ASUS

IN SEARCH OF INCREDIBLE

2015 Corporate Social Responsibility Report

About ASUSTeK Computer Inc. Corporate Sustainability Report

Release History

ASUSTeK Computer Inc. has published the non-financial report annually since 2006 and has used the Global Report Initiative Sustainability Reporting Guidelines (GRI) to compile the corporate sustainability report since 2008. ASUS continuously publishes the report annually according to the latest GRI guidelines as a method of responding to the issues of concern brought forth by interested parties and revealing ASUS' method of sustainable development. The previous report was published in June, 2015.

Principle and Guidelines

The report is compiled in accordance to GRI G4 Core Option for reporting framework and according to UN Global Compact. The reference tables of GRI G4 and of the UN Global Compact are included at the end of the report.

Scope and Boundary

This report discloses the approaches and performances of ASUS from January 1 to December 31, 2015, Fiscal Year 2015, and at the same time responding to issues concerning ASUS' sustainable developments brought forth by stakeholders. The organization boundaries are based on consolidated financial statements, while influential subsidiaries and oversea subsidiaries are selected according to operational control power. Domestic companies include ASUSTeK, ASUS Technology Incorporation (UTC), and ASUS Cloud in Taiwan. Overseas subsidiary companies mainly consist of sales, advertising, marketing, and repair services. The material aspect revealed in this report for oversea subsidiaries focus on energy consumption, labor standards, and community involvement. Major overseas ASUS subsidiaries include: ASUS Computer International (ACI), 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).

The boundary mentioned above covers accountable subsidiaries of sustainability issues in major global markets, while excluding subsidiaries that are established for investment purposes.

Report Assurance

ASUSTeK entrusts SGS Taiwan Ltd. to review the materiality of the report and data against the AccountAbility AA1000 Assurance Standard (2008) Type II High Level and GRI G4 Core Options. The Assurance Statement can be found at the end of this report. Financial data is referred from the Financial Statement certified by qualified, third-party accountants.

Contact Information

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

Email: stakeholder@asus.com

Message from Chairman

Vision for a Sustainable Future: A Note from the Chairman of ASUS

Driven by our brand promise of In Search of Incredible, ASUS has been awarded the most valuable brand in Taiwan for the past three consecutive years. I sincerely thank the entire ASUS family for their hard work and commitment, which helped us earn this honor.

Sustainability is a vital component of the ASUS corporate vision, and it is a value that we believe also creates competitive advantages. By striving to provide users with incredible experiences, and by embracing sustainability in every aspect of our business, I am confident that we will remain very competitive in the rapidly changing global ICT market.

As we move forward, we will uphold our practical management philosophy and the integrity of our principles, and we will continue to listen carefully to the opinions of our stakeholders.

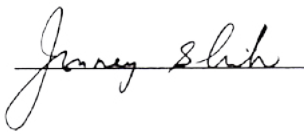
Embracing Global Sustainability Goals to Become a Leading Sustainable Enterprise

In 2015, the United Nations 2030 Agenda for Sustainable Development created a roadmap for all national leaders to follow in order to address issues relating to the environment, society, and the economy. The roadmap is organized into 17 Sustainable Development Goals that address 169 targets. Also in 2015, representatives from around the world participated in the Climate Change Conference in Paris, to discuss measures needed to slow the rate of climate change.

As a responsible global citizen, ASUS has adopted various strategies and has implemented new business plans to help reach goals related to sustainability. These strategies include leveraging our brand and resources to promote and extend digital education to all corners of the world, enhancing the quality of life for people everywhere. Additionally, to help address the issue of global climate change, ASUS has implemented improvements in all aspects of the business. For instance, we have adopted new environmental practices into the product design and development phases, and we have cooperated with vendors in an effort to establish sustainable supply chains. We are also utilizing analysis of our carbon footprint and energy efficiency management systems to gradually reduce greenhouse gas emissions across the business.

The actions that ASUS is taking in support of the U.N. Sustainable Development Goals are detailed in this report. Along with ongoing efforts to meet these goals, ASUS will continue to listen to the voices of stakeholders and professionals to further develop sustainable practices, as we strive to be a world-class, green high-tech leader and work to provide valuable contributions to humanity, enriching lives through innovation.

Chairman



Message from Chief Sustainability Officer

ASUS believes that sustainability is the foundation of a better workplace and better products. Likewise, we take the responsibility of sustainability very seriously. The ASUS Corporate Sustainability Office manages all aspects of workplace and product sustainability efforts taking into account economic, environmental and social factors, and it is a leading advocate for social and environmental justice.

As a global citizen, ASUS supports the Sustainable Development Goals proposed by the United Nations and remains committed to caring for the environment in order to ensure a good quality of life for future generations. We understand that true sustainability is a complex, long-term effort that requires a progressive business mentality.

With the environment in mind, ASUS is dedicated to innovating throughout the entire life cycle of our products. We believe that high-quality, long-lasting products designed with sustainability in mind will appeal to consumers everywhere.

Our sustainability efforts also extend to the workforce and community. Along with ensuring a healthy and safe workplace, ASUS strives to inspire, motivate, and nurture its employees. To demonstrate leadership by example, ASUS spearheads initiatives in communities around the world. For example, we support programs that help bridge the digital divide, and we formed crucial partnerships to develop recycling programs on several continents. We encourage our employees to take action, making use of essential abilities to reach their potential and to also give back to society through local and international volunteer work.

This report outlines the economic, environmental, and social sustainability efforts of ASUS in 2015. In the future, ASUS will continue to base sustainability as the cornerstone of corporate competitiveness and differentiation, and to strive to be among the world-class, green high-tech leaders.

Chief Sustainability Officer

Stakeholder Engagement

Stakeholder expectations and concerns are valued information that ASUS uses to help define ongoing sustainable development efforts. Through interaction with stakeholders, ASUS seeks out new business opportunities relating to sustainability efforts. Through ethical corporate management and environmentally friendly, socially responsible practices, as well as constructing transparent, instant, and efficient communication methods, ASUS has gained the trust of stakeholders.

Along with ongoing interaction and feedback between stakeholders and key departments within the organization, ASUS has also created designated email lines that allow stakeholders to voice opinions and viewpoints via dedicated email channels that are accessible on the corporate website at ASUS.com. Each communication platform has dedicated personnel who categorize issues according to topic and forward inquiries to the relevant ASUS contact.

According to GRI standards, stakeholders are defined as internal/external groups or individuals that have influences on the sustainable development of an organization ASUS. In 2015, we collected feedback from different stakeholder groups, and the communication channels and the key interests and concerns where they are described in this report are listed below:

Stakeholders	Key Interests or Concerns	Communication Channels	Corresponding Section within CSR Report
Employee	• Employee Health and Workplace Safety • Compensation and Benefits • Training and Development • Operation and Code of Conduct	• Enterprise Information Portal • E-paper/email • ASUS forums • Employee opinion box • Online survey	Section 1.2 Section 4
Suppliers/ Outsourcer	• Climate Change • Operation and Code of Conduct • Supply Chain Management • Eco Design	• Global Supply Chain Management • Supply Relationship Management • Supplier workshop • Stakeholder email • Online survey	Section 2.1 Section 2.2 Section 2.5 Section 3.1 Section 3.2
Community	• Environmental Footprint • Community Involvement	• Stakeholder email	Section 2.3 Section 5
Investor	• Climate Change • Operation and Code of Conduct	• Investor conference • Shareholders meeting • Investor website/email • Stakeholder email • Online survey	Section 1 Section 2.5

Non-Governmental Organization	• Climate Change • Environmental Footprint • Green Products • Supply Chain Management • Community Involvement	• Investor website/email • Stakeholders email	Section 2 Section 3.1 Section 3.2 Section 5
Consumer	• Supply Chain Management • Climate Change • Green Products • Environmental Footprint • Customer Privacy • Customer Service	• Hotline/meeting • Online service • Global repair center service • Social networks	Section 2 Section 3.3 Section 3.4 Section 3.5 Section 3.7
Government	• Operation and Code of Conduct • Environmental Footprint • Green Products • Climate Change	• Investor website/email • Stakeholders email	Section 1.3 Section 2.2 Section 2.3 Section 2.5
Media	• Operation and Code of Conduct • Climate Change • Green Products • Environmental Footprint • Community Involvement	• Investor website/email • Stakeholders email • Investor conference • Shareholder meeting	Section 1.3 Section 2.2 Section 2.3 Section 2.5 Section 5
Academic	• Supply Chain Management • Climate Change • Green Products • Environmental Footprint • Community Involvement	• Investor website/email • Stakeholders email	Section 3.1 Section 3.2 Section 2.2 Section 2.3 Section 2.5 Section 5.1 Section 5.4

Materiality

Materiality issues are identified by aggregating the topics of concerns of stakeholders and frequency of opinions expressed through communication channels. Other factors such as the sustainable methods adopted by businesses within and outside the industry around the world, and various investigation and analysis reports, are all managed according to its risk and influence on sustainable development.

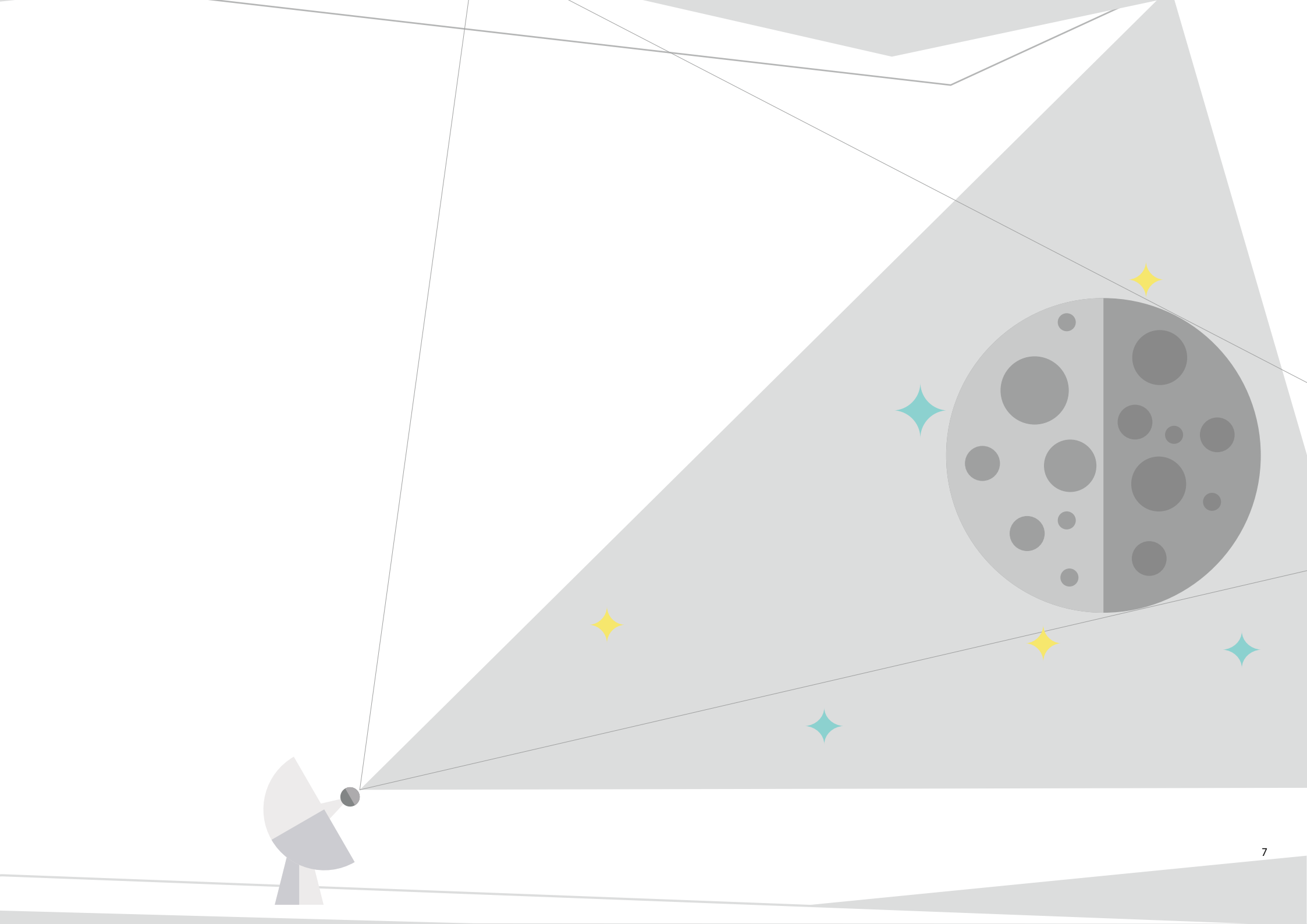
The framework of the report is based on GRI G4 guidelines. The issues of concern are responded after they have been identified, prioritized, and validating. Finally, these issues will be responded trough this report. In addition, apart from common issues raised by stakeholders, there has been increasing concerns about the connection between ASUS and the international trend of sustainable development, especially the United Nations Sustainable Development Goals (SDGs). Therefore, the report for Fiscal year 2015 will focus on SDGs and disclose the performances and actions corresponding to the SDGs target.

The table below shows the material aspects and the boundary each aspect 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.

Stakeholder Engagement

Category	Aspect/Boundary	Within the Organization				Outside the Organization	
		ASUS	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



Sustainable Development Goals

Due to increasing global environmental degradation and social and economic unrest, the United Nations called for a United Nations Conference on the Environment and Development (UNCED) in Rio de Janeiro in 1992. The conference became known as the Earth Summit, and the agenda included topics related to sustainability. It has been two decades since the original Earth Summit, and 20 years since the Rio summit (Rio+20), when world leaders gathered together again to discuss sustainability and related development efforts. The Rio + 20 meeting gave rise to series of documents bearing the title of "The Future We Want" based on which the SGDs were developed.

After extensive discussions and consultations, the SDGs were officially passed by the UN in 2014. They were organized into three categories: environment, economic and social goals. The SDGs include a total of 17 goals containing 169 targets.

Source: SUSTAINABLE DEVELOPMENT KNOWLEDGE PLATFORM

The SDGs prescribe the direction for sustainable development at the national level, as indicated by the UN. However, ASUS holds that SDGs is not just a matter of government policy under the supervision of the people but also requiring the active participation of the enterprises. Through stakeholder engagement, ASUS has identified the relevant issues as they pertain to business operations. In accordance with our corporate strategy and CSR planning, ASUS has created concrete actions that will continue to improve our company's sustainability performance.

ASUS identify specific SDGs that stakeholders look forward to our responses, and ASUS also takes corresponding actions against these goals. The table below provides the details.

We will also continue to plan new projects to show ASUS' influence in SDGs.

SDGs		Targets	ASUS Actions Disclosed in the Report
3	GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	2.1.1 Eco-Friendly Material Selection 5.2 Social Application of Cloud Service
4	QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	5.1 Digital Inclusion
6	CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	3.3 Environmental Footprint in Supply Chain
7	AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	2.1.2 Energy Efficiency
8	DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	3 Sustainable Value Chain
9	INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	5.1Digital Inclusion
12	RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	1.3.5 Transformation of Sustainable Corporate Development 2.1.1 Eco-Friendly Material Selection 2.1.3 Easy Disassembly and Easy Recycling Design 2.2 Green Product 2.4 Product Takeback Service
13	CLIMATE ACTION	Take urgent action to combat climate change and its impacts	2.5.1 Greenhouse Gases Reduction Commitment 2.5.2 Climate Change Management
16	PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	1.3.2 Moral Integrity and Transparency

Table of Contents

1 Corporate Governance

Company Profile

Name	ASUSTeK Computer Inc. ("ASUSTeK" or "ASUS")
Year established	1989
Headquarters address	No. 15, Li-Te Rd., Peitou, Taipei 11259, Taiwan
Year of public listing	1996 (2357: Taiwan Stock Exchange)
Description	With a world-class Research and Development design team, it provides various electronic products with innovative technologies and solutions to the consumers and business users.

ASUS was formed in 1989. In 2008, the company separated its OEM (Original Equipment Manufacturer) business in order to focus the ASUS technology brand. The ASUS brand promise of In Search of Incredible epitomizes the aspirational nature of the organization. The comprehensive ASUS portfolio of products and services includes graphics cards, optical drives, displays, desktops, all-in-one PCs, notebooks, netbooks, servers, smartphones, multimedia devices, wireless solutions, networking devices, tablets, wearables, and smart home devices and services. ASUS also offers a complete line of professional gaming hardware through the Republic of Gamers (ROG) sub-brand.

ASUS Cloud, an ASUS subsidiary, began providing global Private Cloud computing services in 2008. ASUS Private Cloud service is preloaded on ASUS products to create a seamless digital experience. Starting in 2011, ASUS Cloud launched the world's first Enterprise Cloud service, to help businesses meet growing application demands.

In 2013, ASUS Cloud expanded its services to provide Open API (Application Program Interface) collaboration with healthcare organizations, educational institutes, environmental monitoring systems, and smart home-related IoT (Internet of Thing) applications.

Figure 1.1 ASUS Product Groups

1.1Business 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: humility, integrity, diligence, agility, and courage. With these, we strive to become the world's most admired IT enterprise in the new digital era.

Figure 1.2ASUS DNA

Brand Promise

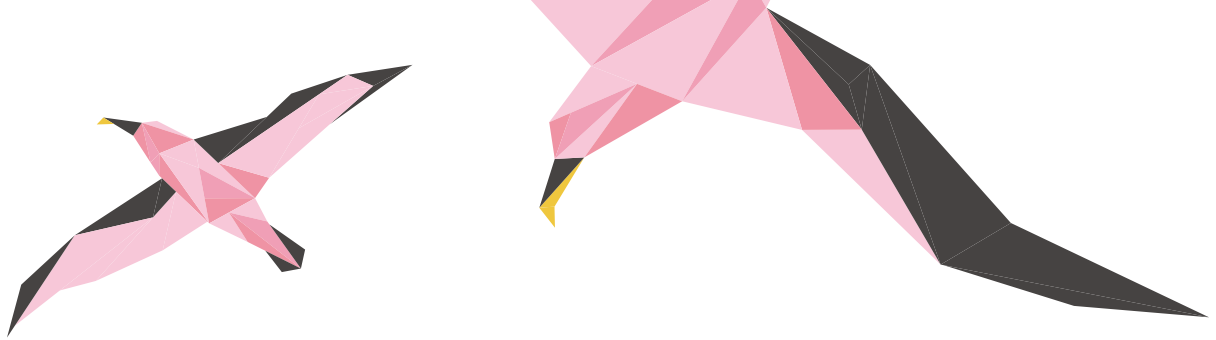
In Search of Incredible

"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."

1.2Corporate Governance Structure

The organizations and committees mentioned in this report are the units primarily responsible for CSR-related activities. Please refer to the figure below for the governance structure. For information about the organizational structure of ASUS, see the 2015 Annual Report: http://www.asus.com/tw/Pages/Investor/#Financials-Annual-Reports

1 Corporate Governance



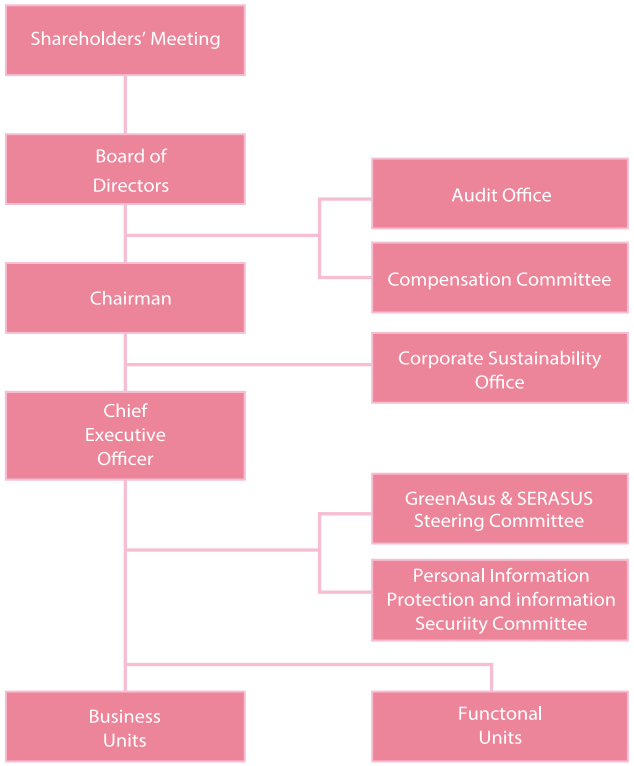


Figure 1.3 ASUS Sustainable Corporate Governance Structure

1.2.1Board of Directors

The Board of Directors guides corporate governance; it consists of 7Directors and 3Supervisors. There is not an independent director, and at this time all members are male. Chairman Jonney Shih does not hold the position as President. Members of the Board possess skills and knowledge in the areas, such as leadership best practices, operational management, accounting and financial analysis, corporate management, crisis management, international markets. Names and background information for Board members, as well as holding positions in other companies, are included in the Annual Report.

Responsibility of Board of Directors

The Board of Directors convenes at least once quarterly. Under the leadership of Chairman Jonney Shih, Board members perform all duties of guidance, supervision, and due diligence. Board members duly observe applicable legal rules, ensure financial transparency, and make timely disclosures of materiality to serve the best interest of shareholders.

Each year, ASUS invites industry professionals to offer presentations to the Board, to provide enriching knowledge and to raise legal awareness. Please see the Annual Report for more information about these presentations.

The ASUS System for Avoiding Conflicts of Interest

All members of the ASUS Board of Directors receive training and legal support in order to avoid potential conflicts of interest.

If an ASUS director or manager owns or has a vested interest in a business that provides services, parts or supplies to any business owned by ASUS, they are required by law to seek and obtain advance approval at the General Meeting of shareholders.

Regarding conflict of interests among the Board of Directors, Article 16 of the ASUS 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 his or her voting right". In such cases, ASUS records the name of the Director, the topic, the reason for not participating in the Board discussion, and the process of decision-making in accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM(Taiwan Stock Exchange Corporation/GreTai Securities Market) Listed Companies.

1.2.2Compensation Committee

The Compensation Committee reviews the performance of and the remuneration to ASUS Directors, Supervisors, and Managers. It also reviews the overall remuneration policies, systems, standards and structure of the company. The function of the Remuneration Committee at ASUS is to ensure that all remuneration at the enterprise level is in compliance with applicable legal rules and can attract talents.

The committee convened twice in 2015, and passed proposals of distribution of earnings to Directors and Supervisors as well as performance evaluations to Directors, Supervisors and Managers, and related remunerations.

These inputs to corporate governance help preserve the competitiveness of the company. For further information about the Compensation Committee, please refer to the annual reports available in the Investor section of the ASUS website.

1.2.3Personal Information Protection and Information Security Committee

The Personal Information Protection and Information Asset Security (PIPIAS) Committee is organized by staff dispatched from the Computer Center, Legal Affairs Department, and other relevant departments. The PIPIAS has instituted a Global Policy of Personal Information Protection and Information Asset Security, which has been approved for implementation in ASUS group. This policy provides guidelines for the collection, processing, and use of personal information, and the establishment and enforcement of information asset security protection measures. The Committee holds biweekly meetings to perform and review work outlined in the annual plan, and it occasionally holds special sessions to review issues related to personal information security. The work performed by the Committee is described in Section 3.5 “Customer Privacy and Information Security” of this report.

1.2.4GreenASUS Steering Committee and SERASUS Steering Committee

ASUS has established GreenASUS and SERASUS (Social and Environmental Responsibility, SER) Committees to supervise Green product management as well as social and environmental management across the organization. The management representative for the Committee is appointed by the Chief Executive Officer (CEO) and reports during committee meetings. Members of these committees come from different units of the company, including the business units, functional units, and other task force teams.

1 Corporate Governance

The members complete all planning, coordination, and decisions related to advocacy for Green product quality, quality management, environmental management systems, and community support programs and community involvements. It also supervises and manages implementations of relevant programs or initiatives. The organizational structure of the committees is shown below, in Figure 1.4.

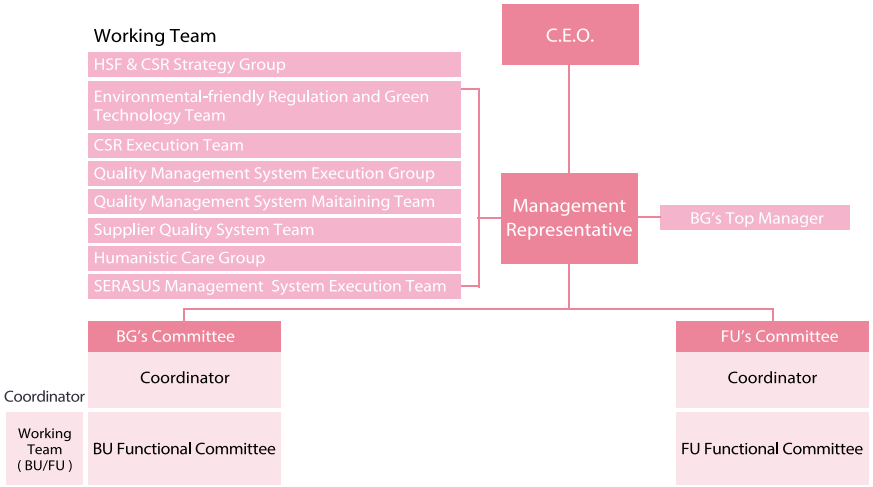


Figure 1.4 GreenASUS and SERASUS Steering Committees

1.2.5Corporate Sustainability Office

ASUS established the Corporate Sustainability Office (CSO) in 2009. This office is under the direct supervision of the Chairman and is led by the Chief Sustainability Officer, with full-time employees as members. The planning and implementation of corporate sustainable development are launched via Top-Down approaches. ASUS deeply understands that sustainable competitive advantage of the enterprise must integrate with the core value and key business. Likewise, the CSO oversees function of the CSO covers the 5 aspects, including Green product quality, corporate sustainability performance, social responsibility management in supply chain, employee well-being, and community involvement.

Please see Section 1.3.3 for further information on the operation of CSO, and the actions in 2015 throughout this report.

1.3Operational Information Disclosure

1.3.1Financial Information

The 2015 ASUS Group consolidated revenue totaled NT$472.3 billion, a one percent decrease compared to 2014. The net income attributable to shareholders of the parent Company accounted for NT$17.1 billion, a reduction of 12 percent compared to 2014. Despite a substantial increase in ASUS smartphone shipments, due to currency fluctuations in emerging markets revenue growth appeared flat. Overall, consolidated operating income remained steady in 2015. Operating income for the ASUS brand reached NT$436.5 billion (unaudited), and operating profit for the ASUS brand reached NT$20.1 billion (unaudited).

