Men	■	■		■		
Social	Supplier Assessment for Labor Practices	■					
	Labor Practices Grievance Mechanisms	■	■				
	Non-discrimination	■	■	■	■	■	■
	Child Labor	■	■	■	■	■	■
	Forced or Compulsory Labor	■	■	■	■	■	■
	Supplier Human Rights Assessment	■					
	Human Rights Grievance Mechanisms	■	■				
	Anti-corruption	■	■	■			
	Anti-competitive Behavior	■	■				
	Compliance on Society	■					
	Supplier Assessment for Impacts on Society	■					
	Grievance Mechanisms for Impacts on Society	■					
	Customer Health and Safety	■					
	Product and Service Labeling	■	■		■		
	Marketing Communications	■	■	■			
	Customer Privacy	■	■		■		
	Compliance on Product Responsibility	■	■	■	■		
Others	Conflict Minerals	■		■		■	■
	Community Involvements	■			■		

■ =Materiality, and is disclosed in the report

3, Environmental

ASUSTeK values environmental issues and has dedicated itself to environmental protection since 2000, integrating our commitment in product manufacturing and design. We were in the lead of introducing green manufacturing and improve the product design in our industry. Our GreenASUS quality policy states: Continued pursuit of perfect quality and exciting innovation and Lean Six Sigma to strengthen personnel training. Precise and rapid development of green technology foresight immediate delivery products to win customer satisfaction up.

The foundation of GreenASUS is to be in line with international regulations and furthermore enhance the competitiveness. In 2004, ASUSTeK formed a GreenASUS Team monitoring, updating and phasing in the international environmental regulations into the corresponding product lines to ensure all products meet the local requirements around the world.

And then, we believe that we should set our goal from meeting mandatory regulations to voluntary standards of various eco labels. Furthermore, ASUSTeK formulated a voluntary environmental policy such as "Halogen-Free Policy" and developed the world's 1st completely halogen-free motherboard and a Full-HD (1920x1080) halogen-free monitor, as well as introduced the world's 1st carbon footprint and carbon neutral certified notebook. These achievements are the proofs of our innovations and efforts in green products, showing our green competitiveness.

GreenASUS quality management system is based on the following standards:

- ISO 9001 Quality Management System
- IECQ QC 080000 Hazardous Substances Process Management (IEC Quality Assessment System for Electronic Components, IECQ).

SERASUS management system is based on the following standards:

- ISO 14001 Environmental Management System
- OHSAS 18001 Occupational Health and Safety Management Systems
- EICC Code of Conduct

3.1 Eco Design

From "Product life cycle" perspective, any stage in the life cycle - raw material extraction, manufacture, distribution, use or disposal stage - may cause environmental degradation. According to a study published by DG Enterprise & Industry and DG Energy on Ecodesign, 80% of the environmental impacts of a product are determined at the design phase. Once a product is put on the market, it is difficult to reduce its impacts.

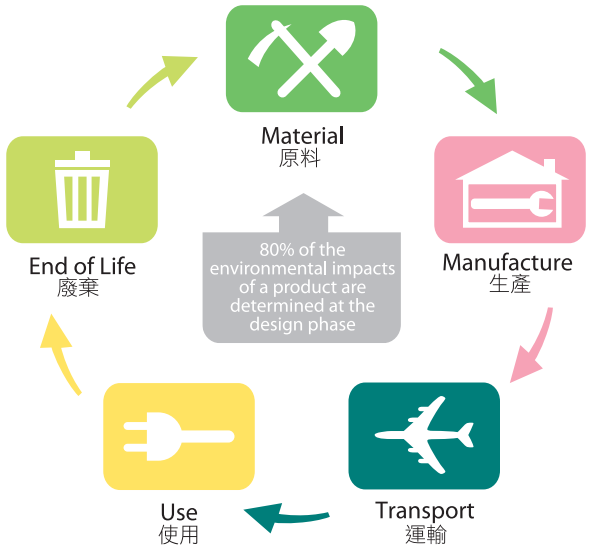


Figure 3.1 Concept of Product Life Cycle

ASUSTeK takes the concepts of Ecodesign and European Union Integrated Product Policy (IPP) to review the environmental impacts in each stage throughout a product life cycle, attempting to use the most effective approach to avoid or reduce the environmental degradation.

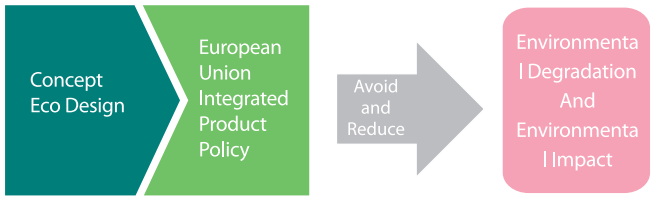


Figure 3.2 ASUSTeK Eco Design Frameworks and Purpose

ASUSTeK formulates an internal ecodesign standard, "GreenASUS Energy Using Product Technical Standard", which includes three key areas of eco design - "material selection", "easy disassembly and easy recycling design", and "energy efficiency" - and thus contains the concepts of hazardous substances management, design for easy reuse, recycling and disassembling, design for life cycle extension, and low energy consumption. This would ensure the "green" quality of our products and reduce the carbon footprint from the very beginning.

3 Environmental

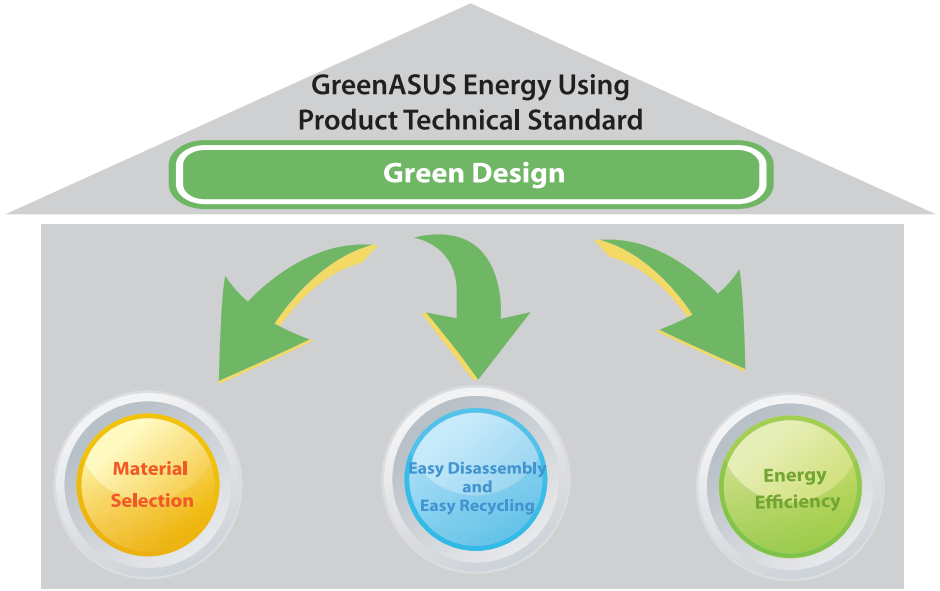


Figure 3.3 Three Key Areas of Ecodesign

3.1.1 Material Selection

Chemical Management

To safeguard human health and environmental safety, we pay detailed attentions to the use of chemicals. In addition to following all relevant international standards and regulations for restricted or specific chemical substances, ASUSTeK also integrates eco label requirements, voluntary environmental management standards and other relevant environmental documents to identify and manage any environmental sensitive or hazardous chemical substances, strictly requiring our suppliers to limit or avoid the used of any of those substances.

To manage hazardous substances, we formulate "ASUSTeK GreenASUS HSF (Hazardous Substance Free) Technical Standard" which classifies hazardous substances used in components and products into 4 levels. All new products manufactured after January 1st, 2006 are all in compliance with RoHS (Restriction of Hazardous Substances) Directive which regulates the usage and concentration of the following six hazardous chemical substances: lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), polybrominated biphenylsn (PBBs), and polybrominated diphenylethers (PBDEs).

ASUSTeK restricts not only the chemicals defined in RoHS Directive, but also nickel (Ni) and nickel compounds, ozone depleting substances, radioactive substances, and other substances defined in other regulations; ASUSTeK controls more than what RoHS requires. ASUSTeK also controls chemical substances in batteries and packaging.

By the end of 2014, we included the latest hazardous substances and candidates of Substances of Very High Concern (SVHC) defined in EU REACH, as well as halogenated compounds such as flame retardants (BFRs and CFRs) into the revision of "ASUSTeK GreenASUS HSF Technical Standard". ASUSTeK controls 273 chemical substances and the list will expend according to the trend of restriction on chemical substances.

Besides, ASUSTeK has formulated "ASUSTeK GreenASUS Halogen-Free Technical Standard" in 2008 and phased in halogen-free on components with high risk, such as PCB laminate, plastic parts greater than 25g, and cable assembly. Beginning from September 1, 2010, all newly purchased components, except system modules, PCBs, connectors and cables that still possess technical difficulty and are not economical viable, need to compile with halogen-free policy. ASUSTeK is committed to continuously increase the proportion of halogen-free components used in new products if alternative technologies are feasible and the technologies will not affect product performance, quality, health and the environment.

3.1.2 Easy Disassembly and Easy Recycling Design

ASUSTeK's guidelines for easy disassembly and easy recycling and for product life cycle extension require the product designers to consider as below:

Easy Recycling Design	• Label plastic parts > 25 grams or > 100 mm2 in conformity with ISO 11469:2000 • Make plastic material components > 100 grams 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 grams, or use the detachable coating treatment • Consider the use of postconsumer recycled plastic • Consider the use of recycled material • Consider the use of renewable/biobased material • Decrease the use of additive in the plastic • Avoid the use of glue-on or welding to join different materials • The back of the plastic parts should be without stickers or foam; if the sticker is necessary, it should be removable
Easy-Disassembly Design	• Plastic parts > 25 grams could be manually separable by one person alone with commonly available tools into recyclable resin streams • The metals in plastic parts should be easily disassembled using common tools • The parts should be easily and safely disassembled • Use snap combination to the maximum extent possible, reduce using screw combination, stick combination and weld combination • Reduce screw categories • Product needs to be easily disassembled using common tools according to Annex II of EU WEEE Directive
Life Cycle Extension	• Use modular design that can be easily disassembled using common tools • Components such as CPU (Central Processing Unit), memory, and interface card in the product should be easily disassembled using common tools • Consider extension of spare parts for the product • Consider extension of warranty for the product

3.1.3 Energy Efficiency

Objective	Key Performance	
100% notebook computers comply with the energy efficiency requirements in Energy Star	All notebook computers manufactured in 2014 comply with the energy efficiency requirements in Energy Star	Completed

Life cycle analysis shows that most of the carbon footprint comes from the use phase. Therefore, improving the energy efficiency at the use stage could not only help consumers save on the electricity fees but also reduce the carbon footprint of the product. The carbon footprint ratio of the product will vary depending on product categories and specification differences.

As the result, ASUSTeK continuously develops energy conservation software and hardware based on the requirements set forth in the strictest energy efficient standard - Energy Star - and requires all notebooks to comply with the energy efficient standard. Energy Star is the energy saving plan initiated by Environmental Protection Agency (EPA), aiming to promote energy efficiency products to reduce air pollution. With Energy Star, a user can save power and electricity per year, while reducing greenhouse gas (GHG) emissions.

3.1.4 Packaging Design

We cannot avoid using packaging materials when shipping or selling the products, and the packaging would also create environmental impacts. Therefore, in addition to meeting customer specification requirements and the relevant regulations, ASUSTeK attempts to reach the green commitment in packaging design by reducing in volume,choosing environmental friendly materials as well as using sustainable materials. Currently, ASUS' environmental friendly packaging materials are clearly labeled with different marks according to different materials.

ASUSTeK keeps moving forward to 3R (Reduce/Reuse/Recyclable) for improvement in packaging design:

Dimension	Explanation
Reduce	To develop a reasonable package size and strength of the packaging
Reuse	To best use of packaging materials to maximize the reuse
Recycle	To use recyclable materials if they will not affect the packaging quality

Objective	績效	
The packaging of the demonstration model of smart phone reach 20% volume reduction	Reduction in volume reached 24.66%	Completed
The packaging for demonstration model of tablet reach 30% volume reduction	• Reduced weight up to 30% • Using 15% of recycled materials for the PS tray • Reducing 50% of printed area	Completed

Reduction in the Packaging

In 2014, our packaging design department challenged packaging weight reduction again by improving the packaging folding method which received the patents. For the packaging of smart phone, we changed the original grey carton top gift box into sleeve to reduce the weight by 24.66% in comparison to that of the old packaging for same-size model.

Old

New

Figure 3.4 Old and New Packaging for Smart Phones

We also reduced the packaging of tablets through design optimization without sacrificing protection for safe transportation. The new design used 15% more recycled plastics in the PS tray and reduced over 50% of printed area. As a result, the weight of the new package reduced by 30% in comparison to that of the old packaging for same-size model.

Old

New

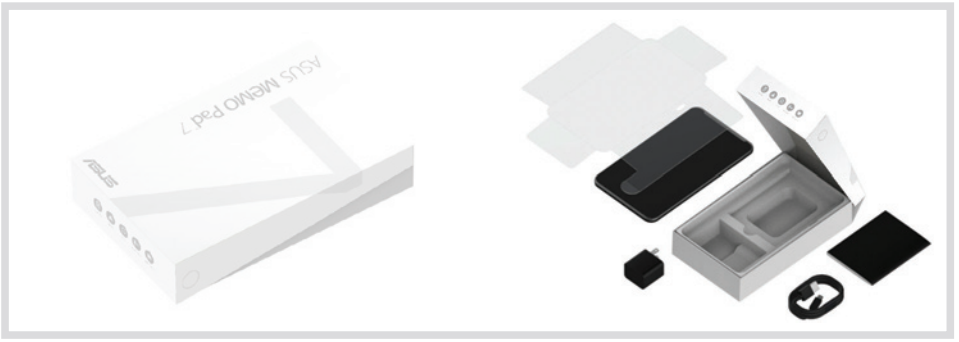


Figure 3.5 Old and New Packaging for Tablets

Environmental Protection: N-Pulp Package

The ensure design for minimizing environmental damage and resource depletion, we used eco-friendly packaging material: n-pulp. The n-pulp is mainly made of straw. After nourishing food, straw is dumped or incinerated. By extracting with new, chemical-free technology, the cellulose contained in straw is processed and then turned into the pulp, mixed with raw or recycled paper pulp, and added to the packaging material.

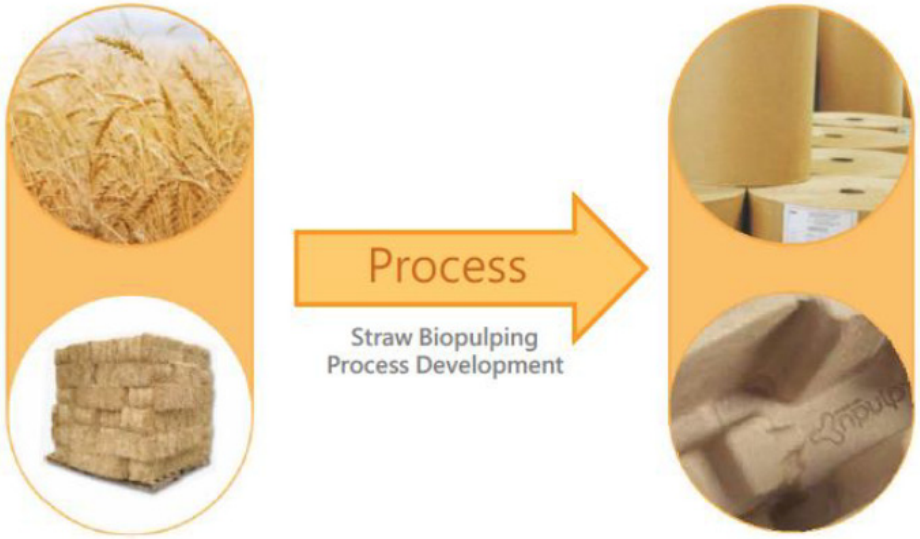


Figure 3.6 Straws Processing and N-pulp Packaging

By adding the n-pulp into packaging materials through transformation and regeneration, we have reduced resource consumption and realized environmental protection.

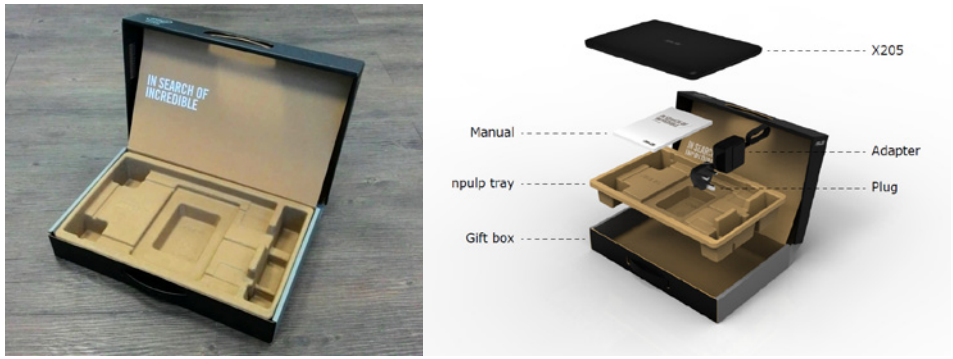


Figure 3.7 Applications of N-pulp Packaging

3.2 Supply Chain Management

ASUSTeK sets up a strict selection and audit process to manage our suppliers, ensuring they comply with ASUSTeK's quality management, green policy/guidelines and requirements on CSR. We communicate with suppliers through Supply Relationship Management (SRM) platform to deliver our supplier policy and other relevant issues to them.

The following table shows the key performances related to supply chain management in 2014:

Objective	Key Performance	
100% of new suppliers and EMS in 2014 received ASUSTeK onsite audits	Performed onsite audits in 3 dimensions to all 169 new suppliers and EMS	Completed

To ensure all our suppliers and EMS comply with ASUSTeK standards, we require all of them to go through a series of self-surveys checking on the 3 dimensions. Only suppliers that pass the surveys would receive onsite audit by our personnel.

Audit Dimension	Explanation
QSA (Quality System Assessment)	The completeness of and the implementation degree of the quality system
QPA (Quality Process Assessment)	The stringency of the quality control of the manufacturing processes
GA (GreenASUS Technical Standards)	Whether the overall quality system could meet the level set by ASUSTeK GA standards

Table 3.2 ASUSTeK Audit Dimensions

In 2014, there were over 700 qualified suppliers/EMSs, and most of them are Taiwan and China suppliers.

All of the 169 new suppliers and EMSs received the onsite audits conducted by ASUSTeK. Suppliers that pass the onsite audits on the 3 dimensions will have to sign "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and EMS" to assure their management approaches comply with labor requirements, human rights and social requirements. And then, they will be included in our Approval Maker List (AML).

In addition to strict screening, we also perform annual Quality Business Review (QBR) on our major suppliers, including documentation review and annual on-site audit. Suppliers with superb performance will be our long-term partners. We hold on the idea of PDCA (Plan-Do-Check-Act) to continuously monitor and perform audits on our suppliers to ensure they comply with ASUSTeK's supply chain management. Besides, ASUSTeK monitors if suppliers seriously violate human rights or labor offences through audits and public information. ASUSTeK also requests suppliers to propose related improvement plans to fulfill social expectations.

2014 GA Audit Results

In 2014, we reinforced inspection on component suppliers and EMSs to see if they complied with our requirements. Therefore, we conducted onsite audits on qualified suppliers and EMSs with high environmental risk and anomalies in hazardous substances, with 77% component suppliers and 23% EMSs.

The GA audit results found that 89% of the audited suppliers/EMSs approved and 11% rejected. The results were also delivered to the supply chain management unit, outsourcing management unit, and procurement unit at the same time. Those with outstanding performance were listed as qualified suppliers and those with unfavorable condition or poor cooperativeness were eliminated to effectively improve the overall quality of our supply chain.

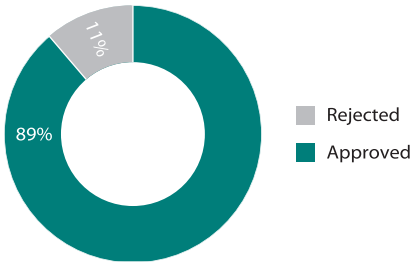


Figure 3.8 Annual GA Onsite Audit Results on Component Suppliers and EMSs

3.3 Eco Labels

Upholding the eco-design concept, from the origin to the end of the product life cycle, we comply with worldwide eco-labelling requirements. Since 2008, we rolled out N Series and Bamboo Series notebooks which were registered as EPEAT (Electronics Products Environmental Assessment Tool) Gold notebooks, were awarded EU Eco Label certificates, and complied with Energy Star requirements. Since then, ASUSTeK expends the EPEAT Gold registered product line from notebooks to notebooks, displays, Eee PCs, desktops, and all-in-one personal computer (PC). Our products also received Eco Labels in Asia, such as: Japan Eco Mark, Korea Eco-Label, China Environmental Labeling, and China Management Methods on Pollution Prevention and Control for Electronic Information Products. We continue to devote our effort by having products registered various global eco labels to promote green products.

3.3.1 EPEAT

EPEAT is an easy-to-used environmental procurement tool to evaluate a set of 8 environmental performances, which are: 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, and Packaging.

In 2006, IEEE (Institute of Electrical and Electronics Engineers, IEEE) made those requirements become IEEE 1680 standard of the electronic products. In 2010, IEEE 1680 was revised and split into IEEE 1680 and IEEE 1680.1, with IEEE 1680.1 is now where the requirements are specified. Products must meet all required criteria for the lowest level. Furthermore, products meeting all required criteria plus different numbers of optional criteria are ranked differently, from the lowest to the highest are Bronze, Silver and Gold product.

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

Table 3.3 EPEAT Product Level Chart

In 2008, ASUSTeK was the first Taiwan IT manufacturer participating in EPEAT with N Series registered at the Gold level. In 2014, ASUSTeK had registered 140 products with Gold level. For detailed list of registered models, please visit "Eco Products" at ASUS CSR website or visit EPEAT Official Website.

ASUS CSR Eco Products/EPEAT: http://csr.asus.com/english/index.aspx#41
EPEAT Official Website: http://www.epeat.net/

3.3.2 Taiwan Green Mark

"Green Design, Manufacture, Marketing and Procurement" becomes the trend in 21st century. 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 ASUSTeK is able to join the Green Public Procurement. ASUSTeK will continue to devote to have more products applying for Ecol Label.

ASUSTeK notebook computers, personal computers (system unit), displays, and desktop personal receive Taiwan Green Mark. Please visit "Eco Products" at ASUS CSR website or visit Taiwan Green Mark Official Website for detailed list of products.

ASUS CSR Eco Products/ Taiwan Green Mark: http://csr.asus.com/english/index.aspx#44
GreenLiving Information Platform of EPA of Taiwan: http://greenliving.epa.gov.tw/public

3.3.3 China Environmental Labeling

The figure of China Environmental Labeling is composed of sun, verdant hill and water in the center. It is circled with ten rings. Its central construction stands for environment that human exists, and peripheral ten rings closely connect to each other, which expresses that the public participate in environmental protection. At the same time, the "ring" and the "environment" in Chinese share a Chinese character in common, which implies that "all the people unite together to protect our human environment".

ASUSTeK has notebook computers, desktop computers and all-in-one PC receiving China Environmental Labeling in 2011, and we expanded the scope of the product category to display in 2012. In 2013, we expand to consumer market for desktop computers. ASUSTeK had 4,479 models in the above product lines applied for the labels by 2014.

Please visit the official website for detailed list of products .
China Environmental United Certification Center Co., Ltd : http://www.mepcec.com/

3.3.4 Management Methods on Pollution Prevention and Control for Electronic Information Products

In line with promoting the implementation of China's national voluntary certification system, China National Accreditation Commission and Ministry of Industry and Information Technology established the guidelines of "Management Methods on Pollution Prevention and Control for Electronic Information Products" which was effective on November 1, 2011.

This certification is a voluntary certification system promoted and managed by China government. The certificate will be awarded to the electronic information products that are proven to comply with the pollution control standards and technical requirements by the verification party.

ASUSTeK notebook computers were among the first group of products awarded 3 certifications by China Quality Certification Centre in July, 2012. In November, 2013, we expanded the product categories to display and all-in-one and together 6 certificates awarded in November, 2013, and to EeeBox together 4 certificates awarded in 2014.

Figure 3.9 Certificates of Management Methods on Pollution Prevention and Control for Electronic Information Products Awarded in 2014

3.3.5 Eco-Audit

To meet international environmental protection trends, ASUS' products receive worldwide eco-labels, such as the Taiwan Green Mark, EU Eco Label, EPEAT, and China Environmental Labeling. To ensure the EMSs manufacturing eco label products meet the up-to-date international eco label requirements and the GreenASUS technical standards, we have established the eco audit process.

In 2012, we established the ASUSTeK Eco-Audit Assessment Form as the evaluation tool in accordance with ISO9001, ISO14001, QC080000, and GreenASUS technical standards. The contents of the assessment form includes three aspects: Management System, Eco-design Requirements, and Process Control. Each year, ASUSTeK implements an eco-audit on EMSs manufacturing eco-labeled products, and ASUSTeK requests them to propose the "Audit

Defect Report" within 2 weeks after detecting a non-conformance during the audit. ASUSTeK also followed up on the improvement until non-conformances are eliminated. In 2014, ASUSTeK completed eco-audits for 10 EMSs.

3.4 Product Takeback Service

Computers, notebook computers, and other electronic equipment contain hazardous chemicals that can be harmful to the environment when disposed in a landfill with trash. The metals, plastics, and components found in an old computer should be properly treated through recycling to decrease the impacts to the environment. ASUSTeK supports that when products reach the end of life stage, the manufacturer should take care of the recycling and the disposal management of those products. We support Individual Producer Responsibility (IPR) by providing the product takeback service to our products and working with qualified recyclers for proper end of life management. We use strict standards to monitor our recycling partners to ensure the safety of their employees and the compliant with applicable international and regional regulations.

ASUSTeK has worked with qualified local recycling vendors to establish the free recycling system in Europe, North America, Taiwan, China and Australia 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 recycling requirements in various countries.

For more information on our Global Product Takeback Service, please visit the following URL: http://csr.asus.com/english/Takeback.htm

3.5 Greenhouse Gases and Climate Change

In the Fifth Assessment Report (AR5) announced in 2013 by the Intergovernmental Panel on Climate Change (IPCC) in Stockholm, Sweden, the IPCC believes that the likelihood of human activities as the cause of the observed increase in global average temperature has risen from very likely (>90%) in the AR4 to extremely likely (>95%), and the increase in global average temperature will significantly change global climate.

3.5.1 Greenhouse Gases Management of ASUSTeK and of the Supply Chain

Since ASUSTeK is not in energy-intensive industry, we have no immediate risk of emissions restriction from Kyoto Protocol. However, we have been long concerned about the issue of global warming and are willing to spare no effort to help slow down the greenhouse effect. ASUSTeK developed the GHG Policy as followed:

ASUSTeK realizes that global warming is one of the most serious environmental impacts in the world. We are willing to devote ourselves to climate change issue and to promote energy saving and reduce carbon footprint of our products through innovation based on "no regret policy".

3, Environmental

We have a dedicated team to perform GHG inventory based on ISO 14064-1 annually, to establish a database that will help identify sources of emissions based on historical emission data, and to monitor global climate change issues regularly, including international regulations on GHG reduction and the risks and opportunities the corporate may face. The climate change issues will be discussed periodically in GreenASUS Steering Committee where GHG strategies are made. With 2008 GHG emissions as the baseline, we committed to reduce emissions to by 15% before 2015, and the target was achieved in advance. We will continue to review the reduction potential of emission sources to set a new reduction target.

The boundary defined was mainly all ASUSTeK owned or leased buildings in Headquarters, Taiwan. The sources of emissions were identified as followed:

- Direct emission (Scope 1): GHG emissions from sources owned or controlled by the entity within the organizational boundary
- Indirect emission (Scope 2): GHG emissions from consumption of purchased electricity by the organization
- Other indirect emission (Scope 3): other GHG emissions not covered by Scope 2

For Taiwan, we adopted the Global Warming Potential (GWP) coefficient (KgCOe/KWh) for calculating energy consumption and GHG emissions with reference to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, 2007 IPCC AR4 100-yr, and Energy Statistics Handbook 2013 published by the Bureau of Energy, Ministry of Economic Affairs of Taiwan for 2014 data.

Sources of Scope 1 emissions

- Diesel: consuming 228 liters, producing 1 metric tonnes CO_2-e
- Gasoline: consuming 8,671 liters, producing 20 metric tonnes CO_2-e
- Others: producing 78 metric tonnes CO_2-e

Sources of Scope 2 emissions

- Electricity: consuming 21,488 MWh, producing 11,217 metric tonnes CO_2-e

Sources of Scope 3 emissions

- Employee business travel: 39,927 passenger-thousandmile, producing 122,338 metric tonnes CO_2-e.

Energy/ Source of Emission	Volume Used	GHG Emissions Equivalent (metric tonneCO_2-e)	Energy (mega joule)
Diesel	228liters	1	8,825
Gasoline	8,671liters	20	301,814
Others	-	78	-

Table 3.4 The Breakdown of ASUSTeK Source of Scope 1 Emissions in Taiwan in 2014

Scope	GHG Emissions Equivalent (metric tonneCO_2-e)	Ratio	Energy Comparison (mega joule)
Scope1	99	1%	310,639
Scope2	11,217	99%	77,356,800

Table 3.5 The Ratio of Each Scope of ASUSTeK GHG Emission in Taiwan in 2014

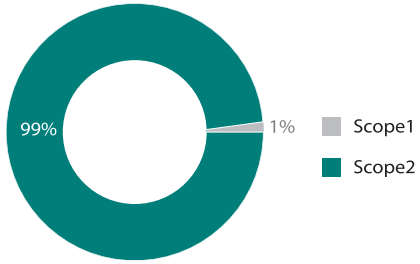


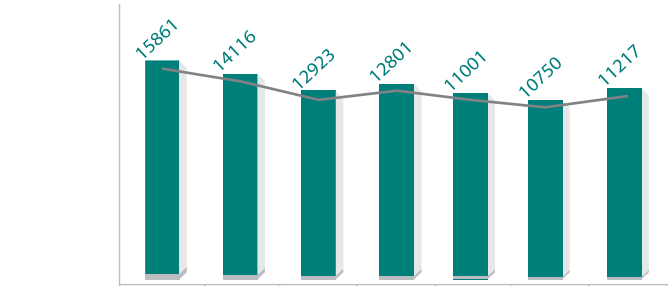
Figure 3.10 The Ratio of ASUSTeK GHG Emission in Taiwan in 2014

Compared to 2013, we used 1,281MWh more electricity and emitted 3.6% more GHGs (Scopes 1 and 2 together) in 2014 for the following reasons:

- To further conserve energy, we have changed gas into electric heater for the swimming pool and shower equipment in our gymnasium. As a result, we successfully reduced Scope 1 emissions, while electricity consumption increased.
- In 2014, we recruited employees for business growth and also rented manyoffices outside of the headquarter. This was the main cause of the increase in electricity consumption.