Operating income for brand in 2014 was NT$436.3 billion (unaudited), and operating profit for brand reached NT$20.3 billion (unaudited).Financial data was certified by qualified, third-party accountants. For information regarding the operation overview, annual stakeholder report and financial statements, please visit the following URL for details, and documents are available for download: http://www.asus.com/tw/Pages/Investor/

1.3.2Moral Integrity and Transparency

Following ethical practices and maintaining information transparency is a priority for ASUS, and it is an important part of the company' s sustainable business efforts. The five virtues of humility, integrity, diligence, agility, and courage guide the culture at ASUS, and they reflect one of the company' s core business philosophies: *Commit to integrity and diligence; focus on fundamentals and results.*

The Employee Code of Moral Conduct at ASUS is based on the Electronic Industry Code of Conduct (EICC Code of Conduct) and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies. The scope of the code of conduct includes corruption and bribery, insider trading and other regulations such as intellectual property rights. A designated email is available for employees to report behavior that they feel might be in violation of the Employee Code of Moral Conduct, and the identity of potential whistle blowers is protected.

Employees who violate the ASUS ethics code will be punished and announced publicly, depending on the level of offense. A system of rewards for information regarding violations is in place as a preventative measure.

In 2015, there were no employee violations.

ASUS requires that business partners sign a Consent of ASUS Code of Conduct. ASUS will take appropriate legal action in accordance with provisions of the Code of Conduct for partners who violate anti-bribery and anti-corruption policy, causing damages to the business.

In 2015, there is no violation between ASUS and business partners.

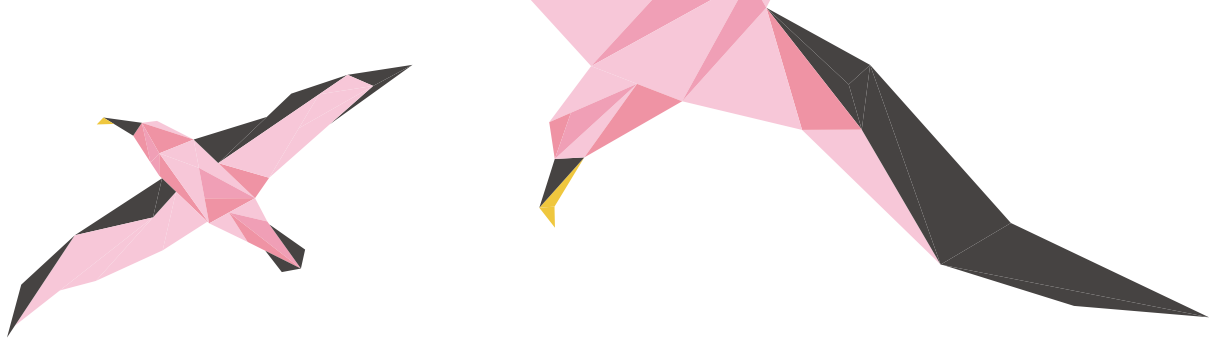
Corresponding SDGs and the Target	
Goal 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Substantially reduce corruption and bribery in all their forms

1.3.3Internal Audit Management

The Audit Office reports to the Board of Directors. A Chief Audit Executive manages all company audits and supervises the Audit Office. The appointment or dismissal of the Chief Audit Executive requires the approval of the Board of Directors. Several auditors conduct periodical, irregular, and special-project audits.

The Audit Office assists the Board of Directors and the top management to independently and objectively assess the completeness, validity and implementation of all ASUS internal control systems. The Audit Office submits improvement proposals to ensure that internal control systems proceed with optimal efficiency. In accordance with assignments by the Board of Directors and management, the Audit Office conducts relevant investigations and assessments or consultations to assist the Board of Directors and management in fulfilling their respective duties.

1 Corporate Governance



To ensure that internal control systems can sustain effective implementation and assist management in fulfilling its duties, auditors shall uphold a posture of detached, objective independence, performing their duties with honesty, diligence, agility, and bravery.

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To ensure that internal control systems can sustain effective implementation and assist management in fulfilling its duties, auditors shall uphold a posture of detached, objective independence, performing their duties with honesty, diligence, agility, and bravery.

Responsibilities of Audit Office include:

- Annual audit of headquarters (HQ): Internal auditors shall frame annual audit proposals in accordance with risk assessment; and relevant Audit regulation proposals shall be approved by the Board of Directors prior to implementation. The annual audit includes but is not limited to operations and legal compliance.

- Special project audit: In accordance with the operational and managerial requirements of the Board of Directors and the top management, special-project auditing maybe required.

- Annual self-assessment of internal control systems: The Audit Office will annually coordinate a self-assessment of internal controls audit, requiring executors of the department to periodically evaluate the rationality of, implementation of, and effectiveness of all operational control items. After review of the self-assessment of internal controls report by the Audit Office, evaluated results are submitted to the Board of Directors and the top management.

- Subsidiary audit: In accordance with the annual audit plan, or by special request from the Board of Directors, the Audit Office conducts periodical and irregular audits to evaluate and confirm achievement of business objectives, as well as reliability of financial reporting and adherence to internal control systems. The Audit Office assists in monitoring performance, regulation compliance, effectiveness and efficiency of operations of subsidiaries.

- Consulting service: The Audit Office provides operational effectiveness improvement advice and internal control system consulting service in order to enhance effectiveness and efficiency of business operations.

For all services listed above, the Audit Office will submit reports and working papers, including evaluation of internal control systems and business operations. The Audit Office will also provide improvement proposals designed to determine the appropriateness of current regulations and control procedures, and the benefits of implementing new internal control processes, as well as the advantages for managerial and operational units to do so.

1.3.4Risk Management

Non-financial risk management at ASUS is primarily performed by the GreenASUS and SERASUS Steering Committees, through which the business and functional units regularly present risk management projects during committee meetings. Risk topics will be managed and assessed as follows:

- Changes in the legal environment

  Amendments to existing laws or the introduction of new laws may increase operation costs or raise the entrance barrier of some products to market, which may then directly affect financial operations. ASUS has appointed designated personnel to monitor global legislation bodies and pursue relevant business strategies, or to guide product design changes in a timely way so as to reduce risks.

- Competitor

  The outstanding performance of the competitors in the industry in the domain of sustainability will be the model of learning. However, consumers will make comparisons, which in turn, will affect the corporate image of the enterprise. The philosophy of innovation at ASUS also applies to sustainable development. By learning from competitors within the industry, and by collaborating closely with other institutions, ASUS seeks to fine-tune its sustainability programs in order to create distinct advantages.

- Supply chain

  For reducing possible risks deriving from supply chains of high sophistications, ASUS includes quality, production process, Green design, and CSR in its supply chain management and evaluation so as to fortify its capacity in resisting risk from supply chain and for avoiding interruptions of supply that affects the operation of ASUS.

1.3.5Transformation through Sustainable Practices

ASUS firmly believes that sustainable corporate development can help create competitive advantage while also contributing to the economy, environment and society as a whole. We also understand that corporate sustainability is not only confined to social charity and corporate image, but also an integral part of core value and key business of the enterprises. Success in this regard will allow our corporation to transform sustainable development into competitive advantages. Likewise, the focus of our corporate social responsibility policies has been undergoing transformations as we continue to improve practices and pursue this business strategy.

1 Corporate Governance

Corresponding SDGs and the Target	
Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

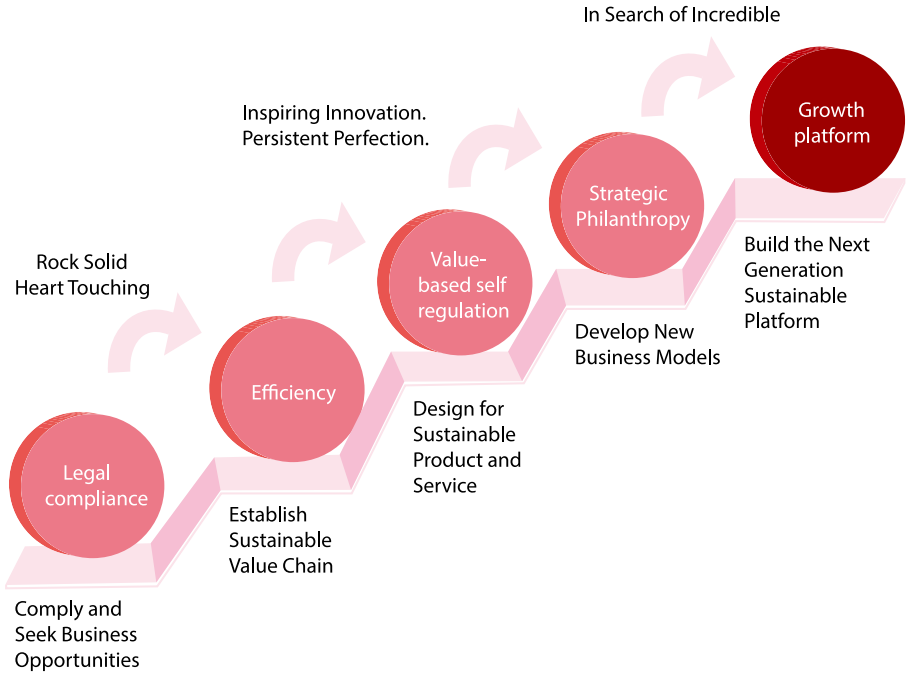


Figure 1.5 ASUS Sustainability Transformations

While the objective of “Rock Solid Quality” had been recognized by the consumers, green quality is also the foundation dictates Before the Restriction of Hazardous Substance Directive, commonly known as RoHS, came into force, ASUS had already established its Green Technology department, to ensure that all products from ASUS were in compliance with global environmental directives. ASUS is the pioneer in the industry in developing the first lead-free motherboard in the world. At the same time, ASUS is also aware of the increasing strict rules governing products in the aspect of environmental protection worldwide thereby established the “eGreen System”, a platform for the management of hazardous substances. Through a strict review process, ASUS can ensure green quality of all parts and components used in the products. The platform allows communication and cooperation with suppliers immediately and efficiently for real-time management of any situations concerning our sustainability initiatives.

Over the years, due to the globalization via information technology, ASUS gains substantial growth in the industry. ASUS has realized exceptional growth as the result of two critical factors: innovation and quality. Under the corporate of "Inspiring Innovation. Persistent Perfection", ASUS entered into a new phase of sustainability transformation. The Green technology department of ASUS had been developed into the CSO and included the function of corporate sustainability performance, supply chain social responsibility, employee welfare and community involvement. It also covers the economic, environmental, and social aspects of sustainable development. Being persistent in Green quality of products, ASUS has also sought for sustainable innovation.

The prevalence of the Internet and technology communication products over the years compels ASUS to search for its foremost global responsibility, which thereby pushes the brand spirit of inspiring innovation to a higher level. Under the philosophy of sustainable development, ASUS explores every possibility. ASUS performs beyond the requirements by prohibiting the use of any chemical hazardous to the human body and the environment, and also upgrading the efficiency of energy consumption to develop Green products in compliance with the strictest environmental protection standard of the world. In sustainable performance management, product life cycle evaluation through cross-function cooperation has been conducted to review the risks inherent to the overall production environment for tracking and management. In supply chain management, besides traditional control of product quality and production process, ASUS requires supply chain vendors to observe the ethical code of conduct to protect the rights of the labor. In the area of employee welfare, ASUS seeks to materialize the corporate philosophy of "Inspire, motivate and nurture our employees" and hear the voices of the employees to create positive working environment for attracting and keeping talents. In community involvement, ASUS realizes that the existence of an enterprise rest with society's approval and support, therefore we ensure to interact with society in a humble manner. The performances of ASUS in corporate governance, environmental protection and community involvement are shown in relevant paragraphs and sections of this report.

Sustainable corporate development is ASUS' vision and an inevitable part of the competitive advantage of the enterprise. ASUS efforts and actions taken ingovernance, environment, and society,and the activities undertaken, corresponding to many goals of the SDGs.

ASUS will uphold its fundamental principle in integrating the core competence and sustainable performance to strive to be among the world-class Green high-tech leaders and to provide valuable contributions to humanity.

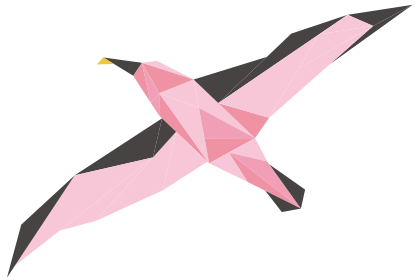
1.4Participation in Associations and Organizations

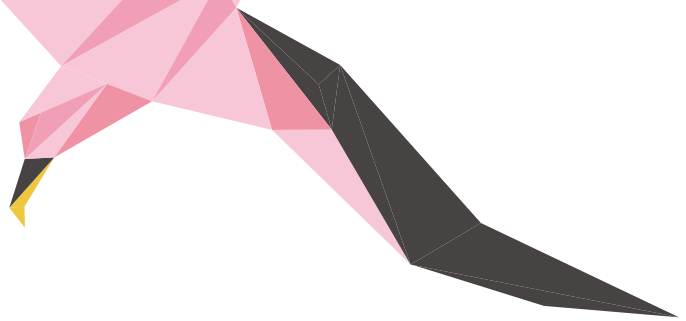
The table below lists various associations that ASUS participates in or is involved with, and it also provides an overview of ASUS' involvement.

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	■	□	■	□
Conflict-Free Sourcing Initiative(CFSI)The	■	□	□	□
Sustainable Trade Initiative - Tin Working Group (TWG)	■	□	□	□
Electronic Industry Citizenship Coalition (EICC)	■	□	□	□

■ =YES □ =NO

1 Corporate Governance



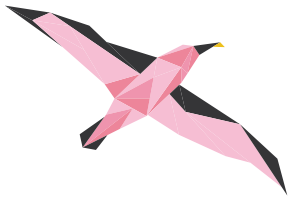


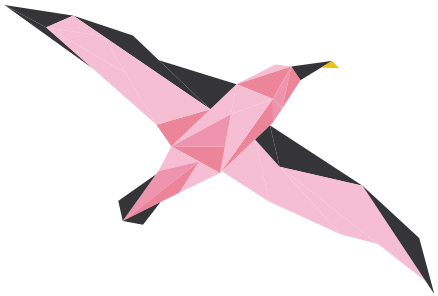
Joining TEEMA and TCA, ASUS gains insight into industry resources while also sharing knowledge. Membership with BSCD of Taiwan offers opportunities to actively join discussions regarding sustainability issues while also sharing knowledge with other members.

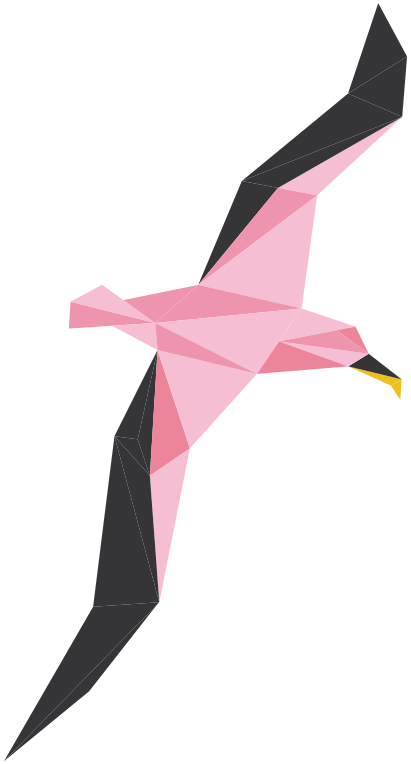
To help address the issue of conflict minerals, ASUS has joined the Conflict-Free Sourcing Initiative (CFSI) established by EICC and GeSI (Global e-Sustainability Initiative), working in conjunction with 300 enterprises in 7 industries to support the Conflict-Free Smelter Program (CFSP). The conflict minerals reporting template is used to perform due diligence and disclose the information on investigation of the supply chain, and ASUS will provide questions specific to industry and further recommendations

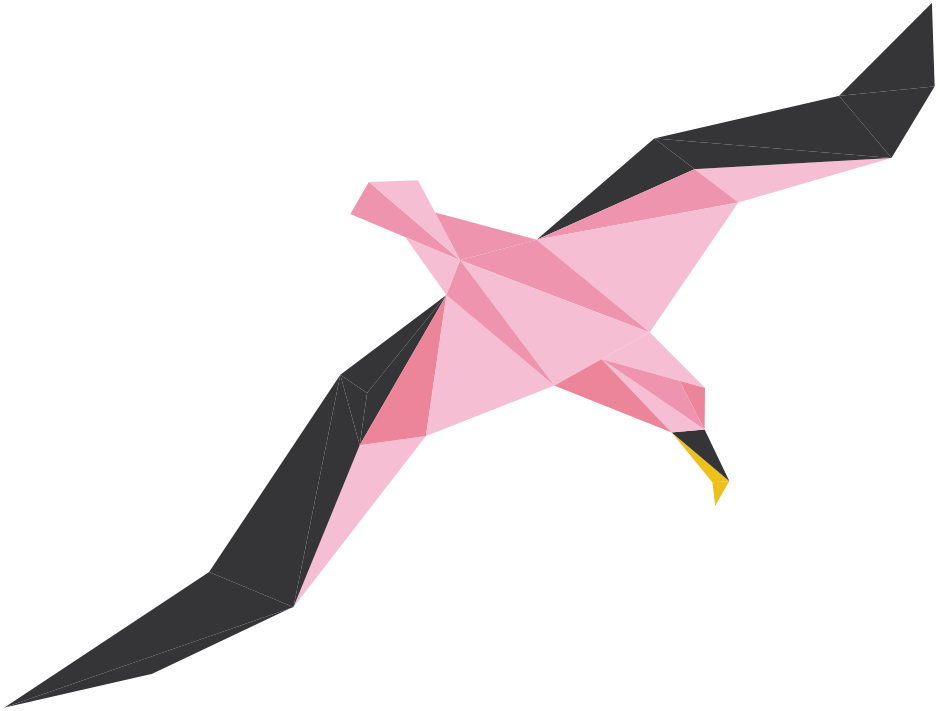
ASUS has applied for membership to the Sustainable Trade Initiative's Indonesian Tin Working Group (IDH-TWG) and has teamed up with information and communication technology (ICT) businesses to reduce the ecological impacts caused by environmentally harmful tin mining in Indonesia. The membership also helps promote fair trade in business while supporting 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 Environmental Protection

Environmental protection is one of the most concerning issues for ASUS stakeholders and is also an area of foremost commitment for sustainable development. In striving to provide incredible experiences and value for customers, ASUS shows its commitment to one of its key business philosophy: Strive to be among the world-class green high-tech leaders.

ASUS understands that the development of information technology and the prevailing use of the Internet help to improve the quality of lives by providing access to information and communication products. However, these technologies also present potential harms and risks to the environment. Therefore, ASUS has introduced the European Integrated Product Policy (IPP) for Life Cycle Assessment (LCA) in the manufacturing, transportation, usage, and discarding of a product, and then mapped out and advocated different integrated strategies and action plans. Based on market-oriented and through the participation of stakeholders, these moves help to stimulate the consumers to demand for green products. ASUS spares no effort in demanding itself to refine the design and development of green products to ensure the compliance with international eco labels, thereby developing green supply chain in all dimension and that minimize the impacts on the environment in all stages in life cycle.

The action plans and policies of ASUS on environment protection have been aligned with the sustainability objectives of the United Nations. Details are provided in the following section.

2.1Eco Design

According to the research conducted by the European Commission Directorate General of Enterprises and Industry, more than 80% of the environmental impacts of a product are determined at the design phase of the life cycle. As such, the best solution to avoid products causing damage to the environment is to merge the idea of environmental friendly at the design stage. In order to implement the eco design to reduce the environmental footprint from the origin of a product, ASUS has established various technical standards to set forth the high standards in, for example, product design and the use of materials. ASUS requires that all products must comply with applicable environmental legislations before proceeding to mass production and shipment. Through routine internal and external audits, ASUS has constructed a complete product environmental management framework.

After the LCA, ASUS identifies the major environmental risks of a product, such as hazardous substances contained in products or produced during the manufacturing process, the waste in energy during its usage phase, and the electronic waste at the disposal stage. To deal with these problems, ASUS 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"

2.1.1Selection of Environmental Friendly Materials

SDGs explicitly points out that the management of chemical substances is an issue that has to be treated with caution worldwide. The rapid development of new technologies and products is one of the factors of frequent product replacement. This results in massive volumes of electronic wastes containing substantial metallic and chemical substances. These substances are hazardous to human beings and the environment, if not properly managed.

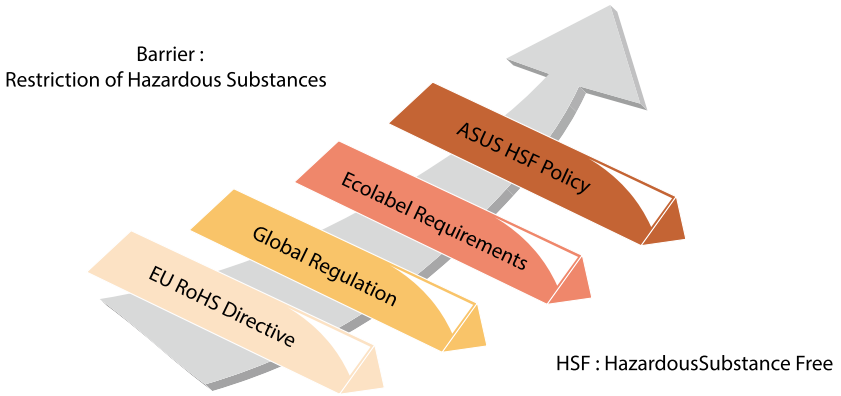
Corresponding SDGs and the Target	
Goal 3 GOOD HEALTH AND WELL-BEING	Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

ASUS focuses on environmentally friendly materials as the most important aspect in the management of a product life cycle. ASUS controls from the sources through the use of environmental friendly materials and the establishment of a chemical substances management system. These measures not only contribute to improving our supply chain but also enhance the reusability of a product, increasing the applicability and the value of reused products. ASUS had taken preventive principle in this respect before the promulgation of the SDGs. Through innovation, ASUS continues to develop environment friendly replaceable materials that further aligning us with sustainability goals of the relevant SGD.

Chemical Substances Management

Compliance with applicable laws is the fundamental requirement for entry to market. ASUS has established a well-developed parts, components and product inspection platform named "eGreen" platform. We use a systematic management to ensure the products meet international chemical substances requirements and regulations in all markets. Furthermore,

ASUS has consulted both domestic and international eco labels, voluntary environmental management standards, and any other documents relating to environmental protection to identify and manage chemical substances that are hazardous to the environment. ASUS sets a higher standard for the control of chemical substances and strictly requires suppliers to limit or prohibit the use of those substances.



ASUS classifies hazardous substances used in components and products into 4 levels. They are GA, HF, EL, and HE. Classifications are shown in Figure 2.1.

2 Environmental Protection

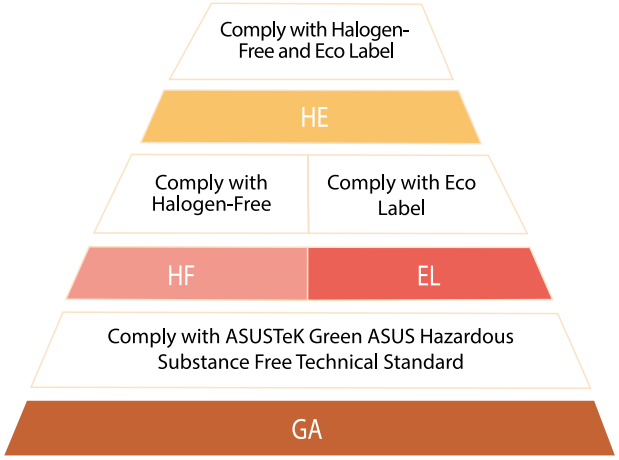


Figure 2.1 Classification Levels for Hazardous Substances of ASUS components and Products

Figure 2.2 “GreenASUS HSF Technology Standard” Principles

- GA

  GreenASUS, or “GA”, refers to parts, components and products of ASUS meet the fundamental and mandatory international rules for environmental protection. Combining industry regulations and non-mandatory control of chemical substances in the industry, ASUS has created the "ASUSTeK GreenASUS HSF (Hazardous Substance Free) Technical Standard". These are the basic requirements of ASUS when selecting parts and components for procurement.

In addition to chemical substances aligning with international regulations such as the European Union Restriction of Hazardous Substances (EU RoHS) Directive, we also voluntarily control non-regulated chemicals such as polyvinyl chloride (PVC), brominated flame retardants (BFRs), phthalates, beryllium (Be), and antimony (Sb). Be and Sb are sensitive to the skin and may cause an allergic skin reaction. As of 2006, ASUS began a voluntary ban on the use of tetrabromobisphenol-A (TBBP-A), BFRs and PVC.

All ASUS products other than printed circuit boards, cables, and connectors do not contain TBBP-A and PVC. Since 2010, ASUS has also banned hexabromocyclododecane (HBCDD) in all products.

Since 2013, ASUS has banned the use of Be and Sb in all products. Since 2015, ASUS has further prohibited the use of phthalates such as bis(2-ethylhexyl)phthalate (DEHP), benzyl butyl phthalate (BBP), dibutyl phthalate (DBP), and diisobutyl phthalate (DIBP) in all products. By 2015, ASUS regulated more than 300 chemical substances listed in "ASUSTeK GreenASUS HSF Technical Standard". We will continue to update the list according to the environmental trends and regulation requirements.

- HF

  "HF" refers to parts, components and products of ASUS meet the requirements of "GA", Level 1 management, and also in compliance with the "GreenASUS Halogen-Free (HF) Technology Standard".

During the combustion process, components containing halogen emit massive amounts of fume, dioxin, and halogen acid, and inhaling fume and dioxin can cause suffocation or cancer and may also cause damage to the ozone layer. Parts and components corroded by halogen acid cannot be reused. Parts and components corroded by halogen acid cannot be reused.

In order to increase competitiveness, response to BFRs and relevant issues, and to response to the increase in demand for halogen-free products, ASUS institutes "GreenASUS HF Technology Standard" and intensify the procurement requirement of halogen-free to all new parts and components, except for some materials such as the system modules, printed circuit boards, connectors and cables which are technologically and economically unfeasible.

- EL

  "EL" means that ASUS parts and components are in compliance with "GA" and with the "GreenASUS Eco Label Product Technical Standard".

For achieving a higher environmental standard in product quality, ASUS publishes "GreenASUS Eco Label Product Technical Standard". By following this standard, ASUS products are able to participate in the green procurement in many countries in supporting the advocacy of using green products in institutions. For further information regarding eco label products, refer to Section 2.2- Green Products.

- HE

  "HE" is the highest management level in Chemical Substances Management. Parts, components, and products must meet all requirements in Levels 1, 2 and 3. This means that they are the most environmental friendly items regulated by ASUS.

Under ASUS' endless effort in the inspection management system for parts and components, suppliers are compelled to provide materials with higher environmental features to ASUS. The materials go beyond "GA" management level in product specification. In 2015, more than 97% of the parts and components procured by ASUS were above "GA" management level as shown in Figure3.4. In the future, ASUS will increase the proportions of parts, components and products that comply with halogen-free and eco label requirements through the eGreen platform and supplier workshops. We are committed to continuously increasing the use of halogen-free components in new products if alternative technologies are feasible and the technologies will not affect product performance, quality, health and the environment.