	2008	2009	2010	2011	2012	2013	2014
Scope1	322	288	268	258	253	176	996
Scope2	15,861	14,116	12,923	12,801	11,001	10,750	11,217
Total Emissions	16,183	14,404	13,191	13,059	11,254	10,926	11,316
Reduction Proportion (compared with 2008 baseline)	0%	11%	18%	19%	30%	32%	30%

Table 3.6 ASUSTeK Historical Emission Data for Past Few Years and Baseline Year and Reduction Proportion in Taiwan



	2008	2009	2010	2011	2012	2013	2014
scope 2	15861	14116	12923	12801	11001	10750	11217
scope 1	322	288	268	258	253	176	996
reduce to	100%	89%	82%	81%	70%	68%	70%

Figure 3.11 ASUSTeK Historical GHG Emission Data in Taiwan

In order to promote the idea of energy saving in daily life to the subsidiaries, ASUSTeK expended the boundary of GHG Inventory and thus including the emission data of some of our oversea subsidiaries and ASUS Cloud in 2014:

- China: ACC, ACS and ASZ. The Total emission of these three subsidiaries was 5,907 metric tonnes CO_2-e.
  Emission coefficient: 0.9746
- Europe: ACG, ACF, ACIT, and ACZS. The Total emission of these four subsidiaries was 1,640 metric tonnes CO_2-e.
  Emission coefficient: France 0.056; German 0.624; Italy 0.483; Czech 0.95
- ASUS Cloud: The total emission of Taiwan Headquarter and China operation was 119 metric tonnes CO_2-e, and the total emission of datacenters in Taiwan, China and USA was 461 metric tonnes CO_2-e.
  Emission coefficient: China 0.9746; Taiwan 0.532; United States 0.547

In 2014, ASUSTeK continuously conducted Scope 3 GHG inventory of key suppliers. In accordance with the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as the previously mentioned distribution of carbon footprint in the product lifecycle, we selected Category 1 Purchased Goods and Services out of the 15 categories from Scope 3 GHG inventory due to its higher weighting. A total of 28 key suppliers came from 7 types of suppliers to cooperate with the GHG inventory in 2014 were:

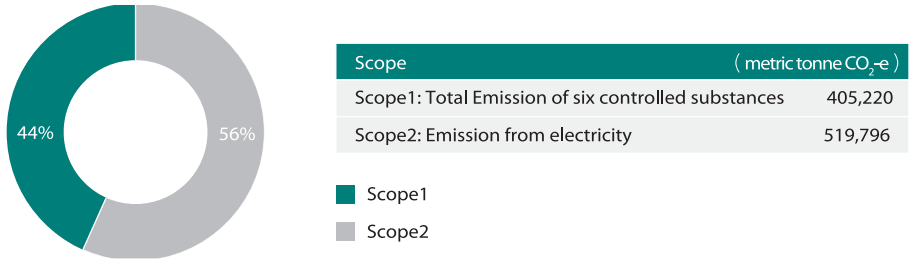
■ Final product assembly factory	■ Projector manufacture factory
■ Motherboard manufacture factory	■ Wireless networking manufacture factory
■ Panel manufacture factory	■ Hard disk manufacture factory
■ Monitor assembly factory	

The inventory parameters were as follow:

- Data period: January, 2014 to December, 2014
- Business boundary: Scope 1 and Scope 2 GHG emission data
- Data allocation: Data allocation was based on the supplier's factory profile including: proportion of ASUSTeK products in total shipment, ratio of production line man-hours, production output, proportion of resources used, product value as a proportion of total output, and more.
- Reference of GWP coefficient: 2007 IPCC AR4 100-yr

Analysis of inventory results:

- Sum of Scope 1 and Scope 2 data: Scope 2 emission from electricity was larger than the total emission of six controlled substances of Scope 1. The emission ratio of Scope 2: Scope 1 was approximately 56%:44%.



Scope	(metric tonne CO_2-e)
Scope1: Total Emission of six controlled substances	405,220
Scope2: Emission from electricity	519,796

Figure 3.12 GHG Emission Ratios of Scope 1 and Scope 2

■ Supplier GHG management: 59% of surveyed suppliers implemented external GHG verification; 63% of surveyed suppliers had established GHG reduction programs and targets. These suggested that GHG inventory and reduction had become the focus of ICT industries, with medium- and long-term reduction targets.

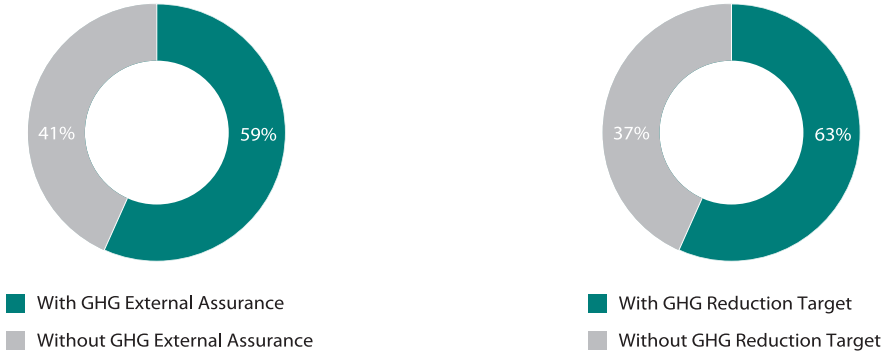


Figure 3.13 Suppliers GHG Management Analysis

■ F-GHG emissions: Among the six categories of GHGs specified in the Kyoto Protocol, the top GWP GHGs are collectively called F-GHG, including HFCs, PFCs, and SF6. According to the supplier inventory results, SF6 with the highest GWP is the most commonly seen in F-GHG, as it is mostly used by mainboard manufacturers, while HFCs and PFCs which are the second most common are usually found in fire-extinguishers. The current inventory found that SF6 commanded at 85% of all F-GHG detected and was the main source of F-GHG emissions. The total F-GHG emissions were made up of 89% of Scope 1 emission, and thus were the main source of Scope 1 GHG.

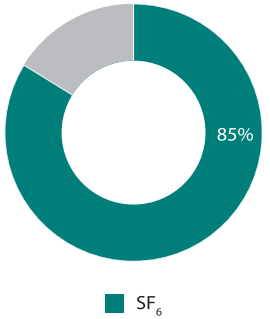


Figure 3.14 Emission Ratios of SF6 in F-GHG Emissions

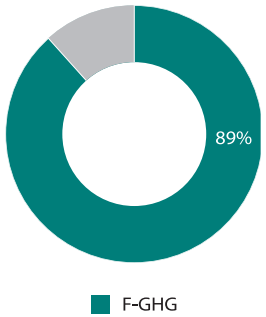


Figure 3.15 Emission Ratios of F-GHG Emissions in Scope 1

- N_2O emissions: Based on the supplier inventory, the main N_2O emission source is result from burning fossil fuel, such as natural gas, petroleum, and diesel, and N_2O emissions were made up of only 1% of the total GHG emission, thus they were not the main emission sources.

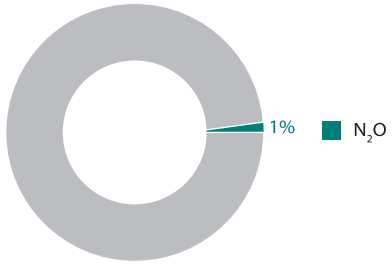


Figure 3.16 Emission Ratios of N_2O Emissions in Scope 1

- 2014 GHG management performance: Referring to the supplier inventory survey, no baseline data was available for comparison in 14% of suppliers within the inventory scope, as they did not actually produce products for ASUS in 2013. 36% of suppliers within the inventory scope achieved cap reduction in 2014 GHG management and 50% of suppliers within the inventory scope achieved cap increase. Among those achieving cap reduction, 40% of them reduced emissions by 1-5%, another 40% by 6-10% and the remaining 20% by over 11%. Instead of the absolute cap increase/reduction of the inventoried units, the above GHG cap increase/reduction data was correlated with the total product output in the inventory year. We would refer to the data for makingGHG reduction strategies and implementing risk management of our supply chain.

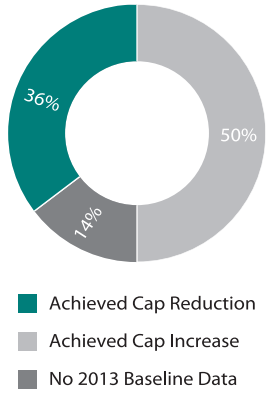


Figure 3.17 Analysis of 2014 GHG Management Performance

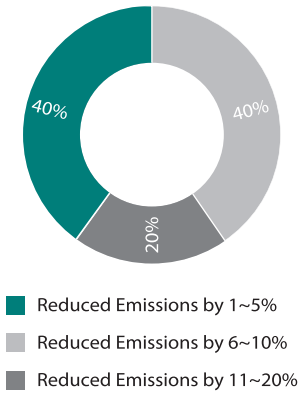


Figure 3.18 Analysis of 2014 GHG Reduction Management Performance

Concluding the above analysis:

- Scope 2 GHG emission is more significant than that of Scope 1. It would be more efficient to set reduction strategy on Scope 2 as priority.
- In terms of GWP, the control of SF6 commonly used in the panel industries would be more effective in Scope 1 emission reduction.
- About 60% of surveyed suppliers had implemented external verification and set GHG reduction targets. As GHG reduction has become a concern of industry, this will benefit GHG reduction issues.
- ASUSTeK had included GHG inventory, energy saving, and emission reduction into supplier CSR audit, education, and training. These approaches will help convey ASUSTeK' concern and requirements regarding this issue.

3.5.2 Greenhouse Gases Management for Product

Improvement in energy efficiency of product is where ASUSTeK can have the most impact in reducing global GHG emission. A study shows that although the GHG emissions from IT industry is only accounted for 2%, with the help by ICT industry, there is a great potential in GHG reduction for the overall society. The improvement in energy efficiency during the product life cycle can reduce the global GHG emissions for about 15%.

The analysis found that most of notebook carbon footprint came from use stage. Therefore, enhancing the energy efficiency to reduce energy consumption will be an effective way to conserve energy. In 2014, all ASUSTeK notebooks complied with the energy efficiency requirements of Energy Star, and the average energy efficiency was 35% better than the Energy Star V6.0 standard.

Education on Energy Conservation

Product is where ASUSTeK can have the most impact regarding climate change issue for the energy consumption during the use stage produces the most GHG emissions. Therefore, besides providing more green products to consumers, we also continue to improve energy efficiency of our products to help consumers save on electricity costs and reduce the use of energy and the GHG emissions.

For information regarding financial implications and other risks and opportunities for the organization's activities due to climate change, please refer to the annual report on http://www.asus.com/investor.aspx

3, Environmental

ASUSTeK has answered CDP questionnaire annually. The details of ASUSTeK GHG inventory data of 2014 will be available at the CDP official website after September 2015.

Carbon Disclosure Project Official Website: http://www.cdproject.net/

With the awareness of the concept of corporate social responsibility, the information disclosed in an enterprise's report expends from financial information to environment, and then CSR information. According to the definition by BCSD, an enterprise is responsible not only to shareholders by creating economic growth but also to all stakeholders for its CSR by improving the life of employees, the life and quality of local community and society.

Besides enhancing international competitiveness and maintaining financial stability, ASUSTeK in advance established GreenASUS Steering Committee and SERASUS Steering Committee, and CSO in December 2009 to carry out the sustainability development in economic, environmental and social areas.

4.1 Inspire, Motivate and Nurture Employees

"Inspire, motivate and nurture our employees to explore their highest potential" is ASUSTeK management philosophy. Since employees are regarded as the most important assets to ASUSTeK, each of them is a talent and has to be treated sincerely. Hence, the focus of Human Resource Management and Development is to establish an efficient management system and environment to help our employees work to their full potential and work toward achieving organization' s and personal growth and goals.

4.1.1 Fostering Talent

Talent is the cornerstone of business success. ASUSTeK believes that unless every employee could well demonstrate ASUS DNA - ASUS 5 Virtues, Focus on Fundamentals and results, Lean Thinking, and Innovation & Aesthetics - and shows his or her potential in the job, ASUSTeK would be able to achieve the vision of "The world's most admired leading enterprise in a new digital era". Therefore, based on the ASUS DNA, we analyzed managerial and professional competencies that were necessary for employees in every level and planned to build the learning and development system based on these competencies. We work toward systemizing managerial and professional training and expanding resources to develop a learning organization, so as to appeal and cultivate employees with ASUSTeK personalities and capabilities and, furthermore, make the organization strong.

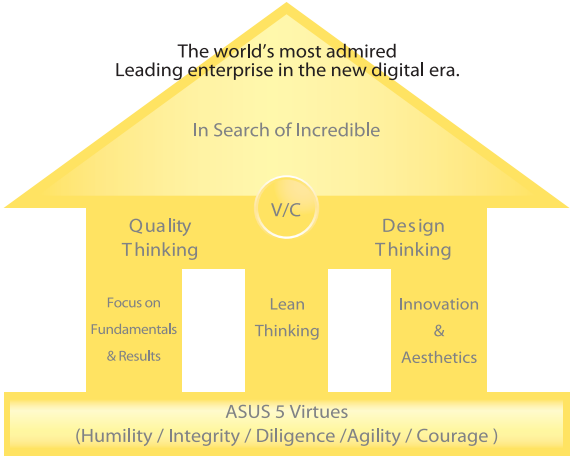


Figure 4.1 ASUS DNA

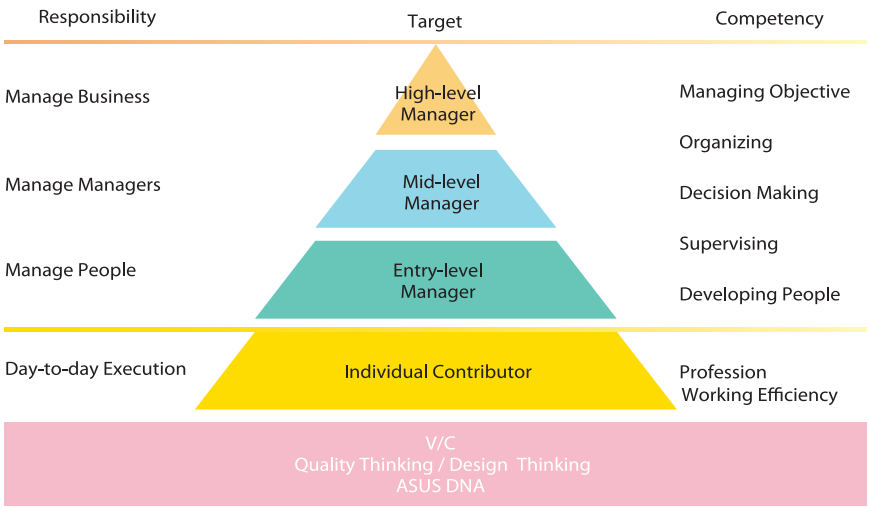


Figure 4.2 Competency Model

We continued polishing the learning structure in 2014. The achievements in 2014 were summarized as below.

Establishment and Implementation of Training System

ASUSTeK establishes the training roadmaps for different targeted employees, including the required and selective training courses for high-level managers, mid-level managers, entry-level managers and professional duty employees. The internal training is consisted of five categories, including core value, management, work efficiency, language, and profession.

Categories	Content	Objective
Core Value	• Corporate culture training • Core-value training • Work Efficiency training	To have employees share the same values, recognize and adapt to the organizational culture. To enhance employees' work ability to achieve success.
Management	• Management training for high-level managers • Management training for mid-level managers • Management training for entry-level managers • Management training for newly promoted managers • Management forum	To develop mangers' management capabilities and leadership efficiently to lead members to success.
Profession	• Professional training	To enhance employees' professional capabilities for success.

Table 4.1 Internal Training Course

In 2014, ASUSTeK devoted to polishing the training roadmap, developing and modifying training materials and nurturing our internal trainers. The management and core value training materials are designed and delivered by our internal trainers. In addition, in order to make the professional courses delivered more efficiently, the Human Resources Division integrated the cross-department professional courses and established the shared mechanism that every employee could join the course if needed.

Learning & Growth Plan and Performance Appraisal

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 managers and employees to establish clear objectives aligned with the organizational goals.

ASUSTeK implemented the "Learning & Growth Plan" for all employees to assist managers in developing the competences of our employees and provide training plans in accordance to the internal "Education & Training Approaches". Based on ASUS DNA and the competences required for employees in each level, a manager would evaluate individual performance and personal developmental needs, and then discuss with every employee to plan out a tailor-made development plan.

In Taiwan, about 40.21% of the employees in ASUSTeK participated in the Learning & Growth Plan, and their completion rate of the assigned learning actions was 45.21% in 2014. The following chart is the procedure of the Learning & Growth Plan of ASUSTeK:

Figure 4.3 Learning & Growth Plan Procedure

ASUSTeK executes performance appraisal in June and December in accordance to "Performance Appraisal Standards". The following table shows the percentage of employees receiving regular performance and career development reviews by gender and by employee category for ASUSTeK in Taiwan in 2014:

Category	First Appraisal	Second Appraisal
Performance Appraisal for Male Performance Appraisal for Female	99.97% 99.89%	99.95% 99.95%
Performance Appraisal for Manager Level Performance Appraisal for Regular Employee	6.13% 93.87%	7.11% 92.89%

Note 1: Excluding special personnel, senior managers, interns, employees in probation period, and temporary personnel

Note 2: Excluding employees who were absent from sickness or from special condition

ASUS Cloud only performed once per year. The following table shows the data for ASUS Cloud in Taiwan in 2014:

Category	2014
Performance Appraisal for Male Performance Appraisal for Female	100% 100%
Performance Appraisal for Manager Level Performance Appraisal for Regular Employee	16.92% 83.08%

Note 1: Excluding special personnel, senior managers, interns, employees in probation period, and temporary personnel

Note 2: Excluding employees who were absent from sickness or from special condition

Multiple Learning Resources

ASUSTeK always spares no effort in talent development. In order to let our employees keep learning during working, we plan different kinds of learning resources to all employees. Each employee could choose appropriate learning resources according to his or her personal interests from various learning methods as described below:

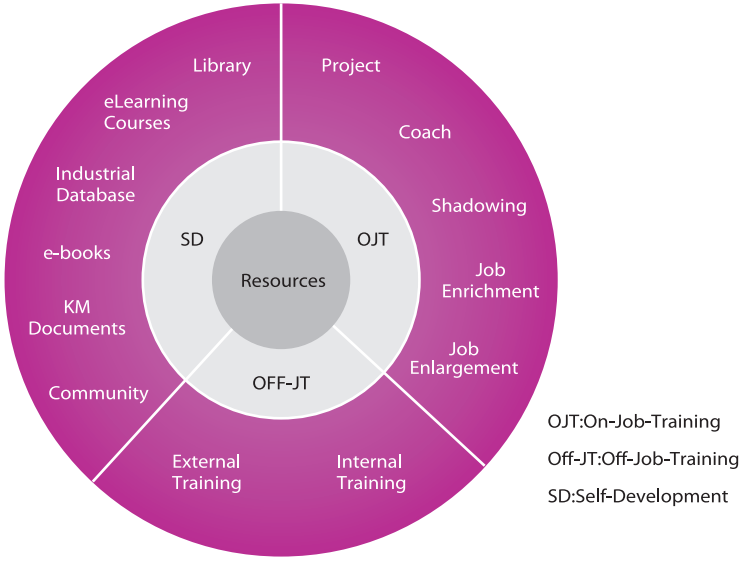


Figure 4.4 Multiple Learning Resources

■ Off-Job Training (Off-JT)

ASUSTeK has been learning new knowledge from the external market and also provide employees with external training opportunities that can help employees grow and learn persistently. We subsidize the external training programs if they are related to employees' work. In 2014, ASUSTeK's employees joined overall 277 external training courses.

■ On-Job training (OJT)

Managers plan on-job trainings according to the tasks assigned and personal development to enhance individual competency, and the trainings are supplementing with projects, coaching, job shadowing, job enlargement, and job enrichment. Employees are able to learn systematically in their daily work and, meanwhile, apply what they learn into the work.

■ Self-Development (SD)

In order to encourage employees to learn continuously and autonomously, we provide a wide variety of self-development resources, such as online digital multimedia courses, L&D library, e-books, industrial database, knowledge and document sharing, and forums in various social networks. Employees can learn at anytime and anywhere.

In Search of Incredible

The key factor for efficient learning lies in trainees' learning motivations and quality of resources. Hence, besides various innovative learning methods which enable trainees to learn by doing and to internalize knowledge, we thoroughly analyze trainees' needs and conduct a pilot round when introducing new resources and development programs. Take internal courses as an example, if a new course does not reach the required assessment scores in demonstration, the course cannot be delivered to trainees. In this way, we can guarantee the quality of courses and resources so that trainees can invest time and effort with bountiful values.

4.1.2 Recruiting and Cherishing Talents

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 Code of Conduct and other relevant provisions as well as announce our Declaration on Human Rights policy in accordance with 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.

Recruitment and Retention

Our recruitment follows the principles of public recruitment, fair selection, and hiring the best.

- Public recruitment: we publish hiring positions, criteria, and procedure publically to widely appeal talents.
- Fair selection: we insist the principles of fairness and equal opportunity to select the appropriate candidates according to the hiring criteria, rather than gender, race, religion, family background and reference.
- Hiring the best: only candidates who pass the required exam and interviews with the highest satisfaction will be hired.

ASUSTeK retains talents in accordance with the company management philosophy, "Inspire, motivate and nurture our employees to explore their highest potential". For resigning managerial personnel or resigning talents, Human Resources Division conducts exit interview to realize reasons for quitting and will provide monthly reports regarding the exits to inform the managers and request for improvement on turnover rate. When the turnover rate reaches certain level, Human Resources Division will hold the meeting to discuss with high-level management about solutions to control the turnover rate.

4.1.3 Compensation and Benefits

ASUSTeK provides competitive salary structure, bountiful occasional activities and various benefits to attract talented people to join with us and at the same time to secure their basic livings by offering complete welfares and insurance systems so that they could also give consideration to family life and health while concentrating on work.

Remuneration Policy

ASUSTeK combines the corporate performance with payment structure closely, as well as individual responsibility, to strengthen the competitive advantages of enterprises. The candidates with identical background will have identical starting salaries regardless of gender. The ratio of basic salary and remuneration of women to men with same job level is about 1:1. In Taiwan, the entry level wage offered by ASUSTeK is superior to that of set forth by the regulation. After calculating the rations of standard entry level wage by gender compared to local minimum wage, male was 1.19:1 and female was 1.21:1. The relevant department will compare the remuneration with competitors within the industry and adjust if necessary. ASUSTeK had established a Remuneration Committee in 2011 to ensure that the remuneration offered complies with relevant laws and is sufficient to attract talents.

Pension

ASUSTeK, ASUS Cloud and overseas subsidiaries follow the local government laws and regulations to provide retirement benefits.

In Taiwan, *Labor Pension Act* has applied to every Taiwanese employee since January 1st, 2008. ASUSTeK will deposit 6% of employees' monthly wages into an individual labor pension account managed by the Bureau of Labor Insurance. Foreign employees will be covered by the *Labor Standards Act* and ASUSTeK will deposit 2% of employees' monthly wages to the Pension Deposits Trust in the Bank of Taiwan. Such trust mentioned will be calculated by actuaries each year and ASUSTeK will prepare labor pension in case of foreign employees' retirement. For more information regarding pension in Taiwan, please refer to P.XXX of the annual report.

Welfare

In Taiwan, full-time employees are guaranteed other welfares, including

- Holiday bonuses for specific holidays
- Personal bonuses which are in accordance to individual performance and company achievement
- Patent awards and model staff bonus
- Life insurance, labour insurance, group medical insurance, disability/invalidity coverage, and so on
- Wedding and funeral gifts, coupons as birthday gift
- E-coupon as well as discounted price when consuming at the contracted stores and purchasing company's product
- Scholarships to employees as well as to their children
- Occasional activities held during special holidays and market pre-orders throughout the year
- Cultural exhibitions, seminars
- Recreational activities/ talent contests
- Department gathering event, ASUS Family Day, Christmas party, Chinese Yew Year party
- Sports and leisure facilities
- Vegetable planting area
- Summer/Winter camp for employees' children
- Subsidy for employee club activities

4.1.4 Safety and Health

Humility, Integrity, Diligence, Agility, and Courage for Sustainable Workplace Safety

ASUSTeK embraces Five Virtues (humility, integrity, diligence, agility, and courage) to create an incredible healthy and safe workplace.

- Humility: review and plan workplace health and safety enhancement project with humility
- to achieve better and more comprehensive health and safety services
- Integrity: confront imperfection with integrity to make improvements
- Diligence: walk the floor and check with diligence to expose imperfections
- Agility: possess keen observation, stay alert and act promptly to prevent the disasters to spread
- Courage: have the courage to speak out, no obscure and no escape

ASUSTeK's "people-oriented" corporate culture contains two essential elements: "Focus on Fundamentals and results" and "Innovation & Aesthetics". Under this culture, we plans Environmental Health and Safety (EHS) events and training courses with contents that are fun and close to the everyday living to attract enthusiastic participation company-wide.

- Diverse training materials: workplace health and safety training courses are no longer dull and boring. We present the training materials through comics, picture books and films. The content is easy to understand and closely related to the everyday living scenarios. We make it easy and fun to read and learn to increase learning interests.
  - Customizing digital training packages in accordance to the characteristic of the job:
    General operators: general operations, gondola operations, hanging operations, hot work, overhead operations, restricted space…
    Meal preparation workers: labor safety and hygiene, food safety and hygiene
    Cleaning workers: labor safety and hygiene, cleaning operation guidelines in Mandarin/Taiwanese
- Fun workplace safety educational events: to encourage participation, we designed various events and games to deliver learning content and workplace safety information through fun activities.
  - Diverse traffic safety education: the contents includes traffic safety film viewing and regular publication of brochures, as well as motorcycle health checkup activities. We not only offer our employees useful information on traffic safety but also take care of them.
  - Fire drill simulation: to strengthen the ability of our employees to react to the actual fire scene, we not only performed the emergency evacuation with real smoke during the fire frill but also cooperated with government drills. We attempted to make the drill as real as possible to give our employee a true to life experience.

Figure 4.5 Snapshots of Emergency Simulation Drills

In 2014, for ASUSTeK in Taiwan, the type of occupational injury was mostly the traffic accident. The lost days were 285 days, and the absentee rate was 0.53%. For ASUS Cloud in Taiwan, there was no injury, thus the disabling frequency rate, disabling severity rate and the lost days were all 0, and the absentee rate was 2.21. The following table shows the disabling frequency rate and disabling severity rate for ASUSTeK and ASUS Cloud in Taiwan in 2014:

Item	ASUSTeK	ASUS Cloud
Male Disabling Frequency Rate	1.24	0
Female Disabling Frequency Rate	1.83	0
Male Disabling Severity Rate	9	0
Female Disabling Severity Rate	14	0

Note 1: Disabling Frequency Rate (FR) = Numbers of Disabling Occurrence/Million Working Hours
Note 2: Disabling Severity Rate (SR) = Total Lost Days/Million Working Hours
Note 3: The lost day is the time ("day") that could not be worked (and is thus "lost") as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease.
Note 4: ASUSTeK defines "Absent" as employee not able to perform work due to including but not limited to occupational accident or disease. The leave includes: sick leave, occupational accident, and absenteeism Absentee Rate (AR) = Total Absent Hours/Total Working Hours x 100%

Healthy Workplace

We have medical clinics with specialized doctors and nurses at the headquarter and Chengde site to take care of the safety and health of our employees. We evaluate and select clinics in different sectors, such as medicine, orthopedics, ophthalmology, obstetrics, rehabilitation, dermatology, medical cosmetology, and pharmacy based on employees' recommendations, internet reviews, and excellent community medical clinic evaluations to be our contractual clinics. The purposes of having contractual clinics for our employees are not only to provide medical services to our employees at favorable prices but also to ensure that the quality of medical cares and services received are adequate.

Besides, in Taiwan, ASUSTeK promotes annual health activities such as offering annual health examination, and the health department will analyze the results causing unhealthy conditions to provide consulting and keep track on the employees with abnormal results. To make happy enterprise a reality, we hired 5 visually impaired masseurs at ASUS headquarters and Chengde site with an infirmary to provide massage service for employees to relieve stress after a day of hard work. We promote health activities, including but not limited to stair climbing, weight loss class, cancer screening, vision care program, human cause improvement, vaccine injection, vision care activities, and physical fitness. We also have nutritionists to monitor the menu of the cafeteria and canteen and the balance of nutrition, as well as to control the calories.

The gymnasium in headquarter not only equips with employee restaurant but also indoor court, fitness center, aerobics room, billiards room, swimming pool, SPA, steam room, sauna, and outdoor sunbathe area that open to our employees before and after work, and open to their families on weekends and holidays.

4.1.5 Employee Caring

Employees are our most important assets and partners. To help our employees reach work-life balance, increase their satisfaction working with and build good interaction with us, we establish the following mechanism:

Employee Code of Conduct and Performance Coaching

For those who is under performance or breaks internal regulation, we provide opportunities for improvement. During the process of improvement, firs-line managers will provide one-on-one coaching and HR will provide caring and support for helping employee enhance performance and devote themselves to the team. For those who cannot enhance

performance, we will provide thoroughly communication and necessary rotation. If the employee cannot find proper position in the organization, we will provide support during the career transition period.

Employee Assistance Programs (EAP)

We collaborate with a consulting firm to establish a 24-hour EAP that could assist employees to address job stress, psychological distress, marital and family mental health issues. Employees can make the reservation with the consulting firm through toll-free number or email to have the one-on-one professional counseling. The personal profile and the content of the advisory are kept confidential.

Employee Caring Website

The purpose is to encourage our employees and help relieve their job stress and thus reaching the work-life balance status. The content includes but not limits to tips of how to relieve the stress, positive thinking, other information that may be helpful to daily life, and schedules of self-growth seminars.

Various Two-Way Communication Channels

In Taiwan, we aggressively promote e-DM and BLOG to encourage two-way communication between employees and managers for years. Besides, we also provide other methods to all employees as well as to external parties, including but not limited to internal website EIP, DigiTrend magazine, corner propaganda, 24-hour Emergency Line "2119, and Humanity Service Line "1799", bridging good internal and external communication.

Spiritual Events

We invited our employees to the viewing of a public service documentary and of a musical "The Impossible Times", as well as LOHAS and volunteer seminars to promote self-improvement.

Volunteer Service

We provide official leave to high performance employees to attend International Volunteer Service in South-East Asia. This not only shows our devotion for public service but also provide great opportunity for employees to create self-worth and make achievement.

Emergency Relief Care

We provide necessary assistance and support for employees and their families in case of an emergency occurred to show our love and care. Besides, we would also ensure the workplace safety for oversea, business travel and dispatched employees.

4.2 Corporate Social Responsibility Management in Supply Chain

ASUS considers supply chain management a key to promote corporate sustainability. We established supplier policy, management system and audit process to ensure our suppliers comply with ASUS's quality management, green policy/guidelines and CSR requirements. We believe the implementation of "source management" which is to control the supply chain from the top will enhance our competitiveness.

The following table shows the key performances related to CSR management in supply chain in 2014:

Objective	Performance	
Performed CSR onsite audit on first tier outsourcers	ASUS personnel performed CSR audit on first tier EMSs	Completed

4.2.1 CSR Promotion

Starting form 2008, to make our suppliers and outsourcers aware of the CSR issues such as labor standard/Human Rights, environment, occupational safety and health, and code of conduct, ASUS requires them to sign the "Consent of ASUSTeK Code of Conduct". All 169 new vendors in 2014 signed the consent, committing to be compliance with any law and regulation.

In order to implement the concept of CSR with the suppliers face to face as well as to assist suppliers to develop the ability to response to the requirements of CSR, ASUS conducts regular supplier trainings, including:

- Supplier Workshops

  With annual supplier workshops planning, ASUS advocates corporate social responsibility issues to convey ASUS requirements in managements and in on-site audit planning on our supply chain for corporate social responsibility. The location for supplier workshops include: Taipei, Shanghai, Suzhou, and Chongqing.

- Training During On-site Audit

  ASUS has planned annual onsite audits on CSR as one on one supplier trainings. By holding the opening of the onsite audit meeting with supplier management teams, ASUS advocates the requirements and concepts of CSR to suppliers. We wish to deliver the CSR concepts vertically as well as horizontally within the supplier organization.

The topics included:

- The Definition and Scope of Corporate Social Responsibility
- Cases of Violation of Corporate Social Responsibility
- International Corporate Social Responsibility Requirements
- International Trends of Corporate Social Responsibility
- International Norms and Standards of Corporate Social Responsibility
- ASUS Corporate Social Responsibility Code of Conduct and Audit Planning
- Conflict Minerals Policy and ASUS Requirements on the Annual Survey
- International Trends on Carbon Reduction and ASUS Requirements on the Annual Survey

4.2.2 CSR Audit Plan

In 2011, we established the supplier CSR audit policy and standards. Since then, the Corporate Sustainability Office implements documentary review or onsite audit of suppliers. During an audit, auditors request the supplier to submit a corrective action plan or improvement plan for non-conformances. Suppliers who refuse to comply will be listed on the probation list submitted to the purchasing unit and EMS management unit for the reference to supplier selection.

To ensure the entire supply chain to implement CSR together, suppliers and EMSs are requested to provide their employees with a work environment where there is no threat on safety, employee rights and benefits are protected and respected, and production processes comply with regulatory regulations and environment. In other words, all activities of ASUS suppliers and EMSs must comply with local legal requirements and regulations and their performance in CSR implementation is monitored.