2 Environmental Protection

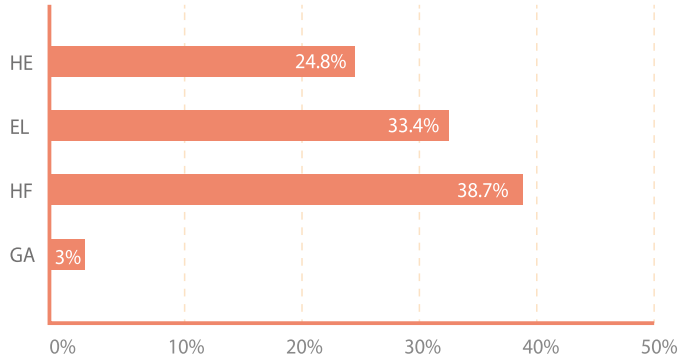


Figure 2.3Distributions of ASUS Parts and Components Inspection in 2015

Chemical Substances Management System

ASUS has established an approval management system for its parts and components via Supply Chain Management (SCM) and Supply Relationship Management (SRM) platforms. In combination with strict review procedures, this is how ASUS manages all levels described above.

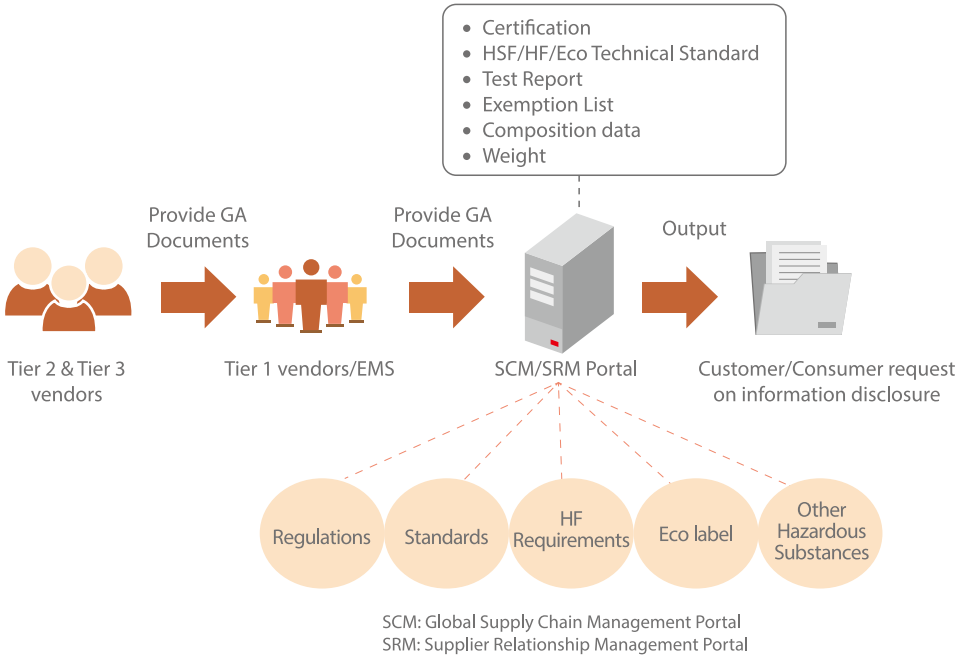


Figure 2.4 ASUS Parts and Components Inspection Flow

Innovative Materials

In 2012, ASUS started to explore using more sustainable resources such as bamboo as an alternative to using plastics in notebooks to reduce our carbon footprint. We proactively continue to seek environmental friendly materials that can be used in our products, and we apply the LCA method when assessing new potential materials for mitigating impacts on the environment.

- Recycling of Plastics

  Plastic is an indispensable material in many products. Traditionally, plastic is seen as a by-product from the cracking of petroleum, and extracting the product will cause damage to the environment. Further, plastic cannot decompose naturally and has long been classified as a material with poor environmental features. Through the analysis of its life cycle, plastic can be recycled through reliable channels for reuse. The recycled plastic features environmental and economic benefits for the time being. As such, ASUS will increase its use of recycled plastic on condition that such move will not jeopardize the specification of products on safety and the life span of products. In addition, ASUS will also study the additives and fire retardant materials contained in plastic that help to optimize its value in reuse.

- Packing Materials

  In addition to product materials, ASUS also researches new types of packing materials, such as straw bio-pulp, that can further reduce impacts on the environment. Straw bio-pulp is made from rice and wheat stalks, which are discarded after the grains are extracted for food. The discarded straw is usually dumped or incinerated. Through the application of new technology, straw can be decomposed as fiber and transformed into pulp without using chemicals, and it can be blended with wood pulp or recycled pulp to make various packing materials. This will help to mitigate the impact on the environment and the depletion of resources on earth.

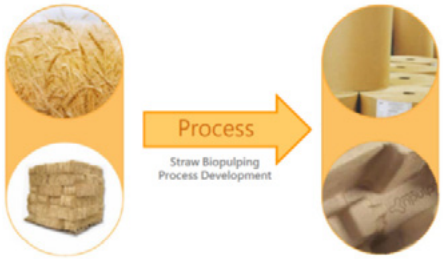


Figure 2.5 Straw Processing and N-pulp Packaging

2.1.2Energy Efficiency

The depletion of global energy resources has contributed to the increase of energy prices. Countries and enterprises all over the world have been making efforts to enhance the efficient use of energy in response to rising costs. For many years, energy saving has been an essential characteristic of ASUS products. Since 2011, ASUS has required all of its notebooks to comply with the strictest international energy efficiency standard: the Energy Star Program. Energy Star has been updated over the years with increasing demand for better energy efficiency, and ASUS is committed to ensuring that our notebooks continue to comply with Energy Star.

Corresponding SDGs and the Target	
Goal 7 AFFORDABLE AND CLEAN ENERGY	Double the global rate of improvement in energy efficiency

The energy efficiency of ASUS products has its origin in the research and development of energy efficient software and hardware. For hardware, ASUS has a Research and Development (R&D) center for power supply, that is charged with continuing to innovate new ways to increase reduce energy loss between components. For software, ASUS has developed different modes of applications in line with user behavior to respond to performance and to make adjustments so that power supply can be effectively allocated and power loss reduced. The overall result is the improvement of energy efficiency, which ultimately reduces the carbon footprint of related ASUS products. All ASUS notebook computers manufactured in 2015 meet Energy Star requirements, and their average energy efficiency is at least 47% better than that set forth in Energy Star.

2 Environmental Protection

2.1.3Design for Easy Disassembly and Easy Recycling

Easy disassembly and easy recycling design principles were created in order to provide two major advantages. Products and components that are easy to disassemble allow consumers to perform easy upgrades or remove broken parts. If a products can easily be disassembled and recycled into new or refurbished products, then the product life cycle can be extended. If a product is to be phased out, easy disassembly and easy recycling features make it easy for recycling vendors to classify salvageable materials, reducing the cost of the recycling process and enhancing the value of the recycled items.

Corresponding SDGs and the Target	
Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Substantially reduce waste generation through prevention, reduction, recycling and reuse.
	Achieve the sustainable management and efficient use of natural resources.

The key points of easy disassembly and easy recycling design are shown below:

- Use of a single material in plastic parts and components, avoiding use of bonding or welding materials; this facilitates easy recycling or processing, since plastics can be completely crushed and dissolved for use in new plastic parts and components
- Use of post-consumer plastic materials to replace plastic parts and various components, or use of bio-based materials to reduce the use of new resources
- Plastic or metallic components can be disassembled or separated by one person with simple tools
- Products with modular design of parts and components, such as processor, memory, and interface cards, can be disassembled, replaced or upgraded with simple tools

Battery Replacement

The battery is a consumable component. The charging performance and power capacity of the battery will degenerate with product use. To extend the lifespan of products, consumers may choose any ASUS customer service center to replace the battery used in any mobile device, including notebooks, portable devices, and tablet PCs.

2.2Green Products

The United Nations held the United Nations Conference on Human Environment" on June 5, 1972 in Stockholm, Sweden. This was the first meeting of its kind attended by governments from all over the world to discuss the protection of the global environment. Results were later published as the "Declaration of United Nations Conference on Human Environment". All members reached a consensus that "there is only one Earth". During the conference, the idea of the "World Environment Day" (WED) was created with a view to alert people to environmental issues. Since then, the key issue of each meeting is the agenda for WED each year.

The theme of the WED 2015 was "Seven Billion Dreams. One Planet, Consume with Care". What does "Consume with Care" means? In essence, it is the kind of consumption behavior under the precondition of sustainable development of the Earth. For ICT product, it resembles green consumption.

Then, what kind of specifications could be recognized as a "green product"? There should be an impartial standard as reference for defining "green" to avoid the misleading of the consumers as "Greenwash" by the industry. At this point, "Eco labels" are efficient means for helping consumers identify green products. The labels align with regulations that establish thresholds throughout the product life cycle. Products accredited with ecolabels have been proven to have lesser negative impacts on the environment. Germany was the first country to initiate the ecolabel program. After 30 years of development, the eco labels have been used extensively all over the world. Today, there are more than 40 ecolabels supported and adopted by more than 60 countries.

Corresponding SDGs and the Target	
Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure Responsible Consumption and Production patterns

The ecolabel has emerged as one of the requirements for green procurement and becomes a vital aspect of the sustainable competitive advantage of an enterprise. ASUS conducted analysis of the requirements of various international ecolabels and identified symbolic ecolabels in the markets. In 2015, ASUS acquired 7,427eco labels. Details are shown in the figure below.

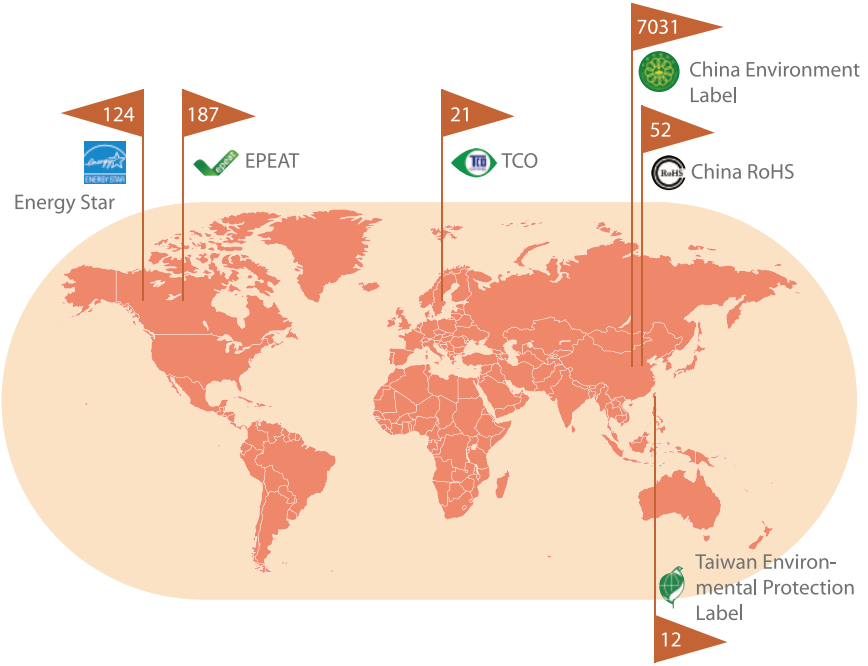


Figure 2.6 Worldwide Distributions of ASUS Eco Label Products

2 Environmental Protection

Eco Label Program	Logo	Applicable Country	Main Appeal
EPEAT		Worldwide	Regulation of entire product life cycles, including product environmental characteristics and organizational behavior
Taiwan Environmental Protection Label		Taiwan	Energy saving, low pollution
TCO		Sweden	Regulations governing entire life cycle, including product environmental characteristics, safety specification, organizational behavior, and supply chain CSR.
China Environment Label		China	Regulation of entire life cycle, including product environmental characteristics, safety specification, environmental requirement of the manufactories.
Energy Star		Worldwide	Energy saving regulation
China RoHS		China	Self-regulatory management of chemical substances

Table 2.1 List of Eco Label for ASUS Products

Among eco labels, EPEAT is the most important for ASUS. EPEAT is the standard initiated by the Institute of Electrical and Electronics Engineers (IEEE) of the USA, which includes the following 8 dimensions: 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. The EPEAT program has been extensively used in the world and is directly related to government green procurement.

ASUS had 187 register entries in EPEAT database in 2015. EPEAT Gold products accounted for 91% of all EPEAT product lines available for registration under IEEE 1680.1. For meeting the optional standard of EPEAT, ASUS has introduced recycled materials in 40% of its LCD models and will increase the percentage of recycled materials. For the list of products registered as EPEAT products, please visit the following websites for your reference:

ASUS EPEAT webpage: http://csr.asus.com/chinese/index.aspx#94
EPEAT official website: http://www.epeat.net/

OEM Eco Label Audit Plan

ASUS not only demands suppliers to comply with ASUS technical standards instituted in accordance with relevant international eco label systems, but also establishes the Eco-Audit management process for the Original Equipment Manufacturer (OEM), to ensure conformity with related eco labels requirements. The Eco-Audit Assessment Form is an assessment tool used to evaluate the Management System, Eco-design Requirements, and Process Control of the OEM so that the quality of eco label products status is maintained.

2.3Environmental Footprint

ASUS has a designated team of professionals responsible for environment safety and health in the working environment. The team ensures that ASUS complies with all relevant regulations, through the assessment of possible impacts from corporate activities on the environment. The team also ensures that all applicable legal rules and all government regulations pertaining to environmental protection are being followed. In addition, ASUS will continue to establish and implement action plans for improvement so as to minimize impacts on the environment, and to continue to move toward the goal of "zero pollution".

2.3.1Water Resources Management

The primary use of water at ASUS is domestic consumption in the office area. ASUS advocates the efficient use of water resources at all times and has designed water-saving functions at the office. Water-saving measures are listed below:

- Water-saving devices installed on faucets.
- The installation of a water tank and pipelines to recycle waste water for use in cleaning facilities.
- Installation of a reservoir to collect water spilling over from the swimming pool. Water from this source can be used for toilet flushing.
- The construction of run-off facilities for the efficient collection of rain water and recycled water, which can enhance the efficiency of water recycling and use for cleaning purposes.
- Adjust the air-conditioning temperatures for the building to mitigate the loading of the compressor, to reduce loss of cooling water.

Wastewater Management

In Taiwan, ASUS sets up independent sewage treatment plants at office building sites. We maintains the sewage treatment plant and performs quality checks of the wastewater facility on a regular basis, to ensure that it is properly treated and meets government requirements before being emitted into the city sewage system. The leased office sites are supervised by the Building Committee. Besides periodic wastewater testing and system maintenance of the sewage treatment plant, we also holds regular meetings to review and create action plans for any non-conformance. The quality check of the effluent met the regulation requirements the whole year. Wastewater data in the ASUS Taiwan sites over the past three years are shown below:

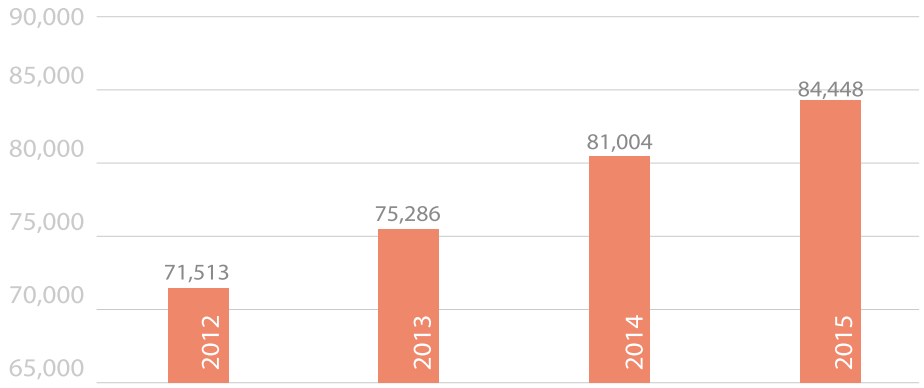


Figure 2.7 Volume of Water Discharged in Taiwan in Recent Years (Unit: m^3)

2 Environmental Protection

Test Item/Year	2012	2013	2014	2015	Regulation
Temperature (℃)	26	24	20	23.6	May to Sep: below 38℃ Oct to Apr: below 35℃
pH value	8	7	7	7.4	6~9
BOD (mg/L)	4	3	16.3	13.2	50(mg/L)
COD (mg/L)	24	10	-*	43.0	150(mg/L)
SS (mg/L)	3	11	20	4	50(mg/L)
E-coli (CFU/100mL)	$3.2*10^3$	$3.2*10^3$	$7.4*10^3$	$3.6*10^4$	$3*10^5$ (CFU/100mL)
Test Result	Compliance				-

Table 2.2 Quality of Water Discharged in Taiwan in Recent Years

Note 1: ASUS employed a new sewage treatment supplier in 2014. Local regulations no longer required COD testing, thus testing data was excluded in 2014.

Note 2: The new sewage treatment supplier uses different treatment methods, thus values varied but compliance with regulations.

2.3.2Waste Management

ASUS' waste is mainly from materials for research and development, disposed items, packing materials, and the domestic wastes is from employees. With strict classification and management, ASUS is able to minimize the impact of solid waste on the environment in storage, transportation, recycling, incineration and landfill. Through these cautious measures, ASUS can increase the recycle and reuse of wastes and reduce the quantity of wastes sent for incineration or to the landfill.

ASUS classifies the waste into 2 categories: domestic waste and hazardous waste. The figure below shows the total weight of waste by type in Taiwan in recent years.

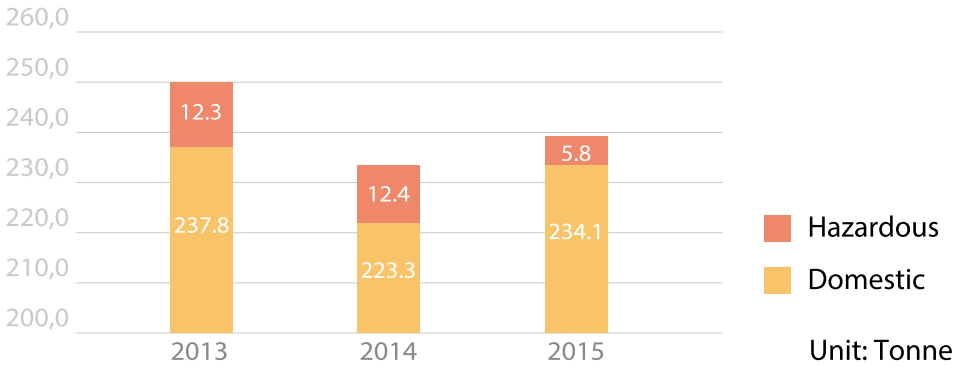


Figure 2.8 Total Weight of Waste by Type in Taiwan in Recent Years

Note 1: Office buildings in Taiwan include Headquarter, Lu-Chu, Chen-De. A new site Chi-Yen was added in November 2015

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

ASUS has established a system for the management of solid waste from the sorting of wastes to reduce quantity, the scrapping process, and the supervision and tracking. These procedures help to ensure all solid waste can be properly, effectively, and lawfully handled. In addition, audits will be conducted on the operation of the contractors for handling the solid waste at any time when necessary to avoid damage to the environment.

In the future, ASUS will continue to expand the size of its operation. This will very likely generate larger quantities of waste, and thus create challenges in regard to waste management. Further, to improve the handling of solid waste lawfully, ASUS will educate employees on how to classify waste types and how to properly dispose of waste in a way that increases recycling rates while reducing the quantity of waste generated in operations. Through perpetual communication with disposal contractors, and through ongoing research regarding recycling technologies, ASUS hopes to enhance the recycling rate of waste.

2.3.3Environmental Accounting

Environmental accounting can accurately measure the spending on environmental protections and help determine costs incurred from various relevant activities. This information will be essential for decision-making in environment management. In 2015, the expenditures on green procurement was $6,105 thousand New Taiwan Dollars (NTD), on pollution prevention was $2,032 thousand NTD, and for recycling administration paid to Environmental Protection Department of Taiwan was $90,734 thousand NTD.

2.4Product Takeback Service

The improvement in production capacity and in manufacturing process efficiencies for the new generation of electronic products has resulted in the rapid launch of new products and also accelerating the replacement rate. The final result is a massive quantity of electronic waste. Electronic waste that is improperly managed poses a heavy burden to the environment, causes pollution and wastes resources. ASUS firmly believes that when products reach the end of their life cycle, the manufacturer should assist in the recycling of those products. This is known as “Individual Producer Responsibility”, or IPR. ASUS provides a convenient recycling service to consumers and corporate customers for ASUS end of life products. In all major sales regions, ASUS has joint ventures with qualified local recyclers to help recycle electronic waste and establish local recycling services at convenient locations, free of charge (Figure 2.10).

Currently, in Europe, North America, Taiwan, China and Australia, ASUS works with qualified local recycling vendors to establish free recycling programs or joins the designated recycling schemes to ensure that the end of life computers are treated properly to reduce environmental impacts. For information about the recycling service of ASUS worldwide, please visit the website at: http://csr.asus.com/english/Takeback.htm.

2 Environmental Protection

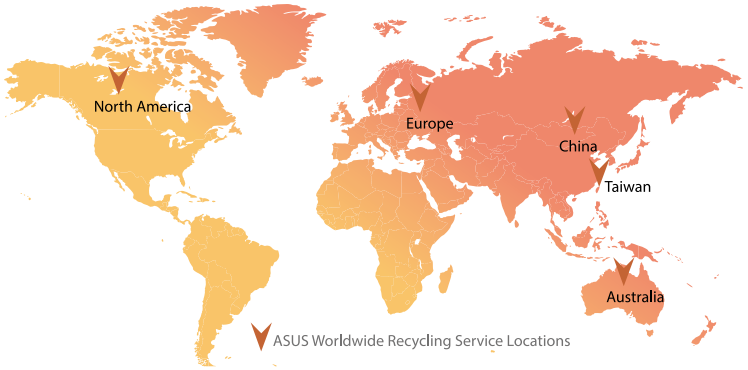


Figure 2.9 ASUS Worldwide Recycling Service Locations

Corresponding SDGs and the Target	
Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Substantially reduce waste generation through prevention, reduction, recycling and reuse

2.5Climate Change

Since the 1970s, the World Meteorological Organization (WMO) has noted that the CO_2 content in the earth's atmosphere has gradually increased, potentially influencing the global climate. Indeed, extreme weather and disasters have been intensified in frequency and cause economic loss over the years. The first edition of the Global Risk Report released by the World Economic Forum in 2007 identified climate change as one of the most concerning risks. The United Nations further included the concept of "Emergency Measures for Copying With Climate Change and its Influence" as an integral part of the SDGs. All reports and research findings point to the same conclusion: mitigation of climate change is an immediate issue of mankind.

The 21st Conference of the Parties (COP 21) of the United Nations Framework Convention on Climate Change (UNFCCC) was held in Paris, France, in December 2015. Representatives from signatory countries engaged in a two-week discussion and reached a consensus in the following common objective: The world must stop the emission of greenhouse gas in a concerted effort, with a rise of 2℃ as the upper limit of change as of the time before the industrial era, by 2100. The target is 1.5℃.

2.5.1Greenhouse Gases Reduction Commitment

ASUS realizes that the mitigation of climate change is a pressing issue. Although ASUS is not in the energy-intensive industry that entailed high volume of greenhouse gas emission, it must assume the responsibility of helping reduce emission of greenhouse gases and work toward energy conservation. In 2009, ASUS set the following preliminary goal of greenhouse gas (GHG) reduction: The emission of greenhouse gas in 2015 will be decreased by 15% as compared with 2008. With the effort of all employees, ASUS accomplished the goal ahead of schedule—by 2010. By the end of 2013, ASUS has exceeded the baseline set for reducing greenhouse gases by 30%.

By 2015, ASUS initiated a new set of goals for GHG reduction:

ASUS supports the goal of greenhouse gas reduction proposed in the UN Climate Summit, including:

1.The rise in average global temperature should be controlled to less than 2℃

2.Global carbon reduction by 50% by 2050

In addition, ASUS spares no effort in reducing its environmental footprint and has committed to reaching the following goals by 2025:

1.GHG emission volume must be reduced by at least 50% (2008 as the baseline year).

2.Energy efficiency of major products must be improved by 50% (2013 is the base year

This objective will be announced for action in 2016.

Corresponding SDGs and the Target	
Goal 13 CLIMATE ACTION	Integrate climate change measures into policies, strategies and planning

2.5.2Climate Change Management

ASUS takes the importance of climate change seriously and sees it as a risk that requires immediate action for management. As such, a designated professional team has been assigned to perform a series of measures to manage the problem. Refer to the chart below.

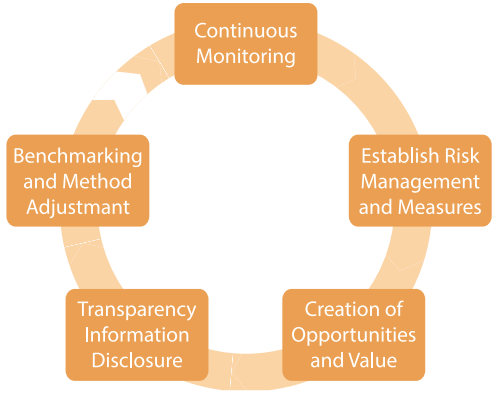


Figure 2.10 Climate Change Management

In the implementation of these measures, ASUS continues to survey our greenhouse gas emissions. Details are discussed in Section 2.5.3 - Information on Greenhouse Gas Emission. These measures are also applied to the supply chain, to assist contractors building up capacity for responding to climate change and for reducing risks on operations due to climate change

Corresponding SDGs and the Target	
Goal 13 CLIMATE ACTION	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

2 Environmental Protection

Risk and Opportunity from Climate Change

The risk management policy of ASUS in response to climate change is pursued in 5 aspects, as specified in the figure below.

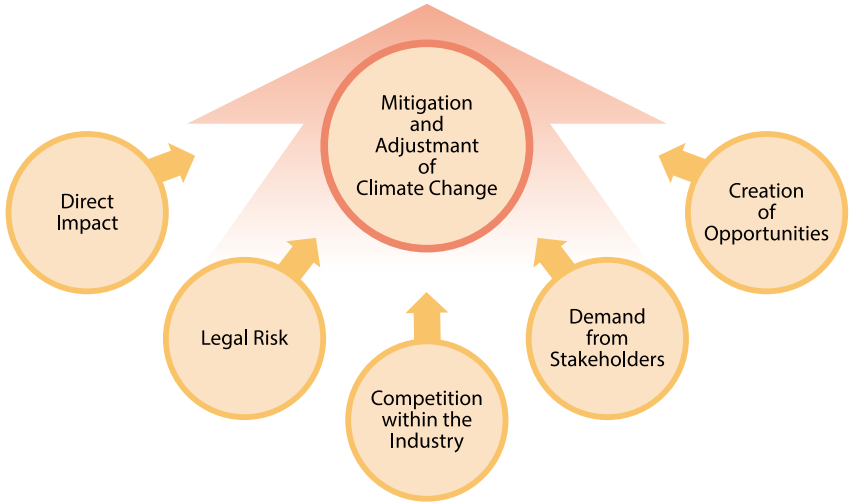


Figure 2.11 Risks and Opportunities from Climate Change

- Direct Impact

  Climate change gives rise to extreme weather, which in turn triggers disastrous weather conditions such as gale force winds, floods, droughts, and snowstorms in higher frequency and severity. These not only cause serious impacts on society and the environment but also inflict severe economic loss, which will affect the enterprises and their supply chains.