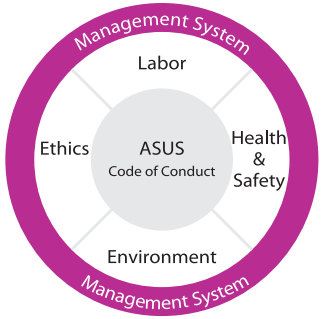


Figure 4.6 ASUSTeK 5 CSR Aspects

At ASUS, we want to ensure that suppliers and EMSs implement CSR spirit exactly. Therefore, we implement the second-party audit by sending ASUS own personnel to conduct onsite audits at suppliers and EMSs. Through face-to-face communication, guidance, and training/education, we communicate CSR concepts and requirements to them and request them to make immediate response to detected problems.

2014 CSR Audit Results

In 2014, we focus on component suppliers and the educations, thus 67% of the annual CSR onsite audits performed on qualified suppliers and EMSs was on component suppliers.

The CSR audit results found that 67% of the audited suppliers/EMSs approved, 22% conditional approved, and 11% rejected. The results were delivered to the supply chain management unit, outsourcing management unit, and procurement unit at the same time and included into quarterly evaluation to strengthen the level of implementation on CSR.

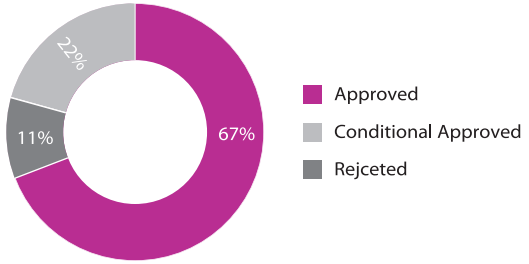


Figure 4.7 Annual CSR Onsite Audit Results on Component Suppliers and EMSs

The scores of 2014 annual CSR audits slightly improved from 2013 in all 5 aspects, indicating that suppliers and EMSs were improving on CSR management.

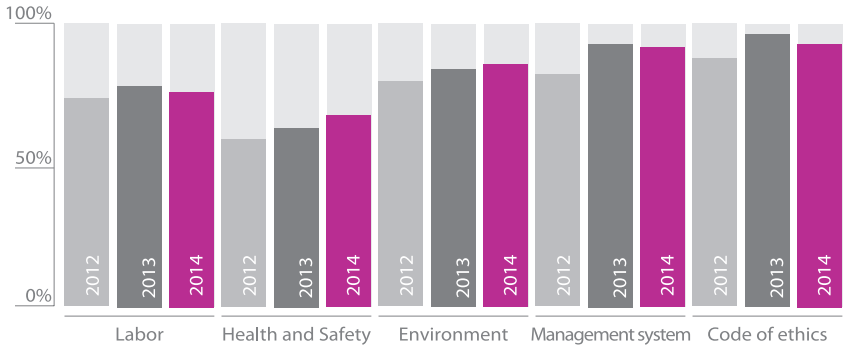


Figure 4.8 Average Scores of CSR Onsite Audit in 5 Aspects Over Past Few Years

ASUSTeK implements the supplier CSR onsite audit in accordance with the following five aspects: labor, health and safety, environment, management system, and code of ethics. In the labor audit, compensation is the focus to ensure if compensation and benefits for workers comply with local regulatory requirements and the minimum pay for male and female workers is consistent, as well as whether there are labor discrimination events and the settlements if any, and whether labor complaint channels are established to solve related issues. In health and safety, whether or not personal protective equipment is provided in accordance with local regulatory requirements is the focus. In environment, whether or not local legal environmental requirements are fulfilled and energy-saving programs are established is the focus. In management system, whether or not related worker training programs and supplier CSR management are established, implemented, and maintained is the focus. In code of ethics, whether or not anti-corruption policies are established, implemented, and maintained and anti-corruption training is arranged; community involvement is practiced; and the indirect economic influence on local communities is the focus.

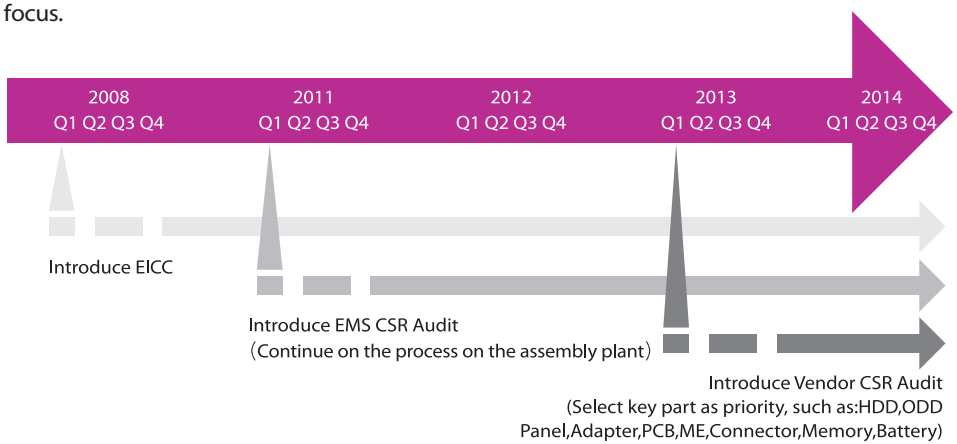


Figure 4.9 ASUSTeK Milestone on Outsourcers CSR Audit

4.2.3 Conflict Minerals Investigation and Management

Human rights infringement and environmental damage caused by mining in the conflict region in Africa and the Island of Bangka in Indonesia have become global issues, and conflict minerals from the Democratic Republic of the Congo (DRC) and adjoining countries are the most serious among others. Conflict minerals are illegal mined minerals from the DRC and adjoining countries. These conflict minerals directly or indirectly finance armed groups, which violates human rights and exploits labour to bring more armed conflicts in local regions. At present, conflict minerals are used by industries, particularly the electronics industry. These 4 conflict minerals include coltan (for tantalum, Ta), cassiterite (for tin, Sn), gold (Au), and wolframite (for tungsten, W).

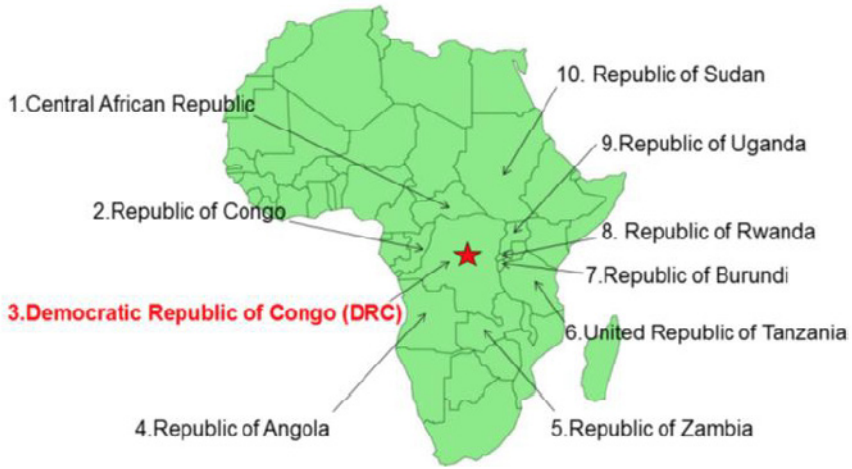


Figure 4.10 Countries in the Current Conflict Zone

The humanitarian, human rights, and fair trade issues arising from or in connection with conflict minerals are the focus of international issues. For example, NGOs such as the EICC and GeSI have established the Conflict Free Smelter Program (CFSP*) to help smelters to pass conflict-free smelter certification by third-party agencies; the US Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502) to request US listed companies to investigate and disclose conflict metal information as of May 2014.

* EICC and GeSI continue with the CFSP and announce the list of CFSP-certified smelters at planned intervals.

Apart from supporting and implementing the Conflict Minerals Reporting program launched by the EICC/GeSI and dialoguing with relevant organizations, we request suppliers to inhibit the use of conflict minerals in their products.

ASUSTeK Supplier Conflict Minerals Ban Requirements

We do not accept metals made with minerals mined with illegal means and poor work environments. We also request suppliers to sign the "Consent of ASUSTeK Code of Conduct" to assume our social and environmental responsibility. ASUS suppliers should ensure no metals used in their products are made with minerals that directly or indirectly finance armed rebel groups in the DRC and adjoining countries or with minerals from other controversial sources (e.g. environment-wrecking tin from the Island of Bangka in Indonesia and gold from the DPR Bank of North Korea). We encourage suppliers to prioritize metals from smelters certified by the CFSP launched by the EICC/GeSI and to sign up to the CFSP.
After the list of adequately CFSP certified smelters is announced, we accept only minerals from CFSP certified smelters.

To fulfill CSR and to investigate conflict minerals with due diligence, ASUSTeK conducted the supply chain conflict minerals investigation for the first time in 2010. In 2014, ASUSTeK raised the level of supply chain conflict minerals investigation as a routine operation to investigate qualified key suppliers of ASUSTeK. Through the regular annual investigation, we hope that the sources of the 4 above-mentioned metals are clear and supply chain information transparency is obtained.

Objectives	Performance	
Implementation of ASUSTeK Supply Chain Conflict Minerals Investigation	Completed the conflict metal investigation on qualified key suppliers of ASUSTeK	90%

- Scope of Investigation

  Qualified key suppliers of ASUSTeK, including component suppliers to system assemblers.

- Investigation and Analysis

  Based on the supplier chain investigation results:

  - 82.6% of tantalum smelters
  - 45.3% of tin smelters
  - 70.3% of gold refineries
  - 61.5% of tungsten smelters

  were CFSP certified smelters. The 2014 survey showed that the number of third-party certified smelters has increased in the supply chain, suggesting that conflict minerals management and countermeasures implemented worldwide are substantively effective.

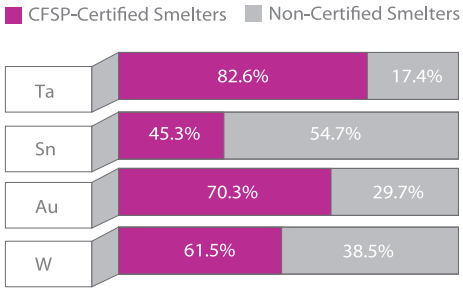


Figure 4.11 Ratio of CFSP Certified Smelters in ASUSTeK Supply Chain

The data and analysis were based on refineries and smelters in ASUSTeK supply chain.

Apart from announcing the ban of conflict minerals use, we communicate to suppliers our unchanged policy on conflict minerals ban in the annual CSR audit and training/education and validate their management plans and records in related areas.

Participation in the Tin Working Group of the Sustainable Trade Initiative

For the environment-wrecking tin mine of Indonesia, we became a member of the Sustainable Trade Initiative's Indonesian Tin Working Group in August 2014, hoping to make substantive contributions to this issue.

4.3 Customer Service

On the road to branding, in addition to the powerful product design, R&D, and sales teams, the call center always plays the role as the brand ambassador of ASUSTeK. Apart from product quality and functionality, complete post-delivery service has always been our ultimate goal.

With service networks located worldwide, we provides convenient services in all parts of the work with a sincere, professional, and efficient service attitude. Through continual process improvement and pursuit of prefect service quality, ASUSTeK wins customer satisfaction and trust.

4.3.1 Diverse Service Channels

ASUSTeK has set up effective communication channels to better serve the needs of our customers. Our support platform consisting of regional service hotlines, stores that provide

repair services, authorized service centers and official website designed to satisfy customers' service requirements in the timeliest manner.

Physical Service Centers

Since 2001, ASUSTeK began opening "ASUS Royal Club" direct service centers throughout Taiwan , and later China, Asia Pacific, and United States. The purpose is to help customers avoid the inconvenience of going through distributors retailers to have products returned to the manufacturer for repairs. By the end of 2014, there were 60 Royal Club service centers throughout the world and were staffed by engineers trained by the original manufacturer. The engineers provide customers with on-site consultation, quick product testing and troubleshooting as well as product firmware recovery/update services. This opens up a face-to-face communication channel with customers they also provide professional, efficient consulting and technical support services.

In addition to the Royal Club service centers which are run directly by ASUSTeK, there are also authorized third-party service centers. There are now more than 1,000 service centers around the world that speak 32 different languages and provide technical support for different products.

Online Resources

Realizing the effect of Web2.0 and coping with the online search habit of users, ASUSTeK sets up the ASUS Support Site and develops app MyASUS for mobile devices to provide users with technical documents and videos to immediately solve related problems, so as to fulfill the demands of customers who are unable to visit ASUSTeK service centers. In the future, we will launch the automatic reply service based on the keywords and options regarding the frequency asked questions of customers, so as to actively supply relevant solutions to customers from our knowledge base for customers to receive real-time, call-centre-like responses ubiquitously.

- ASUS Support Site (http://www.asus.com/support/)

  The ASUS Support Site provides the download of the latest drivers or firmware, product registration, warranty information check, warranty extension, product repair progress check, and Frequently Asked Questions (FAQ). In 2014, we aggressively promoted the ZenFone. Apart from setting up the ZenTalk zone in key markets, such as Taiwan (http://www.asus.com/zentalk/tw/) and China (http://zentalk.asus.com.cn/), we will continue to launch this service in India.

  To provide game-related service for more product ranges, we launched the ROG forum (http://rog.asus.com/) in 2013. In 2014, we also launched the ROG forum in China (http://rog.asus.com/cn/) and in Taiwan (http://www.asus.com/tw/forum) to allow customers to send feedbacks of product problems at any time. At the end of 2012, we piloted the Live Chat service in North America, Taiwan, and China. After the service was steadily developed, in 2014 we implemented it in Asia-Pacific and Europe and to various product ranges and maintained records in detail to link to historical customer calls and emails for customers to accurately provide or describe their problems via multiple channels.

There are technical consultants on the forum and on Live Chat services to provide users with two-way communication. In addition to seeking technical assistance over the phone, users can provide screen captures or videos to our technical consultants over the forum and Live Chat, helping them solve these problems more efficiently.

Figure 4.12 Snapshot of ASUS Support Site

- Mobile Device App (http://www.asus.com/aocc/#MyASUS)

  As mobile devices have become the mainstream of our times, the above service is also provided for mobile devices. After downloading and installing MyASUS for Android or Windows, besides receiving technical support, users can enjoy various value-added services, including purchasing ASUS products, receiving sale information and official Facebook information, searching for the nearest service locations, and scanning barcodes for membership and product registration. In 2014, we added the ZenCare smart phone service site. Customers of Zen handhelds can make real-time feedback on the ZenTalk forum and access new product knowledge from the FAQ, from the multimedia "tutorials", and from step-by-step "interactive instruction" on ZenFone/PadFone/FonPad to access quick and quality service contents.

Figure 4.13 Snapshot of ASUS Smart Phone Support Site

ASUS Cloud provides various online consulting resources, including Frequently Asked Questions (FAQ), ASUSTeK official and mobile discussion platforms, and customer service email.

- FAQ: continuously update questions regarding cloud computing service
- ASUSTeK official and mobile discussion platforms: response to the questions everyday
- Customer service email: response within 24 hours the first contact from the customer and 72 hours for follow-up issue or discussion. If the customer does not response by the planned time, ASUS Cloud will in turn approach the customer. For technical questions, we will contact the technicians and provide feedback within 72 hours.

Technical Support Hotline

Customers can phone the local product helpline to seek solutions for product problems from online technical support personnel or determine if it is necessary to send the product to repair

4.3.2 Customer Satisfaction Survey and Management

We believes that "increasing the quality of service starts with customer satisfaction". The goal of customer service is to enhance customer satisfaction, and this forms the basis for our improvements to after-sales support. The customer satisfaction surveys are carried out in accordance with our internal process of "Customer Service After-Sales Support Customer Satisfaction Management". The management is certified by the ISO 9001 quality management system.

Customers that use our service will receive our satisfaction survey through a variety of different methods depending on the type of service used. The methods include:

- e-Survey
- Interactive Voice Response
- Interview

The customer satisfaction survey that follows after the service allows us to understand each customer's perception of our current service quality. The response rate of satisfaction survey in 2014 was 35%, and the satisfaction rate was about 80% which was on the overall service quality. We continue the weekly review and the analysis of the survey results to ensure that our products and services match the needs of our customers as well as to identify opportunities for improvements and innovations.

To encourage customers to answer the customer satisfaction survey, we renewed the user interface of the survey system and added the app version to fit mobile devices so that users of smart phones and tablets could answer the questionnaire as easily as using computer, provide us with valuable feedbacks and comments for the reference of our continual service improvement.

Figure 4.14 Screenshot of Satisfaction Survey through Smart Phone

After the case is closed, ASUS Cloud will use the survey to analyze the question and remark on how it was solved. About 80% of the customers were satisfied with our service.

4.3.3 Customer Privacy and Security

To ensure the preservation of critical customer data when products are sent in for repairs, ASUSTeK goes through the following procedure for RMA products before any actual repairs are made:

- Remind the customer to backup data
- Explain the risk and likelihood of data loss
- Ask the customer to sign a disclaimer

ASUS Cloud devoted deeply in the operation of cloud technology to provide high-quality cloud services to global users. For the service has launched since 2008, we have always believed that a good information security mechanism will not only provide a good reason for users to embrace cloud services but also an important implication to accumulate brand reputation.

ASUS Cloud takes the following approaches in managing process flow and service design to ensure our customers could use the cloud service with no security concerns:

- Has introduce ISO 27001 information security management system (ISMS) since February 2011, and is certified by a 3rd party
- Provide SSL encryption protection mechanism
- Provide financial level One-Time Password (OTP) protection mechanisms
- Use national security level Advanced Encryption Standard (AES) encryption technology to protect user data
- Use enterprise level virus scanning mechanism
- When the customer activate cloud service, he or she will have to agree the website statement regarding service contents and user privacy protection policy

ASUS Cloud had 70 employees completed relevant information security training in 2014, and each training lasted 2 hours.

In 2014, there was no complaint regarding data loss due to negligence and no lawsuit involving the Personal Information Protection Act for ASUSTeK. There was 1 complaint on the program problem for ASUS Cloud. We immediately communicated with and recovered all data for the complainant. Most importantly, no data was lost and the problem was settled peacefully with the complainant.

4.3.4 Related Services of Taiwan Asus Royal Club

Besides continuing the "Pick up from a Different Site" and "Free Home Pick-up and Delivery" implemented in 2013, we provide more new services to provide customers with thoughtful, dedicated, and innovate service and fulfill corporate social responsibility, so as to enhance overall customer satisfaction and service value in 2014.

Recharging Station

In 2014 Q1, we established the recharging station for computer, communication, and consumer electronic products at all ASUS Royal Clubs for users to recharge their ASUS notebooks, tablets, and mobiles at a nearby ASUS Royal Club when their devices run out of battery during a business trip or tour, providing ASUS customers with most thoughtful service.

One-hour Mobile Fixed Service

During the warranty period, we provide one-hour fixed service for PadFone/ZenFone smart phones. Customers only need to make an appointment with a nearby ASUS Royal Club through the ASUS website or through 24-hour toll-free hotline. After completing the reservation, the system will send them an appointment number via short message service (SMS) or email. When customers arrive at the ASUS Royal Club as scheduled, they can have their PadFone/ZenFone fixed within one hour.

Service without Distance, Thoughtful Delivering to Home

To provide ASUS product users such as business persons and students with more convenient and more flexible repair service, apart from all local service centers and convenience store pick-up service, we added the repair pick-up service at the 7-ELEVEN chain in 2014 Q3. Customers will not need to spend extra time and cost on traveling to ASUS Royal Club which may spoil their schedule and increase travel expense.

Cash on Home Delivery

If a repair fee is required after the product is fixed, customers can choose the cash on home delivery service as a convenient transaction method. In return, we can enhance customer satisfaction indirectly.

Service by Appointment through Hotline

For customers to pick up their repair products at their convenience, we launched the repair appointment service at the ASUS Royal Club in 2014 Q4. Customers can also enjoy a discount for purchasing accessories during the appointment.

4.4 ASUS Cloud Service Application - Education Cloud

Education is the fundamental policy and key indicator of future national development. As technology advances, many innovative technologies, such as cloud applications, spring up like mushrooms to enable knowledge acquisition more convenient and faster, thereby revolutionizing traditional education. With such innovative education methods, both teachers and students can access education resources and services ubiquitously from education resource platforms containing digital content with IT equipment. Apart from learning in classrooms, students can voluntarily discover different kinds of knowledge to make flipped classrooms, multiple interactions, and ubiquitous learning a reality.

In 2011, we launched the education cloud service. Over the past 4 years, we have accumulated much experience and found that the effective delivery of learning resources to each user and the implementation of adaptive learning are the two keys of the education cloud. We thus build an education resource platform and applications to provide comprehensive applications, including covering pre-class preparation, in-class learning, and after class review applications. We also integrate big data learning process analysis with the education marketplace and store all teaching activities in the learning record store for resource interchangeability and sharing. With cloud computing and big data analysis and processing technology, we scientifically present the learning divide of students for teachers, students, and the government to make real-time feedback instruction and remedial teaching and balance the urban-rural difference in educational resources, so as to achieve the ideal of adaptive learning and adaptive teaching.

Figure 4.15 The Announcement of the Project with the Setup of the Simulation Classroom to Experience the Education Cloud

Four major values of the education cloud:

- **Learning Management System**

  With the characteristics of cloud service, we provide comprehensive learning applications for parents, teachers, and students of nationwide elementary to senior high schools based on the cloud service framework. Our service is also accessible from different platforms and with different devices for parents, teachers, and students to ubiquitously access all teaching and interactive data to enjoy comprehensive e-learning life on demand.

- **Learning Record Store**

  The record of all teaching activities of teachers and students is stored in the learning record store. Based on the characteristics and ability of cloud computing, learning process data is analyzed with big data analysis technology and open source software. Based on different learning scenarios, learning differential analysis is conducted at different scales, such as individual students, individual schools, or individual regions (counties or cities), for parents, teachers, schools, local government, and education authorities to design different teaching activities and adaptive learning programs.

- **Education Marketplace**

  By gathering the digital learning contents of private education institutions and the national education archive, the education cloud revitalizes the connection and seamless integration of education resources for parents, teachers, and students to possess diversified digital contents, extend readers and applications, and enjoy comprehensive, convenient digital learning life.

- **Application Programming Interface (API) for Open Learning Management Platforms**

  Overcoming the non-interchangeability of conventional learning systems, the learning pilot API and sample code can link up various teaching-related systems and applications and provide teachers and students interested in application development with a cloud application development platform to store teaching/learning applications and content on a standardized platform,,making more education analyses with referential value, and stimulate more innovative applications to enliven the education ecosphere.

4.5 Community Involvements

ASUSTeK has always upheld the long term emphasis, efforts, directions, and goals of "reducing the digital divide", "increasing innovation", "cultivating technical talent", "stimulating industry-university cooperation", and "promoting environmental and energy conservation". In 2008, the ASUS Foundation was established in hopes of encouraging the public to proactively invest in public service and caring for the community, showing out commitment to corporate social responsibility.

Since 2008, the ASUS Foundation has inspired and invited the public to continue to emphasize and care about societal issues through different methods and activities with governmental and non-profit organizations in various regions. The ASUS Foundation also hopes to accumulate collective energy with more concrete actions, extended its influence into more diverse platforms, contribute more benefits to society through coordination with different organizations, enhance citizen information education, increase citizen standards of living, and promote the development of global exchange.

4.5.1 Reducing the Digital Divide

Since 2009, we began investing in resources based on the concepts of sustainable operation concept. Apart from donating computers to disadvantaged groups across Taiwan, we assisted 18 friendly countries (Guatemala, Dominica, Nicaragua, Paraguay, Honduras, Ecuador, Belize, El Salvador, Mexico, Peru, Panama, Haiti, Indonesia, the Philippines, Thailand, Malaysia, India, and Tanzania) to promote e-learning, exchange learning experience and internships for children in remote areas, young students living in poverty, women and elderly people to shorten digital divide. Over the past 6 years, we have donated about 1,900 brand new ASUS notebooks and over 8,000 recycled computers, established over 100 computer classrooms, and organized various ICT competitions, such as micro movie, blog competition, photo competition, charity travelers, and I Can Fly employment cultivation.

Reverse Logistics: Refurbished Computer Donations Love Earth Project

Since 2008, the "PC Recycling for a Brighter Future" program has recovered discarded computers and has refurbished them for reuse over the past 7 years. The program not only recovered discarded computers through reverse logistics to promote the concept of loving our planet but also helped to promote e-learning and reduce the digital divide.

In 2014, we recycled a total of 14,956 waste computers, 41% more than 10,541 units in 2013. In addition, a total of 33 recycling vendors joined the computer recycling line in 2014, 80% more than 41 units in 2013.

In 2014, we donated a total of 1,381 recycled computers to a total of 89 non-profit organizations at home and abroad. Most of these non-profit organizations were volunteer service groups (overseas), juvenile prisoners, students living in remote areas, elderly people, and people with disabilities. With these recycled computers, most recipients could significantly improve their computer skills. For example, at the after school club in remote areas, students had no computer skill and could not improve academic performance with the latest digital learning platform. Through the recycled computer program of ASUS Foundation, disadvantaged children could use recycled computers to implement distance learning to learn mathematics and Chinese language. By integrating software and hardware resources, we helped these children to end up learning alone.

Besides donating recycled computers, we cooperatedS with Taiwan Digital Phoenix Association to discover the software need of recipients through direct or telephone interviews and provided recipients with free digital teaching materials and digital teaching courses for seed instructors, such as Word, Excel, and PowerPoint skills, so as to improve and establish the digital and teaching skills of such units to directly and indirectly benefit about 11,960 person-times. We also opened the Facebook fan club to share the benefits of recycled computers.
ASUS e-Learning Sharing Platform - "Connecting the World with Love":
https://www.facebook.com/groups/asuselearning/

In addition, we were invited by the " Green Life" program of Da-Ai HD Television to produce the 50-minute "Recycled Computer" topic to encourage citizens to join the "Recycling PCs for a Brighter Future" program.

For more details on "PC Recycling for a Brighter Future", please visit the following website: http://recycling.asus.com/.

ADOC (APEC Digital Opportunity Center) Plan

Since 2009, ASUSTeK continues to participate in APEC's APEC Digital Opportunity Center 2.0 (ADOC) program with the support of the Ministry of Foreign Affairs over the past 6 years. The program assists local non-profit organizations in ADOC member nations and Taiwan's foreign allies to set up digital opportunity centers, promoting digital learning and reduce the digital divide. We hope that the donation of equipment, volunteer training and education promotion will provide local people in remote, backward regions with equal access to learning opportunities. Reducing the digital divide between nations, rural and urban regions, and even between different age groups and genders will allow people to have more convenient and happier lives.

- **ADOC Photo & Micro Movie Competition**

  This is an ICT event organized in collaboration with the ADOC Secretariat for 5 consecutive years to encourage the sharing of learning experience, technological exchange, and successful e-learning stories among ADOC members through such platform. The competitions in the past have become the favorites of ADOC members and thus won their support. In 2014, the entries were received from 10 countries, including Chile, Peru, Mexico, Indonesia, the Philippines, Vietnam, Thailand, Malaysia, Papua New Guinea and Russia.

The creative photo competition set "IT and Future" as the theme. Contestants must blend ASUS and ADOC program logos in the photo. A total of 76 works were received. After the online voting and professional judging, the best 12 works were rewarded with cash prizes and prizes. Award-wining works were used at ADOC exhibitions and publicity materials, such as the ADOC websites and ADOC 2015 calendars.

Figure 4.16 ADOC Photo Competition

Changing life with IT is the theme of the short composition competition. A total of 63 works were received, and 32 compositions were selected by professional editors and compiled in a book. A total of 3,000 copies were published and circulated in the 21 APEC member states and 905 libraries in Taiwan to raise the popularization of digital learning in these countries.

- **Post Haiyan ICT Reconstruction Program for the Philippines**

  Super typhoon Haiyan traumatized the Philippines in November 2013. Over 10,000 people were killed in Tacloban alone, the capital city of central province Leyte, where the typhoon first hit. It was the most severe natural disaster ever occurred in the Philippines. Teaming up with local sales team, ASUS Foundation donated 40 computers to non-profit organizations in the affected area to establish computer classrooms, so as to help local citizens to cultivate computer skills for post-disaster education and reconstruction.

Projects with the Ministry of Foreign Affairs (MOFA)

Since 2009, ASUSTeK has donated refurbished and brand new notebooks to remote schools in various countries for 6 consecutive years. In 2014, we donated 190 brand new notebook computers and 190 All-In-One PCs to schools in remote areas in Guatemala, Dominica, Nicaragua, Honduras, Haiti, El Salvador, and Panama through the MOFA to spread love and share resources from Taiwan to remote areas and disadvantaged groups indifferent parts of the world through the concerted effort of the government and private enterprises, so as to provide locals with e-learning opportunities and shorten local digital divide.

Figure 4.17 Projects with the MOFA - Panama Donation

ASUSTeK World Citizenship

In 2014, we launched cooperation with 9 international volunteer groups. A total of 115 students and supervisors from colleges and universities and international volunteers selected from ASUS employees went to remote areas in Indonesia, India, Thailand, the Philippines, Malaysia, and Tanzania to provide short-term education on ICT, Chinese language, and ecology conservation. During the mission period, ASUS employees were granted paid official leave to encourage their participation. Through the achievement sharing camp, Facebook, volunteer websites, they share the process of volunteer service, lesson learned, and touching stories with movies, photos, and text.

Figure 4.18 ASUSTeK World Citizenship - Youth E-Service, Taiwan -> College of Asian Scholars in Thailand

ASUSTeK World Citizenship Group Page: https://www.facebook.com/groups/asusworldcitizen/

4.5.2 Literature, Arts and Academic Sponsorships

ASUSTeK and the ASUS Foundation have continued to sponsor literary and art events to support the local community, expand our international horizons and fulfill our social responsibility. By supporting the arts and culture as a corporate citizen, we hope this will enhance the quality of spiritual life in the whole population.

Sponsorship of MONSTER Cheerleading

The MONSTER cheerleading squad has won many international and national cheerleading competitions. ASUSTeK continued to sponsor the costs of the MONSTER cheerleading squad's routine training venue to provide the athletes with a safer and more comfortable venue for building experience, studying techniques and rehearsals.

Although cheerleading is about to be an event of the Asian Games and Olympic Games, the group need and adequate space and equipment for practicing many dangerous actions, such as stunting, flying, jumping, and tossing. Since 2011, ASUSTeK has continuously sponsored the venue fee to improve the training environment and equipment, so as to effectively reduce potential accidents occurred during practices so that this group of young students could focus on regular training to build up their skills and invite more excellent cheerleading athletes and other young students to promote this sport. With passion and enthusiasm for cheerleading, we hope that cheerleading athletes can create excellent and brilliant performances each year. In 2014, the MONSTER cheerleading team participated in 4 domestic competitions and 4 international competitions, all with outstanding performances. The team even won the National Cheerleading Championships for 10 consecutive times. Moreover, MONSTER has earned an international fame for participating in domestic and international competitions, performances, and teaching activities of different scales. National cheerleading teams from different countries, such as the UK, South Korea, Malaysia, and Singapore, even visited Taiwan to exchange with MONSTER. In addition, MONSTER has become a popular performing group of the year-end party and family day big enterprises, charitable activities, and festivities to bring vigour and passion.

Figure 4.19 2014 Taiwan National Cheerleading Championships

4.5.3 Caring for the Community

Cooperation with Radio Da-Ai

Since 2008, we has sponsored the production of spiritual purification-related programs by Radio Da-Ai to promote wisdom in education, honesty and integrity and hard work. These will in turn boost the power of benevolence in society and imbue every inch of the land with love and stories.

National 99 Seconds Short Film Competition

The "Touching 99" organized by ASUS Foundation and the Taiwan Public Television Service was held since 2009, and the evaluation and prize presentation ceremony of the 5th event were completed in first half of 2014 when the beginning of 6th event was right afterwards. We change the theme each year based on the topics of current events for makers to present positive and virtuous power though short films.