  In response to direct impacts caused by climate change, ASUS seeks to mitigate risks through the diversification of the supply chain. At the same time, ASUS also conducts surveys on the greenhouse gas and water resources of the supply chain. Through the cooperation with the supply chain or through the coordination with the government, ASUS is prepared for possible damages caused by extreme weather.

- Legal Risk

  With risks of increasing damage to the economy and to the environment caused by climate change, most governments establish laws or conventions to control greenhouse gas emissions. These controls are getting increasingly strict. At the end of 2015, after the COP21, the institution and prevailing use of the legal rules governing greenhouse gas will be much stricter than before.

  These legislations not only require enterprises to disclose information regarding greenhouse gas emissions but also restrict emission volumes. At the same time, relevant tax topics such as carbon or energy taxes, if passed in the legislature, will result in an increase in the price of raw materials and energy required for production. These will, in turn, increase the overall cost of production.

  Regarding product sales, most countries will raise the energy efficiency standards of products sold in their countries, which will indirectly increase research and development costs. If products are not complying with relevant legislation, enterprises will lose their competitive power in the market and thus affecting sales revenue.

- Competition within the Industry

  The response to climate change has been transformed from a pure government

responsibility to public participation, where enterprises have substantive influence. The actions taken are demonstrative and will motivate people to perform energy saving and carbon reduction behaviors.

Enterprises in the same industry or in other industries can learn from one other, in regard to responding to climate change and then will contribute to the mitigation of climate change in an effort to develop sustainable practices. On the other hand, this will also differentiate the sustainable competitive power. Potential risks may affect the corporate image and, possibly, the brand value.

In order to face the risks brought by climate change, ASUS will be well prepared through learning, review, improvement and innovation while benchmarking how the leaders in various industries address climate change. We will also continue to review our core values and distinctive competence so as to retain a leadership in the industry.

- Demand from Stakeholders

  Due to the increasing awareness of environmental protection among the people, consumers will take the performances in corporate social responsibility of the company into consideration when purchasing the products. In addition to the increasing pressure from environmental protection groups and from media, the demands from stakeholders have emerged as one source of risk in the issue of climate change that enterprises must address and respond to properly.

ASUS discloses its management practice and the information on GHG emission in response to the results of stakeholder engagements. With continuous communication with all stakeholders, ASUS will improve and fine-tune its implementation measures and strategies on GHG.

- Creation of Opportunities

  Although climate change poses risks to enterprises, risks could be turned into opportunities that help increase competitive power and create values through an appropriate management system.

  For operation, Since ASUS is not an enterprise in the energy-intensive industry that emits large volumes of GHG, ASUS will not be subject to the direct influence of legal rules of climate change. ASUS has begun the GHG survey and has executed the GHG reduction measures via proactively reducing the energy consumption and enhancing efficient use of electric power, lowering the cost of operation.

  For products, ASUS develops energy efficient software and hardware to cope with stricter requirements and laws on energy efficiency. This creates better chance to enter the market in advance and secures the opportunity of green procurement. Products equip with energy efficient features could attract consumers, helping to increase the market share while gaining customer loyalty.

  For the supply chain, ASUS applies LCA to measure carbon footprint and educates suppliers with relevant knowledge. We also identify contractors with higher risk in climate change to build their capability so that they could react to risks and thus reduce operation costs as well as avoid the interruption in operation caused by extreme weather.

2.5.3GHG Information

ASUS has consulted "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, revised edition" released by the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) and adopted the measure for weight control in the calculation of

2 Environmental Protection

Scope	Category	Description
1	Direct greenhouse gas emission	The emission sources owned or controlled by ASUS.
2	Energy, indirect emission of greenhouse gas	Outsourced power supply and heat supply
3	Other indirect emission of greenhouse gas	The sources of emission are not from ASUS but from the operation of the Company.

In 2015, ASUS calculated the consumption of energy and greenhouse gas Global Warming Potential (GWP) emission coefficient (KgCO2-e/KWh) in Taiwan by using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, 2007 IPCC AR4 100-yr., and the 2013 Energy Statistics Handbook published by the Bureau of Energy Ministry of Economic Affairs in Taiwan.The analysis is as followed:

Sources of Scope 1 emissions

- Diesel: consuming 228 liters, producing 1 metric tonnes CO_2-e
- Gasoline: consuming 9,161 liters, producing 22 metric tonnes CO_2-e
- Other emissions (Wastewater treatment Fugitive): producing 78 metric tonnes CO_2-e

Sources of Scope 2 emissions

- The major source is electricity, consuming 22,051MWh, producing 11,488 metric tonnes CO_2-e, with electricity coefficient of 0.521 tone CO_2/MWh

Sources of Scope 3 emissions

- Employee business travel: 45,066 thousandmiles, producing 8,130 metric tonnes CO_2-e. Coefficients are: short flight (less than 281 miles) 0.64 lbs/mile; midflight (281 miles to 994 miles) 0.45 lbs/mile; long flight (greater than 994 miles) 0.39 lbs/mile.

Energy/Source of Emission	Volume Used	GHG Emissions Equivalent (metric tonne CO^2-e)	Energy (mega joule)
Diesel	228 liters	1	8,825
Gasoline	9,161 liters	22	301,814
Electricity	22,051 MWh	11,488	79,383,600

Table 2.6 ASUS Historical Emission Data for Past 3 Years and Baseline Year and Reduction Proportion in Taiwan

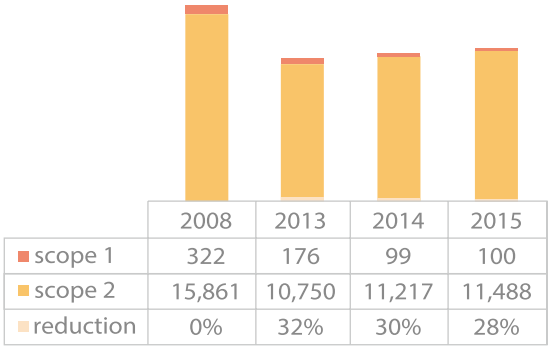


Figure 2.14 ASUS Historical GHG Emission Data for Past 3 Years in Taiwan

There was a slight increase of 2% in amount of emissions in 2015. This was due to the new building that was opened during 2014, due to the expansion to provide adequate space at corporate headquarters. This led to an increase in electricity usage. ASUS will inspect all electricity structures in 2016 to enable new energy-saving plans to gradually decrease energy consumption.

In order to promote the idea of energy conservation in the daily operations to subsidiaries, ASUS expanded the boundary of GHG Inventory, thus including the emission data of some of our oversea subsidiaries and ASUS Cloud in 2015:

- China: ACC, ACS and ASZ. Total emission of these three subsidiaries was 5,522 metric tonnes CO_2-e
  Emission coefficient ($KgCO_2$-e/KWh): 0.9746
- Europe: ACG, ACF, ACIT, and ACZS. Total emission of these four subsidiaries was 1,667 metric tonnes CO_2-e.
  Emission coefficient ($KgCO_2$-e/KWh): France 0.056; German 0.624; Italy 0.483; Czech 0.95
- North America: ACI. Total emission of these four subsidiaries was 926 metric tonnes CO_2-e.
  Emission coefficient ($KgCO_2$-e/KWh): 0.547
- ASUS Cloud: Total emission of Taiwan Headquarter and China operation was 117 metric tones CO_2-e. Total emission of datacenters in Taiwan, China, USA and Europe was 475 metric tonnes CO_2-e.
- Emission coefficient ($KgCO_2$-e/KWh): China 0.9746; Taiwan 0.521; United States 0.547; Luxembourg 0.276

3 Sustainable Value Chain

Value chain is the boundaries of influence covered by enterprises for providing products and services. Similar to the product life cycle, the value chain of the ICT industry includes the extracting of raw materials, manufacturing and assembly, marketing, product usage, after-sales service, and end-of-life recycling. Therefore, the value of an enterprise created throughout the complete cycle has to be taken into consideration for sustainability operation.

Throughout the value chain, stakeholders focus on different topics in each sector. However, they all expect that the enterprise could use its influential power to drive their upstream supplier to improve in the direction toward sustainability and at the same time fulfill individual producer responsibility. Manufacturers are also expected to take the producer responsibilities by providing after-sale service and takeback service for their products. As such, enterprises must take social, economic, and environmental issues into consideration from the perspective of the value chain so as to acquire information from all sides to tackle with the risk confronting their path to sustainability, including:

- Conflict minerals at the stage of materials extraction
- The use of hazardous materials and human right of the workers at the production stage
- Customer satisfaction management at the stage of product consumption
- The handling of electronic wastes at the stage of product disposals

ASUS has formulated different supplier management policies in response to the risks described above.

Figure 3.1 Product Life Cycle and Risks in Supply Chain

Corresponding SDGs and the Target	
Goal 8 DECENT WORK AND ECONOMIC GROWTH	Improve progressively, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation

3.1Supply Chain Management Strategy

ASUS has mapped out its strategy for the management on suppliers. Within the organization, we have established an Plan-Do-Check-Act (PDCA) framework under the International Organization for Standardization (ISO) management system, Outside the organization, we participate in international organizations externally. With the combination of external and internal resources, ASUS exercises common control and manages risks. ASUS manages risks in the supply chain in three major steps: risk identification, audits, and continued improvement.

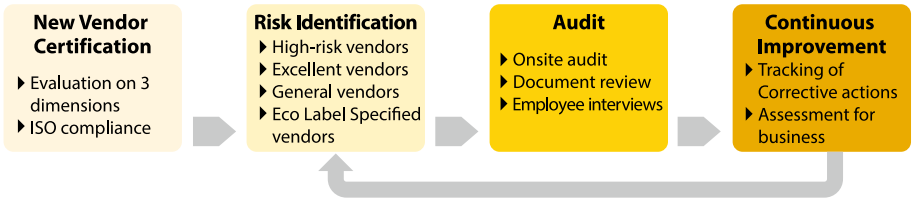


Figure 3.2 ASUS Supply Chain Management

We will explain supply chain risk management strategies in terms of the stage in product life cycle below.

3.1.1Materials Extraction Stage

The risk derived from the materials extraction stage is the risk of using conflict minerals in products. Internally, ASUS has made the policy to ban the use conflict minerals and publicly proclaims it to show its concern and actions on this issue. The policy demands all suppliers to purchase and use minerals not coming from the conflict regions as the first priority. Through the regular annual survey, ASUS discloses the status of using conflict minerals in its supply chain and the supply chain smelter list to show its responsibility. For external cooperation, ASUS joined the CFSI established by EICC and GeSI in 2014 to provide supports.

For the issue of non-sustainable tin mining at Bangka/Belitung of Indonesia, ASUS joined the Tin work team. Through the participation in the work team composed of non-profit organizations, brands in the same industry, and consulting firms, ASUS convened with the Indonesian government and local mining firms for mapping out different plans for sustainable extraction of minerals. For information on the management strategy at the minerals extracting stage, refer to Figure 3.3

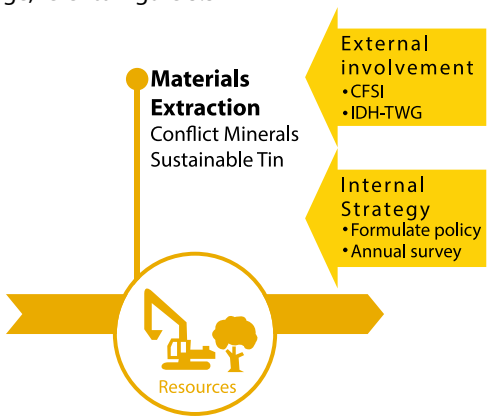


Figure 3.3 ASUS Supply Chain Management Strategy at the Materials Extraction Stage

ASUS has been started the regular survey on conflict minerals since 2014. The survey conducted in early 2016 covered all suppliers that still worked with ASUS in 2015. Results were as followed:

- 90.2% of gold smelters/refiners in the supply chain are CFSI accredited.
- 96.9% of tantalum smelters/refiners in the supply chain are CFSI accredited.
- 73.2% of tin smelters/refiners in the supply chain are CFSI accredited.
- 77.8% of tungsten smelters/refiners in the supply chain are CFSI accredited.

3 Sustainable Value Chain

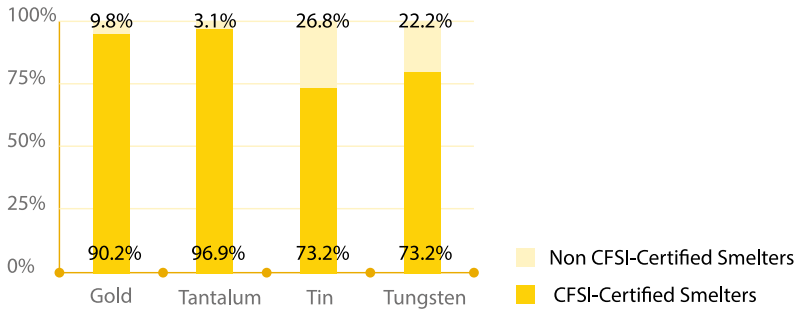


Figure 3.4 Analysis of ASUS Outsourced Smelters/Refiners in the Supply Chain in 2015

According to the statistics of the annual survey, the ratio of third party accredited smelters/ refiners has been on the rise year-after-year (Figure 3.5). This trend shows the result of the advocacy of international organizations in not using conflict minerals. In practice, minerals from the accredited suppliers are considered as top priority in ASUS supply chain procurement.

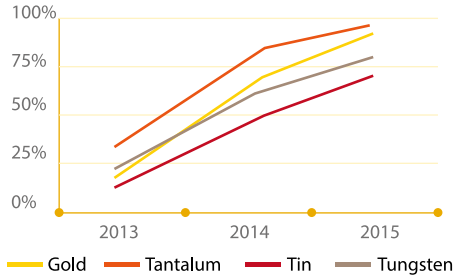


Figure 3.5Trend of Using Non-Conflict Minerals from Smelters/Refiners in the Supply Chain

The list of smelters/refiners in the ASUS supply chain is posted annually on the ASUS CSR website. For more information, please visit: http://csr.asus.com/english/index.aspx#144

3.1.2Product Manufacturing Stage

Risks in the product manufacturing stage include product quality conformance, human rights of workers, eco label compliance, and environmental footprint. Through the external participation in associations and internal operation process management, ASUS addresses the supply chain risk management strategies for these four risks as follows:

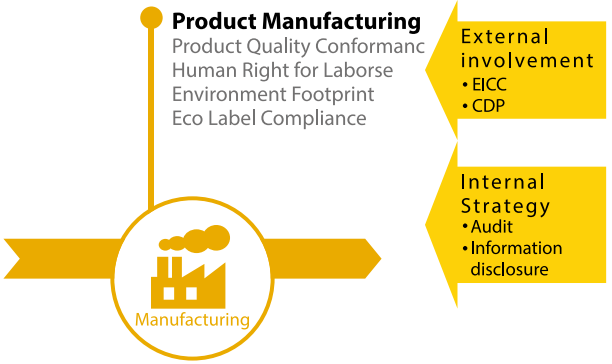


Figure 3.6Management Strategies at the Product Manufacturing Stage in the ASUS Supply Chain

1.Product Quality Conformance

To be qualified as ASUS suppliers, vendors must pass quality audits in 3 dimensions, including: Quality System Assessment (QSA), Quality Process Assessment (QPA), and GreenASUS standard (GA). With this audit and assessment system, ASUS can assure all suppliers in product manufacturing are conforming to related legal requirements in the restricted use of hazardous substances. By 2015, ASUS has assessed more than 800 qualified suppliers of parts and components and OEM in regions all over the world. In 2015, there were 175 new suppliers of parts and components and OEM, of which 16% were located in Taiwan and 80% were located in China, and 4% were located in other foreign countries.

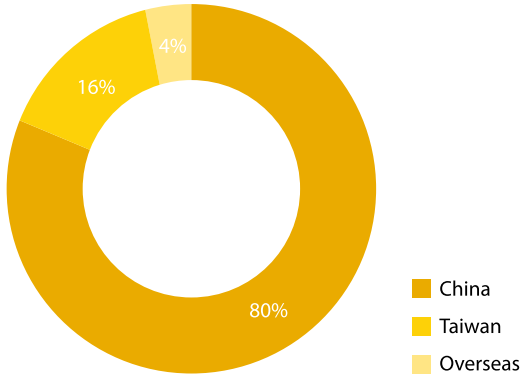


Figure 3.7New Suppliers and OEM Distribution by Region

For those who become ASUS qualified suppliers are required to sign a "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and EMS". ASUS will sort out suppliers of high risk in terms of environmental risk, strategic cooperation, quality abnormality or possible existence of hazardous substances. Suppliers of high risk will be subject to continuous audit for proper management

In 2015, ASUS has conducted audits on 23 firms with higher risks that required continued audit. The audit analysis indicated that suppliers of parts and components accounted for 70% while OEM accounted for 30%. The result indicated that 100% of the suppliers and OEM received onsite audit passed.

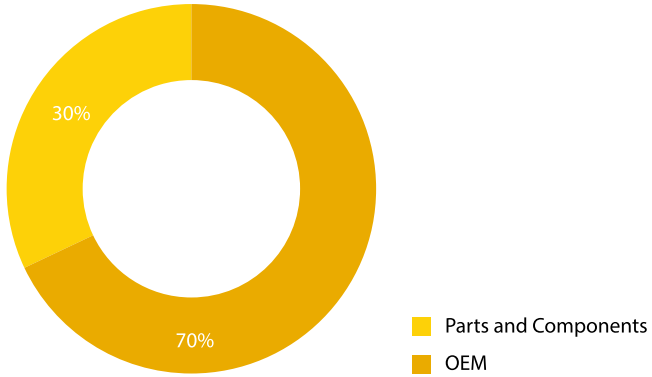


Figure 3.8Proportions of Suppliers of Parts and Components and OEM

3 Sustainable Value Chain

2.Human Right for Labors

Whether the manufacturing environment is in compliance with human right for labors and with occupational safety is another management issue for ASUS beyond product quality. Internally, ASUS has instituted its code of conduct and CSR standard in accordance with the Electronic Industry Citizenship Coalition (EICC) code of conduct. Regular audit is conducted annually to ensure the partnering OEM can comply with the industrial criteria in the protection of workers and requirements of occupational safety. Externally, ASUS has joined the EICC. By supporting EICC, ASUS promote the human right of labors to a higher standard, and publically commits to labor, health and safety, environment, ethics, and management system.

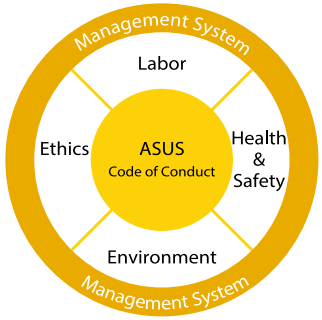


Figure 3.9Five Dimensions of ASUS Code of Conduct

In 2015, 17 audits were conducted and the scope of the on-site CSR audit covered mainly on OEM. The audit result showed that 80% of the OEM passed and 20% of them passed the audit with conditions.

According to 2015 CSR audit results, after analyzing the requirements in 5 dimensions, such human rights for labor and EICC, the allocation of audit findings showed that the highest non-conformance is in health and safety with 37% and labor is the second highest with 27%. The details are described below:

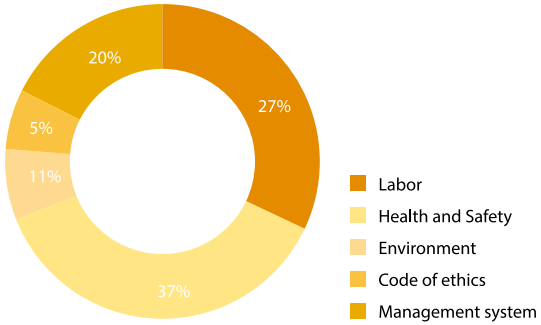


Figure 3.10 Allocations of CSR Audit Findings in Five Dimensions

Dimension	Non-Compliance Descriptions	Non-Compliance Descriptions
Labor	1.Working hours of production line workers exceed 60 hours per week	Establish monitoring mechanism for working hours
	2. A few minors work overtime and night shifts	Implement the regulation that minors should not work overtime and night shifts
Health and Safety	1.Failure to follow the frequency of inspection defined in management documentation for fire extinguishers on the production line	Implement regular checks and reinforce staff training
	2.Not enough staff for emergency training in the factory	Hire more qualified emergency staff
Environment	1.Material Safety Data Sheets (MSDSs) not posted in locations where chemical substances are used	Post MSDSs throughout all spaces that use, store, and discard chemical substances
	2.Improper classification of waste	Implement proper waste classification and reinforce staff training
Ethics	1.Ethical related requirements undocumented	Add ethical contents into system documents
Management System	1.Client requests not to implement and distinguish	Implement and keep complete records of client requests

Table 3.1 CSR Audit Findings of Non-Compliance and Respective CAR

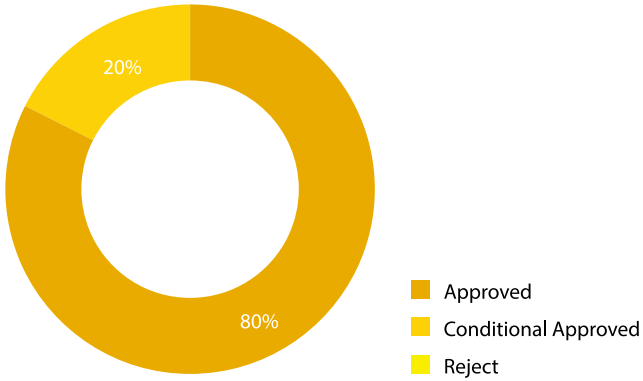


Figure 3.11Result of CSR Onsite Audit on Suppliers of Parts and Components and on OEM

According to the 2015 CSR audit analysis, the average scoring in the five dimensions sustained perpetual growth, which indicated that the suppliers and the OEM have been making improvements in CSR management

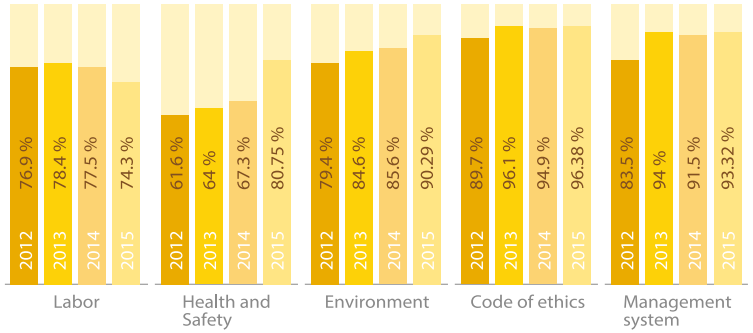


Figure 3.12Average Scoring of CSR Onsite audits in 5 Dimensions from 2012 to 2015

In the dimension with higher non-compliance rates, namely Health and Safety and Labor, the ASUS audit team implemented the following changes for the 2016 audit process:

- Labor: Increase random sampling in working hours and payroll records, and confirm the implementation of the monitoring system
- Health and Safety: Increase sampling numbers of facilities and repair records for high-risk areas

Also, in response to requirements of TCO Certified, assembly plants of TCO product should implement CSR onsite audit once a year. The result of the 2015 audit conformed to these requirements.

3.Child Labor

The employment of underage workers is a common issue in the electronic industry. It is illegal to employ underage people. However, in China, the demand of labor force and the family livelihood in rural families compelled many young people in school age to give up education and bare the risk of fraudulent use of another person's identity for working in factories. ASUS pays high attention to the problems derived from the erroneous employment of child labor and the risk to operation of suppliers. Therefore, ASUS conducts intensive onsite audits in order to ensure that suppliers are not hiring underage workers, and that they are taking corrective measures if it' s discovered that they have erroneously hired underage workers. ASUS pays high attention to the problems derived from the unintentional employment of child labor and the risk to operation of suppliers. Therefore, ASUS conducts strict onsite audits to ensure that suppliers do not hire or underage workers, or if happened, how they manage the erroneous employment. Measures includes the confirmation on the contractual requirements between the suppliers and the human resources intermediaries, the interview mechanism with new employees (such as: the introduction of face identification system, identity authentication system, family background information check), and sampling interviews with onsite workers. ASUS seeks to ensure reasonable measures have been taken in the supply chain to avoid the erroneous employment of underage workers.

If erroneous employment occurs, ASUS will take the following actions:

1. Suppliers transfer the child labor to original job position
2. Suppliers arrange health examination for the child labor to ensure of health condition. If it is affected, suppliers will be responsible for the treatment expenses.
3. Suppliers contact the parents and send the child back to homeland.
4. Suppliers will track child to ensure the education status until he or she could enter the workforce.
5. ASUS audit team will report the child labor issue to the supplier managers
6. ASUS requests suppliers to take corrective actions
7. ASUS will arrange an onsite audit afterwards to ensure the corrective actions are enforced.

According to 2015 CSR Audit Results, there were no violations for Child Labor across the supply chain and OEMs.

4.Protection of Female Employees

When using the five dimensions of EICC for audit management of the suppliers, we also notice the inadequate protection towards female employees in the EICC management system. ASUS has consulted the Social Accountability 8000 International Standard (SA8000) in order to add protection on female employees into the audit checklist. During the actual audit, ASUS ensured that the suppliers take evaluations on risks caused by working conditions for pregnant and birthing mothers, as well as taking reasonable measures to eliminate or mitigate the risk of damage to their health and safety.

5.Eco label Compliance

ASUS conducts annual ECO audit on OEM of ecolabel products to ensure proper enforcement of the requirements set forth in ecolabel in product manufacturing. The audit covers the following 3 dimension - management system, eco-design requirements, and process control – to assure conformity to the requirements of the eco label. 8 audits were conducted in 2015, and the result of ECO audit in 2015showed that 100% of the audited OEM passed.

At the product manufacturing stage, ASUS conducts 3 major quality audits, the CSR audits, ECO audits, and TCO-CSR audits to continuously manage suppliers and monitor the risks in the supply chain to ensure compliance with applicable legislations and the requirements of the eco label. The scope of audit management by ASUS in 2015 is shown in the Figure 3.13.