- 5th Touching 99: Under the Roof: My Home

  With "home" as the theme, works were recruited from September 19, 2013 until January 25, 2014. A total of 631 works were recruited from 2,152 contestants, the highest in the event's history. With a history for years, the event has been considered as part of the curriculum of related disciplines to motivate young students. With this short-film contest, students can document unforgettable memories in life and previous moments in life into touching stories with films. Works of the current event included stories from all parts of Taiwan, suggesting that Heartfelt 99 has penetrated to different parts of Taiwan and presented thankfulness everywhere in Taiwan. Award-wining works were published in DVDs for professionals to compile into teaching materials for character education to demonstrate the influence of film. In addition to critical acclaim, teachers of a total of 104 elementary schools requested these works as teaching materials.

Figure 4.20 National 99 Seconds Short Film Award Ceremony

5th ASUSTeK Indigenous Peoples Science Education Award

We began organizing the Indigenous Peoples Science Education Awards in 2009, and it has been 6 years. The fifth session started in April 2013, the application ended in December, and the evaluation and prize presentation ceremony were completed in the first half of 2014. Thanks to the heated support of the Council of Indigenous Affairs and Taiwan Indigenous TV, the award has become one of the major science education events for indigenous students of all elementary and junior high schools. Over the past 6 years, over 500 indigenous children from 12 different indigenous groups participated in the event. Through the research process of the science fair, participants learned indigenous culture and tradition from tribal elders. Through the instruction of supervisors, students learned how to analyze indigenous knowledge with science, prepared research reports, produced three-minute documentaries, and uploaded them to the education cloud. With this science education award, indigenous children re-examined and validated ancient skills and knowledge with scientific approaches and science theories and preserve the history and traditional skills of own ethnic groups. The outcomes of the award over the year have become the supplementary materials of science education and cultural studies of different schools.

Figure 4.21 ASUSTeK Indigenous Peoples Science Education Award Group Photo

Dashe Village Livelihood Reconstruction 5-Year Plan: 5th Year Project (Sandimen, Pingtung)

In 2014, we continued the project of 2013 to include service development in organization

work. Apart from supporting women employment and living care service and establishing long-lasting organizations for tribal independence, we assisted citizens of Dashe Community migrated to Rinari Borough in securing stable life and Dashe people returning to their hometown in basic living support and rebuilding their homes, so as to enable tribal people staying in and traveling to and from their hometown to maintain daily life functions. From mutual care learning and voluntary organizational connection, we helped locals to discuss public issues and protect their hometown, so that they stay in their hometown until they pass away, protect and share their hometown from different aspects.

- Indigenous Food Sharing, Work Sharing, and Life sharing

  A communion is held every month together with culture courses for children on the ancient tribal geographical name, the story of the geographical name Tavadran River, and understanding of traditional food plants. These courses also include current events for people share new knowledge with tribal elders. Through the translation from Chinese into Paiwan dialect, tribal people and elders can understand the current issues in Taiwan, such as the service trade, student movement, anti-nuclear campaign, and issues related to Dashe Tribe.

- Indigenous Peasants

  Unused farmland for the past thirty years were re-prepared and cultivated with eco-friendly methods to grow healthy crops. Trial growth of different crops continued and seed preservation was insisted.

- Indigenous Public Space Building - Family Kitchen

  Tribal people learned how to build public space together. Every day and each action was a key point of culture heritage. After joint discussion of construction methods, people made adjustments and corrections through learning from doing. Seeing elderly people and children learn from one another and grow together, tribal people gradually identified with participated in the discussion of construction methods. This was the biggest encouragement for native people. The home kitchen, a public space built through shared efforts, became one of the venues for the harvest ritual in 2014. This public space also re-initiates good interaction among kinsmen.

- Indigenous Study

  This policy enables families and children staying in the tribe to learn living and farming through working together in the farm. Tradition and culture, fundamental science, current issues, social care, and art and humanities were combined together, and people learned together through daily life observation and recording.

Figure 4.22 Indigenous Public Space Building - Family Kitchen

Around Taiwan: Happy Marketplace

By promoting specialty dishes of each county and city made with native seasonal ingredients grown with non-toxic process, we hope employees can understand more and better about and respect the rich resources of Taiwan, so as to understand, feel, cherish, and be grateful for what nature gives us. This new dietary lifestyle also helps to promote health and protect earth in real action.

This activity divided Taiwan into 11 regions. Each month suppliers were invited to join the specialty food sale we organized. A general review was held in the last month to introduce local culture, specialty food, and natural farming. A total of 290 suppliers joined the activity. A total of NT$3,672,164 was gained from the sale. We also invited suppliers to donate part of the sales income to the Child Welfare League Foundation. The amount was NT$69,100.

Figure 4.23 Around Taiwan - Happy Marketplace

Farmer Market

We invited a total of 37 farmers practicing non-toxic organic farming to promote local organic, non-toxic ingredients for employees to buy seasonal fruits and vegetables without worries. The accumulative amount of sales was NT$716,250.

Figure 4.24 Farmer Market

The Power of Group Buying

Every month, the Employee Welfare Committee selects quality items for employees to fulfill the group buying demand of employees. In 2014 the accumulative amount of group buying was NT$600,000.

Figure 4.25 Group Buying

Caring for Disadvantaged Groups

- A bakery is opened by "Children Are Us", a Taiwan Foundation for mentally retarded children, in headquarter. We provided 9 job opportunities to the children and includes their headcounts as permanent employees. Furthermore, we hired 5 visually impaired masseurs at headquarter and Chengde site with an infirmary to provide massage service for employees to relieve stress after a day of hard work. These created job opportunities for the minority groups.

- Indigenous Natural Farming Project

  We support the Cayama Cereal Agricultural Production and Marketing Group. Members of the group are from the Tsou tribe of Alishan and were victims of the August 8 Flood. In 2014, we bought 419 packs of cereals at NT$200,000 from them. By supporting peasants practicing natural farming, we help indigenous people to develop a new tribal lifestyle and continue this sustainable lifestyle. The purchased cereal was donated to 419 indigenous families living in remote townships. Apart from supporting peasants practicing eco-friendly farming, we helped disadvantaged families living in remote townships to double the effect of care.

Figure 4.26 Donation Stickers for Cayama Agricultural Productions

5, Other Performance Indicators

5.1 Economic Indicators

G4-EC6 PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION

The tables below show the proportion of senior management hired from the local community in major subsidiaries.

Greater China

ASUSTeK	ASUS Cloud	ASUS Cloud	ACS	ASZ
99.39%	100%	55%	100%	44.44%

Europe

ACG	ACF	ACIT	ACZS
83.33%	100%	100%	75%

Note 1: Data of ASUSTeK and ASUS Cloud were focused in Taiwan

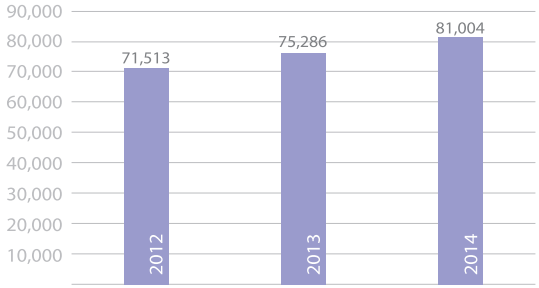
Note 2: The word "local" in this performance indicator is defined as "nationality".

Note 3: Senior management: The title with at least Director/Function Director and above

5.2 Environmental Indicators

G4-EN22 TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

In Taiwan, ASUSTeK sets up independent sewage treatment plants at office building sites. We maintain the system of the sewage treatment plant and perform the quality check of the effluent on a regular basis to ensure the effluent is properly treated and meet the regulation requirements before being emitted into sewage system. The leasing office sites are supervised by the Building Committee. Besides the periodical effluent testing and the system maintenance of the sewage treatment plant, we also hold regular meeting to review and monitor if any non-conformance occurs. The quality check of the effluent met the regulation requirements the whole year.



Unit: m3

ASUSTeK Volume of Water Discharged in Taiwan for the Past Few Years

Test Item/Year	2012	2013	2014
Temperature (℃)	26	24	20
pH value	8	7	7
BOD (mg/L)	4	3	16.3
COD (mg/L)	24	10	-*
SS (mg/L)	3	11	20
E-coli	$3.2*10^3$	$3.2*10^3$	$7.4*10^3$
Test Result	Compliant		

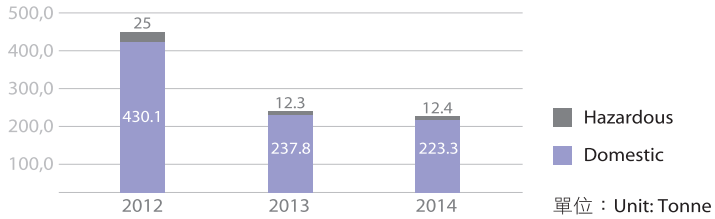
Quality of Water Discharged for the Past Few Years

Note 1: ASUSTeK employed a new sewage treatment supplier in 2014, and the regulation no longer required COD testing, thus was excluded in 2014.

Note 2: The new sewage treatment supplier uses different treatment method, thus the value might vary but was still in compliance with the regulation requirement.

G4-EN23 TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

ASUSTeK classifies the waste into 2 types: domestic waste and hazardous waste. The figure below shows the total weight of wastes by type in Taiwan in the past few years:



ASUSTeK Total Weight of Waste by Type in Taiwan for the Past Few Years

The waste treatments are as followed: incineration for domestic waste, donation for recyclable wastes, physical treatment for hazardous waste. Recyclable wastes were all donated to Tzu Chi charity to benefit more people in need. Some items such as glass fiber, plastic, and metals such as iron, aluminum, gold, silver were proceed by licensed downstream recyclers for reuse purpose.

G4-EN28 PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY

The percentage of end-of-life products reclaimed was 6.7% in 2014. The packaging materials were not specifically recorded and calculated.

For more information on ASUSTeK Global Product Recycling Service, please visit http://csr.asus.com/english/Takeback.htm

G4-EN31 TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE

ASUSTeK Total environmental protection expenditures in 2014 were listed as below:

Category	Expenditure (in New Taiwan Dollar)
Pollution Prevention	1,606,212
Energy and resource recycling	128,048,962
Environmental administrative costs	146,482
Total	129,801,656

5.3 Social Indicators

Labor Practices and Decent Work

G4-LA1 TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

The following tables show the rate of and number of new employee by age, by gender and by region for ASUSTeK, ASUS Cloud and overseas subsidiaries in 2014:

Greater China

Rate of New Employee

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	17.62%	15.71%	13.15%	45.75%	16.95%
30~50	10.54%	15.71%	4.34%	2.43%	4.40%
>50	0.09%	0.00%	0.00%	0.00%	0.00%
Total	28.25%	31.43%	17.49%	48.18%	21.34%

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	18.51%	17.14%	9.93%	15.38%	13.53%
Female	9.73%	14.29%	7.57%	32.79%	7.81%

Number of New Employee

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	1164	11	106	113	293
30~50	696	11	35	6	76
>50	6	0	0	0	0
Total	1866	22	141	119	369

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	1223	12	80	38	234
Female	643	10	61	81	135

Europe

Rate of New Employee

Age Group	ACG	ACF	ACIT	ACZS
<30	10.45%	16.28%	1.16%	8.17%
30~50	9.70%	13.95%	4.65%	2.18%
>50	0.75%	1.16%	0.00%	0.00%
Total	20.90%	31.40%	5.81%	10.35%

Gender	ACG	ACF	ACIT	ACZS
Male	11.94%	10.47%	4.65%	5.99%
Female	8.96%	20.93%	1.16%	4.36%

Number of New Employee

Age Group	ACG	ACF	ACIT	ACZS
<30	14	14	1	30
30~50	13	12	4	8
>50	1	1	0	0
Total	28	27	5	38

Gender	ACG	ACF	ACIT	ACZS
Male	16	9	4	22
Female	12	18	1	16

The following tables show the turnover rate and the number of employee turnover by age, by gender and by region for ASUSTeK, ASUS Cloud and overseas subsidiaries in 2014:

Greater China

Turnover Rate

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	7.89%	5.71%	13.65%	62.75%	10.53%
30~50	7.40%	17.14%	7.20%	14.57%	3.88%
>50	0.09%	1.43%	0.00%	0.00%	0.00%
Total	15.38%	24.28%	20.84%	62.75%	14.40%

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	9.36%	17.14%	11.91%	19.84%	8.79%
Female	6.02%	7.14%	8.93%	42.91%	5.61%

Number of Employee Turnover

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	521	4	110	119	182
30~50	489	12	58	36	67
>50	6	1	0	0	0
Total	1016	17	168	155	249

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	618	12	96	49	152
Female	398	5	72	106	97

Europe

Turnover Rate

Age Group	ACG	ACF	ACIT	ACZS
<30	1.49%	13.95%	1.16%	6.81%
30~50	8.96%	6.98%	2.33%	4.36%
>50	0.00%	0.00%	0.00%	0.82%
Total	10.45%	20.93%	3.49%	11.99%

Gender	ACG	ACF	ACIT	ACZS
Male	7.46%	10.47%	2.33%	6.27%
Female	2.99%	10.47%	1.16%	5.72%

Number of Employee Turnover

Age Group	ACG	ACF	ACIT	ACZS
<30	2	12	1	25
30~50	12	6	2	16
>50	0	0	0	3
Total	14	18	3	44

Gender	ACG	ACF	ACIT	ACZS
Male	10	9	2	23
Female	4	9	1	21

G4-LA3 RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER

Taiwan

ASUSTeK

Gender	Number of people apply for paternity leave in 2013	Number of people apply for paternity leave in 2014
Male	3	7
Female	20	44

Gender	Number of employees who should returned to work after paternity leave ended in 2013	Number of employees who should returned to work after paternity leave ended in 2014
Male	5	4
Female	22	33

Gender	Number of employees who actually returned to work after paternity leave ended in 2013	Number of employees who actually returned to work after paternity leave ended in 2014
Male	1	1
Female	13	18

Gender	Number of employees who returned to work after paternity leave ended in 2012, and who were employed twelve months after their return to work by 2013	Number of employees who returned to work after paternity leave ended in 2013, and who were employed twelve months after their return to work by 2014
Male	9	1
Female	4	12

Gender	Return to Work Rate in 2014
Male	25.00%
Female	54.55%

Gender	Retention Rate in 2014
Male	100.00%
Female	92.31.00%

ASUS Cloud

There were no application for parental leave in 2013 and 2014, thus both data were NA.

China

Parental leave is not applicable in this region, thus no data available.

*Return to Work Rate in 2014 = number of employees took the parental leave and actually returned in 2014/number of employees took the parental leave and should return in 2014

**Retention Rate in 2014 = number of employees took the parental leave in 2013 and actually returned to work for at least 12 months by 2014/number of employees took the parental leave in 2013 and should return to work for at least 12 months by 2014

***No parental leave was applied, or took parental leave but would not return until next year that was still within 12 months, thus the data was NA.

G4-LA9 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

The following table shows the average hours of training per year per employee by employee category for ASUSTeK, ASUS Cloud and overseas subsidiaries in 2014:

Greater China

Category	ASUSTeK	ASUS Cloud	ACC*	ACS	ASZ
General Employee	8.16	3.68	-	4	11.5
Managerial - Manager	6.26	3.40	-	4	8.3
Managerial - Senior Manager	4.55		-	4	5.8
Managerial - Top Executives	2.00	2.60	-	0	5.1

Gender	ASUSTeK	ASUS Cloud	ACC**	ACS	ASZ
Male	7.63	3.40	-	4	10.8
Female	7.5	4.04	-	4	10.9

* Those subsidiaries did not have the data.

Note 1: The hours reflected the hours from internal classroom courses and eLearning classes only; hours from other types of training such as on-job trainings and external courses were not included and thus not calculated into the average hour.