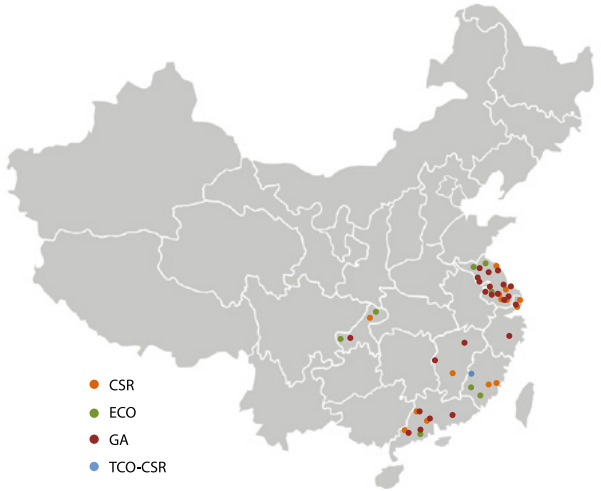


Figure 3.13 2015 ASUS Scope of Audit Management by ASUS

The audit results will be forwarded to the supply chain management function (including the outsourcing management units and procurement units) and will be disclosed in the Quarterly Business Review (QBR). Current suppliers with distinguished performance will continue to be business partners with ASUS, and those that cannot perform as desired or are unsupportive of the policy will be removed from the list of suppliers. This helps ASUS to raise the quality of the supply chain.

According to 2015 audit result for QBR suppliers, there was no significant non-compliance that resulted in the elimination or termination of the suppliers.

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For the implementation of the PDCA management procedure, regarding to the findings, ASUS auditing team requires suppliers to provide timeline and documentations of corrective action. The audit team will follow up on all the findings in the audits until the findings are closed.

6.Environment Footprint in Supply Chain

The environmental impacts in the production stage constituted an integral part of the supply chain management in the product life cycle. Internally, in response to product environment footprint management, ASUS performs survey on GHG and water footprint. Externally, ASUS voluntarily joins the Carbon Disclosure Program (CDP) to disclose ASUS carbon management, and we began the water footprint survey in supply chain in 2015. These help ASUS to understand the environmental impacts of our products at the production stage. We use this information as a reference,to create action plans to reduce our carbon and water footprints. Details of the analysis of greenhouse gas and water footprint inspections is shown in Section 3.3.

3.1.3Supply Chain Management at the Product Disposal Stage

As stated in Section 2.4, rapid replacement of electronic products results in massive quantities of electronic waste. If these wastes have not been properly handled, they will be the burden to the environment, cause pollution, and lead to unnecessary waste of resources. In addition to providing the recycling program to consumers, ASUS also regularly audits recycling vendors to ensure that all electronic waste has been properly handled. The management strategy for electronic products at the disposal stage is shown in Figure 3.14.

Figure 3.14ASUS Supply Chain Management Strategy for Electronic Products at Disposal Stage

3.2Enhance the Capability of Suppliers

For implementing external communications for building the capacity of suppliers regarding supply chain management requirements, ASUS provides annual training for suppliers on related topics. The trainings will occur in two ways, including:

1.Annual Supplier Workshops

ASUS provides trainings and educations regarding supply chain management requirements in the annual supplier workshop. The conference was held at Taipei, Kunshan, Dongguan, and Chongqing.

2.Annual Training Through Onsite Audits

ASUS holds annual onsite CSR audits as one-on-one supplier trainings. By holding meetings with supplier management teams during the onsite audit, ASUS advocates our requirements and concepts of CSR to our suppliers. We wish to deliver the CSR concepts vertically as well as horizontally within the supplier organization.

The topics include:

- 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.

Besides the annual supplier workshop, ASUS also establishes a digital platform for external communications, including the Global Supply Chain Management Portal (SCM), and Supplier Relationship Management Portal (SRM) as the channels for conveyance of the supply chain management of ASUS and as the recognition and conformity management of parts and components/finished products.

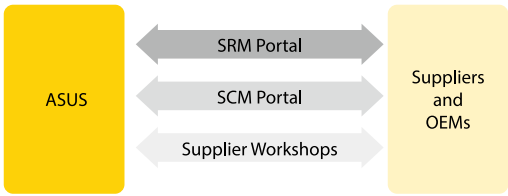

Figure 3.15ASUS Supply Chain Communication Channels

ASUS supply chain management strategy are:

1. Identify the risk of upstream and downstream supply chain in the product life cycle
2. Establish regular management processes within the organization
3. Combine resources of international organizations
4. Build the capability to response to risk in the supply chain

3.3Environmental Footprint in Supply Chain

ASUS believe that corporations have the responsibility of extending environmental management to the entire supply chain. Apart from environmental footprints created within corporate operations, companies should also cooperate with supply chains to decrease environmental footprints created by manufacturing products. The supervision of environmental footprints left by supply chains by ASUS focuses on the emission of greenhouse gasses and the usage of water resources.

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Greenhouse Gas Management

In 2015, ASUS 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 27 key suppliers came from 6 types of suppliers to cooperate with the GHG inventory in 2015. These were:

• Final product assembly factory	• Projector manufacture factory
• Motherboard manufacture factory	• Power supply manufacture factory
• Panel manufacture factory	• Monitor assembly factory

The inventory parameters were as follows:

- Data period: January 2015 to December 2015
- Business boundary: Scope 1 and Scope 2 GHG emission data
- Data allocation: Data allocation was based the proportion of ASUS 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 GHG inventory results were:

- Sum of Scope 1 and Scope 2 data: Scope 1 emission accounted for 26% of total emissions and Scope 2 accounted for 74% of emissions. The main source of Scope 2 emissions came from the purchase of electricity.

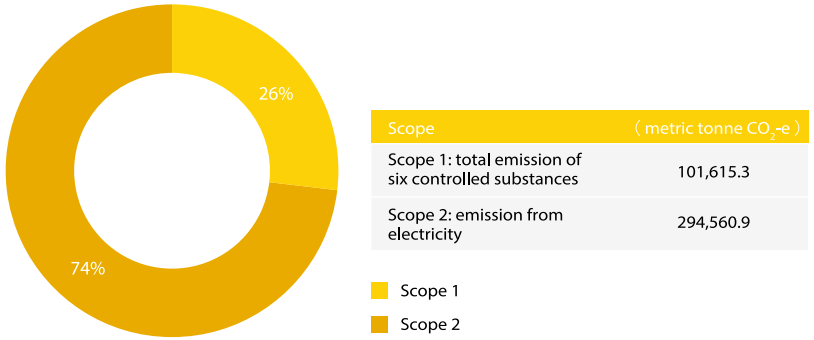

Figure 3.16 GHG Emission Ratios of Scope 1 and Scope 2

- Supplier GHG management: 48% of surveyed suppliers implemented external GHG verification; 59% 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.

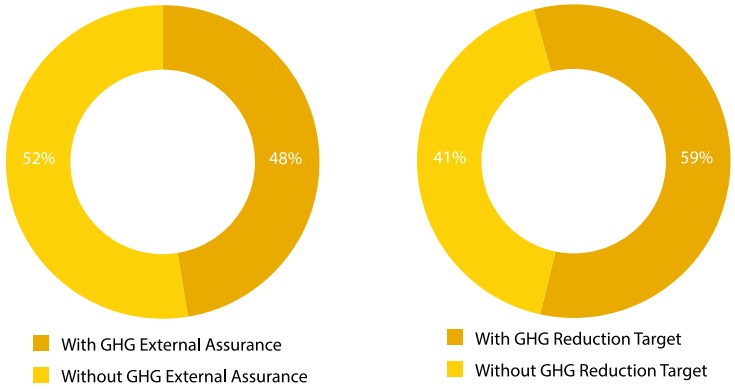

Figure 3.17 Suppliers GHG Management Analysis

- F-GHG emissions: Among the six categories of GHGs specified in the Kyoto Protocol, the top GWPGHGs 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 panel manufacturers, while HFCs and PFCs, which are the second-most common, are usually found in fire-extinguishers. The current inventory found that SF6 accounted for 95% of all F-GHG detected and was the main source of F-GHG emissions. Total F-GHG emissions were made up of 52% of Scope 1 emissions, and thus were the main source of Scope 1 GHG.

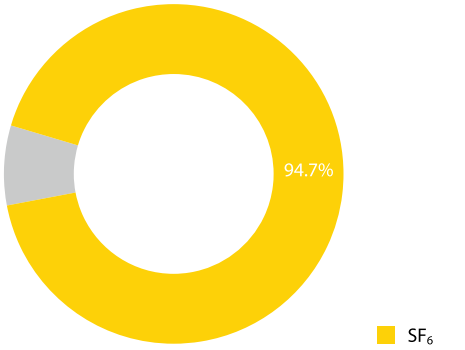

Figure 3.18 Emission Ratios of SF6 in F-GHG Emissions

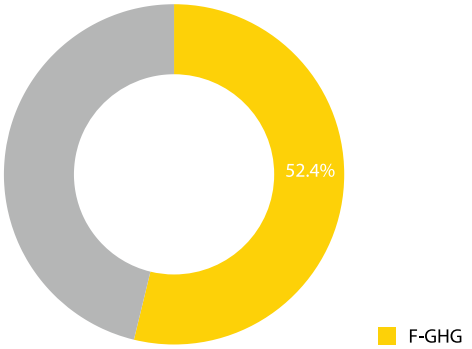

Figure 3.19 Emission Ratios of F-GHG Emissions in Scope 1

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■ N2O emissions: Based on the supplier inventory, the main N2O emission source is the result of burning fossil fuels such as natural gas, petroleum, and diesel; and N2O emissions were made up of only 4% of total GHG emissions, thus they were not the main emissions source.

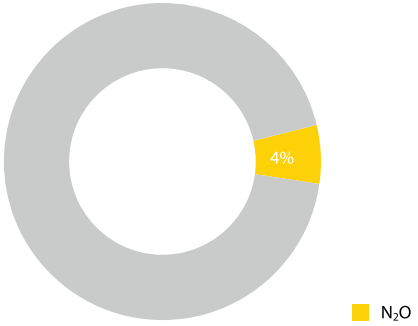


Figure 3.20 Emission Ratios of N2O Emissions in Scope 1

■ 2015 GHG management performance: compared with the baseline 2014, 42% of suppliers within the inventory scope reduced emissions and 58% of suppliers within the inventory scope increased emissions.

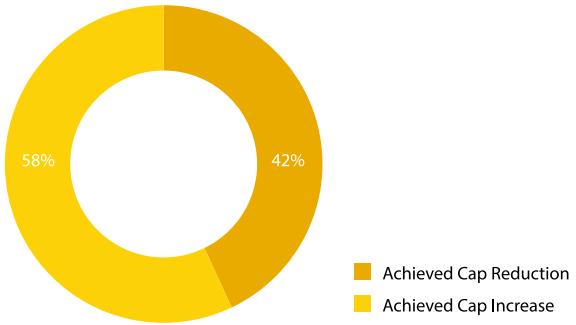


Figure 3.21 Analysis of 2015 GHG Management Performance

Instead of an absolute increase/decrease of inventoried units, the above GHG increase/decrease data was correlated with the total product output in the inventory year. ASUS will refer to the data for making GHG reduction strategies and for implementing risk management of our supply chain.

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 with 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 emissions reduction.
- About 50% of surveyed suppliers had implemented external verification, and about 60% had set GHG reduction targets. This demonstrates that GHG management becomes a concern across the industry and thus will help push forward the GHG reduction issues.
- ASUS has included GHG inventory, energy efficiency, and carbon reduction into supplier CSR audit, education, and training. These approaches convey ASUS' concern and requirements regarding this issue.

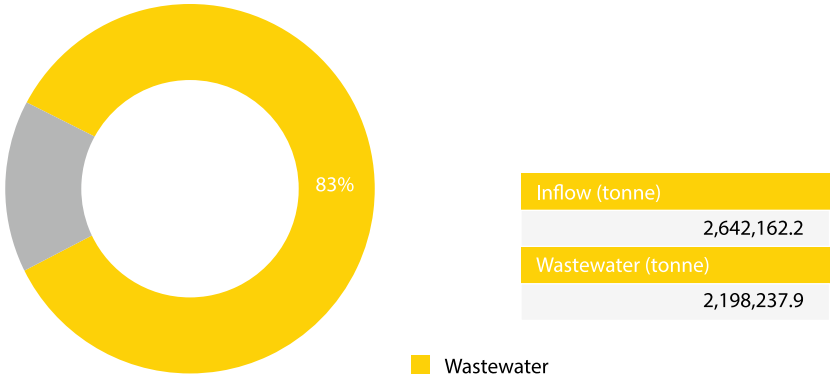
Water Resource Management

Water resource has become one of the international environmental concerns. ASUS recognizes that the main sources for water consumption originated from the supply chain of component manufacturing and from the assembly of products. In order to further understand the risk and the management of water resources in supply chains, water footprint was added into the ASUS supply chain annual survey in 2015. The scope aligned with that

of GHG and includes 6 categories, covering 27 final assembly factories and key component suppliers.

Analysis of water resource inventory results are as follows:

- Sum of water footprint data: The water usage in the supply chain is shown below. 83% of the inflow was discharged after used.



Inflow (tonne)
2,642,162.2
Wastewater (tonne)
2,198,237.9

Figure 3.22 Ratio of Usage of Water Resource

- Risk identification of water footprint: 100% of surveyed suppliers completed the identification of risk in water usage in the factory.
- Risk category of water footprint: the risk for 7% of surveyed suppliers was water instability, 4% was poor water quality, and 89% had no risk in water usage.

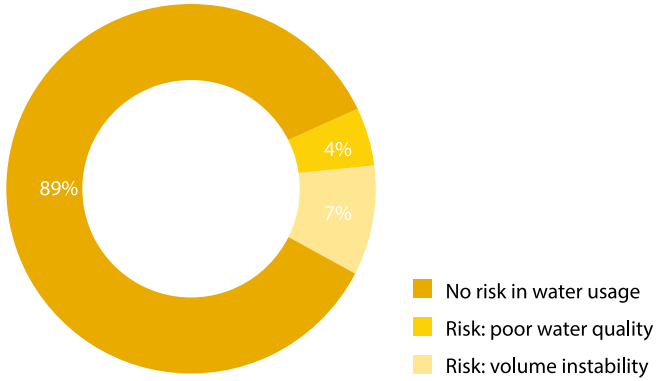
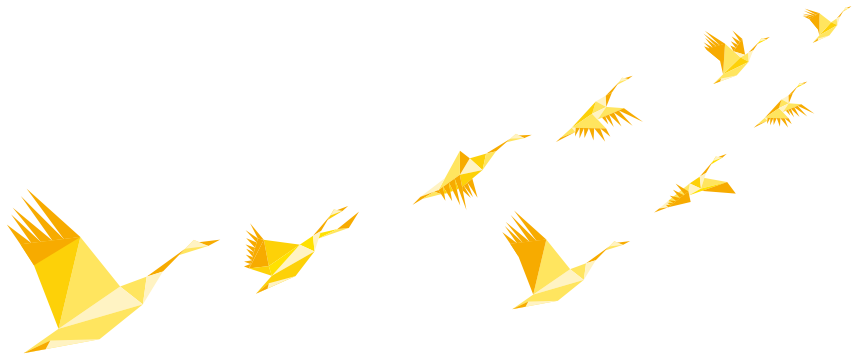


Figure 3.23 Risk Category of Water Footprint



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■ Water treatment equipment: 41% of surveyed suppliers with water treatment equipment. Among those who had treatment equipment, 65% of them with water recycling equipment, 17% with rain collection equipment, and 18% with both.

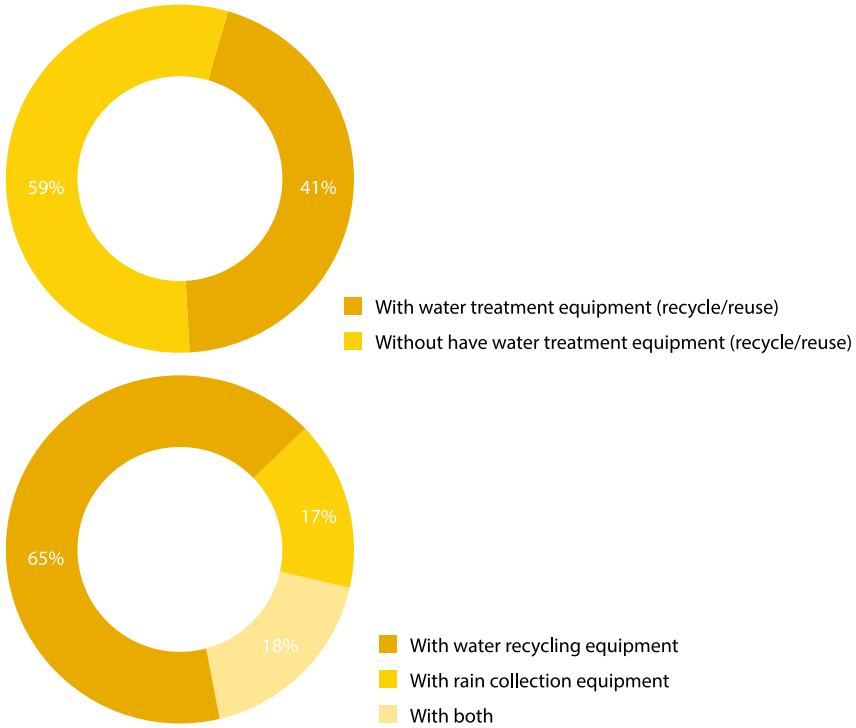

Figure 3.24Ratios of Water Treatment Equipment Methods

■ Future reduction plan in water footprint: 58% of surveyed suppliers had set up the reduction plan and target

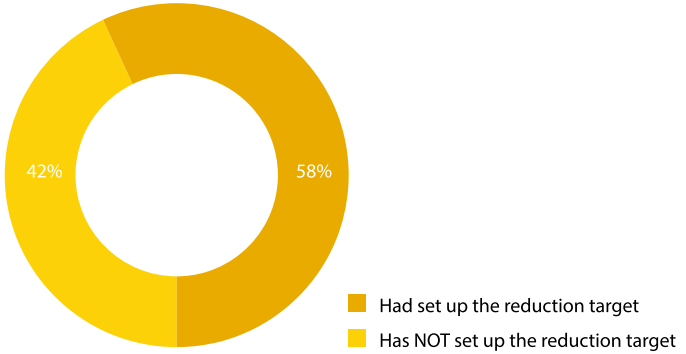

Figure 3.25 Future Reduction Plan in Water Footprint

■ 2015 Water footprint management performance: compared with the baseline of 2014, 44% of suppliers within the inventory scope reduced emissions, and 56% of suppliers within the inventory scope increased emissions.

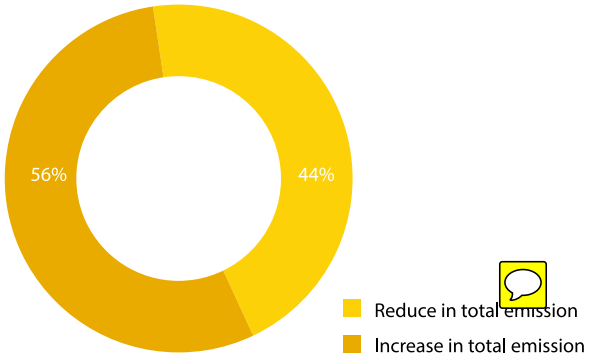

Figure 3.26 Analysis of 2015 Water Footprint Management Performance

Instead of the absolute increase/decrease of the inventory units, the above water footprint increase/decrease data was correlated with the total product output in the inventory year.

Concluding the above analysis:

- 83% of the inflow was discharged after use. This shows that there is still room for improvement for the recycling of water resources.
- 100% of surveyed suppliers had completed the identification of risk in water usage in the factory, demonstrating that water resource is a concern across the industry
- About 90% of the surveyed suppliers had no risk in their water footprint, but 7% of surveyed suppliers with water instability and 4% with poor water quality. Most suppliers had no risk in their water footprint and thus did not pose significant effects in their operations.
- About 40% of surveyed suppliers had water treatment equipment. This shows that there is still room for improvement for investments in water recycling equipment.
- ASUS has included risk identification of and survey of water footprint into supplier CSR audit, education, and training. These approaches convey ASUS' concern and requirements regarding water footprint.
- With annual supplier CSR audits itinerary, ASUS encourages suppliers to plan for water resource management and to set reduction targets.

Corresponding SDGs and the Target	
Goal 6 CLEAN WATER AND SANITATION	Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate

3.4Interactions with Consumers

New Mindset in Brand Marketing: Turn Consumers into Fans

ASUS establishes the ZenTalk forum to extend its service to the ASUS series of mobile phones, including ZenFone and PadFond, as well as tablets, wearable devices, peripherals, and ZenUI users. Through the ZenTalk forum, ASUS hopes to enhance the positive interaction between ASUS and its customers by providing solutions to product problems and listening to their suggestions and needs.

Besides encouraging users to interact with their devices more frequently, posting unboxing articles and review, and sharing photos on ZenTalk forum, ASUS also collaborates with bloggers, with students who are influencers in their social networks, and with maniac who love to test the latest softwares in new cell phones, and we define different roles for them. For example, Dr. Zen are ASUS loyal users who can provide the best solutions, present good comments, and share the techniques of taking good photos; pioneers are the pros who want to be the pioneers to use the trial version software, or Young Zen the campus ambassadors. Different status entails with different rights and privileges, including the use of new products in trial run and the participation in exclusive official events. Zen fans can help increase mind sharing through social network sharing and interaction with consumers.

Besides, ASUS holds irregular offline activities to enhance the communication and interaction with our fans.. There had been 67 offline held since the launch of ZenTalk at the end of 2015, during which 39 of them were held in 2015 alone. The official events organized by ASUS is named “waiju”, and the pronunciation of “waiju” resembles the meaning of “getting together”

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in Chinese. The events provide a place for users to express their emotions to our products and our brand, exchange information, provide informative feedback, and a hands-on opportunity to experience our new devices. There are other events such as: "Gathering for Christmas" event in which Zen fans are invited to HQ to celebrate the holiday; "Play the Cell Phone Together" event in which Zen fans teach and demonstrate other fans how to use our ZenFones; "Fans Gathering", named after a Chinese name of a kind of vegetable "garland chrysanthemum" which is pronounced as "tonghao" - sounds similar to "fans", is the event initiated by Zen fans, and the theme depends on the organizer of the event and may cover photography, software updates, traveling, and others. The event "Quickly Getting Together" is named after the same rule and is organized by senior fans to share the new products with friends from social networks, as well as to build the brand reputation into the mind of people.

ZenFans at the Corporate Headquarters of ASUS x Christmas Day Gathering

Play the Cell Phone Together x Hobby Summer Camp

These different activities built a bridge between ASUS and the fans so that users of ASUS products can directly interact with the engineers and product managers. By doing so, ASUS can not only better understand the feelings and receive comments from consumers, but also gather suggestions and improvements of the products for next generation early. ASUS has expanded its fan base by running online forums to gradually transform the consumers of cell phones into ASUS cell phone users. Indeed, the Zen fans family has given ASUS a new mindset in its branding.

Value the User Experiences and Feedback to Address the Problems

ZenTalk emphasizes user experience. In addition to provide the latest and the fastest information of ASUS phones and update announcements, the forum also establishes different

"product zones" exclusive to specific models so that the users can raise questions and engage in discussions. We also have an online customer service ZenCare with designates personnel to provide solutions for problems commonly found in using our smart phones. Furthermore, the problems commonly encountered by users have been compiled into "FAQs" sorted by phone series for the quick inquiry and solutions. ZenTalk highly values the suggestions and feedbacks of the users. If users have any suggestion or expectations for the improvement of cell phone hardware or accessories, they can bring them up at the "Zen as You Suggested" zone.

Teaching at the ASUS Digital Campus

The ASUS digital campus holds regular training courses and interactive lessons for different products. Many young people love to buy ZenFone series for the older generation as gifts, but they may not have the time to show them how to use the phone or respond to their questions. In this situation, they can register them for training courses. The contents include the use of LINE or Facebook to participate in the daily lives of the children or the techniques of easily taking good pictures. All these topics and more can be learned at the ASUS digital campus, and there are more programs for in-depth learning and exchanges as well.

3.5Customer Service

In addition to product quality and performance, ASUS also highly values after-sales service. With service networks located worldwide, ASUS provides convenient and professional service to customers everywhere. Through continual process improvement and through the pursuit of perfect service quality, ASUS strives to attain customer satisfaction and trust.

Diverse Service Channels

ASUS 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 a timely manner.

Physical Service Centers

Starting in 2001, ASUS 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 2015, there were 70 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.

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In addition to the Royal Club service centers which are run directly by ASUS, 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

For customers who are unable to visit service centers, the ASUS Support Site and the MyASUS App for mobile devices provides users with technical documents and videos to help immediately solve related problems. In 2015, ASUS introduced a help function to "MyASUS" and "Live Chat" that offers automatic responses from an existing knowledge database according to keywords inputted and options chosen by consumers. This simple problem-solving tool allows the consumers to get solutions at any time and in any place.

■ ASUS Support Site（http://www.asus.com/tw/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). Following the establishment of the ZenTalk zone in Taiwan and China in 2014, ASUS continued to establish ZenTalk zones in respective language in India, Indonesia, the Philippines, and later introduced an English version for global service.(http://www.asus.com/zentalk/).

ASUS introduced the instant messenger service "Live Chat" in North America, Taiwan, China, Asia, and parts of Europe at the end of 2012. The link is placed at an eye-catching place of the webpage so that consumers can easily access this service. This allows them to provide or describe the problems in full details.

Consumers can communicate with ASUS staff through the general forum, ZenTalk forum, Live Chat, and MyASUS. ASUS customer service staff will provide information in words, graphics, or video, to help solve issues more efficiently.

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

Consumers may download the MyASUS App from Android app stores. This app provides access to the technical service website as well as help for purchasing ASUS products, news on special sales, locations of the nearest support centers, registration through barcodes scanning, and other value-added services. It is expected that the Windows version can be launched in 2016 and thus we will be available to more ASUS users.

Technical Support Hotline

Customers can call their local product helpline to seek solutions for product problems. Technical support personnel will help solve the problem or determine if it is necessary to send in the product for repair.

Related Services of Taiwan Asus Royal Club

Besides the "Recharging Station" and "Service without Distance, Thoughtful Delivery to Home" implemented in 2014, we provide more new services to provide customers with thoughtful, dedicated, and innovative services and fulfill corporate social responsibility, so as to enhance overall customer satisfaction and service value in 2015.

■ Mobile Device App Service

To provide more convenient and flexible ways of repair service to our customers, they may download the MyASUS App. The app allows them to access technical support personnel one-on-one for step-by-step problem solving. Customers can also check repair status using the app.

■ Mobile Device Backup Service

Starting in Q4 of 2015, the ASUS Royal Club began offering even more services for helping customers with phone repairs. When customers cannot backup their data in the phone before sending it in for repair, the ASUS Royal Club provides a mobile backup device so that they can backup all data with ease.

■ Spare Device Service

When a customer has to send a notebook in for repair, ASUS lends them a spare notebook computer. This allows them to continue to work until their own device is properly fixed.

ASUS Cloud Customer Service

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

- FAQ: continuously update questions regarding cloud computing services
- ASUS official and mobile discussion platforms: regularly responds to questions on Monday through Friday business hours
- Customer service email: on Monday through Friday business hours, response within 24 hours of first contact for premium members, and within 72 hours for general members. If a premium customer replies that no further response is needed before the case is closed, ASUS customer service personnel will in turn approach the customer to confirm if the problem is resolved. For technical questions, ASUS will contact the technicians and provide feedback within 72 hours.

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3.6Customer Satisfaction

ASUS 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. Customer satisfaction surveys are carried out in accordance with our internal process of "Customer Service After-Sales Support Customer Satisfaction Management". The management proves is certified by the ISO 9001 quality management system.

Customer Satisfaction Survey on Product Repair

In Taiwan, Customers receiving after-sales service will receive a satisfaction survey according to one of the three types of services:

- e-Survey: customer received repair service will receive the e-survey via email
- Interactive Voice Response: customer using call center service will receive interactive system after the phone call
- Survey Device: customer receiving onsite service in ASUS Royal Club can provide feedback through the device

The response rate of e-survey on average was 15% every week. ASUS continues weekly reviews and analysis of survey results. In 2015, we analyze 52 weeks from 2014/12/29 to 2016/1/3, and the satisfaction rate was 82.7%.

ASUS Cloud Satisfaction Tracking

When customers make inquiries through the online inquiry system, the ASUS Cloud automatically sends out a questionnaire to find out the status of the after the conclusion of the Q&A. In 2015, on average more than 70% of customers were satisfied with the service.

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3.7Customer Privacy and Information Security

Customer Privacy During Product Repair

To ensure the preservation of critical customer data when products are sent in for repairs, ASUS executes the following procedures before accepting a product for repair:

- Remind the customer to backup data
- Explain the risk and likelihood of data loss
- Informs the customer to review the disclaimer, paying attention to terms of service that includes ASUS privacy policy
- Ask the customer to sign the Return Material Authorization (RMA) form, indicating he or she agrees with all contents in the disclaimer

ASUS Cloud Data Security

ASUS Cloud is devoted to the operation of cloud technology in order to ensure that high-quality cloud services are delivered to our global users. For the service has launched in 2008, we always believe that a good information security mechanism will not only provide a good reason for users to embrace cloud services but also accumulate brand reputation.

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

- Has introduced ISO 27001 information security management system (ISMS) since February 2011, and is certified by a 3rd party.
- Provides Secure Sockets Layer (SSL) encryption protection mechanisms.
- Provides financial level One-Time Password (OTP) protection mechanisms.
- Uses national security level Advanced Encryption Standard (AES) encryption technology to protect user data.
- Uses an enterprise-level virus scanning mechanism.
- Explain the terms and services and require users to agree with the privacy protection policies upon activating their cloud service

ASUS Cloud had 61 employees complete relevant information security training in 2015, with each training lasting 2 hours.

Mobile Application Security Project

The PIPIAS Committee of ASUS collects and studies information on issues related to mobile apps developed for ASUS products, providing a Mobile Apps Development Checklist for relevant departments to comply with, in relation to the collection, processing, and use of personal information.

Update of the Return Merchandise Authorization Service Form for Personal Information Protection

The PIPIAS Committee works with the Customer Service Center to update the RMA service form used by all ASUS warranty service and maintenance centers worldwide. The committee simultaneously confirms if the wordings concerning the collection, processing, and use of personal information are covered. This process ensures that all consumers acknowledge and agree to ASUS terms regarding the collection of their personal information, before receiving services. The updated RMA service form is already used in Southeast Asia, but ASUS will expand use of the form to more than half of our global markets in 2016.

Annual Internal Audits on Information Security

Departments responsible for personal information management are included in internal audits. Through self-examination and through audits conducted by internal auditors, nonconformities are identified and corrected, to ensure personal data protection, information assets security, and related management structures are enforced.

To strengthen information security of ASUS websites and consumers, the PIPIAS Committee annually lists the external websites containing personal information and requests the computer center to scan for any vulnerability, and then performs the correction status tracking and vulnerability check according to the report. Relevant departments are required to take proper actions to rectify the findings within a stipulated period of time.

In 2015, ASUS and ASUS Cloud did not have any data missing or errors, breech of user information, or related complaints due to negligence. In addition, there were no legal actions involving the Personal Information Protection Act.

4 Inspire, Motivate and Nurture Employees

ASUS considers our employees the most important asset. "Inspire, motivate and nurture our employees to explore their highest potential" is one of ASUS business philosophies. As such, ASUS spares no effort in providing competitive salaries, festive activities and various other benefits to attract talented people. We ensure they can cover their basic living needs by offering complete welfare and insurance packages so that they could also give consideration to family life and health while concentrating on work. Furthermore, ASUS fosters and cultivates talented employees to achieve the company vision of becoming "The world's most admired leading enterprise in a new digital era".

4.1Human Resources Structure and Recruitment Policy

By the end of 2015, there were 100 ASUS subsidiaries located in Asia-Pacific, Europe, America, and Africa. ASUS and ASUS Cloud together have 16,905 employees worldwide, with 7,350 employees in Taiwan and 9,555employees in China and overseas.

Below shows the number of employees of ASUS and ASUS Cloud by gender in Taiwan for year 2015:

Gender	ASUS	ASUS Cloud
Male	4,794	49
Female	2,480	27

The majority of the ASUS workforce is male, at 66%, and 34% of the workforce is female; the number of male employees was twice as many as female employees.

The majority of the ASUS workforce is male, at 66%, and 34% of the workforce is female; the number of male employees was twice as many as female employees.

Senior managers of ASUS subsidiaries are local employees familiar with local cultures, so that operations and management can be localized and to ensure that there are no management problems due to cultural differences within the workforce. For more employee data, please refer to Section 6.

ASUS does not discriminate against people based on race, gender, age, political affiliation, religion, or disability .We follow local minimum age requirements, 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. ASUS Declaration on Human Rights is as follow:

Human Rights Policy	Description
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.

Table 4.1 ASUS Declaration on Human Rights

Recruitment and Retention

ASUS recruitment follows the principles of public recruitment, fair selection, and hiring the best. Information regarding vacancies, conditions of employment, and related procedures is also transparent. All applicants who come from various fields of specializations must take required examinations and interviews, and the selection process is based on performance in these hiring activities .The most qualified candidate who satisfies all conditions, requirements, and expectations is chosen.

ASUS employs people in compliance with minimum age requirements of respective countries or region. In Taiwan, candidates for industry-academic cooperative education programs are students at higher education levels. All students must be at least 16 years old to join ASUS through the industry-academic cooperation education program.

For employees without standing performance, ASUS not only provides relevant plans for professional development, we also proactively help plan careers and introduce opportunities through job rotation to develop diverse skills. ASUS also interviews employees who resign to understand and analyze the causes of resignation. If the cause of the problem is due to the organization or management, ASUS will take positive measures for correcting the problem.

4 Inspire, Motivate and Nurture Employees

4.2Remuneration and Benefits

Candidates with identical backgrounds will have identical starting salaries regardless of gender, religion, political views, or marital status. The relevant department will compare the remuneration with competitors within the industry and adjust it in the middle of the year if necessary. The ratio of basic salary and remuneration of women to men with the same job level is about 1:1. In Taiwan, the entry level wage offered by ASUS is superior to that of set forth by the regulations, and the ratio was 1.05:1.

In Taiwan, full-time employees are also guaranteed the following:

- Holiday bonuses for specific holidays
- Personal bonuses which are in accordance to individual performance and company achievement
- Patent awards and model staff bonus
- Annual health examination
- Life insurance, labor insurance, group medical insurance, disability/invalidity coverage, and other relevant coverage
- Wedding and funeral gifts, coupons as a 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
- Departmental events, ASUS Family Day, Christmas party, Chinese Yew Year party
- Sports and leisure facilities, encouraging employees to exercise and maintain their health
- Employee cafeteria and subsidy for meals
- Vegetable planting area, helping employees to relieve stress
- Summer/winter camp for children of employees
- Subsidy for employee club activities

Pension

ASUS, ASUS overseas subsidiaries and ASUS Cloud all follow local government laws and regulations regarding retirement benefits.

In Taiwan, regardless of nationality, all employees have pensions. The Labor Pension Act has applied to every Taiwanese employee since January 1, 2008. ASUSTeK deposits 6% of each employee's monthly wages into an individual labor pension account managed by the Bureau of Labor Insurance. For foreign employees, ASUS deposits 2% of each employee's monthly wages to the Pension Deposits Trust in the Bank of Taiwan. Such trust mentioned is calculated by actuaries each year and ASUS prepares labor pensions to cover retirements for foreign employees. For more information regarding pensions in Taiwan, please refer to the annual report.

4.3Fostering Talent

Talent is the cornerstone of business success. ASUS believes that if every employee demonstrates the ASUS DNA - ASUS 5 Virtues, Focus on Fundamentals and results, Lean Thinking, and Innovation & Aesthetics - and shows his or her potential in the job, ASUS would be able to achieve the vision of becoming "The world's most admired leading enterprise in a new digital era". Therefore, based on the ASUS DNA, we analyze managerial and professional competencies that are necessary for employees in every level and build the learning and development system based on these competencies.

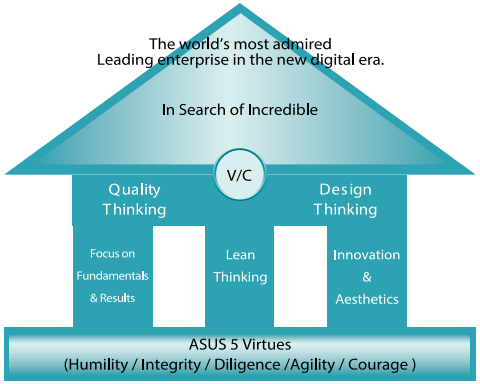


Figure 4.1 ASUS DNA

Implementation of Training Systems

ASUS has established training roadmaps for various employees, including required and selective training courses for high-level managers, mid-level managers, entry-level managers, and for professional-duty employees.

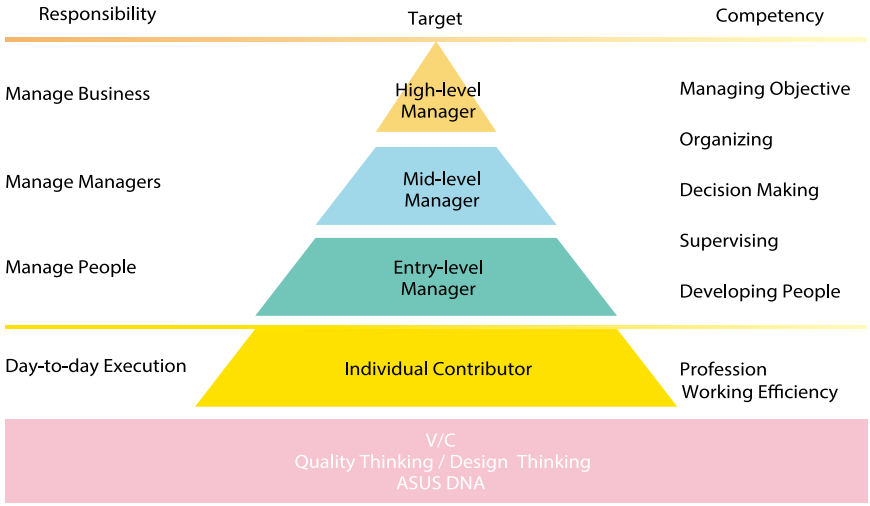


Figure 4.2 Competency Model

Internal training consists of 3 categories, including core values, management, and profession.

ASUS has built a well-constructed internal lecturing system for the effective transfer of knowledge and experience. Management and core value training materials are designed and delivered by internal trainers. In addition, to deliver professional courses more efficiently, Human Resources integrates cross-departmental professional courses and establishes sharing mechanisms so that every employee can join courses.

4 Inspire, Motivate and Nurture Employees

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 fornewly promoted managers • Management forum	To develop mangers' management capabilities and leadership efficiently to lead members to success.
Profession	• New hire professional training • Professional training	To enhance employees' professional capabilities for success.

Table 4.2 Internal Training Course

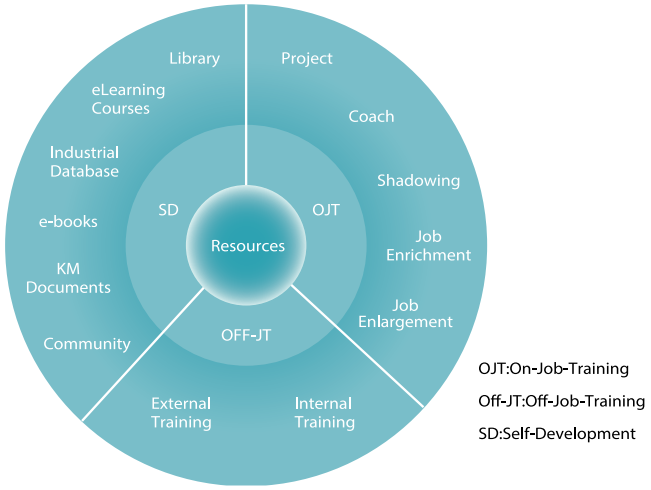


Figure 4.3 Multiple Learning Resources

Multiple Learning Resources

ASUS spares no effort in talent development. In order to keep developing employee skills sets, we offer different kinds of learning resources that are accessible by all employees. Each employee can choose the appropriate learning resources, according to his or her personal interests. Resources are described below:

- Off-the-job training (Off-JT)

  ASUS encourages employees to attend external courses to exchange ideas and learn new knowledge outside the organization. We subsidize the external training programs if they are related to the role of the employee.

- On-the-job training (OJT)

  Managers plan on-the-job trainings according to roles. Personal development enhances individual competency. On-the-job trainings are supplemented with projects, coaching, job shadowing, job enlargement, and job enrichment to allow employees 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 databases, knowledge and document sharing, and forums on various social networks. This allows employees to learn at anytime and anywhere.

Learning and Growth Plan, and Performance Appraisals

Performance management at ASUS combines performance appraisals with learning and growth plan to improve employee's performance and ability to achieve the organization's goal.

ASUS implements the "Learning and Growth Plan" in accordance to the internal documentation "Education & Training Approaches" for all employees. The plan could assist managers in developing the competences of employees and provide training plans. 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.

Figure 4.4 Learning and Growth Plan Procedure

ASUS executes performance appraisals in June and December of each year, in accordance with company "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 ASUS in Taiwan in 2015:

4 Inspire, Motivate and Nurture Employees

Category	First Appraisal	Second Appraisal
Performance Appraisal for Male	99.98%	99.98%
Performance Appraisal for Female	99.95%	99.96%
Performance Appraisal for Manager Level	6.67%	7.22%
Performance Appraisal for Regular Employee	93.33%	92.78%

Note 1: Excluding special personnel, senior managers, interns, employees in probation periods, and accredited employees

Note 2: Excluding employees who were absent due to sickness or special conditions

The following table shows the data for ASUS Cloud employees in Taiwan in 2015

Category	2015
Performance Appraisal for Male	100%
Performance Appraisal for Female	100%
Performance Appraisal for Manager Level	31.94%
Performance Appraisal for Regular Employee	68.06%

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

Note 2: Excluding employees who were absent due to sickness or special conditions

Employee Code of Conduct and Performance Coaching

For under-performing employees, or for those in violation of internal regulations, ASUS provides opportunities for improvement. During the process of improvement, first-line managers provide one-on-one coaching, and Human Resources will provides caring and support to employees. For those who cannot enhance performance, we will provide thorough communication and rotation options. If the employee cannot find a proper position in the organization, we will provide support during the career transition period.

Safe Workplace and Work-Life Balance

ASUS cares about the physical and mental health of our employees. We offer a healthy and safe workplace as well as healthy dining and sport facilities. We also promote work-life balance through regular health enhancement activities and provide psychological consultation services. We believe that a positive and friendly working environment and caring of employees and their families help achieve a healthy work-life balance and thus retain talents and stimulate efficiency and creativity.

4.4Workplace Safety

Providing a safe and healthy workplace environment is our commitment, and it is also the basic protection to employees. In order to maintain a safe workplace, ASUS complies with all relevant laws and regulations. Other ways we help provide a safe and healthy workplace include:

- 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.

- Customized digital training packages that align with job roles

  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

    It includes Traffic safety video and brochures, as well as motorcycle checkup activities. We not only offer our employees useful information on traffic safety but also take care of them.

  - Fire drill simulations

    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 2015, for ASUS in Taiwan, the most common type of occupational injury was the traffic accident. The lost days were 306 days, and the absentee rate was 0.59%. For ASUS Cloud in Taiwan, the most common type of occupational injury was the traffic accident. The lost days were 8.25 days, and the absentee rate was 1.40%. The following table shows the disabling frequency rate and disabling severity rate for ASUS and ASUS Cloud in Taiwan in 2015:

4 Inspire, Motivate and Nurture Employees

Item	ASUSTeK	ASUS Cloud
Male Disabling Frequency Rate	1.77	6.80
Female Disabling Frequency Rate	1.40	6.80
Male Disabling Severity Rate	12	54
Female Disabling Severity Rate	9	1

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: ASUS defines "Absent" as an employee who is not able to perform work due to occupational accident, or disease, or other reason.

Leave includes: sick leave, occupational accident, and absenteeism Absentee Rate (AR) = Total Absent Hours/Total Working Hours x 100%

4.5Employee Healthcare

In Taiwan, ASUS holds regular and special inspections on the work environment of all locations to ensure a healthy work environment for the employees. The headquarters and Chengde office have established healthcare rooms and clinics staffed with specialist physicians and qualified nurses to provide round-the-clock outpatient medical service for employees, free of charge. In order to provide employees a wide variety of outpatient medical and healthcare services, ASUS collects information from referrals from employees, preferred choices over the Internet, and acclaimed clinics in the communities. And then we will assess based on the specialization, the experience and licensing status of the physicians, the certificate of medical service registration, the environment of the clinics and the content of commissioned service before entering into service agreement with these clinics. These will help to enhance the medical and healthcare service to the employees.

Employees in Taiwan are entitled to a free health examination every year. The Occupational Safety and Health Division works with health examination hospitals to conduct analysis on the causes of abnormality from the examination results, providing medical consultation and follow-ups service to the employees. In addition, ASUS also works with physicians specialized in occupational diseases for prevention and remedy. Physicians also provide on-site medical services and consultation. Employees exposed to high-risk health issues as shown in their medical history will be subject to special care under a health management classification system.

For the well-being of all employees, ASUS employs 5 visually impaired massage therapists to provide massage therapy at the healthcare rooms and clinics at the headquarters and at the Chengde Office. This helps employees relax both mentally and physically. ASUS also provides female employees who need to breastfeed their infants a comfortable, private room. Since 2010, ASUS had been accredited with the Good Breast Feeding Facility certification. ASUS actively informs relevant employees the availability of breastfeeding facilities through various channels, including orientation, consultations, and the maternity leave system to create a friendly environment for the mothers.

The health promotion programs of ASUS throughout the year including but not limited to stair climbing, weight loss campaigns, cancer screening, liver protection, vaccination, vision care activities, physical fitness tests, and CPR training. Employees can access information regarding healthcare through various channels. In addition, ASUS also employs professional nutritionists to monitor the calorific value of foods with proper labeling and to conduct monthly inspection on foods served at the cafeterias.

To provide employees with a positive and healthy work environment with a proper balance of work and recreation, the gymnasium in headquarter equips with facilities such as an indoor court, fitness center, aerobics room, billiards room, swimming pool, SPA, steam room, and outdoor sunbathing area. Those are open to employees before and after work hours. These facilities are also available to employees and their families during weekends and holidays.

Five-Star Class Psychological Caring

Figure 4.6 Multiple Communication Channels for Psychological Caring

ASUS establishes a variety of channels available for employees. Human Resources could proactively identify potential problems troubling the organization and employees. Through electronic propagandas, blogs, a caring hotline and other means, employees and supervisors can engage in positive and transparent two-way communications. This helps to build a bridge of communication between the employees with the team members or senior managers.

- Employee Caring Hotline

  This is an internal hotline with a designated personnel to provide real-time psychological and emotional support. In the event of accidental injury, hospitalization, and/or major disasters, assistance will be given based on individual situations. Employees and their families will receive proper care.

- Employee Opinion Box

  ASUS encourages employees to share their opinions or ideas through internal channels, so that different voices can be heard. Feedback is classified into four categories: product R&D, sales and marketing, administrative affairs, and personal opinions. Shared opinions in 2015 have all been responded to. With the support of relevant departments, 88% of all questions were replied to within 3 days.

- Employee Caring Website

  The contents of the website are designed by Human Resources with the purpose of providing information useful to employees, such as tips regarding how to relieve stress and how to employ positive thinking, as well as other information that may be helpful to daily life, building up self-management skills and reaching a positive work-life balance.

4 Inspire, Motivate and Nurture Employees

- Employee Assistance Programs (EAP)

ASUS has worked with Focus & Forecast Consultant Company to provide employee assistance programs. Employees can receive counseling regarding their work situation or psychological, family or legal problems without anxiety and under strict protection of privacy. Counseling services are available 24hours a day for as many times as needed. Employees can make appointments for the service.

For enhancing employees' self-awareness of the psychological status and adaptability to changes, ASUS compiled a pamphlet in June 2015 for psychological self-examination. ASUS also held the "ASUS Mood Measurement – Sensibility Station" event 5 times to assist at least 650 employees to enhance their self-awareness and self-observation capacities.

- Emergency Relief Care

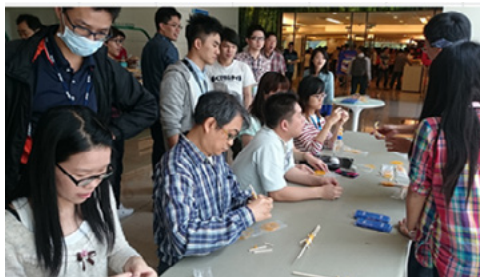
The Humanity unit of the CSO at ASUS actively expresses its concern for employees in individual emergency cases. Besides providing emergency relief and financial support, ASUS also customizes caring programs for employees who need long-term care with individual assistance and support. Employees and families can feel the love and caring from ASUS. For example, the Humanity unit will actively contact employees who have taken leave (sick leave, bereavement leave) to find out the circumstances that they are facing. We do this to show concern for their well-being.

4.6 Lifestyles of Health and Sustainability (LOHS) Environment at Work

ASUS holds LOHAS seminars and contests at regular intervals. Employees are invited to participate to relieve stress from work and to reinforce self-actualization. In addition, the topic also covers travel to teach employees to understand the joys of life through travels. ASUS also planned a variety of arts and cultural events. For example, we invited a traditional culture artist for a children folkgame DIY (Do It Yourself) event during the relevant festival. On the other hand, we provided a place for an employee in the ASUS Design Center to exhibit the artworks and customize cards for colleagues on the scene on exhibition.

- Children Folk Game DIY

ASUS invited the folk artist to teach the employee to do folkgame such as bamboo chopstick guns and bamboo cicada to experience the fun for DIY.



- The Asia Food Tour

ASUS organizes this activity for employees to learn about and experience the foods and habits of people around the world.In 2015, ASUS organized four tours representing four regions of Asia: Japan; Thailand and Vietnam; Singapore, Hong Kong and Malaysia, Korea. Each quarter, vendors were invited to offer gourmet foods of different countries for sale while introducing visitors to respective cultures. There were about 50 participating vendors

and the total sale from these events amounted to NT$801,111. ASUS also invited vendors to donate part of the proceeds from the events to the Children Alliance charity fund. Donations totaled NT$16,600.

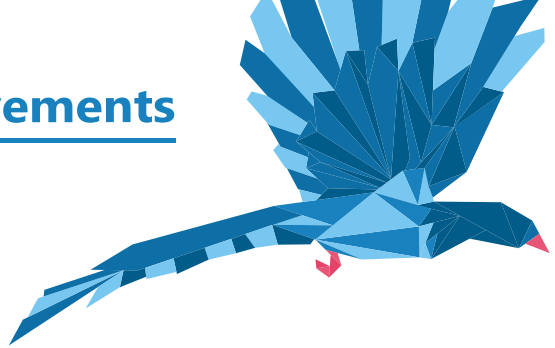
- Farmer Market

ASUS puts together the best food materials from all over Taiwan to set up the "Love the Earth Campaign" for promoting toxic free and organic produces every week. 37 farmers were invited throughout year of 2015. This market also provides convenient grocery shopping for employees who prefer local organic food. Accumulated sales totaled NT$1,052,880, which indicated a growth of 47% from NT$716,250 from 2014.

- Family Activities

ASUS firmly believes that harmony within families can augment psychological health. As such, family members of the employees are also the target for caring. The gymnasium is open to family members on holidays, to encourage family participation in sports and games. This helps to reinforce parent-child relationships, nurturing positive family interactions. There are also family days and departmental days for family members to join. Summer camp and winter camp are also organized for the children of employees.

5 Community Contributions and Involvements



The growth of an enterprise is dependent on a peaceful and stable society; likewise, businesses are obliged to fulfill their social responsibilities by contributing to the development of the society. Having a positive impact in society is the essence of sustainable development, and it is the objective that ASUS endeavors to achieve with its management philosophy of "Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity". For many years, ASUS has injected significant resources towards social participation in order to fulfill its corporate social responsibilities through diverse means. In addition to annual donations, sponsorships, and community service participation, ASUS has elevated its involvement in community service participation through integration with its corporate operation and core values to generate optimal values from its input of social contribution. By serving as a model for the industry to follow, ASUS has defined its unique competitiveness for sustainability.

5.1Reducing the Digital Divide

With the continuing development of technologies in the information industry, new electronic devices are constantly being introduced into the market, resulting in large amounts of computers that are still in usable conditions being discarded. Not only does this increase the amount of unnecessary waste, the discarded products also have an impact on the environment. At the same time, with the widening gap between the rich and poor around the world, many disadvantaged groups have not been presented with the opportunity to use electronic products. Therefore, ASUS has started a long-term project with the aim of reducing this digital divide. The project extends the product life of the usage length of and reduces the burden on the environment. In addition, this project also provides opportunities for disadvantaged groups to transform their quality of life through access to technology.

1. Caring about the Sustainable Environment of the Earth and Extend the Product Life With the global trend of environmental protection and sustainable development, the efficiency of resource usage and recycling are topics that have been paid attention to across many countries. These issues have a significant influence on the overall development of the economy and stability of commodity prices, and are also important factors for international investors when choosing investment targets. From the perspective of the material life of products, apart from the main consideration of product design, a sustainable society built on the recycling and reuse of products can succeed in extending product life.

2. Transforming Lifestyles through Education
   Enriching skill sets and knowledge through education and vocational training is an essential means of assisting disadvantaged minority groups to end poverty and improve their lives. We believe that digital education is the most effective method to overcome the inequality in resources resulted from the urban-rural gap, physical distance, and economic inequality. ASUS adopted the objective of "reducing the digital divide" several years ago while launching a series of events and campaigns to promote digital education worldwide.