G4-LA12 COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY

The following tables show the composition of and breakdown of employees in 2014 in different sites:

Taiwan

ASUSTeK

All Employees by Age and Gender

Group Age	Male	Female
<30	31.15%	42.89%
30~50	67.14%	42.89%
>50	1.71%	0.59%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	8.09%	3.35%
>50	1.43%	0.05%
Total	9.53%	3.40%

ASUS Cloud

All Employees by Age and Gender

Group Age	Male	Female
<30	12.77%	52.17%
30~50	85.11%	47.83%
>50	2.13%	0.00%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	25.53	0.00%
>50	0.00%	0.00%
Total	25.53%	0.00%

China

ACC

All Employees by Age and Gender

Group Age	Male	Female
<30	49.75%	57.52%
30~50	49.25%	42.24%
>50	1.00%	0.24%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Male
<30	0.25%	0.00%
30~50	7.46%	1.91%
>50	0.25%	0.00%
Total	7.96%	1.91%

ACS

All Employees by Age and Gender

Group Age	Male	Female
<30	65.88%	80.25%
30~50	32.94%	17.90%
>50	1.18%	1.85%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	2.35%	0.62%
30~50	12.94%	3.09%
>50	0.00%	0.00%
Total	15.29%	3.70%

ASZ

All Employees by Age and Gender

Group Age	Male	Female
<30	45.77%	51.38%
30~50	54.05%	48.62%
>50	0.19%	0.00%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	3.37%	0.00%
>50	0.19%	0.00%
Total	3.56%	0.00%

Europe

ACG

All Employees by Age and Gender

Group Age	Male	Female
<30	15.84%	33.33%
30~50	81.19%	54.55%
>50	2.97%	12.12%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	4.95%	0.00%
>50	0.00%	3.03%
Total	4.95%	3.03%

ACF

All Employees by Age and Gender

Group Age	Male	Female
<30	45.45%	57.14%
30~50	50.00%	40.48%
>50	4.55%	2.38%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	11.36%	2.38%
30~50	22.73%	9.52%
>50	0.00%	0.00%
Total	34.09%	11.90%

ACIT

All Employees by Age and Gender

Group Age	Male	Female
<30	3.51%	6.90%
30~50	94.74%	86.21%
>50	1.75%	6.90%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	12.28%	6.90%
>50	1.75%	0.00%
Total	14.04%	6.90%

ACZS

All Employees by Age and Gender

Group Age	Male	Female
<30	53.23%	28.31%
30~50	45.77%	56.63%
>50	1.00%	15.06%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	1.00%	0.00%
30~50	5.97%	1.81%
>50	0.00%	0.00%
Total	6.97%	1.81%

Human Rights

G4-HR5 OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR

ASUSTeK, ASUS Cloud and overseas subsidiaries follow Human Rights Declaration , the local minimum age requirement, local regulations, and other relevant provisions for hiring, and prevent child labor from engaging in dangerous works. In Taiwan, ASUSTeK provides cooperative education and requires the student has to be at least age of 16.

ASUSTeK performed CSR audit on first tier outsourcers to ensure that they complied with local minimum age requirement, local regulations, and other relevant provisions for hiring, and prevent child labor from engaging in dangerous works.

G4-HR6 OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR

ASUSTeK, ASUS Cloud and overseas subsidiaries follow Human Rights Declaration and ensure no forced, bonded or involuntary prison labor is used in the production of ASUSTeK products or services.

ASUSTeK performed CSR audit on first tier outsourcers to ensure that no forced, bonded or involuntary prison labor is used in the production of ASUSTeK products or services.

G4-HR12 NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

Stakeholders can communicate with ASUSTeK regarding any grievances and issue on human rights through our public channels such as GreenASUS email.

ASUSTeK did not receive any grievance regarding the human rights in 2014.

5, Other Performance Indicators

Society

G4-SO3 TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED

ASUSTeK sends the survey titled "Internal Control Assessment" which also includes contents from "Employee Code of Conduct" to employees through sampling in the beginning of each year. Otherwise, we do not specifically analyze the risks related to corruption. This time, the survey of ASUSTeK Taiwan Headquarter for 2014 evaluation was distributed to employees who were Section Manager Level and Department Manager Level in January, 2015.

The results are shown below:

Category	Distributed	Collected	Collection Rate	Percentage of Agreement
Section Manager	1236	918	74%	89.6%
Department Manager	348	276	79%	96.2%
Total	1584	1194	75%	91.1%

The Percentage of Agreement indicated the degree of the sampling pool received the survey agreed that the company's internal control was well implemented.

Product Responsibility

G4-PR1 PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

The impacts of a product on the environment and health and safety throughout the product life cycle are mostly decided at the design stage. When designing a product, ASUSTeK follows international environmental and safety regulation as standards, and the product would enter into mass production stage only when it complies with those standards.

G4-PR3 TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS

ASUSTeK is in compliance with the information disclosure of and labeling requirements of international regulations, as well as eco label criteria through the disclosure on or marking on product, in user manual, or at ASUSTeK CSR website.

G4-PR7 TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES

In 2014, four models failed in Energy Star verification. These models complied with the energy efficiency requirements; however, the default setting of Power Management was incorrect. ASUSTeK had provided the software update for users to download from the support site to fix the error.

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTeK COMPUTER INC. CORPORATION's CORPORATE SOCIAL RESPONSIBILITY REPORTOF 2014

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASUSTeK COMPUTER INC. (hereinafter referred to as ASUS) to conduct an independent assurance of the Corporate Social Responsibility Report(hereinafter referred to as CSR Report) of 2014. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables contained in this report.

The information in the ASUS' CSR Report of 2014 and its presentation are the responsibility of the superintendents, CSR committee and the management of ASUS. SGS has not been involved in the preparation of any of the material included in the ASUS' CSR Report of 2014. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all ASUS' stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative (hereinafter referred to as GRI) Sustainability Reporting Guidelines and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organization.

This report has been assured using our protocols for:

- evaluation of content veracity at a high level of scrutiny for ASUS and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report ;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of the report against the GRI Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research; interviews with relevant superintendents, CSR committee members and the management; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from ASUS, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within ASUS' CSR Report of 2014 verified is accurate, reliable and provides a fair and balanced representation of ASUS sustainability activities in 01/01/2014 to 12/31/2014.

The assurance team is of the opinion that the report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting. The report is the ninth to be assured by an independent assurance team and ASUS has taken a bold step by offering the report to evaluation against both GRI G4 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 2, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

ASUS is committed to being accountable to its stakeholders and to integrating inclusivity into its strategic and management approach. A variety of engagement efforts such as survey and communication to employees, customers, investors, local communities, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, ASUS may proactively consider having more direct involvement of stakeholders during future engagement.

Materiality

ASUS has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It is recommended that the process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Future reporting would benefit from more reporting on the results of stakeholder feedback from this report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, ASUS' CSR Report of 2014, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. More disclosure on supply chain management and material aspects having boundaries outside of the organization are encouraged in future reporting.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Assurance Provider
000-8

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
23 June, 2015
WWW.SGS.COM

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7, GRI INDEX

GENERAL STANDARD DISCLOSURES

Indicator	Title	Section	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	1	Yes
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	2.1	Yes
G4-4	Report the primary brands, products, and services.	2.1	Yes
G4-5	Report the location of the organization's headquarters.	2.1	Yes
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	2.1	Yes
G4-7	Report the nature of ownership and legal form.	2.1	Yes
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	2.1,Annual Report 79-80	Yes
G4-9	Report the scale of the organization.	2.1,Annual Report 123-131, 75, 151	Yes
G4-10	d. Report the total workforce by region and gender.	2.1.1,Only disclose part d.	Yes
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	In Taiwan, employees can communicate their issues with Employee Benefit Department or to Employment Relation of Human Resource Department. Currently, no Union is established and thus employees are not covered by collective bargaining agreements.	Yes
G4-12	Describe the organization's supply chain.	3.2	Yes
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There was no significant change in the organization. ASUSTeK annually selects new supplier/EMS	Yes

		and performs annual Quality Business Review (QBR) on our existing supplier/EMS to ensure they continuously comply to ASUSTeK' quality management and stay qualified, thus the supply chain change regularly.	Yes
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	2.3.2, 2.3.3, 2.3.5, 2.3.6, 3.1,3.2, 4.2.2	Yes
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	3.3.5, 3.4, 3.5.1, 4.1.2, 4.2.1	Yes
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	2.1.3	Yes
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	1, Annual Report 123-131	Yes
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	2.4	Yes
G4-19	List all the material Aspects identified in the process for defining report content.	2.4	Yes
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: ––The list of entities or groups of entities included in G4-17 for which the Aspect is not material or ––The list of entities or groups of entities included in G4-17 for which the Aspects is material • Report any specific limitation regarding the Aspect Boundary within the organization	2.4	Yes

G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: • Report whether the Aspect is material outside of the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization	2.4	Yes
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No restatement	Yes
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No significant change in the Scope and Aspect Boundaries.	Yes
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	2.4	Yes
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	2.4	Yes
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	2.4	Yes
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	2.4	Yes
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	P.1	Yes
G4-29	Date of most recent previous report (if any).	P.1	Yes
G4-30	Reporting cycle (such as annual, biennial).	P.1	Yes
G4-31	Provide the contact point for questions regarding the report or its contents.	P.1	Yes
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	P.1, GRI Index	Yes

G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	P.1, 06	Yes
GOVERNANCE			
G4-34	Report the governance structure of the	2.3.1	Yes
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	2.1.3, 2.3.2, 03 Preface, 4.1.2, 4.2.1, 4.3Preface	Yes

SPECIFIC STANDARD DISCLOSURES

Material Aspect	DMA and Indicator	Title	Section	Omission	External Assurance
Economic Performance	Disclosures on Management Approach		Annual Report 154-155, 157-158, 178-179		Yes
	G4-EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2.2, Annual Report 219-223		Yes
	G4-EC3	COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS	4.1.3		Yes
	G4-EC4	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	In Taiwan, ASUSTeK is applicable to apply for tax incentives, such as R&D tax credits for "Industrial Innovation Act". We also receives the funds to execute the "Innovative Technology Applications and Services Program" (ITAS) and thus receiving the funds from the Ministry of Economic Affairs, Department of Industrial Technology of Taiwan.		Yes
Market Presence	Disclosures on Management Approach		4.1.3		Yes
	G4-EC5	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION	4.1.3		Yes
	G4-EC6	PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION	05		Yes
Procurement Practices	Disclosures on Management Approach		4.5 Preface		Yes
	G4-EC7	DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED	4.4, 4.5.1		Yes
Procurement Practices	Disclosures on Management Approach		05		
	G4-EC9	PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION	No statistics was performed.		Yes
Energy	Disclosures on Management Approach		3.5.1 Preface		Yes
	G4-EN3	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	3.5.2		Yes
	G4-EN6	REDUCTION OF ENERGY CONSUMPTION	3.5.2		Yes
	G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	3.1.3		Yes

Emissions	Disclosures on Management Approach		3.5.1 Preface		Yes
	G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	3.5.2		Yes
	G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	3.5.2		Yes
	G4-EN17	OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	3.5.2		Yes
	G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	3.5.2		Yes
Effluents and Waste	Disclosures on Management Approach		05		Yes
	G4-EN22	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	05		Yes
	G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	05		Yes
Products and Services	Disclosures on Management Approach		3.1 Preface		Yes
	G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	3.1.3, 3.1.4, 3.5.4		Yes
	G4-EN28	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	05		Yes Yes
Compliance	Disclosures on Management Approach		03 Preface		Yes
	G4-EN29	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	NONE		Yes
Overall	Disclosures on Management Approach		03 Preface		Yes
	G4-EN31	TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE	05		Yes
Supplier Environmental Assessment	Disclosures on Management Approach		3.2		Yes
	G4-EN32	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	3.2		Yes
Environmental Grievance Mechanisms	Disclosures on Management Approach		Through external Email GreenASUS@asus.com		Yes
	G4-EN34	NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED,	NONE		Yes

		ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISM			
Employment	Disclosures on Management Approach		4.1.2		Yes
	G4-LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	05		Yes
	G4-LA2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PARTTIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION	4.1.3		Yes
	G4-LA3	RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER	05		Yes
Labor/Management Relations	Disclosures on Management Approach		In accordance to local regulations		Yes
	G4-LA4	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS	If there is significant change in corporate operation, we will provide notice at least no less than a month.		Yes
Occupational Health and Safety	Disclosures on Management Approach		Information and calculations regarding data in Taiwan are in accordance with local regulations.		Yes
	G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	4.1.4	The information ASUSTeK and ASUS Cloud do not disclose for Taiwan is as follows: rate of occupational diseases, lost days and absenteeism by gender, and total number of work-related fatalities. ASUSTeK does not possess all information for overseas subsidiaries and suppliers.	Yes
Training and Education	Disclosures on Management Approach		4.1.1		Yes
	G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	05		Yes
	G4-LA10	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS	4.1.1		Yes
	G4-LA11	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	4.1.1	Do not disclose percentage of ASUS Cloud employees receiving career development review.	Yes
Diversity and Equal Opportunity	Disclosures on Management Approach		4.1.2		Yes
	G4-LA12	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES	2.3.1, 05		Yes

		PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY			
Equal Remuneration for Women and Men	Disclosures on Management Approach		4.1.3		Yes
	G4-LA13	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION	4.1.3, 4.2.2		Yes
Supplier Assessment for Labor Practices	Disclosures on Management Approach		4.2.1		Yes
	G4-LA14	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA	4.2.2	ASUSTeK does not perform assessments when selecting new suppliers but instead requires them to sign "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and EMS". The CSR audit is performed after becoming the qualified suppliers.	Yes
	G4-LA15	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS FOR LABOR PRACTICES IN THE SUPPLY CHAIN AND ACTIONS TAKEN	4.2.2		Yes
Labor Practices Grievance Mechanisms	Disclosures on Management Approach		Through external Email GreenASUS@asus.com		Yes
	G4-LA16	NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	NONE		Yes
Non-discrimination	Disclosures on Management Approach		4.1.2, 4.2.2		Yes
	G4-HR3	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	NONE		Yes
Child Labor	Disclosures on Management Approach		05		Yes
	G4-HR5	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR	05		Yes
Forced or Compulsory Labor	Disclosures on Management Approach		05		Yes
	G4-HR6	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR	05		Yes

Supplier Human Rights Assessment	Disclosures on Management Approach		4.2.2		Yes
	G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	4.2.2	ASUSTeK does not perform assessments when selecting new suppliers but instead requires them to sign "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and EMS". The CSR audit is performed after becoming the qualified suppliers.	Yes
	G4-HR11	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	4.2.2, 4.2.3		Yes
Human Rights Grievance Mechanisms	Disclosures on Management Approach		Through external Email GreenASUS@asus.com		Yes
	G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	05		Yes
Anti-corruption	Disclosures on Management Approach		2.3.2		Yes
	G4-SO3	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED	05		Yes
	G4-SO4	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	2.3.2		Yes
	G4-SO5	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	2.3.2		Yes
Anti-competitive Behavior	Disclosures on Management Approach		ASUSTeK complies with the laws and regulations set forth by relevant authorities		Yes
	G4-SO7	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES	NONE		Yes
Compliance	Disclosures on Management Approach		ASUSTeK complies with the laws and regulations set forth by relevant authorities		Yes
	G4-SO8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND	NONE		Yes
Supplier Assessment for Impacts on Society	Disclosures on Management Approach		4.2.2		Yes
	G4-SO9	PERCENTAGE OF NEW SUPPLIERS THAT WEREREGULATIONS SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY	4.2.2	ASUSTeK does not perform assessments when selecting new suppliers but instead requires them to sign "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and	Yes

				EMS". The CSR audit is performed after becoming the qualified suppliers.	
	G4-SO10	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN	4.2.2, 4.2.3		Yes
Grievance Mechanisms for Impacts on Society	Disclosures on Management Approach		Through external Email GreenASUS@asus.com		Yes
	G4-SO11	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	NONE		Yes
Customer Health and Safety	Disclosures on Management Approach		05		Yes
	G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	05		Yes
	G4-PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	NONE		Yes
Product and Service Labeling	Disclosures on Management Approach		05		Yes
	G4-PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS	05		Yes
	G4-PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES	NONE		Yes
	G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	4.3.2		Yes
Marketing Communications	Disclosures on Management Approach		ASUSTeK complies with the laws and regulations set forth by relevant authorities		Yes
	G4-PR7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES	05		Yes
	Disclosures on Management Approach		2.3.5, 4.3.3		Yes

	G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	4.3.3		Yes
Compliance	Disclosures on Management Approach		03 Preface		Yes
	G4-PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES	NONE		Yes
Conflict Minerals	Disclosures on Management Approach		4.2.3		Yes
	IMPLEMENTATION OF ASUSTeK SUPPLY CHAIN CONFLICT MINERAL INVESTIGATION	RATIO OF CFSP-CERTIFIED SMELTERS IN ASUSTeK SUPPLY CHAIN	4.2.3		Yes
Community Involvements	Disclosures on Management Approach		4.5 Preface		Yes
	ACTIVITIES	PERFORMANCE OF THE ACTIVITIES	4.5		Yes

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