Corresponding SDGs and the Target	
Goal 4 QUALITY EDUCATION	ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education
Goal 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet

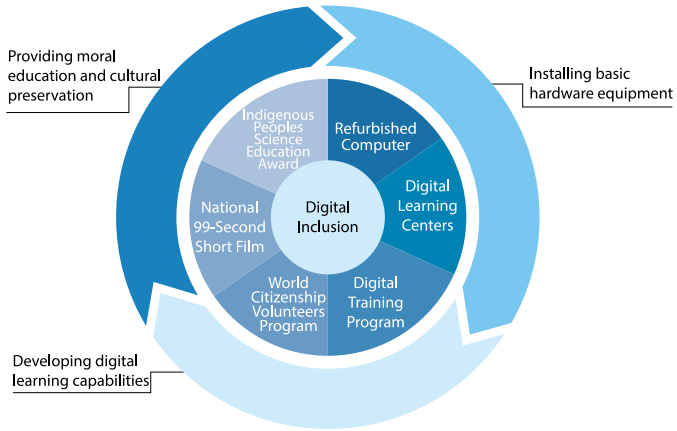


Figure 5.1 Core Value and Contents of the Reducing the Digital Inclusion Project

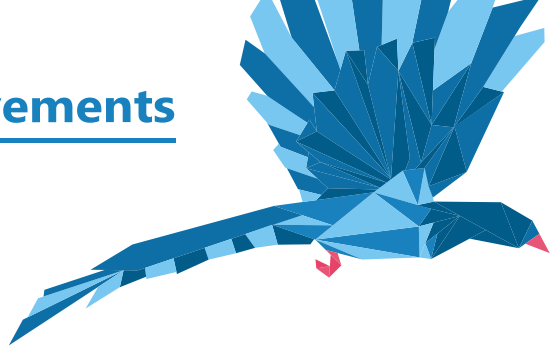
Digital Inclusion refers to various information strategies brought forth by the European Union after the United States proposed measures of Digital Divide and Digital Opportunity. These strategies aim to promote the constructions of a more digital inclusive society. Digital Inclusion includes policies and activities that encourage an information society without discrimination. In this society, people are exposed to equal opportunities of using information regardless of education level, sex, age, race, and place of residence.

Digital Divide leads to a giant gap between those with access to IT facilities and those without such access. Digital Opportunities provide access to IT equipment to those who have fewer opportunities of IT usage to close the gap of digital division. According to studies, digital inclusion attempts to build a people-centered society without information barriers. There are 3 main aspects of Digital Inclusive of the project: installing basic hardware equipment; developing digital learning cababilities, and providing moral education and cultural preservation. 6 sub-projects are also designed to gradually improve the life quality of disadvantaged groups through digital learning, while promoting and preserving traditional culture at the same time.

The ASUS Foundation

In 2008, the ASUS Foundation was initiated in an effort to reduce the divide between digital learning and townships by establishing digital learning centers at various locations with the supports of related nonprofit organizations, and local and foreign volunteer groups. Through green technology and the integration of societies and cultures, the ASUS Foundation is committed to assisting local communities reduce the digital divide with concrete and continuous actions to fulfill our corporate social responsibilities, achieving ASUS' vision of cultivating international talents and world citizenship. By connecting and collaborating with governments and non-profit organizations around the world, the foundation has resorted to different means and events to inspire the general populace to pay more attention and focus on society-related issues. Meanwhile, the foundation also hopes to pool the energy and resources of all parties involved through more concrete actions to extend the reaches of its services to more diverse platforms and with the connections to different organizations. The foundation will then be able to enhance the effectiveness of its contribution to society while improving global information education and facilitating the development of international exchanges.

5 Community Contributions and Involvements



The foundation aspires to function as a platform for global digital education by offering integrated software and hardware services so that we can continue to give back to the society with concrete and sustained actions.

Refurbished Computer and Digital Training Program

Starting from 2008, the ASUS Foundation has launched "PC Recycling for a Brighter Future" program that has recovered discarded computers and has refurbished them for reuse over the past 8 years. The program not only promotes the concept of eco-friendly but also establishes a basic series of information products, setting up an initial step for promoting digital learning in order to reduce the gap of digital divide.

In 2015 the foundation recycled a total of 19,456 units of IT products such as personal computers. Compared to the 14,956 units recycled in 2014, the annual recycling rate increased by as much as 77%. In 2015, the ASUS Foundation donated a total of 1,262 refurbished computers to 89 domestic nonprofit organizations in Taiwan and to 14 overseas countries. Recipients of these refurbished computers were mainly nonprofit service providers such as volunteer groups, learning enrichment centers for disadvantaged students, seniors, immigrants, or for the physically or mentally handicapped. The recipients of these computers were also given relevant software trainings by the ASUS Foundation, such as social network building (creating fan page on Facebook, posting and sharing contents), file management (using Google cloud drive, making questionnaires and surveys on cloud), word processing (Word/Excel/PPT), promotional platform (introductory video editing) and so forth. These supplementary courses help to boost administrative capabilities of our partners in nonprofit organizations while enable them to broaden their international views and rendering them more competitive in the future. The software training and teaching materials have benefitted approximately 16,050 users directly and indirectly.

When the capabilities of recipients grow, partners of the recipients also benefit. For example, learning enrichment centers in rural areas tend to suffer from shortages of educational resources; consequently, few teachers are inclined to provide services in these areas. As a result, these centers remain out of touch with the outside world. Students in such areas have no digital capabilities and therefore have few chances to improve their academic performance through digital learning platforms. However, through this program, disadvantaged students are able to engage in online learning of mathematics and languages via video conferencing on refurbished computers. The integration of software and hardware resources enables us to assist these students by removing the barriers that are preventing their growth.

Inspired by the mission of reducing the digital divide, members of the ASUS Volunteering Club started collaborating with the ASUS Foundation in 2015 by visiting recipient organizations and providing relevant digital content services. By offering onsite services, members of the ASUS Volunteering Club were able to observe the demands of end users and then feedback to ASUS product and design teams. This creates a positive relationship between ASUS products and users. To bolster communication and exchange between recipient organizations, ASUS created a Facebook fan page to share the use of refurbished computers.

- ASUS digital learning and sharing platform: –“Connecting the World with Love”: https://www.facebook.com/groups/asuselearning/
- Exclusive coverage by the Public Television Service (PTS) and DaAi TV in 2015 has helped to create more exposure for this initiative. These programs include:
  - Exclusive interview on refurbished computer on “Green Happiness Philosophy”, aired on 2015/3/7: https://www.youtube.com/watch?v=VjgNu8pSFzc
  - Exclusive coverage on “Refurbished Computers” by the PTS was aired on 2015/4/18: https://www.youtube.com/watch?v=9mfX4bCNkMY
  - Exclusive interview on reducing the education divide on “Tales from the Heart” Program, aired on 2015/5/7: https://www.youtube.com/watch?v=W-mR_fdq84s

Sharing: Review of Refurbished Computer from Angel Development Center

The ASUS Foundation donated 3 recycled computers to the Angel Development Center. These computers were used to provide various classroom activities, promoting learning motivation and increasing leisure choices for disabled people while also enabling the service target of disabled people to a sense of accomplishment and to increase limb flexibility when operating computers

The3 computers have assisted the Angel Development Center in providing positive support to the learning, training, and leisure sessions, in addition to the emotional realms of members of the center.

We give thanks to The ASUS Foundation for providing these recycled computers free of charge. These computers have broadened the perspectives and enriched the lives of disabled people in our center!

Original Website: https://www.facebook.com/findtyangel/posts/1180928195280918

To learn more about the recipient organizations, please visit the Facebook fan page of the “PC Recycling for a Brighter Future” program athttps://www.facebook.com/asusecopc/.

For more information about the ASUS Foundation’s “Refurbished Computer and Digital Training Program”, please visit: http://www.asusfoundation.org/

Digital Opportunity Center Project

Since 2009, ASUS has collaborated with the Taiwan Ministry of Foreign Affairs by taking part in APEC’s ADOC 2.0 project for 7 years to assist ADOC member nations and nonprofit organizations of nations that maintains diplomatic relations with Taiwan through the setup of digital learning centers. These establishments were to promote digital learning and to reduce the digital divide between nations, rural and urban, age, or gender, to help improve the lives of people everywhere.

In addition to the donation of refurbished computers, the ASUS Foundation, with the support of Taiwan’s Ministry of Foreign Affairs, has assisted more than 23 nations in building digital learning centers, in conjunction with the services provided by volunteers across the world, helping to promote digital learning for children in rural areas, for students suffering from poverty, and for female and seniors. The program provides learning experiences and internship opportunities. In 7 years, ASUS has donated approximately 2,100 units of ASUS new notebook PCs and roughly 10,000 units of refurbished computers while establishing more than 100 computer classrooms and training centers, helping more than 100,000 individuals.

5 Community Contributions and Involvements

In 2015, the ADOC project was executed by the Institute for Information Industry and renamed to The Digital Opportunity Center (TDOC). The project continued to establish digital learning centers in Philippines, Indonesia, and Vietnam, to help disadvantaged children and academic institutions improve digital skills.

The table below shows the nations ASUS has been donating to since 2009.

Asia	Taiwan, Indonesia, Philippines, Thailand, Malaysia, India, Cambodia, Sri Lanka
Africa	Swaziland, Zimbabwe, Tanzania, South Africa
Central and Southern America	Guatemala, Dominica, Nicaragua, Paraguay, Honduras, Ecuador, Belize, Salvador, Mexico, Peru, Panama, Haitl

Figure 5.2 Donated Countries of TDOC Project

Mobile Digital Vehicle of Community Care Fund of Philippines

Kampus Diakonia Modern Foundation Donation in Jakarta, Indonesia

In 2015, through the TDOC project, the ASUS Foundation, together with the Ministry of Foreign Affairs, donated 243 new notebooks and 200 refurbished computers to schools in rural areas in Myanmar, Philippines, Indonesia, Guatemala, Dominican Republic, Honduras, and Ecuador. Through the collaboration with local governments and businesses, ASUS was able to deliver these resources from Taiwan to users in remote towns and disadvantaged minorities.

ASUSTeK World Citizenship/Volunteers Program

In 2015, ASUS has collaborated with 10 international volunteer organizations to select around 111volunteers from various colleges and universities to travel to the following 7 countries: Indonesia, India, Thailand, Philippines, Vietnam, Cambodia, and Tanzania. These volunteers offered a variety of services, including short-term ICT education, Chinese language training, ecological preservation, and technological education, and so forth. In order to encourage employee participations, ASUS offered business leave. Using content from presentations, Facebook posts, volunteer websites, videos, photographs and text records, the ASUS Foundation was able to share these joyful volunteer experiences. In 2015, these volunteer efforts served a total of 3,770 people. By sharing the love and stories through Facebook, a total of 206,440 people were informed of our efforts.

Achievements of international volunteer service:
http://www.asusfoundation.org/article_achievements.aspx?id=3

Chaoyang University of Technology Serviced in Elementary in Vietnam

In addition to selecting volunteers to perform services in rural areas abroad, ASUS has paid equal attention to local disadvantaged minorities. In order to encourage employees to actively participate in voluntary services and charity events, ASUS offers one day of volunteer leave per year for each employee and subsidy for related event funding.

In 2015, volunteers from ASUS enthusiastically took part in the following local events: digital learning camp for Taiwan Fund for Children and Families.

- Food inspection and packaging for Andrew Food Bank
- The Little Sun of Zhuwei: after-school counseling and companionship
- Kids' Secret Base: Digital Learning Camp
- Winter Warmth for the Homeless Organization
- Taiwan Fund for Children and Families
- Spice Things Up at Guandu Festival Charity Sale

Volunteers from ASUS have enthusiastically taken part in every one of the aforementioned events to ensure a successful event and impactful result., thereby not only reflecting the active involvement of ASUS in social charity but also the enhancement of ASUS employees' self-worth and recognition of their achievements.

Achievements of domestic volunteer service:
http://www.asusfoundation.org/article_achievements.aspx?id=8

5 Community Contributions and Involvements

National 99-Second Short Film Contest

Since 2009, and now in its 7th iteration, the National 99-Second Short Film Contest (aka Heartfelt 99) has been jointly organized by the ASUS Foundation and PTS. During the first half of 2015, winners of the 6th Heartfelt 99 were selected and we hosted an award ceremony. Themes for the contest were chosen based on popular topics of current affairs in the hopes of conveying positive messages and benevolent energies to the general public through the entries. Many schools have included this contest into their courses as mandatory projects every year. In addition, due to the outstanding development of information and communication products, video recording function of smartphones have been designed and has been included in the "Smartphone Creative Camp" in order to train students who are interested in using their mobile devices for content creation. The videos are transformed into teaching materials for various education topics and for use as discussion starters among elementary and junior high school students.

- The 6th 99 Seconds Short Film Contest "Heartfelt99"

Related to various incidents of crimes involving random victims, people have become accustomed to being indifferent to the tragedy of others, and continue to allow the distance between people in our society to grow farther apart. However, there are still many people performing acts of kindness that often go unnoticed. The "Heartfelt 99" contest was designed to pool the numerous instances of altruism and kindness that often go unnoticed and give them a public voice so people can see that there are still positive forces working to make our society become a better place that offers warmth and joy for everyone. Entries for the event were accepted from October 15, 2014 through February 25, 2015 and we received a total of 400 entries. Instructors of relevant departments in different schools have adopted the event as a part of their curriculum design in order to boost students' learning motivations. Creating the videos allow participants to convert memorable stories or events in their lives into invaluable heart-touching tales. Award-winning entries were compiled into DVDs and converted into teaching materials for 5th and 6th graders. A total of 68 elementary schools across Taiwan have requested for the DVDs.

Heartfelt 99 Award Ceremony – Winners of the Campus Category and Social Category

The 6th 99-Second Short Film Contest “Heartfelt 99” Official Website: http://www.pts.org.tw/2014heartfelt99/\

- Mobile Phone Video Creative Camp

  ASUS has collaborated with the outstanding crew of directors and producers from PTS in the organization of the Mobile Phone Video Creative Camp that features ASUS bestselling ZenFone as the medium of production. A total of 25 talented students from college campuses around Taiwan utilized our smartphone and received professional editing instructions from the crew to produce story telling clips with ease despite their inexperience of producing videos. The event was highly popular among the participating students because they were taught new valuable skills that they can use on a daily basis for work and play. The following links are a part of the entries that were submitted and shared on the official fan page that reached a total of 19,724 viewers with positive feedback.

	Warmth of Handwriting https://www.youtube.com/watch?v=_JfupogAGlg
	The Toughest Breakfast https://www.youtube.com/watch?v=uHP_ip9v9QY
	The Simplest Chore That’s Most Difficult https://www.youtube.com/watch?v=RpEGxESxt9E
	Fatherly Love https://www.youtube.com/watch?v=3dJ7A7MckP4
	Baked Bun https://www.youtube.com/watch?v=O6bUDyMlFrU

The 6th ASUS Indigenous Peoples Science Education Award

The Indigenous People Science Education Award focuses on cultural heritage and scientific verification. This award combines traditional indigenous scientific knowledge, culture, and ecological environment with modern scientific, technological and innovative research

5 Community Contributions and Involvements

activities to promote the information and science accomplishments among elementary and junior high school students. With the use of cloud platforms and with help from seniors and parents, elementary and junior high school students of indigenous areas conduct science projects related to the tribal environment. The wisdom of indigenous tribes and culture are preserved through scientific verification methods.

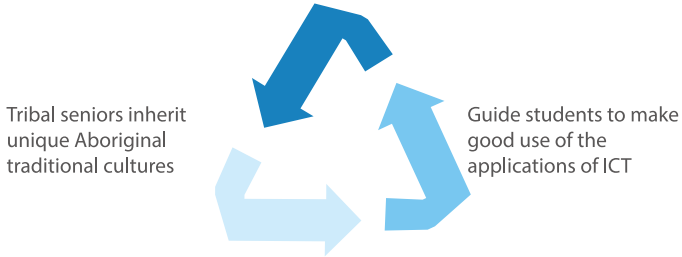


Figure 5.3 The Concept of ASUS Indigenous Peoples Science Education Award

Now entering its 6th iteration, the ASUS Indigenous People Science Education Award started back in 2009. It commenced in April 2014, with registrations closing in December and the panel reviews and award ceremony concluded in the first half of 2015.

A total of 45 teams consisting of 242 participants took part in the event by completing and submitting proposals. Among the participants, 210 were aboriginal citizens from 10 different tribes. The event reached over 10,000 people, including participants who received training; woodcraftsmen from a local organization that teaches various wood-working skills; audiences of special lectures; audiences of media and scholars who wrote about the event.

One thousand copies of the prize-winning entries, which were compiled into one portfolio, and DVDs of the award ceremony, were distributed to various elementary and junior high schools and tribal communities. In addition to airing on indigenous TV channels, the coverage was also featured on the Yabit website, a major website for supporting aboriginal cultures.

Since the program began, more than 2,000 indigenous teachers, students, seniors, and parents have directly taken part in the event, completing over 1,500 entries of research logs and 208 science project entries. Through the cloud science exhibition platform, junior high school and elementary school students in aboriginal towns were able to engage in science project studies on the topics of physical objects and phenomena of their day-to-day environment with the accompany with their seniors and parents. The experience enabled participants to build up their ability and performance in national science exhibitions with candidate from students in urban schools. The execution has proven itself feasible and could establish a system of collaboration among the ICT industry, government, and academia to improve science education among indigenous people over the long-term.

The Influence of Digital Inclusion

1. Abandoned computers contain chemicals that can cause severe pollution to the soil and water without proper processing. After rebuilding the discarded computers, ASUS gives new lives to them by transforming them into reuse computers. This could reduce the amount of waste and maximizing the use of natural resources.
2. The disadvantaged groups are provided with refurbished computers to enjoy digital education. This project builds up their IT skills and further improves their quality of life, such as providing the latest information to rural schoolchildren and increasing opportunities for digital education.
3. The recipients of the digital inclusion project include foreign spouses and the seniors. This project lends a learning opportunity for these people to connect with family members using social media and communication software, a chance to retrieve a lifestyle filled with connection and relationships.
4. The digital learning centers contribute to the improvement of living qualities and the enhancement of professional skills. For example, a youth working in the Philippines led an impoverished life far from home, and could only make a living by collecting eggs and selling them in the market. The ASUS digital learning center assisted the youth in finding his interest and expertise, and he was able to provide computer repair and maintenance services back in his hometown with what he had learned. This opportunity not only enabled the youth to lead a new life and improved the quality of his life, but also helped him find a sense of accomplishment and confidence.
5. The difference between ASUS and digital education activities provided by other industries lies in the ASUS Indigenous Science Education Award. The award is people-centered and focuses on culture, aiming to continue the heritage of traditional culture. Indigenous cultures include a variety of valuable qualities that are facing of the risk of disappearing due to emigration and education deficits. Treasures of the culture that are transported orally between elders of the tribe are particularly vulnerable. Through the ASUS Indigenous Science Education Award, children can learn and verify wisdom of the elders through the scientific method and further, preserve ancient wisdom. Due to these contributions, the ASUS Indigenous Science Education Award has been approved by the Ministry of Education, becoming designated for prizes with additional points at the National Primary and High School Science Fair.

5.2Social Application of Cloud Service

The widespread use of the Internet has also lead to the creation of cloud-based and digitized medical services. Coupled with the establishment of ICT, citizens are able to better manage their health and possibly prevent major health risks.

Corresponding SDGs and the Target	
Goal 3 GOOD HEALTH AND WELL-BEING	Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks

5 Community Contributions and Involvements

In 2012, ASUS launched a project with Show Chwan Health Care System for the integration of healthcare and IT. In this project, ASUS worked with Show Chwan to provide its cloud computing technology which serves about 10 million users around the world, along with the abundant healthcare energy of Show Chwan and with convenient access to healthcare information in Taiwan. The project facilitated the integration of personal health records with a cloud computing platform, offering various resources to stimulate innovation and to improve the quality and efficiency of public health services.

Establishment of Palau Healthcare Cloud Service

Along with building the cloud service platform in Taiwan, ASUS and Show Chwan teamed up with Chunghwa Telecom (CHT) in 2013 to develop a complete healthcare cloud experience and deliver this solution to Palau, with the support of Taiwan's government.

Over the 40 years of Taiwan's medical diplomacy, the greatest costs incurred are due to sending doctors and nurses abroad. Due to limited resources, providing healthcare services abroad is not feasible for the long term and thus is difficult to establish trust between physician-and patient. Therefore, we need to take innovative thinking for the development of medical diplomacy by combining Taiwan's healthcare system with ICT capabilities to establish a sustained, more efficient and more flexible medical mechanisms to create the blue ocean for international medical cooperation.

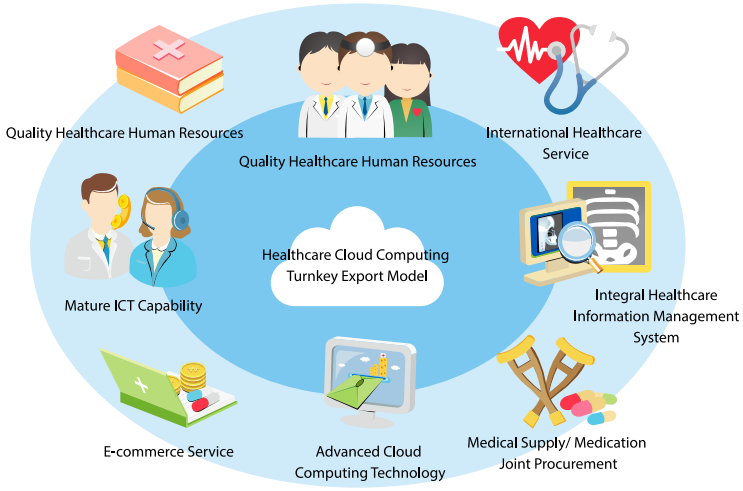


Figure 5.4 Illustration of Medical Diplomacy with Innovative Cloud Technology

Project Benefits

1. Further develop Palau-Taiwan relations through medical diplomacy, in turn elevating Taiwan's international status.
2. Improve Palau's current healthcare service model by providing high quality, comprehensive, cloud-based medical services for Palauans, to improve their health index.
3. Share Taiwan's medical industry experience and integrated healthcare system to train their local caregivers for better healthcare services, establishing a new healthcare model for Palau.

4. Implement cloud computing technology to construct the personal health information platform for Palau as well as integrated healthcare resources with the medical evacuation system, setting an innovative example for international healthcare service.

5. Provide complete solution of high-quality medical services which does not require a lot of resources to ally countries with limited resources, helping them to develop a self-sufficient and sustainable innovative medical service.

5.3Community Involvement

ASUS and the ASUS Foundation have continued to sponsor literary and art events to support local communities while expanding international horizons and fulfilling our social responsibility. Below were various social activities participated in 2015.

ASUS Enterprise Academy with National Taiwan University of Science and Technology

Since 2015, ASUS and the National Taiwan University of Science and Technology began the Enterprise Academy project, educating and cultivating future talent with supports from ASUS.

All interested students regardless of major can apply to enter the Enterprise Academy and will go through a selection process. Students are distributed into groups and participate in various lectures, visits, and competitions. As such, cross-department and cross-industrial working models are simulated to help students realize the actual working model in real life. Many of the lecturers are experienced ASUS directors and managers that share relevant industry information and personal knowledge with students. These lecturers provide knowledge that provides students an opportunity to gain a more practical understanding of how the industry works. This shortens the gap between different understandings and impressions of the industry, helping students to find a more precise career direction.

The directors and managers of ASUS prepare information and help organize the courses while lecturing at the university. Enterprise Academy project is a mutually beneficial system, as it also allows employees a chance to improve their own professional skill sets.

ASUS Campus Executive Officer Program

Toward the end of 2005, ASUS began organizing the Campus Executive Officer Program. The program selects outstanding students from universities across Taiwan to participate in courses related to business marketing. It allows students to gain an understanding of ASUS products, brand philosophy, and professional skills by personally taking part in first-hand business marketing experiences. This program has been running for more than 10 years, continuously cultivating talents for ASUS and Taiwan. Participating students who meet the requirements of ASUS vacancy conditions are invited to join ASUS, while those who have yet to join ASUS still become brilliant members of the workforce who will contribute to society.

5 Community Contributions and Involvements

Liven Up Guandu Festival

ASUS and the Taipei National University of the Arts had co-organized the "Liven Up Guandu Festival" event in 2015 to build connections in the Guandu community where the ASUS office is located. The goal of the event was to foster and strengthen bonds across the neighboring villages and to transform Guandu into a cherished venue of arts and technology in Taipei. The theme of the event was "Green Guandu". ASUS called on 100 employees to reuse computer packaging and other eco-friendly materials to create their costumes for the parade, charity sale at the market and performance. In addition, the ASUS 2357 Bull which was designed by ASUS Design Center and constructed with 2,357 recycled motherboard chipsets (2357 is ASUS' stock code on the Taiwan Stock Exchange) was also taken along in the parade. All proceedings from the charity sales were donated to local learning enrichment centers and to the Taiwan Fund for Children and Families in Northern Taiwan.

Caring and Expressing Gratitude to Healthcare Personnel

Upon receiving news of the tragic Formosa Fun Coast Explosion that occurred on the evening of June 27, 2015, ASUS immediately assembled our Employee Care Response Taskforce to investigate if any of the victims were ASUS employees. Fortunately, the taskforce quickly verified that all of our employees were safe. Nevertheless, ASUS employees generously donated to help the victims on their long road to rehabilitation and recovery. For more information, please refer to Section 5.4 on "Charity Donations and Sponsorship".

In addition to offering monetary assistance, to show our support for the selfless medical personnel who came to the aid of those suffering, ASUS employees initiated a special event "cheers for the medical personnel" to express our gratitude and well-wishes for taffs at the burn centers of Mackay Memorial Hospital in Danshui, Cheng Hsin Hospital, and Taipei Veterans General Hospital.

The Growth and Training of "Children Are Us"

ASUS has always been looking out for the disadvantaged minorities. On top of ongoing efforts to reduce the digital divide through training and education, ASUS also provides monetary support to organizations that seek to provide support for disadvantaged minorities. Through the Children Are Us Foundation, ASUS has hired 9 mentally handicapped young adults as our full-time employees. We also offer them a booth in the employee cafeteria where they can sell their baked goods and make drinks. All revenue generated by the booth is donated in full to the Children Are Us Bakery.

Not long after starting their jobs at ASUS, the Children Are Us employees became accustomed to the people. They acquired specific skills that enabled them to become more confident in their personal and professional lives. Additionally, their family members were able to assure that their loved ones had a safe and happy work environment. In 2015, we expanded the scale of their business by adding new beverage sales to their menu so that they could learn new skills that would enhance their fun and sense of achievement at work.

ASUS New Youth e-Entrepreneurship Volunteer Program

2015 marked the 7th year for ASUSTeK Computer (Shanghai) Co., Ltd. (ACC) to host its volunteer program. The objective of the program is to help disadvantaged minorities, close the digital divide, and help undergraduates boost skills needed for employment with technology. ACC has continued to collaborate with the China Association for Science and Technology to transform the ASUS Undergraduate Science Popularization Volunteer Program to ASUS New Youth e-Entrepreneurship Volunteer Program.

ACC has also been working with 3 other philanthropic organizations to launch a series of exciting and diverse charity events, to further inspire passion and enthusiasm for charity. Undergraduate volunteers encourage other students to engage in the following activities:

- Return home with the latest and coolest mobile phone applications and computer knowledge
- Discover the potential to transform their hometowns with smart technology
- Discover and share successful experiences of entrepreneurship in their hometowns
- Initiate a charitable campaign that benefits their hometowns, through e-Creative Idea

For 2015, ASUS New Youth e-Entrepreneurship Program focus on offered more opportunities for volunteers to get in touch with local towns to encourage entrepreneurism through participation in community involvements.

5 Community Contributions and Involvements

5.4Charity Donations and Sponsorships

Along with participation in various social events, ASUS also allocates a portion of its annual budget to sponsor various charity organizations. Moreover, our employees take the initiative to organize fundraising and donations.

Great Treading Creative Teaching Plan Contest

In light of the pivotal role that teachers play in the process of growth and character-building of children, ASUS collaborated with CommonWealth Magazine to organize a teaching plan contest that invites all teachers from elementary schools and junior high schools across Taiwan to refer to the diverse contents of "Treading Taiwan with a Smile" and develop creative teaching plans, featuring Taiwan or specific municipalities as the central theme in order to design dynamic lessons that include local detail. The purpose of this event is to inspire teachers to lead and encourage youths to improve their competitiveness. The first year for this event was 2015, and it received tremendous feedback and positive responses from teachers across Taiwan. We received a total of 60 entries from the elementary school category and 42 entries from the junior high school category, with total of 347 teachers participated in the event.

The first prize for the elementary school category was awarded to "Murmurs of the Strawman" from Pin-Lin Elementary School in Chiayi County. The teacher made ingenious use of straw – an ordinary object that is easily available to the children – as the medium to convey the wisdom of our ancestors and their passion for our land. Through the hands-on activity at the end, the participating students were inspired with new ideas.

The first prize for the junior high school category went to "Sons of Rice Noodle" from Hulin Junior High School in Hsinchu City. The entry featured the story of rice noodle that integrates digital technologies to pass down and promote the great flavour that has been around for more than a century.

Cooperation with Radio Da-Ai

Since 2008, ASUS has sponsored the production of spiritual purification-related programs by Radio Da-Ai. In 2015, two public service announcements titled "National Museum of Marine Science & Technology" and "Hakka Round House" were introduced with different point of views and thoughts to promote wisdom in education, honesty, integrity, and hard work.

Sponsorship of MONSTER Cheerleading Team

Since 2011, ASUS has assisted the MONSTER Cheerleading Team (MONSTER) to improve their training environment and equipment. This project has lowered the risk of possible danger during training, enabling MONSTER to be reassured when pursuing their passion in cheerleading. The project allows MONSTER to concentrate on organizing national and international cheerleading activities, creating opportunities to bond through practice and training. This further promotes the sport of cheerleading in Taiwan and helps participants achieve their dream of sharing the stage with international teams.

MONSTER is composed of a group of students and members of society who are enthusiastic about sports. Since it has established in 2001, its objective is to provide a way to participate in and to promote cheerleading. MONSTER has participated in countless competitions and

performances, and it has continued to recruit passionate new members. The team encourages members to challenge their selves while learning team spirit, cultivating group cohesiveness, and expressing team work, confidence and self-encouragement. MONSTER hopes to strengthen its team' s foundation through cultivating cheerleaders to be grounded, holistic, and professional in order to provide innovative breakthroughs on techniques to present excellent results throughout Taiwan and on the international stage. With the effort of MONSTER and the cheerleaders of Taiwan, Taiwan cheerleading sport hopes to continue to grow and progress, expressing the unique spirit and attitude of Taiwan cheerleaders.

Crowd Funding, Fundraising, and Charity Sale Donations

In 2015, ASUS donated NT $30,614 thousand dollars for public interest with the followings: The ASUS Foundation, Formosa Fun Coast Explosion, and social welfare caring.

Events	Amount (Thousand NTD)
Donation to The ASUS Foundation	$15,000
Formosa Fun Coast explosion	$10,000
Education and Social Welfare Caring	$5,614

ASUS also builds an IT platform for employees to donate and apply the deduction directly from the salary. In 2015, ASUS employees donated NT $4,866 thousand dollars to Formosa Fun Coast explosion, year-end blessing for disadvantage groups, and caring of the disadvantage groups.

6 OTHER PERFORMANCE INDICATORS

GENERAL STANDARD DISCLOSURES

G4-10 d. Report the total workforce by region and gender.

The following tables show the data for ASUSTeK, ASUS Cloud, and overseas subsidiaries by region and gender in 2015:

Greater China

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	4,794	49	472	75	1,076
Female	2,480	27	526	133	712

Europe and America

Gender	ACG	ACF	ACIT	ACZS	ACI
Male	105	50	59	245	–
Female	32	50	29	243	–

Note: The data of ASUSTeK and ASUS Cloud for this indicator focused on Taiwan only

Note 2: ACI considers information as sensitive and thus decides not to disclose. As the result, the data were NA.

SPECIFIC STANDARD DISCLOSURES

6.1 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 for ASUSTeK, ASUS Cloud and ASUS overseas subsidiaries:

Greater China

ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
99.28%	100%	62.5%	100%	51.22%

Europe and America

ACG	ACF	ACIT	ACZS	ACI
62.5%	100%	100%	80%	–

Note 1: The data of ASUSTeK and ASUS Cloud for this indicator focused on Taiwan only

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

Note 4: ACI considered information as sensitive and thus decided not to disclose. As the result, the data were NA.

6.2 Environmental Indicators

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

The percentage of end-of-life products reclaimed was 11.06% in 2015. 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

6.3 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 numbers of new employee and the rate of new employee by age, by gender and by region for ASUSTeK, ASUS Cloud and ASUS overseas subsidiaries in 2015:

Greater China

Number of New Employee

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	955	8	196	79	230
30~50	535	16	41	3	69
>50	5	0	0	1	0
Total	1495	24	237	83	299

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	914	13	127	30	193
Female	581	11	110	53	106

Rate of New Employee

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	13.62%	10.96%	20.52%	36.48%	13.23%
30~50	7.63%	21.92%	4.29%	1.32%	3.97%
>50	0.07%	0.00%	0.00%	0.44%	0.00%
Total	21.33%	32.88%	24.82%	36.48%	17.19%

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	19.67%	27.08%	27.97%	37.50%	18.36%
Female	24.57%	44.00%	21.96%	35.97%	15.41%

OTHER PERFORMANCE INDICATORS

Europe and America

Number of New Employee

Age Group	ACG	ACF	ACIT	ACZS	ACI*
<30	7	23	2	89	–
30~50	8	9	5	31	–
>50	0	0	0	8	–
Total	15	32	7	128	–

Gender	ACG	ACF	ACIT	ACZS	ACI
Male	13	17	5	53	–
Female	2	15	2	75	–

Rate of New Employee

Age Group	ACG	ACF	ACIT	ACZS	ACI
<30	5.17%	25.14%	2.30%	22.65%	–
30~50	5.90%	9.84%	5.75%	7.89%	–
>50	0.00%	0.00%	0.00%	2.04%	–
V	11.07%	8.05%	8.05%	32.57%	–

Gender	ACG	ACF	ACIT	ACZS	ACI
Male	12.56%	36.17%	8.62%	25.54%	–
Female	6.25%	32.26%	6.90%	40.43%	–

The following tables show the number of employee turnover and the turnover rate by age, by gender and by region for ASUSTeK, ASUS Cloud and ASUS overseas subsidiaries in 2015:

Greater China

Number of Employee Turnover

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	560	6	92	109	178
30~50	402	13	39	11	76
>50	3	0	0	2	1
Total	965	19	131	122	255

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ACS
Male	607	12	76	41	167
Female	358	7	55	81	88

Turnover Rate

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ACS
<30	7.99%	8.22%	9.63%	47.91%	10.24%
30~50	5.73%	17.81%	4.08%	4.84%	4.37%
>50	0.04%	0.00%	0.00%	0.88%	0.06%
Total	13.77%	26.03%	13.72%	53.63%	14.66%

Gender	ASUSTeK	ASUS Cloud	華捷	ACS	ACS
Male	13.07%	25.00%	16.74%	51.25%	15.89%
Female	15.14%	28.00%	10.98%	54.92%	12.79%

Europe and America

Number of Employee Turnover

Age Group	ACG	ACF	ACIT	ACZS	ACI
<30	3	12	0	37	–
30~50	8	13	5	23	–
>50	1	0	0	5	–
Total	2	25	5	65	–

Gender	ACG	ACF	ACIT	ACZS	ACI
Male	8	14	3	35	–
Female	4	11	2	30	–

Turnover Rate

Age Group	ACG	ACF	ACIT	ACZS	ACI
<30	2.21%	13.11%	0.00%	9.41%	–
30~50	5.90%	14.21%	5.75%	5.85%	–
>50	0.74%	0.00%	0.00%	12.7%	–
Total	8.86%	27.32%	5.75%	16.54%	–

Gender	ACG	ACF	ACIT	ACZS	ACI
Male	7.73%	29.79%	5.17%	16.87%	–
Female	12.50%	23.66%	6.90%	16.17%	–

Note 1: Rate of New Employee = Numbers of new employee hired the whole year/ ((Numbers of employees at the beginning of the year/Numbers of employees at the end of the year)/2)
Note 2: Rate of Employee Turnover = Numbers of employee quit the whole year/ ((Numbers of employees at the beginning of the year/Numbers of employees at the end of the year)/2)
Note 3: ACI considered information as sensitive and thus decided not to disclose. As the result, the data were NA

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

Taiwan

ASUSTeK

Gender	Numbers of employee qualified for paternity leave in 2015
Male	302
Female	123

Gender	Numbers of employee apply for paternity leave in 2014	Numbers of employee apply for paternity leave in 2015
Male	7	7
Female	44	34

Gender	Numbers of employees who should returned to work after paternity leave ended in 2014	Numbers of employees who should returned to work after paternity leave ended in 2015
Male	4	8
Female	33	26

Gender	Numbers of employees who actually returned to work after paternity leave ended in 2014	Numbers of employees who actually returned to work after paternity leave ended in 2015
Male	3	6
Female	16	19

Gender	Numbers 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	Numbers of employees who returned to work after paternity leave ended in 2014, and who were employed twelve months after their return to work by 2015
Male	1	0
Female	12	12

Gender	Return to Work Rate in 2015
Male	75.00%
Female	73.08%

Gender	Retention Rate in 2015
Male	_*
Female	75.00%

*In 2015, no male was employed 12 months by 2015 after taking parental leave, thus the data was NA.

ASUS Cloud

There were no application for parental leave in 2014 and 2015, thus both data were NA.

China

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

Note 1: Numbers of employee qualified for paternity leave = Numbers of employees who applied for paternity leave

Note 2: Return to Work Rate = Numbers of employees took the parental leave and actually returned/Numbers of employees took the parental leave and should return

Note 3: Retention Rate = Numbers of employees took the parental leave in previous year and actually returned to work for at least 12 months/Numbers of employees took the parental leave in previous year and should return to work for at least 12 months

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 ASUS overseas subsidiaries in 2015:

Greater China

Category	ASUSTeK	ASUS Cloud	ACC*	ACS	ASZ
General Employee	5.92	5.23	-	6	9.41
Managerial - Manager	5.50	8.00	-	6	13.46
Managerial - Senior Manager	3.73		-	4	11.87
Managerial - Top Executives	0.97	8.00	-	0	5.09

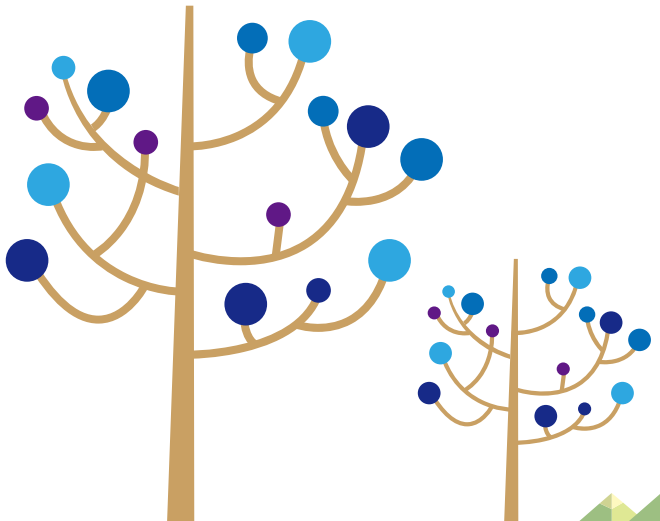
Gender	ASUSTeK	ASUS Cloud	ACC*	ACS	ASZ
Male	13.43	6.61	-	6	10.32
Female	8.20	3.72	-	6	9.85

* 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 2015 at different sites:



Taiwan

ASUSTeK

All Employees by Age and Gender

Group Age	Male	Female
<30	29.62%	41.25%
30~50	68.46%	57.98%
>50	1.62%	0.77%
Total	100.00%	100.00%

ASUS Cloud

All Employees by Age and Gender

Group Age	Male	Female
<30	12.24%	45.15%
30~50	85.71%	51.85%
>50	2.04%	0.00%
Total	100.00%	100.00%

China

ACC

All Employees by Age and Gender

Group Age	Male	Female
<30	48.94%	58.17%
30~50	49.79%	41.06%
>50	1.27%	0.76%
Total	100.00%	100.00%

ACS

All Employees by Age and Gender

Group Age	Male	Female
<30	60.00%	64.66%
30~50	38.67%	33.08%
>50	1.33%	2.26%
Total	100.00%	100.00%

ASZ

All Employees by Age and Gender

Group Age	Male	Female
<30	42.94%	45.08%
30~50	56.88%	54.78%
>50	0.19%	0.14%
Total	100.00%	100.00%

6 OTHER PERFORMANCE INDICATORS

Europe and America

ACG

All Employees by Age and Gender

Group Age	Male	Female
<30	15.24%	34.38%
30~50	79.05%	53.13%
>50	5.71%	12.50%
Total	100.00%	100.00%

ACF

All Employees by Age and Gender

Group Age	Male	Female
<30	36.17%	50.94%
30~50	59.57%	47.17%
>50	4.26%	1.89%
Total	100.00%	100.00%

ACIT

All Employees by Age and Gender

Group Age	Male	Female
<30	3.39%	6.90%
30~50	89.83%	86.21%
>50	6.78%	6.90%
Total	100.00%	100.00%

ACZS

All Employees by Age and Gender

Group Age	Male	Female
<30	49.37%	28.50%
30~50	48.85%	57.49%
>50	1.84%	14.01%
Total	100.00%	100.00%

ACI

ACI considers information as sensitive and thus decides not to disclose. As the result, the data were NA.

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 NUMBERS 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 2015.

Society

G4-SO3 TOTAL NUMBERS 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" and the implementation of Fredmund Malik's management thinking 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 2015 evaluation was distributed to employees who were Section managers, Department managers, non-managers with equivalent job level, and general employees in January, 2016.

The results are shown below:

Category	Distributed	Collected	Collection Rate	Percentage of Agreement
Section and Department Managers	825	654	79%	98%
General Employees	928	758	82%	92%
Total	1,753	1,412	81%	95%

The Percentage of Agreement indicated the degree of the sampling pool received the survey agreed that the company's internal control was well implemented. 95% of the surveyed employees agree that the condition of internal control was in the acceptable range.

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.

6 OTHER PERFORMANCE INDICATORS

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.

7 Report Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTeK COMPUTER INC. CORPORATION's CORPORATE SOCIAL RESPONSIBILITY REPORTOF 2015

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 2015. 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 2015 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 2015. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification 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 employees, superintendents, and the CSR senior management in headquarter; 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 2015 verified is accurate, reliable and provides a fair and balanced representation of ASUS sustainability activities in 01/01/2015 to 12/31/2015.

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. 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

Principles

The report, ASUS' CSR Report of 2015, 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.

General Standard Disclosures

It is recommended to have more descriptions on the goals and targets set for the identified material aspects as well as disclosure on the link of sustainability governance within the company's highest governance is encouraged for future reporting.

Specific Standard Disclosures

Disclosure of Indicators: Disclosures on effectiveness evaluation for Disclosures on Management Approach may be further enhanced in next report.

Signed:

For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Assurance Provider
000-8

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
23 June, 2016
WWW.SGS.COM

8 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.	Message from Chairman Message From Chief Sustainability Officer	Yes
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	1 Corporate Governance	Yes
G4-4	Report the primary brands, products, and services.	1 Corporate Governance	Yes
G4-5	Report the location of the organization's headquarters.	1 Corporate Governance	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.	About ASUSTeK Computer Inc. Corporate Sustainability Report	Yes
G4-7	Report the nature of ownership and legal form.	1 Corporate Governance	Yes
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	1 Corporate Governance Annual Report 89-90	Yes
G4-9	Report the scale of the organization.	1 Corporate Governance 4.1 Human Resources Structure and Recruitment Policy Annual Report 130-138	Yes
G4-10	d. Report the total workforce by region and gender.	6 Other Performance Indicators G4-LA1 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.	3.1.2 Product Manufacturing Stage - 1 Conforming Quality	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 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.	1.3.3 Internal Audit Management 1.3.4 Risk Management 2.1.1 Selection of Environmental Friendly Materials 2.3 Environmental Footprint 2.5.2 Climate Change Management 3.1.1 Materials Extraction Stage 3.1.2 Product Manufacturing Stage 3.7 Customer Privacy and Information Security	Yes

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G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	1.4 Association 2.5.1 Greenhouse Gases Reduction Commitment 3.1.1 Materials Extraction Stage 4.1 Human Resources Structure and Recruitment Policy	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	1.4 Association	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.	About ASUSTeK Computer Inc. Corporate Sustainability Report Annual Report 130-138	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.	Stakeholder Engagement	Yes
G4-19	List all the material Aspects identified in the process for defining report content.	Stakeholder Engagement	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	Stakeholder Engagement	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	Stakeholder Engagement	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.	Stakeholder Engagement	Yes
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	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.	Stakeholder Engagement	Yes

8 GRI INDEX

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.	Stakeholder Engagement	Yes
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About ASUSTeK Computer Inc. Corporate Sustainability Report	Yes
G4-29	Date of most recent previous report (if any).	About ASUSTeK Computer Inc. Corporate Sustainability Report	Yes
G4-30	Reporting cycle (such as annual, biennial).	About ASUSTeK Computer Inc. Corporate Sustainability Report	Yes
G4-31	Provide the contact point for questions regarding the report or its contents.	About ASUSTeK Computer Inc. Corporate Sustainability Report	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.	About ASUSTeK Computer Inc. Corporate Sustainability Report 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.	About ASUSTeK Computer Inc. Corporate Sustainability Report 7 Report Assurance Statement	Yes

GOVERNANCE			
G4-34	Report the governance structure of the	1.2 Corporate Governance Structure	Yes
GOVERNANCE			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1.1 Business Philosophy and Corporate Culture 1.3.2 Moral Integrity and Transparency 1.4 Association 4.1 Human Resources Structure and Recruitment Policy	Yes

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SPECIFIC STANDARD DISCLOSURES

Material Aspect	DMA and Indicator	Title	Section	Omission	External Assurance
Economic Performance	Disclosures on Management Approach		Annual Report 89-93		Yes
	G4-EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	1.3.1 Financial Information Annual Report 229-233		Yes
	G4-EC3	COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS	4.2 Remuneration and Benefits		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		4.2 Remuneration and Benefits		Yes
	G4-EC5	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION	4.2 Remuneration and Benefits		Yes
	G4-EC6	PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION	6 Other Performance Indicators		Yes
Procurement Practices	Disclosures on Management Approach		5.1 Digital Inclusion Preface 5.2 Social Application of Cloud Service Preface		Yes
	G4-EC7	DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED	5.1 Digital Inclusion 5.2 Social Application of Cloud Service		Yes

Procurement Practices	Disclosures on Management Approach		6 Other Performance Indicators		Yes
	G4-EC9	PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION	No statistics was performed.		Yes
Energy	Disclosures on Management Approach		2.5 Climate Change		Yes
	G4-EN3	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	2.5.3 GHG Information		Yes
	G4-EN6	REDUCTION OF ENERGY CONSUMPTION	2.5.3 GHG Information		Yes
	G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	2.1.2 Energy Efficiency 2.5.1 Greenhouse Gases Reduction Commitment		Yes
Emissions	Disclosures on Management Approach		2.5.2 Climate Change Management		Yes
	G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	2.5.3 GHG Information		Yes
	G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	2.5.3 GHG Information		Yes
	G4-EN17	OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	2.5.3 GHG Information		Yes
	G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	2.5.3 GHG Information		Yes
Effluents and Waste	Disclosures on Management Approach		2.3.1 Water Resources Management 2.3.2 Waste Management		Yes
	G4-EN22	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	2.3.1 Water Resources Management		Yes
	G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	2.3.2 Waste Management		Yes
Products and Services	Disclosures on Management Approach		2 Environmental Protection		Yes
	G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	2.1 Eco Design		Yes
	G4-EN28	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	6 Other Performance Indicators		Yes

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Compliance	Disclosures on Management Approach		2.1.1 Selection of Environmental Friendly Materials 2.3.1 Water Resources Management 2.3.2 Waste Management		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		2.3.3 Environmental Accounting		Yes
	G4-EN31		2.3.3 Environmental Accounting		Yes
Supplier Environmental Assessment	Disclosures on Management Approach		3.1.2 Product Manufacturing Stage - 1 Conforming Quality		Yes
	G4-EN32	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	3.1.2 Product Manufacturing Stage - 1 Conforming Quality		Yes
Environmental Grievance Mechanisms	Disclosures on Management Approach		Through external Email stakeholder@asus.com		Yes
	G4-EN34	NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	NONE		Yes
Employment	Disclosures on Management Approach		4.1 Human Resources Structure and Recruitment Policy		Yes
	G4-LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	6 Other Performance Indicators		Yes
	G4-LA2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PARTTIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION	4.2 Remuneration and Benefits		Yes
	G4-LA3	RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER	6 Other Performance Indicators		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	4.4 Workplace Safety	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		4.3 Fostering Talent		Yes
	G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	6 Other Performance Indicators		Yes
	G4-LA10	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS	4.3 Fostering Talent		Yes
	G4-LA11	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	4.3 Fostering Talent	Do not disclose percentage of ASUS Cloud employees receiving career development review.	Yes

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Diversity and Equal Opportunity	Disclosures on Management Approach		4.1 Human Resources Structure and Recruitment Policy		Yes
	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	1.2.1 Board of Directors 4.1 Human Resources Structure and Recruitment Policy 6 Other Performance Indicators		Yes
Equal Remuneration for Women and Men	Disclosures on Management Approach		4.2 Remuneration and Benefits		Yes
	G4-LA13	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION	4.1 Human Resources Structure and Recruitment Policy		Yes
Supplier Assessment for Labor Practices	Disclosures on Management Approach		3.1.2 Product Manufacturing Stage - 2 Human Right for Labors		Yes
	G4-LA14	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA	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	3.1.2 Product Manufacturing Stage - 2 Human Right for Labors		Yes
Labor Practices Grievance Mechanisms	Disclosures on Management Approach		Through external Email stakeholder@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 Human Resources Structure and Recruitment Policy		Yes
	G4-HR3	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	NONE		Yes
Child Labor	Disclosures on Management Approach		4.1 Human Resources Structure and Recruitment Policy 3.1.2 Product Manufacturing Stage - 3 Child Labor		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	4.1 Human Resources Structure and Recruitment Policy 3.1.2 Product Manufacturing Stage - 3 Child Labor 6 Other Performance Indicators		Yes
Forced or Compulsory Labor	Disclosures on Management Approach		4.1 Human Resources Structure and Recruitment Policy 6 Other Performance Indicators		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	4.1 Human Resources Structure and Recruitment Policy 6 Other Performance Indicators		Yes

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Supplier Human Rights Assessment	Disclosures on Management Approach		3.1.2 Product Manufacturing Stage - 2 Human Right for Labors		Yes
	G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	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	3.1.2 Product Manufacturing Stage		Yes
Human Rights Grievance Mechanisms	Disclosures on Management Approach		Through external Email stakeholder@asus.com		Yes
	G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	NONE		Yes
Anti-corruption	Disclosures on Management Approach		1.3.2 Moral Integrity and Transparency		Yes
	G4-SO3	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED	6 Other Performance Indicators		Yes
	G4-SO4	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	1.3.2 Moral Integrity and Transparency		Yes
	G4-SO5	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	1.3.2 Moral Integrity and Transparency		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 REGULATIONS	The headquarter in Taiwan was identified non-compliance with Building Act and Labor Standards Law of Taiwan and was fined for NTD $60,000 per each case. ASUS believed that the case of the violation of The Labor Standards Law is misjudged and thus appplied for the Administrative Remedy.		Yes
Supplier Assessment for Impacts on Society	Disclosures on Management Approach		3.1.2 Product Manufacturing Stage		Yes
	G4-SO9	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY	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-SO10	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN	3.1.2 Product Manufacturing Stage		Yes

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Grievance Mechanisms for Impacts on Society	Disclosures on Management Approach		Through external Email stakeholder@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		6 Other Performance Indicators		Yes
	G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	6 Other Performance Indicators		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		6 Other Performance Indicators		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	6 Other Performance Indicators		Yes
	G4-PR3	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	3.6 Customer Satisfaction		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	6 Other Performance Indicators		Yes

Customer Privacy	Disclosures on Management Approach		3.7 Customer Privacy and Information Security		Yes
	G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	3.7 Customer Privacy and Information Security		Yes
Compliance	Disclosures on Management Approach		2.1.1 Selection of Environmental Friendly Materials		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		3.1.1 Materials Extraction		Yes
	IMPLEMENTATION OF ASUSTeK SUPPLY CHAIN CONFLICT MINERAL INVESTIGATION	RATIO OF CFSP-CERTIFIED SMELTERS IN ASUSTeK SUPPLY CHAIN	3.1.1 Materials Extraction		Yes
Community Involvements	Disclosures on Management Approach		5 Community Contributions and Involvements Preface		Yes
	ACTIVITIES	PERFORMANCE OF THE ACTIVITIES	5 Community Contributions and Involvements		Yes

9 UN Global Compact

Category	10 Principles	Section
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	4.1 Human Resources Structure and Recruitment Policy
	Make sure that they are not complicit in human rights abuses	3.1.1 Materials Extraction 4.1 Human Resources Structure and Recruitment Policy
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.5 Employee Healthcare - Five-Star Class Psychological Caring
	The elimination of all forms of forced and compulsory labour	4.1 Human Resources Structure and Recruitment Policy
	The effective abolition of child labour	4.1 Human Resources Structure and Recruitment Policy 3.1.2 Product Manufacturing Stage - 3 Child Labor
	The elimination of discrimination in respect of employment and occupation	4.1 Human Resources Structure and Recruitment Policy
Environment	Businesses should support a precautionary approach to environmental challenges	2.1.1 Selection of Environmental Friendly Materials 2.3 Environmental Footprint 2.5.2 Climate Change Management 3.1.1 Materials Extraction 3.1.2 Product Manufacturing Stage
	Undertake initiatives to promote greater environmental responsibility	2.1.1 Selection of Environmental Friendly Materials 2.5.1 Greenhouse Gases Reduction Commitment 3.1 Supply Chain Management Strategy
	Encourage the development and diffusion of environmentally friendly technologies	2.1.1 Selection of Environmental Friendly Materials
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	1.3.2 Moral Integrity and Transparency


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